

# SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2020



**FRANKLIN  
TEMPLETON**

This semi-annual management report of fund performance contains financial highlights but does not contain either the semi-annual financial report or annual financial statements of the investment fund. You can get a copy of the semi-annual financial report or annual financial statements at your request, and at no cost, by calling 1.800.387.0830, by writing to us at 5000 Yonge Street, Suite 900, Toronto ON M2N 0A7, or by visiting our website at [www.franklintempleton.ca](http://www.franklintempleton.ca) or SEDAR at [www.sedar.com](http://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

**Herbett Arnett Jr., 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

## RESULTS OF OPERATIONS

As at June 30, 2020, total net asset value of the Fund was \$205.7 million, a decrease of 35.2% from December 31, 2019. This was primarily driven by \$87.9 million in net redemptions and a decrease of \$23.0 million in net assets from operations. The Fund paid or made payable \$600,000 in cash distributions to unitholders.

During the past six months, Templeton Global Balanced Fund (the “Fund”) Series T units generated total returns of -8.3%. Over the same time period, the MSCI All Country World Index (the “Index”) returned -1.3%. 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% Barclays Capital Multiverse Index and 50% MSCI All Country World Index, which returned 3.0% 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, global equities declined for the first six months of 2020, weighed down by coronavirus concerns and economic uncertainty. However, markets rebounded strongly in the second half of the period on promises of unlimited policy stimulus and optimism about economic reopenings. Global value stocks significantly underperformed global growth stocks for the period. In this environment, the Fund underperformed its benchmark index, primarily due to holdings in Information Technology, Energy and Communication Services.

Japanese electronic components manufacturer Kyocera was a significant detractor in Information Technology. Its shares declined on continued concerns about demand prospects in the firm’s automotive and industrial component end markets. With a more shareholder-friendly management team explicitly targeting higher returns on equity, the portfolio managers think the prospects for better long-term returns are not adequately reflected in Kyocera’s share price. Luxembourg-based satellite operator SES was the top detractor in Communication Services. SES reported weaker-than-expected fourth-quarter results and lowered revenue and earnings guidance. The portfolio managers reduced the position during the period to invest in what we viewed to be more compellingly valued opportunities.

Holdings in Utilities, Consumer Staples and Real Estate contributed to relative performance for the period. German power utility E.ON led Utilities returns for the period. E.ON’s transition from a diversified and geographically dispersed operation into a focused European utility is nearing completion, and the company should benefit over time from a stable regulatory environment and lower interest costs. Traditionally defensive Consumer Staples stocks such as U.S. grocer Kroger benefitted from consumer stockpiling ahead of an extended period of stay-at-home social distancing measures.

Regionally, stock selection and allocations in Asia (overweight) and the United States (underweight) detracted from relative performance. Stock selection in Germany and France contributed.

In the fixed income portfolio, currency positions and interest-rate strategies detracted from the Fund’s relative performance. Overall credit exposures had a largely neutral effect on relative results. Amongst currencies, overweight positions in Latin America (the Brazilian real, Argentine peso, Mexican peso), Asia ex-Japan (the Indonesian rupiah) and northern Europe (the Norwegian krone) detracted from relative performance. The Fund maintained a defensive approach regarding interest rates in developed markets, while holding duration exposures in select emerging markets. Underweight duration exposure in the United States detracted from relative performance, as did select underweight duration exposures in Europe. However, select overweight duration exposures in Latin America (Argentina and Mexico) and Asia ex-Japan (India) contributed to relative results.

Average net assets of the series of the Fund that bear expenses have decreased for the six months ended June 30, 2020. 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, decreased 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, following unprecedented support from policymakers, some economic indicators have been surprisingly positive and stocks have come roaring back, leading many investors to believe that a V-shaped recovery is a foregone conclusion. However, conditions remain far from normal. The portfolio managers have never experienced such a precarious market situation—a rolling global pandemic, record debt levels and global political disintegration—and think current stock market valuations reflect excessive complacency. Templeton has tried to diversify away from the risks that policy intervention has created and to de-correlate the portfolio from an increasingly manic market. The severe disconnect between market prices and underlying fundamentals has created challenges for price-disciplined investors. But the portfolio managers think this will change, and continue to believe that a deep bench of fundamental investment expertise and a truly global presence will prove invaluable to avoiding the losers and identifying the winners—those companies best-positioned for sustainable long-term success.

In the fixed income portfolio, the portfolio managers think it is still too early to pursue additional risk as the world is still in the first phase of the economic repercussions. The recent rallies across risk assets reflect an underappreciation of the risks for successive waves of infections and a second leg down in financial markets, in our view. The portfolio managers are currently focusing on specific perceived safe-haven investments, while emphasising a select set of higher-yielding emerging markets that have relatively resilient domestic economies. The portfolio managers are aiming to derive alpha from different sources than the low-to-negative yielding developed fixed income markets, which have limited upside potential left as yields grind to historic lows.

The portfolio managers aim is to position our strategies to be uncorrelated to vulnerable asset classes while delivering high income and defending capital. They are also emphasising elevated levels of cash and short-term U.S. treasuries to be able to quickly pursue opportunities as they arise. The portfolio managers employed a similar playbook during the global financial crisis, as they built a defensive stance heading into the peak of the crisis and then shifted to an opportunistic pursuit of price distortions in the early phases of the eventual recovery.

#### 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

Franklin Templeton Investments Corp. (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, O-Hedged, OT and OT-Hedged, as applicable), calculated daily, as set out under Management Fees below. During the six months ended June 30, 2020, the Fund paid management fees of \$2.0 million (2019–\$3.6 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, O-Hedged, OT and OT-Hedged, as applicable, which have no annual Administration Fee. The Manager will pay all operating expenses of Series O, O-Hedged, OT and OT-Hedged, 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 six months ended June 30, 2020, the Fund paid Administration Fees of \$259,000 (2019–\$478,000).

#### 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, F-Hedged, FT, O, O-Hedged, OT, OT-Hedged, 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.

### 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, O-Hedged, OT and OT-Hedged, as applicable, 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.

TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
**Summary of Investment Portfolio** (AS AT JUNE 30, 2020)

**REGIONAL WEIGHTINGS (%)\***

Asia	30.78
Europe	19.28
North America	14.30
Latin America & Caribbean	10.44
Middle East & Africa	1.03
Supranational	0.34

**INDUSTRY WEIGHTINGS (%)\***

Pharmaceuticals	5.33
Media	3.68
Metals & Mining	3.13
Diversified Telecommunication Services	2.54
Beverages	2.44
Technology Hardware, Storage & Peripherals	1.98
Household Durables	1.97
Semiconductors & Semiconductor Equipment	1.96
Multi-Utilities	1.51
Banks	1.38
Health Care Equipment & Supplies	1.38
Health Care Providers & Services	1.33
Automobiles	1.29
Diversified Financial Services	1.21
Food & Staples Retailing	1.18
Oil, Gas & Consumable Fuels	1.07
Multiline Retail	1.06
Marine	0.98
Auto Components	0.96
Hotels, Restaurants & Leisure	0.96
Industrial Conglomerates	0.93
Wireless Telecommunication Services	0.92
Internet & Direct Marketing Retail	0.92
Electronic Equipment, Instruments & Components	0.91
Air Freight & Logistics	0.90
Communications Equipment	0.88
Thrifts & Mortgage Finance	0.86
Biotechnology	0.80
Insurance	0.69
Professional Services	0.63
Electrical Equipment	0.63
Software	0.57
IT Services	0.55
Airlines	0.53
Real Estate Management & Development	0.53
Entertainment	0.53
Machinery	0.39
Chemicals	0.30
Construction & Engineering	0.26

**ASSET CLASS WEIGHTINGS (%)**

Common Stocks	50.07
Foreign Government Bonds	25.76
Supranational Bonds	0.34
Short-term securities and all other assets, net	23.83

**TOP 25 HOLDINGS (%)**

Cash and cash equivalents**	30.55
Korea Monetary Stabilization Bond, Senior Note, 1.18%, 8/2/2021	2.00
Samsung Electronics Co. Ltd.	1.98
Bayer AG	1.83
Comcast Corp., A	1.66
Takeda Pharmaceutical Co. Ltd.	1.56
E.ON SE	1.51
Sumitomo Metal Mining Co. Ltd.	1.36
Deutsche Telekom AG	1.36
Korea Treasury Bond, Senior Note, 1.375%, 12/10/2029	1.34
NXP Semiconductors NV	1.32
Government of Mexico, Senior Bond, M, 6.50%, 6/9/2022	1.24
Berkshire Hathaway Inc., B	1.21
The Kroger Co.	1.18
Kirin Holdings Co. Ltd.	1.18
Verizon Communications Inc.	1.18
Tokyo Broadcasting System Holdings Inc.	1.13
Sanofi	1.08
Freeport-McMoRan Inc.	1.08
Letra Tesouro Nacional, Strip, 7/1/2020	1.07
Government of Mexico, Senior Note, M, 7.25%, 12/9/2021	1.07
Dollar Tree Inc.	1.06
Government of Indonesia, Senior Bond, FR53, 8.25%, 7/15/2021	1.02
AP Moeller-Maersk AS, B	0.98
Toyota Industries Corp.	0.96

**TOTAL NET ASSET VALUE: \$205,657,000**

\* 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](http://www.franklintempleton.ca).

TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
**Series A** (AS AT JUNE 30, 2020)

**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 six months ended June 30, 2020 and for the fiscal periods ended December 31.

<b>Net assets per unit (1)</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Net assets – beginning of period</b>	<b>\$13.32</b>	<b>\$13.63</b>	<b>\$15.11</b>	<b>\$14.55</b>	<b>\$14.68</b>	<b>\$13.63</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.23	0.67	0.63	0.56	0.46	0.63
Total expenses	(0.15)	(0.32)	(0.35)	(0.35)	(0.33)	(0.35)
Realized gains (losses) for the period	(1.54)	(0.51)	0.90	0.20	0.01	1.17
Unrealized gains (losses) for the period	0.29	0.25	(1.70)	0.33	(0.02)	(0.01)
<b>Total increase (decrease) from operations (2)</b>	<b>(1.17)</b>	<b>0.09</b>	<b>(0.52)</b>	<b>0.74</b>	<b>0.12</b>	<b>1.44</b>
<b>Distributions:</b>						
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	–	–	–	–	–	–
<b>Total annual distributions (3)</b>	<b>–</b>	<b>(0.39)</b>	<b>(0.96)</b>	<b>(0.19)</b>	<b>(0.27)</b>	<b>(0.60)</b>
<b>Net assets – end of period</b>	<b>\$12.21</b>	<b>\$13.32</b>	<b>\$13.63</b>	<b>\$15.11</b>	<b>\$14.55</b>	<b>\$14.68</b>
<b>Ratios and supplemental data:</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total net asset value (\$ millions) (1)	\$103.31	\$148.67	\$249.03	\$255.20	\$242.59	\$252.38
Number of units outstanding	8,460,838	11,160,685	18,272,994	16,889,901	16,676,179	17,196,866
Management expense ratio (2)	2.33%	2.32%	2.32%	2.33%	2.33%	2.33%
Management expense ratio before waivers or absorptions	2.33%	2.32%	2.32%	2.33%	2.33%	2.33%
Trading expense ratio (3)	0.15%	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	38.79%	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$12.21	\$13.32	\$13.63	\$15.11	\$14.55	\$14.68

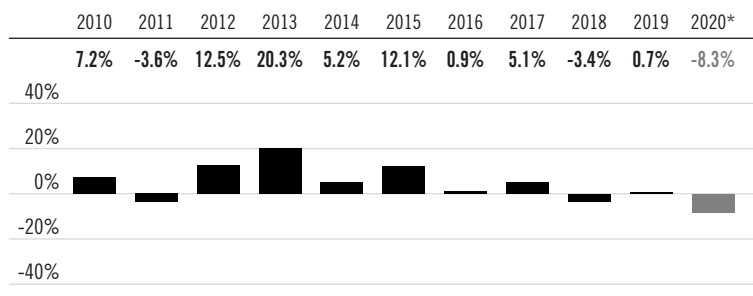
For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

**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 performance for the six-month period ended June 30, 2020, and for each of the previous 12-month periods ended December 31. In percentage terms, the bar chart indicates how much an investment made on January 1 of the applicable year would have grown or decreased by the end of the period.



\*For the period January 1 to June 30, 2020

TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
**Series F** (AS AT JUNE 30, 2020)

**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 six months ended June 30, 2020 and for the fiscal periods ended December 31.

<b>Net assets per unit (1)</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Net assets – beginning of period</b>	<b>\$13.53</b>	<b>\$13.69</b>	<b>\$15.01</b>	<b>\$14.30</b>	<b>\$14.26</b>	<b>\$13.09</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.23	0.68	0.63	0.56	0.44	0.62
Total expenses	(0.08)	(0.17)	(0.18)	(0.18)	(0.16)	(0.17)
Realized gains (losses) for the period	(1.56)	(0.51)	0.88	0.20	0.01	1.10
Unrealized gains (losses) for the period	0.26	0.22	(1.80)	0.13	(0.06)	(0.21)
<b>Total increase (decrease) from operations (2)</b>	<b>(1.15)</b>	<b>0.22</b>	<b>(0.47)</b>	<b>0.71</b>	<b>0.23</b>	<b>1.34</b>
<b>Distributions:</b>						
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	–	–	–	–	–	–
<b>Total annual distributions (3)</b>	<b>–</b>	<b>(0.40)</b>	<b>(0.96)</b>	<b>(0.18)</b>	<b>(0.26)</b>	<b>(0.58)</b>
<b>Net assets – end of period</b>	<b>\$12.47</b>	<b>\$13.53</b>	<b>\$13.69</b>	<b>\$15.01</b>	<b>\$14.30</b>	<b>\$14.26</b>
<b>Ratios and supplemental data:</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total net asset value (\$ millions) (1)	\$11.26	\$16.89	\$26.98	\$21.38	\$12.58	\$18.38
Number of units outstanding	902,580	1,247,670	1,970,250	1,424,118	880,012	1,289,438
Management expense ratio (2)	1.21%	1.21%	1.21%	1.20%	1.20%	1.21%
Management expense ratio before waivers or absorptions	1.21%	1.21%	1.21%	1.20%	1.20%	1.21%
Trading expense ratio (3)	0.15%	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	38.79%	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$12.47	\$13.53	\$13.69	\$15.01	\$14.30	\$14.26

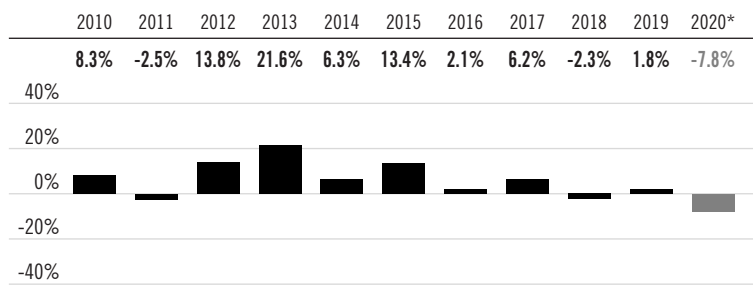
For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

**PAST PERFORMANCE**

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**Year-by-Year Returns**

The bar chart shows the Fund's performance for the six-month period ended June 30, 2020, and for each of the previous 12-month periods ended December 31. In percentage terms, the bar chart indicates how much an investment made on January 1 of the applicable year would have grown or decreased by the end of the period.



\*For the period January 1 to June 30, 2020

TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
**Series FT** (AS AT JUNE 30, 2020)

**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 six months ended June 30, 2020 and for the fiscal periods ended December 31.

<b>Net assets per unit (1)</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Net assets – beginning of period</b>	<b>\$13.33</b>	<b>\$14.34</b>	<b>\$16.72</b>	<b>\$16.88</b>	<b>\$17.97</b>	<b>\$17.45</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.22	0.70	0.68	0.64	0.55	0.79
Total expenses	(0.08)	(0.17)	(0.20)	(0.21)	(0.21)	(0.23)
Realized gains (losses) for the period	(1.44)	(0.46)	0.96	0.25	0.05	1.60
Unrealized gains (losses) for the period	0.02	0.21	(1.96)	(0.28)	(0.33)	0.35
<b>Total increase (decrease) from operations (2)</b>	<b>(1.28)</b>	<b>0.28</b>	<b>(0.52)</b>	<b>0.40</b>	<b>0.06</b>	<b>2.51</b>
<b>Distributions:</b>						
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	(0.40)	(0.86)	(1.00)	(1.01)	(1.08)	(1.05)
<b>Total annual distributions (3)</b>	<b>(0.40)</b>	<b>(1.26)</b>	<b>(2.02)</b>	<b>(1.21)</b>	<b>(1.39)</b>	<b>(1.78)</b>
<b>Net assets – end of period</b>	<b>\$11.89</b>	<b>\$13.33</b>	<b>\$14.34</b>	<b>\$16.72</b>	<b>\$16.88</b>	<b>\$17.97</b>
<b>Ratios and supplemental data:</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total net asset value (\$ millions) (1)	\$0.43	\$0.98	\$2.29	\$1.77	\$0.64	\$2.83
Number of units outstanding	35,835	73,816	159,824	105,881	38,026	157,630
Management expense ratio (2)	1.20%	1.21%	1.20%	1.23%	1.23%	1.22%
Management expense ratio before waivers or absorptions	1.20%	1.21%	1.20%	1.23%	1.23%	1.22%
Trading expense ratio (3)	0.15%	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	38.79%	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$11.89	\$13.33	\$14.34	\$16.72	\$16.88	\$17.97

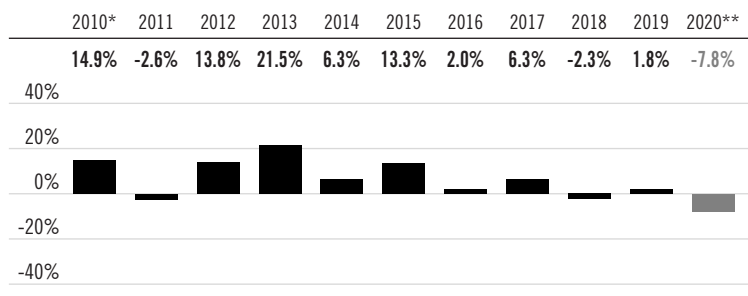
For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

**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 performance for the six-month period ended June 30, 2020, and for each of the previous 12-month periods ended December 31. In percentage terms, the bar chart indicates how much an investment made on January 1 of the applicable year would have grown or decreased by the end of the period.



\* 2010 Series FT return: June 14 to December 31

\*\*For the period January 1 to June 30, 2020



TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
**Series I** (AS AT JUNE 30, 2020)

**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 six months ended June 30, 2020 and for the fiscal periods ended December 31.

<b>Net assets per unit (1)</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Net assets – beginning of period</b>	<b>\$9.92</b>	<b>\$10.10</b>	<b>\$11.14</b>	<b>\$10.67</b>	<b>\$10.71</b>	<b>\$9.90</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.17	0.50	0.46	0.42	0.33	0.48
Total expenses	(0.09)	(0.19)	(0.20)	(0.20)	(0.19)	(0.20)
Realized gains (losses) for the period	(1.10)	(0.36)	0.67	0.15	–	0.80
Unrealized gains (losses) for the period	0.10	0.15	(1.22)	0.25	0.04	(0.36)
<b>Total increase (decrease) from operations (2)</b>	<b>(0.92)</b>	<b>0.10</b>	<b>(0.29)</b>	<b>0.62</b>	<b>0.18</b>	<b>0.72</b>
<b>Distributions:</b>						
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	–	–	–	–	–	–
<b>Total annual distributions (3)</b>	<b>–</b>	<b>(0.29)</b>	<b>(0.71)</b>	<b>(0.13)</b>	<b>(0.20)</b>	<b>(0.44)</b>
<b>Net assets – end of period</b>	<b>\$9.11</b>	<b>\$9.92</b>	<b>\$10.10</b>	<b>\$11.14</b>	<b>\$10.67</b>	<b>\$10.71</b>
<b>Ratios and supplemental data:</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total net asset value (\$ millions) (1)	\$5.58	\$9.29	\$14.23	\$15.84	\$15.36	\$14.64
Number of units outstanding	611,799	937,017	1,409,900	1,421,883	1,439,454	1,367,197
Management expense ratio (2)	1.83%	1.82%	1.82%	1.83%	1.85%	1.84%
Management expense ratio before waivers or absorptions	1.83%	1.82%	1.82%	1.83%	1.85%	1.84%
Trading expense ratio (3)	0.15%	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	38.79%	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$9.11	\$9.92	\$10.10	\$11.14	\$10.67	\$10.71

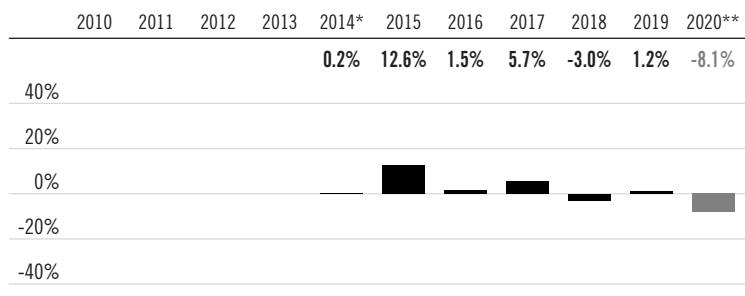
For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

**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 performance for the six-month period ended June 30, 2020, and for each of the previous 12-month periods ended December 31. In percentage terms, the bar chart indicates how much an investment made on January 1 of the applicable year would have grown or decreased by the end of the period.



\* 2014 Series I return: July 7 to December 31

\*\*For the period January 1 to June 30, 2020

TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
**Series 0** (AS AT JUNE 30, 2020)

**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 six months ended June 30, 2020 and for the fiscal periods ended December 31.

<b>Net assets per unit (1)</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Net assets – beginning of period</b>	<b>\$16.24</b>	<b>\$16.23</b>	<b>\$17.58</b>	<b>\$16.53</b>	<b>\$16.30</b>	<b>\$14.78</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.28	0.81	0.74	0.65	0.51	0.70
Total expenses	–	–	–	–	–	–
Realized gains (losses) for the period	(1.92)	(0.66)	1.05	0.23	–	1.32
Unrealized gains (losses) for the period	0.39	0.34	(2.06)	0.21	0.11	(0.06)
<b>Total increase (decrease) from operations (2)</b>	<b>(1.25)</b>	<b>0.49</b>	<b>(0.27)</b>	<b>1.09</b>	<b>0.62</b>	<b>1.96</b>
<b>Distributions:</b>						
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	–	–	–	–	–	–
<b>Total annual distributions (3)</b>	<b>–</b>	<b>(0.48)</b>	<b>(1.14)</b>	<b>(0.22)</b>	<b>(0.30)</b>	<b>(0.67)</b>
<b>Net assets – end of period</b>	<b>\$15.06</b>	<b>\$16.24</b>	<b>\$16.23</b>	<b>\$17.58</b>	<b>\$16.53</b>	<b>\$16.30</b>
<b>Ratios and supplemental data:</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total net asset value (\$ millions) (1)	\$22.53	\$28.81	\$32.61	\$30.45	\$19.58	\$16.78
Number of units outstanding	1,495,973	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)	0.15%	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	38.79%	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$15.06	\$16.24	\$16.23	\$17.58	\$16.53	\$16.30

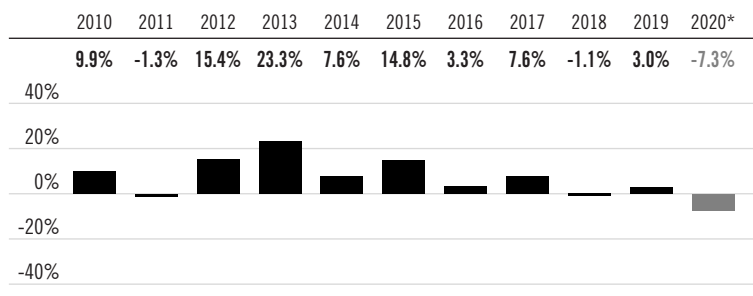
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

**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 performance for the six-month period ended June 30, 2020, and for each of the previous 12-month periods ended December 31. In percentage terms, the bar chart indicates how much an investment made on January 1 of the applicable year would have grown or decreased by the end of the period.



\*For the period January 1 to June 30, 2020

TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
**Series OT** (AS AT JUNE 30, 2020)

**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 six months ended June 30, 2020 and for the fiscal periods ended December 31.

<b>Net assets per unit (1)</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Net assets – beginning of period</b>	<b>\$12.35</b>	<b>\$13.13</b>	<b>\$15.11</b>	<b>\$15.00</b>
<b>Increase (decrease) from operations:</b>				
Total revenue	0.20	0.65	0.61	0.51
Total expenses	–	–	–	–
Realized gains (losses) for the period	(1.39)	(0.39)	0.69	0.10
Unrealized gains (losses) for the period	0.06	(0.02)	(2.06)	(0.73)
<b>Total increase (decrease) from operations (2)</b>	<b>(1.13)</b>	<b>0.24</b>	<b>(0.76)</b>	<b>(0.12)</b>
<b>Distributions:</b>				
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	(0.37)	(0.79)	(0.91)	(0.75)
<b>Total annual distributions (3)</b>	<b>(0.37)</b>	<b>(1.16)</b>	<b>(1.84)</b>	<b>(0.94)</b>
<b>Net assets – end of period</b>	<b>\$11.09</b>	<b>\$12.35</b>	<b>\$13.13</b>	<b>\$15.11</b>
<b>Ratios and supplemental data:</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total net asset value (\$ millions) (1)	\$0.76	\$1.25	\$2.99	\$0.41
Number of units outstanding	68,868	101,184	227,936	26,707
Management expense ratio (2)	–	–	–	–
Management expense ratio before waivers or absorptions	–	–	–	–
Trading expense ratio (3)	0.15%	0.06%	0.12%	0.10%
Portfolio turnover rate (4)	38.79%	23.59%	50.24%	37.46%
Net asset value per unit	\$11.09	\$12.35	\$13.13	\$15.11

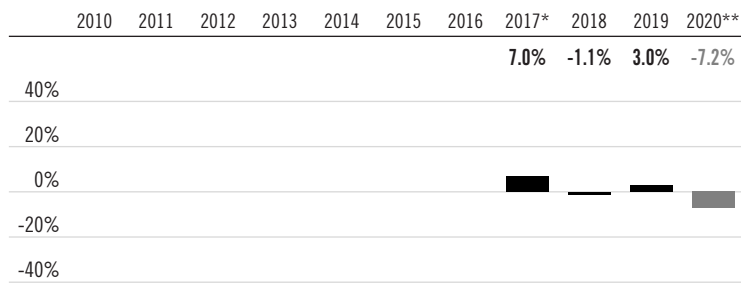
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

**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 performance for the six-month period ended June 30, 2020, and for each of the previous 12-month periods ended December 31. In percentage terms, the bar chart indicates how much an investment made on January 1 of the applicable year would have grown or decreased by the end of the period.



\* 2017 Series OT return: February 3 to December 31

\*\*For the period January 1 to June 30, 2020

TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
**Series PA** (AS AT JUNE 30, 2020)

**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 six months ended June 30, 2020 and for the fiscal periods ended December 31.

<b>Net assets per unit (1)</b>	<b>June 30, 2020</b>	<b>2019</b>
<b>Net assets – beginning of period</b>	<b>\$9.68</b>	<b>\$10.00</b>
<b>Increase (decrease) from operations:</b>		
Total revenue	0.16	0.48
Total expenses	(0.09)	(0.19)
Realized gains (losses) for the period	(1.11)	(0.32)
Unrealized gains (losses) for the period	0.21	(0.03)
<b>Total increase (decrease) from operations (2)</b>	<b>(0.83)</b>	<b>(0.06)</b>
<b>Distributions:</b>		
From income (excluding dividends)	–	–
From dividends	–	(0.29)
From capital gains	–	–
Returns of capital	–	–
<b>Total annual distributions (3)</b>	<b>–</b>	<b>(0.29)</b>
<b>Net assets – end of period</b>	<b>\$8.88</b>	<b>\$9.68</b>
<b>Ratios and supplemental data:</b>	<b>June 30, 2020</b>	<b>2019</b>
Total net asset value (\$ millions) (1)	\$15.55	\$22.84
Number of units outstanding	1,750,918	2,360,434
Management expense ratio (2)	2.07%	2.07%
Management expense ratio before waivers or absorptions	2.07%	2.07%
Trading expense ratio (3)	0.15%	0.06%
Portfolio turnover rate (4)	38.79%	23.59%
Net asset value per unit	\$8.88	\$9.68

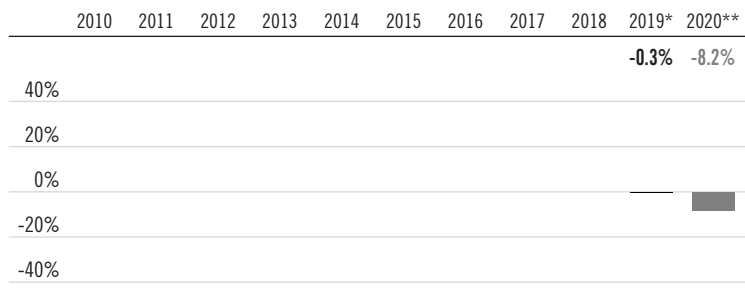
For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

**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 performance for the six-month period ended June 30, 2020, and for each of the previous 12-month periods ended December 31. In percentage terms, the bar chart indicates how much an investment made on January 1 of the applicable year would have grown or decreased by the end of the period.



\* 2019 Series PA return: January 25 to December 31

\*\*For the period January 1 to June 30, 2020

TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
**Series PF** (AS AT JUNE 30, 2020)

**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 six months ended June 30, 2020 and for the fiscal periods ended December 31.

<b>Net assets per unit (1)</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Net assets – beginning of period</b>	<b>\$10.41</b>	<b>\$10.50</b>	<b>\$11.48</b>	<b>\$10.90</b>	<b>\$10.85</b>	<b>\$9.94</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.17	0.52	0.49	0.43	0.34	0.47
Total expenses	(0.05)	(0.10)	(0.11)	(0.11)	(0.10)	(0.11)
Realized gains (losses) for the period	(1.16)	(0.39)	0.69	0.15	–	0.75
Unrealized gains (losses) for the period	0.17	0.17	(1.39)	0.15	0.18	(0.11)
<b>Total increase (decrease) from operations (2)</b>	<b>(0.87)</b>	<b>0.20</b>	<b>(0.32)</b>	<b>0.62</b>	<b>0.42</b>	<b>1.00</b>
<b>Distributions:</b>						
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	–	–	–	–	–	–
<b>Total annual distributions (3)</b>	<b>–</b>	<b>(0.31)</b>	<b>(0.73)</b>	<b>(0.13)</b>	<b>(0.20)</b>	<b>(0.44)</b>
<b>Net assets – end of period</b>	<b>\$9.61</b>	<b>\$10.41</b>	<b>\$10.50</b>	<b>\$11.48</b>	<b>\$10.90</b>	<b>\$10.85</b>
<b>Ratios and supplemental data:</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total net asset value (\$ millions) (1)	\$15.13	\$30.61	\$43.79	\$31.91	\$18.22	\$9.36
Number of units outstanding	1,575,354	2,941,918	4,171,101	2,778,976	1,670,648	862,000
Management expense ratio (2)	0.95%	0.95%	0.95%	0.95%	1.00%	1.00%
Management expense ratio before waivers or absorptions	0.95%	0.95%	0.95%	0.95%	1.00%	1.00%
Trading expense ratio (3)	0.15%	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	38.79%	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$9.61	\$10.41	\$10.50	\$11.48	\$10.90	\$10.85

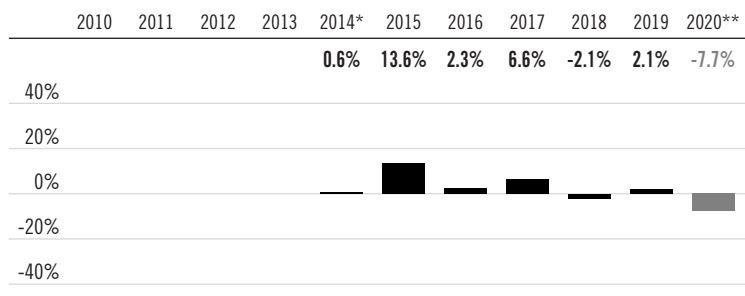
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**PAST PERFORMANCE**

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**Year-by-Year Returns**

The bar chart shows the Fund's performance for the six-month period ended June 30, 2020, and for each of the previous 12-month periods ended December 31. In percentage terms, the bar chart indicates how much an investment made on January 1 of the applicable year would have grown or decreased by the end of the period.



\* 2014 Series PF return: July 7 to December 31

\*\*For the period January 1 to June 30, 2020

TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
 Series PFT (AS AT JUNE 30, 2020)

**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 six months ended June 30, 2020 and for the fiscal periods ended December 31.

<b>Net assets per unit (1)</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Net assets – beginning of period</b>	<b>\$10.58</b>	<b>\$11.35</b>	<b>\$13.19</b>	<b>\$13.29</b>	<b>\$14.11</b>	<b>\$15.00</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.17	0.56	0.54	0.50	0.43	0.56
Total expenses	(0.05)	(0.11)	(0.12)	(0.13)	(0.13)	(0.13)
Realized gains (losses) for the period	(1.13)	(0.36)	0.77	0.18	(0.06)	0.56
Unrealized gains (losses) for the period	0.09	0.10	(1.48)	0.20	0.60	(0.05)
<b>Total increase (decrease) from operations (2)</b>	<b>(0.92)</b>	<b>0.19</b>	<b>(0.29)</b>	<b>0.75</b>	<b>0.84</b>	<b>0.94</b>
<b>Distributions:</b>						
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	(0.32)	(0.68)	(0.79)	(0.80)	(0.85)	(0.75)
<b>Total annual distributions (3)</b>	<b>(0.32)</b>	<b>(0.99)</b>	<b>(1.59)</b>	<b>(0.97)</b>	<b>(0.85)</b>	<b>(1.33)</b>
<b>Net assets – end of period</b>	<b>\$9.45</b>	<b>\$10.58</b>	<b>\$11.35</b>	<b>\$13.19</b>	<b>\$13.29</b>	<b>\$14.11</b>
<b>Ratios and supplemental data:</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total net asset value (\$ millions) (1)	\$3.20	\$7.08	\$15.82	\$15.15	\$9.37	\$2.94
Number of units outstanding	338,890	669,362	1,393,771	1,148,310	704,843	208,052
Management expense ratio (2)	0.95%	0.95%	0.95%	0.95%	0.99%	1.00%
Management expense ratio before waivers or absorptions	0.95%	0.95%	0.95%	0.95%	0.99%	1.00%
Trading expense ratio (3)	0.15%	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	38.79%	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$9.45	\$10.58	\$11.35	\$13.19	\$13.29	\$14.11

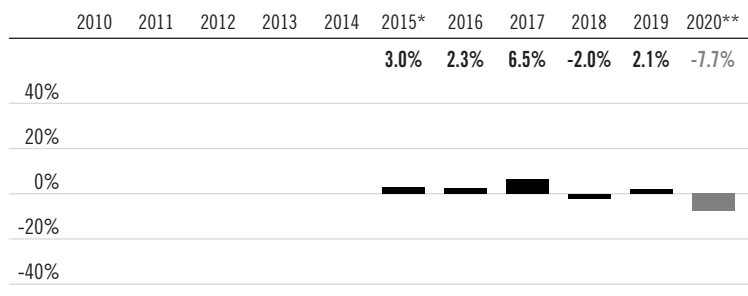
For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

**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 performance for the six-month period ended June 30, 2020, and for each of the previous 12-month periods ended December 31. In percentage terms, the bar chart indicates how much an investment made on January 1 of the applicable year would have grown or decreased by the end of the period.



\* 2015 Series PFT return: February 26 to December 31

\*\*For the period January 1 to June 30, 2020

TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
**Series PT** (AS AT JUNE 30, 2020)

**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 six months ended June 30, 2020 and for the fiscal periods ended December 31.

<b>Net assets per unit (1)</b>	<b>June 30, 2020</b>	<b>2019</b>
<b>Net assets – beginning of period</b>	<b>\$13.64</b>	<b>\$15.00</b>
<b>Increase (decrease) from operations:</b>		
Total revenue	0.22	0.69
Total expenses	(0.13)	(0.28)
Realized gains (losses) for the period	(1.48)	(0.49)
Unrealized gains (losses) for the period	(0.33)	(0.08)
<b>Total increase (decrease) from operations (2)</b>	<b>(1.72)</b>	<b>(0.16)</b>
<b>Distributions:</b>		
From income (excluding dividends)	–	–
From dividends	–	(0.41)
From capital gains	–	–
Returns of capital	(0.41)	(0.90)
<b>Total annual distributions (3)</b>	<b>(0.41)</b>	<b>(1.31)</b>
<b>Net assets – end of period</b>	<b>\$12.12</b>	<b>\$13.64</b>
<b>Ratios and supplemental data:</b>	<b>June 30, 2020</b>	<b>2019</b>
Total net asset value (\$ millions) (1)	\$4.93	\$13.32
Number of units outstanding	406,767	976,314
Management expense ratio (2)	2.06%	2.06%
Management expense ratio before waivers or absorptions	2.06%	2.06%
Trading expense ratio (3)	0.15%	0.06%
Portfolio turnover rate (4)	38.79%	23.59%
Net asset value per unit	\$12.12	\$13.64

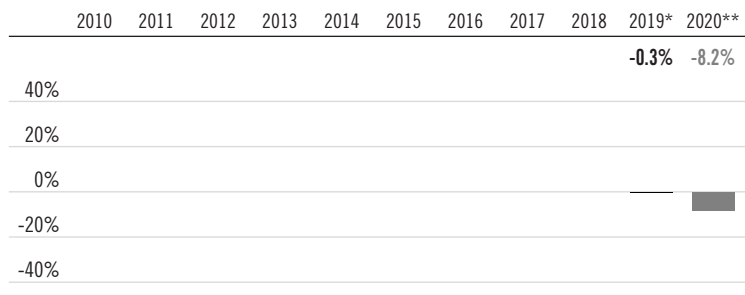
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**PAST PERFORMANCE**

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**Year-by-Year Returns**

The bar chart shows the Fund's performance for the six-month period ended June 30, 2020, and for each of the previous 12-month periods ended December 31. In percentage terms, the bar chart indicates how much an investment made on January 1 of the applicable year would have grown or decreased by the end of the period.



\* 2019 Series PT return: January 25 to December 31

\*\*For the period January 1 to June 30, 2020

TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
 Series PT-USD (AS AT JUNE 30, 2020)

**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 six months ended June 30, 2020, and for the fiscal periods ended December 31. The information presented below is presented in CAD, the functional currency of the Fund. The USD equivalent Net Asset Value (NAV) is shown below, denoted by an asterisk (\*).

Net assets per unit (1)	June 30, 2020	2019
<b>Net assets – beginning of period</b>	<b>\$18.03</b>	<b>\$19.00</b>
<b>Increase (decrease) from operations:</b>		
Total revenue	0.30	0.93
Total expenses	(0.17)	(0.37)
Realized gains (losses) for the period	(2.12)	(0.59)
Unrealized gains (losses) for the period	0.35	(0.01)
<b>Total increase (decrease) from operations (2)</b>	<b>(1.64)</b>	<b>(0.04)</b>
<b>Distributions:</b>		
From income (excluding dividends)	–	(0.01)
From dividends	–	(0.54)
From capital gains	–	–
Returns of capital	(0.57)	(1.17)
<b>Total annual distributions (3)</b>	<b>(0.57)</b>	<b>(1.72)</b>
<b>Net assets – end of period</b>	<b>\$15.99</b>	<b>\$18.03</b>
<b>Ratios and supplemental data:</b>	<b>June 30, 2020</b>	<b>2019</b>
Total net asset value (\$ millions) (1)	\$0.56	\$0.74
Number of units outstanding	35,254	40,886
Management expense ratio (2)	2.05%	2.08%
Management expense ratio before waivers or absorptions	2.05%	2.08%
Trading expense ratio (3)	0.15%	0.06%
Portfolio turnover rate (4)	38.79%	23.59%
Net asset value per unit (USD)*	\$11.78	\$13.89

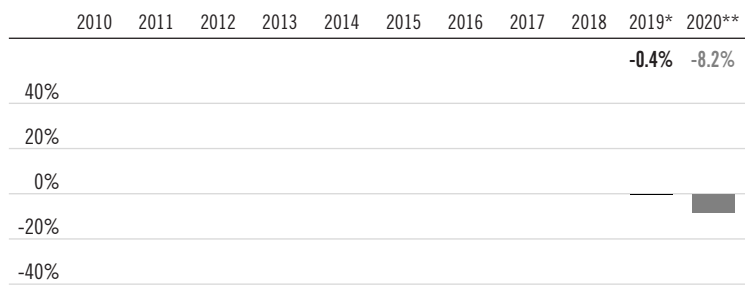
For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

**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 performance for the six-month period ended June 30, 2020, and for each of the previous 12-month periods ended December 31. In percentage terms, the bar chart indicates how much an investment made on January 1 of the applicable year would have grown or decreased by the end of the period.



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

\*\*For the period January 1 to June 30, 2020



TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
**Series T** (AS AT JUNE 30, 2020)

**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 six months ended June 30, 2020 and for the fiscal periods ended December 31.

<b>Net assets per unit (1)</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Net assets – beginning of period</b>	<b>\$5.77</b>	<b>\$6.29</b>	<b>\$7.41</b>	<b>\$7.57</b>	<b>\$8.15</b>	<b>\$8.00</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.10	0.30	0.30	0.29	0.25	0.36
Total expenses	(0.06)	(0.14)	(0.17)	(0.18)	(0.18)	(0.20)
Realized gains (losses) for the period	(0.65)	(0.24)	0.43	0.10	0.01	0.71
Unrealized gains (losses) for the period	0.09	0.16	(0.78)	0.19	(0.04)	0.07
<b>Total increase (decrease) from operations (2)</b>	<b>(0.52)</b>	<b>0.08</b>	<b>(0.22)</b>	<b>0.40</b>	<b>0.04</b>	<b>0.94</b>
<b>Distributions:</b>						
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	(0.17)	(0.38)	(0.44)	(0.45)	(0.49)	(0.48)
<b>Total annual distributions (3)</b>	<b>(0.17)</b>	<b>(0.55)</b>	<b>(0.88)</b>	<b>(0.54)</b>	<b>(0.63)</b>	<b>(0.81)</b>
<b>Net assets – end of period</b>	<b>\$5.12</b>	<b>\$5.77</b>	<b>\$6.29</b>	<b>\$7.41</b>	<b>\$7.57</b>	<b>\$8.15</b>
<b>Ratios and supplemental data:</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total net asset value (\$ millions) (1)	\$20.52	\$33.75	\$58.90	\$67.81	\$71.59	\$80.13
Number of units outstanding	4,004,829	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%	2.31%	2.32%	2.31%
Management expense ratio before waivers or absorptions	2.31%	2.31%	2.31%	2.31%	2.32%	2.31%
Trading expense ratio (3)	0.15%	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	38.79%	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$5.12	\$5.77	\$6.29	\$7.41	\$7.57	\$8.15

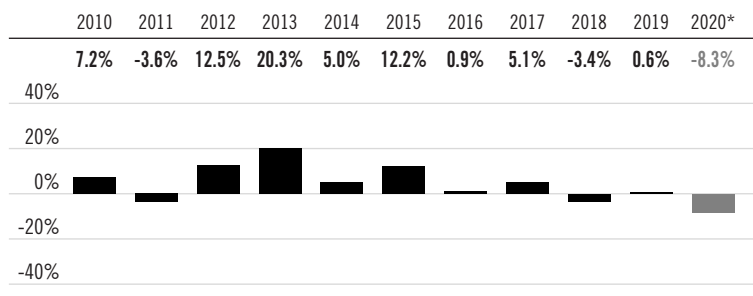
For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

**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 performance for the six-month period ended June 30, 2020, and for each of the previous 12-month periods ended December 31. In percentage terms, the bar chart indicates how much an investment made on January 1 of the applicable year would have grown or decreased by the end of the period.



\*For the period January 1 to June 30, 2020

TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
**Series T-USD** (AS AT JUNE 30, 2020)

**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 six months ended June 30, 2020, and for the fiscal periods ended December 31. The information presented below is presented in CAD, the functional currency of the Fund. The USD equivalent Net Asset Value (NAV) is shown below, denoted by an asterisk (\*).

<b>Net assets per unit (1)</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Net assets – beginning of period</b>	<b>\$5.79</b>	<b>\$6.28</b>	<b>\$7.43</b>	<b>\$7.57</b>	<b>\$8.12</b>	<b>\$8.02</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.10	0.30	0.30	0.29	0.24	0.35
Total expenses	(0.06)	(0.14)	(0.17)	(0.18)	(0.17)	(0.19)
Realized gains (losses) for the period	(0.65)	(0.25)	0.44	0.10	0.01	0.70
Unrealized gains (losses) for the period	0.14	0.17	(0.76)	0.21	(0.11)	0.27
<b>Total increase (decrease) from operations (2)</b>	<b>(0.47)</b>	<b>0.08</b>	<b>(0.19)</b>	<b>0.42</b>	<b>(0.03)</b>	<b>1.13</b>
<b>Distributions:</b>						
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	(0.18)	(0.37)	(0.46)	(0.44)	(0.47)	(0.53)
<b>Total annual distributions (3)</b>	<b>(0.18)</b>	<b>(0.54)</b>	<b>(0.90)</b>	<b>(0.52)</b>	<b>(0.61)</b>	<b>(0.86)</b>
<b>Net assets – end of period</b>	<b>\$5.13</b>	<b>\$5.79</b>	<b>\$6.28</b>	<b>\$7.43</b>	<b>\$7.57</b>	<b>\$8.12</b>
<b>Ratios and supplemental data:</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total net asset value (\$ millions) (1)	\$1.63	\$2.25	\$4.40	\$6.20	\$7.41	\$9.51
Number of units outstanding	318,045	388,201	699,977	835,090	978,899	1,171,231
Management expense ratio (2)	2.28%	2.29%	2.29%	2.29%	2.28%	2.26%
Management expense ratio before waivers or absorptions	2.28%	2.29%	2.29%	2.29%	2.28%	2.26%
Trading expense ratio (3)	0.15%	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	38.79%	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit (USD)*	\$3.78	\$4.46	\$4.60	\$5.91	\$5.64	\$5.87

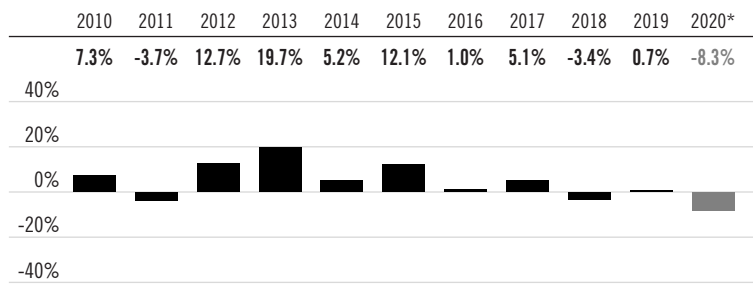
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**Year-by-Year Returns**

The bar chart shows the Fund's performance for the six-month period ended June 30, 2020, and for each of the previous 12-month periods ended December 31. In percentage terms, the bar chart indicates how much an investment made on January 1 of the applicable year would have grown or decreased by the end of the period.



\*For the period January 1 to June 30, 2020

TEMPLETON GLOBAL BALANCED FUND  
**MANAGEMENT REPORT OF FUND PERFORMANCE**  
**Series V** (AS AT JUNE 30, 2020)

**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 six months ended June 30, 2020 and for the fiscal periods ended December 31.

<b>Net assets per unit (1)</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Net assets – beginning of period</b>	<b>\$10.15</b>	<b>\$10.98</b>	<b>\$12.89</b>	<b>\$13.10</b>	<b>\$14.02</b>	<b>\$15.00</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.17	0.53	0.52	0.50	0.42	0.49
Total expenses	(0.09)	(0.20)	(0.23)	(0.24)	(0.23)	(0.23)
Realized gains (losses) for the period	(1.07)	(0.42)	0.74	0.17	0.07	0.50
Unrealized gains (losses) for the period	0.11	0.20	(1.42)	0.35	(0.48)	0.73
<b>Total increase (decrease) from operations (2)</b>	<b>(0.88)</b>	<b>0.11</b>	<b>(0.39)</b>	<b>0.78</b>	<b>(0.22)</b>	<b>1.49</b>
<b>Distributions:</b>						
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	(0.30)	(0.66)	(0.77)	(0.79)	(0.84)	(0.75)
<b>Total annual distributions (3)</b>	<b>(0.30)</b>	<b>(0.96)</b>	<b>(1.54)</b>	<b>(0.96)</b>	<b>(0.84)</b>	<b>(1.33)</b>
<b>Net assets – end of period</b>	<b>\$9.02</b>	<b>\$10.15</b>	<b>\$10.98</b>	<b>\$12.89</b>	<b>\$13.10</b>	<b>\$14.02</b>
<b>Ratios and supplemental data:</b>	<b>June 30, 2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total net asset value (\$ millions) (1)	\$0.27	\$0.67	\$0.84	\$0.81	\$1.36	\$3.48
Number of units outstanding	29,392	65,612	76,435	62,572	103,873	248,319
Management expense ratio (2)	1.84%	1.83%	1.81%	1.83%	1.77%	1.73%
Management expense ratio before waivers or absorptions	1.84%	1.83%	1.81%	1.83%	1.77%	1.73%
Trading expense ratio (3)	0.15%	0.06%	0.12%	0.10%	0.08%	0.08%
Portfolio turnover rate (4)	38.79%	23.59%	50.24%	37.46%	37.92%	34.33%
Net asset value per unit	\$9.02	\$10.15	\$10.98	\$12.89	\$13.10	\$14.02

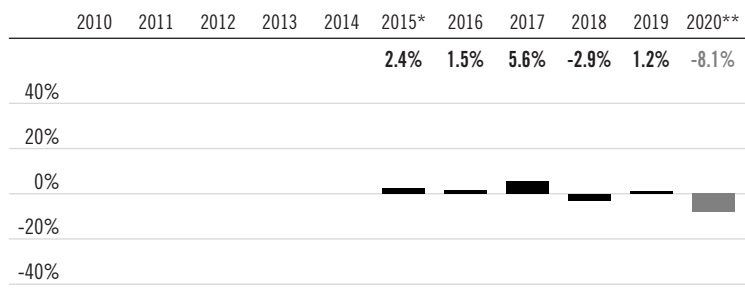
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**Year-by-Year Returns**

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\* 2015 Series V return: February 26 to December 31

\*\*For the period January 1 to June 30, 2020

## **NOTES TO FINANCIAL HIGHLIGHTS**

### **Net Assets per Unit:**

- (1) This information is derived from the Fund's unaudited interim financial statements and 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.