



Global Fixed Income
LU0065014192
30 September 2018

Fund Overview

| | |
|------------------------|--------------------------------|
| Base Currency for Fund | USD |
| Total Net Assets (USD) | 1.91 billion |
| Fund Inception Date | 01.03.1996 |
| Number of Holdings | 190 |
| Benchmark | Credit Suisse High Yield Index |
| Investment Style | Fixed Income - High Yield |
| Morningstar Category™ | USD High Yield Bond |

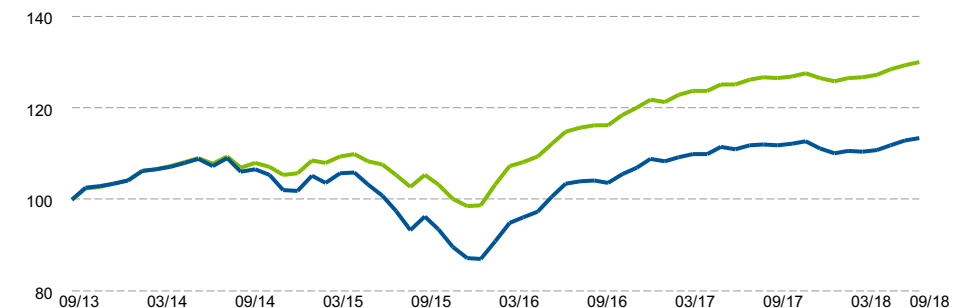
The Fund aims to earn a high level of current income and seeks capital appreciation when consistent with its principal objective of high current income, by principally investing either directly or through the use of financial derivative instruments in Fixed Income debt Securities of US or Non-US issuers of any credit ratings, if issued by US issuers, or, if issued by Non-US issuers or unrated, their equivalent.

Betsy Hofman, CFA: United States
Glenn Voyles, CFA: United States

| | % |
|-------------------------|-------|
| Fixed Income | 95.67 |
| Cash & Cash Equivalents | 3.38 |
| Equity | 0.95 |

Performance

■ Franklin High Yield Fund A (Mdis) USD ■ Credit Suisse High Yield Index



| | Cumulative | | | | | | Annualised | | | |
|------------------|------------|------|-------|-------|--------|--------------|------------|-------|--------|--------------|
| | YTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | Since Incept | 3 Yrs | 5 Yrs | 10 Yrs | Since Incept |
| A (Mdis) USD | 1.08 | 1.31 | 21.44 | 13.44 | 80.56 | 187.47 | 6.69 | 2.55 | 6.09 | 4.79 |
| A (acc) USD | 1.16 | 1.28 | 21.36 | 13.44 | 80.61 | 139.39 | 6.66 | 2.55 | 6.09 | 5.19 |
| I (acc) USD | 1.64 | 1.96 | 23.75 | 17.18 | 93.47 | 72.79 | 7.36 | 3.22 | 6.82 | 5.46 |
| N (acc) USD | 0.70 | 0.70 | 19.22 | 10.12 | 70.10 | 108.05 | 6.04 | 1.95 | 5.46 | 4.04 |
| Benchmark in USD | 2.52 | 3.07 | 26.51 | 30.17 | 134.58 | 376.44 | 8.15 | 5.42 | 8.90 | 7.16 |

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|------------------|------|-------|--------|-------|------|-------|------|-------|-------|--------|
| A (Mdis) USD | 6.19 | 17.70 | -12.12 | -1.32 | 6.51 | 14.25 | 3.75 | 12.27 | 42.21 | -26.37 |
| A (acc) USD | 6.12 | 17.58 | -12.10 | -1.26 | 6.53 | 14.17 | 3.79 | 12.26 | 42.25 | -26.38 |
| I (acc) USD | 6.84 | 18.38 | -11.53 | -0.59 | 7.26 | 14.93 | 4.47 | 13.20 | 43.54 | N/A |
| N (acc) USD | 5.50 | 16.90 | -12.62 | -1.87 | 5.90 | 13.53 | 3.10 | 11.73 | 41.38 | -26.85 |
| Benchmark in USD | 7.03 | 18.39 | -4.90 | 1.86 | 7.53 | 14.71 | 5.47 | 14.42 | 54.22 | -26.17 |

Past performance is not an indicator or a guarantee of future performance. The value of shares in the fund and income received from it can go down as well as up, and investors may not get back the full amount invested. All performance data shown is in the currency stated, include reinvested dividends and are net of management fees. Sales charges and other commissions, taxes and other relevant costs paid by the investor are not included in the calculations. Performance may also be affected by currency fluctuations. Up to date performance figures can be found at www.franklintempleton.lu. References to indices are made for comparative purposes only and are provided to represent the investment environment existing during the time periods shown. When performance for either the portfolio or its benchmark has been converted, different foreign exchange closing rates may be used between the portfolio and its benchmark.

| Issuer Name | |
|--------------------------------|------|
| SPRINT COMMUNICATIONS INC | 2.45 |
| NAVIENT CORP | 2.01 |
| HCA INC | 1.95 |
| FIRST QUANTUM MINERALS LTD | 1.69 |
| T-MOBILE USA INC | 1.55 |
| CCO HOLDINGS LLC / CCO HOLDING | 1.54 |
| DISH DBS CORP | 1.46 |
| CHENIERE CORPUS CHRISTI HOLDIN | 1.46 |
| BAUSCH HEALTH COS INC | 1.45 |
| CSC HOLDINGS LLC | 1.44 |

| | |
|----------------------------|------------|
| Average Credit Quality | B+ |
| Average Duration | 3.69 Years |
| Average Weighted Maturity | 4.45 Years |
| Yield to Maturity | 6.09% |
| Standard Deviation (5 Yrs) | 6.56% |

| Share Class | Incept Date | NAV | TER (%) | Fees | Dividends | | | Fund Identifiers | | |
|--------------|-------------|-----------|---------|------------------------|-----------|----------------|------------------|------------------|--------------|-------------|
| | | | | Max. Annual Charge (%) | Frequency | Last Paid Date | Last Paid Amount | Bloomberg ID | ISIN | Fund number |
| A (Mdis) USD | 01.03.1996 | USD 5.96 | 1.53 | 1.20 | Mth | 17.09.2018 | 0.0280 | TEMFHYI LX | LU0065014192 | 0825 |
| A (acc) USD | 02.07.2001 | USD 18.24 | 1.52 | 1.20 | N/A | N/A | N/A | TEMFHAC LX | LU0131126228 | 0750 |
| I (acc) USD | 16.06.2008 | USD 19.23 | 0.88 | 0.60 | N/A | N/A | N/A | TEHYAIU LX | LU0366776432 | 0150 |
| N (acc) USD | 03.04.2000 | USD 18.74 | 2.12 | 1.80 | N/A | N/A | N/A | TEMFHXA LX | LU0109402817 | 0729 |

Composition of Fund

■ Franklin High Yield Fund ■ Credit Suisse High Yield Index

| Sector | % of Total | |
|-----------------|------------|-------|
| Energy | 15.92 | 14.98 |
| Finance | 9.63 | 8.03 |
| Cable Satellite | 9.54 | 5.53 |
| Health Care | 9.39 | 8.30 |
| Metals & Mining | 6.58 | 4.19 |
| Technology | 5.98 | 8.10 |
| Packaging | 5.01 | 2.55 |
| Media Non Cable | 4.40 | 4.51 |
| Food & Beverage | 4.11 | 2.07 |
| Others | 29.43 | 41.75 |

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 - Sector 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.

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Top Ten 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.

Share Class Information: The Fund does not charge performance fees nor advisory fees.

For more information on the TER(%), please refer to the latest annual or semi-annual report.

CDSC (Contingent Deferred Sales Charge): If investors redeem an A share class investment within 18 months of investing, they will be charged the CDSC as set out in the prospectus.