



# Templeton Global Total Return Fund— Advisor Class

Unconstrained  
Fixed Income  
March 31, 2019

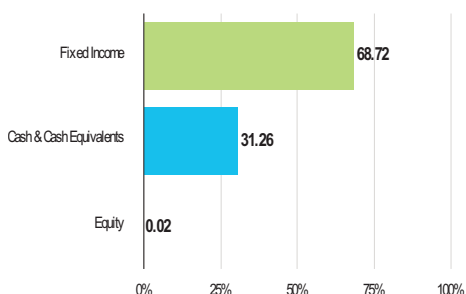
## Product Profile

### Product Details<sup>1</sup>

Fund Assets	\$5,356,542,651.81
Fund Inception Date	09/30/2008
Number of Holdings	178
NASDAQ Symbol	TTRZX
Maximum Sales Charge	0.00
Investment Style	Unconstrained
Benchmark	Bloomberg Barclays Multiverse Index
Lipper Classification	International Income Funds
Morningstar Category™	World Bond
Dividend Frequency	Monthly

### Asset Allocation<sup>2</sup>

Market Value—Percent of Total



### Third-Party Fund Data

#### Overall Morningstar Rating™<sup>3</sup>



As of 03/31/2019 the fund's Advisor Class shares received a 5 star overall Morningstar Rating™, measuring risk-adjusted returns against 257 and 239 U.S.-domiciled World Bond mutual funds and exchange traded funds over the 3- and 5-year periods, respectively. A fund's overall rating is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) rating metrics.

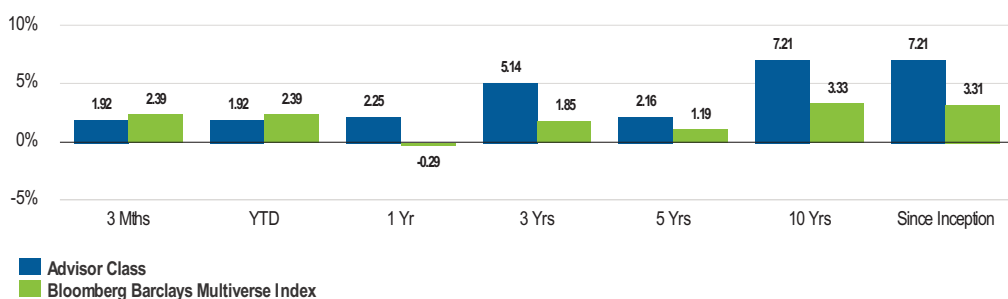
### Fund Description

The fund seeks total investment return consisting of a combination of interest income, capital appreciation and currency gains by investing primarily in fixed and floating-rate debt securities and debt obligations of governments, government-related or corporate issuers worldwide. The fund regularly enters into various currency-related and other transactions involving derivative instruments.

### Performance Data<sup>4</sup>

#### Average Annual Total Returns<sup>5</sup> (%)

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (09/30/2008)
Advisor Class	1.92	1.92	2.25	5.14	2.16	7.21	7.21
Bloomberg Barclays Multiverse Index	2.39	2.39	-0.29	1.85	1.19	3.33	3.31



**Total Annual Operating Expenses**—With Waiver: 0.82% Without Waiver: 0.87%

**30-Day Standardized Yield<sup>6</sup>**—With Waiver: 5.64% Without Waiver: 5.54%

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 you may have a gain or a loss when you sell your shares. Please call Franklin Templeton Investments at (800) DIAL BEN/342-5236 or visit franklintempleton.com for the most recent month-end performance.

Advisor Class shares are offered only to certain eligible investors as stated in the prospectus. They are offered without sales charges or Rule 12b-1 fees. The fund offers other share classes subject to different fees and expenses, which will affect their performance. Please see the prospectus for details.

The fund has a fee waiver associated with any investment it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through 04/30/2019. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.

#### Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Advisor Class	2.03	3.09	8.66	-4.64	0.62	3.81	19.31	-0.91	15.31	24.18
Bloomberg Barclays Multiverse Index	-1.36	7.69	2.84	-3.29	0.47	-2.19	4.84	5.55	5.84	8.04

1. All holdings are subject to change.

4. Source for Index: FactSet. Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

5. Periods shorter than one year are shown as cumulative total returns.

6. The fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders.

Portfolio Manager Insight<sup>7</sup>

## Performance Review

## QUARTERLY KEY PERFORMANCE DRIVERS

	Currencies	Duration	Credit
HELPED	Euro (Net-Negative Position)	Select Duration Exposures in Asia ex Japan	—
	Mexican Peso	—	—
	Japanese Yen (Net-Negative Position)	—	—
HURT	Ghanaian Cedi	Negative Duration Exposure to US Treasuries	—
	—	Argentina	—
	—	—	—

- The euro and the Japanese yen depreciated against the US dollar during the quarter. The fund's net-negative positions in the euro and the Japanese yen contributed to absolute performance. We expect the widening rate differentials between rising rates in the US and low to negative yields in the eurozone and Japan to weaken the euro and yen against the US dollar.
- Currency positions in Latin America (the Mexican peso) also contributed to absolute fund results, while currency positions in Africa (the Ghanaian cedi) detracted. We continued to hold currency positions in a number of countries that we believe have strong growth fundamentals and compelling interest-rate differentials.
- Negative duration exposure to US Treasuries detracted from absolute fund performance as the yield on the 10-year US Treasury note fell 28 basis points to end the quarter at 2.41%. Overall, we continue to expect longer-term US Treasury yields to rise on economic fundamentals in the US and growing levels of Treasury debt issuance.

## Outlook &amp; Strategy

- In the US, we expect ongoing labor market strength and continued expansion of the US economy. US growth is likely to moderate from its 2018 pace, but remain at or above potential in 2019, in our view. On the whole, resilient consumer spending in the US should continue to fuel US growth and support global growth, as the economy moves deeper into the late-cycle phase of expansion. Fiscal stimulus should continue to have an additive effect on the US economy before beginning to fade in the second half of 2019.
- Overall, we see a subset of countries with domestically strong economies that have demonstrated their resiliencies to global shocks, including potential trade disruptions. We are focused on specific countries that are less externally vulnerable and more domestically driven, and that have orthodox fiscal and monetary policies. We see additional scope for strengthening valuations in specific countries.
- In Europe, growth continues to show signs of moderation. We expect the euro to weaken against the US dollar given the differences in projected growth and the widening rate differentials between the US and the eurozone. The peak rate differential between the eurozone and the US is still ahead, in our view. Additionally, the euro remains vulnerable to unresolved structural and political risks across Europe, in our view, notably including recent debt sustainability and banking concerns in Italy.
- We continue to maintain low portfolio duration while aiming at a negative correlation with US Treasury returns. We also continue to hold select local-currency duration exposures in countries that we view as having healthy and/or improving fundamentals, along with attractive risk-adjusted yields.

7. The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund's portfolio selection process. Holdings are subject to change.

Portfolio Characteristics<sup>8,9,10,11</sup>

	Portfolio	Bloomberg Barclays Multiverse Index
Average Duration	-1.91 Yrs	6.88 Yrs
Average Weighted Maturity	1.87 Yrs	8.65 Yrs
Annual Turnover Ratio (12/31/2018)	20.91%	-

8. The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change.

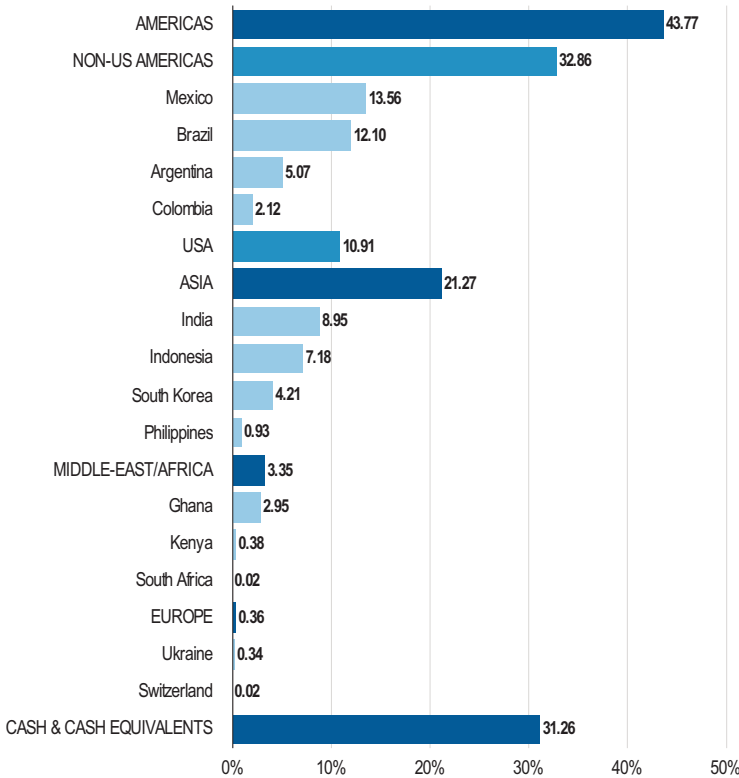
9. Turnover Ratio is as of the fund's fiscal year-end.

10. Source for Index: FactSet. Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

Portfolio Diversification<sup>12</sup>

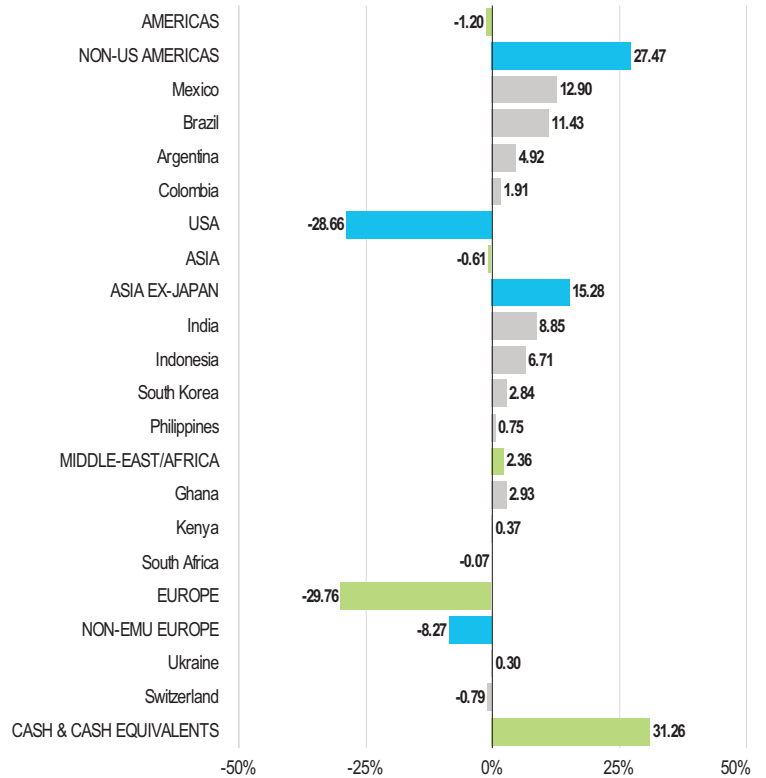
Geographic Allocation<sup>2</sup>

Market Value—Percent of Total



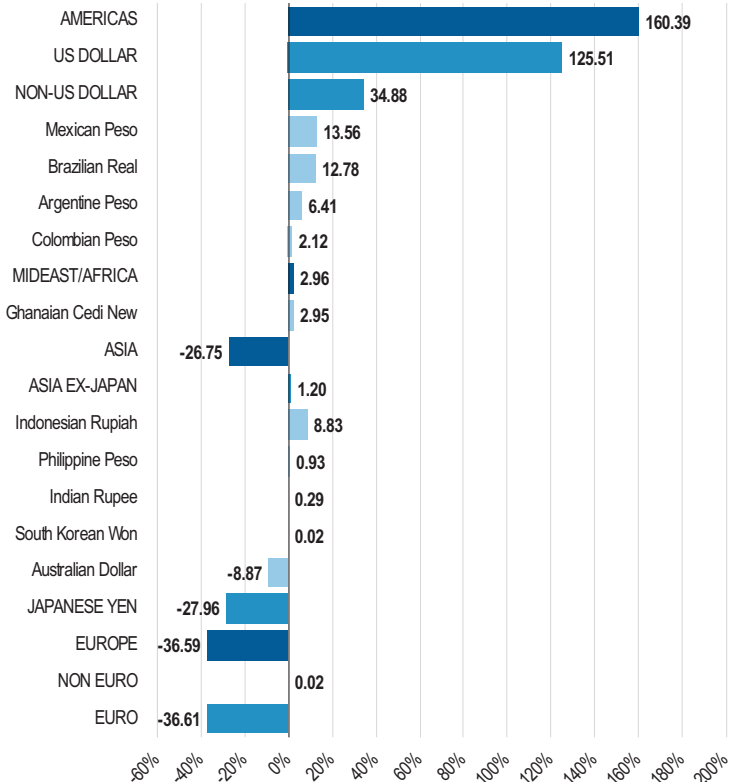
Geographic Weightings vs. Bloomberg Barclays Multiverse Index<sup>2,13</sup>

Market Value—Percent of Total



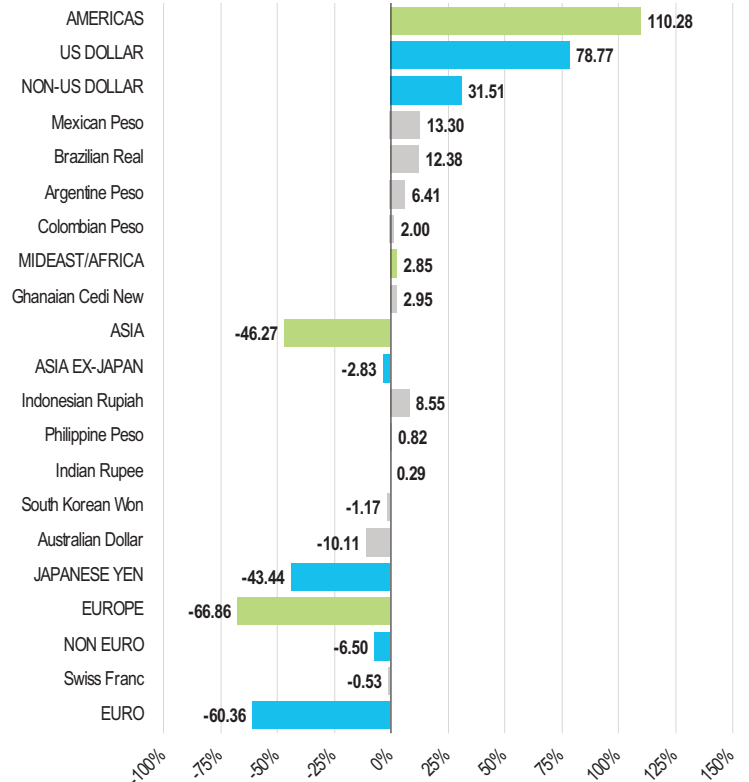
Currency Exposure<sup>14</sup>

Notional Exposure—Percent of Total



Currency Exposure vs. Bloomberg Barclays Multiverse Index<sup>14,15</sup>

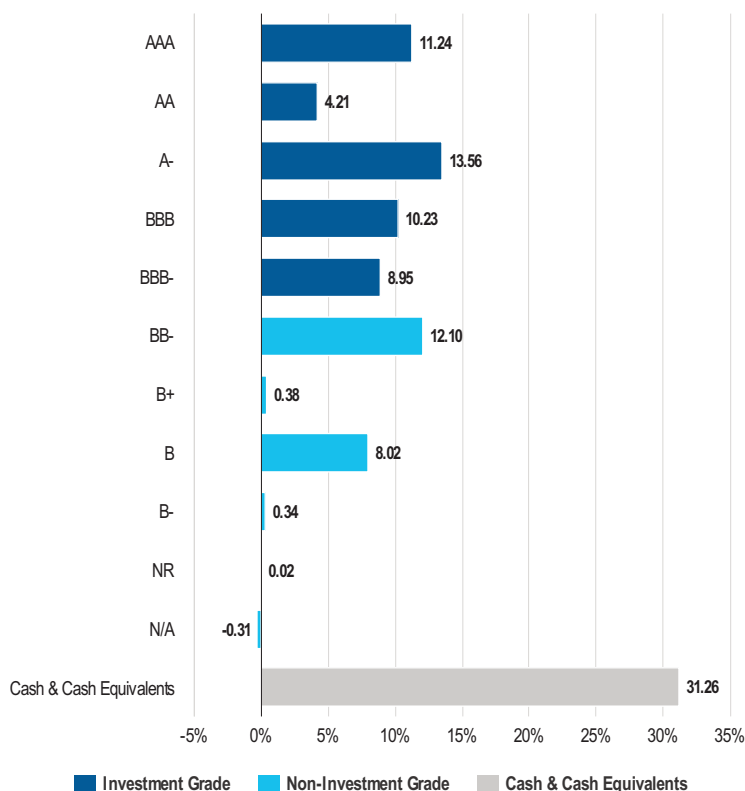
Notional Exposure—Percent of Total



13,15. Source for Index: FactSet. Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

**Credit Quality Allocation<sup>2,16</sup>**

Market Value—Percent of Total



**Supplemental Performance Statistics**

**Supplemental Risk Statistics<sup>17,18</sup>**

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation (%)	5.88	6.37	8.14
Tracking Error (%)	8.07	7.80	7.75
Information Ratio	0.41	0.12	0.50
Sharpe Ratio	0.67	0.22	0.84

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**Investment Philosophy**

We believe that applying a fundamental, research-driven approach focused on identifying potential sources of total return (current income and capital appreciation) worldwide and seeking to capitalize on ideas across the entire fixed income opportunity set provide the best potential for solid risk-adjusted returns. The portfolio is run independently of its benchmark, allowing the manager to hold only the positions it believes have the best potential to maximize risk-adjusted returns. This is a high alpha seeking strategy that invests globally and may include allocations to both developed and emerging markets.

**Investment Process**

**Investment Strategy**

Long-Term, Opportunistic Value Approach

- Long-term, fundamentally driven investment focus

16. Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations ('NRSRO'), such as Standard & Poor's, Moody's and Fitch. The ratings are an indication of an issuer's creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from all three agencies are available, the middle rating is used; when two are available, the lowest rating is used; and when only one is available, that rating is used. Foreign government bonds without a specific rating are assigned the country rating provided by an NRSRO, if available. The NR category consists of ratable securities that have not been rated by an NRSRO. The N/A category consists of nonratable securities (e.g., equities). Cash includes equivalents, which may be rated.

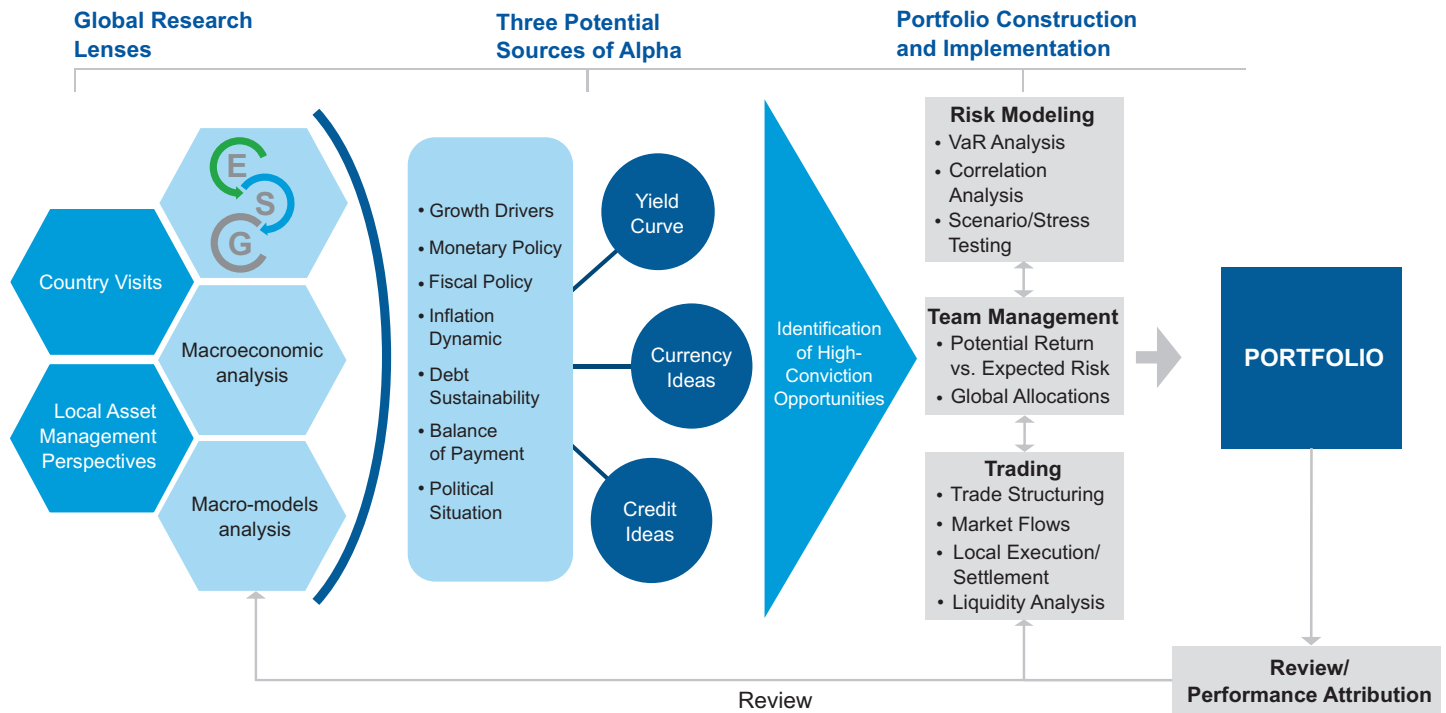
17. Information Ratio and Tracking Error information are displayed for the product versus the Bloomberg Barclays Multiverse Index.

18. Information Ratio is a way to evaluate a manager's ability to outperform a benchmark in relation to the risk that manager is assuming, with risk defined as deviation from the benchmark. This measure is calculated by dividing the portfolio's excess return (portfolio return less the benchmark return) by the tracking error (derived by taking the standard deviation of the monthly differences between the portfolio return and the benchmark return over time).

- Total return approach that is not benchmark driven
- Identify economic imbalances that may lead to value opportunities in:
  - Interest rates (duration)
  - Currencies
  - Sovereign credit
  - Corporate/spread sectors
  - Bottom-up security selection/sub-sector allocation
- Active positioning across these areas
  - Precisely isolate desired exposures
  - Risk budget composition will shift based on relative attractiveness during global economic and credit cycles

**Investment Process<sup>19,20</sup>**

**Multiple Research Lenses Can Lead to High-Conviction Opportunities**



19. The above chart is for illustrative and discussion purposes only. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions.

20. The Local Asset Management Group is comprised of investment professionals located in affiliates of and joint venture partners with Franklin Templeton Investments.

**Investment Team**

Portfolio Manager	Years with Firm	Years Experience
Michael Hasenstab, Ph. D., Executive VP & Chief Investment Officer	20	24
Calvin Ho, Ph. D., Senior VP, Director of Research	13	14
<b>Additional Resources</b>		
Bank Loans	Corporates - High Yield	Corporates - Investment Grade
Global Sovereign/EMD	Local Asset Management	MBS
Municipals		

**Annual Turnover Ratio:** Percentage of a fund’s holdings replaced with other holdings during a fund’s most recent full fiscal year.

**Average Duration:** A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. The weighted average duration of a fund reflects the effective duration of the underlying issues, based on the size of each holding.

**Average Weighted Maturity:** An estimate of the number of terms to maturity, taking the possibility of early payments into account, for the underlying holdings. Maturity is expressed as a number of years.

**Information Ratio:** In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark.

**Sharpe Ratio:** To calculate a Sharpe ratio, an asset's excess returns (its return in excess of the return generated by risk-free assets such as Treasury bills) are divided by the asset's standard deviation.

**Standard Deviation:** A measure of the degree to which returns vary from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that performance will fluctuate from the average return.

**Tracking Error:** Measure of the deviation of the return of a product compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment is managed, the smaller the tracking error.

**What Are The Risks?**

All investments involve risks, including possible loss of principal. Foreign securities involve special risks, including currency fluctuations (which may be significant over the short term) and economic and political uncertainties; investments in developing markets involve heightened risks related to the same factors. 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 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. Sovereign debt securities are subject to various risks in addition to those relating to debt securities and foreign securities generally, including, but not limited to, the risk that a government entity may be unwilling or unable to pay interest and repay principal on its sovereign debt, or otherwise meet its obligations when due. 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. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. These and other risks are discussed in the fund's prospectus.

**Important Legal Information**

*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.*

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*Important data provider notices and terms available at: [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com)*

2. Market value figures reflect the trading value of the investments. Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

3. Source: Morningstar®, 03/31/2019. For each mutual fund and exchange traded fund with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance, and does not take into account the effects of sales charges and loads, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The Fund's Advisor Class shares received a Morningstar Rating of 5 and 4 star(s) for the 3- and 5-year periods, respectively. Morningstar Rating™ is for the named share class only; other classes may have different performance characteristics. **Past performance is not an indicator or a guarantee of future performance.**

11. Average Duration and Average Weighted Maturity reflect certain derivatives held in the portfolio (or their underlying reference assets).

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

14. Notional exposure figures are intended to estimate the portfolio's exposure, including any hedged or increased exposure through certain derivatives held in the portfolio (or their underlying reference assets). Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.



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