

MANAGER PROFILE

FRANKLIN TEMPLETON

Background

- > Franklin Templeton Investments is a global investment manager. At the core of its business are three investment management groups – Franklin, Templeton and Mutual Series – each operating independently and offering a distinct perspective to financial advisors and their clients.
- > This multiple-manager structure allows each investment group to offer specialised expertise across key asset classes and investment styles, supported by a single global platform. Together, the groups offer investors the opportunity for true diversification.
- > While each investment group adheres to its own time-tested investment philosophy, a common thread is a commitment to staying true to time-tested disciplines, regardless of short-term market cycles.
- > Originally founded in 1947 by Wall Street broker Rupert Johnson, Franklin offered a series of conservatively managed equity and bonds funds. In 1971 the company went public. In 1973 Franklin purchased Winfield and Company, a San Mateo, California-based, investment firm, and subsequently moved its offices to San Mateo.
- > In 1992, Franklin purchased Templeton, Galbraith and Hansberger Ltd and took over the management of the Templeton share funds. In 1996, Franklin purchased Heine Securities Corporation, the investment advisor to Mutual Series Fund Inc. Several more key acquisitions strengthened the company's position, including Bissett in 2000, Fiduciary Trust in 2001 and Darby in 2003.

Background (continued)

- > Today, Franklin Templeton has assets under management of US\$716.4 billion¹ and has offices in 30 countries.

Investment process

- > Franklin Templeton Fixed Income Group employs a disciplined top-down approach to the active management of global fixed income portfolios. The portfolios are actively managed rather than tracking the benchmark. The portfolio manager systematically anticipates changes in interest rates in developed bond markets and credit yield spreads of emerging market bonds, and adjusts country weightings and portfolio duration accordingly, also taking currency considerations into the decision making process. Franklin Templeton's analyst team is divided into geographic regions and research is done on government debt in those regions. No country is excluded from initial research. This allows the analysts to research countries previously rejected for either risk or relative return reasons. The team also draws heavily on IMF, UN governance reports and current account data. If this data signals a change in fundamentals, additional research will be undertaken.

Global Bond Plus Fund

- > The Templeton Global Bond Plus Fund (the Fund) invests in sovereign bonds and currency. The Fund's total net assets is A\$272 million² (approximately US\$100 billion in total is managed by the team to the same global bond mandate).

^{1,2} As at 31 August 2011 (this information is updated quarterly whenever information is available, otherwise the most recent information is used).