

Annual Report

Franklin Templeton Martin Currie Southeast Asia Trust

Franklin Templeton Western Asset Global Bond Trust

For the financial year ended 31 March 2023

Contents	Page
Franklin Templeton Martin Currie Southeast Asia Trust	10
Franklin Templeton Western Asset Global Bond Trust	38

Important Information

The CPF interest rate for the Ordinary Account (OA) is computed based on the 3- month average of major local banks' interest rates, subject to the legislated minimum interest of 2.5% per annum. The interest rate for OA is reviewed quarterly. The CPF interest rate for Special (SA) and Medisave Account (MA) is computed based on the 12-month average yield of 10-year Singapore Government Securities (10YSGS) plus 1%, subject to the current floor interest rate of 4% per annum. The interest rate is reviewed quarterly.

Savings in the Retirement Account earn the weighted average interest rate of the entire invested portfolio. New savings credited to RA each year earn the 12-month average yield of 10YSGS plus 1% computed for the year, subject to the current floor interest rate of 4% per annum. This is reviewed annually.

To help boost retirement savings, the Government pays extra interest on the first \$60,000 of your combined CPF balances, which is capped at \$20,000 for Ordinary Account (OA). Extra interest is structured so that all CPF members benefit, and members with lower balances benefit more. The amount of extra interest paid to you would depend on your combined CPF balances and age. Please note that the first \$20,000 in your OA and the first \$40,000 in your SA need to be set aside prior to investing OA and SA monies.

The Franklin Templeton Western Asset Global Bond Trust may use swaps, forwards, options and futures for the purposes of hedging and efficient portfolio management. The Franklin Templeton Martin Currie Southeast Asia Trust may invest in derivative instruments from time to time for purposes of hedging and/or efficient portfolio management and may invest in transferable securities embedding a financial derivative from time to time for purposes of hedging, efficient portfolio management and/or optimising returns. The Franklin Templeton Martin Currie Southeast Asia Trust's net asset value may have higher volatility characteristics as a result of its portfolio management style. Please refer to the prospectus for more information.

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The value of investments and the income from them can go down as well as up and you may not get back the full amount that you invested.

Past performance is not necessarily indicative nor a guarantee of future performance of the Fund.

Subscriptions may only be made on the basis of the most recent Prospectus and Product Highlights Sheet which is available at Templeton Asset Management Ltd or authorised distributors of the Fund. Potential investors should read the details of the Prospectus and Product Highlights Sheet before deciding to subscribe for or purchase the Fund. This shall not be construed as the making of any offer or invitation to anyone in any jurisdiction in which such offer is not authorised or in which the person making such offer is not qualified to do so or to anyone to whom it is unlawful to make such an offer. In particular, the Fund is not available to U.S. citizens, residents or greencard holders.

Investors may wish to seek advice from a financial adviser before making a commitment to invest in shares of the Fund. In the event an investor chooses not to seek advice from a financial adviser, he/she should consider whether the Fund is suitable for him/her.

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Investment Manager's Report

For the financial year ended 31 March 2023

Asean Equities

Market Review

The twelve-month period to March 31, 2023 was a challenging time for the world's stock markets, and those in our region were not spared from this. Thus, for the period under review, the MSCI ASEAN Index returned -5.58%. Against this backdrop the portfolio returned -6.65%.

During this period no country and only one sector (information technology) delivered a positive return. The latter was due to an outsized gain by one stock. Aside from information technology, the best performing sectors were financials, health care and consumer discretionary while the materials and communication services sectors were notably weak. At the country level, Indonesia and Thailand performed relatively better, while The Philippines and Malaysia were notably weak.

In absolute terms, the portfolio achieved a positive return in the financials, consumer discretionary, and consumer staples sectors but suffered negative returns in all others. In relative terms against the MSCI ASEAN Index, the portfolio saw its strongest positive relative performance in the consumer discretionary, financials and communication services sectors while underperforming in information technology, utilities and health care.

In country terms, the portfolio saw outperformance most notably in Indonesia and The Philippines, while underperforming particularly in Thailand.

Outlook and Strategy

We continue to believe there is a strong investment case for the ASEAN region. It offers a compelling structural growth story that, in the past, has been overshadowed in the eyes of investors by China's economic success and the promise of India. However, today it has a combined population of over 670 million people and a GDP exceeding US\$3 trillion. The region continues to develop its digital economy, while benefiting from generally supportive demographics, an expanding middle class and from being an attractive destination for foreign direct investment flows. ASEAN is already benefitting from the realignment of global supply chains as corporations manage down their dependence on China as a manufacturing base, partly for geopolitical reasons but also in recognition of that country's deteriorating long-term demographic profile. The increasing onshoring of commodity processing in Indonesia has been another positive. For all the above reasons, this is an exciting time to be an investor in the region and our goal is to ensure that the Southeast Asia Trust captures this opportunity in its investment portfolio through long-term ownership of good businesses that can grow with the region and create value for their owners.

Country outlook comments

Indonesia: With signs of inflation easing and the stock market having stabilised following outflows to North Asia at the start of 2023, Indonesian equities are now attractively valued relative to their own history while being in line with the wider ASEAN region. After a strong rebound in earnings last year, forecast earnings growth for this year is rather more lacklustre at only a mid-single digit growth rate. However, with the continuing structural improvements in the economy and the high return on equity on offer in Indonesia, there are good reasons for remaining interested in the country and we have found attractive companies to invest in. The country is emerging as a strong regional player in the global electric vehicle battery supply chain which, together with government policy support for the manufacturing sector, should position the country well for the future. The portfolio is currently overweight Indonesia.

Malaysia: Malaysia's stock market has derated and is now quite cheap relative to its own history and is also slightly cheaper than the broader ASEAN region. Although the outcome of the national elections in late 2022 were taken positively by investors, the country's political situation has already unsettled the market. At the same time, Malaysia's export-oriented stock-market is exposed to the macro slowdown underway in North America and Europe. The Malaysian market nevertheless has some defensive attributes and offers the second highest dividend yield in ASEAN after Singapore. The portfolio is currently underweight Malaysia.

Philippines: In the short term, policy makers in The Philippines are having to contend with higher inflation and interest rates have, at the time of writing, risen to a 15-year high. Credit growth has continued in the economy although in recent months the pace of that growth has eased. At the same time, these conditions have also resulted in households dipping into savings to support their consumption. It is therefore quite possible that consumption will slow in the months ahead. Reflecting these short-term challenges, the stock market has derated and is now cheap relative to its own 10-year history. From a longer-term perspective these valuations, combined with the long-term growth potential of The Philippines has increased our interest and the portfolio is currently overweight the market.

Investment Manager's Report

For the financial year ended 31 March 2023

Asean Equities (continued)

Singapore: In the near-term the outlook for the Singapore is neutral in our view. Banks, which have a large weighting in the country market index, have enjoyed good earnings growth thanks to a combination of declining loan losses and related provisioning, as well as rising net interest margins thanks to the higher interest rate environment. We believe we have now past the peak positive momentum from both sources and expect more muted growth as a result. As it is an open economy exposed to global trade cycles, we expect economic growth to be much slower in 2023 as trade will be impacted and the manufacturing sector will feel the effects of this. Nevertheless, we expect the service sector to positive contribute to growth and we believe Singapore remains well positioned for the longer term. Having significantly reduced our exposure to banks, the portfolio is currently underweight Singapore.

Thailand: One the one hand, we expect the Thai economy to be the largest ASEAN beneficiary of the resumption of travel by Chinese holidaymakers. However, the country's manufacturing sector is exposed to the slowdown underway in western economies. There is also uncertainty regarding the outcome of Thailand's general election in May. A clear, workable outcome to this is important for the market as investors will want to see political stability and have confidence that the country's policy making apparatus does not fall into some form of suspended animation. While there are several attractive companies there, overall market valuations are not that attractive relative to its own history or regional peers. Given that expected earnings growth is not superior to elsewhere, the portfolio is currently underweight Thailand.

Vietnam: While not part of the MSCI ASEAN Index, Vietnam is an interesting country for investors. With significant investment in infrastructure having already occurred and more to come amid strong foreign direct investment flows, the country has emerged as a large beneficiary of the relocation of manufacturing capacity from China, as producers seek to lower costs and manage geopolitical risk. Despite these positives, the local stock market has not been without its challenges and problems in the real estate sector have shaken the banking system, hitting profitability. Additionally, in the short term, the manufacturing sector's main export markets of Europe and North America have weakened while the important electronics sector is currently going through a downturn. Given these concerns, the stock market has sharply derated and is now trading at valuations well below historic averages, despite the long-term growth earnings potential. The portfolio has a very small positive exposure to Vietnam.

Notable positive contributors

Bank Mandiri: The share price of Indonesia's Bank Mandiri performed well during the period under review on the back of a strong recovery in profitability. The bank recently reported calendar year 2022 business results, with net profits up 47% yoy, thanks to a recovery in net interest income and fee income. The company also benefitted from improved asset quality and, as a result, reduced credit costs.

Mitra Adiperkasa: Indonesian retailer Mitra Adiperkasa ("MAPI") has delivered strong revenue growth as activity in the country recovered after the Covid lockdowns. In the fourth quarter of 2022 revenue hit a level that was over 30% above that achieved in the final quarter of 2019 (the final quarter before Covid). This positive revenue performance has been accompanied by strong earnings growth, thanks to the operating leverage inherent to its retail business model. MAPI is a well-managed company with a clear growth plan through its omni-channel retail capability and provides good exposure to Indonesia's middle / upper-middle income consumers.

Jardine Cycle & Carriage: Jardine Cycle & Carriage ("JC&C") performed well on the back of good operating and share price performance of Indonesia-listed subsidiary Astra International. The latter is an Indonesia-focused conglomerate with a market-leading exposure to the automobile sector has enjoyed strong growth in vehicle sales and improved performance in its non-auto businesses. JC&C share price at the time of purchase traded at a significant discount to the value of its underlying assets and we felt that when those businesses improved that valuation discount would close. JC&C also had attractive exposure to Vietnam via its investments in market leading dairy and auto businesses in that country. Following JC&C's strong price performance, the stock was sold from the portfolio.

Bloomberry Resorts: Philippines integrated casino resort operator Bloomberry's shares have performed well as resort and casino business activity has rebounded over the past year and as optimism has grown about the company's new resort asset, Solaire North, which is due to open in 2024.

PT Bank Negara: Shares in Indonesia's Bank Negara performed well following strong profit growth. The latter has been supported by a recovery in loan growth, good cost management, and improvement in underlying asset quality which resulted in sharply lower credit costs.

Investment Manager's Report

For the financial year ended 31 March 2023

Asean Equities (continued)

Notable negative contributors

JDelta Electronics: Delta Electronics (Thailand) was a detractor from relative performance in the period under review by virtue of it not being held by the fund during a period of strong share price performance.

Kasikornbank: Share of this Thai bank underperformed, detracting from fund returns. Loan growth was weaker than expected, however the main reason was the lingering effect of Covid on asset quality, with non-performing loans and related credit costs remaining at a high level through the year. As a result, profit performance disappointed.

Bank Central Asia: The share price of this Indonesian bank, not held by the fund, performed well over the review period. However, while this stock performed well, the share prices of the two Indonesian banks held in the portfolio performed better and more that offset the adverse impact of not owning Bank Central Asia.

TDCX, Inc.: TDCX, a customer service outsourcing business, has been a disappointing performer. While the company recently reported robust results for its fourth quarter, its outlook statement has caused the market to reset expectations for the business lower. The business environment for key end clients has deteriorated, prompting them to restructure their operations to cut costs. This means the outlook for the company over the next 12-18 months is less clear and could deteriorate further. Therefore, despite the loss of value, this stock has been sold from the portfolio.

First Gen Corp: First Gen is the third largest independent power producer in The Philippines. While the company has renewable energy exposure (geothermal and hydro), it also has significant LNG exposure and has faced supply risk over the past year which has adversely affected the stock. We believe the company has viable solutions to this, with the delivery of a new LNG terminal that should be supplying the company's LNG plants by the summer of 2023.

Investment Manager's Report

For the financial year ended 31 March 2023

Global Fixed Income

Market Review

As 2022 progressed, global inflation pressures continued to rise and far exceeded both market and central bank expectations. Price shocks, that were exacerbated by Russia's invasion of Ukraine in 1Q22, put additional pressure on food and energy prices. The reinstatement of Covid lockdowns in China added to supply-chain pressures. These collective developments pushed global government bond yields sharply higher and forced major central banks to aggressively tighten monetary policy. For instance, after starting the year only anticipating the need to raise the Federal Funds rate by 75 basis points ("bps") in 2022, the Federal Reserve ("Fed") ended up raising the target rate by a total of 425 bps; reflecting the fastest pace of rate hikes in a single year since the 1980s. The Fed also began its quantitative tightening program. The European Central Bank ("ECB") hiked the deposit facility rate by 250 bps, taking the reference rate above the zero lower bound for the first time since 2012. The ECB also ended asset purchases under the Asset Purchase Programme. In the United Kingdom ("UK"), Gilts underperformed their developed market ("DM") peers. The ill-fated "Mini Budget" at the end of September caused unprecedented volatility and sent UK Gilt yields sharply higher, in particular at longer maturities. The speed and magnitude of the selloff triggered significant collateral calls on UK pension fund liability-driven investment ("LDI") hedges and exacerbated the move, prompting emergency intervention by the Bank of England ("BoE") to maintain financial stability. The resignation of both the Chancellor and the Prime Minister helped to calm markets, with their respective successors quickly reversing many of the fiscal plans and pledging to ensure that debt would fall as a share of Gross Domestic Product ("GDP") in the medium term. In line with the majority of its DM peers, the BoE hiked the Bank Rate aggressively in an attempt to curb inflation, and began quantitative tightening. The Bank of Japan ("BoJ") surprised the markets by relaxing its yield-curve control ("YCC") target, widening the band around zero for bonds with a 10-year maturity to 50 bps (up from 25 bps). Towards the end of the year, Consumer Price Index ("CPI") data in the United States ("US"), UK and across Europe showed signs that inflation was moderating, giving policymakers some optimism. Unlike the rest of the world, the post-Covid impact on China's inflation is likely to be muted, given that the share of services in the Chinese CPI basket is much lower (versus US CPI). Additionally, Chinese food price pressures are likely to moderate from 2022's high base with improving pork supply.

The recent focus on persistent inflation, robust economic activity and continued central bank policy tightening became overshadowed in March 2023 by the onset of turmoil in the banking sector. This pushed global government bond yields lower and saw risk assets being sold off. Following the collapse of Signature Bank and Silicon Valley Bank in the US, and Credit Suisse in Europe, support from authorities across the US, Europe, UK and elsewhere helped to placate investor and consumer anxiety. Fears of contagion and of further knock-on effects from rapid monetary tightening remain however, and has led to a sharp shift in policy rate trajectories, in particular for the Fed. Away from the banking sector, economic data in the US remains resilient; inflation, retail sales, employment and Purchasing Managers' Index ("PMI") data have all proven robust and point to the need for additional policy tightening. Energy prices in Europe have stabilised somewhat, but at levels significantly lower than those seen in recent months. High levels of gas storage by historical standards and a milder-than-expected winter period has seen supply-demand pressures dissipate. While headline inflation in the eurozone has decelerated sharply, core inflation remains elevated. The developments within the banking sector have curbed monetary tightening expectations globally, but nonetheless markets are still indicating the possibility of further rate increases by the Fed, ECB and BoE.

Outlook and Strategy

In line with our expectations, global growth is downshifting and inflation is trending lower. Declining new order activity, rising inventories and improving supply chains worldwide have resulted in lower manufacturing inflation. Signs of moderating price pressures are also evident across service sectors globally. These trends, combined with the major central banks continuing to advocate for tight monetary policy, should further temper growth and inflation. In the US, ongoing rate hikes and the Fed's intent to maintain a restrictive policy stance are weighing on inflation expectations, wage growth and housing activity. That stated, our view is that the Fed is in a position to pause and that the US will avoid a recession. In Europe, the outlook is mixed as demand has improved and the labor market remains buoyant but forward-looking growth indicators point to additional softening. Meanwhile, macro conditions in the UK continue to deteriorate –deeply negative real wage growth and higher costs of living (e.g. energy and food prices) have crimped discretionary spending and pushed consumer confidence to all-time lows. The one bright spot in the global picture is China where we see broad policy accommodation (to support the reopening of its economy following the end of its zero-Covid strategy) acting as a positive growth catalyst for Asia and emerging markets ("EM") as a whole. As global growth and inflation continue to moderate, and recent concern over the stability of the

Investment Manager's Report

For the financial year ended 31 March 2023

Global Fixed Income (continued)

US and EU banking systems abates, we expect DM government bond yields to trend lower. In such an environment, we anticipate that the US dollar will weaken modestly and that EM—where central banks are at the end of their tightening cycle—will outperform. Credit markets currently offer attractive value but we acknowledge that they remain vulnerable to unanticipated shifts in macro-related sentiment, geopolitical developments and the risk of central bank overtightening.

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Franklin Templeton Martin Currie Southeast Asia Trust

Franklin Templeton Western Asset Global Bond Trust

Franklin Templeton Martin Currie Southeast Asia Trust

(formerly known as Legg Mason Martin Currie Southeast Asia Trust)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Report of the Trustee

For the financial year ended 31 March 2023

The Trustee is under a duty to take into custody and hold the assets of Franklin Templeton Martin Currie Southeast Asia Trust (formerly known as Legg Mason Martin Currie Southeast Asia Trust) (the “Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 14 to 31, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised Signatory

15 June 2023

Franklin Templeton Martin Currie Southeast Asia Trust

(formerly known as Legg Mason Martin Currie Southeast Asia Trust)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Statement by the Manager

For the financial year ended 31 March 2023

In the opinion of Templeton Asset Management Ltd (the “Manager”), the accompanying financial statements set out on pages 14 to 31, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders’ Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Franklin Templeton Martin Currie Southeast Asia Trust (formerly known as Legg Mason Martin Currie Southeast Asia Trust) (the “Fund”) as at 31 March 2023, and the financial performance and movements of unitholders’ funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet their financial obligations as and when they materialise.

For and on behalf of

TEMPLETON ASSET MANAGEMENT LTD

Director

15 June 2023

Independent Auditor's Report to the Unitholders of Franklin Templeton Martin Currie Southeast Asia Trust

(formerly known as Legg Mason Martin Currie Southeast Asia Trust)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Our Opinion

In our opinion, the accompanying financial statements of the Franklin Templeton Martin Currie Southeast Asia Trust (formerly known as Legg Mason Martin Currie Southeast Asia Trust) (the "Fund") are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 March 2023, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 31 March 2023;
- the Statement of Financial Position as at 31 March 2023;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 March 2023;
- the Statement of Portfolio as at 31 March 2023; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

The Fund's Manager (the "Manager") is responsible for the other information. The other information comprises all sections of the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report to the Unitholders of Franklin Templeton Martin Currie Southeast Asia Trust

(formerly known as Legg Mason Martin Currie Southeast Asia Trust)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Responsibilities of the Manager for the Financial Statements *(continued)*

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 15 June 2023

Statement of Total Return

For the financial year ended 31 March 2023

	Notes	2023 \$	2022 \$
Income			
Dividend income		2,072,545	2,101,041
Interest income		89	-
		<u>2,072,634</u>	<u>2,101,041</u>
Less: Expenses			
Audit fee		21,103	21,442
Custody fee	9	27,257	31,600
Management fee	9	836,719	943,877
Reimbursement of expenses by the Manager	9	(63,693)	(26,080)
Trustee fee	9	31,143	43,401
Registration fee	9	18,063	19,143
Professional fee		54,783	26,099
Valuation fee	9	20,195	21,981
Goods & services tax		9,561	6,124
Transaction cost		72,340	119,233
Other expenses		20,343	13,750
		<u>1,047,814</u>	<u>1,220,570</u>
Net gains		<u>1,024,820</u>	<u>880,471</u>
Net losses on value of investments			
Net losses on investments		(4,941,616)	(1,028,301)
Net foreign exchange losses		(59,677)	(41,910)
		<u>(5,001,293)</u>	<u>(1,070,211)</u>
Total deficit for the financial year before income tax		(3,976,473)	(189,740)
Less: Income tax	3	(143,306)	(150,258)
Total deficit for the financial year		<u>(4,119,779)</u>	<u>(339,998)</u>

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

As at 31 March 2023

	Notes	2023 \$	2022 \$
ASSETS			
Portfolio of investments		52,888,053	60,748,536
Cash and bank balances	5	686,412	948,771
Receivables	6	452,393	343,305
Sales awaiting settlement		298,796	-
Total assets		54,325,654	62,040,612
LIABILITIES			
Payables	7	180,206	479,424
Total liabilities		180,206	479,424
EQUITY			
Net assets attributable to unitholders	8	54,145,448	61,561,188

The accompanying notes form an integral part of these financial statements.

Statement of Movements of Unitholders' Funds

For the financial year ended 31 March 2023

	Notes	2023 \$	2022 \$
Net assets attributable to unitholders at the beginning of the financial year		61,561,188	67,364,203
Operations			
Change in net assets attributable to unitholders resulting from operations		(4,119,779)	(339,998)
Unitholders' contributions/(withdrawals)			
Creation of units		912,288	1,744,270
Cancellation of units		(4,208,249)	(7,207,287)
Change in net assets attributable to unitholders resulting from net cancellation of units		(3,295,961)	(5,463,017)
Total decrease in net assets attributable to unitholders		(7,415,740)	(5,803,015)
Net assets attributable to unitholders at the end of the financial year	8	54,145,448	61,561,188

The accompanying notes form an integral part of these financial statements.

Statement of Portfolio

As at 31 March 2023

	Holdings as at 31/3/2023	Fair value as at 31/3/2023 \$	Percentage of total net assets attributable to unitholders at 31/3/2023 %
<u>By Geography (Primary)</u>			
Quoted Equities			
Hong Kong			
Jardine Matheson Holdings Limited	8,342	538,695	1.00
		538,695	1.00
Indonesia			
Aneka Tambang Tbk	4,301,100	797,074	1.48
Pakuwon Jati Tbk	26,881,500	1,082,135	2.00
PT Bank Mandiri Tbk	3,468,000	3,174,986	5.86
PT Bank Negara Indonesia Tbk	2,809,500	2,329,235	4.30
PT Indofood CBP Sukses Makmur Tbk	1,624,300	1,436,653	2.65
PT Mitra Adiperkasa Tbk	6,256,600	837,699	1.55
PT Telekomunikasi Indonesia Tbk	5,247,300	1,889,011	3.49
		11,546,793	21.33
Malaysia			
Bermaz Auto Berhad	1,285,900	895,033	1.65
CIMB Group Holdings Berhad	1,073,200	1,717,098	3.17
RHB Bank Berhad	801,000	1,346,749	2.49
SKP Resources Berhad	2,311,600	870,648	1.61
		4,829,528	8.92
Philippines			
ACEN Corporation	167,730	25,104	0.05
Ayala Corporation	81,720	1,299,053	2.40
BDO Unibank Inc	633,902	1,992,097	3.68
Bloomerry Resorts Corporation	5,068,000	1,214,641	2.24
Century Pacific Food Inc	1,863,200	1,177,891	2.17
First Gen Corporation	2,105,200	854,647	1.58
		6,563,433	12.12
Singapore			
AEM Holdings Limited	201,900	642,042	1.19
Capitaland Investment Limited	383,200	1,410,176	2.60
DBS Group Holdings Limited	31,700	1,046,100	1.93
Genting Singapore Limited	880,100	985,712	1.82
Oversea-Chinese Banking Corporation Limited	332,297	4,110,514	7.59
Singapore Technologies Engineering Limited	336,500	1,231,590	2.28
Singapore Telecommunications Limited	862,900	2,122,734	3.92
TDCX Inc	38,361	453,925	0.84

The accompanying notes form an integral part of these financial statements.

Statement of Portfolio (continued)

As at 31 March 2023

	Holdings as at 31/3/2023	Fair value as at 31/3/2023 \$	Percentage of total net assets attributable to unitholders at 31/3/2023 %
By Geography (Primary) (continued)			
Quoted Equities (continued)			
Singapore (continued)			
United Overseas Bank Limited	109,587	3,261,309	6.02
Venture Corporation Limited	48,500	856,995	1.58
		16,121,097	29.77
Taiwan			
Sea Limited	30,043	3,457,125	6.38
		3,457,125	6.38
Thailand			
Bangkok Bank Public Company Limited	226,800	1,335,973	2.47
Bangkok Expressway & Metro Public Company Limited	2,428,600	835,683	1.54
Central Pattana Public Limited Company	489,100	1,307,412	2.42
i-Tail Corporation Public Company Limited	639,600	586,898	1.08
Kasikornbank Public Limited Company	269,400	1,387,891	2.56
MK Restaurant Group Public Company Limited	260,600	519,290	0.96
Sabina Public Company Limited	858,000	900,727	1.66
Srinanaporn Marketing Public Company Limited	612,800	583,750	1.08
Supalai Public Company Limited	1,172,600	1,012,150	1.87
Thai Beverage Public Company Limited	1,168,200	735,966	1.36
		9,205,740	17.00
Vietnam			
Vietnam Technological and Commercial Joint Stock Bank	389,500	625,642	1.16
		625,642	1.16
Total quoted equities		52,888,053	97.68
Portfolio of investments		52,888,053	97.68
Other net assets		1,257,395	2.32
Net assets attributable to unitholders		54,145,448	100.00

The accompanying notes form an integral part of these financial statements.

Statement of Portfolio (continued)

As at 31 March 2023

	Percentage of total net assets attributable to unitholders at 31/3/2023 %	Percentage of total net assets attributable to unitholders at 31/3/2022 %
By Geography (Summary)		
Quoted Equities		
Hong Kong	1.00	-
Indonesia	21.33	20.68
Malaysia	8.92	13.19
Philippines	12.12	10.95
Singapore	29.77	31.46
Taiwan	6.38	6.13
Thailand	17.00	16.27
Vietnam	1.16	-
	97.68	98.68
Portfolio of investments	97.68	98.68
Other net assets	2.32	1.32
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements.

Statement of Portfolio (continued)

As at 31 March 2023

	Fair value as at 31/3/2023 \$	Percentage of total net assets attributable to unitholders at 31/3/2023 %	Percentage of total net assets attributable to unitholders at 31/3/2022 %
By Industry (Secondary)			
Apparel	900,727	1.66	-
Automotive	-	-	2.33
Bank	22,327,594	41.24	35.60
Chemical	-	-	1.82
Computer / Software	3,457,125	6.38	6.13
Diversified	538,695	1.00	-
E-commerce	-	-	0.65
Electronic	2,369,685	4.38	4.53
Entertainment	2,200,353	4.06	1.29
Foods and beverage	4,521,158	8.35	4.05
Hotel	519,290	0.96	2.88
Investment	-	-	1.40
Media	-	-	1.03
Metals	797,074	1.47	1.61
Miscellaneous	1,348,958	2.49	2.89
Oil and gas	-	-	5.06
Real estate and development	6,110,926	11.29	8.40
Retail	837,699	1.55	5.10
Rubber	-	-	0.86
Telecommunication	4,011,745	7.41	9.63
Transport	2,067,273	3.82	2.27
Utilities	879,751	1.62	1.15
Portfolio of investments	52,888,053	97.68	98.68
Other net assets	1,257,395	2.32	1.32
Net assets attributable to unitholders	54,145,448	100.00	100.00

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 March 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Franklin Templeton Martin Currie Southeast Asia Trust (formerly known as Legg Mason Martin Currie Southeast Asia Trust) (the “Fund”) is an open-ended unit trust constituted pursuant to the Trust Deed dated 14 January 1998, as amended by various Supplemental Deeds and Amending and Restating Deeds. The Trust Deed, Supplemental Deeds and Amending and Restating Deeds are governed in accordance with the laws of the Republic of Singapore. The Trustee of the Fund is HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The managers and sub-manager of the Fund are Templeton Asset Management Ltd (the “Manager”) and Martin Currie Investment Management Limited (the “Sub-Manager”) respectively.

The investment objective of the Fund is to achieve medium to long-term capital appreciation by investing at least 70% of the Fund in securities issued by companies that are incorporated, domiciled or listed, or have a significant economic interest, in South and South-East Asia countries.

The Fund is included under the Central Provident Fund Investment Scheme.

On 1 January 2023, Legg Mason Asset Management Singapore Pte. Limited (“LMAMS”), the previous managers of the Fund, had amalgamated with Templeton Asset Management Ltd (“TAML”) pursuant to Section 215D(2) of the Companies Act 1967 of Singapore (the “Amalgamation”), with TAML being the surviving entity from the amalgamation (the “Amalgamated Company”). As part of the Amalgamation, the business of LMAMS was transferred to and has vested in the Amalgamated Company by operation of law. TAML is, like LMAMS, a wholly-owned subsidiary of Franklin Resources, Inc.

With effect from 1 January 2023, Legg Mason Asset Management Singapore Pte. Limited retired as the managers of the Fund in favour of Templeton Asset Management Ltd which were appointed as the new managers of the Fund. Following the Amalgamation, the name of the Fund was changed as follows:

Name prior to 1 January 2023

Legg Mason Martin Currie Southeast Asia Trust

New name with effect from 1 January 2023

Franklin Templeton Martin Currie Southeast Asia Trust

The Fund is single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switching in and out of the Fund. This is known as “dilution”. In order to counter this and to protect unitholders’ interests, with effect from 1 September 2020, the Manager applied “dilution adjustment” as part of its daily valuation policy. In certain circumstances, the Manager (if in its opinion in good faith it is in the interest of unitholders to do so) makes adjustments in the calculations of the net asset value per unit, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

The dilution adjustment depends upon the net value of subscriptions, switching and redemptions received by the Fund for each dealing day. The Manager therefore reserved the right to make a dilution adjustment where the Fund experiences a net cash movement which exceeds a threshold of the previous dealing day’s total net asset value.

Any dilution adjustment as at the last dealing day of the financial year end will be disclosed under units in issue. During the year ended 31 March 2023, the Fund did not reach the swing threshold and no swing pricing has been applied.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” (“RAP 7”) issued by the Institute of Singapore Chartered Accountants in July 2020 for the financial year beginning on or after 1 July 2020.

The adoption of the revised RAP 7 did not result in substantial changes to the accounting policies of the Fund and had no material effect of the amounts reported for the current or prior years.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

2. Significant accounting policies (continued)

(b) Income recognition

Dividend income is recognised when the right to receive payment is established.

Interest income on deposits is recognised on a time proportion basis using the effective interest rate method.

(c) Foreign currencies

(i) Functional and presentation currency

The Fund's investors are mainly from Singapore with the subscriptions and redemptions of the units denominated in Singapore Dollar.

The performance of the Fund is measured and reported to the investors in Singapore Dollar. The Manager considers the Singapore Dollar as the currency which most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's functional and presentation currency is the Singapore Dollar.

(ii) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore Dollar at the rates of exchange prevailing at the date of Statement of Financial Position. Foreign currency transactions during the financial year are converted into Singapore Dollar at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at reporting date are taken to the Statement of Total Return.

(d) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the year which they arise. The resultant unrealised gains and losses are taken to the Statement of Total Return.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and taken up in the Statement of Total Return.

(e) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for investments held by the Fund is the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

2. Significant accounting policies (continued)

(f) Financial derivatives

Financial derivatives are entered into for the purposes of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provisions of the Trust Deed.

Financial derivative outstanding as at the end of the financial year are measured at their fair values using the marked-to-market method, and the resultant gains and losses are taken up in the Statement of Total Return.

(g) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(h) Sales and purchases awaiting settlement

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Financial Position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(i) Cash and bank balances

Cash and bank balances comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

(j) Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(k) Distributions

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account to be paid on the distribution date. The amount shall not be treated as part of the property of the Fund. Distributions are accrued for at the point in time when the necessary approvals have been obtained and a legal or constructive obligation has been created.

(l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

3. Income tax

	2023 \$	2022 \$
Singapore income tax	3,638	9,284
Overseas income tax	139,668	140,974
	143,306	150,258

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

3. Income tax (continued)

- (a) The Fund was granted the status of a Designated Unit Trust ("DUT") in Singapore. The Trustee of the Fund ensures that the Fund fulfils its reporting obligations under the DUT Scheme.

Under the DUT Scheme, certain income of the DUT Fund is not taxable in accordance with Sections 35(12) and 35(12A) of the Income Tax Act 1947. Such income includes:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
 - (ii) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act 1947);
 - (iii) dividends derived from outside Singapore and received in Singapore;
 - (iv) gains or profits derived from foreign exchange transactions, transactions in futures contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index;
 - (v) discount, prepayment fee, redemption premium and break cost from qualifying debt securities issued during the prescribed period; and
 - (vi) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.
- (b) The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The overseas income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore.

The Fund invests in securities issued by entities which are domiciled in foreign countries. Many of these foreign countries have tax laws which indicate that taxes on gains on disposal of investments may be applicable to non-residents, such as the Fund. Typically, these capital gains taxes are required to be determined on a self assessment basis and, therefore, such taxes may not be deducted by the Fund's brokers on a "withholding" basis.

The Fund is required to recognise a tax liability when it is probable that the tax laws of foreign countries require a tax liability to be assessed on the Fund's gains on investments sourced from such foreign countries, assuming the relevant taxing authorities have full knowledge of all the facts and circumstances. The tax liability is then measured at the amount expected to be paid to the relevant taxation authorities using the tax laws and rates that have been enacted or substantively enacted by the end of the reporting period. There is sometimes uncertainty about the way enacted tax law is applied to offshore investment funds. This creates uncertainty about whether or not a tax liability will ultimately be paid by the Fund. Therefore, when measuring any uncertain tax liabilities, management considers all of the relevant facts and circumstances available at the time which could influence the likelihood of payment, including any formal or informal practices of the relevant tax authorities.

As at 31 March 2023 and 2022, the Fund does not have any uncertain tax exposure with respect to gains on investments. This represents the Manager's best estimate based on the information currently made available.

4. Distribution to unitholders

The Manager has not proposed any distribution to unitholders for the financial year ended 31 March 2023 (2022: Nil).

5. Cash and bank balances

	2023 \$	2022 \$
Held with a related company of the Trustee:		
- Cash and bank balances	686,412	948,771

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

6. Receivables

	2023 \$	2022 \$
Amount due from unitholders on subscriptions	13,604	6,164
Dividends receivable	360,507	311,061
Other receivables	78,282	26,080
	452,393	343,305

7. Payables

	2023 \$	2022 \$
Amount due to unitholders on redemptions	57,392	342,904
Accrued management fee	67,491	76,630
Accrued trustee fee	2,462	3,533
Amount due to the Manager	4	4
Other payables and accruals	52,857	56,353
	180,206	479,424

8. Units in issue

During the financial year ended 31 March 2023 and 2022, the number of units issued, redeemed and outstanding were as follows:

	2023	2022
Units at beginning of the financial year	38,962,577	42,472,759
Units created	615,276	1,121,738
Units cancelled	(2,851,959)	(4,631,920)
Units at end of the financial year	36,725,894	38,962,577
Net assets attributable to unitholders (\$)	54,145,448	61,561,188
Net asset value per unit (\$)	1.474	1.580

A reconciliation of the net asset value as reported in the Statement of Financial Position to the net asset as determined for the purpose of processing unit subscription and redemption is provided below:

	2023 \$	2022 \$
Net assets attributable to unitholders per financial statements per unit	1.474	1.580
Effect of adjustment on accrued expenses	-	(0.001)
Net assets attributable to unitholders for issuing/redeeming per unit	1.474	1.579

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

9. Related party transactions

The Manager of the Fund is Templeton Asset Management Ltd, the Trustee is HSBC Institutional Trust Services (Singapore) Limited and the Custodian is The Hongkong and Shanghai Banking Corporation Limited. The management fee, trustee fee, custody fee, registration fee and valuation fee paid or payable by the Fund are related party transactions and are shown in the Statement of Total Return. During the financial year ended 31 March 2023, the Manager has at its own discretion, chosen to absorb certain expenses of the Fund.

Except for the related party information disclosed elsewhere in the financial statements, no other significant transactions took place during the financial year between the Fund and related parties.

10. Financial risk management

The Fund's activities expose it to a variety of market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management policy seeks to minimise potential adverse effects of such risks on the Fund's financial performance. The Fund may use futures, options and/or currency forward contracts subject to the terms of the Trust Deed to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries and/or countries are in place for the Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

The Fund's assets principally consist of financial instruments such as equity investments and cash. They are held in accordance with the published investment policies of the Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve their investment objectives.

The following is a summary of the main risks and risk management policies:

(a) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investor's expectation etc. which may have significant impact on the value of the investments. The Fund's investments are substantially dependent on changes in market prices. The Fund's investments are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the net asset value of the Fund. Guidelines are set to reduce the Fund's risk exposures to market volatility such as diversifying the portfolio by investing across various geographies and industries, and alternatively, the Fund may be hedged using derivative strategies.

The Fund's market risk is affected primarily by changes in three components; changes in actual market prices, interest rate volatility and foreign exchange movements.

(i) Price risk

Price risk primarily results from exposure to volatility of equity prices. The Fund achieves medium to long-term capital appreciation by investing at least 70% of the Fund in securities issued by companies that are incorporated, domiciled or listed, or have a significant economic interest, in South and South-East Asia countries. The Manager is of the view that the price risk the Fund is subject to is best reflected by movements in its benchmark of MSCI AC ASEAN Index.

The table below summarises the impact of increases/decreases from the Fund's underlying investments in equities on the Fund's net assets attributable to unitholders at 31 March 2023 and 2022. The analysis is based on the assumption that the index components within the benchmark increased/decreased by a reasonable possible shift, with all other variables held constant and that the fair value of Fund's investments moved according to the historical correlation with the index. The Manager has used their view of what would be a "reasonable possible shift" to estimate the change in market sensitivity analysis below. However, this does not represent a prediction of the future movement in the corresponding key markets.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

10. Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

Benchmark Component	Benchmark increase / decrease by 10% Impact on net assets attributable to unitholders*	
	2023 \$'000	2022 \$'000
MSCI AC ASEAN INDEX	± 5,500	± 6,324

* NAV change which is calculated by multiplying the correlation ratio (1-year beta) of the Fund to the benchmark's "reasonable possible shift".

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Investment funds that invest in equity securities may be subject to interest rate risk as any interest rate change may affect the equity risk premium though at varying degrees. To manage this risk, the Manager analyses how interest rate change may affect different industries and securities and then seeks to adjust the Fund's portfolio investment accordingly.

However, the effects of changes in interest rates on the Fund's portfolio may not be quantified as the relationship between the interest rates and the value of equity securities is indirect. Hence, no sensitive analysis has been presented separately.

(iii) Currency risk

The Fund holds monetary financial assets/liabilities denominated in currencies other than the Singapore Dollar and the Fund may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore Dollar and such other currencies. The Fund may enter into foreign currency contracts designed to either hedge some or all of this exposure, or alternatively increase exposure to preferred foreign currencies.

The tables below summarise the exposure to currency risks for the Fund:

As at 31 March 2023

	IDR \$	MYR \$	PHP \$	SGD \$	THB \$	USD \$	VND \$	Total \$
Assets								
Portfolio of investments	11,546,793	4,829,528	6,563,433	16,403,138	8,469,774	4,449,745	625,642	52,888,053
Cash and bank balances	-	1	-	686,172	-	239	-	686,412
Receivables	208,497	42,038	22,390	91,886	69,836	17,746	-	452,393
Sales awaiting settlement	-	-	-	-	-	298,796	-	298,796
Total assets	11,755,290	4,871,567	6,585,823	17,181,196	8,539,610	4,766,526	625,642	54,325,654
Liabilities								
Payables	-	-	-	174,161	-	6,045	-	180,206
Total liabilities	-	-	-	174,161	-	6,045	-	180,206
Net currency exposure	11,755,290	4,871,567	6,585,823	17,007,035	8,539,610	4,760,481	625,642	

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

10. Financial risk management (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

As at 31 March 2022

	IDR \$	MYR \$	PHP \$	SGD \$	THB \$	USD \$	Total \$
Assets							
Portfolio of investments	12,733,112	8,116,240	6,740,622	19,480,664	9,032,649	4,645,249	60,748,536
Cash and bank balances	-	1	-	948,770	-	-	948,771
Receivables	127,978	97,786	14,570	32,244	70,727	-	343,305
Total assets	12,861,090	8,214,027	6,755,192	20,461,678	9,103,376	4,645,249	62,040,612
Liabilities							
Payables	-	-	-	475,242	-	4,182	479,424
Total liabilities	-	-	-	475,242	-	4,182	479,424
Net currency exposure	12,861,090	8,214,027	6,755,192	19,986,436	9,103,376	4,641,067	

Portfolio of investments, which is a significant item in the Statement of Financial Position is exposed to currency risk and price risk. The Manager has considered the impact of currency risk sensitivity on non-monetary assets as part of the price risk sensitivity analysis.

As of 31 March 2023 and 2022, the Fund does not hold substantial monetary assets/liabilities. Changes in foreign exchange rates on monetary assets/liabilities will not result in a significant change in the net asset value of the Fund. Hence, no separate sensitivity analysis on foreign currency risk has been presented.

(b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in settling a liability, including redemption requests.

The Fund is exposed to daily cash redemption of units in the Fund. The Fund invests the majority of its assets in investments that are traded in active markets and can be readily disposed of. Investments which are neither listed nor quoted are restricted to a maximum of 10% of the net asset value (depends on actual circumstances).

In accordance with the Fund's policies, the Manager monitors the Fund's liquidity position on a daily basis, and a risk oversight committee reviews them on a regular basis. The Manager also has the option to limit redemption orders to 10% of the net asset value, with the approval of the Trustee. In this event, the limitation will apply pro-rata so that all unitholders of the relevant class or classes wishing to redeem units in that Fund on that dealing day will redeem the same proportion by value of such units, and units not redeemed will be carried forward for redemption, subject to the same limitation, on the next dealing day. In addition, the fund has an unsecured credit facility as disclosed in Note 11.

The Fund may, from time to time, invest in currency forward contracts traded over the counter, which are not traded in an organised market and may be illiquid.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

10. Financial risk management (continued)

(b) Liquidity risk (continued)

The tables below analyse the Fund's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at 31 March 2023	Less than 3 months \$
Liabilities	
Payables	180,206
As at 31 March 2022	
Liabilities	
Payables	479,424

(c) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved,
- ensuring that transactions are undertaken with a large number of counterparties, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Credit risk also arises from cash and cash equivalents held with financial institutions. The Fund may also enter into derivatives to manage its exposures to currency risk and price risk, including foreign exchange forward contracts and options. Hence, the Fund is also exposed to the risk that its derivatives held with counterparties may not be recoverable in the event of any default by the parties concerned. The Manager minimise the Fund's credit risk by undertaking transactions with banks that are part of a banking group with good credit ratings assigned by international credit rating agencies.

For purposes of impairment assessment, the Fund's assets which are measured at amortised cost are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL"). The ECL for these assets as at the end of the reporting period is not significant.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

10. Financial risk management (continued)

(c) Credit risk (continued)

The tables below summarise the credit rating of banks and custodians in which the Fund's assets are held as at 31 March 2023 and 2022.

As at 31 March 2023	Credit Rating	Source of Credit Rating
<u>Custodian</u>		
The Hongkong and Shanghai Banking Corporation Limited	Aa3	Moody's
<u>Bank</u>		
The Hongkong and Shanghai Banking Corporation Limited	Aa3	Moody's
As at 31 March 2022		
<u>Custodian</u>		
The Hongkong and Shanghai Banking Corporation Limited	Aa3	Moody's
<u>Bank</u>		
The Hongkong and Shanghai Banking Corporation Limited	Aa3	Moody's

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit ratings are based on the Long-term Issuer Ratings published by the rating agency.

(d) Capital management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions of unitholders in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions. In addition, the Manager also has the option to limit redemptions with the approval of the Trustee, as disclosed in Note 10(b).

(e) Fair value estimation

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 31 March 2023 and 2022:

As at 31 March 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Portfolio of investments				
- Quoted equities	52,888,053	-	-	52,888,053

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

10. Financial risk management (continued)

(e) Fair value estimation (continued)

As at 31 March 2022	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Portfolio of Investments				
- Quoted equities	60,748,536	-	-	60,748,536
- Unquoted equity	-	-	-#	-
Total	60,748,536	-	-	60,748,536

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, comprise listed equities. The Fund does not adjust the quoted price for these instruments.

As at 31 March 2023, the Fund does not have investments classified within Level 3.

Investments classified within Level 3 have significant unobservable inputs as there are no readily available quoted market prices. As at 31 March 2022, the investments classified as Level 3 consists of 1 equity security which is unlisted on the relevant exchange. The fair value of the security has been valued at nil. Given the lack of information and prolonged suspension, the Manager has written down the fair value of this security to nil value since 31 March 2018.

The assets and liabilities included in the Statement of Financial Position except Portfolio of Investments are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

There were no transfers between levels for the year ended 31 March 2023 and 2022.

11. Credit facility

The Fund has a credit facility with The Hongkong and Shanghai Banking Corporation Limited as at 31 March 2023 and 2022.

	2023	2022
	\$	\$
<u>Facility</u>		
Overdraft	5 million	5 million

The above credit facility is unsecured and is not utilised at year end.

12. Financial ratios

	2023	2022
	%	%
Expense ratio ¹	1.75	1.75
Portfolio turnover ratio ²	33.37	47.26

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 31 March 2023 was based on total operating expenses of \$975,474 (2022: \$1,101,306) divided by the average net asset value of \$55,741,356 (2022: \$62,931,793) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, being purchases of \$18,603,521 (2022: purchases of \$29,741,443) divided by the average daily net asset value of \$55,741,356 (2022: \$62,931,793).

Report to Unitholders

For the financial year ended 31 March 2023

Investment Allocation as at 31 March 2023

By Country	Market Value \$	% of NAV
Hong Kong	538,695	1.00
Indonesia	11,546,793	21.33
Malaysia	4,829,528	8.92
Philippines	6,563,433	12.12
Singapore	16,121,097	29.77
Taiwan	3,457,125	6.38
Thailand	9,205,740	17.00
Vietnam	625,642	1.16
Portfolio of investments	52,888,053	97.68
Other net assets	1,257,395	2.32
Total	54,145,448	100.00

By Industry	Market Value \$	% of NAV
Apparel	900,727	1.66
Bank	22,327,594	41.24
Computer / Software	3,457,125	6.38
Diversified	538,695	1.00
Electronic	2,369,685	4.38
Entertainment	2,200,353	4.06
Foods and beverage	4,521,158	8.35
Hotel	519,290	0.96
Metals	797,074	1.47
Miscellaneous	1,348,958	2.49
Real estate and development	6,110,926	11.29
Retail	837,699	1.55
Telecommunication	4,011,745	7.41
Transport	2,067,273	3.82
Utilities	879,751	1.62
Portfolio of investments	52,888,053	97.68
Other net assets	1,257,395	2.32
Total	54,145,448	100.00

Report to Unitholders (continued)

For the financial year ended 31 March 2023

By Asset Class	Market Value \$	% of NAV
Equity securities	52,888,053	97.68
Portfolio of investments	52,888,053	97.68
Other net assets	1,257,395	2.32
Total	54,145,448	100.00

Top 10 Holdings

Holdings as at 31 March 2023	Market Value \$	% of NAV
Oversea-Chinese Banking Corporation Limited	4,110,514	7.59
Sea Limited	3,457,125	6.38
United Overseas Bank Limited	3,261,309	6.02
PT Bank Mandiri Tbk	3,174,986	5.86
PT Bank Negara Indonesia Tbk	2,329,235	4.30
Singapore Telecommunications Limited	2,122,734	3.92
BDO Unibank Inc	1,992,097	3.68
PT Telekomunikasi Indonesia Tbk	1,889,011	3.49
CIMB Group Holdings Berhad	1,717,098	3.17
PT Indofood CBP Sukses Makmur Tbk	1,436,653	2.65

Holdings as at 31 March 2022	Market Value \$	% of NAV
Oversea-Chinese Banking Corporation Limited	4,576,849	7.43
United Overseas Bank Limited	4,389,526	7.13
Sea Limited	3,773,940	6.13
Kasikornbank Public Limited Company	2,910,050	4.73
PT Bank Mandiri Tbk	2,581,584	4.19
Singapore Telecommunications Limited	2,551,560	4.14
PT Telekomunikasi Indonesia Tbk	2,518,178	4.09
PT Bank Negara Indonesia Tbk	2,375,443	3.86
DBS Group Holdings Limited	2,038,727	3.31
Malayan Banking Berhad	1,891,058	3.07

Exposure to Derivatives

Nil as at 31 March 2023.

Global Exposure

The global exposure relating to derivative instruments is calculated using the commitment approach by converting the derivative positions into equivalent positions in the underlying assets embedded in those derivatives.

The global exposure of the Fund to financial derivative instruments or embedded financial derivative instruments will not exceed 100% of the net asset value of the Fund at any time.

Report to Unitholders (continued)

For the financial year ended 31 March 2023

Collateral

Nil as at 31 March 2023.

Securities Lending or Repurchase Transactions

Nil as at 31 March 2023.

Investment in Other Unit Trust, Mutual Funds and Collective Investment Schemes

Nil as at 31 March 2023.

Borrowings

Nil as at 31 March 2023.

Amount of Redemptions and Subscriptions

For the period 1 April 2022 to 31 March 2023

	\$
Subscriptions	912,288
Redemptions	4,208,249

Related Party Transactions

For the period 1 April 2022 to 31 March 2023

Refer to Note 9 of the "Notes to the Financial Statements".

Performance

	Franklin Templeton Martin Currie Southeast Asia Trust - Class A (SGD) Accumulating*	Benchmark
3-months	+1.80%	+2.07%
6-months	+2.36%	+4.83%
1-year	-6.65%	-5.58%
3-years	+6.30%	+7.59%
5-years	-4.18%	-1.63%
10-years	-4.25%	+0.69%
Since inception	+4.62%	+3.73%

* NAV-NAV basis, with net income and dividends reinvested, if any (SGD terms). Annualised for periods over one year.

Benchmark : MSCI AC Asean Index. With effect from January 2017, the benchmark was rebranded from MSCI Southeast Asia to MSCI AC Asean Index. Prior to 1 October 2013, the benchmark was MSCI AC Far East ex Japan, ex China, ex Hong Kong, exTaiwan, ex Korea (S\$).

The inception date was 2 March 1998

Source: Franklin Templeton. Templeton Asset Management Ltd is an indirect wholly-owned subsidiary of Franklin Resources, Inc.

Report to Unitholders (continued)

For the financial year ended 31 March 2023

Expense Ratio

For the period 1 April 2022 to 31 March 2023	1.75%
For the period 1 April 2021 to 31 March 2022	1.75%

The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 31 March 2023 was based on total operating expenses of \$975,474 (2022: \$1,101,306) divided by the average net asset value of \$55,741,356 (2022: \$62,931,793) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

Turnover Ratio

For the period 1 April 2022 to 31 March 2023	33.37%
For the period 1 April 2021 to 31 March 2022	47.26%

The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, being purchases of \$18,603,521 (2022: purchases of \$29,741,443) divided by the average daily net asset value of \$55,741,356 (2022: \$62,931,793).

Other Material Information

There are no other material information that will adversely impact the valuation of the Fund.

Soft Dollar Commissions/Arrangements

The Manager currently does not but shall be entitled to receive and enter into soft-dollar commissions/arrangements in respect of the Trust. The Sub-Manager currently does not receive or enter into soft-dollar commissions/arrangements in respect of the Trust. The Manager and Sub-Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial service in relation to the investments managed for clients.

Soft-dollar commissions received shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

The Manager will not accept or enter into soft dollar commissions/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist it in its management of the Trust, provided that it shall ensure at all times that best execution is carried out for the transactions, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Detail of Underlying Funds

The Fund does not invest more than 30% of its NAV in another scheme.

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Legg Mason Martin Currie Southeast Asia Trust

Legg Mason Western Asset Global Bond Trust

Franklin Templeton Western Asset Global Bond Trust

(formerly known as Legg Mason Western Asset Global Bond Trust)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Report of the Trustee

For the financial year ended 31 March 2023

The Trustee is under a duty to take into custody and hold the assets of Franklin Templeton Western Asset Global Bond Trust (formerly known as Legg Mason Western Asset Global Bond Trust) (the “Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 42 to 65, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised Signatory

15 June 2023

Franklin Templeton Western Asset Global Bond Trust

(formerly known as Legg Mason Western Asset Global Bond Trust)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Statement by the Manager

For the financial year ended 31 March 2023

In the opinion of Templeton Asset Management Ltd (the “Manager”), the accompanying financial statements set out on pages 42 to 65, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders’ Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Franklin Templeton Western Asset Global Bond Trust (formerly known as Legg Mason Western Asset Global Bond Trust) (the “Fund”) as at 31 March 2023, and the financial performance and movements in unitholders’ funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet their financial obligations as and when they materialise.

For and on behalf of

TEMPLETON ASSET MANAGEMENT LTD

Director

15 June 2023

Independent Auditor's Report to the Unitholders of Franklin Templeton Western Asset Global Bond Trust

(formerly known as Legg Mason Western Asset Global Bond Trust)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Our Opinion

In our opinion, the accompanying financial statements of the Franklin Templeton Western Asset Global Bond Trust (formerly known as Legg Mason Western Asset Global Bond Trust) (the "Fund") are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 March 2023, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 31 March 2023;
- the Statement of Financial Position as at 31 March 2023;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 March 2023;
- the Statement of Portfolio as at 31 March 2023; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

The Fund's Manager (the "Manager") is responsible for the other information. The other information comprises all sections of the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report to the Unitholders of Franklin Templeton Western Asset Global Bond Trust

(formerly known as Legg Mason Western Asset Global Bond Trust)

(Constituted under a Trust Deed registered in the Republic of Singapore)

Responsibilities of the Manager for the Financial Statements *(continued)*

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

Manager's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 15 June 2023

Statement of Total Return

For the financial year ended 31 March 2023

	Notes	2023 \$	2022 \$
Income			
Interest income		47,362	15
Less: Expenses			
Audit fee		22,855	21,953
Custody fee	11	42,142	46,025
Management fee	11	2,080,371	2,476,298
Trustee fee	11	141,191	167,587
Registration fee	11	25,409	27,764
Printing fee		10,651	4,551
Professional fee		41,375	11,725
Valuation fee	11	75,596	88,793
Goods & services tax		20,768	20,031
Transaction cost		23,301	28,118
Other expenses		37,984	47,748
		2,521,643	2,940,593
Net losses		(2,474,281)	(2,940,578)
Net gains or losses on value of investments and financial derivatives			
Net losses on investments		(23,452,157)	(14,729,682)
Net gains on forward foreign exchange contracts		6,945,363	4,977,342
Net losses on future contracts		(5,603,234)	(2,574,435)
Net gains on options		241,230	101,985
Net foreign exchange losses		(53,504)	(314,428)
		(21,922,302)	(12,539,218)
Total deficit for the financial year before income tax		(24,396,583)	(15,479,796)
Less: Income tax	3	(64)	-
Total deficit for the financial year		(24,396,647)	(15,479,796)

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

As at 31 March 2023

	Notes	2023 \$	2022 \$
ASSETS			
Portfolio of investments		263,339,648	274,867,253
Cash and bank balances	5	19,393,086	16,515,923
Margin accounts	6	4,720,556	7,034,218
Receivables	7	742,313	3,112,581
Fair value of financial derivatives	8	3,022,174	4,468,805
Total assets		291,217,777	305,998,780
LIABILITIES			
Fair value of financial derivatives	8	3,365,844	6,586,014
Payables	9	1,316,870	1,070,175
Total liabilities		4,682,714	7,656,189
EQUITY			
Net assets attributable to unitholders	10	286,535,063	298,342,591

The accompanying notes form an integral part of these financial statements.

Statement of Movements of Unitholders' Funds

For the financial year ended 31 March 2023

	Notes	2023 \$	2022 \$
Net assets attributable to unitholders at the beginning of the financial year		298,342,591	346,983,624
Operations			
Change in net assets attributable to unitholders resulting from operations		(24,396,647)	(15,479,796)
Unitholders' contributions/(withdrawals)			
Creation of units		72,613,610	104,060,620
Cancellation of units		(60,024,491)	(137,221,857)
Change in net assets attributable to unitholders resulting from net creation or cancellation of units		12,589,119	(33,161,237)
Total decrease in net assets attributable to unitholders		(11,807,528)	(48,641,033)
Net assets attributable to unitholders at the end of the financial year	10	286,535,063	298,342,591

The accompanying notes form an integral part of these financial statements.

Statement of Portfolio

As at 31 March 2023

	Holdings as at 31/3/2023	Fair value as at 31/3/2023 \$	Percentage of total net assets attributable to unitholders at 31/3/2023 %
By Geography (Primary)			
Quoted Bonds			
Belgium			
Kingdom of Belgium Government Bond 0.8% 22/06/2027	10,000	13,404	—*
Kingdom of Belgium Government Bond 1.7% 02/06/2050	1,080,000	1,120,747	0.39
Kingdom of Belgium Government Bond 3.75% 22/06/2045	1,180,000	1,827,051	0.64
		2,961,202	1.03
Canada			
Government of Canada 2% 01/12/2051	880,000	692,060	0.24
Government of Canada 2.25% 01/06/2025	2,040,000	1,951,356	0.68
Government of Canada Series WL43 5.75% 01/06/2029	500,000	568,909	0.20
		3,212,325	1.12
China			
Government of China 2.37% 20/01/2027	13,100,000	2,512,814	0.88
Government of China 2.44% 15/10/2027	26,000,000	4,986,138	1.74
Government of China 2.75% 17/02/2032	10,000,000	1,918,736	0.67
Government of China 3.53% 18/10/2051	4,600,000	936,517	0.32
		10,354,205	3.61
France			
Government of France 1.5% 25/05/2050	3,830,000	3,883,465	1.36
Unedic Asseo 1.25% 25/05/2033	3,800,000	4,638,530	1.62
		8,521,995	2.98
Germany			
Bundesrepublik Deutschland (BR) 0.5% 15/08/2027	14,140,000	18,922,205	6.60
Bundesrepublik Deutschland (BR) 1.7% 15/08/2032	2,310,000	3,188,652	1.12
Bundesrepublik Deutschland (BR) 1.75% 15/02/2024	12,730,000	18,208,515	6.35
		40,319,372	14.07
Great Britain			
UK (Gilt) 0.125% 22/03/2068	280,000	443,641	0.15
UK Treasury 1.625% 22/10/2028	1,390,000	2,088,994	0.73
UK Treasury 2.5% 22/07/2065	1,340,000	1,656,030	0.58
UK Treasury 3.25% 22/01/2044	840,000	1,256,683	0.44
UK Treasury 4.25% 07/12/2040	2,120,000	3,671,046	1.28
UK Treasury 4.75% 07/12/2030	590,000	1,063,074	0.37
		10,179,468	3.55

* denotes less than 0.01%

The accompanying notes form an integral part of these financial statements.

Statement of Portfolio (continued)

As at 31 March 2023

	Holdings as at 31/3/2023	Fair value as at 31/3/2023 \$	Percentage of total net assets attributable to unitholders at 31/3/2023 %
By Geography (Primary) (continued)			
Quoted Bonds (continued)			
Italy			
Buoni Poliennali Del Tes 2% 01/12/2025	760,000	1,061,660	0.37
Buoni Poliennali Del Tes 5.00% 01/09/2040	44,000	68,844	0.02
Republic of Italy 3.25% 01/09/2046	3,660,000	4,485,379	1.57
		5,615,883	1.96
Japan			
Government of Japan (10 Year Issue) Series 342 0.1% 20/03/2026	206,550,000	2,072,773	0.72
Japan (10 Year Issue) Series 350 0.1% 20/03/2028	137,150,000	1,370,081	0.48
Japan (30 Year Issue) Series 66 0.4% 20/03/2050	20,650,000	166,163	0.06
		3,609,017	1.26
Mexico			
Mex Bonds Desarr Fix RT Series M 7.75% 13/11/2042	148,831,400	9,596,068	3.35
Mexico (UTD States Of) (REG) 2.875% 08/04/2039	2,780,000	2,946,888	1.03
Mexico (UTD States Of) (REG) 5.55% 21/01/2045	1,560,000	1,961,910	0.68
		14,504,866	5.06
Poland			
Government of Poland 1.75% 25/04/2032	9,850,000	2,157,725	0.75
		2,157,725	0.75
Spain			
Bonos Y Oblig Del Estado 1.45% 31/10/2027	3,320,000	4,503,602	1.57
Bonos Y Oblig Del Estado 5.15% 31/10/2044	430,000	755,279	0.26
Bonos Y Oblig Del Estado 5.9% 30/07/2026	4,120,000	6,517,588	2.28
Bonos Y Oblig Del Estado Series 30Y 2.7% 31/10/2048	2,580,000	3,110,831	1.09
Spain Government Bond 1.3% 31/10/2026	2,340,000	3,209,196	1.12
		18,096,496	6.32
Supra-National			
African Development Bank 0.5% 21/03/2029	1,790,000	2,237,610	0.78
European Investment Bank 0.125% 20/06/2029	1,040,000	1,270,514	0.44
European Stability Mechanism 1.2% 23/05/2033	740,000	903,207	0.32
European Union 0.2% 04/06/2036	1,090,000	1,069,129	0.37
		5,480,460	1.91

The accompanying notes form an integral part of these financial statements.

Statement of Portfolio (continued)

As at 31 March 2023

	Holdings as at 31/3/2023	Fair value as at 31/3/2023 \$	Percentage of total net assets attributable to unitholders at 31/3/2023 %
By Geography (Primary) (continued)			
Quoted Bonds (continued)			
United Arab Emirates			
Abu Dhabi Govt Intl 3.875% 16/04/2050	760,000	861,585	0.30
Abu Dhabi Govt Intl 4.125% 11/10/2047	1,750,000	2,085,851	0.73
		2,947,436	1.03
United States of America			
US Treasury 0.375% 30/04/2025	7,230,000	8,917,176	3.11
US Treasury 0.375% 31/01/2026	9,080,000	10,961,820	3.83
US Treasury 0.75% 30/04/2026	2,180,000	2,642,781	0.92
US Treasury 1.375% 15/08/2050	2,750,000	2,198,910	0.77
US Treasury 1.5% 30/11/2024	440,000	559,725	0.20
US Treasury 2.25% 15/08/2049	180,000	180,038	0.06
US Treasury 2.625% 31/05/2027	4,400,000	5,610,494	1.96
US Treasury 2.875% 15/05/2049	6,270,000	7,138,194	2.49
US Treasury 3.875% 30/11/2027	6,850,000	9,202,896	3.21
US Treasury Bond 2.75% 15/02/2024	5,303,000	6,935,369	2.42
US Treasury Bond 2.875% 15/05/2043	4,790,000	5,501,939	1.92
US Treasury N/B 1.25% 30/11/2026	28,600,000	34,791,823	12.14
US Treasury N/B 2% 15/02/2025	1,310,000	1,674,976	0.58
US Treasury N/B 2.125% 29/02/2024	6,750,000	8,770,414	3.06
US Treasury N/B 2.250% 15/11/2024	11,080,000	14,272,030	4.98
US Treasury N/B 2.875% 15/08/2045	1,960,000	2,220,540	0.78
US Treasury N/B 2.875% 30/04/2025	4,720,000	6,127,408	2.14
US Treasury N/B 3% 15/05/2045	1,670,000	1,933,985	0.68
US Treasury N/B 3% 15/05/2047	353,000	408,760	0.14
US Treasury Strip Princ 0.00% 15/05/2043	4,990,000	3,063,421	1.07
		133,112,699	46.46
Total quoted bonds		261,073,149	91.11
Accrued interest on quoted bonds		2,266,499	0.79
Portfolio of investments		263,339,648	91.90
Other net assets		23,195,415	8.10
Net assets attributable to unitholders		286,535,063	100.00

The accompanying notes form an integral part of these financial statements.

Statement of Portfolio (continued)

As at 31 March 2023

	Percentage of total net assets attributable to unitholders at 31/3/2023 %	Percentage of total net assets attributable to unitholders at 31/3/2022 %
By Geography (Summary)		
Quoted Bonds		
Belgium	1.03	1.45
Canada	1.12	1.25
China	3.61	-
France	2.98	3.91
Germany	14.07	6.65
Great Britain	3.55	4.70
Italy	1.96	2.58
Japan	1.26	3.09
Mexico	5.06	5.20
Norway	-	0.69
Poland	0.75	-
Spain	6.32	7.34
Supra-National	1.91	2.22
United Arab Emirates	1.03	1.22
United States of America	46.46	51.11
	91.11	91.41
Accrued interest on quoted bonds	0.79	0.72
Portfolio of investments	91.90	92.13
Other net assets	8.10	7.87
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements.

Statement of Portfolio (continued)

As at 31 March 2023

	Fair value as at 31/3/2023 \$	Percentage of total net assets attributable to unitholders at 31/3/2023 %	Percentage of total net assets attributable to unitholders at 31/3/2022 %
By Industry (Secondary)			
Banks	3,508,124	1.22	1.37
Government	257,565,025	89.89	90.04
	261,073,149	91.11	91.41
Accrued interest on quoted bonds	2,266,499	0.79	0.72
Portfolio of investments	263,339,648	91.90	92.13
Other net assets	23,195,415	8.10	7.87
Net assets attributable to unitholders	286,535,063	100.00	100.00

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 March 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Franklin Templeton Western Asset Global Bond Trust (formerly known as Legg Mason Western Asset Global Bond Trust) (the “Fund”) is an open-ended unit trust constituted pursuant to the Trust Deed dated 14 August 1998, as amended by various Supplemental Deeds and Amending and Restating Deeds. The Trust Deed, Supplemental Deeds and Amending and Restating Deeds are governed in accordance with the laws of the Republic of Singapore. The Trustee of the Fund is HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The managers and sub-managers are Templeton Asset Management Ltd (the “Manager”), and Western Asset Management Company Pte. Ltd., Western Asset Management Company, LLC and Western Asset Management Company Limited (the “Sub-Manager”), respectively.

The investment objective of the Fund is to maximise total returns in Singapore Dollar terms over the longer term by investing a portfolio of high quality debt securities of Singapore and major global bond markets such as the G10 countries and Australia and New Zealand. The Fund aims to outperform its benchmark.

The Fund is included under the Central Provident Fund Investment Scheme.

On 1 January 2023, Legg Mason Asset Management Singapore Pte. Limited (“LMAMS”), the previous managers of the Fund, had amalgamated with Templeton Asset Management Ltd (“TAML”) pursuant to Section 215D(2) of the Companies Act 1967 of Singapore (the “Amalgamation”), with TAML being the surviving entity from the amalgamation (the “Amalgamated Company”). As part of the Amalgamation, the business of LMAMS was transferred to and has vested in the Amalgamated Company by operation of law. TAML is, like LMAMS, a wholly-owned subsidiary of Franklin Resources, Inc.

With effect from 1 January 2023, Legg Mason Asset Management Singapore Pte. Limited retired as managers of the Fund in favour of Templeton Asset Management Ltd which were appointed as the new managers of the Fund. Following the Amalgamation, the name of the Fund was changed as follows:

Name prior to 1 January 2023

Legg Mason Western Asset Global Bond Trust

New name with effect from 1 January 2023

Franklin Templeton Western Asset Global Bond Trust

The Fund is single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switching in and out of the Fund. This is known as “dilution”. In order to counter this and to protect unitholders’ interests, with effect from 1 September 2020, the Manager applied “dilution adjustment” as part of its daily valuation policy. In certain circumstances, the Manager (if in its opinion in good faith it is in the interest of unitholders to do so) makes adjustments in the calculations of the net asset value per unit, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

The dilution adjustment depends upon the net value of subscriptions, switching and redemptions received by the Fund for each dealing day. The Manager therefore reserved the right to make a dilution adjustment where the Fund experiences a net cash movement which exceeds a threshold of the previous dealing day’s total net asset value.

Any dilution adjustment as at the last dealing day of the financial year end will be disclosed under units in issue. During the year ended 31 March 2023 and 31 March 2022, the Fund did not reach the swing threshold and no swing pricing has been applied.

2. Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” (“RAP 7”) issued by the Institute of Singapore Chartered Accountants in July 2020 for the financial year beginning on or after 1 July 2020.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

The adoption of the revised RAP 7 did not result in substantial changes to the accounting policies of the Fund and had no material effect of the amounts reported for the current or prior years.

(b) Income recognition

Interest income on deposits is recognised on a time-proportion basis using the effective interest rate method.

(c) Foreign currencies

(i) Functional and presentation currency

The Fund's investors are mainly from Singapore with the subscriptions and redemptions of the units denominated in Singapore Dollar.

The performance of the Fund is measured and reported to the investors in Singapore Dollar. The Manager considers the Singapore Dollar as the currency which most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's functional and presentation currency is the Singapore Dollar.

(ii) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore Dollar at the rates of exchange prevailing at the date of Statement of Financial Position. Foreign currency transactions during the financial year are converted into Singapore Dollar at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at reporting date are taken to the Statement of Total Return.

(d) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the year which they arise. The resultant unrealised gains and losses are taken to the Statement of Total Return.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and taken up in the Statement of Total Return.

(e) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for fixed income securities held by the Fund is the mid-market price for both financial assets and financial liabilities. Accrued interest or discount or premium on fixed income securities at the reporting date are included in the fair value of fixed income securities. Interest income on fixed income securities is presented within net gains or losses on investments on the Statement of Total Return.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

2. Significant accounting policies (continued)

(f) Financial derivatives

Financial derivatives are entered into for the purposes of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provisions of the Trust Deed.

Financial derivative outstanding as at the end of the financial year are measured at their fair values using the marked-to-market method, and the resultant gains and losses are taken up in the Statement of Total Return.

(g) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(h) Margin accounts

The margin accounts comprise cash held with the financial derivatives counterparties for the purpose of transferring of cash and fund futures margin maintained with the clearing house.

These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(i) Sales and purchases awaiting settlement

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Financial Position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(j) Cash and bank balances

Cash and bank balances comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

(k) Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(l) Distributions

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account to be paid on the distribution date. The amount shall not be treated as part of the property of the Fund. Distributions are accrued for at the point in time when the necessary approvals have been obtained and a legal or constructive obligation has been created.

(m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

Cash collateral provided by the Fund is identified in the Statement of Financial Position as margin accounts and is not included as a component of cash and bank balances.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

3. Income tax

	2023 \$	2022 \$
Overseas income tax	<u>64</u>	-

- (a) The Fund was granted the status of a Designated Unit Trust ("DUT") in Singapore. The Trustee of the Fund ensures that the Fund fulfils its reporting obligations under the DUT Scheme.

Under the DUT Scheme, certain income of the DUT Fund is not taxable in accordance with Sections 35(12) and 35(12A) of the Income Tax Act 1947. Such income includes:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
 - (ii) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act 1947);
 - (iii) dividends derived from outside Singapore and received in Singapore;
 - (iv) gains or profits derived from foreign exchange transactions, transactions in futures contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index;
 - (v) discount, prepayment fee, redemption premium and break cost from qualifying debt securities issued during the prescribed period; and
 - (vi) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.
- (b) The overseas income tax represents tax deducted at source on income derived from outside Singapore and received in Singapore.

The Fund invests in securities issued by entities which are domiciled in foreign countries. Many of these foreign countries have tax laws which indicate that taxes on gains on disposal of investments may be applicable to non-residents, such as the Fund. Typically, these capital gains taxes are required to be determined on a self assessment basis and, therefore, such taxes may not be deducted by the Fund's brokers on a "withholding" basis.

The Fund is required to recognise a tax liability when it is probable that the tax laws of foreign countries require a tax liability to be assessed on the Fund's gains on investments sourced from such foreign countries, assuming the relevant taxing authorities have full knowledge of all the facts and circumstances. The tax liability is then measured at the amount expected to be paid to the relevant taxation authorities using the tax laws and rates that have been enacted or substantively enacted by the end of the reporting period. There is sometimes uncertainty about the way enacted tax law is applied to offshore investment funds. This creates uncertainty about whether or not a tax liability will ultimately be paid by the Fund. Therefore, when measuring any uncertain tax liabilities, management considers all of the relevant facts and circumstances available at the time which could influence the likelihood of payment, including any formal or informal practices of the relevant tax authorities.

As at 31 March 2023 and 2022, the Fund does not have any uncertain tax exposure with respect to gains on investments. This represents the Manager's best estimate based on the information currently made available.

4. Distribution to unitholders

The Manager has not proposed any distribution to unitholders for the financial year ended 31 March 2023 (2022: Nil).

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

5. Cash and bank balances

	2023 \$	2022 \$
Held with a related company of the Trustee:		
- Cash and bank balances	19,393,086	16,515,923

6. Margin accounts

	2023 \$	2022 \$
Margin deposits with brokers	4,606,718	7,034,218
Cash collateral	113,838	-
	4,720,556	7,034,218

The margin deposits with brokers represent margin deposits held in respect of exchange traded futures contract with a financial institution which is a non-related company.

7. Receivables

	2023 \$	2022 \$
Amount due from unitholders on subscriptions	706,721	3,088,145
Interest receivable	2,081	1
Other receivables	33,511	24,435
	742,313	3,112,581

8. Fair value of financial derivatives

The tables below set out the notional contract amounts and fair value of forward foreign exchange, futures contracts and options entered into with third parties.

As at financial year ended 31 March 2023 and 2022, commitments under forward foreign exchange, futures contracts and options due for settlement within 3 months (2022: 3 months) are as follows:

	Notional amount \$	Fair value assets \$	Fair value liabilities \$
2023			
Forward foreign exchange contracts	289,166,842	204,422	2,203,522
Futures contracts	228,124,086	2,816,700	1,162,322
Options	2,990,861	1,052	-
		3,022,174	3,365,844
2022			
Forward foreign exchange contracts	320,441,978	2,414,366	1,642,523
Futures contracts	286,415,616	2,054,439	4,943,491
Options	3,775,728	-	-
		4,468,805	6,586,014

The forward foreign exchange, futures contracts and options were undertaken for purpose of efficient portfolio management.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

8. Fair value of financial derivatives (continued)

All financial derivatives are stated at their fair values on the Statement of Financial Position.

9. Payables

	2023 \$	2022 \$
Amount due to unitholders on redemptions	1,058,062	810,986
Accrued management fee	179,476	192,566
Accrued trustee fee	12,177	13,050
Other payables and accruals	67,155	53,573
	1,316,870	1,070,175

10. Units in issue

During the financial year ended 31 March 2023 and 2022, the number of units issued, redeemed and outstanding were as follows:

	2023	2022
Units at beginning of the financial year	199,654,196	220,922,765
Units created	52,707,970	65,979,155
Units cancelled	(43,385,836)	(87,247,724)
Units at end of the financial year	208,976,330	199,654,196
Net assets attributable to unitholders (\$)	286,535,063	298,342,591
Net asset value per unit (\$)	1.371	1.494

There is no difference between the net assets attributable to unitholders per unit per financial statements and the net assets attributable to unitholders per unit for issuing/redeeming of units.

11. Related party transactions

The Manager of the Fund is Templeton Asset Management Ltd, the Trustee is HSBC Institutional Trust Services (Singapore) Limited and the Custodian is The Hongkong and Shanghai Banking Corporation Limited. The management fee, trustee fee, custody fee, registration fee and valuation fee paid or payable by the Fund are related party transactions and are shown in the Statement of Total Return.

Except for the related party information disclosed elsewhere in the financial statements, no other significant transactions took place during the financial year between the Fund and related parties.

12. Financial risk management

The Fund's activities expose it to a variety of market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management policy seeks to minimise potential adverse effects of such risks on the Fund's financial performance. The Fund may use futures, options and/or currency forward contracts subject to the terms of the Trust Deed to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries and/or countries are in place for the Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

The Fund's assets principally consist of financial instruments such as bonds and cash. They are held in accordance with the published investment policies of the Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve their investment objectives.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

12. Financial risk management (continued)

The following is the summary of the main risks and risk management policies:

(a) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investor's expectation etc. which may have significant impact on the value of the investments. The Fund's investments are substantially dependent on changes in market prices. The Fund's investments are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the net asset value of the Fund. Guidelines are set to reduce the Fund's risk exposures to market volatility such as diversifying the portfolio by investing across various geographies and industries, and alternatively, the Fund may be hedged using derivative strategies.

The Fund's market risk is affected primarily by changes in three components: changes in actual market prices, interest rate volatility and foreign exchange movements.

(i) Price risk

Price risk primarily results from exposure to volatility of equity prices. The Fund does not hold any equities as of 31 March 2023 (2022: Nil), and therefore is not exposed to significant amount of risk arising from changes in equity prices.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

It affects the value of fixed income securities more than equities. As interest rates rise, prices of fixed income securities may fall and vice versa. The rationale is that as interest rate increases, the opportunity cost of holding a bond increases since investors are able to realise greater yields by switching to other investments that reflect the higher interest rate. The Manager regularly assesses the economic condition, monitor changes in interest rates outlook and take appropriate measures accordingly to control the impact of interest rate risk.

As the Fund invests primarily in fixed income securities, the values of which are driven significantly by changes in interest rates, the Fund is mainly subject to interest rate risk. When interest rates rise, the value of previously acquired fixed income securities will normally fall because new fixed income securities acquired will pay a higher rate of interest. In contrast, if interest rates fall, then the value of the previously acquired fixed income securities will normally rise. The Manager regularly assesses the economic condition, monitor changes in interest rates outlook and take appropriate measures accordingly to control the impact of interest rate risk. In a rising interest rate environment, the Fund will acquire debts with a shorter maturity profile to minimise the negative impact to the portfolio. The Fund's policy requires the Manager to manage the risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed income securities. The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

12. Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The tables below summarise the Fund's exposure to interest rate risks. They include the Fund's financial assets and financial liabilities at fair value, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 March 2023

	Variable rates \$	Up to 1 year \$	Fixed rates 1 - 5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Assets						
Portfolio of investments	-	33,914,298	141,881,946	85,276,905	2,266,499	263,339,648
Cash and bank balances	19,393,086	-	-	-	-	19,393,086
Margin accounts	4,720,556	-	-	-	-	4,720,556
Receivables	-	-	-	-	742,313	742,313
Fair value of financial derivatives	-	-	-	-	3,022,174	3,022,174
Total assets	24,113,642	33,914,298	141,881,946	85,276,905	6,030,986	291,217,777

Liabilities

Fair value of financial derivatives	-	-	-	-	3,365,844	3,365,844
Payables	-	-	-	-	1,316,870	1,316,870
Total liabilities	-	-	-	-	4,682,714	4,682,714

As at 31 March 2022

	Variable rates \$	Up to 1 year \$	Fixed rates 1 - 5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Assets						
Portfolio of investments	-	40,533,775	119,264,382	112,924,633	2,144,463	274,867,253
Cash and bank balances	16,515,923	-	-	-	-	16,515,923
Margin accounts	7,034,218	-	-	-	-	7,034,218
Receivables	-	-	-	-	3,112,581	3,112,581
Fair value of financial derivatives	-	-	-	-	4,468,805	4,468,805
Total assets	23,550,141	40,533,775	119,264,382	112,924,633	9,725,849	305,998,780

Liabilities

Fair value of financial derivatives	-	-	-	-	6,586,014	6,586,014
Payables	-	-	-	-	1,070,175	1,070,175
Total liabilities	-	-	-	-	7,656,189	7,656,189

As at 31 March 2023, should interest rates have lowered or risen by 50 basis points ("bps") (2022: 50 bps) with all other variables remaining constant, the increase or decrease in net assets attributable to unitholders for the financial year would be as follows:

	2023		2022	
	Parallel shift in interest rates by			
	+ 50 bps	- 50 bps	+ 50 bps	- 50 bps
	\$'000	\$'000	\$'000	\$'000
Effect on net assets attributable to unitholders	(9,300)	9,300	(11,590)	11,590

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

12. Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The Fund has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of changes on the earnings of certain investments in which the Fund invests and impact on the valuation of certain over-the-counter derivative products that use market interest rates as an input. Therefore, the above sensitivity analysis may not fully indicate the total effect on the Fund's net assets attributable to unitholders of future movements in interest rates.

(iii) Currency risk

The Fund holds monetary financial assets/liabilities denominated in currencies other than the Singapore Dollar and the Fund may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore Dollar and such other currencies. The Fund may enter into foreign currency contracts designed to either hedge some or all of this exposure, or alternatively increase exposure to preferred foreign currencies.

The tables below summarise the exposure to currency risks for the Fund.

As at 31 March 2023

	EUR \$	GBP \$	JPY \$	MXN \$	SGD \$	USD \$	Others \$	Total \$
Assets								
Portfolio of investments	84,771,905	10,276,310	3,609,157	9,865,024	-	138,924,445	15,892,807	263,339,648
Cash and bank balances	740,629	496,111	420,690	-	15,715,439	1,103,079	917,138	19,393,086
Margin accounts	1,650,295	390,243	1,297,338	-	-	1,025,692	356,988	4,720,556
Receivables	-	170	-	-	740,232	1,652	259	742,313
Fair value of financial derivatives	980,274	160,973	-	-	-	1,446,423	230,082	2,817,752
Total assets	88,143,103	11,323,807	5,327,185	9,865,024	16,455,671	142,501,291	17,397,274	291,013,355
Liabilities								
Fair value of financial derivatives	197,758	-	591,200	-	-	373,364	-	1,162,322
Payables	-	-	-	-	1,315,972	898	-	1,316,870
Total liabilities	197,758	-	591,200	-	1,315,972	374,262	-	2,479,192
Net financial assets	87,945,345	11,323,807	4,735,985	9,865,024	15,139,699	142,127,029	17,397,274	288,534,163
Notional amount of currency forwards	(84,157,685)	(11,129,183)	(3,323,918)	(2,744,175)	248,745,806	(137,377,537)	(10,013,308)	
Net currency exposure	3,787,660	194,624	1,412,067	7,120,849	263,885,505	4,749,492	7,383,966	

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

12. Financial risk management (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

As at 31 March 2022

	EUR \$	GBP \$	JPY \$	MXN \$	SGD \$	USD \$	Others \$	Total \$
Assets								
Portfolio of investments	76,536,099	14,117,505	9,235,799	9,704,319	-	159,416,150	5,857,381	274,867,253
Cash and bank balances	317,162	336,005	588,135	52,228	4,110,227	10,393,014	719,152	16,515,923
Margin accounts	1,778,507	140,370	-	-	-	4,200,799	1,017,455	7,137,131
Receivables	-	-	-	-	3,094,265	18,316	-	3,112,581
Fair value of financial derivatives	532,257	-	153,649	-	-	1,368,533	-	2,054,439
Total assets	79,164,025	14,593,880	9,977,583	9,756,547	7,204,492	175,396,812	7,593,988	303,687,327
Liabilities								
Margin accounts	-	-	102,913	-	-	-	-	102,913
Fair value of financial derivatives	1,501,137	16,019	-	-	-	2,897,178	529,157	4,943,491
Payables	-	-	-	-	1,069,904	271	-	1,070,175
Total liabilities	1,501,137	16,019	102,913	-	1,069,904	2,897,449	529,157	6,116,579
Net financial assets	77,662,888	14,577,861	9,874,670	9,756,547	6,134,588	172,499,363	7,064,831	297,570,748
Notional amount of currency forwards and spot	(79,476,090)	(15,421,451)	(9,751,613)	(123,229)	271,660,348	(161,586,774)	(5,301,191)	
Net currency exposure	(1,813,202)	(843,590)	123,057	9,633,318	277,794,936	10,912,589	1,763,640	

The following table analyses the Fund's sensitivity to foreign currency exposure should the exchange rates of these currencies increase or decrease by 5% (2022: 5%) with all other variables held constant.

Currency	Currency risen / lowered by 5% Increase / (decrease) in net assets attributable to unitholders	
	2023 \$	2022 \$
EUR	189,383	(90,660)
GBP	9,731	(42,180)
JPY	70,603	6,153
MXN	356,042	481,666
USD	237,475	545,629

(b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in settling a liability, including redemption requests.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

12. Financial risk management (continued)

(b) Liquidity risk (continued)

The Fund is exposed to daily cash redemption of units in the Fund. The Fund invests the majority of its assets in investments that are traded in active markets and can be readily disposed of. Investments which are neither listed nor quoted are restricted to a maximum of 10% of the net asset value (depends on actual circumstances).

In accordance with the Fund's policies, the Manager monitors the Fund's liquidity position on a daily basis, and a risk oversight committee reviews them on a regular basis. The Manager also has the option to limit redemption orders to 10% of the net asset value, with the approval of the Trustee. In this event, the limitation will apply pro-rata so that all unitholders of the relevant class or classes wishing to redeem units in that Fund on that dealing day will redeem the same proportion by value of such units, and units not redeemed will be carried forward for redemption, subject to the same limitation, on the next dealing day. In addition, the Fund has an unsecured credit facility as disclosed in Note 13.

The Fund may, from time to time, invest in currency forward contracts traded over the counter, which are not traded in an organised market and may be illiquid.

The tables below analyse the Fund's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at 31 March 2023	Less than 3 months \$
Liabilities	
Financial derivatives	
- inflows	266,984,071
- outflows	(270,349,915)
Payables	1,316,870
As at 31 March 2022	
Liabilities	
Financial derivatives	
- inflows	207,126,449
- outflows	(213,712,463)
Payables	1,070,175

(c) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved,
- ensuring that transactions are undertaken with a large number of counterparties, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

The Fund invests mostly in financial assets, which have an investment grade as rated by Standard and Poor's or Moody's or Fitch. The credit ratings are reviewed regularly.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

12. Financial risk management (continued)

(c) Credit risk (continued)

The table below analyses the Fund's investments by credit ratings.

	2023 %	2022 %
Aaa	61.00	58.53
Aa1	-	0.37
Aa2	3.28	4.27
Aa3	3.55	4.70
AA+	1.49	1.26
AA	0.73	1.33
AA-	0.64	0.88
A1	0.06	1.60
A	1.20	1.49
A-	0.75	-
Baa1	6.32	7.34
Baa3	1.96	2.58
BBB-	5.06	5.20
Unrated	5.07	1.86
Accrued interest on quoted bonds	0.79	0.72
Total	91.90	92.13

All investment transactions are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Credit risk arises from cash and cash equivalents held with financial institutions. The Fund may also enter into derivatives to manage its exposure to currency risk and price risk, including foreign exchange forward contracts and options. Hence, the Fund is also exposed to the risk that its derivatives held with counterparties may not be recoverable in the event of any default by the parties concerned. The Manager minimise the Fund's credit risk by undertaking transactions with banks that are part of banking groups with good credit-ratings assigned by international credit rating agencies.

For purposes of impairment assessment, the Fund's assets which are measured at amortised cost are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL"). The ECL for these assets as at the end of the reporting period is not significant.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

12. Financial risk management (continued)

(c) Credit risk (continued)

The tables below summarise the credit rating of banks and custodian in which the Fund's assets are held as at 31 March 2023 and 2022.

As at 31 March 2023	Credit Rating	Source of Credit Rating
<u>Custodian</u>		
The Hongkong and Shanghai Banking Corporation Limited	Aa3	Moody's
<u>Bank</u>		
Citibank, N.A.	Aa3	Moody's
Goldman Sachs Bank	A1	Moody's
JPMorgan Chase Bank, N.A.	Aa2	Moody's
Morgan Stanley	A1	Moody's
The Hongkong and Shanghai Banking Corporation Limited	Aa3	Moody's
UBS AG	Aa3	Moody's

As at 31 March 2022

<u>Custodian</u>		
The Hongkong and Shanghai Banking Corporation Limited	Aa3	Moody's
<u>Bank</u>		
Citibank, N.A.	Aa3	Moody's
Goldman Sachs Bank	A1	Moody's
JPMorgan Chase Bank, N.A.	Aa2	Moody's
Morgan Stanley	A1	Moody's
The Hongkong and Shanghai Banking Corporation Limited	Aa3	Moody's
UBS AG	Aa3	Moody's

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit ratings are based on the Long-term Issuer Ratings published by the rating agency.

(d) Capital management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions of unitholders in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions. In addition, the Manager also has the option to limit redemptions with the approval of the Trustees, as discussed in Note 12(b).

(e) Fair value estimation

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

12. Financial risk management (continued)

(e) Fair value estimation (continued)

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 31 March 2023 and 2022:

As at 31 March 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Portfolio of Investments				
- Quoted bonds	-	263,339,648	-	263,339,648
Fair value of financial derivatives	2,816,700	205,474	-	3,022,174
Total	2,816,700	263,545,122	-	266,361,822
Liabilities				
Fair value of financial derivatives	1,162,322	2,203,522	-	3,365,844
As at 31 March 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Portfolio of Investments				
- Quoted bonds	-	274,867,253	-	274,867,253
Fair value of financial derivatives	2,054,439	2,414,366	-	4,468,805
Total	2,054,439	277,281,619	-	279,336,058
Liabilities				
Fair value of financial derivatives	4,943,491	1,642,523	-	6,586,014

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include investment-grade corporate and government bonds and over-the-counter derivatives.

The assets and liabilities included in the Statement of Financial Position except Portfolio of Investments are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

(f) Offsetting financial assets and financial liabilities

The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.

The gross and net positions of financial assets and liabilities that have been offset in the Statement of Financial Position are disclosed in the first three columns of the tables below.

As at 31 March 2023

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A - B	D	E = C - D
	Gross amounts of recognised financial assets \$	Gross amounts of recognised financial liabilities set-off in the statement of financial position \$	Net amounts of financial assets presented in the statement of financial position \$	Related amounts not set-off in the statement of financial position	Net amount \$
				Financial Instruments \$	Cash Collaterals \$
Forward foreign exchange	204,422	-	204,422	204,422	-
Futures	2,816,700	-	2,816,700	-	-
Options	1,052	-	1,052	-	-

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

12. Financial risk management (continued)

(f) Offsetting financial assets and financial liabilities (continued)

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D	E = C-D
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set-off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amounts not set-off in the statement of financial position	
	\$	\$	\$	Financial Instruments \$	Cash Collaterals \$
					Net amount \$
Forward foreign exchange	2,203,522	-	2,203,522	204,422	113,838
Futures	1,162,322	-	1,162,322	-	1,162,322

As at 31 March 2022

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D	E = C-D
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set-off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not set-off in the statement of financial position	
	\$	\$	\$	Financial Instruments \$	Cash Collaterals \$
					Net amount \$
Forward foreign exchange	2,414,366	-	2,414,366	1,452,058	-
Futures	2,054,439	-	2,054,439	-	-

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D	E = C-D
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set-off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amounts not set-off in the statement of financial position	
	\$	\$	\$	Financial Instruments \$	Cash Collaterals \$
					Net amount \$
Forward foreign exchange	1,642,523	-	1,642,523	1,452,058	-
Futures	4,943,491	-	4,943,491	-	4,943,491

13. Credit facility

The Fund has a credit facility with The Hongkong and Shanghai Banking Corporation Limited as at 31 March 2023 and 2022.

	2023 \$	2022 \$
Facility		
Overdraft	5 million	5 million

The above credit facility is unsecured and is not utilised at year end.

Notes to the Financial Statements (continued)

For the financial year ended 31 March 2023

14. Financial ratios

	2023	2022
	%	%
Expense ratio ¹	0.90	0.88
Portfolio turnover ratio ²	28.37	6.90

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 31 March 2023 was based on total operating expenses of \$2,496,141 (2022: \$2,893,666) divided by the average net asset value of \$277,287,333 (2022: \$330,052,587) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, commission fee, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, being sales of \$78,677,981 (2022: purchases of \$22,766,486) divided by the average daily net asset value of \$277,287,333 (2022: \$330,052,587).

Report to Unitholders

For the financial year ended 31 March 2023

Investment Allocation as at 31 March 2023

By Country	Market Value \$	% of NAV
Belgium	2,961,202	1.03
Canada	3,212,325	1.12
China	10,354,205	3.61
France	8,521,995	2.98
Germany	40,319,372	14.07
Great Britain	10,179,468	3.55
Italy	5,615,883	1.96
Japan	3,609,017	1.26
Mexico	14,504,866	5.06
Poland	2,157,725	0.75
Spain	18,096,496	6.32
Supra-National	5,480,460	1.91
United Arab Emirates	2,947,436	1.03
United States of America	133,112,699	46.46
	261,073,149	91.11
Accrued interest on quoted bonds	2,266,499	0.79
Portfolio of investments	263,339,648	91.90
Other net assets	23,195,415	8.10
Total	286,535,063	100.00

By Industry	Market Value \$	% of NAV
Banks	3,508,124	1.22
Government	257,565,025	89.89
	261,073,149	91.11
Accrued interest on quoted bonds	2,266,499	0.79
Portfolio of investments	263,339,648	91.90
Other net assets	23,195,415	8.10
Total	286,535,063	100.00

By Asset Class	Market Value \$	% of NAV
Fixed Income securities	261,073,149	91.11
	261,073,149	91.11
Accrued interest on quoted bonds	2,266,499	0.79
Portfolio of investments	263,339,648	91.90
Other net assets	23,195,415	8.10
Total	286,535,063	100.00

Report to Unitholders (continued)

For the financial year ended 31 March 2023

By Credit Rating *	Market Value \$	% of NAV
Aaa	174,779,981	61.00
Aa2	9,383,580	3.28
Aa3	10,179,468	3.55
AA+	4,281,454	1.49
AA	2,085,851	0.73
AA-	1,840,455	0.64
A1	166,163	0.06
A	3,442,854	1.20
A-	2,157,725	0.75
Baa1	18,096,496	6.32
Baa3	5,615,883	1.96
BBB-	14,504,866	5.06
Unrated	14,538,373	5.07
	261,073,149	91.11
Accrued interest on quoted bonds	2,266,499	0.79
Portfolio of investments	263,339,648	91.90
Other net assets	23,195,415	8.10
Total	286,535,063	100.00

* By Standard & Poor's/ Moody's/ Fitch

Top 10 Holdings

Holdings as at 31 March 2023	Market Value \$	% of NAV
US Treasury N/B 1.25% 30/11/2026	34,791,823	12.14
Bundesrepublik Deutschland (BR) 0.5% 15/08/2027	18,922,205	6.60
Bundesrepublik Deutschland (BR) 1.75% 15/02/2024	18,208,515	6.35
US Treasury N/B 2.250% 15/11/2024	14,272,030	4.98
US Treasury 0.375% 31/01/2026	10,961,820	3.83
Mex Bonds Desarr Fix RT Series M 7.75% 13/11/2042	9,596,068	3.35
US Treasury 3.875% 30/11/2027	9,202,896	3.21
US Treasury 0.375% 30/04/2025	8,917,176	3.11
US Treasury N/B 2.125% 29/02/2024	8,770,414	3.06
US Treasury 2.875% 15/05/2049	7,138,194	2.49

Holdings as at 31 March 2022	Market Value \$	% of NAV
US Treasury N/B 1.625% 15/11/2022	23,533,439	7.89
US Treasury N/B 2.125% 29/02/2024	23,439,970	7.86
Bundesrepublik Deutschland (BR) 1.75% 15/02/2024	19,842,683	6.65
US Treasury N/B 2.250% 15/11/2024	14,903,755	5.00
US Treasury N/B 2% 31/10/2022	12,263,238	4.11
US Treasury 0.375% 31/01/2026	11,324,755	3.80
Mex Bonds Desarr Fix RT Series M 7.75% 13/11/2042	9,458,614	3.17
US Treasury 0.375% 30/04/2025	9,163,860	3.07
US Treasury 2.875% 15/05/2049	9,117,862	3.06
Bonos Y Oblig Del Estado 5.9% 30/07/2026	7,572,238	2.54

Report to Unitholders (continued)

For the financial year ended 31 March 2023

Exposure to Derivatives

	Market Value \$	% of NAV
Forward foreign exchange, futures and option contracts as at 31 March 2023	(343,670)	(0.12)
Net realised gain on contracts for the period 1 April 2022 to 31 March 2023	1,927,029	
Net unrealised loss on outstanding contracts as at 31 March 2023	(343,670)	

Global Exposure

The global exposure relating to derivative instruments is calculated using the commitment approach by converting the derivative positions into equivalent positions in the underlying assets embedded in those derivatives.

The global exposure of the Fund to financial derivative instruments or embedded financial derivative instruments will not exceed 100% of the net asset value of the Fund at any time.

Collateral

Refer to Note 6 of the "Notes to the Financial Statements".

Securities Lending or Repurchase Transactions

Nil as at 31 March 2023.

Investment in Other Unit Trust, Mutual Funds and Collective Investment Schemes

Nil as at 31 March 2023.

Borrowings

Nil as at 31 March 2023.

Amount of Redemptions and Subscriptions

For the period 1 April 2022 to 31 March 2023

	\$
Subscriptions	72,613,610
Redemptions	60,024,491

Related Party Transactions

For the period 1 April 2022 to 31 March 2023

Refer to Note 11 of the "Notes to the Financial Statements".

Report to Unitholders (continued)

For the financial year ended 31 March 2023

Performance

	Franklin Templeton Western Asset Global Bond Trust Class A (SGD) Accumulating*	Benchmark
3-months	+2.93%	+2.83%
6-months	+3.08%	+2.64%
1-year	-8.23%	-7.11%
3-years	-4.44%	-4.29%
5-years	-0.67%	+0.05%
10-years	+0.75%	+1.67%
Since inception	+1.43%	+2.85%

* NAV-NAV basis, with net income and dividends reinvested, if any (SGD terms). Annualised for periods over one year.

Benchmark : FTSE World Government Bond Index ex Japan, hedged to S\$. From 3 January 2005 to 31 March 2011, the benchmark was FTSE World Government Bond Index (S\$) ex Japan. Prior to that, the benchmark was FTSE World Government Bond Index (S\$).

The inception date was 2 November 1998

Source: Franklin Templeton. Templeton Asset Management Ltd is an indirect wholly-owned subsidiary of Franklin Resources, Inc.

Expense Ratio

For the period 1 April 2022 to 31 March 2023	0.90%
For the period 1 April 2021 to 31 March 2022	0.88%

The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 31 March 2023 was based on total operating expenses of \$2,496,141 (2022: \$2,893,666) divided by the average net asset value of \$277,287,333 (2022: \$330,052,587) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, commission fee, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

Turnover Ratio

For the period 1 April 2022 to 31 March 2023	28.37%
For the period 1 April 2021 to 31 March 2022	6.90%

The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, being sales of \$78,677,981 (2022: purchases of \$22,766,486) divided by the average daily net asset value of \$277,287,333 (2022: \$330,052,587).

Other Material Information

There are no other material information that will adversely impact the valuation of the Fund.

Report to Unitholders (continued)

For the financial year ended 31 March 2023

Soft Dollar Commissions/Arrangements

The Manager and Sub-Managers currently do not but shall be entitled to receive and enter into soft-dollar commissions/arrangements in respect of the Trust. The Manager and Sub-Managers will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager and Sub-Managers may receive include specific advice as to the advisability of dealing in, or the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial service in relation to the investments managed for clients.

Soft-dollar commissions received shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

The Manager and the Sub-Managers will not accept or enter into soft dollar commissions/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager or the relevant Sub-Managers (as the case may be), assist it in its management of the Trust, provided that it shall ensure at all times that best execution is carried out for the transactions, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Detail of Underlying Funds

The Fund does not invest more than 30% of its NAV in another scheme.

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