FRANKLIN TEMPLETON

Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

Templeton Global Total Return Bond Fund

Class W (inc)-H3 • ISIN GB00B617LX19 • A sub-fund of Franklin Templeton Funds
The management company is Franklin Templeton Fund Management Limited

Objectives and Investment Policy

Templeton Global Total Return Bond Fund (the "Fund") aims to achieve a total return, over a three to five-year period, from a combination of income, capital growth and currency gains.

The Fund intends to achieve its objective by investing at least two thirds (but typically significantly more) in:

- debt securities or bonds, issued by governments, government-related, supranational organisations and corporations in any industry, anywhere in the world; and
- derivatives

The Fund will typically limit exposure to bonds that are rated below investment grade (below BBB- by Standard & Poor's or Baa3 by Moody's) to no more than 50 % of the portfolio.

The Fund can invest in distressed securities which still present diverse opportunities to grow in value.

The Fund's managers can choose securities their research indicates have the strongest potential to meet the Fund's objective.

They are not constrained by any index.

The Fund may invest to a lesser extent in:

- mortgage and asset-backed securities;
- convertible bonds;
- structured products;
- other asset classes.

The Fund's performance can be compared to the Bloomberg Barclays Multiverse Index, which reflects investments in similar debt-related securities.

You may request the sale of your shares on any UK business day.

For the income share class shown in this document, dividend income is distributed to investors.

For further information on the Objectives and Investment Policy of the Fund, please refer to the "Investment Objectives and Policies of the Funds" section of the current prospectus of Franklin Templeton Funds.

Terms to Understand

Debt securities: Securities representing the issuer's obligation to repay a loan at a specified date and to pay interest.

Derivatives: Financial instruments whose characteristics and value depend on the performance of one or more underlying assets, typically securities, indexes, currencies or interest rates.

Mortgage-backed securities: Securities whose value and income payments are derived from the ownership of a pool of underlying mortgage debts.

Asset-backed securities: Debt securities whose value and income payments are derived from a pool of underlying assets.

Risk and Reward Profile

1	2	3	**4**	5	6	7

Lower risk — Higher risk
Potentially lower rewards — Potentially higher rewards

What does this indicator mean and what are its limits?

This indicator is designed to provide you with a measure of the price movement of this share class based on historical behavior.

Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

As the share class has no sufficient historical data available, simulated data based on a representative portfolio model or benchmark have been used instead.

Why is the Fund in this specific category?

The Fund invests mainly in debt securities issued by government, government-related or corporate entities worldwide and in derivatives. Such securities have historically been subject to price movements, generally due to interest rates, foreign exchange rates or movements in the bond market. As a result, the performance of the Fund can fluctuate over time.

Risks materially relevant not adequately captured by the indicator:

Credit risk: the risk of loss arising from default that may occur if an issuer fails to make principal or interest payments when due. This risk is higher if the Fund holds low-rated, sub-investment-grade securities.

Foreign Currency risk: the risk of loss arising from exchange-rate fluctuations or due to exchange control regulations.

Derivative Instruments risk: the risk of loss in an instrument where a small change in the value of the underlying investment may have a larger impact on the value of such instrument. Derivatives may involve additional liquidity, credit and counterparty risks.

Liquidity risk: the risk that arises when adverse market conditions affect the ability to sell assets when necessary. Reduced liquidity may have a negative impact on the price of the assets.

For a full discussion of all the risks applicable to this Fund, please refer to the "Risk Factors" section of the current prospectus of Franklin Templeton Funds.

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest

Entry charge	Not applicable*
Exit charge	Not applicable

This is the maximum that might be taken out of your money before it is invested.

Charges taken from the Fund over a year

Ongoing charges	0.79%

Charges taken from the Fund under certain specific conditions

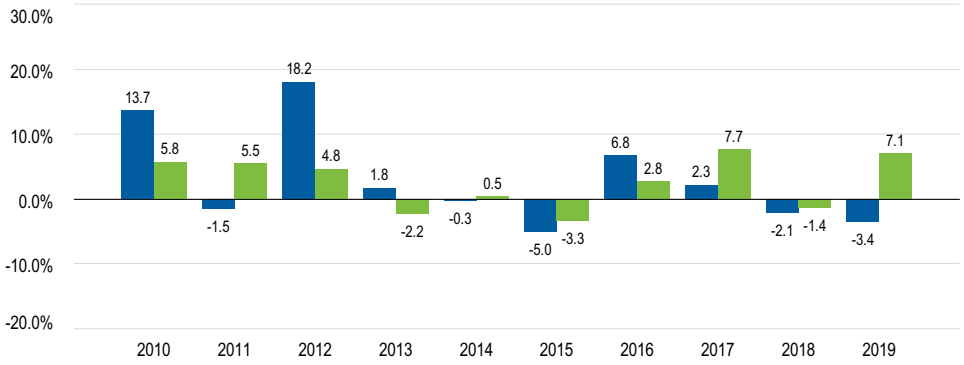
Performance fee	Not applicable

*This share class is only available through certain financial advisers which may apply their own charges. You may find more information about charges from your financial adviser.

The ongoing charges are based on the expenses for the year ending 31 December 2019. This figure may vary from year to year.

For detailed information about charges, please refer to the "Fees and Charges" section of the current prospectus of Franklin Templeton Funds.

Past Performance



Templeton Global Total Return Bond Fund Class W (inc)-H3
Bloomberg Barclays Multiverse Index

The past performance up to the launch date of the share class has been simulated by taking the performance of another existing share class of the Fund, which does not differ materially in the extent of its participation in the assets of the Fund.

- Past performance is not a guide to future performance.
- The past performance shown here includes all the ongoing charges.
- Past performance is calculated in GBP
- The Fund was launched in 2008 and the present share class on 31/05/2012.
- We measure performance against the Bloomberg Barclays Multiverse Index, which reflects investments in similar debt- related securities.
- Past Performance of the Index is calculated in USD.

Practical Information

- The Depositary of Franklin Templeton Funds is The Bank of New York Mellon (International) Limited.
- You can obtain further information about the Fund, copies of its prospectus and the latest annual and semi-annual reports of Franklin Templeton Funds from the website www.franklintempleton.co.uk or free of charge from Franklin Templeton Fund Management Limited, Cannon Place, 78 Cannon Street, London EC4N 6HL or your financial adviser. These documents are each available in English.
- The latest prices and other practical information on the Fund (including information about the other share classes of the Fund) are available from Franklin Templeton Fund Management Limited, Cannon Place, 78 Cannon Street, London EC4N 6HL or www.franklintempleton.co.uk.
- Please note that the United Kingdom taxation regime may have an impact on your personal tax position. Please consult your financial or tax adviser before deciding to invest.
- Franklin Templeton Fund Management Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus of the Fund.
- The present Fund is a sub-fund of Franklin Templeton Funds. The prospectus and the annual and semi-annual reports refer to all sub-funds of Franklin Templeton Funds. All Funds of Franklin Templeton Funds have segregated assets and liabilities. As a result, each Fund is operated independently from each other.
- You may exchange shares with another sub-fund of Franklin Templeton Funds as further described in the prospectus.
- The details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, are available at www.franklintempleton.co.uk and a paper copy can be obtained free of charge.

This Fund is authorised in the United Kingdom and is regulated by the Financial Conduct Authority.
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This key investor information is accurate as at 31/01/2020.