

IMAP Specialist series: International Equities in the current Global Market

Session 2 – Macro State of Play

Francyne Mu, Franklin Templeton

Monik Kotecha, Insync Funds Management

Moderated by Nathan Lim, Morgan Stanley

IMAP and COVID-19

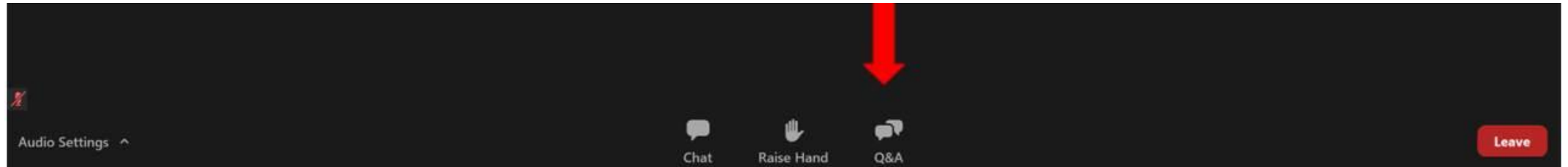
Specialist Series – International Equities in the current Global Market

Session 3 – Friday 30th October – Micro insights

Moderator – Nathan Lim Morgan Stanley

- Mark Arnold – Hyperion Asset Management
- Tom King – Nanuk Asset Management
- Lachlan Hughes – Swell Asset Management

How to ask a Question





Nathan Lim

Head of Wealth
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Morgan Stanley Wealth
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Francyne Mu

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Research Analyst

Franklin Templeton



Monik Kotecha

Chief Investment Officer

Insync Funds Management



**FRANKLIN
TEMPLETON**

Franklin Equity Group

Data as of 30 September 2020

FRANKLIN GLOBAL GROWTH FUND

Franklin Templeton Is a Global Leader In Asset Management Serving Clients In Over 160 Countries



We are the sixth largest independent asset manager in the world, with¹:

70+

years of asset
management experience

\$2 Trillion

(AUD) total assets
under management

1,300+

investment professionals²

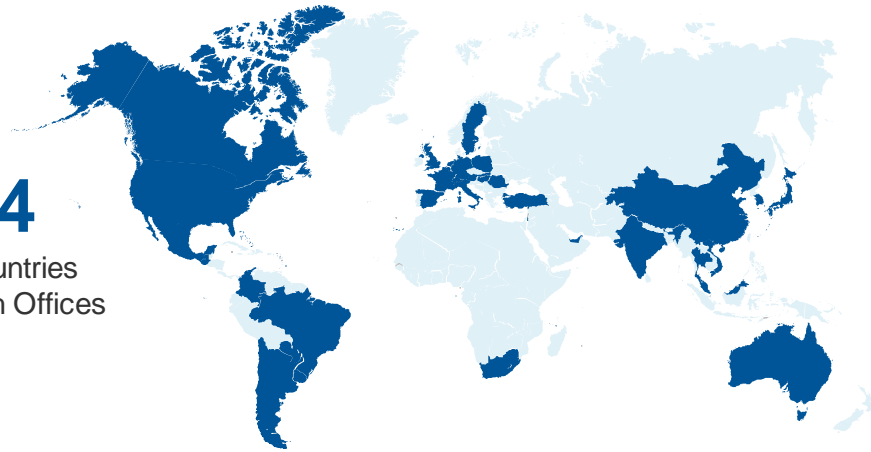
12,000+

employees globally

We have one of the industry's broadest global footprints

34

Countries
with Offices



The strength and experience
of a global leader

- We are the world's top cross-border fund manager³
- Located in countries representing 84% of the world's GDP⁴

1. Information is restated to combine the results and operations of Franklin Templeton and Legg Mason, Inc. as of 30/06/2020. Franklin Templeton acquired Legg Mason on 31/07/2020.

2. Investment professionals include portfolio managers, research analysts, research associates, investment support and executives of Franklin Templeton, Legg Mason and subsidiary investment management groups.

3. As of April 2020. Based on findings for Franklin Templeton from PwC's 2020 Benchmark Your Global Fund Distribution Report which ranks asset managers on the number of countries in which their cross-border funds are distributed.

4. Based on information from the International Monetary Fund, World Economic Outlook Database, October 2019.

Research-Driven Portfolio	<ul style="list-style-type: none">• Concentrated portfolio of approximately 35-40 holdings• Benchmark indifferent
Long-Term Investment Horizon	<ul style="list-style-type: none">• Investment horizon of 3 to 5 years• Typical holding period of 4+ years
Seek to Manage Risk by Limiting Economic Overlap Among Holdings¹	<ul style="list-style-type: none">• Select companies whose earning streams are not highly correlated• Has typically resulted in a diversified portfolio across MSCI Global Industry Classification Standard (GICS) sectors and industries
Global Opportunity Set	<ul style="list-style-type: none">• Search without borders• Average allocation to emerging markets of less than 10%

These are general strategy guidelines, applicable at the time of purchase, and may vary by vehicle or account.

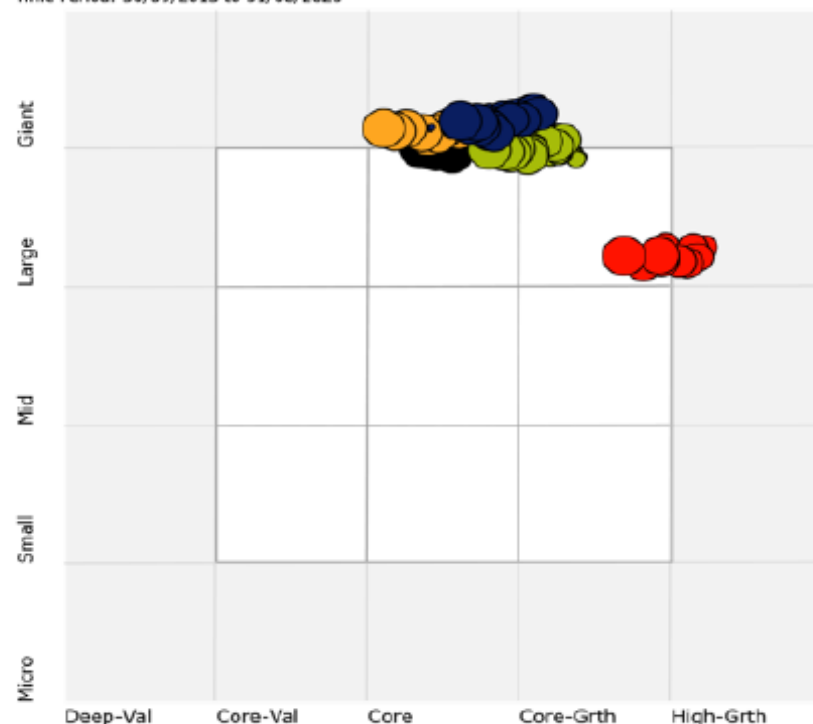
1. Please see Portfolio Snapshot Limited Overlap of Economic Exposures page for additional information.

A Differentiated Portfolio

Our search for sustainable growth companies leads to investment in distinctive areas of the global equity markets, resulting in a differentiated portfolio that effectively complements a range of other strategies

Holdings-Based Style Trail

Time Period: 30/09/2015 to 31/08/2020



• Franklin Global Growth W	30/09/2015	30/06/2020
• Australia Fund Equity World Large Blend	30/09/2015	31/08/2020
• Australia Fund Equity World Large Growth	30/09/2015	31/08/2020
• Australia Fund Equity World Large Value	30/09/2015	31/08/2020
• MSCI World Ex Australia NR AUD	30/09/2015	31/08/2020

- Active Share 97%
- Common Holdings Score 6%*

Correlation of Excess Returns

vs. MSCI World

Time Period: 31/8/2010 – 31/8/2020

MStar Australian Fund Equity World Large Blend	0.36
MStar Australian Fund Equity World Large Growth	0.62
MStar Australian Fund Equity World Large Value	-0.14

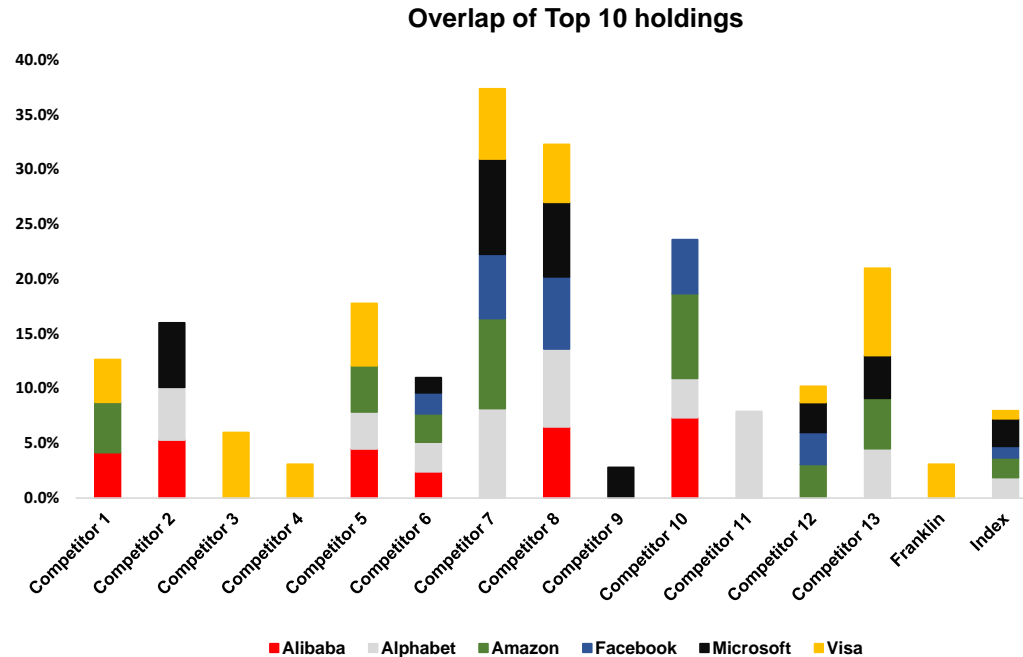
Source: Franklin Templeton & Morningstar Direct, as of August 31, 2020.

*Compared with Morningstar Australian Fund Equity World Large Growth universe

Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

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

Limited Holdings Overlap



Competitor data as at 31 December 2019

Franklin Global Growth Fund As of 30/09/2020

Market Capitalisation Breakdown in AUD	Portfolio%
5.0-10.0 Billion	6.73
10.0-25.0 Billion	26.61
25.0-50.0 Billion	29.60
>50.0 Billion	37.07

Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security's issuing company. This methodology may cause small differences between the portfolio's reported characteristics and the portfolio's actual characteristics. In practice, Franklin Templeton's portfolio managers invest in the class or type of security which they believe is most appropriate at the time of purchase.

The market capitalisation figures for both the portfolio and the benchmark are the security level, not aggregated up to the main issuer.

Source: FactSet. Price Ratio calculations for the weighted average use harmonic means. Any exceptions to this are noted.

The IBES Estimated 3-5 Year EPS Growth uses simple weighted average means; there can be no assurance that the estimated figure will be realised. Market capitalisation statistics are indicated in the base currency for the portfolio presented.

For sophisticated investor and wholesale client use only. Not for distribution to retail clients.

Historical Performance



Franklin Global Growth Fund–W Class

As of 30/09/2020

Annualised Total Returns (%)	Inception Date	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Incept
Franklin Global Growth Fund–W Class—Net of Fees—(AUD)	01/10/2008	28.70	18.50	15.89	15.33	12.58
MSCI World ex-Australia Index-NR—(AUD)		4.30	11.20	10.09	12.90	9.08

Cumulative Performance (%)	Inception Date	YTD	1 Mth	3 Mths	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Incept
Franklin Global Growth Fund–W Class—Net of Fees—(AUD)	01/10/2008	19.46	1.56	7.37	28.70	66.41	109.11	316.52	314.47
MSCI World ex-Australia Index-NR—(AUD)		0.04	-0.31	3.78	4.30	37.52	61.76	236.45	183.73

All performance data shown is in the Fund currency stated and net of management fees. Sales charges and other commissions, taxes and other relevant costs paid by the investor are not included in the calculations.

The fund offers other share classes subject to different fees and expenses, which will affect their performance. Please see the prospectus for details.

When performance for either the portfolio or its benchmark has been converted, different foreign exchange closing rates may be used between the portfolio and its benchmark.

The value of shares in the Fund and income received from it can go down as well as up, and investors may not get back the full amount invested. Past performance is not an indicator or a guarantee of future performance. Current performance may differ from figures shown. Currency fluctuations may affect the value of overseas investments. When investing in a fund denominated in a foreign currency, performance may also be affected by currency fluctuations. Please visit franklinresources.com/countries for current performance.

Net Returns (NR) include income net of tax withholding when dividends are paid.

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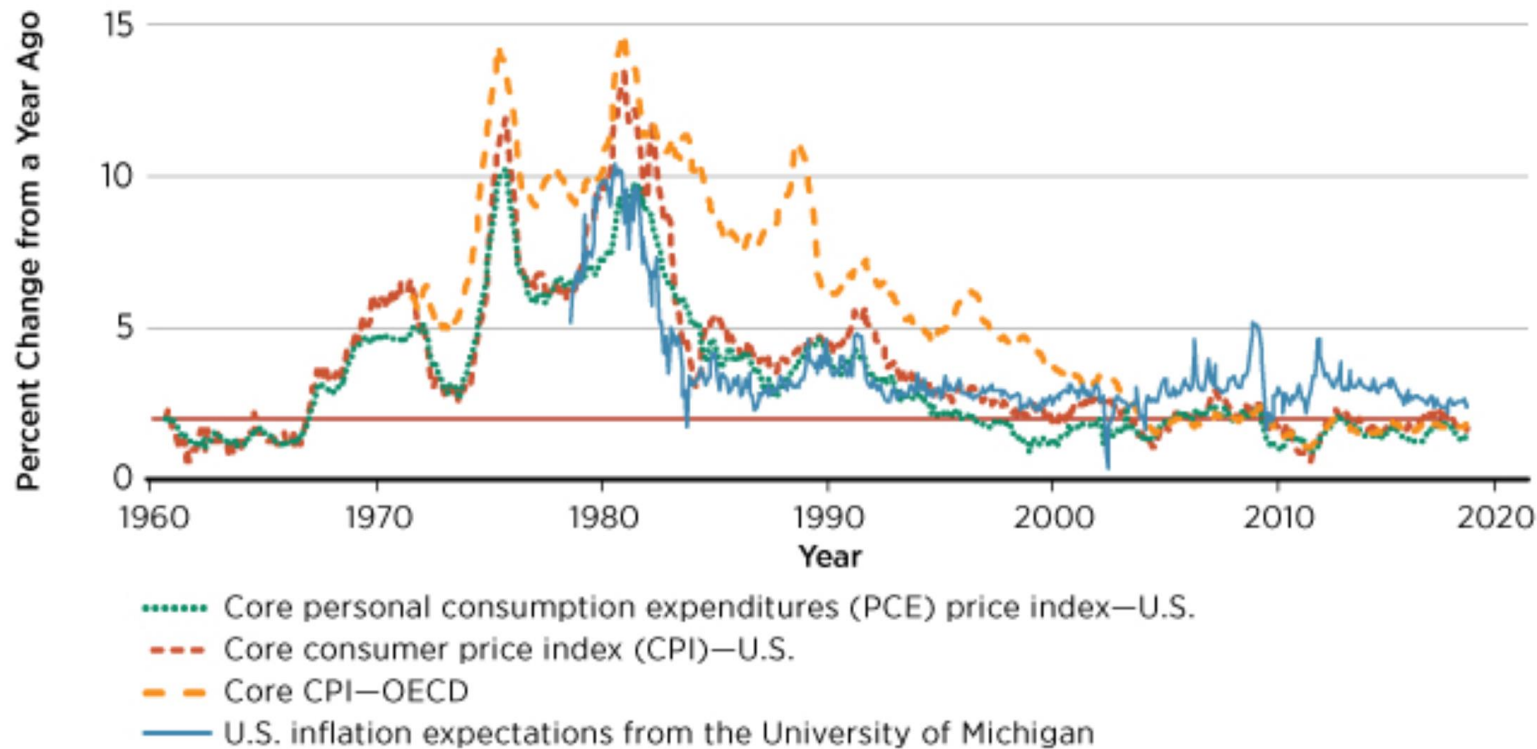


Insync Funds Management **“Investing for tomorrow today”**

IMAP Specialist Series
International Equities in the current Global Market



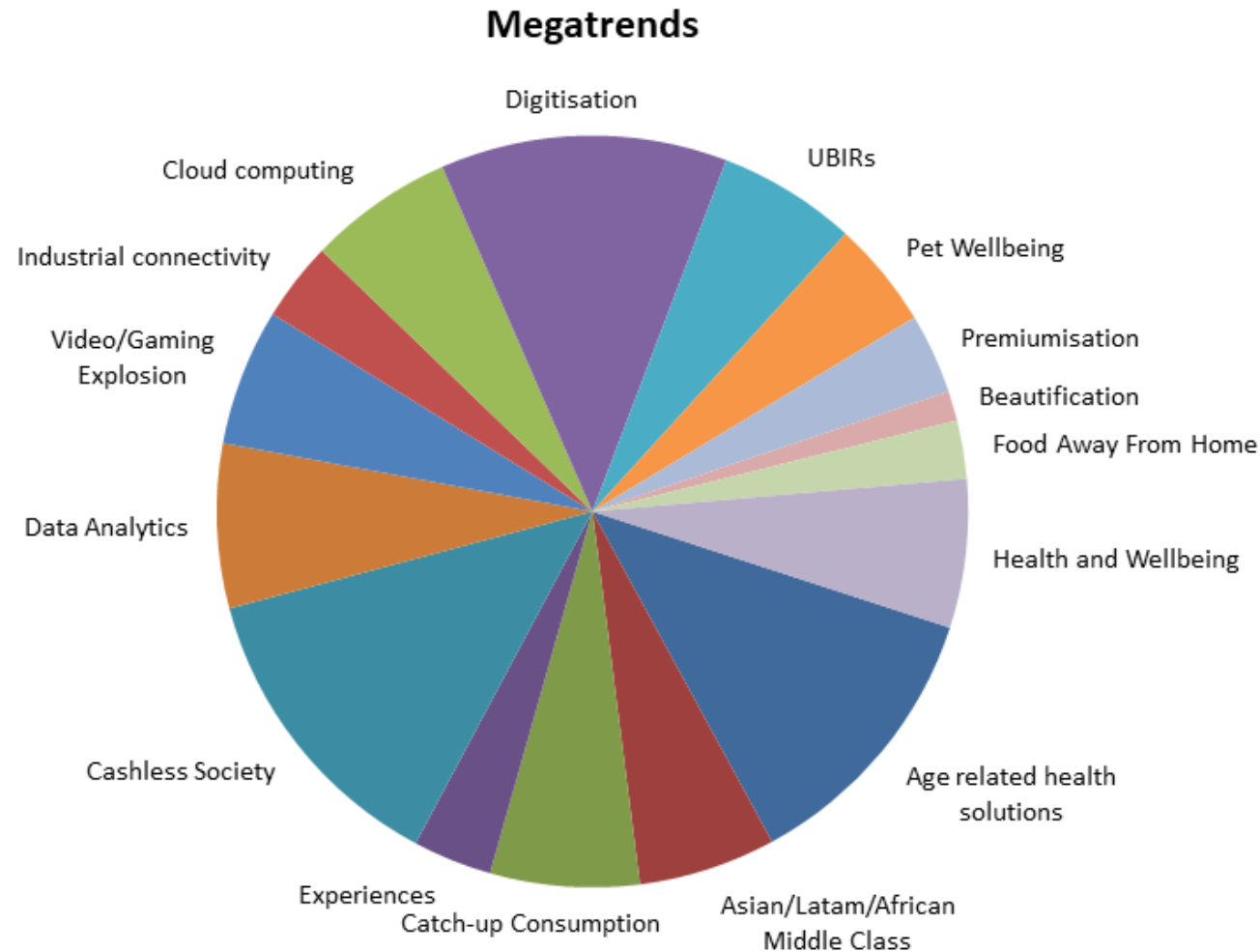
Structurally low growth, low Inflation world



SOURCES: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Organization for Economic Cooperation and Development (OECD), and University of Michigan's Surveys of Consumers.

NOTES: Core indexes exclude energy and food prices. The red line represents a 2 percent inflation rate, a target that the Federal Reserve formally set in 2012.

Investing in Megatrends



Performance 30/9/2020



	1 month	3 Month	6 Month	1 Year	3 Years	5 Year	10 Year	Since Incep#
Insync Global Capital Aware Fund ^	0.27	8.27	20.49	23.94	20.31	13.51	13.65	12.31
Insync Global Quality Equity Fund*	0.33	9.20	22.06	19.31	20.29	15.34	16.17	14.58
MSCI ACWI (ex AUS) NTR (AUD)~	-0.08	3.96	10.03	4.29	10.53	9.91	12.00	10.82
Global Capital Aware Active Performance	0.35	4.30	10.46	19.65	9.78	3.59	1.65	1.48
Global Quality Equity Active Performance	0.41	5.24	12.03	15.02	9.76	5.42	4.17	3.76

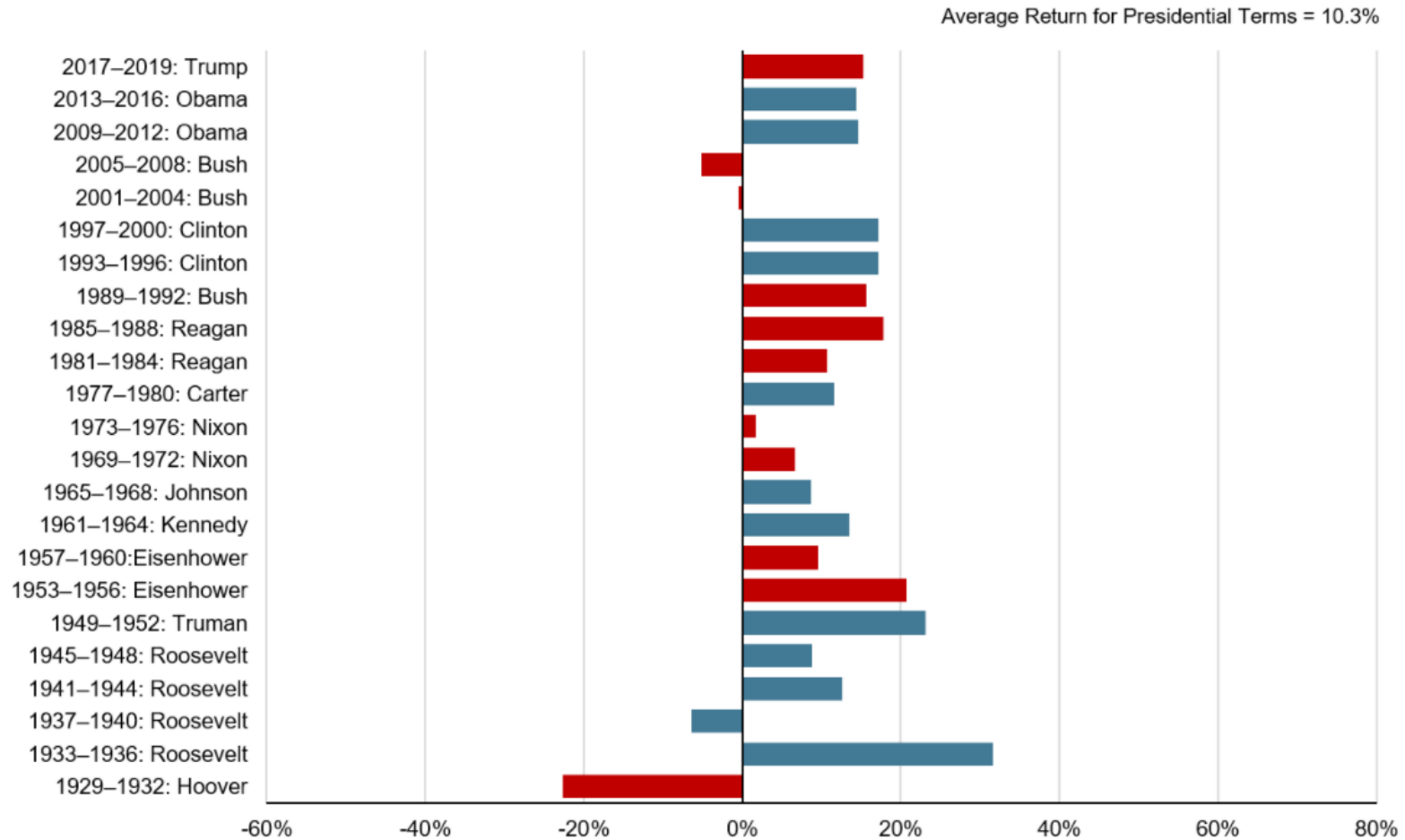
Source: Insync Funds Management – Past Performance is not a reliable indicator of future performance*Represents net of fees and costs performance, assumes all distributions reinvested. ^Returns prior to July 2018 represent the underlying Insync Global portfolio (including cash) inclusive of a 0.98% p.a. MER. No Performance Fee Included. ~MSCI All Country World ex-Australia Net Total Return Index in Australian Dollars. # Inception date 9/10/2009

Disruption | Megatrends | Future Focused

Annualized U.S. stock market returns during presidential terms

S&P 500 Index

Since 1929, only four presidential terms have experienced negative returns for the S&P 500 on an annualized basis. The average annualized return for a president's term is over 10%.



The world economy just can't escape its low-growth, low-inflation rut

5 Year 5 Year Forward Inflation Expectation

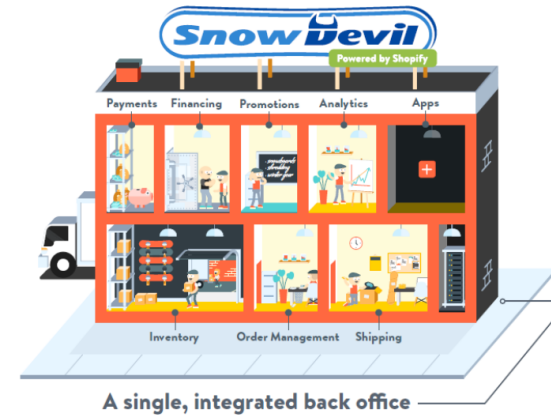


Source: Federal Reserve Bank of St. Louis

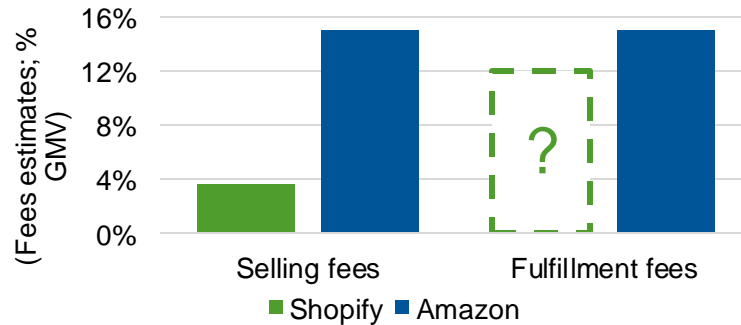
Key Stock Ideas



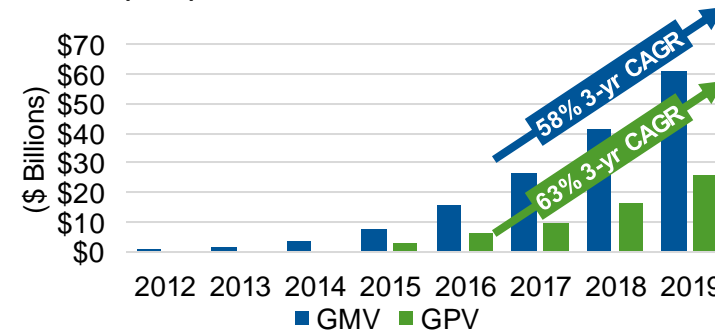
GMV on Shopify is ~4% of global e-commerce sales ex-China (2019)



Significant Service & Pricing Expansion Opportunity May Remain for Shopify



Gross Merchandise Value (GMV) & Gross Payment Volume (GPV) Growth



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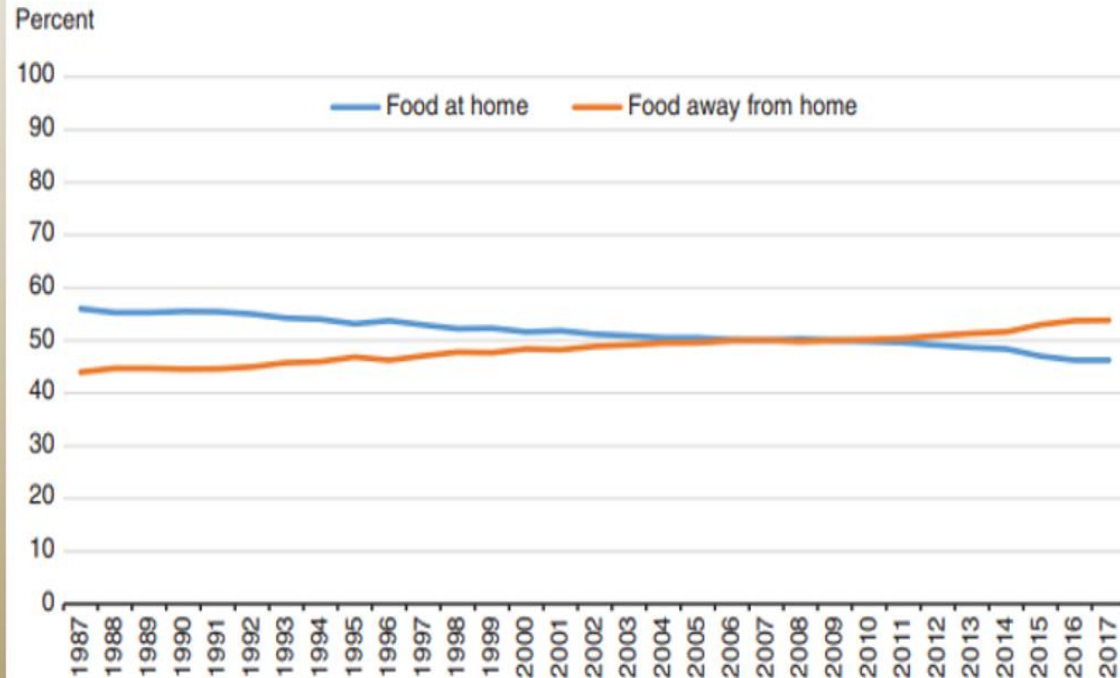
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Food away from home Megatrend



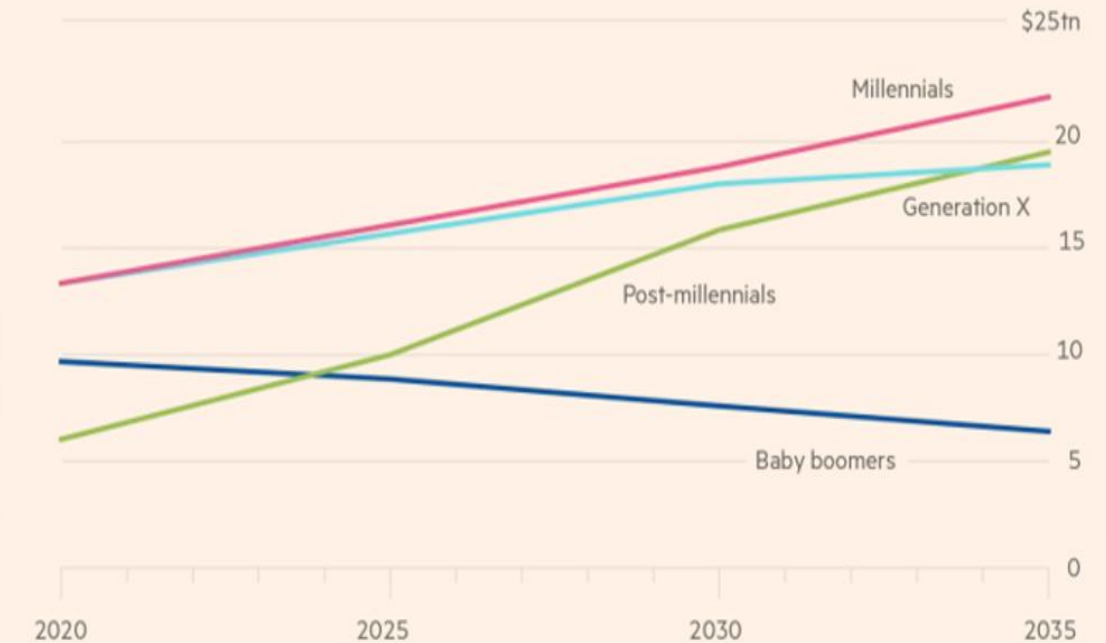
Relative shares of the two major food markets, 1987-2017



Source: USDA, Economic Research Service Food Expenditure Series.

Global millennial spending power is set to overtake generation X by 2020 and will continue to rise

Forecast annual aggregate income, by generation (\$tn)



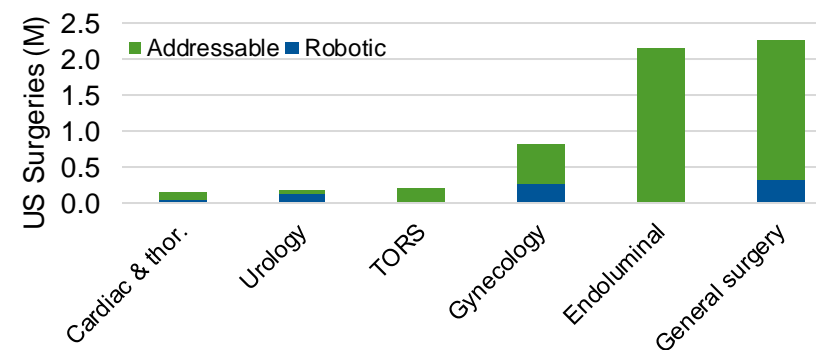
Source: World Data Lab

Key Stock Ideas INTUITIVE

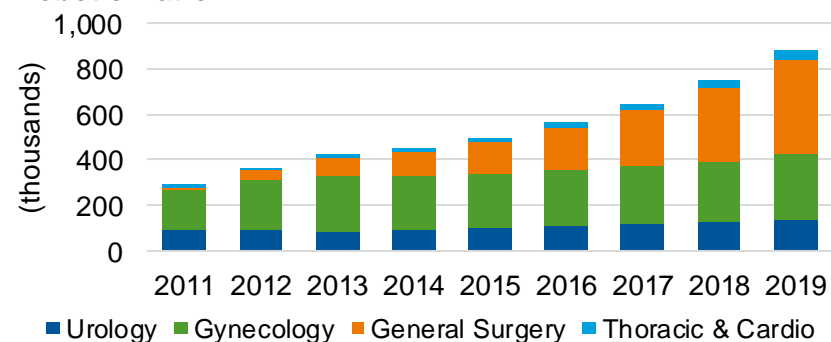
da Vinci Xi Robotic Surgical Platform



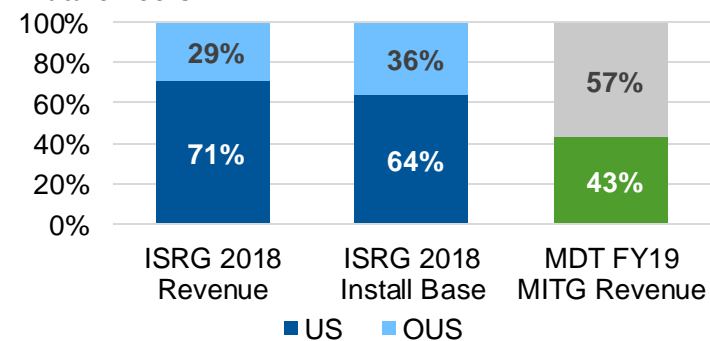
Significant Opportunity for Robotic Surgery Penetration Ahead



US Surgical Procedures on Intuitive's da Vinci Robotic Platform



International An Opportunity As Evidenced by Mature Peers' Mix

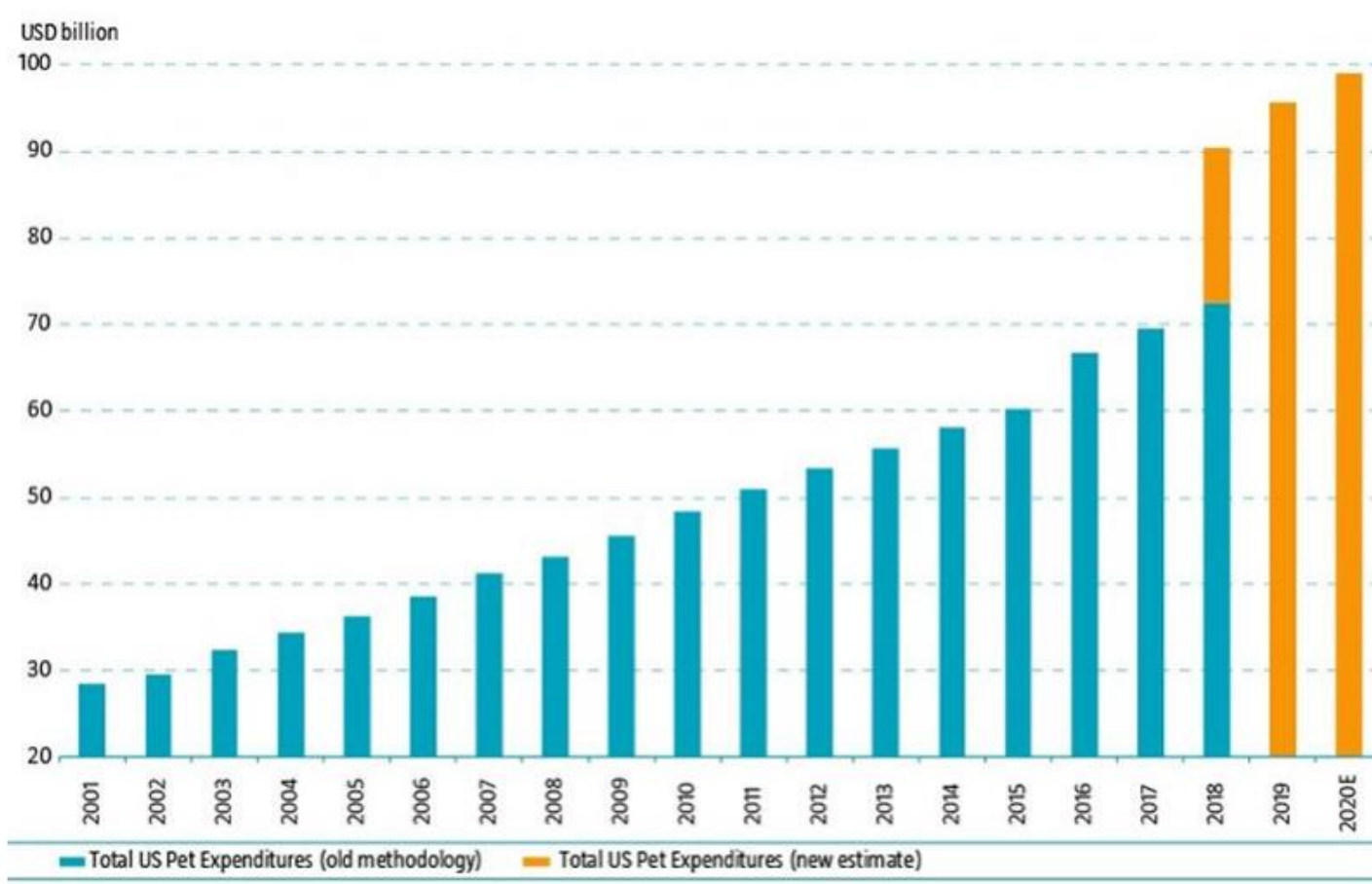


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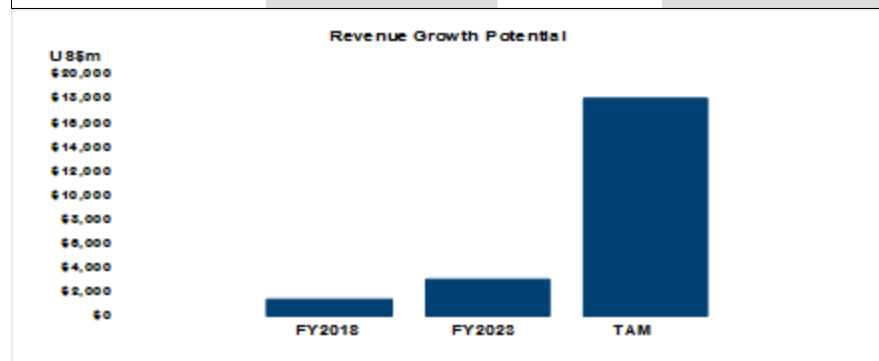
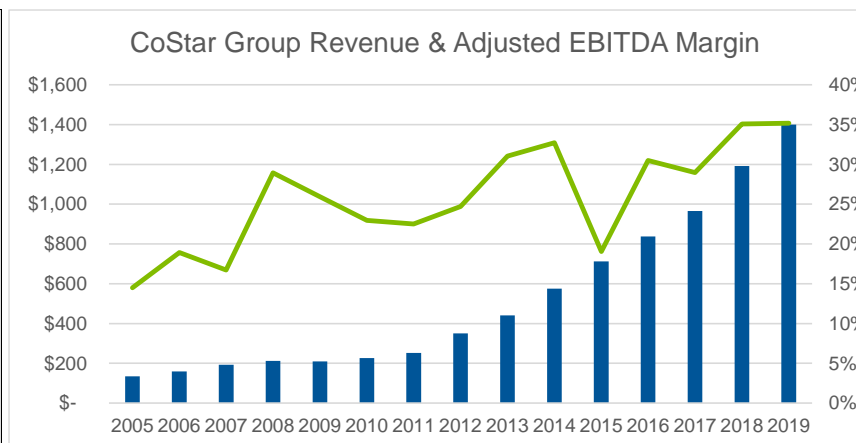
Pet Humanisation Megatrend



Key Stock Ideas



Product	Current Revenue (US\$m)	Total Addressable Market (US\$m)	Penetration %
CoStar™	\$591	\$4,000 - \$7,000+	<11%
Apartments.com™	\$457	\$11,000	4.2%
LoopNet™	\$150	\$1,000+	<15%
CoStar Group™	\$1,198	\$16,000 - \$19,000+	<10%

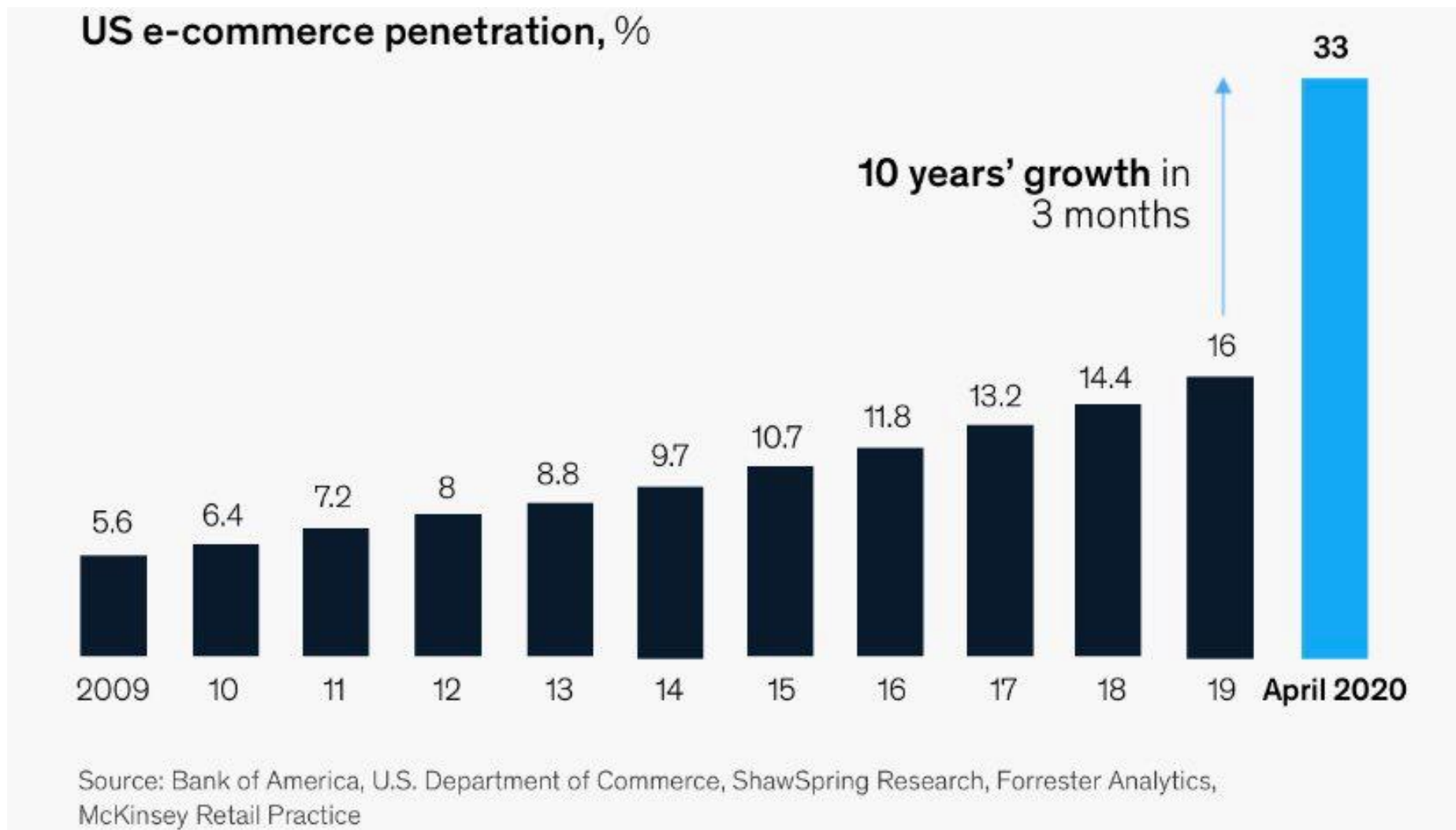


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E-commerce megatrend



IMAP and COVID-19

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IMAP

Institute of Managed Account Professionals

