

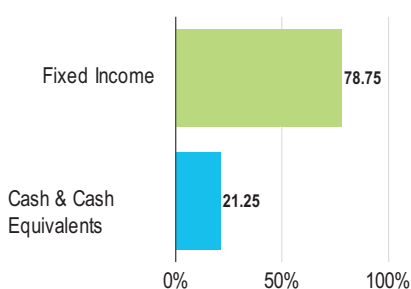
Product Profile

Product Details¹

Fund Assets	\$1,480,055,216.97
Fund Inception Date	09/30/2008
Number of Holdings	181
NASDAQ Symbol	TTRZX
Maximum Sales Charge	0.00
Investment Style	Multi-Sector
Benchmark	Bloomberg Barclays Multiverse Index
Lipper Classification	International Income Funds
Morningstar Category™	Nontraditional Bond
Dividend Frequency	Monthly

Asset Allocation³

Market Value—Percent of Total



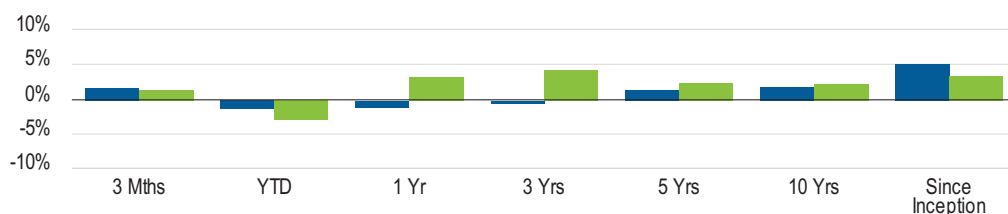
Fund Description

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 Data²

Average Annual Total Returns³ (%)

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (09/30/2008)
Advisor Class	1.68	-1.29	-0.99	-0.50	1.53	1.93	5.32
Bloomberg Barclays Multiverse Index	1.45	-2.95	3.19	4.34	2.57	2.23	3.54



- Advisor Class
- Bloomberg Barclays Multiverse Index

Total Annual Operating Expenses—With Waiver: 0.80% Without Waiver: 0.85%

30-Day Standardized Yield⁴—With Waiver: 3.75% Without Waiver: 3.73%

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/(800) 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 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 04/30/2022. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.

Calendar Year Returns (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Advisor Class	-5.59	2.01	2.03	3.09	8.66	-4.64	0.62	3.81	19.31	-0.91
Bloomberg Barclays Multiverse Index	9.02	7.13	-1.36	7.69	2.84	-3.29	0.47	-2.19	4.84	5.55

1. All holdings are subject to change.

2. 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.

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

4. The fund's 30-Day Standardized 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. **Past performance is not an indicator or a guarantee of future performance.**

Portfolio Manager Insight*

Performance Review

QUARTERLY KEY PERFORMANCE DRIVERS

	Currencies	Duration	Credit
HELPED	Brazilian Real	Argentina	Subinvestment-Grade Sovereign Credits
	Russian Ruble	Ghana	—
	Chinese Yuan	Indonesia	—
HURT	Argentine Peso	—	—
	—	—	—
	—	—	—

- During the quarter, sovereign bond yields declined in Brazil, India and Indonesia, but rose in Mexico, Chile and Colombia. Select duration exposures in Latin America (Argentina), Africa (Ghana), and Asia ex Japan (Indonesia) contributed to absolute fund performance. We continue to focus on compelling risk-adjusted yields in various local-currency bond markets, specifically in countries with resilient economies and strong trade dynamics.
- Among credit exposures, subinvestment-grade sovereign credits contributed to absolute fund return.
- The US dollar (USD) initially weakened in April and May but finished the quarter on a strengthening trend in June, resulting in mixed results against a number of currencies during the quarter. Currency positions in Latin America detracted from absolute fund results (the Argentine peso detracted, while the Brazilian real contributed). In Brazil, political compromises in the spring and better-than-expected economic figures supported an improved outlook. Additionally, the country's central bank has maintained its independence and responded to inflation pressures by hiking its policy rate in March, May and June, helping to stabilize the country's financial markets and bolster its currency.
- The fund's positions in the Russian ruble and the Chinese yuan contributed to absolute performance, as did its net-positive position in the Japanese yen. After significant depreciation in the ruble in 2020, largely associated with oil price volatility, we expect improving global growth and increasing demand for commodities to stabilize oil prices and support conditions for the ruble to appreciate.
- From a positioning standpoint, we continue to maintain low portfolio duration. We are significantly underweight developed market duration, preferring to hold short- to intermediate-term US Treasuries, while holding no exposure to the long end of the curve. We hold no duration exposure in the euro area. Instead, we continue to emphasize select local-currency sovereign bonds outside of the major developed markets, in countries that we view as having resilient fundamentals and attractive risk-adjusted yields. We are holding various unhedged local-currency positions, notably in South Korea, Indonesia, India, Ghana, Brazil and Colombia. We are also focusing on value opportunities in specific currencies, particularly in countries with strong trade dynamics, current account surpluses, better fiscal management and stronger growth potential, notably in Asia. We are holding long exposures in the Norwegian krone, Swedish krona and Canadian dollar against the euro, and in the Japanese yen, Indonesian rupiah, Indian rupee, South Korean won, Singapore dollar, Chinese yuan, New Zealand dollar and Chilean peso against the USD. In credit markets, we see pockets of value in select sovereign credit exposures that have undervalued growth drivers, but we continue to avoid corporate credit, given stretched valuations and elevated levels of issuance, which we expect to test valuations as rates rise. On the whole, we have become increasingly constructive in various currencies and local-currency bond markets, notably in areas of Asia, as we expect vaccine distributions to improve macroeconomic conditions in the quarters ahead, though we continue to monitor ongoing regional risks associated with highly contagious COVID variants.

Outlook & Strategy

- We expect broadly improving macroeconomic conditions as vaccines are progressively distributed around the world. It will take time to achieve critical immunity levels in many regions, but we expect a continued surge in economic activity in the second half of 2021 as people increasingly re-engage with the world. Economic recoveries are likely to remain uneven as countries are at different stages of containing the pandemic. Additionally, regional risks have resurfaced with the proliferation of various COVID variants, such as the delta variant. We remain optimistic but continue to monitor ongoing risks.
- We anticipate global growth above 6% in 2021, with emerging markets outpacing developed markets. World GDP (gross domestic product) is likely to moderate from that pace in 2022 and 2023 but remain around or above its historical average of the past decade as the post-pandemic surge reverts to more normalized growth patterns. (Note, there is no assurance that any estimate, forecast or projection will be realized.) Areas of Asia remain at the forefront of the global recovery, with the US rapidly making up lost ground in the second quarter.
- Economic figures are likely to be statistically noisy through the second half of 2021, given the anomalies from the extraordinary and unconventional shocks in 2020 that continue to affect the year-over-year measurements. Additionally, the divergence in the pace of reopenings and the timing of the economic recoveries in various countries are likely to add to the noise. Near-term fluctuations and spikes in a number of economic measures, notably including inflation, are likely to accompany the recovery process for several months, making it difficult to extrapolate meaningful trend lines for some time.
- We expect inflation figures to remain elevated in 2021 in many countries, largely on base effects off of the pandemic shocks in 2020 as well as the sharp cyclical upswing this year. Supply disruptions have also affected prices in certain sectors. These factors should be largely transitory, in our view, with inflation levels eventually moderating to secular trends in subsequent years, given excess capacities, as well as elevated unemployment and automation factors that continue to dampen wage pressures. However, excessive monetary accommodation and massive fiscal stimulus in the US, compounded with surging growth and an acceleration in the velocity of money, present inflationary risks that bear monitoring. The true test will be whether these factors become persistent enough to feed into longer-term inflation expectations, which would create self-sustaining price pressures. Our base case sees inflation expectations moderating as near-term spikes in the inflation figures eventually wane.
- During the second quarter of 2021, many central banks began considering when and at what pace to begin normalizing policy. Specific countries with inflation concerns have already begun raising rates, such as Brazil and Mexico, while others are looking toward normalizing policy to keep ahead of the curve, based on strengthening economic conditions. A number of countries are indicating that rate hikes and/or asset-buying program adjustments

could arrive in the second half of 2021. We expect a growing divergence on the monetary policy front as certain developed market central banks trend toward policy normalization ahead of others, while certain emerging market central banks are compelled to tighten policy to contend with rising inflationary pressures.

- We continue to be constructive in a number of regions, with a particular focus on areas of Asia that have addressed the health and economic crises more effectively. However, it remains crucial to be highly selective as there is wide variance in not only how well countries are containing COVID-19 and distributing vaccines, but also how well countries have handled fiscal and monetary policy and supported their economies. We expect staggered timelines for specific investment opportunities given the divergent conditions in regional and local markets.

*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.

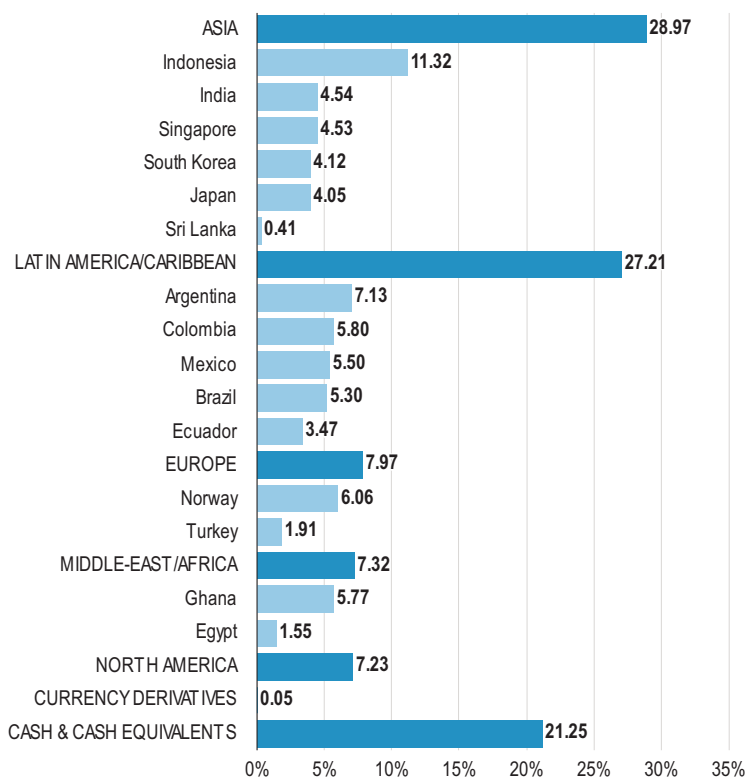
Portfolio Characteristics^{5,6,7,b}

	Portfolio	Bloomberg Barclays Multiverse Index
Annual Turnover Ratio (12/31/2020)	60.89%	-
Average Duration	2.04 Yrs	7.32 Yrs
Average Weighted Maturity	2.46 Yrs	8.91 Yrs

Portfolio Diversification^c

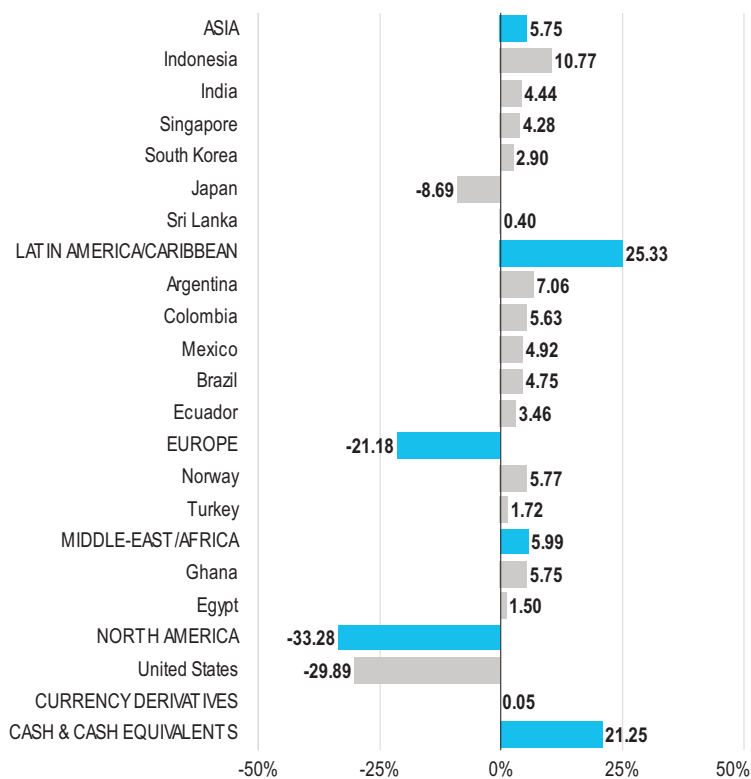
Geographic Allocation^a

Market Value—Percent of Total



Geographic Weightings vs. Bloomberg Barclays Multiverse Index^{a,8}

Market Value—Percent of Total



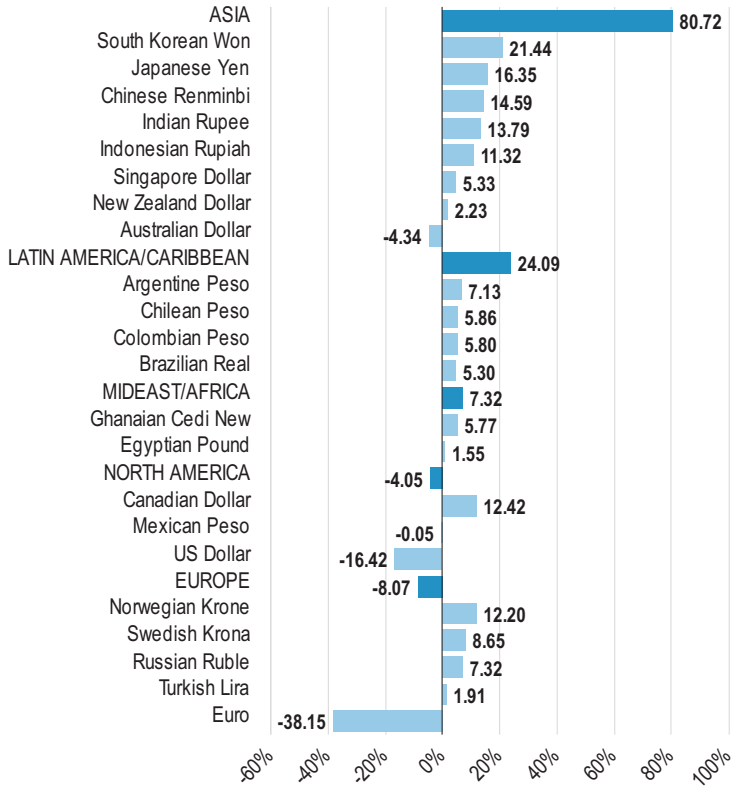
5. The portfolio characteristics listed are based on the fund’s underlying holdings, and do not necessarily reflect the fund’s characteristics. All holdings are subject to change.

6. Turnover Ratio is as of the fund’s fiscal year-end.

7,8. 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.

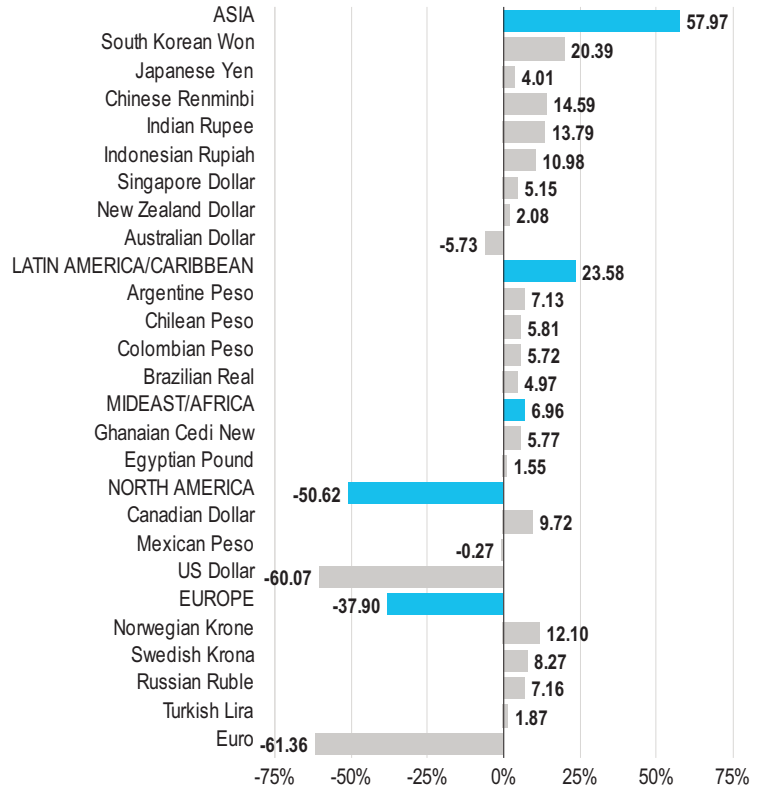
Currency Exposure^d

Notional Exposure—Percent of Total



Currency Exposure vs. Bloomberg Barclays Multiverse Index^{d,9}

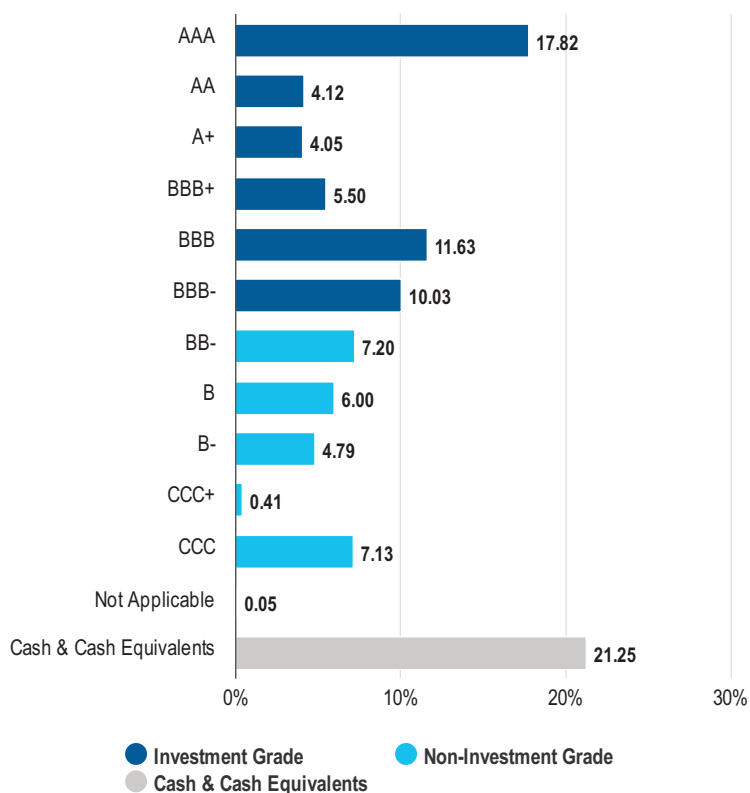
Notional Exposure—Percent of Total



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.

Credit Quality Allocation^{a,10}

Market Value—Percent of Total



Performance Statistics

Risk Statistics^{11,12}

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation (%)	6.32	6.04	7.48
Tracking Error (%)	7.19	7.62	7.58
Information Ratio	-0.67	-0.14	-0.04
Sharpe Ratio	-0.27	0.07	0.18

Past performance is not an indicator or a guarantee of future performance.

Investment Philosophy

We believe:

- An unconstrained approach to global fixed income investing can lead to long-term value potential
- Integrating global macroeconomic analysis and ESG indicators with in-depth country research can help identify long-term economic imbalances
- Actively allocating risk across three independent potential sources of return can deliver diversification benefits and the potential for more consistent returns in diverse markets

Investment Strategy

- Seeks to maximize total investment return consisting of a combination of interest income, currency gains and capital appreciation
- Utilizes a benchmark-agnostic approach to take advantage of an unconstrained worldview

10. 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 Not Rated category consists of ratable securities that have not been rated by an NRSRO. The Not Applicable category consists of nonratable securities (e.g., equities). Cash includes equivalents, which may be rated.

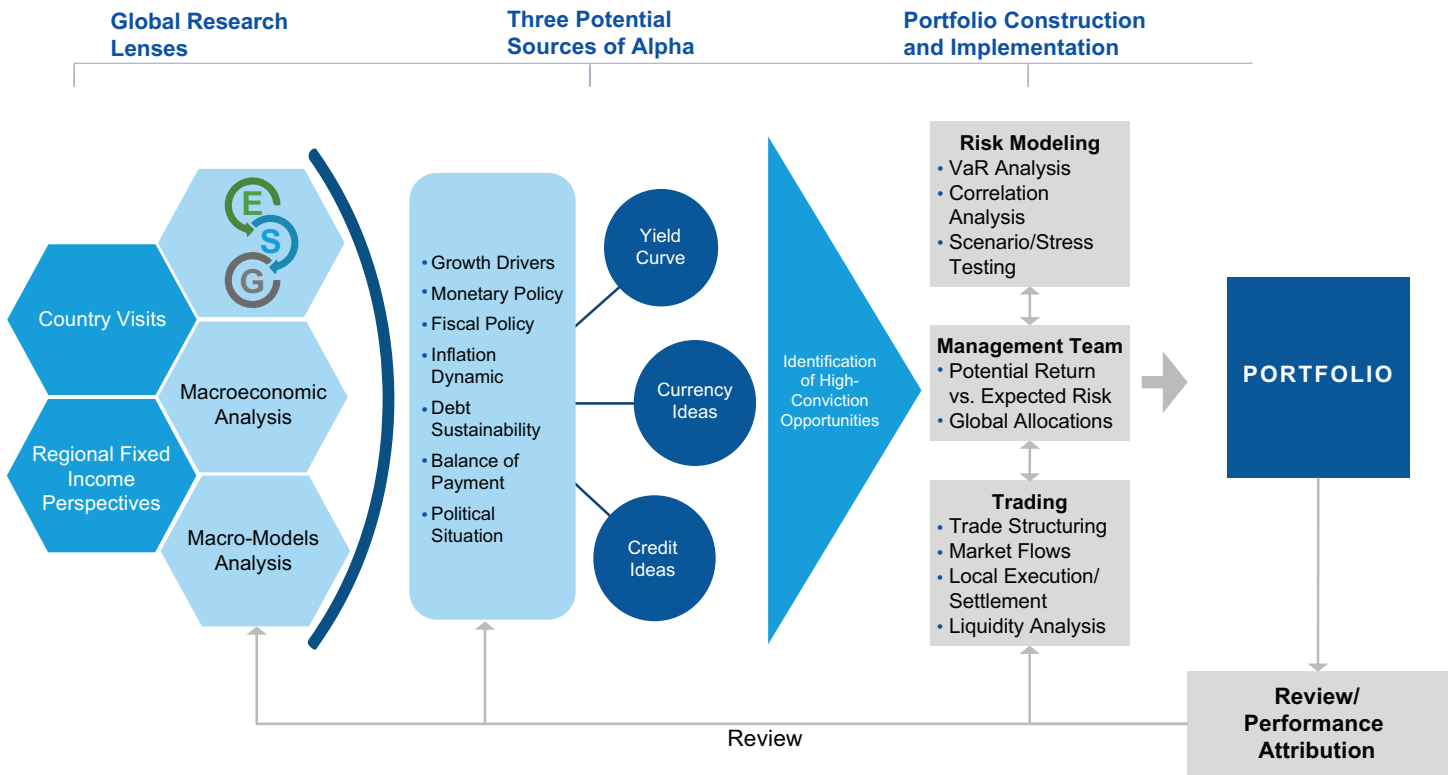
11. Information Ratio and Tracking Error information are displayed for the product versus the Bloomberg Barclays Multiverse Index.

12. 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).

- Seeks to maintain a longer-term volatility profile that is commensurate with that of a traditional global bond index
- May utilize three independent sources of potential alpha:
 - Yield curve
 - Currencies
 - Credit (sovereign and corporate)

Investment Process***

Multiple Research Lenses Can Lead to High-Conviction Opportunities



**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.

***Regional Fixed Income is comprised of investment professionals located in affiliates of and joint venture partners with Franklin Templeton.

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Michael Hasenstab, Ph. D.	22	26
Calvin Ho, Ph. D.	16	16

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.

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 professional, 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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Source: FactSet. Important data provider notices and terms available at: www.franklintempletondatasources.com.

- a. 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.
- b. Average Duration and Average Weighted Maturity reflect certain derivatives held in the portfolio (or their underlying reference assets).
- c. All holdings are subject to change.
- d. 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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