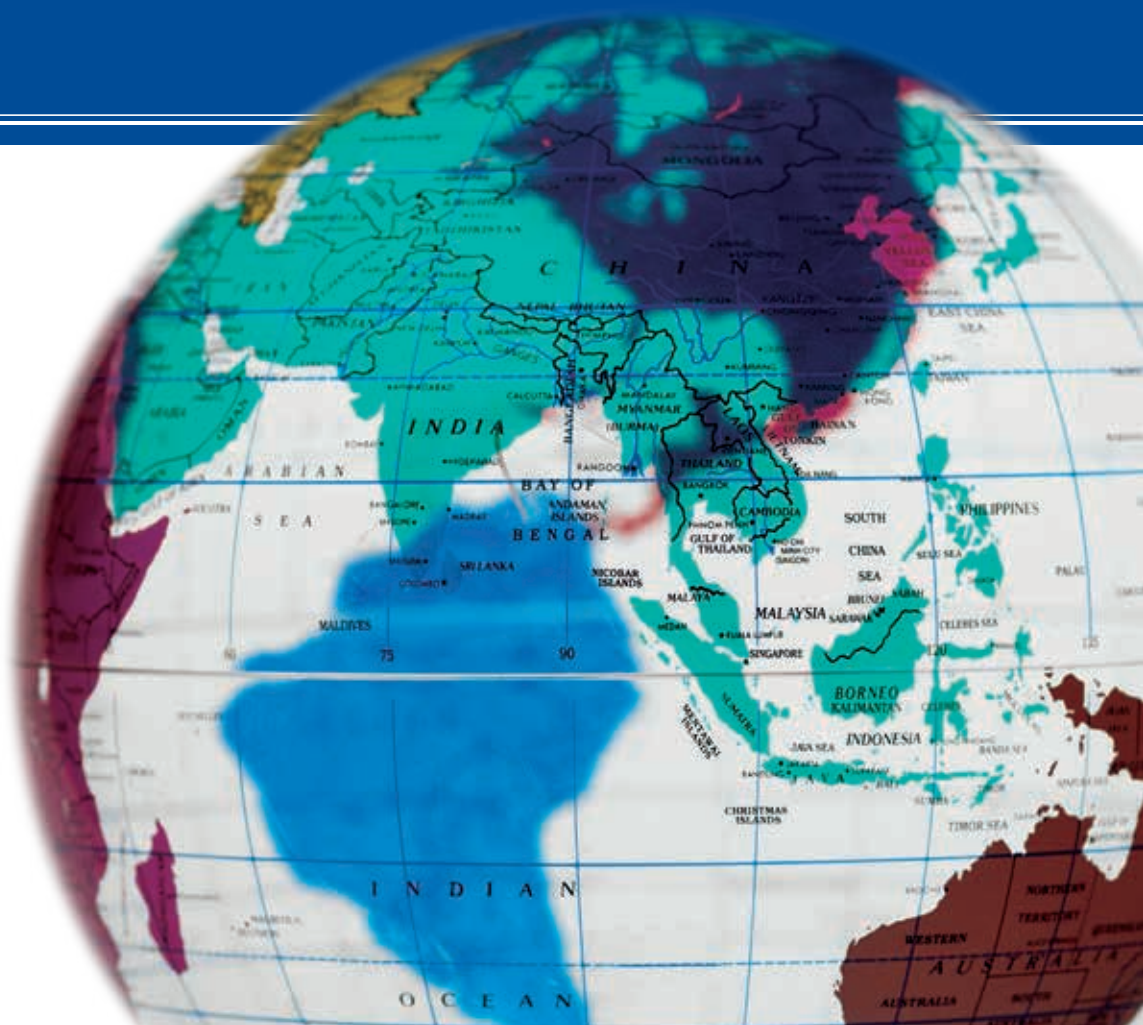




FRANKLIN TEMPLETON  
INVESTMENTS

# “A once in a decade opportunity.”

Michael Hasenstab, PhD, CIO, Templeton Global Macro



# Three Reasons We Believe Templeton Global Bond Fund is Well-Positioned for What's Next

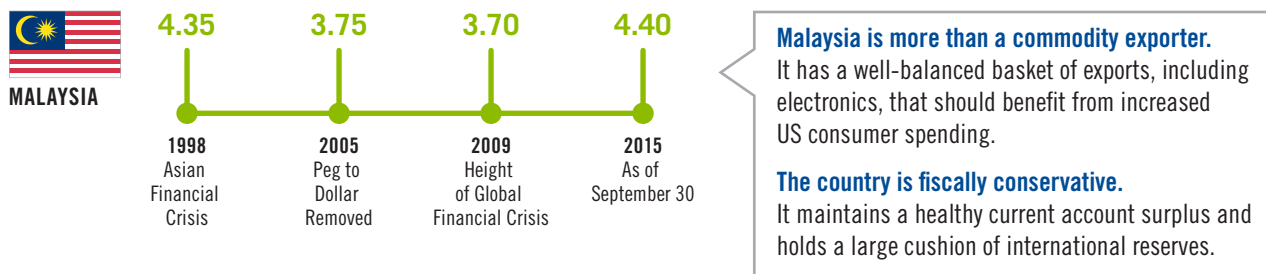
Periods of volatility can be unsettling, but they also can provide significant opportunities for investment, particularly for strategies such as Templeton Global Bond Fund that seek to take advantage of near-term pricing dislocations for longer-term investment.

## 1 We Believe Values in Select Emerging Market Currencies Represent a Once-in-a-Decade Opportunity

In light of concerns about China, as well as potential rising interest rates in the US, investor fears regarding emerging markets have resurfaced. Templeton Global Bond Fund managers believe that certain countries have been indiscriminately punished. As a result, the fund's managers have had the opportunity to buy select emerging market currencies at multi-decade or all-time low valuations.

### WHAT THE TEMPLETON GLOBAL BOND FUND TEAM BELIEVES THE MARKET IS OVERLOOKING

#### How Many Ringgits Can You Get for a Dollar?<sup>1</sup>



#### How Many Pesos Can You Get for a Dollar?<sup>1</sup>



1. Source: Bloomberg.

Not FDIC Insured | May Lose Value | No Bank Guarantee

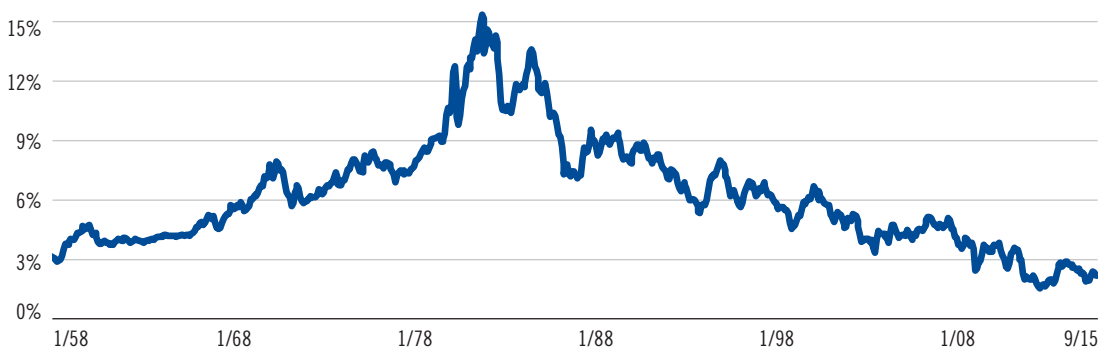
## The Fund is Actively Positioned for Rising US Interest Rates

One of the most significant risks for fixed income investors may be the risk of potentially permanent capital losses as rates normalize. Investors have made money from declining rates over the last 30 years; bond prices went up and bond yields went down (as yields move inversely to prices). But as you can see in the chart below, at current levels, there is little room for yields to move lower and thus, less potential upside in terms of return.

### THERE IS LITTLE ROOM FOR YIELDS TO MOVE LOWER<sup>2</sup>

#### 10-Year US Treasury Yield

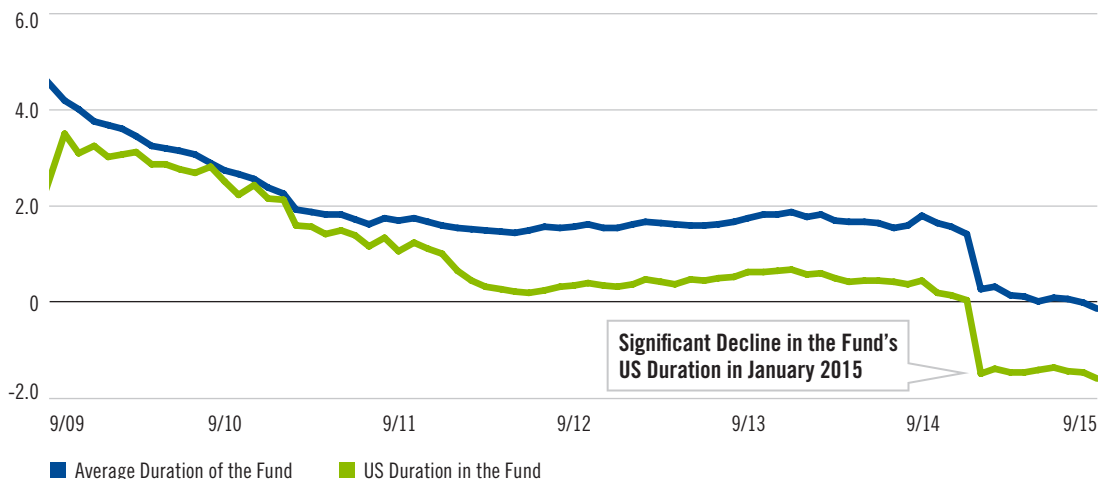
January 31, 1958–September 30, 2015



Templeton Global Bond Fund managers believe there is an opportunity to profit from rising rates over the next five years. The fund is now positioned to be short US Treasuries in terms of negative duration while aiming at a negative correlation to US Treasury returns.<sup>3</sup>

### Negative US Duration Exposure May Help Offset Interest Rate Risk in Templeton Global Bond Fund

September 30, 2009–September 30, 2015



2. Sources: Bloomberg, Federal Reserve H.15 Report.

3. Duration is a measure of a bond or portfolio's sensitivity to changing interest rates. Average duration figures reflect certain derivatives held in the portfolio or their underlying reference assets.

## 3




## An Unconstrained Approach Provides Flexibility to Pursue Multiple Drivers of Return

Templeton Global Bond Fund is run independently of its benchmark, allowing managers to hold only the positions they believe have the best potential to maximize risk-adjusted returns. The team works to identify economic imbalances that may lead to value opportunities in three distinct areas:

Interest Rates/Duration | Currency | Sovereign Credit

Recently, the team has been particularly excited about the opportunity set in currencies and the flexibility the currency market allows to potentially profit from gains in a currency (going long) as well as declines in a currency (going short). For example, the fund is positioned to potentially benefit from currency depreciation tied to quantitative easing (QE) measures from the European Central Bank (ECB) and Bank of Japan (BOJ) by being long the US Dollar against a short Euro, and long the US Dollar against a short Japanese Yen. At the same time, the fund could be short the US Dollar versus the Mexican Peso to position for potential appreciation in the Peso, which fund managers believe is significantly undervalued.

### Examples of Recent Opportunities in Currencies

	ANALYSIS	ACTION
 <b>EUROPE</b>	Continued QE by the ECB should lead to depreciation of the Euro	Short Euro against Long USD ▼
 <b>JAPAN</b>	Continued QE by the BOJ should lead to depreciation of the Yen	Short Yen against Long USD ▼
 <b>MEXICO</b>	Country has low leverage and stands to benefit from a strengthening US economy; currency appears undervalued	Long Mexican Peso vs. Short USD ▲

**To take advantage of this “once-in-a-decade opportunity” with Templeton Global Bond Fund, please contact your financial advisor.**

This material reflects the analysis and opinions of Templeton Global Macro as of October 2015, and may differ from the opinions of other portfolio managers, investment teams or platforms at Franklin Templeton Investments. The information provided is not a complete analysis of every material fact regarding any country, region, market, investment or strategy. Because market and economic conditions are subject to change, comments, opinions and analysis are rendered as of the publication date and may change without notice. Holdings are subject to change. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or recommendation or solicitation to buy, sell or hold any security or to adopt an investment strategy; it is intended only to provide insight into the fund's portfolio selection process.

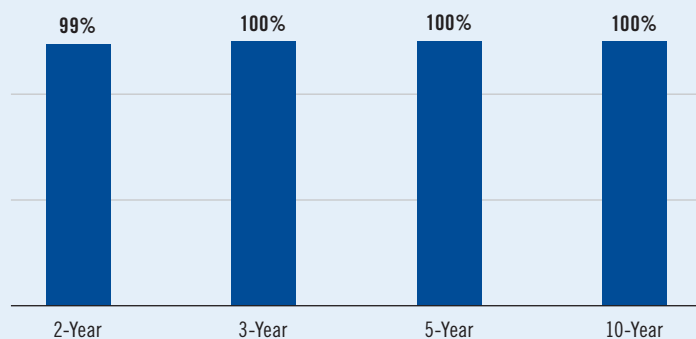
# A Record of Strong Results

The Templeton Global Bond Fund investment team has the flexibility to take advantage of opportunities in interest rates, currencies and sovereign credit worldwide, and the results speak for themselves.

## TEMPLETON GLOBAL BOND FUND

**Generated Positive Returns in Most Monthly Rolling 2-Year Periods and ALL Monthly Rolling 3-, 5- and 10-Year Periods Since 2001** (Class A without Sales Charge)

Percentage of Positive Monthly Rolling Periods from January 1, 2001–September 30, 2015<sup>4</sup>



*If the fund's 4.25% sales charge had been included, fund returns would have been lower.*

## Average Annual Total Returns<sup>5, 6</sup>

As of September 30, 2015

	1-Year	5-Year	10-Year	EXPENSE RATIOS <sup>5</sup>	
				With Waiver	Without Waiver
<b>Advisor Class (TGBAX)</b>	-7.69%	2.41%	7.35%	0.65%	0.66%
<b>Class A (TPINX)</b>				0.90%	0.91%
With 4.25% Initial Sales Charge	-11.88%	1.26%	6.62%		
Without Sales Charge	-7.96%	2.15%	7.08%		
Citigroup World Government Bond Index <sup>7</sup>	-3.83%	-0.19%	3.37%		

## 30-Day Standardized Yield<sup>8</sup>

As of October 31, 2015

	With Waiver	Without Waiver
<b>Advisor Class</b>	3.07%	3.05%
<b>Class A</b>	2.70%	2.69%

*Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment return and principal value will change with market conditions, and investors may have a gain or a loss when they sell their shares. Please call Franklin Templeton Investments at (800) DIAL BEN/342-5236 or visit [franklintempleton.com](http://franklintempleton.com) for the most recent month-end performance.*

Advisor Class shares do not have sales charges or Rule 12b-1 fees and are offered only to certain eligible investors as stated in the prospectus.

4. The fund's inception date is 09/18/86; portfolio manager Michael Hasenstab started managing the fund in 2001. Returns from October 1, 1986–September 30, 2015 were positive in 308 out of 325 rolling two-year periods, 304 out of 313 rolling three-year periods, 289 out of 289 rolling five-year periods and 229 out of 229 rolling 10-year periods.

5. The fund has a fee waiver associated with its investments in a Franklin Templeton money fund, contractually guaranteed through at least its current fiscal year end. Fund investment results reflect the fee waiver; without this reduction, the results would have been lower.

6. The fund offers other share classes, subject to different fees and expenses that will affect their performance.

7. Source: © 2015 Morningstar, Inc. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information. Indexes are unmanaged and one cannot invest directly in them.

8. The 30-Day Standardized Yield reflects an estimated yield to maturity. It should be regarded as an estimate of the fund's rate of investment income, and it may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders.

## WHAT ARE THE RISKS?

All investments involve risks, including possible loss of principal. Currency rates may fluctuate significantly over short periods of time and can reduce returns. Derivatives, including currency management strategies, involve costs and can create economic leverage in the portfolio which may result in significant volatility and cause the fund to participate in losses (as well as enable gains) on an amount that exceeds the fund's initial investment. The fund may not achieve the anticipated benefits and may realize losses when a counterparty fails to perform as promised. The markets for particular securities or types of securities are or may become relatively illiquid. Reduced liquidity will have an adverse impact on the security's value and on the fund's ability to sell such securities when necessary to meet the fund's liquidity needs or in response to a specific market event. Foreign securities involve special risks, including currency fluctuations and economic and political uncertainties. Investments in emerging markets involve heightened risks related to the same factors, in addition to those associated with these markets' smaller size and lesser liquidity. Investments in lower-rated bonds include higher risk of default and loss of principal. Changes in interest rates will affect the value of the fund's portfolio and its share price and yield. Bond prices generally move in the opposite direction of interest rates. As the prices of bonds in the fund adjust to a rise in interest rates, the fund's share price may decline. The fund is also non-diversified, which involves the risk of greater price fluctuation than a more diversified portfolio. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. These and other risk considerations are discussed in the fund's prospectus.



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### Franklin Templeton Investments

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#### Templeton Global Bond Fund Symbols:

Class A: TPINX  
Class C: TEGBX  
Class R: FGBRX  
Class R6: FBNRX  
Advisor: TGBAX

*Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, talk to your financial advisor, call us at (800) DIAL BEN/342-5236 or visit [franklintempleton.com](http://franklintempleton.com). Please carefully read a prospectus before you invest or send money.*