FRANKLIN TEMPLETON

Franklin Templeton Australia Funds

Financial report for the year ended 30 June 2025

Franklin Templeton Australia Funds

Annual report for the year ended 30 June 2025

Franklin Global Growth Fund
ARSN 132 597 972

Franklin Templeton Global Aggregate Bond Fund
ARSN 160 124 096

Franklin Australian Absolute Return Bond Fund
ARSN 601 662 631

Franklin Australian Core Plus Bond Fund
ARSN 617 966 042

Franklin K2 Athena Fund
ARSN 664 862 819

Franklin Templeton Australia Funds

Annual report for the year ended 30 June 2025

Contents

These financial statements cover Franklin Templeton Australia Funds.

The Responsible Entity of the Franklin Templeton Australia Funds is Franklin Templeton Australia Limited.

The Responsible Entity's registered office is Level 47, 120 Collins Street, Melbourne VIC 3000.

Directors' report

The Responsible Entity of Franklin Templeton Australia Funds (the "Funds") for the year ended 30 June 2025 was Franklin Templeton Australia Limited (ABN 76 004 835 849) (the "Responsible Entity").

The directors of Franklin Templeton Australia Limited, the Responsible Entity and Manager of Franklin Templeton Australia Funds, present their report together with the financial statements of the Funds for the year ended 30 June 2025. The respective constitution dates are as follows:

- Franklin Global Growth Fund 11 July 2008 (amended 5 March 2024 for the purpose of Franklin Global Growth Fund - Active ETF);
- Franklin Templeton Global Aggregate Bond Fund 18 October 2012 (amended 25 November 2021);
- Franklin Australian Absolute Return Bond Fund 22 December 2014 (amended for the purpose of Franklin Australian Absolute Return Bond Fund - Active ETF);
- Franklin Australian Core Plus Bond Fund 24 March 2017 (amended 25 November 2021);
- Franklin K2 Athena Fund 9 January 2023.

Principal Activities

The Funds invest in accordance with the investment policy of the Fund as set out in their respective Product Disclosure Statements (PDS) and in accordance with the Funds' Constitutions.

The Funds did not have any employees during the financial year.

There were no significant changes in the nature of the Funds' activities during the financial year.

Directors

The following persons held office as directors of Responsible Entity during the year or since the end of the year and up to the date of this report:

G.Shaneyfelt (Chairperson)

Q. Lupo

M. Sund

F. Walsh

M. Abell

Review and results of operations

During the financial year, the Funds invest in accordance with the investment policy of the Funds as set out in their respective Product Disclosure Statement (PDS) and in accordance with the Funds' Constitution.

Directors' report (continued)

Review and results of operations (continued)

The performance of the Funds, as represented by the results of their operations, was as follows:

	Franklin Global Growth Fund		Franklin Templeton Global Aggregate Bond Fund		Franklin Australian Absolute Return Bond Fund	
	Year ended		Year ended		Year ended	
	30 June 2025	30 June 2024	**30 June 2025**	30 June 2024	**30 June 2025**	30 June 2024
Operating profit/(loss) before finance costs attributable to unitholders ($'000)	**98,009**	34,469	**2,604**	743	**69,955**	71,615
Distributions - A Class						
Distribution paid and payable ($'000)	**90,881**	32,288	**–**	–	**10,902**	13,391
Distributions (cents per unit)	**46.1793**	12.4730	**–**	–	**1.6198**	1.7481
Distributions - M Class						
Distribution paid and payable ($'000)	**15,884**	10,788	**–**	–	**6,153**	8,141
Distributions (cents per unit)	**50.4639**	14.0448	**–**	–	**1.6317**	1.8339
Distributions - Total						
Distribution paid and payable ($'000)	**106,765**	43,076	**–**	–	**17,055**	21,532

	Franklin Australian Core Plus Bond Fund		Franklin K2 Athena Fund	
	Year ended 30 June 2025	Year ended 30 June 2024	**Year ended 30 June 2025**	Period 3 April 2023 to 30 June 2024
Operating profit/(loss) before finance costs attributable to unitholders ($'000)	**1,722**	3,220	**2,454**	330
Distributions - A Class				
Distribution paid and payable ($'000)	**–**	239	**2,695**	22
Distributions (cents per unit)	**–**	0.2550	**4.7316**	2.0332
Distributions - M Class				
Distribution paid and payable ($'000)	**–**	–	–	–
Distributions (cents per unit)	**–**	0.2967	–	–
Distributions - X Class				
Distribution paid and payable ($'000)	**–**	1	–	–
Distributions (cents per unit)	**–**	0.3211	–	–
Distributions - Total				
Distribution paid and payable ($'000)	**–**	240	**2,695**	22

There were no distributions for Franklin Global Growth Fund - A (Hedged) and M (Hedged) Class for the financial year ended 30 June 2025 and 30 June 2024.

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Funds that occurred during the financial year.

Directors' report (continued)

Matters subsequent to the end of the financial year

As disclosed in note 15 to the financial statements, no matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect:

(i) the operations of the Funds in future financial years; or

(ii) the results of those operations in future financial years; or

(iii) the state of affairs of the Funds in future financial years.

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitution.

The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnity and insurance of officers and auditors

No insurance premiums were paid for out of the assets of the Funds in regards to insurance cover provided to either the officers of the Responsible Entity or the auditors of the Funds. So long as the officers of the Responsible Entity act in accordance with the Funds' Constitution and the law, the Responsible Entity remains indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds. The auditors of the Funds are in no way indemnified out of the assets of the Funds.

Fees paid to and interests held in the Funds by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Funds' property during the financial year are disclosed in note 14 to the financial statements.

No fees were paid out of the Funds' property to the directors of the Responsible Entity during the financial year (2024: Nil).

The interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are also disclosed in note 14 to the financial statements.

Interests in the Funds

The movement in units on issue in the Funds during the financial year is disclosed in note 9 to the financial statements.

The value of the Funds' assets and liabilities are disclosed on the statements of financial positions and derived using the basis set out in note 2 of the financial statements.

Environmental regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191),* unless otherwise indicated.

Single set of financial statements

The Funds are of the kind referred to in *ASIC Corporations (Related Scheme Reports) Instrument 2015/839* issued by the Australian Securities and Investments Commission ("ASIC") and in accordance with that ASIC Instrument, Schemes with a common Responsible Entity (or related responsible entities) can include their financial statements in adjacent columns in a single set of financial statements.

Directors' report (continued)

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors.

DocuSigned by:

Director ______36BA20B35DB241C______

M. Sund

Melbourne

22 September 2025

Auditor's Independence Declaration

As lead auditor for the audit of Franklin Templeton Australia Funds for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

The declaration pertains to the following Funds:

· Franklin Global Growth Fund

· Franklin Templeton Global Aggregate Bond Fund

· Franklin Australia Absolute Return Bond Fund

· Franklin Australian Core Plus Bond Fund

· Franklin K2 Athena Fund

Kate L Logan

Kate Logan
Partner
PricewaterhouseCoopers

Melbourne
22 September 2025

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006,
GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Statements of comprehensive income

		Franklin Global Growth Fund		Franklin Templeton Global Aggregate Bond Fund		Franklin Australian Absolute Return Bond Fund	
		Year ended		Year ended		Year ended	
	Notes	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000
Investment income							
Interest income		**852**	1,178	**1,146**	1,356	**42,116**	45,032
Dividend income		**4,795**	4,625	**–**	–	**–**	–
Distribution income		**38**	389	**–**	–	**–**	–
Net gains/(losses) on financial instruments at fair value through profit or loss		**99,867**	36,242	**1,641**	(366)	**32,370**	31,658
Other operating income		**11**	3	**21**	29	**627**	537
Total net investment income/(loss)		**105,563**	42,437	**2,808**	1,019	**75,113**	77,227
Expenses							
Management costs	14	**6,551**	7,797	**196**	229	**4,878**	5,486
Transaction costs		**415**	171	**8**	1	**258**	126
Withholding tax expense		**588**	–	**–**	–	**22**	–
Other operating expenses		**–**	–	**–**	46	**–**	–
Total operating expenses		**7,554**	7,968	**204**	276	**5,158**	5,612
Operating profit/(loss) for the year		**98,009**	34,469	**2,604**	743	**69,955**	71,615
Finance costs attributable to unitholders							
Distributions to unitholders	10	**(106,765)**	(43,076)	**–**	–	**(17,055)**	(21,532)
(Increase)/decrease in net assets attributable to unitholders	9	**8,756**	8,607	**(2,604)**	(743)	**(52,900)**	(50,083)
Profit/(loss) for the year		**–**	–	**–**	–	**–**	–
Other comprehensive income for the year		**–**	–	**–**	–	**–**	–
Total comprehensive income for the year		**–**	–	**–**	–	**–**	–

Statements of comprehensive income (continued)

		Franklin Australian Core Plus Bond Fund		Franklin K2 Athena Fund	
	Notes	**Year ended 30 June 2025 $'000**	Year ended 30 June 2024 $'000	**Year ended 30 June 2025 $'000**	Period 3 April 2023 to 30 June 2024 $'000
Investment income					
Interest income		**671**	2,300	**4**	11
Distribution income		**–**	–	**2,937**	56
Net gains/(losses) on financial instruments at fair value through profit or loss		**1,113**	1,148	**(110)**	321
Other operating income		**9**	10	**–**	–
Total net investment income/(loss)		**1,793**	3,458	**2,831**	388
Expenses					
Management costs	14	**61**	227	**370**	58
Transaction costs		**10**	11	**7**	–
Total operating expenses		**71**	238	**377**	58
Operating profit/(loss) for the year		**1,722**	3,220	**2,454**	330
Finance costs attributable to unitholders					
Distributions to unitholders	10	**–**	(240)	**–**	–
(Increase)/decrease in net assets attributable to unitholders	9	**(1,722)**	(2,980)	**–**	–
Profit/(loss) for the year		**–**	–	**2,454**	330
Other comprehensive income for the year		**–**	–	**–**	–
Total comprehensive income for the year		**–**	–	**2,454**	330

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of financial positions

		Franklin Global Growth Fund		Franklin Templeton Global Aggregate Bond Fund		Franklin Australian Absolute Return Bond Fund	
		As at		As at		As at	
	Notes	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000
Assets							
Cash and cash equivalents	11	**8,318**	33,472	**2,536**	1,568	**57,406**	29,954
Margin accounts		**–**	–	**215**	–	**33,613**	38,927
Due from brokers - receivable for securities sold		**–**	–	**–**	385	**15,916**	3,175
Receivables		**2,421**	2,367	**7**	17	**1,242**	4,779
Accrued income		**273**	155	**–**	–	**36**	12
Financial assets at fair value through profit or loss	6	**603,909**	834,369	**32,205**	38,204	**1,016,275**	1,063,068
Total assets		**614,921**	870,363	**34,963**	40,174	**1,124,488**	1,139,915
Liabilities							
Margin accounts		**275**	–	**–**	8	**3,152**	5,532
Due to brokers - payable for securities purchased		**–**	–	**–**	154	**10,864**	3,084
Distribution payable	10	**106,765**	43,076	**–**	–	**2,341**	6,979
Payables		**3,106**	5,036	**78**	182	**3,816**	22,005
Financial liabilities at fair value through profit or loss	7	**80**	14	**264**	11	**27,898**	24,588
Total liabilities (excluding net assets attributable to unitholders)		**110,226**	48,126	**342**	355	**48,071**	62,188
Net assets attributable to unitholders - liability	9	**504,695**	822,237	**34,621**	39,819	**1,076,417**	1,077,727

Statements of financial positions (continued)

		Franklin Australian Core Plus Bond Fund		Franklin K2 Athena Fund	
		As at		As at	
	Notes	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000
Assets					
Cash and cash equivalents	11	**3,169**	1,733	**321**	148
Margin accounts		**528**	1,113	**–**	–
Due from brokers - receivable for securities sold		**–**	–	**–**	42
Receivables		**1**	5	**30**	38
Accrued income		**–**	2	**–**	–
Financial assets at fair value through profit or loss	6	**16,693**	29,931	**60,613**	43,705
Total assets		**20,391**	32,784	**60,964**	43,933
Liabilities					
Margin accounts		**60**	294	**–**	–
Due to brokers - payable for securities purchased		**758**	–	**108**	5
Distribution payable	10	**–**	–	**1,375**	2
Payables		**16**	27	**292**	263
Financial liabilities at fair value through profit or loss	7	**203**	549	**–**	–
Total liabilities (excluding net assets attributable to unitholders)		**1,037**	870	**1,775**	270
Net assets attributable to unitholders - equity	9	**–**	–	**59,189**	43,663
Net assets attributable to unitholders - liability	9	**19,354**	31,914	**–**	–

The above statements of financial positions should be read in conjunction with the accompanying notes.

Statements of changes in equity

	Franklin Global Growth Fund		Franklin Templeton Global Aggregate Bond Fund		Franklin Australian Absolute Return Bond Fund	
	Year ended		Year ended		Year ended	
	30 June 2025 $'000	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000
Total equity at the beginning of the year	**–**	–	**–**	–	**–**	–
Comprehensive income for the year						
Profit/(loss) for the year	**–**	–	**–**	–	**–**	–
Other comprehensive income for the year	**–**	–	**–**	–	**–**	–
Total comprehensive income for the year	**–**	–	**–**	–	**–**	–
Total equity at the end of the year	**–**	–	**–**	–	**–**	–

	Notes	Franklin Australian Core Plus Bond Fund		Franklin K2 Athena Fund	
		Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000	**Year ended 30 June 2025 $'000**	Period 3 April 2023 to 30 June 2024 $'000
Total equity at the beginning of the year		**–**	–	**43,663**	–
Comprehensive income for the year					
Profit/(loss) for the year		**–**	–	**2,454**	330
Other comprehensive income for the year		**–**	–	**–**	–
Total comprehensive income for the year		**–**	–	**2,454**	330
Transactions with unitholders					
Applications	9	**–**	–	**23,289**	44,676
Redemptions	9	**–**	–	**(7,688)**	(1,321)
Units issued upon reinvestment of distributions		**–**	–	**166**	–
Distributions paid and payable	10	**–**	–	**(2,695)**	(22)
Total transactions with unitholders		**–**	–	**13,072**	43,333
Total equity at the end of the year		**–**	–	**59,189**	43,663

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of cash flows

		Franklin Global Growth Fund		Franklin Templeton Global Aggregate Bond Fund		Franklin Australian Absolute Return Bond Fund	
		Year ended		Year ended		Year ended	
	Notes	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000
Cash flows from operating activities							
Proceeds from sale of financial instruments at fair value through profit or loss		**569,289**	366,747	**18,478**	19,873	**669,216**	5,028,895
Purchases of financial instruments at fair value through profit or loss		**(239,131)**	(193,729)	**(10,713)**	(15,818)	**(588,150)**	(4,748,047)
Transaction costs paid		**(415)**	(171)	**(9)**	(1)	**(258)**	(126)
Dividends received		**3,772**	4,467	**–**	89	**–**	4
Distributions received		**33**	389	**–**	–	**–**	–
Interest received		**852**	1,178	**1,249**	1,356	**42,773**	47,478
Other income received		**298**	23	**65**	31	**–**	593
Management costs paid		**(7,110)**	(8,495)	**(203)**	(299)	**(4,935)**	(6,291)
Payment of other expenses		**–**	–	**–**	(46)	**(593)**	(370)
Net cash inflow/ (outflow) from operating activities	12(a)	**327,588**	170,409	**8,867**	5,185	**118,053**	322,136
Cash flows from financing activities							
Proceeds from applications by unitholders		**144,576**	169,687	**1,735**	2,839	**252,182**	301,420
Payments for redemptions by unitholders		**(455,525)**	(325,303)	**(9,635)**	(12,026)	**(322,429)**	(588,764)
Distributions paid		**(42,047)**	(32,833)	**–**	–	**(20,248)**	(17,652)
Net cash inflow/ (outflow) from financing activities		**(352,996)**	(188,449)	**(7,900)**	(9,187)	**(90,495)**	(304,996)
Net increase/ (decrease) in cash and cash equivalents		**(25,408)**	(18,040)	**967**	(4,002)	**27,558**	17,140
Cash and cash equivalents at the beginning of the financial year		**33,472**	52,363	**1,568**	6,494	**29,954**	12,864
Effects of foreign currency exchange rate changes on cash and cash equivalents		**254**	(851)	**1**	(924)	**(106)**	(50)

Statements of cash flows (continued)

		Franklin Global Growth Fund		Franklin Templeton Global Aggregate Bond Fund		Franklin Australian Absolute Return Bond Fund	
		Year ended		Year ended		Year ended	
	Notes	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000
Cash and cash equivalents at the end of the financial year	11	**8,318**	33,472	**2,536**	1,568	**57,406**	29,954
Non-cash financing activities	12(b)	**1,029**	1,892	**–**	–	**1,445**	1,202

		Franklin Australian Core Plus Bond Fund		Franklin K2 Athena Fund	
	Notes	**Year ended 30 June 2025 $'000**	Year ended 30 June 2024 $'000	**Year ended 30 June 2025 $'000**	Period 3 April 2023 to 30 June 2024 $'000
Cash flows from operating activities					
Proceeds from sale of financial instruments at fair value through profit or loss		**29,834**	238,331	**4,979**	315
Purchases of financial instruments at fair value through profit or loss		**(15,030)**	(196,391)	**(21,854)**	(43,680)
Transaction costs		**(10)**	(11)	**(7)**	–
Distributions received		**–**	–	**2,937**	–
Interest received		**1,020**	2,407	**4**	11
Other income received		**15**	6	**–**	–
Management costs paid		**(72)**	(284)	**(322)**	(6)
Payment of other expenses		**(25)**	–	**(8)**	–
Net cash inflow/(outflow) from operating activities	12(a)	**15,732**	44,058	**(14,271)**	(43,360)
Cash flows from financing activities					
Proceeds from applications by unitholders		**4,024**	18,963	**23,306**	44,638
Payments for redemptions by unitholders		**(18,306)**	(65,514)	**(7,707)**	(1,110)
Distributions paid from operating activities		**–**	(239)	**(1,155)**	(20)
Net cash inflow/(outflow) from financing activities		**(14,282)**	(46,790)	**14,444**	43,508
Net increase/(decrease) in cash and cash equivalents		**1,450**	(2,732)	**173**	148
Cash and cash equivalents at the beginning of the financial year		**1,733**	4,678	**148**	–
Effects of foreign currency exchange rate changes on cash and cash equivalents		**(14)**	(213)	**–**	–
Cash and cash equivalents at the end of the financial year	11	**3,169**	1,733	**321**	148
Non-cash financing activities	12(b)	**–**	1	**166**	–

The above statements of cash flows should be read in conjunction with the accompanying notes.

1 General information

The financial statements cover Franklin Templeton Australia Funds (the “Funds”) as managed investment schemes under the *Corporations Act 2001*. The Funds may be terminated in accordance with the provisions of the Funds' Constitutions. The Funds are domiciled in Australia. The respective constitution dates are as follows:

- Franklin Global Growth Fund 11 July 2008 (amended 5 March 2024 for the purpose of Franklin Global Growth Fund - Active ETF);
- Franklin Templeton Global Aggregate Bond Fund 18 October 2012 (amended 25 November 2021);
- Franklin Australian Absolute Return Bond Fund 22 December 2014 (amended for the purpose of Franklin Australian Absolute Return Bond Fund - Active ETF);
- Franklin Australian Core Plus Bond Fund 24 March 2017 (amended 25 November 2021);
- Franklin K2 Athena Fund 9 January 2023.

The Responsible Entity of the Funds is Franklin Templeton Australia Limited (ABN 76 004 835 849) (the “Responsible Entity”). The Responsible Entity's registered office is Level 47, 120 Collins Street, Melbourne VIC 3000.

The financial statements are presented in the Australian currency.

The Funds invest in accordance with the investment policy of the Funds as set out in their respective Product Disclosure Statement (PDS) and in accordance with the Funds' Constitutions.

Units in A Class of the Franklin Global Growth Fund and A Class of the Franklin Australian Absolute Return Bond Fund are quoted on the AQUA Market of the ASX as Franklin Global Growth Fund - Active ETF (ASX code: FRGG) and Franklin Australian Absolute Return Bond Fund - Active ETF (ASX code: FRAR). This allows investors to invest in these units by either purchasing them on the ASX or applying directly with the Responsible Entity. Investors can also withdraw from these units by either submitting a withdrawal request directly to the Responsible Entity or by selling the units on the ASX.

The financial statements were authorised for issue by the directors on 22 September 2025. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia. The Funds are for-profit unit trusts for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

For the Franklin Australian Core Plus Bond Fund, a going concern basis has not been applied to the financial statements as the directors of the Responsible Entity approved the commencement of wind-up procedures. The assets and liabilities of the Fund have been assessed by the directors on a net realisable basis. Based on that assessment, the directors do not consider the carrying value of the balances to be materially different to the recoverable amounts.

The statements of financial positions are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All material balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

The Funds manage financial assets at fair value through profit or loss based on economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within twelve months, however an estimate of that amount cannot be determined as at balance sheet date.

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholders’ option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards

The financial statements of the Funds also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

(ii) New accounting standards or amendments adopted by the Funds

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2024 that would be expected to have a material impact on the Funds.

There are no standards that are not yet effective and that are expected to have a material impact on the Funds in the prior periods or will affect the current or future reporting periods and on foreseeable future transactions.

(iii) New accounting standards, amendments or interpretations not yet adopted by the Funds

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2025, and have not been early adopted in preparing these financial statements. Certain new accounting standards, amendments or interpretations to accounting standards have been published that are not mandatory for the year ended 30 June 2025 and have not been early adopted by the Funds. The new standard and amendment applicable to the Funds and its assessment is as follows:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to AASB 9 and AASB 7 (effective for annual periods beginning on or after 1 January 2026).

  The AASB issued targeted amendments to AASB 9 and AASB 7 to respond to recent questions arising in practice, and to include new requirements for all reporting entities. Among other amendments, the AASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.

- AASB 18 *Presentation and Disclosure in Financial Statements* (effective for annual periods beginning on or after 1 January 2027)

  The AASB issued the new standard on presentation and disclosure in financial statements, which replaces AASB 101, with a focus on updates to the statement of profit or loss.

  The key new concepts introduced in AASB 18 relate to:

  − the structure of the statement of profit or loss with defined subtotals;

  − the requirement to determine the most useful structured summary for presenting expenses in the statement of profit or loss;

  − required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and

  − enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

  The Funds are currently still assessing the effect of the forthcoming standard and amendments.

  No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Funds.

(b) Financial assets and liabilities at fair value through profit or loss

(i) Classification

Assets

The Funds classify their investments based on their business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Funds' portfolios of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds' policies are for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis, with the supporting use of other related financial information.

For equity securities and derivatives, the contractual cash flows held by the Funds are not solely principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds' business model's objective. Consequently, the debt securities are measured at fair value through profit or loss.

Liabilities

The Funds make short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

2 Summary of material accounting policies (continued)

(b) Financial assets and liabilities at fair value through profit or loss (continued)

(ii) Recognition/derecognition

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Funds have transferred substantially all risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Funds measure financial assets and financial liabilities at fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statements of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the statements of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the financial year in which they arise.

Further details on how the fair values of financial instruments are determined, please see note 5 to the financial statements.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial positions when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to note 4 to the financial statements for further information.

(c) Net assets attributable to unitholders

For classes quoted on AQUA market:

Investors can invest in these classes by either purchasing units on the ASX or applying for units directly with the Responsible Entity. Investors can withdraw from these classes by either directly making a withdrawal request to the Responsible Entity or by selling units on the ASX.

For unquoted classes:

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Funds at any time for cash based on the redemption price, which is equal to a proportionate share of the Funds' net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at the balance sheet date if the holder exercises the right to put the unit back to the Funds. This amount represents the expected cash flows on redemption of these units.

Units are classified as equity if they satisfy the following criteria under AASB132 *Financial instruments: Presentation:*

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Funds' liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Funds, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

(d) Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an immaterial risk of changes in value, and bank overdrafts.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Funds' main income generating activity.

2 Summary of material accounting policies (continued)

(e) Margin accounts

Margin accounts comprise cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls. It is not included as a component of cash and cash equivalents.

(f) Investment income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in the statements of comprehensive income within dividend income and distribution income when the Funds' right to receive payments is established.

Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b) to the financial statements.

(g) Expenses

All expenses, including management costs, are recognised in the statements of comprehensive income on an accruals basis.

(h) Income tax

Under current legislation, the Funds that have elected into the AMIT tax regime are not subject to income tax provided they attribute the entirety of their taxable income to their unitholders.

Franklin Australian Core Plus Bond Fund does not meet AMIT tax regime qualification and is not subject to income tax as its unitholders are presently entitled to the income of the Fund.

The benefit of imputation credits and foreign tax paid are passed on to unitholders. The Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded net of withholding taxes in the statement of comprehensive income.

(i) Distributions

Distributions are payable as set out in the Funds' product disclosure statement. Such distributions are determined by the Responsible Entity of the Funds.

(j) Segment information

The Funds with quoted classes are within the scope of AASB 8 *Operating Segments*. An operating segment is a distinguishable component of the Fund that is engaged in business activity from which the Fund earns revenues and incurs expenses, whose operating results are regularly reviewed by the Fund's chief operating decision maker to make decisions about the allocation of resources to the segment and assess its performance, and for which discrete financial information is available.

The Fund's chief operating decision maker is the Directors of the Responsible Entity, as it is responsible for assessing and managing fund performance. Each quoted fund is considered a single operating segment, as each fund has a single investment strategy that the Directors of the Responsible Entity uses to assess and manage fund performance.

(k) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Where the Funds' units are classified as liabilities, movements in net assets attributable to unitholders are recognised in the statements of comprehensive income as finance costs.

(l) Foreign currency translation

(i) Functional and presentation currency

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates (the “functional currency”). This is the Australian dollar, which reflects the currency of the economy in which the Funds compete for funds and is regulated. The Australian dollar is also the Funds' presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of comprehensive income.

2 Summary of material accounting policies (continued)

(l) Foreign currency translation (continued)

(ii) Transactions and balances (continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statements of comprehensive income on a net basis within gains/(losses) on financial instruments at fair value through profit or loss.

(m) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and consequently measured at amortised cost.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Funds shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased materially since initial recognition. If, at the reporting date, the credit risk has not increased materially since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Material financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A material increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(n) Receivables and accrued income

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each financial year from the time of last payment in accordance with the policy set out in note 2(f) above. Amounts are generally received within 30 days of being recorded as receivables.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Funds shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased materially since initial recognition. If, at the reporting date, the credit risk has not increased materially since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Material financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A material increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(o) Payables

Payables include liabilities and accrued expenses owned by the Funds which are unpaid as at the end of the reporting period.

All distributions payable are recognised in the statements of financial positions as at the end of each reporting period, where this amount remains unpaid as at the end of the reporting period. Refer to Note 10 for details.

(p) Applications and redemptions

For classes quoted on AQUA market:

Investors can buy and sell units of the Fund through a broker who will use the CHESS to settle the transactions.

The price applied to the investor's buy order will be the market price at the time of purchase as reflected by the price at which they have bought units on the ASX.

The exit price applied to the investors sell order will the market price as reflected by the price at which they have sold units on the ASX.

For unquoted classes:

Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds.

Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of units redeemed.

2 Summary of material accounting policies (continued)

(q) Goods and Services Tax (GST)

Management fees, custody fees and other expenses are recognised net of the amounts of goods and services tax (“GST”) recoverable from the Australian Taxation Office (“ATO”) as a reduced input tax credit (“RITC”).

Payables are stated with the amount of GST included.

The net amount of GST recoverable from the ATO is included in receivables in the statements of financial positions.

Cash flows are included in the statements of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

(r) Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(s) Use of estimates

The Funds make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Funds' financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the short term nature of these financial instruments.

For more information on how fair value is calculated please see note 5 of the financial statements.

(t) Investment entity exception

AASB 10 *Consolidated Financial Statements* for investment entities includes an exception to the consolidation rules for those entities qualifying as "investment entities". Subsidiaries of investment entities will be accounted for at fair value through profit or loss, in accordance with AASB 9 *Financial Instruments: Recognition and Measurement*.

A parent entity will need to make an assessment of whether it meets the definition of an investment entity. An investment entity is defined as an entity that:

(a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;

(b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

(c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

Certain Funds have multiple investments that they control. However, these Funds have determined that they are investment entities under the definition in AASB 10 as they meet the following criteria:

(a) These Funds have obtained funds from unitholders for the purpose of providing them with investment management services;

(b) These Funds business purpose, which is communicated directly to unitholders, is investing solely for return from capital appreciation and investment income; and

(c) The performance of investments made by these funds are measured and evaluated on a fair value basis.

These Funds also meet all of the typical characteristics of an investment entity, including:

(a) holding more than one investment;

(b) having more than one investor;

(c) having investors that are not related parties of the entity; and

(d) having ownership interests in the form of equity or similar interests.

As these Funds measure all of their controlled entities at fair value through profit or loss, they only present separate financial statements.

2 Summary of material accounting policies (continued)

(u) Rounding of amounts

The Funds are entities of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191,* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollar in accordance with that Instrument, unless otherwise indicated.

3 Financial risk management

The Funds' activities expose them to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Funds' overall risk management program focuses on ensuring compliance with the Funds' Product Disclosure Statements and seeks to maximise the returns derived for the level of risk to which the Funds are exposed. The Funds use derivative financial instruments to alter certain risk exposures. Financial risk management is carried out by the investment manager of the Responsible Entity under policies approved by the Board of Directors of the Responsible Entity (the "Board").

The Funds use different methods to measure different types of risks to which it is exposed. These methods include Value at Risk (“VaR”) analysis in the case of interest rate, foreign exchange and other price risks, and ratings analysis for credit risk. VaR analysis is explained in note 3(b).

(a) Market risk

(i) Foreign exchange risk

The Funds have exposure to foreign assets and hold both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk.

The foreign exchange risk disclosures have been prepared on the basis of the Funds' direct investments and not on a look-through basis to investments held via interposed investment funds. In addition, any currency hedging to minimise the impact of foreign exchange risk has not been incorporated into the disclosures unless the derivatives are held directly in these funds.

In accordance with the Funds' policy, the Investment Manager monitors the Funds' foreign exchange exposure on a daily basis.

The tables below summarise the Funds' assets and liabilities, monetary and non-monetary, that are denominated in a currency other than the Australian dollar.

	Franklin Global Growth Fund				
	US Dollars $'000	Swiss Francs $'000	Euros $'000	Danish Krone $'000	British Pounds $'000
30 June 2025					
Monetary					
Cash and cash equivalents	**1,021**	**–**	**–**	**–**	**–**
Receivables	**213**	**1,551**	**123**	**59**	**–**
Margin accounts	**(275)**	**–**	**–**	**–**	**–**
Non-monetary					
Financial assets at fair value through profit or loss	**472,084**	**58,697**	**33,658**	**23,532**	**15,850**
Financial liabilities at fair value through profit or loss	**–**	**(41)**	**(19)**	**(13)**	**(4)**
	473,043	**60,207**	**33,762**	**23,578**	**15,846**
Net increase/(decrease) in exposure from foreign currency forward contracts					
- Buy foreign currency	**779**	**74**	**67**	**39**	**23**
- Sell foreign currency	**(13,941)**	**(1,740)**	**(1,008)**	**(697)**	**(487)**
	459,881	**58,541**	**32,821**	**22,920**	**15,382**

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	Franklin Global Growth Fund				
	US Dollars $'000	Swiss Francs $'000	Euros $'000	Japanese Yen $'000	Danish Krone $'000
30 June 2024					
Monetary					
Cash and cash equivalents	7,131	–	–	–	–
Receivables	197	1,180	189	–	57
Accrued income	155	–	–	–	–
Non-monetary					
Financial assets at fair value through profit or loss	673,636	51,438	51,109	30,852	27,094
	681,119	52,618	51,298	30,852	27,151
Net increase/(decrease) in exposure from foreign currency forward contracts					
- Buy foreign currency	389	164	96	104	59
- Sell foreign currency	(31,143)	(2,529)	(2,494)	(1,524)	(1,309)
	650,365	50,253	48,900	29,432	25,901

	Franklin Templeton Global Aggregate Bond Fund					
	US Dollars $'000	**Euros $'000**	**Renminbi $'000**	**Mexican Peso $'000**	**Canadian Dollars $'000**	**Other Currencies $'000**
30 June 2025						
Monetary						
Cash and cash equivalents	**896**	**23**	**103**	**118**	**135**	**161**
Margin accounts	**215**	**–**	**–**	**–**	**–**	**–**
Receivables	**–**	**–**	**–**	**–**	**–**	**1**
Non-monetary						
Financial assets at fair value through profit or loss	**18,512**	**7,175**	**1,557**	**1,542**	**1,052**	**2,090**
Financial liabilities at fair value through profit or loss	**(28)**	**(124)**	**–**	**(44)**	**–**	**(68)**
	19,595	**7,074**	**1,660**	**1,616**	**1,187**	**2,184**
Net increase/(decrease) in exposure from foreign currency forward contracts						
- Buy foreign currency	**–**	**600**	**–**	**–**	**–**	**1,065**
- Sell foreign currency	**(19,601)**	**(7,648)**	**(1,551)**	**(1,402)**	**(1,126)**	**(3,187)**
	(6)	**26**	**109**	**214**	**61**	**62**

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	Franklin Templeton Global Aggregate Bond Fund					
	US Dollars $'000	Euros $'000	British Pounds $'000	Polish Złoty $'000	Renminbi $'000	Other Currencies $'000
30 June 2024						
Monetary						
Cash and cash equivalents	335	371	17	–	50	139
Due from brokers - receivable for securities sold	–	385	–	–	–	–
Receivables	–	–	–	11	–	–
Margin accounts	(8)	–	–	–	–	–
Due to brokers - payable for securities purchased	–	(154)	–	–	–	–
Non-monetary						
Financial assets at fair value through profit or loss	18,706	8,756	2,539	2,417	1,519	3,527
Financial liabilities at fair value through profit or loss	(9)	–	–	–	–	(2)
	19,024	9,358	2,556	2,428	1,569	3,664
Net increase/(decrease) in exposure from foreign currency forward contracts						
- Buy foreign currency	719	–	–	–	–	–
- Sell foreign currency	(20,098)	(9,392)	(2,540)	(2,442)	(1,510)	(3,507)
	(355)	(34)	16	(14)	59	157

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	Franklin Australian Absolute Return Bond Fund		
	US Dollars $'000	**New Zealand Dollars $'000**	**Euros $'000**
30 June 2025			
Monetary			
Cash and cash equivalents	**45,749**	**1,047**	**449**
Margin accounts	**–**	**41**	**–**
Due from brokers - receivable for securities sold	**–**	**–**	**3,956**
Receivables	**–**	**9**	**–**
Margin accounts	**(296)**	**–**	**–**
Due to brokers - payable for securities purchased	**(10,864)**	**–**	**–**
Non-monetary			
Financial assets at fair value through profit or loss	**204,360**	**58,851**	**21,119**
Financial liabilities at fair value through profit or loss	**(26,993)**	**(783)**	**(852)**
	211,956	**59,165**	**24,672**
Net increase/(decrease) in exposure from foreign currency forward contracts			
- Sell foreign currency	**(230,420)**	**(58,237)**	**(24,281)**
	(18,464)	**928**	**391**

	Franklin Australian Absolute Return Bond Fund			
	US Dollars $'000	New Zealand Dollars $'000	Euros $'000	Japanese Yen $'000
30 June 2024				
Monetary				
Cash and cash equivalents	1,529	618	91	–
Due from brokers - receivable for securities sold	3,175	–	–	–
Accrued income	8	–	–	–
Margin accounts	(244)	(4,152)	–	–
Due to brokers - payable for securities purchased	(3,084)	–	–	–
Non-monetary				
Financial assets at fair value through profit or loss	217,853	56,850	16,016	–
Financial liabilities at fair value through profit or loss	(18,379)	(841)	–	–
	200,858	52,475	16,107	–
Net increase/(decrease) in exposure from foreign currency forward contracts				
- Buy foreign currency	13,863	22,516	–	–
- Sell foreign currency	(1,175,327)	(77,511)	(16,375)	–
	(960,606)	(2,520)	(268)	–

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	Franklin Australian Core Plus Bond Fund			
	US Dollars $'000	**Euros $'000**	**South Korean Won $'000**	**New Zealand Dollars $'000**
30 June 2025				
Monetary				
Cash and cash equivalents	**2,349**	**–**	**–**	**–**
Margin accounts	**–**	**–**	**–**	**1**
Margin accounts	**(13)**	**–**	**–**	**–**
Due to brokers - payable for securities purchased	**(758)**	**–**	**–**	**–**
Non-monetary				
Financial assets at fair value through profit or loss	**809**	**–**	**–**	**–**
Financial liabilities at fair value through profit or loss	**(116)**	**–**	**–**	**–**
	2,271	**–**	**–**	**1**
Net increase/(decrease) in exposure from foreign currency forward contracts				
- Sell foreign currency	**(2,365)**	**–**	**–**	**–**
	(94)	**–**	**–**	**1**

	Franklin Australian Core Plus Bond Fund		
	US Dollars $'000	New Zealand Dollars $'000	Euros $'000
30 June 2024			
Monetary			
Cash and cash equivalents	26	–	–
Margin accounts	(14)	(276)	–
Non-monetary			
Financial assets at fair value through profit or loss	2,310	119	–
Financial liabilities at fair value through profit or loss	(249)	(55)	–
	2,073	(212)	–
Net increase/(decrease) in exposure from foreign currency forward contracts			
- Buy foreign currency	22,254	574	–
- Sell foreign currency	(29,416)	(578)	–
	(5,089)	(216)	–

The Franklin K2 Athena Fund is not directly subject to material foreign exchange risk as securities held are predominately domiciled in Australia.

For Franklin Australian Absolute Return Bond Fund and Franklin Australian Core Plus Bond Fund, the geographic exposures outside Australia are assessed based on country of risk. These generally relate to where the issuer of the security is domiciled or the geography of where the issuer of the security carries out majority of its business. Many of these foreign companies, however, have issued bonds in the Australian bond market with securities denominated in Australian Dollars and linked to Australian interest rates. A smaller proportion of the funds' holdings are sourced from offshore markets, which includes bonds issued by Australian companies in US Dollars, and bonds issued by foreign entities in US Dollars or Euros. All foreign denominated exposures are hedged back to Australian Dollars, minimising the funds' sensitivity to foreign currency movements.

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Funds are exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Funds to fair value interest rate risk.

The Funds' interest bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The tables below summarise the Funds' year end assets and liabilities that have floating interest rates, fixed interest rates or are non-interest bearing:

	Franklin Global Growth Fund			
30 June 2025	**Floating interest rate $'000**	**Fixed interest rate $'000**	**Non-interest bearing $'000**	**Total $'000**
Financial assets				
Cash and cash equivalents	**8,318**	**–**	**–**	**8,318**
Receivables	**–**	**–**	**2,421**	**2,421**
Accrued income	**–**	**–**	**273**	**273**
Financial assets at fair value through profit or loss	**–**	**–**	**603,909**	**603,909**
Total assets	**8,318**	**–**	**606,603**	**614,921**
Financial liabilities				
Margin accounts	**275**	**–**	**–**	**275**
Distribution payable	**–**	**–**	**106,765**	**106,765**
Payables	**–**	**–**	**3,106**	**3,106**
Financial liabilities at fair value through profit or loss	**–**	**–**	**80**	**80**
Total liabilities (excluding net assets attributable to unitholders)	**275**	**–**	**109,951**	**110,226**
Net exposure	**8,043**	**–**	**496,652**	**504,695**

30 June 2024	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Financial assets				
Cash and cash equivalents	33,472	–	–	33,472
Receivables	–	–	2,367	2,367
Accrued income	–	–	155	155
Financial assets at fair value through profit or loss	–	–	834,369	834,369
Total assets	33,472	–	836,891	870,363
Financial liabilities				
Distribution payable	–	–	43,076	43,076
Payables	–	–	5,036	5,036
Financial liabilities at fair value through profit or loss	–	–	14	14
Total liabilities (excluding net assets attributable to unitholders)	–	–	48,126	48,126
Net exposure	33,472	–	788,765	822,237

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Franklin Templeton Global Aggregate Bond Fund

30 June 2025	**Floating interest rate $'000**	**Fixed interest rate $'000**	**Non-interest bearing $'000**	**Total $'000**
Financial assets				
Cash and cash equivalents	**2,536**	**–**	**–**	**2,536**
Margin accounts	**215**	**–**	**–**	**215**
Receivables	**–**	**–**	**7**	**7**
Financial assets at fair value through profit or loss	**3,749**	**28,136**	**320**	**32,205**
Total assets	**6,500**	**28,136**	**327**	**34,963**
Financial liabilities				
Payables	**–**	**–**	**78**	**78**
Financial liabilities at fair value through profit or loss	**–**	**28**	**236**	**264**
Total liabilities (excluding net assets attributable to unitholders)	**–**	**28**	**314**	**342**
Net increase/(decrease) in exposure from International fixed interest futures	**–**	**(2,102)**	**–**	**(2,102)**
Net exposure	**6,500**	**26,006**	**13**	**32,519**

30 June 2024	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Financial assets				
Cash and cash equivalents	1,568	–	–	1,568
Due from brokers - receivable for securities sold	–	–	385	385
Receivables	–	–	17	17
Financial assets at fair value through profit or loss	3,709	33,756	739	38,204
Total assets	5,277	33,756	1,141	40,174
Financial liabilities				
Margin accounts	8	–	–	8
Due to brokers - payable for securities purchased	–	–	154	154
Payables	–	–	182	182
Financial liabilities at fair value through profit or loss	–	9	2	11
Total liabilities (excluding net assets attributable to unitholders)	8	9	338	355
Net increase/(decrease) in exposure from International fixed interest futures	–	481	–	481
Net exposure	5,269	34,228	803	40,300

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

	Franklin Australian Absolute Return Bond Fund			
30 June 2025	**Floating interest rate $'000**	**Fixed interest rate $'000**	**Non-interest bearing $'000**	**Total $'000**
Financial assets				
Cash and cash equivalents	57,406	–	–	57,406
Margin accounts	33,613	–	–	33,613
Due from brokers - receivable for securities sold	–	–	15,916	15,916
Receivables	–	–	1,242	1,242
Accrued income	–	–	36	36
Financial assets at fair value through profit or loss	284,662	725,586	6,027	1,016,275
Total assets	**375,681**	**725,586**	**23,221**	**1,124,488**
Financial liabilities				
Margin accounts	3,152	–	–	3,152
Due to brokers - payable for securities purchased	–	–	10,864	10,864
Distribution payable	–	–	2,341	2,341
Payables	–	–	3,816	3,816
Financial liabilities at fair value through profit or loss	2,421	23,842	1,635	27,898
Total liabilities (excluding net assets attributable to unitholders)	**5,573**	**23,842**	**18,656**	**48,071**
Net increase/(decrease) in exposure from Australian fixed interest futures	–	(117,938)	–	(117,938)
Net increase/(decrease) in exposure from International fixed interest futures	–	621,438	–	621,438
Net increase/(decrease) in exposure from International interest rate swaps	–	59	–	59
Net exposure	**370,108**	**1,205,303**	**4,565**	**1,579,976**

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

	Franklin Australian Absolute Return Bond Fund			
30 June 2024	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Financial assets				
Cash and cash equivalents	29,954	–	–	29,954
Margin accounts	38,927	–	–	38,927
Due from brokers - receivable for securities sold	–	–	3,175	3,175
Receivables	–	–	4,779	4,779
Accrued income	–	–	12	12
Financial assets at fair value through profit or loss	226,111	836,004	953	1,063,068
Total assets	294,992	836,004	8,919	1,139,915
Financial liabilities				
Margin accounts	5,532	–	–	5,532
Due to brokers - payable for securities purchased	–	–	3,084	3,084
Distribution payable	–	–	6,979	6,979
Payables	–	–	22,005	22,005
Financial liabilities at fair value through profit or loss	4,616	19,631	341	24,588
Total liabilities (excluding net assets attributable to unitholders)	10,148	19,631	32,409	62,188
Net increase/(decrease) in exposure from Australian fixed interest futures	–	(192,187)	–	(192,187)
Net increase/(decrease) in exposure from International fixed interest futures	–	481,195	–	481,195
Net increase/(decrease) in exposure from Australian money market futures	1,086,676	–	–	1,086,676
Net exposure	1,371,520	1,105,381	(23,490)	2,453,411

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Franklin Australian Core Plus Bond Fund

30 June 2025	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Financial assets				
Cash and cash equivalents	**3,169**	**–**	**–**	**3,169**
Margin accounts	**528**	**–**	**–**	**528**
Receivables	**–**	**–**	**1**	**1**
Financial assets at fair value through profit or loss	**–**	**16,631**	**62**	**16,693**
Total assets	**3,697**	**16,631**	**63**	**20,391**
Financial liabilities				
Margin accounts	**60**	**–**	**–**	**60**
Due to brokers - payable for securities purchased	**–**	**–**	**758**	**758**
Payables	**–**	**–**	**16**	**16**
Financial liabilities at fair value through profit or loss	**–**	**203**	**–**	**203**
Total liabilities (excluding net assets attributable to unitholders)	**60**	**203**	**774**	**1,037**
Net increase/(decrease) in exposure from Australian fixed interest futures	**–**	**11,027**	**–**	**11,027**
Net increase/(decrease) in exposure from International fixed interest futures	**–**	**10,740**	**–**	**10,740**
Net exposure	**3,637**	**38,195**	**(711)**	**41,121**

30 June 2024	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Financial assets				
Cash and cash equivalents	1,733	–	–	1,733
Margin accounts	1,113	–	–	1,113
Receivables	–	–	5	5
Accrued income	–	–	2	2
Financial assets at fair value through profit or loss	7,019	22,680	232	29,931
Total assets	9,865	22,680	239	32,784
Financial liabilities				
Margin accounts	294	–	–	294
Payables	–	–	27	27
Financial liabilities at fair value through profit or loss	254	137	158	549
Total liabilities (excluding net assets attributable to unitholders)	548	137	185	870
Net increase/(decrease) in exposure from Australian fixed interest futures	–	3,059	–	3,059
Net increase/(decrease) in exposure from International fixed interest futures	–	14,700	–	14,700
Net increase/(decrease) in exposure from Australian money market futures	57,294	–	–	57,294
Net exposure	66,611	40,302	54	106,967

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Franklin K2 Athena Fund

30 June 2025	**Floating interest rate $'000**	**Fixed interest rate $'000**	**Non-interest bearing $'000**	**Total $'000**
Financial assets				
Cash and cash equivalents	**321**	**–**	**–**	**321**
Receivables	**–**	**–**	**30**	**30**
Financial assets at fair value through profit or loss	**–**	**–**	**60,613**	**60,613**
Total assets	**321**	**–**	**60,643**	**60,964**
Financial liabilities				
Due to brokers - payable for securities purchased	**–**	**–**	**108**	**108**
Distribution payable	**–**	**–**	**1,375**	**1,375**
Payables	**–**	**–**	**292**	**292**
Total liabilities (excluding net assets attributable to unitholders)	**–**	**–**	**1,775**	**1,775**
Net exposure	**321**	**–**	**58,868**	**59,189**

30 June 2024	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Financial assets				
Cash and cash equivalents	148	–	–	148
Due from brokers - receivable for securities sold	–	–	42	42
Receivables	–	–	38	38
Financial assets at fair value through profit or loss	–	–	43,705	43,705
Total assets	148	–	43,785	43,933
Financial liabilities				
Due to brokers - payable for securities purchased	–	–	5	5
Distribution payable	–	–	2	2
Payables	–	–	263	263
Total liabilities (excluding net assets attributable to unitholders)	–	–	270	270
Net exposure	148	–	43,515	43,663

(b) Value-at-Risk ("VAR")

VaR is a statistical technique that attempts to summarise the exposure of a given portfolio to market risk by making assumptions about the expected probability distribution of future portfolio returns. VaR represents the maximum reasonable loss that an investor could expect during a time period, with a given probability.

In order to estimate this future market risk, VaR assumes a normal or “bell shaped” curve of future portfolio returns and uses the unique characteristics of the normal distribution-primarily symmetry of future returns both higher and lower than the average future return to estimate the amount of the possible future losses.

To calculate VaR, the Responsible Entity uses the historic price volatility and correlations of current portfolio holdings to calculate both the historic average return and the historic standard deviation of returns around the average. These statistics are then extrapolated into the future using the assumption of normal distribution to calculate an expected loss if the future portfolio return volatility behaves according to these assumptions.

The VaR calculation presented here for the Funds use a 99% confidence interval and assumes a 3-month holding period.

3 Financial risk management (continued)

(b) Value-at-Risk ("VAR") (continued)

Assumptions and limitations of VaR

The calculation process involves gathering the historical price volatility and correlations of the current portfolio holdings to arrive at an estimate of predicted future volatility and expected risk of loss.

These limitations and the nature of the VaR measures mean that the Funds can neither guarantee that losses will not exceed the VaR amounts indicated nor that losses in excess of the VaR amounts will not occur more frequently than is stipulated by the model.

VaR represents the probable expected loss that could be experienced during a given period - not the maximum loss that an investor could experience.

It must be noted however that while the VaR model is an important and valuable risk management tool, it cannot and does not take account of all possible market conditions and extremities that may impact market price risk. For further information regarding market price risk and other risk factors please refer to the Funds' Information Memorandum and Product Disclosure Statement or speak to your financial advisor.

The following table summarises the estimated market risk impact to the profitability of the Funds. The estimated impact has been calculated on the basis of a VaR number incorporating market price, currency and interest rate factors into an overall return risk.

Franklin Global Growth Fund	**VaR Factor**	**Net assets attributable to unitholders**	**Estimated impact of net assets attributable to unitholders**
	%	**$'000**	**$'000**
30 June 2025	**5.08**	**504,695**	**25,639**
30 June 2024	3.28	822,237	26,969

Franklin Templeton Global Aggregate Bond Fund	**VaR Factor**	**Net assets attributable to unitholders**	**Estimated impact of net assets attributable to unitholders**
	%	**$'000**	**$'000**
30 June 2025	**0.95**	**34,621**	**329**
30 June 2024	1.20	39,819	478

Franklin Australian Absolute Return Bond Fund	**VaR Factor**	**Net assets attributable to unitholders**	**Estimated impact of net assets attributable to unitholders**
	%	**$'000**	**$'000**
30 June 2025	**0.39**	**1,076,417**	**4,198**
30 June 2024	0.55	1,077,727	5,927

Franklin Australian Core Plus Bond Fund	**VaR Factor**	**Net assets attributable to unitholders**	**Estimated impact of net assets attributable to unitholders**
	%	**$'000**	**$'000**
30 June 2025	**1.14**	**19,354**	**221**
30 June 2024	1.39	31,914	444

Franklin K2 Athena Fund	**VaR Factor**	**Net assets attributable to unitholders**	**Estimated impact of net assets attributable to unitholders**
	%	**$'000**	**$'000**
30 June 2025	**1.30**	**59,189**	**769**
30 June 2024	1.01	43,663	441

(c) Credit risk

The Funds are exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due.

The main concentration of credit risk, to which the Funds are exposed, arises from the Funds' investment in debt securities. The Funds are also exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables. No loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly immaterial to the Funds.

3 Financial risk management (continued)

(c) Credit risk (continued)

Credit risk is managed by ensuring that:

- counterparties with respective credit limits are approved by the Responsible Entity; and
- transactions are undertaken with a number of counterparties.

The Funds invest in debt securities and money market securities which have credit ratings as rated by well-known rating agencies. For unrated debt securities a rating is assigned by the Investment Manager using an approach that is consistent with the approach used by rating agencies.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. An analysis of directly held debt securities and money market securities by rating is set out in the table below:

	Franklin Templeton Global Aggregate Bond Fund	
Rating	**30 June 2025 $'000**	30 June 2024 $'000
AAA	**1,052**	4,912
AA+	**7,368**	1,915
AA	**1,048**	2,539
AA-	**360**	336
A+	**2,347**	3,697
A	**2,405**	2,202
A-	**4,564**	6,778
BBB+	**7,133**	8,180
BBB	**3,827**	5,113
BBB-	**882**	761
Not-rated	**869**	986
Total	**31,855**	37,419

	Franklin Australian Absolute Return Bond Fund	
Rating	**30 June 2025 $'000**	30 June 2024 $'000
AAA	**194,902**	156,812
AA+	**32,434**	6,674
AA	**11,104**	6,528
AA-	**57,011**	89,914
A+	**88,569**	119,327
A	**34,271**	29,517
A-	**186,880**	233,638
BBB+	**204,801**	209,411
BBB	**124,096**	121,006
BBB-	**70,135**	82,765
BB+	**3,221**	2,831
Total	**1,007,424**	1,058,423

3 Financial risk management (continued)

(c) Credit risk (continued)

Rating	Franklin Australian Core Plus Bond Fund 30 June 2025 $'000	Franklin Australian Core Plus Bond Fund 30 June 2024 $'000
AAA	**826**	8,674
AA+	**7,724**	2,916
AA	**2,645**	–
AA-	**321**	161
A+	**504**	1,494
A	**389**	520
A-	**1,387**	7,499
BBB+	**1,423**	4,049
BBB	**949**	2,780
BBB-	**371**	1,450
Total	**16,539**	29,543

Franklin Global Growth Fund and Franklin K2 Athena Fund do not have material direct exposure to credit risk.

(d) Liquidity risk

Liquidity risk is the risk that the Funds may not be able to generate sufficient cash resources to settle their obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Funds are exposed to daily cash redemptions of redeemable units. The Funds primarily hold investments that are traded in active markets and can be readily disposed. Only a limited proportion of their assets are held in investments not actively traded on a stock exchange.

The Responsible Entity monitors liquidity of the Funds on a daily basis. In order to manage the Funds' overall liquidity, the Funds have the ability to suspend unit pricing and hence suspend redemption requests. The Funds did not suspend redemptions as a result of suspending unit pricing in the current or prior financial year.

The following tables analyse the Funds' non-derivative financial liabilities based on Financial year end to the contractual maturity date. The amounts in the table are contractual undiscounted cash flows.

Franklin Global Growth Fund

30 June 2025	**Less than 1 month $'000**	**1 - 6 months $'000**	**6 - 12 months $'000**	**Over 12 months $'000**	**Total $'000**
Margin accounts	**275**	**–**	**–**	**–**	**275**
Distribution payable	**106,765**	**–**	**–**	**–**	**106,765**
Payables	**3,106**	**–**	**–**	**–**	**3,106**
Net assets attributable to unitholders	**504,695**	**–**	**–**	**–**	**504,695**
Total liabilities (excluding derivatives)	**614,841**	**–**	**–**	**–**	**614,841**

30 June 2024	Less than 1 month $'000	1 - 6 months $'000	6 - 12 months $'000	Over 12 months $'000	Total $'000
Distribution payable	43,076	–	–	–	43,076
Payables	5,036	–	–	–	5,036
Net assets attributable to unitholders	822,237	–	–	–	822,237
Total liabilities (excluding derivatives)	870,349	–	–	–	870,349

3 Financial risk management (continued)

(d) Liquidity risk (continued)

	Franklin Templeton Global Aggregate Bond Fund				
30 June 2025	**Less than 1 month $'000**	**1 - 6 months $'000**	**6 - 12 months $'000**	**Over 12 months $'000**	**Total $'000**
Payables	**78**	**–**	**–**	**–**	**78**
Net assets attributable to unitholders	**34,621**	**–**	**–**	**–**	**34,621**
Total liabilities (excluding derivatives)	**34,699**	**–**	**–**	**–**	**34,699**
International fixed interest futures	**–**	**28**	**–**	**–**	**28**
Net settled derivatives	**–**	**28**	**–**	**–**	**28**

30 June 2024	Less than 1 month $'000	1 - 6 months $'000	6 - 12 months $'000	Over 12 months $'000	Total $'000
Margin accounts	8	–	–	–	8
Due to brokers - payable for securities purchased	154	–	–	–	154
Payables	182	–	–	–	182
Net assets attributable to unitholders	39,819	–	–	–	39,819
Total liabilities (excluding derivatives)	40,163	–	–	–	40,163
International fixed interest futures	–	9	–	–	9
Net settled derivatives	–	9	–	–	9

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Franklin Australian Absolute Return Bond Fund

30 June 2025	**Less than 1 month $'000**	**1 - 6 months $'000**	**6 - 12 months $'000**	**Over 12 months $'000**	**Total $'000**
Margin accounts	**3,152**	**–**	**–**	**–**	**3,152**
Due to brokers - payable for securities purchased	**10,864**	**–**	**–**	**–**	**10,864**
Distribution payable	**2,341**	**–**	**–**	**–**	**2,341**
Payables	**3,816**	**–**	**–**	**–**	**3,816**
Net assets attributable to unitholders	**1,076,417**	**–**	**–**	**–**	**1,076,417**
Total liabilities (excluding derivatives)	**1,096,590**	**–**	**–**	**–**	**1,096,590**
Australian fixed interest futures	**–**	**569**	**–**	**–**	**569**
International fixed interest futures	**–**	**2,607**	**–**	**–**	**2,607**
Swaps	**–**	**–**	**–**	**23,087**	**23,087**
Net settled derivatives	**–**	**3,176**	**–**	**23,087**	**26,263**

30 June 2024	Less than 1 month $'000	1 - 6 months $'000	6 - 12 months $'000	Over 12 months $'000	Total $'000
Margin accounts	5,532	–	–	–	5,532
Due to brokers - payable for securities purchased	3,084	–	–	–	3,084
Distribution payable	6,979	–	–	–	6,979
Payables	22,005	–	–	–	22,005
Net assets attributable to unitholders	1,077,727	–	–	–	1,077,727
Total liabilities (excluding derivatives)	1,115,327	–	–	–	1,115,327
Australian fixed interest futures	–	285	–	–	285
International fixed interest futures	–	972	–	–	972
Australian money market futures	–	3,779	–	–	3,779
Swaps	–	–	–	19,211	19,211
Net settled derivatives	–	5,036	–	19,211	24,247

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Franklin Australian Core Plus Bond Fund

30 June 2025	**Less than 1 month $'000**	**1 - 6 months $'000**	**6 - 12 months $'000**	**Over 12 months $'000**	**Total $'000**
Margin accounts	**60**	**–**	**–**	**–**	**60**
Due to brokers - payable for securities purchased	**758**	**–**	**–**	**–**	**758**
Payables	**16**	**–**	**–**	**–**	**16**
Net assets attributable to unitholders	**19,354**	**–**	**–**	**–**	**19,354**
Total liabilities (excluding derivatives)	**20,188**	**–**	**–**	**–**	**20,188**
International fixed interest futures	**–**	**45**	**–**	**–**	**45**
Swaps	**–**	**–**	**–**	**158**	**158**
Net settled derivatives	**–**	**45**	**–**	**158**	**203**

30 June 2024	Less than 1 month $'000	1 - 6 months $'000	6 - 12 months $'000	Over 12 months $'000	Total $'000
Margin accounts	294	–	–	–	294
Payables	27	–	–	–	27
Net assets attributable to unitholders	31,914	–	–	–	31,914
Total liabilities (excluding derivatives)	32,235	–	–	–	32,235
Australian fixed interest futures	–	46	–	–	46
International fixed interest futures	–	22	–	–	22
Australian money market futures	–	199	–	–	199
Swaps	–	–	–	124	124
Net settled derivatives	–	267	–	124	391

Franklin K2 Athena Fund

30 June 2025	**Less than 1 month $'000**	**1 - 6 months $'000**	**6 - 12 months $'000**	**Over 12 months $'000**	**Total $'000**
Due to brokers - payable for securities purchased	**108**	**–**	**–**	**–**	**108**
Distribution payable	**1,375**	**–**	**–**	**–**	**1,375**
Payables	**292**	**–**	**–**	**–**	**292**
Total liabilities (excluding derivatives)	**1,775**	**–**	**–**	**–**	**1,775**

30 June 2024	Less than 1 month $'000	1 - 6 months $'000	6 - 12 months $'000	Over 12 months $'000	Total $'000
Due to brokers - payable for securities purchased	5	–	–	–	5
Distribution payable	2	–	–	–	2
Payables	263	–	–	–	263
Total liabilities (excluding derivatives)	270	–	–	–	270

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Maturities of gross-settled derivative financial instruments

The tables below analyse the Funds' gross-settled derivative financial instruments based on their contractual maturity. The Funds may at their discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

Franklin Global Growth Fund

30 June 2025	**Less than 1 month $'000**	**1 - 6 months $'000**	**6 - 12 months $'000**	**Over 12 months $'000**	**Total $'000**
Forward currency contracts					
Inflows	**18,784**	**–**	**–**	**–**	**18,784**
(Outflows)	**(18,774)**	**–**	**–**	**–**	**(18,774)**
Net	**10**	**–**	**–**	**–**	**10**

30 June 2024	Less than 1 month $'000	1 - 6 months $'000	6 - 12 months $'000	Over 12 months $'000	Total $'000
Forward currency contracts					
Inflows	39,798	–	–	–	39,798
(Outflows)	(39,572)	–	–	–	(39,572)
Net	226	–	–	–	226

Franklin Templeton Global Aggregate Bond Fund

30 June 2025	**Less than 1 month $'000**	**1 - 6 months $'000**	**6 - 12 months $'000**	**Over 12 months $'000**	**Total $'000**
Forward currency contracts					
Inflows	**–**	**36,221**	**–**	**–**	**36,221**
(Outflows)	**–**	**(36,137)**	**–**	**–**	**(36,137)**
Net	**–**	**84**	**–**	**–**	**84**

30 June 2024	Less than 1 month $'000	1 - 6 months $'000	6 - 12 months $'000	Over 12 months $'000	Total $'000
Forward currency contracts					
Inflows	–	39,479	–	–	39,479
(Outflows)	–	(38,742)	–	–	(38,742)
Net	–	737	–	–	737

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Franklin Australian Absolute Return Bond Fund

30 June 2025	**Less than 1 month $'000**	**1 - 6 months $'000**	**6 - 12 months $'000**	**Over 12 months $'000**	**Total $'000**
Forward currency contracts					
Inflows	**313,427**	**–**	**–**	**–**	**313,427**
(Outflows)	**(309,035)**	**–**	**–**	**–**	**(309,035)**
Net	**4,392**	**–**	**–**	**–**	**4,392**

30 June 2024	Less than 1 month $'000	1 - 6 months $'000	6 - 12 months $'000	Over 12 months $'000	Total $'000
Forward currency contracts					
Inflows	377,992	–	–	–	377,992
(Outflows)	(377,380)	–	–	–	(377,380)
Net	612	–	–	–	612

Franklin Australian Core Plus Bond Fund

30 June 2025	**Less than 1 month $'000**	**1 - 6 months $'000**	**6 - 12 months $'000**	**Over 12 months $'000**	**Total $'000**
Forward currency contracts					
Inflows	**2,382**	**–**	**–**	**–**	**2,382**
(Outflows)	**(2,320)**	**–**	**–**	**–**	**(2,320)**
Net	**62**	**–**	**–**	**–**	**62**

30 June 2024	Less than 1 month $'000	1 - 6 months $'000	6 - 12 months $'000	Over 12 months $'000	Total $'000
Forward currency contracts					
Inflows	3,947	44,636	–	–	48,583
(Outflows)	(3,858)	(44,651)	–	–	(48,509)
Net	89	(15)	–	–	74

4 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statements of financial positions when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Agreements with over-the-counter derivatives are based on the ISDA Master Agreement. The gross and net positions of financial assets and liabilities that have been offset in the statements of financial positions are disclosed in the first three columns of the tables below:

Franklin Global Growth Fund

	Effects of offsetting on the statement of financial position			**Related amounts not offset**		
30 June 2025	**Gross amounts of financial assets and liabilities $'000**	**Gross amounts set off in the statement of financial position $'000**	**Net amount of financial assets and liabilities presented in the statement of financial position $'000**	**Amount subject to master netting arrangements $'000**	**Cash collateral pledged $'000**	**Net amount $'000**
Financial assets						
Derivatives financial instruments	**90**	**–**	**90**	**(77)**	**–**	**13**
Total	**90**	**–**	**90**	**(77)**	**–**	**13**
Financial liabilities						
Derivatives financial instruments	**80**	**–**	**80**	**(77)**	**–**	**4**
Total	**80**	**–**	**80**	**(77)**	**–**	**4**

	Effects of offsetting on the statement of financial position			Related amounts not offset		
30 June 2024	Gross amounts of financial assets and liabilities $'000	Gross amounts set off in the statement of financial position $'000	Net amount of financial assets and liabilities presented in the statement of financial position $'000	Amount subject to master netting arrangements $'000	Cash collateral pledged $'000	Net amount $'000
Financial assets						
Derivatives financial instruments	240	–	240	–	–	240
Total	240	–	240	–	–	240
Financial liabilities						
Derivatives financial instruments	14	–	14	–	–	14
Total	14	–	14	–	–	14

4 Offsetting financial assets and financial liabilities (continued)

Franklin Templeton Global Aggregate Bond Fund

	Effects of offsetting on the statement of financial position			Related amounts not offset		
30 June 2025	**Gross amounts of financial assets and liabilities $'000**	**Gross amounts set off in the statement of financial position $'000**	**Net amount of financial assets and liabilities presented in the statement of financial position $'000**	**Amount subject to master netting arrangements $'000**	**Cash collateral pledged $'000**	**Net amount $'000**
Financial assets						
Derivatives financial instruments	**350**	**–**	**350**	**(82)**	**–**	**268**
Total	**350**	**–**	**350**	**(82)**	**–**	**268**
Financial liabilities						
Derivatives financial instruments	**264**	**–**	**264**	**(82)**	**–**	**182**
Total	**264**	**–**	**264**	**(82)**	**–**	**182**

	Effects of offsetting on the statement of financial position			Related amounts not offset		
30 June 2024	Gross amounts of financial assets and liabilities $'000	Gross amounts set off in the statement of financial position $'000	Net amount of financial assets and liabilities presented in the statement of financial position $'000	Amount subject to master netting arrangements $'000	Cash collateral pledged $'000	Net amount $'000
Financial assets						
Derivatives financial instruments	785	–	785	(9)	(8)	768
Total	785	–	785	(9)	(8)	768
Financial liabilities						
Derivatives financial instruments	11	–	11	(9)	–	2
Total	11	–	11	(9)	–	2

4 Offsetting financial assets and financial liabilities (continued)

Franklin Australian Absolute Return Bond Fund

	Effects of offsetting on the statement of financial position			Related amounts not offset		
30 June 2025	**Gross amounts of financial assets and liabilities $'000**	**Gross amounts set off in the statement of financial position $'000**	**Net amount of financial assets and liabilities presented in the statement of financial position $'000**	**Amount subject to master netting arrangements $'000**	**Cash collateral pledged $'000**	**Net amount $'000**
Financial assets						
Derivatives financial instruments	**8,851**	**–**	**8,851**	**(4,242)**	**(2,659)**	**1,950**
Total	**8,851**	**–**	**8,851**	**(4,242)**	**(2,659)**	**1,950**
Financial liabilities						
Derivatives financial instruments	**27,898**	**–**	**27,898**	**(4,242)**	**(7,379)**	**16,277**
Total	**27,898**	**–**	**27,898**	**(4,242)**	**(7,379)**	**16,277**

	Effects of offsetting on the statement of financial position			Related amounts not offset		
30 June 2024	Gross amounts of financial assets and liabilities $'000	Gross amounts set off in the statement of financial position $'000	Net amount of financial assets and liabilities presented in the statement of financial position $'000	Amount subject to master netting arrangements $'000	Cash collateral pledged $'000	Net amount $'000
Financial assets						
Derivatives financial instruments	4,645	–	4,645	(2,992)	(1,653)	–
Total	4,645	–	4,645	(2,992)	(1,653)	–
Financial liabilities						
Derivatives financial instruments	24,588	–	24,588	(2,992)	(6,856)	14,740
Total	24,588	–	24,588	(2,992)	(6,856)	14,740

4 Offsetting financial assets and financial liabilities (continued)

Franklin Australian Core Plus Bond Fund

	Effects of offsetting on the statement of financial position			Related amounts not offset		
30 June 2025	**Gross amounts of financial assets and liabilities $'000**	**Gross amounts set off in the statement of financial position $'000**	**Net amount of financial assets and liabilities presented in the statement of financial position $'000**	**Amount subject to master netting arrangements $'000**	**Cash collateral pledged $'000**	**Net amount $'000**
Financial assets						
Derivatives financial instruments	**154**	**–**	**154**	**(45)**	**(48)**	**61**
Total	**154**	**–**	**154**	**(45)**	**(48)**	**61**
Financial liabilities						
Derivatives financial instruments	**203**	**–**	**203**	**(45)**	**(90)**	**68**
Total	**203**	**–**	**203**	**(45)**	**(90)**	**68**

	Effects of offsetting on the statement of financial position			Related amounts not offset		
30 June 2024	Gross amounts of financial assets and liabilities $'000	Gross amounts set off in the statement of financial position $'000	Net amount of financial assets and liabilities presented in the statement of financial position $'000	Amount subject to master netting arrangements $'000	Cash collateral pledged $'000	Net amount $'000
Financial assets						
Derivatives financial instruments	388	–	388	(88)	(119)	181
Total	388	–	388	(88)	(119)	181
Financial liabilities						
Derivatives financial instruments	549	–	549	(88)	(265)	196
Total	549	–	549	(88)	(265)	196

5 Fair value measurement

The Funds measure and recognise the following assets and liabilities at fair value on a recurring basis;

- Financial assets / liabilities at fair value through profit or loss (see note 6 and 7); and
- Derivative financial instruments (see note 8).

The Funds have no assets or liabilities measured at fair value on a non-recurring basis in the current financial year.

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy;

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting year without any deduction for estimated future selling costs.

5 Fair value measurement (continued)

(i) Fair value in an active market (level 1) (continued)

The Funds value their investments in accordance with the accounting policies set out in note 2 of the financial statements. For the majority of their investments, the Funds rely on information provided by independent pricing services for the valuation of their investments.

The quoted market price used for financial assets and financial liabilities held by the Funds is the last traded market price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (level 2)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(iii) Fair value in an inactive or unquoted market (level 3)

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where risk gives rise to a significant unobservable adjustment. The fair value of financial assets and liabilities is determined using valuation techniques. These include the use of recent arm’s length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the financial year applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the financial year. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the end of the financial year taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Investments in other unlisted unit trusts are recorded at the net asset value per unit as reported by the investment managers of such trusts.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Funds hold. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Funds for similar financial instruments.

5 Fair value measurement (continued)

Recognised fair value measurements

The following tables present the Funds' assets and liabilities measured and recognised at fair value as at 30 June 2025 and 30 June 2024

	Franklin Global Growth Fund			
At 30 June 2025	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets at fair value through profit or loss				
Derivatives	**–**	**90**	**–**	**90**
Listed equities	**603,819**	**–**	**–**	**603,819**
Total	**603,819**	**90**	**–**	**603,909**
Financial liabilities at fair value through profit or loss				
Derivatives	**–**	**80**	**–**	**80**
Total	**–**	**80**	**–**	**80**
At 30 June 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss				
Derivatives	–	240	–	240
Listed equities	821,101	–	–	821,101
Listed unit trusts	13,028	–	–	13,028
Total	834,129	240	–	834,369
Financial liabilities at fair value through profit or loss				
Derivatives	–	14	–	14
Total	–	14	–	14

	Franklin Templeton Global Aggregate Bond Fund			
At 30 June 2025	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets at fair value through profit or loss				
Derivatives	**30**	**320**	**–**	**350**
Debt securities	**–**	**31,855**	**–**	**31,855**
Total	**30**	**32,175**	**–**	**32,205**
Financial liabilities at fair value through profit or loss				
Derivatives	**28**	**236**	**–**	**264**
Total	**28**	**236**	**–**	**264**
At 30 June 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss				
Derivatives	46	739	–	785
Debt securities	–	37,419	–	37,419
Total	46	38,158	–	38,204
Financial liabilities at fair value through profit or loss				
Derivatives	9	2	–	11
Total	9	2	–	11

5 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Franklin Australian Absolute Return Bond Fund			
At 30 June 2025	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets at fair value through profit or loss				
Derivatives	**2,824**	**6,027**	**–**	**8,851**
Debt securities	**–**	**1,005,666**	**–**	**1,005,666**
Money market securities	**–**	**1,758**	**–**	**1,758**
Total	**2,824**	**1,013,451**	**–**	**1,016,275**
Financial liabilities at fair value through profit or loss				
Derivatives	**3,176**	**24,722**	**–**	**27,898**
Total	**3,176**	**24,722**	**–**	**27,898**
At 30 June 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss				
Derivatives	1,685	2,960	–	4,645
Debt securities	–	1,051,749	–	1,051,749
Money market securities	6,674	–	–	6,674
Total	8,359	1,054,709	–	1,063,068
Financial liabilities at fair value through profit or loss				
Derivatives	5,036	19,552	–	24,588
Total	5,036	19,552	–	24,588

	Franklin Australian Core Plus Bond Fund			
At 30 June 2025	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets at fair value through profit or loss				
Derivatives	**92**	**62**	**–**	**154**
Debt securities	**–**	**16,539**	**–**	**16,539**
Total	**92**	**16,601**	**–**	**16,693**
Financial liabilities at fair value through profit or loss				
Derivatives	**45**	**158**	**–**	**203**
Total	**45**	**158**	**–**	**203**
At 30 June 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss				
Derivatives	33	355	–	388
Debt securities	–	29,543	–	29,543
Total	33	29,898	–	29,931
Financial liabilities at fair value through profit or loss				
Derivatives	267	282	–	549
Total	267	282	–	549

5 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Franklin K2 Athena Fund			
At 30 June 2025	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets at fair value through profit or loss				
Unlisted unit trusts	**–**	**60,613**	**–**	**60,613**
Total	**–**	**60,613**	**–**	**60,613**
At 30 June 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss				
Listed unit trusts	43,705	–	–	43,705
Total	43,705	–	–	43,705

The Funds' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(iv) Transfers between levels

There were no transfers between levels for all funds during the financial year ended 30 June 2025 and 30 June 2024.

(v) Movement in level 3 instruments

There were no investments classified as level 3 within the Funds as at 30 June 2025 and 30 June 2024.

(vi) Fair value of financial instruments not carried at fair value

The carrying value of receivables and payables are assumed to approximate their fair values. Net assets attributable to unitholders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current or prior financial year.

6 Financial assets at fair value through profit or loss

	Franklin Global Growth Fund		Franklin Templeton Global Aggregate Bond Fund		Franklin Australian Absolute Return Bond Fund	
	As at		As at		As at	
	30 June 2025 $'000	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000
Financial assets at fair value through profit or loss						
Derivatives	**90**	240	**350**	785	**8,851**	4,645
Equity securities	**603,819**	821,101	**–**	–	**–**	–
Debt securities	**–**	–	**31,855**	37,419	**1,005,666**	1,051,749
Listed unit trusts	**–**	13,028	**–**	–	**–**	–
Money market securities	**–**	–	**–**	–	**1,758**	6,674
Total financial assets at fair value through profit or loss	**603,909**	834,369	**32,205**	38,204	**1,016,275**	1,063,068
Comprising:						
Derivatives						
Forward currency contracts	**90**	240	**320**	739	**6,027**	953
Australian fixed interest futures	**–**	–	**–**	–	**–**	743
International fixed interest futures	**–**	–	**30**	46	**2,824**	942
Swaps	**–**	–	**–**	–	**–**	2,007
Total derivatives	**90**	240	**350**	785	**8,851**	4,645
Equity securities						
International equity securities listed on a prescribed stock exchange	**603,819**	821,101	**–**	–	**–**	–
Total equity securities	**603,819**	821,101	**–**	–	**–**	–
Debt securities						
International government bonds	**–**	–	**1,709**	920	**–**	–
Australian public sector bonds	**–**	–	**–**	–	**116,433**	184,992
International public sector bonds	**–**	–	**12,294**	17,206	**66,917**	54,479
Australian corporate bonds	**–**	–	**–**	–	**323,228**	385,370
International corporate bonds	**–**	–	**8,498**	11,346	**76,627**	119,913
Australian commercial mortgages	**–**	–	**–**	–	**126,368**	77,373
International commercial mortgages	**–**	–	**5,605**	4,238	**–**	–
Australian floating rate notes	**–**	–	**–**	–	**158,131**	122,814
International floating rate notes	**–**	–	**3,749**	3,709	**124,773**	94,691
International other fixed interest securities	**–**	–	**–**	–	**13,189**	12,117
Total Debt securities	**–**	–	**31,855**	37,419	**1,005,666**	1,051,749

6 Financial assets at fair value through profit or loss (continued)

	Franklin Global Growth Fund		Franklin Templeton Global Aggregate Bond Fund		Franklin Australian Absolute Return Bond Fund	
	As at		As at		As at	
	30 June 2025 $'000	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000
Comprising:						
Listed unit trusts						
International listed property trusts	**–**	13,028	**–**	–	**–**	–
Total listed unit trusts	**–**	13,028	**–**	–	**–**	–
Money market securities						
Australian money market securities	**–**	–	**–**	–	**1,758**	–
International money market securities	**–**	–	**–**	–	**–**	6,674
Total money market securities	**–**	–	**–**	–	**1,758**	6,674
Total financial assets at fair value through profit or loss	**603,909**	834,369	**32,205**	38,204	**1,016,275**	1,063,068

6 Financial assets at fair value through profit or loss (continued)

	Franklin Australian Core Plus Bond Fund		Franklin K2 Athena Fund	
	As at		As at	
	30 June 2025 $'000	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000
Financial assets at fair value through profit or loss				
Derivatives	**154**	388	**–**	–
Debt securities	**16,539**	29,543	**–**	–
Listed unit trusts	**–**	–	**–**	43,705
Unlisted unit trusts	**–**	–	**60,613**	–
Total financial assets at fair value through profit or loss	**16,693**	29,931	**60,613**	43,705
Comprising:				
Derivatives				
Forward currency contracts	**62**	232	**–**	–
Australian fixed interest futures	**44**	6	**–**	–
International fixed interest futures	**48**	27	**–**	–
Swaps	**–**	123	**–**	–
Total derivatives	**154**	388	**–**	–
Debt securities				
Australian public sector bonds	**11,516**	11,696	**–**	–
Australian corporate bonds	**4,263**	9,967	**–**	–
International corporate bonds	**–**	979	**–**	–
Australian floating rate notes	**–**	5,745	**–**	–
International floating rate notes	**–**	1,156	**–**	–
International other fixed interest securities	**760**	–	**–**	–
Total Debt securities	**16,539**	29,543	**–**	–
Listed unit trusts				
Australian listed trusts	**–**	–	**–**	43,705
Total listed unit trusts	**–**	–	**–**	43,705
Unlisted unit trusts				
International unlisted trusts	**–**	**–**	**60,613**	**–**
Total unlisted unit trusts	**–**	–	**60,613**	–
Total financial assets at fair value through profit or loss	**16,693**	29,931	**60,613**	43,705

An overview of the risk exposure relating to financial assets at fair value through profit or loss is included in note 3 and note 5 to the financial statements.

7 Financial liabilities at fair value through profit or loss

	Franklin Global Growth Fund		Franklin Templeton Global Aggregate Bond Fund		Franklin Australian Absolute Return Bond Fund	
	As at		As at		As at	
	30 June 2025 $'000	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000
Financial liabilities at fair value through profit or loss						
Derivatives	**80**	14	**264**	11	**27,898**	24,588
Total financial liabilities at fair value through profit or loss	**80**	14	**264**	11	**27,898**	24,588
Comprising:						
Derivatives						
Forward currency contracts	**80**	14	**236**	2	**1,635**	341
Australian fixed interest futures	**–**	–	**–**	–	**569**	285
International fixed interest futures	**–**	–	**28**	9	**2,607**	972
Australian money market futures	**–**	–	**–**	–	**–**	3,779
Swaps	**–**	–	**–**	–	**23,087**	19,211
Total derivatives	**80**	14	**264**	11	**27,898**	24,588
Total financial liabilities at fair value through profit or loss	**80**	14	**264**	11	**27,898**	24,588

	Franklin Australian Core Plus Bond Fund		Franklin K2 Athena Fund	
	As at		As at	
	30 June 2025 $'000	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000
Financial liabilities at fair value through profit or loss				
Derivatives	**203**	549	**–**	–
Total financial liabilities at fair value through profit or loss	**203**	549	**–**	–
Comprising:				
Derivatives				
Forward currency contracts	**–**	158	**–**	–
Australian fixed interest futures	**–**	46	**–**	–
International fixed interest futures	**45**	22	**–**	–
Australian money market futures	**–**	199	**–**	–
Swaps	**158**	124	**–**	–
Total derivatives	**203**	549	**–**	–
Total financial liabilities at fair value through profit or loss	**203**	549	**–**	–

An overview of the risk exposure and fair value measurements relating to financial liabilities at fair value through profit or loss is included in note 3 and note 5 to the financial statements.

8 Derivative financial instruments

In the normal course of business, the Funds entered into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures, options and swaps. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Funds' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Funds against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities;
- adjusting asset exposures within the parameters set in the investment strategy, and/or adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Funds.

The Funds may hold the following derivative financial instruments:

(i) Forward currency contracts

Forward currency contracts are primarily used by the Funds to manage against foreign currency risks on their investments. The Funds agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting year. The Funds recognise a gain or loss equal to the change in fair value at the end of each reporting year.

(ii) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market.

(iii) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. The Funds are exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value.

(iv) Swaps

Swaps are derivative instruments in which two counterparties agree to exchange one stream of cash flow against another stream. A credit default index swap is a credit derivative used to hedge credit risk or to take a position on a basket or credit entities (index). It is an agreement between two parties whereby one party pays the other a fixed coupon for the specified term of the agreement. The other party makes no payment unless a specified credit event occurs.

The Funds' derivative financial instruments at financial year end are detailed below:

Franklin Global Growth Fund

	30 June 2025			30 June 2024		
		Fair Values			Fair Values	
	Contract/ Notional $'000	**Assets $'000**	**Liabilities $'000**	Contract/ Notional $'000	Assets $'000	Liabilities $'000
Forward currency contracts	**18,786**	**90**	**80**	39,812	240	14
	18,786	**90**	**80**	39,812	240	14

8 Derivative financial instruments (continued)

Franklin Templeton Global Aggregate Bond Fund

	30 June 2025			30 June 2024		
		Fair Values			Fair Values	
	Contract/ Notional $'000	**Assets $'000**	**Liabilities $'000**	Contract/ Notional $'000	Assets $'000	Liabilities $'000
Forward currency contracts	**36,179**	**320**	**236**	39,489	739	2
International fixed interest futures	**(2,102)**	**30**	**28**	481	46	9
	34,077	**350**	**264**	39,970	785	11

Franklin Australian Absolute Return Bond Fund

	30 June 2025			30 June 2024		
		Fair Values			Fair Values	
	Contract/ Notional $'000	**Assets $'000**	**Liabilities $'000**	Contract/ Notional $'000	Assets $'000	Liabilities $'000
Forward currency contracts	**313,427**	**6,027**	**1,635**	1,307,209	953	341
Australian fixed interest futures	**(117,938)**	**–**	**569**	(192,187)	743	285
International fixed interest futures	**621,438**	**2,824**	**2,607**	481,195	942	972
Australian money market futures	**–**	**–**	**–**	1,086,676	–	3,779
Swaps	**–**	**–**	**23,087**	–	2,007	19,211
	816,927	**8,851**	**27,898**	2,682,893	4,645	24,588

Franklin Australian Core Plus Bond Fund

	30 June 2025			30 June 2024		
		Fair Values			Fair Values	
	Contract/ Notional $'000	**Assets $'000**	**Liabilities $'000**	Contract/ Notional $'000	Assets $'000	Liabilities $'000
Forward currency contracts	**2,382**	**62**	**–**	52,831	232	158
Australian fixed interest futures	**11,027**	**44**	**–**	3,059	6	46
International fixed interest futures	**10,740**	**48**	**45**	14,700	27	22
Australian money market futures	**–**	**–**	**–**	57,294	–	199
Swaps	**–**	**–**	**158**	–	123	124
	24,149	**154**	**203**	127,884	388	549

Risk exposures and fair value measurements

Information about the Funds' exposure to credit risk, foreign exchange risk, interest rate risk and about the methods and assumptions used in determining fair values is provided in note 3 and note 5 to the financial statements. The maximum exposure to credit risk at the end of the reporting financial year is the carrying amount of each class of derivative financial instruments disclosed above.

9 Net assets attributable to unitholders

Franklin Global Growth Fund

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are up to four classes of unitholders in the Fund being A Class, A (Hedged) Class, M Class and M (Hedged) Class.

The management costs charged on A Class and M Class unitholdings are paid by the Fund to the Responsible Entity.

Franklin Templeton Global Aggregate Bond Fund

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are up to two classes of unitholders in the Fund being A Class and M Class.

The management costs charged on A Class and M Class unitholdings are paid by the Fund to the Responsible Entity. In all other respects, these classes of units carry equal rights.

Franklin Australian Absolute Return Bond Fund

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are up to two classes of unitholders in the Fund being A Class and M Class.

The management costs charged on A Class and M Class unitholdings are paid by the Fund to the Responsible Entity.

Franklin Australian Core Plus Bond Fund

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are up to three classes of unitholders in the Fund being A Class, M Class and X Class.

The management costs charged on A Class, M Class and X Class unitholdings are paid by the Fund to the Responsible Entity. In all other respects, these classes of units carry equal rights.

From 1 July 2019, Franklin Australian Core Plus Bond Fund lost its AMIT status and does not meet the classification of MIT.

As the Funds except Franklin K2 Athena Fund, are multi-class funds, units are classified as financial liabilities as they do not meet the requirements of equity in accordance with AASB 132 Financial instruments: Presentation.

Franklin K2 Athena Fund

The Fund's distributions are not classified as finance cost in the statement of comprehensive income, but rather as distributions to unitholders in the statement of changes in net assets attributable to unitholders - equity.

9 Net assets attributable to unitholders (continued)

Movements in the number of units and net assets attributable to unitholders during the financial year were as follows:

	As at			
	30 June 2025		30 June 2024	
	No.'000	**$'000**	No.'000	$'000
Franklin Global Growth Fund - A Class				
Opening balance	**258,863**	**587,625**	297,416	686,843
Applications	**32,866**	**80,270**	44,233	103,725
Redemptions	**(95,133)**	**(231,944)**	(82,935)	(195,054)
Units issued upon reinvestment of distributions	**205**	**467**	149	344
Increase/(decrease) in net assets attributable to unitholders	**–**	**(23,489)**	–	(8,233)
Closing balance	**196,801**	**412,929**	258,863	587,625
Franklin Global Growth Fund - A Class (Hedged)				
Opening balance	**7,961**	**16,475**	7,470	14,982
Applications	**842**	**1,838**	2,505	5,001
Redemptions	**(3,216)**	**(6,853)**	(2,014)	(4,107)
Increase/(decrease) in net assets attributable to unitholders	**–**	**823**	–	599
Closing balance	**5,587**	**12,283**	7,961	16,475
Franklin Global Growth Fund - M Class				
Opening balance	**76,808**	**194,911**	100,190	258,364
Applications	**23,177**	**61,877**	22,496	59,764
Redemptions	**(68,731)**	**(195,607)**	(46,478)	(123,073)
Units issued upon reinvestment of distributions	**222**	**562**	600	1,548
Increase/(decrease) in net assets attributable to unitholders	**–**	**12,575**	–	(1,692)
Closing balance	**31,476**	**74,318**	76,808	194,911
Franklin Global Growth Fund - M Class (Hedged)				
Opening balance	**10,023**	**23,226**	11,594	25,986
Applications	**151**	**353**	468	1,071
Redemptions	**(8,078)**	**(19,749)**	(2,039)	(4,550)
Increase/(decrease) in net assets attributable to unitholders	**–**	**1,335**	–	719
Closing balance	**2,096**	**5,165**	10,023	23,226
Total		**504,695**		822,237

9 Net assets attributable to unitholders (continued)

	As at			
	30 June 2025		30 June 2024	
	No.'000	**$'000**	No.'000	$'000
Franklin Templeton Global Aggregate Bond Fund - A Class				
Opening balance	**42,080**	**39,814**	51,810	48,144
Applications	**1,775**	**1,737**	3,028	2,836
Redemptions	**(9,711)**	**(9,539)**	(12,758)	(11,909)
Increase/(decrease) in net assets attributable to unitholders	**–**	**2,604**	–	743
Closing balance	**34,144**	**34,616**	42,080	39,814
Franklin Templeton Global Aggregate Bond Fund - M Class				
Opening balance	**6**	**5**	6	5
Closing balance	**6**	**5**	6	5
Total		**34,621**		39,819

9 Net assets attributable to unitholders (continued)

	As at			
	30 June 2025		30 June 2024	
	No.'000	**$'000**	No.'000	$'000
Franklin Australian Absolute Return Bond Fund - A Class				
Opening balance	**692,258**	**675,389**	894,323	836,572
Applications	**157,706**	**158,167**	218,950	210,255
Redemptions	**(189,580)**	**(190,019)**	(421,203)	(404,536)
Units issued upon reinvestment of distributions	**26**	**25**	188	179
Increase/(decrease) in net assets attributable to unitholders	**–**	**33,688**	–	32,919
Closing balance	**660,410**	**677,250**	692,258	675,389
Franklin Australian Absolute Return Bond Fund - M Class				
Opening balance	**412,177**	**402,338**	510,729	479,630
Applications	**89,918**	**90,474**	98,296	94,510
Redemptions	**(114,812)**	**(114,277)**	(197,922)	(189,989)
Units issued upon reinvestment of distributions	**1,428**	**1,420**	1,074	1,023
Increase/(decrease) in net assets attributable to unitholders	**–**	**19,212**	–	17,164
Closing balance	**388,711**	**399,167**	412,177	402,338
Total		**1,076,417**		1,077,727

9 Net assets attributable to unitholders (continued)

	As at			
	30 June 2025		30 June 2024	
	No.'000	**$'000**	No.'000	$'000
Franklin Australian Core Plus Bond Fund - A Class				
Opening balance	**36,104**	**31,319**	86,799	72,929
Applications	**4,379**	**4,024**	21,922	18,690
Redemptions	**(20,713)**	**(18,305)**	(72,617)	(63,263)
Increase/(decrease) in net assets attributable to unitholders	**–**	**1,667**	–	2,963
Closing balance	**19,770**	**18,705**	36,104	31,319
Franklin Australian Core Plus Bond Fund - M Class				
Opening balance	**275**	**257**	115	104
Applications	**–**	**–**	160	150
Redemptions	**(1)**	**(1)**	–	–
Increase/(decrease) in net assets attributable to unitholders	**–**	**23**	–	3
Closing balance	**274**	**279**	275	257
Franklin Australian Core Plus Bond Fund - X Class				
Opening balance	**363**	**338**	362	323
Units issued upon reinvestment of distributions	**–**	**–**	1	1
Increase/(decrease) in net assets attributable to unitholders	**–**	**32**	–	14
Closing balance	**363**	**370**	363	338
Total		**19,354**		31,914

	As at			
	30 June 2025		30 June 2024	
	No.'000	**$'000**	No.'000	$'000
Franklin K2 Athena Fund - A Class				
Opening balance	**42,374**	**43,663**	–	–
Applications	**21,996**	**23,289**	43,657	44,676
Redemptions	**(7,239)**	**(7,688)**	(1,283)	(1,321)
Units issued upon reinvestment of distributions	**161**	**166**	–	–
Distributions paid and payable	**–**	**(2,695)**	–	(22)
Profit/(loss) for the year	**–**	**2,454**	–	330
Closing balance	**57,292**	**59,189**	42,374	43,663

As stipulated within the Funds' Constitution, each unit represents a right to an individual share in the Funds and does not extend to a right in the underlying assets of the Funds. There are three classes of unitholders in the Funds being A Class, M Class and X Class.

Franklin Global Growth Fund - A Class (ASX code: FRGG) and Franklin Australian Absolute Return Bond Fund - A Class (ASX code: FRAR)

Where investors buy and sell through the ASX, they will generally incur brokerage and may pay more than the net asset value price when buying and receive less than the net asset value price when selling. An investor that applies for units directly with the Responsible Entity may pay a different price for units in the Fund to an investor who buys units on the ASX at the same time or on the same day. Similarly, an investor who redeems units directly with the Responsible Entity is likely to receive a different price for units in the Fund to an investor who sells units on the ASX at the same time or on the same day. These differences received by investors may result in a different return from an investment in the Fund.

9 Net assets attributable to unitholders (continued)

Capital Risk Management

The Funds consider its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change materially on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unitholders. Net assets attributable to unitholders are representative of the expected cash outflows on redemption.

Daily applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

The Funds' investment strategy remains unchanged and they continue to hold direct investments which provide exposure to liquid assets including equity securities, income securities, interest earnings and cash equivalent securities. As such, the Funds will meet any capital requirements from the liquidation of liquid assets, which include cash and cash equivalents.

10 Distributions to unitholders

The distributions during the financial year were as follows:

	Franklin Global Growth Fund Year ended			
	30 June 2025		30 June 2024	
Franklin Global Growth Fund - A Class	**$'000**	**CPU**	$'000	CPU
Distribution payable				
- June	**90,881**	**46.1793**	32,288	12.4730
	90,881		32,288	
Franklin Global Growth Fund - M Class	**$'000**	**CPU**	$'000	CPU
Distribution payable				
- June	**15,884**	**50.4639**	10,788	14.0448
	15,884		10,788	

There were no distributions for Franklin Global Growth Fund - A (Hedged) and M (Hedged) Class during the year ended 30 June 2025 and 30 June 2024.

10 Distributions to unitholders (continued)

	Franklin Australian Absolute Return Bond Fund			
	Year ended			
	30 June 2025		30 June 2024	
Franklin Australian Absolute Return Bond Fund - A Class				
	$'000	**CPU**	$'000	CPU
Distribution paid				
- July	**1,014**	**0.1473**	1,642	0.1860
- August	**1,023**	**0.1485**	1,587	0.1870
- September	**1,023**	**0.1492**	1,514	0.1887
- October	**1,020**	**0.1495**	727	0.0926
- November	**1,006**	**0.1496**	722	0.0926
- December	**1,008**	**0.1502**	712	0.0908
- January	**1,013**	**0.1513**	734	0.0941
- February	**1,007**	**0.1516**	350	0.0456
- March	**335**	**0.0507**	351	0.0460
- April	**334**	**0.0507**	360	0.0488
- May	**671**	**0.1020**	351	0.0488
Distribution payable				
- June	**1,448**	**0.2192**	4,341	0.6271
	10,902		13,391	
Franklin Australian Absolute Return Bond Fund - M Class				
	$'000	**CPU**	$'000	CPU
Distribution paid				
- July	**556**	**0.1475**	986	0.1941
- August	**552**	**0.1487**	895	0.1946
- September	**556**	**0.1493**	910	0.1977
- October	**559**	**0.1497**	455	0.1003
- November	**557**	**0.1498**	445	0.1002
- December	**565**	**0.1503**	461	0.0997
- January	**565**	**0.1514**	473	0.1023
- February	**563**	**0.1515**	246	0.0533
- March	**192**	**0.0508**	228	0.0540
- April	**197**	**0.0507**	203	0.0488
- May	**398**	**0.1021**	201	0.0488
Distribution payable				
- June	**893**	**0.2299**	2,638	0.6401
	6,153		8,141	

10 Distributions to unitholders (continued)

	Franklin Australian Core Plus Bond Fund Year ended 30 June 2025		30 June 2024	
Franklin Australian Core Plus Bond Fund - A Class	**$'000**	**CPU**	$'000	CPU
Distribution paid				
- July	**–**	**–**	80	0.0846
- August	**–**	**–**	80	0.0850
- September	**–**	**–**	79	0.0854
	–		239	
Franklin Australian Core Plus Bond Fund - M Class	**$'000**	**CPU**	$'000	CPU
Distribution paid				
- July	**–**	**–**	–	0.0979
- August	**–**	**–**	–	0.0993
- September	**–**	**–**	–	0.0995
	–		–	
Franklin Australian Core Plus Bond Fund - X Class	**$'000**	**CPU**	$'000	CPU
Distribution paid				
- July	**–**	**–**	–	0.1074
- August	**–**	**–**	–	0.1050
- September	**–**	**–**	1	0.1087
	–		1	

	Franklin K2 Athena Fund Year ended 30 June 2025		Period 3 April 2023 to 30 June 2024	
Franklin K2 Athena Fund - A Class	**$'000**	**CPU**	$'000	CPU
Distribution paid				
- June	**–**	**–**	6	0.6079
- December	**1,320**	**2.3312**	14	1.4213
Distribution payable				
- June	**1,375**	**2.4004**	2	0.0040
	2,695		22	

There were no distributions for Franklin Templeton Global Aggregate Bond Fund - A and M Class during the year ended 30 June 2025 and 30 June 2024.

11 Cash and cash equivalents

	Franklin Global Growth Fund		Franklin Templeton Global Aggregate Bond Fund		Franklin Australian Absolute Return Bond Fund	
	As at		As at		As at	
	30 June 2025 $'000	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000
Domestic cash at bank	**7,297**	26,341	**1,100**	656	**6,883**	22,315
Foreign cash at bank	**1,021**	7,131	**1,436**	912	**9,848**	2,238
Term deposits	**–**	–	**–**	–	**3,278**	5,401
Money market instruments	**–**	–	**–**	–	**37,397**	–
Total cash and cash equivalents	**8,318**	33,472	**2,536**	1,568	**57,406**	29,954

	Franklin Australian Core Plus Bond Fund		Franklin K2 Athena Fund	
	As at		As at	
	30 June 2025 $'000	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000
Domestic cash at bank	**576**	1,172	**321**	148
Foreign cash at bank	**1,587**	26	**–**	–
Term deposits	**243**	535	**–**	–
Money market instruments	**763**	–	**–**	–
Total cash and cash equivalents	**3,169**	1,733	**321**	148

12 Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities

	Franklin Global Growth Fund		Franklin Templeton Global Aggregate Bond Fund		Franklin Australian Absolute Return Bond Fund	
	Year ended		Year ended		Year ended	
	30 June 2025 $'000	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000	**30 June 2025 $'000**	30 June 2024 $'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities						
Operating profit/(loss) for the year	**–**	–	**–**	–	**–**	–
Increase/(decrease) in net assets attributable to unitholders	**(8,756)**	(8,607)	**2,604**	743	**52,900**	50,083
Distributions to unitholders	**106,765**	43,076	**–**	–	**17,055**	21,532
Net (gains)/losses on financial instruments at fair value through profit or loss	**(99,867)**	(36,242)	**(1,641)**	366	**(32,370)**	(31,658)
Proceeds from sale of financial instruments at fair value through profit or loss	**569,289**	366,747	**18,478**	19,873	**669,216**	5,028,895
Purchases of financial instruments at fair value through profit or loss	**(239,131)**	(193,729)	**(10,713)**	(15,818)	**(588,150)**	(4,748,047)
Net change in accrued income and receivables	**(153)**	(138)	**53**	90	**750**	2,507
Net change in payables	**(559)**	(698)	**(7)**	(69)	**(1,348)**	(1,176)
Net interest received/(paid) from debt securities	**–**	–	**93**	–	**–**	–
Net cash inflow/(outflow) from operating activities	**327,588**	170,409	**8,867**	5,185	**118,053**	322,136
(b) Non-cash financing activities						
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**1,029**	1,892	**–**	–	**1,445**	1,202

12 Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

	Franklin Australian Core Plus Bond Fund		**Franklin K2 Athena Fund**	
	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000	**Year ended 30 June 2025 $'000**	Period 3 April 2023 to 30 June 2024 $'000
(a) Reconciliation of profit/(loss) to net cash inflow/ (outflow) from operating activities				
Operating profit/(loss) for the year	**–**	–	**2,454**	330
Increase/(decrease) in net assets attributable to unitholders	**1,722**	2,980	**–**	–
Distributions to unitholders	**–**	240	**–**	–
Change in net assets attributable to unitholders	**–**	–	**–**	–
Net (gains)/losses on financial instruments at fair value through profit or loss	**(1,113)**	(1,148)	**110**	(321)
Proceeds from sale of financial instruments at fair value through profit or loss	**29,834**	238,331	**4,979**	315
Purchases of financial instruments at fair value through profit or loss	**(15,030)**	(196,391)	**(21,854)**	(43,680)
Net change in accrued income and receivables	**6**	103	**(8)**	–
Net change in payables	**(36)**	(57)	**48**	52
Distributions reinvested	**–**	–	**–**	(56)
Net interest received/(paid) from debt securities	**349**	–	**–**	–
Net cash inflow/(outflow) from operating activities	**15,732**	44,058	**(14,271)**	(43,360)
(b) Non-cash financing activities				
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**–**	1	**166**	–

13 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Funds:

	Franklin Global Growth Fund Year ended		Franklin Templeton Global Aggregate Bond Fund Year ended		Franklin Australian Absolute Return Bond Fund Year ended	
	30 June 2025 $	30 June 2024 $	**30 June 2025 $**	30 June 2024 $	**30 June 2025 $**	30 June 2024 $
PricewaterhouseCoopers						
Audit and other assurance services						
Audit and review of financial statements	**25,666**	26,952	**13,864**	13,461	**28,762**	26,952
Audit of compliance plan	**4,485**	2,861	**2,905**	2,861	**4,485**	2,861
Audit of specified assertions	**1,458**	1,416	**1,458**	1,416	**1,458**	1,416
Total remuneration for audit and other assurance services	**31,609**	31,229	**18,227**	17,738	**34,705**	31,229
Taxation services						
Tax compliance services	**10,996**	8,864	**9,144**	8,864	**9,144**	8,864
Total remuneration for taxation services	**10,996**	8,864	**9,144**	8,864	**9,144**	8,864
Total remuneration of PricewaterhouseCoopers	**42,605**	40,093	**27,371**	26,602	**43,849**	40,093

	Franklin Australian Core Plus Bond Fund		Franklin K2 Athena Fund	
	Year ended 30 June 2025 $	Year ended 30 June 2024 $	**Year ended 30 June 2025 $**	Period 3 April 2023 to 30 June 2024 $
PricewaterhouseCoopers				
Audit and other assurance services				
Audit and review of financial statements	**13,864**	13,461	**13,864**	13,461
Audit of compliance plan	**2,905**	2,861	**2,905**	2,861
Audit of specified assertions	**1,458**	1,416	**1,458**	1,416
Total remuneration for audit and other assurance services	**18,227**	17,738	**18,227**	17,738
Taxation services				
Tax compliance services	**10,379**	9,088	**9,144**	8,864
Total remuneration for taxation services	**10,379**	9,088	**9,144**	8,864
Total remuneration of PricewaterhouseCoopers	**28,606**	26,826	**27,371**	26,602

14 Related party transactions

Responsible Entity

The Responsible Entity of the Franklin Templeton Australia Funds is Franklin Templeton Australia Limited (ABN 76 004 835 849).

Key management personnel

(a) Directors

The following persons held office as directors of Franklin Templeton Australia Limited during the financial year or since the end of financial year and up to end of this report:

G. Shaneyfelt (Chairperson)

Q. Lupo

M. Sund

F. Walsh

M. Abell

(b) Other key management personnel

There was no other person considered to be Key Management Personnel with the authority for the strategic direction and management of the Funds.

(c) Compensation of Key Management Personnel

No amount is paid by the Funds directly or indirectly during the financial year to the directors of the Responsible Entity. Consequently, no compensation as defined by AASB 124 Related Party Disclosure is paid by the Funds to the directors as Key Management Personnel.

Related party transactions

During the year ended 30 June 2025, under the terms of the Funds' Constitutions the responsible entity was entitled to receive an all-inclusive management cost (inclusive of GST, net of RITC available to the Funds) over the Funds' average net assets attributable to unitholders for the financial year as follows:

	Franklin Global Growth Fund		**Franklin Templeton Global Aggregate Bond Fund**		**Franklin Australian Absolute Return Bond Fund**	
	Year ended		**Year ended**		**Year ended**	
	30 June 2025	30 June 2024	**30 June 2025**	30 June 2024	**30 June 2025**	30 June 2024
ICR (%)						
A Class	**0.90**	0.90	**0.54**	0.54	**0.50**	0.50
M Class	**0.75**	0.75	**0.49**	0.49	**0.40**	0.40
A Class (Hedged)	**0.90**	0.90	**–**	–	**–**	–
M Class (Hedged)	**0.75**	0.75	**–**	–	**–**	–

	Franklin Australian Core Plus Bond Fund		**Franklin K2 Athena Fund**	
	Year ended 30 June 2025	Year ended 30 June 2024	**Year ended 30 June 2025**	Period 3 April 2023 to 30 June 2024
ICR (%)				
A Class	**0.35**	0.35	**0.80**	0.64
M Class	**0.25**	0.25	**–**	–
X Class	**0.10**	0.10	**–**	–

Management costs include management fees, responsible entity fees and other expenses or reimbursements deducted in relation to the Fund, but do not include transactional and operational costs such as brokerage. Management costs are not paid directly by the unitholder of the Funds.

14 Related party transactions (continued)

Related party transactions (continued)

Indirect costs ratio (ICR) includes fees and management costs (if any) arising from underlying funds and a reasonable estimate of the cost of investing in over-the-counter derivatives to gain investment exposure to assets or to implement the Funds' investment strategy. The indirect costs are based on the Responsible Entity's calculations and reasonable estimates and assumptions.

Where monies are invested into other funds managed by the Responsible Entity, the management fees charged in those funds are rebated to the Funds and offset against the expense in the statements of comprehensive income.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the financial year and amounts payable at year end between the Funds and the Responsible Entity are as follows:

	Franklin Global Growth Fund		**Franklin Templeton Global Aggregate Bond Fund**		**Franklin Australian Absolute Return Bond Fund**	
	Year ended		**Year ended**		**Year ended**	
	30 June 2025 $	30 June 2024 $	**30 June 2025 $**	30 June 2024 $	**30 June 2025 $**	30 June 2024 $
Management costs for the year paid by the Funds to the Responsible Entity	**6,550,582**	7,797,055	**195,526**	229,326	**4,878,460**	5,486,395
Total fees payable to the Responsible Entity at the year end	**1,325,572**	1,884,722	**47,580**	54,776	**1,234,058**	1,291,425

	Franklin Australian Core Plus Bond Fund		**Franklin K2 Athena Fund**	
	Year ended 30 June 2025 $	Year ended 30 June 2024 $	**Year ended 30 June 2025 $**	Period 3 April 2023 to 30 June 2024 $
Management costs for the year paid by the Funds to the Responsible Entity	**61,495**	226,551	**369,611**	58,517
Total fees payable to the Responsible Entity at the year end	**15,932**	26,855	**99,944**	52,021

Transactions with key management personnel

Key management personnel services are provided by Franklin Templeton Australia Limited and included in the management fees disclosed above. There is no separate charge for these services. There was no compensation paid directly by the Funds to any of the key management personnel.

Key management personnel remuneration

Key management personnel are paid by the Responsible Entity. Payments made from the Funds do not include any amounts directly attributable to key management personnel remuneration.

Key management personnel unitholdings

There are no transaction occurred with key management personnel during the reporting period 30 June 2025 or 30 June 2024.

Key management personnel loan disclosures

The Funds have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Other transactions within the Funds

Apart from those details disclosed in this note, no directors have entered into a material contract with the Funds during the financial year and there were no material contracts involving director's interests subsisting at year end.

15 Events occurring after the financial year

The directors of the Responsible Entity approved the commencement of wind-up procedures for the Franklin Australian Core Plus Bond Fund in accordance with the Fund's Constitution. The Responsible Entity will continue to manage the Fund in accordance with the Fund's Constitution and objectives until termination.

Franklin Australian Core Plus Bond Fund Class M was closed on effective date 8 August 2025. No other events have occurred since the end of the financial year which would impact on the financial position of the Funds disclosed in the statements of financial positions as at 30 June 2025 or on the results and cash flows of the Funds for the financial year ended on that date.

16 Contingent assets, liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2025 (30 June 2024: nil).

Directors' declaration

In the opinion of the directors of the Responsible Entity:

(a) the financial statements and notes set out on pages 6 to 66 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the Funds' financial positions as at 30 June 2025 and of their performance, for the financial year ended on that date;

(b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable; and

(c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.

DocuSigned by:

Director ____ 36BA20B35DB241C...

M. Sund

Melbourne

22 September 2025

Independent auditor’s report

To the unitholders of Franklin Templeton Australia Funds, which comprise of the following Funds:

- Franklin Global Growth Fund*
- Franklin Templeton Global Aggregate Bond Fund
- Franklin Australian Absolute Return Bond Fund*
- Franklin Australian Core Plus Bond Fund
- Franklin K2 Athena Fund

*denotes funds with classes quoted on the AQUA Market of the ASX

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Franklin Templeton Australia Funds (the Funds) are in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the Funds' financial position as at 30 June 2025 and of their financial performance for the year then ended

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statements of financial position as at 30 June 2025
- the statements of comprehensive income for the year then ended

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006,
GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

- the statements of changes in equity for the year then ended
- the statements of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Funds in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - going concern no longer appropriate

We draw attention to Note 2 in the financial report, which discusses the directors of the Responsible Entity's approval of the commencement of wind-up procedures for the Franklin Australian Core Plus Bond Fund prior to the next reporting period end of 30 June 2026. As a result, the financial report has been prepared on a liquidation basis and not on a going concern basis for Franklin Australian Core Plus Bond Fund. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of each Fund, its accounting processes and controls and the industry in which it operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
Financial significance of investments in financial assets at fair value through profit or loss Refer to note 2 (Summary of material accounting policies) and note 5 (Fair value measurement) of the Financial Statements At 30 June 2025, investments in financial assets at fair value through profit or loss (hereinafter referred to as "investments") comprised primarily of investments in listed equities, listed unit trusts, unlisted unit trusts, debt securities, money market securities and derivatives. Whilst there is no significant judgement in determining the existence or valuation of these investments, we determined this to be a key audit matter because they represent a significant proportion of the total net assets attributable to unitholders of the Fund and fluctuations in the balance impact the net gains/(losses) on financial instruments at fair value through profit or loss in the Fund's statement of comprehensive income.	To assess the design and operating effectiveness of the service providers' relevant controls, we performed the following procedures, amongst others for each relevant service provider: • inspected the most recent reports provided to Franklin Templeton Australia Limited (the Responsible Entity) by the service providers setting out the controls in place at the service provider, which included an audit opinion from the service providers' auditors over the design and operating effectiveness of those controls; • developed an understanding of the control objectives and associated control activities and evaluated the results of the tests undertaken and the conclusions formed by the service providers' auditors on the design and operating effectiveness of controls, to the extent relevant to our audit of the Funds; and • inspected the audit report issued by each relevant service provider's auditor on the

Key audit matter	How our audit addressed the key audit matter
	valuation and existence of the Funds' investments held in the custody as at 30 June 2025 and valuation of derivatives as at 30 June 2025. We compared the value of the investments at 30 June 2025 as recorded in the Funds' financial report and underlying accounting records to this report. We also performed the following procedures, amongst others for the material investments, for a selection of investments not held in custody by the custodian: • obtained a confirmation from the counterparties at year-end and compared the confirmed balances to the Funds' accounting records. Where the confirmation was not obtained in a timely manner, we have performed the alternative procedures by obtaining third party statements and assessing the reliability of the third party statements; • for a selection of derivatives held by the Fund which are measured at fair value using valuation techniques and observable market data inputs, with the assistance of PwC valuation experts, assessed the appropriateness of the valuation methodology and inputs used by the Fund and recalculated the valuation as at year end date; • compared relevant quoted price data or published prices for unlisted unit trusts to the prices used by the fund administrator to value the investments; and • where it is relevant, evaluated prices used for the unlisted unit trusts in reference to the most recent financial statements of the unlisted unit trusts. Furthermore, we have also assessed the reasonableness of the disclosures in the financial reports against the requirements of Australian Accounting Standards.

Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Responsible Entity for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf for the funds with classes quoted on the AQUA Market of the ASX, and https://auasb.gov.au/auditors_responsibilities/ar6.pdf for the remaining funds. This description forms part of our auditor's report.

PricewaterhouseCoopers

PricewaterhouseCoopers

Kate L Logan

Kate Logan
Partner

Melbourne
22 September 2025