



# Franklin Templeton W Class Funds

## Reference Guide

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### Franklin Templeton Investments Australia Limited (ABN 87 006 972 247, AFS Licence number 225328)

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**This Reference Guide** is issued by Franklin Templeton Investments Australia Limited (“Responsible Entity”, “we” or “us”) and forms part of the Product Disclosure Statement (“PDS”) for the Funds listed in this Reference Guide. The information provided in the Reference Guide is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

The information in this Reference Guide is up to date at the time of preparation and may change from time to time. Where the changes are not materially adverse to investors, the information may be updated on our website [www.franklintempleton.com.au](http://www.franklintempleton.com.au). For updated information about the Funds (such as performance) or a copy of the PDS, please consult your financial planner, call our Client Services Team on 1800 673 776 or visit our website [www.franklintempleton.com.au](http://www.franklintempleton.com.au). We will provide you with a paper copy of any updated information without charge upon request.

An investment in a 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 Funds.

#### Contacting Franklin Templeton Investments Australia Limited:

If you have any questions or would like more information:

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**Telephone:** 1800 673 776

**Registered office:** Level 19, 101 Collins Street, Melbourne Victoria 3000

This Reference Guide applies to W class Units in the following Funds:	Date of PDS
1) Franklin Diversified Fixed Income Fund	ARSN 617 965 643 03 July 2017
2) Franklin Australian Absolute Return Bond Fund	ARSN 601 662 631 27 September 2017
3) Franklin Global Growth Fund	ARSN 132 597 972 27 September 2017
4) Franklin Templeton Australian Equity Fund	ARSN 152 526 175 27 September 2017
5) Franklin Templeton Global Aggregate Bond Fund	ARSN 160 124 096 27 September 2017
6) Franklin Templeton Multisector Bond Fund	ARSN 137 298 714 27 September 2017
7) Templeton Global Bond Plus Fund	ARSN 127 316 250 27 September 2017

This Reference Guide applies to Units in the following Fund:

1) Templeton Global Equity Fund	ARSN 104 669 427 27 September 2017
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(each a “Fund” and collectively, the “Funds”)

## 1. Applications, withdrawals and unit pricing

<b>Units available</b>	The Constitution of each Fund, except the Templeton Global Equity Fund, permits the Responsible Entity to establish different classes of Units in the Funds and different unit classes may have different management fees, expenses, distributions and performance. This Reference Guide is only for investments in the W class of Units and the Templeton Global Equity Fund.
<b>Application process</b>	<p>To invest in a Fund you will need to complete the Application Form which accompanies the relevant PDS. The Application Form is also available from our website <a href="http://www.franklintempleton.com.au">www.franklintempleton.com.au</a> or by contacting our Client Service team on 1800 673 776.</p> <p>If you are investing through an IDPS Service or an IDPS-like registered scheme you will need to complete the application form provided by the relevant operator.</p> <p>The information provided in the Application Form must enable the Responsible Entity to satisfy its Anti-Money Laundering / Counter-Terrorism Financing (AML/CTF) and taxpayer reporting compliance and monitoring programs prior to the Responsible Entity issuing Units. Further information about these requirements is available in the Application Form accompanying the relevant PDS.</p> <p>The Application Form, including the relevant investor identification documents, must be received by Link Market Services Limited (the “Registrar”) and cleared funds must have been received in the Fund’s nominated bank account, before 12 noon on a Business Day to be eligible to receive the Application Price applicable to that Business Day. Any applications received after 12 noon on a Business Day will receive the Application Price applicable to the following Business Day.</p> <p>For existing investors making additional applications, please arrange to transfer application moneys to the Fund’s nominated bank account and arrange to send a copy of the payment advice confirming the funds transfer along with the duly completed Additional Application Form to the Registrar. Completed Additional Application Forms and cleared funds must be received before 12 noon on a Business Day to be eligible to receive the Application Price applicable to that Business Day.</p>
<b>Withdrawal process</b>	<p>Withdrawal requests must be received by the Registrar by 12 noon on a Business Day to receive the Withdrawal Price for that Business Day. Any withdrawal requests received after 12 noon on a Business Day will receive the Withdrawal Price applicable to the following Business Day.</p> <p>A withdrawal will usually be satisfied within 10 Business Days. In some circumstances, such as suspension of trading on a global securities exchange, Unit holders may not be able to withdraw their investment in the Fund within 10 Business Days.</p> <p>If the Fund becomes illiquid, for the purposes of the Corporations Act, then a Unit holder may only withdraw 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.</p> <p>There is no obligation on the Responsible Entity to make a withdrawal offer.</p> <p>The Responsible Entity anticipates that the Funds will generally be liquid.</p>
<b>Distributions</b>	All Fund distributions will be determined by the Responsible Entity in accordance with the Constitution.

	<p>The entitlements of Unit holders to income for a distribution period are calculated on a proportional basis between the Unit classes (if there is more than one class) on issue at the end of the relevant distribution period. In accordance with the Constitution, the amounts allocated to each Unit class are then allocated to Unit holders who hold Units in each respective Unit class at the end of the relevant distribution period, subject to significant redemptions. Income entitlements of Unit holders in each Unit class for a Distribution Period will normally be distributed to Unit holders within 10 Business Days after the end of each Distribution Period.</p> <p>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 redemptions.</p> <p>The amount of distributions will vary from period to period and there may be periods in which no distribution is made.</p>
<b>Significant redemptions</b>	In some cases, the Responsible Entity may allocate income as part of the Withdrawal Price of a unit, for example, where a significant withdrawal is made, in order to ensure a fair and reasonable allocation among investors.
<b>Distribution payment methods</b>	If an Application Form does not instruct the payment of distributions into a nominated bank account, any distributions will be automatically reinvested into additional Units in the Fund. Generally, there will be no buy spread incurred on distributions which are re-invested.
<b>Transfers</b>	Unit holders may transfer Units, subject to the procedure set out in the Constitution and the Corporations Act. We may refuse to record a transfer of a Unit for any reason including if, in our opinion, it is not in the best interests of the Fund to do so.
<b>Unit pricing policy</b>	The assets and liabilities of each Fund and its net asset value is generally determined by reference to market values. We have established a formal written policy 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 will be made available to investors on request free of charge.
<b>Disclosure</b>	<p>At the date of this PDS, Units in the following Funds were enhanced disclosure securities:</p> <ul style="list-style-type: none"> <li>• W Class Units in the Franklin Templeton Multisector Bond Fund; and</li> <li>• Units in the Templeton Global Equity Fund.</li> </ul> <p>As enhanced disclosure securities:</p> <ul style="list-style-type: none"> <li>• as a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations and copies of documents lodged with ASIC in relation to the Fund can be obtained from, or inspected at, an ASIC office; and</li> <li>• you have the right to obtain a copy of the following documents: <ul style="list-style-type: none"> <li>• the annual financial report most recently lodged with ASIC by the Fund;</li> <li>• any half-year financial report lodged with ASIC by the Fund after the lodgement of that annual financial report and before the date of this PDS; and</li> <li>• any continuous disclosure notices given by the Fund after the lodgement of that annual financial report and before the date of this PDS.</li> </ul> </li> </ul> <p>If W class Units in the other Funds become enhanced disclosure securities, we will comply with our continuous disclosure obligations by lodging documents with ASIC.</p>

## 2. How we invest your money

<b>Changing the investment objective</b>	The Responsible Entity is permitted to change the investment objective of the Funds. If the Responsible Entity proposes to change the investment objective of a Fund the Responsible Entity will give at least 30 days' notice of the proposed change to Unit holders.
<b>Statement regarding labour standards and 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>Switching</b>	Switching is not available for the Funds.
<b>Related parties</b>	<p>The Responsible Entity is indirectly wholly owned by Franklin Resources, Inc., a global investment management organisation, operating as Franklin Templeton Investments. For these purposes, a related party includes certain entities and individuals that have a close relationship with the Responsible Entity, including, but not limited to other subsidiaries of Franklin Resources, Inc. and other funds operated or managed by members of the Franklin Templeton group of companies.</p> <p>The Responsible Entity may from time to time use the services of related parties (including, but not limited to, investment management and administration) and pay commercial rates for these services. The Responsible Entity may also enter into financial or other transactions with related parties in relation to the assets of a Fund and such arrangements will be based on arm's length commercial terms or as otherwise permissible under the law.</p> <p>In the course of managing a Fund the Responsible Entity may come across conflicts in relation to its duties to a Fund, related funds and its own interests. The Responsible Entity has internal policies and procedures in place to manage all conflicts of interest appropriately. These policies and procedures will be reviewed on a regular basis and may change from time to time. In addition to complying with these policies and procedures, all conflicts will be resolved in a fair and reasonable manner, in accordance with the relevant law and ASIC requirements.</p>

### 3. Fees and costs

#### Additional explanation of fees and costs

<b>Changes in fees</b>	<p>We may vary the fees specified at any time at our absolute discretion, without Unit holder 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.</p> <p>The Constitutions (except for the Constitution of the Templeton Global Equity Fund) provides for the following maximum fees:</p> <ul style="list-style-type: none"> <li>- an application fee of 6% of the application amount; and</li> <li>- a management fee of 2% per annum of the net asset value of the Fund.</li> </ul> <p>The Constitution for the Templeton Global Equity Fund provides for the following maximum fees:</p> <ul style="list-style-type: none"> <li>- an application fee of 2% of the application amount; and</li> <li>- a management fee of 0.6% per annum of the net asset value of the Fund.</li> </ul> <p>The Constitution for the Franklin Templeton Australian Equity Fund provides for a maximum performance fee of 25% of the net asset value of the Franklin Templeton Australian Equity Fund.</p> <p>We can recover out of the assets of each 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, audit and GST. Ordinary expenses such as custodian fees, administration and audit fees and other ordinary expenses of operating a Fund are covered by the management fee of the relevant Fund at no additional charge to you.</p>
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### 4. Taxation

The tax information in this Reference Guide is provided for general information only and is not intended to be an exhaustive summary of all of the taxation information that may impact your investment. The tax information in this Reference Guide relates to Australian tax residents who hold their units on capital account for income tax purposes and who are not exempt and does not consider any non-Australian tax impacts. The Responsible Entity does not provide tax advice and strongly recommends that investors seek professional tax advice regarding the tax implications of investing in the Fund.

#### Attribution Managed Investment Trusts (AMIT)

The Australian Government has enacted legislation to implement a new regime for the taxation of managed investment trusts, referred to as the Attribution Managed Investment Trust (AMIT) rules. Subject to eligibility, the Responsible Entity may elect for the Fund to be classified as an AMIT and be subject to the AMIT rules and may elect for each Class (if there is more than one Class on issue) within the Fund to be treated as a separate AMIT.

Where the Fund is eligible to be classified as an AMIT, the following applies:

- Unit holders are taxed on the taxable income that is attributed to them by the Responsible Entity. Income is determined based on the “trust components” that have an assessable income character and any additional amounts the Responsible Entity considers appropriate. The Constitution of each Fund sets out the basis for this attribution in accordance with the AMIT rules.
- All taxable income is required to be attributed to investors each financial year, without requiring a distribution of that taxable income.
- After the end of the year, you will be provided with an AMIT Member Annual Statement (“AMMA Statement”), which will set out the amount and components of the taxable income of the Fund which you will be assessed on.
- All taxable income is required to be attributed to investors each financial year without requiring a distribution of that taxable income. Therefore it is possible for investors to be attributed taxable income without receiving equivalent cash distributions. In this case, investors may be entitled to an increase in the cost base of their Units.

### **Income attributions on significant redemptions**

While the Fund is operated as an AMIT, the Responsible Entity will determine the capital and income allocations attributed on a “significant redemption” of units on a fair and reasonable basis in accordance with the Constitution and the AMIT rules to allow for a fair allocation of income between redeeming and remaining unitholders. Following the end of the relevant financial year, the Responsible Entity will notify you if the withdrawal amount you receive includes an entitlement to the income of the Fund, including details of the tax components. Any income included in your withdrawal amount may affect the gain realized on disposal of your units. You should seek professional tax advice about the capital gains tax treatment of the disposal of your units in the Fund.

### **If the Fund is not an AMIT**

Where the Fund is not eligible to be classified as an AMIT, 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.

### **FATCA and CRS**

We are required to collect information about your tax status in order to comply with Australian laws to implement Australia’s obligations under FATCA and CRS, which are regimes for the exchange of financial account information by Australia with foreign jurisdictions.

The Foreign Account Tax Compliance Act (“FATCA”) relates to US taxpayers and the Common Reporting Standard (“CRS”) is a broader framework for the exchange of financial account information between jurisdictions relating to all non-Australian taxpayers.

To comply with FATCA and CRS, as a financial institution, we must collect information about your tax status before opening your account and we are required to identify foreign accounts and provide information relating to foreign accounts and foreign controlling persons to the Australian Taxation Office. The Australian Taxation Office may then pass this information to other revenue authorities under exchange of information agreements that Australia has entered into with other jurisdictions. We cannot provide tax advice about the impact or compliance obligations of FATCA and CRS on you or your business activities.

If you do not provide this information, we will not be able to process your application. We encourage you to seek advice from a tax adviser if you are uncertain about what steps you need to take.

## **5. How to apply, complaints handling, privacy, cooling off and investor communications**

### **How to invest in a Fund**

To invest in a Fund, read the PDS for the Fund and this Reference Guide, complete the Application Form which accompanies the PDS and provide any information requested in order to satisfy the Responsible Entity’s AML/CTF obligations. The Application Form is also available from [www.franklintempleton.com.au](http://www.franklintempleton.com.au) or by calling 1800 673 776.

The Responsible Entity authorises the use of the 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 known as “IDPS Service”) located in Australia.

The operator of an IDPS Service is referred to in the PDS as the “IDPS Operator” and the disclosure document for an IDPS Service is referred to as the IDPS Guide. If you invest through an IDPS Service, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Indirect Investors should apply for units by using the IDPS Guide provided by the IDPS Operator of the IDPS Service.

## Complaints handling

We have established procedures for dealing with complaints.

If you are a Unit holder in the Fund and you have a complaint, you should contact our Client Services team on 1800 673 776. Your complaint will generally be acknowledged in writing and will be handled in accordance with our complaints handling procedures. We will seek to investigate and report to you on your complaint within 14 days of being notified of your complaint.

From 1 January 2018, the Responsible Entity's complaint and dispute resolution process as set out in this PDS will apply to both direct investors and Indirect Investors. However, if you have invested via an IDPS Service and raise any concern with the IDPS Operator of the IDPS Service through which you invested in the Fund (i.e. rather than through the Responsible Entity), the IDPS Operator will handle your complaint in accordance with its complaint handling procedures and may, in accordance with those procedures, refer the complaint to us. IDPS Operators should write to our Compliance Officer at Level 19, 101 Collins Street, Melbourne, Victoria, 3000 or call (03) 9603 1200. If we receive a complaint from an IDPS Operator on your behalf, we will acknowledge the IDPS Operator's concern, investigate it and report back to the IDPS Operator.

If any issues remain unresolved, Unit holders can contact the Financial Ombudsman Service Limited on 1800 367 287 or at the address below:

Financial Ombudsman Service Limited  
GPO Box 3  
Melbourne VIC 3001

Please note that the Financial Ombudsman Service may not deal with a complaint by a person who is not a retail client (as defined in the Corporations Act).

## Cooling off

Under the Corporations Act, retail clients (as defined in the Corporations Act) have a cooling off right which allows them to change their mind about their investment in the Fund and ask for their money to be repaid. This may result in you receiving back less than you originally invested. You may have capital gain/loss tax implications if you happen to receive more or less back than you originally invested.

The cooling off right must be exercised within 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 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.

To exercise the cooling off right, we must be notified in writing before the expiry of the 14-day cooling off period. The repayment of your investment under the cooling off right is subject to an adjustment for market movements (both positive and negative) during the period the investment has been held. We may also deduct a reasonable charge for our administration costs and amounts in respect of tax.

The right to cool off does not apply to you if you invest in the Fund through an IDPS Service as you do not acquire the rights of a Unit holder in the Fund or if you are a wholesale client (as defined in the Corporations Act).

If you have any questions about cooling off rights contact your financial planner or our Client Services Team on 1800 673 776.

## Privacy Policy

Personal information that Franklin Templeton Investments Australia Limited collects from you and holds about you will be handled in accordance with the company's Privacy Policy which is available at [www.franklintempleton.com.au](http://www.franklintempleton.com.au), by calling us on 1800 673 776 or by emailing us at [ftclientservices@franklintempleton.com](mailto:ftclientservices@franklintempleton.com)

## Investor Communications

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

Where a Fund is a disclosing entity:

- the Fund will be subject to regular reporting and disclosure obligations; and
- we will meet our continuous disclosure obligations by making information available on the Franklin Templeton website at [www.franklintempleton.com.au](http://www.franklintempleton.com.au) as part of the Fund's compliance with ASIC's best practice disclosure recommendations for continuous disclosure; and
- you will have the right to obtain a copy of the following documents at no charge from us:
  - the annual financial report most recently lodged with ASIC by the Fund;
  - any half-year financial report lodged with ASIC by the Fund after the lodgement of that annual financial report and before the date of the relevant PDS; and
  - any continuous disclosure notices given by the Fund after the lodgement of that annual financial report and before the date of the relevant PDS.

## U.S. Persons

U.S. Persons are not eligible to invest in the Funds. In the absence of written notice to a Fund to the contrary, if a potential investor provides a non-U.S. address on the Application Form for investment in any Fund, this will be deemed, in addition to any other representation, warranty or declaration, the potential investor may give including in the Application Form, to be a representation and warranty from such investor that he/she/it is not a U.S. Person and that such investor will continue to be a non-U.S. Person for so long as such investor holds any Units in a Fund.

The term "U.S. Person" shall mean any person that is a United States person within the meaning of Regulation S under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission for this purpose, as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

## 6. Glossary

In this document:

**"Application Price"** means the price at which Units are issued. The method for determining the Application Price is described in the "Application Price" section of the relevant PDS.

**"Business Day"** means a day, other than a Saturday or a Sunday on which banks are open for general banking business in Melbourne.

**"Constitution"** means the Constitution under which the relevant Fund was established, as amended from time to time.

**"Corporations Act"** means the Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth) as amended.

**"Derivative"** means a financial instrument the value of which is determined by reference to the value of an underlying asset.

**"IDPS Service"** means an authorised master trust or wrap account, investor directed portfolio service, investor directed portfolio service-like scheme or nominee or custody service.

**"Income"** of the Fund is determined under the Constitution, and broadly includes the aggregate of the "tax components" of the Fund that have an assessable income character for taxation purposes, and any additional amount which the Responsible Entity may decide is appropriate for distribution in the Distribution Period.

**"Net Asset Value or NAV"** means the aggregate of the value of the assets of the Fund determined in accordance with the Constitution, less all liabilities of the Fund.

**"Personal Information"** has the meaning given in the Privacy Act 1988 (Cth), as amended.

**"RITC"** means reduced input tax credit.

**"Units"** mean units in the Fund.

**"Unit holder"** means the person registered as a holder of Units.

**"Withdrawal Price"** means the price at which Units are redeemed. The method for determining the Redemption Price is described in the "Withdrawal Price" section of the relevant PDS.

**"Wholesale Client"** has the meaning given in the Corporations Act.

All references to monetary amounts are to Australian Dollars (AUD).