



**FRANKLIN  
TEMPLETON**

**Product Key Facts**  
**Franklin Templeton Investment Funds -**  
**Templeton Global Bond Fund**

*Issuer: Franklin Templeton Investments (Asia) Limited*

*Last updated: April 2024*

- **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(s):** Franklin Advisers, Inc., United States of America (internal delegation)

**Depositary:** J.P. Morgan SE, Luxembourg Branch

**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\*:**

Class A (Mdis) AUD-H1: 1.39%

Class A (Mdis) EUR: 1.39%

Class A (Mdis) EUR-H1: 1.39%

Class A (Mdis) GBP-H1: 1.39%

Class A (Mdis) HKD: 1.39%

Class A (Mdis) RMB-H1: 1.39%

Class A (Mdis) SGD-H1: 1.39%

Class A (Mdis) USD: 1.39%

Class A (acc) EUR-H1: 1.39%

Class A (acc) HKD: 1.39%

Class A (acc) USD: 1.39%

Class B (Mdis) USD: 1.90%

Class N (acc) USD: 2.09%

\*The ongoing charges figures are based on the semi-annual report for the period ended 31 December 2023. 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 charging / paying all or part of the Fund's fees and expenses to / out of the capital of the Fund, which results in an increase in distributable income for the payment of dividends by the Fund and therefore, the Fund may effectively pay dividends out of capital. The Fund may amend such distribution policy subject to the Securities and Futures Commission ("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.*

**Investment Objective and Policy**

*Templeton Global Bond Fund (the "Fund") aims to maximise total investment return by achieving an increase in the value of its investments, earning income and profiting from currency movement 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 non-investment grade securities) issued by governments and government-related entities worldwide*

*On a temporary basis and if justified by exceptionally unfavourable market conditions, the Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of its shareholders, hold ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 100% of its net assets.*

*In order to achieve its investment goals and for treasury purposes, the Fund may hold or invest significant amounts in bank deposits, money market instruments or money market funds pursuant to the applicable investment restrictions (up to 100% of its net assets).*

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

- *debt securities of any quality issued by corporations located in any country*
- *debt securities of supranational entities, organized or supported by several national governments, such as the European Investment Bank*
- *structured products (such as credit-linked securities, mortgage- and asset-backed securities)*
- *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*
- *Mainland China through the Bond Connect or directly (less than 30% of net assets)*
- *units of Undertakings for Collective Investment in Transferable Securities and other Undertakings for Collective Investment for cash management purposes only (up to 10% of its net assets)*
- *fixed income securities and debt obligations denominated in any currency, including convertible bonds and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.*

*The Fund may invest in financial derivative instruments for hedging, efficient portfolio management and investment purposes. These financial derivative instruments may be dealt either in regulated markets or over-the-counter, and may invest include swaps (such as interest rate swaps, credit default swaps or fixed income related total return swaps), currency forwards and cross currency forwards, futures contracts (including those on government securities) as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency or credit.*

*The Fund may invest up to 25% of its net assets in debt securities issued 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 Brazil, Colombia, Egypt, Hungary, Indonesia, Italy, Mainland China, Malaysia, Mexico, Portugal, Russia, Spain and Ukraine). 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 expected level of exposure that could be subject to securities lending transactions amounts to 5% of the Fund's net assets.*

## **Use of derivatives / investment in derivatives**

*The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.*

## **What are the key risks?**

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

- **Debt securities risk:** *The Fund is exposed to the credit/default risk of issuers of the debt securities that the Fund may invest in. Investment in the Fund is subject to interest rate risk. The debt securities will generally increase in value when interest rates fall and decrease in value when interest rates rise. Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times. The Fund may invest in debt securities on which the issuer is not currently making interest payments (defaulted debt securities). These securities may become illiquid. The Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse*



situation, the governmental entity may be unwilling or unable to pay interest and repay principal, or the indebtedness may be restructured. In the event of a default on sovereign debt, the Fund may suffer significant losses. The Fund may invest in higher-yielding securities rated lower than investment grade or unrated. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.

- **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. There is no guarantee of the repayment of principal.
- **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.
- **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.
- **RMB Currency and Conversion risk:** RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the Fund's base currency (i.e., USD) will not depreciate. Any depreciation of RMB could adversely affect the value of the Fund's investment. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors. Under exceptional circumstances, payment of redemptions and/or dividend payment may be delayed due to exchange controls and restrictions applicable to RMB.
- **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 on the Fund's assets. 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.
- **Counterparty risk:** The Fund may be exposed to the credit/default risks of its counterparties and the Fund/investors may be adversely impacted.
- **Emerging markets risk:** The Fund may invest in, or be exposed to, emerging markets, which may involve increased risks and special considerations not typically associated with investment in more developed markets. The risks of investing in emerging markets, which can adversely affect and/or result in a substantial loss to the Fund, may include: liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.
- **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.
- **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.
- **Europe and Eurozone risk:** The Fund may invest in the Eurozone. Mounting sovereign debt burdens (e.g. any sovereigns within the Eurozone, which default on their debts, may be forced to restructure their debts and faced difficulties in obtaining credit or refinancing) and slowing economic growth among European countries, combined with uncertainties in European financial markets, including feared or actual failures in the banking system and the possible break-up of the Eurozone and Euro currency, may adversely affect interest rates and the prices of securities across Europe and potentially other markets as well. These events may increase volatility, liquidity and currency risks associated with investments in Europe. The aforesaid economic and financial difficulties in Europe may spread across Europe and as a result, a single or several European countries may exit the Eurozone or a sovereign within the Eurozone may default on its debts. In any event of the break-up of the Eurozone or Euro currency, the Fund may be exposed to additional operational or performance risks. While the European governments, the European Central Bank, and other authorities are taking measures (e.g. undertaking economic reforms and imposing austerity measures on citizens) to address the current fiscal conditions, these measures may not have the desired effect and therefore the future stability



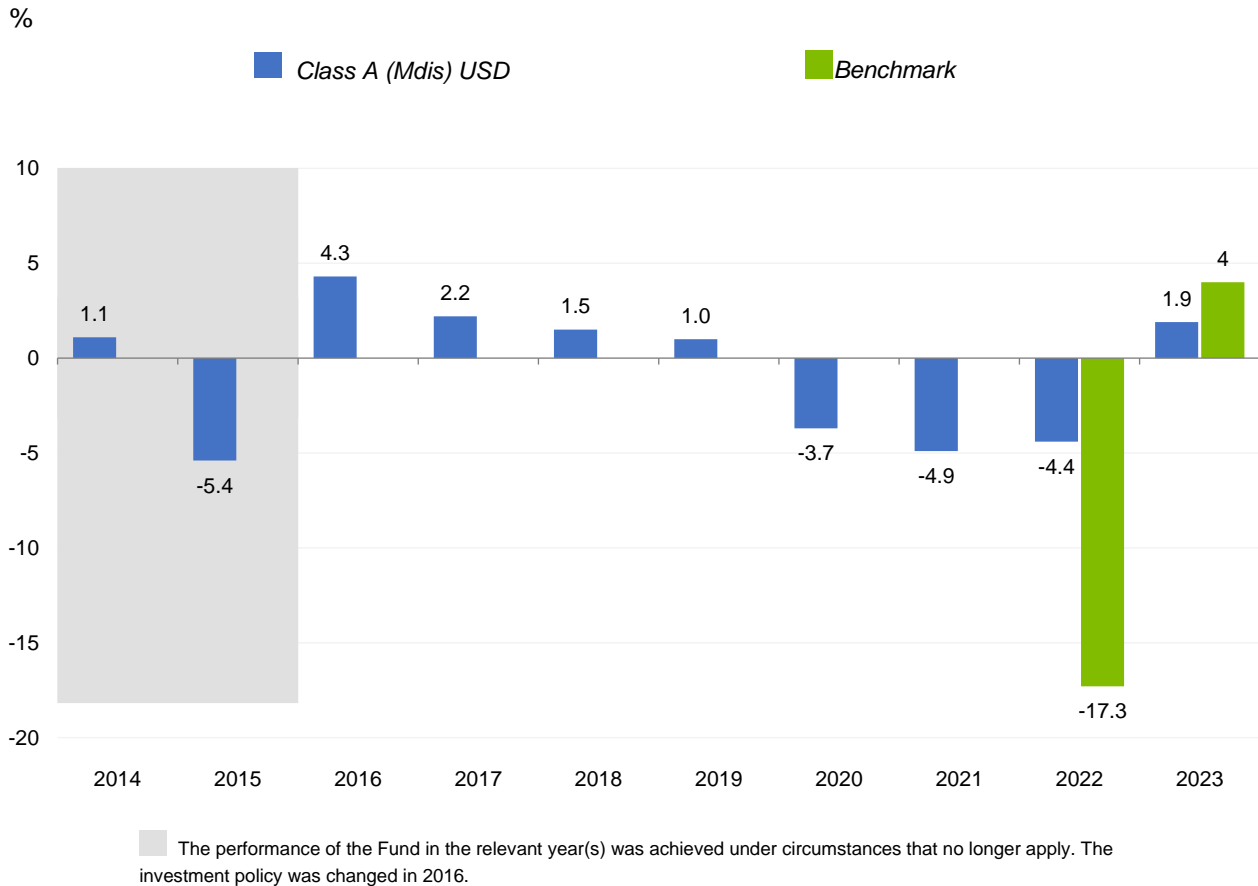
and growth of Europe is uncertain. The performance and value of the Fund may be adversely affected should there be any adverse credit events (e.g. downgrade of the sovereign credit rating or default or bankruptcy of any Eurozone countries).

- **Convertible securities risk:** The Fund may invest in convertible securities which are a hybrid between debt and equity, permitting holders to convert into shares of the issuer at a specified future date. Convertibles are exposed to equity movement and greater volatility than straight bond investments. Investments in convertible securities are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments. The value and performance of the Fund may be adversely affected as a result.
- **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. The distribution amount and net asset value of a hedged share class may be adversely affected by differences in the interest rates of the reference currency of the hedged share class and the Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged share classes.
- **China Bond Connect risk:** Investing in the China Interbank Bond Market (CIBM) via Bond Connect is subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk as well as other risk factors typically applicable to debt securities. The relevant rules and regulations on investment in the CIBM via Bond Connect are subject to change which may have potential retrospective effect. In the event that the relevant PRC authorities suspend account opening or trading on the CIBM, the Fund's ability to invest in the CIBM will be adversely affected. In such event, the Fund's ability to achieve its investment objective will be negatively affected.
- **Chinese market risk:** The Fund is subject to the risks of the Chinese market and the value of the Fund may be susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting the Chinese market. The value and performance of the Fund may be adversely affected as a result.
- **Securities lending risk:** Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out, which may result in a substantial loss to the Fund.





## How has the Fund performed?



- 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: 28 February 1991
- Class A (Mdis) USD launch date: 28 February 1991
- Effective 25 February 2021, JP Morgan Global Government Bond Index was added as the benchmark of the Fund to adhere to European disclosure rules regarding the use of benchmark.

## Is there any guarantee?

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



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## 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.

Fee	What you pay		
	Class A	Class B	Class N
<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.

	Annual rate (as a % of the Fund's net asset value)		
	Class A	Class B	Class N
<b>Management fee (annual management charge*^)</b>	<b>1.05%</b>	<b>1.50%</b>	<b>1.75%</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>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</b>	<b>Up to 0.2175%</b>	<b>Up to 0.2175%</b>	<b>Up to 0.2175%</b>
<b>Additional fixed amount per Shareholder account at each Class level</b>	<b>Up to USD 30 per annum</b>	<b>Up to USD 30 per annum</b>	<b>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 charge as set out in the Explanatory Memorandum comprises the investment management fee and the maintenance charge, details of which are provided in the annual report of Franklin Templeton Investment Funds.

### 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.



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- *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 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.*