

Templeton Global Bond Enhanced Fund

Advisor Class: TTRZX Class A: TGTRX

Commentary | as of September 30, 2025

Key Takeaways

- Markets: Tariffs and trade policy continued to dominate much of the news cycle during the third quarter of 2025. The United States announced trade deals with some major trading partners, but there were also moves toward a number of trade agreements that excluded the United States. The US dollar (USD) exhibited mixed performance during the period, edging higher on average but still ending the quarter below end-2024 levels. Inflation outcomes were mixed over the period, with trends in developed markets somewhat higher, while emerging markets saw sideways-to-lower moves. Global monetary policy remained in an easing cycle, with developed markets cautiously easing, while a number of emerging markets are further along in their cutting paths. The US Federal Reserve resumed its rate-cutting cycle, reducing the federal funds rate target range (for the first time this year) by 25 basis points (bps) to 4.00%-4.25%. Most developed market bond yields rose over the period, but the 10-year US Treasury note's yield fell by eight bps to end the quarter at 4.15%. Emerging markets bond yields delivered mixed results, with several regions showing improved performance.
- Overall Contributors: Interest-rate strategies contributed to absolute fund performance during the quarter, as did overall credit exposures.
- Overall Detractors: Currency positions detracted from absolute fund results during the period.
- Outlook: While we expect global growth to be weaker than we had anticipated prior to the imposition of tariffs, we believe a recession should largely be avoided.

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- Interest-Rate Strategies: Most developed market bond yields rose over the third quarter, except for the 10-year US
 Treasury note's yield, which fell. With the exceptions of Brazil, India and South Korea, many emerging market bond yields
 ended somewhat lower. Duration exposures in Ghana, South Africa, Egypt, Colombia and Brazil contributed to absolute fund
 performance. We hold positions in select countries where we have identified opportunities from the inflation and interest rate outlooks, or where we see positive fundamentals in a range of factors, including fiscal progress, other economic reforms
 and reshoring.
- Credit: Emerging market debt indexes were stronger during the period. USD-denominated subinvestment-grade sovereign
 credits contributed to absolute fund return.
- Currencies: Over the quarter, the USD showed mixed performance against various currencies. Positions in the Japanese
 yen, South Korean won, Indian rupee and Ghanaian cedi detracted from absolute fund results, while positions in the Mexican
 peso, Brazilian real and Colombian peso contributed. We believe the USD remains overvalued against a number of currencies
 despite its year-to-date decline.
- Positioning: We continue to favor select countries in both developed and emerging markets. Our currency positions continue to center around our assessment of undervaluation against the USD. These countries also tend to have robust balances of payments and growth fundamentals. In bonds, we hold positions in select countries where we identify supportive fundamentals. We aim for a relatively high overall portfolio yield by holding higher-yielding local-currency positions in specific emerging and frontier markets that we view as having attractive risk-adjusted yields. Taking all of these factors into account, our top local-currency exposures include Japan, Australia, Malaysia, India, Mexico, Brazil and South Korea. We hold a net-negative position against the Chinese yuan, which has been providing positive carry. We expect this position to also help hedge our portfolios against potential risks to other emerging market currencies. In hard-currency-denominated sovereign credit positions, we favor emerging and (some) frontier markets with improving fundamentals and policy responses. In all positions, we closely monitor idiosyncratic factors in different countries to identify relative valuation opportunities. We remain highly selective at the sovereign level, given significant variations in economic fundamentals and policy responses.

Outlook

- Global monetary policy remains in a broad easing cycle, but policymakers have highlighted the risks arising from tariffs and
 trade policy. Tariff impacts on inflation, growth or both have the potential to affect interest rates. Central banks have hinted
 that some easing has been delayed around inflation concerns; if tariff-related inflation effects prove short-lived, authorities
 may shift their focus to growth risks. While we expect global growth to be weaker than we had anticipated prior to the
 imposition of tariffs, we believe a recession should largely be avoided.
- We remain constructive on select emerging markets, despite rising risks of tariffs. Sounder policies and reforms across a
 range of countries have strengthened their fundamentals. We expect differentiated impacts among countries from tariff
 changes as well as shifts in US foreign policy. In general, we think the imposition of tariffs is likely to underpin the current
 global trend of reshoring, a trend which we expect to benefit select countries. In terms of the countries in our portfolio, we
 believe the trade deals struck or proposed with the United States are manageable, and we are comfortable with our positions,
 though we continue to monitor risks.
- Even with the depreciation so far this year, we believe the USD remains broadly overvalued, and we expect further
 depreciation over the medium term. This view factors in both cyclical and structural factors and is underpinned more
 recently by a pivot in financial asset flows away from the United States. Consequently, we see opportunities in non-USD
 assets in select countries within both developed and emerging markets.
- Fiscal positions in a number of countries, mainly among developed markets, remain a key concern. Already-high debt levels
 in major economies, such as the United States and the euro area, are set to rise further. Debt in Japan also remains at very
 high levels. In our view, such fiscal burdens raise risks for longer-dated maturities in the bond market.

Fund Characteristics	Fund
Distribution Frequency	Monthly
30-Day SEC Yield (Advisor Class)—With Waiver	8.24%
30-Day SEC Yield (Advisor Class)—Without Waiver	8.22%

Average annual total returns and fund expenses (%) - as of September 30, 2025

			Without Sales Charge						With Maximum Sales Charge)	Expenses		Sales Charges		Inception	
Class	CUSIP	Ticker	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	3-Мо	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net	Initial Charge	CDSC	Date
Advisor Class	880208855	TTRZX	2.38	17.37	4.80	9.06	-0.44	0.87	3.85	2.38	17.37	4.80	9.06	-0.44	0.87	3.85	0.98	0.96	_	-	9/30/2008
Class A	880208889	TGTRX	2.18	17.21	4.41	8.75	-0.69	0.61	3.59	-1.70	12.84	0.45	7.40	-1.45	0.23	3.36	1.23	1.21	3.75	_	9/30/2008
Benchmark	_	_	0.16	7.43	1.59	4.45	-3.02	0.40	_	0.16	7.43	1.59	4.45	-3.02	0.40	_	_	_	_	_	_

Benchmark(s)

Benchmark =FTSE World Government Bond Index

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 analized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit franklintempleton.com.

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 04/30/2026 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

What are the Risks?

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. Derivative instruments can be illiquid, may disproportionately increase losses, and have a potentially large impact on 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. 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. Low-rated, high-yield bonds are subject to greater price volatility, illiquidity and possibility of default. Changes in the credit rating of a bond, or in the credit rating or innancial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. The portfolio is, or could become, non-diversified and may invest in a relatively small number of issuers, which may negatively impact the performance and result in greater fluctuation in value. The manager may consider environmental, social and governance (ESG) criteria in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the fund's prospectus.

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A basis point (bp, or bps) is one one-hundredth of one percent (1/100% or 0.01%).

Duration is a measure of the sensitivity of a bond's price to changes in interest rates.

The **federal funds rate** is the interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. Also known as the "fed funds rate".

Important Information

Effective August 1, 2025, the fund Templeton Global Total Return Fund was renamed Templeton Global Bond Enhanced Fund, updated its index to the FTSE World Government Bond Index and modified its principal investment strategies.

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.

The **FTSE World Government Bond Index** ("WGBI") measures the performance of fixed-rate, local-currency, investment-grade sovereign bonds. The WGBI currently comprises sovereign debt from multiple countries, denominated in a variety of currencies. The WGBI provides a broad benchmark for the global sovereign fixed income market. Source: FTSE.

Important data provider notices and terms available at www.franklintempletondatasources.com. All data is subject to change.

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.

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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. Please read it carefully.

