

Fund Overview

Base Currency for Fund	EUR
Total Net Assets (EUR)	10 million
Fund Inception Date	17.11.2014
Number of Holdings	69
Benchmark	Custom 50% Barclays Euro Aggregate and 50% MSCI Europe Index
Morningstar Category™	Balanced

Summary of Investment Objective

The Fund's objective is to maximise income while maintaining prospects for capital appreciation. The fund will seek to achieve its objective by investing principally in a portfolio of equities and fixed income, domiciled or having significant business activities in European countries, including emerging markets in Europe.

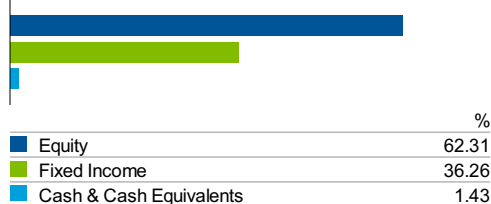
Fund Management

David Zahn, CFA: United Kingdom
Robert Mazzuoli, CFA: Germany

EUUSD Status - W(acc) EUR

Redemption: In Scope
Distribution: Out of Scope

Asset Allocation



Performance

Under current legislation, we are not allowed to display performance data with less than a complete 12 month performance record.

Top Holdings (% of Total)

Security Name	
Franklin Euro High Yield Fund, Class I	5.00
Italy Treasury Bond, senior bond, 5.50%, 9/01/22	4.52
Royal Dutch Shell PLC, A	2.74
Italy Treasury Bond, senior bond, Reg S, 5.00%, 8/01/34	2.60
Novartis AG	2.54
Sanofi	2.49
British American Tobacco PLC	2.49
Anheuser-Busch InBev NV	2.39
BP PLC	2.29
Government of Belgium, Reg S, 2.25%, 6/22/23	2.21

Fund Measures

Price to Earnings	16.85
Price to Book Value	1.90
Price to Cash Flow	6.66
Average Credit Quality	A-
Average Duration	6.94 Years
Average Weighted Maturity	8.33 Years
Yield to Maturity	2.19%

Share Class Information (For a full list of available share classes, please visit your local website)

Share Class	Incept Date	NAV	Ongoing Charges (%)	Fees		Dividends			Fund Identifiers	
				Max. Sales Charge (%)	Max. Annual Charge (%)	Frequency	Last Paid Date	Last Paid Amount	SEDOL	ISIN
W(acc) EUR	17.11.2014	EUR 10.98	1.10	N/A	0.75	N/A	N/A	N/A	BSMT260	LU1129997877

Composition of Fund

■ Franklin European Income Fund
 ■ Custom 50% Barclays Euro Aggregate and 50% MSCI Europe Index
 ■ Equity Benchmark: MSCI Europe Index ■ Fixed Income Benchmark: Barclays Euro Aggregate Index

Geographic

	% of Total
United Kingdom	26.65 / 16.82
Italy	15.13 / 10.05
Spain	8.71 / 8.11
Belgium	7.02 / 3.19
Germany	6.85 / 16.05
France	6.20 / 18.53
Switzerland	5.72 / 7.48
Luxembourg	5.00 / 0.05
Netherlands	3.88 / 5.17
Other	14.84 / 14.52

Sector—Equity

	% of Equity
Financials	31.21 / 23.10
Industrials	14.35 / 11.04
Energy	11.56 / 7.14
Health Care	10.77 / 13.62
Consumer Discretionary	8.70 / 11.77
Consumer Staples	7.83 / 13.53
Telecommunication Services	6.69 / 4.95
Materials	6.67 / 7.53
Utilities	2.22 / 3.88
Information Technology	0.00 / 3.44

Currency

	% of Total
EURO	76.95 / 73.20
British Pound	16.55 / 15.64
Swiss Franc	4.01 / 7.12
Swedish Krona	2.31 / 2.26
Norwegian Krone	0.19 / 0.49
Danish Krone	0.00 / 1.28

Sector—Fixed Income

	% of Fixed Income
EMU Govt	60.23 / 59.54
Euro IG Corp	11.20 / 15.70
Sovereign	8.65 / 1.78
Euro HY Corp	2.86 / 0.00
Euro Securitised	0.00 / 8.69
Asia ex-Japan	0.00 / 2.59
Non-EMU Europe	0.00 / 0.37
Cash & Cash Equivalents	3.79 / 0.00
Others	13.27 / 11.32

Glossary

Average Credit Quality: The credit rating of a bond is an assessment of the credit worthiness of individuals and corporations. It is based upon the history of borrowing and repayment, as well as the availability of assets and extent of liabilities. The average credit quality of a fund reflects the holdings of the underlying issues, based on the size of each holding. Usually we quote the average credit quality as per Standard & Poor's or Moody's credit rating agencies.

Average Duration: Also known as 'effective' or 'Macaulay' duration it is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. It's an indication of an issue's coupon relative to its maturity. Rising interest rates mean falling bond prices; declining interest rates mean rising bond prices. The bigger the duration number, the greater the interest-rate risk; (or reward for bond prices). The weighted average duration of a fund reflects the effective duration of the underlying issues, based on the size of each holding. This value differs with 'Modified Duration' which is modified for the market (dirty) price of an issue.

Average Weighted Maturity: An estimate of the number of terms to maturity, taking the possibility of early payments into account, for the underlying holdings. Average life is calculated using the weighted average time to the receipt of all future cash flows for all holdings. Sometimes also known as 'average maturity' for fixed-term products. The weighted average life of a fund reflects the maturity of the underlying issues, based on the size of each holding.

Price to Book Value (P/BV): The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the ratio is the weighted average price/book ratio of the stocks it holds.

Price to Cash Flow (P/CF): Supplements price/earnings ratio as a measure of relative value; represents a weighted average of the price/cash flow ratios for the underlying fund holdings.

Price to Earnings (P/E): The share price of a stock, divided by its per-share earnings over the past year. For a portfolio, the weighted average P/E ratio of the stocks in the portfolio. P/E is a good indicator of market expectations about a company's prospects; the higher the P/E, the greater the expectations for a company's future growth in earnings.

Yield to Maturity: Yield to Maturity ('YTM') also known as the 'Gross Redemption Yield' or 'Redemption Yield'. The rate of return anticipated on a bond if it is held until the maturity date. YTM is considered a long-term bond yield expressed as an annual rate. The calculation of YTM takes into account the current market price, par value, coupon interest rate and time to maturity. It is also assumed that all coupons are reinvested at the same rate.

Important Information

Given the variety of investment options available today, we suggest investors seek guidance from a Financial Adviser.

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Top Holdings: These securities do not represent all of the securities purchased, sold or recommended for clients, and the reader should not assume that investment in the securities listed was or will be profitable. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top holdings list.

Fund Measures: 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, is provided to indicate the average credit rating of the portfolio's underlying bonds and generally ranges from AAA (highest) to D (lowest). The ACQ is determined by assigning a sequential integer to all credit ratings AAA to D, taking a simple, asset-weighted average of debt holdings 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 is provided for informational purposes only. Derivative positions and unrated securities are not reflected in the ACQ.

Ongoing Charges: The Ongoing Charge Ratio (OCR) represents all operating charges and expenses of the Fund in the prior 12 months as a percentage of the Fund's average net assets for the period.

Performance attribution is calculated in the base currency of the fund.

Important Information (continued)

For a free copy of the latest prospectus, the relevant Key Investor Information Document, the annual report and semi-annual report, if published thereafter or for more information about any Franklin Templeton Investments' fund, UK investors should contact: Franklin Templeton Investments, Telephone: 0800 305 306, Email: enquiries@franklintempleton.co.uk or write to us at the address below. Issued by Franklin Templeton Investment Management Limited (FTIML) Registered office: Cannon Place, 78 Cannon Street, London, EC4N 6HL. FTIML is authorised and regulated by the Financial Conduct Authority.