

## Fund Details

|                             |   |
|-----------------------------|---|
| Fund Assets.....            | 523,949,466.83                                  |
| Fund Inception Date.....    | July 11, 2017                                   |
| Number of Investments.....  | 14  |
| Base Currency.....          | CAD   |
| Benchmark Name.....         | Custom Canadian Total Consumer Price + 4% Index |
| Distribution Frequency..... | Annually  |

## Lead Portfolio Manager

### Raymond J. Jacobs

Managing Director  
Franklin Real Asset Advisors, part of Franklin Templeton Institutional LLC ("FTI LLC")

Industry Experience: 31 years

Location: New York, NY

## Investment Team

|                     | Number of Members | Avg. Years of Experience |
|---------------------|-------------------|--------------------------|
| Private Real Estate | 19                | 12                       |

## Franklin Real Asset Advisors

- Franklin Real Asset Advisors ("FRAA"), the global real assets arm at Franklin Templeton Institutional LLC, is an experienced multinational team investing in global real assets since 1984.
- FRAA's time-tested investment process is characterized by strong research and selection capabilities that include top-down analysis, bottom-up due diligence and risk mitigation.
- FRAA's investment teams are located in seven offices, providing local coverage of the three primary investment regions of the Americas, Europe and Asia.

## Fund Overview

### Investment Objective

- Franklin Global Real Assets Fund (the "Fund") seeks a total return comprised of current income and long-term capital appreciation by investing primarily in a portfolio of investment funds and other issuers that invest in various real asset sectors of the global economy.

### Investment Strategy

- The Fund aims to provide investors with a globally diversified portfolio of private and public real asset investments, including affiliated funds, targeting a stable, income-focused return which has historically had low correlation to traditional asset classes. The Fund's benchmark is the Canadian Total Core Price Index calculated on a 5-year rolling average basis, plus 400bps per annum.
- Real asset exposures will primarily be sought through real estate and infrastructure and over time the Fund may also invest in issuers of other real assets, including agriculture, timber and water in pursuit of its investment objectives.
- Daily liquidity will be provided to investors subject to an initial 6-month hold period following the first issuance of units and quarterly redemption-period liquidity tests as set out in the Fund's Offering Memorandum. The Fund will seek to maintain up to a 30% allocation to daily-traded securities and cash in order to facilitate purchases and redemptions, with the remaining 70% allocated to private investments.

## Why Real Assets?

- Real assets offer relatively low correlation to traditional asset classes, a historically predictable income stream from long-term leases and inflation-hedging characteristics.

## Key Features

- Access to a global portfolio of investments diversified across multiple levels—public and private structure, asset class, sector, geography and revenue sources.
- Real assets have a history of strong risk-adjusted returns with low correlation to traditional asset classes.
- Focus on core, income-producing real asset investments with the potential for growth.
- Potential for attractive income distribution with long-term income and capital growth.
- Access to private real asset investments with some daily liquidity.
- Global diversification backed by the strength and stability of Franklin Templeton.

## Performance Data<sup>1</sup>

### Annualized Total Returns (CAD%)

As of September 30, 2021

|  | 3 Mths <sup>2</sup> | 6 Mths <sup>2</sup> | 1 Year       | 3 Years     | Since Inception <sup>3</sup> |
|--|---------------------|---------------------|--------------|-------------|------------------------------|
| <b>Franklin Global Real Assets Fund – Series O</b> | <b>-0.58</b>        | <b>0.45</b>         | <b>10.24</b> | <b>4.44</b> | <b>5.09</b>                  |
| Custom Canadian Total Consumer Price + 4% Index    | -1.96               | -2.32               | 4.29         | -1.40       | -0.70                        |

1. Returns are presented in Canadian dollars net of operating expenses but gross of management fees and the calculation assumes reinvestment of any dividends, interest income, capital gains, or other earnings. Custom Canadian Total Consumer Price + 4% Index: 5-year rolling average Canadian Total Consumer Price Index (CTCPI), plus 400 basis points per annum. The CTCPI is a measure of inflation. In the absence of a global real asset benchmark, the custom benchmark is employed because real assets are widely regarded as providing real returns.

2. Cumulative.

3. Fund inception date is July 11, 2017.

## Attributes of Real Assets:



### Additional portfolio diversification:

Real assets have historically **low correlations** to traditional asset classes:

#### Real Asset Correlation to other Asset Classes<sup>4</sup>

10-Years to December 31, 2020, in CAD

Low positive  
correlation (<0.4)

Negative  
correlation (<0.0)

| Asset Class                  | Global Listed Real Estate | US Private Real Estate | Euro Private Real Estate | Asia Private Real Estate | Global Listed Infrastructure | Index name                             |
|------------------------------|---------------------------|------------------------|--------------------------|--------------------------|------------------------------|--|
| Global Listed Real Estate    | 1.00                      |                        |                          |                          |                              | FTSE EPRA Nareit Real Estate Developed |
| U.S. Private Real Estate     | -0.10                     | 1.00                   |                          |                          |                              | INREV GREFI US Open End                |
| Euro Private Real Estate     | -0.26                     | 0.49                   | 1.00                     |                          |                              | INREV GREFI Europe Open-end            |
| Asia Private Real Estate     | 0.39                      | 0.15                   | 0.20                     | 1.00                     |                              | INREV GREFI Asia Pacific Open-end      |
| Global Listed Infrastructure | 0.84                      | -0.33                  | -0.27                    | 0.37                     | 1.00                         | S&P Global Infrastructure - GRTR Index |
| Canadian Equity              | 0.58                      | -0.66                  | -0.48                    | 0.08                     | 0.78                         | S&P/TSX Composite TR                   |
| Canadian Bond                | 0.24                      | 0.07                   | -0.23                    | 0.25                     | 0.25                         | FTSE Canada Universe Bond              |
| US Equity                    | 0.69                      | -0.19                  | -0.24                    | 0.18                     | 0.68                         | S&P 500 TR                             |
| US Bond                      | -0.13                     | 0.88                   | 0.36                     | 0.13                     | -0.34                        | BBgBarc US Agg Bond TR                 |
| Global Equity                | 0.71                      | -0.31                  | -0.16                    | 0.29                     | 0.76                         | MSCI ACWI NR CAD                       |
| Global Bond                  | -0.11                     | 0.76                   | 0.53                     | 0.29                     | -0.25                        | BBgBarc Multiverse TR                  |

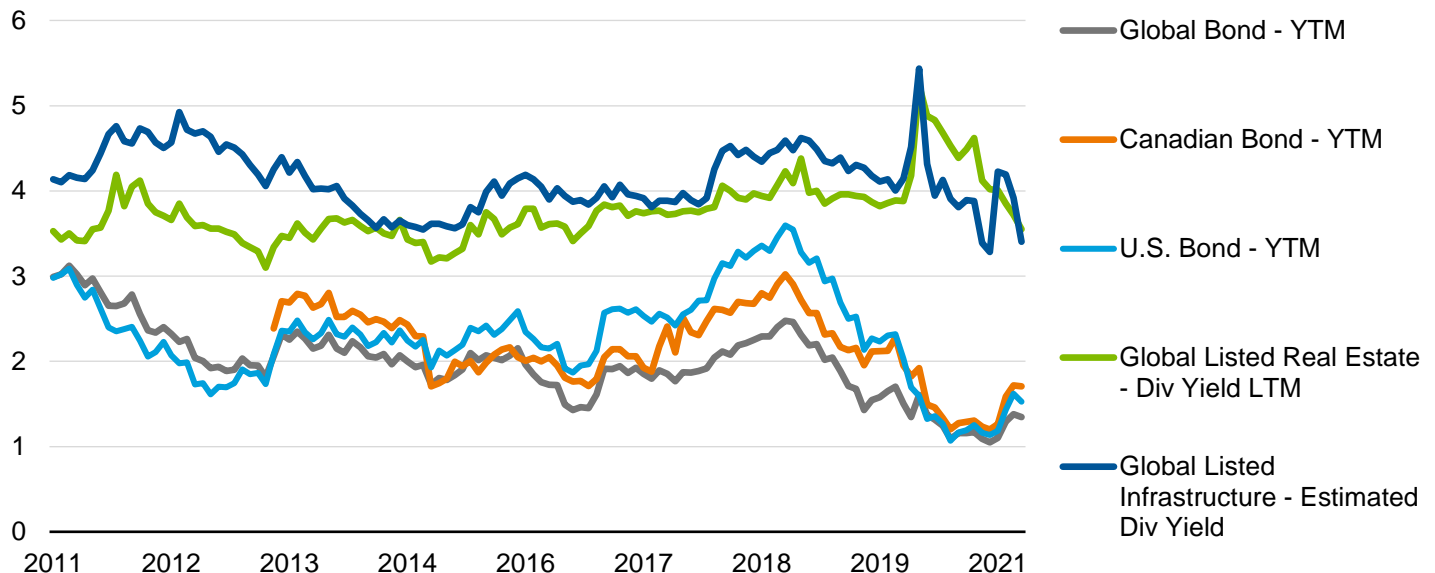


### Better income generation:

Historically **steady income streams** from long-term leases and contracts of underlying assets

#### Real Estate and Infrastructure vs Bond Yields (%)<sup>4</sup>

As of April 30, 2021



4. Source: Franklin Templeton and Morningstar. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information. For illustrative and discussion purposes only.

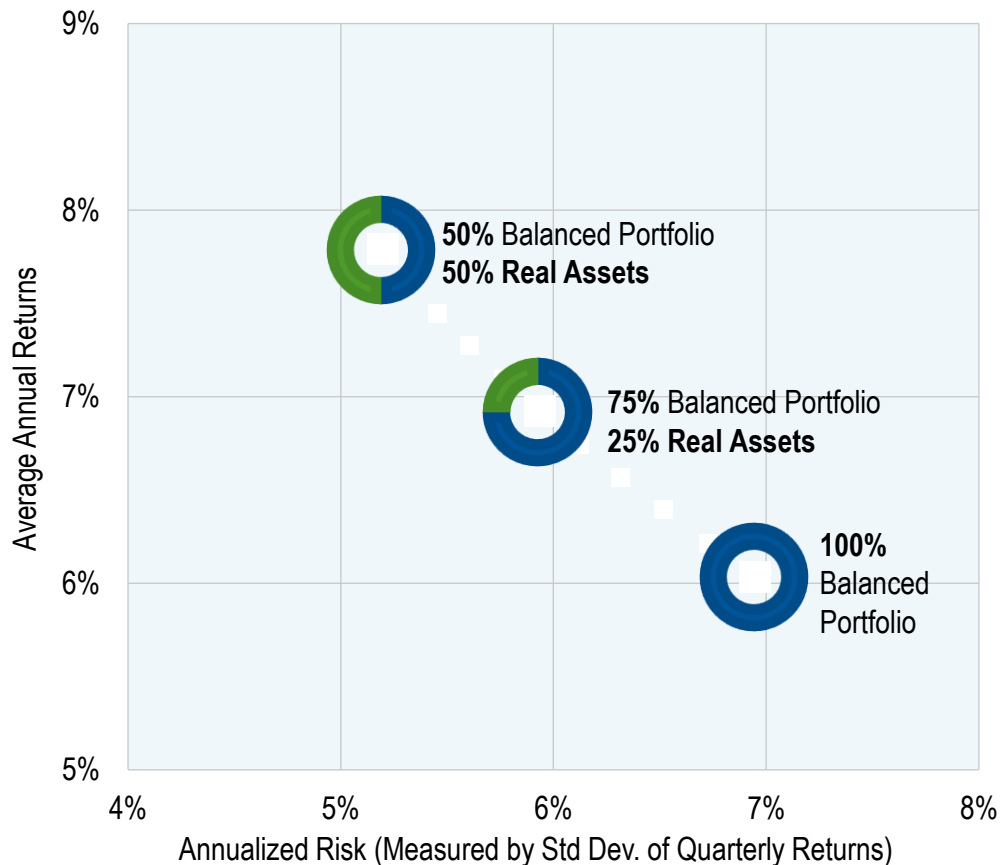


**Reduced portfolio volatility:**

Real assets can help **reduce overall portfolio volatility**<sup>5</sup>

**Real Assets May Enhance a Balanced Portfolio of Equity and Fixed Income Investments**

For the 10-Year Period Ended December 31, 2020



**Calculation methodology:**

**Balanced Portfolio** risk and return characteristics are approximated using Morningstar Canada: Global Neutral Balanced Category averages.

In the absence of an appropriate global real asset benchmark, **Real Assets** risk and return characteristics are approximated by the following blend of indices:

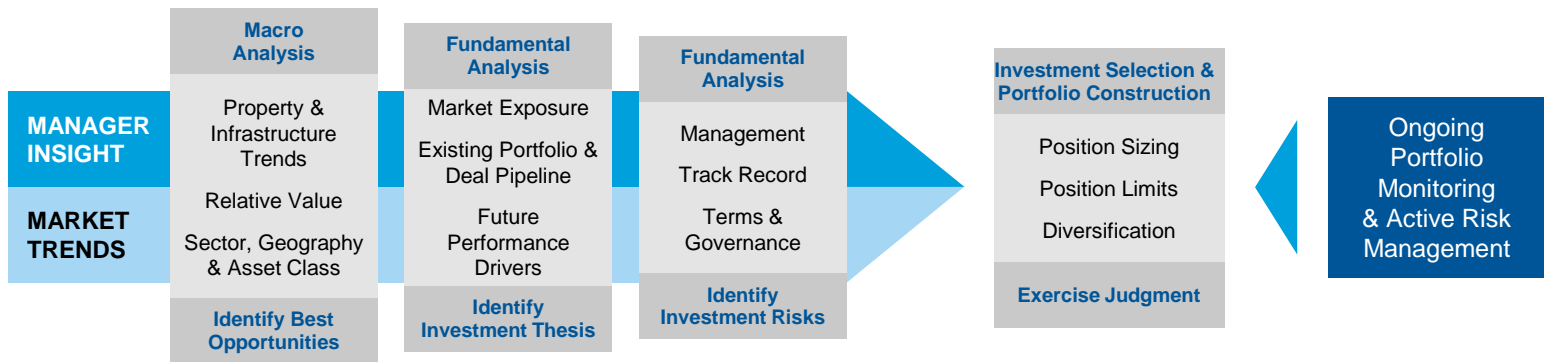
|  |       |
|--|-------|
| INREV GREFI Asia Pacific Open-end      | 20.0% |
| INREV GREFI Europe Open-end            | 20.0% |
| INREV GREFI US Open End                | 20.0% |
| FTSE Epra/ Nareit Developed Index      | 17.5% |
| S&P Global Infrastructure - GRTR Index | 17.5% |
| FTSE Canada 91 Day TBill Index         | 5.0%  |

All calculations are based on quarterly returns in Canadian dollars and assume distributions are reinvested. Rebalanced quarterly.

5. Source: Franklin Templeton and Morningstar. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information. For illustrative and discussion purposes only.

## Investment Process

Our process is driven by the insights of Franklin Templeton's Real Assets team



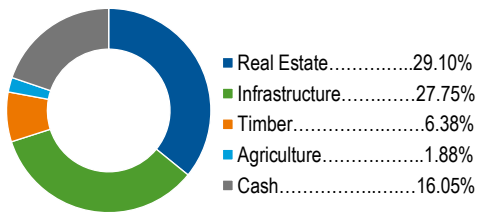
The above chart is for illustrative and discussion purposes only.

## Current Portfolio Allocation<sup>6</sup>

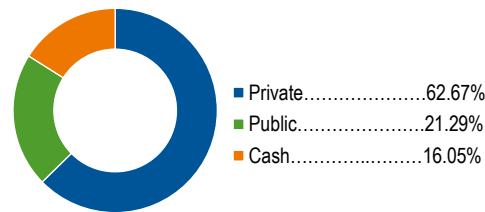
As of September 30, 2021

In its first few years after launch, the Fund aims to invest in a basket of public and private real estate and infrastructure funds, according to these general allocation guidelines:

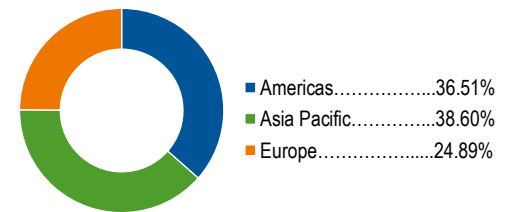
### Asset Allocation (%)



### Ownership (%)



### Geographic Weightings (%)



| Investment Name                                       | Investment Type | Asset Class    | Geography | Investment Date | Allocation (%) |
|---|-----------------|----------------|-----------|-----------------|----------------|
| Morgan Stanley Prime Property Fund                    | Private         | Real Estate    | U.S.      | 2017            | 5.15           |
| Encore Plus   | Private         | Real Estate    | Europe    | 2017            | 5.20           |
| M&G Asia Property Fund                                | Private         | Real Estate    | Asia      | 2017            | 8.13           |
| Lothbury Property Trust                               | Private         | Real Estate    | Europe    | 2018            | 3.35           |
| Prologis European Logistics Fund                      | Private         | Real Estate    | Europe    | 2018            | 1.05           |
| Franklin Templeton Social Infrastructure Fund         | Private         | Real Estate    | Europe    | 2018            | 6.02           |
| Berkshire Multifamily Income Realty Fund              | Private         | Real Estate    | U.S.      | 2018            | 3.81           |
| Brookfield Premier Real Estate Partners Australia     | Private         | Real Estate    | Asia      | 2021            | 4.62           |
| Utilities Trust of Australia                          | Private         | Infrastructure | Global    | 2017            | 5.47           |
| AMP Capital Diversified Infrastructure Trust          | Private         | Infrastructure | Asia      | 2018            | 11.62          |
| BTG Pactual Open Ended Core US Timberland Fund        | Private         | Timber         | U.S.      | 2018            | 6.38           |
| UBS Agrivest Farmland Fund                            | Private         | Farmland       | U.S.      | 2020            | 1.88           |
| Blackrock CDN Global Developed Real Estate Index Fund | Listed          | Real Estate    | Global    | 2017            | 10.62          |
| BlackRock CDN Global Infrastructure Equity Index      | Listed          | Infrastructure | Global    | 2020            | 10.67          |
| Cash  | Cash            |                |           |                 | 16.05          |
| <b>Total</b>  |                 |                |           |                 | <b>100.00</b>  |

## Long-Term Target Allocation

As its assets under management grow, the Fund plans to add timber, agriculture and less liquid private real assets funds to its portfolio, within the following asset class allocation ranges:

| Private Real Assets    | 50–100% | Public Real Assets           | 0–50% | Cash | 0–10% |
|------------------------|---------|------------------------------|-------|------|-------|
| Private Real Estate    | 25–75%  | Global Listed REITs          | 0–40% |      |       |
| Private Infrastructure | 25–75%  | Global Listed Infrastructure | 0–40% |      |       |
| Timber                 | 0–5%    |                              |       |      |       |
| Agriculture            | 0–5%    |                              |       |      |       |
| Less Liquid Assets     | 0–10%   |                              |       |      |       |

## Summary of Key Terms

### Franklin Global Real Assets Fund

|   |  |
|---|--|
| <b>Structure</b>  | Unitized trust formed under the laws of Ontario  |
| <b>Minimum Commitment</b>                                     | CDN\$1,000,000   |
| <b>Investment Objective</b>                                   | Total return comprised of both current income and long-term capital appreciation by investing primarily in a portfolio of investment funds and other issuers that invest in various real asset sectors of the global economy |
| <b>Target Investments</b>                                     | Private and public real estate and infrastructure and, over time, agriculture, timber and water investments  |
| <b>Diversification</b>  | By asset class, sector, geography, and revenue sources   |
| <b>Benchmark</b>  | Canadian Total Consumer Price Index (5-year rolling average), plus 400bps per annum  |
| <b>Portfolio Sub-Advisor</b>                                  | Franklin Templeton Institutional, LLC  |
| <b>Trustee, Manager and Distributor</b>                       | Franklin Templeton Canada  |
| <b>Management Fee Structure</b><br>(As of September 30, 2021) | First CDN\$50m 70bps; next CDN\$50m 65bps; over CDN\$100m 55bps  |
| <b>Underlying Manager Fees</b>                                | The fees for the underlying managers will typically range from 0% to 1.00%. These fees are deducted from the fund's net asset value (NAV) by the underlying managers, resulting in a 'net of fee' fund price.                |

## Important Legal Information

6. Allocations are subject to change from time to time at the discretion of the Manager. The allocations shown on this page may differ, potentially significantly, in the Fund's actual portfolio at any time due to a variety of reasons including, but not limited to, method for determining asset allocation, portfolio size and inception date, investment guidelines and objectives, market conditions and purchases and redemptions in the Fund, all of which would affect performance. For the first year until such time as the Fund is able to fully allocate its portfolio to underlying investments, the Fund will not be allocated according to these allocation ranges.

This document does not constitute an offering of any security, product, service or fund, including interests in Franklin Global Real Assets Fund (the "Fund") which can only be made to qualified investors by the Fund's Offering Memorandum (the "Memorandum"), nor does it constitute any type of investment advice. This document is for informational purposes only and may not be relied upon by you in evaluating the merits of investing in the Fund. It is qualified in its entirety by the Memorandum and no offering of interests in the Fund may be made by any literature, advertising, or document in whatever form other than the Memorandum, which supersedes and may qualify, and differ from, the information and opinions contained herein. The Memorandum contains important information regarding the Fund's investment objectives, risks, fees, liquidity, and other matters of interest. There are no assurances that the stated investment objectives of the Fund will be met.

Units of the Fund are only sold to purchasers that qualify as "accredited investors" in reliance on prospectus exemptions in each of the provinces and territories of Canada. All investments are subject to certain risks. Generally, investments offering the potential for higher returns are accompanied by a higher degree of risk. The risks associated with a private equity real asset strategy include, but are not limited to various risks inherent in the ownership of real assets, such as fluctuations in lease occupancy rates and operating expenses, variations in rental schedules, which in turn may be adversely affected by general and local economic conditions, the supply and demand for real estate properties, zoning laws, rent control laws, real property taxes, the availability and costs of financing, environmental laws, and uninsured losses (generally from catastrophic events such as earthquakes, floods and wars). In addition, bond prices are affected by interest rate changes. High-yield, lower-rated (junk) bonds generally have greater price swings and higher default risks. Foreign investing, especially in developing countries, has additional risks such as currency and market volatility and political or social instability. An investment in the Fund involves a high degree of risk, may be considered speculative and is suitable only for investors who can afford to risk the loss of all or substantially all of such investment. The Fund will hold illiquid investments and the Fund's performance may be volatile.

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Past performance is not an indicator or a guarantee of future performance.

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