



**FRANKLIN
TEMPLETON**

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29 April 2022

Expanding the Investment Universe for the Martin Currie Real Income Fund

Dear Investor,

Franklin Templeton Australia Limited advises that effective 31 May 2022, there will be a change to the investment guidelines for the Martin Currie Real Income Fund (“the Fund”). We are expanding the Fund’s investment guidelines to include an allocation of up to a maximum 20% to listed securities from developed countries. Importantly, the Fund will only allocate beyond ASX-listed names when the investment manager has identified opportunities that enhance the Fund’s return or risk characteristics. The Fund’s investment objective will not change.

These changes are being implemented to help ensure that the Fund has the broadest available investment universe across real asset sub-sectors, building a diversified portfolio of high-quality securities to produce a high- and growing-income stream.

Expanding the Real Income universe brings both high quality and enhanced growth opportunities as it taps into:

- deeper access to real asset sub-sectors not available in Australia
- stocks to replace recent Australian de-listings
- attractive Australian real asset exposures available via offshore listed names

Within this broader opportunity set the Manager will consider exposure to regions and cities with attractive growth demographics, selecting the most suitable stocks to build the most efficient portfolio.

We believe these changes will not adversely change the risk profile of the Fund. Importantly, additional sub-sector, country and currency exposures are anticipated to function as a diversifier to reduce expected volatility, enhance income and valuation.

A Product Disclosure Statement (PDS) dated the 31 May 2022 will include the updated Fund Guidelines as follows:

*“The Fund predominately invests in listed real asset securities (such as REITs, utility and infrastructure securities (as defined by Martin Currie Australia) that are listed on the Australian Stock Exchange or other **“Developed markets”** exchanges, and may hold cash.*

The Fund aims to hold investments so that at the time of purchasing securities:

- *exposure to individual securities is no more than 9% of the portfolio; and*
- *approximately 35 securities are held.*

The Fund may invest up to 20% in real asset securities listed on global developed market exchanges.

While the maximum holding of cash or cash equivalents is 10%, the Fund is intended to be fully invested in securities at all times with cash being held for liquidity purposes only.

The Fund will not invest in securities issued by companies directly involved in:

- *the production of “**Controversial weapons**”;*
- *the manufacture of tobacco products;*
- *mining or extraction of thermal coal, or extraction of oil from tar sands (subject to a 20% revenue threshold).*
- *the Fund does not use derivatives.*
- *the Fund does not intend to borrow.”*

Significant Investors Visa (SIV)

It is important to note that because of these changes, the Fund will no longer be within the Complying Investment Framework as directed by Austrade. As such, from 31 May 2022 the Fund will no longer be appropriate for Significant Investment Visa (SIV) applicants. If these changes impact you, please speak with your financial adviser in the first instance as you may need to take action to ensure compliance with the SIV framework.

If you have any queries regarding the information provided, please contact our Investor Services team on 1800 673 776 or email us at auclientadmin@franklintempleton.com.

Thank you for investing with us.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Mat Sund', written over a horizontal line.

Mat Sund
Head of Fund and Investor Services

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Definitions

“Controversial weapons” includes but is not limited to cluster bombs, landmines, chemical and biological weapons and depleted uranium weapons.

“Developed markets” means a country that is most developed in terms of its economy and capital markets as defined by MSCI.