



**FRANKLIN TEMPLETON  
INVESTMENTS**

Franklin Templeton Investment Funds

# Templeton Global Total Return Fund

Global Fixed Income  
30.04.2018

Fund Fact Sheet | HSBC - the 'No Subscription Fee Series'

For the source and calculation basis of Fund information, please refer to the \*Explanatory Notes section.

## Fund Overview

Base Currency for Fund	USD
Total Net Assets (USD)	19.56 billion
Fund Inception Date	29.08.2003
Number of Holdings	208
Benchmark	Bloomberg Barclays Multiverse Index
Morningstar Category™*	Global Bond

## Summary of Investment Objective

The Fund aims to maximise total investment return consisting of a combination of interest income, capital appreciation, and currency gains by investing principally in a portfolio of fixed and/or floating rate debt securities and debt obligations issued by government and government-related issuers or corporate entities worldwide. The Fund may invest in investment grade and non-investment grade debt securities. The Fund may also use various currency-related and other transactions involving derivative instruments.

## Fund Management\*

Michael Hasenstab, PhD: United States  
Sonal Desai, PhD: United States

## Ratings - N (acc) USD

Overall Morningstar Rating™\*: ★★★★★

## Asset Allocation\*

	%
Fixed Income	84.29
Cash & Cash Equivalents	15.69
Equity	0.01

## Awards in the Past Year

**Lipper Fund Awards 2017 HK**  
Best Bond Global Fund Over 10 Years<sup>1</sup>

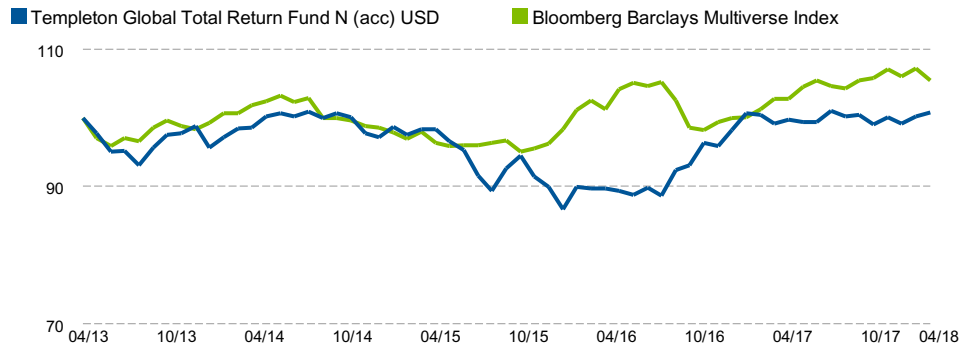
<sup>1</sup> Source: Lipper, fund performance as of 31/12/2016  
Awarded Funds refer to the awards for specific fund categories.  
Visit [www.franklintempleton.com.hk](http://www.franklintempleton.com.hk) (Awards and Recognition page) for more details.

## Risk Considerations

- The Fund may invest in emerging market securities which are exposed to higher risk of economic, political and regulatory changes that may pose additional risk to the Fund.
- The Fund may invest up to 100% of their total net assets in structured products, mortgage- and asset-backed securities and derivatives (such as credit default swaps, forwards and options), and is subject to significant liquidity and counterparty default risks.
- The Fund may invest in defaulted debt securities on which the issuers are not currently making interest payment, and as a result may be subject to liquidity and counterparty default risks.
- The Fund may invest in non-investment grade debt securities, and as a result may be subject to liquidity and counterparty default risks.
- The Fund's value may be affected by exchange control regulations and changes in exchange rates.
- The Fund may invest extensively in financial derivative instruments for hedging purposes as well as investment purposes which may expose the Fund to the potential for significant losses and as a result may be subject to counterparty and volatility risk.
- The Fund may at its discretion pay dividends out of the capital or out of gross income of the Fund while paying all or part of the Fund's fees and expenses out of the capital of the Fund, which results in effectively paying dividends out of capital.
- Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment.
- Any distributions involving payment of dividends out of the Fund's capital or payment of dividends effectively out of the Fund's capital (as the case may be) may result in an immediate reduction of the net asset value per share.
- This investment involves risks which may result in loss of part or entire amount of your investment.
- Before you decide to invest, you should make sure the intermediary has explained to you that the Fund is suitable to you.
- Investors should not only base on this marketing material alone to make investment decisions.

## Performance\*

### Performance over 5 Years in Share Class Currency (%)



### Performance in Share Class Currency (%)

	Cumulative						
	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Incept
N (acc) USD	0.65	1.68	0.32	2.42	0.79	70.86	178.69
Benchmark in USD	-1.49	-0.28	4.18	7.59	5.54	31.92	83.68

### Calendar Year Performance in Share Class Currency (%)

	2017	2016	2015	2014	2013
N (acc) USD	2.85	5.25	-6.43	-0.96	2.82
Benchmark in USD	7.69	2.84	-3.29	0.47	-2.19

## Fund Measures

Average Credit Quality*	BBB
Average Duration	-0.74 Years
Average Weighted Maturity	3.20 Years
Yield to Maturity	9.48%
Standard Deviation (5 Yrs)	6.32%

## Share Class Information

Share Class	Incept Date	NAV	TER (%)	Fees				Dividends		Fund Identifiers
				Max. Sales Charge (%)	Mgmt. Fee (%)	Max. Dist. Fee (%)	Switching Charge (%)	Last Paid Date	Last Paid Amount	ISIN
N(acc) USD	29.08.2003	USD 27.87	2.11	0.00	0.75	1.25	0.00	N/A	N/A	LU0170477797

For the source and calculation basis of Fund information, please refer to the \*Explanatory Notes section.

### Composition of Fund\*

■ Templeton Global Total Return Fund ■ Bloomberg Barclays Multiverse Index

Geographic	% of Total
Mexico	16.68 / 0.70
Brazil	13.90 / 0.83
India	10.82 / 0.10
Indonesia	10.21 / 0.44
South Korea	10.05 / 1.34
Argentina	7.53 / 0.20
Ghana	5.41 / 0.01
Colombia	4.86 / 0.22
ST Cash and Cash Equivalents	10.16 / 0.00
Others	10.37 / 96.10

Currency	% of Total
U.S. Dollar	109.87 / 45.02
Mexican Peso	21.26 / 0.28
Brazilian Real	13.90 / 0.52
Indian Rupee	12.65 / 0.00
Indonesian Rupiah	10.21 / 0.26
Argentine Peso	7.53 / 0.00
Australian Dollar	-9.57 / 1.26
Euro	-39.00 / 25.04
Japanese Yen	-40.28 / 15.77
Others	13.42 / 11.83

Sector	% of Total
Local Curr. Govt/Agency Bonds: Investment Grade	53.99 / 42.65
Local Curr. Govt/Agency Bonds: Non-Investment Grade	28.55 / 0.61
Non-Local Curr. Sovereign Bonds: Non-Investment Grade	1.28 / 1.00
Derivatives	0.30 / 0.00
Supranational	0.14 / 2.14
Convertibles	0.02 / 0.00
Corporate Bonds: Non-Investment Grade	0.01 / 3.61
Corporate Bonds: Investment Grade	0.01 / 17.52
Cash & Cash Equivalents	15.69 / 0.00
Others	0.01 / 32.48

### Portfolio Data Derivatives Disclosures

Asset allocation figures shown reflect certain derivatives held in the portfolio (or their underlying reference assets) and may not total 100% or may be negative due to rounding, use of derivatives, unsettled trades or other factors. Fund Measures figures shown for Average Duration, Average Weighted Maturity and Yield to Maturity reflect certain derivatives held in the portfolio (or their underlying reference assets). Composition of Fund - Geographic, Sector and Currency portfolio weights reflect certain derivatives held in the portfolio (or their underlying reference assets) and may not total 100% or may be negative due to rounding, use of derivatives, unsettled trades or other factors.

### Important Information

Unless stated otherwise, all information is as of the publishing date of this document. Source: Franklin Templeton Investments.

Franklin Templeton Investments (Asia) Limited is the issuer of this document. This document is neither an offer nor solicitation to purchase shares of the fund; applications for shares may only be made on forms of application available with the Offering Documents. Investments are subject to investment risks, fund value may go up as well as down and past performance is not an indicator or a guarantee of future performance. The investment returns are denominated in fund currency. Investors investing in funds denominated in non-local currency should be aware of the risk of exchange rate fluctuations that may cause a loss of principal. Investors should read carefully the Offering Documents (including the section 'Risk Considerations') for the relevant risks associated with the investment in the fund before investing. Distribution of this document may be restricted in certain jurisdictions. This document does not constitute the distribution of any information or the making of any offer or solicitation by anyone in any jurisdiction in which such distribution or offer is not authorized or to any person to whom it is unlawful to distribute such a report or make such an offer or solicitation. This document has not been reviewed by the Securities and Futures Commission of Hong Kong.

### \*Explanatory Notes

**Performance:** Performance information is based on the stated share class only, in Fund Currency, NAV to NAV, taking into account of dividend reinvestments and capital gain or loss.

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**Average Credit Quality:** The average credit quality (ACQ) rating may change over time. The portfolio itself has not been rated by an independent rating agency. The letter rating, which may be based on bond ratings from different agencies (or internal ratings for unrated bonds, cash and equivalents), is provided to indicate the average credit rating of the portfolio's underlying investments and generally ranges from AAA (highest) to D (lowest). For unrated bonds, cash and equivalents, ratings may be assigned based on the ratings of the issuer, the ratings of the underlying holdings of a pooled investment vehicle, or other relevant factors. The ACQ is determined by assigning a sequential integer to all credit ratings AAA to D, taking a simple, asset-weighted average of investments by market value and rounding to the nearest rating. The risk of default increases as a bond's rating decreases, so the ACQ provided is not a statistical measurement of the portfolio's default risk because a simple, weighted average does not measure the increasing level of risk from lower-rated bonds. The ACQ may be lower if cash and equivalents are excluded from the calculation. The ACQ is provided for informational purposes only. Derivative positions are not reflected in the ACQ.

**Fees:** HSBC will collect 1% administration fee for redemption takes place within the first year of investment. The fee is calculated by either the initial subscription price or the current redemption price, whichever is lower. Switching transaction within HSBC – the "No Subscription Fee Series" across fund houses is free of charge. An administration fee of 1% and a distribution fee of 1% - 1.25% p.a. may apply.

**Asset Allocation/Composition of Fund:** Due to rounding, the sum of portfolio may not equal 100%.



## Product Key Facts

### Franklin Templeton Investment Funds – Templeton Global Total Return Fund

Last updated: April 2018

- This statement provides you with key information about this product.
- This statement is a part of the offering document.
- You should not invest in this product based on this statement alone.

#### Quick facts

**Management company:** Franklin Templeton International Services S.à r.l.

**Investment manager:** Franklin Advisers, Inc., United States of America (internal delegation)

**Depositary:** J.P. Morgan Bank Luxembourg S.A.

**Base currency:** USD

**Financial year end of this Fund:** 30 June

**Dealing frequency:** Every Hong Kong Business Day

**Minimum Investment:** USD 1,000 [initial] and USD 500 [subsequent purchases] or equivalent

**Ongoing charges over a year<sup>#</sup>:**

Class A (Mdis) AUD-H1: 1.42%

Class A (Mdis) EUR: 1.42%

Class A (Mdis) EUR-H1: 1.41%

Class A (Mdis) GBP-H1: 1.41%

Class A (Mdis) HKD: 1.42%

Class A (Mdis) SGD-H1: 1.41%

Class A (Mdis) USD: 1.42%

Class A (acc) EUR: 1.41%

Class A (acc) EUR-H1: 1.41%

Class A (acc) HKD: 1.42%

Class A (acc) USD: 1.42%

Class B (Mdis) USD: 2.92%

Class B (acc) USD: 2.92%

Class N (acc) USD: 2.11%

<sup>#</sup>The ongoing charges figures are based on the semi-annual financial statements for the period ended 31 December 2017. These figures may vary from year to year.

**Dividend policy:** Dividends, if declared, will be reinvested unless indicated by you in the application form to be paid out. Subject to any legal and regulatory requirements, the Fund may at its discretion pay dividends out of the capital or out of gross income of the Fund while paying all or part of the Fund's fees and expenses out of the capital of the Fund, which results in effectively paying dividends out of capital. The Fund may amend such distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to investors. Any distributions involving payment of dividends out of the Fund's capital or payment of dividends effectively out of the Fund's capital (as the case may be) may result in an immediate reduction of the net asset value per share.

#### What is this product?

This is a fund constituted in the form of a mutual fund. It is domiciled in Luxembourg and its home regulator is Commission de Surveillance du Secteur Financier ("CSSF").

#### Investment Objective and Policy



*Templeton Global Total Return Fund (“the Fund”) aims to maximize total investment return by achieving an increase in the value of its investments, earning income and realizing currency gains over the medium to long term.*

*The Fund invests principally (that is, at least two-thirds of the Fund’s net assets) in:*

- *debt securities of any quality (including investment grade and non-investment grade securities) issued by governments, government-related or corporate entities worldwide*

*In exceptional market circumstances (such as extreme volatility) and on a temporary basis only, 100% of the Fund’s net assets may be invested in liquid assets, with due regard to the principle of risk spreading.*

*The Fund may also invest on an ancillary basis in:*

- *mortgage- and asset-backed securities*
- *debt obligations issued by supranational entities organized or supported by several national governments, such as the European Investment Bank*
- *structured products (such as credit-linked securities, commercial and residential mortgage-backed securities as well as collateralised debt obligations, including collateralised loan obligations)*
- *securities in default (limited to 10% of net assets)*
- *equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation*
- *units of Undertakings for Collective Investment in Transferable Securities (“UCITS”) and other Undertakings for Collective Investment (“UCIs”) (limited to 10% of the Fund’s net assets)*
- *convertible bonds*
- *mortgage dollar roll transactions*

*The Fund may invest extensively in financial derivative instruments for hedging, efficient portfolio management and/or investment purposes to manage the risks of the portfolio and gain exposure to certain asset classes, currencies, or position on the yield curve (long maturities vs. short maturities), or to exchange fixed rate obligations with floating rate obligations. The financial derivative instruments in which the Fund may invest include swaps (such as credit default swaps, interest rate swaps or fixed income related total return swaps), futures contracts, and foreign currency forward contracts, including cross currency forwards where one currency is hedged into another through an intermediate third currency or where one currency is used as a proxy for hedging another currency (e.g. using the Canadian dollar as a proxy for the U.S. dollar).*

*The Fund may invest up to 25% of its net assets in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) with a credit rating below investment grade at the time of purchase (such as Argentina, Brazil, Colombia, Egypt, Ghana, Hungary, Indonesia, Italy, Mainland China, Malaysia, Mexico, Nigeria, Peru, Portugal, Russia, Serbia, South Africa, Spain, Sri Lanka, Turkey, Ukraine and Uruguay). Such investments (if any) are made based on the professional judgment of the Investment Manager whose reasons for investment may include a favourable/positive outlook on the sovereign issuer, potential for rating upgrades and the expected changes in the value of such investments due to rating changes. Please note that the abovementioned sovereigns are named for reference only and are subject to change as their credit ratings may change from time to time.*

*The Fund may use futures contracts on U.S. Treasury securities to help manage risks relating to interest rates and other market factors, to increase liquidity, and to quickly and efficiently cause new cash to be invested in the securities markets or, if cash is needed to meet shareholder redemption requests, to remove Fund’s assets from exposure to the market. On an ancillary basis, the Fund may gain exposure to debt market indexes by investing in index-based financial derivatives and credit default swaps.*

*The expected level of leverage for the Fund (based on the “sum of notionals” approach) is 200%. The expected level of leverage based on the “sum of notionals” approach is measured as the sum of notionals of all financial derivative contracts entered into by the Fund expressed as a percentage of the Fund’s net asset value.*

The expected maximum level of leverage for the Fund (based on the “commitment” approach) is 225%. Commitment approach is an approach for measuring risk or global exposure that factors in the market value of the equivalent positions in the underlying assets of the financial derivative instruments held by the Fund (sometimes referred to as “notional exposure”), after taking into account netting and hedging arrangements where the market value of underlying security positions may be offset by other commitments related to the same underlying positions.

The level of leverage in the Fund may be higher or lower than the expected level shown above. The level of leverage in the Fund is not expected to exceed the maximum level indicated above but investors should note that there is possibility of higher leverage levels in certain circumstances, such as high market volatility. Under Luxembourg Law, the absolute Value-at Risk (VaR) limit is currently 20% of the Fund’s total net assets and the relative VaR limit is currently twice or 200% of the Fund’s benchmark VaR.

#### What are the key risks?

**Investment involves risks. Please refer to the offering document for details including the risk factors.**

- **Market risk:** The market values of securities owned by the Fund will tend to go up or down, sometimes rapidly or unpredictably, due to factors affecting individual issuers, particular industries or sectors within securities markets, or because of general market conditions. During a general downturn in the securities markets, multiple asset classes (including different sectors of the same asset class) may decline in value at the same time. Similarly, when markets perform well, there can be no assurance that securities held by the Fund will participate in the advance. Because the securities the Fund holds fluctuate in price in this manner, the Fund’s value may go down as well as up and investors may be adversely affected.
- **Interest rate securities risk:** Interest rates changes tend to be driven by prevailing economic, political and regulatory conditions as well as issuer-specific factors, impacting longer term securities more than short-term securities. A fixed income security’s value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Movements in interest rates may therefore adversely affect the valuation of the Fund’s fixed income securities (such as bonds) and the Fund’s net asset value on a daily basis, in addition to impacting the amount of interest income earned by the Fund. Conditions in the banking sector may also adversely affect interest rates and the prices of fixed income securities.
- **Credit risk:** The Fund is exposed to the credit/default risk of issuers of the debt securities that the Fund may invest in. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or changes in economic and political conditions specific to an issuer, are factors that may have an adverse impact on an issuer’s credit quality and security value. Default can occur if an issuer fails to make principal and interest payments when due, which may result in a substantial loss to the Fund. Debt securities are also exposed to the risk of being downgraded, which can adversely affect and/or result in a substantial loss to the Fund.
- **Sovereign debt risk:** The Fund’s investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Fund to participate in restructuring such debts. The Fund may suffer significant losses when there is a default of sovereign debt issuers and may have limited legal recourse against a sovereign debt issuer.
- **Low-rated, unrated or non-investment grade securities risk:** The Fund may invest in lower rated, unrated or non-investment grade securities (such as lower rated bonds) where the risk of failure to pay interest and/or principal is greater vs. higher rated securities. Lower rated, unrated or non-investment grade securities generally pose greater illiquidity and valuation risks. These risks may result in a substantial loss to the Fund.
- **Foreign currency risk:** The Fund will typically invest to a significant degree in securities that are denominated in currencies other than the base currency of the Fund, exposing its investments to changes in foreign exchange rates and the possibility of exchange control regulations. Changes in currency exchange rates may adversely affect the value of the Fund, and also may affect the income earned by the Fund and gains and losses realized by the Fund. The Fund may use instruments such as



*currency forwards, cross currency forwards and currency futures contracts to hedge currency exposure, which can limit the potential for currency gains, or to take a currency position for investment purposes, which can result in substantial loss to the Fund. To the extent that the Fund seeks to hedge or protect against currency exchange risk, there is no guarantee that hedging or protection will be achieved, and the value of the Fund may be adversely affected. Furthermore, the total return for a share class that is denominated in a different currency (the “alternative currency”) from the base currency of the Fund may be affected, either positively or negatively, by changes in the exchange rate between the Fund’s base currency and the alternative currency.*

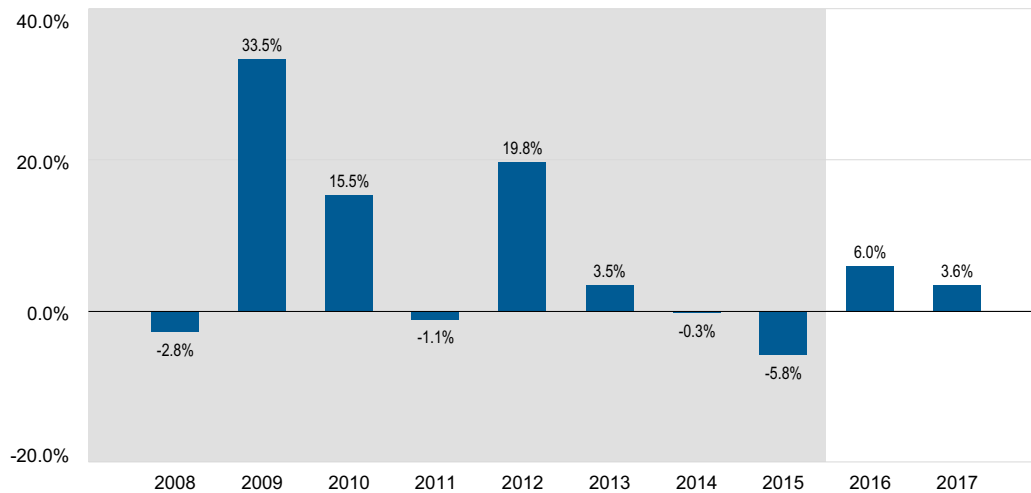
- **Concentration risk:** *The Fund seeks to maintain a portfolio with holdings in a relatively limited number of issuers. By being less diversified, the Fund may be more volatile than broadly diversified funds, or may be exposed to greater risk since underperformance of one or a few positions will have a greater impact in a less diversified Fund. The Fund may be adversely affected as a result of such greater volatility or risk.*
- **Liquidity risk:** *The Fund may not be able to easily sell securities due to adverse market conditions or reduced value or creditworthiness of issuers in which it invests. The inability of the Fund to sell securities or positions may also impede the ability of the Fund to meet redemption requests in a timely manner. Certain securities may also be illiquid due to limited trading markets or contractual restrictions on their resale. Reduced liquidity due to these factors may have an adverse impact on the net asset value of the Fund.*
- **Valuation risk:** *Valuation of the Fund’s investments may involve uncertainties and judgmental determinations. Independent pricing information may not always be available. If valuations prove to be incorrect, the investors of the Fund may be adversely affected.*
- **Volatility risk:** *The debt securities in emerging markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Fund may incur significant trading costs.*
- **Mortgage- and asset-backed securities risk:** *With mortgage- and asset-backed securities, principal is paid back over the life of the security rather than at maturity. Such securities are subject to prepayment risk, when interest rates fall, resulting in a shortening of maturities and foregone future interest payments, as well as to extension risk when interest rates rise, resulting in longer maturities and greater sensitivity to changes in interest rates. Issuers of such securities may have limited ability to enforce the security interest in the underlying assets, and collateral may not be recoverable in the event of default. The value and performance of the Fund may be adversely affected as a result.*
- **Mortgage dollar roll risk:** *The Fund may sell mortgage-backed securities for delivery in the current month and simultaneously contract to repurchase substantially similar securities on a future date. The Fund may suffer a substantial loss if the counterparty defaults.*
- **Derivative instruments risk:** *Derivative instruments involve cost, may be volatile, and may involve a leverage effect. A small market movement may give rise to a proportionately larger impact, which may cause substantial loss to the Fund. Other risks include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. In adverse situations, the Fund’s use of derivative instruments may become ineffective and the Fund may suffer significant losses.*
- **High expected leverage risk:** *The Fund may have a net leveraged exposure of more than 100% of the net asset value of the Fund. This will further magnify any potential negative impact of any change in the value of the underlying asset on the Fund and also increase the volatility of the Fund’s price and may lead to significant losses.*
- **Swap agreements risk:** *In a standard “swap” transaction, two parties agree to exchange the returns (or differential in rates of return) earned or realized on particular predetermined investments or instruments. Whether the Fund’s use of swap agreements will be successful in furthering its investment objective will depend on the ability of the investment manager to correctly predict whether certain types of investments are likely to produce greater returns than other investments. Swap*



agreements are illiquid and in the event of the default or bankruptcy of a swap agreement counterparty, the Fund may suffer a substantial loss.

- **Credit-linked securities risk:** The Fund may invest in credit-linked securities (such as credit default swaps). The Fund may be adversely affected by any delay or cessation in the making of payments by the issuers of the debt obligations underlying the credit-linked security or by the issuer of the credit-linked security. If the market for credit-linked securities becomes illiquid, the Fund could experience difficulty in selling such security at a price the investment manager believes is fair, and the Fund may be adversely impacted.
- **Structured notes risk:** Structured notes involve a counterparty structuring a note whose value is intended to move in line with the underlying security specified in the note. Unlike financial derivative instruments, cash is transferred from the buyer to the seller of the note. Investment in these instruments may cause a loss if the value of the underlying security decreases. There is also a risk that the note issuer will default. The liquidity of a structured note can be less than that for the underlying security, a regular bond or debt instrument and this may adversely affect the Fund.
- **Counterparty risk:** The Fund may be exposed to the credit/default risks of its counterparties and the Fund/investors may be adversely impacted.
- **Class hedging risk:** The hedging strategy for a hedged share class may not work as intended, exposing investors of that share class to currency risk. Additionally, investors of a hedged share class may be exposed to fluctuations in the net asset value per share reflecting the gains/losses on and the associated transaction costs of the financial instruments used for hedging, and such investors may be adversely impacted.
- **Dividend policy risk:** The Fund's dividend policy allows for payment of dividends out of capital or effectively out of capital. Where this is done, it amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Fund's capital or payment of dividends effectively out of the Fund's capital (as the case may be) may result in an immediate reduction of the net asset value per share.

### How has the Fund performed?



■ The performance of the Fund in these years was achieved under circumstances that no longer apply. The investment policy was changed in 2008, 2012, 2014 and 2016.

- *Past performance information is not indicative of future performance. Investors may not get back the full amount invested.*
- *The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends reinvested.*
- *These figures show by how much class A (Mdis) USD increased or decreased in value during the calendar year being shown. Class A (Mdis) USD is the share class available in Hong Kong with the longest history in the Fund. Performance data has been calculated in USD, including ongoing charges and excluding subscription fee and redemption fee you might have to pay.*
- *Fund launch date: 29 August 2003*
- *Class A (Mdis) USD launch date: 29 August 2003*

### Is there any guarantee?

*This Fund does not have any guarantees. You may not get back the full amount of money you invest.*



## What are the fees and charges?

### Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund.

	<b>Class A</b>	<b>Class B</b>	<b>Class N</b>
<b>Subscription fee (Initial sales charge)</b>	<b>Up to 5.00% of the subscription amount</b>	<b>N/A</b>	<b>Up to 3.00% of the subscription amount</b>
<b>Switching fee (Switching charge)*</b>	<b>1.00% of the value of the shares being switched</b>	<b>N/A</b>	<b>N/A</b>
<b>Redemption fee (Redemption charge)</b>	<b>N/A</b>	<b>Up to 4.00%</b>	<b>N/A</b>

### Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

	<b>Annual rate (as a % of the Fund's net asset value)</b>		
	<b>Class A**</b>	<b>Class B***</b>	<b>Class N**</b>
<b>Management fee (Investment management fee)*</b>	<b>0.75%</b>	<b>0.75%</b>	<b>0.75%</b>
<b>Depositary fee</b>	<b>Up to 0.140%</b>	<b>Up to 0.140%</b>	<b>Up to 0.140%</b>
<b>Performance fee</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Administration fee</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Maintenance charge*</b>	<b>0.30%</b>	<b>0.75%</b>	<b>1.00%</b>
<b>Servicing charge</b>	<b>N/A</b>	<b>1.06%</b>	<b>N/A</b>
<b>Registrar and Transfer, Corporate, Domiciliary and Administrative Agent fee + Additional fixed amount per Shareholder account at each Class level</b>	<b>Up to 0.2175% Up to USD 30 per annum</b>	<b>Up to 0.2175% Up to USD 30 per annum</b>	<b>Up to 0.2175% Up to USD 30 per annum</b>

\*The current fee level may be increased up to the maximum level permitted by the constitutive document of the Fund by giving one month's prior notice to the shareholders.

\*\* The Annual Management Fees as defined in the Explanatory Memorandum comprise of the Management Fee (Investment Management Fee) and the Maintenance Charge.

\*\*\* The Annual Management Fees as defined in the Explanatory Memorandum comprise of the Management Fee (Investment Management Fee), the Maintenance Charge and the Servicing Charge.

### Other fees

You may have to pay other fees and charges when dealing in the shares of the Fund.

### Additional Information

- You generally buy and redeem shares at the Fund's next determined net asset value (NAV) after the Hong Kong Representative, Franklin Templeton Investments (Asia) Limited, receives your request in good order on or before 4:00 p.m. (Hong Kong time) being the dealing cut-off time. Certain intermediaries may impose an earlier dealing cut-off time.



- *The net asset value of this Fund is calculated and the price of shares is published on each business day. Information about prices is available online at [www.franklintempleton.com.hk](http://www.franklintempleton.com.hk).*
- *The compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are made available by the Hong Kong Representative on request and are also available online at [www.franklintempleton.com.hk](http://www.franklintempleton.com.hk).*
- *Investors may obtain the past performance information of other share classes offered to Hong Kong investors from the Hong Kong Representative's website at [www.franklintempleton.com.hk](http://www.franklintempleton.com.hk).*
- *Investors may obtain information on the intermediaries by calling the Hong Kong Representative at (852)2877-7733 or visiting the Hong Kong Representative's website at [www.franklintempleton.com.hk](http://www.franklintempleton.com.hk).*
- *The website mentioned above has not been reviewed by the Securities and Futures Commission ("SFC").*

**Important**

*If you are in doubt, you should seek professional advice.*

*The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.*