

## Fund Overview

Total Net Assets (04/30/2021)	\$86,905,746
Inception Date	Series A: 02/17/2003 Series F: 02/17/2003
Number of Holdings	483
Morningstar Category™	Global Fixed Income
Benchmark	Bloomberg Barclays U.S. Aggregate Index (Hedged to CAD)

## Investment Objective & Strategy

High current income and some long-term capital appreciation by investing primarily in fixed income securities issued in the U.S. and throughout the world.

## Fund Management

Sonal Desai	27 Years, Florida, United States
Darcy Briggs	27 Years, Calgary, AB Canada
William Chong	12 Years, California, United States
Patricia O'Connor	25 Years, California, United States
David Yuen	33 Years, California, United States

## Risk Classification

Low	<b>Low to Medium</b>	Medium	Medium to High	High
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## Fund Codes

	CDN\$	US\$
Series A Front	TML387	TML388
Series A DSC	TML389	TML390
Series A Low Load	TML391	TML393
Series F	TML229	TML263
Series F ADM	TML5011	TML5035
Series I (Closed to new investors)	TML3382	TML3383
Series O	TML173	TML174
Series PA Front	TML5496	TML5499
Series PA DSC	TML5498	TML5697
Series PA Low Load	TML5497	TML5500
Series PF	TML3805	TML3806
Series PF ADM	TML5079	TML5106

<sup>1</sup> Figures shown for Yield to Maturity, Weighted Average Maturity, Duration, Duration to Worst and Yield to Worst reflect certain derivatives held in the portfolio (or their underlying reference assets).

<sup>2</sup> Please see detailed definitions on the last page.

<sup>3</sup> Uses effective duration for mortgages/asset-backed securities, uses 90 days average reset period assumed for all bank loans and for duration of bank loans; and excludes duration for certain convertible/preferred stock. Duration for certain hybrid securities calculated to the first call and/ or fixed to floating coupon date.

<sup>4</sup> The Fund may also pay capital gains in December if required.

<sup>5</sup> Notional exposure figures are intended to estimate the portfolio's exposure, including any hedged or increased exposure through certain derivatives held in the portfolio (or their underlying reference assets). Market value figures reflect the trading value of the investments. Notional and market value figures may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

<sup>6</sup> First call/fixed-to-floating date used as maturity date for certain perpetual hybrid securities.

<sup>7</sup> Includes gains/losses on forward currency contracts.

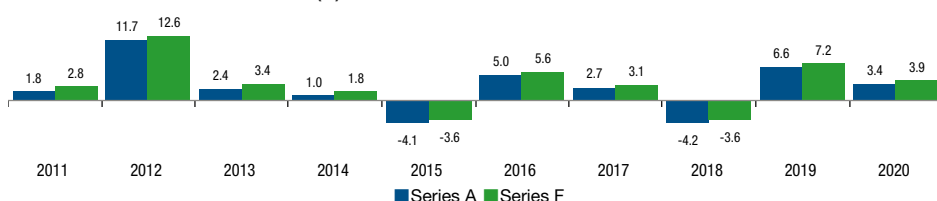
<sup>8</sup> Sources: S&P and Moody's. Cash includes equivalents, which may be rated.

## REASONS TO INVEST IN THIS FUND:

- Diversification creates opportunities.** The fund offers Ideal for investors seeking the potential for more consistent returns by taking advantage of the performances of many different bond categories in the United States and throughout the world.
- Breadth of research.** The fund is supported by more than 170 investment professionals from Franklin Templeton's fixed-income team.
- Currency management.** The fund typically engages in currency management strategies to hedge the exposure to the impact of changes in currency exchange rates.

## Performance

### Calendar Year Returns in Canadian Dollars (%) 04/30/2021



### Compounded Returns in Canadian Dollars (%) 04/30/2021

	YTD	1 Mo	3 Mo	6 Mo	1 Year	3 Years	5 Years	10 years	Since Inc <sup>^</sup>
Series A	-0.46	0.89	-0.29	2.61	8.03	2.19	2.09	2.13	2.09
Series F <sup>†</sup>	-0.28	0.93	-0.16	2.89	8.62	2.79	2.63	2.83	2.92

<sup>^</sup> Series inception date

<sup>†</sup> Series F is available to investors participating in programs that do not require Franklin Templeton to incur distribution costs in the form of trailing commissions to dealers. As a consequence, the management fee on Series F is lower than on Series A.

## Fund Facts<sup>1</sup>

Price per Unit (Series A)	\$5.16
Yield to Maturity <sup>2</sup>	3.24%
Average Weighted Maturity <sup>2</sup>	6.2 Years
Average Duration	4.2 Years
Duration to Worst <sup>3</sup>	4.4 Years
Portfolio Turnover Rate (12/31/2020)	108.69%
MER (12/31/2020 incl. HST)	A: 1.57% F: 1.02%
Management Fee	A: 1.20% F: 0.70%
Yield to Worst <sup>2</sup>	3.08%
Distributions	Interest income paid monthly <sup>4</sup>

## Composition of Fund

### Top Country Weightings (% Market Value)<sup>5</sup>

03/31/2021	
United States	67.78
Indonesia	2.87
China	2.75
Canada	2.51
Mexico	2.07
United Kingdom	1.90
Chile	1.59
Colombia	1.50
Others	17.14
Cash & Cash Equivalents	2.75

### Series A Distribution History

Date	Price	Distr.	Date	Price	Distr.
03/31/2020	\$4.87	\$0.02	09/30/2020	\$5.09	\$0.01
04/30/2020	\$4.89	\$0.02	10/30/2020	\$5.07	\$0.01
05/29/2020	\$5.03	\$0.02	01/29/2021	\$5.21	\$0.01
06/30/2020	\$5.06	\$0.02	02/26/2021	\$5.17	\$0.01
07/31/2020	\$5.12	\$0.02	03/31/2021	\$5.13	\$0.01
08/31/2020	\$5.11	\$0.02	04/30/2021	\$5.16	\$0.01

### Top Sector Weightings (% of Total)<sup>5</sup>

03/31/2021	
High Yield Corporates	27.06
Investment Grade Corporates <sup>6</sup>	18.38
Non-Local Currency Emerging Market Bonds	15.75
Residential Mortgage-Backed Securities	6.23
Bank Loans	6.23
Collateralized Loan Obligation	5.05
Non-US Developed Bonds	4.50
Agency Mortgage-Backed Securities	4.08
Other	12.93
Currency Derivatives	-0.11
Cash & Cash Equivalents <sup>7</sup>	2.75

### Bond Ratings (% of Fixed Income)<sup>8,8</sup>

03/31/2021			
AAA	10.99	B	14.54
AA	4.75	CCC	4.98
A	9.69	Not Rated	3.43
BBB	31.77	Not Applicable	4.30
BB	14.04	Cash & Cash Equivalents	2.75

**Disclaimers**

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus or fund facts document before investing. The indicated rates of return are historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The portfolio manager for a Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top 10 holdings list. Series T distributions are automatically reinvested unless otherwise requested. Series T may also pay a distribution that must be reinvested in December, consisting of income and capital gains. Please indicate your preference to receive cash flow immediately on the application form. Fund AUM reported may include fund-on-fund holdings, and assets are therefore reflected in both the top fund and underlying fund AUM. The 'Supranational' geographic designation refers to international financial institutions whereby member states transcend national boundaries and issue debt securities on behalf of the group as a whole.

**Ratings without cash, Market Value or Notional Exposure:** Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations ('NRSRO'), such as Standard & Poor's, Moody's and Fitch. The ratings are an indication of an issuer's creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from all three agencies are available, the middle rating is used; when two are available, the lowest rating is used; and when only one is available, that rating is used. Foreign government bonds without a specific rating are assigned the country rating provided by an NRSRO, if available. The NR category consists of ratable securities that have not been rated by an NRSRO. The N/A category consists of nonratable securities (e.g., equities). Cash and equivalents are excluded from this breakdown.

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**Glossary**

**Dividend Yield** of a stock is the total amount of dividend per share paid over the previous 12 months, divided by its current price. The dividend yield of a mutual fund is the market-weighted average of the dividend yields of all the stocks in the portfolio. This measure is gross of fees.

**Weighted Yield (Internal Yield)** is a blended measure used for balanced funds, the internal yield is the market-weighted average of the Yield to Maturity of the fund's fixed income component and the Dividend Yield of the fund's equity component. This measure is gross of fees.

**Yield to Maturity (YTM)** is a long-term yield expressed as an annual rate. A bond's YTM is the rate of return anticipated if one assumes the bond is held until its maturity date and all the coupons paid by the bond are reinvested at the same rate of return as the coupons. The calculation takes into account the current market price, par value, coupon interest rate and time to maturity. The YTM of a bond fund is the market-weighted average of the YTM of all the bonds in the portfolio.

**Yield to Worst (YTW)** of a bond is the yield to maturity if the worst possible bond repayment takes place. If market yields are higher than the coupon, the YTW would assume no prepayment. If market yields are below the coupon, the YTW would assume prepayment. The YTW of a fund is the market-weighted average of the YTWs of all the bonds in the portfolio. This measure is gross of fees and excludes yield on cash.



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