Franklin Lexington Private Equity Secondaries Fund

Product Disclosure Statement

Issued by Franklin Templeton Australia Limited ("Franklin Templeton Australia") ABN 76 004 835 849 AFSL No. 240 827, a subsidiary of Franklin Resources, Inc operating as Franklin Templeton.

Franklin Lexington Private Equity Secondaries Fund

ARSN	683 014 459
APIR	SSB2504AU
Class	Class A

Information in this PDS was correct at the date of printing and is subject to change from time to time, including changes to the Fund's investment guidelines, processes, fees, expenses and other material matters. **Where the change is not considered materially adverse to investors, the information may be updated on the Franklin Templeton Australia website (franklintempleton.com.au)** or by contacting us. A paper copy of updated information will be provided to Unitholders on request for no charge. For material changes, a new or supplementary PDS may be issued and Unitholders notified as required by the Corporations Act. Updates should be read in conjunction with the latest PDS. A copy of the Constitution of the Fund is also available on request.

7 May 2025

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1 Important Information

Franklin Templeton Australia Limited (ABN 76 004 835 849, AFSL 240827) ("**Franklin Templeton Australia**"), the "**Responsible Entity**" for the Franklin Lexington Private Equity Secondaries Fund (ARSN 683 014 459) ("Fund"), has prepared this Product Disclosure Statement ("PDS"). The investment manager of the Fund is Templeton Asset Management Limited (the "**Investment Manager**"), part of Franklin Templeton Investment Solutions.

The information contained in this PDS is general information only and does not take into account your individual financial objectives, situation or needs. Investments are subject to risks, some of which are outlined in this PDS. Franklin Templeton Australia, the Investment Manager and their employees, associates, agents or officers do not guarantee any profit or recovery of capital from an investment in the Fund. Past performance is not necessarily indicative of future results. Investors should note that an investment in the Fund should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors. The Fund could be a suitable investment for investors that have sought professional personal financial advice and are seeking total returns over the long term through capital appreciation and who are willing to accept fluctuations (sometimes significant) in the Net Asset Value per "**Unit**" of the Fund during the short term. The Fund is not suitable for investors who need short term access to their investment.

It is important that you understand and accept the risks before you invest and you should seek professional financial advice prior to making an investment decision. Please refer to Section 6 for more information on some of the risks applicable to the Fund. To obtain advice or more information about the products offered in this PDS you should speak to an Australian financial services licensee or an authorised representative.

Franklin Templeton Australia issues Units in the Fund on the terms and conditions described in this PDS, the "**Constitution**" of the Fund and the "**Corporations Act**". Unitholders are bound by the Constitution of the Fund. Units in the Fund are only available to investors that receive this PDS (electronically or otherwise) in Australia. Investors should not rely on information about the Fund that is not contained in this PDS or the Constitution of the Fund.

In this PDS, unless otherwise specified all fees and costs are expressed in Australian dollars inclusive of Australian Goods and Services Tax ("**GST**") net any input tax credits or "**Reduced Input Tax Credits**" ("RITCs") actually received by or for the benefit of the Fund. A reference to a "Business Day" refers to a day on which banks are open for business in Melbourne, Australia. References to "you" or "your" refers to you as the reader of the PDS and "we" and "our" refers to Franklin Templeton Australia.

All terms in "**bold**" are defined terms in the glossary.

Use of this PDS

The investments offered in this PDS are available only to persons receiving this PDS (electronically or in hard copy) within Australia. Applications from outside Australia will not be accepted. Nothing in this PDS should be taken to mean that Franklin Templeton Australia or any of its related parties is bound to accept an application for Units.

This PDS is available for those investors wishing to access the Fund via an Investor Directed Portfolio Service ("**IDPS**") or Master Trust. When investing in the Fund via an IDPS or Master Trust, the operator of the IDPS or the trustee of the Master Trust acquires the rights of a Unitholder in the Fund. In this case, your rights and liabilities will be governed by the terms and conditions of the relevant IDPS offer document or Master Trust PDS, which you must read carefully prior to directing the relevant operator or trustee to invest in the Fund. For more information, please refer to Section 11.6.

Target Market Determination

Franklin Templeton Australia has issued a target market determination (TMD) which includes a description of the class of investors for whom the Fund and its key features may be consistent with their likely objectives, financial situation and needs. A copy of the Fund's TMD is available on Franklin Templeton Australia's website at www.franklintempleton.com.au.

2 Fund at a glance

Further detail about the Fund can be found in Sections 4, 5 and 6. You should read the whole PDS and seek any advice you need before deciding to invest.

Fund details	
Name of the Fund	Franklin Lexington Private Equity Secondaries Fund (**"Fund"**)
ARSN	683 014 459
APIR	SSB2504AU
Investment manager	Templeton Asset Management Ltd ("**TAML"**), part of Franklin Templeton Investment Solutions ("**FTIS**")
Underlying Fund	Franklin Lexington Private Markets Fund SICAV SA - Franklin Lexington PE Secondaries Fund ("**FLEX Feeder-I"** or the "**Underlying Fund**"**)**
Underlying Fund Investment Managers	Lexington Advisors LLC Franklin Advisers, Inc, ("**FAV**"), part of FTIS
Investment objective	The Fund's investment objective is to seek long-term capital appreciation. In pursuing its investment objective, the Fund aims to meet its investment objective by investing in the Underlying Fund to gain exposure to a portfolio of global private equity and other Private Assets (collectively, "**Private Assets**").
Performance benchmark	The Fund is managed in a manner that is benchmark-unaware.
Investments held – Underlying Fund	The Underlying Fund's investment objective is to seek long-term capital appreciation. The Underlying Fund expects to principally invest in Private Assets by acquiring interests in "**Secondaries**" private equity investments or through transactions where a majority of the capital that is anticipated to be deployed by the Underlying Fund in connection with an investment (whether in one or a series of related transactions) is in "**Identified Assets**". To a lesser degree, the Underlying Fund also has the ability to make commitments to, and acquire interests in, "**Primary Funds**" and "**Co-Investments**". The Underlying Fund has the flexibility to invest in Private Assets across asset types, including but not limited to buyout, growth, venture, credit, mezzanine, infrastructure, energy and other real assets, subject to compliance with its investment strategies and restrictions and applicable law. To manage portfolio liquidity while maintaining exposure to private markets investments, the Underlying Fund reserves the flexibility to have exposure to "**Private Markets Debt Investments**". The Underlying Fund may invest in Private Markets Debt Investments directly or indirectly through investment vehicles, including, but not limited to, other managed funds and exchange traded funds which may or may not be affiliated with Franklin Templeton. Under normal market circumstances, the Underlying Fund intends to invest at least 80% of its net assets in Private Assets, including Secondaries, Primary Funds, Co-Investments and Private Market Debt Investments. In order to facilitate capital deployment, generate income, and as a potential source of liquidity, the Underlying Fund intends to invest a portion of its assets in a "**Liquidity Portfolio**" of cash, fixed income and other securities. This includes cash and cash equivalents, liquid fixed income securities and other credit instruments, derivatives and other investment companies, including other managed funds and exchange-traded funds. During normal market conditions, it is generally not expected that the Underlying Fund will hold more than 20% of its gross assets in the Liquidity Portfolio for extended periods of time.

	The Underlying Fund aims to achieve its investment objective by investing, as a feeder fund, all or substantially all of its assets through FLEX Master-I, which in turn will invest all or substantially all of its assets through FLEX Aggregator-I. Further information in respect of the Underlying Fund's investments is outlined in Section 5.2.
Leverage	The Fund does not intend to utilise borrowing, short selling or leverage. The Underlying Fund may directly or indirectly utilise leverage, incur indebtedness and provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an investment or to enhance returns. The Underlying Fund will not incur indebtedness, directly or indirectly, that would cause its Leverage Ratio to be in excess of 35%. Further information in respect of the Underlying Fund's use of leverage is outlined in Section 5.6.
Currency denomination	The Fund is denominated in Australian dollars and invests in an Australian dollar (AUD) share class of the Underlying Fund.
Recommended investment timeframe	The minimum suggested timeframe for investment is 8 years.
Risk of the Fund	The investment risk level of the Fund is high. When considered together with the low liquidity available, the Responsible Entity believes that the Fund is more suitable for investors with higher tolerances to risk and a longer-term time horizon, and who have sought professional personal financial product advice.
How risks are managed	Franklin Templeton Australia maintains disciplined management controls with robust and independent risk management processes and compliance systems and practices. Further information on the risk management approach of the Fund and Underlying Fund is outlined in Section 6.2.
Unit Pricing frequency	Monthly
Applications	Monthly The Fund is generally available for applications monthly on each "**Valuation Date**", being the last calendar day of each month. The deadline for receipt of an application request is 12 noon (Australian Eastern Daylight Time) at least 11 "**Business Days"** prior to the last calendar day of each month. For example, the September Valuation date is Tuesday 30 September. The deadline for receipt of an application request would be 12:00 noon at least 11 Business Days prior, being Monday 15 September. New units would be issued effective Wednesday 1 October, and the net asset value (NAV) would be released on or around Friday 31 October.
Redemptions (Withdrawals)	Quarterly The Private Assets of the Underlying Fund are generally expected to not be readily liquid. This will impact the ability of the Fund to redeem its holdings in the Underlying Fund and for the Responsible Entity to accept redemption requests in the Fund. In addition, redemptions at the level of the Underlying Fund are subject to redemption limitations in the case of redemption requests exceeding certain thresholds, an early redemption deduction, and may in certain circumstances be subject to suspension. Please refer to Sections 8.4 and 8.5 for further information. In normal circumstances the Fund is generally available for redemptions quarterly each Valuation Date in March, June, September and December. The deadline for receipt of a redemption request is 12 noon (Australian Eastern Daylight Time) three Business Days before the end of the month prior to when a redemption is available. The NAV for the quarter end will generally be known 23 Business Days after the Valuation Date.

	Redemption settlement proceeds will in normal circumstances be paid approximately 10 Business Days after the NAV release date. For example, September is a quarter end where a redemption is available. The September Valuation date is Tuesday 30 September. The deadline for receipt of a redemption request would be 12:00 noon three Business Days before the end of the month prior to when a redemption is available, being Wednesday 27 August. The NAV would be released on or around Friday 31 October, and the redemption proceeds would be paid out 10 Business Days following the NAV release date, being on or around Monday 17 November. Please refer to Section 8.3 for further information. The payment of redemption proceeds may be delayed in certain circumstances. The Constitution provides that the Responsible Entity of the Fund has up to 580 days to determine whether to accept a redemption request and up to 120 days to satisfy a withdrawal request once it determined to accept the request. Unitholders should take this into account when deciding whether to invest into the Fund.
Minimum initial investment	$25,000[1]
Minimum additional investments	$5,000[1]
Minimum redemption amount	$5,000[1]
Minimum holding amount	$5,000[1]
Management Fees and Costs[2] Performance Fees[2] Transaction Costs[2]	Estimated to be 2.75% p.a. Estimated to be 1.71% p.a. Estimated to be 0.05% p.a. See Section 7 for additional Fees and Costs information.
Buy/sell spread	The Fund will not typically charge a buy/sell spread. The Underlying Fund may generally levy an early redemption deduction of 2% of the NAV of the shares being redeemed for redemption requests submitted by certain shareholders (including the Fund) if the resulting redemption date falls within a 12-month period from the original issue date of such shares. If such an early redemption deduction is levied on the Fund by the Underlying Fund due to the redemption by the Fund of its shares in the Underlying Fund to satisfy a redemption request by investors in the Fund, the Fund may levy such deduction as a sell spread on the relevant redeeming investors. This means that there is a risk that even if an investor has invested in the Fund for more than 12 months, their redemption from the Fund may still attract a sell spread if it results in the Fund redeeming from the Underlying Fund, as this is dependent on the amount of previous redemptions that the Fund has made from the Underlying Fund.
Distribution frequency	The Fund will invest in an accumulating share class of the Underlying Fund and therefore does not expect to pay regular cash distributions. In lieu of paying cash distributions, the Underlying Fund will typically reinvest any proceeds or income from the Underlying Fund investments into the Underlying Fund.

[1] The Responsible Entity has discretion to waive this minimum.
[2] Inclusive of both direct and indirect fees and costs

3 About us

Franklin Templeton Australia – Responsible Entity

Franklin Templeton Australia is the Responsible Entity for the Fund. Franklin Templeton Australia is part of the Franklin Resources, Inc. group operating as Franklin Templeton. The Responsible Entity is solely responsible for the management of the Fund, which includes day-to-day administration and making investment decisions. Franklin Templeton Australia has delegated the management of the assets of the Fund to the Franklin Templeton Investment Solutions team, see below for further details.

Franklin Resources, Inc

Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 150 countries. Franklin Templeton's mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company offers specialisation on a global scale, bringing extensive capabilities in equity, fixed income, alternatives, and multi-asset solutions. With more than 1,600 investment professionals, and offices in major financial markets around the world, the California-based company has over 75 years of investment experience. For more information, please visit investors.franklinresources.com

Lexington Advisors LLC and Lexington Partners L.P. (together "Lexington")

Lexington Advisors LLC, ("**Lexington Advisors**") located at 399 Park Avenue, 20th Floor, New York, New York 10022, is registered as an investment adviser under the U.S. Investment Advisers Act of 1940 (as amended, the "**U.S. Advisers Act**"), and is an indirect, wholly-owned subsidiary of Franklin Resources Inc. Lexington Partners L.P., a Delaware limited partnership that also is registered as an investment adviser with the U.S Securities and Exchange Commission ("**SEC**") under the U.S. Advisers Act, is the direct owner of Lexington Advisors.

Lexington's secondary investment partners and principals are amongst the most experienced investment professionals in the secondary market. Lexington's senior secondary investment professionals are supported by a team of professionals skilled in all aspects of global secondary, co-investment, and primary origination, financial analysis, negotiation, monitoring and investor relations. Lexington's global platform of experienced professionals located in major centres for private equity and alternative investing and senior advisors supporting our professionals globally, facilitates contact with investors and sponsors around the world.

Lexington Advisors is a delegated investment manager of the Underlying Fund and is responsible for making investment decisions for the Underlying Fund's investments in Private Assets.

Franklin Advisers, Inc. ("FAV") and Templeton Asset Management ("TAML") (part of Franklin Templeton Investment Solutions ("FTIS"))

Franklin Templeton Investment Solutions translates a wide variety of investor goals into portfolios powered by Franklin Templeton's best thinking around the globe. The team includes more than 100 investment professionals, specialising in strategic asset allocation and tactical positioning, fundamental and quantitative research, active integration, and risk management. FTIS is a part of Franklin Templeton, operating through Franklin Templeton group companies including Franklin Advisers, Inc. ("FAV") in the United States and Templeton Asset Management Limited ("TAML") in Singapore.

FAV, an SEC-registered investment adviser, is the delegated investment manager responsible for making investment decisions for the Underlying Fund's investments in the Liquidity Portfolio and deciding on the allocation between the Private Assets portion and the Liquidity Portfolio portion of the Underlying Fund's portfolio. TAML is a registered investment adviser with the Monetary Authority of Singapore and has been appointed by Franklin Templeton Australia to manage the Fund.

How to contact Franklin Templeton Australia

Please contact Franklin Templeton Australia if you require further information or if you have any questions regarding this PDS.

Free call	1300 133 451
Mail	Franklin Templeton Australia Level 47, 120 Collins Street Melbourne VIC 3000 www.franklintempleton.com.au
Email	auclientadmin@franklintempleton.com

4 How the Fund works

4.1 Fund Structure

The Fund is a registered managed investment scheme. As Responsible Entity, Franklin Templeton Australia is solely responsible for the management of the Fund, which includes the day-to-day administration of the Fund and making investment decisions on behalf of the Fund. Franklin Templeton Australia has delegated the management of the assets of the Fund to the Franklin Templeton Investment Solutions team operating under Templeton Asset Management Limited.

The Fund aims to meet its investment objective by investing in an AUD hedged share class of the Underlying Fund, which has the same investment objective as the Fund. The Underlying Fund is a sub-fund of the Franklin Lexington Private Markets Fund SICAV SA, which is an investment company with variable share capital (*société d'investissement à capital variable* or "SICAV") governed by Luxembourg law and established as a public liability company. The Underlying Fund is authorised as a Part II UCI investment vehicle and supervised by the Commission de Surveillance du Secteur Financier ("**CSSF**"), the Luxembourg financial supervisory authority.

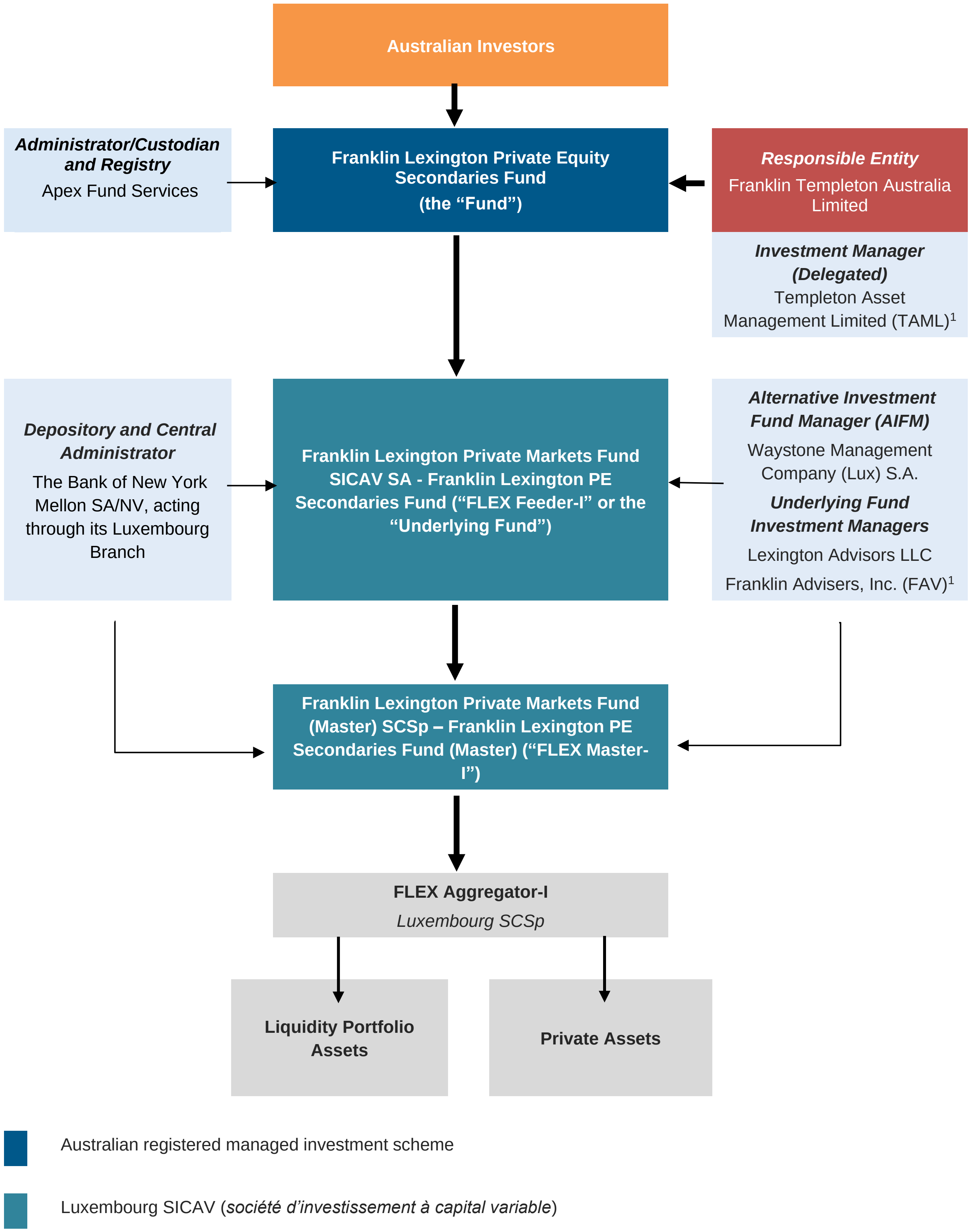
The Underlying Fund aims to achieve its investment objective of seeking long-term capital appreciation by investing as a feeder fund all or substantially all of its assets through the Franklin Lexington Private Markets Fund (Master) SCSp – Franklin Lexington PE Secondaries Fund (Master), ("**FLEX Master-I**"), a master fund organised as a Luxembourg special limited partnership (*société en commandite spéciale*). FLEX Master-I will invest all or substantially all of their assets into FLEX Aggregator-I SCSp ("**FLEX Aggregator-I**"), established as a Luxembourg special limited partnership for the purpose of directly or indirectly holding the investments of the Underlying Fund and the Parallel Entities (as defined below). FLEX Aggregator-I may invest in or alongside other Lexington vehicles to indirectly obtain exposure to certain investments. If considered appropriate, the Board of Directors of the Underlying Fund may determine to establish parallel vehicles to invest alongside the Underlying Fund or intermediate entities through which the Underlying Fund invests, which may not have investment objectives and/or strategies that are identical to the investment objectives and strategies of the Underlying Fund and/or other feeder vehicles which invest through the Underlying Fund (collectively "**Parallel Entities**").

The Underlying Fund's alternative investment fund manager (the "**AIFM**"), Waystone Management Company (Lux) S.A., a Luxembourg public limited company and CSSF-registered alternative fund manager, has delegated portfolio management to Lexington Advisors and FAV. Lexington Advisors will be responsible for the Private Assets investments of the Underlying Fund and FAV. will be responsible for making investment decisions for the Underlying Fund's investments in the Liquidity Portfolio, and deciding on the allocation between the Private Assets portion and the Liquidity Portfolio portion of the Underlying Fund's portfolio. See Section 5 for more information on the investment strategy of the Underlying Fund.

The AIFM is not affiliated with Franklin Templeton. In the future, it is intended for Franklin Templeton International Services S.à r.l., a Luxembourg limited liability company and part of Franklin Templeton, to replace the AIFM as alternative investment fund manager after it is authorized by the CSSF to perform this function for the Underlying Fund.

The AIFM has been appointed by the Underlying Fund pursuant to an arms' length alternative investment fund management agreement to perform the functions of portfolio management, risk management and valuation of the assets of the Underlying Fund. The AIFM has provided its consent to be named and has not withdrawn its consent before the issue date of this PDS.

The diagram below shows the key entities involved in the Fund's investment structure as at the date of this PDS:



[1] Both Templeton Asset Management Limited (TAML) and Franklin Advisers, Inc. (FAV) are part of Franklin Templeton Investment Solutions (FTIS)

4.2 Location, valuation and custody of assets

The Fund holds interests in the Underlying Fund which is domiciled in Luxembourg.

There are no geographical restrictions on the location of the Underlying Fund's assets.

The Responsible Entity has appointed Apex Fund Services Pty Ltd ("**Apex**") to provide custody, fund administration and registrar services. Apex does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return. Apex does not oversee Franklin Templeton Australia's management of the Fund and is not responsible for protecting the rights and interests of Unitholders.

The Responsible Entity maintains due diligence and monitoring processes in place to ensure the service providers of the Fund meet their service level obligations. This includes regular formal and informal meetings, service provider certifications and reporting.

The Underlying Fund has appointed The Bank of New York Mellon SA/NV Luxembourg Branch ("**Depositary**") as the depositary and administrator for the Underlying Fund pursuant to an arms' length depositary agreement. Due diligence and monitoring of the service providers of the Underlying Fund are undertaken by the Board of Directors of the Underlying Fund and the AIFM. Under the depositary agreement, the Depositary is responsible for the custody of those financial instruments of the Underlying Fund that can be held in custody and record keeping and verification of ownership of the other assets of the Underlying Fund, oversight of the transactions in the Underlying Fund, and monitoring of cash flows in the Underlying Fund. The Depositary has provided its consent to be named and has not withdrawn its consent before the issue date of the PDS.

The custodian, administrator and registrar for the Fund and the Depository of the Underlying Fund may be changed from time to time, where we are satisfied that the proposed new service provider meets applicable regulatory requirements, and in certain circumstances without notice to investors.

4.3 Investment management

Franklin Templeton Australia has appointed the Franklin Templeton Investment Solutions team, operating through TAML, an investment advisor based in Singapore, as the investment manager ("**Investment Manager**") of the Fund. TAML is part of the Franklin Templeton group of companies. The rights and obligations of Franklin Templeton Australia and the Investment Manager are set out in the terms of an investment management agreement ("**IMA**").

Franklin Templeton Australia believes that from an investor's perspective there are no unusual or materially onerous terms in the IMA. Some of the key provisions of the IMA that are relevant to investors include the term and scope of the appointment, restrictions on the Investment Manager, ability for the Investment Manager to charge fees and details the Investment Manager's liability. The IMA may be terminated by either party giving the other two months' notice or immediately by Franklin Templeton Australia in certain circumstances such as a material breach by the Investment Manager. The IMA has been negotiated on an arm's length basis.

The Fund aims to meet its investment objective by investing in the Underlying Fund.

The AIFM has delegated portfolio management to Lexington Advisors and FAV. Lexington Advisors will be responsible for the investments of the Underlying Fund into Private Assets and FAV will be responsible for making investment decision for the Underlying Fund's investments in the Liquidity Portfolio and deciding on the allocation of assets between the Private Assets portion and the Liquidity Portfolio portion of the Underlying Fund's portfolio.

5 How we invest your money

5.1 What is the investment objective of the Fund?

The Fund's investment objective is to seek long-term capital appreciation. In pursuing its investment objective, the Fund intends to invest via the Underlying Fund to gain exposure to a portfolio of global Private Assets. Private Assets are assets that are not freely tradeable on a public market and private equity refers to equity investments that are not freely tradeable on a public market.

5.2 What is the investment strategy of the Fund?

As outlined in Section 4.1, the Fund intends to invest as a feeder fund substantially all of its assets through an AUD hedged share class of the Underlying Fund. The Underlying Fund invests all or substantially all of its assets through FLEX Master-I, which in turn will invest all or substantially all of their assets into the FLEX Aggregator-I. This section outlines the investment allocations of the Underlying Fund through these intermediate vehicles.

The Underlying Fund has the flexibility to invest in Private Assets across asset types, including, but not limited to, buyout (buying companies), growth (supporting growing businesses), venture (investing in earlier-stage businesses that require capital), credit, mezzanine (different ways of lending to businesses), infrastructure, energy and other real assets, subject to compliance with its investment strategies and restrictions and applicable law.

The Underlying Fund expects to principally invest in Private Assets by acquiring interests in "**Private Investment Funds**", which refers to the Underlying Fund acquiring interests in global private equity funds and other investment vehicles through secondary market purchases ("**Secondaries**") or through transactions where a majority of the capital that is anticipated to be deployed by the Underlying Fund in connection with an investment (whether in one or a series of related transactions) is in Identified Assets. Secondaries refers to a range of transactions and structures designed to provide liquidity to existing fund investors as well as those designed to provide solutions for fund sponsors.

In addition to its investments in Private Investment Funds, to a lesser extent the Underlying Fund may seek additional exposure to Private Assets by making commitments to, and acquiring interests in, "**Primary Funds**" (investment vehicles (other than Private Investment Funds) acquired by FLEX-I through primary market purchases, which are generally made directly in newly formed private equity funds to gain exposure to privately held companies.) and making "**Co-Investments**" (investments made in the same class of equity or debt securities or other instruments primarily alongside transaction sponsors to collectively invest in portfolio companies) or other similar assets. The Underlying Fund will typically invest in Private Investment Funds after the end of the Private Investment Fund's fundraising period, which means that the Private Investment Fund will have existing underlying portfolio companies, whereas typical investments in Primary Funds are in newly established Primary Funds where the underlying portfolio companies are not known as of the time of the Underlying Fund's commitment.

Together, the Underlying Fund's investments in Private Investment Funds and Primary Funds are referred to as the "**Portfolio Funds**". See further explanations of these types of investments below.

To manage portfolio liquidity while maintaining exposure to private markets investments, the Underlying Fund reserves the flexibility to have exposure to "**Private Markets Debt Investments**". The Underlying Fund may invest in Private Markets Debt Investments directly or indirectly through investment vehicles, including, but not limited to other managed funds and exchange traded funds which may or may not be affiliated with Franklin Templeton.

The Underlying Fund also intends to invest a portion of its assets in the "**Liquidity Portfolio**", which includes cash and cash equivalents, liquid fixed income securities and other credit instruments, derivatives and other investment companies, including other managed funds and exchange traded funds which may or may not be affiliated with Franklin Templeton.

The Underlying Fund's allocation among these types of investments may vary from time to time, especially during the initial period of investment operations.

Private Investment Funds

Lexington Advisors intends to capitalise on its experience, its expertise in secondary market transactions, its proprietary database of information, and its global sourcing networks to meet the investment objective of the Underlying Fund. While the Underlying Fund is expected to concentrate on acquiring portfolios of interests in Private Investment Funds, Lexington Advisors will also consider a full range of transaction types including GP-led transactions where the General Partner ("**GP**") of a private equity investment vehicle creates a new vehicle and moves the private equity assets to it to offer liquidity while still managing the assets (such as continuation funds, tender offers, strip sales, and spin-outs (see further explanation below)) and finding other investment opportunities including, without limitation, direct secondary investments, hedge fund private equity assets, institutional equity co-investments, and preferred equity. Lexington Advisors believes that its broad, flexible investment strategy will allow the Underlying Fund to deploy capital to the segments of the secondary market offering the most attractive risk-adjusted returns.

Limited partner ("**LP**") led ("**LP-led"**) transactions are those where an original investor in a private equity fund, a LP, sells its commitment in a fund to a secondary buyer, who then takes on the rights and obligations of that LP in the existing fund. In most cases, the LP is selling a portfolio of commitments. Over time, an increasing amount of private investment fund interests have traded in the secondary market. This trend may continue as a well-capitalised secondary market enables the trend towards more active management of private investment fund portfolios by large investors such as public and corporate pension funds, sovereign wealth funds, and endowments, whose portfolios generally rebalance.

The emergence of a well-capitalised secondary market has also created investment opportunities as sponsors (GPs) of alternative investment funds seek to design liquidity options for their Limited Partners, referred to as GP-led transactions. These transactions may continue to comprise a significant share of transaction volume as sponsors recognise the utility of providing additional liquidity opportunities to Limited Partners and seek further value creation in mature fund portfolio investments.

- Continuation Funds: A continuation fund typically involves a new multi-asset or single-asset vehicle established for portfolio investment(s) in a legacy fund managed by the same sponsor. These transactions may involve changes to terms through a new limited partnership agreement and allow for buyer input on price and portfolio composition. As the market has developed, a "status quo" or roll-over option has been offered more frequently to existing investors.
- Tender Offers: In a tender offer, a sponsor solicits secondary buyers to submit pricing on one of the sponsor's funds. All of the fund's Limited Partners may assess the tender offer and decide whether to sell their stake to the prevailing buyer or buyers at the set price and terms. Importantly, Limited Partners may elect not to sell their stake (the "status quo" option) because term changes to the underlying fund typically do not occur. Sponsors may facilitate a tender offer option for a variety of reasons, including bundling interested sellers into one transaction rather than handling an individual sale process for each seller and allowing Limited Partners to lock in unrealised returns before underlying portfolio companies are sold. Although the underlying fund is not typically restructured in a tender offer, the buyers may be asked to agree to modest term changes or commit additional capital to another of the sponsor's funds.
- Strip Sales: In a strip sale, a sponsor solicits secondary buyers to submit pricing on a pro rata strip of certain underlying portfolio companies in a fund. These partial sales generate earlier distributions to Limited Partners and can de-risk a portion of the fund's unrealised value while allowing Limited Partners to still participate in the vast majority of future compounding of value. Through a strip sale, the sponsor is also able to achieve other strategic objectives. For example, the liquidity generated by a strip sale may be equivalent to the liquidity generated by one or more dividend recapitalisations, but without adding further leverage. Proceeds from a strip sale may also be used to fund acquisition or growth opportunities in the underlying portfolio to the extent there is little uncalled capital remaining. Strip sales may help to rebalance the fund if the portfolio is over-weighted in a particular company, industry, or geography. Similar to a tender offer, no term changes typically occur.
- Spin-outs: A sponsor may face fundraising challenges when spinning out from a captive parent if investors are reluctant to invest in a new fund formed by a manager with a limited track record of independent operations and management of third-party capital. In order to complete a successful spin-out, sponsors have approached Lexington Advisors with the opportunity to purchase legacy investments and provide committed capital to the newly-independent sponsor. Lexington Advisors' substantial experience and syndication capability in spin-outs has positioned numerous captive teams for future success in raising third-party capital as newly-independent sponsors.

Direct secondary investments, hedge fund private equity assets, institutional equity co-investments, and preferred equity transactions represent substantial additional opportunities in the growing secondary market.

Lexington Advisors believes that the potential size and complexity of the secondary market opportunities described above combined with their extensive global sourcing networks, counterparty transaction experience, and strong sponsor relationships will provide significant investment opportunities for the Underlying Fund. Past performance is not necessarily indicative of future results.

Primary Funds

As part of Lexington Advisors' strategy to generate secondary opportunities, the Underlying Fund will allocate a portion of its capital to Primary Funds. Primary Fund commitments can be beneficial in generating returns and in enhancing relationships with leading global sponsors. Lexington Advisors' investment relationships with these sponsors are expected to help them source and analyse potential secondary transactions.

Co-Investments

Lexington Advisors seeks to identify co-investment opportunities that it believes can generate returns for the Underlying Fund by making equity co-investments in deals alongside leading buyout and growth sponsors, primarily in U.S. and European companies. The Underlying Fund may also make non-traditional co-investments, such as secondary co-investments, follow-on investments, distressed and restructurings, and mezzanine debt. In structuring co-investments, Lexington Advisors' strategy is to provide the Underlying Fund with exposure to deals alongside leading private equity sponsors on a diversified basis at reduced fees and carry (carried interest payments to General Partners) versus traditional primary fund investing.

Lexington Advisors believes that it has established a reputation in the private equity market as a reliable and experienced co investor, which serves as an important source of investment opportunities. The strength of Lexington Advisors' relationships with existing sponsors has often led to repeat co-investment opportunities, and its proactive outreach to new sponsors has translated in long-term relationships. Lexington Advisors' co-investment strategy is to leverage the sponsor relationships of Lexington's global platform to generate attractive co-investment opportunities from high-quality sponsors and create co-investment opportunities. Lexington Advisors has dedicated and experienced co-investment professionals who seek to apply their experience to analyse opportunities and, through a disciplined investment committee process, select the most compelling co-investments with a deliberate focus on diversified portfolio construction.

When assessing co-investment opportunities, Lexington Advisors will seek to apply its due diligence process that typically includes both a rigorous evaluation of company specific information as well as an in-depth analysis of the lead transaction sponsor and investment team. For each investment opportunity, its investment team typically will focus on the sponsor quality and track record, the target company's attributes, the industry dynamics, the valuation and capital structure, the investment thesis, environmental, social and governance considerations and other factors such as portfolio construction or alignment alongside the lead sponsor. Lexington Advisors primarily targets co-investments in companies that it believes have leading market positions in stable industries experiencing attractive secular trends, high levels of recurring revenue with attractive, defensible margins, strong free cash flows and multiple drivers of value. Lexington Advisors will also typically look for senior management with a strong operating track record, relevant industry experience, and aligned financial incentives. In addition to providing a source of investment opportunities, Lexington's global platform and professional network afford it key information in assessing the value of private equity investments.

Liquidity Portfolio - Cash, Fixed Income and Other Securities

The Underlying Fund may invest in investment grade and below-investment grade global fixed-income securities, including government obligations, corporate bonds, securitised instruments, money market instruments and restricted securities. The Underlying Fund's liquid fixed-income and other credit investments may include floating rate senior secured loans issued by U.S. and foreign corporations, partnerships and other business entities, including private equity backed companies (i.e., borrowers). Floating rate loans are often at the time of investment below-investment grade securities (commonly known as "junk" or "junk bonds"). The Underlying Fund considers debt securities to be below investment grade if, at the time of investment, they are rated below the four highest categories by at least one independent credit rating agency or, if unrated, are determined by FAV to be of comparable quality.

To manage portfolio liquidity while maintaining exposure to private markets investments, the Underlying Fund reserves the flexibility to have exposure and to invest in Private Markets Debt Investments directly or indirectly through investment vehicles, including, but not limited to, other managed funds and exchange traded funds, which may or may not be affiliated with Franklin Templeton.

5.3 What are the significant benefits?

- Managed investment scheme structure to allow investors to access private equity asset class.
- Private equity exposure through Secondaries can offer broad diversification across sponsor, fund, sector, strategy, geography, industry, company and vintage year, which can potentially dampen volatility.
- Leveraging Lexington's deep experience and expertise as a pioneer and specialist in secondary private equity and co-investments in managing the investments in the intermediate vehicles that the Underlying Fund invests in. Through Lexington's leadership in the global secondary and co-investment markets, having invested in over 2,700 private investment funds and more than 570 co-investments, Lexington has assembled a proprietary database of information on over 900 sponsors and 50,000 underlying portfolio companies.
- Professional liquidity management through FTIS. FTIS manages over US$88bn in assets under management and have been providing portfolio construction and multi-asset portfolio solutions to institutional and retail clients for over 30 years. Their capabilities extend across asset allocation, systematic and hedged strategies and include management of investments across a range of Private Assets. Liquidity planning and management is a core responsibility across several fund vehicles and separate accounts managed across their platform.

5.4 What are the investment guidelines of the Fund and the Underlying Fund?

The Fund intends to invest as a feeder fund substantially all of its assets through an AUD hedged share class of the Underlying Fund.

Under normal market circumstances, the Underlying Fund is expected to invest at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in private equity investments, including Private Markets Debt Investments.

During normal market conditions, it is generally not expected that the Underlying Fund will hold more than 20% of its gross assets in the Liquidity Portfolio for extended periods of time. These tests are applied at the time of investment in the relevant investment; later percentage changes caused by a change in the value of the Underlying Fund's assets, including as a result in the change in the value of the Underlying Fund's investments or due to the issuance or redemption of Shares, will not require the Underlying Fund to dispose of, or acquire, an investment.

On a temporary basis for liquidity management or in connection with implementing changes in the asset allocation, the Underlying Fund may hold a substantially higher amount of cash, fixed income and other liquid investments in the Liquidity Portfolio.

These restrictions and allocation targets may not apply during the first three years of the Underlying Fund. The Underlying Fund may exceed and otherwise vary materially from these allocation targets, including due to factors such as a large inflow of capital over a short period of time, FAV's assessment of the relative attractiveness of opportunities, or an increase in anticipated cash requirements or redemption requests and subject to any limitations or requirements relating to applicable law.

In addition, the Underlying Fund is subject to certain diversification requirements under applicable Luxembourg law.

5.5 Liquidity

The Private Assets of the Underlying Fund are generally expected to not be readily liquid. This will impact the ability of the Fund to redeem its holdings in the Underlying Fund and for the Responsible Entity to accept redemption requests in the Fund. In addition, redemptions at the level of the Underlying Fund are subject to redemption limitations in case of redemption requests exceeding certain thresholds, early redemption deductions, and may in certain circumstances be subject to suspension. Please refer to Sections 8.4 and 8.5 for further information.

The Constitution provides that the Responsible Entity of the Fund has up to 580 days to determine whether to accept a redemption request and up to 120 days to satisfy a withdrawal request once it determined to accept the request. Prospective investors should take this into account when deciding whether to invest into the Fund.

5.6 Leverage and derivatives

The Fund does not intend to utilise borrowing, short selling or leverage. The Underlying Fund may directly or indirectly utilise leverage, incur indebtedness and provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an investment or to enhance returns.

The Underlying Fund will not incur indebtedness, directly or indirectly, that would cause the **"Leverage Ratio"** to be in excess of 35%. This limit may be exceeded on a temporary basis to satisfy short-term liquidity needs, refinance existing borrowings or for other obligations. For the avoidance of doubt, any restrictions on borrowing will not apply to (i) any borrowing applied at the Investment level; (ii) guarantees given other than in connection with financial indebtedness (guarantees related to foreign exchange contracts shall not be deemed to be in connection with financial indebtedness); (iii) deferred consideration, instalment loans, seller financings or other arrangements with a seller or its affiliates with respect to the payment of the purchase price of an investment in connection with the acquisition of such Investment; or (iv) any liabilities of the Underlying Fund created by unrealised losses on currency hedging contracts.

The Fund does not intend to utilise derivatives directly. The Underlying Fund may use all financial derivative instruments for the purpose of hedging or investment. This includes to manage risk and/or to achieve efficient portfolio management.

To implement its investment strategy and make Private Investment Funds' Investments, the Underlying Fund will generally acquire interests in Portfolio Funds and/or Co-Investments (directly or indirectly) and may employ other investment techniques or gain exposure to such Private Investment Funds' Investments, including (without limitation) the use of derivatives, put and call options, securities-related futures contracts, repurchase agreements and reverse repurchase agreement, and/or swaps agreements (including total return swaps).

Derivatives investments will be monitored for risk levels and implied leverage, with an expectation that the value of the underlying asset of the derivative (the notional value) is fully funded in the majority of instances.

5.7 Approach to hedging

The Underlying Fund's reference currency is US dollars (USD). The Fund will invest into an AUD denominated share class of the Underlying Fund, and it is intended that the currency exposure of this share class will be fully or partially hedged back to AUD relative to the reference currency. Currency hedging is undertaken by the Underlying Fund Investment Managers at their discretion.

The Underlying Fund Investment Manager retains complete discretion as to the manner in which any share class hedging strategy is implemented and this may mean, for example, that only a portion of the overall NAV of a class is hedged or that a class is only hedged for a limited period of time (including, for example, because of difficulties in securing hedging on terms (including as to price) that the Underlying Fund Investment Manager or currency administrator of the Underlying Fund considers reasonable at the relevant time). Even where the Underlying Fund Investment Manager intends to maintain the share class hedging strategy in relation to the NAV of a hedged share class in full, circumstances may arise due to a range of potential factors (such as prevailing market conditions or the actual subscriptions or redemptions that arise in respect of a hedged share class) that prevent this from being implemented. There is no guarantee that attempts to hedge currency risk will be successful and no share class hedging strategy can eliminate currency risk entirely. Should the share class hedging strategy be incomplete or unsuccessful, the value of that hedged share class's assets and income can remain vulnerable to fluctuations in currency exchange rate movements.

If and for as long as the share class hedging strategy is maintained by the Underlying Fund in respect of a hedged share class, investors should be aware that this may substantially limit investors of the relevant hedged share class from benefiting from any potential increase in value of the hedged share class expressed in the reference currency, if the currency in which such hedged share class is denominated falls against the reference currency. Additionally, investors of the hedged share class may be exposed to fluctuations in the NAV per share reflecting the gains/losses on and the associated transactions costs of the relevant financial instruments used to implement the share class hedging strategy. Further, investors should be aware that the share class hedging strategy may act as a drag or boost to performance as a result of the interest rate differential (being the difference in interest rates between two similar interest-bearing currencies) between the hedged share class currency and the reference currency.

5.8 Labour, Environment, Social and Ethical Considerations

The Fund does not pursue a sustainable investment objective, and the Fund's Investment Manager, TAML, does not take into account ESG factors in selecting, retaining and realising investments in the Fund.

The Underlying Fund does not promote environmental or social characteristics and does not have sustainable investment or reduction in carbon emission as its objective.

When selecting investments, Lexington Advisors generally takes into account labour standards, environmental, social or ethical considerations (ESG factors). However, an investment transaction's ESG profile and risks is only one of a number of factors Lexington Advisors considers when evaluating managers and investments, and such ESG considerations are not determinative of any selection of a manager or investment.

While Lexington Advisors does not have a predetermined view about what they regard to be an environmental, social or ethical consideration, ESG risks and opportunities are identified through a third-party risk platform which analyses company risk data and research during due diligence. There is no weighting system used for taking into account ESG factors.

Lexington Advisors does not have a predetermined view as to the extent to which ESG factors are taken into account. Under Lexington Advisors' investment approach for private equity investments, Lexington Advisors' investment professionals evaluate all aspects of a transaction, including short- and long-term risks and opportunities. As part of Lexington Advisors' due diligence process, the investment professionals ask for information regarding ESG factors from the sponsors with whom they invest and record ESG responses as part of their investment due diligence process. An investment transaction's ESG profile and risks is only one of a number of factors that Lexington Advisors considers when evaluating managers and investments, and such ESG considerations are not determinative of any selection of a manager or investment.

Monitoring and review

Lexington Advisors will monitor changes in ESG factors as part of the overall review of the portfolio and then determine their approach on a case-by-case basis. Once an investment is made by the Underlying Fund, Lexington Advisors generally conducts a periodic survey of sponsors inquiring about their ESG policies and approach. There is no set approach or timeframe for review.

Risks and limitations

As the Underlying Fund does not directly hold the securities of underlying portfolio investments and does not otherwise control such underlying investments Lexington Advisors has limited ability to engage portfolio companies directly on ESG-related issues and may not be able to take ESG factors into account in retaining and realising these investments in the Underlying Fund.

ESG considerations may not be taken into account in the selection, retention or realisation of investments in some of the underlying Portfolio Funds. There is no guarantee that the funds or transactions to which the Underlying Fund makes commitments after Lexington Advisors conduct ESG due diligence will not have ESG issues or will be effective in achieving any direct or indirect ESG objective.

At times, Lexington Advisors analysis of ESG factors relies heavily on ESG-related data and ratings provided by one or more third-party firms. Such third-party firms may use proprietary methodologies to assess a company's ESG impact, and Lexington Advisors has no influence over such methodologies. Lexington Advisors cannot guarantee the accuracy or completeness of any third-party data and has not reviewed the assumptions on which such information is based. There can be no guarantee that a third-party firm's methodology for assessing ESG impact will, in every instance, appropriately measure a company's ESG risks or such company's effectiveness in addressing these risks.

6 Risks you should consider

It is important that you understand and accept the risks before you invest. We recommend you talk to an adviser about the risks involved in investing in the Fund and how it might impact on your individual financial circumstances.

General Risks

Investment in any fund carries risks, including volatility of returns. Volatility refers to the degree to which returns may fluctuate around their long-term average. Each asset class, whether it is cash, fixed interest, property, Australian or international shares, or private equity has associated investment risks and the return achieved by each will vary accordingly. You should be aware that an investment in the Fund contains risk and neither the performance of the Fund nor the security of your investment is guaranteed by Franklin Templeton or the Investment Manager.

Investments in the Fund and the Underlying Fund are generally subject to risks. As the Fund invests all or substantially all of its assets via the Underlying Fund, the risks of the Underlying Fund will also be risks of investing in the Fund. These risks include possible delays in the payment of withdrawal proceeds, and loss of income and capital. The following discussion of certain risk factors does not purport to be an exhaustive list or a complete explanation of all the risks involved in an investment in the Fund or the Underlying Fund.

The Responsible Entity considers the risk level of the Fund to be high. An investment in the Fund should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors. The Fund is designed for investors that have sought professional personal financial advice, have limited need for liquidity and are seeking total returns over the long term through capital appreciation and who are willing to accept fluctuations (sometimes significant) in returns in the short term. The Fund is not suitable for investors who need access to their investment in the short term.

6.1 What are the risks of investing in the Fund?

You should note:

- all investments carry risk;
- assets with the highest long-term returns may also carry the highest level of short-term risk;
- the value of investments will vary;
- the level of returns will vary and future returns may differ from past returns; and
- returns are not guaranteed and you may lose some or all of your money.

The level of risk for you will vary depending on a range of factors, including age, investment timeframes, where other parts of your wealth are invested and your risk tolerance**.** You should consult with your financial adviser before investing and from time to time, to ensure your investment is, and remains, appropriate to your needs.

The significant risks of the Fund and the Underlying Fund include are outlined below. This section does not purport to cover or explain all the risks of investing in the Fund or the Underlying Fund.

Fund Risk

There are risks of investing in the Fund rather than investing directly in individual securities. Risks include, but are not limited to, the risk that:

- the Fund terminates;
- the fees and expenses will typically be higher compared to investing directly in individual securities;
- investments and withdrawals by one or more Unitholders may have an impact on other Unitholders; or
- there is a change in the Responsible Entity or an investment manager.

There is no current public trading market for the Fund, and the Responsible Entity does not expect that such a market will ever develop. Therefore, redemption of Units by the Fund will likely be the only way for Unitholders to dispose of their holding. To meet redemption requests, the Fund will make a redemption request to the Underlying Fund, which is subject to the limitations outlined in Section 8.5.

Underlying Fund risk

As the Fund aims to implement its investment strategy by investing in the Underlying Fund, the success of the Fund depends, to a degree, upon the investment performance of the Underlying Fund. Therefore, the risks of investing in the Fund are closely related to the risks associated with the Underlying Fund and its investments. Unitholders in the Fund will have no rights or powers to take part in the management of the Underlying Fund and will generally not receive the same amount of any financial information of portfolio entities that is generally available to the Underlying Fund Investment Managers. The Underlying Fund Investment Managers and the AIFM will generally have sole and absolute discretion in structuring, negotiating and purchasing, financing and eventually divesting investments on behalf of the Underlying Fund. Matters such as the Underlying Fund Investment Managers' loss of key staff, changes to fees and expenses, or the failure of the Underlying Fund to perform as expected may negatively impact returns, risks and/or liquidity of the Underlying Fund and consequently, the Fund.

Market risk

The market prices (including prices available via the secondary or private market) of the Underlying Fund's investments may go up or down, sometimes rapidly or unpredictably, due to local and/or global market conditions, such as real or perceived adverse economic or political conditions, governments policy change, inflation, changes in interest rates, lack of liquidity in the asset markets, adverse investor sentiment, or world events. Further, even when markets perform well, there is no assurance that the investments held by the Underlying Fund will increase in value along with the broader market. These fluctuations in the value of the Underlying Fund's investments may result in fluctuations in the performance of the Fund.

The Underlying Fund, and therefore the Fund, may be impacted by turmoil in the U.S. and global financial markets, and the future of global free trade, and the approach of the U.S. government to tariffs and international trade policy generally, is uncertain. There can be no assurance that conditions in the global financial markets will not worsen and/or adversely affect one or more of the Underlying Fund's investments (including with respect to performing under or refinancing their existing obligations), its access to capital or leverage, its ability to effectively deploy its capital or its ability to realise portfolio investments on favourable terms or its overall performance. There can be no assurance that the assumptions made or the beliefs and expectations held by the Underlying Fund Investment Managers will prove correct and actual events and circumstances may vary significantly.

The Fund may be subject to regional risk due to interdependence of markets. Economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could lead to local economic problems increasingly having an adverse effect on regional and even global economic conditions and markets.

Investment risk

There can be no assurance that the Fund's investment objective will be attained. The performance of the Fund is not guaranteed and will depend on the performance of the Underlying Fund. The value of Units in the Fund may rise or fall, as the value of the Fund's investments may fluctuate. The investment strategy of the Underlying Fund is broad and each of the investments it may make, involve particular risks. The Underlying Fund Investment Managers are investors in secondary markets generally rather than specialists in a particular asset class, industry sector or region.

Private markets and secondary markets risk

Private investments are subject to general market risks. The Private Assets in which the Underlying Fund invests involve a high degree of business and financial risk. The Private Assets may include companies in an early stage of development, may be distressed or have operating losses or significant variations in operating results and may be engaged in a rapidly changing business and may also include companies that are experiencing, or are expected to experience, financial difficulties which may never be overcome. In addition, they may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition and may be more vulnerable to market conditions. Portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities and a larger number of qualified managerial and technical personnel. Many portfolio companies may be highly leveraged, which may impair these companies' ability to finance their future operations and capital needs and which may result in restrictive financial and operating covenants. As a result, these companies' flexibility to respond to changing business and economic conditions may be limited. In addition, if a company does not perform as anticipated or incurs unanticipated liabilities, high leverage will magnify the adverse effect on the value of the equity of the company and could result in substantial diminution in or the total loss of an equity investment in the company.

Less information may be available with respect to Private Assets and such investments offer limited liquidity. Private companies are generally not subject to regulatory and other public reporting requirements, are not required to maintain their accounting records in accordance with generally accepted accounting principles and are not required to maintain effective internal controls over financial reporting. As a result, there is a risk that the Underlying Fund may not have timely or accurate information on which to invest, which may impact performance of the Fund.

The supply, and consequently the pricing, of investments on a secondary market is dependent on a number of factors, including the rate at which funds pursuing such investments are able to deploy capital, the performance and value of investments held by other investment funds and the ability of such investment funds to realise, recapitalise or refinance their own investments in order to return capital to their investors. Higher valuations and increased liquidity and return of capital in the private investments market may result in fewer attractive investment opportunities being available for the Underlying Fund. There can be no assurance that the Underlying Fund and any interposed vehicles will be successful in identifying and acquiring secondary interests. Regulatory changes affecting large financial institutions and other potential sellers of investments in the secondary market have been another important aspect of overall conditions in this market, and the future pace and direction of such changes may adversely impact the availability of opportunities to investment funds such as the Underlying Fund. The effect of any future regulatory change on the Underlying Fund (due to its investments in Portfolio Funds), including any changes in the interpretation or application of such regulations, could be substantial and adverse. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action.

Commitments to Portfolio Funds are generally not immediately invested and are drawn down over time as underlying investments are identified, which may take several years. Accordingly, investments are made in part on anticipated future draw downs and distributions from Portfolio Funds, which may result in the overcommitment of capital by the Underlying Fund. In this case, the Underlying Fund may use credit facility borrowings and proceeds from investments to satisfy such excess commitments. There is a risk that an interposed vehicle of the Underlying Fund may default on a commitment to a Portfolio Fund which could create a liability for the Underlying Fund, It is generally expected that this risk will be managed by maintaining investments in the Liquidity Portfolio within the Underlying Fund to satisfy any such calls for capital, but there can be no assurance that these expectations will be accurate, in which case a default on a commitment could have a materially adverse impact on the returns to Unitholders in the Fund.

As a secondaries investment fund, the Underlying Fund may have a withholding obligation with respect to interests an interposed vehicle purchases in Portfolio Funds from non-US sellers. This withholding requirement may reduce the number of non-US sellers willing to sell interests in prospective Portfolio Funds and therefore reduce the number of investment opportunities available to the relevant interposed vehicle. Additionally, if the Underlying Fund does not properly withhold from such non-US sellers, the Portfolio Fund would be required to withhold on future distributions a tax in an amount equal to the amount the Underlying Fund failed to withhold, which would negatively impact the Underlying Fund's, and consequently the Fund's returns.

The activity of identifying, completing and realising attractive secondary private investments is highly competitive, and involves a high degree of uncertainty. This may impact the terms that the Underlying Fund Investment Managers are able to negotiate and the investments that they may be able to source, which may impact the performance of the Fund.

The Underlying Fund Investment Managers manage a number of registered investment companies which are regulated pursuant to the Investment Company Act of the United States (collectively, "**1940 Act Funds**"). Certain provisions of the Investment Company Act prohibit the 1940 Act Funds from engaging in transactions with Franklin Templeton, Lexington and their affiliates; however, non-1940 Act Funds also managed by the Underlying Fund Investment Managers, Franklin Templeton or Lexington are not prohibited from the same transactions. Such 1940 Act Funds can invest alongside the Underlying Fund and other non-1940 Act Funds in certain circumstances when doing so is consistent with their investment strategy as well as applicable law and SEC staff interpretations. The 1940 Act Funds would likely participate alongside the Underlying Fund in many or most of its Portfolio Funds. The establishment of the 1940 Act Funds would likely result in the Underlying Fund participating in investment opportunities to a lesser extent than would otherwise be the case, or not at all. The 1940 Act Funds would be subject to laws and regulations that result in the 1940 Act Funds' terms differing materially from the Underlying Fund's (including with respect to investment advisory fees and other incentive compensation, which may be more favourable to investors therein than those available to the shareholders in the Underlying Fund), and limit what it may invest in as compared to the Underlying Fund, and the 1940 Act Funds would be controlled by a majority-independent board. The foregoing may influence which investment opportunities the Underlying Fund Investment Managers pursue, or the 1940 Act Funds may not participate in all Portfolio Funds alongside the Underlying Fund as a result of such laws and regulations, which will result in a greater share of such opportunities being allocated to the Underlying Fund.

There can be no assurance that the Underlying Fund will be able to identify sufficient Private Assets investment opportunities or that it will be able to acquire sufficient Private Assets on attractive terms. Equally, there can be no assurance that the Underlying Fund will be able to realise any Private Assets investments at a price that reflects what the Underlying Fund Investment Managers believe to be their market value.

The Underlying Fund may incur expenses in connection with its investments. Investments in Private Assets, including those acquired on a secondary market, generally often require extensive due diligence activities prior to acquisition, including legal costs, and the Underlying Fund may incur expenses in developing, negotiating, and structuring prospective or potential Portfolio Funds or Co-Investments, which are not consummated. If a proposed investment by the Underlying Fund is not consummated, all or a portion of such expenses (for example, but not limited to, expenses attributable to investment bankers, legal and tax advice and consultants), which may be significant, may be borne by the Underlying Fund. In addition, co investors (including committed co investment vehicles) may not bear their share of expenses (including, without limitation, commitment fees, legal, tax, accounting, travel and entertainment, advisory, consulting, and printing expenses and any liquidated damages, reverse termination fees, or similar payments) for unconsummated transactions, and in such instances such costs and expenses may be borne by the Underlying Fund and indirectly by Unitholders in the Fund.

Portfolio Funds risk

The Underlying Fund invests in a number of Portfolio Funds through interposed vehicles, and these are subject to a number of risks. Portfolio Fund interests are expected to be illiquid, may be difficult to sell and the realisation of investments from them may take considerable time and/or cost. Some of the Portfolio Funds in which the Underlying Fund invests may have only limited operating histories. Although the Underlying Fund Investment Managers will seek to receive detailed information from each Portfolio Fund regarding its business strategy and any performance history, in most cases the Underlying Fund Investment Managers will have little or no means of independently verifying this information. In addition, Portfolio Funds may have little or no near-term cash flow available to distribute to investors, including the Underlying Fund. Due to the pattern of cash flows in Portfolio Funds and the illiquid nature of their investments, investors typically will see negative returns in the early stages of Portfolio Funds. Then as investments are able to realise liquidity events, such as a sale or initial public offering, positive returns will be realised if the Portfolio Fund's investments are successful.

Portfolio Fund interests are ordinarily valued based upon valuations provided by the General Partner or manager of the Portfolio Fund ("**Portfolio Fund Manager**"), which may be received on a delayed basis. Certain securities in which the Portfolio Funds invest may not have a readily ascertainable market price and are fair valued by the Portfolio Fund Managers. A Portfolio Fund Manager may face a conflict of interest in valuing such securities because their values may have an impact on the Portfolio Fund Manager's compensation. The Underlying Fund Investment Managers will review and perform due diligence on the valuation procedures used by each Portfolio Fund Manager and monitor the returns provided by the Portfolio Funds. However, neither the Underlying Fund Investment Managers nor the Board of Directors are able to confirm the accuracy of valuations provided by Portfolio Fund Managers. Inaccurate valuations provided by Portfolio Funds could materially adversely affect the value of your investment.

The Underlying Fund will pay asset-based fees, and, in most cases, will be subject to performance-based fees in respect of its interests in Portfolio Funds. Such fees and performance-based compensation are included in the Fund's estimate of indirect fees and costs. In addition, performance-based fees charged by Portfolio Fund Managers may create incentives for the Portfolio Fund Managers to make risky investments, and may be payable by the Underlying Fund to a Portfolio Fund Manager based on a Portfolio Fund's positive returns even if the Underlying Fund's overall returns are negative.

The governing documents of a Portfolio Fund generally are expected to include provisions that would enable the Portfolio Fund Manager, or a majority in interest (or higher percentage) of its Limited Partners or members, under certain circumstances, to terminate the Portfolio Fund prior to the end of its stated term. Early termination of a Portfolio Fund in which the Underlying Fund is invested may result in a material adverse effect on the performance of the Fund.

Although the Underlying Fund will be an investor in a Portfolio Fund, Unitholders will not themselves be equity holders of that Portfolio Fund and will not be entitled to enforce any rights directly against the Portfolio Fund or the Portfolio Fund Manager or assert claims directly against any Portfolio Funds, the Portfolio Fund Managers or their respective affiliates. Unitholders will have no right to receive the information issued by the Portfolio Funds that may be available to the Underlying Fund as investor in the Portfolio Funds.

The returns of the Underlying Fund will depend significantly on the performance of these unrelated sponsors and could be substantially adversely affected by their poor performance, and the Underlying Fund Investment Managers may not be in a position to change an unrelated sponsor's approach or be able to negotiate the level of any fee offsets and will not be responsible for determining whether sponsors are correctly calculating fees or fee offsets. The Underlying Fund Investment Managers may not always receive full information from sponsors because certain of this information may be considered proprietary. The lack of access to information may make it more difficult for the Underlying Fund Investment Managers to select and evaluate potential Portfolio Funds and/or Co-Investments.

The day-to-day operations of each Portfolio Fund will be the responsibility of the Portfolio Fund Manager. Although the Underlying Fund Investment Managers will be responsible for monitoring the performance of each Portfolio Fund, there can be no assurance that the existing management team, or any successor, will operate the company or fund, as the case may be, in accordance with the Underlying Fund Investment Manager's plans or expectations.

As a Limited Partner in underlying investment funds, the Underlying Fund will have limited opportunity to control the day-to-day operation, including investment and disposition decisions, of the Portfolio Funds or to protect its position in Portfolio Funds (other than collectively with other investors who may or may not elect to exercise the protection rights afforded to investors as a whole). The Portfolio Fund Manager(s) will generally have sole and absolute discretion in structuring, negotiating and purchasing, financing, monitoring and eventually divesting investments made by their respective Portfolio Funds. Neither the Underlying Fund nor the Underlying Fund Investment Managers or any other member of the Franklin Templeton group and Lexington group will typically be represented on the board of directors of, or otherwise exercise any control over, the management of any portfolio company of any Portfolio Fund, and the success of any such company will depend on the ability and success of the company's management, in addition to general economic and market factors.

As an investor in underlying investment funds on a secondary basis, while the Underlying Fund Investment Managers and other members of the Franklin Templeton group and Lexington group will undertake due diligence as to the approach taken by Portfolio Funds as to portfolio and risk management, conflicts of interests, environmental, social and corporate governance issues and other relevant matters, the Underlying Fund will generally not be in a position to change such approach.

In direct secondaries transactions where the Underlying Fund will participate in the purchase of underlying portfolio companies, the continued financing, monitoring and eventual divestment of such portfolio companies will be dependent upon the underlying General Partners of the investment fund undertaking such direct secondaries transaction.

Co-Investments risk

The Underlying Fund's investment portfolio will include Co-Investments. The ability to realise a profit on such Co-Investments will be particularly reliant on the expertise of the lead investor in the transaction. The market for Co-Investment opportunities is competitive and may be limited, and the Co-Investment opportunities to which the Underlying Fund wishes to allocate assets may not be available at any given time. Due diligence will be conducted on Co-Investment opportunities; however, the Underlying Fund Investment Managers may not have the ability to conduct the same level of due diligence applied to other investments. In addition, the Underlying Fund Investment Managers may have little to no opportunities to negotiate the terms of such Co-Investments. The Underlying Fund generally will rely on the Portfolio Fund Manager or sponsor offering such Co-Investment opportunity to perform most of the due diligence on the relevant portfolio company and to negotiate terms of the Co-Investment.

The Underlying Fund's ability to dispose of Co-Investments may be severely limited, both by the fact that the securities are expected to be unregistered and illiquid and by contractual restrictions that may limit, preclude or require certain approvals to sell such investment. Co-Investments may be heavily negotiated and, therefore, the Underlying Fund may incur additional legal and transaction costs.

Many entities compete with the Underlying Fund in pursuing Co-Investments. As a result of this competition, the Underlying Fund may not be able to pursue attractive Co-Investment opportunities from time to time.

Minority interest risk

It is expected that the Underlying Fund will generally hold non-controlling interests in its Portfolio Funds or Co-Investments. As such, the Underlying Fund may have a limited ability to protect its position in such Portfolio Funds or Co-Investments. The Underlying Fund may make investments with other third parties through acquisition vehicles, joint ventures, or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial, legal, or regulatory difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Underlying Fund, or may be in a position to take (or block) action in a manner contrary to the Underlying Fund's investment objectives. Adverse effects stemming from such risks may affect the value of the Underlying Fund and the Fund as a result.

Liquidity risk

Liquidity risk of Private Assets

The Private Assets in which the Underlying Fund invests are often illiquid. The Private Assets may also be subject to transfer restrictions, including approval requirements from third party managers. There is no guarantee that these investments will be able to be exited. It is also not possible to predict whether an exit option will be advantageous or available at the appropriate time. There is no established market for secondary investments and no liquid market is expected to develop for secondary investments. There can be no assurance that the Underlying Fund or the Portfolio Funds will be able to dispose of their investments on favourable terms, in a timely manner or at all and the resulting proceeds may be adversely affected.

In-kind distributions from Portfolio Funds may not be liquid. The Underlying Fund may receive in-kind distributions of securities from Portfolio Funds. There can be no assurance that securities distributed in kind by Portfolio Funds to the Underlying Fund will be readily marketable or saleable. The Underlying Fund may be required to, or the Underlying Fund Investment Managers, in their sole investment discretion, may determine to hold such securities for an indefinite period. Timing of sales is subject to position size considerations, market liquidity, and other factors considered in the sole investment discretion of the Underlying Fund Investment Managers. The Underlying Fund may incur additional expense in connection with any disposition of such securities.

Liquidity risk from the Fund structure

An investment in the Fund is suitable only for investors that have no need for immediate liquidity in respect of their investment, who have the financial ability and experience to understand, the willingness to accept, and the financial resources to withstand, the extent of their exposure, the risks and lack of liquidity inherent to an investment in the Fund. Investors may lose some or all of their invested capital and should not invest unless they can readily bear the consequences of such loss. The Fund is designed primarily for long-term investors and is appropriate only for investors who are comfortable with investment in less liquid or illiquid portfolio investments.

Redemptions in the Underlying Fund are generally limited to 5% of the NAV of the Underlying Fund (measured using the NAV of the Underlying Fund as of the end of the immediately preceding quarter but excluding any early redemption deduction applicable to the redeemed shares of the Underlying Fund), except in exceptional circumstances. Prospective investors should note that in circumstances where the Fund is being terminated, the liquidation of the shares in the Underlying Fund may be subject to, among others, certain redemption limitations and the early redemption deduction, which may delay or prevent the sale or realisation of the shares in the Underlying Fund and the distribution of any net cash proceeds to Unitholders.

In exceptional circumstances and not on a systematic basis, the Underlying Fund may make exceptions to, modify or suspend, in whole or in part, the redemption program if in the Underlying Fund Board of Director's or its delegate's reasonable judgment it deems such action to be in the Underlying Fund's best interest and the best interest of investors, such as when redemptions of Units would place an undue burden on the Underlying Fund's liquidity, adversely affect the Underlying Fund's operations, risk having an adverse impact on the Underlying Fund that would outweigh the benefit of redemptions of Units or as a result of legal or regulatory changes. Material modifications, including any amendment to the redemption limitation (see further information below at Section 8.4) on redemption and suspensions of the redemption program will be promptly disclosed to investors on the Fund's website. If the redemption program is suspended, the Underlying Fund Investment Managers will be required to evaluate on a regular basis whether the continued suspension of the redemption program is in the Underlying Fund's best interest and the best interest of investors.

In the event that not all of the requests submitted for redemption during a given quarter are to be accepted for redemption by the Underlying Fund, those requests will be redeemed on a pro rata basis. Unsatisfied redemption requests will be not be automatically resubmitted for the next redemption date and will need to be resubmitted. Settlement of any redemptions in the Underlying Fund will generally be made within 10 Business Days after the NAV release date of the Underlying Fund. As a result, redeeming investors, including the Fund, will experience significant delays in realising liquidity even when their respective redemption is accepted.

Where the Fund is restricted in the amount it may withdraw from the Underlying Fund, the Responsible Entity may not accept withdrawal requests (in part or in full) and accordingly this will limit investors' ability to withdraw from the Fund.

Investors should be aware of the limitations on their ability to withdraw from the Fund.

In addition, the Underlying Fund and the Fund cannot guarantee that any distributions will be made to investors. The Fund will be investing into an accumulating share class of the Underlying Fund and therefore does not expect to pay regular cash distributions. In lieu of receiving cash distributions, the Underlying Fund will typically reinvest any proceeds from the Underlying Fund investments back into the Underlying Fund. The amount of distributions that the Underlying Fund may pay is uncertain, as it is uncertain as to when profits, if any, will be realised.

Master-Feeder Structure risk

The Fund and the Underlying Fund invests through a "master-feeder" structure. A "master-feeder" fund structure presents certain unique risks to investors. For example, a smaller feeder fund investing in a master fund may be materially affected by the actions of a larger feeder fund investing in such master fund. If a larger feeder fund withdraws from a master fund, the remaining feeder fund may experience higher pro rata operating expenses, thereby producing lower returns. A master fund may become less diverse due to a withdrawal by a larger feeder fund, resulting in increased portfolio risk. A master fund is a single entity and creditors of such master fund may enforce claims against all assets of such master fund. In addition, certain conflicts of interests may exist due to different tax considerations applicable to the Underlying Fund and other feeder funds. Due to regulatory, tax and/or other considerations that may be applicable to the Underlying Fund, certain investments may be made through subsidiaries thereof, some of which may be taxable as corporations, which may reduce the overall return to all investors, including Unitholders. There may be multiple layers of fees and expenses, including from service providers appointed to interposed vehicles which may result in greater expenses than if investors were able to invest directly in the underlying investments. A Franklin Templeton group company may from time to time establish other investment vehicles which invest alongside the Underlying Fund with similar or identical investment objectives to the Underlying Fund and the terms of these investments and the resulting returns may differ substantially from the terms of the Underlying Fund.

Operating History risk

The Underlying Fund was incorporated on 7 October 2024 and is separate from other funds managed by Franklin Templeton and Lexington and their respective investments. Although the investment professionals of the Underlying Fund Investment Managers have extensive investment experience generally, the Underlying Fund is a newly formed entity with no operating history and does not have any historical financial statements or other meaningful operating or financial data on which potential investors may evaluate the Fund and its performance. The Fund and the Underlying Fund are subject to all of the business risks and uncertainties associated with any relatively new business, including the risk that it will not achieve its investment objectives and that the value of Units could decline substantially or even result in a total loss. There is no assurance that the Fund, the Underlying Fund or any particular portfolio investments will be successful.

The past performance of prior secondary funds managed or advised by Franklin Templeton and Lexington may not be an indicative of the future performance of the Fund. Prior secondary funds managed or advised by Franklin Templeton and Lexington were subject to different economic terms and fee structure than the Underlying Fund. Accordingly, investors should draw no conclusions from the performance of any such other prior secondary funds and should not expect to achieve similar returns. The Underlying Fund investment program should be evaluated on the basis that there can be no assurance that the Underlying Fund Investment Managers' assessment of the short-term, intermediate term or long-term prospects of investments will prove accurate or that the Underlying Fund or any particular portfolio investments will be successful, achieve its investment objective and strategy, or avoid loss of capital.

Broad Investment Mandate of the Underlying Fund

The investment strategy of the Underlying Fund is opportunistic in nature and covers a broad range of instruments, asset classes, industry sectors and geographic regions and investments alongside a broad range of private equity firms and other sponsors. The investments in each of these instruments, asset classes, industry sectors and geographic regions, and investments with various private equity firms and other sponsors, involve particular risks.

Moreover, the types of investment structures utilised by, and securities invested in, by Private Investment Funds continue to evolve and include, for example, investments in special purpose acquisition companies (whether in an IPO or thereafter, through a "PIPE" (a public investment in private equity) investment or otherwise). Investors must rely upon the ability of the Underlying Fund Investment Managers and other members of the Franklin Templeton group and Lexington group to identify, structure and implement investments consistent with the Underlying Fund's overall investment objectives and policies at such times as they determine.

The Underlying Fund Investment Managers and other members of the Franklin Templeton group and Lexington group are investors in secondary markets generally, rather than specialists in any particular instrument, asset class, industry sector or geographic region.

Valuation risk

The Fund, the Underlying Fund and the interposed vehicles through which the Underlying Fund invests are subject to valuation risk, which is the risk that one or more of each fund's investments are valued at prices that are unable to be obtained upon sale due to factors such as incomplete data, market instability, human error, or, with respect to investments for which there are no readily available market quotations, the inherent difficulty in determining the fair value of certain types of investments. The Underlying Fund Investment Managers and the investment managers of any interposed vehicles may, but are not required to, use an independent pricing service or prices provided by dealers to value investments at their market value. Because the secondary markets for certain investments may be limited, such instruments may be difficult to value.

A substantial portion of the Underlying Fund's assets are expected to consist of Portfolio Funds and Co-Investments for which there are no readily available market quotations. The information available in the marketplace for such private investments, their securities and the status of their businesses and financial conditions is often extremely limited, outdated and difficult to confirm. Such investments are valued by the Underlying Fund at fair value as determined pursuant to policies and procedures approved by the Underlying Fund's board of directors. The Underlying Fund has appointed the AIFM to perform the valuations for the Underlying Fund. In determining fair value for the Underlying Fund's assets, the AIFM is required to consider all appropriate factors relevant to value and all indicators of value available to the Underlying Fund. The determination of fair value necessarily involves judgment in evaluating this information to determine the price that the Underlying Fund might reasonably expect to receive for an asset upon its current sale. The most relevant information may often be provided by the issuer of the securities. Given the nature, timeliness, amount and reliability of information provided by the issuer, fair valuations may become more difficult and uncertain as such information is unavailable or becomes outdated.

The value at which the Underlying Fund's investments can be liquidated may differ, sometimes significantly, from the valuations assigned by the Underlying Fund. In addition, the timing of liquidations may also affect the values obtained on liquidation. The Underlying Fund will invest a significant amount of its assets in private market investments for which no public market exists. There can be no guarantee that the Underlying Fund's' investments could ultimately be realised at the stated valuation of such investments.

To calculate the NAV of the Underlying Fund, the Underlying Fund Investment Managers generally expect to receive information for private market investment only as of each calendar quarter end and on a significant delay. The Underlying Fund Investment Managers generally do not expect to receive updated information during the quarter for such investments. As a result, the Underlying Fund's NAV for periods other than at calendar quarter end will likely be based on information from the prior quarter. This delay in the Underlying Fund's NAV may have an adverse effect on the valuation of the Fund by impacting the decision making of potentially subscribing investors and existing investors contemplating redemption. The Underlying Fund will not retroactively adjust any subscription price or redemption price to reflect amounts subsequently reported in any financial statements.

The Underlying Fund may need to liquidate certain investments, including its investments in Private Assets, in order to satisfy redemption requests by investors, including investors in the Fund. This may impact the ability of the Underlying Fund to most effectively time its exit from certain investments. Investors in the Underlying Fund may be affected by a required liquidation, for example where there is a decrease in the valuation of a liquidated investment after Units are redeemed. This could potentially disadvantage remaining investors in the Fund and Underlying Fund to the benefit of redeeming investors in the Fund and Underlying Fund, as applicable. Alternatively, a subsequent increase in the valuation of a liquidated investment could potentially disadvantage redeeming investors to the benefit of remaining investors. The Fund is exposed to the effects of liquidation timings in the Underlying Fund as, for example, where an Underlying Fund investment is liquidated to fund redemption requests (including those received by investors in the Fund), this may negatively impact the value of the Underlying Fund and as a result, the performance of the Fund.

There is no established market for secondary private equity partnership interests or for the privately-held portfolio companies of private equity sponsors, and there are not likely to be any comparable companies for which public market valuations exist. In addition, under limited circumstances, the Underlying Fund Investment Managers may not have access to all material information relevant to a valuation analysis. For example, sponsors are not generally obligated to update any valuations in connection with a transfer of interests on a secondary basis, and such valuations may not be indicative of current or ultimate realisable values. As a result, the valuation of Portfolio Funds in which the Underlying Fund may invest may be based on imperfect information and is subject to inherent uncertainties.

The Underlying Fund's NAV is calculated based on information available at the valuation date and may not reflect information subsequently received. Likewise, the Fund's NAV will be based on the information received from the Underlying Fund and not take into account this subsequent information and therefore the Exit Price may not reflect the ultimate determination of the Underlying Fund's NAV. Rapidly changing market events may also not be immediately taken into account in the Fund’s NAV.

The Fund’s, or the Underlying Fund's, NAV may be suspended in certain circumstances in the best interests of investors and this could have a material adverse effect on the performance of the Fund and its ability to achieve its investment objectives.

Limitations relating to the Underlying Fund’s NAV

The Underlying Fund’s NAV is a key determinant of the Fund’s NAV. The Underlying Fund’s central administrator (“**Central Administrator**”) is responsible for determining the Underlying Fund’s monthly NAV, under the oversight of the AIFM. This determination will be based in part on the latest valuation of each of the Underlying Fund’s investments, as adjusted each month to incorporate the latest available financial data for such investments, including any cash flow activity. As a result, the Underlying Fund’s published NAV in any given month may not fully reflect any or all changes in value that may have occurred since the most recent quarterly valuation.

If the NAV per share of the Underlying Fund is overvalued or undervalued relative to the actual value of the assets, redeeming shareholders may receive a redemption price that is too high or low, respectively, and new investors may pay a subscription price that is too high or low, respectively, and could result in dilution of existing shareholders in the Underlying Fund (including the Fund). Generally, neither redeeming Unitholders nor remaining Unitholders will have any recourse against the Fund, the Underlying Fund, the Underlying Fund Investment Managers or any of their respective affiliates if information available after a valuation date indicates that a prior NAV was overvalued or undervalued.

Due to the inherent uncertainty and the illiquid nature of the private capital investments, any valuation made of the NAV or any of the portfolio investments will be based on the AIFM’s and the Underlying Fund Investment Managers’ good faith determination as to the fair value of those interests. There can be no assurance that valuations by the AIFM and the Underlying Fund Investment Managers, underlying sponsors or third-party valuation providers will be accurate or up-to-date, or that third-party pricing or valuations will be available.

In supporting the Central Administrator in determining the NAV, the AIFM and Underlying Fund Investment Managers may, but are not obligated to, monitor each investment on an ongoing basis for events that the AIFM and Underlying Fund Investment Managers believe may have a material impact on the Underlying Fund’s NAV as a whole. Material events may include issuer-specific, investment-specific events or broader market-driven events which may impact more than one specific investment or have a material impact of the Underlying Fund’s NAV as a whole. Upon the occurrence of such a material event and provided that each of the AIFM and Underlying Fund Investment Managers is aware that such event has occurred, the AIFM or the Underlying Fund Investment Managers may, but are not obligated to, provide an estimate of the change in value of the Investment, based on the valuation procedures and methodologies of the Underlying Fund.

In general, each of the AIFM and the Underlying Fund Investment Managers expects that any adjustments to fair values will be calculated after a determination that a material change has occurred and the financial effects of such change are quantifiable by the AIFM or the Underlying Fund Investment Managers, as applicable. However, rapidly changing market conditions or material events may not be immediately reflected in the monthly NAV of the Underlying Fund. As a result, the NAV of the Underlying Fund (and therefore the Fund) may not reflect a material event until such time as sufficient information is available and analysed, and the financial impact is fully evaluated. Depending on the circumstances, the resulting potential disparity in the NAV of the Underlying Fund (and therefore the Fund) may be in favour or to the detriment of either Unitholders who redeem their Units, Unitholders who buy new Units, or existing Unitholders.

The methods used by the Central Administrator, under the oversight of the AIFM, to calculate the Underlying Fund's NAV is not prescribed by rules of the Luxembourg CSSF, the SEC or any other regulatory agency. Further, there are no accounting rules or standards that prescribe which components should be used in calculating NAV, and the Underlying Fund's NAV is not audited by the Underlying Fund's independent registered public accounting firm. The Underlying Fund calculates and publishes NAV solely for purposes of establishing the price at which the Underlying Fund sells and redeems shares, and Unitholders and prospective investors should not view the NAV as a measure of the Underlying Fund's historical or future financial condition or performance. The components and methodology used in calculating the NAV may differ from those used by other companies now or in the future.

In addition, calculations of the Underlying Fund's NAV, to the extent that they incorporate valuations of assets and liabilities, may not be prepared in accordance with Luxembourg's Generally Accepted Accounting Principles. These valuations may differ from liquidation values that could be realised in the event that the Underlying Fund were forced to sell assets.

Additionally, errors may occur in calculating the Underlying Fund's NAV, which could impact the price at which the Underlying Fund sells and redeems its shares, the amount of the management fee and the performance participation allocation (if any). The AIFM has implemented certain policies and procedures to address and remedy such errors in NAV calculations. If such errors were to occur, the AIFM, depending on the circumstances surrounding each error and the extent of any impact the error has on the price at which shares were sold or redeemed or on the amount of the management fee and the performance participation allocation (if any), may determine in its sole discretion to take certain corrective actions in response to such errors, including, subject to the Franklin Templeton group's policies and procedures, making adjustments to prior NAV calculations.

Leverage risk

Whilst the Fund itself does not intend to utilise leverage, the Fund is exposed to leverage risk as the Underlying Fund may incur substantial leverage to finance its operations and investments. The use of leverage creates an opportunity for increased gains or losses and increases exposure to adverse economic factors such as rising interest rates and economic downturns. The Fund cannot assure Unitholders that the use of leverage by the Underlying Fund, if employed, will benefit the Fund. Any leveraging strategy the Underlying Fund employs may not be successful. Leverage involves risks and special considerations for Unitholders, including:

- the likelihood of greater volatility of NAV of the shares of the Underlying Fund (and therefore the Units of the Fund) than a comparable portfolio without leverage;
- the risk that fluctuations in interest rates or dividend rates on any leverage that the Underlying Fund must pay will reduce the return to shareholders of the Underlying Fund (including the Fund, and therefore its Unitholders);
- the effect of leverage in a declining market, which is likely to cause a greater decline in the NAV of the shares of the Underling Fund (and therefore the Units of the Fund) than if the Underlying Fund were not leveraged; and
- leverage may increase operating costs, which may reduce total return.

Any decline in the NAV of the Underlying Fund's investments will be borne entirely by the shareholders of the Underlying Fund (including the Fund). Therefore, if the market value of a portfolio declines, leverage will result in a greater decrease in NAV to the shareholders in the Underlying Fund than if the Underlying Fund were not leveraged. While the Underlying Fund may from time to time consider reducing any outstanding leverage in response to actual or anticipated changes in interest rates in an effort to mitigate the increased volatility of current income and NAV associated with leverage, there can be no assurance that the Underlying Fund will actually reduce any outstanding leverage in the future or that any reduction, if undertaken, will benefit the shareholders in the Underlying Fund (including the Fund). Changes in the future direction of interest rates are very difficult to predict accurately. If the Underlying Fund were to reduce any outstanding leverage based on a prediction about future changes to interest rates, and that prediction turned out to be incorrect, the reduction in any outstanding leverage may reduce the income and/or total returns to shareholders relative to the circumstance where the Underlying Fund had not reduced any of its outstanding leverage.

In addition, certain types of leverage used by the Underlying Fund may result in the Underlying Fund being subject to covenants relating to asset coverage and portfolio composition requirements in addition to the burden of debt service and other costs associated with financings, such as extension, amendment, waiver and other fees that may become payable to lenders, which may limit flexibility in responding to changing business and economic conditions.

Portfolio Funds into which the Underlying Fund and any interposes vehicles invests may also incur substantial leverage. Also, portfolio companies in which the Portfolio Funds are invested in may be highly leveraged, which may impair these companies' ability to finance their future operations and capital needs, and which may result in restrictive financial and operating covenants.

As a result, these companies' flexibility to respond to changing business and economic conditions may be limited. In the event that a company does not perform as anticipated or incurs unanticipated liabilities, high leverage will magnify the adverse effect on the value of the equity of the company and could result in substantial decrease in value or the total loss of an equity investment in the company.

The Underlying Fund expects to incur indebtedness and enter into guarantees and other credit support arrangements, including the grant of security over any and all of its assets, or incur any other obligations in connection with the Underlying Fund's investment activities, for any proper purpose, including, without limitation, to fund investments, cover organisational and offering expenses and operating expenses, provide permanent financing or refinancing, provide cash and other types of collateral to secure outstanding letters of credit, provide funds for distributions to shareholders, and to fund redemptions. Borrowings and guarantees by the Underlying Fund may be deal-by-deal or on a portfolio basis, and may be on a joint, several, joint and several or cross-collateralised basis (which may be on an investment-by-investment or portfolio wide basis), feeder entities, parallel entities, other Lexington vehicles, joint venture partners and managers of such joint venture partners (which may or may not be parties to the same credit facility or facilities as the Underlying Fund). Such arrangements will not necessarily impose joint and several obligations on such other vehicles that mirror the obligations of the Underlying Fund. Obligations of the Underlying Fund due to the cross-collateralization of obligations with other investment vehicles, hedging transactions designed to reduce the Underlying Fund's exposure to currency fluctuations or other related risks, agreements with counterparties to defer purchase price payments and guarantees that become recourse to the Underlying Fund only under limited circumstances and any guarantee issued or pledge made by the Underlying Fund in respect of hedging or any deferred portion of transaction consideration are permitted but not counted against the Underlying Fund's leverage limitations. The interest expense of any such borrowings will generally be allocated among the Underlying Fund and such other vehicles or funds pro rata (and therefore indirectly to the Fund pro rata) based on principal amount outstanding, but other fees and expenses, including upfront fees and origination costs, could be allocated by a different methodology.

In addition, only the Underlying Fund's pro rata share (based on the amounts invested in a Portfolio Fund, or to be invested in a Portfolio Fund) of any joint and several or cross-collateralised indebtedness obligations will be counted for purposes of the Underlying Fund's leverage limitations, and while, under such arrangements, the Underlying Fund may ultimately be obligated for more than its pro rata share, such excess amounts will not be counted for purposes of the Underlying Fund's leverage limitations. Moreover, only indebtedness obligations that are recourse to the Underlying Fund shall be counted towards the Underlying Fund's leverage limitations. As noted herein, from time to time, counterparties to transactions in which the Underlying Fund participates (including lenders) may require the Underlying Fund to, and as a result the Underlying Fund will, guarantee, or otherwise be liable for, the obligations of other Lexington vehicles and accounts (including feeder entities, parallel entities and Other Lexington Vehicles) participating in such transactions. The Underlying Fund could lose its interests in performing investments in the event such performing investments are cross-collateralised with poorly performing or non-performing Investments of the Underlying Fund and such other vehicles. Cross-guarantees would typically result in the Underlying Fund being solely liable with respect to its own and any other relevant vehicle's share of the applicable obligation and would require the Underlying Fund to contribute amounts in excess of its pro rata share, including additional capital to make up for any shortfall if such other relevant vehicle is unable to repay its pro rata share of such indebtedness. In such situations it is not expected that the Underlying Fund would be compensated for being primarily liable for such obligations.

To finance investments, the Underlying Fund may securitise or otherwise restructure or repackage some or all of its investments and/or other assets on an individual or cross-collateralised basis with other investments and/or assets held by the Underlying Fund and/or other Lexington vehicles. This would typically involve the Underlying Fund creating one or more investment or holding vehicles, contributing assets to such vehicle or a related entity, and issuing debt or preferred equity interests in such entity or having such entity make borrowings or incur other indebtedness or engaging in such transactions with existing holding or other investment vehicles. To the extent such arrangements are entered into by any such vehicle or entity (and not the Underlying Fund itself), such arrangements will not be subject to the limits on borrowings or other indebtedness (or any limits on issuing additional interests) by the Underlying Fund and will not be treated as a single investment for purposes of the investment limitations of the Underlying Fund. In connection with the foregoing, distributions from one investment may be used to pay interest and/or principal (or the equivalent amounts regarding preferred securities) or other obligations.

The Underlying Fund expects that the terms of the financing that any investment vehicles enter into will generally provide that the principal amount of assets must exceed the principal balance or market value of the related debt/preferred equity by a certain amount, commonly referred to as "over-collateralisation." The Underlying Fund anticipates that the financing terms may provide that, if certain delinquencies and/or losses exceed specified levels, the required level of over-collateralisation may be increased or may be prevented from decreasing as would otherwise be permitted if losses or delinquencies did not exceed those levels. Failure to obtain favourable terms with regard to over-collateralisation may materially and adversely affect the liquidity of the Underlying Fund. If assets held by such investment vehicles fail to perform as anticipated, their over-collateralisation or other credit enhancement expenses may increase, resulting in a reduction in income and cash flow to the Underlying Fund from these investment vehicles.

Inflation risk

The Fund, the Underlying Fund and the Portfolio Funds are subject to risks associated with inflation. Inflation risk refers to the potential for the value of an investment to erode due to the rising cost of goods and services. Inflation can affect both the operating costs and revenues of the Fund, the Underlying Fund and the Portfolio Funds and the purchasing power of returns. When inflation increases, the cost of inputs can increase and cause a reduction in the margins of investee companies.

Some countries have historically experienced substantial rates of inflation. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging economies, including regions where the Underlying Fund is expected to invest, and could have an adverse impact on the Fund's returns.

Interest rate risk

The value of fixed income securities held by the Underlying Fund will generally vary inversely with changes in interest rates and such variation may affect the value of the Underlying Fund's interest income and NAV, and therefore the value of the Fund. Additionally, rising interest rates increase the cost of borrowing, which may adversely affect any leverage used by the Underlying Fund, the Portfolio Funds or any other interposed vehicle (see Leverage risk above).

Credit risk

Where the Underlying Fund invests in credit securities, such investments carry credit risk, including adverse market or issuer developments and downgrading of securities ratings. A delay or default by underlying borrowers on the payment of interest or repayment of a loan principal could result in the reduction of, or delay in, the return received by the Underlying Fund, therefore affecting the performance of the Fund.

Investments in Fixed Income or Other Debt Securities Risk

All fixed income or other debt securities held by the Underlying Fund have the fundamental risk that the issuer may be unable to make interest payments or repay the capital. Also, changes in economic and political outlook affect the value of such securities.

Conflicts of interest risk

An investment in the Fund is subject to a number of actual or potential conflicts of interest, where a party is subject to multiple competing interests. In relation to the Fund, this may occur where the Underlying Fund Investment Managers and their related parties have conflicting interests as a result of their service as investment adviser to other clients and fund vehicles.

The Fund's investment in the Underlying Fund is subject to a number of actual or potential conflicts of interest. As a result, the Underlying Fund Investment Managers and/or their affiliates have an incentive to enter into arrangements with the Underlying Fund, and face conflicts of interest when balancing that incentive against the best interests of the Underlying Fund. The Underlying Fund Investment Managers and/or their affiliates also face conflicts of interest in their service as investment adviser to other clients, and, from time to time, make investment decisions that differ from and/or negatively impact those made by the Underlying Fund Investment Managers on behalf of the Underlying Fund.

The Underlying Fund Investment Managers and other affiliates of Franklin Templeton are investment advisers to various clients for whom they make investments which may be of the same type as the Underlying Fund. The Underlying Fund Investment Managers and other affiliates of Franklin Templeton also may agree to act as investment adviser to additional clients that make private investments of the same type as the Underlying Fund. In addition, the Underlying Fund Investment Managers will be permitted to organise other pooled investment vehicles with principal investment objectives different from those of the Underlying Fund. It is possible that a particular investment opportunity would be a suitable investment for the Underlying Fund and such clients or pooled investment vehicles.

Conflicts of interest may also arise in connection with the Underlying Fund, the Underlying Fund Investment Managers, Franklin Templeton and their respective affiliates including (without limitation) in relation to:

- the allocation of investment opportunities and/or co-investment opportunities with other funds or vehicles managed or advised by Franklin Templeton and Lexington;
- warehousing and syndication of investments, whereby the Underlying Fund Investment Manager could acquire an investment as principal and subsequently sell some or all of it to the Underlying Fund, other Lexington vehicles or co-investors in an affiliate or related party transaction or could be required by the Underlying Fund Investment Managers to enter into conditional purchase agreements, where the Underlying Fund and/or such other Lexington vehicles agree to acquire future warehoused investments: (i) prior to their original acquisition; and (ii) prior to the Underlying Fund and such other Lexington vehicles having the requisite available capital to acquire such assets;
- spot pricing, whereby Franklin Templeton and Lexington may allocate (in whole or in part) an investment in one or more underlying investment funds that are part of a portfolio of interests to one or more other Lexington vehicles instead of the Underlying Fund, or other Lexington vehicles (e.g., co-investment vehicles) may participate in some but

not all investment funds that form a part of a single transaction, and the portion of the purchase price allocated to such underlying funds may be lower than the portion of the purchase price such underlying fund was allocated in the applicable purchase agreement;

- buying investments or assets from certain related parties, including seasoned investments and interests in other Lexington vehicles, or selling investments or assets, including seasoned investments and interests in other Lexington vehicles, to shareholders or their respective related parties, including the parties which such shareholders or other Lexington vehicles, own or have invested in;

- the performance participation allocation and other performance-based compensation payable to their personnel, whereby the performance participation allocation may create a greater incentive for the Underlying Fund Investment Managers to make more speculative Investments on behalf of the Underlying Fund, or to time the purchase or sale of Investments in a manner motivated by the personal interests of Franklin Templeton's or Lexington's personnel, in each case, than if such performance-based compensation did not exist;

- purchase price deferrals, whereby the Underlying Fund and other Lexington vehicles and co-investment vehicles may be allocated specific underlying investment funds within the same portfolio but with different payment schedules, and therefore other Lexington vehicles and co-investment vehicles may benefit from longer payment schedules than the Underlying Fund;

- allocation of personnel, whereby personnel of the Underlying Fund Investment Managers, Franklin Templeton and Lexington, including such entities' directors and members of Franklin Templeton's or Lexington's investment team, will generally devote only a portion of their time to the provision of management or advisory services to the Underlying and will provide the time necessary for the proper performance of the Underlying Fund Investment Managers' duties to the Underlying Fund, even though they are involved in other activities independent of the Underlying Fund, including the affairs of other Lexington vehicles; and

- selection of service providers, whereby certain advisors and other service providers, or their affiliates (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms, and certain other advisors and agents), to the Underlying Fund, Franklin Templeton, Lexington, underlying funds, or any of their affiliates also provide goods or services to or have business, personal, political, financial, or other relationships with Franklin Templeton, Lexington and their affiliates.

Operational risk

Operational risk addresses the risks of day-to-day operations of the Fund and the Underlying Fund that may be adversely affected by circumstances beyond our reasonable control, such as failure of technology or infrastructure or natural disasters. A breakdown of administrative procedures and risk control measures implemented by us or by any of our service providers may also adversely affect the operation and performance of the Fund and the Underlying Fund.

Political and Economic Developments risk

The political, economic and social structure of some foreign countries may be less stable and more volatile than those in the domestic market that the investors are more familiar with. Investments in these countries may be subject to the risks of internal and external conflicts, currency devaluations, foreign ownership limitations and tax increases. The Fund and the Underlying Fund may experience a heightened level of such risks and adverse effects on its performance given that the Fund, the Underlying Fund, Portfolio Funds and other interposed vehicles and their investments may span several jurisdictions.

Eurozone risk

Mounting sovereign debt burdens and slowing economic growth among European countries, combined with uncertainties in European financial markets, including feared or actual failures in the banking system and the possible break-up of the Eurozone and Euro currency, may adversely affect interest rates and the prices of both fixed income and equity securities across Europe and potentially other markets as well. These events may increase volatility, liquidity and currency risks associated with investments in Europe. A single or several European countries may exit the Eurozone or a sovereign within the Eurozone may default on its debts. In the event of the break-up of the Eurozone or Euro currency, the Fund may be exposed to additional operational or performance risks with adverse consequences for the value of the Fund.

Emerging Markets risk

Investments in "**Emerging Market Countries**" carry several additional risk factors, including the risks associated with high rates of inflation and interest with respect to the various economies, the limited liquidity and relatively small market capitalisation of the securities markets in Emerging Market Countries, relatively higher price volatility, large amounts of external debt and political, economic and social uncertainties, including the possible imposition of exchange controls or other foreign governmental laws or restrictions which may affect investment opportunities. In addition, with respect to certain Emerging

Market Countries, there is the possibility of expropriation of assets, less stringent accounting, auditing and other financial reporting requirements, confiscatory taxation, political or social instability or diplomatic developments that could affect investments in those countries. The Underlying Fund's investment opportunities may be limited where such circumstances adversely impact the prospects of certain geographic investments. Existing investments by the Underlying Fund may also be adversely impacted by such Emerging Markets risks and result in a negative impact on the overall performance of the Fund. The Fund may further be exposed to such risks due to there being no geographical restrictions on the location of the Underlying Fund's assets.

Currency risk

Movements in exchange rates may cause rises or falls in the value of the Fund's Units and any assets held by the Underlying Fund which are denominated in a different currency to that of the reference currency of the Underlying Fund, being US dollars (USD). The value of these investments may decrease if the currency in which they are traded falls relative to the Fund or the Underlying Fund's base currency.

Hedging and Class Hedging risk

The Fund invests into an AUD hedged class of the Underlying Fund, and the reference currency of the Underlying Fund is USD. Investors should note that the hedging programme between the currency of the Fund and the currency exposure of the assets held is designed to reduce, but not eliminate, currency risk. There is no guarantee that the exposure of the currency in which the Fund is denominated can be fully hedged against the exposure of the asset held. The successful implementation of the hedging strategy may reduce the benefit of decreases in the value of currency of investment in relation to the base currency of the Fund.

There is no guarantee that attempts to hedge currency risk will be successful and no hedging strategy can eliminate currency risk entirely. Class hedging will reduce the opportunity to profit from favourable currency movements and costs may be incurred in implementing the hedging overlay. Furthermore, the class of the Underlying Fund into which the Fund invests may not be fully hedged where it is impracticable or too costly to hedge small currency exposures. The Fund will bear its allocation of gains and losses attributable to any hedging transactions and any fees and expenses in connection with hedging.

Derivatives Risk

The Fund does not intend to utilise derivatives directly. The Underlying Fund may use all financial derivative instruments for the purpose of hedging or investment. This includes to manage risk and/or to achieve efficient portfolio management. To implement its investment strategy and make Private Investment Funds' Investments, the Underlying Fund will generally acquire interests in Portfolio Funds and/or Co-Investments (directly or indirectly) and may employ other investment techniques or gain exposure to such Private Investment Funds' Investments, including (without limitation) the use of derivatives, put and call options, securities-related futures contracts, repurchase agreements and reverse repurchase agreement, and/or swaps agreements (including total return swaps).

The use of derivatives to hedge the risk of physical securities will involve 'basis risk', which refers to the possibility that derivatives may not move exactly in line with the physical security. Derivatives are also used as substitutes for physical securities. In doing so there is the risk that a derivative may not be a perfect substitute for the underlying security it aims to replace and may not mirror its movements completely.

Use of derivatives also risks loss of value due to sudden price movement or due to passage of time, illiquidity of derivative, inability to meet the obligations, severe volatility, and/or significant loss due to the leveraged nature of some derivatives. Certain financial instruments such as swaps, derivatives, options, hedges or foreign currency forward contracts may be subject to additional regulatory requirements or special and complex income tax provisions in international jurisdictions that may have an adverse effect on the Underlying Fund.

The use of derivatives also entails counterparty risk (see Counterparty risk below).

Manager risk

The Fund and the Underlying Fund are exposed to possible manager and operational risk which include human error, system failures, poor procedures, lack of management controls, termination of the Fund, counterparty risk, changes in fees, replacement of the Responsible Entity and replacement of the Investment Manager and any underlying managers of interposed vehicles.

Additionally, investors in the Fund and the Underlying Fund are dependent upon the skill and experience of the Underlying Fund Investment Managers and investors will be relying on the ability of the Underlying Fund Investment Managers to identify, select, structure and implement the investments to be made using the capital available to the Underlying Fund. In the event of the death, disability, or departure of key personnel of the Underlying Fund Investment Managers or their respective affiliates, the business and the performance of the Underlying Fund, and the Fund as a result, may be adversely affected.

Members of the investment team may also work on other projects for, and have other responsibilities at, the Underlying Fund Investment Managers and their affiliates and may devote a substantial amount of their business time to other products. Conflicts of interest may arise in allocating management time, services or functions of the investment team and the Underlying Fund Investment Managers, and the ability of the members of the investment team to access other professionals and resources within the Investment Managers for the benefit of Underlying Fund may be limited.

The AIFM, the Underlying Fund Investment Managers and/or Board of Directors of the Underlying Fund may change the investment objective and strategies or operating policies without investor approval. If these changes are material, the Responsible Entity will notify Unitholders in the Fund should this occur.

Counterparty risk

Counterparty risk is the risk to each party of a contract that the counterparty will fail to perform its contractual obligations and/or to respect its commitments under the term of such contract, whether due to insolvency, bankruptcy or other cause. When a counterparty risk arises from the use of derivatives, the value of derivative and consequently the value of the Fund may be adversely affected.

Legal, Regulatory and Tax risk

The Fund is subject to the risk that laws may change in any jurisdiction where the Fund or the Underlying Fund is invested or operates. There is also a risk that taxation or other applicable laws and regulations may change that may affect the operation of the Underlying Fund including changes that could make the acquisition of interests in private funds markets less attractive or make the General Partners of private funds less likely to consent to transfers. The regulatory environment for private investment funds is evolving, particularly in Europe and the US and changes in the regulation of private investment funds may adversely affect the value of investments held by the Underlying Fund and the ability of the Underlying Fund to effectively employ its investment and trading strategies.

The Underlying Fund and Portfolio Funds could be liable to withholding and other taxes. Tax laws and regulations in any jurisdiction are frequently reviewed and may be altered at any time, sometimes with retrospective effect. The interpretation and application of tax laws and regulations by tax authorities can be inconsistent and lack transparency, varying from one jurisdiction or region to another. Any changes in tax legislation could impact the value of the investments held by the Underlying Fund and, consequently, the Fund's performance.

Regulation and reform of benchmarks and other reference rates may increase borrowing costs and may be detrimental to the Fund and investors.

Cyber security risks

With the increased use of technologies such as the internet and other electronic media and technology to conduct business, the Responsible Entity, the Fund and Underlying Fund, as well as the Responsible Entity’s service providers and their respective operations can be susceptible to operational, information security and related risks including cyber security attacks or incidents.

In general, cyber incidents can result from deliberate attacks or unintentional events, and include unauthorised access to digital systems, networks or devices (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information.

Cyber security breaches may cause disruptions and impact a business, potentially resulting in financial loss. This may impact the Fund’s or the Underlying Fund’s ability to calculate its NAV, conduct trading and the ability of Unitholders to transact. Cyber-attacks may violate privacy and other laws, resulting in regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs, and the loss of proprietary information. Among other potentially harmful effects, cyber-events may also result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Responsible Entity and the Responsible Entity’s service providers.

The above may affect issuers of securities in which the Underlying Fund invests, counterparties, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for Fund Unitholders or the Underlying Fund) and other parties. In addition, substantial costs may be incurred in order to try to prevent any cyber incidents in the future.

Force Majeure Risk

Circumstances beyond our reasonable control may impact the operation, administration and performance of the Fund, the Underlying Fund or the Portfolio Funds in which the Underlying Fund invests (including their underlying portfolio companies). Those include industrial disputes, failure of a securities exchange, fires, floods, hurricanes, earthquakes, wars, strikes and acts of terrorism, governmental pre-emption in connection with an emergency of state and pandemics.

Service Provider Risk

The Fund and the Underlying Fund, to a certain extent, are reliant on external service providers in connection with the operation of the Fund, the Underlying Fund and their respective investment activities. There is a risk with these arrangements that the service providers may default in the performance of their obligations or seek to terminate the services with the result that the Underlying Fund or Fund may be required to seek an alternative supplier and, in the interim, investment activities and other functions of the Underlying Fund and the Fund may be affected. The Underlying Fund may also depend upon the third-party management teams of the Private Assets and while the Underlying Fund Investment Managers will monitor the performance of these third-party managers, there can be no assurance that such management teams will continue to operate successfully and achieve their objectives. The costs, fees and expenses associated with the provision of such services by third-party service providers will generally be borne by the Underlying Fund (and, indirectly, the Fund) and not the Underlying Fund Investment Managers. There can be no assurance that the services of such key service providers will be available throughout the life of the Underlying Fund, and if any of them have to be replaced, it may be difficult to identify and engage suitable replacement providers sufficiently quickly and on acceptable terms.

The Underlying Fund may suffer adverse consequences from actions, errors or failure to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them. Moreover, any misconduct by service providers (such as the improper use or disclosure of confidential information which could result in litigation or serious financial harm, including limiting the Underlying Fund's business prospects or future activities), which the Underlying Fund Investment Managers may not be able to detect and prevent, could cause significant losses to the Underlying Fund and the Fund as a result.

Misconduct at the level of investments

The Fund and the Underlying Fund may be adversely affected if there is misconduct at the level of any investment. This captures personnel within the Underlying Fund, Portfolio Funds or portfolio companies in which investments are made. For example, financial fraud or other deceptive practices, any failure to comply with anti-bribery laws or regulations, trade sanctions or other legal and regulatory requirements, could undermine any due diligence efforts by the Underlying Fund with respect to the investment in question. In such a scenario, the valuation of the investment in question could be negatively impacted as well as the Underlying Fund's, and the Fund's, business and reputation.

The risks set out in this PDS do not purport to be exhaustive. Prospective investors should read this PDS in its entirety and consult with their own advisors before deciding whether to invest in the Fund. An investment in the Fund may be subject to additional and different risk factors and conflicts from time to time.

6.2 How are the risks managed?

Franklin Templeton Australia maintains disciplined management controls with robust and independent risk management processes and compliance systems and practices. Franklin Templeton employs a disciplined process and approach to risk management, which is integral to each investment strategy. The Investment Risk Management Group, a team of specialised risk professionals, collaborates formally with portfolio managers but operates independently, reporting directly to the global CEO, and provides actionable insights through a mosaic of analytics, oversight protocols, and consultation. This comprehensive framework ensures that portfolio managers are keenly aware of potential sources of future volatility and can construct a process around managing unknowns by assigning probabilities to forecasted outcomes and acknowledging incomplete information.

The Investment Manager manages the risks of the Fund. The AIFM and Underlying Fund Investment Managers manage the risks of the Underlying Fund.

Franklin Templeton Investment Solutions employs a disciplined and dynamic approach to risk management. Franklin Templeton Investment Solution's risk management framework includes systematic volatility management, market-neutral strategies, and low volatility equities, ensuring that portfolios are resilient and adaptable to changing market conditions.

The AIFM has established and maintains a dedicated risk management function that implements risk management policies and procedures in order to identify, measure, manage and monitor all risks relevant to the Underlying Fund's investment objective, including in particular market, credit, liquidity, counterparty, operational, sustainability and other relevant risks and provides an independent review of the valuation policies and procedures. The AIFM maintains a liquidity risk management process to monitor the liquidity risk of the Underlying Fund.

Lexington has a comprehensive risk management approach involving secondary investment, compliance, and accounting professionals. As part of the firm's rigorous due diligence process, Lexington's investment professionals evaluate all aspects of a transaction, including a broad spectrum of risk factors that may materially impact the financial performance of the transaction. In addition, Lexington has a cross-functional Operational Sub-Committee which must sign off on a questionnaire identifying potential material legal and compliance, finance and accounting, tax, or ESG risks or issues in a transaction before an investment committee meeting can be held. Lexington's legal and compliance, tax, and operations professionals are actively involved in the structuring and compliance aspects of each deal. Post-investment Lexington carefully monitors its investments and undertakes transparent reporting on the interests in which each fund has invested.

7 Fees and costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of fees based on your own circumstances, **the Australian Securities and Investments Commission (ASIC)** Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

7.1 Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

For information on tax please see Section 10 of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and Costs Summary

Franklin Lexington Private Equity Secondaries Fund		
Type of fee or cost	**Amount**	**How and when paid**
Ongoing annual fees and costs		
Management fees and costs [1,2] The fees and costs for managing your investment	Estimated to be 2.75% p.a. of the net asset value (NAV) of the Fund, comprised of: 1. Management fee of 0% p.a. 2. Estimated indirect costs of 2.55% p.a., comprised of: a) Management fee of 1.25% p.a. charged by the Underlying Fund[3]; plus b) Estimated indirect costs of 1.30% p.a. charged by the Underlying Fund and the interposed vehicles of the Underlying Fund[4]. 3. Estimated expense recoveries of 0.20% p.a.[4]	1. The Fund does not currently charge a management fee. 2. The estimated indirect costs include management fees charged by the Underlying Fund and the investments held by the Underlying Fund (including the Portfolio Funds). These fees are reflected in the valuation of the Underlying Fund as they are accrued and therefore reflected in the Unit price of the Fund. 3. The estimated expense recoveries are variable and reflected in the Unit price of the Fund as they are incurred.
Performance fees[4] Amounts deducted from your investment in relation to the performance of the product	Estimated to be 1.71% p.a. of the NAV of the Fund, comprised of: 1. A performance fee of 0% of the NAV of the Fund; plus 2. Estimated performance fees of 1.71% p.a. incurred by the Underlying Fund and the interposed vehicles of the Underlying Fund.[5]	1. The Fund does not currently charge a performance fee. 2. The Underlying Fund may incur a performance fee in the form of a performance participation allocation. Performance fees or similar fees may also be incurred by the investments held by the Underlying Fund (including the Portfolio Funds). These fees are

		variable and are reflected in the valuation of the Underlying Fund as they are accrued and therefore reflected in the Unit price of the Fund.
Transaction costs[4] The costs incurred by the scheme when buying or selling assets	Estimated to be 0.05% p.a. of the NAV of the Fund	Transaction costs incurred by the Fund and the Underlying Fund are variable and deducted from the Fund and the Underlying Fund as they are incurred and reflected in their respective valuation. They are disclosed net of amounts recovered by any buy-sell spreads.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee The fee to open your investment	Not applicable	Not applicable
Contribution fee The fee on each amount contributed to your investment.	Not applicable	Not applicable
Buy/sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	0% upon entry and 0% upon exit. The Underlying Fund may generally levy an early redemption deduction of 2% of the NAV of the shares being redeemed for redemption requests submitted by certain shareholders (including the Fund) if the resulting redemption date falls within a 12-month period from the original issue date of such shares. If such an early redemption deduction is levied on the Fund by the Underlying Fund due the redemption by the Fund of its shares in the Underlying Fund to satisfy a redemption request by investors in the Fund, the Fund may levy such deduction as a sell spread on the relevant redeeming investors.	These costs are an additional cost to the investor but are incorporated into the application and redemption unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption.
Withdrawal fee The fee on each amount you take out of your investment	Not applicable	Not applicable
Exit fee The fee to close your investment	Not applicable	Not applicable
Switching fee The fee for changing investment options	Not applicable	Not applicable

[1] This fee is inclusive of GST and net of RITCs actually received by or for the benefit of the Fund.

[2] The amount of this fee may be negotiated. See Section 7.8 "Right to negotiate fees" for more information.

[3] The Underlying Fund has agreed to reimburse any management fees charged by the Underlying Fund until 31 October 2025. This temporary reimbursement of any Underlying Fund management fee is not taken into account in the indirect cost estimate of 2.55% p.a. disclosed above.

[4] As the Fund is newly established and does not have 12 months of history, these costs are disclosed based on the Responsible Entity's reasonable estimates of the costs that are likely to be incurred by the Underlying Fund and the Underlying Fund's investments over a 12-month period. The actual costs incurred may be different from these estimates and may vary from year to year.

[5] As the Fund is newly established and does not have a performance history, the disclosed performance fees for the Underlying Fund and the Underlying Fund's investments are based on the Responsible Entity's reasonable estimates over a 12-month period. The actual performance fees incurred may be different from these estimates and may vary from year to year. The performance fee estimates do not represent any actual, past or future performance of the Fund. The Responsible Entity does not provide any assurance that the Fund will achieve any performance targets and investors should not rely on these estimates in deciding whether to invest in the Fund. See further information on performance fees in Section 7.4.

7.2 Additional explanation of fees and costs

All fees and costs are inclusive of the GST unless otherwise stated and take into account any expected RITCs actually received by or for the benefit of the Fund.

Unless otherwise stated, all estimates of fees are based on the information reasonably available to the Responsible Entity at the date of this PDS and reflects the Responsible Entity's reasonable estimate of the amount for the current financial year where information about the actual amount was not available as at the date of this PDS.

Where fees and costs have been quoted to two decimal places, the actual fee amount may have been rounded.

Franklin Templeton Australia may make product access payments and fund manager payments to Master Trust and Wrap operators subject to the requirements of the Corporations Act. Franklin Templeton Australia may also pay other alternative forms of remuneration. Alternative remuneration is at Franklin Templeton Australia's expense. Additional fees may be paid to a financial adviser if an investor consulted a financial adviser. Where an investor receives financial advice, investors should refer to their Statement of Advice or their adviser's Financial Services Guide for full details of these fees.

7.3 Management fees and costs

The management fees and costs are composed of the management fees, expenses and indirect costs in relation to the Fund. These include the management fees and Responsible Entity fees payable to us (currently nil), along with an estimation of ordinary expenses such as custodian fees, administration and audit fees and other ordinary expenses of operating the Fund such as financial institution fees, costs of Unitholders' meetings, costs of amending the Fund's Constitution, costs of engaging auditors and/or other advisers, costs of promoting the Fund, costs of compliance and administrative costs generally (currently estimated at 0.20% p.a.).

Indirect costs are variable amounts that are incurred directly or indirectly through underlying vehicles, and which reduce the returns that Unitholders receive, or the amount or value of the income or assets of the Fund. Indirect costs are reflected in the Unit price of the Fund and include costs arising from the Underlying Fund and other interposed vehicles in or through which the Underlying Fund invests and the costs of investing in over-the-counter derivatives to gain investment exposure to assets or implement a Fund's investment strategy (if any). As the Fund has been in operation for less than twelve months, these indirect costs have been estimated for a twelve-month period. As at the date of this PDS, the estimated indirect costs component of the management fees and costs of the Fund is 2.55% p.a. This is comprised of a management fee of 1.25% p.a. charged by the Underlying Fund, and additional indirect costs of the Underlying Fund and other interposed vehicles, estimated at 1.30% p.a.

The Underlying Fund Investment Managers have agreed to reimburse the management fee charged by the Underlying Fund to the Fund until 31 October 2025. This temporary reimbursement of the Underlying Fund management fee is not taken into account in the indirect cost estimate of 2.55% p.a. disclosed above.

Under the Fund's Constitution, the Responsible Entity is entitled to recover from the Fund all expenses which are incurred in the proper performance and exercise of its powers and duties. Consequently, the expenses that are actually recovered may differ from what was charged over any twelve-month period. The Management Fees and Costs reduce the Fund's NAV and are reflected in the Unit price. The management fee component is calculated and accrued monthly based on the NAV of the Fund. The accrued fees are paid in arrears from the Fund at the end of each month. The management fees and costs reduce the Fund's NAV and are reflected in the Unit price.

The management fees and costs do not include certain transaction costs. Please refer to Section 7.5 of this PDS.

7.4 Performance fees

The Fund does not directly charge a performance fee.

The Underlying Fund charges a performance fee in the form of a performance participation allocation ("**Underlying Fund Performance Participation Allocation**") equal to 12.5% of the "**Total Return**", subject to a 5% annual "**Hurdle Amount**" and a "**High Water Mark**" with 100% Catch-up. The Underlying Fund Performance Participation Allocation is allocated to the special Limited Partner of FLEX Aggregator-I (or any other entity so designated from time to time) (the "Recipient"), which is a subsidiary owned by the Lexington group and the Franklin Templeton group. This means that, for the relevant "**Reference Period**":

1. First, all returns up to the Hurdle Amount are allocated to investors in the Underlying Fund (including the Fund);
2. If the Hurdle Amount (5% p.a.) is achieved, and the High Water Mark is exceeded, all subsequent returns are then allocated to the Recipient in the form of a performance participation allocation until the amount the Recipient has received is equal to 12.5% of the Total Return achieved to date (any amount allocated to the Recipient pursuant to this step being referred to as the "**Catch-Up**");
3. Once the Catch-Up is achieved, the Recipient receives 12.5% of any subsequent returns.

This Underlying Fund Performance Participation Allocation accrues monthly and will be measured and allocated or paid quarterly (subject to pro-rating for partial periods). Any Underlying Fund Performance Participation Allocation that is accrued is reflected in the Underlying Fund's NAV and therefore in the value of the Fund's investment in the Underlying Fund.

As the Fund is a newly established vehicle with no previous performance history, the performance fee disclosed in the 'Fees and costs summary' is based on the Responsible Entity's reasonable estimate of the performance fee for the current financial year adjusted to reflect a 12-month period. The performance fee estimates do not represent any actual, past or future performance of the Fund. The Responsible Entity does not provide any assurance that the Fund will achieve any performance targets and investors should not rely on these estimates in deciding whether to invest in the Fund. The performance fee is based on the performance of the Underlying Fund and as such, the actual performance fee may vary from the estimate of the performance fee disclosed in the 'Fees and costs summary'. For example, it may be nil in one year or significantly more than the amount disclosed above in another year. As the Fund and Underlying Fund are newly established and their investments are relatively new, investors should be aware that performance fees from interposed vehicles are typically incurred later in the life of the investments and amounts charged in early years may not be reflective of future performance fees.

7.5 Transaction costs

In addition to the Management Fee and Costs, the Underlying Fund may incur transaction costs. Transaction costs can include brokerage, settlement and clearing costs and any OTC derivative transaction costs (excluding such costs disclosed as indirect costs), such as derivatives used for hedging purposes. Transaction costs are an additional cost to the investor where they are not recovered by the Buy/Sell Spread and are generally incurred when the assets of the Fund are changed in connection with day-to day trading or when there are applications or withdrawals which cause net cash flow into or out of the Fund. Transaction costs exclude certain implicit or market impact costs.

Transaction costs incurred as a result of Unitholders coming into and going out of the Fund may be accounted for in the buy/sell spread. Other transaction costs are additional costs to Unitholders that are deducted from the assets of the Fund. Such costs are recovered as they are incurred and reflected in the Unit price.

The total transaction costs for the Fund and the Underlying Fund are estimated to be 0.05% p.a. As the Fund is newly established, the Transaction costs shown above are the Responsible Entity's reasonable estimate based on information available as at the date of issue of this PDS. The actual transaction costs incurred may differ from this estimate and may vary year to year. Where the Responsible Entity considers any change to this estimate is not materially adverse the information may be updated on the Responsible Entity's website, www.franklintempleton.com.au.

Warning: Additional fees may be paid to a financial adviser if an investor consulted a financial adviser. Where an investor receives financial advice, investors should refer to their Statement of Advice or their adviser's Financial Services Guide for full details of these fees.

7.6 Buy/Sell spread estimate

The buy/sell spread is an estimate of the transaction costs that are incurred in buying and selling the underlying assets of the Fund as a result of applications and redemptions. The Application Price is adjusted up by a buy spread and the Redemption Price is adjusted down by a sell spread.

The dollar value of these costs based on an application of $5,000 is nil.

The Underlying Fund may generally levy an early redemption deduction of 2% of the NAV of the shares being redeemed for redemption requests submitted by certain shareholders (including the Fund) if the resulting redemption date falls within a 12-month period from the original issue date of such shares. If such an early redemption deduction is levied on the Fund by the Underlying Fund due the redemption by the Fund of its shares in the Underlying Fund to satisfy a redemption request by investors in the Fund, the Fund may levy such deduction as a sell spread on the relevant redeeming investors. If this deduction applies, the dollar value of this cost based on a redemption of $5,000 is $100. If this deduction does not apply, the dollar value of this cost based on a redemption of $5,000 is nil.

The early redemption deduction will inure indirectly to the benefit of the Underlying Fund, and therefore the Fund. The Underlying Fund may, from time to time, waive the early redemption deduction in its discretion.

For the purpose of calculating this early redemption deduction, any redemption request sent to the Underlying Fund will be processed on a first-in/first-out basis in relation to the historical subscriptions made by the Fund. This means that there is a risk that even if an investor has invested in the Fund for more than twelve months, their redemption from the Fund may still attract a sell spread if it results in the Fund redeeming from the Underlying Fund, as this is dependent on the amount of previous redemptions that the Fund has made from the Underlying Fund.

We can change the buy/sell spread at any time without prior notice. Please refer to our website for the current buy/sell spreads at www.franklintempleton.com.au. The actual buy/sell spread is subject to change from time to time depending on changes to the composition of the Fund's underlying assets and exposure to various investment managers. Where transaction costs are lower or higher than the estimated buy-sell spreads listed in this PDS, the actual costs may apply.

Any buy/sell spread is retained in the Fund and no portion is paid to Franklin Templeton Australia.

7.7 Example of annual fees and costs for this investment option

This table provides an example of how the ongoing annual fees and costs in this investment option can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

Example – Franklin Lexington Private Equity Secondaries Fund		
Balance of $50,000 with a contribution of $5,000 during year		
Contribution fees	Nil	For every additional $5,000 you put in, you will be charged $0
Plus Management fees and costs	2.75%	**And**, for every $50,000 you have in the Fund you will be charged or have deducted from your investment $1,375 each year.[1]
Plus Performance fees	1.71%	**And,** you will be charged or have deducted from your investment $855 in performance fees each year
Plus Transaction costs	0.05%	**And**, you will be charged or have deducted from your investment $25 in transaction costs
Equals Cost of the Franklin Lexington Private Equity Secondaries Fund		If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees and costs of **$2,255***[2] **What it costs you will depend on the investment option you choose and the fees you negotiate.**

*Additional fees may apply. The Underlying Fund may levy an early redemption deduction, which is not included in this example. Please refer to the 'Additional Explanation of Fees and Costs' for more information.

[1]You should note that this example assumes a constant investment balance of $50,000 in Units throughout the year. Management Fees and Costs will also be charged in relation to any additional contributions you make during the year and the amount you pay will depend on the proportion of the year during which the additional contributions are invested.

[2]Assumes the additional $5,000 was invested at the end of the year. If it is assumed the additional $5,000 was invested at the beginning of the year, the Management Fees and Costs would be $2,481. Please note this is an example only as the actual investment balance of your holding will vary on a daily basis.

Note: This is an example. In practice, the actual investment balance of an investor will vary daily and the actual fees and expenses we charge are based on the value of the Fund. The indirect costs and other expenses component of management fees and costs and transaction costs may also be based on estimates. As a result, the total fees and costs that you are charged may differ from the figures shown in the table.

Warning: If you have consulted a financial adviser, you may pay additional fees. You should refer to the Statement of Advice or Financial Services Guide provided by your financial adviser in which details of the fees are set out.

7.8 Right to negotiate fees

We may enter into individual fee arrangements with "**wholesale Clients**" (as defined in the Corporations Act) in accordance with applicable ASIC class order relief.

7.9 Changes to the fees and expenses

We may vary the fees specified at any time at our absolute discretion, without Unitholder consent, subject to the maximum fee amounts specified in the Constitution. If the variation is an increase we will give you 30 days advance written notice.

At the date of the PDS we do not intend to charge an application fee, redemption fee or trustee fee (which are otherwise permitted under the Fund's Constitution) nor do we intend to increase the management fee component of the total Management Fees and Costs that we charge you.

We are entitled to recover out of the assets of the Fund all expenses which are properly incurred for operating the Fund, provided that such reimbursement is not prohibited by the Corporations Act. Fund expenses include amounts payable in connection with custody, compliance, legal and tax consulting fees, banking, accounting and audit.

7.10 Rebates and related payments

Franklin Templeton Australia may also pay other alternative forms of remuneration. Alternative remuneration is at Franklin Templeton Australia's expense. Information regarding alternative forms of remuneration is maintained on a register maintained by Franklin Templeton Australia that is available for inspection.

7.11 Calculator

The Australian Securities and Investments Commission provides a fees calculator at www.moneysmart.gov.au. This calculator can be used to calculate the effects of fees and costs on your account balances.

8 Other Information

8.1 Valuation of assets and Unit pricing

Entry and Exit Prices are based on the Net Asset Value ("**NAV**") of the Fund, the number of Units on issue and the Buy/Sell Spread, where applicable. In normal circumstances, Entry and Exit Prices will be determined monthly on each Valuation Date, being the last calendar day of each month. The Net Asset Value of the Fund will generally be available 23 Business Days after each Valuation Date. Franklin Templeton Australia may declare Entry and/or Exit Prices more or less frequently or may delay calculation in certain circumstances.

Because the Fund predominantly invests in shares of the Underlying Fund, the price of a Unit in the Fund is based on the value of the Fund's holdings in the Underlying Fund and any other holdings such as cash and cash equivalents that may be held.

For the Fund in certain (generally infrequent) circumstances where a valuation cannot be obtained from an independent administrator or an independent valuation service provider, Franklin Templeton Australia can value the asset on another basis in accordance with its valuation policy, which is available upon request.

The valuation of assets of the Underlying Fund into which the Fund invests, which is not managed by Franklin Templeton Australia, follows the valuation process of the Underlying Fund. The Underlying Fund has appointed the AIFM to oversee the valuation of the Underlying Fund and the AIFM has established valuation procedures.

Private Market Investments are typically valued based on the latest NAV reported by the manager or General Partner of each Portfolio Fund. Similarly, many Co-Investments are generally valued based on the valuation information provided by the lead or sponsoring private investors.

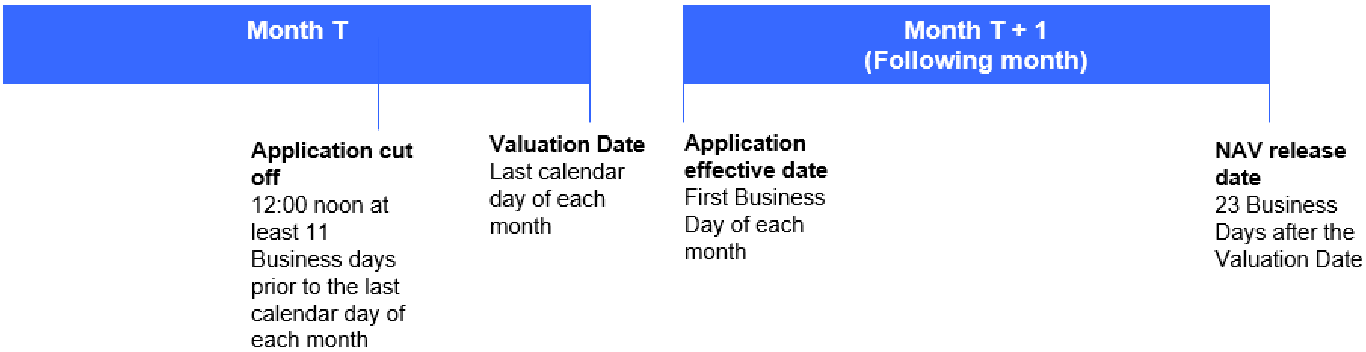
This valuation information is often not available until 60 days or more after each quarter-end, especially while waiting for audited financial information. To estimate the fair value of these investments on a monthly basis, the AIFM may adjust the most recent valuation information. In making a fair valuation determination of these Private Market Investments, the AIFM (with the assistance of the manager or General Partner of each Portfolio Fund, as applicable) will consider the most recent reported value by the relevant Portfolio Fund Managers or lead or sponsoring private investors as well as any other factors of which it has knowledge and that it believes may be relevant. Fair value represents a good faith approximation and may not always reflect the price at which assets could have been sold during the valuation period. This can affect the economic interest of shareholders when shares are issued or redeemed at NAV.

See Section 6 for more information on the risks of an investment in the Fund.

8.2 Applications

Applications are processed monthly as at each Valuation Date, and units will be issued as of the first Business Day of the following month. Application requests, together with application monies, received by the registrar before 12:00 noon at least 11 Business Days prior to the last calendar day of each month will generally receive the Entry Price for that month. Applications received after 12:00 noon 11 Business Days prior to the last calendar day of each month will generally receive the Entry Price for the following month. The NAV for the month will generally be known 23 Business Days after the Valuation Date.

The following diagram provides an illustration of the expected timeline for applications:



For example, the September 2025 Valuation date is Tuesday 30 September. The deadline for receipt of an application request would be 12:00 noon at least 11 Business Days prior, being Monday 15 September. New units would be issued effective Wednesday 1 October, and the NAV would be released on or around Friday 31 October.

Application monies will be held in the custodian's application bank account until the application cut-off, and will not earn interest over this time.

If you are investing via an IDPS or a Master Trust, the IDPS or Master Trust operator may have an earlier cut off in respect of applications and redemptions. These should be set out in disclosure documents issued by the IDPS or Master Trust operator.

An investor can acquire Units by making an application for Units. An application for Units is made by submitting an application form to the Responsible Entity. Franklin Templeton Australia reserves the right not to accept an application request. If for any reason Franklin Templeton Australia refuses or is unable to process your application to invest in the Fund, it will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance.

Investments in the Fund are subject to the following minimum amounts:

Minimum initial investment	$25,000
Minimum additional investment	$5,000

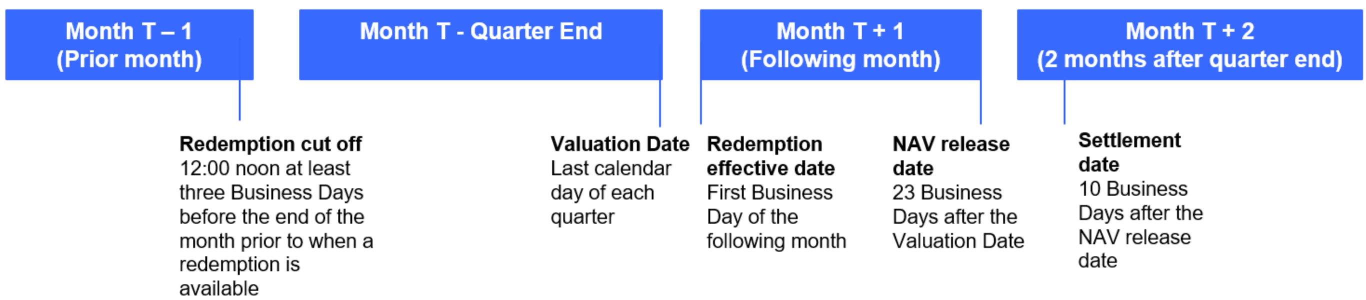
The Responsible Entity may waive these minimums at its discretion.

8.3 Redemptions

Prospective investors must be aware of the potential limitations in connection with their ability to redeem Units in the Fund. Neither the Responsible Entity nor the Investment Manager provide any guarantees concerning the liquidity of the Fund, the ability of an investor to redeem their Units, the value of their Units at redemption or the level of sell spread that may apply to a redemption.

Redemptions are processed on a quarterly basis, as at the Valuation Date in March, June, September and December each year. Redemption requests must be received by the registrar by 12:00 noon at least three Business Days before the end of the month prior to when a redemption is available and, subject to the availability of redemptions in the Underlying Fund, will be processed using the Exit Price as at the calendar quarter end. Redemption requests received after this cut off will subject to the availability of redemptions in the Underlying Fund and will be processed using the Exit Price for the following quarter end. The NAV for the quarter end will generally be known 23 Business Days after the Valuation Date. Redemption settlement proceeds will be paid approximately 10 Business Days after the NAV release date, however, under the constitution, the Responsible Entity has up to 120 days from the date on which the Responsible Entity accepts the request or a longer period in certain circumstances. The Responsible Entity has powers to refuse redemption requests or to suspend or delay or restrict redemptions when it considers it to be necessary and in the best interests of Unitholders, including when any redemption limitation applies at the level of the Underlying Fund. See Section 8.5 'Redemption Limitations' below for further information.

The following diagram provides an illustration of the expected timeline for redemptions:



For example, September is a quarter end where a redemption is available. The September Valuation date is Tuesday 30 September. The deadline for receipt of a redemption request would be 12:00 noon at least three Business Days before the end of the month prior to when a redemption is available, being Wednesday 27 August. If the Responsible Entity determines to accept the redemption request, the NAV would be released on or around Friday 31 October, and the redemption proceeds would typically be paid out 10 Business Days following the NAV release date, being on or around Monday 17 November.

If you are investing via an IDPS or a Master Trust, the IDPS or Master Trust operator may have an earlier cut off in respect of applications and redemptions. These should be set out in disclosure documents issued by the IDPS or Master Trust operator.

A Unitholder can dispose of Units by making a redemption from the Fund for all or part of their investment. A redemption is made by lodging a redemption request with the Responsible Entity. The Responsible Entity may reject or only partially accept any redemption request, see Section 8.5 below.

Redemptions from the Fund are subject to the following minimum amounts.

Minimum redemption amount	$5,000
Minimum holding amount	$5,000

The Responsible Entity may waive these minimums at its discretion.

Your Units may be compulsorily redeemed or a redemption request refused where you hold less, or a redemption would cause you to hold less, than the minimum holding amount (unless the redemption request relates to the balance of your holding). Franklin Templeton Australia may compulsorily redeem your Units if you cease to be, or cannot prove that you are, an "**Eligible Investor**".

8.4 Payment of redemptions

After acceptance of your redemption request, redemption proceeds are typically paid within 60 Business Days following the Valuation Date, although the Constitution of the Fund allows us up to 120 days from the date on which we accept the request or longer in certain circumstances. Franklin Templeton Australia may deduct money owed by you to Franklin Templeton Australia or applicable taxes from your redemption proceeds. Redemption proceeds will be paid in accordance with the Unitholder's instructions or as agreed with Franklin Templeton Australia.

The Underlying Fund may generally levy an early redemption deduction of 2% of the NAV of the shares being redeemed for redemption requests submitted by certain shareholders (including the Fund) if the resulting redemption date falls within a 12-month period from the original issue date of such shares. If such an early redemption deduction is levied on the Fund by the Underlying Fund due the redemption by the Fund of its shares in the Underlying Fund to satisfy a redemption request by investors in the Fund, the Fund may levy such deduction as a sell spread on the relevant redeeming investors.

In some circumstances, Unitholders may not be able to redeem their Units within the usual period upon request. If the Responsible Entity determines that the Fund is not liquid, for the purposes of the Corporations Act 2001 (Cth), then you may only redeem from the Fund in accordance with the terms of a redemption offer (if any) made by the Responsible Entity in accordance with the Corporations Act. The Responsible Entity will notify Unitholders if the Responsible Entity determines that redemption rights will be suspended. The Responsible Entity reasonably expects that it will be able to realise at least 80% of its investment in the Underlying Fund within the period for satisfying redemption requests as outlined above.

There is no obligation on the Responsible Entity to make a redemption offer.

The Constitution for the Fund does provide the Responsible Entity with the power to treat part of the Withdrawal Price of a Unit to a redeeming Unitholder as a distribution of income. See further information about certain tax impacts of redemptions in Section 10.

8.5 Redemption limitations

The Responsible Entity has the discretion to accept a request to redeem some or all of the Units, in whole or in part and is not required to accept a redemption request. Under the Constitution, the Responsible Entity has up to 580 days to determine to accept all or part of a redemption request.

The Responsible Entity may at any time suspend consideration of redemption requests in the Fund, or defer its obligation to pay the redemption price in respect of a redemption request it has accepted, if it is not possible or not in the best interests of the members of the Fund, for it to process redemption requests or make the payment (as applicable) due to one or more circumstances outside its control such as the suspension or limitation of redemptions in the Underlying Fund.

In addition, the Underlying Fund may suspend or limit redemptions in exceptional circumstances and not on a systemic basis, in the best interests of the Underlying Fund and the investors in the Underlying Fund as a whole, such as when redemptions would place an undue burden on the Underlying Fund's liquidity, adversely affect the Underlying Funds' operations, risk having an adverse impact on the Underlying Fund that would outweigh the benefit of redemptions or as a result of legal or regulatory changes and/or in the case of suspension of the determination of the net asset value of the Underlying Fund. The Board of the Underlying Fund may determine to suspend the calculation of the net asset value of the Underlying Fund in the following circumstances:

- when a force majeure event has occurred and is continuing and it is impracticable for the AIFM to dispose of or value all or a substantial part of the Underlying Fund's assets
- when the means of communication usually used to determine the price or value of an asset is out of service or otherwise unavailable;
- when, for any reason, the value of any asset cannot be determined promptly or accurately pursuant to the Underlying Fund's valuation procedures; or
- following a decision to liquidate or dissolve the Underlying Fund or any interposed vehicles.

In this event, the Fund may experience significant delays in realising liquidity in the Underlying Fund and this may result in significant delays for Unitholders in redeeming their Units in the Fund.

To satisfy redemption requests from Unitholders, the Fund will submit requests to redeem from the Underlying Fund. Redemptions from the Underlying Fund are generally limited to 5% of the Net Asset Value of the Underlying Fund per quarter. In the event that the total redemption requests received by the Underlying Fund exceed this limitation, redemption requests for that quarter will be scaled back and redeemed on a pro rata basis (including the redemption requests made by the Fund). This means that your redemption request may not be satisfied in full. If this occurs, the portion of the redemption request that was not satisfied will be cancelled and will not carry over. A new redemption request will need to be submitted before the next redemption cut off for the next quarterly Valuation Date. The Responsible Entity will notify Unitholders of any redemption request that has not been processed. The Underlying Fund may waive this limitation.

8.6 Distributions

The Fund will be investing in an accumulating share class of the Underlying Fund and does not expect to pay regular cash distributions. Rather than receiving cash distributions from the Underlying Fund, any proceeds or income from the Underlying Fund investments will be reinvested by the Underlying Fund.

If the Responsible Entity does determine to pay a cash distribution for a distribution period, a Unitholder's entitlement to distributions of income is determined based on the number of Units held at the end of the relevant distribution period. Distributions will be paid within 30 days of the end of the relevant distribution period. Unitholders who redeem Units during a distribution period will not receive a distribution of income in respect of those Units for that distribution period (other than any amount included as part of the redemption proceeds).

See further information about the tax impacts in Section 10.

8.7 The Responsible Entity and the Constitution of the Fund

The Constitution of the Fund, the Corporations Act and general legal principles govern Franklin Templeton Australia's responsibilities and rights as the Responsible Entity and the rights and liability of Unitholders.

Franklin Templeton Australia's duties include:

- acting honestly and in the best interest of Unitholders;
- to exercise the degree of care, skill and diligence that a reasonable person would exercise if they were in Franklin Templeton Australia's position; and
- in relation to the Fund, to treat Unitholders of the same class equally and Unitholders of different classes fairly;

The Constitution of the Fund is binding on Franklin Templeton Australia and on Unitholders respectively. Some of the key provisions of the Constitution and the relevant law include:

- the nature and entitlements of Units in the Fund;
- amendments to the Constitution of the Fund and how meetings of Unitholders can be called and operated;
- termination of the Fund and the retirement and removal of Franklin Templeton Australia as Responsible Entity;
- remuneration of Franklin Templeton Australia as Responsible Entity;
- the powers of Franklin Templeton Australia to make investments on behalf of the Fund;

- the considerations and powers of Franklin Templeton Australia in accepting applications and paying redemptions;
- the processes and procedures when the Fund is not liquid; and
- the indemnity which Franklin Templeton Australia is owed by the Fund.

The Constitution contains provisions designed to limit the liability of Unitholders so that they are not, by reason only of being Unitholders, under any personal obligation to indemnify Franklin Templeton Australia, or any creditor of Franklin Templeton Australia in the event of there being any deficiency of assets of the Fund. The law, however, in relation to the liability of Unitholders is complex and to date, limitations on the liability of Unitholders have not been tested by Australian courts. Therefore, it is not possible for Franklin Templeton Australia to give an absolute assurance that liability of Unitholders will be limited in all circumstances. Franklin Templeton Australia will provide investors with a free copy of the Constitution for the Fund upon request.

8.8 Investing via an IDPS or a Master Trust

Investors accessing the Fund indirectly through an IDPS or a Master Trust do not acquire the rights of a Unitholder. Rather, the operator of the IDPS or Master Trust acquires the Units and the rights of a Unitholder, meaning the right to receive distributions, confirmations, reports, attend meetings and make complaints. The rights of IDPS or Master Trust investors, including the taxation implications of investing, should be set out in disclosure documents issued by the IDPS or Master Trust operator.

8.9 Related party dealings

Franklin Templeton Australia may transact business with related parties on “arms’ length” terms, whether the related party acts as agent or principal. Franklin Templeton Australia may delegate its functions to related parties or other third parties. Franklin Templeton Australia may invest in other trusts for which we are the Responsible Entity.

Subject to the Corporations Act, we and our associates may hold Units in the Fund. We are also permitted by the Constitution (subject to the Corporations Act) to:

- deal with ourself (as Responsible Entity of the Fund or in another capacity), an associate or any Unitholder;
- have an interest in any contract or transact with ourself (as Responsible Entity of the Fund or in another capacity), an associate or any Unitholder;
- retain for our own benefit any profits or benefits derived from such contract or transaction; and
- act in the same or similar capacity in relation to any other managed investment schemes.

Any such arrangement will be based on arms’ length terms.

As described in Section 3 the investment managers of the Fund and the Underlying Fund are associates of Franklin Templeton Australia and the Fund accesses its investment strategy through investment in the Underlying Fund.

Franklin Templeton Australia may also pay other alternative forms of remuneration. Alternative remuneration is at Franklin Templeton Australia’s expense. Information regarding alternative forms of remuneration is maintained on a register maintained by Franklin Templeton Australia that is available for inspection upon request.

From time-to-time Franklin Templeton Australia may encounter conflicts in respect of its duties to Unitholders and to its own interests. Franklin Templeton Australia recognises it has an overriding duty to act in the best interests of Unitholders and will resolve any conflicts fair and reasonably in accordance with the law, ASIC and Franklin Templeton Australia’s own policies.

8.10 Conflicts of interest at the level of the Underlying Fund

The Underlying Fund, the Underlying Fund Investment Managers, Franklin Templeton, Lexington, together with their direct and indirect subsidiaries, may have conflicts of interest with respect to the Underlying Fund, or other Lexington vehicles generally. If any matter arises that the relevant Underlying Fund Investment Manager determines in its good faith judgment may constitute an actual or potential conflict of interest, such Underlying Fund Investment Manager has the authority to take such actions as it determines in good faith to be necessary or appropriate to address the conflict and, upon taking such actions, such Underlying Fund Investment Manager will be relieved of any liability for such conflict to the fullest extent permitted by law and will be deemed to have satisfied their fiduciary duties related thereto to the fullest extent permitted by law.

Actions that could be taken by the Underlying Fund Investment Managers, Franklin Templeton or Lexington, or their affiliates, to mitigate a conflict can include, but are not limited to, (i) if applicable, handling the conflict in accordance with the Underlying Fund’s policies and procedures, (ii) obtaining from the Board of the Underlying Fund (or the non-affiliated members thereof) advice, waiver or consent as to the conflict, or acting in accordance with standards or procedures approved by the Board to address the conflict, (iii) disposing of the investment or security giving rise to the conflict of interests, (iv) disclosing the conflict to the Board of the Underlying Fund, including non-affiliated members of thereof, as applicable, or shareholders (including, without limitation, in distribution notices, financial statements, letters to shareholders or other communications), (v) appointing an independent representative to act or provide consent with respect to the matter giving rise to the conflict of interests, (vi) validating the arm's-length nature of the transaction by referencing participation by unaffiliated third parties, (vii) in the case of conflicts among clients, creating groups of personnel within Franklin Templeton or Lexington separated by information barriers (which can be expected to be temporary and limited purpose in nature), each of which would advise or represent one of the clients that has a conflicting position with other clients, (viii) implementing policies and procedures reasonably designed to mitigate the conflict of interests, or (ix) otherwise handling the conflict as determined appropriate by the Underlying Fund Investment Managers, Franklin Templeton or Lexington in their good faith reasonable discretion.

Investors should note that the conflict policies and procedures under the governing documents of the Underlying Fund may reduce, eliminate or modify certain other fiduciary and other related duties and obligations to the Underlying Fund and its shareholders that would otherwise apply. In particular, shareholders of the Underlying Fund (including the Fund) may be taken to waive or consent to conduct that might not otherwise be permitted in the absence of such waivers or consents, or which could limit the remedies available to the shareholders of the Underlying Fund (including the Fund) with respect to breaches of such duties and obligations. Investors should be aware that individual conflicts will not necessarily be resolved in favour of the Underlying Fund's interests. By acquiring shares in the Underlying Fund, the Fund will be deemed to acknowledge and consent to the existence of all actual, apparent and potential conflicts of interests described herein, acknowledge and consent to any actions, the Underlying Fund's policies and procedures for handling conflicts of interest and consent that these conflicts will not necessarily be resolved in favour of the Underlying Fund and/or its shareholders (including the Fund), agree that shareholders (including the Fund) will not be entitled to receive notice or disclosure of the occurrence of these conflicts or have any right to consent to them, and waives any claim against the Underlying Fund Investment Managers or their affiliates and releases each of them from any liability arising from the existence of such conflicts of interests. The foregoing is applicable to all conflicts of interests described, implied or alluded to herein.

8.11 Anti-money laundering

Anti-money laundering laws in Australia or applying to the Underlying Fund may require Franklin Templeton Australia to obtain additional information to verify the identity of an investor, any underlying beneficial owner of Units in the Fund and the source of any payment.

The processing of applications or redemptions may be delayed or suspended until the requested information is provided in a satisfactory form.

8.12 Consents to quote

ASIC Regulatory Guide 55 — Consent to quote	
Apex Fund Services Pty Ltd	Apex Fund Services has consented to statements about it in the form and context in which they appear (and has not withdrawn their consent before the date of this PDS).
The Bank of New York Mellon SA/NV Luxembourg Branch	The Bank of New York Mellon SA/NV Luxembourg Branch has consented to statements about it in the form and context in which they appear (and has not withdrawn their consent before the date of this PDS).
Waystone Management Company (Lux) S.A.	Waystone Management Company (Lux) S.A. has consented to statements about it in the form and context in which they appear (and has not withdrawn their consent before the date of this PDS).

8.13 Complaints

We have established procedures for dealing with complaints.

If you have invested via a Master Trust or Wrap Service and have a concern, you should first contact the Operator of the Master Trust or Wrap Service through which you invested in the Fund. The Operator will handle your complaint in accordance with its complaint handling procedures and may, in accordance with those procedures, refer the complaint to us.

If you have an inquiry or complaint, you can either phone us on 1300 133 451 during business hours or write to:

Franklin Templeton Australia

GPO Box 24011
Melbourne VIC 3001

Your written complaint will be acknowledged within five Business Days and we will make every effort to resolve your issues within 30 days of being notified.

If any complaint remains unresolved after 30 days or the issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides a fair and independent financial complaint resolution service that is free to consumers.

Website	www.afca.org.au
Email	info@afca.org.au
Telephone	1800 931 678 (free call)
In writing to	Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

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9 Privacy

9.1 Your privacy at Franklin Templeton Australia

Keeping customer information secure is a top priority for us at Franklin Templeton Australia. In Australia, Franklin Templeton Australia is subject to the Australian Privacy Principles under the Privacy Act 1988 (Cth). The Franklin Templeton Australia Privacy Policy outlines how we intend to deliver all the rights and protections customers are entitled to. Where there are differences between the Franklin Templeton Australia Privacy Policy and the Privacy Act, the stronger protection applies. This policy also describes:

- who we collect information from;
- the types of personal information collected and held by us;
- how this information is collected and held;
- the purposes for which your personal information is collected, held, used and disclosed;
- how you can gain access to your personal information and seek its correction;
- how you may complain or inquire about our collection, handling, use or disclosure of your personal information and how that complaint or inquiry will be handled; and
- whether we are likely to disclose your personal information to any overseas recipients.

9.2 Who do we collect personal information from?

In the course of providing our products and services Franklin Templeton Australia, including our related entities, may collect personal information from clients, or potential clients.

9.3 What types of personal information do we collect?

In the course of providing products and services, the personal information we may collect may include:

- Personal Information including names, addresses and other contact details; dates of birth; and financial information.
- Sensitive Information including government identifiers (such as your Australian tax file number ("**TFN**"), your nationality, country of birth, professional memberships, family court orders and criminal records).

  Further information in relation to the collection and use of your TFN is set out in Section 10.

How do we collect and hold your personal information?

How we collect personal information will largely be dependent upon whose information we are collecting. If it is reasonable and practical to do so, we collect personal information directly from you. Where possible Franklin Templeton Australia has attempted to standardise the collection of personal information by using specifically designed forms (e.g. our Application Forms). However, given the nature of our operations we often also receive personal information by email, letters, notes, over the telephone, in face-to-face meetings and through financial transactions. We may also collect personal information from other people (e.g. a third-party administrator) or independent sources, however, we will only do so where it is not reasonable and practical to collect the information from you directly.

Sometimes we may be provided with your personal information without having sought it through our normal means of collection. We refer to this as "unsolicited information". Where we collect unsolicited information we will only hold, use and or disclose that information if we could otherwise do so had we collected it by normal means. If that unsolicited information could not have been collected by normal means then we will destroy, permanently delete or de-identify the information as appropriate.

9.4 Use and disclosure of information

We will only collect, store and disclose personal information reasonably necessary for one or more of our functions or activities (the primary purpose) or for a related secondary purpose that would be reasonably expected by you, or to which you have consented. Such purposes may include:

- processing an application;
- processing receipts and payments; and servicing customer accounts;
- responding to customer inquiries about applications, accounts or services;
- understanding customer's needs and offering products to meet those needs;

- meeting the legislative requirements of laws such as the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) and reporting to tax authorities under the *Taxation Administration Act 1953* (Cth); and
- allowing our affiliates and selected third parties to promote their products and services to customers.

If you do not provide personal information requested, Franklin Templeton Australia may not be able to provide a particular service or may be required by law to take particular actions such as deducting taxation at the top marginal rate.

We may also need to collect personal information in order to comply with our legal obligations, such as the Anti-Money Laundering and Counter-Terrorism Financing Rules (AML/CTF Rules), under the AML/CTF Act.

It may be necessary for Franklin Templeton Australia to disclose your personal information to certain third parties in order to assist us with one or more of our functions or activities. This may include organisations providing fund administration or custodial services under an arrangement with us.

We only collect sensitive information reasonably necessary for one or more of these functions or activities if we have the consent of the individuals to whom the sensitive information relates, or if the collection is necessary to lessen or prevent a serious threat to life, health or safety or another permitted general situation.

The nature of information collected and maintained by Franklin Templeton Australia generally comprises name, address, telephone number, other identifying information and certain personal financial details ("personal information"). We consider this personal information and other account information which we collect from you on applications or other forms, to be confidential. We will take steps to safeguard it according to strict standards of security and confidentiality.

Franklin Templeton Australia is able to offer you a wide range of financial services and products which may be of value to you. We are committed to respecting the privacy of your personal information. If you do not wish us or other companies to communicate marketing offers to you, you may withdraw your consent by simply informing us:

Mail	Franklin Templeton Australia GPO Box 24011, Melbourne VIC 3001
Free call	1300 133 451
Email	auclientadmin@franklintempleton.com

In common with many organisations, we are able to keep our costs down by obtaining some routine services from external service providers. Unless you have instructed us otherwise, your information may be provided to such external service providers for these purposes.

9.5 Quality of personal information

It is our intention to ensure that the personal information in our client files is complete and accurate. To assist us with this, please notify us about changes to the information you have provided to us. Furthermore, if you believe that the information that we have about you is not accurate, complete or up to date, please contact the Privacy Officer at the above address and we will use all reasonable effort to correct the information. Once we have ceased using your personal information, we will either destroy or de-identify your personal information.

9.6 Access and further information

We may store information about you in databases that may be maintained inside or outside Australia by other companies within the Franklin Templeton Resources group or by other third-party storage providers.

We store personal information in a variety of formats including on databases, in hard copy files and on personal devices, including laptop computers.

The security of your personal information is of paramount importance to us and we take all reasonable steps to protect the personal information we hold about you from misuse, loss, unauthorised access, modification or disclosure.

These steps include:

- Restricting access to information on our databases on a need-to-know basis with different levels of security being allocated to staff based on their roles and responsibilities and security profile.
- Ensuring all staff are aware that they are not to reveal or share personal passwords.
- Ensuring where sensitive information is stored in hard copy files that these files are stored in lockable filing cabinets in lockable rooms. Access to these records is restricted to staff on a need-to-know basis.
- Implementing physical security measures at our premises to prevent break-ins.

- Implementing security systems, policies and procedures designed to protect personal information storage on our computer networks.
- Implementing human resources policies and procedures, such as email and internet usage, confidentiality and document security policies, designed to ensure that staff follow correct protocols when handling personal information.
- Undertaking due diligence with respect to third party service providers who may have access to personal information, including customer identification providers and cloud service providers, to ensure as far as practicable that they are compliant with the Australian Privacy Principles or a similar privacy regime.

Personal information we hold that is no longer needed, or required to be retained by any other laws, is destroyed in secure manner, deleted or de-identified as appropriate.

Our website may contain links to other websites. We do not share your personal information with those websites and we are not responsible for their privacy practices. Please check their privacy policies.

9.7 When we disclose your personal information

We only use personal information for the purposes for which it was given to us, or for purposes which are directly related to one or more of our functions or activities. We may disclose your personal information to government agencies, and other recipients from time to time, only if one or more of the following apply:

- you have consented;
- you would reasonably expect us to use or disclose your personal information in this way;
- we are authorised or required to do so by law;
- disclosure will lessen or prevent a serious threat to the life, health or safety of an individual or to public safety;
- where another permitted general situation applies; and
- disclosure is reasonably necessary for a law enforcement related activity.

9.8 Disclosure of your personal information to overseas recipients

We may disclose personal information about an individual to overseas organisations that help us provide our services, in certain circumstances. We will however take all reasonable steps not to disclose an individual's personal information to overseas recipients unless:

- we have the individual's consent (which may be implied);
- we have satisfied ourselves that the overseas recipient is compliant with the Australian Privacy Principles, or a similar privacy regime;
- we form the opinion that the disclosure will lessen or prevent a serious threat to the life, health or safety of an individual or to public safety; or
- we are taking appropriate action in relation to suspected unlawful activity or serious misconduct.

9.9 How we ensure the quality of your personal information

We take all reasonable steps to ensure the personal information we hold, use and disclose is accurate, complete and up-to-date. These steps include ensuring that the personal information is accurate, complete and up-to-date at the time of collection and when using or disclosing the personal information.

On an ongoing basis we maintain and update personal information when we are advised by individuals or when we become aware through other means that their personal information has changed.

Please contact us if any of the details you have provided change. You should also contact us if you believe that the information we have about you is not accurate, complete or up-to-date.

9.10 How to gain access to your personal information we hold

If you are a client of Franklin Templeton Australia, you may request access to your personal information that Franklin Templeton Australia or an outsourced service provider hold in relation to your investment by submitting your request in writing to the address noted above.

We will provide you with access to this information if we are able to. We retain the right to request adequate proof of identification before authorising any requests for access to personal information.

If we do not agree to provide you with access to or to amend your personal information as requested, you will be notified accordingly. Where appropriate we will provide you with the reason/s for our decision. If the rejection relates to a request to change your personal information you may make a statement about the requested change and we will attach this to your record.

9.11 Changes to the Privacy Policy

Franklin Templeton Australia may make changes to the Franklin Templeton Australia Privacy Policy from time to time for any reason. We will publish those changes on our web site. This Privacy Policy was last amended in October 2022 and is accessible on our website at www.franklintempleton.com.au.

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10 Tax

The information set out below is a broad overview of some of the tax consequences for certain Australian tax residents of investing in the Fund. It does not take into account the specific circumstances of each Unitholder that may invest in the Fund and is not intended to be a comprehensive guide of all relevant tax considerations. It should not be used as the basis upon which potential Unitholders make an investment decision.

This information has been prepared based on Australian taxation laws and administrative practices of the Australian Taxation Office and judicial interpretations of such as at the date of this PDS. Tax laws and their interpretation are subject to change, and the Fund is not responsible for notifying you of any such changes.

This summary does not take into account the position of Unitholders who are assessed on their disposal of Units otherwise than under the Australian capital gains tax provisions, such as Unitholders who are in the business of trading or dealing in Units or securities or within the scope of the Australian "taxation of financial arrangements" ("TOFA") regime. It also does not apply to:

- (unless otherwise stated) Unitholders who are tax resident of any other jurisdiction other than Australia (i.e. non-resident Unitholders); and
- investors who hold their interests in the Fund indirectly via an IDPS or Master Trust (as the Unitholder will be the operator of the IDPS or the trustee of the Master Fund - in this case the investor should consult the relevant disclosure documents for the IDPS or Master Trust).

The taxation implications of investing in the Fund are particular to each Unitholder's circumstances. Franklin Templeton Australia recommends that you seek professional tax advice, particularly if (for Australian tax purposes) you are not a resident of Australia or you are a "temporary resident" of Australia. Nothing contained in this PDS should be construed as the giving of, or be relied upon, as tax advice.

10.1 Tax Considerations generally applicable to the Fund

It is expected that the Fund will qualify to be a managed investment trust ("MIT") and Franklin Templeton Australia will elect into the attribution managed investment trust ("AMIT") tax regime. The summary below assumes that the Fund will be a MIT and that the AMIT regime will apply to the Fund. However, if the Fund ceases to satisfy the qualification requirements to be a MIT or an AMIT, the position may change.

No Australian income tax should be payable by the Fund on the taxable income of the Fund provided that (i) Unitholders are attributed under the AMIT regime all of that taxable income of the Fund for each income year, (ii) the Fund is not a public trading trust and (ii) the Australian Commissioner of Taxation does not make a determination that the MIT non-arm's length income rule apply to the Fund. Franklin Templeton Australia intends to take all reasonable steps to ensure that these requirements are satisfied for each income year.

To the extent that the Fund makes a taxable loss or a capital loss, it cannot attribute such losses to the Unitholders. However, the fund may be able to carry forward and offset taxable losses against future taxable income, and capital losses against future capital gains, subject to meeting the relevant trust loss conditions.

Where the Fund is an AMIT, it will also be deemed to be a fixed trust for income tax purposes (which may assist in relation to satisfying the trust loss conditions).

10.2 Taxation of the Underlying Fund

The Underlying Fund, a Luxembourg collective asset management vehicle (*société d'investissement à capital variable* or "SICAV") is generally not expected to be subject to tax in Luxembourg on its income or capital gains. Dividends, interest and capital gains derived by the Underlying Fund may be subject to non-recoverable taxes, including withholding taxes, imposed by other jurisdictions.

10.3 Taxation of Unitholders in respect of the Fund - AMIT

On the basis that the Fund is an AMIT for tax purposes, an Australian resident Unitholder of the Fund should be taxed on their share of the components of the Australian taxable income and tax offsets of the Funds that are attributed to the Unitholder each year. This is the case irrespective of the amount and timing of distributions (if any) actually received by Unitholders from the Fund. Some of the potential components of the Fund's taxable income and tax offsets are set out in Section 10.4 below.

The components of the Fund's taxable income that are attributed to an Australian resident Unitholder will be disclosed in a statement, known as the "AMIT member annual statement" or "AMMA statement", provided to the Unitholder following the Funds' financial year end of 30 June.

Under the AMIT regime, to the extent there is an overstatement or understatement of the components of taxable income or tax offsets of the Fund (referred to as an "over" or "under" respectively), the Fund may choose whether to reissue AMMA statements for the income year in which the over or under arose (which may require a Unitholder to amend their income tax return for that income year) or to carry forward the over or under and deal with it in a later income year (including the income year in which the over or under is discovered). This may result in a decrease or increase in the components of taxable income or tax offsets of the Fund in that later income year.

The components of the Fund's taxable income and tax offsets for an income year which are attributed by the Fund to Unitholders will be attributed on a fair and reasonable basis, and should generally include those components of the taxable income and tax offsets of the Fund (if any) that are reflected in any distributions made by the Fund to Unitholders for the relevant year. Unitholders may also be attributed components of taxable income and tax offsets where they undertake a redemption of units in the Fund, or where Franklin Templeton Australia determines that part of the taxable income of the Fund should be accumulated and not distributed or where there is an "under" or "over" from a previous income year. Further, Franklin Templeton Australia does not anticipate that this fund will receive or pay regular distributions. However, if the Fund derives taxable income for a period, the components of that taxable income and any tax offsets will still be attributed despite no distributions being paid in respect of that period.

Unitholders should also be subject to the regime for cost base adjustments provided for interests in AMITs. Under this regime, Unitholders may experience an upward cost base adjustment to the extent that the amounts attributed to them (including the gross amount of any capital gains prior to the application of any capital gains discount concession and any non-assessable non-exempt income) for the year exceed the amounts distributed to them for the year (including any tax offsets attributed to them), or a downward cost base adjustment to the extent that the distributions made to them exceed the components of taxable income and any tax offsets attributed to them. The AMMA statement that Unitholders are provided should provide details of Franklin Templeton Australia’s estimate of the expected cost base adjustments for each income year. If a Unitholder's cost base is reduced to nil as a result of any adjustments, any further downward cost base adjustments may give rise to a capital gain for the Unitholder.

10.4 Taxable components from the Fund

We have set out below information regarding certain components of the taxable income and tax offsets of the Funds which Unitholders may be attributed under the AMIT regime.

10.5 Controlled foreign company provisions

The tax rules commonly referred to as the controlled foreign company (“CFC”) provisions may result in income and gains of the Underlying Fund being attributed to the Fund and included as taxable income of the Fund notwithstanding that the Underlying Fund has not distributed such income or gains to the Fund. The Fund’s level of investment in the Underlying Fund is expected to be managed to minimise the impact of the CFC provisions on the Fund, but it may not be possible to avoid this outcome. If the CFC rules apply, it may result in the taxable income of the Fund exceeding the amounts distributed (or available for distribution) by the Fund.

10.6 Capital gains

The disposal of investments by the Fund may give rise to capital gains for the Fund. Further, where the Fund qualifies as a MIT, Franklin Templeton Australia intends to make a MIT capital gains tax election to deem the interests in the Underlying Fund to be held on capital account and subject solely to the capital gains tax regime. This may allow the Fund and its Unitholders to apply the capital gains tax discount to any capital gains it makes.

Accordingly, the components taxable income that a Unitholder is attributed from the Fund may include a component of taxable capital gains (including discount capital gains), which should be included in determining the Unitholder’s taxable net capital gains for the relevant income year.

To the extent the amounts attributed to Unitholders include amounts that are referable to the discount capital gains concession applied by the Fund, a Unitholder will be required to 'gross up' the amount of the capital gain to effectively reverse any discount capital gain claimed by the Fund, before applying any eligible capital losses and any discount capital gains concession the Unitholder is entitled to.

10.7 Foreign income and tax credits

The Fund may realise assessable foreign-sourced income from their investments. Assessable foreign-sourced income components may be attributed by the Fund to Unitholders. Such foreign sourced-income may be subject to tax, or have tax withholding, in a foreign jurisdiction (although no Luxembourg withholding tax is expected to be withheld from distributions from the Underlying Fund).

The Fund may also attribute or otherwise pass through any foreign income tax offsets of the Fund to Unitholders in respect of certain foreign taxes paid withheld from foreign-sourced income realised by the Fund (but not in respect of any foreign taxes paid by, or withheld from distributions paid to, the Underlying Fund).

10.8 Other gains

The Fund may realise other types of assessable income, for example, gains arising on certain derivatives which may be entered into by the Fund.

As the Fund’s investments may be denominated in a currency other than Australian dollars, the Fund may realise foreign currency gains in certain circumstances.

The components of the Fund that are attributed to Unitholders may include amounts that are referable to such gains.

10.9 Disposal or redemption of Units by Unitholders

Under the capital gains tax provisions, Unitholders who redeem or otherwise dispose of their Units in the Fund may realise a capital gain or loss on the redemption or disposal. The amount of the capital gain or loss should broadly equal the excess of the consideration they receive in respect of the redemption or disposal over the cost base of their Unit.

As previously discussed, the application of the AMIT regime to the Fund means that the cost base of Units in the Fund may be adjusted for the relevant year based on the distributions received on the Units and the tax components attributed to the Unitholder in respect of the Units for the relevant year. Any such cost base adjustments that arise in respect of the financial year in which Units that are redeemed or disposed of should be taken into account in calculating the capital gain or loss which arises for Unitholders in respect of the redemption or disposal.

Unitholders who are individuals, trustees of trusts or complying superannuation funds may be able to claim a capital gains tax discount to reduce any capital gain arising on the disposal or redemption of their Units if they have held their Units for more than 12 months prior to the disposal or redemption. No capital gains discount is available to Unitholders who are companies.

Where a Unit is redeemed by a Unitholder, Franklin Templeton Australia may also determine to attribute a share of the taxable income of the Fund (including in relation to any income or gains arising on the disposal of assets to fund the redemption) to the Unitholder redeeming its units. Where that is the case, any capital gain to the Unitholder arising on the redemption of the Unit should be reduced by the taxable income of the Fund attributed to the Unitholder and included in the Unitholder's taxable income.

10.10 FATCA

The United States of America has enacted rules known as the Foreign Account Tax Compliance Act (FATCA), which commenced on 1 July 2014. FATCA withholding tax at 30% may apply to certain payments of US sourced income (and certain other amounts) unless the recipient is FATCA compliant.

As Responsible Entity of the Fund, we are a Reporting Australian Financial Institution (AFI) and comply with our obligations under the FATCA Intergovernmental Agreement with the US (FATCA IGA) and Australian domestic laws. Under the FATCA Agreement, we do not report information directly to the IRS. Instead, we report to the Australian Taxation Office (ATO) and the information is made available to the IRS, in compliance with Australian privacy laws, under existing rules and safeguards in the Australia-U.S. Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income. We conduct appropriate due diligence procedures as set out in the FATCA IGA.

Provided we comply with registration, due diligence and reporting requirements in accordance with the FATCA IGA and associated Australian domestic law, and we comply with self-certification requests from other parties, the Fund is not expected to be subject to FATCA withholding on payments made to it. We may request that you provide certain information about yourself and (where you are an entity) your controlling persons in order for the Funds to comply with its FATCA IGA obligations.

Subject to law, we may delay or refuse to accept an Application (and return any monies received with the Application without interest) where there is a delay or failure to produce the information required in respect of FATCA. Alternately we may be required to treat the Applicant, or Unitholder, as reportable to the ATO or subject to withholding tax. By applying to invest in the Fund, you warrant that you, your agent, or your nominated representative will provide us with all additional information and assistance that may be requested in order to comply with our ongoing obligations under FATCA and the FATCA IGA.

In the event that Franklin Templeton Australia/the Fund incurs FATCA withholding tax and/or penalties, neither we/the Fund will be required to compensate a Unitholder for any such tax or penalties.

10.11 Tax File Number or Australian Business Number

Collection of TFN is authorised and the use and disclosure of TFNs are strictly regulated by the Taxation Administration Act 1953 (Cth) and the Privacy Act. The purpose of the collection is to comply with and report information pursuant to Australian tax laws. Unitholders may, but are not required to, quote a TFN, a TFN exemption or, if your investment is made in the course or furtherance of an enterprise carried on by you, an ABN. It is not a criminal offence not to report your TFN.

If a Unitholder does not provide a TFN (or alternatively a TFN exemption or an ABN where eligible), withholding tax may be deducted from distributions made to the Unitholder at the top Australian marginal tax rate.

10.12 GST

Unitholders should not be subject to GST on applications to or redemptions from the Fund. GST may apply in respect of various supplies made to the Fund. However, an input tax credit or RITC may be available to the Fund on certain supplies.

10.13 Non-resident Investors

For any investor in a Fund who is a non-resident of Australia for Australian tax purposes, Franklin Templeton Australia may be required to withhold Australian tax from any distributions. The applicable withholding tax rate will vary depending on the type of distribution, the non-resident investor's country of residence and whether Australia has a double tax treaty with that country.

Under the AMIT regime, if the taxable components attributed to a foreign resident investor exceed the cash distributions made, then the trustee of the relevant Fund will be required to pay withholding tax on behalf of the foreign resident investor on that excess. In this case, Franklin Templeton Australia may deduct amounts on account of such taxes from amounts payable to the non-resident investor, and may, if required, compulsorily redeem Units to meet these tax liabilities.

10.14 Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (CRS) is a global standard for the collection, reporting and exchange of financial account information on foreign tax residents. The CRS tackles and deters cross-border tax evasion by establishing a common international standard for financial institutions to identify and report information about the financial accounts of foreign residents to their local tax authority and for tax authorities to exchange this information. Under Australian legislation implementing the CRS, banks and other financial institutions will collect and report to the ATO, financial account information of non-residents. The ATO will exchange this information with participating foreign tax authorities.

The Australian CRS implementing legislation applies from 1 July 2017. The first exchange of information occurred 2018. This legislation requires certain Australian financial institutions to conduct due diligence and collect certain information from new and existing investors. We may request that you provide certain information about yourself and (where you are an entity) your controlling persons in order for us to comply with our CRS obligations.

Subject to law, we may delay or refuse to accept an Application (and return any monies received with the Application without interest) where there is a delay or failure to produce the required information. Alternately we may be required to treat the Applicant, or Unitholder, as reportable to the appropriate governmental agency(s). By applying to invest in the Fund, you warrant that you, your agent, or your nominated representative will provide us with all additional information and assistance that may be requested in order to comply with our ongoing obligations under any CRS laws.

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11 How to transact

11.1 How to make an application

To invest in the Fund complete an "Application Form for New Investors" or an "Application for Existing Investors" (Application Forms) available by contacting our Investor Services team (see Section 11.9).

11.2 Non-resident investors

The Fund is only available to persons receiving this PDS in Australia.

11.3 Application form

The Application Forms for both new and existing clients can be obtained by contacting Franklin Templeton Australia.

11.4 Reporting

Franklin Templeton Australia will confirm transactions to Unitholders in the Fund and provide monthly reporting that documents the Units issued and/or redeemed over the period and the balance of Units held. Monthly reporting that includes performance will be made available on our website. Audited accounts for the Fund will also be made available on our website at www.franklintempleton.com.au. Unitholders may also request to receive copies of the accounts by mail. Unitholders will receive other information as required under the Corporations Act for each financial year.

11.5 Applicant verification

Pursuant to the Australian AML/CTF Act, Franklin Templeton Australia must establish and enforce suitable risk control procedures and identification and verification procedures. These procedures require applicants to provide satisfactory proof of identity as detailed in Section 1 of the Application Form for New Investors. These documents must be verified by Franklin Templeton Australia before any application for Units can be processed. These procedures may require us from time to time to re-verify that information or request additional information. Franklin Templeton Australia accepts no liability for any loss an applicant may incur, of whatsoever nature that may arise in the application of these identification and verification procedures.

11.6 Investing via a Master Trust or Wrap Service

Investors accessing the Trusts indirectly through a Master Trust or Wrap Service do not acquire the rights of a Unitholder. Rather, the operator acquires the Units and the rights of a Unitholder, meaning that the right to receive distributions, confirmations, reports, attend meetings and make complaints. The rights of Master Trust or Wrap Service investors, including the taxation implications of investing, should be set out in disclosure documents issued by the Master Trust or Wrap Service operator.

11.7 Redemption Form

Complete the Redemption Form and send it to:

Mail Apex Fund Services -Unit Registry
GPO Box 4968, Sydney NSW 2001

Email registry@apexgroup.com

The Redemption Form can be obtained by contacting Franklin Templeton Australia or online at www.franklintempleton.com.au.

In the case of joint redemptions, all Unitholders must sign. Redemptions lodged by companies must be signed in accordance with their constitution. Redemptions by trustees must be made in the name of, and signed by, the trustees. If a Unitholder wishes to specify individuals who have authority to act on their behalf in relation to their investment, they may do so by completing the "Additional Authorised Signatories" section.

11.8 Cooling-off rights

If you are a "**retail investor**" after you invest in the Fund you have a period of 14 days (the cooling-off period) during which you can cancel the investment and have your funds repaid to you. The entire value of your investment may not be repaid depending on the impact of market movements, taxes, management fees, transaction costs etc. during the time you are invested in the Fund. The right to cool off does not apply to you if you invest in a Master Trust or Wrap Service as you do not acquire the rights of a

Unitholder in the Fund. If you have any questions about cooling off rights, please contact your financial planner or us on 1300 133 451.

11.9 Contact us

Please contact Franklin Templeton Australia:

Free call	1300 133 451
Mail	Franklin Templeton Australia Level 47, 120 Collins Street Melbourne VIC 3000
Email	auclientadmin@franklintempleton.com
Website	www.franklintempleton.com.au

12 Glossary of important terms

1940 Act Funds

Registered investment companies which are regulated pursuant to the Investment Company Act of the United States.

AIFM

Waystone Management Company (Lux) S.A. appointed as the external alternative investment manager of the Underlying Fund and having delegated investment management of the Underlying Fund to Lexington Advisors LLC and Franklin Advisers, Inc.

AMIT

Attribution Managed Investment Trust pursuant to the attribution rules in Division 276 of the Income Tax Assessment Act 1997 (ITAA 1997).

Apex

Apex Fund Services Pty Ltd. (ACN 118 902 891).

Business Day

A day, other than a Saturday or a Sunday on which banks are open for general banking business in Melbourne, Australia.

Catch-Up

If the Hurdle Amount (5% p.a.) is achieved, the returns that are allocated to the Recipient in the form of a performance participation allocation until the amount received by the Recipient is equal to 12.5% of the Total Return achieved to date.

Central Administrator

The Underlying Fund's central administrator.

Co-Investments

Investments made in the same class of equity or debt securities or other instruments primarily alongside transaction sponsors to collectively invest in portfolio companies.

Constitution

The Constitution describes the rights, responsibilities and beneficial interests of both investors and the Responsible Entity in relation to the Fund.

Corporations Act

The Corporations Act 2001 (Cth) (the principal legislation regulating companies in Australia at a federal and interstate level), as amended from time to time.

CSSF

Commission de Surveillance du Secteur Financier, the Luxembourg financial supervisory authority.

Depositary

The Bank of New York Mellon SA/NV Luxembourg Branch, the depositary of the Underlying Fund.

Derivative

A financial contract that derives its value from an underlying security, liability or index. Derivatives come in many varieties, including futures, options and swaps.

Eligible Investors

The offer to which this PDS relates is only available to Wholesale Clients as well as advised Retail investors.

Emerging Market Countries

Emerging markets are developing economies, many of which are experiencing rapid growth and industrialisation. These countries possess securities markets that are progressing toward, but have not yet reached, the standards of developed nations. Emerging markets typically have fewer and smaller publicly traded companies than developed markets. Securities markets there may have lower liquidity, less regulation, and weaker accounting standards than more mature markets such as the U.S., Japan, Australia and many countries in Europe.

Entry Price and Exit Price

The exit price is determined in accordance with the Constitution. The entry price and the exit price on a Business Day are, in general terms, equal to the product of the Net Asset Value of the Fund divided by the number of Units on issue and:

- For the Entry Price, adjusted up for transaction costs (the buy spread); and
- For the Exit Price, adjusted down for transaction costs (the sell spread).

FAV

Franklin Advisers, Inc.

FLEX Aggregator-I

FLEX Aggregator-I SCSp, a Luxembourg special limited partnership established for the purpose of directly or indirectly holding the investments of the Underlying Fund and the Parallel Entities.

FLEX Feeder-I

Franklin Lexington Private Markets Fund SICAV SA - Franklin Lexington PE Secondaries Fund

FLEX Master-I

Franklin Lexington Private Markets Fund (Master) SCSp – Franklin Lexington PE Secondaries Fund (Master), a master fund organised as a Luxembourg special limited partnership (*société en commandite spéciale*).

Franklin Templeton Australia

Franklin Templeton Australia Limited (ABN 76 004 835 849, AFSL 240827).

FTIS

Franklin Templeton Investment Solutions.

Fund

Franklin Lexington Private Equity Secondaries Fund.

GP or General Partner

General partner of an investment vehicle.

GST

Goods and Services Tax.

High Water Mark

For the purposes of determining the payment of the Underlying Fund Performance Participation Allocation, any positive performance will in general be offset by negative performance in previous periods (but not to an amount below zero). In addition, the total return of interests in the FLEX Aggregator-I redeemed during the relevant Reference Period will be excluded from this calculation.

Hurdle Amount

For any period during a Reference Period means that amount that results in a 5% annualized internal rate of return on the NAV of limited partnership interests of FLEX Aggregator-I outstanding at the beginning of the then-current Reference Period and all FLEX Aggregator-I limited partnership interests issued since the beginning of the then-current Reference Period, calculated in accordance with recognised industry practices.

Identified Assets

The Underlying Fund will typically invest in Private Investment Funds after the end of the Private Investment Fund's fundraising period, which means that the Private Investment Fund will have existing underlying portfolio companies, whereas typical investments in Primary Funds are in newly established Primary Funds where the underlying portfolio companies are not known as of the time of the Underlying Fund's commitment.

IDPS

Investor Directed Portfolio Services (IDPS) are custodial, transactional and consolidated reporting services, which are often referred to as master funds, master trusts or wrap services. An IDPS allows you to manage and retain control of your investment portfolio, plus have access to a range of different investments through one service provider, with the advantage of consolidated tax, transaction and performance reporting.

IMA

The investment management agreement in relation to the Investment Manager.

Investment Managers

Investment Managers in relation to the Fund means Templeton Asset Management Limited and in relation to the Underlying Fund means Lexington Advisors LLC and Franklin Advisers, Inc.

Leverage Ratio

On the date that debt is incurred, the quotient obtained by dividing (i) Aggregate Net Leverage by (ii) Total Assets (each term as defined below).

"Aggregate Net Leverage" means (i) the aggregate amount of recourse indebtedness for borrowed money (e.g., bank debt) of the Underlying Fund minus (ii) cash and cash equivalents of the Underlying Fund minus, without duplication, (iii) cash used in connection with funding a deposit in advance of the closing of an investment and working capital advances.

"Total Assets" means the month-end values of investments of the Underlying Fund (including the Liquidity Portfolio), in addition to the value of any other assets (such as cash on hand).

Lexington

Lexington Advisors LLC and Lexington Partners L.P.

Lexington Advisors

Lexington Advisors LLC, an investment adviser registered under the U.S. Advisers Act and located at 399 Park Avenue, 20th Floor, New York, New York 10022.

Liquidity Portfolio

A portfolio of cash, fixed income and other securities, including cash and cash equivalents, liquid fixed income securities and other credit instruments, derivatives and other investment companies, including other managed funds and exchange-traded funds.

LP

Limited partner.

LP-led

Refers to transaction where an original investor in a private equity fund, a Limited Partner, sells its commitment in a fund to a secondary buyer, who then takes on the rights and obligations of that LP in the existing fund.

Net Asset Value or NAV

Net Asset Value is often abbreviated to NAV. It is calculated by subtracting the total value of a company's balance sheet liabilities (amounts it owes) from its assets. The Net Asset Value per Unit is calculated by dividing the Net Asset Value by the total number of Units in issue.

Parallel Entities

The parallel vehicles that, if considered appropriate, may be established from time to time to invest alongside the Underlying Fund or intermediate entities through which the Underlying Fund invests, which may not have investment objectives and/or strategies that are identical to the investment objectives and strategies of the Underlying Fund and/or other feeder vehicles which invest through the Underlying Fund.

PDS

This product disclosure statement.

Portfolio Fund

A Private Investment Fund or Primary Fund in which the Underlying Fund invests through intermediate vehicles.

Portfolio Fund Manager

The General Partner or manager of a Portfolio Fund.

Primary Funds

Investment vehicles (other than Private Investment Funds) acquired by FLEX-I through primary market purchases, which are generally made directly in newly formed private equity funds to gain exposure to privately held companies.

Private Assets

Private equity and other private assets, including both debt and equity investments, that are not publicly listed or tradeable on public markets.

Private Investment Funds

Global private equity funds and other investment vehicles, the interests in which are acquired by the Underlying Fund through secondary market purchases, or where a majority of the capital that is anticipated to be deployed by the Underlying Fund in connection with an investment (whether in one or a series of related transactions) is in Identified Assets.

Private Investment Funds' Investments

The acquisition of portfolio interests in Private Investment Funds.

Private Markets Debt Investments

Investments in privately placed debt securities and other yield-oriented investments, syndicated and other floating rate senior secured loans issued in private placements, partnerships and other business entities, privately placed bank loans, second lien or other subordinated or unsecured floating rate and fixed rate loans or debt, restricted securities, and other securities and instruments issued in transactions.

Recipient

The special Limited Partner of FLEX Aggregator-I (or any other entity so designated from time to time), which is a subsidiary owned by the Lexington group and the Franklin Templeton group.

Reduced Input Tax Credit (RITC)

RITC means Reduced Input Tax Credit as defined in A New Tax System (Goods and Services Tax) Act 1999.

Reference Period

The applicable year beginning on April 1st and ending March 31st of the next succeeding year; provided, that the initial reference period for the Underlying Fund shall be the period from the initial subscription date of the Underlying Fund to March 31, 2026.

Responsible Entity

Franklin Templeton Australia Limited.

Retail investor

A retail investor is an investor that does not satisfy one of the requirements to be classified as a Wholesale Client.

SEC

The U.S. Securities Exchange Commission.

Secondaries

Private equity secondaries are transactions that offer liquidity solutions to owners of interests in private equity and other alternative investment funds.

TAML

Templeton Asset Management Limited.

Total Return

The Total Return of the Underlying Fund for a period is equal to:

(i) All distributions accrued or paid on limited partnership interests of FLEX Aggregator-I outstanding at the end of such period since the beginning of the relevant Reference Period; *plus*

(ii) The change in aggregate NAV of FLEX Aggregator-I before giving effect to (x) changes resulting solely from the proceeds of issuances of FLEX Aggregator-I limited partnership interests, (y) any allocation/accrual to the Underlying Fund Performance Participation Allocation and (z) any applicable servicing fee expenses (including any payments made to FLEX Master-I for payment of such expenses); *less*

(iii) Underlying Fund, FLEX Master-I and other Parallel Entities' operating expenses (to the exception of distributors servicing fees).

For the avoidance of doubt, the calculation of Total Return will be made in U.S. dollars and will include any appreciation or depreciation in the NAV of FLEX Aggregator-I limited partnership interests issued during the relevant Reference Period, treat any withholding tax on distributions paid by or received by FLEX Aggregator-I as part of the distributions accrued or paid on limited partnership interests of FLEX Aggregator-I, exclude the proceeds from the initial issuance of such limited partnership interests and any impact to Total Return solely caused by currency fluctuations and/or currency hedging activities and costs for non-USD Share Classes, non-USD classes of limited partnership interests of FLEX Master-I or FLEX Aggregator-I and/or non-USD classes of shares or limited partnership interests of any Parallel Entities and exclude any taxes (whether paid, payable, accrued or otherwise in the relevant Reference Period) of any intermediate entity through which FLEX Master-I indirectly invests in a portfolio company, as determined in the good faith judgment of the Underlying Fund Investment Managers.

Underlying Fund or FLEX Feeder-I

Franklin Lexington PE Secondaries Fund, a sub-fund of the Franklin Lexington Private Markets Fund SICAV SA, an investment company with variable share capital (*société d'investissement à capital variable* or "SICAV") governed by Part II of the Luxembourg law of December 17, 2010 relating to undertakings for collective investment and established as a public limited liability company (société anonyme).

Underlying Fund Performance Participation Allocation

Performance participation allocation allocated to the Recipient, equal to equal to 12.5% of the Total Return, subject to a 5% annual Hurdle Amount and a High Water Mark with 100% Catch-up.

Unit

When you invest in the Fund, you are allocated a number of units in the Fund. Each unit represents an equal portion of the Fund's value. If the assets held by the Fund go up, the unit price also rises. The value of each unit in the Fund is determined by the Net Asset Value.

U.S. Advisers Act

The U.S. Investment Advisers Act of 1940, as amended.

Valuation Date

The last calendar day of each month.

Wholesale Client

Wholesale clients comprise sophisticated investors and professional investors that meet the requirements outlined in the Corporations Act, Sections 761G and 761GA.

Wrap Service

A wrap service (or wrap account) is a means of consolidating and managing an investor's investment portfolio and financial plans.