



FRANKLIN
TEMPLETON

FRANKLIN CLEARBRIDGE SUSTAINABLE GLOBAL
INFRASTRUCTURE INCOME FUND and ETF

STABLE INCOME FROM SUSTAINABLE INFRASTRUCTURE

Why Infrastructure? Why Now?

Investors' desire for a stable income stream is as strong as ever, but inflation expectations and volatility in bond markets have created a challenging investment landscape. As an alternative to traditional fixed income, publicly listed infrastructure can be both a source of income and a useful diversifier for your portfolio.

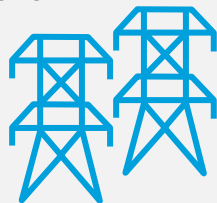
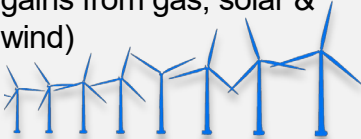
Infrastructure spending in both emerging and developed markets will be crucial to the global recovery as we emerge from the pandemic, and as developed markets focus on maintenance, upgrades and sustainability, emerging markets will be driven by population growth and urbanization.

As such, infrastructure assets are expected to grow **from US\$49 trillion in 2014 to US\$110 trillion in 2030**⁴, and growth of that scale is sure to provide a host of opportunities for investors in the years ahead.

ESTIMATED GLOBAL INFRASTRUCTURE SPENDING

US\$ 20 trillion investment in electricity
supply/efficiency¹ 2018-2040:

US\$ 8.4 trillion¹
in regulated/contracted
generation (with largest
gains from gas, solar &
wind)



US\$ 8.6 trillion¹
in networks/
storage



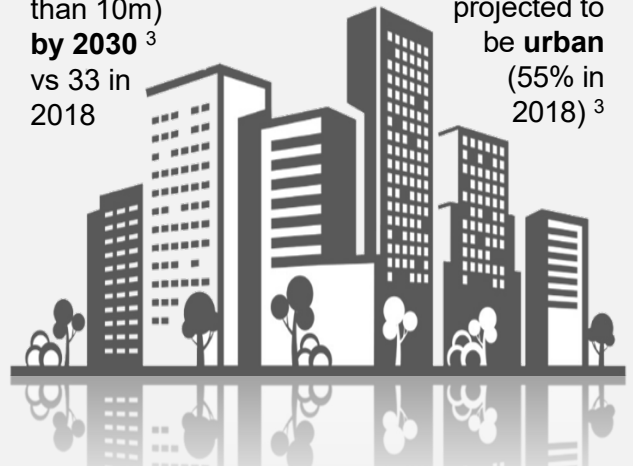
144%
↑

passenger travel²
from global airports
(2018-2038)



43 megacities
(population greater
than 10m)
by 2030³
vs 33 in
2018

By 2050, **68%** of the
world's population is
projected to
be **urban**
(55% in
2018)³



Sources:

1. International Energy Agency, (2018), World Energy Outlook, iea.org/weo2018/electricity.
2. Measured in Revenue Passenger Kilometres (RPKs), Boeing (2019), Commercial Market Outlook.
3. United Nations Department of Economic and Social Affairs, Population Division, World Urbanization Prospects 2018 – Percentage urban and urban agglomerations by size class.
4. David Hale Global Economics (2014) and RARE Infrastructure.

Franklin ClearBridge Sustainable Global Infrastructure Income Fund / ETF

You can now take advantage of the many opportunities in global infrastructure through the **Franklin ClearBridge Sustainable Global Infrastructure Income Fund or ETF**. Available to Canadian investors since June 2021, this strategy has a track record in Australia, Europe, the U.K, the U.S. and Asia since 2016.



ClearBridge

ClearBridge joined the Franklin Templeton family of independent specialist investment managers in September 2020, but its legacy as an active global investment manager stretches back **over 50 years**. With **US\$184.0 billion in assets under management** (as at March 2021), it is headquartered in New York; with offices in Baltimore, London, San Francisco, Sydney and Wilmington. ClearBridge has been a UN Principles of Responsible investing (PRI) Signatory since 2008.

An **actively managed global equity fund** that seeks to **generate income and capital appreciation** by investing primarily in **listed equity of sustainable issuers** in the **infrastructure business**.



Sustainable

ClearBridge investment team believes that **sustainability factors** are an important aspect of company performance and, since inception, has incorporated these factors as part of our standard investment appraisal process. ESG is the responsibility of all investment team members.

The investment team incorporates sustainability analysis into the investment process and portfolio construction via three main pillars:

- Valuation (cash flow forecasts)
- Risk pricing (required return adjustment)
- Engagement (active management)



Global

This fund invests primarily in **global listed equity** of sustainable issuers in the infrastructure business. We have the flexibility to move across sectors, regions (including emerging markets) and market caps, given the breadth of resources on the team.



Infrastructure

Infrastructure assets are physical assets that provide an essential service to society. These are the services we use and interact with every day. For instance, we use gas, water and electricity to carry out our daily activities and infrastructure such as airports, rail and roads help to move people and goods from location to location.



Income

Infrastructure can provide stable and predictable income and growth:

- Cash flows are underpinned by regulation or long-term contracts
- Most revenues are linked to inflation

In particular, we focus on two categories of infrastructure assets that can generate income for investors:

- **Regulated Assets**, with stable cashflows, high income and low GDP exposure (Examples: poles, wires, pipes)
- **User-Pay Assets**, which are growth assets with lower income but are leveraged to GDP, and affected by consumer demand (Examples: roads, rail, ports, airports etc.)

The fund aims to deliver a **risk adjusted return** to equity, balanced toward income, across an economic cycle. **The fund is benchmark agnostic but aims to achieve a return equivalent to G7 nations* inflation + 5.5% and a gross annual yield of 5%, both over rolling 5-year periods.**

More about ClearBridge

A global investment manager with a 50+ year legacy as a leader in active management



Committed to authentic active management

- Performance distinct from market benchmarks and factor-based strategies
- Long-term investment horizon
- Robust risk management
- Active ownership



Client focus

- Alignment of interests with clients
- Innovative compensation plan



Culture of longevity, consistency and risk awareness

- Highly experienced and tenured investment professionals
- Deliberate succession planning
- Risk considerations examined in all decisions



Robust fundamental research platform

- Bottom-up, quality focus
- Proprietary research and ESG ratings
- 30-year history of ESG investing with a fully-integrated approach

Meet the ClearBridge Income Strategy Investment Team

ClearBridge has one of the **largest global investment teams** dedicated solely to listed infrastructure. We are **infrastructure specialists managing listed equity funds**, not investment managers managing infrastructure. Our expertise is garnered from infrastructure and not public equities, including a deep knowledge of regulation that is crucial to understanding the investments relying on regulatory stability.



Nick Langley
Managing Director,
Portfolio Manager

Sydney, Australia
27 years of industry
experience

Co-founded predecessor
firm RARE Infrastructure
in 2006.



Shane Hurst
Managing Director,
Portfolio Manager

Sydney, Australia
24 years of industry
experience

Joined predecessor firm
RARE Infrastructure
in 2010.



Charles Hamieh
Managing Director,
Portfolio Manager

Sydney, Australia
24 years of industry
experience

Joined predecessor firm
RARE Infrastructure
in 2010.



Daniel Chu CFA
Director,
Portfolio Manager

Sydney, Australia
14 years of industry
experience

Joined predecessor firm
RARE Infrastructure
in 2012.

At ClearBridge, understanding and managing risk is interwoven throughout our investment process and our approach to portfolio construction. We aim to ensure that the expected return more than compensates for the assumed risk. At the heart of our bottom-up investment process is understanding and managing the relationship between risk and returns as it applies to infrastructure assets.

To learn more about Franklin ClearBridge Sustainable Global Infrastructure Income Fund or ETF and how it can add sustainability to your investment portfolio, please contact your financial advisor or visit www.franklintempleton.ca.

IMPORTANT INFORMATION

* The **G7** is an informal grouping of seven of the world's advanced economies: Canada, France, Germany, Italy, Japan, the United Kingdom, the United States and the European Union. The G7 aggregate inflation is calculated and published by the Organization for Economic Co-operation and Development (**OECD**). Data is monthly with a lag.

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