



Templeton Emerging Markets Bond Fund—Advisor Class

Multi-Sector
Fixed Income
December 31, 2019

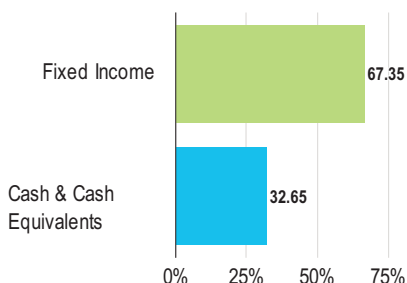
Product Profile

Product Details¹

Fund Assets	\$40,198,383.58
Fund Inception Date	04/01/2013
Number of Holdings	198
NASDAQ Symbol	FEMZX
Maximum Sales Charge	0.00
Investment Style	Multi-Sector
Benchmark	JP Morgan EMBI Global Index
Lipper Classification	Emerging Markets Local Currency Debt Funds
Morningstar Category™	Emerging-Markets Local-Currency Bond
Dividend Frequency	Quarterly in March, June, September, December

Asset Allocation²

Market Value—Percent of Total



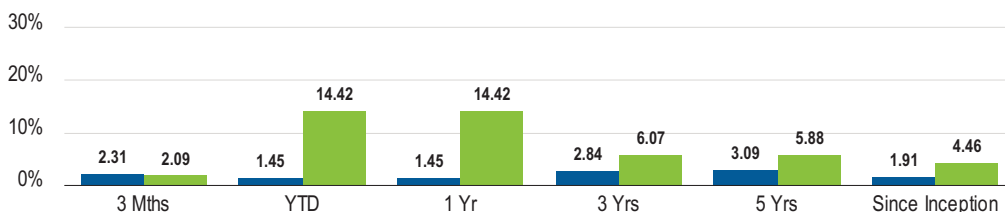
Fund Description

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 bonds issued by governments or government-related entities that are located in emerging-market countries, as well as bonds issued by emerging-market corporate entities.³

Performance Data⁴

Average Annual Total Returns⁵ (%)

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	Since Inception (04/01/2013)
Advisor Class	2.31	1.45	1.45	2.84	3.09	1.91
JP Morgan EMBI Global Index	2.09	14.42	14.42	6.07	5.88	4.46



● Advisor Class
● JP Morgan EMBI Global Index

Total Annual Operating Expenses—With Waiver: 1% Without Waiver: 2%

30-Day Standardized Yield⁶—With Waiver: 7.12% Without Waiver: 5.91%

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 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 an expense reduction and a fee waiver associated with any investments it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through 04/30/2020. Fund investment results reflect the expense reduction and fee waiver; without these reductions, the results would have been lower.

Calendar Year Returns (%)

	2019	2018	2017	2016	2015	2014
Advisor Class	1.45	-3.01	10.53	10.52	-3.14	-2.47
JP Morgan EMBI Global Index	14.42	-4.61	9.32	10.19	1.23	5.53

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 Insight⁷

Performance Review

QUARTERLY KEY PERFORMANCE DRIVERS

	Currencies	Duration	Credit
HELPED	Brazilian Real	Latin America	—
	—	—	—
	—	—	—
HURT	Argentine Peso	—	—
	Australian Dollar (Net-Negative Position)	—	—
	Euro (Net-Negative Position)	—	—

- Select duration exposures in Latin America contributed to absolute fund performance. We held select duration exposures in specific countries that we believe have economic resiliencies to external shocks and attractive risk/return profiles in their debt markets.
- The fund's net-negative positions in the euro and the Australian dollar detracted from absolute results, as did its net-positive position in the Japanese yen. We have maintained a net-negative position in the euro as a macro hedge against a broadly strengthening US dollar and as a directional view on the currency. We continued to hold net-negative positioning in the Australian dollar to hedge broad-based beta risk across emerging markets, as the currency shares emerging market risk factors.
- Currency positions in Latin America contributed to absolute fund performance (the Brazilian real contributed, while the Argentine peso detracted). We continued to hold currency positions in countries that we believe have strong growth fundamentals and compelling interest-rate differentials.

Outlook & Strategy

- A number of factors are currently shaping financial markets, notably including geopolitical risks and trade tensions, populism and political polarization, unrestrained deficit spending in the developed world, low rates and underappreciated inflation risks, and overvaluations in many risk assets. Financial markets remain vulnerable to a number of risks associated with these factors, in our view. We continue to maintain negative duration exposure to longer-term US Treasuries to hedge rate risks, and we have continued to pursue attractive risk-adjusted returns in select emerging markets. We have also increased our long exposures to perceived safe-haven assets.
- In emerging markets, we continue to 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 have become a bit more cautious on the broad outlook for emerging markets as a whole, but we continue to see scope for additional valuation strength in specific countries. It remains crucial to be selective.
- In Europe, growth continues to show signs of moderation, with weakness in manufacturing and investment. We continue to expect the euro to weaken against the US dollar given the differences in projected growth and the rate differentials between the US and the eurozone, as well as the likelihood for ongoing monetary accommodation from the European Central Bank.
- Overall, the fund continues to maintain low portfolio duration and negative duration exposure to longer-term US Treasuries. We expect rising debt issuance, rising deficit spending and rising underlying inflation pressures to drive longer-term yields higher. The fund also continues to hold select local-currency positions in countries that we view as having healthy or improving fundamentals, along with attractive risk-adjusted yields. We continue to see a select set of higher-yielding local markets that we expect to outperform the core fixed income markets in the quarters ahead.

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^{8,9,10}

	Portfolio	JP Morgan EMBI Global Index
Average Duration	1.21 Yrs	7.80 Yrs
Average Weighted Maturity	2.33 Yrs	12.65 Yrs

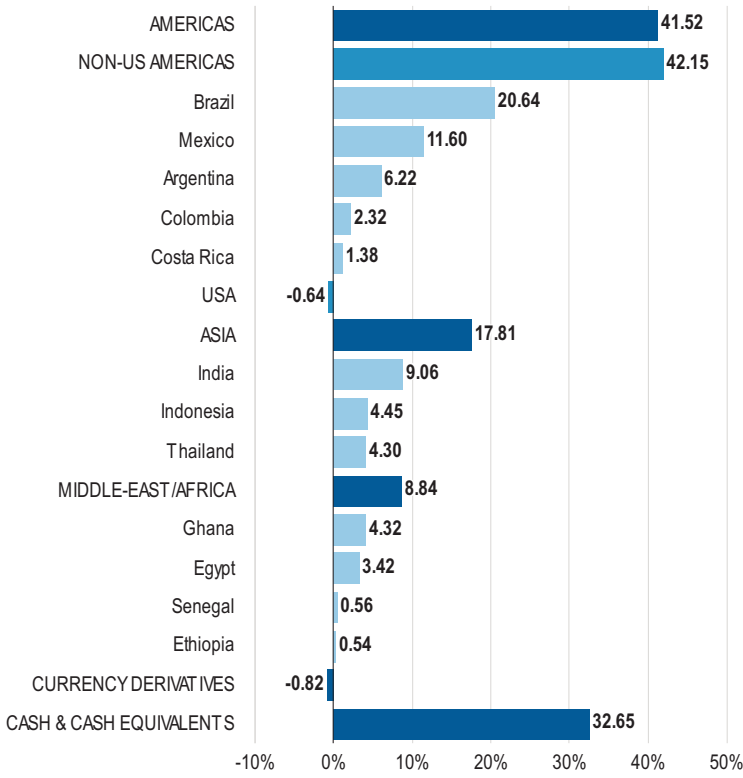
8. The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change.

9. 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

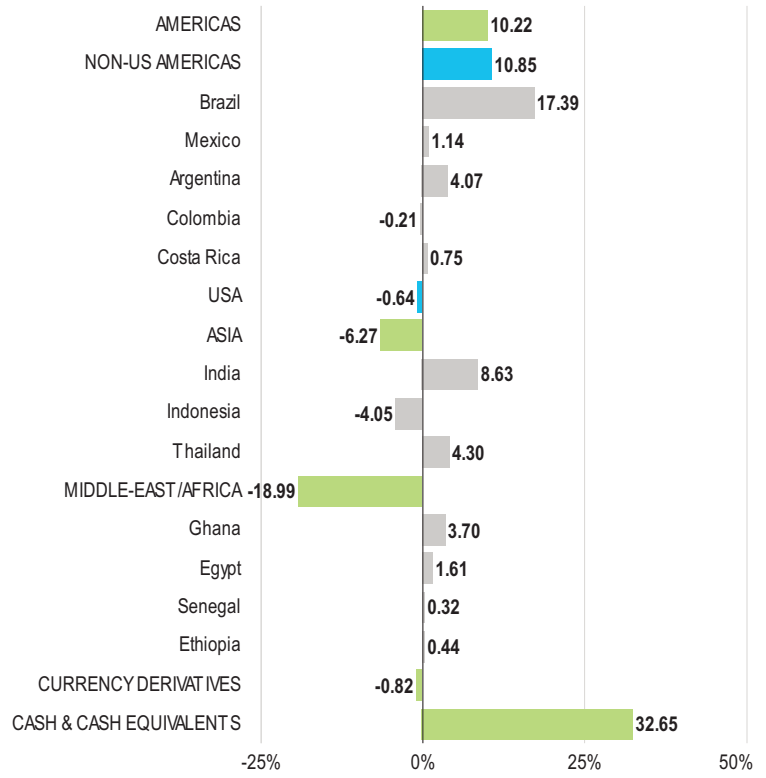
Geographic Allocation²

Market Value—Percent of Total



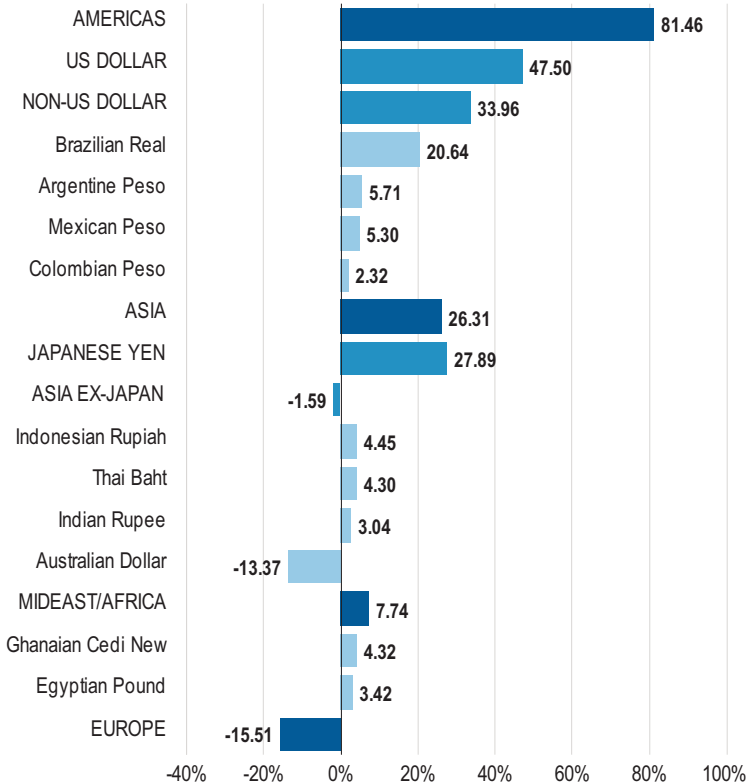
Geographic Weightings vs. JP Morgan EMBI Global Index^{11,2}

Market Value—Percent of Total



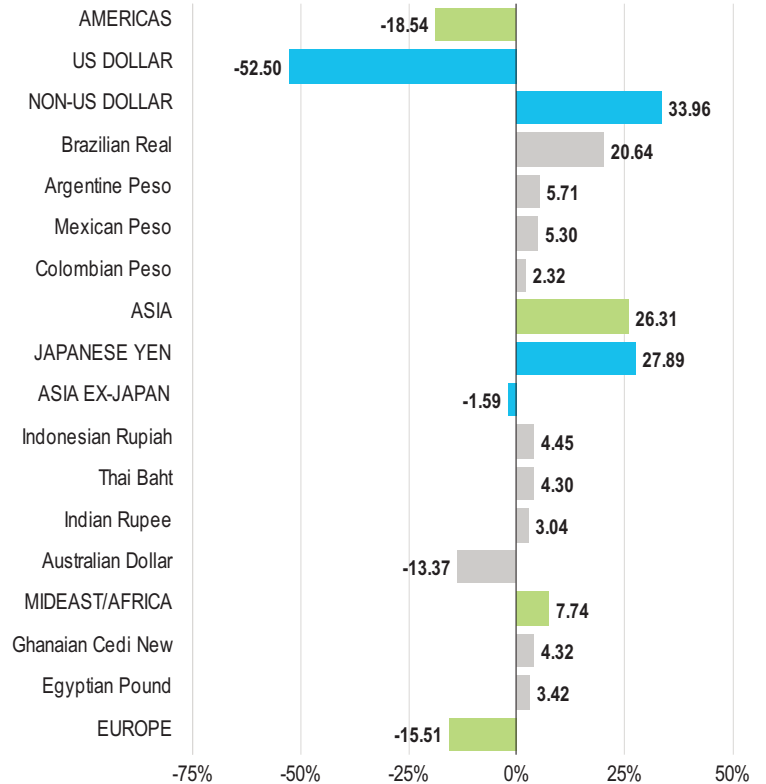
Currency Exposure¹²

Notional Exposure—Percent of Total



Currency Weightings vs. JP Morgan EMBI Global Index^{13,12}

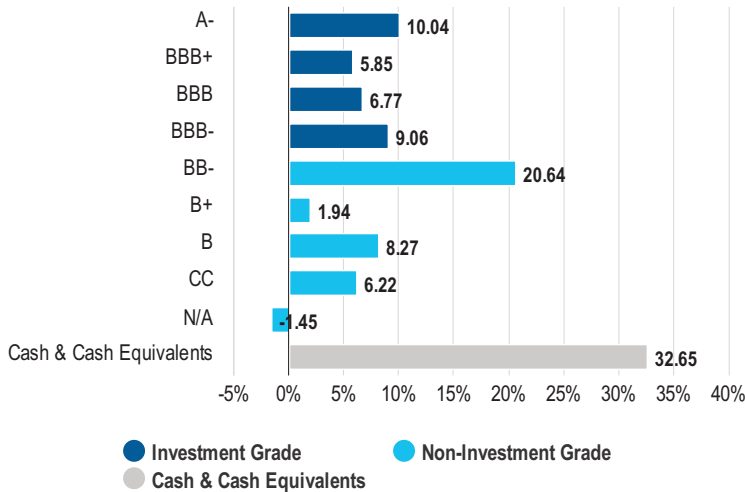
Notional Exposure—Percent of Total



11,13. 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^{2,14}

Market Value—Percent of Total



Supplemental Performance Statistics

Supplemental Risk Statistics^{15,16}

	3 Yrs	5 Yrs
Standard Deviation (%)	8.88	8.60
Tracking Error (%)	7.77	7.10
Information Ratio	-0.38	-0.37
Sharpe Ratio	0.17	0.26

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Investment Philosophy

Beliefs and Guiding Principles

- An unconstrained approach to emerging markets fixed income investing can lead to long-term value potential
- Integrating global macroeconomic analysis with in-depth country research can help identify long-term economic imbalances and lead to high-conviction positions
- Actively allocating risk across multiple independent sources of alpha can deliver diversification and the potential to earn more consistent returns in diverse markets

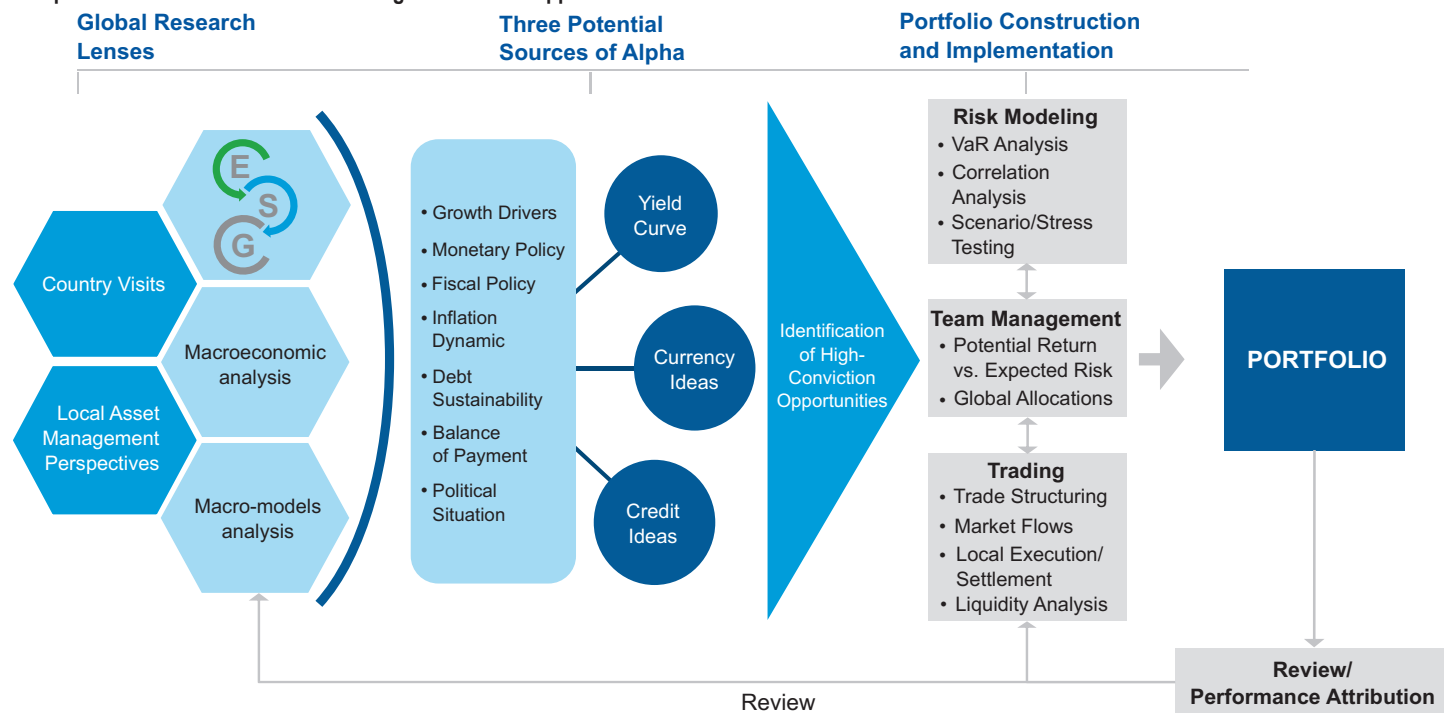
14. Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations ('NRSRO'), such as Standard & Poor's, Moody's and Fitch. The ratings are an indication of an issuer's creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from all 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.

15. Information Ratio and Tracking Error information are displayed for the product versus the JP Morgan EMBI Global Index.

16. 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).

Investment Process^{17,18}

Multiple Research Lenses Can Lead to High-Conviction Opportunities



17. 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.

18. 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	21	25
Calvin Ho, Ph. D., Senior VP, Director of Research	14	15

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.

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 rate fluctuations (which may be significant over the short-term) and economic and political uncertainties; investments in emerging markets involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity. 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. Derivatives, including currency management strategies, involve costs and can create economic leverage in the portfolio that 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. Bonds are subject to liquidity risk, which may have an adverse impact on the security's value or a fund's ability to sell such securities. Changes in interest rates will affect the value of the Fund's portfolio, share price and yield. Bond prices generally move in the opposite direction of interest rates. As 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. Investments in lower rated securities include higher risks of default and loss of principal. 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. Please carefully read a prospectus before you invest or send money.

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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. See the prospectus for the description of the terms "emerging-market countries" and "emerging-market corporate entities."

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

12. 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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