

19 March 2020

Important Notice for Unitholders

Changes to Sell Spreads for Franklin Australian Absolute Return Bond Fund and Franklin Australian Core Plus Bond Fund

Uncertainty regarding COVID-19 has resulted in volatility in global and Australian fixed income markets and increased trading costs. These increased trading costs are incurred in the day-to-day trading and whenever there are Applications or Withdrawals from the Franklin Australian fixed income funds listed below (**Funds**).

As a result of these increased costs, Franklin Templeton Investments Australia Limited, as Responsible Entity of the Funds, has determined that it is in the best interests of investors in the Funds to introduce a sell spread to be applied to Withdrawals from the Funds. The sell spreads reflect our estimate of the transaction costs that are incurred in selling the underlying assets of the Funds as a result of Withdrawals. These spreads have been introduced to protect investors from the costs generated by other investors selling assets during these periods of heightened volatility.

This notice sets out the new sell spreads that will apply from the closing unit prices on 19 March 2020.

Franklin Templeton will continue to review the buy and sell spreads and will notify investors of any further changes on our website www.franklintempleton.com.au.

The new sell spreads in the table below apply from 19 March 2020:

Fund	Old		New	
	Buy	Sell	Buy	Sell
Franklin Australian Absolute Return Bond Fund (ARSN 601 662 631) (ARSN 617 966 042) (FRT0027AU [W Class] & FRT0028AU [I Class])	0.0%	0.0%	0.0%	1.75%
Franklin Australian Core Plus Bond Fund (ARSN 617 966 042) (FRT6143AU [W Class] & FRT6435AU [I Class])	0.0%	0.0%	0.0%	0.85%

If you have any questions, please contact your financial adviser or contact us on 1800 673 776.

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