

# Franklin Global Growth Fund

## Product Disclosure Statement

Issued by: Franklin Templeton Australia Limited ("Franklin Templeton Australia") ABN 76 004 835 849, AFSL No. 240 827, part of Franklin Resources, Inc operating as Franklin Templeton

Franklin Global Growth Fund ("Fund")

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### Contents

1. About Franklin Templeton Australia
2. How the Fund works
3. Benefits of investing in the Fund
4. Risks of managed investment schemes
5. How we invest your money
6. Fees and costs
7. How managed investment schemes are taxed
8. How to apply
9. Other information

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### About this Product Disclosure Statement ("PDS")

This PDS is a summary of significant information and contains a number of references to important information contained in the Franklin Templeton Funds Reference Guide ("Reference Guide") (each of which forms part of the PDS). You should consider the information in this PDS and the Reference Guide before making a decision about the Fund. You can download a copy of the PDS and the Reference Guide on our website [franklintempleton.com.au](http://franklintempleton.com.au) or request a free copy by calling us on 1800 673 776. The information provided in the PDS is general information only, is not a recommendation to invest in the Fund and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances. The offer to which this PDS relates is available only to persons receiving the PDS (electronically or otherwise) in Australia. Investments are subject to risks, some of which are outlined in this PDS. Franklin Templeton Australia ("Responsible Entity", "we", "our" or "us") does not guarantee any payment of income or repayment of capital or the performance of your investment in the Fund. It is important that you understand and accept the risks before you invest in the Fund.

The Responsible Entity is solely responsible for the management of the Fund, which includes day-to-day administration and making investment decisions.

All terms in "**bold**" are defined terms under Section 7, 'Glossary' in the Reference Guide.

### Updated information

The information in this PDS is up to date at the time of preparation. However, information relating to the Fund that is not materially adverse information is subject to change from time to time. We may update this information.

Where the change is not considered materially adverse to investors, the information may be updated on the Franklin Templeton website ([franklintempleton.com.au](http://franklintempleton.com.au)). For updated information about the Fund please contact us or consult your financial adviser.

We will provide you with a paper copy of any updated information without charge upon request. If there is a change in information which we consider is materially adverse we will generally issue a new PDS.



## 1 About Franklin Templeton Australia

Franklin Templeton Australia is the Responsible Entity for this Fund and is indirectly wholly owned by Franklin Resources, Inc. The Responsible Entity is solely responsible for the management of the Fund, which includes day-to-day administration and making investment decisions. Franklin Resources, Inc. [NYSE:BEN] is a global investment management organisation with subsidiaries operating as Franklin Templeton and serving clients in over 165 countries. Franklin Templeton's mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company brings extensive capabilities in equity, fixed income, multi-asset solutions and alternatives. With offices in more than 30 countries and approximately 1,300 investment professionals, the California-based company has over 70 years of investment experience and over AUD \$2.1 trillion in assets under management as of 30 September 2021. Through specialised teams, Franklin Templeton has deep expertise across all asset classes, including equity, fixed income, alternatives and multi-asset solutions. This includes a group of world-renowned specialist investment managers such as Brandywine Global, Franklin Templeton, Martin Currie, Royce Investment Partners and Western Asset. For more information, please visit [franklintempleton.com.au](http://franklintempleton.com.au)

### Investment manager

The Responsible Entity is also the investment manager of the Fund and has appointed a related party, Franklin Templeton Institutional, LLC ("FTI LLC"), to manage some of the investments of the Fund. FTI LLC is a registered investment adviser with the Securities and Exchange Commission in the United States. The Responsible Entity may remove an investment manager or appoint a related entity or entities as investment manager to manage some or all of the investments of the Fund and you may not be notified of this change.

## 2 How the Fund works

### About the Fund and structure

The Fund is a registered managed investment scheme that is an unlisted Australian unit trust. The Fund comprises assets which are acquired by the Responsible Entity in accordance with the investment strategy for the Fund. The Fund is governed by a "Constitution". The terms and conditions of the Constitution are binding on each Unit holder (and all persons claiming through them).

The Responsible Entity has appointed JPMorgan Chase Bank, N.A. (Sydney branch) (ABN 43 074 112 011) (JPMorgan) to provide custody and fund administration services. JPMorgan have provided their consent to be named and have not withdrawn their consent before the issue date of the PDS. JPMorgan has not been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. JPMorgan has not independently verified the information contained in this PDS and accordingly accepts no responsibility for the accuracy or completeness of the information. JPMorgan does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return. JP Morgan has no supervisory obligation to ensure that Franklin Templeton complies with its obligations as Responsible Entity of the Fund and does not make investment decisions in respect of the assets held or manage those assets. JP Morgan has no liability or responsibility to investors in the Fund. Franklin Templeton will be liable to unit holders for acts and omissions of the appointed custodian.

Link Market Services Limited has been appointed as the registrar in relation to the Fund. The JP Morgan and Link Market Services may be changed from time to time and the custodian may be changed where we are satisfied that the proposed new custodian meets applicable regulatory requirements.

A Unit holder's interest in the Fund is represented by "Units". A Unit holder has an interest in the assets of the Fund as a whole, subject to the liabilities of the Fund. A Unit holder does not have an interest in any particular asset of the Fund.

Investors can acquire interests in the Fund by applying for Units and can redeem from the Fund by making a withdrawal request in relation to the Units they hold. The price at which Units are acquired ("Application Price") or redeemed ("Withdrawal Price") is determined in accordance with the Constitution.

The Application Price and the Withdrawal Price on a "Business Day" are, in general terms, equal to the product of the Net Asset Value ("NAV") referable to Class W (Hedged) Units divided by the number of Class W (Hedged) Units on issue and:

- for the Application Price, adjusted up for transaction costs (called the "buy spread"); and
- for the Withdrawal Price, adjusted down for transaction costs (called the "sell spread").

The Application Price and the Withdrawal Price are generally determined each Business Day.

The Application Price and the Withdrawal Price will increase as the market value of the Fund's assets increases and will decrease as the market value of the Fund's assets decreases.

### How we process your money

An investor can acquire Units by making an application for Units. An application for Units is made by lodging either an "Application Form" or an "Additional Application Form" ("application forms").

Application forms need to be received by the registrar and appropriate funding provided to the Fund's nominated bank account by 12 noon on a Business Day to receive that day's Application Price. Refer to Section 8 "How to apply" for more information.

### Classes of Units

The Responsible Entity may offer or withdraw classes of Units. Currently under this PDS one class of Units is offered: "Class W (Hedged)". The Responsible Entity has the ability to issue further classes of Units under separate PDSs or other offer documents from time to time.

### Access to your money

A Unit holder can dispose of Units by making a withdrawal from the Fund. A withdrawal request can be made by lodging a "Withdrawal Form".

Withdrawal Forms need to be received by the registrar by 12 noon on a Business Day to receive that day's Redemption Price.

Redemptions are typically paid within ten Business Days although the Constitution allows us up to 21 days or longer in certain circumstances. Redemption proceeds will be paid to an investor's nominated bank account.

In some circumstances, such as a suspension of trading on a securities exchange, Unit holders may not be able to redeem their Units within the usual period upon request. If the Fund becomes illiquid, for the purposes of the "Corporations Act", then you may only redeem from the Fund in accordance with the terms of a withdrawal offer (if any) made by the Responsible Entity in accordance with the Corporations Act.

There is no obligation on the Responsible Entity to make a withdrawal offer. The Responsible Entity anticipates that the Fund will generally be liquid. We generally require a balance of \$10,000 to keep your investment open and if your balance falls below this amount, we may (after giving 30 days' notice) redeem your Units without a withdrawal request from you.

The Constitution for the Fund does provide us with the power to, where Units are redeemed during a year for which the Fund is an AMIT, allocate income as part of the Redemption Price of a Unit to a redeeming Unit holder in certain circumstances where the withdrawal constitutes a "Significant Redemption" to ensure a fair and reasonable allocation between investors.

### Minimum investment

Unless otherwise determined by us, the minimum initial investment is \$25,000. Additional investments can be made at any time. The minimum additional investment amount is \$5,000. We may accept a minimum investment amount of less than \$25,000 at our discretion. We may also accept a minimum additional investment amount of less than \$5,000 at our discretion.

### Valuation of Fund assets and unit pricing

The Fund's assets are typically valued each Business Day. Unit prices are usually calculated each Business Day. We may declare Unit prices more or less frequently or delay calculation in certain circumstances. Information on Unit prices is available at [franklintempleton.com.au](http://franklintempleton.com.au).

A formal written policy has been established by us in relation to the guidelines and any relevant factors that are taken into account when exercising any

discretion in calculating unit prices (including determining the value of assets and the amount of liabilities). A copy of our policy is available to investors on request free of charge.

### Distributions and payment methods

Distributions will generally be made half yearly at 31 December and 30 June in accordance with the Constitution. For periods other than the distribution period ending on 30 June, the Responsible Entity may in its discretion determine not to distribute any amount to Unit holders or to distribute an amount which is less than the distributable income for Class W (Hedged) Units for the distribution period. A Unit holder's entitlement to distributions of income is determined based on the number of Units held at the end of the relevant distribution period, subject to significant withdrawals (if any). Distributions will be paid within 10 Business Days of the end of the relevant distribution period. Unit holders who redeem Units during a distribution period will not receive a distribution of income in respect of those Units for that distribution period. Investors will be distributed all of the income of the Fund each year and will be assessed on their proportional share of the taxable income of the Fund, on a fair and reasonable basis, subject to significant withdrawals. The amount of distributions will vary from period to period and there may be periods in which no distribution is made.

Income attributable to each Class may be impacted by the total level of fees charged to the Fund. You may use the "Application Form" to elect a distribution preference. If you are an existing investor, you can change your distribution preference through the "Change of Details" form. Reinvested distributions will be taken to be issued on the next day after the end of the relevant distribution period. The Application Price for Units issued on the reinvestment of distributions will be based on the NAV of the Fund used to calculate the last Application Price for the relevant distribution period adjusted for certain income amounts. Distributions will be reinvested into additional Units unless otherwise directed by you. Generally there will be no buy spread incurred on distributions that are reinvested.

**Please note:** You should read the important information about 'Applications, Withdrawals and Unit Pricing' in the Franklin Templeton Reference Guide before making a decision. Go to section 'Applications, Withdrawals and Unit Pricing' of the Reference Guide located at [franklintempleton.com.au](http://franklintempleton.com.au). The information about 'Applications, Withdrawals and Unit Pricing' may change between the time when you read this PDS and the day when you acquire the product.

## 3 Benefits of investing in the Fund

### Significant benefits

The significant features and benefits of the Fund are:

- A disciplined investment process which aims to build a portfolio of approximately 35-40 stocks that we believe can provide superior returns, while remaining cognisant of the importance of selecting a diversified group of stocks to help manage risk in the portfolio;
- Reduced exposure to foreign currency fluctuations for Australian dollar investors through a currency hedging overlay;
- Exposure to a portfolio of high quality sustainable growth companies chosen on the basis of fundamental company research;
- Professionally managed fund investing in a diversified portfolio across sectors and global equity markets; and
- Access to a highly experienced and stable investment team that utilises a consistently applied investment philosophy.

## 4 Risks of managed investment schemes

You should note:

- all investments carry risk;
- different strategies may carry different levels of risk depending on the assets that make up the strategy;
- assets with the highest long-term returns may also carry the highest level of short-term risk;
- the value of investments will vary;

- the level of returns will vary and future returns may differ from past returns; and
- returns are not guaranteed and you may lose some of your money.

The laws affecting registered managed investment schemes may change in the future.

The level of risk for you will vary depending on a range of factors, including age, investment timeframes, where other parts of your wealth are invested and your risk tolerance.

The significant risks of investing in the Fund include:

**China risk** - Investments in Chinese companies may be made through a special structure known as a variable interest entity ("VIE") that is designed to provide foreign investors with exposure to Chinese companies that operate in certain sectors in which China restricts or prohibits foreign investments. Prohibitions of these structures by the Chinese government would likely cause the VIE-structured holding(s) to suffer significant, detrimental, and possibly permanent effects, and in turn, adversely affect the Fund's returns and net asset value.

**Class Hedging risk** - There is no guarantee that attempts to hedge currency risk will be successful and no hedging strategy can eliminate currency risk entirely. Class hedging will reduce the opportunity to profit from favourable currency movements and costs may be incurred in implementing the hedging overlay. Furthermore, the class may not be fully hedged where it is impracticable or too costly to hedge small currency exposures.

**Counterparty risk** - Counterparty risk is the risk to each party of a contract that the counterparty will fail to perform its contractual obligations and/or to respect its commitments under the term of such contract, whether due to insolvency, bankruptcy or other cause. When over-the-counter (OTC) or other bilateral contracts are entered into (inter alia OTC derivatives, repurchase agreements, security lending, etc.), the class may find itself exposed to risks arising from the solvency of its counterparties and from their inability to respect the conditions of these contracts.

**Currency risk** - The risk of loss arising from exchange-rate fluctuations or due to exchange control regulations. Instruments used to gain or hedge currency exposure are subject to derivatives risk. Some securities held by the Fund may be denominated in currencies different from Australian dollars. The Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between Australian dollars and other currencies, however, the currency hedging overlay will seek to minimise this risk.

**Derivatives risk** - Risks associated with using derivatives might include the value of the derivative failing to move in line with the asset underlying the derivative, the potential illiquidity of the derivative and the possibility that the counterparty to the derivative may default on their obligation to pay according to the terms of the contract for the derivative."

**Distribution risk** - The hedging strategy may impact the distributions paid by Fund. When the Australian dollar is appreciating relative to other currencies, the gains from hedging may result in additional income being distributed by the Fund and where the Australian dollar is depreciating relative to other currencies, the losses from hedging may offset other income received by the Fund and may result in lower or no income being distributed from the Fund for a distribution period.

**Emerging markets risk** - The risk related to investing in countries that have less developed political, economic, legal and regulatory systems. Investments in emerging markets may be impacted by factors such as political/economic instability, lack of liquidity or transparency or safekeeping issues.

**Fund risk** - There are risks of investing in the Fund rather than investing directly in individual securities. Risks include, but are not limited to, the risk that:

- the Fund terminates;
- the fees and expenses will typically be higher compared to investing directly in individual securities and such fees and expenses may increase and the tax outcomes may be different;
- investments and withdrawals by one or more Unit holders may have an impact on other Unit holders; or
- there is a change in the Responsible Entity or an investment manager.

**Growth style investing** - Growth stock prices reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails

to meet those projections. Prices of these companies' securities may be more volatile than other securities, particularly over the short term.

**Liquidity risk** – The risk that arises when adverse market conditions affect the ability to sell assets when necessary. Reduced liquidity may have a negative impact on the price of the assets. Liquidity risk also refers to the possibility of the Fund not being able to meet withdrawal requests due to a lack of cash or the inability of the Fund to sell assets to raise cash needed to meet the withdrawal requests.

**Market risk** – This is the risk that the performance of the global investment markets as a whole may impact the Fund's investment returns. Some of the factors that influence the market include world economic activity, global interest rates, investor sentiment and world events.

**Political and economic developments risk** – The political, economic and social structure of some foreign countries may be less stable and more volatile than those in Australia. Investments in these countries may be subject to the risks of internal and external conflicts, currency devaluations, foreign ownership limitations and tax increases.

**Security specific risk** – Individual securities such as shares are exposed to corporate influences such as changes in a company's business environment

and profitability which may cause the value of the company's securities to increase or decrease. This in turn may impact the value of the Units.

**Smaller and midsize companies risk** – Securities issued by smaller and midsize companies may be more volatile in price than those of larger companies, involve substantial risks and should be considered speculative. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, smaller and midsize companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

**An investment in the Fund is not an investment in, deposit with or any other liability of the Responsible Entity or any other entity in the Franklin Templeton Group. It is subject to risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested. The Responsible Entity and its related entities do not guarantee the performance of, or any income distribution or repayment of capital from, the Fund.**

## 5 How we invest your money

**Warning:** you should consider the likely investment return, the risk, and your investment timeframe when choosing whether to invest in the Fund.

Franklin Global Growth Fund	
<b>Investment objective</b>	The investment objective of the Fund is to outperform the MSCI World ex-Australia Index (Hedged to AUD) - NR, in Australian dollar terms after fees and expenses (but before taxes), over the medium to longer term.
<b>Minimum suggested timeframe for investment</b>	At least five years.
<b>What is the suggested investor profile?</b>	Investors who: <ul style="list-style-type: none"> <li>- have an investment time frame of at least five years;</li> <li>- wish to gain exposure to a global portfolio of equity securities;</li> <li>- wish to be protected from the risk of foreign currency movements against the Australian dollar; and</li> <li>- are comfortable with the risk level of the Fund.</li> </ul>
<b>What does the Fund invest in?</b>	The Fund invests in a diversified portfolio of equity securities listed on recognised stock markets in both developed and emerging markets around the world (other than in Australia). The Fund may also invest in derivatives to implement the currency hedging overlay strategy for Class W (Hedged) Units.  The Fund will not invest in securities issued by companies directly involved in: <ul style="list-style-type: none"> <li>• the production of “controversial weapons”;</li> <li>• the manufacture of tobacco products; and</li> <li>• mining or extraction of thermal coal, or extraction of oil from tar sands (subject to a 10% revenue threshold).</li> </ul> At the date of this PDS, the Fund does not intend to borrow to achieve the stated investment objectives.
<b>Approach to currency management</b>	To reduce the impact of foreign currency fluctuations against the Australian dollar, a currency overlay will be implemented for the Class W (Hedged) Units.
<b>Risk level</b>	The Responsible Entity considers the risk level of the Fund to be high.
<b>Fund performance</b>	Investment performance of the Fund is published on our website at franklintempleton.com.au. Past performance is not necessarily a guide to future performance.
<b>Labour, Environment, Social and Ethical considerations</b>	Environmental, social and governance (“ESG”) factors can have a material impact on the value of companies and securities. Examples of such factors include natural resource use and scarcity, hazardous waste disposal, product safety, employee health and safety practices, and shareholder rights issues. We believe that these issues should be considered alongside traditional financial measures to provide a more comprehensive view of the value, risk, and return potential of an investment. With this understanding, we are committed to the integration of ESG consideration into our investment management processes and ownership practices.
<b>Changes to Fund details</b>	The Responsible Entity is permitted to change how it invests the assets of the Fund at any time. If the Responsible Entity changes the investment objective of the Fund the Responsible Entity will advise Unit holders of the change.

### Investment options

There are no other investment options for the Fund.

### Switching

Switching is not available for the Fund.

**Please note:** You should read the important information about 'How we invest your money' in the Reference Guide before making a decision. Go to section 'How we invest your money' of the Reference Guide located at [franklintempleton.com.au](http://franklintempleton.com.au). The information about 'How we invest your money' may change between the time when you read this PDS and the day when you acquire the product.

## 6 Fees and costs

*Did you know?*

*Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.*

*For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).*

*You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.*

*You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.*

*To find out more*

*If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investment Commission (ASIC) website ([moneysmart.gov.au](http://moneysmart.gov.au))** has a managed funds fee calculator to help you check out different fee options.*

The information in the following Fees and Costs Summary can be used to compare costs between different managed investment schemes. Fees and costs can be paid directly from an investor's account or deducted from investment returns. For information on tax please see section 7 of this PDS.

### Fees and Costs Summary

Franklin Global Growth Fund		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs (1,2)</b> The fees and costs for managing your investment.	0.90% p.a. of the net asset value (NAV) of the Fund referable to Class W (Hedged) Units	The management fees component of management fees and costs is calculated in relation to the NAV of the Fund on a daily basis. The management fees are deducted from the Fund's assets and are generally paid to us monthly in arrears. Otherwise, the fees and costs are variable and reflected in the unit price of the Fund as they are incurred.
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
<b>Transaction costs (3)</b> The costs incurred by the scheme when buying or selling assets	0.10% p.a. of the NAV of the Fund referable to Class W (Hedged) Units	Transaction costs incurred by the Fund are variable and deducted from the Fund as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the buy-sell spread. Any transaction costs at an interposed vehicle level are reflected in the value of the Fund's investment in the relevant interposed vehicle and therefore reflected in the unit price.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the Fund)</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	0.15% upon entry and 0.15% upon exit.	The Buy Spread is added to the NAV and is paid into the Fund as part of an application and the Sell Spread is deducted from the NAV and is left in the Fund as part of a redemption. These figures are accurate as at the date of the PDS.
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable
(1) The fees shown above are inclusive of GST and net of RITCs.		
(2) The amount of the management fee may be negotiated. See "Differential fee arrangements".		

(3) Calculated based on relevant costs charged to the Fund for the 12 months to 30 June 2021. Past costs (inclusive of GST and net of RITC) are not a reliable indicator of future costs.

### Additional Explanation of Fees and Costs

#### Management fees and costs

The Management Fees and Costs are composed of the management fees, expenses and indirect costs in relation to the Fund. These include the management fees and Responsible Entity fees, totalling 0.90% p.a., payable to us. Ordinary expenses such as custodian fees, administration and audit fees and other ordinary expenses of operating the Fund and indirect costs (currently estimated at 0.00%) are covered by the management fee at no additional charge to you. The management fee component is calculated and accrued daily based on the NAV of the Fund. The accrued fees are paid in arrears from the Fund at the end of each month. The Management Fees and Costs reduce the Fund's NAV and are reflected in the Unit price.

#### Transaction costs

The Management Fees and Costs do not include certain transaction costs. Transaction costs are variable and deducted from the Fund as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the buy-sell spread. Transaction costs are an additional cost to the investor where they are not recovered by the buy/sell spread, and are generally incurred when the assets of the Fund are changed in connection with day-to day trading or when there are applications or withdrawals which cause net cash flow into or out of the Fund. Actual transaction costs for future years may differ. Please refer to the Reference Guide for further information. Transaction costs information may be updated on our website at franklintempleton.com.au

#### Buy/sell spread estimate

The buy/sell spread is an estimate of the transaction costs that are incurred in buying and selling the underlying assets of the Fund as a result of applications and redemptions. The Application Price is adjusted up by a buy spread and the Withdrawal Price is adjusted down by a sell spread. The dollar value of these costs based on an application or a withdrawal of \$5,000 is \$7.5 for each individual transaction. We reserve the right to amend the buy/sell spread where necessary to protect the interests of investors. We can change the buy/sell spread at any time without prior notice. Please refer to our website for the current buy/sell spreads at franklintempleton.com.au.

#### Differential fee arrangements

We may enter into individual fee arrangements with **"wholesale clients"** (as defined in the Corporations Act) in accordance with applicable ASIC class order relief.

#### Example of annual fees and costs for this investment option

This table gives an example of how the ongoing annual fees and costs in this investment option for this product can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

Franklin Global Growth Fund		Balance of \$50,000 with a contribution of \$5,000 during year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management fees and costs	0.90%	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$450 each year (1).
<b>PLUS</b> Performance fees	Nil	<b>And</b> , you will be charged or have deducted from your investment \$0 in performance fees each year.
<b>PLUS</b> Transaction costs	0.10%	<b>And</b> , you will be charged or have deducted from your investment \$50 in transaction costs.
<b>EQUALS</b> Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of \$500* (2) <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

\*Additional fees may apply.

(1) You should note that this example assumes a constant investment balance of \$50,000 in Class W (Hedged) Units throughout the year. Management Fees and Costs will also be charged in relation to any additional contributions you make during the year and the amount you pay will depend on the proportion of the year during which the additional contributions are invested.

(2) Assumes the additional \$5,000 was invested at the end of the year. If it is assumed the additional \$5,000 was invested at the beginning of the year, the Management Fees and Costs would be \$495 (\$55,000 x 0.90%). Please note this is an example only as the actual investment balance of your holding will vary on a daily basis.

**Note:** This is an example. In practice, the actual investment balance of an investor will vary daily and the actual fees and expenses we charge are based on the value of the Fund. The indirect costs and other expenses component of Management Fees and Costs and transaction costs may also be based on estimates. As a result, the total fees and costs that you are charged may differ from the figures shown in the table.

**Warning:** Additional fees may be paid to a financial adviser if an investor consulted a financial adviser. Where an investor receives financial advice, they should refer to their Statement of Advice or their adviser's Financial Services Guide for full details of these fees.

#### Change in fees

We may vary the fees specified at any time at our absolute discretion, without Unitholder consent, subject to the maximum fee amounts specified in the Constitution. If the variation is an increase we will give you 30 days' advance written notice.

At the date of this PDS we do not intend to charge a contribution fee, exit fee or performance fee nor do we intend to increase the management fee we charge you (which is specified in the Management Costs section of the Fees and Costs Summary).

We can recover out of the assets of the Fund all expenses which are properly incurred in operating the Fund including, without limitation, amounts payable in connection with custody, compliance, legal and tax consulting fees, banking, accounting and audit. However, we currently pay these costs out of our Fees.

#### Calculator

The Australian Securities and Investments Commission provides a fees calculator at [moneysmart.gov.au](http://moneysmart.gov.au). This calculator can be used to calculate the effects of fees and costs on your investment.

**Please note:** You should read the important information about 'Fees and costs' in the Reference Guide before making a decision. Go to section 'Fees and costs' of the Reference Guide located at [franklintempleton.com.au](http://franklintempleton.com.au). The information about 'Fees and costs' may change between the time when you read this PDS and the day when you acquire the product.

## 7 How managed investment schemes are taxed

**Warning:** Investing in a registered managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice.

You should note that:

- the Responsible Entity and the Fund is not expected to pay tax on behalf of Australian resident Unitholders;
- Unit holders are assessed for tax on the taxable components of the Fund that are generated by the Fund; and
- you will be provided with a statement (known as an "AMMA statement" where the Fund is an AMIT, or as a "distribution statement" where the Fund is not) that sets out the taxable components of the Fund on which you may be assessed.

In certain circumstances, we may allocate income as part of the withdrawal price for a Unit, for example, where a significant redemption is made in order to provide for a fair allocation of income between investors.

We recommend you seek advice from your financial or tax adviser.

**Please note:** You should read the important information about 'Taxation' in the Reference Guide before making a decision. Go to section 'Taxation' of the Reference Guide located at [franklintempleton.com.au](http://franklintempleton.com.au). The information about 'Taxation' may change between the time when you read this PDS and the day when you acquire the product.

## 8 How to apply

### How to invest in the Fund

To invest in the Fund, read this PDS with the "Reference Guide" and complete an application form. The Reference Guide and Application Forms are available by calling 1800 673 776. If you are not already an investor with Franklin Templeton Australia, you will be required to provide certain supporting documents detailed in Section 1 of the "Application Form".

We authorise the use of this PDS by investors ("Indirect Investors") who wish to access the Fund through an authorised master trust or wrap account, investor directed portfolio service, investor directed portfolio service-like scheme or nominee or custody service (collectively referred to as "Master Trust or Wrap Service") located in Australia. The operator of a Master Trust or Wrap Service is referred to in this PDS as the Operator and the disclosure document for a Master Trust or Wrap Service is referred to as the Master Trust or Wrap Guide. If you invest through a Master Trust or Wrap Service, your rights and liabilities will be governed by the terms and conditions of the Master Trust or Wrap Guide. Indirect Investors should apply for Units by using the Master Trust or Wrap Guide and applicable application form provided by the Operator of the Master Trust or Wrap Service.

### Complaints handling

We have established procedures for dealing with complaints.

If you have invested via a Master Trust or Wrap Service and have a concern, you should first contact the Operator of the Master Trust or Wrap Service through which you invested in the Fund. The Operator will handle your complaint in accordance with its complaint handling procedures and may, in accordance with those procedures, refer the complaint to us.

If you have an inquiry or complaint, you can either phone us on 1800 673 776 during business hours or write to:

Attention: Complaints Officer  
Franklin Templeton Australia

GPO Box 24011

Melbourne VIC 3001

Your written complaint will be acknowledged within five Business Days and we will make every effort to resolve your issues within 30 days of being notified.

If any complaint remains unresolved after 30 days or the issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides a fair and independent financial complaint resolution service that is free to consumers.

Website: [afca.org.au](http://afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Telephone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority,

GPO Box 3, Melbourne VIC 3001

### Cooling off

If you are a "Retail investor", after you invest in the Fund you have a period of 14 days from the earlier of when you receive confirmation of your investment or at the end of the fifth Business Day after the day on which your Units were issued to you (the cooling off period) during which you can cancel the investment and have the funds repaid to you. The entire value of your investment may not be repaid depending on the impact of market movements, taxes, management fees, transaction costs etc. during the time you are invested in the Fund. The cooling off right terminates immediately if you exercise certain other investor rights, such as withdrawing part of your investment. The cooling off right does not apply in certain circumstances, such as where Units are issued upon the reinvestment of distributions.

The right to cool off does not apply to you if you invest in the Fund through a Master Trust or Wrap Service as you do not acquire the rights of a Unit holder in the Fund.

If you have any questions about cooling off rights please contact your financial planner or us on 1800 673 776.

**Please note:** You should read the important information about 'How to apply, complaints handling and cooling off' in the Reference Guide before making a decision. Go to section 'How to apply, complaints handling and cooling off' of the Reference Guide located at [franklintempleton.com.au](http://franklintempleton.com.au). The information about 'How to apply, complaints handling and cooling off' may change between the time when you read this PDS and the day when you acquire the product.

## 9 Other information

### Related party transactions

Subject to the Corporations Act, we and our associates may hold Units in the Fund. We are also permitted by the Constitution (subject to the Corporations Act), to deal with ourself (as Responsible Entity of the Fund or in another capacity), an associate or any Unit holder; have an interest in any contract or transaction with ourself (as Responsible Entity of the Fund or in another capacity), an associate or any Unit holder and retain for our own benefit any profits or benefits derived from such contract or transaction and act in the same or similar capacity in relation to any other managed investment schemes.

### Investor communication

All communication will be sent via email unless you request otherwise.

We will provide you with the following reports and information about your investment in the Fund:

- Transaction confirmations and distribution statements.
- Fund annual financial report (and if applicable half yearly financial reports and continuous disclosure notices) via our website.
- Annual Periodic and tax statements as required by the Corporations Act.

#### Disclosing entity

If at any time the Fund becomes and continues to be a disclosing entity under the Corporations Act, it will be subject to regular reporting and disclosure obligations.

We comply with ASIC's Good Practice Guidance on continuous disclosure.

Please note: Go to the "Other information" section of the Reference Guide which is available at [franklintempleton.com.au](http://franklintempleton.com.au)

#### Protecting your privacy

Your right to privacy is important to us.

Our Privacy Policy contains important information in relation to our collection, storage, use and disclosure of your personal information.

As Responsible Entity, we may collect and use personal information to ensure compliance with various government and regulatory bodies where permitted or required to do so.

We may also disclose your personal information to:

- our service providers, related bodies corporate or other third parties for the purpose of account maintenance and administration and the production and mailing of statements, amongst other operational activities; and

- to improve customer service, and/or allow our associated organisations and selected third parties to promote their products and services to customers.

All personal information collected by Franklin Templeton will be collected, used, disclosed and stored by us in accordance with our Privacy Policy, a copy of which will be made available on request.

**Please note:** You should read the important information about 'Privacy, investor communications and other information' in the Reference Guide before making a decision. Go to section 'Privacy, investor communications and other information' of the Reference Guide located at [franklintempleton.com.au](http://franklintempleton.com.au). The information about 'Privacy, investor communications and other information' may change between the time when you read this PDS and the day when you acquire the product.

#### Need more information?

Please contact Franklin Templeton Australia:

**Freecall:**

1800 673 776

**Website:**

[franklintempleton.com.au](http://franklintempleton.com.au)

**Email:**

[auclientadmin@franklintempleton.com](mailto:auclientadmin@franklintempleton.com)