

# Templeton Sustainable Emerging Markets Bond Fund



Advisor Class: **FEMZX** Class A: **FEMGX** Class C: **FEMHX** Class R: **FEMBX** Class R6: **FEMRX**

**Multi-Sector** Factsheet as of December 31, 2023

## Investment Overview

The fund's investment goal is to seek current income with capital appreciation as a secondary goal. Under normal market conditions, the Fund invests at least 80% of its net assets in a non-diversified portfolio of government bonds issued by emerging market countries pursuant to the investment manager's investment strategy that emphasizes the current and projected sustainability efforts of emerging market countries in certain environmental, social and governance (ESG) categories (sustainability investment strategy).

## Average Annual Total Returns (%)

	Without Sales Charges					With Sales Charges					Inception Date
	1-Yr	3-Yr	5-Yr	10-Yr	Inception	1-Yr	3-Yr	5-Yr	10-Yr	Inception	
Advisor Class	12.35	-1.53	-1.96	0.14	0.13	12.35	-1.53	-1.96	0.14	0.13	4/1/2013
Class A	12.13	-1.76	-2.19	-0.09	-0.10	7.96	-3.00	-2.94	-0.47	-0.46	4/1/2013
Class C	11.70	-2.14	-2.59	-0.51	-0.52	10.70	-2.14	-2.59	-0.51	-0.52	4/1/2013
Class R	11.86	-1.94	-2.30	-0.24	-0.27	11.86	-1.94	-2.30	-0.24	-0.27	4/1/2013
Class R6	12.47	-1.51	-1.90	0.20	0.18	12.47	-1.51	-1.90	0.20	0.18	4/1/2013
Benchmark	12.70	-3.16	1.14	0.09	—	12.70	-3.16	1.14	0.09	—	—

## Cumulative Total Returns (% Without Sales Charge)

	3-Mo	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Advisor Class	9.34	12.35	12.35	-10.28	-5.28	-6.46	1.45	-3.01	10.53	10.52	-3.14	-2.47
Class A	9.11	12.13	12.13	-10.51	-5.54	-6.80	1.33	-3.30	10.21	10.41	-3.30	-2.70
Class C	9.22	11.70	11.70	-10.79	-5.96	-7.22	0.89	-3.69	9.75	9.92	-3.84	-3.05
Class R	9.25	11.86	11.86	-10.76	-5.56	-6.81	1.32	-3.40	10.13	10.24	-3.57	-3.04
Class R6	9.18	12.47	12.47	-10.41	-5.19	-6.47	1.69	-2.95	10.50	10.66	-3.08	-2.42
Benchmark	8.07	12.70	12.70	-11.69	-8.75	2.69	13.47	-6.21	15.21	9.94	-14.92	-5.72

**Performance data quoted represents past performance, which does not guarantee future results.** Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit [www.franklintempleton.com](http://www.franklintempleton.com).

The fund began offering Class R6 shares on 4/1/2013. Performance quotations have been calculated as follows: (a) for Class R6 periods prior to 4/1/2013, a restated figure is used based on the fund's Advisor Class performance. The performance was adjusted to take into account differences in class-specific operating expenses and maximum sales charges. (b) For periods after share class offering, performance for the specific share class is used, reflecting the expenses and maximum sales charges applicable to that class.

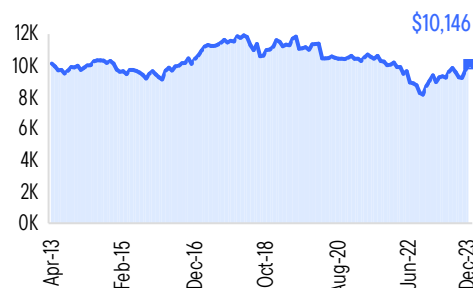
## Share Class Details

	CUSIP	Ticker	Sales Charges (%)		Expenses (%)		30-Day SEC Yields (%)	
			Max	CDSC	Gross	Net	Without Waiver	With Waiver
Advisor Class	880208780	FEMZX	0.00	—	2.73	0.92	5.47	6.94
Class A	880208830	FEMGX	3.75	—	3.00	1.17	5.21	6.45
Class C	880208822	FEMHX	0.00	1.00	3.37	1.57	4.81	6.29
Class R	880208814	FEMBX	0.00	—	3.24	1.42	4.96	6.51
Class R6	880208798	FEMRX	0.00	—	2.89	0.89	5.46	7.06

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 04/30/2024 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice. There is a 1% CDSC on any Class C shares you sell within 12 months of purchase.

## Growth of \$10,000

Advisor Class Shares—Inception through December 31, 2023  
Excluding Effects of Sales Charges



## Fund Overview

Dividend Frequency, if any	Quarterly
Morningstar Category	Emerging-Markets Local-Currency
Lipper Classification	Emerging Markets Local Currency
Turnover (fiscal yr)	58%

## Benchmark(s)

JP Morgan GBI-EM Global Diversified Index

## Fund Characteristics

	Fund
Total Net Assets	\$16.36 Million
Number of Holdings	79
Weighted Average Maturity	9.70 Years
Effective Duration	6.27 Years

## Risk Statistics (3-Year—Advisor Class)

	Fund
Beta	0.94
R-Squared	0.87
Sharpe Ratio	-0.36
Standard Deviation (%)	10.73

Geographic Allocation (% of Total)

	Fund	Benchmark
Colombia	10.09	4.50
Indonesia	10.06	9.95
Brazil	9.94	9.96
Malaysia	5.30	9.95
Czech Republic	3.12	6.25
Mexico	2.42	9.95
China	0.00	9.96
Thailand	0.00	9.67
Other	56.30	29.81
Cash & Cash Equivalents	2.78	0.00

Currency exposure (% of Total)

	Fund	Benchmark
Colombian Peso	14.00	4.50
Brazilian Real	11.90	9.96
Indian Rupee	10.53	0.00
Indonesian Rupiah	10.06	9.95
Thai Baht	7.90	9.67
Malaysian Ringgit	6.93	9.95
Mexican Peso	5.99	9.95
Czech Koruna	3.12	6.25
Chinese Yuan	0.00	9.96
Other	29.58	29.81

Credit Quality Allocation (% of Total)

	Fund	Benchmark
AAA	16.33	0.00
AA	7.16	16.05
A	5.30	38.69
BBB	39.33	24.61
BB	21.09	18.91
B	2.20	1.52
CCC	5.44	0.00
Not Rated	0.00	0.23
Not Applicable	0.38	0.00
Cash & Cash Equivalents	2.78	0.00

Portfolio Data Information

**Exposure:** Notional exposure figures are estimated and are intended to show the portfolio's direct exposure to securities and indirect exposure, through derivatives. Direct and indirect exposures are subject to change over time and methodologies for calculating indirect exposures vary by derivative type. Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of derivatives, unsettled trades or other factors.

**Credit Quality** is a measure of a bond issuer's ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security's rating as provided by Standard and Poor's, Moody's Investors Service and/or Fitch Ratings, Ltd. and typically range from AAA (highest) to D (lowest), or an equivalent and/or similar rating. For this purpose, the manager assigns each security the middle rating from these three agencies. When only two agencies provide ratings, the lower of the two ratings will be assigned. When only one agency assigns a rating, that rating will be used. Foreign government bonds without a specific rating are assigned a country rating, if available. Securities that are unrated by all three agencies are reflected as such. The credit quality of the investments in the Fund's portfolio does not apply to the stability or safety of the Fund. These ratings are updated monthly and may change over time. **Please note, the Fund itself has not been rated by an independent rating agency.**

Portfolio Management

	Years with Firm	Years of Experience		Years with Firm	Years of Experience
Michael Hasenstab, PhD	25	29	Vivian Guo	6	8
Calvin Ho, PhD	18	19	Jaap Willems	8	15

What should I know before investing?

**All investments involve risks, including possible loss of principal.** International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets.** **Fixed income securities** involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. The managers' **environmental, social and governance (ESG) strategies** may limit the types and number of investments available and, as a result, may forgo favorable market opportunities or underperform strategies that are not subject to such criteria. There is no guarantee that the strategy's ESG directives will be successful or will result in better performance.

**Liquidity risk** exists when securities or other investments become more difficult to sell, or are unable to be sold, at the price at which they have been valued. **Changes in the credit rating of a bond,** or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. **Low-rated, high-yield bonds** are subject to greater price volatility, illiquidity and possibility of default. These and other risks are discussed in the fund's prospectus.

Glossary

**Beta** A measure of the fund's volatility relative to the market, as represented by the stated Index. A beta greater than 1.00 indicates volatility greater than the market. **R-squared** measures the strength of the linear relationship between the fund and its benchmark. R-squared at 1 implies perfect linear relationship and zero implies no relationship exists. **Sharpe Ratio** refers to a risk-adjusted measure calculated using standard deviation and excess returns to determine reward per unit of risk. The higher the ratio, the greater the risk-adjusted performance. **Standard Deviation:** Measure of the degree to which a fund's return varies from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate from the average return. The **30-day SEC yield** is calculated using the net income (interest and dividends) per share earned over a trailing 30-day period (annualized), divided by the fund's share price at the end of that period. It may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders. **Turnover** is a measure of the fund's trading activity which represents the portion of the fund's holdings that has changed over a twelve-month period through the fiscal year end. There is no assurance that the fund will maintain its current level of turnover. **Weighted Average Maturity:** An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings. **Effective Duration** is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. Duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes.

Important Information

**Effective August 1, 2022, the fund changed its benchmark to the JP Morgan GBI-EM Global Diversified Index.**

Effective December 15, 2021, the fund changed its name to Templeton Sustainable Emerging Markets Bond Fund. Additionally, the fund changed its investment strategy to investing at least 80% of its net assets in sovereign bonds of emerging market countries that exhibit a higher level of, or are progressing toward greater environmental, social and governance (ESG) sustainability practices. Please see the fund's prospectus for details.

The **JP Morgan GBI-EM Global Diversified Index** tracks total returns for local-currency bonds issued by emerging market governments. The index includes only those countries that are accessible by most of the international investor base and excludes countries with explicit capital controls, but it does not factor in regulatory/tax hurdles in assessing eligibility. For this index, the maximum weight to a country is capped at 10%. Source: JP Morgan. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change. Important data provider notices and terms available at [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com).

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**Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at [www.franklintempleton.com](http://www.franklintempleton.com). Please read it carefully.**