

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2019



**FRANKLIN
TEMPLETON**

This annual management report of fund performance contains financial highlights but does not contain the complete financial statements of the investment fund. If you have not received a copy of the annual financial statements with this report, you can get a copy of the annual financial statements at your request, and at no cost, by calling 1.800.387.0830, by writing to us at 200 King Street West, Suite 1500, Toronto ON M5H 3T4, or by visiting our website at www.franklintempleton.ca or SEDAR at www.sedar.com. Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Co-Lead Portfolio Manager

Heather Arnold, CFA, MBA

Templeton Global Advisors Limited (Sub-Advisor)

Location: Nassau, Bahamas

Co-Lead Portfolio Manager

Michael Hasenstab, Ph.D.

Franklin Advisers, Inc. (Sub-Advisor)

Location: San Mateo, CA

Co-Lead Portfolio Manager

Herbett Arnett Jr., MBA

Templeton Global Advisors Limited (Sub-Advisor)

Location: Nassau, Bahamas

INVESTMENT OBJECTIVE AND STRATEGIES

Templeton Global Balanced Fund (the “Fund”) seeks current income while maintaining prospects for capital appreciation by investing primarily in debt and equity securities issued around the world.

The Fund’s portfolio sub-advisors (the “portfolio managers”) seek income by investing in a combination of corporate, agency and government debt securities issued in numerous countries, including developed and developing countries and emerging markets, as well as stocks that offer or could offer attractive dividend yields.

The Fund seeks capital appreciation by investing in equity securities of companies from a variety of industries, such as utilities, oil, gas and consumer goods, located anywhere in the world, including emerging markets. The Fund may invest in debt securities that are rated below investment grade, sometimes called “junk bonds” or “high yield” securities.

RISK

The risks of investing in the Fund remain as stated in the prospectus. The Fund is suitable for investors who are willing to accept low to medium investment risk and have a medium-term investment horizon, and who are seeking current income from global issuers with prospects for capital gains.

RESULTS OF OPERATIONS

As at December 31, 2019, total net asset value of the Fund was \$317.1 million, a decrease of 29.8% from December 31, 2018. This was primarily driven by \$136.4 million in net redemptions and partially offset by an increase of \$3.9 million in net assets from operations. The Fund paid or made payable \$2.3 million in cash distributions to unitholders.

During the past 12 months, the Fund’s Series T units generated total returns of 0.6%. Over the same time period, the Fund’s benchmark, the MSCI All Country World TR Index (the “Index”) returned 20.9%. As the Fund is composed of a combination of fixed income and equity investments, it employs a blended benchmark (the “Benchmark”) made up of 50% Bloomberg Barclays Capital Multiverse Index (USD) and 50% MSCI All Country World TR Index, which returned 11.4% (in

Canadian-dollar terms) for the period under review. The performance of the Fund’s other series is substantially similar to that of its Series T units, except for differences in expense structure. For the return of the Fund’s other series (if applicable), please refer to the “Past Performance” section.

Index performance comparison information is provided for reference only. It is important to note that the Fund’s return reflects the effect of fees and expenses for professional management, while an index does not have such costs.

In the equity portfolio, value stocks significantly underperformed growth stocks for the period, a key performance headwind given Templeton’s value style. In this environment, stock selection and overweights in the Communication Services and Energy sectors and an underweight and stock selection in the Information Technology sector detracted from relative performance. The shares of Luxembourg-based satellite operator SES (Communication Services) slumped after U.S. regulators opted for a public auction of C-band spectrum instead of the private auction favored by spectrum owners like SES, as well as telecommunications industry bidders who preferred a quicker, private process.

U.K.-based diversified energy producer BP reported higher oil and gas production thus far in 2019 and solid results from its energy trading business, but investors holding out hopes for a dividend increase during the year were disappointed when the firm’s chief financial officer indicated that raising the pay-out would be premature with leverage at current levels. The portfolio managers believe BP’s financial position has the potential to be further strengthened by firm oil prices and rising production following years of investment.

Stock selection and an underweight in the Materials sector and stock selection in the Industrials sector contributed to relative performance for the year. In Materials, Landis & Gyr (sold off prior to period-end), one of the world’s largest manufacturers of smart meters, was a top contributor. Order flow continued to be positive as government programs encouraged the adoption of smart meters. In Utilities, shares of French water- and waste-treatment firm Veolia Environnement rose after the firm reported better-than-expected earnings and received a favorable tax ruling from a U.S. court.

Regionally, stock selection and an overweight in Europe detracted from relative performance for the period. Holdings in India and South Korea contributed to positive performance.

In the fixed income portfolio, 2019 saw interest-rate strategies and overall credit exposures detracted from the Fund’s relative performance. Currency positions had a largely neutral effect on relative results. The Fund maintained a defensive approach regarding interest rates in developed markets, while holding duration exposures in select emerging markets. Underweighted duration exposure in the United States detracted from relative performance, as did select underweighted duration exposures in Europe. However, overweighted duration exposure in Asia (excluding Japan) and Latin America contributed to relative results. Amongst credit exposures, underweighted exposure to investment-grade corporate bonds detracted from relative performance. Amongst currencies, the Fund’s underweighted position in the euro

contributed to relative results, as did overweighted currency positions in Asia (excluding Japan). However, overweighted currency positions in Africa and Latin America detracted from relative performance (the Argentine peso and Ghanaian cedi detracted, while the Mexican peso contributed).

Average net assets of the series of the Fund that bear expenses have decreased for the year ended December 31, 2019. This has resulted in a corresponding decrease in expenses. Income received from investments held, excluding net realized and/or unrealized gain (loss) on investments and derivatives, as applicable, remained relatively flat due to the results of the Fund's investment activities, including, but not limited to, those previously discussed for the period in review.

RECENT DEVELOPMENTS

In the equity portfolio, the portfolio managers believe that where the markets are going will likely be different from where they've been. The paradigm of falling interest rates and abundant liquidity that bid up bond proxies and growth stocks for much of the past decade will not last forever. Increasingly, the portfolio managers believe they will be entering a multipolar world full of divergent circumstances and situational opportunities. The portfolio managers believe shrewd stock-picking and nimble portfolio management should be rewarded. Overall, they remain confident that their focus on building a more diverse and resilient value portfolio capable of capturing cyclical upside potential while protecting against downside risks can position the Fund well for an uncertain future. The market doesn't move in straight lines, and the portfolio managers remain encouraged by recent trends, which they believe highlight a fledgling rotation out of yesterday's leaders and towards a new regime likely to bring fewer headwinds for long-suffering value investors.

For the fixed income portfolio, a number of factors are currently shaping financial markets. These include geopolitical risks and trade tensions; populism and political polarisation; unrestrained deficit spending in the developed world; low rates and underappreciated inflation risks; as well as overvaluations in many risk assets. Financial markets remain vulnerable to a number of risks associated with these factors, in the portfolio managers' view. The portfolio managers continue to position the Fund for potential market corrections that could come from a financial market shock triggered by any combination of distorted asset prices and/or geopolitical events. The Fund continue to maintain negative duration exposure to longer-term U.S. Treasuries to hedge rate risks, and the portfolio managers continue to pursue attractive risk-adjusted returns in select emerging markets. The portfolio managers have also increased the Fund's long exposures to perceived safe-haven assets.

In Europe, growth continues to show signs of moderation, with weakness in manufacturing and investment. The portfolio managers expect the euro to weaken against the U.S. dollar given the differences in projected growth and the rate differentials between the U.S. and the eurozone.

In emerging markets, the portfolio managers continue to see a subset of countries with domestically strong economies that have demonstrated their resiliencies to global shocks, including potential trade disruptions. The portfolio managers have become a bit more cautious on the broad

outlook for emerging markets as a whole, but continue to see scope for additional valuation strength in specific countries. It remains crucial to be selective.

Overall, the Fund continues to maintain low portfolio duration and negative duration exposure to longer-term USTs. The portfolio managers expect rising debt issuance, rising deficit spending and rising underlying inflation pressures to drive longer-term yields higher. The portfolio managers also continue to hold select local-currency positions in countries that the portfolio managers view as having healthy or improving fundamentals, along with attractive risk-adjusted yields. The portfolio managers continue to prefer specific countries that are less externally dependent and more domestically driven, and that have responsible, credible central banks that consistently respond with appropriate monetary policies. Select local-currency markets show attractive levels of undervaluation and compelling yields, in the portfolio managers' view.

FORWARD-LOOKING STATEMENTS

Investors should take note that certain statements in this report about a fund, including its strategy and expected future performance, are forward-looking. Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may," "will," "should," "could," "expect," "anticipate," "intend," "plan," "believe," or "estimate" or other similar expressions. Any statement that is made concerning future strategies or performance is also a forward-looking statement. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the forward-looking statements.

The forward-looking statements are by their nature based on numerous assumptions, which include, amongst other things, that (i) the Fund can attract and maintain investors and has sufficient capital under management to effect its investment strategies, (ii) the investment strategies will produce the results intended by the portfolio manager, and (iii) the markets will react and perform in a manner consistent with the investment strategies. Although the forward-looking statements contained herein are based upon what the portfolio manager believes to be reasonable assumptions, the portfolio manager cannot assure that actual results will be consistent with these forward-looking statements.

Forward-looking statements are not guarantees of future performance. Any number of factors could contribute to differing results, including, among other things, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings and catastrophic events. This list of factors is not exhaustive. Investors should not place undue reliance on forward-looking information and should be aware that the Fund may not update any forward-looking statements, whether as a result of new information, future events or otherwise.

RELATED PARTY TRANSACTIONS

The Manager is an indirect wholly-owned subsidiary of Franklin Resources, Inc., a global investment management organization known as Franklin Templeton. The Manager is the manager, registrar and transfer agent and a principal distributor of the Fund. The Manager provides or arranges for the provision of these services for day-to-day Fund operations, including the marketing, promotion and distribution of the Fund and portfolio advisory services. In consideration of these management and portfolio advisory services, the Fund pays the Manager a monthly management fee plus applicable taxes, based on the average net asset value of each series of the Fund (except Series O and OT, as applicable), calculated daily, as set out under Management Fees below. During the year ended December 31, 2019, the Fund paid management fees of \$6.5 million (2018—\$7.9 million).

Franklin Templeton Services, LLC (FTS) provides the Manager with fund accounting and portfolio valuation services in connection with the Fund, and provides certain back office administration services to the Manager. The Administration Fee, as discussed below, covers the cost of the services provided by FTS.

The Manager pays the operating expenses of the Fund, other than certain fund costs—which include, but are not limited to, the cost of compliance with new governmental and regulatory requirements, fees and expenses of the Fund's Independent Review Committee (IRC), borrowing and interest costs and investor meeting costs (as permitted by Canadian securities regulation)—in exchange for the payment by the Fund of an annual fixed-rate administration fee of 0.23% plus applicable taxes, applied against the average daily net assets of the Fund ("Administration Fee"), except for Series PA, PF, PFT, PT and PT-USD, which have an annual Administration Fee of 0.15%, and Series O and OT, as applicable, which have no annual Administration Fee. The Manager will pay all operating expenses of Series O and OT, as applicable, as part of its agreement with each investor. The Manager may, at its discretion, waive a portion of a series' Administration Fee or absorb certain fund costs. During the year ended December 31, 2019, the Fund paid Administration Fees of \$856,000 (2018—\$1.1 million).

Portfolio Advisor

The Manager is the portfolio advisor of the Fund. The Manager has engaged Templeton Global Advisors Limited and Franklin Advisers, Inc., affiliates of the Manager, as sub-advisors (the "Sub-Advisors"). The Sub-Advisors provide investment analysis and recommendations and executes or arranges for brokers to execute portfolio transactions. A portion of the management fee payable by the Fund to the Manager is paid to the Sub-Advisors with respect to portfolio sub-advisory services.

Principal Distributor

As a principal distributor of the Fund, the Manager markets the Fund and arranges for the sale of the Fund through dealers across Canada. The Manager may retain companies to assist in the sale of certain series of units of the Fund.

The Manager's affiliate, FTC Investor Services Inc. ("FTC ISI"), also acts as a principal distributor for Series F, O, OT, FT, PF and PF (Hedged) units of the Fund, as applicable.

For acting as a principal distributor of the applicable series, FTC ISI receives an inter-company service fee of 0.20% of the assets under management of the applicable series from the Manager with respect to those series of units.

Registrar and Transfer Agent

In addition to management and portfolio advisory services, the Manager acts as the registrar and transfer agent of the Fund. These services are in the normal course of operations and are covered by the Administration Fee paid by the Fund to the Manager.

Independent Review Committee

As required by National Instrument 81-107- Independent Review Committee for Investment Funds ("NI 81-107"), the Manager has established the IRC to review all conflict of interest matters identified and referred to the IRC by the Manager and to give its approval or recommendation, depending on the nature of the conflict of interest matter. Additional information about the IRC is available in the prospectus.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE

MANAGEMENT FEES

A portion of the management fee paid by the Fund to the Manager is for trail fees and sales commissions the Manager pays to dealers (“Dealer Compensation”). The trail fees are a percentage of the daily average net asset value of each series of the Fund, which is held by the dealer’s clients. The remaining portion of the management fee is used to pay for portfolio advisory and administrative services related to the provision of portfolio advisory services. The following table outlines the Fund’s annual management fee, as well as the portion of the management fee used to pay for Dealer Compensation and for portfolio advisory services as an approximate percentage of the management fee for each series:

Series	Management Fee (%)	Dealer Compensation (%)*	Investment management, investment management expenses, and other (%)
A	1.85	59.51	40.49
F	0.85	–	100.00
FT	0.85	–	100.00
I	1.40	53.57	46.43
PA	1.70	58.82	41.18
PF	0.70	–	100.00
PFT	0.70	–	100.00
PT	1.70	58.82	41.18
PT-USD	1.70	58.82	41.18
T	1.85	59.24	40.76
T-USD	1.85	65.75	34.25
V	1.40	53.57	46.43

*Dealer compensation may include other fees related to distribution, which are not payable directly to dealers.

The management and administration fees for Series O and OT are paid for by the unitholder directly to the Manager as follows:

- First C\$200,000 to under \$2.5 million—0.85%
- Next C\$2.5 million to under \$5 million—0.80%
- C\$5 million and over—0.70%

Certain institutional investors may negotiate the management and administration fees by written agreement with Franklin Templeton Investments.

MANAGEMENT REPORT OF FUND PERFORMANCE

Summary of Investment Portfolio (AS AT DECEMBER 31, 2019)

REGIONAL WEIGHTINGS (%)*

Europe	31.75
Asia	25.63
North America	15.15
Latin America & Caribbean	8.35
Middle East & Africa	1.29
Supranational	0.24

INDUSTRY WEIGHTINGS (%)*

Banks	9.75
Pharmaceuticals	8.46
Oil, Gas & Consumable Fuels	6.97
Diversified Telecommunication Services	5.29
Multi-Utilities	3.73
Media	2.92
Food & Staples Retailing	2.87
Wireless Telecommunication Services	2.79
Industrial Conglomerates	2.62
Beverages	2.59
Technology Hardware, Storage & Peripherals	1.79
Capital Markets	1.17
Metals & Mining	1.12
Air Freight & Logistics	1.11
Software	1.10
Semiconductors & Semiconductor Equipment	1.05
Food Products	0.98
Specialty Retail	0.94
Marine	0.86
Insurance	0.84
Electronic Equipment, Instruments & Components	0.82
Health Care Equipment & Supplies	0.81
Biotechnology	0.79
Energy Equipment & Services	0.73
Real Estate Management & Development	0.65
Automobiles	0.47
Diversified Financial Services	0.14

ASSET CLASS WEIGHTINGS (%)

Common Stocks	63.36
Foreign Government Bonds	18.81
Supranational Bonds	0.24
Short-term securities and all other assets, net	17.59

TOP 25 HOLDINGS (%)

Cash and cash equivalents**	17.23
Korea Treasury Bond, Senior Note, 2.00%, 3/10/2021	3.50
Bayer AG	2.19
Kirin Holdings Co. Ltd.	2.02
Allergan PLC	2.02
BP PLC	1.98
Vodafone Group PLC	1.96
Deutsche Telekom AG	1.92
E.ON SE	1.91
CK Hutchison Holdings Ltd.	1.89
Veolia Environnement SA	1.82
Samsung Electronics Co. Ltd.	1.79
Royal Dutch Shell PLC, B	1.74
Eni SpA	1.67
Merck KGaA	1.55
Walgreens Boots Alliance Inc.	1.52
Comcast Corp., A	1.50
Sanofi	1.47
BNP Paribas SA	1.45
Government of India, Senior Note, 7.68%, 12/15/2023	1.45
Verizon Communications Inc.	1.43
SES SA, International Depository Receipt	1.42
ING Groep NV	1.40
Wells Fargo & Co.	1.37
Citigroup Inc.	1.36

TOTAL NET ASSET VALUE: \$317,145,000

* Excluding short-term securities and all other assets, net.

** Cash and cash equivalents may include bonds that have a remaining term to maturity of 365 days or less that are issued by certain governments, supranational agencies or financial institutions and have a "designated rating" (as defined in Canadian securities law).

Above is an outline of the investments held in the Fund as a percentage of the Fund's net assets. Due to ongoing portfolio transactions, the investments and percentages may have changed by the time you purchase units of the Fund. The top 25 holdings are made available quarterly, 60 days after the quarter-end. To obtain a copy, please contact a member of our client services team at 1.800.387.0830 or visit www.franklintempleton.ca.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series A (AS AT DECEMBER 31, 2019)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2019	2018	2017	2016	2015
Net assets – beginning of period	\$13.63	\$15.11	\$14.55	\$14.68	\$13.63
Increase (decrease) from operations:					
Total revenue	0.67	0.63	0.56	0.46	0.63
Total expenses	(0.32)	(0.35)	(0.35)	(0.33)	(0.35)
Realized gains (losses) for the period	(0.51)	0.90	0.20	0.01	1.17
Unrealized gains (losses) for the period	0.25	(1.70)	0.33	(0.02)	(0.01)
Total increase (decrease) from operations (2)	0.09	(0.52)	0.74	0.12	1.44
Distributions:					
From income (excluding dividends)	–	(0.09)	(0.01)	(0.04)	–
From dividends	(0.39)	(0.29)	(0.15)	(0.23)	(0.27)
From capital gains	–	(0.58)	(0.03)	–	(0.33)
Returns of capital	–	–	–	–	–
Total annual distributions (3)	(0.39)	(0.96)	(0.19)	(0.27)	(0.60)
Net assets – end of period	\$13.32	\$13.63	\$15.11	\$14.55	\$14.68
Ratios and supplemental data:	2019	2018	2017	2016	2015
Total net asset value (\$ millions) (1)	\$148.67	\$249.03	\$255.20	\$242.59	\$252.38
Number of units outstanding	11,160,685	18,272,994	16,889,901	16,676,179	17,196,866
Management expense ratio (2)	2.32%	2.32%	2.33%	2.33%	2.33%
Management expense ratio before waivers or absorptions	2.32%	2.32%	2.33%	2.33%	2.33%
Trading expense ratio (3)	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$13.32	\$13.63	\$15.11	\$14.55	\$14.68

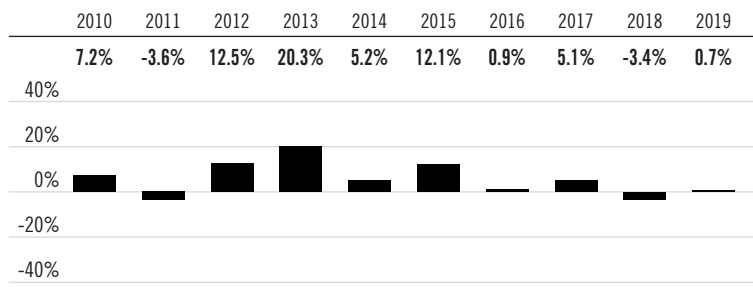
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2019. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series A Units	0.7%	0.7%	2.9%	5.4%	5.4%
Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD)	11.4%	7.6%	8.3%	8.4%	7.5%
MSCI All Country World TR Index	20.9%	11.8%	11.5%	11.7%	9.2%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series F (AS AT DECEMBER 31, 2019)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2019	2018	2017	2016	2015
Net assets – beginning of period	\$13.69	\$15.01	\$14.30	\$14.26	\$13.09
Increase (decrease) from operations:					
Total revenue	0.68	0.63	0.56	0.44	0.62
Total expenses	(0.17)	(0.18)	(0.18)	(0.16)	(0.17)
Realized gains (losses) for the period	(0.51)	0.88	0.20	0.01	1.10
Unrealized gains (losses) for the period	0.22	(1.80)	0.13	(0.06)	(0.21)
Total increase (decrease) from operations (2)	0.22	(0.47)	0.71	0.23	1.34
Distributions:					
From income (excluding dividends)	–	(0.09)	(0.01)	(0.04)	–
From dividends	(0.40)	(0.29)	(0.14)	(0.22)	(0.26)
From capital gains	–	(0.58)	(0.03)	–	(0.32)
Returns of capital	–	–	–	–	–
Total annual distributions (3)	(0.40)	(0.96)	(0.18)	(0.26)	(0.58)
Net assets – end of period	\$13.53	\$13.69	\$15.01	\$14.30	\$14.26
Ratios and supplemental data:	2019	2018	2017	2016	2015
Total net asset value (\$ millions) (1)	\$16.89	\$26.98	\$21.38	\$12.58	\$18.38
Number of units outstanding	1,247,670	1,970,250	1,424,118	880,012	1,289,438
Management expense ratio (2)	1.21%	1.21%	1.20%	1.20%	1.21%
Management expense ratio before waivers or absorptions	1.21%	1.21%	1.20%	1.20%	1.21%
Trading expense ratio (3)	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$13.53	\$13.69	\$15.01	\$14.30	\$14.26

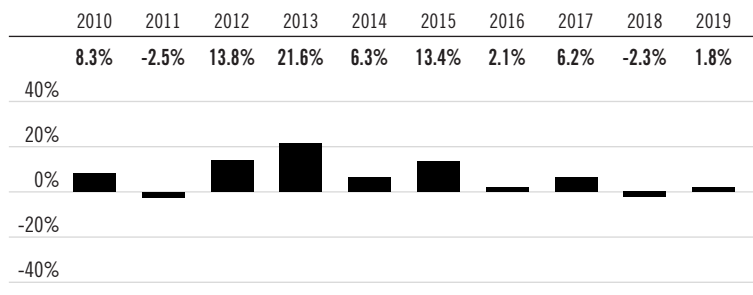
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PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2019. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series F Units	1.8%	1.8%	4.1%	6.6%	5.7%
Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD)	11.4%	7.6%	8.3%	8.4%	6.7%
MSCI All Country World TR Index	20.9%	11.8%	11.5%	11.7%	8.0%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series FT (AS AT DECEMBER 31, 2019)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2019	2018	2017	2016	2015
Net assets – beginning of period	\$14.34	\$16.72	\$16.88	\$17.97	\$17.45
Increase (decrease) from operations:					
Total revenue	0.70	0.68	0.64	0.55	0.79
Total expenses	(0.17)	(0.20)	(0.21)	(0.21)	(0.23)
Realized gains (losses) for the period	(0.46)	0.96	0.25	0.05	1.60
Unrealized gains (losses) for the period	0.21	(1.96)	(0.28)	(0.33)	0.35
Total increase (decrease) from operations (2)	0.28	(0.52)	0.40	0.06	2.51
Distributions:					
From income (excluding dividends)	–	(0.10)	(0.01)	(0.04)	(0.01)
From dividends	(0.40)	(0.31)	(0.16)	(0.27)	(0.32)
From capital gains	–	(0.61)	(0.03)	–	(0.40)
Returns of capital	(0.86)	(1.00)	(1.01)	(1.08)	(1.05)
Total annual distributions (3)	(1.26)	(2.02)	(1.21)	(1.39)	(1.78)
Net assets – end of period	\$13.33	\$14.34	\$16.72	\$16.88	\$17.97
Ratios and supplemental data:	2019	2018	2017	2016	2015
Total net asset value (\$ millions) (1)	\$0.98	\$2.29	\$1.77	\$0.64	\$2.83
Number of units outstanding	73,816	159,824	105,881	38,026	157,630
Management expense ratio (2)	1.21%	1.20%	1.23%	1.23%	1.22%
Management expense ratio before waivers or absorptions	1.21%	1.20%	1.23%	1.23%	1.22%
Trading expense ratio (3)	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$13.33	\$14.34	\$16.72	\$16.88	\$17.97

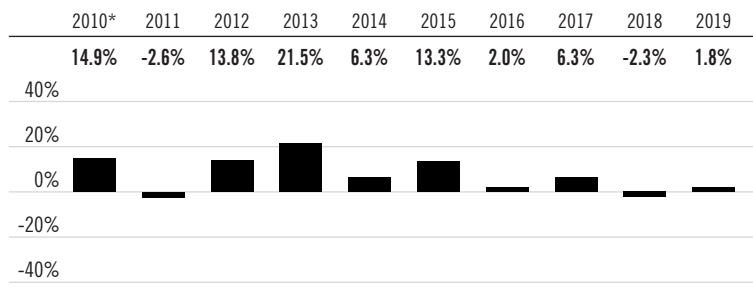
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



*2010 Series FT return: June 14 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2019. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series FT Units	1.8%	1.9%	4.1%	N/A	7.3%
Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD)	11.4%	7.6%	8.3%	N/A	9.4%
MSCI All Country World TR Index	20.9%	11.8%	11.5%	N/A	13.0%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series I (AS AT DECEMBER 31, 2019)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2019	2018	2017	2016	2015
Net assets – beginning of period	\$10.10	\$11.14	\$10.67	\$10.71	\$9.90
Increase (decrease) from operations:					
Total revenue	0.50	0.46	0.42	0.33	0.48
Total expenses	(0.19)	(0.20)	(0.20)	(0.19)	(0.20)
Realized gains (losses) for the period	(0.36)	0.67	0.15	–	0.80
Unrealized gains (losses) for the period	0.15	(1.22)	0.25	0.04	(0.36)
Total increase (decrease) from operations (2)	0.10	(0.29)	0.62	0.18	0.72
Distributions:					
From income (excluding dividends)	–	(0.07)	–	(0.03)	–
From dividends	(0.29)	(0.21)	(0.11)	(0.17)	(0.20)
From capital gains	–	(0.43)	(0.02)	–	(0.24)
Returns of capital	–	–	–	–	–
Total annual distributions (3)	(0.29)	(0.71)	(0.13)	(0.20)	(0.44)
Net assets – end of period	\$9.92	\$10.10	\$11.14	\$10.67	\$10.71
Ratios and supplemental data:	2019	2018	2017	2016	2015
Total net asset value (\$ millions) (1)	\$9.29	\$14.23	\$15.84	\$15.36	\$14.64
Number of units outstanding	937,017	1,409,900	1,421,883	1,439,454	1,367,197
Management expense ratio (2)	1.82%	1.82%	1.83%	1.85%	1.84%
Management expense ratio before waivers or absorptions	1.82%	1.82%	1.83%	1.85%	1.84%
Trading expense ratio (3)	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$9.92	\$10.10	\$11.14	\$10.67	\$10.71

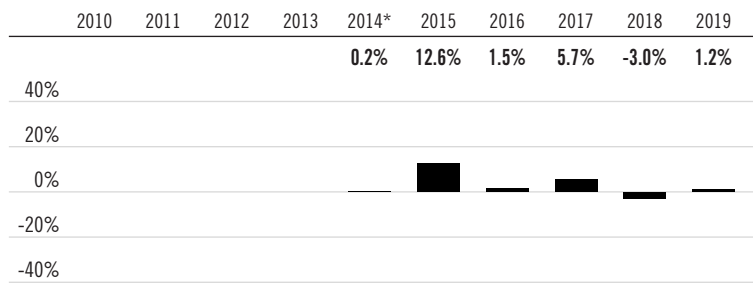
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



*2014 Series I return: July 7 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2019. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series I Units	1.2%	1.2%	3.5%	N/A	3.2%
Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD)	11.4%	7.6%	8.3%	N/A	8.6%
MSCI All Country World TR Index	20.9%	11.8%	11.5%	N/A	11.6%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series 0 (AS AT DECEMBER 31, 2019)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2019	2018	2017	2016	2015
Net assets – beginning of period	\$16.23	\$17.58	\$16.53	\$16.30	\$14.78
Increase (decrease) from operations:					
Total revenue	0.81	0.74	0.65	0.51	0.70
Total expenses	–	–	–	–	–
Realized gains (losses) for the period	(0.66)	1.05	0.23	–	1.32
Unrealized gains (losses) for the period	0.34	(2.06)	0.21	0.11	(0.06)
Total increase (decrease) from operations (2)	0.49	(0.27)	1.09	0.62	1.96
Distributions:					
From income (excluding dividends)	–	(0.11)	(0.01)	(0.04)	(0.01)
From dividends	(0.48)	(0.34)	(0.17)	(0.26)	(0.29)
From capital gains	–	(0.69)	(0.04)	–	(0.37)
Returns of capital	–	–	–	–	–
Total annual distributions (3)	(0.48)	(1.14)	(0.22)	(0.30)	(0.67)
Net assets – end of period	\$16.24	\$16.23	\$17.58	\$16.53	\$16.30
Ratios and supplemental data:	2019	2018	2017	2016	2015
Total net asset value (\$ millions) (1)	\$28.81	\$32.61	\$30.45	\$19.58	\$16.78
Number of units outstanding	1,774,228	2,009,811	1,731,829	1,184,377	1,029,780
Management expense ratio (2)	–	–	–	–	–
Management expense ratio before waivers or absorptions	–	–	–	–	–
Trading expense ratio (3)	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$16.24	\$16.23	\$17.58	\$16.53	\$16.30

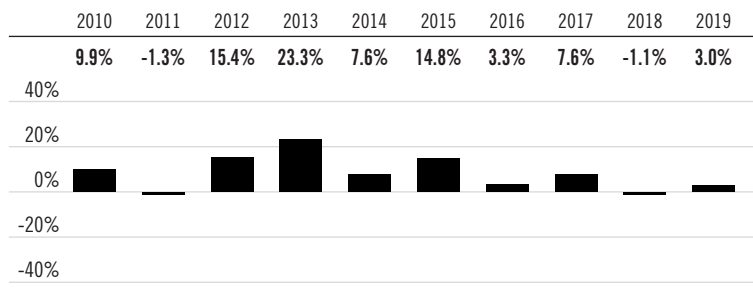
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2019. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series 0 Units	3.0%	3.1%	5.4%	8.0%	7.1%
Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD)	11.4%	7.6%	8.3%	8.4%	6.7%
MSCI All Country World TR Index	20.9%	11.8%	11.5%	11.7%	8.0%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series OT (AS AT DECEMBER 31, 2019)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2019	2018	2017
Net assets – beginning of period	\$13.13	\$15.11	\$15.00
Increase (decrease) from operations:			
Total revenue	0.65	0.61	0.51
Total expenses	–	–	–
Realized gains (losses) for the period	(0.39)	0.69	0.10
Unrealized gains (losses) for the period	(0.02)	(2.06)	(0.73)
Total increase (decrease) from operations (2)	0.24	(0.76)	(0.12)
Distributions:			
From income (excluding dividends)	–	(0.09)	(0.01)
From dividends	(0.37)	(0.28)	(0.15)
From capital gains	–	(0.56)	(0.03)
Returns of capital	(0.79)	(0.91)	(0.75)
Total annual distributions (3)	(1.16)	(1.84)	(0.94)
Net assets – end of period	\$12.35	\$13.13	\$15.11
Ratios and supplemental data:	2019	2018	2017
Total net asset value (\$ millions) (1)	\$1.25	\$2.99	\$0.41
Number of units outstanding	101,184	227,936	26,707
Management expense ratio (2)	–	–	–
Management expense ratio before waivers or absorptions	–	–	–
Trading expense ratio (3)	0.06%	0.12%	0.10%
Portfolio turnover rate (4)	23.59%	50.24%	37.46%
Net asset value per unit	\$12.35	\$13.13	\$15.11

For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.

	2010	2011	2012	2013	2014	2015	2016	2017*	2018	2019
								7.0%	-1.1%	3.0%
40%										
20%										
0%										
-20%										
-40%										

*2017 Series OT return: February 3 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2019. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series OT Units	3.0%	N/A	N/A	N/A	3.0%
Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD)	11.4%	N/A	N/A	N/A	8.1%
MSCI All Country World TR Index	20.9%	N/A	N/A	N/A	12.0%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series PA (AS AT DECEMBER 31, 2019)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal period ended December 31.

Net assets per unit (1)	2019
Net assets - initial offering price*	\$10.00
Increase (decrease) from operations:	
Total revenue	0.48
Total expenses	(0.19)
Realized gains (losses) for the period	(0.32)
Unrealized gains (losses) for the period	(0.03)
Total increase (decrease) from operations (2)	(0.06)
Distributions:	
From income (excluding dividends)	–
From dividends	(0.29)
From capital gains	–
Returns of capital	–
Total annual distributions (3)	(0.29)
Net assets – end of period	\$9.68
Ratios and supplemental data:	2019
Total net asset value (\$ millions) (1)	\$22.84
Number of units outstanding	2,360,434
Management expense ratio (2)	2.07%
Management expense ratio before waivers or absorptions	2.07%
Trading expense ratio (3)	0.06%
Portfolio turnover rate (4)	23.59%
Net asset value per unit	\$9.68

For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

*The Series was launched on January 25, 2019.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*
										-0.3%
40%										
20%										
0%										
-20%										
-40%										

*2019 Series PA return: January 25 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2019. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series PA Units	N/A	N/A	N/A	N/A	-0.3%
Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD)	N/A	N/A	N/A	N/A	11.0%
MSCI All Country World TR Index	N/A	N/A	N/A	N/A	17.0%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series PF (AS AT DECEMBER 31, 2019)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2019	2018	2017	2016	2015
Net assets – beginning of period	\$10.50	\$11.48	\$10.90	\$10.85	\$9.94
Increase (decrease) from operations:					
Total revenue	0.52	0.49	0.43	0.34	0.47
Total expenses	(0.10)	(0.11)	(0.11)	(0.10)	(0.11)
Realized gains (losses) for the period	(0.39)	0.69	0.15	–	0.75
Unrealized gains (losses) for the period	0.17	(1.39)	0.15	0.18	(0.11)
Total increase (decrease) from operations (2)	0.20	(0.32)	0.62	0.42	1.00
Distributions:					
From income (excluding dividends)	–	(0.07)	–	(0.03)	–
From dividends	(0.31)	(0.22)	(0.11)	(0.17)	(0.20)
From capital gains	–	(0.44)	(0.02)	–	(0.24)
Returns of capital	–	–	–	–	–
Total annual distributions (3)	(0.31)	(0.73)	(0.13)	(0.20)	(0.44)
Net assets – end of period	\$10.41	\$10.50	\$11.48	\$10.90	\$10.85
Ratios and supplemental data:	2019	2018	2017	2016	2015
Total net asset value (\$ millions) (1)	\$30.61	\$43.79	\$31.91	\$18.22	\$9.36
Number of units outstanding	2,941,918	4,171,101	2,778,976	1,670,648	862,000
Management expense ratio (2)	0.95%	0.95%	0.95%	1.00%	1.00%
Management expense ratio before waivers or absorptions	0.95%	0.95%	0.95%	1.00%	1.00%
Trading expense ratio (3)	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$10.41	\$10.50	\$11.48	\$10.90	\$10.85

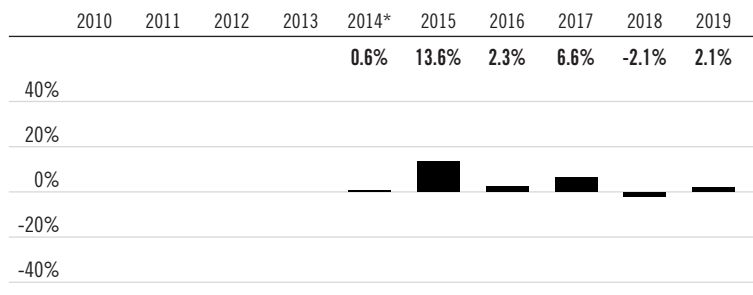
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

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Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



*2014 Series PF return: July 7 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2019. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series PF Units	2.1%	2.1%	4.4%	N/A	4.1%
Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD)	11.4%	7.6%	8.3%	N/A	8.6%
MSCI All Country World TR Index	20.9%	11.8%	11.5%	N/A	11.6%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
 Series PFT (AS AT DECEMBER 31, 2019)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2019	2018	2017	2016	2015
Net assets – beginning of period	\$11.35	\$13.19	\$13.29	\$14.11	\$15.00
Increase (decrease) from operations:					
Total revenue	0.56	0.54	0.50	0.43	0.56
Total expenses	(0.11)	(0.12)	(0.13)	(0.13)	(0.13)
Realized gains (losses) for the period	(0.36)	0.77	0.18	(0.06)	0.56
Unrealized gains (losses) for the period	0.10	(1.48)	0.20	0.60	(0.05)
Total increase (decrease) from operations (2)	0.19	(0.29)	0.75	0.84	0.94
Distributions:					
From income (excluding dividends)	–	(0.08)	(0.01)	–	–
From dividends	(0.31)	(0.24)	(0.13)	–	(0.26)
From capital gains	–	(0.48)	(0.03)	–	(0.32)
Returns of capital	(0.68)	(0.79)	(0.80)	(0.85)	(0.75)
Total annual distributions (3)	(0.99)	(1.59)	(0.97)	(0.85)	(1.33)
Net assets – end of period	\$10.58	\$11.35	\$13.19	\$13.29	\$14.11
Ratios and supplemental data:	2019	2018	2017	2016	2015
Total net asset value (\$ millions) (1)	\$7.08	\$15.82	\$15.15	\$9.37	\$2.94
Number of units outstanding	669,362	1,393,771	1,148,310	704,843	208,052
Management expense ratio (2)	0.95%	0.95%	0.95%	0.99%	1.00%
Management expense ratio before waivers or absorptions	0.95%	0.95%	0.95%	0.99%	1.00%
Trading expense ratio (3)	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$10.58	\$11.35	\$13.19	\$13.29	\$14.11

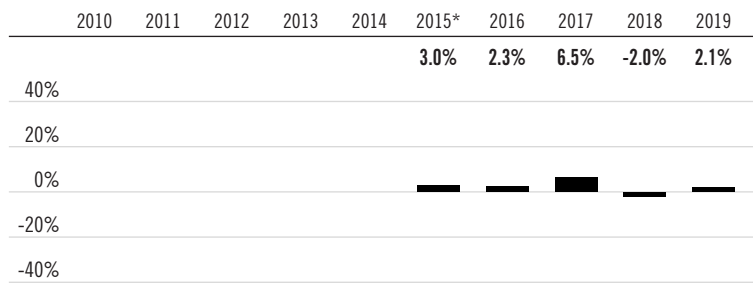
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



*2015 Series PFT return: February 26 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2019. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series PFT Units	2.1%	2.1%	N/A	N/A	2.4%
Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD)	11.4%	7.6%	N/A	N/A	6.5%
MSCI All Country World TR Index	20.9%	11.8%	N/A	N/A	9.3%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series PT (AS AT DECEMBER 31, 2019)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal period ended December 31.

Net assets per unit (1)	2019
Net assets - initial offering price*	\$15.00
Increase (decrease) from operations:	
Total revenue	0.69
Total expenses	(0.28)
Realized gains (losses) for the period	(0.49)
Unrealized gains (losses) for the period	(0.08)
Total increase (decrease) from operations (2)	(0.16)
Distributions:	
From income (excluding dividends)	–
From dividends	(0.41)
From capital gains	–
Returns of capital	(0.90)
Total annual distributions (3)	(1.31)
Net assets – end of period	\$13.64
Ratios and supplemental data:	2019
Total net asset value (\$ millions) (1)	\$13.32
Number of units outstanding	976,314
Management expense ratio (2)	2.06%
Management expense ratio before waivers or absorptions	2.06%
Trading expense ratio (3)	0.06%
Portfolio turnover rate (4)	23.59%
Net asset value per unit	\$13.64

For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

*The Series was launched on January 25, 2019.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*
										-0.3%
40%										
20%										
0%										
-20%										
-40%										

*2019 Series PT return: January 25 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2019. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series PT Units	N/A	N/A	N/A	N/A	-0.3%
Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD)	N/A	N/A	N/A	N/A	11.0%
MSCI All Country World TR Index	N/A	N/A	N/A	N/A	17.0%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series PT-USD (AS AT DECEMBER 31, 2019)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal period ended December 31. The information presented below is presented in CAD, the functional currency of the Fund. The USD equivalent NAV is shown below, denoted by an asterisk (*).

Net assets per unit (1)	2019
Net assets - initial offering price*	\$19.00
Increase (decrease) from operations:	
Total revenue	0.93
Total expenses	(0.37)
Realized gains (losses) for the period	(0.59)
Unrealized gains (losses) for the period	(0.01)
Total increase (decrease) from operations (2)	(0.04)
Distributions:	
From income (excluding dividends)	(0.01)
From dividends	(0.54)
From capital gains	-
Returns of capital	(1.17)
Total annual distributions (3)	(1.72)
Net assets – end of period	\$18.03
Ratios and supplemental data:	2019
Total net asset value (\$ millions) (1)	\$0.74
Number of units outstanding	40,886
Management expense ratio (2)	2.08%
Management expense ratio before waivers or absorptions	2.08%
Trading expense ratio (3)	0.06%
Portfolio turnover rate (4)	23.59%
Net asset value per unit (USD)*	\$13.89

For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

*The Series was launched on January 25, 2019.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*
										-0.4%
40%										
20%										
0%										
-20%										
-40%										

*2019 Series PT-USD return: January 25 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2019. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series PT-USD Units	N/A	N/A	N/A	N/A	-0.4%
Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD)	N/A	N/A	N/A	N/A	11.0%
MSCI All Country World TR Index	N/A	N/A	N/A	N/A	17.0%

‡ For a definition of the benchmark(s), please refer to "Benchmark(s) Information" at the end of the section.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series T (AS AT DECEMBER 31, 2019)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2019	2018	2017	2016	2015
Net assets – beginning of period	\$6.29	\$7.41	\$7.57	\$8.15	\$8.00
Increase (decrease) from operations:					
Total revenue	0.30	0.30	0.29	0.25	0.36
Total expenses	(0.14)	(0.17)	(0.18)	(0.18)	(0.20)
Realized gains (losses) for the period	(0.24)	0.43	0.10	0.01	0.71
Unrealized gains (losses) for the period	0.16	(0.78)	0.19	(0.04)	0.07
Total increase (decrease) from operations (2)	0.08	(0.22)	0.40	0.04	0.94
Distributions:					
From income (excluding dividends)	–	(0.04)	–	(0.02)	–
From dividends	(0.17)	(0.13)	(0.07)	(0.12)	(0.15)
From capital gains	–	(0.27)	(0.02)	–	(0.18)
Returns of capital	(0.38)	(0.44)	(0.45)	(0.49)	(0.48)
Total annual distributions (3)	(0.55)	(0.88)	(0.54)	(0.63)	(0.81)
Net assets – end of period	\$5.77	\$6.29	\$7.41	\$7.57	\$8.15
Ratios and supplemental data:	2019	2018	2017	2016	2015
Total net asset value (\$ millions) (1)	\$33.75	\$58.90	\$67.81	\$71.59	\$80.13
Number of units outstanding	5,843,675	9,368,788	9,145,343	9,454,791	9,832,663
Management expense ratio (2)	2.31%	2.31%	2.31%	2.32%	2.31%
Management expense ratio before waivers or absorptions	2.31%	2.31%	2.31%	2.32%	2.31%
Trading expense ratio (3)	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$5.77	\$6.29	\$7.41	\$7.57	\$8.15

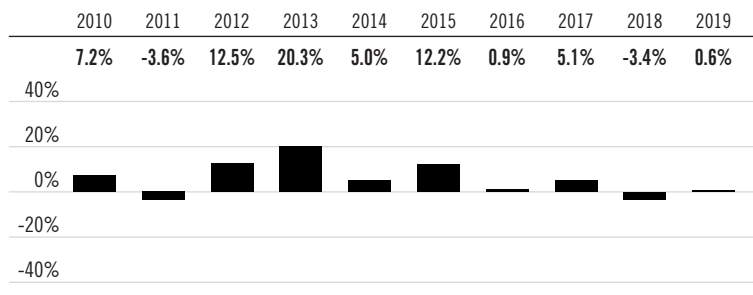
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2019. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series T Units	0.6%	0.7%	3.0%	5.4%	4.5%
Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD)	11.4%	7.6%	8.3%	8.4%	6.7%
MSCI All Country World TR Index	20.9%	11.8%	11.5%	11.7%	8.0%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series T-USD (AS AT DECEMBER 31, 2019)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31. The information presented below is presented in CAD, the functional currency of the Fund. The USD equivalent NAV is shown below, denoted by an asterisk (*).

Net assets per unit (1)	2019	2018	2017	2016	2015
Net assets – beginning of period	\$6.28	\$7.43	\$7.57	\$8.12	\$8.02
Increase (decrease) from operations:					
Total revenue	0.30	0.30	0.29	0.24	0.35
Total expenses	(0.14)	(0.17)	(0.18)	(0.17)	(0.19)
Realized gains (losses) for the period	(0.25)	0.44	0.10	0.01	0.70
Unrealized gains (losses) for the period	0.17	(0.76)	0.21	(0.11)	0.27
Total increase (decrease) from operations (2)	0.08	(0.19)	0.42	(0.03)	1.13
Distributions:					
From income (excluding dividends)	–	(0.04)	–	(0.02)	–
From dividends	(0.17)	(0.13)	(0.07)	(0.12)	(0.15)
From capital gains	–	(0.27)	(0.01)	–	(0.18)
Returns of capital	(0.37)	(0.46)	(0.44)	(0.47)	(0.53)
Total annual distributions (3)	(0.54)	(0.90)	(0.52)	(0.61)	(0.86)
Net assets – end of period	\$5.79	\$6.28	\$7.43	\$7.57	\$8.12
Ratios and supplemental data:	2019	2018	2017	2016	2015
Total net asset value (\$ millions) (1)	\$2.25	\$4.40	\$6.20	\$7.41	\$9.51
Number of units outstanding	388,201	699,977	835,090	978,899	1,171,231
Management expense ratio (2)	2.29%	2.29%	2.29%	2.28%	2.26%
Management expense ratio before waivers or absorptions	2.29%	2.29%	2.29%	2.28%	2.26%
Trading expense ratio (3)	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit (USD)*	\$4.46	\$4.60	\$5.91	\$5.64	\$5.87

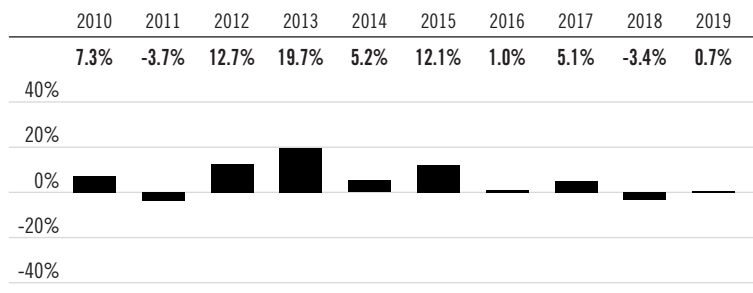
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2019. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series T-USD Units	0.7%	0.7%	3.0%	5.5%	5.3%
Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD)	11.4%	7.6%	8.3%	8.4%	7.5%
MSCI All Country World TR Index	20.9%	11.8%	11.5%	11.7%	9.2%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

TEMPLETON GLOBAL BALANCED FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series V (AS AT DECEMBER 31, 2019)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2019	2018	2017	2016	2015
Net assets – beginning of period	\$10.98	\$12.89	\$13.10	\$14.02	\$15.00
Increase (decrease) from operations:					
Total revenue	0.53	0.52	0.50	0.42	0.49
Total expenses	(0.20)	(0.23)	(0.24)	(0.23)	(0.23)
Realized gains (losses) for the period	(0.42)	0.74	0.17	0.07	0.50
Unrealized gains (losses) for the period	0.20	(1.42)	0.35	(0.48)	0.73
Total increase (decrease) from operations (2)	0.11	(0.39)	0.78	(0.22)	1.49
Distributions:					
From income (excluding dividends)	–	(0.07)	(0.01)	–	–
From dividends	(0.30)	(0.23)	(0.13)	–	(0.26)
From capital gains	–	(0.47)	(0.03)	–	(0.32)
Returns of capital	(0.66)	(0.77)	(0.79)	(0.84)	(0.75)
Total annual distributions (3)	(0.96)	(1.54)	(0.96)	(0.84)	(1.33)
Net assets – end of period	\$10.15	\$10.98	\$12.89	\$13.10	\$14.02
Ratios and supplemental data:	2019	2018	2017	2016	2015
Total net asset value (\$ millions) (1)	\$0.67	\$0.84	\$0.81	\$1.36	\$3.48
Number of units outstanding	65,612	76,435	62,572	103,873	248,319
Management expense ratio (2)	1.83%	1.81%	1.83%	1.77%	1.73%
Management expense ratio before waivers or absorptions	1.83%	1.81%	1.83%	1.77%	1.73%
Trading expense ratio (3)	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$10.15	\$10.98	\$12.89	\$13.10	\$14.02

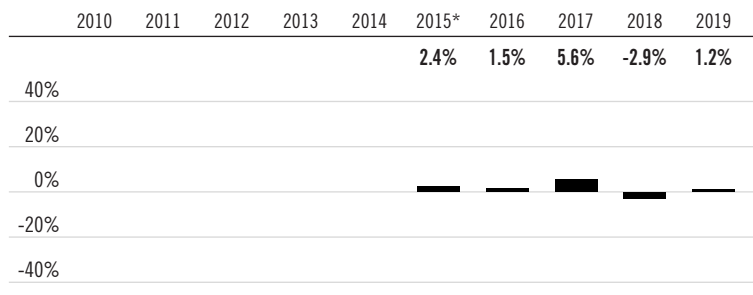
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



*2015 Series V return: February 26 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2019. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series V Units	1.2%	1.2%	N/A	N/A	1.6%
Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD)	11.4%	7.6%	N/A	N/A	6.5%
MSCI All Country World TR Index	20.9%	11.8%	N/A	N/A	9.3%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

NOTES TO FINANCIAL HIGHLIGHTS

Net Assets per Unit:

- (1) This information is derived from the Fund's audited annual financial statements. In the period a fund or series is established, the financial information is provided from the date of inception to the end of the period. In cases where the net assets per unit presented in the financial statements differ from the net asset value calculated for Fund pricing purposes, an explanation of these differences can be found in the notes to the financial statements.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/(decrease) in net assets from operations is based on the weighted average number of units outstanding over the fiscal period. This table is not intended to be a reconciliation of opening and closing net assets per unit.
- (3) Distributions were paid in cash or reinvested in additional units of the Fund or both, and exclude distributions of management fee reductions to unitholders.

Ratios and Supplemental Data:

- (1) This information is provided as at the period-end of the year shown.
- (2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of net asset value during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling each security in its portfolio once in the course of the relevant period. The higher the portfolio turnover rate in the period, the greater the trading costs payable by the Fund and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

OTHER FUND INFORMATION

Reported year-by-year returns for past years may be revised, based on the results of recalculations, audits and/or other historical review processes. Such revisions are considered immaterial to performance disclosure unless otherwise stated.

Series I and V, as applicable, are presently capped (closed to new investors). Investors who currently own units of Series I and Series V may continue to purchase additional units in those series. These series may become available for purchase by new investors at the discretion of the Manager.

BENCHMARK(S) INFORMATION

Blended 50% MSCI All Country World TR Index + 50% Bloomberg Barclays Multiverse Index (USD) is a blended index made up of a 50% weighting in the MSCI All Country World Index and a 50% weighting in the Bloomberg Barclays Multiverse Bond Index.

MSCI All Country World TR Index is a global index representing both the developed and emerging markets. The MSCI All Country World TR Index includes 48 markets.