

Fund Fact Sheet

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Fund Overview


Base Currency for Fund	USD
Total Net Assets (USD)	93 million
Fund Inception Date	30.08.2013
Number of Holdings	60
Benchmark	FTSE MENA Broad Bond GCC Issuers Index
Investment Style	Fixed Income
Morningstar Category™	Other Bond
Distribution Yield – A (Mdis) USD	5.83%

Summary of Investment Objective

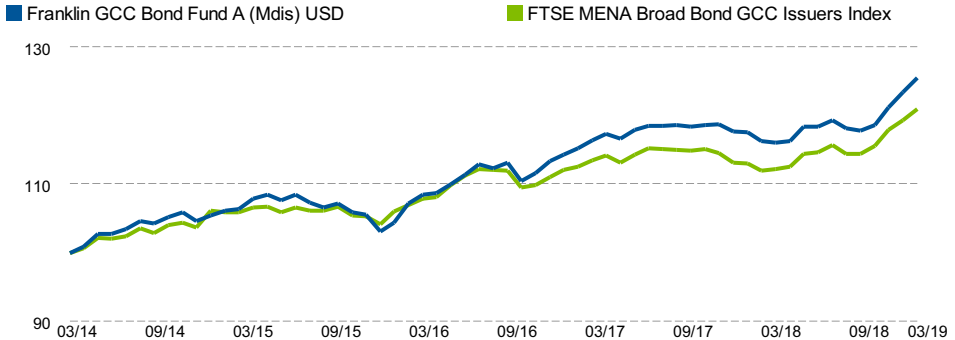
To maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains in the long term.

Fund Management

Mohieddine (Dino) Kronfol: U. Arab Emir.
Sharif Eid: U. Arab Emir.

Asset Allocation


Asset Class	Percentage
Fixed Income	95.32%
Cash & Cash Equivalents	4.68%

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

Performance in Share Class Currency (%)

	Cumulative								Annualised
	1 Mth	3 Mths	6 Mths	YTD	1 Yr	3 Yrs	5 Yrs	Since Incept	Since Incept
A (Mdis) USD	1.73	5.76	5.15	5.76	6.79	17.03	25.51	35.71	5.62
A (acc) USD	1.80	5.76	5.19	5.76	6.85	17.17	25.63	35.81	5.64
I (acc) USD	1.81	5.89	5.41	5.89	7.43	19.11	29.20	40.31	6.25
Benchmark in USD	1.38	4.64	4.58	4.64	7.02	13.07	20.99	28.06	4.53

Calendar Year Performance in Share Class Currency (%)

	2018	2017	2016	2015	2014
A (Mdis) USD	0.08	6.27	5.69	0.94	8.55
A (acc) USD	0.16	6.21	5.69	0.97	8.54
I (acc) USD	0.76	6.83	6.31	1.49	9.29
Benchmark in USD	0.46	4.73	4.28	1.57	6.82

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.com. 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.

Top Ten Holdings (% of Total)

Security Name	Weight (%)
Government of Bahrain, senior bond, Reg S, 7.50%, 9/20/47	4.30
Acwa Power Management and Investments One Ltd., secured bond, Reg S, 5.95%, 12/15/39	4.21
Aabar Investments PJSC, cvt., senior note, .50%, 3/27/20	3.72
Kuwait Energy PLC, senior note, Reg S, 9.50%, 8/04/19	3.38
Virgin Mobile Middle East & Africa Sukuk Ltd., cvt., secured note, 12.00%, 3/31/23	3.08
Government of Qatar, senior bond, Reg S, 5.103%, 4/23/48	2.76
Saudi Government International Bond, senior bond, Reg S, 4.375%, 4/16/29	2.71
Government of Qatar, senior note, Reg S, 4.00%, 3/14/29	2.68
The Oil and Gas Holding Co. BSCC, senior note, Reg S, 8.375%, 11/07/28	2.63
MAF Global Securities Ltd., junior sub. bond, 6.375% to 3/20/26, FRN thereafter, Perpetual	2.52

Fund Measures

Average Credit Quality	BBB+
Average Duration	6.52 Years
Average Weighted Maturity	10.27 Years
Yield to Maturity	5.61%
Standard Deviation (5 Yrs)	3.51%
Sharpe Ratio (5 Yrs)	1.11
Tracking Error (5 Yrs)	1.68%
Information Ratio (5 Yrs)	0.46
Beta (5 Yrs)	1.02

Share Class Information (For a full list of available share classes, please visit www.franklintempleton.com)

Share Class	Incept Date	NAV	TER (%)	Dividends			Fund Identifiers		
				Frequency	Last Paid Date	Last Paid Amount	Fund number	ISIN	Bloomberg ID
A (Mdis) USD	30.08.2013	USD 10.70	1.40	Mth	15.03.2019	0.0520	1485	LU0962741228	FGCAMUSLX
A (acc) USD	30.08.2013	USD 13.58	1.41	N/A	N/A	N/A	1481	LU0962741061	FGCAAUSLX
I (acc) USD	30.08.2013	USD 14.03	0.84	N/A	N/A	N/A	1482	LU0962741145	FGCIAUSLX

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Composition of Fund

■ Franklin GCC Bond Fund ■ FTSE MENA Broad Bond GCC Issuers Index

Geographic	% of Total
United Arab Emirates	38.94 / 27.77
Saudi Arabia	17.52 / 30.05
Qatar	13.47 / 19.52
Bahrain	8.74 / 6.98
Kuwait	7.39 / 5.88
Oman	6.75 / 9.80
United States	2.27 / 0.00
Egypt	0.24 / 0.00
Cash & Cash Equivalents	4.68 / 0.00

Currency	% of Total
U.S. Dollar	96.28 / 100.00
Euro	3.72 / 0.00

Sector	% of Total
Government-Related Agencies	30.40 / 28.32
Government-Related Sovereign	26.03 / 62.10
Corporate Industrials	17.47 / 1.58
Corporate Financial Institutions	12.21 / 7.66
Treasury	5.21 / 0.00
Corporate Utilities	4.00 / 0.35
Cash & Cash Equivalents	4.68 / 0.00

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Benchmark related data provided by FactSet, as of the date of this document, unless otherwise noted.

Fund Overview: The **Distribution Yield** is based on the most recent month's distribution and shown as an annualized percentage as of the date shown. It does not include any preliminary charge and investors may be subject to tax on distributions. Information is historical and may not reflect current or future distributions.

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 (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.