

公開說明書
2021 年 1 月 1 日

富蘭克林坦伯頓外國基金
(本基金之配息來源可能為本金)
Templeton Foreign Fund

A 股	C 股	R 股	R6 股	Advisor 股
TEAFX	TEFTX	TEFRX	FTFGX	TFFAX

美國證券交易管理委員會並未核准或不核准這些證券或對本公開說明書內容的正確性表示意見。與以上相左的任何載示皆為刑事上之違法。

本公開說明書中文譯本僅供參考。中文譯本之內容與英文公開說明書若有歧異，以英文公開說明書之內容為準。

目 錄

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中譯本頁次

基金摘要.....	3
計畫投資前您應該了解的基金資料	
投資目標	3
本基金的費用	3
投資組合週轉.....	4
主要投資政策.....	4
主要風險	5
投資組合績效分析	7
經理公司	8
投資經理人	8
基金股份的購買與賣出	9
稅賦	9
支付予代銷公司及其他金融中介機構的款項.....	9
基金細節.....	10
您應該了解的有關投資政策、實務及風險與財務重點等資料	
投資目標	10
主要投資政策與實務.....	10
主要風險	13
經理公司	19
配息與稅賦	21
財務重點	24
您的帳戶	29
您應該了解的有關銷售費用、帳戶交易以及服務等資料	
選擇股份類別	29
購買股份	39
投資人服務	41
賣出股份	44
轉換股份	46
帳戶政策	49
問題	58
附加資訊.....	59
您可以了解於哪裡知悉更多有關本基金的資訊	

富蘭克林坦伯頓外國基金

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基金摘要

投資目標

長期資本利得。

本基金的費用

這些表格顯示您購買與持有本基金的股份時，可能需要支付的各項費用。如果您與您的家人投資或是同意於未來投資，至少美金五萬元於富蘭克林坦伯頓基金，您得以適用購買 A 股的銷售手續費折扣。有關這些或其他折扣訊息，您可以向您的理財顧問洽詢以及參照本基金公開說明書“您的帳戶”章節與本基金補充資料報告書之“購買及賣出股份”章節的說明。此外，有關透過特定金融中介機構購買股份的銷售費用折扣和免除之更詳細資訊，請參照本基金公開說明書附錄 A—“金融中介機構銷售手續費折扣及免除”。

請注意，以下表格以及範例並不反映可能由金融中介機構收取的任何交易費用，也不反映股東在購買或賣出 R6 股或 Advisor 股時可能被要求直接向其金融中介機構支付的佣金。

(費用直接由您的投資支付)

股東的費用	A 股	C 股	R 股	R6 股	Advisor 股
最高銷售手續費 (依基金賣價的百分比)	5.50%	無	無	無	無
最高遞延銷售手續費 (依較低的基金原始購買價格或是贖回收益的百分比)	無 ¹	1.00%	無	無	無

1. 1%的或有遞延銷售手續費適用於美金一百萬及以上的投資(請參照本基金公開說明書之“選擇股份類別”章節的“美金一百萬及以上的投資”)以及某些無須支付首次銷售手續費的退休計劃申購於購買後 18 個月內出售股份。

(每年依您的投資價值的百分比支付費用)

年度基金營運費用	A 股	C 股	R 股	R6 股	Advisor 股
經理費用	0.69%	0.69%	0.69%	0.69%	0.69%
分銷及 12b-1 服務費	0.25%	1.00%	0.50%	無	無
其他費用	0.25%	0.25%	0.25%	0.10%	0.25%
年度基金營運總費用	1.19%	1.94%	1.44%	0.79%	0.94%
費用減免及/或費用返還協定 ¹	-0.09%	-0.09%	-0.09%	-0.11%	-0.09%
費用減免及/或費用返還協定後年	1.10%	1.85%	1.35%	0.68%	0.85%

度基金營運總費用 ¹					
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1.投資經理已按契約約定免除或承擔某些費用，以使每類基金的營運費用（不包括細則 12b-1 的費用，購置基金的費用和支出以及某些非常規費用）直到 2021 年 12 月 31 日不超過 0.85%。此外，股務代理機構已根據契約達成協議，將其 R6 類股份的費用直至 2021 年 12 月 31 日限制為 0.03%。在此期限內，未經董事會批准不得終止或修改此費用豁免和費用償還協議，除非增加系列和類別，以反映終止日期的延長或降低費用豁免和費用限制

範例

此範例試圖協助您方便比較投資本基金的成本以及投資其他基金的成本。此範例假設您於下表各期間投資美金一萬元並且在各期間期末贖回您的所有股份。此範例又假設您每年的投資報酬率為百分之五，並且基金的操作費用維持相同。上述範例僅對一年數字反映因經理費用減免及/或費用償還而對基金的營運費用的調整。根據這些假設推算的成本如下表所示，雖然您的實際成本可能或高或低於此假設下的成本。

	一年	三年	五年	十年
A 股	\$656	\$897	\$1,158	\$1,901
C 股	\$287	\$599	\$1,036	\$2,252
R 股	\$137	\$445	\$776	\$1,711
R6	\$70	\$242	\$429	\$971
Advisor 股	\$86	\$289	\$509	\$1,141
若您無銷售股份：				
C 股	\$187	\$599	\$1,036	\$2,252

投資組合週轉

本基金在買賣證券（或是“週轉”其投資組合）時，需支付交易成本，例如：佣金。較高的投資組合週轉率可能顯示較高的交易成本，而且當基金股份持有於應稅帳戶時可能造成較高的稅賦。這些成本影響基金的績效表現，並不會反映於年度基金營運費用或是在範例裡。在最近期的會計年度期間，本基金的投資組合週轉率為其投資組合平均價值的 42.37%。

主要投資政策

在正常市場條件下，本基金將投資至少 80%的資產在“外國證券”。在正常的市場情況下，這些證券以投資於美國以外國家的企業所發行的股票為主，包括開發中市場。本基金主要投資於普通股且包含中小型企業。雖然本基金橫跨一些區域、國家及產業尋求投資，但有時得依據經濟狀況將顯著部份投資於特定的區域、國家或產業。

投資經理公司得考量賣出股權證券，當其認為該證券因為價格溢價或是公司基本面變動而使股價高估時，或是投資經理公司認為其他的證券更具有誘人的投資機會時。

本基金有時為追求外匯風險之避險（防禦）得使用外匯相關衍生性商品例如遠期外匯及遠期交叉外匯以及外匯期貨契約。

當為本基金選取股票投資時，本基金的經理公司採用以下選股哲學：“由下而上”、“價值

投資”、“長期投資”。投資經理公司在投資選擇上將重點放在公司股票的目前市值，與該公司之長期盈餘、資產價值和現金流量的潛力作相關比較，投資經理公司同時將公司之本益比、市價／現金流量比率、獲益率及變現價值納入考量。

本基金也得為不同的目的，包括：提高基金收益、增加流動性以及以更有效或較不昂貴的方式獲得對特定市場的曝險，而使用多樣與股權相關的衍生性金融商品，其中可能包括股票期貨以及股票指數期貨。

主要風險

您可能投資本基金而有金錢損失。共同基金股份不是存款，或是債務，或是由任何銀行保證或是背書，並且沒有受到聯邦存款保險公司、聯邦準備委員會、或是美國政府的任何其他機構的保證。

市場風險。本基金所持有證券或是其他投資的市場價值有時候將會快速的或無法預期的上下波動。證券或其他投資的市場價值可能會因市場活動或與發行公司不相關的供給與需求的其他結果而下跌。這是所有投資之基本風險。當市場中賣方多於買方時，價格將會下跌。同樣地，當市場中買方多於賣方時，價格將會上升。

股票價格上下波動較債券價格為劇烈。在成長緩慢或經濟衰退的環境下對本基金持有之各種不同股票的價格具有負面的影響。

目前，新型冠狀病毒 COVID-19 的全球爆發導致市場關閉和混亂、極端動盪、流動性限制以及交易成本增加。遏制 COVID-19 傳播的努力已導致全球旅行限制和醫療保健系統、業務營運和供應鏈中斷、裁員、消費者需求減少、違約和信用評級下調以及其他重大經濟影響。COVID-19 已影響許多行業的全球經濟活動，並可能加劇本地或全球其他先前存在的政治、社會和經濟風險。COVID-19 大流行的整體影響是無法預測的，可能會對基金的績效產生不利影響。

外國證券(非美國)風險。投資外國證券會比投資美國國內的證券要承擔較高的風險，這些風險包括有關：(i)內部與外部的政治與經濟發展一部份美國以外的國家，例如：在政治、經濟及社會政策及結構方面，並不如美國穩定，且其不確定性甚高，或是有些外國可能容易遭受貿易限制或經濟制裁；(ii)交易實務，例如：外國政府對證券交易、貨幣市場、交易系統及經紀商之監管也可能不如美國；(iii)資訊的利用，例如：外國公司在會計及財務報表的準則與實務等可能不同於美國的揭露方式；(iv)有限的市場，例如：某些外國發行公司的證券之流動性不如美國證券（不易出售）且其價格較波動；以及(v)匯率變動與政策的風險。外國投資的風險在開發中國家或新興市場國家通常較大。

貨幣管理策略風險。貨幣管理策略大幅改變本基金對匯率的曝險，若貨幣表現不如投資經理公司所預期則可能導致基金的損失。此外，就貨幣管理策略為達到減少基金對貨幣風險曝險程度而言，也可能降低本基金受惠於匯率有利變動的能力。貨幣市場通常未如同證券市場般

地受到控管。除此之外，匯率可能在短期間內顯著波動並且可能降低報酬。

區域焦點風險。由於本基金得至少投資其資產的顯著部位於特定區域的公司，包括歐洲，因此本基金相較於分散投資地理涵蓋範圍較廣泛之基金須承擔在此區域及/或周圍區域不利發展的較高風險。區域內政治、社會或經濟的紛亂，甚至連本基金沒有投資的國家，都可能對本基金持有的證券價值有不利影響。目前歐盟及其成員國的政治不確定性，包括英國在2020年1月31日的脫歐，可能加劇市場的波動性。

開發中市場國家風險。本基金在開發中市場國家的證券發行公司的投資通常須承受所有外國投資風險，尚需強調由於缺乏建置完備的法律、政治、商業以及社會架構來支撐證券市場所增加的風險，包括：投資組合證券交易的交割延遲；外匯及資本的控制；對利率變動的敏感程度較高；貪污及違紀的普遍性；匯率的波動性；以及通貨膨脹、通貨緊縮或是貨幣貶值。

價值風格投資。價值證券可能未能如投資經理公司之期望而價格上揚，如果其他投資人未能認同該公司的價值進而出價競價、偏好投資於快速成長的公司，或者投資經理公司確認證券價格會上揚的種種因素並未發生或未有預期的影響。

流動性風險。本基金投資的特定證券或是證券類型或其他投資的交易市場隨時可能變成較為缺乏流動性甚或難以變現。在面臨流動性需求(其可能因應特定經濟事件而發生或增加)或因投資經理公司希望購買特定投資或認為更高的流動性水準將有利時，證券流動性的降低，將對本基金須處分這些持股或其他投資之能力上產生負面的影響。證券流動性的降低通常也會降低證券或其他投資的價值。這些證券或其他投資的市場價格可能相對波動。

管理風險。本基金因採主動式管理投資組合而須承受管理風險。基金經理公司引用投資技術與風險分析為本基金執行投資決策，但是無法確保這些決策將能產生希望的結果。

焦點風險。在一定程度上，本基金的投資有時集中於特定國家、地區、產業或其他類型的投資，因此本基金相較於較廣泛投資於種種國家、地區、產業、部門或投資之基金可能要承擔於此焦點區域中不利發展的較高風險。

中、小型股本公司風險。由中、小型股本公司所發行的證券相較於大型公司證券，其股價之波動性較大，涉及額外的風險。這類風險得包括對經濟情況改變的敏感度較高、對公司成長前景較不確定、在管理方面較缺乏豐富的經驗、較不容易募集到成長或發展所需之資金，以及從事於有限或是較少開發的生產線或是市場。此外，中、小型股本公司可能特別容易受到利率攀升的影響，因此他們在尋找資金以繼續或擴充營運上可能更加困難，或是在貸款的還款上可能有困難。

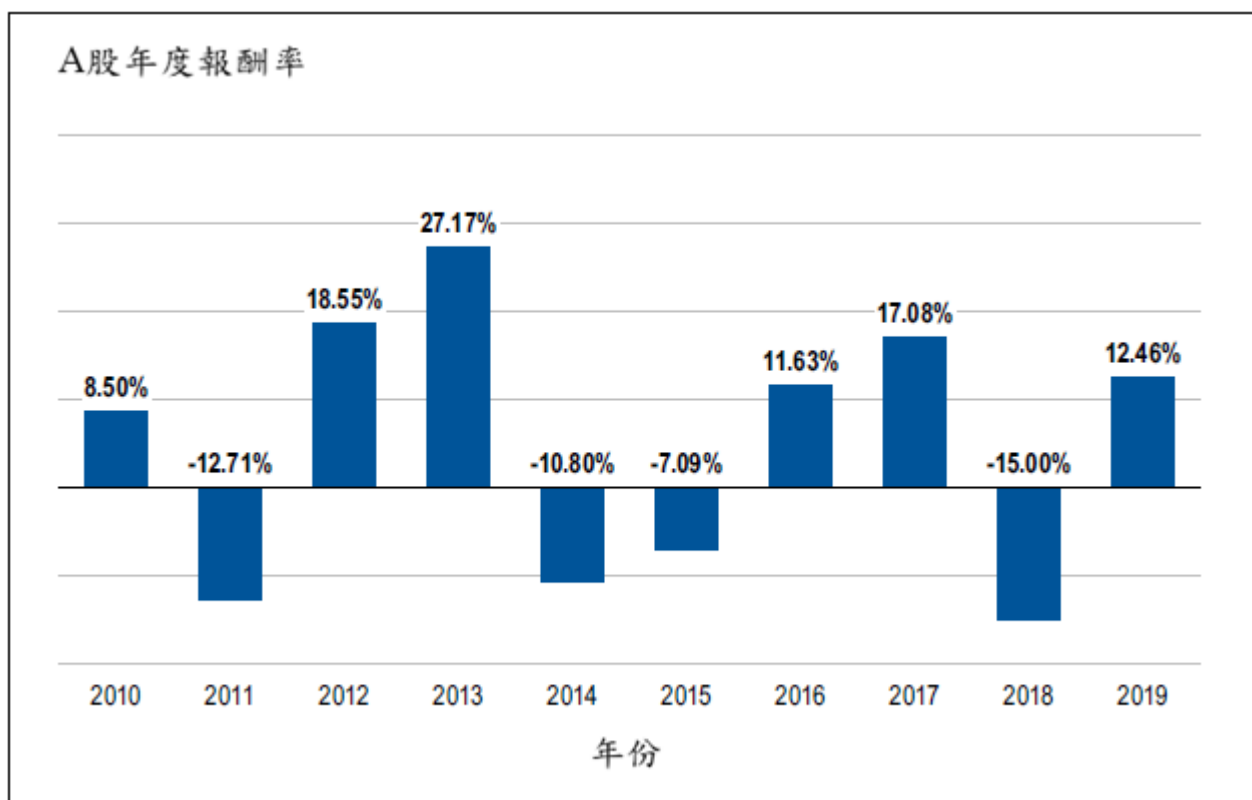
衍生性金融商品。衍生性金融商品的績效(包含貨幣衍生性商品)主要取決於其所連結標的例如貨幣、證券、利率或指數的績效，而且這些衍生性商品通常與其所連結標的商品有類似的風險另外加上其他風險。衍生性金融商品涉及成本且能在基金的投資組合創造經濟槓桿效

果，此可能導致顯著波動而造成基金分擔的虧損（以及獲利）遠超過基金的原始投資金額。某些衍生性金融商品具有損失沒有上限的槓桿潛力，不管原始投資金額多寡。其他風險包括：衍生性商品的缺乏流動性、錯誤訂價或是不適當的評價以及衍生性商品與所連結標的工具的價值間的相關性有瑕疵，因此基金可能未能實現預期的利益。成功的運用衍生性金融商品通常將取決於投資經理公司能否精準地預測所連結標的工具市場走勢的能力。若單一市場、一些市場或特定投資類別的價格以非預期方式變動，特別是在不尋常或極端的市場情況，本基金的交易可能無法達成預期利益，並且可能發生顯著的虧損。倘若投資經理公司沒有成功地運用這些衍生性金融商品時，本基金績效表現可能比完全沒有運用這些衍生性金融商品時更加不理想。當用於避險時，衍生性金融商品價值的變動也可能會與欲規避的特定貨幣、證券、利率、指數或其他風險有不相關的情形。還有的風險特別是在極端的市場情況下，通常會為避險而操作衍生性金融商品卻全然沒有避險的利益。

投資組合績效分析

本圖表顯示出本基金報酬率的波動性，是投資本基金的風險指標。此圖表逐一標示出以下年份以來 A 股的年度報酬率變化情形。表格中亦可對照看出基金的一年、五年及十年或是自成立日的年度平均報酬率相較與一些廣泛衡量市場指數的差異。當然，過去的基金報酬率（稅前或稅後）並不能預測或保證未來的報酬結果。您可於網站線上：franklintempleton.com 查詢或是致電(800) DIAL BEN/342-5236 取得更新的績效表現資料。

銷售手續費並沒有反映在此圖表。若有反映銷售手續費的話，則報酬率會比此圖表數值低。



最佳季報酬率在 2010 年第 3 季：15.61%；最差季報酬率在 2011 年第 3 季：-21.33%。

本基金 A 股自年初截至 2020 年 9 月 30 日的報酬率為-16.92%。

年度總平均報酬率

(數值反映銷售手續費)

期間截至 2019 年 12 月 31 日

	一年	五年	十年
富蘭克林坦伯頓外國基金 - A 股 (本基金之配息來源可能為本金)			
稅前報酬率	6.26%	-2.74%	6.40%
配息稅後報酬率	5.69%	-3.19%	6.01%
配息及股份出售稅後報酬率	4.53%	-1.91%	5.42%
富蘭克林坦伯頓外國基金 - C 股 (本基金之配息來源可能為本金)	10.62%	-2.37%	6.20%
富蘭克林坦伯頓外國基金 - R 股 (本基金之配息來源可能為本金)	12.34%	-1.91%	6.73%
富蘭克林坦伯頓外國基金 - R6 股 (本基金之配息來源可能為本金)	13.04%	-1.21%	2.31% ¹
富蘭克林坦伯頓外國基金 -Advisor 股 (本基金之配息來源可能為本金)	12.96%	-1.40%	7.26%
摩根史坦利資本國際所有國家世界不含美國指數-NR (指數並無扣除費用或稅賦但已扣除預扣之股利稅) ²	21.51%	5.51%	4.97%
摩根史坦利資本國際所有國家世界不含美國指數 (指數並無扣除費用或稅賦) ²	22.13%	6.01%	5.45%

1. 自 2013 年 5 月 1 日起發行。

2. 摩根史坦利資本國際所有國家世界不含美國指數-NR(扣除股利稅)將取代摩根史坦利資本國際所有國家世界不含美國指數(股利稅總額)，因為投資經理認為該指數提供了與基金同業相比更一致的基礎。

上述年度總平均報酬率表中的數字反映了 A 股最高銷售手續費用 5.50%。於 2018 年 9 月 10 日前，A 股最高銷售手續費用為 5.75%。如果反映出之前的最高銷售手續費用 5.75%，則 A 股在年度總平均報酬率表中的表現會更低。

稅後報酬率採歷史最高的個人聯邦邊際所得稅率計算，並未反映出州稅與地方稅的影響。實際稅後報酬，則視投資人的個別稅務狀況，可能與此圖表的報酬數字有差異。這些稅後報酬率數字無關於投資人其參與稅金緩課計畫所持有的股份，諸如 401(k)計畫或個人退休金帳戶。僅顯示 A 股的稅後報酬率，其他類別股份的稅後報酬率則不盡相同。

經理公司

坦伯頓全球顧問公司 (Templeton Global Advisors Limited, 全球顧問 Global Advisors)

投資經理人

克里斯多佛·皮爾(Christopher James Peel, CFA)

全球顧問之副總及投資組合經理人，自 2017 年起擔任本基金之投資組合經理人。

赫博·阿奈特(Herbert J. Arnett, Jr.)

全球顧問之副總及投資組合經理人，自 2017 年起擔任本基金之投資組合經理人。

彼得·摩斯特 (Peter M. Moeschter, CFA)

自 2019 年起擔任全球顧問之執行副總裁以及投資組合經理人。

華倫·普茲坦 (Warren Pustam, CFA)

全球顧問之副總裁以及投資組合經理人，自 2019 起擔任本基金之投資組合經理人。

基金股份的購買與賣出

您可以在任何營業日透過上線我們的網站 www.franklintempleton.com、透過郵件（富蘭克林坦伯頓投資人服務，P.O. Box 33030, St. Petersburg, FL33733-8030），或是透過電話(800) 632-2301 來申購或是贖回本基金的股份。對 A 股、C 股及 R 股而言，大部分帳戶的首次投資最低金額為美金一千元（或是參與自動投資計畫為美金二十五元）。R6 股及 Advisor 股僅有特定的合格投資人得以購買，且其首次投資最低金額將視合格投資人的類型而有所不同，請參閱於本基金公開說明書之“您的帳戶－選擇股份類別－合格投資人－R6 股”以及“Advisor 股”的說明。首次以後之申購並無最低金額限制。

稅賦

基本上您在本基金所獲得的配息及資本利得，會被課以一般所得稅率、資本利得稅率，或是兩者兼具。除非您是透過稅金緩課計畫，諸如 401(k)計畫或個人退休金帳戶來進行投資，則您的配息通常是在自稅賦遞延帳戶提取時會被課稅。

支付予代銷公司及其他金融中介機構的款項

如果您是透過經紀商-經銷商以及其他的金融中介機構（例如：銀行）來購買本基金的股份，本基金及其相關公司得支付中介機構為其對基金股份的銷售與相關服務。這些款項可能引起利益衝突而影響經紀商-經銷商或是其他中介機構以及您的銷售人員推薦本基金超過其他的投資。請洽詢您的理財顧問或是造訪中介機構的網站以知悉更多的資訊。

基金細節

投資目標

本基金之投資目標在於追求長期資本成長。

主要投資政策與實務

在正常的市場情況下，本基金將投資至少 80% 的淨資產在“外國證券”（定義如下）。這些證券顯著是位於美國以外國家的企業所發行的股票，其中包括開發中市場。若此 80% 的投資方針有所改變，將給予投資人 60 天提前通知。

為了達到本基金投資目標，“外國證券”指的是由以下公司所發行的證券：

- 公司股票主要的交易市場不在美國境內，或
- 其 50% 或更多的總收入係來自於美國以外的市場的銷貨或服務收入，或
- 50% 或更多的資產不在美國境內，或
- 連結到非美元貨幣，或
- 依其他國家法令成立之公司或主要營業處所位於美國以外的其他國家。

本基金定義的“外國證券”與其他共同基金公開說明書所定義者可能不同，因此，本基金持有的外國證券可能有別於其他基金之分類。

股權證券代表公司一部份股份所有權，它的價值建立在公司的營運成功或失敗、給賦予股東之任何營利、資產價值及一般市場狀況。股權證券，例如：普通股、特別股及證券得轉換為普通股等。本基金得投資於可轉換證券而不考慮評比服務機構對該證券所為之評級。本基金可投資於美國、歐洲、及全球存託憑證，存託憑證為銀行或信託公司所發行，可提供持有者取得外國或本國企業發行證券的權利。本基金有時可能將大部份投資於一個或更多國家或是特定產業，例如：能源、金融服務企業及醫療保健。本基金所投資的股權證券得包括小型及中型股本企業。

本基金可視目前的市場狀況，而投資於全球任一企業及政府所發行的債權證券。債權證券代表了發行者必須償還借款的義務，一般而言，也包括利息的支付，債權證券包括債券、票據、公司債券。

本基金得不時為不同的目的，包括：提高基金收益、增加流動性、以更有效或較不昂貴的方式獲得對個別證券與特定市場曝險、為本基金產生額外的收益以及/或是規避有關特定股票市場變動的風險，而從事股權相關衍生性金融商品，其中可能包括：買進或賣出個別證券（包括 ETF）和指數的賣方期權及買方期權。

本基金亦可隨時為追求外匯風險之避險（防禦）得使用外匯相關衍生性商品例如外匯及遠期

交叉外匯以及外匯期貨契約。

遠期外匯契約是指有義務按協定匯率(價格)於未來某一日期購買或賣出特定外國貨幣以換取其他貨幣,其可能是美元。遠期外匯一貫地係由外匯交易商和他們的客戶在銀行同業拆借市場(interbank market)中個別協商與私下交易。遠期交叉外匯契約為以賣出特定外幣以換取另一外幣的遠期契約,當本基金認為這些外幣其中之一的價格對於其他外幣的價格將遭受大幅變動時可能會被使用之。遠期交叉外匯契約可能降低或消除對賣出貨幣的曝險並且增加對買進貨幣的曝險,類似於本基金賣出以某一貨幣計價的證券並且買進以另一貨幣計價的證券。當用於避險目的時,遠期交叉外匯契約應協助保護本基金從避險貨幣下跌所造成的損失,但是將導致本基金承擔其購買的貨幣價值波動的風險。

期貨契約是在交易所交易的標準綁定協議以特定的價格在以後的特定日期買進或賣出特定數量的標的工具或資產。期貨契約的“賣出”係指取得依指定日期及契約上所約定之價格交付標的工具的契約義務。期貨契約的“買進”係指取得依指定日期及契約上所約定之價格購買標的工具的契約義務。買賣期貨契約將使本基金增加或減少對其標的工具或資產的曝險。雖然本基金所使用的大多數期貨契約允許在到期日以現金支付契約的淨利得或損失以替代交付標的工具或資產,但是有些契約要求實際交付或取得標的工具或資產。本基金可能買賣在美國或外國交易所交易的期貨契約。

買進選擇權給予買方選擇權,在支付權利金費用後,有權利依特定價格買入標的工具,而賣方有義務依特定價格賣出該標的工具。相反地,賣出選擇權,買方在支付權利金費用後,有權利依特定價格賣出標的工具,而賣方有義務依特定價格買進該標的工具。舉例說明,當投資經理公司預期本基金持有的股票價格將下跌時,本基金也得購買賣出選擇權,而預期其價值會隨著股票市價的下跌而上漲,以規避所預期的下跌值。投資經理公司將考慮各種因素,如有效性和成本,以決定是否、何時以及在何種程度上可採用衍生性商品交易。

本基金也得投資於股權連結型商品,其為混合衍生性型態的工具特別設計把一種或多種參考證券(通常為單一股票、股票指數或是一籃子股票(標的證券))的特徵及相關的股權衍生性商品(例如:賣出或買進選擇權),結合成為單一商品形式。本基金得從事於所有型態的股權連結型商品,包括那些:(1)以有限的參與標的證券的升值作為交換對本基金之本金提供保護,以及(2)不提供該等保護並且任由本基金承受其本金投資的損失風險。相較於直接投資標的證券以及相關的股權衍生性商品,股權連結型商品是一項能夠提供本基金較不昂貴而有效率的投資工具。

本基金的經理公司採用以下選股哲學:“由下而上”、“價值投資”、“長期投資”。投資經理公司在投資選擇上將重點放在公司股票的目前市值,與該公司之長期盈餘、資產價值和現金流量的潛力作相關比較。這包括投資經理公司將評估重要環境、社會和治理因素對公司長期風險和報酬的潛在影響。投資經理公司同時將公司之本益比、市價/現金流量比率、獲益率及變現價值納入考量。

投資經理公司得考量賣出股權證券,當其認為該證券因為價格溢價或是公司基本面變動而使價格高估時,或是投資經理公司認為其他的證券更具有誘人的投資機會時。

經理公司不適用「期貨基金經理公司(Commodity Pool Operator)」定義

本基金之經理公司聲明其不適用商品期貨交易所法(Commodity Exchange Act, CEA)和美國商品期貨交易委員會(Commodity Futures Trading Commission, CFTC)規定下的期貨基金經理人(Commodity Pool Operator, CPO)之定義,因此,不適用期貨基金經理人向美國商品期貨交易委員會登記或相關法規。此外,經理公司亦排除適用在商品期貨交易所法及美國商品期貨交易委員會規定下期貨投資顧問(Commodity Trading Advisor, CTA)之定義。次經理公司並非註冊為期貨投資顧問,及在商品期貨交易所法及美國商品期貨交易委員會規定得免為 CFA 登記。

排除適用期貨基金經理人之條款要求本基金,除其他事項外,遵循其投資在商品期貨,商品選擇權及換匯交易的限制,包括無本金交割匯率、遠期契約,請詳本基金補充資料報告書(Statement of Additional, SAI)之說明。由於經理公司及本基金為遵循排除適用期貨基金經理人之條款,在未來本基金得視需要調整其投資策略,在與投資目標相一致時,限制投資於這些類型的工具。本基金不適合作為交易於商品期貨、商品選擇權或換匯交易市場的工具。美國商品期貨交易委員會並無審閱或批准的經理公司適用此等排除條款,或本基金之投資策略或公開說明書。

暫時性投資

當投資經理公司認為證券交易市場或經濟條件不利於投資人時,可能將不超過 100%資產之全部或大部份調整為現金、約當現金或其他高品質短期投資工具,以做為暫時性之防禦措施。暫時性防禦之投資工具包括貨幣市場證券,包含由投資經理公司或其關係企業所管理的貨幣市場基金股份,或短期債券證券。投資經理公司為了尋找恰當的投資機會或保持流動性時,也會投資在此等類型的證券或持有現金。在這些情況下,本基金可能無法達成其投資目標。

主要風險

市場風險

本基金所持有證券或是其他投資的市場價值有時候會是快速的或無法預期的上下波動。證券或是其他投資的價值下跌可能是受到影響個別發行公司(例如供給與需求的結果)、一般證券市場或證券市場中部門的因素影響。證券或其他投資的價值上下波動可能是受到一般市場因素的影響，而非明確與特定的發行公司相關，例如：實際或可預見的不利經濟情況、利率或匯率的改變或反面的投資人觀點等等。此外，突發事件及其後果，例如疾病的傳播、自然、環境或人為災難、財務、政治或社會干擾、恐怖主義與戰爭，以及其他悲劇或災難可能引起投資者的恐懼和恐慌，從而以無法預見的方式對許多公司、行業、國家地區和市場的整體經濟產生不利影響。證券市場普遍低迷期間多種資產類別的價值可能會下降。當市場表現良好時，不能保證基金持有的證券或其他投資將參與預付款或從中受益。

股票價格上下波動較債券價格為劇烈。在成長緩慢或經濟衰退的環境下對本基金持有之各種不同股票的價格具有負面的影響。

目前，全球新型冠狀病毒 COVID-19 的爆發導致市場關閉、混亂、極端動盪、流動性限制以及交易成本增加。遏制 COVID-19 傳播的努力已導致全球旅行限制和醫療保健系統、業務營運、供應鏈中斷、裁員、消費者需求減少、違約和信用評級下調以及其他重大經濟影響。COVID-19 大流行的影響已經影響許多行業的全球經濟活動，並可能加劇本地或全球其他先前存在的政治、社會和經濟風險。COVID-19 大流行以及未來可能發生的其他流行病和流行病對國家和全球經濟、單一公司和金融市場的全面影響是無法預測的，可能導致長期的高度不確定性，並可能對基金的業績產生不利影響。

外國證券(非美國)風險

投資外國證券，包含主權債券，通常會比投資美國國內的證券要承擔較高的風險，這些風險同時也可能存在於介入龐大外國營運的美國公司股票。

匯率風險。由於外國證券是以各該國貨幣為計價或做交易，是故證券價值會受到該國貨幣與美元，以及美元以外貨幣間之匯率變動的影響，舉例來說，假使美元的價值相對高於外國貨幣時，以外國貨幣做交易的投資商品價值會降低，因為它的美元價值相對較低。當本基金從事匯率交易時將會產生額外的費用，且在外國證券評價時因為須同時考量貨幣（相較於美元）及證券因素而將承受較高的風險。

貨幣管理策略風險。貨幣管理策略得大幅改變本基金對匯率的曝險，若貨幣表現不符合投資經理公司預期時，可能導致本基金的損失。此外，貨幣管理策略就達到減少本基金對匯率風險的曝險而言，也可能降低本基金受惠於匯率有利變動的能力。投資經理公司無法確保運用貨幣管理策略將有利於本基金，或是他們將在或能夠在適當時機使用。再者，對特定貨幣曝險的數量與本基金投資組合以該貨幣計價的證券金額之間可能不具理想的相關性。為了從匯率預期變動獲利的目的而投資於外幣，與適用於本基金持股的避險貨幣風險對照，進一步增加本基金對外國投資損失的曝險。

政治及經濟發展風險。部份美國以外的國家，在政治、經濟及社會政策或結構方面，並不如美國穩定，且其不確定性甚高，其較高投資風險來自於該國家境內、外的衝突、徵收、資產國有化、外匯管制（例如暫停特定國家貨幣的轉換）、限制資產移動、政經環境的不穩定、軍

事活動或動盪、外交發展、貨幣貶值、外國投資者股權持有的限制以及實質性、懲罰性或沒收性的稅賦增加等。政府可能接管公司的資產或營運，或是對外匯的交易、匯出或是其他資產加諸管制。某些國家不同的法制體系也可能使基金在執行委託書投票，行使股東權利及對其外國投資尋求法律救濟等方面增添處理之困難或花費昂貴。外交和政治發展可能會影響本基金所投資國家的經濟、產業、證券和外匯等市場。這些發展包括：快速而負面的政治變化；社會不安定；區域的衝突；由美國、其他國家或是包括超國際機構等政府機構所施加的經濟制裁；恐怖行動和戰爭。此外，這類發展可能促成國家的貨幣貶值、該等國家的發行公司信用評等的降級或是發行公司證券價值及流動性的降低。對國家施加經濟制裁對某些發行公司而言可能導致該發行公司證券的立即凍結，進而損害本基金買進、賣出、接收或交付這些證券的能力。這些因素會影響本基金投資的價值並且對有關基金投資極度難以預測或是納入考量。

交易實務風險。外國證券的經紀手續費、代扣稅、保管費及其他費用一般較高，外國政府對證券市場、貨幣市場、交易系統及經紀商之監管可能不如美國，外國交易及保管業務（保管基金資產）的流程也可能會涉及付款、金錢或其他財產的交付或收回的損失或延誤。外國政府之監督及外國證券和外匯之規範及交易系統可能會不同於美國政府，此可能增加本基金法令遵循之負擔及／或減少對本基金投資人的權利或保護。

資訊的利用。外國公司在會計、稽核制度及財務報表準則與實務等可能不同於美國的揭露方式，因此，外國發行公司公開的資訊亦可能少於大部份美國公司。此外，外國公司提供的資訊可能不如美國公司提供的資訊及時或可信賴。

有限的市場。相對於許多美國證券，某些外國證券之流動性較低（不易出售）且其價格的波動性更大，由於交易較不頻繁及／或報價及賣出的延遲報導，將導致基金持有之外國證券在評價上更加困難。

區域風險。在某一區域或國家的不利情況，將會影響其他看似經濟發展不相關國家之證券發行公司。在一定程度上，本基金投資顯著部位的資產於特定地理區域或特定國家，故將會面臨較高之特定區域的或國家的經濟風險。當本基金有顯著部位投資的地區政經動亂或外交關係惡化，本基金可能會面臨重大的流動性風險或降低本基金投資的價值。

歐洲投資的風險可能因 2020 年 1 月 31 日英國脫歐政治、經濟和法律上的不確定性可能造成市場波動性增加。

開發中市場國家。本基金在開發中市場國家的證券發行投資通常須承受所有外國投資風險，尚需強調由於缺乏建置完備的法律、政治、商業以及社會架構來支撐證券市場所增加的風險。增加的顯著風險包括：

- 社會、政治及經濟環境的穩定度低；
- 由於政治、軍事或是區域性衝突或是由於恐怖行動或是戰爭，如果美國、其他國家或是其他政府機構（包括超國際機構）在發行公司實施限制或約束外國投資、資產的轉移或是在該國的其他經濟活動等制裁時，則該國家的貨幣貶值、在該等國家的發行公司信用評等的降級或是發行公司證券價值及流動性的降低有較高的可能性；
- 證券市場較小故交易量少或無交易量，並且流動性較欠缺及價格波動較大；
- 較多限制性的國家政策加諸於外國投資，包括：限制對國家利益敏感的發行公司或產業進行投資；
- 較少具有透明度及建置完備的稅賦政策；
- 較少具有先進的法制或立法架構以規範私募及外國投資，或是允許對私人財產損害之司法賠償；

- 對資本市場結構或市場導向經濟的熟悉度較低，而較多大規模的貪汙與舞弊；
- 本基金從事交易的金融機構及發行公司，其所擁有的財務熟稔度、信譽及／或資源較少，且其政府的法規較少；
- 政府在企業與產業實務的監管與法規、股票交易所、經紀商及上市公司較美國為少；
- 集中於少數產業程度較高而導致在區域及全球交易條件上有較多弱點；
- 通膨率較高，且通膨率波動較快速且激烈；
- 對利率變動的敏感度較高(例如，較高的利率環境會使發展中的市場政府更難償還其現有債務)；
- 匯率波動程度增高、潛在貨幣貶值及／或貨幣管制；
- 對應經濟規模其負債重擔較高；
- 對投資組合證券交易的交割延遲較常發生，並且在股份註冊及保管實務的損失風險較高；以及
- 較少把握當有利的經濟發展浮現時，這些國家將不會被未預料的經濟、政治或社會事件而延宕或反轉。

基於上述的因素，本基金在開發中市場國家的投資相較於投資已開發市場國家須承受較大的價格波動及缺乏流動性的風險。

衍生性金融商品風險

衍生性金融商品的績效主要取決於其所連結的工具例如：貨幣、證券、利率或指數，而這類衍生性金融商品通常與其所連結標的工具具有類似的風險再加上其他的風險。衍生性金融商品涉及成本並且能夠在本基金的投資組合創造經濟性槓桿效果，其可能導致顯著的波動而造成本基金分擔的虧損（以及獲利）遠超過本基金的初始投資金額。其他風險包括：衍生性金融商品的缺乏流動性、錯誤訂價或不適當評價，以及衍生性金融商品與所連結標的工具的價值間相關性不完善，因此本基金可能未能實現預期的利益。成功的運用衍生性金融商品通常將取決於投資經理公司能否準確地預測有關所連結標的工具市場走勢的能力。若是單一市場或一些市場，或是特定投資類別的價格以非預期方式變動，特別是在不尋常或極端的市場情況下，本基金可能無法實現交易的預期利益，並且可能實現顯著的虧損。如果投資經理公司沒有成功地運用這類衍生性金融商品時，本基金的績效可能會比完全沒有運用這類衍生性金融商品的績效還差。當衍生性金融商品為避險目的而運用時，在衍生性金融商品價值的變動也可能會與其所連結的貨幣，證券、利率、指數或其他被規避風險沒有具體相關性。還有風險是，特別是在極端的市場情況下，其通常為了避險而操作衍生性金融商品卻全然沒有避險利益。

利用這些衍生性金融商品也可能導致虧損，如果交易對手沒有依約定履行交易，包括因為此類交易對手的破產或是無力償還。有關櫃檯買賣市場這種風險，例如特定交換合約，在市場震盪期間可能加劇，其他風險，包括：因為交易市場變得缺乏流動性（特別是櫃檯買賣市場）或是在某期間參與的交易對手數量變得有限，而致無法拋售持有部位。此外，在特定市場裡投機者的存在可能導致價格扭曲。在本基金因市場缺乏流動性而無法拋售持有部位的程度時，本基金可能無法避免其衍生性金融商品持有部位的價值有更多虧損，以及在本基金其他流動性資產有顯著部位為了足夠償付這類衍生性金融商品義務而被註記區隔的程度時，本基金的流動性可能會因而削弱。本基金也可能要求投資經理採取或交付原先想避免使用的基礎工具。有些衍生性金融商品對於利率或是其他市場價格的變動特別地敏感。投資者須謹記在心，本基金打算定期使用衍生性金融商品策略，如果投資經理公司因為可用性、成本或其他因素而選擇不從事交易時，將不會強行要求廣泛地或是在任何特定衍生性金融商品種類積極地從事這些交易。

衍生性金融商品策略的運用也可能對基金有賦稅影響。當投資經理公司希望利用衍生性金融商品時，來自這些策略的時機掌握及收益特性，獲利或虧損可能削弱投資經理公司使用衍生性金融商品的能力。

價值作風投資

價值證券價格可視為相對“便宜”於公司被認知的價值，而且通常不是其他投資人所偏好的。投資經理公司投資於這類股票是基於相信市場對於不利發展的過度反應或是尚未從正向改變中提升價格。然而，如果其他投資人無法認可公司的價值（以及沒有成為買方，或是如果他們變成賣方或是偏好投資於快速成長的公司），價值證券可能無法如投資經理公司所預期的增加價值，甚至可能降低價值。

流動性風險

流動性風險存在於當特定證券或是證券類型的市場已是或變成相對缺乏流動性時，以致本基金無法或變成較為困難本基金已評估的價位將證券或其他投資賣出。缺乏流動性可能肇因於政治、經濟或發行公司的特殊事件、供應與需求不平衡或特定市場的規模或結構改變（包括參與者數目）或整體市場崩盤等因素。證券或其他投資的流通性降低或變成缺乏流動性時將比具有較高流動性的證券涉及較高的風險。這些證券的市場報價可能較為波動以及/或是須承受買價及賣價間的較大價差。當流動性降低時，將對本基金面臨流動性需求（其可能因應特定經濟事件而發生或增加）或因投資經理公司希望購買特定投資或認為更高的流動性水準將有利而必須賣出這些特定持股有著負面的影響。如果基金及其關係企業收到有關發行人或投資的重要非公開訊息，則投資可能變為非流動性。當本基金及其關係企業持有發行公司在外流通證券達顯著部位的程度時，本基金可能會較持有較大範圍之發行證券，有較大的流動性風險。

管理風險

因為本基金採主動式管理投資組合，若投資經理公司在有關市場、利率、具吸引力之標的、相對價值、流動性或本基金特定的投資組合潛在的增值，事後被證明是不正確的，本基金可能會遭受損失（已實現和未實現）。無法確保這些投資技術或是投資經理公司的投資決策能產生希望的結果。此外，立法的、法規的或稅賦的發展也會影響投資經理公司於管理本基金使用的投資技術，並且也可能對本基金達成其投資目標的能力有不利影響。

焦點風險

本基金的投資越集中於任何單一投資，包括：特定的產業、部門、區域、國家、發行公司或證券類型，本基金在面臨任何單一經濟、市場、企業、政治、法規或其他事件時越容易遭受損失。因此，對本基金的股份價格可能造成較大的波動。

能源公司。公司參與石油或天然氣勘探、生產、精製或行銷，或上述的任意組合，受到原物料如石油或天然氣的價格以及供給很大地影響。能源公司的收益和股利由於國際經濟、政治和法規可能波動劇烈。

金融服務公司。金融服務公司受到多方面的政府法令支配，進而影響其許多面向的獲利能力，包括：限制放款種類與金額、其他可從事之委託，以及可以收取的利率與費用。金融服務公司的獲利能力以及股價，對全世界利率的變動和借款人的償債能力會特別敏感。法規的變革，持續的整合，以及新商品和結構的發展，都可能對金融服務公司具有深遠的影響。

醫療保健公司。醫療保健公司的活動可能由聯邦和州政府資助或補貼。如果政府資金和補貼減少或停止，這些公司的獲利能力可能會受到不利影響。醫療保健公司也可能受到政府關於醫療保險報銷、新藥和醫療產品監管核准及類似事項政策的影響。這些公司還承受立法風險，即通過立法改革醫療保健系統的風險。

存託憑證風險

存託憑證須承受標的證券的許多風險。有些存託憑證其保管機構或是類似的金融機構持有發行公司的股份是位於發行公司當地國家的信託帳戶裡。在這些情況下，如果發行公司之當地國家不是已開發的金融市場，本基金將可能暴露於保管機構或金融機構的信用風險，以及更大的市場風險。此外，受託機構可能並非總是對標的證券做實體託管並且可能對不同的服務包括：轉達股利、利息及企業活動等收取費用。本基金預期對單一股份支付額外的費用，其若為直接投資於外國證券時將無須支付。本基金可能會遭遇延遲收取股利及配息款項或是延誤執行股東權利。

中、小型股本公司之風險

在中、小型股本公司的投資可以獲得較大的資本成長機會，但也必具有相當的風險，且應被視為具有投機性質。就歷史紀錄而言，中、小型股本公司股票的股票股價波動性大於大型公司的股票，短期而言尤其如此。主要原因在於其公司未來的成長較不確定，其股票的市場流通性較低，以及當經濟情況改變時，其敏感度卻更高。此外，由於中、小型股本公司在管理方面較缺乏豐富的經驗，故較不容易募集到需成長或發展之資金、生產線有限，或是所研發或行銷之新產品或服務的市場尚未確立，也可能永遠也不會成形。中、小型股本公司可能特別容易受到利率攀升的影響，因此他們在尋找資金以繼續或擴充營運上可能更加困難，或是在浮動利率貸款的還款上可能有困難。

股權連結型商品

投資於股權連結商品通常有與其所連結標的證券相似的風險，其可能包括：管理風險、市場風險，以及外國證券與匯率風險（如適用）。此外，由於股權連結商品為票券形式，其也須承受某些債券風險，例如：利率及信用風險。若是所連結標的證券價格以非預期方式進展時，本基金可能無法達成投資於股權連結商品的預期利益，並且可能實現損失，其可能重大且可能包括本基金的全部本金投資。投資於股權連結商品也須承受交易對手風險，其為股權連結商品的發行公司將違約或是變成破產的風險，使得償還本基金的投資本金金額或是投資收益有困難，或是無法償還。投資於股權連結商品也須承受流動性風險，其可能造成股權連結商品在出售及計價有困難。此外，股權連結商品可能展現與其所連結標的證券或是固定收益投資不相關的價格行為。

信用風險

本基金可能在債券會有損失如果證券發行公司或借款方不能或是無法履行其義務，包括：無法支付利息或／及於到期時償還本金。發行公司的財務能力、市場對發行公司財務能力的看法或發行公司或其證券的信用評等有所改變時，其反應出第三方對特定發行公司或證券所展現的信用風險而做出評價，其將對債券價值產生影響。當債券實際的信用風險被不正確地的認知，出現不同於市場、投資經理公司或評等機構評估之信用風險時，本基金可能在債券會產生重大損失。

利率風險

利率的改變可能是突然且無法預期的並且受到包括：政府政策、貨幣政策、通貨膨脹預期、風險意識以及債券供需等許多因素的影響。在政府或中央銀行政策的變動包括：稅收政策的變動或是央行實施之具體政策目標的變動，其可能對利率有重大的影響。不能保證任何特定的政府或央行政策將會被繼續、中止或是改變，也無法保證任何此類政策對利率將得到希望的效果。一般而言，當市場利率上揚時，債券的價格傾向下滑，反之，利率下跌會促使其價格往上升。利率的上升也有引起投資人迅速賣出固定收益證券的潛在可能性。在利率的大幅上升也可能對債券流動性有不利衝擊，特別是到期日或存續期間較長的債券。長天期或存續期間或票面利率低或到期日前支付較少（或無）利息之證券對利率變動較具敏感性。

可轉換證券風險

可轉換證券通常是指持有人在特定期間後可以在特定的可轉換價格轉換成普通股之債權憑證、優先股或是其他支付利息或股利的證券。可轉換證券之價值可能受所連結標的股票市價漲跌的影響，或是像債券受利率以及發行機構信用品質的變動而價值不同。當所連結標的股票價格相對於轉換價格為高時（因為存在較多的證券價值得選擇做轉換），可轉換證券傾向表現得較像是股票，而當所連結標的股票價格相對於轉換價格為低時（因為選擇做轉換的價值較少），可轉換證券傾向表現得較像是債券。因為可轉換證券的價值會受到許多不同因素的影響，像是對利率變動就沒有像相似的非可轉換債券易受影響，而且通常比所連結標的股票較少有潛在獲利或虧損。

關於本基金的其他詳細資料及其政策與風險，可參閱基金的補充資料報告書。

基金補充資料報告書中亦提供有關本基金揭露投資組合的政策與程序。本基金的投資組合亦可於網站線上查詢：franklintempleton.com。

經理公司

坦伯頓全球顧問公司 (全球顧問) 是本基金的投資經理公司，地址是 Lyford Gay, Nassau, Bahamas。該公司與其關係企業所管理的資產截至 2020 年 11 月 30 日已超過美金一兆四千六百億元，並且自 1947 年起已從事於投資管理業務。

本基金是由專精於股權證券投資的專業團隊所管理，本基金的管理團隊成員如下：

克里斯多佛·皮爾(Christopher James Peel, CFA) 全球顧問之副總裁、投資組合經理人及研究分析師

皮爾先生自 2019 年起擔任本基金之主要經理人，自 2017 年起擔任本基金之經理人。他對本基金的投資承擔主要責任。對於本基金的投資組合的各方面決策，他具有最高決定權。上述決策包括 (但不限於) 個別證券的買賣、投資組合風險評估、以及依據預估的管理需求調整每日現金流量的平衡。他執行上述決策的程度以及這些職務的性質，可能隨時調整。他自 2007 年起加入富蘭克林坦伯頓基金集團。

赫博·阿奈特(Herbert J. Arnett, Jr.) 全球顧問之副總裁、投資組合經理人及研究分析師

阿奈特先生自 2017 年起擔任本基金之經理人，提供個別證券買賣與投資組合風險評估的研究與建議。他自 1996 年起加入富蘭克林坦伯頓基金集團。

彼得·摩斯特 (Peter M. Moeschter, CFA) 全球顧問之執行副總裁及投資組合經理人

摩斯特先生自 2019 年起擔任本基金之經理人，提供個別證券買賣與投資組合風險評估的研究與建議。他自 1997 年起加入富蘭克林坦伯頓基金集團。

華倫·普茲坦 (Warren Pustam, CFA) 全球顧問之副總裁及投資組合經理人

普茲坦先生自 2019 年起擔任本基金之經理人，提供個別證券買賣與投資組合風險評估的研究與建議。他自 2013 年起加入富蘭克林坦伯頓基金集團。

CFA®以及Chartered Financial Analyst®為特許財務分析師協會所擁有的商標。

本基金的補充資料報告書提供關於投資組合經理人之報酬的資訊、其所管理的其他帳戶、以及他自己在本基金的持股狀況。

本基金支付全球顧問本基金的經理費用。在 2020 年 8 月 31 日截止的會計年度，全球顧問同意調降其經理費用以反映本基金因投資於富蘭克林坦伯頓貨幣基金而縮減的服務項目。然而，這項費用調降少於本基金平均淨資產價值的 0.01%。此外，全球顧問已同意減免或限制其費用，並承擔基金本應支付的某些費用，讓各類別基金的共同費用(即經理費用和其他費用，但不包括不包括 12b-1 費用、已取得的費用)不超過 0.85%，而 R6 股不超過 0.03%，直到 2021 年 12 月 31 日。此減免前後的管理費分別為 0.69%和 0.63%。

與董事會核准本基金之投資顧問契約的相關討論，可以於 8 月 31 日截止的會計年度的年報中參閱。

多重經理公司架構

投資經理公司和本信託已獲得美國證券交易管理委員會所核發的豁免命令其允許本基金採用“多重經理公司”架構，投資經理公司可以任命和更換完全持有與非附屬的次經理公司，以及與次經理公司簽訂、修訂及終止次經理公司合約等事項，投資經理公司依照董事會的核准能夠進行前揭各個事項而無須取得股東的事前核准（“多重經理公司架構”）。不過，本基金在聘雇新次經理公司後的 90 天內將通知股東有關此變動事項。美國證券交易管理委員會豁免命令讓本基金有更高的彈性與效率避免本基金因為取得股東對該次經理公司合約核准所招致的費用和延遲。

有關本基金在多重經理公司架構的使用上需遵從美國證券交易管理委員會豁免命令中所提出的特定條件。在多重經理公司架構下，投資經理公司負有最終的責任，須依照本基金董事會的照管來監督次經理公司並且對其聘僱、解任與更換給予建議。投資經理公司於擬定本基金的整體投資策略；評估、挑選和推薦次經理公司來管理全部或一部分本基金資產；與合理地設計施程序以確保各個次經理公司遵守本基金的投資目標、政策和限制等，也將遵從本基金董事會的審查及核准。依照本基金董事會審查，投資經理公司將在次經理公司間配置並且適時重新配置本基金的資產，以及監督和評估次經理公司的績效。

配息與稅賦

所得及資本利得分配

作為一個受管轄投資公司，本基金通常無須為了它發放給您的收益與利得繳納聯邦收益稅。本基金預定至少每年自其淨投資收益發放一次收益配息。資本利得，若有的話，至少每年分配一次。本基金得較頻繁地發放股利收益與資本利得，若有需要的話，以便降低或是排除加諸於本基金的聯邦特許權稅或所得稅。每次的發放金額將有所變動，且不保證本基金每年皆會發放所得股利或資本利得股利。除非您選擇收取現金，否則您的收益配息與資本利得將以淨值(NAV)自動轉入再投資為增加的股份。

年度報表

在每年結束不久後，您將會收到一份來自本基金有關您前一年於本基金所獲配息所屬聯邦收益稅賦處理和任何應稅賣出或轉換所涉及之基金股份的稅賦資訊。如果碰到本基金在核發予您稅賦資訊後有必要重新歸類收益或是調整任何涉及賣出或轉換基金股份的成本基礎時，本基金將會寄給您一份更正稅賦資訊。於 12 月對記名股東所宣告的 12 月配息但是在 1 月份支付，將視為係在 12 月發放而須課稅。有關本基金年度配息的額外稅賦資訊得於網站上瀏覽：franklintempleton.com。

避免“購買股利”

當您購買基金股份時，本基金之淨資產價值可能會反應基金持有之投資組合證券之未分配收益、未分配資本利得或未實現投資組合價值增值。對於應課稅的投資人，即使該配息收入為投資報酬的一部分，您仍須為基金隨後的配息納稅。在本基金宣告發放股利前或資本利得分配前購買本基金股份，有時將被視為“購買股利”。

稅賦考量

假如您是應課稅的投資人，您在本基金所獲得的配息及資本利得，不管是轉入再投資購買追加的股份或是現金股利，通常會被課以一般所得稅率或者是資本利得稅率，或是兩者兼具。

股利收入

配息收益通常適用於一般所得稅率，而由本基金向股東報告為合格股利的配息收益，在符合特定持有期間要求下的個人投資者得以適用調降的長期資本利得稅率。資本返還的配息通常無須課稅，但是將降低您基金股份的成本基礎，並且當您日後賣出您的股份時，將導致較高的資本利得或是較低的資本損失。

資本利得

本基金短期資本利得的分配也將適用於一般所得稅率。不管您持有基金股份期間長短，長期資本利得的分配是以調降的長期資本利得稅率課稅。對於 2021 年應納稅收入不超過 40,400 美元的單身人士 (已婚人士申請聯合報稅的應納稅收入不超過 80,800 美元)，適用的長期資本利得稅率為 0%。對於應納稅收入超過這些數額但分別不多於 445,850 美元的單身人士或 501,600

美元的共同申報人，適用的長期資本利得稅率為 15%。單身人士應納稅收入超過 445,850 美元以及已婚人士共同申報的應納稅收入超過 501,600 美元的長期資本利得稅率為 20%。3.8%的醫療保險稅也可能被額外課徵，其討論如下所示。

基金股份銷售

當您出售本基金股份或是將原基金持股轉換到不同的富蘭克林坦伯頓旗下的基金持股時，您通常將認定應稅的資本利得或虧損。若您持有本基金股份超過一年以上，任何淨長期資本利得將適用於長期資本利得所調降的稅率。在同一支基金中一股份類別轉換到另一股份類別不屬於課稅範圍，這類交易亦無資本利得或是損失須要提出申報。

成本基礎申報

如果您在 2012 年 1 月 1 日當日或之後取得本基金股份，通常稱為“涉及股份”，並且在前揭日期之後賣出或轉換股份，則本基金通常須要每年向您以及美國國稅局報告成本基礎資訊。本基金將利用平均成本方法（本基金的“內定方法”）計算您的涉及股份之成本基礎，除非您聯絡本基金選用不同的方法，或是選擇在每次賣出或轉換之時特別指明您的股份。如果您的帳戶是持有於您的金融理財顧問或是其他的經紀商-經銷商，該公司可能選用不同的內定方法。在這些情況下，敬請與該公司連絡以取得您的帳戶之現有方法及選擇性的相關資訊。股東應小心謹慎地審閱由本基金所提供的成本基礎資訊，並且準備當申報這些金額的聯邦收益稅及州收益稅時所要求之任何的額外基礎、持有期間或是其他調整。有關成本基礎申報的額外資訊得於網站 franklintempleton.com/costbasis 查詢取得。

醫療保險稅。美國納稅個人、不動產以及信託的某些淨投資收益（包括從基金所收取的一般收益及資本利得分配以及來自贖回的淨利得或是其他基金股份的應稅資產處分）將額外課徵 3.8%的醫療保險稅，前揭適用於這些人的“計算調整後所得毛額（modified adjusted gross income）”（如果是個人）或是“調整後所得毛額（adjusted gross income）”（如果是不動產或信託）超過門檻金額者。對於此額外醫療保險稅的任何責任將就您的聯邦所得稅納稅申報表提出申報，並且將以其支付之。

代扣保留

如果股東提供不正確的納稅人身分號碼或是根本沒有提供該號碼，沒有恰當地申報利息或股利的款項而按美國國稅局行事須遵從代扣稅賦規定，沒有證明該股東無須遵從代扣稅賦規定，或是沒有證明該股東是美國人（包括美國居民），則股東在基金收益及資本利得的任何分配或是來自基金股份的出售或轉換的款項可能須遵從代扣稅賦的規定。代扣稅率目前為 24%。州代扣稅賦規定也可能適用之。

州稅、地方稅與外國稅賦

基金的一般收益和資本利得的分配與基金股份銷售所獲的利得通常須繳交州稅與地方稅。若本基金資格符合的話，可選擇將外國稅捐利益或是投資所支付的任何外國稅捐扣除額轉嫁給您。

非美國投資人

非美國投資人所獲基金一般配息收益可能適用 30%代扣稅或略低之稅率。非美國投資人在其股份的價值也可能適用美國房產稅。他們須提具特殊美國稅賦證明條件才適用於得以規避預扣代扣稅、主張任何代扣稅免除及主張任何協定利益等。本基金從銷售基金股份的已實現資本利得、長期淨資本利得所支付之資本利得配息、短期資本利得所支付短期資本利得配息，以及從其美國境內來源的合格淨利息收益等所支付之利息相關配息將得以免除美國代扣稅。然而，儘管得以就來源免除美國代扣稅，但是如果您不能合宜地證明您不是美國人時，將以 24%之稅率代扣任何這類股利、收益分配以及資本利得。

其他申報及代扣要求

在美國海外帳戶稅收遵循法案 (The Foreign Account Tax Compliance Act，簡稱 FATCA) 的意旨範圍內，款項支付予“外國金融機構 (a foreign financial institution)”股東或是“非金融外國法人 (a non-financial foreign entity)”股東，可能須在收益配息代扣 30%稅額。如外國金融機構提供基金(或在某些情況下，提供美國國稅局)需要的某些外國金融帳戶的所有權資訊或其他適當證明或文件以確認其 FATCA 身分狀態，則 FATCA 代扣稅通常得以被避免。本基金或將需要申報某些股東帳戶資訊給美國國稅局、非美國當地的稅務機關或其他第三人以遵循 FATCA。

其他稅賦資訊

在「配息與稅捐」章節中的討論只是一般資訊並非稅務建議。在投資本基金之前，您應該與您的稅務顧問諮詢您的特別狀況，以及任何有關聯邦稅、州稅、地方與外國稅賦結果。有關投資於本基金的稅賦結果之補充資訊得於本基金的補充資料報告書查詢。

財務重點

此表格呈現出基金在過去五年來或自其基金成立以來的財務績效表現。某些資料是反映在單一股份的財務成果。表格中的總報酬率是假設股利配息以及資本利得皆轉入再投資，投資人投資於此基金可能賺取或虧損的比率。此資料已經由美國會計師事務所 (PricewaterhouseCoopers LLP) 完成審核，此報告連同基金的財務報表，都收編在年報中，可供投資人索取。

A 股

年度底為 8 月 31 日

	2020	2019	2018	2017	2016
每單位股份操作績效 (針對持續全年流通在外之股份)					
期初淨資產價值	\$6.61	\$7.69	\$7.81	\$6.87	\$6.74
來自投資操作之收益 ^a ：					
淨投資收益 ^b	0.10	0.19	0.12	0.11	0.11
淨實現及未實現利得(損失)	(0.25)	(1.09)	(0.13)	0.96	0.11
來自投資操作之收益總額	(0.15)	(0.90)	(0.01)	1.07	0.22
扣除配息：					
來自淨投資收益	(0.24)	(0.18)	(0.11)	(0.13)	(0.09)
來自淨實現利得	—	—	—	—	(—) ^c
配息總額	(0.24)	(0.18)	(0.11)	(0.13)	(0.09)
期末淨資產價值	\$6.22	\$ 6.61	\$7.69	\$7.81	\$6.87
總報酬 ^d	(2.76%)	(11.73%)	(0.15)%	15.83%	3.46%
對應平均淨資產比率					
費用未扣除關係企業支付款項減免	1.19%	1.15%	1.16%	1.21%	1.22%
費用扣除關係企業支付款項減免	1.10%	1.08%	1.11% ^e	1.21% ^{e,f}	1.22% ^{e,f}
淨投資收益	1.55%	2.69%	1.54%	1.55%	1.66%
補充資料					
期末淨資產(000's)	\$1,766,365	\$ 2,395,260	\$2,929,181	\$3,287,394	\$3,644,336
投資組合資金週轉率(%)	42.37%	30.81%	23.01%	42.56%	22.89%

a. 視與基金所獲取的收益以及/或是基金投資市值的變動相關的基金股份出售與購回的時間點，於此期間內流通在外股份所顯示的金額可能與此期間的經營業績表所實現的金額無關聯。

b. 以每日平均流通在外股數為基礎。

c. 每股數額四捨五入到小於 0.01%

d. 總報酬並不反映銷售酬佣或是或有遞延銷售手續費 (如適用)。

e. 費用減少的利益四捨五入到小於 0.01%。

f. 關係企業減免款項的利益四捨五入到小於 0.01%

C 股

年度底為 8 月 31 日

	2020	2019	2018	2017	2016
每單位股份操作績效 (針對持續全年流通在外之股份)					
期初淨資產價值	\$ 6.54	\$7.49	\$7.60	\$6.69	\$6.56
來自投資操作之收益 ^a ：					
淨投資收益 ^b	0.05	0.12	0.06	0.05	0.06
淨實現及未實現利得(損失)	(0.25)	(1.05)	(0.12)	0.94	0.11
來自投資操作之收益總額	(0.20)	(0.93)	(0.06)	0.99	0.17
扣除配息：					
來自淨投資收益	(0.17)	(0.02)	(0.05)	(0.08)	(0.04)
來自淨實現利得	—	—	—	—	(—) ^c
配息總額	(0.17)	(0.02)	(0.05)	(0.08)	(0.04)
期末淨資產價值	\$ 6.17	\$6.54	\$7.49	\$7.60	\$6.69
總報酬 ^d	(3.42)%	(12.40)%	(0.79)%	14.92%	2.64%
對應平均淨資產比率					
費用未扣除關係企業支付款項減免	1.94%	1.90%	1.91%	1.96%	1.97%
費用扣除關係企業支付款項減免	1.85%	1.83%	1.86% ^e	1.96% ^{e,f}	1.97% ^{e,f}
淨投資收益	0.81%	1.94%	0.79%	0.80%	0.91%
補充資料					
期末淨資產(000's)	\$54,093	\$87,160	\$281,640	\$346,032	\$397,512
投資組合資金週轉率(%)	42.37%	30.81%	23.01%	42.56%	22.89%

- 視與基金所獲取的收益以及/或是基金投資市值的變動相關的基金股份出售與購回的時間點，於此期間內流通在外股份所顯示的金額可能與此期間的經營業績表所實現的金額無關聯。
- 以每日平均流通在外股數為基礎。
- 每股數額四捨五入到小於 0.01%
- 總報酬並不反映銷售酬佣或是或有遞延銷售手續費（如適用）。
- 費用減少的利益四捨五入到小於 0.01%。
- 關係企業減免款項的利益四捨五入到小於 0.01%

R 股

年度底為 8 月 31 日

	2020	2019	2018	2017	2016
每單位股份操作績效					
(針對持續全年流通在外之股份)					
期初淨資產價值	\$ 6.47	\$7.53	\$7.65	\$6.73	\$6.61
來自投資操作之收益 ^a ：					
淨投資收益 ^b	0.08	0.17	0.10	0.09	0.09
淨實現及未實現利得(損失)	(0.24)	(1.07)	(0.12)	0.94	0.10
來自投資操作之收益總額	(0.16)	(0.90)	(0.02)	1.03	0.19
扣除配息：					
來自淨投資收益	(0.23)	(0.16)	(0.10)	(0.11)	(0.07)
來自淨實現利得	—	—	—	—	(—) ^c
配息總額	(0.23)	(0.16)	(0.10)	(0.11)	(0.07)
期末淨資產價值	\$ 6.08	\$6.47	\$7.53	\$7.65	\$6.73
總報酬	(3.03%)	(11.96)%	(0.32%)	15.57%	3.10%
對應平均淨資產比率					
費用未扣除關係企業支付款項減免	1.44%	1.40%	1.41%	1.46%	1.47%
費用扣除關係企業支付款項減免	1.35%	1.33%	1.36% ^d	1.46% ^{d,e}	1.47% ^{d,e}
淨投資收益	1.33%	2.44%	1.29%	1.30%	1.41%
補充資料					
期末淨資產(000's)	\$ 109,187	\$127,546	\$148,638	\$153,516	\$159,802
投資組合資金週轉率(%)	42.37%	30.81%	23.01%	42.56%	22.89%

- a. 視與基金所獲取的收益以及/或是基金投資市值的變動相關的基金股份出售與購回的時間點，於此期間內流通在外股份所顯示的金額可能與此期間的經營業績表所實現的金額無關聯。
- b. 以每日平均流通在外股數為基礎。
- c. 每股數額四捨五入到小於 0.01%
- d. 費用減少的利益四捨五入到小於 0.01%。
- e. 關係企業減免款項的利益四捨五入到小於 0.01%

R6 股

年度底為 8 月 31 日

	2020	2019	2018	2017	2016
每單位股份操作績效 (針對持續全年流通在外之股份)					
期初淨資產價值	\$ 6.51	\$ 7.58	\$7.70	\$6.78	\$6.66
來自投資操作之收益 ^a ：					
淨投資收益 ^b	0.12	0.22	0.15	0.16	0.14
淨實現及未實現利得(損失)	(0.24)	(1.08)	(0.12)	0.93	0.11
來自投資操作之收益總額	(0.12)	(0.86)	0.03	1.09	0.25
扣除配息：					
來自淨投資收益	(0.27)	(0.21)	(0.15)	(0.17)	(0.13)
來自淨實現利得	—	—	—	—	(—) ^c
配息總額	(0.27)	(0.21)	(0.15)	(0.17)	(0.13)
期末淨資產價值	\$ 6.12	\$ 6.51	\$7.58	\$7.70	\$6.78
總報酬	(2.38)%	(11.34)%	0.24%	16.52%	3.92%
對應平均淨資產比率					
費用未扣除關係企業支付款項減免	0.79%	0.77%	0.73%	0.74%	0.72%
費用扣除關係企業支付款項減免	0.70%	0.68%	0.68% ^d	0.73% ^d	0.72% ^{d,e}
淨投資收益	1.96%	3.09%	1.97%	2.03%	2.16%
補充資料					
期末淨資產(000's)	\$ 594,452	\$ 906,474	\$1,496,328	\$1,757,902	\$880,092
投資組合資金週轉率(%)	42.37% ^f	30.81%	23.01%	42.56%	22.89%

- 視與基金所獲取的收益以及/或是基金投資市值的變動相關的基金股份出售與購回的時間點，於此期間內流通在外股份所顯示的金額可能與此期間的經營業績表所實現的金額無關聯。
- 以每日平均流通在外股數為基礎。
- 每股數額四捨五入到小於 0.01%
- 費用減少的利益四捨五入到小於 0.01%。
- 關係企業減免款項的利益四捨五入到小於 0.01%。
- 不包括因實物認購而收到的證券投資組合的價值

Advisor 股

年度底為 8 月 31 日

	2020	2019	2018	2017	2016
每單位股份操作績效 (針對持續全年流通在外之股份)					
期初淨資產價值	\$ 6.51	\$ 7.58	\$ 7.70	\$6.78	\$6.66
來自投資操作之收益 ^a ：					
淨投資收益 ^b	0.11	0.20	0.14	0.13	0.12
淨實現及未實現利得(損失)	(0.24)	(1.07)	(0.12)	0.94	0.11
來自投資操作之收益總額	(0.13)	(0.87)	0.02	1.07	0.23
扣除配息：					
來自淨投資收益	(0.26)	(0.20)	(0.14)	(0.15)	(0.11)
來自淨實現利得	—	—	—	—	(—) ^c
配息總額	(0.26)	(0.20)	(0.14)	(0.15)	(0.11)
期末淨資產價值	\$ 6.12	\$ 6.51	\$ 7.58	\$7.70	\$6.78
總報酬	(2.57)%	(11.53)%	0.16%	16.10%	3.65%
對應平均淨資產比率					
費用未扣除關係企業支付款項減免	0.94%	0.90%	0.91%	0.96%	0.97%
費用扣除關係企業支付款項減免	0.85%	0.83%	0.86% ^d	0.96% ^{d,e}	0.97% ^{d,e}
淨投資收益	1.79%	2.94%	1.79%	1.80%	1.91%
補充資料					
期末淨資產(000's)	\$ 857,179	\$ 857,482	\$ 1,627,827	\$1,717,937	\$1,125,431
投資組合資金週轉率(%)	42.37%	30.81%	23.01%	42.56%	22.89%

- 視與基金所獲取的收益以及/或是基金投資市值的變動相關的基金股份出售與購回的時間點，於此期間內流通在外股份所顯示的金額可能與此期間的經營業績表所實現的金額無關聯。
- 以每日平均流通在外股數為基礎。
- 每股數額四捨五入到小於 0.01%
- 費用減少的利益四捨五入到小於 0.01%。
- 關係企業減免款項的利益四捨五入到小於 0.01%

您的帳戶

選擇股份類別

每一股份類別皆有其個別的銷售手續費以及費用結構，方便您針對所需來選擇合適的類別。特定金融中介機構可能不提供某些股份類別。您的金融中介機構或投資代表(理財顧問)能夠協助您決定對您最合適的股份類別。只有在投資紀錄上指定投資代表（理財顧問）的投資人可以選擇 C 股或 R 股購買。未指定理財顧問但已持有 C 股或 R 股之既有投資人，不能再追加 C 股或 R 股的投資，但可以在其他有 C 股或 R 股之富蘭克林坦伯頓基金間進行轉換。配息及資本利得配息再投資可以繼續投資在現存的 C 股或 R 股的基金帳戶之下。雇主贊助退休金計劃不適用此項規定。

A 股	C 股	R 股	R6 股	Advisor 股
5.50%或少於 5.50%的首次銷售手續費。	沒有首次銷售手續費。	沒有首次銷售手續費。	請參閱提供“合格投資人—R6 股”的說明。	請參閱提供“合格投資人—Advisor 股”的說明。
在十八個月之內出售高於或等於美金一百萬元，將加收 1%的遞延銷售手續費。	在十二個月之內出售您的基金持股，將加收 1%的遞延銷售手續費。	不收取任何的遞延銷售手續費。		
由於較低的配銷費用，A 股的年度費用較 C 股或 R 股為低。	由於較高的配銷費用，C 股的年度費用較 A 股為高。約 10 年後將自動轉換成 A 股，減少未來的年度費用。	由於較高的配銷費用，R 股的年度費用較 A 股為高（低於 C 股）。不會轉換至 A 股，所以年度費用不會減少。		

A, C & R 股

提供特定銷售手續費免除及折扣可能取決於您直接從本基金或透過金融中介機構申購您的基金股份。不同的金融中介機構可能會酌收不同的銷售手續費（包括可能的銷售手續費扣抵或減免）其費用列示於下表。有關金融中介機構提供特定銷售手續費之變動，請參閱公開說明書附錄 A 中所描述，標題為“金融中介機構銷售手續費折扣及免除”。附錄 A 得併入公開說明書參考（係本公開說明書合法上的一部分）。

在所有情況下，申購者有責任於申購時，若有符合銷售手續費用免除或折扣之任何關係或其他事實時，通知本基金或申購者的金融中介機構。如透過特定中介機構不能享有免除或折扣，股東必須直接從本基金或透過其他中介機構申購本基金股份，以享有此免除或折扣。

銷售手續費 - A 股		
您的投資金額	佔賣價之銷售手續費百分比 ¹	等於佔淨投資額的百分比 ¹
低於美金五萬元	5.50	5.82
美金五萬元但低於美金十萬元	4.50	4.71
美金十萬元但低於美金二十五萬元	3.50	3.63
美金二十五萬元但低於美金五十萬元	2.50	2.56
美金五十萬元但低於美金一百萬元	2.00	2.04
美金一百萬元或超過	0.00	0.00

¹ 銷售手續費的收費金額是基金單位的賣價 (適用銷售手續費的要件如上表所示) 與基金單位淨資產價值之間的差價。因為賣價採標準進位計算至小數點第二位，股份購買的數目與由賣價百分比而得的銷售手續費金額以及您的淨投資額可能因進位或退位而有高低出入。

銷售手續費扣抵及免除

數量折扣

我們提供兩種方法使您可以結合您現有的 A 股基金股份申購數量以及其他現有的富蘭克林坦伯頓基金持股，使您現有的申購數量能夠適用於較低的銷售手續費。當您持有的基金股份達到某個「銷售手續費突破點」時，您將能夠適用較低的銷售手續費。您也可以免費在網站上查詢這項資訊：franklintempleton.com/quantity-discounts。

您也可以前往 franklintempleton.com 的網站中，點選“Products & Planning”後再“Fund Resources”項下點選“Quantity Discounts for Class A Shares”，即可連結到上述網頁。

1. **累積數量折扣**—合併您現有的富蘭克林坦伯頓基金股份 (稱為可享折扣優惠之累積數量股份) 與您目前申購的 A 股基金股份，來決定您是否具有銷售手續費突破點的資格。

合格累積數量折扣股份為富蘭克林坦伯頓基金股份註冊於 (或是經由金融中介機構所持有於)：

- 您個人名下；
- 您的“家庭成員”定義是以由適用的州法所認可之您的配偶或是國內合夥人，以及您的年紀小於 21 歲的子女；
- 您與一位或多位家庭成員聯名持有；
- 您與其他人士 (非家庭成員) 聯名持有，且該位人士並未將聯名持有之基金股份列入其個人投資之富蘭克林坦伯頓基金股份的可享折扣優惠之累積數量股份之內；
- 在 Coverdell 教育儲蓄帳戶，您或家庭成員為指定負責人；
- 在您的 IRA (包含 Roth IRA 或雇主贊助的 IRA：例如 SIMPLE IRA) 或您涵蓋 403(b) 計畫的非 ERISA 的受託人或保管機構，前提是基金股份是登記/紀錄在您的或家庭成員的社會安全號碼下；
- 您或家庭成員具有對 529 大專儲蓄計畫帳戶的投資處理與監控權；
- 任何您或家庭成員具有獨立或與人共享的帳戶投資處理與監控主要職權的實體 (例如：您或家庭成員是 UGMA/UTMA 兒童帳戶的保管人，您或家庭成員是信託的受託人，您 (或家庭成員) 是您 (或家庭成員) 的獨資事業的商業帳戶 (但不包括退休計畫) 的被授權帳戶簽署人)；

- 由您或家庭成員為讓與人而設立之信託。

由雇主贊助退休基金計畫的管理人或受託人/保管機構 (例如：401(K)計畫) 所持有之富蘭克林坦伯頓基金股份不能計入累積數量折扣優惠。

由多種雇主贊助退休基金計畫所持有富蘭克林坦伯頓基金股份，若是該等計畫是由同一雇主所贊助，則得以結合所持有的基金股份以計入「銷售手續費突破點」。

若您認為你有可享折扣優惠之累積數量股份得以合併到您的目前申購量，且可達到「銷售手續費突破點」時 (例如：股份由不同的經紀商-經銷商帳戶、銀行或是投資顧問所持有之帳戶)，您有責任在申購時 (包括未來作任何申購時) 特別向您的理財顧問指明這些股份。您可能須要向您的理財顧問提供投資於富蘭克林坦伯頓基金的所有相關帳戶之資訊及紀錄 (包括帳戶報表)。若您對您所關聯的富蘭克林坦伯頓基金股份沒有指定理財顧問，您有責任在申購時特別向基金股務代理機構指明這些可享折扣優惠之累積數量股份。

若您有可享折扣優惠之累積數量股份得以併入您的目前申購，但您卻未在任何申購之時告知您的理財顧問或是富蘭克林坦伯頓基金的股務代理機構，您將不能獲取可得之銷售手續費折扣的優惠，因為您的理財顧問以及本基金通常沒有該等資訊。

可享折扣優惠之累積數量股份的價值等同於這些股份的成本或現值中較高者。股份現值是由您申購前的基金股份數目乘上申購當日的公開發行價格而定之。股份的成本是在您申購前的可享折扣優惠之累積數量股份之加總金額 (包括再投資的股利和資本利得，但不包括資本增值)，減去任何贖回。因為您的目前理財顧問或是富蘭克林坦伯頓基金可能沒有或是維持這些資訊，因此您有責任去留存足以證實歷來股份成本的任何紀錄。

“雇主贊助退休基金計畫”是一種合格退休計畫，ERISA 涵蓋了 403 (b) 與特定的以類似於合格退休計畫方式運作的非合格遞延補償規畫，例如 457 計畫與執行遞延補償規畫等，但並不包含雇主贊助 IRAs。“合格退休計畫”是一種雇主贊助且符合內部盈餘法規之 401 (a) 條款，包括 401 (K) 條款 (包含退休金、利益分享與福利計畫) 規定的退休或利益分享計畫。

2. 意向同意書(LOI)—若您表明您同意在 13 個月的期間內，陸續購買“可享折扣優惠之累積數量股份”(“累計數量折扣”之定義如以上段落所述) 達所載明的投資金額，即可獲得相同於一次大額購買所適用的銷售手續費；然而，依據再投資的權利、持股的增值及再投資股利和資本利得所進行的申購，不計入意向同意書期間之申購中。我們將預留您想要申購之總額的 5% 的 A 股註冊於您名下，直到您達成意向同意書所載投資金額，它將用來備抵當您無法履行意向同意書所載投資金額時所須追加的銷售手續費。當您認為您有充分的合格累積數量股份得以達成意向同意書所載投資金額時，您有責任告知您的理財顧問。在意向同意書開始日之前，您的可享折扣優惠之累積數量股份(“累計數量折扣”之計算如以上段落所述) 的價值，可計入您的意向同意書中。然而，可享折扣優惠之累積數量股份的成本價值，只能在意向同意書開始日的 18 個月內進行股份申購彙總。

若您對您所關聯的富蘭克林坦伯頓基金股份沒有指定理財顧問，而當您認為您有充分的合格累積數量股份得以達成意向同意書所載投資金額時，您有責任告知基金的股務代理機構。關於更多意向同意書的細節，可參閱本基金的補充資料報告書。

您只須在帳戶申請書中就適用之項目填妥，就可立即簽字參加這些方案。

富蘭克林坦伯頓基金包含所有富蘭克林坦伯頓基金集團於美國註冊之共同基金。他們未包含在富蘭克林坦伯頓變額保險產品信託的基金在內。

銷售手續費免除

某些特定投資人購買 A 股，可無須支付首次銷售手續費或是或有遞延銷售手續費 (CDSC)。如果您要索取關於銷售手續費免除的現有資訊，請致電您的投資代表或是請撥投資人服務熱線(800) 632-2301。

特定投資人的銷售手續費免除。下列投資人或投資情形基於在銷售成果及費用的可預期經濟規模，而符合購買 A 股無須支付首次銷售手續費或是或有遞延銷售手續費 (CDSC)，其包括：

- 與富蘭克林坦伯頓承銷公司已執行銷售合約證券交易商及其關係企業的現任員工及其眷屬，依其雇主所允許之內部政策。
- 由富蘭克林公司的子公司依據：(1) 顧問契約（包含附屬顧問契約）、及/或 (2) 作為贈與或遺囑信託之受託人所管理的資產。
- 提供予退休計劃的團體年金分離帳戶。
- 由銀行、信託公司或互助儲蓄銀行擔任具有投資決定權之受託人的購買。
- 顧問費用方案。由投資人所取得之股份（相關於）投資人與註冊中介-經紀商或投資顧問、信託公司、銀行或其他金融中介機構（簡稱為方案發起者）之間所簽訂的綜合費用或其他顧問費用合約，其為投資人支付該方案發起者提供投資顧問服務的費用，而方案發起者或是中介-經紀商則透過投資人所取得之股份而與承銷商簽訂基金股份銷售授權合約。沒有首次投資金額的限制。
- 與富蘭克林坦伯頓承銷公司已簽訂合約並且已被富蘭克林坦伯頓承銷公司核准可透過網路、平台，或自行投資經紀帳戶提供基金股份的金融中介機構分銷商得向其顧客收取交易費或其他費用。
- 股東直接從本基金直接購買，而不是透過任何金融中介機構（如經銷商，即為經紀人）。
- C 股股東依 C 股之轉換功能，其股份於持有 10 年後轉換為 A 股股份。

退休計劃。請告知富蘭克林坦伯頓投資人服務以下得取得 A 股淨值：

- 雇主贊助退休計劃（簡稱為“計劃”或“一個計劃”）其透過帳務紀錄維護平台或是第三方退休平台進行投資；或
- 投資人申購股份的款項係來自以 Fiduciary Trust International of the South (FTIOS) 為保管

機構的個人退休帳戶。

美金一百萬及以上的投資

假如您的投資金額超過美金一百萬以上，不管是單次總額或是透過我們的累積數量折扣亦或是意向同意書(LOI)方案，您都可以購買 A 股而無須支付首次銷售手續費。然而，在十八個月之內出售任何您的基金持股，將收取 1% 的或有遞延銷售手續費(CDSC)。每類型股份的或有遞延銷售手續費之計算方式皆相同 (請詳參或有遞延銷售手續費—A, C 股資料)。

配銷及服務 (12b-1) 費用

A 股採用配銷方案，有時稱之為 12b-1 方案，即允許本基金每年支付不超過 0.25% 的配銷費用或其他費用給參與銷售和配銷 A 股以及提供其他服務給股份持有者之單位。因為在持續進行的基礎上，這些費用的支付是來自 A 股的資產，經年累月下勢必會增加您的投資成本，而且可能比其他型態的銷售手續費支付更多。

我們以十二個月期間計算這些費用的金額，其可能不同於本基金的會計年度。因此，由於時間選擇的不同，在本基金費用表格所顯示的金額 (其係基於本基金的會計年度) 可能不同於 12b-1 方案所載金額，不過其從未超過以十二個月衡量期間的 12b-1 方案所載金額。

銷售手續費 - C 股
銷售手續費 - C 股，無首次銷售手續費。

我們將等於或高於 US\$1,000,000 的金額下單到 A 股，因為 A 股的年度費用較低。

或有遞延銷售手續費

在十二個月之內售出任何您的 C 股基金持股，將收取 1% 的或有遞延銷售手續費。每類型股份的或有遞延銷售手續費之計算方式皆相同 (請詳參“或有遞延銷售手續費—A & C 股資料”)。

配銷及服務 (12b-1) 費用

C 股採用配銷方案，有時稱之為 12b-1 方案，即允許本基金每年支付不超過 1% 的配銷費用或其他費用給參與銷售和配銷 C 股以及提供其他服務給股份持有者之單位。因為在持續進行的基礎上，這些費用的支付是來自 C 股的資產，經年累月下勢必會增加您的投資成本，而且可能比其他型態的銷售手續費支付更多。

C 股持有 10 年後自動轉換為 A 股

C 股的轉換功能提供 C 股於持有 10 年或以上將自動轉換為 A 股，並且將不再適用 C 股的 12b-1 費用之規定 (但是將依循 A 股的 12b-1 費用之規定，若有的話) (“轉換功能”)。本基金之 C

股於申購日 10 週年之後，將以月為基準，於當月或次月，自動轉換成 A 股。每月轉換日期通常發生在每月中旬左右，一般在星期五。

轉換功能條款

本基金的 C 股將自動轉換為 A 股，轉換的基礎是依據二個類股之相對淨資產價值。依據轉換功能將 C 股轉換至 A 股，股東將不需支付申購手續費，包括或有遞延銷售手續費。本基金的 C 股在持有 10 年後自動轉換為 A 股，預計不會成為聯邦所得稅目的之應稅事件。股東應向稅務顧問諮詢有關此轉換之州及當地稅務影響。

如果您持有同一基金的 C 股和 A1 股，請您注意，在持有 10 年之後，您的 C 股將自動轉換成基金的 A 股（不是 A1 股），並依循 A 股 12b-1 費用的規定。在某些情況下，您可以要求將轉換後獲取的 A 股換至您既有的 A1 股帳戶；但是，並非所有中介機構都能夠接受這種轉換交易。請向您的金融中介機構諮詢以獲得更多資訊。

如果您之前已持有本基金的 C 股或是任何富蘭克林坦伯頓基金的 C1 股之後被合併或轉換到本基金，則您持有這些股份的時間計入自動轉換為 A 股的 10 年期限。透過自動再投資股利或配息所獲得之本基金 C 股（或 C1 股）將於轉換日自動轉換成 A 股，依照非透過再投資股利或配息所獲得之 C 股比重轉換。

透過金融中介機構在綜合帳戶中持有的 C 股將被轉換為 A 股，若中介機構能證明股東已符合所規定的持有期限。在特定情況下，當股份投資透過退休計劃、綜合帳戶及其他特定狀況，本基金及其代理機構可能不具透明度以說明股東持有 C 股（或 C1 股）的期間，而決定該 C 股是否能夠自動轉換至 A 股，金融中介機構可能無法追蹤個別股東之購買持有期間。這主要發生當股份透過某些記錄保管員投資於集體退休計劃時，金融中介機構無法追蹤股份的參與年限。在這些情況下，本基金將無法如上所述自動轉換 C 股至 A 股。為了確定這些轉換的資格，股東或其金融中介機構有責任通知本基金，股東有資格將 C 股轉換成 A 股，並且股東或其金融中介機構可能需要維持並向本基金提供證明其持有 C 股（以及，若適用，C1 股）期限的記錄。保存記錄並確認股東已持有適當的期間是金融中介機構（非本基金）的責任。請向您的金融中介機構諮詢您的股份是否有此轉換的資格。

自 2018 年 10 月 5 日生效，新帳戶或新計劃也可能不具資格購買本基金的 C 股，若已確定中介機構無法追蹤股東的持有期間以確認是否股東所持有的 C 股有資格轉換至 A 股。於 2018 年 10 月 5 日或之前參與帳戶或計劃（及其後繼者，相關和關係的計劃）而持有本基金 C 股（或 C1 股），這些股份得持續開放帳戶予新參與者並且既有參與者帳戶可申購額外股份。本基金不負責監查、監控或實施金融中介機構確認股東是否符合轉換所需的持有期限的程序。

金融中介機構得協助以及/或控管帳戶、計劃或平台，推行不同轉換時程或轉換 C 股成 A 股的

不同資格要求。在這些情況下，C 股股東可能會根據金融中介機構的政策將其轉換為 A 股，且該轉換可以被建構成對同一基金的 C 股對 A 股股份交換。在這些情況下，金融中介機構將負責進行這種交換。請諮詢您的金融中介機構，假如您對您的股份從 C 股轉換為 A 股有任何疑問。

銷售手續費 - R 股
銷售手續費 - R 股，無首次銷售手續費。

退休計劃

對以下的投資人，R 股有現成的配套措施：

- 雇主贊助退休金計劃
- 以直接投資或是以分離帳戶經營之健康償還帳戶及健康儲蓄帳戶
- 已經承銷公司核准的金融中介機構平台的 IRAs
- 已經承銷公司核准之非 ERISA403(b)計劃當直接從基金或通路商認可的平台購買時
- 透過已經承銷公司核准之金融中介機構的特定其他退休帳戶

額

配銷及服務 (12b-1) 費用

R 股採用配銷方案，有時稱之為 12b-1 方案，此允許本基金每年可支付不超過 0.50% 的配銷費用或其他費用給參與銷售和配銷 R 股以及提供其他服務給股份持有者之單位。因為在持續進行的基礎上，這些費用的支付是來自 R 股的資產，經年累月下勢必會增加您的投資成本，而且可能比其他型態的銷售手續費支付更多。

或有遞延銷售手續費—A & C 股

每類型股份的或有遞延銷售手續費是比較股份銷售時的現值和股份購買時的淨值何者為低，來做計算基礎。當您的配息或收益轉入再投資時，則無須支付任何或有遞延銷售手續費。

為了儘可能降低您的或有遞延銷售手續費，我們會在您每次下銷售指令時，優先賣出您帳戶內無須支付或有遞延銷售手續費的股份。如果無足夠的股份可迎合您的要求，我們會按照先進先出的方式來銷售股份。在您做基金轉換時，我們亦會採用相同的方式（請詳參“基金轉換”資料）。

或有遞延銷售手續費的持有期間開始於您購買股份的那天。您的股份在下個月的同一日期將計算持有一個月，以此類推。舉例來說，如果您在某月 18 日購買股份，則在下個月的 18 日即持有股份一個月，在下下個月的 18 日即持有股份二個月，以此類推。

重新投資之優惠*

若您賣出富蘭克林坦伯頓基金之任何股份類別，您得將全部或部分的賣出所得款項於賣出後 90 天內重新投資於相同股份類別（或等同的股份類別，如您贖回的股份類別，已不開放給新投資人申購）而無須支付首次銷售手續費。如果在投資當時您的股份已直接跟本基金的股務代理機構註冊：若是帳戶持股紀錄沒有指定投資代表，則 C 股或 R 股將被轉入再投資在 A 股；以及，來自 Z 股的早期賣出收益也得被轉入再投資在 A 股。如果帳戶持有人不再持有 A1 類股內的投資，則從基金出售 A1 類股所得的收益也必須重新投資於 A 類股票。

此重新投資的優惠不適用於：(i) 定期定額投資方式，例如透過銀行帳戶定期扣款申購、或是 (ii) 基金申購款來自於非富蘭克林坦伯頓之個人或雇主贊助之 IRA 計畫的雇主贊助退休計畫所間接持有的富蘭克林坦伯頓基金股份。

您必須在您投資時通知您的投資代表或是本基金的股務代理機構有關此優惠，以便善用此重新投資之優惠。

基本上，假如您賣出您的 A 股或 C 股並支付了或有遞延銷售手續費，富蘭克林坦伯頓承銷公司會將您在 90 天之內就出售金額轉入再投資部分所支付的或有遞延銷售手續費經由增加到轉入再投資金額的方式退回您的帳戶。對於 A 股有得以被退回之或有遞延銷售手續費轉入再投資時，則將適用新的或有遞延銷售手續費且將重新開始計算或有遞延銷售手續費持有期間。對於 C 股有得以被退回之或有遞延銷售手續費轉入再投資在 A 股時，您在新配發 A 股將不會收到得以被退回之或有遞延銷售手續費，而且您的投資將不用支付任何或有遞延銷售手續費。

合格投資人 – R6 股

下列投資人符合申購本基金之 R6 股份：

- 雇主贊助退休計劃的計畫級別或是綜合帳戶係持有於富蘭克林坦伯頓投資人服務 (Franklin Templeton Investor Services) 的名冊。
- 當捐贈資產；基金會；地方縣市州政府機構；公司；公司化的非營利組織以及保險公司（合稱為“機構投資人”）直接購買基金時，機構投資人的最低首次投資金額為每檔基金美金一百萬元。
- 無關聯之美國註冊共同基金，包括以組合基金形式運作之基金。
- 其他富蘭克林坦伯頓基金以及富蘭克林坦伯頓投資經理公司提供顧問或輔助顧問服務的基金。
- 執行銷售契約附錄的金融中介機構，承認其僅代理其客戶進行 R6 股之交易。
- 顧問費用方案。由投資人所取得之股份（相對於）投資人與註冊中介-經紀商或投資顧問、信託公司、銀行或其他金融中介機構（簡稱為方案發起者）之間所簽訂的綜合費用或其他顧問費用合約，其為投資人支付該方案發起者提供投資顧問服務的費用，而方案發起者或是中介-經紀商則透過投資人所取得之股份而與承銷公司簽訂基金股份銷售授權合約。沒有首次投資金額的限制。
- 在計劃層級內的健康儲蓄帳戶 (HSAs) 或在富蘭克林坦伯頓投資服務公司帳簿上已持有之綜合帳戶。

合格投資人 – Advisor 股

下列投資人或投資資產可能符合申購本基金之 Advisor 股份的資格：

- 顧問費用方案。由投資人所取得之股份(相關於)投資人與註冊中介-經紀商或投資顧問、信託公司、銀行或其他金融中介機構(簡稱為方案發起者)之間所簽訂的綜合費用或其他顧問費用合約，其為投資人支付該方案發起者提供投資顧問服務的費用，而方案發起者或是中介-經紀商則透過投資人所取得之股份而與承銷商簽訂基金股份銷售授權合約。沒有首次投資金額的限制。
- 當直接購買本基金時，符合美國內部收益法規第 501 條所規定之資格的政府、市政府、及免稅實體。
- 與富蘭克林坦伯頓承銷公司已執行銷售合約的證券交易商及其關係企業的現任員工及其眷屬，依其雇主所允許之內部政策。
- 富蘭克林坦伯頓基金集團及富蘭克林坦伯頓基金之現任或前任的主管、受託人、董事、全職員工(及其個別個案之眷屬)，與我們的現行政策一致。最低首次投資金額為美金一千元(若為自動投資計劃則為美金二十五元)。
- 由富蘭克林公司的子公司依據：(1) 顧問契約(包含附屬顧問契約)、及/或(2) 作為贈與或遺囑信託之受託人所管理的資產。
- 雇主贊助退休計劃(簡稱為“計劃”或“一個計劃”)其透過帳務紀錄維護平台或是第三方退休平台進行投資。
- 雇主贊助退休計劃其總計劃資產金額達到或超過美金一百萬元直接投資於富蘭克林坦伯頓基金。
- 由銀行、信託公司或互助儲蓄銀行擔任具有投資決定權之受託人的購買。
- 作為依據美國內部收益法規第 529 條規定的合格學費計劃之一部份而成立的任何信託或計劃。
- 與富蘭克林法人機構公司(Franklin Templeton Institutional, LLC，簡稱為 FTI, LLC)的現有客戶有關的個人或實體，但須 FTI, LLC 已諮詢其客戶並同意。
- 無關聯之美國註冊共同基金，包括以組合式基金形式運作之基金。
- 持有之帳戶資產係依據投資顧問公司的推介所提供：(1) 資產持有於與投資顧問公司之無關聯的公司、(2) 投資顧問公司與其客戶係按照聘用訂金或是其他類似費用安排、(3) 客戶為非個人客戶、及(4) 富蘭克林公司的子公司同意該投資。
- 與富蘭克林坦伯頓承銷公司已簽訂合約並且已被富蘭克林坦伯頓承銷公司核准可透過網路、平台，或是自行投資經紀帳戶提供基金股份的金融中介機構分銷商得向其顧客收取交易費或其他費用。最低首次投資金額為美金十萬元，除非另經分銷商豁免。

同一基金之股份轉換豁免

於金融中介機構轉換同一基金股份。以下所述為同一基金股份之間的轉換，通常為免稅，其為聯邦所得稅目的。您應諮詢您的稅務顧問，以瞭解此類基金股份轉換在州稅及地方稅之相關訊息。此轉換權利將被終止且可能不定時修改。

符合 Advisor 股份或 Z 股份之顧問諮詢計劃資格。藉由參與由金融中介機構(“諮詢計劃”)主辦及/或控制的特定計劃申購 A 股份及 C 股份，在某些情況下可能由金融中介機構代表股

東，於同一基金轉換為 Advisor 股份，包括有顧問諮詢計劃資格可申購該基金的 Advisor 股份。如果持有 Advisor 股份的股東不再參與諮詢計劃，則在某些情況下，股東持有的 Advisor 股份可由金融中介代表股東交換為同一基金的 A 股。在這種情況下，股東將適用先前未適用的 12b-1 費用規定。所有此類交換都是由金融中介機構發起而非基金，基金沒有關於此類交易的資訊或管理。此轉換將以每一股份之“每股淨資產價值”為基礎，不酌收任何銷售手續費或其他費用。除非另有同意，否則任何轉換至 A 股份和 C 股份都須支付 CDSC 費用。

於金融中介機構轉換 C 股份至 A 股份。透過附錄 A 之特定金融中介機構申購 C 股份，在某些情況下，可以由金融中介機構代表股東進行轉換至同一基金的 A 股份。這種轉換將以每一股份之“每股淨資產價值”為基礎，不酌收任何銷售手續費或其他費用。

購買股份

最低投資金額 - A, C & R 股

	首次投資
一般帳戶, UGMA/UTMA 帳戶, 目前與以前的富蘭克林坦伯頓基金集團所屬機構的全職員工, 高階主管, 受託人, 和董事等, 及其家庭成員	US\$1,000
自動投資計畫	US\$25
雇主贊助退休計畫, SIMPLE-IRAs, SEP-IRAs, SARSEPs 或 403(b)計畫帳戶	無最低金額限制
IRAs, IRA 孳息, Coverdell 教育定期定額計畫, 或 Roth IRAs	US\$250
經紀商-代理商資助配套帳戶方案	無最低金額限制

金融中介機構可能會規定與上述最低投資額不同的最低投資額。本基金對金融中介機構規定的任何最低投資額或將其變更通知股東均不負責。有關某些特定於中介機構的最低投資額的更多資訊, 請參見附錄 A。如果對金融中介有任何疑問, 請諮詢您的金融中介。

請注意您只能購買 (包括轉換交易的申購端) 合乎您所屬的州以及轄區的法令規定之基金股份。本基金及其他的富蘭克林坦伯頓基金是計畫對美國居民推展銷售業務, 除了非常有限的例外情形, 並沒有在其他的管轄範圍內註冊或是提供銷售業務。

尤其, 本基金沒有在加拿大任何省分或區域之管轄範圍內註冊, 因此本基金股份尚未符合在加拿大任何管轄區域內銷售。本公開說明書所提供之股份不得在加拿大任何省分或區域之管轄範圍內或是為其居民的利益而被直接或間接提供或銷售。未來的投資人可能被要求須表明其非為加拿大居民, 並且沒有代表任何加拿大居民來獲取股份。同樣地, 本基金沒有在歐盟或是歐洲經濟區的任何會員國家註冊, 因此本基金股份尚未符合在前揭任何國家內被直接或間接提供或銷售。如果投資人在購買股份之後變成加拿大、歐盟或是歐洲經濟區居民, 則該投資人將無法再追加申購本基金的任何股份 (除了配息及資本利得的轉入再投資) 或是轉換本基金股份到其他美國註冊的富蘭克林坦伯頓基金。

帳戶申請

如果您打算開立新帳戶, 請填妥所附的開戶申請書以及簽署您的大名。確認好您已選擇的基金股份種類。若您未加指示, 我們會以投資 A 股來做處理。為了節省時間, 您只須在開戶申請書中適當的部分填好所需要的服務項目, 就可立即簽字參加投資 (請參詳有關投資人服務)。舉例說明: 若您希望將您的銀行帳戶連結到您的基金帳戶, 以便透過您的銀行電匯處理您的基金買賣, 請填具開戶申請書中的銀行資料部分。我們會建檔您的銀行資料以處理未來的申購以及贖回。我們不接受現金、信用卡扣帳、預付簽帳卡、非銀行匯款、旅行支票或是開立外國銀行支票, 做為購買基金股份價金之支付方式。

購買股份

	開戶	增加帳戶投資金額
經由您的投資代表	聯繫您的投資代表	聯繫您的投資代表
透過電話/網路 (800) 632-2301	若您的其他富蘭克林坦伯頓基金帳	在透過電話或網路連結進行追加

franklintempleton.com 注意：某些帳戶形式並沒有提供線上帳戶機制。	號以及銀行資料已被建檔時，您可以透過電話開立新的同一註冊帳戶。 為了確保當日得以進行投資，您的電話指令必須在美西時間下午一點之前或紐約證券交易所正常排定的收盤前(以較早者為準)被我們收到並接受。您可以在網站：franklintempleton.com 開立特定新帳戶。	投資金額到現有的帳戶前，請確認我們已有您的銀行檔案資料。若我們無此資料，您將必須傳送您的銀行名稱及地址之書面指示、一張作廢的支票或儲蓄帳戶存款條。所有銀行及基金帳戶持有人必須簽署請求。若銀行及基金帳戶並無至少一位共同持有人，則每個所有人也必須有其簽名保證。 為了確保當日得以進行投資，您的電話或網路指令必須在美西時間下午一點之前或紐約證券交易所正常排定的收盤前(以較早者為準)被我們收到並接受。
透過郵件	請開立支票，填具支票受益人為本基金。 將支票連同您已完成簽名的開戶申請書一併寄到投資人服務處。	請開立支票，填具支票受益人為本基金並在支票上載明您的帳號。 取出您的帳戶報告書裡的存款條填妥之。若您沒有存款條，請附上一份載有您的姓名、基金名稱、以及您的帳號的便條。 將支票連同存款條或是上述便條一併寄到投資人服務處。
透過電匯 (800) 632-2301 (或(650) 312-2000 付費電話)	來電索取電匯控制號碼以及匯款指示。 辦理電匯匯款並將您已完成簽名的開戶申請書寄到投資人服務處。在申請表格上，請註記上您的電匯控制號碼或是您的新的帳號。 為了確保當日得以進行投資，您的匯款必須在美西時間下午一點之前或紐約證券交易所正常排定的收盤前(以較早者為準)被我們收到並接受。	來電索取電匯控制號碼以及匯款指示。 為了確保當日得以進行投資，您的匯款必須在美西時間下午一點之前或紐約證券交易所正常排定的收盤前(以較早者為準)被我們收到並接受。
透過轉換 franklintempleton.com	請致電(800) 632-2301 股東服務處，或是寄送已簽名的書面指示。您也可以透過網路下達基金轉換的指令。自動電話系統無法用來開立新的帳戶。	請致電(800) 632-2301 股東服務處，或是寄送已簽名的書面指示。您也可以透過網路下達基金轉換的指令。

	(請詳參有關基金轉換資訊)	(請詳參有關基金轉換資訊)
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富蘭克林坦伯頓投資人服務

P.O. Box 33030, St. Petersburg, FL 33733-8030

免付費電話：(800) 632-2301

或每日 24 小時、每週 7 天皆可瀏覽我們的網站：franklintempleton.com

投資人服務

自動投資計畫

此計畫提供您一個簡便的方式來投資本基金，每月自動從您的支票帳戶或是儲蓄帳戶扣款購買基金。請透過我們的網址 franklintempleton.com 或是填好帳戶申請書中適當的欄位並寄送到投資人服務處，就可立即簽字參加投資。若您要開立新帳戶，請在申請書上載明最低首次投資金額。

自動電話系統

我們的自動系統提供 24 小時終日無休的服務供您方便查詢您的帳戶資料或是任何一支富蘭克林坦伯頓基金資料。您可利用按鍵式電話撥打如下列的電話號碼：

股東服務	(800) 632-2301
顧問諮詢服務	(800) 524-4040
退休金計畫服務	(800) 527-2020

配息選擇權

您可以將所獲之配息及收益轉入再投資現有基金帳戶中相同基金股份類型*或是其他的富蘭克林坦伯頓基金。若您將配息或收益轉入再投資，將無須支付首次銷售手續費或是或有遞延銷售手續費。您也可選擇將您的配息及收益存入銀行帳戶，或是郵寄支票給您。存入銀行帳戶得以電匯方式為之。

* 和 C 股的股東可以將其配息及收益轉入再投資到任一支富蘭克林坦伯頓貨幣基金之 A 股。Advisor 股的股東可轉入再投資其他富蘭克林坦伯頓基金之 Advisor 股或 A 股。若要將您的配息轉入再投資到其他富蘭克林坦伯頓基金的 Advisor 股，您必須是現有的 Advisor 股的股東或符合申購 Advisor 股的資格。

如果您收到配息後並於配息日後 90 天內決定將它轉入再投資到其他富蘭克林坦伯頓基金的 A 股，您將不會被收取首次銷售手續費。

請於申請書中指定您選擇的配息方式，否則我們將為您的配息轉入再投資到本基金相同的股份類別。

退休金計畫

富蘭克林坦伯頓共同基金集團為個人與企業提供了多樣的退休金計畫。這些計畫要求有別於一般的申請書，可能需要與贖回相關的特別表格，其政策與流程與本公開說明書所示可能有差別。索取進一步資料，諸如免費的退休金計畫文宣品或是申請書，敬請電洽(800) 527-2020 退休金計畫服務處。

電話/網路權利

當您開立帳戶，您就自動獲得電話/網路服務權利，可供您取得或查詢您的帳戶資料，並透過電話或網路來執行數種交易，包括：大部分的基金股份購買、賣出、或轉換、利用電匯買賣大部分的基金股份、變更您的地址、增加或變更您的銀行帳戶資料、以及增加或變更您的帳戶服務（包括：配息選擇權、系統提款計畫以及自動投資計畫）。

您須在我們的網站 franklintempleton.com 的股東服務專區先行完成註冊，才能夠查詢您的帳戶資料或要求網路線上交易。您將被要求接受線上合約條款以及設定密碼，以啟動線上服務。若您已註冊線上服務，您也可以線上加入富蘭克林坦伯頓股東電子文件傳輸方案。您將可由網路電子文件傳輸（經由我們的網站）收到大部分基金的公開說明書、給股東的基金年報/半年報，委任書、以及您的帳戶報表和交易確認書或其他文件，並停止收取郵遞的書面文件。使用我們的股東網站，表示您同意透過網際網路來傳輸或接收個人的財務資料，您應該確認您能無慮於網路傳輸的風險。

只要我們遵行合理的安全措施以及執行我們合理認定為真實的指示，我們將不擔負未經授權的請求所造成的任何損失。我們會要求密碼或其他資料，而且可能電話錄音。我們有權利(但無義務)拒絕電話之請求，倘若來電的人未能提供所要求的資訊或我們可合理認為來電的人非此帳戶之被授權人。為協助防護您的帳戶，請妥善保密您的密碼，在您收到確認報告書後請立即查證其準確性。若您認為有人未經授權進出您的帳戶及密碼，請立即與我們聯絡。我們建議使用備有 128 位元加密之網路瀏覽器，來進行線上交易。在異常市場活動期間時，可能導致某些與我們聯繫的方式（例如：透過電話或經由網路）無法利用或延誤。當然，您可以選擇不註冊網路交易權利。此外，若您不想要電話服務權利，或任何時間想要停止您的電話/網路服務特權，請來電指示。您也可以隨時用書面申請恢復這些權利，包括：用線上註冊獲得網路交易權利。

注意：電子通訊管道不一定安全。若您選擇透過電子通訊管道（例如：電子郵件、聊天室、簡訊、傳真）向我們發送機密性或敏感性的資料，則表示您接受與潛在安全性缺乏所伴隨的相關風險，像是您的機密性或敏感性的資料可能會被第三方攔截/侵入且其後被利用或出售的可能性。

系統提款計畫

這計畫將允許您自動賣出基金股份並在您的帳戶定期收到價款。當提款超出某些金額時，可能會加諸或有遞延銷售手續費。某些條款及最低限額會採行。請透過網站 franklintempleton.com 聯絡我們或給予指示。

尊貴投資人計畫

如果以富蘭克林坦伯頓基金股務代理機構名義直接持有的富蘭克林坦伯頓固定收益基金股份（不包括以經紀公司帳戶間接持有的股份）的總計價值超過美金\$500,000，您將有資格晉升至尊貴投資者計畫(VIP)。富蘭克林坦伯頓 VIP 股東享有提昇的服務及交易資格，請聯絡股東服務(800) 632-2301 以取得更多相關資訊。

賣出股份

您可以在任一時間賣出您的股份。為了確保是當日的贖回交易，贖回需求必須在美西時間下午一點之前或紐約證券交易所正常排定的收盤前(以較早者為準)被我們收到並接受。提醒您可能會被收取或有遞延銷售手續費。

書面賣出股份

基本上，可以透過電話，網路或一封簡單的信件做賣出美金十萬或以下金額的要求。然而，有時為了保護您以及本基金，在下列情況下，我們會要求所有的註冊所有人皆須簽立書面指示以及每個所有人的簽名保證：

- 您打算賣出價值超過十萬美金的股份。
- 您要將您的收益付給某位非註冊所有人。
- 您要將您的收益寄到某處尚未經登記的地址，或未事先授權的銀行或經紀公司帳戶。

當我們收到代理人，而非註冊所有人的書面指示時；當您要求將您的收益寄到的銀行帳戶其在近期十五天內才被增加或變更至您的帳戶，而且該銀行及基金帳戶有不少於一位共同持有人時；或是基於接獲的指示，使我們相信簽名保證可以保護本基金對抗潛在的索賠時，我們也可能需要簽名保證。

對於尊貴投資人計畫的成員所適用的金額可能較高。請參照有關計畫晉升資格之資訊說明。

簽名保證協助您的帳戶預防詐欺。您可以於大部分的銀行及證券交易商取得簽名保證。

公證人無法提供簽名保證。

賣出近期購置股份

假如您賣出剛購買的股份，我們可能會延遲寄出您的收益，直到我們確認您的支票、匯票、或電子匯款完全無誤，這將會花費七個或更多的工作天來運作。

贖回收益

在我們收到您適當形式的請求後，您的贖回支票將會在七日之內寄出。我們不能收取或支付現金。

退休金計畫

在出售富蘭克林坦伯頓投資家族企業成員，Fiduciary Trust International of the South (FTIOS) 的退休金計畫股份，您可能需要填具額外的表格。年齡低於 59½ 的計畫參加者，可能會加徵懲罰稅捐。欲詳細節，請致電(800) 527-2020 退休金計畫服務處。

賣出股份

賣出您的部份或全部股份	
透過您的投資代表	聯絡您的投資代表。
經由信件	寄書面指示以及背書的股權證明書(若您持有股權證明書)到投資人服務處。公司, 合夥, 或信託帳戶可能需要多寄其他的文件。 請註明基金, 帳號以及您希望賣出的金額或股數。請確認您已將所有應簽名處和任何追加文件, 以及視個案需要的簽名保證都包含在內。 除非您另有書面指示, 否則支票會被郵寄到帳戶裡所登錄的姓名及地址。
經由電話/網路 (800) 632-2301 franklintempleton.com	只要您的交易金額是美金十萬或以下金額, 無持有股權證明書, 您可以透過電話或網路賣出您的股份。對於尊貴投資者計畫之會員的金額上限可能較高。請參詳有關於適任的資格訊息。 支票會被郵寄到帳戶裡所登錄的姓名及地址, 或是事前認可的第二地址。若需要將支票寄到其他的地址或是將您的收益付給其他人, 請出具簽名保證的書面指示。 若您在 15 日之內變更地址而未有簽名保證, 要求賣出股份及郵寄支票到帳戶裡所登錄的姓名及地址, 請出具簽名保證的書面指示。要求賣出您的股份及郵寄收益至事前認可之第二地址, 須透過電話或網路。
經由電子匯款 Electronic Funds Transfer (ACH)	您可以致電, 來信, 或上網, 要求將贖回收益入到銀行帳戶。請詳參以上有關透過信件, 電話, 或網路賣出基金股份的方針。 在要求將贖回收益入到銀行帳戶前, 請先確認我們已有您的銀行帳號檔案資料。若我們無此資料, 您將必須傳送您的銀行名稱之書面指示、一張作廢的支票或儲蓄帳戶存款條。所有銀行及基金帳戶持有人必須簽署請求。若銀行及基金帳戶並無至少一位共同持有人, 則每個所有人也必須有其簽名保證。 如果銀行及基金帳戶是在近期十五天內才被增加或變更時, 您可能被要求提供一份由所有基金帳戶持有人簽署的書面指示, 連同各個基金帳戶持有人的簽名保證。 如果我們在美西時間下午一點之前或紐約證券交易所正常排定的收盤前(以較早者為準)接獲您的適當型式的要求, 通常您會在二到三個營業日收到透過電匯之收益。
經由基金轉換	拿一份您有意申購的基金的近期公開說明書, 公開說明書可於 franklintempleton.com 之網站上取得。 致電股東服務處或郵寄簽名的書面指示。您也可上網下達轉換基金的指示。請詳參上述有關透過信件, 電話, 或網路賣出基金股份的方針。 若您持有股權證明書, 在基金轉換處理前, 您需要將股權證明書退還給本基金。

富蘭克林坦伯頓投資人服務
P.O. Box 33030, St. Petersburg, FL33733-8030
免付費電話: (800) 632-2301
或每日 24 小時、每週 7 天皆可瀏覽我們的網站: franklintempleton.com

轉換股份

轉換權利

A, C & R 股

您可以在大部分的富蘭克林坦伯頓基金的相同股份類型*間轉換基金股份，且通常無須支付任何追加的銷售手續費。若您從貨幣基金轉換股份而且這些股份以往未曾支付銷售手續費，則可能需繳交銷售手續費。

* 富蘭克林互利系列基金之 Z 股的股東無須支付任何銷售手續費即可轉換到 A 股。其他的富蘭克林坦伯頓基金之 Advisor 股的股東亦無須支付任何銷售手續費即可轉換到 A 股。假如您轉換到 A 股，爾後又決定想要轉換到有提供 Advisor 股或 Z 股之基金，若您是 Advisor 股或 Z 股的目前股東或是您在其他方面符合購買本基金的 Advisor 股或 Z 股的資格，您可以將您的 A 股轉換到 Advisor 股或 Z 股。

在任何的或有遞延銷售手續費將自首次投資日期起繼續計算，但於基金轉換當日並不計算。在基金轉換時，或有遞延銷售手續費的購買價格是以您支付原始股份的價格計算。

C 股轉換功能對轉換的影響

自 2018 年 10 月 5 日生效，如果您將您的 C 股轉換至另一檔富蘭克林坦伯頓基金之同一股份類別，您持有原始基金股份的時間計入自動轉換為 A 股的 10 年期限。

R6 股

您可以將您的 R6 股轉換到其他富蘭克林坦伯頓基金的 R6 股。您也可以將您的 R6 股轉換到目前沒有提供 R6 股之基金的 Advisor 股。

Advisor 股

您可以將您的 Advisor 股轉換到其他富蘭克林坦伯頓基金的 Advisor 股。您也可以將您的 Advisor 股轉換到目前沒有提供 Advisor 股之基金的 A 股（無須支付任何銷售手續費）*，或是轉換到富蘭克林互利系列基金之 Z 股。

* 假如您轉換到 A 股，爾後又決定想要轉換到有提供 Advisor 股之基金，若您是 Advisor 股的目前股東或是您在其他方面符合購買本基金的 Advisor 股份的資格，您可以將您的 A 股轉換到 Advisor 股。

所有股份

「轉換股份」的其餘部分適用於所有股份。

除非您送交附帶簽名保證的書面指示，否則轉換通常只能在可辨識的註冊帳戶之間進行。

轉換實質是兩個交易：賣出一檔基金及購買另一檔基金。基本上，適用於購買及賣出的政策同樣適用於轉換，包括最低投資金額（整個帳戶餘額的轉換除外）。轉換如同平常的賣出及購買一樣，也會有相同的稅賦結果。

拒絕轉換

若本基金拒絕涉及基金股份出售的轉換要求時，此拒絕轉換要求也同時代表拒絕以其出售收

益購買其他基金股份的請求。當然，您基本上可以隨時贖回本基金股份。

透過金融中介機構轉換

若您是透過金融中介機構間接投資本基金，(例如：經紀商-經銷商、銀行、保險公司分離帳戶、投資顧問、負責 IRS 認可稅賦遞延定期定額計畫的管理人或受託人，如：在本基金維持法人機構主帳戶(“集合帳戶”)代表其客戶進行交易之 401(k)退休計畫以及 529 學院定期定額計畫)，則可能適用不同的轉換或/及移轉限制準則及限制規定。您透過金融中介機構的投資可能選擇採行專為遏止短期間或過度交易而設計的不同交易限制。請與您的金融中介機構(若是 401(k)退休計畫，則請與您的計畫贊助者諮商)諮商，以決定可能適用您的交易限制(包含轉換/移轉限制)。

基金轉換權利變更/免除

本基金可能在未來終止或是調整(暫時性或永久性)基金轉換權利。除非有其他依法提供的方式，否則您將會收到本基金的 60 天通知函告知本基金所做的實質性變更。

其他基金的轉換權利

若在涉及轉換交易的兩個基金間做轉換有抵觸時，我們將採用較嚴格的規定做轉換交易。其他的富蘭克林坦伯頓基金可能有不同的轉換限制。細節請查閱各基金之公開說明書。

同一基金的股份轉換

同一基金之間的股份轉換，不須為聯邦所得稅目的被課稅。然而，股東應就其轉換或交換股份諮詢其稅務顧問在州以及地方稅務之相關訊息。

過度交易政策

本基金的董事會已採用下列與在基金股份過度交易相關的政策與作業程序(過度交易政策)。

本基金無意圖提供短期或是過度的基金股份買賣交易及贖回，其可能不利於基金。例如：這類交易活動可能妨礙本基金之投資組合的效率管理，或是可能會大幅增加基金的交易成本、管理成本或稅捐。

此外，由於本基金有顯著比例投資於外國證券，使得本基金可能容易引起一般所謂的“時差套利”此種短期擇時交易的型態。時差套利擇時交易發生在投資人尋求在共同基金投資組合持股價值的變動與反映在基金股份的淨資產價值的變動之間的可能延遲之獲利。這些延遲比較容易發生於外國投資上，係因為本基金之外國投資組合於外國市場交易的時間與本基金的淨值計算時間(通常為紐約證券交易所每個營業日交易結束時，請參閱“帳戶政策—計算股份價格”)之間有時差的落差。時差套利交易者可能利用有事件發生於外國市場已確立收盤價之後，但基金淨值尚未計算的時間落差申購或贖回基金股份，而基金股份的價值可能因此被稀釋。本基金的公平價值定價程序的目標之一就是為了減少這類套利的可能性(請參閱“帳戶政策—外國證券定價—時差與市場假日帶來的潛在衝擊”)；然而，無法確保本基金的公

平價值定價程序得以成功摒除套利交易。

本基金透過代理機構執行股東對本基金及其他富蘭克林坦伯頓基金股份交易的持續監控以便試圖判定股東的交易型態是否顯示出持續進行短線交易策略的現象。當代理機構偵測出或透過其他資訊確認出股東於其他非富蘭克林坦伯頓基金之短線交易型態，且若代理機構合理地斷定這類交易的模式可能如同過度交易政策裡所述不利於本基金時，代理機構將代表本基金可能暫時或是永久性禁止您以後申購本基金，或是選擇性限制您以後任何申購的金額、次數或頻率，以及/或是您以後可能要求的申購或贖回的方法（包括在本基金以及任何其他共同基金之轉換交易所涉及的申購以及/或是贖回）。

在考慮投資人的交易模式時，本基金會參照其他因素做考慮，諸如直接與透過金融中介機構、在本基金、在其他的富蘭克林坦伯頓基金、在非富蘭克林坦伯頓基金，或是在共同控制或所持有的帳戶而得知的股東交易歷史（舉例而言，可參閱補充資料報告書中的“購買及賣出股份－資產配置及大股東的投資”章節）。當投資經理公司或代理機構合理地判斷欲申請之交易數量將混亂或在其他方面干擾本基金投資組合之經理效率時，代理機構也得拒絕任何申購或贖回的申請，無論其是否表現出任何繼續的交易模式。在決定何種行動應該被採行時，本基金代理機構可能考量各種因素，包括：這些補償行動在基金及其股東的潛在衝擊。如果基金是“組合型基金”，本基金代理機構可能將本基金與本基金投資之相關標的基金兩者的交易活動以及任何建議的補償行動的衝擊都納入考量。

透過金融中介機構的過度交易

不管投資人是直接持有本基金股份或是間接經由金融中介機構申購，例如：經紀商-經銷商、銀行、保險公司產品，例如：年金保險契約、投資顧問、負責 IRS 認可稅賦遞延定期定額計畫，例如：401(k)退休計畫以及 529 學院定期定額計畫的管理人或受託人，投資人均應遵守本基金之過度交易政策。

一些金融中介機構代表其客戶在本基金維持主帳戶（亦即“集合帳戶”）。本基金與這些金融中介機構已簽訂“資訊分享契約”其允許本基金得提出要求以獲得有關金融中介機構的客戶投資於本基金的交易活動訊息。若是本基金代理機構認定集合帳戶級別交易模式有潛在不利於本基金的可能性時，代理機構依其自身的單獨判斷，得向金融中介機構要求有關客戶的交易活動訊息。基於檢閱此訊息，如果代理機構判斷任何客戶的交易活動可能不利於本基金時，代理機構得依其自身的單獨判斷，要求金融中介機構限制或拒絕該客戶於本基金的後續交易。無法確保本基金代理機構監控集合帳戶級別交易模式能夠使其認定所有金融中介機構的客戶的短線交易。

交易的撤銷

本基金保有得以任何理由拒絕任何申購的權利，同時本基金也可能撤銷已執行的申購指示其在代理機構依自身的單獨判斷合理地認定該交易可能違反本基金過度交易政策的目標。

帳戶政策

計算股份價格

A&C 股

當您申購基金時，您所支付的價格為基金股份的“申購價”。基金的申購價是以一減去銷售費用的值來除基金的淨值，以標準進位法算到小數點以下二位數所得的數值。您的申購金額除以申購價並以標準進位法計算到小數點以下三位數所得的數值，即為您申購到的股份數目。舉例而言：若基金淨值為美金 \$ 10.25，銷售費用為 5.50%，則申購價為 $10.25 \div (1 - 0.055)$ ；亦即為 $10.25 \div 0.945$ ，等於 10.846561，取進位到小數點二位數所得的數值為 10.85。因此申購價即為美金 \$10.85。

當您出售基金時，您將收到基金淨值減去或有遞延銷售手續費的金額。

所有股份

基金的價值是以基金資產減去基金負債來計算。基金淨值是以基金淨資產價值除以基金流通在外股數來計算。

本基金在每個營業日的美西時間下午一點或紐約證券交易所正常排定的收盤時間(以較早者為準)計算基金每股淨資產價值。當紐約證券交易所休市時，本基金不計算淨值。上述的休市日包括新年假期、馬丁路德金恩紀念日、總統日、復活節、陣亡將士紀念日、獨立紀念日、勞動節、感恩節與聖誕節。如果紐約證券交易所所有排定提早休市時，本基金股份價格的決定是依紐約證券交易所交易結束時間。如果由於天氣或其他特殊或非預期的情況發生時，紐約證券交易所所有非計劃性的提早休市時，本基金保留將該日當作正常營業日的權利，並接受申購和贖回指令，且依紐約證券交易所正常排定的一般交易收盤時間計算股份價值。基金的每股淨資產價值得於以下網址查詢www.franklintempleton.com/performance。

本基金與特定金融中介機構達成協議，授權他們接受指令或指定第三方代表基金接受指令。如果您已透過這些金融中介機構下指令，則指令在接受時將被視為已收到。在接受金融中介機構或其股務代理機構的指令後，這些指令將會以次日的淨資產價格(NAV)受理。若您透過中介機構的帳戶下指令，請諮詢中介機構，以確認您的指令將在何時執行，有些中介機構可能會要求在指定的截止時間之前收到指令。

當我們或是被核准的金融中介機構收到以適當的表格填寫的申購或贖回書後，我們然後以每股淨資產價值來處理您的申購或贖回。

計算基金淨值時，現金與應收帳款是以其可實現的金額來計算，利息則以累計利息來記錄，配息則計算到前一個配息日為止。基金通常使用二種獨立的定價服務以輔助確認目前每個證券的市價。當掛牌於證券交易所的市場報價已可取得時，基金分別以該證券最新的報價或其

當天的收盤價來評估其價值；如果沒有成交價，則以最近期的買價與賣價的範圍來定價。對於上櫃證券，基金則以最近期的買價與賣價的範圍來評估櫃檯交易證券的價值。如果投資組合中的證券同時上市且上櫃，基金將以涵蓋範圍最具廣度和代表性之市場的報價估值。本基金收到的證券價格可能以機構的“整數”規模為基礎，但本基金可能持有較小的“畸零”規模。畸零股數可能比整數股數以較低價格交易。

一般而言，公司債、美國政府債與貨幣市場工具會於每日美西時間下午一點前的不同時段完成交易。用來計算基金淨值的上述有價證券的價值即是以上述交易完成時的價值來決定。有時候，在這些證券的價值已被確定與美西時間下午一點之間卻有事件發生，而該事件的影響尚未被列入基金淨值的評估。此時本基金依靠第三人價格供應商提供反映美西時間下午一點的現行公平市場價值的評估價格。

個別證券的公平價值

由於本基金可能投資於交易受限制、尚未上市、流動性不佳、罕有交易、或相對而言流動性較差的證券，因此本基金中的某一個或數個相對不流通證券之最新可取得的市價與本基金計算淨值時所用的證券價格之間可能有所差異。本基金的董事會已核准本基金採用公平價值定價程序，在這些證券與其他資產的市價尚無法取得（例如某些受限制證券、未上市證券、與私募證券）或其價格可能無法信賴（例如某些證券之交易的暫停或中止、某些外國市場對證券價格漲跌幅的限制、或某些證券的交易量極小或無法流通）時，即採用此程序來定價。可能用來定價這些證券的方法包括：基本面分析（例如複合收益）、矩陣定價、類似證券之市價的折價，或依據證券處置之限制的性質及期限確定折價。董事會會監控公平價值定價程序的執行。

公平價值定價系統以特殊的程序呈現以誠信基礎所作出的定價程序。但它無法保證當基金出售某證券時就能夠取得基金計算每股淨值時為該證券所決定的公平價值。

公司債的證券定價

相較於公開市場交易，公司債通常是於店頭市場中交易。本基金將用以下方式定價，包括來自債券交易商所提供之報價、有關債券與票券交易的資訊，而且得以利用獨立定價服務來協助確定各個證券的當前市值。本基金的定價服務得利用債券交易商的獨立報價與債券市場活動來確定當前的價值。

選擇權的證券定價

本基金部位中之選擇權買權，係以市價來評估，如上所述。在本基金評價前，本基金所持有選擇權之任何市場價格係依其在相關交易所的最後銷售價格。如果當天沒有銷售或最後銷售價格在買入價外及賣出價外，若本基金認為估價可公平反應契約之市場價格，本基金則依目前最後結算之買入價及賣出價的範圍中評價選擇權。

外國證券的評價-美元價值的換算

本基金通常是以外國證券在其主要交易市場或是美西時間下午一點時確定其價值。該證券價值之後即以該證券評價日當天於美西時間下午一點時的外匯交易價格來換算該證券的美元價值。如果沒有成交價的回報，該證券將以最近期的買價與賣價的範圍來定價。有時候，某些事件（例如匯出限制或外匯管制）可能會影響用來換算美元價值的外匯價格的有效性或可信度。當有此類事件發生時，外匯匯率的確認將以董事會認可的程序來評估其公平價值。

外國證券的評價-時差與市場假日的潛在衝擊

每日於外國證券上市或上櫃市場的交易（例如歐洲與亞洲）可能比本基金有交易的營業日的美西時間下午一點前更早完成。有時候，在外國證券市場收盤時間之間發生的事件，可能導致基金所持有的外國證券之價值的有效性（包含其可信度）有問題。因此，基金可能容易受到所謂的“套利擇時交易”影響。某些基金投資人可能利用基金投資組合中外國證券於外國市場的收盤價與本基金計算淨值時該證券最新的價格之間的差異來牟利。如果上述的價格差異確實存在的話，這類投資人（通常稱為“套利擇時交易者”）的交易行為將會稀釋基金的股份價值。為了減少利用時差來套利的可能性，以及遵守基金董事會所制定並核可的作業程序，投資經理公司會利用由獨立定價供應商提供的公允價值定價服務來監控外國股市收盤後的價格變動。

公平價值定價服務用於在計算本基金淨值時（美西時間下午一點）估算流動市場中的證券價格。如果符合某些條件，外國證券得以來自公平價值定價服務的價格來評價。使用公平定價的目的是為了使計算基金淨值時能夠準確反映基金投資組合的價值、減少發生基金股份的套利擇時交易的可能性、減輕上述套利擇時交易的衝擊，以求基金股東在申購、贖回與轉換交易的公平性。然而在某些狀況下，公平價值定價程序的使用也可能增強而非緩和基金股東交易潛在的衝擊。

以各個特定的市場工具的價格變動觸發點來衡量價格變動，以便協助確定某個已發生的事件，是否影響到外國證券在外國股市收盤時間與計算淨值時間（美西時間下午一點）之間的價值，導致其價值的有效性（包含可信度）發生疑慮。如果有這樣的事件發生，該外國證券得以董事會核可的公允價值定價程序來評價。在特定的狀況下，這些程序包含利用獨立定價服務。使用公允定價的目的是為了使計算基金淨值時能夠準確反映基金投資組合的價值、減少發生基金股份的套利擇時交易的可能性、減輕上述套利擇時交易的衝擊，以求基金股東在申購、贖回與轉換交易的公允性。然而在某些狀況下，公允價值定價程序的使用也可能增強而非緩和基金股東交易潛在的衝擊。

此外，就一般狀況而言，基金投資組合中的外國證券或是在某些特定國家的證券市場交易的證券，可能不會在每一個本基金的營業日都有交易。而且，很多外國證券交易市場會在本基金的非營業日有證券交易，並且基金也不會在該日期計算淨值。因此，基金之淨值的計算不會在投資組合中許多外國證券價格已確認的時間同時進行。如果有影響該外國證券的最新確

定價的事件發生，該證券將使用基金經由董事會所建立與核可的公允價值定價程序，以誠信基礎來定價(如上所述)。

帳戶餘額不足

如果您的帳戶已開立一年以上且您的帳戶價值跌到美金五百元以下，我們將會郵寄通知，請您將帳戶金額回歸到規定的最低投資金額。若您 30 天內不予處理，我們將關掉您的帳戶並且收益將電匯至您的檔案留存之銀行帳戶裡。如果我們沒有您的帳戶資訊時，則會郵寄收益支票到登記的地址。您不會被要求付或有遞延銷售手續費。以下狀況不適用於本規定：(1) 透過國立證券清算公司網路系統建立的特定中介商控管帳戶；(2) 經由 C 股或 C1 股轉換而來的 A 股或 A1 股帳戶，以及任何涉及轉換剩下的 C 股或 C1 股帳戶因為轉換造成餘額不足；(3) 賦稅遞延退休計劃帳戶；(4) 有效的自動投資計劃帳戶；(5) 顧問費用方案帳戶；(6) 帳戶透過 529 學院定期定額計畫所持有；(7) Coverdell 教育儲蓄帳戶及 (8) 透過機器人理財顧問驅動服務所目前維持的帳戶，其帳戶投資及重新配置是通過自動演算法驅動平台執行。

金融中介機構可能會在您的帳戶中施加與上述最低帳戶餘額不同的最低帳戶餘額。本基金不對金融中介機構規定的任何最低帳戶餘額負責，也不負責將其任何變更通知股東。有關某些特定於中介的最低帳戶餘額的更多資訊，請參見附錄 A。如果對他們的政策有任何疑問，請諮詢您的金融中介。

贖回

一般而言，基金使用投資組合持有之現金以及約當現金或售出投資組合資產以應付所有贖回需求。在特殊情形或面臨市場壓力情況下，基金可能使用其他方式以應付贖回需求，例如在美國 SEC 豁免情況下得使用信用額度或基金間借貸方式。此外，請參閱“帳戶政策—非現金贖回”，了解有關贖回基金超過美金 25 萬元或基金淨資產價值 1%金額（以較低者為準）的說明。

非現金贖回

如果投資人在任何連續 90 天期間內贖回基金超過美金 25 萬元（或若基金淨資產價值 1%金額較低時），基金保留權利全部或部分以基金持股或其他資產作為款項支付。投資人一旦需處分所分配到的證券時，應預期會產生交易成本。此外，投資人將承擔持有證券至出售時的證券市場風險。

大股東贖回

有時，當某些大股東大量贖回本基金股份時，本基金可能會遭受不利影響。大量贖回可能會導致本基金在原本不打算賣的時間點賣出投資組合證券。此外，如果這些投資的賣出產生收益，這些交易也可能會加速實現股東的應稅收入，並且還可能增加交易成本和/或增加本基金

的費用比率。當遭遇大股東贖回時，本基金可能會延遲支付贖回款項請求最多至 7 天，為投資經理公司爭取時間確定本基金是以非現金贖回，或是考慮其他替代方式以減輕對既有股東的傷害。然而，在某些情況下，本基金可能無法延遲贖回請求時，這可能引起大量贖回的自動化處理將有害於本基金及其既有股東的利益。

報告書、報表和公開說明書

您會收到季報告書，載明該季帳戶內的所有交易明細。影響您的帳戶的每個交易完成後，您也會收到書面通知（但透過自動投資或提款方案的交易或配息則除外，因其交易會在季報告書中列明）。在影響您的帳戶的每個交易後，您將收到通知，請審視所有帳戶報告書和書面通知，假如有差異的地方，請立即通知我們。

您也將每隔六個月收到本基金的財務報告書，或是收到前揭財務報告書備供索取的通知。此外，您將收到每年更新的簡式公開說明書（視要求提供公開說明書）。為了降低本基金費用，我們會嘗試將同一戶的相關股東歸類於一戶，僅寄送一份財務報告書（以郵寄方式接收）和簡式公開說明書。這項處理稱為“歸戶處理”，除非您另有其他指示，否則我們會持續照此歸戶方式處理。若您不希望以戶為單位寄送這些文件，敬請電洽(800) 632-2301。在我們的網站裡，您可以隨時查閱目前的公開說明書/簡式公開說明書以及財務報告書。若您決定，您得以電子傳輸方式收取這些文件。

您得選擇透過電子傳輸方式收取您的對帳單、公開說明書和其他文件（請參閱“投資人服務—電話/網路權利”）。

投資代表帳戶的資料取得

如果您的帳戶裡有經銷公司或其他投資代表的紀錄，他們將可以取得您的帳戶資料，為您的帳戶執行交易，也會直接從本基金收到有關您帳戶的所有通知書，報告書及其他資料的副本。

轉讓或指定帳戶

您可以將基金股份從一家經銷公司之轉讓或指定帳戶裡轉換到另外一家經銷公司，只要此兩家經銷公司和富蘭克林坦伯頓承銷公司都有簽約。在我們收到您的證券經銷公司遞送來適當的授權書後，我們會做轉換處理。

聯名帳戶

除非您明確指定不同的註冊方式，否則若基金股份是售予兩位或多位所有人時，該帳戶會註冊為“生存者取得權聯名持有人共同持有”的聯名帳戶（在您的帳戶報告書會顯示“Jt Ten”）。若要對聯名持有股份做任何的所有權變更，或是切斷對聯合持有股份的聯合擁有期間，帳戶的所有持有人皆須以書面同意之。

聯名帳戶使用電話/網路權利之風險

當您開立帳戶，您就自動獲得電話/網路服務權利。如果您的帳戶是一位以上註冊所有人帳戶，電話/網路服務權利賦予本基金僅接受一位註冊之所有人為網路線上服務要求（包括股東文件的電子傳輸）以及線上或電話交易指示。這表示在您的帳戶的任一註冊所有人，無須任何其他任一註冊所有人同意之下，即可單獨透過電話，網路或書信（遵照電話或網路權利的任何限制）給予本基金指示去執行：

- 從所有註冊所有人須簽字的聯名註冊基金帳戶轉換股份到一個貨幣基金帳戶，卻僅須一位註冊所有人簽字即可贖回股份；
- 贖回基金股份以及指示贖回款項至可能屬於或不屬於您所有的銀行帳戶，或可能是您與其他共同聯名銀行帳戶，卻僅要求其中一人以支票或其他方式從銀行帳戶上取款；
- 從屬於您所有的銀行帳戶裡扣款購買基金股份的金額。

如果您不想要您的帳戶裡的其他註冊所有人能夠不經您的同意對本基金下達上述各種指示，您必須指示本基金拒絕/終止網路權利以及利用電話下達指令的能力，而上述各種指示即僅接受全部註冊所有人的書面簽字的方式。這項決定將適用於自聯名帳戶共同持有的基金股份轉換到任何其他基金。往後對於以電話以及/或是網路所下達上述各種指示的決定，必須得到本基金全部註冊所有人的書面簽字。

補充政策

請注意本基金維持下列的補充政策及保留某些權利，包括：

- 本基金可能限制或拒絕任何股份申購，包括在基金轉換權利下的申購。
- 一般而言，贖回的處理是在次一個營業日，只要贖回請求是以適當的形式以及正常的程序接收，但是如果立即付款動作會對本基金有負面的影響時或有其他延遲的原因（例如，如果您售出近期申購的股份，贖回款項可能會延遲至您的支票、匯票或電匯/電子轉帳已經完成），可能需要至多 7 個營業日來處理。然而，在某些情況下，本基金可能沒有能力延遲贖回請求，或者可能沒有時間確定特定贖回是否會在贖回請求支付前對本基金產生不利的影響。
- 本基金可能隨時調整，暫停或中止電話/網路權利。
- 本基金可能利用 60 天通知函或是其他依法提供的方式，告知您本基金對於基金轉換權利所做的重大變更或是停止使用。
- 本基金可能在一段期間或永遠，停止出售股份，或是在有限的基礎上提供股份。
- 在特殊情形下，我們可能依照聯邦證券法規所允許的規定，暫時凍結贖回或是延緩款項的支付。
- 超過某特定金額之贖回，若是投資經理公司認定與現行法規一致且合乎本基金的最佳利益時，本基金得但不要求，不採現金(也被稱為以實物贖回)做贖回款項的支付，而改以本基金所持有之證券或其他資產形式來做支付。基金經理人將自行決定是否針對特定贖回請求或贖回請求類型考慮以實物贖回。然而，在某些情況下，基金經理人可能無法在贖回請求支付前就決定是否以實物形式支付特定贖回。如果贖回請求是以實物贖回，投

資人應能預期當處分證券時收到的收益分配將有交易成本。

- 您只能購買合乎您所屬的州以及轄區的法令規定之基金股份（包括基金轉換的轉入基金）。
- 代銷公司應負責儘快傳輸所有下單資料給本基金，以讓投資人獲得目前的價格。
- 對於非退休帳戶，如果您收到以現金股利、資本利得或系統提款計劃以現金支付，並且至少連續三次支票至少保留六個月未兌現，本基金會保留您更改配息選擇方式，可改為重新再投資或停止您的系統提款計劃。

代銷公司報酬

A, C & R 股

凡是合格的代銷公司，銷售本基金時可以獲得銷售佣金以及其他報償。這些報酬是由富蘭克林坦伯頓承銷公司 (Franklin Templeton Distributors, Inc.) 從股東申購或贖回所收取的銷售手續費，基金的配銷服務 (12b-1) 費用以及承銷公司其他財務來源中來做支付。針對透過代銷公司維持之經紀帳戶間接持有富蘭克林坦伯頓基金股份的投資人所提供之服務，代銷公司也可能收取股東服務費用，更多細節敘述請參照補充資料報告書的“管理及其他服務”章節之“股東服務及股務代理”的說明。這些費用是由本基金的股務代理機構基於合約關係所收取之款項中支付。

透過雇主贊助退休金計畫以 A 股淨值購買時將不支付代銷公司報酬。

若任何申購相關的報酬已支付予代銷公司，但該申購於隨後遭拒絕、或是基於導致投資經理公司或股務代理機構對申購者的判定，該申購可能與本基金“過度交易政策”所述及的交易活動有關而不利於本基金，因此須給予交易限制時，則代銷公司應該於本基金提出請求後退回該報酬給富蘭克林坦伯頓承銷公司。

	A 股	C 股	R 股
佣金 (百分比)	—	1.00 ¹	—
投資金額低於美金五萬元	5.00	—	—
美金五萬元但低於十萬元	4.00	—	—
美金十萬元但低於二十五萬元	3.00	—	—
美金二十五萬元但低於五十萬元	2.25	—	—
美金五十萬元但低於一百萬元	1.75	—	—
美金一百萬元或超過	不超過 1.00	—	—
給代銷公司的 12b-1 費用	0.25 ^{2,3}	1.00 ⁴	0.50

1. 佣金包括第一年的 0.25% 12b-1 服務費之預付款。富蘭克林坦伯頓承銷公司可能會預付佣金。然而，富蘭克林坦伯頓承銷公司對於透過雇主贊助退休金計畫的任何申購並不會預付佣金。
2. 對於在富蘭克林坦伯頓承銷公司已預付佣金的情況下以基金淨值申購，代銷公司在購買後的第 13 個月就可以開始收到 12b-1 服務費。對於在富蘭克林坦伯頓承銷公司沒有預付佣金的情況下以基金淨值申購，代銷公司可能在購買日起就收到 12b-1 服務費。
3. 在 A 股配銷計劃下，本基金得向富蘭克林坦伯頓承銷公司或其他代銷公司支付不超過 0.25% 的費用，其中的 0.05% 通常將被富蘭克林坦伯頓承銷公司保留做為其分銷費用。

4. 代銷公司從購買日起就得獲得不超過 0.25% 的報酬以及從第 13 個月得開始收到 1% 的酬佣。在前 12 個月期間，全額的 12b-1 服務費會支付給富蘭克林坦伯頓承銷公司，以便抵銷部分在購買日起所支付之佣金及預付服務費。對於在富蘭克林坦伯頓承銷公司沒有預付佣金的情況下以基金淨值申購，代銷公司可能在購買日起就開始收到 12b-1 服務費。約 10 年後，C 股將轉換為 A 股，且代銷公司能有資格獲得適用於 A 股的 12b-1 服務費。

透過金融中介機構申購某些股份(R6 股以及 Advisor 股)

購買 R6 股和 Advisor 股沒有相關的銷售費用或 12b-1 方案配銷服務費用。然而，根據美國證券交易管理委員會 (SEC) 的指導意見，某些代理客戶的金融中介機構可能直接向股東收取銷售費用或有關購買這些股份的金融中介交易費用。這些手續費以及費用並未揭露在本公開說明書中。建議您諮詢您的理財顧問或瀏覽您的金融中介網站以獲取更多資訊。

本基金的服務提供者也得為 Advisor 股支付金融中介機構行銷支援以及其他相關服務，但不適用於 R6 股。這些款項可能會透過影響金融中介機構以及您的銷售人員推薦基金股份而造成利益衝突。對於金融中介機構自行承擔銷售費用或交易費用的 Advisor 股，是否可以提供或者收到行銷支援或其他類似款項存在一些不確定性。依據未來監管的发展情況，這類款項可能會被終止。

其他金融中介機構報酬

除了 R6 股外，富蘭克林坦伯頓承銷公司可以支付行銷支援款項 (依據本基金之 12b-1 配銷計劃的條款，一部分款項得以歸還) 給某些代銷公司以及其他金融中介機構，例如銀行、保險公司或計劃管理人員，在教育理財顧問或提供直接或間接可能促進富蘭克林坦伯頓共同基金投資的其他服務的努力。就任一中介機構的立場來說，每年度的行銷支援款項通常不超過歸屬於該中介機構所貢獻的富蘭克林坦伯頓共同基金總資產的 0.05%。對於富蘭克林坦伯頓共同基金總資產超過美金五百億的中介機構，富蘭克林坦伯頓承銷公司可能同意每年支付行銷支援款項最高限額至前揭總資產的 0.06%。在其他有限的情況下，富蘭克林坦伯頓承銷公司或分支機構將與金融中介機構達成替代協議，提供支付行銷支援款項超過 0.05% 的限制，其可能包括以基金的資產或銷售、合併相關基金的資產或銷售、或是其他標準為基礎的協議。有關非美國人於本基金之投資，支付予美國境外組織的行銷支援款項可能超過前述的比例。雇主贊助雇主贊助退休金計畫所代表持有任何資產，將排除適用於依據本段落說明有關行銷支援款項的計算，並依據以下段落說明支付予金融中介機構款項。您應該與您的金融中介機構聯繫以確定其可能從富蘭克林坦伯頓承銷公司或其分支機構所收取的任何補助金額。

除了 R6 股外，富蘭克林坦伯頓承銷公司以及/或是其分支機構也可以支付款項 (依據本基金之 12b-1 配銷計劃的條款，一部分款項得以歸還) 給某些金融中介機構，做為其試圖直接或間接在某些雇主贊助退休金計畫進行富蘭克林坦伯頓共同基金股份銷售活動協助之款項。就任一金融中介機構的立場來說，這類款項將不超過以年度為基礎的這類雇主贊助退休金計畫所直接或間接持有的富蘭克林坦伯頓共同基金總資產的 0.10%。

在核定支付款項時，某些因素將被納入考慮，包括：合格金融中介機構的銷售、資產及贖回率、金融中介機構所提供之任何服務的性質及品質，以及金融中介機構與富蘭克林坦伯頓承銷公司間關係的品質。富蘭克林坦伯頓承銷公司將每年確認繼續這些支付款項的適當性。這些支付款項可能附加於任何股東服務費用而由本基金的代理機構依據其與本基金的合約約定所收取的款項裡支付。

在美國證券交易管理委員會 (SEC) 與美國金融業監管局 (FINRA) 的規定以及其他適用的法律與條例許可範圍內，除了行銷支援款項，富蘭克林坦伯頓承銷公司可以給付或是允許其他的促銷獎勵或款項支付給金融中介機構，例如交易支援相關的款項、為了教育理財顧問及其客戶有關富蘭克林坦伯頓共同基金的各種金融中介贊助活動，以及數據分析和支援。

本基金股份與富蘭克林坦伯頓基金集團裡的其他共同基金股份之銷售，並不是將選擇金融中介機構以執行基金的投資組合交易納入考慮的因素。因此，對於經由金融中介機構執行投資組合交易的配置而銷售之基金股份，並非對這些金融中介機構支付行銷支援款項之考量因素。

關於富蘭克林坦伯頓承銷公司所支付的款項以及您的理財顧問所提供的服務，您可以在補充資料報告書裡找到進一步的細節資料。您的理財顧問可能向您收取不同於公開說明書裡所揭露的額外費用或佣金。您可以向您的理財顧問詢問關於任何獲自富蘭克林坦伯頓承銷公司的款項與其所提供的任何服務，以及關於其收取的費用與/或佣金。

問題

若您有任何關於基金本身或是您的帳戶狀況的問題，請來函寄到美國佛州聖彼德堡郵政 33030 號信箱 (St. Petersburg, FL33733-8030)。您也依下表之號碼來電詢問。為了保障您的權益以及確保提供給您的服務品質，所有來電可能會被監控或錄音。

部門別	電話號碼
投資人服務	(800) 632-2301
基金訊息	(800) DIAL BEN (800) 342-5236
退休金計畫服務	(800) 527-2020
顧問諮詢服務	(800) 524-4040
聽力損傷協助	有關聽力損傷協助，請透過傳達服務與我們聯繫。
自動電話系統	(800) 632-2301 (800) 524-4040 (800) 527-2020

附加資訊

有關本基金，您可以於下列文件知悉更多資訊：

致股東的年度/半年度財務報告

包括近期市場情況的討論、顯著影響上個財務年度期間基金績效的基金策略、財務報表、詳細的績效資料、投資明細表，以及僅揭露於年度財務報告的獨立註冊會計師事務所簽證英文報告。

補充資料報告書(SAI)

包含更多有關本基金的投資與政策資訊，得被合併參考（係本公開說明書合法上的一部分，詳細內容請參閱英文公開說明書）。

免費索取現行的年度/半年度財務報告或是補充資料報告書，敬請洽詢您的投資代表或是撥打以下之號碼來電索取。您也可以透過網站：franklintempleton.com 線上瀏覽現行的年度/半年度財務報告以及補充資料報告書。

公開說明書之附錄 A—金融中介機構銷售手續費折扣及免除

包含更多有關透過特定金融中介機構購買基金股份的股東的特定銷售手續費折扣及免除訊息。附錄 A 已併入本公開說明書供參閱（係本公開說明書合法上的一部分）。

有關本基金的報告及其他資訊可於美國證券交易管理委員會官網的 EDGAR 資料庫網址：<http://www.sec.gov> 獲取，以及寄電子郵件到 publicinfo@sec.gov 索取，在支付文件複製費用後即可獲取這些基金資訊的副本。

One Franklin Parkway, San Mateo, CA 94403-1906

(800) DAIL BEN (800) 342-5236

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風險聲明

- 各基金經金融監督管理委員會核准或同意生效，惟不表示本基金絕無風險。境外基金管理機構以往之績效不保證基金之最低收益。
- 境外基金係以外幣計價，投資人須承擔取得收益分配或買回價金時轉換回新臺幣可能產生之匯率風險。若轉換當時之新臺幣兌換外幣匯率相較於原始投資日之匯率升值時，投資人將承受匯兌損失。
- 基金配息率不代表基金報酬率，且過去配息率不代表未來配息率；基金淨值可能因市場因素而上下波動，投資人於獲配息時，宜一併注意基金淨值之變動。基金的配息可能由基金的收益或本金中支付。任何涉及由本金支出的部份，可能導致原始投資金額減損。由本金支付配息之相關資料已揭露於本公司網站，投資人可至本公司網站 (<http://www.Franklin.com.tw>) 查閱。
- 基金持有新興市場之投資標的者，其主要投資風險除包含一般股票型基金之投資組合跌價與匯率風險外，與成熟市場相比須承受較高之政治與金融管理風險，而因市值及制度性因素，流動性風險也相對較高，新興市場投資組合波動性普遍高於成熟市場。基金投資均涉及風險且不負任何抵抗投資虧損之擔保。基金並非完全投資於大陸地區之有價證券，依規定，基金投資大陸地區證券市場之有價證券不得超過基金淨資產價值之 10%，投資香港地區紅籌股及 H 股無限制，投資人須留意中國市場特定政治、經濟與市場之投資風險。投資風險之詳細資料請參閱基金公開說明書。
- 基金經理公司以往之經理績效，並不代表未來之基金投資收益。投資管理服務與多項投資工具相關，其價值均會波動，管理的投資組合價值亦可能有上下起伏，故無法保證投資可以保本。不同投資工具的投資風險並不相同，若投資為受匯兌影響者，相較於其它特定投資組合，匯率的變動將會影響其價值，結果必然影響到基金淨值的漲跌。若為波動性較高的基金，當基金淨值突然大幅滑落時，則變現或贖回所發生的虧損有可能很高（包含投資的所有損失）。
- 投資基金所應承擔之相關風險及應負擔之費用（含分銷費用）已揭露於基金公開說明書及投資人須知中，投資人可至境外基金資訊觀測站 (www.fundclear.com.tw) 下載，或逕向本公司網站 (www.Franklin.com.tw) 查閱。
- *重新投資之優惠之規定並不適用台灣。在台辦理境外基金銷售業務，銷售手續費用之收取方式及費率係依銷售機構所訂為準。有關本境外基金在台銷售股份及投資人應負擔費用之項目及其計算方式，投資人得參閱本基金投資人須知之基金專屬資訊「陸、投資人應負擔費用之項目及其計算方式」。
- 本公司所提供之資料及訊息，僅供此訊息接收人之參考用途。本公司當盡力提供正確之資訊，所載資料均來自或本諸我們相信可靠之來源，但對其完整性、即時性和正確性不做任何擔保，如有錯漏或疏忽，本公司或關係企業與其任何董事或受僱人，並不負任何法律責任。基金過去的績效不代表未來的表現，基金價格可能上揚或下跌。投資共同基金有投資風險（包括但不限於價格、匯率、政治之風險），亦可能發生本金之損失。任何人因信賴此等資料而做出或改變投資決策，須自行承擔結果。

富蘭克林證券投資顧問股份有限公司

電話：(02) 2781-0088 傳真：(02) 2781-7788 台北市忠孝東路四段 87 號 8 樓

富蘭克林基金專線：0800-885-888 富蘭克林基金理財網：<http://www.Franklin.com.tw>

主管機關核准之營業執照字號：101 年金管投顧新字第 025 號

【富蘭克林證券投顧獨立經營管理】

TEMPLETON FOREIGN FUND

Templeton Funds

January 1, 2021



FRANKLIN
TEMPLETON

Class A

Class C

Class R

Class R6

Advisor Class

TEMFX

TEFTX

TEFRX

FTFGX

TFFAX

The U.S. Securities and Exchange Commission (SEC) has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Contents

Fund Summary

Information about the Fund you should know before investing

Investment Goal	2
Fees and Expenses of the Fund.	2
Portfolio Turnover	4
Principal Investment Strategies	4
Principal Risks	5
Performance	8
Investment Manager.	10
Portfolio Managers	11
Purchase and Sale of Fund Shares	11
Taxes	11
Payments to Broker-Dealers and Other Financial Intermediaries	12

Fund Details

More information on investment policies, practices and risks/financial highlights

Investment Goal	13
Principal Investment Policies and Practices.	13
Principal Risks	16
Management.	26
Distributions and Taxes	28
Financial Highlights	32

Your Account

Information about sales charges, qualified investors, account transactions and services

Choosing a Share Class	38
Buying Shares	51
Investor Services	54
Selling Shares	57
Exchanging Shares	60
Account Policies	64
Questions	78

For More Information

Where to learn more about the Fund

Back Cover

Fund Summary

Investment Goal

Long-term capital growth.

Fees and Expenses of the Fund

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts in Class A if you and your family invest, or agree to invest in the future, at least \$50,000 in Franklin Templeton funds. More information about these and other discounts is available from your financial professional and under “Your Account” on page 38 in the Fund’s Prospectus and under “Buying and Selling Shares” on page 62 of the Fund’s Statement of Additional Information. In addition, more information about sales charge discounts and waivers for purchases of shares through specific financial intermediaries is set forth in Appendix A - “Intermediary Sales Charge Discounts and Waivers” to the Fund’s prospectus.

Please note that the tables and examples below do not reflect any transaction fees that may be charged by financial intermediaries, or commissions that a shareholder may be required to pay directly to its financial intermediary when buying or selling Class R6 or Advisor Class shares.

Shareholder Fees

(fees paid directly from your investment)

	Class A	Class C	Class R	Class R6	Advisor Class
Maximum Sales Charge (Load) Imposed on Purchases (as percentage of offering price)	5.50%	None	None	None	None
Maximum Deferred Sales Charge (Load) (as percentage of the lower of original purchase price or sale proceeds)	None ¹	1.00%	None	None	None

1. There is a 1% contingent deferred sales charge that applies to investments of \$1 million or more (see “Investments of \$1 Million or More” under “Choosing a Share Class”) and purchases by certain retirement plans without an initial sales charge on shares sold within 18 months of purchase.

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

	Class A	Class C	Class R	Class R6	Advisor Class
Management fees	0.69%	0.69%	0.69%	0.69%	0.69%
Distribution and service (12b-1) fees	0.25%	1.00%	0.50%	None	None
Other expenses	0.25%	0.25%	0.25%	0.10%	0.25%
Total annual Fund operating expenses	1.19%	1.94%	1.44%	0.79%	0.94%
Fee waiver and/or expense reimbursement ¹	-0.09%	-0.09%	-0.09%	-0.11%	-0.09%
Total annual Fund operating expenses after fee waiver and/or expense reimbursement¹	1.10%	1.85%	1.35%	0.68%	0.85%

1. The investment manager has contractually agreed to waive or assume certain expenses so that operating expenses (excluding rule 12b-1 fees, acquired fund fees and expenses and certain non-routine expenses) for each class of the Fund do not exceed 0.85% until December 31, 2021. In addition, the transfer agent has contractually agreed to limit its fees on Class R6 shares to 0.03% until December 31, 2021. During its term, this fee waiver and expense reimbursement agreement may not be terminated or amended without approval of the board of trustees except to add series and classes, to reflect the extension of termination dates or to lower the fee waiver and expense limitation.

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of the period. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. The Example reflects adjustments made to the Fund’s operating expenses due to the fee waivers and/or expense reimbursements by management for the 1 Year numbers only. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A	\$656	\$897	\$1,158	\$1,901
Class C	\$287	\$599	\$1,036	\$2,252
Class R	\$137	\$445	\$776	\$1,711
Class R6	\$70	\$242	\$429	\$971
Advisor Class	\$86	\$289	\$509	\$1,141
If you do not sell your shares:				
Class C	\$187	\$599	\$1,036	\$2,252

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 42.37% of the average value of its portfolio.

Principal Investment Strategies

Under normal market conditions, the Fund invests at least 80% of its net assets in foreign securities. These securities are predominantly equity securities of companies located outside the U.S., including developing markets. The equity securities in which the Fund invests are predominantly common stock, and may include small and mid capitalization companies. Although the investment manager will search for investments across a large number of regions, countries and sectors, from time to time, based on economic conditions, the Fund may have significant positions in particular regions, countries or sectors.

The investment manager may consider selling an equity security when it believes the security has become overvalued due to either its price appreciation or changes in the company’s fundamentals, or when the investment manager believes another security is a more attractive investment opportunity.

The Fund may, from time to time, engage in currency-related derivatives, such as currency and cross-currency forwards and currency futures contracts, to seek to hedge (protect) against currency risks.

When choosing equity investments for the Fund, the investment manager applies a “bottom-up,” value-oriented, long-term approach, focusing on the market price of a company’s securities relative to the investment manager’s evaluation of the company’s long-term earnings, asset value and cash flow potential. The investment manager also considers a company’s price/earnings ratio, price/cash flow ratio, profit margins and liquidation value.

The Fund may also use a variety of equity-related derivatives, which may include equity futures and equity index futures, for various purposes including enhancing Fund returns, increasing liquidity and gaining exposure to particular markets in more efficient or less expensive ways.

Principal Risks

You could lose money by investing in the Fund. Mutual fund shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

Market The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

The current global outbreak of the novel strain of coronavirus, COVID-19, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. Efforts to contain the spread of COVID-19 have resulted in global travel restrictions and disruptions of healthcare systems, business operations and supply chains, layoffs, reduced consumer demand, defaults and credit ratings downgrades, and other significant economic impacts. The effects of COVID-19 have impacted global economic activity across many industries and may heighten other pre-existing political, social and economic risks, locally or globally. The full impact of the COVID-19 pandemic is unpredictable and may adversely affect the Fund’s performance.

Foreign Securities (non-U.S.) Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with: (i) internal and external political and economic developments – e.g., the political, economic and social policies and structures of some foreign countries may be less stable and more volatile than those in the U.S. or some foreign countries may be subject to trading restrictions or economic sanctions; (ii) trading practices – e.g., government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; (iii) availability of information – e.g., foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; (iv) limited markets – e.g., the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and (v) currency exchange rate fluctuations and policies. The risks of foreign investments may be greater in developing or emerging market countries.

Currency Management Strategies Currency management strategies may substantially change the Fund's exposure to currency exchange rates and could result in losses to the Fund if currencies do not perform as the investment manager expects. In addition, currency management strategies, to the extent that they reduce the Fund's exposure to currency risks, also reduce the Fund's ability to benefit from favorable changes in currency exchange rates. Using currency management strategies for purposes other than hedging further increases the Fund's exposure to foreign investment losses. Currency markets generally are not as regulated as securities markets. In addition, currency rates may fluctuate significantly over short periods of time, and can reduce returns.

Regional Focus Because the Fund may invest at least a significant portion of its assets in companies in a specific region, including Europe, the Fund is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Political, social or economic disruptions in the region, even in countries in which the Fund is not invested, may adversely affect the value of investments held by the Fund. Current uncertainty concerning the economic consequences of the January 31, 2020 departure of the United Kingdom from the European Union (EU) may increase market volatility.

Developing Market Countries The Fund's investments in securities of issuers in developing market countries are subject to all of the risks of foreign investing generally, and have additional heightened risks due to a lack of established legal, political, business and social frameworks to support securities markets, including: delays in settling portfolio securities transactions; currency and capital controls; greater sensitivity to interest rate changes; pervasiveness of corruption and crime; currency exchange rate volatility; and inflation, deflation or currency devaluation.

Value Style Investing A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur or do not have the anticipated effect.

Liquidity From time to time, the trading market for a particular security or type of security or other investments in which the Fund invests may become less liquid or even illiquid. Reduced liquidity will have an adverse impact on the Fund's ability to sell such securities or other investments when necessary to meet the Fund's liquidity needs, which may arise or increase in response to a specific economic event or because the investment manager wishes to purchase particular investments or believes that a higher level of liquidity would be advantageous.

Reduced liquidity will also generally lower the value of such securities or other investments. Market prices for such securities or other investments may be relatively volatile.

Management The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

Focus To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

Small and Mid Capitalization Companies Securities issued by small and mid capitalization companies may be more volatile in price than those of larger companies and may involve additional risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, small and mid capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

Derivative Instruments The performance of derivative instruments (including currency derivatives) depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such instruments often have risks similar to the underlying instrument, in addition to other risks. Derivative instruments involve costs and can create economic leverage in the Fund's portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Fund's initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative instrument, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. Their successful use will usually depend on the investment manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments move in an unexpected manner, especially in unusual or extreme market conditions, the Fund may not achieve the anticipated benefits of the transaction, and it may realize losses, which could be significant. If the investment manager is not successful in using such derivative

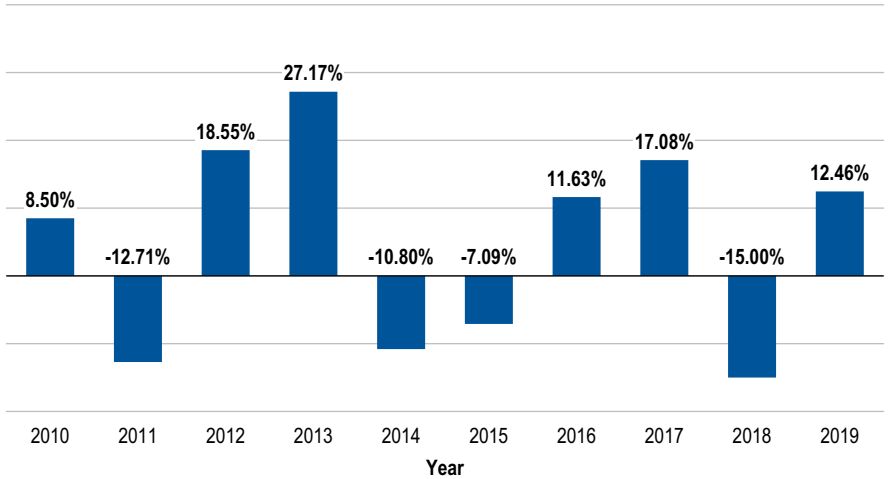
instruments, the Fund's performance may be worse than if the investment manager did not use such derivative instruments at all. When a derivative is used for hedging, the change in value of the derivative instrument may also not correlate specifically with the currency, security, interest rate, index or other risk being hedged. There is also the risk, especially under extreme market conditions, that an instrument, which usually would operate as a hedge, provides no hedging benefits at all.

Performance

The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year for Class A shares. The table shows how the Fund's average annual returns for 1 year, 5 years, 10 years or since inception, as applicable, compared with those of a broad measure of market performance. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. You can obtain updated performance information at franklintempleton.com or by calling (800) DIAL BEN/342-5236.

Sales charges are not reflected in the bar chart, and if those charges were included, returns would be less than those shown.

Class A Annual Total Returns



Best Quarter:	Q3'10	15.61%
Worst Quarter:	Q3'11	-21.33%
As of September 30, 2020, the Fund's year-to-date return was -16.92%.		

Average Annual Total Returns

(figures reflect sales charges)

For the periods ended December 31, 2019

	1 Year	5 Years	10 Years
Templeton Foreign Fund - Class A			
Return Before Taxes	6.26%	1.86%	3.40%
Return After Taxes on Distributions	5.69%	1.53%	2.96%
Return After Taxes on Distributions and Sale of Fund Shares	4.53%	1.58%	2.85%
Templeton Foreign Fund - Class C	10.62%	2.25%	3.21%
Templeton Foreign Fund - Class R	12.34%	2.76%	3.73%
Templeton Foreign Fund - Class R6	13.04%	3.48%	3.85% ¹
Templeton Foreign Fund - Advisor Class	12.96%	3.31%	4.25%
MSCI All Country World ex-US Index-NR (index reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding) ²	21.51%	5.51%	4.97%
MSCI All Country World ex-US Index (index reflects no deduction for fees, expenses or taxes) ²	22.13%	6.01%	5.45%

1. Since inception May 1, 2013.

2. The MSCI All Country World ex-US Index-NR (net of taxes on dividends) is replacing the MSCI All Country World ex-US Index (gross of taxes on dividends) because the investment manager believes the composition of the MSCI All Country World ex-US Index-NR provides a more consistent basis for comparison relative to the Fund's peers.

The figures in the average annual total returns table above reflect the Class A maximum front-end sales charge of 5.50%. Prior to September 10, 2018, Class A shares were subject to a maximum front-end sales charge of 5.75%. If the prior maximum front-end sales charge of 5.75% was reflected, performance for Class A in the average annual total returns table would be lower.

The after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. After-tax returns are shown only for Class A and after-tax returns for other classes will vary.

Investment Manager

Templeton Global Advisors Limited (Global Advisors)

Portfolio Managers

Christopher James Peel, CFA

Vice President, Portfolio Manager and Research Analyst of Global Advisors and portfolio manager of the Fund since 2017.

Herbert J. Arnett, Jr.

Vice President, Portfolio Manager and Research Analyst of Global Advisors and portfolio manager of the Fund since 2017.

Peter M. Moeschter, CFA

Executive Vice President and Director of Global Advisors and portfolio manager of the Fund since 2019.

Warren Pustam, CFA

Vice President and Portfolio Manager of Global Advisors and portfolio manager of the Fund since 2019.

Purchase and Sale of Fund Shares

You may purchase or redeem shares of the Fund on any business day online through our website at franklintempleton.com, by mail (Franklin Templeton Investor Services, P.O. Box 33030, St. Petersburg, FL 33733-8030), or by telephone at (800) 632-2301. For Class A, C and R, the minimum initial purchase for most accounts is \$1,000 (or \$25 under an automatic investment plan). Class R6 and Advisor Class are only available to certain qualified investors and the minimum initial investment will vary depending on the type of qualified investor, as described under "Your Account — Choosing a Share Class — Qualified Investors — Class R6" and "— Advisor Class" in the Fund's prospectus. There is no minimum investment for subsequent purchases.

Taxes

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or some combination of both, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account, in which case your distributions would generally be taxed when withdrawn from the tax-deferred account.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your financial advisor or visit your financial intermediary's website for more information.

Fund Details

Investment Goal

The Fund's investment goal is long-term capital growth.

Principal Investment Policies and Practices

Under normal market conditions, the Fund invests at least 80% of its net assets in "foreign securities," as defined below. These securities are predominantly equity securities of companies located outside the U.S., including developing markets. Shareholders will be given at least 60 days' advance written notice of any change to the 80% policy.

For purposes of the Fund's investments, "foreign securities" means those securities that provide exposure to companies:

- whose principal securities trading markets are outside the U.S.; or
- that derive 50% or more of their total revenue from either goods or services produced or sales made in markets outside the U.S.; or
- that have 50% or more of their assets outside the U.S.; or
- that are linked to non-U.S. dollar currencies; or
- that are organized under the laws of, or with principal offices in, a country other than the U.S.

The Fund's definition of "foreign securities" as used in this prospectus may differ from the definition of the same or similar term as used in other mutual fund prospectuses. As a result, the Fund may hold foreign securities that other funds may classify differently.

An equity security represents a proportionate share of the ownership of a company; its value is based on the success or failure of the company's business, any income paid to stockholders, the value of its assets and general market conditions. Common stocks and preferred stocks, and securities convertible into common stocks, are examples of equity securities. The Fund may invest in convertible securities without regard to the ratings assigned by the rating services. The Fund also invests in American, European and Global Depositary Receipts. These are certificates issued typically by a bank or trust company that give their holders the right to receive securities issued by a foreign or domestic company. The Fund, from time to time, may have significant investments in one or more regions, countries or particular sectors such as energy, financial services companies and healthcare. The equity securities in which the Fund invests may include small and mid capitalization companies.

Depending upon current market conditions, the Fund may invest in debt securities of companies and governments located anywhere in the world. Debt securities represent the obligation of the issuer to repay a loan of money to it, and generally pay interest to the holder. Bonds, notes and debentures are examples of debt securities.

The Fund may, from time to time, engage in equity-related derivatives, which may include buying and selling (writing) put and call options on individual securities (including ETFs) and indices, and engaging in equity futures and equity index futures, for various purposes, including enhancing Fund returns, increasing liquidity, gaining exposure to individual securities and particular markets in more efficient or less expensive ways, generating additional income for the Fund, and/or hedging risks relating to changes in certain equity markets.

The Fund may also, from time to time, engage in currency-related derivatives, such as currency and cross-currency forwards and currency futures contracts, to seek to hedge (protect) against currency risks.

A currency forward contract is an obligation to purchase or sell a specific foreign currency in exchange for another currency, which may be U.S. dollars, at an agreed exchange rate (price) at a future date. Currency forwards are typically individually negotiated and privately traded by currency traders and their customers in the interbank market. A cross currency forward is a forward contract to sell a specific foreign currency in exchange for another foreign currency and may be used when the Fund believes that the price of one of those foreign currencies will experience a substantial movement against the other foreign currency. A cross currency forward will tend to reduce or eliminate exposure to the currency that is sold, and increase exposure to the currency that is purchased, similar to when the Fund sells a security denominated in one currency and purchases a security denominated in another currency. When used for hedging purposes, a cross currency forward should help to protect the Fund against losses resulting from a decline in the hedged currency, but will cause the Fund to assume the risk of fluctuations in the value of the currency it purchases.

A futures contract is a standard binding agreement that trades on an exchange to buy or sell a specified quantity of an underlying instrument or asset at a specified price at a specified later date. A “sale” of a futures contract means the acquisition of a contractual obligation to deliver the underlying instrument specified in the contract at a specified price on a specified date. A “purchase” of a futures contract means the acquisition of a contractual obligation to purchase the underlying instrument specified in the contract at a specified price on a specified date. The purchase or sale of a futures contract will allow the Fund to increase or decrease its exposure to the underlying instrument or asset. Although most futures contracts used by the Fund allow for a cash payment of the net gain or loss on the contract at maturity,

in lieu of delivery of the underlying instrument or asset, some require the actual delivery or acquisition of the underlying instrument. The Fund may buy and sell futures contracts that trade on U.S. and foreign exchanges.

A call option gives the purchaser of the option, upon payment of a premium, the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price. Conversely, a put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the seller of the option the obligation to buy, the underlying instrument at the exercise price. For example, when the investment manager expects the price of a stock held by the Fund to decline in value, the Fund may also purchase put options that are expected to increase in value as the market price of the stock declines to hedge against such anticipated decline in value. The investment manager considers various factors, such as availability and cost, in deciding whether, when and to what extent to enter into derivative transactions.

The Fund may invest in equity-linked notes (ELNs), which are hybrid derivative-type instruments that are specially designed to combine the characteristics of one or more reference securities (usually a single stock, a stock index or a basket of stocks (underlying securities)) and a related equity derivative, such as a put or call option, in a single note form. The Fund may engage in all types of ELNs, including those that: (1) provide for protection of the Fund’s principal in exchange for limited participation in the appreciation of the underlying securities, and (2) do not provide for such protection and subject the Fund to the risk of loss of the Fund’s principal investment. ELNs can provide the Fund with an efficient investment tool that may be less expensive than investing directly in the underlying securities and the related equity derivative.

When choosing equity investments for the Fund, the investment manager applies a “bottom-up,” value-oriented, long-term approach, focusing on the market price of a company’s securities relative to the investment manager’s evaluation of the company’s long-term earnings, asset value and cash flow potential. This includes an assessment by the investment manager of the potential impacts of material environmental, social and governance factors on the long-term risk and return profile of a company. The investment manager also considers a company’s price/earnings ratio, price/cash flow ratio, profit margins and liquidation value.

The investment manager may consider selling an equity security when it believes the security has become overvalued due to either its price appreciation or changes in the company’s fundamentals, or when the investment manager believes another security is a more attractive investment opportunity.

Exclusion of Investment Manager from Commodity Pool Operator Definition

With respect to the Fund, the investment manager has claimed an exclusion from the definition of “commodity pool operator” (CPO) under the Commodity Exchange Act (CEA) and the rules of the Commodity Futures Trading Commission (CFTC) and, therefore, is not subject to CFTC registration or regulation as a CPO. In addition, with respect to the Fund, the investment manager is relying upon a related exclusion from the definition of “commodity trading advisor” (CTA) under the CEA and the rules of the CFTC.

The terms of the CPO exclusion require the Fund, among other things, to adhere to certain limits on its investments in commodity futures, commodity options and swaps, which in turn include non-deliverable currency forward contracts, as further described in the Fund’s Statement of Additional Information (SAI). Because the investment manager and the Fund intend to comply with the terms of the CPO exclusion, the Fund may, in the future, need to adjust its investment strategies, consistent with its investment goal, to limit its investments in these types of instruments. The Fund is not intended as a vehicle for trading in the commodity futures, commodity options, or swaps markets. The CFTC has neither reviewed nor approved the investment manager’s reliance on these exclusions, or the Fund, its investment strategies or this prospectus.

Temporary Investments

When the investment manager believes market or economic conditions are unfavorable for investors, the investment manager may invest up to 100% of the Fund’s assets in a temporary defensive manner by holding all or a substantial portion of its assets in cash, cash equivalents or other high quality short-term investments. Temporary defensive investments generally may include money market securities, including shares of money market funds managed by the investment manager or its affiliates, or short-term debt securities. The investment manager also may invest in these types of securities or hold cash while looking for suitable investment opportunities or to maintain liquidity. In these circumstances, the Fund may be unable to achieve its investment goal.

Principal Risks

Market

The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The Fund’s investments may decline in value due to factors affecting individual issuers (such as the results of supply and demand), or sectors within the securities markets. The value of a security or other investment also may go up or down due to general market conditions that are not specifically related to a particular issuer, such as real or perceived adverse

economic conditions, changes in interest rates or exchange rates, or adverse investor sentiment generally. In addition, unexpected events and their aftermaths, such as the spread of diseases; natural, environmental or man-made disasters; financial, political or social disruptions; terrorism and war; and other tragedies or catastrophes, can cause investor fear and panic, which can adversely affect the economies of many companies, sectors, nations, regions and the market in general, in ways that cannot necessarily be foreseen. During a general downturn in the securities markets, multiple asset classes may decline in value. When markets perform well, there can be no assurance that securities or other investments held by the Fund will participate in or otherwise benefit from the advance.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

The current global outbreak of the novel strain of coronavirus, COVID-19, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. Efforts to contain the spread of COVID-19 have resulted in global travel restrictions and disruptions of healthcare systems, business operations and supply chains, layoffs, reduced consumer demand, defaults and credit ratings downgrades, and other significant economic impacts. The effects of the COVID-19 pandemic have impacted global economic activity across many industries and may heighten other pre-existing political, social and economic risks, locally or globally. The full impact of the COVID-19 pandemic, and other epidemics and pandemics that may arise in the future, on national and global economies, individual companies and the financial markets is unpredictable, may result in a high degree of uncertainty for potentially extended periods of time and may adversely affect the Fund’s performance.

Foreign Securities (non-U.S.)

Investing in foreign securities, including sovereign debt securities, typically involves more risks than investing in U.S. securities. Certain of these risks also may apply to securities of U.S. companies with significant foreign operations.

Currency exchange rates. Foreign securities may be issued and traded in foreign currencies. As a result, their market values in U.S. dollars may be affected by changes in exchange rates between such foreign currencies and the U.S. dollar, as well as between currencies of countries other than the U.S. For example, if the value of the U.S. dollar goes up compared to a foreign currency, an investment traded in that foreign currency will go down in value because it will be worth fewer U.S. dollars. The Fund accrues additional expenses when engaging in currency exchange transactions, and valuation of the Fund’s foreign securities may be subject to greater risk because both the currency (relative to the U.S. dollar) and the security must be considered.

Currency management strategies. Currency management strategies may substantially change the Fund's exposure to currency exchange rates and could result in losses to the Fund if currencies do not perform as the investment manager expects. In addition, currency management strategies, to the extent that they reduce the Fund's exposure to currency risks, also reduce the Fund's ability to benefit from favorable changes in currency exchange rates. There is no assurance that the investment manager's use of currency management strategies will benefit the Fund or that they will be, or can be, used at appropriate times. Furthermore, there may not be perfect correlation between the amount of exposure to a particular currency and the amount of securities in the Fund's portfolio denominated in that currency. Investing in foreign currencies for purposes of gaining from projected changes in exchange rates, as opposed to hedging currency risks applicable to the Fund's holdings, further increases the Fund's exposure to foreign investment losses.

Political and economic developments. The political, economic and social policies or structures of some foreign countries may be less stable and more volatile than those in the United States. Investments in these countries may be subject to greater risks of internal and external conflicts, expropriation, nationalization of assets, foreign exchange controls (such as suspension of the ability to transfer currency from a given country), restrictions on removal of assets, political or social instability, military action or unrest, diplomatic developments, currency devaluations, foreign ownership limitations, and substantial, punitive or confiscatory tax increases. It is possible that a government may take over the assets or operations of a company or impose restrictions on the exchange or export of currency or other assets. Some countries also may have different legal systems that may make it difficult or expensive for the Fund to vote proxies, exercise shareholder rights, and pursue legal remedies with respect to its foreign investments. Diplomatic and political developments could affect the economies, industries, and securities and currency markets of the countries in which the Fund is invested. These developments include rapid and adverse political changes; social instability; regional conflicts; sanctions imposed by the United States, other nations or other governmental entities, including supranational entities; terrorism; and war. In addition, such developments could contribute to the devaluation of a country's currency, a downgrade in the credit ratings of issuers in such country, or a decline in the value and liquidity of securities of issuers in that country. An imposition of sanctions upon certain issuers in a country could result in an immediate freeze of that issuer's securities, impairing the ability of the Fund to buy, sell, receive or deliver those securities. These factors would affect the value of the Fund's investments and are extremely difficult, if not impossible, to predict and take into account with respect to the Fund's investments.

Trading practices. Brokerage commissions, withholding taxes, custodial fees, and other fees generally are higher in foreign markets. The policies and procedures followed by foreign stock exchanges, currency markets, trading systems and brokers may differ from those applicable in the United States, with possibly negative consequences to the Fund. The procedures and rules governing foreign trading, settlement and custody (holding of the Fund's assets) also may result in losses or delays in payment, delivery or recovery of money or other property. Foreign government supervision and regulation of foreign securities and currency markets and trading systems may be less than or different from government supervision in the United States, and may increase the Fund's regulatory and compliance burden and/or decrease the Fund's investor rights and protections.

Availability of information. Foreign issuers may not be subject to the same disclosure, accounting, auditing and financial reporting standards and practices as U.S. issuers. Thus, there may be less information publicly available about foreign issuers than about most U.S. issuers. In addition, information provided by foreign issuers may be less timely or less reliable than information provided by U.S. issuers.

Limited markets. Certain foreign securities may be less liquid (harder to sell) and their prices may be more volatile than many U.S. securities. Illiquidity tends to be greater, and valuation of the Fund's foreign securities may be more difficult, due to the infrequent trading and/or delayed reporting of quotes and sales.

Regional. Adverse conditions in a certain region or country can adversely affect securities of issuers in other countries whose economies appear to be unrelated. To the extent that the Fund invests a significant portion of its assets in a specific geographic region or a particular country, the Fund will generally have more exposure to the specific regional or country economic risks. In the event of economic or political turmoil or a deterioration of diplomatic relations in a region or country where a substantial portion of the Fund's assets are invested, the Fund may experience substantial illiquidity or reduction in the value of the Fund's investments.

The risk of investments in Europe may be heightened due to the January 31, 2020 departure of the United Kingdom from the European Union (EU) and resulting uncertainty about trade negotiations and economic effects of the departure, which may cause increased market volatility.

Developing market countries. The Fund's investments in securities of issuers in developing market countries are subject to all of the risks of foreign investing generally, and have additional heightened risks due to a lack of established legal, political, business and social frameworks to support securities markets. Some of the additional significant risks include:

- less social, political and economic stability;

- a higher possibility of the devaluation of a country's currency, a downgrade in the credit ratings of issuers in such country, or a decline in the value and liquidity of securities of issuers in that country if the United States, other nations or other governmental entities (including supranational entities) impose sanctions on issuers that limit or restrict foreign investment, the movement of assets or other economic activity in the country due to political, military or regional conflicts or due to terrorism or war;
- smaller securities markets with low or non-existent trading volume and greater illiquidity and price volatility;
- more restrictive national policies on foreign investment, including restrictions on investment in issuers or industries deemed sensitive to national interests;
- less transparent and established taxation policies;
- less developed regulatory or legal structures governing private and foreign investment or allowing for judicial redress for injury to private property, such as bankruptcy;
- less familiarity with a capital market structure or market-oriented economy and more widespread corruption and fraud;
- less financial sophistication, creditworthiness and/or resources possessed by, and less government regulation of, the financial institutions and issuers with which the Fund transacts;
- less government supervision and regulation of business and industry practices, stock exchanges, brokers and listed companies than in the U.S.;
- greater concentration in a few industries resulting in greater vulnerability to regional and global trade conditions;
- higher rates of inflation and more rapid and extreme fluctuations in inflation rates;
- greater sensitivity to interest rate changes (for example, a higher interest rate environment can make it more difficult for developing market governments to service their existing debt);
- increased volatility in currency exchange rates and potential for currency devaluations and/or currency controls;
- greater debt burdens relative to the size of the economy;
- more delays in settling portfolio transactions and heightened risk of loss from share registration and custody practices; and
- less assurance that when favorable economic developments occur, they will not be slowed or reversed by unanticipated economic, political or social events in such countries.

Because of the above factors, the Fund's investments in developing market countries may be subject to greater price volatility and illiquidity than investments in developed markets.

Derivative Instruments

The performance of derivative instruments depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such instruments often have risks similar to the underlying instrument, in addition to other risks. Derivative instruments involve costs and can create economic leverage in the Fund's portfolio, which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Fund's initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative instrument, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. Their successful use will usually depend on the investment manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments, move in an unexpected manner, especially in unusual or extreme market conditions, the Fund may not realize the anticipated benefits of the transaction, and it may realize losses, which could be significant. If the investment manager is not successful in using such derivative instruments, the Fund's performance may be worse than if the investment manager did not use such derivative instruments at all. When a derivative is used for hedging, the change in value of the derivative instrument also may not correlate specifically with the currency, security, interest rate, index or other risk being hedged. There is also the risk, especially under extreme market conditions, that an instrument, which usually would operate as a hedge, provides no hedging benefits at all.

Use of these instruments could also result in a loss if the counterparty to the transaction (particularly with respect to over-the-counter (OTC) instruments, such as forward currency contracts) does not perform as promised, including because of such counterparty's bankruptcy or insolvency. This risk may be heightened during volatile market conditions. Other risks include the inability to close out a position because the trading market becomes illiquid (particularly in the OTC markets) or the availability of counterparties becomes limited for a period of time. In addition, the presence of speculators in a particular market could lead to price distortions. To the extent that the Fund is unable to close out a position because of market illiquidity, the Fund may not be able to prevent further losses of value in its derivatives holdings and the Fund's liquidity may be impaired to the extent that it has a substantial portion of its otherwise liquid assets marked as segregated to cover its obligations under such derivative instruments. The Fund may also be required to take or make delivery of an underlying instrument that the investment manager would otherwise have attempted to avoid. Some derivatives can be particularly

sensitive to changes in interest rates or other market prices. Investors should bear in mind that, while the Fund intends to use derivative strategies on a regular basis, it is not obligated to actively engage in these transactions, generally or in any particular kind of derivative, if the investment manager elects not to do so due to availability, cost or other factors.

The use of derivative strategies may also have a tax impact on the Fund. The timing and character of income, gains or losses from these strategies could impair the ability of the investment manager to use derivatives when it wishes to do so.

Value Style Investing

Value stock prices are considered “cheap” relative to the company’s perceived value and are often out of favor with other investors. The investment manager may invest in such stocks if it believes the market may have overreacted to adverse developments or failed to appreciate positive changes. However, if other investors fail to recognize the company’s value (and do not become buyers, or if they become sellers or favor investing in faster growing companies), value stocks may not increase in value as anticipated by the investment manager and may even decline in value.

Liquidity

Liquidity risk exists when the markets for particular securities or types of securities or other investments are or become relatively illiquid so that the Fund is unable, or it becomes more difficult for the Fund, to sell the security or other investment at the price at which the Fund has valued the security. Illiquidity may result from political, economic or issuer specific events; supply/demand imbalances; changes in a specific market’s size or structure, including the number of participants; or overall market disruptions. Securities or other investments with reduced liquidity or that become illiquid may involve greater risk than securities with more liquid markets. Market prices or quotations for illiquid securities may be volatile, and there may be large spreads between bid and ask prices. Reduced liquidity may have an adverse impact on market price and the Fund’s ability to sell particular securities when necessary to meet the Fund’s liquidity needs, which may arise or increase in response to a specific economic event or because the investment manager wishes to purchase particular investments or believes that a higher level of liquidity would be advantageous. An investment may become illiquid if the Fund and its affiliates receive material non-public information about the issuer or the investment. To the extent that the Fund and its affiliates hold a significant portion of an issuer’s outstanding securities, the Fund may be subject to greater liquidity risk than if the issuer’s securities were more widely held.

Management

The Fund is actively managed and could experience losses (realized and unrealized) if the investment manager’s judgment about markets, interest rates or the attractiveness, relative values, liquidity, or potential appreciation of particular investments made for the Fund’s portfolio prove to be incorrect. There can be no guarantee that these techniques or the investment manager’s investment decisions will produce the desired results. Additionally, legislative, regulatory, or tax developments may affect the investment techniques available to the investment manager in connection with managing the Fund and may also adversely affect the ability of the Fund to achieve its investment goal.

Focus

The greater the Fund’s exposure to any single type of investment – including investment in a given industry, sector, region, country, issuer, or type of security – the greater the losses the Fund may experience upon any single economic, market, business, political, regulatory, or other occurrence. As a result, there may be more fluctuation in the price of the Fund’s shares.

Energy companies. Companies that are involved in oil or gas exploration, production, refining or marketing, or any combination of the above are greatly affected by the prices and supplies of raw materials such as oil or gas. The earnings and dividends of energy companies can fluctuate significantly as a result of international economics, politics and regulation.

Financial services companies. Financial services companies are subject to extensive government regulation that may affect their profitability in many ways, including by limiting the amount and types of loans and other commitments they can make, and the interest rates and fees they can charge. A financial services company’s profitability, and therefore its stock prices, is especially sensitive to interest rate changes as well as the ability of borrowers to repay their loans. Changing regulations, continuing consolidations, and development of new products and structures all are likely to have a significant impact on financial services companies.

Healthcare companies. The activities of healthcare companies may be funded or subsidized by federal and state governments. If government funding and subsidies are reduced or discontinued, the profitability of these companies could be adversely affected. Healthcare companies may also be affected by government policies on healthcare reimbursements, regulatory approval for new drugs and medical products, and similar matters. They are also subject to legislative risk, i.e., the risks associated with the reform of the healthcare system through legislation.

Depository Receipts

Depository receipts are subject to many of the risks of the underlying security. For some depository receipts, the custodian or similar financial institution that holds the issuer's shares in a trust account is located in the issuer's home country. The Fund could be exposed to the credit risk of the custodian or financial institution, and in cases where the issuer's home country does not have developed financial markets, greater market risk. In addition, the depository institution may not have physical custody of the underlying securities at all times and may charge fees for various services, including forwarding dividends and interest and corporate actions. The Fund would be expected to pay a share of the additional fees, which it would not pay if investing directly in the foreign securities. The Fund may experience delays in receiving its dividend and interest payments or exercising rights as a shareholder.

Small and Mid Capitalization Companies

While small and mid capitalization companies may offer substantial opportunities for capital growth, they also may involve more risks than larger capitalization companies. Historically, small and mid capitalization company securities have been more volatile in price than larger company securities, especially over the short term. Among the reasons for the greater price volatility are the less certain growth prospects of small and mid capitalization companies, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of small and mid capitalization companies to changing economic conditions.

In addition, small and mid capitalization companies may lack depth of management, be unable to generate funds necessary for growth or development, have limited product lines or be developing or marketing new products or services for which markets are not yet established and may never become established. Small and mid capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying loans, particularly those with floating interest rates.

Equity-Linked Notes (ELNs)

Investments in ELNs often have risks similar to their underlying securities, which could include management risk, market risk and, as applicable, foreign securities and currency risks. In addition, since ELNs are in note form, ELNs are also subject to certain debt securities risks, such as interest rate and credit risks. Should the prices of the underlying securities move in an unexpected manner, the Fund may not achieve the anticipated benefits of an investment in an ELN, and may realize losses, which could be significant and could include the Fund's entire principal investment. An investment in an ELN is also subject to counterparty risk, which is the risk that the issuer of the ELN will default or become bankrupt and the Fund will have difficulty being repaid, or fail to be repaid, the principal amount of, or income from, its investment. Investments in ELNs are also subject to liquidity risk, which

may make ELNs difficult to sell and value. In addition, ELNs may exhibit price behavior that does not correlate with the underlying securities or a fixed-income investment.

Credit

The Fund could lose money on a debt security if the issuer or borrower is unable or fails to meet its obligations, including failing to make interest payments and/or to repay principal when due. Changes in an issuer's financial strength, the market's perception of the issuer's financial strength or an issuer's or security's credit rating, which reflects a third party's assessment of the credit risk presented by a particular issuer or security, may affect debt securities' values. The Fund may incur substantial losses on debt securities that are inaccurately perceived to present a different amount of credit risk by the market, the investment manager or the rating agencies than such securities actually do.

Interest Rate

Interest rate changes can be sudden and unpredictable, and are influenced by a number of factors, including government policy, monetary policy, inflation expectations, perceptions of risk, and supply of and demand for bonds. Changes in government or central bank policy, including changes in tax policy or changes in a central bank's implementation of specific policy goals, may have a substantial impact on interest rates. There can be no guarantee that any particular government or central bank policy will be continued, discontinued or changed, nor that any such policy will have the desired effect on interest rates. Debt securities generally tend to lose market value when interest rates rise and increase in value when interest rates fall. A rise in interest rates also has the potential to cause investors to rapidly sell fixed income securities. A substantial increase in interest rates may also have an adverse impact on the liquidity of a debt security, especially those with longer maturities or durations. Securities with longer maturities or durations or lower coupons or that make little (or no) interest payments before maturity tend to be more sensitive to interest rate changes.

Convertible Securities

A convertible security is generally a debt obligation, preferred stock or other security that pays interest or dividends and may be converted by the holder within a specified period of time into common stock. The value of convertible securities may rise and fall with the market value of the underlying stock or, like a debt security, vary with changes in interest rates and the credit quality of the issuer. A convertible security tends to perform more like a stock when the underlying stock price is high relative to the conversion price (because more of the security's value resides in the option to convert) and more like a debt security when the underlying stock price is low relative to the conversion price (because the option to convert is less valuable).

Because its value can be influenced by many different factors, a convertible security is not as sensitive to interest rate changes as a similar non-convertible debt security, and generally has less potential for gain or loss than the underlying stock.

More detailed information about the Fund and its policies and risks can be found in the Fund's Statement of Additional Information (SAI).

A description of the Fund's policies and procedures regarding the release of portfolio holdings information is also available in the Fund's SAI. Portfolio holdings information can be viewed online at franklintempleton.com.

Management

Templeton Global Advisors Limited (Global Advisors), Lyford Cay, Nassau, Bahamas, is the Fund's investment manager. Together, Global Advisors and its affiliates manage as of November 30, 2020, over \$1.46 trillion in assets, and have been in the investment management business since 1947.

The Fund is managed by a team of dedicated professionals focused on investments in equity securities. The portfolio managers of the team are as follows:

Christopher James Peel, CFA Vice President, Portfolio Manager and Research Analyst of Global Advisors

Mr. Peel has been lead portfolio manager of the Fund since 2019 and a portfolio manager of the Fund since 2017. He has primary responsibility for the investments of the Fund. He has final authority over all aspects of the Fund's investment portfolio, including but not limited to, purchases and sales of individual securities, portfolio risk assessment, and the management of daily cash balances in accordance with anticipated investment management requirements. The degree to which he may perform these functions, and the nature of these functions, may change from time to time. He joined Franklin Templeton in 2007.

Herbert J. Arnett, Jr. Vice President, Portfolio Manager and Research Analyst of Global Advisors

Mr. Arnett has been a portfolio manager of the Fund since 2017, providing research and advice on the purchases and sales of individual securities, and portfolio risk assessment. He joined Franklin Templeton in 1996.

Peter M. Moeschter, CFA Executive Vice President, Director and Portfolio Manager of Global Advisors

Mr. Moeschter has been a portfolio manager of the Fund since 2019, providing research and advice on the purchases and sales of individual securities, and portfolio risk assessment. He joined Franklin Templeton in 1997.

Warren Pustam, CFA Vice President and Portfolio Manager of Global Advisors

Mr. Pustam has been a portfolio manager of the Fund since 2019, providing research and advice on the purchases and sales of individual securities, and portfolio risk assessment. He joined Franklin Templeton in 2013.

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The Fund's SAI provides additional information about portfolio manager compensation, other accounts that they manage and their ownership of Fund shares.

The Fund pays Global Advisors a fee for managing the Fund's assets. For the fiscal year ended August 31, 2020, Global Advisors agreed to reduce its fees to reflect reduced services resulting from the Fund's investment in a Franklin Templeton money fund. However, this fee reduction was less than 0.01% of the Fund's average net assets. In addition, Global Advisors has agreed to waive or limit its fees and to assume as its own certain expenses otherwise payable by the Fund so that common expenses (i.e., a combination of investment management fees and other expenses, but excluding the Rule 12b-1 fees and acquired fees and expenses) for each class of the Fund do not exceed 0.85% through December 31, 2021. In addition, the transfer agent has contractually agreed to limit its fees on Class R6 shares to 0.03% until December 31, 2021. The management fees before and after such waiver were 0.69% and 0.63%, respectively.

A discussion regarding the basis for the board of trustees approving the investment management contract of the Fund is available in the Fund's annual report to shareholders for the fiscal year ended August 31.

Manager of Managers Structure

The investment manager and the Trust have received an exemptive order from the SEC that allows the Fund to operate in a "manager of managers" structure whereby the investment manager can appoint and replace both wholly-owned and unaffiliated sub-advisors, and enter into, amend and terminate sub-advisory agreements with such sub-advisors, each subject to board approval but without obtaining prior shareholder approval (Manager of Managers Structure). The Fund will, however, inform shareholders of the hiring of any new sub-advisor within 90 days after the hiring. The SEC exemptive order provides the Fund with greater flexibility and efficiency by preventing the Fund from incurring the expense and delays associated with obtaining shareholder approval of such sub-advisory agreements.

The use of the Manager of Managers Structure with respect to the Fund is subject to certain conditions that are set forth in the SEC exemptive order. Under the Manager of Managers Structure, the investment manager has the ultimate

responsibility, subject to oversight by the Fund's board of trustees, to oversee sub-advisors and recommend their hiring, termination and replacement. The investment manager will also, subject to the review and approval of the Fund's board of trustees: set the Fund's overall investment strategy; evaluate, select and recommend sub-advisors to manage all or a portion of the Fund's assets; and implement procedures reasonably designed to ensure that each sub-advisor complies with the Fund's investment goal, policies and restrictions. Subject to review by the Fund's board of trustees, the investment manager will allocate and, when appropriate, reallocate the Fund's assets among sub-advisors and monitor and evaluate the sub-advisors' performance.

Distributions and Taxes

Income and Capital Gain Distributions

As a regulated investment company, the Fund generally pays no federal income tax on the income and gains it distributes to you. The Fund intends to pay income dividends at least annually from its net investment income. Capital gains, if any, may be paid at least annually. The Fund may distribute income dividends and capital gains more frequently, if necessary, in order to reduce or eliminate federal excise or income taxes on the Fund. The amount of any distribution will vary, and there is no guarantee the Fund will pay either income dividends or capital gain distributions. Your income dividends and capital gain distributions will be automatically reinvested in additional shares at net asset value (NAV) unless you elect to receive them in cash.

Annual statements. After the close of each calendar year, you will receive tax information from the Fund with respect to the federal income tax treatment of the Fund's distributions and any taxable sales or exchanges of Fund shares occurring during the prior calendar year. If the Fund finds it necessary to reclassify its distributions or adjust the cost basis of any covered shares sold or exchanged after you receive your tax information, the Fund will send you revised tax information. Distributions declared in December to shareholders of record in such month and paid in January are taxable as if they were paid in December. Additional tax information about the Fund's distributions is available at franklintempleton.com.

Avoid "buying a dividend." At the time you purchase your Fund shares, the Fund's net asset value may reflect undistributed income, undistributed capital gains, or net unrealized appreciation in the value of the portfolio securities held by the Fund. For taxable investors, a subsequent distribution to you of such amounts, although constituting a return of your investment, would be taxable. Buying shares in the Fund just before it declares an income dividend or capital gain distribution is sometimes known as "buying a dividend."

Tax Considerations

If you are a taxable investor, Fund distributions are generally taxable to you as ordinary income, capital gains or some combination of both. This is the case whether you reinvest your distributions in additional Fund shares or receive them in cash.

Dividend income. Income dividends are generally subject to tax at ordinary rates. Income dividends reported by the Fund to shareholders as qualified dividend income may be subject to tax by individuals at reduced long-term capital gains tax rates provided certain holding period requirements are met. A return-of-capital distribution is generally not taxable but will reduce the cost basis of your shares, and will result in a higher capital gain or a lower capital loss when you later sell your shares.

Capital gains. Fund distributions of short-term capital gains are also subject to tax at ordinary rates. Fund distributions of long-term capital gains are taxable at the reduced long-term capital gains rates no matter how long you have owned your Fund shares. For single individuals with taxable income not in excess of \$40,400 in 2021 (\$80,800 for married individuals filing jointly), the long-term capital gains tax rate is 0%. For single individuals and joint filers with taxable income in excess of these amounts but not more than \$445,850 or \$501,600, respectively, the long-term capital gains tax rate is 15%. The rate is 20% for single individuals with taxable income in excess of \$445,850 and married individuals filing jointly with taxable income in excess of \$501,600. An additional 3.8% Medicare tax may also be imposed as discussed below.

Sales of Fund shares. When you sell your shares in the Fund, or exchange them for shares of a different Franklin Templeton fund, you will generally recognize a taxable capital gain or loss. If you have owned your Fund shares for more than one year, any net long-term capital gains will qualify for the reduced rates of taxation on long-term capital gains. An exchange of your shares in one class of the Fund for shares of another class of the same Fund is not taxable and no gain or loss will be reported on the transaction.

Cost basis reporting. If you acquire shares in the Fund on or after January 1, 2012, generally referred to as "covered shares," and sell or exchange them after that date, the Fund is generally required to report cost basis information to you and the IRS annually. The Fund will compute the cost basis of your covered shares using the average cost method, the Fund's "default method," unless you contact the Fund to select a different method, or choose to specifically identify your shares at the time of each sale or exchange. If your account is held by your financial advisor or other broker-dealer, that firm may select a different default method. In these cases, please contact the firm to obtain information with respect to the available methods and elections for your account. Shareholders should carefully review the

cost basis information provided by the Fund and make any additional basis, holding period or other adjustments that are required when reporting these amounts on their federal and state income tax returns. Additional information about cost basis reporting is available at franklintempleton.com/costbasis.

Medicare tax. An additional 3.8% Medicare tax is imposed on certain net investment income (including ordinary dividends and capital gain distributions received from the Fund and net gains from redemptions or other taxable dispositions of Fund shares) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds a threshold amount. Any liability for this additional Medicare tax is reported on, and paid with, your federal income tax return.

Backup withholding. A shareholder may be subject to backup withholding on any distributions of income, capital gains, or proceeds from the sale or exchange of Fund shares if the shareholder has provided either an incorrect tax identification number or no number at all, is subject to backup withholding by the IRS for failure to properly report payments of interest or dividends, has failed to certify that the shareholder is not subject to backup withholding, or has not certified that the shareholder is a U.S. person (including a U.S. resident alien). The backup withholding rate is currently 24%. State backup withholding may also apply.

State, local and foreign taxes. Distributions of ordinary income and capital gains, and gains from the sale of your Fund shares, are generally subject to state and local taxes. If the Fund qualifies, it may elect to pass through to you as a foreign tax credit or deduction any foreign taxes that it pays on its investments.

Non-U.S. investors. Non-U.S. investors may be subject to U.S. withholding tax at 30% or a lower treaty rate on Fund dividends of ordinary income. Non-U.S. investors may be subject to U.S. estate tax on the value of their shares. They are subject to special U.S. tax certification requirements to avoid backup withholding, claim any exemptions from withholding and claim any treaty benefits. Exemptions from U.S. withholding tax are generally provided for capital gains realized on the sale of Fund shares, capital gain dividends paid by the Fund from net long-term capital gains, short-term capital gain dividends paid by the Fund from net short-term capital gains and interest-related dividends paid by the Fund from its qualified net interest income from U.S. sources. However, notwithstanding such exemptions from U.S. withholding tax at source, any such dividends and distributions of income and capital gains will be subject to backup withholding at a rate of 24% if you fail to properly certify that you are not a U.S. person.

Other reporting and withholding requirements. Payments to a shareholder that is either a foreign financial institution or a non-financial foreign entity within the meaning of the Foreign Account Tax Compliance Act (FATCA) may be subject to a

30% withholding tax on income dividends paid by the Fund. The FATCA withholding tax generally can be avoided by such foreign entity if it provides the Fund, and in some cases, the IRS, information concerning the ownership of certain foreign financial accounts or other appropriate certifications or documentation concerning its status under FATCA. The Fund may be required to report certain shareholder account information to the IRS, non-U.S. taxing authorities or other parties to comply with FATCA.

Other tax information. This discussion of "Distributions and Taxes" is for general information only and is not tax advice. You should consult your own tax advisor regarding your particular circumstances, and about any federal, state, local and foreign tax consequences before making an investment in the Fund. Additional information about the tax consequences of investing in the Fund may be found in the SAI.

Financial Highlights

The Financial Highlights present the Fund's financial performance for the past five years or since its inception. Certain information reflects financial results for a single Fund share. The total returns represent the rate that an investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gains. This information has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, whose report, along with the Fund's financial statements, are included in the annual report, which is available upon request.

Class A

Year Ended August 31,

	2020	2019	2018	2017	2016
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$6.61	\$7.69	\$7.81	\$6.87	\$6.74
Income from investment operations: ^a					
Net investment income ^b	0.10	0.19	0.12	0.11	0.11
Net realized and unrealized gains (losses)	(0.25)	(1.09)	(0.13)	0.96	0.11
Total from investment operations	(0.15)	(0.90)	(0.01)	1.07	0.22
Less distributions from:					
Net investment income	(0.24)	(0.18)	(0.11)	(0.13)	(0.09)
Net realized gains	—	—	—	—	(—) ^c
Total distributions	(0.24)	(0.18)	(0.11)	(0.13)	(0.09)
Net asset value, end of year	\$6.22	\$6.61	\$7.69	\$7.81	\$6.87
Total return ^d	(2.76)%	(11.73)%	(0.15)%	15.83%	3.46%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.19%	1.15%	1.16%	1.21%	1.22%
Expenses net of waiver and payments by affiliates	1.10%	1.08%	1.11% ^e	1.21% ^{e,f}	1.22% ^{e,f}
Net investment income	1.55%	2.69%	1.54%	1.55%	1.66%
Supplemental data					
Net assets, end of year (000's)	\$1,766,365	\$2,395,260	\$2,929,181	\$3,287,394	\$3,644,336
Portfolio turnover rate	42.37%	30.81%	23.01%	42.56%	22.89%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

b. Based on average daily shares outstanding.

c. Amount rounds to less than \$0.01 per share.

d. Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

Class C

Year Ended August 31,

	2020	2019	2018	2017	2016
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$6.54	\$7.49	\$7.60	\$6.69	\$6.56
Income from investment operations: ^a					
Net investment income ^b	0.05	0.12	0.06	0.05	0.06
Net realized and unrealized gains (losses)	(0.25)	(1.05)	(0.12)	0.94	0.11
Total from investment operations	(0.20)	(0.93)	(0.06)	0.99	0.17
Less distributions from:					
Net investment income	(0.17)	(0.02)	(0.05)	(0.08)	(0.04)
Net realized gains	—	—	—	—	(—) ^c
Total distributions	(0.17)	(0.02)	(0.05)	(0.08)	(0.04)
Net asset value, end of year	\$6.17	\$6.54	\$7.49	\$7.60	\$6.69
Total return ^d	(3.42)%	(12.40)%	(0.79)%	14.92%	2.64%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.94%	1.90%	1.91%	1.96%	1.97%
Expenses net of waiver and payments by affiliates	1.85%	1.83%	1.86% ^e	1.96% ^{e,f}	1.97% ^{e,f}
Net investment income	0.81%	1.94%	0.79%	0.80%	0.91%
Supplemental data					
Net assets, end of year (000's)	\$54,093	\$87,160	\$281,640	\$346,032	\$397,512
Portfolio turnover rate	42.37%	30.81%	23.01%	42.56%	22.89%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

b. Based on average daily shares outstanding.

c. Amount rounds to less than \$0.01 per share.

d. Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

Class R

Year Ended August 31,

	2020	2019	2018	2017	2016
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$6.47	\$7.53	\$7.65	\$6.73	\$6.61
Income from investment operations: ^a					
Net investment income ^b	0.08	0.17	0.10	0.09	0.09
Net realized and unrealized gains (losses)	(0.24)	(1.07)	(0.12)	0.94	0.10
Total from investment operations	(0.16)	(0.90)	(0.02)	1.03	0.19
Less distributions from:					
Net investment income	(0.23)	(0.16)	(0.10)	(0.11)	(0.07)
Net realized gains	—	—	—	—	(—) ^c
Total distributions	(0.23)	(0.16)	(0.10)	(0.11)	(0.07)
Net asset value, end of year	\$6.08	\$6.47	\$7.53	\$7.65	\$6.73
Total return	(3.03)%	(11.96)%	(0.32)%	15.57%	3.10%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.44%	1.40%	1.41%	1.46%	1.47%
Expenses net of waiver and payments by affiliates	1.35%	1.33%	1.36% ^d	1.46% ^{d,e}	1.47% ^{d,e}
Net investment income	1.33%	2.44%	1.29%	1.30%	1.41%
Supplemental data					
Net assets, end of year (000's)	\$109,187	\$127,546	\$148,638	\$153,516	\$159,802
Portfolio turnover rate	42.37%	30.81%	23.01%	42.56%	22.89%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

b. Based on average daily shares outstanding.

c. Amount rounds to less than \$0.01 per share.

d. Benefit of expense reduction rounds to less than 0.01%.

e. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

Class R6

Year Ended August 31,

	2020	2019	2018	2017	2016
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$6.51	\$7.58	\$7.70	\$6.78	\$6.66
Income from investment operations: ^a					
Net investment income ^b	0.12	0.22	0.15	0.16	0.14
Net realized and unrealized gains (losses)	(0.24)	(1.08)	(0.12)	0.93	0.11
Total from investment operations	(0.12)	(0.86)	0.03	1.09	0.25
Less distributions from:					
Net investment income	(0.27)	(0.21)	(0.15)	(0.17)	(0.13)
Net realized gains	—	—	—	—	(—) ^c
Total distributions	(0.27)	(0.21)	(0.15)	(0.17)	(0.13)
Net asset value, end of year	\$6.12	\$6.51	\$7.58	\$7.70	\$6.78
Total return	(2.38)%	(11.34)%	0.24%	16.52%	3.92%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.79%	0.77%	0.73%	0.74%	0.72%
Expenses net of waiver and payments by affiliates	0.70%	0.68%	0.68% ^d	0.73% ^d	0.72% ^{d,e}
Net investment income	1.96%	3.09%	1.97%	2.03%	2.16%
Supplemental data					
Net assets, end of year (000's)	\$594,452	\$906,474	\$1,496,328	\$1,757,902	\$880,092
Portfolio turnover rate	42.37% ^f	30.81%	23.01%	42.56%	22.89%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

b. Based on average daily shares outstanding.

c. Amount rounds to less than \$0.01 per share.

d. Benefit of expense reduction rounds to less than 0.01%.

e. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

f. Excludes the value of portfolio securities received as a result of a subscription in-kind.

Advisor Class

Year Ended August 31,

	2020	2019	2018	2017	2016
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$6.51	\$7.58	\$7.70	\$6.78	\$6.66
Income from investment operations: ^a					
Net investment income ^b	0.11	0.20	0.14	0.13	0.12
Net realized and unrealized gains (losses)	(0.24)	(1.07)	(0.12)	0.94	0.11
Total from investment operations	(0.13)	(0.87)	0.02	1.07	0.23
Less distributions from:					
Net investment income	(0.26)	(0.20)	(0.14)	(0.15)	(0.11)
Net realized gains	—	—	—	—	(—) ^c
Total distributions	(0.26)	(0.20)	(0.14)	(0.15)	(0.11)
Net asset value, end of year	\$6.12	\$6.51	\$7.58	\$7.70	\$6.78
Total return	(2.57)%	(11.53)%	0.16%	16.10%	3.65%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.94%	0.90%	0.91%	0.96%	0.97%
Expenses net of waiver and payments by affiliates	0.85%	0.83%	0.86% ^d	0.96% ^{d,e}	0.97% ^{d,e}
Net investment income	1.79%	2.94%	1.79%	1.80%	1.91%
Supplemental data					
Net assets, end of year (000's)	\$857,179	\$857,482	\$1,627,827	\$1,717,937	\$1,125,431
Portfolio turnover rate	42.37%	30.81%	23.01%	42.56%	22.89%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

b. Based on average daily shares outstanding.

c. Amount rounds to less than \$0.01 per share.

d. Benefit of expense reduction rounds to less than 0.01%.

e. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

Your Account

Choosing a Share Class

Each class has its own sales charge and expense structure, allowing you to choose the class that best meets your situation. Some share classes may not be offered by certain financial intermediaries. Your financial intermediary or investment representative (financial advisor) can help you decide which class is best for you. Investors may purchase Class C or Class R shares only for Fund accounts on which they have appointed an investment representative (financial advisor) of record. Investors who have not appointed an investment representative (financial advisor) to existing Class C or Class R share Fund accounts may not make additional purchases to those accounts but may exchange their shares for shares of a Franklin Templeton fund that offers Class C or Class R shares. Dividend and capital gain distributions may continue to be reinvested in existing Class C or Class R share Fund accounts. These provisions do not apply to Employer Sponsored Retirement Plans.

Class A	Class C	Class R	Class R6	Advisor Class
Initial sales charge of 5.50% or less	No initial sales charge	No initial sales charge	See "Qualified Investors - Class R6" below	See "Qualified Investors - Advisor Class" below
Deferred sales charge of 1% on purchases of \$1 million or more sold within 18 months	Deferred sales charge of 1% on shares you sell within 12 months	Deferred sales charge is not applicable		
Lower annual expenses than Class C or R due to lower distribution fees	Higher annual expenses than Class A due to higher distribution fees. Automatic conversion to Class A shares after approximately ten years, reducing future annual expenses.	Higher annual expenses than Class A due to higher distribution fees (lower than Class C). No conversion to Class A shares so annual expenses do not decrease.		

Class A, C & R

The availability of certain sales charge waivers and discounts may depend on whether you purchase your shares directly from the Fund or through a financial intermediary. Different intermediaries may impose different sales charges (including potential reductions in or waivers of sales charges) other than those listed below. Such intermediary-specific sales charge variations

are described in Appendix A to this prospectus, entitled "Intermediary Sales Charge Discounts and Waivers." Appendix A is incorporated herein by reference (is legally a part of this prospectus).

In all instances, it is the purchaser's responsibility to notify the Fund or the purchaser's financial intermediary at the time of purchase of any relationship or other facts qualifying the purchaser for sales charge waivers or discounts. For waivers and discounts not available through a particular intermediary, shareholders will have to purchase Fund shares directly from the Fund or through another intermediary to receive these waivers or discounts.

Sales Charges - Class A

when you invest this amount	the sales charge makes up this % of the offering price ¹	which equals this % of your net investment ¹
Under \$50,000	5.50	5.82
\$50,000 but under \$100,000	4.50	4.71
\$100,000 but under \$250,000	3.50	3.63
\$250,000 but under \$500,000	2.50	2.56
\$500,000 but under \$1 million	2.00	2.04
\$1 million or more	0.00	0.00

1. The dollar amount of the sales charge is the difference between the offering price of the shares purchased (which factors in the applicable sales charge in this table) and the net asset value of those shares. Since the offering price is calculated to two decimal places using standard rounding criteria, the number of shares purchased and the dollar amount of the sales charge as a percentage of the offering price and of your net investment may be higher or lower depending on whether there was a downward or upward rounding.

Sales Charge Reductions

Quantity discounts. We offer two ways for you to combine your current purchase of Class A Fund shares with other existing Franklin Templeton fund share holdings that might enable you to qualify for a lower sales charge with your current purchase. You can qualify for a lower sales charge when you reach certain "sales charge breakpoints." This quantity discount information is also available free of charge at franklintempleton.com/quantity-discounts. This web page can also be reached at franklintempleton.com by clicking the "Products & Planning" tab and then choosing "Quantity Discounts for Class A Shares" under "Fund Resources."

1. Cumulative quantity discount - lets you combine certain existing holdings of Franklin Templeton fund shares - referred to as "cumulative quantity discount eligible shares" - with your current purchase of Class A shares to determine if you qualify for a sales charge breakpoint.

Cumulative quantity discount eligible shares are Franklin Templeton fund shares registered to (or held by a financial intermediary for):

- You, individually;

- Your “family member,” defined as your spouse or domestic partner, as recognized by applicable state law, and your children under the age of 21;
- You jointly with one or more family members;
- You jointly with another person(s) who is (are) not family members if that other person has not included the value of the jointly-owned shares as cumulative quantity discount eligible shares for purposes of that person’s separate investments in Franklin Templeton fund shares;
- A Coverdell Education Savings account for which you or a family member is the identified responsible person;
- A trustee/custodian of an IRA (which includes a Roth IRA and an employer sponsored IRA such as a SIMPLE IRA) or your non-ERISA covered 403(b) plan account, if the shares are registered/recorded under your or a family member’s Social Security number;
- A 529 college savings plan over which you or a family member has investment discretion and control;
- Any entity over which you or a family member has (have) individual or shared authority, as principal, has investment discretion and control (for example, an UGMA/UTMA account for a child on which you or a family member is the custodian, a trust on which you or a family member is the trustee, a business account [not to include retirement plans] for your solely owned business [or the solely owned business of a family member] on which you or a family member is the authorized signer);
- A trust established by you or a family member as grantor.

Franklin Templeton fund shares held through an administrator or trustee/custodian of an Employer Sponsored Retirement Plan (see definition below) such as a 401(k) plan do not qualify for a cumulative quantity discount.

Franklin Templeton fund assets held in multiple Employer Sponsored Retirement Plans may be combined in order to qualify for sales charge breakpoints at the plan level if the plans are sponsored by the same employer.

If you believe there are cumulative quantity discount eligible shares that can be combined with your current purchase to achieve a sales charge breakpoint (for example, shares held in a different broker-dealer’s brokerage account or with a bank or an investment advisor), it is your responsibility to specifically identify those shares to your financial advisor at the time of your purchase (including at the time of any future purchase). It may be necessary for you to provide your financial advisor with information and records (including account statements) of all relevant accounts invested in the Franklin Templeton funds. If you have not designated a financial

advisor associated with your Franklin Templeton fund shares, it is your responsibility to specifically identify any cumulative quantity discount eligible shares to the Fund’s transfer agent at the time of any purchase.

If there are cumulative quantity discount eligible shares that would qualify for combining with your current purchase and you do not tell your financial advisor or the Franklin Templeton funds’ transfer agent at the time of any purchase, you may not receive the benefit of a reduced sales charge that might otherwise be available since your financial advisor and the Fund generally will not have that information.

The value of cumulative quantity discount eligible shares equals the current or cost value of those shares, whichever is higher. The current value of shares is determined by multiplying the number of shares as of the day prior to your current purchase by their public offering price on the day of your current purchase. The cost value of shares is determined by aggregating the amount you invested in cumulative quantity discount eligible shares (including reinvested dividends and capital gains, but excluding capital appreciation), less any withdrawals, as of the date prior to your current purchase. It is your responsibility to retain any records necessary to substantiate historical share costs because neither your current financial advisor nor the Franklin Templeton funds may have or maintain this information.

An “Employer Sponsored Retirement Plan” is a Qualified Retirement Plan, ERISA covered 403(b) plan and certain non-qualified deferred compensation arrangements that operate in a similar manner to a Qualified Retirement Plan, such as 457 plans and executive deferred compensation arrangements, but not including employer sponsored IRAs. A “Qualified Retirement Plan” is an employer sponsored pension or profit sharing plan that qualifies under section 401(a) of the Internal Revenue Code, including 401(k), money purchase pension, profit sharing and defined benefit plans.

2. Letter of intent (LOI) - expresses your intent to buy a stated dollar amount of “cumulative quantity discount eligible shares” (as defined in the “Cumulative quantity discount” section above) over a 13-month period and lets you receive the same sales charge as if all shares had been purchased at one time; however, purchases made under a right of reinvestment, and appreciation of your holdings do not count as purchases made during the LOI period. During that 13-month period, additional purchases, as well as reinvested dividends and capital gains are counted toward the fulfillment of your LOI. We will reserve 5% of your total intended purchase in Class A shares registered in your name until you fulfill your LOI to cover any additional sales charge that may apply if you do not buy the amount stated in your LOI. It is your responsibility to tell your financial advisor when you believe you have fulfilled your LOI with sufficient cumulative quantity discount eligible shares. The value of your cumulative quantity discount eligible shares (as calculated in the

“Cumulative quantity discount” section above) as of the day prior to your LOI start date may be counted toward fulfillment of your LOI. The cost value of cumulative quantity discount eligible shares, however, may only be aggregated for share purchases that took place within 18 months of the LOI start date.

If you have not designated a financial advisor associated with your Franklin Templeton fund shares, it is your responsibility to tell the Fund’s transfer agent when you believe you have fulfilled your LOI with sufficient cumulative quantity discount eligible shares. Please refer to the SAI for more LOI details.

To sign up for these programs, complete the appropriate section of your account application.

Franklin Templeton funds include all of the U.S. registered mutual funds of Franklin Templeton. They do not include the funds in the Franklin Templeton Variable Insurance Products Trust.

Sales Charge Waivers

Class A shares may be purchased without an initial sales charge or contingent deferred sales charge (CDSC) by certain investors. If you would like information about available sales charge waivers, call your investment representative or call Shareholder Services at (800) 632-2301.

Waivers for certain investors. The following investors or investments qualify to buy Class A shares without an initial sales charge or CDSC due to anticipated economies in sales efforts and expenses, including:

- Current employees of securities dealers that have executed a selling agreement with Franklin Templeton Distributors, Inc. (Distributors) and their affiliates and their family members, as allowed by the internal policies of their employer.
- Assets held in accounts managed by a subsidiary of Franklin Resources, Inc.: (1) under an advisory agreement (including sub-advisory agreements); and/or (2) as trustee of an inter vivos or testamentary trust.
- Group annuity separate accounts offered to retirement plans.
- Purchases by a bank, trust company or thrift institution that is acting as a fiduciary exercising investment discretion.
- Advisory Fee Programs. Shares acquired by an investor in connection with a comprehensive fee or other advisory fee arrangement between the investor and a registered broker-dealer, investment advisor, trust company, bank, or other financial intermediary (referred to as the “Sponsor”) in which the investor pays that Sponsor a fee for investment advisory services and the Sponsor or a broker-dealer through whom the shares are acquired has an agreement with Distributors authorizing the sale of Fund shares. No minimum initial investment.

- Clients of financial intermediaries who have entered into an agreement with Distributors and have been approved by Distributors to offer Fund shares through a network, platform or self-directed investment brokerage account that may charge a transaction or other fee to customers.
- Shareholders who purchase directly from the Funds and not through any financial intermediary (i.e., Distributors is the broker of record).
- Class C shareholders whose shares are converted to Class A shares after 10 years under the Class C shares’ conversion feature.

Retirement plans. Provided that Franklin Templeton Investor Services, LLC is notified, Class A shares at NAV are available for:

- Employer Sponsored Retirement Plans (“Plans” or individually, “Plan”) that invest through a record-keeper platform or third party retirement platform; or
- Any investors who purchases shares with proceeds from an IRA for which Fiduciary Trust International of the South (FTIOS) is custodian.

Investments of \$1 Million or More

If you invest \$1 million or more, either as a lump sum or through our cumulative quantity discount or letter of intent programs, you can buy Class A shares without an initial sales charge. However, there is a 1% CDSC on any shares you sell within 18 months of purchase. The way we calculate the CDSC is the same for each class (please see “Contingent Deferred Sales Charge (CDSC) - Class A & C”).

Distribution and Service (12b-1) Fees

Class A has a distribution plan, sometimes known as a Rule 12b-1 plan, that allows the Fund to pay distribution fees of up to 0.25% per year to those who sell and distribute Class A shares and provide other services to shareholders. Because these fees are paid out of Class A’s assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

We calculate the amount of these fees over a 12-month period that may differ from the Fund’s fiscal year. Therefore, the amount shown from time to time in the Fund’s fee table (which is based upon the Fund’s fiscal year) may differ from the amount set forth in the Rule 12b-1 plan due to timing differences.

Sales Charges - Class C

With Class C shares, there is no initial sales charge.

We place any investment of \$1 million or more in Class A shares, since Class A’s annual expenses are lower.

CDSC

There is a 1% CDSC on any Class C shares you sell within 12 months of purchase. The way we calculate the CDSC is the same for each class (please see “Contingent Deferred Sales Charge (CDSC) - Class A & C”).

Distribution and Service (12b-1) Fees

Class C has a distribution plan, sometimes known as a Rule 12b-1 plan, that allows the Fund to pay distribution and other fees of up to 1% per year for the sale of Class C shares and for services provided to shareholders. Because these fees are paid out of Class C's assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

Automatic Conversion of Class C Shares to Class A Shares After 10-Year Holding Period

The Class C conversion feature provides that Class C shares that have been held for 10 years or more will automatically convert into Class A shares and will no longer be subject to Class C shares' Rule 12b-1 fees (but will be subject to Class A share's Rule 12b-1 fee, if any) (the “Conversion Feature”). Class C shares of the Fund will convert automatically to Class A shares of the Fund on a monthly basis in the month of, or the month following, the 10-year anniversary of the Class C shares' purchase date. The monthly conversion date typically occurs around the middle of every month and generally falls on a Friday.

Terms of the Conversion Feature.

Class C shares that automatically convert to Class A shares of the Fund convert on the basis of the relative net asset values of the two classes. Shareholders do not pay a sales charge, including a CDSC, upon the conversion of their Class C shares to Class A shares pursuant to the Conversion Feature. The automatic conversion of the Fund's Class C shares into Class A shares after the 10-year holding period is not expected to be a taxable event for federal income tax purposes. Shareholders should consult with their tax advisor regarding the state and local tax consequences of such conversions.

To the extent that you own Class C shares and Class A1 shares of the same Fund, please note that, after the 10-year holding period described above, your Class C shares will automatically convert into the Fund's Class A shares (not the Fund's Class A1 shares) and will be subject to Class A shares' Rule 12b-1 fee. In some cases, you may be able to request the exchange of the Class A shares that you receive after the conversion into your existing Class A1 shares account; however, not all intermediaries can accommodate such requests. Please contact your financial intermediary for more information.

If you previously owned Class C or C1 shares of any Franklin Templeton Fund that were later merged or exchanged into the Fund, the time you held such shares counts towards the 10-year period for automatic conversion to Class A shares. Class C (or Class C1) shares of the Fund acquired through automatic reinvestment of dividends or distributions convert to Class A shares of the Fund on the conversion date pro rata with the converting Class C shares of the Fund that were not acquired through reinvestment of dividends or distributions.

Class C shares held through a financial intermediary in an omnibus account automatically convert into Class A shares only if the intermediary can document that the shareholder has met the required holding period. In certain circumstances, when shares are invested through retirement plans, omnibus accounts, and in certain other instances, the Fund and its agents may not have transparency into how long a shareholder has held Class C (or Class C1) shares for purposes of determining whether such Class C shares are eligible for automatic conversion into Class A shares and the financial intermediary may not have the ability to track purchases to credit individual shareholders' holding periods. This primarily occurs when shares are invested through certain record keepers for group retirement plans, where the intermediary cannot track share aging at the participant level. In these circumstances, the Fund cannot automatically convert Class C shares into Class A shares as described above. In order to determine eligibility for conversion in these circumstances, it is the responsibility of the shareholder or their financial intermediary to notify the Fund that the shareholder is eligible for the conversion of Class C shares to Class A shares, and the shareholder or their financial intermediary may be required to maintain and provide the Fund with records that substantiate the holding period of Class C (and, if applicable, Class C1) shares. In these circumstances, it is the financial intermediary's (and not the Fund's) responsibility to keep records and to ensure that the shareholder is credited with the proper holding period. Please consult with your financial intermediary about your shares' eligibility for this conversion feature.

Also effective October 5, 2018, new accounts or plans may not be eligible to purchase Class C shares of the Fund if it is determined that the intermediary cannot track shareholder holding periods to determine whether a shareholder's Class C shares are eligible for conversion to Class A shares. Accounts or plans (and their successor, related and affiliated plans) that have Class C (or Class C1) shares of the Fund available to participants on or before October 5, 2018, may continue to open accounts for new participants in that share class and purchase additional shares in existing participant accounts. The Fund has no responsibility for overseeing, monitoring or implementing a financial intermediary's process for determining whether a shareholder meets the required holding period for conversion.

A financial intermediary may sponsor and/or control accounts, programs or platforms that impose a different conversion schedule or different eligibility requirements for the conversion of Class C shares into Class A shares. In these cases, Class C shareholders may convert to Class A shares under the policies of the financial intermediary and the conversion may be structured as an exchange of Class C shares for Class A shares of the Fund. Financial intermediaries will be responsible for making such exchanges in those circumstances. Please consult with your financial intermediary if you have any questions regarding your shares' conversion from Class C shares to Class A shares.

Sales Charges - Class R

With Class R shares, there is no initial sales charge.

Retirement Plans

Class R shares are available to the following investors:

- Employer Sponsored Retirement Plans
- Health Reimbursement Accounts and Health Savings Accounts, either as a direct investment or as a separate or managed account.
- IRAs on financial intermediary platforms approved by Distributors
- Non-ERISA 403(b) plans when purchasing direct from the Fund or platforms approved by Distributors
- Certain other retirement accounts held through financial intermediaries that have been approved by Distributors.

Distribution and Service (12b-1) Fees

Class R has a distribution plan, sometimes known as a Rule 12b-1 plan, that allows the Fund to pay distribution and other fees of up to 0.50% per year for the sale of Class R shares and for services provided to shareholders. Because these fees are paid out of Class R's assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

Contingent Deferred Sales Charge (CDSC) - Class A & C

The CDSC for each class is based on the current value of the shares being sold or their net asset value when purchased, whichever is less. There is no CDSC on shares you acquire by reinvesting your dividends or capital gain distributions.

To keep your CDSC as low as possible, each time you place a request to sell shares we will first sell any shares in your account that are not subject to a CDSC. If there are not enough of these to meet your request, we will sell the shares in the order they were purchased. We will use this same method if you exchange your shares into another Franklin Templeton fund (please see "Exchanging Shares").

The **holding period for the CDSC** begins on the day you buy your shares. Your shares will age one month on that same date the next month and each following month. For example, if you buy shares on the 18th of the month, they will age one month on the 18th day of the next month and each following month.

Reinstatement Privilege

If you sell any class of shares of a Franklin Templeton fund, you may reinvest all or a portion of the proceeds from that sale within 90 days within the same share class (or share class equivalent if the share class you redeemed from is closed to new investors) without an initial sales charge. If at the time of investment your shares are registered directly with the Fund's transfer agent: Class C or Class R shares will be reinvested in Class A shares if the account does not have an investment representative of record; and, proceeds from the earlier sale of Class Z shares from another fund may also be reinvested in Class A shares. Proceeds from a sale of Class A1 shares from a fund must also be reinvested in Class A shares if the account holder no longer holds investments within Class A1 shares.

This reinstatement privilege does not apply to: (i) a purchase of Fund shares made through a regularly scheduled automatic investment plan such as a purchase by a regularly scheduled payroll deduction or transfer from a bank account, or (ii) a purchase of Fund shares with proceeds from the sale of Franklin Templeton fund shares that were held indirectly through a non-Franklin Templeton individual or employer sponsored IRA.

In order to take advantage of this reinstatement privilege, you must inform your investment representative or the Fund's transfer agent of this privilege at the time of your investment.

Generally, if you paid a CDSC when you sold your Class A or Class C shares, Distributors will credit back to you the CDSC paid on the amount you are reinvesting within 90 days of the sale by adding it to the amount of your reinvestment. For Class A shares reinvested with a CDSC credit, a new CDSC will apply and the CDSC holding period will begin again. For Class C shares reinvested with a CDSC credit in Class A shares, you will not receive a CDSC credit in the new Class A shares and your reinvestment will not be subject to any otherwise applicable CDSC.

Qualified Investors - Class R6

Class R6 shares are available to the following investors:

- Employer Sponsored Retirement Plans where plan level or omnibus accounts are held on the books of Franklin Templeton Investor Services.
- Endowments; foundations; local, city and state governmental institutions; corporations; non-profit organizations that are organized as corporations; and insurance companies, (collectively “institutional investors”) when purchasing directly from a Fund. The minimum initial investment for institutional investors is \$1,000,000 per Fund.
- Unaffiliated U.S. registered mutual funds, including those that operate as “fund of funds.”
- Other Franklin Templeton funds and funds for which Franklin Templeton investment managers provide advisory or subadvisory services.
- Intermediaries that execute an addendum to their selling agreement acknowledging that they are acting exclusively as agents of their clients in transacting in Class R6 shares.
- Advisory Fee Programs. A registered broker-dealer, investment advisor, trust company, bank, or other financial intermediary (referred to as a “Sponsor”) that has an agreement with Distributors authorizing the sale of Fund shares and that acquires shares of the Fund for its clients in connection with a comprehensive fee or other advisory fee arrangement for which the client pays the Sponsor a fee for investment advisory services. No minimum initial investment.
- Health Savings Accounts (HSAs) within plan level or omnibus accounts that are held on the books of Franklin Templeton Investor Services.

Qualified Investors - Advisor Class

The following investors or investments qualify to buy Advisor Class shares of the Fund:

- Advisory Fee Programs. Shares acquired by an investor in connection with a comprehensive fee or other advisory fee arrangement between the investor and a registered broker-dealer, investment advisor, trust company, bank, or other financial intermediary (referred to as the “Sponsor”) in which the investor pays that Sponsor a fee for investment advisory services and the Sponsor or a broker-dealer through whom the shares are acquired has an agreement with Distributors authorizing the sale of Fund shares. No minimum initial investment.
- Governments, municipalities, and tax-exempt entities that meet the requirements for qualification under section 501 of the Internal Revenue Code when purchasing direct from the Fund.
- Current employees of securities dealers that have executed a selling agreement with Distributors and their affiliates and their family members, as allowed by the internal policies of their employer.

- Current and former officers, trustees, directors, and full-time employees (and, in each case, their family members) of Franklin Templeton or Franklin Templeton funds (including any foundation, trust or benefit plan maintained, owned, controlled, or established by or for any such person), consistent with our then-current policies. Minimum initial investment: \$1,000 (\$25 for accounts with an automatic investment plan).
- Assets held in accounts managed by a subsidiary of Franklin Resources, Inc.: (1) under an advisory agreement (including sub-advisory agreements); and/or (2) as trustee of an inter vivos or testamentary trust.
- Employer Sponsored Retirement Plans (“Plans” or individually, “Plan”) that invest through a record-keeper or third party retirement platform.
- Plans with aggregate plan assets of \$1 million or more invested directly with Franklin Templeton funds.
- Purchases by a bank, trust company or thrift institution that is acting as a fiduciary exercising investment discretion.
- Any trust or plan established as part of a qualified tuition program under Section 529 of the Internal Revenue Code.
- An individual or entity associated with a current customer of Franklin Templeton Institutional, LLC (FTI, LLC) if approved by FTI, LLC in consultation with its customers.
- Unaffiliated U.S. registered mutual funds, including those that operate as “fund of funds.”
- Assets held in accounts under the recommendation of an investment consultant provided that (1) assets are held with a firm unaffiliated with the investment consultant's firm; (2) the investment consultant is under a retainer or other similar fee arrangement with its clients; (3) the client is not an individual; and (4) a subsidiary of Franklin Resources, Inc. approves the investment.
- Clients of financial intermediaries who have entered into an agreement with Distributors and have been approved by Distributors to offer Fund shares through a network, platform, or self-directed investment brokerage account that may charge a transaction or other fee to customers. Minimum initial investment \$100,000, unless otherwise waived by Distributors.

Waivers for Exchanges between Classes of the Same Fund

Financial Intermediary Exchanges between Classes of the Same Fund.

Exchanges between Classes of the same Fund as described below generally will be tax-free for federal income tax purposes. You should also consult with your tax

advisor regarding the state and local tax consequences of such an exchange of Fund shares. These exchange privileges are subject to termination and may be amended from time to time.

Advisory Programs Eligible for Advisor Class or Class Z shares. Class A and Class C shares purchased by accounts participating in certain programs sponsored by and/or controlled by financial intermediaries (“Advisory Programs”) may be exchanged by the financial intermediary on behalf of the shareholder for Advisor Class shares of the same Fund under certain circumstances, including such Advisory Program’s eligibility to purchase Advisor Class shares of the Fund. If a shareholder that holds Advisor Class shares of a Fund no longer participates in an Advisory Program, the Advisor Class shares held by the shareholder may be exchanged by the financial intermediary on behalf of the shareholder for Class A shares of the same Fund under certain circumstances. In this case, the shareholder would be subject to ongoing Rule 12b-1 fees to which it was not previously subject. All such exchanges are initiated by the financial intermediary and not the Fund and the Fund does not have information or oversight with respect to such exchanges. Such exchanges will be on the basis of each Class’ NAV per share, without the imposition of any sales charge, fee or other charge. Unless otherwise permitted, any CDSC owed must be paid on Class A and C shares that you wish to exchange.

Financial Intermediary Exchanges from Class C Shares to Class A Shares. Class C shares purchased through financial intermediaries may be exchanged by the financial intermediary on behalf of the shareholder for Class A shares of the same Fund under certain circumstances. Such exchange will be on the basis of each Class’ NAV per share, without the imposition of any sales charge, fee or other charge.

Buying Shares

Minimum Investments - Class A, C & R

	Initial
Regular accounts, UGMA/UTMA accounts, current and former full-time employees, officers, trustees and directors of Franklin Templeton entities, and their family members	\$1,000
Automatic investment plans	\$25
Employer Sponsored Retirement Plans, SIMPLE-IRAs, SEP-IRAs, SARSEPs or 403(b) plan accounts	no minimum
IRAs, IRA rollovers, Coverdell Education Savings Plans or Roth IRAs	\$250
Broker-dealer sponsored wrap account programs	no minimum

A financial intermediary may impose different investment minimums than those set forth above. The Fund is not responsible for any investment minimums imposed by financial intermediaries or for notifying shareholders of any changes to them. See Appendix A for more information on certain intermediary-specific investment minimums. Please consult with your financial intermediary if you have any questions regarding its policies.

Please note that you may only buy shares (including the purchase side of an exchange) of a fund eligible for sale in your state or jurisdiction. The Fund and other Franklin Templeton funds are intended for sale to residents of the United States, and, with very limited exceptions, are not registered or otherwise offered for sale in other jurisdictions.

In particular, the Fund is not registered in any provincial or territorial jurisdiction in Canada, and shares of the Fund have not been qualified for sale in any Canadian jurisdiction. The shares offered by this prospectus may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in Canada or to or for the benefit of residents thereof. Prospective investors may be required to declare that they are not Canadian residents and are not acquiring shares on behalf of any Canadian residents. Similarly, the Fund is not registered, and shares of the Fund have not been qualified for distribution, in any member country of the European Union (EU) or European Economic Area (EEA), and may not be directly or indirectly offered or distributed in any such country. If an investor becomes a Canadian, EU or EEA resident after purchasing shares of the Fund, the investor will not be able to purchase any additional shares of the Fund (other than reinvestment of dividends and capital gains) or exchange shares of the Fund for other U.S. registered Franklin Templeton funds.

Account Application

If you are opening a new account, please complete and sign the enclosed account application. Make sure you indicate the share class you have chosen. If you do not indicate a class, we will place your purchase in Class A shares. To save time, you can sign up now for services you may want on your account by completing the appropriate sections of the application (see "Investor Services"). For example, if you would like to link one of your bank accounts to your Fund account so that you may use electronic funds transfer to and from your bank account to buy and sell shares, please complete the bank information section of the application. We will keep your bank information on file for future purchases and redemptions. We do not accept cash, credit card convenience checks, pre-paid debit cards, non-bank money orders, travelers checks or checks drawn on foreign banks as forms of payment to purchase shares.

Franklin Templeton Investor Services
P.O. Box 33030
St. Petersburg, FL 33733-8030
Call toll-free: (800) 632-2301
or visit us online 24 hours a day,
7 days a week, at franklintempleton.com

Buying Shares

	Opening an account	Adding to an account
Through your investment representative	Contact your investment representative	Contact your investment representative
By Phone/Online (800) 632-2301 franklintempleton.com <i>Note: certain account types are not available for online account access.</i>	If you have another Franklin Templeton fund account with your bank account information on file, you may open a new identically registered account by phone. To make a same day investment, your phone order must be received and accepted by us prior to 1 p.m. Pacific time or the regularly scheduled close of the New York Stock Exchange, whichever is earlier. You may open certain new accounts online at franklintempleton.com.	Before requesting a telephone or online purchase into an existing account, please make sure we have your bank account information on file. If we do not have this information, you will need to send written instructions with your bank's name and address and a voided check or savings account deposit slip. All bank and Fund account owners must sign the request. If the bank and Fund accounts do not have at least one common owner, each individual must also have his or her signature notarized. To make a same day investment, your phone or online order must be received and accepted by us prior to 1 p.m. Pacific time or the regularly scheduled close of the New York Stock Exchange, whichever is earlier.
By Mail	Make your check payable to the Fund. Mail the check and your signed application to Investor Services.	Make your check payable to the Fund. Include your account number on the check. Fill out the deposit slip from your account statement. If you do not have a slip, include a note with your name, the Fund name, and your account number. Mail the check and deposit slip or note to Investor Services.
By Wire (800) 632-2301 or (650) 312-2000 collect	Call to receive a wire control number and wire instructions. Wire the funds and mail your signed application to Investor Services. Please include the wire control number or your new account number on the application. To make a same day wire investment, the wired funds must be received and accepted by us prior to 1 p.m. Pacific time or the regularly scheduled close of the New York Stock Exchange, whichever is earlier.	Call to receive a wire control number and wire instructions. To make a same day wire investment, the wired funds must be received and accepted by us prior to 1 p.m. Pacific time or the regularly scheduled close of the New York Stock Exchange, whichever is earlier.
By Exchange franklintempleton.com	Call Shareholder Services at (800) 632-2301, or send signed written instructions. You also may place an online exchange order. (Please see "Exchanging Shares" for more information on exchanges.)	Call Shareholder Services at (800) 632-2301, or send signed written instructions. You also may place an online exchange order. (Please see "Exchanging Shares" for more information on exchanges.)

Investor Services

Automatic Investment Plan

This plan offers a convenient way for you to invest in the Fund by automatically transferring money from your checking or savings account each month to buy shares. To sign up, visit us online at franklintempleton.com or complete the appropriate section of your account application and send it to Investor Services. If you are opening a new account, please include your minimum initial investment with your application.

Automated Telephone System

Our automated system offers around-the-clock access to information about your account or any Franklin Templeton fund. This service is available by dialing any of the following numbers from a touch-tone phone:

Shareholder Services	(800) 632-2301
Advisor Services	(800) 524-4040
Retirement Services	(800) 527-2020

Distribution Options

You may reinvest distributions you receive from the Fund in an existing account in the same share class* of the Fund or another Franklin Templeton fund. Initial sales charges and CDSCs will not apply to reinvested distributions. You also can have your distributions deposited in a bank account, or mailed by check. Deposits to a bank account may be made by electronic funds transfer.

*Class C shareholders may reinvest their distributions in Class A shares of any Franklin Templeton money fund. Advisor Class shareholders may reinvest in Advisor Class or Class A shares of another Franklin Templeton fund. To reinvest your distributions in Advisor Class shares of another Franklin Templeton fund, you must be a current shareholder in Advisor Class or otherwise qualify to buy that fund's Advisor Class shares.

If you received a distribution and chose to return it to purchase additional shares in Class A shares of another Franklin Templeton fund, you will not be charged an initial sales charge if you invest the distribution within 90 days of the distribution date.

Please indicate on your application the distribution option you have chosen, otherwise we will reinvest your distributions in the same share class of the Fund.

Retirement Plans

Franklin Templeton offers a variety of retirement plans for individuals and businesses. These plans require separate applications, may require special forms for redemptions, and their policies and procedures may be different than those described in this prospectus. For more information, including a free retirement plan brochure or application, please call Retirement Services at (800) 527-2020.

Telephone/Online Privileges

You will automatically receive telephone/online privileges when you open your account, allowing you to obtain or view your account information, and conduct a number of transactions by phone or online, including: buy, sell, or exchange shares of most funds; use electronic funds transfer to buy or sell shares of most funds; change your address; and add or change account services (including distribution options, systematic withdrawal plans and automatic investment plans).

To view your account information or request online transactions, you will first need to register for these services at the shareholder section of our website at franklintempleton.com. You will be asked to accept the terms of an online agreement(s) and establish a password for online services. If you are registered for online services, you may enroll online in Franklin Templeton's electronic delivery program for your shareholder documents. This will allow you to receive electronic delivery (through our website) of most Franklin Templeton funds' prospectuses, proxy statements and other documents, as well as your account(s) statements and trade confirmations, and discontinue receiving your paper copies through the U.S. mail. Using our shareholder website means you are consenting to sending and receiving personal financial information over the Internet, so you should be sure you are comfortable with the risks.

As long as we follow reasonable security procedures and act on instructions we reasonably believe are genuine, we will not be responsible for any losses that may occur from unauthorized requests. We will request passwords or other information, and also may record calls. We have the right (but have no obligation) to refuse a telephone request if the caller is unable to provide the requested information or if we reasonably believe the caller is not an individual authorized to act on the account. To help safeguard your account, keep your password confidential, and verify the accuracy of your confirmation statements immediately after you receive them. Contact us immediately if you believe someone has obtained unauthorized access to your account or password. For transactions done over the Internet, we recommend the use of an Internet browser with 128-bit encryption. Certain methods of contacting us (such as by phone or by Internet) may be unavailable or delayed during periods of unusual market activity. *Of course, you can choose not to register for online privileges. Additionally, if you don't want telephone privileges, or want to discontinue telephone/online privileges at any time please contact us for instructions.* You may reinstate these privileges at any time in writing, including online registration with respect to online privileges.

Note: Digital communication channels are not necessarily secure. If you do choose to send confidential or sensitive information to us via digital communication channels (e.g. email, chat, text messaging, fax), you are accepting the associated

risks related to potential lack of security, such as the possibility that your confidential or sensitive information may be intercepted/accessed by a third party and subsequently used or sold.

Systematic Withdrawal Plan

This plan allows you to automatically sell your shares and receive regular payments from your account. A CDSC may apply to withdrawals that exceed certain amounts. Certain terms and minimums apply. To sign up, visit us online at franklintempleton.com or contact us for instructions.

Franklin Templeton VIP Services®

You may be eligible for Franklin Templeton VIP Services® if you are currently eligible for the \$500,000 sales charge breakpoint for Franklin Templeton fixed income funds based solely on shares registered directly with the Franklin Templeton funds' transfer agent and excluding shares held indirectly through brokerage accounts. Franklin Templeton VIP Services® shareholders enjoy enhanced service and transaction capabilities. Please contact Shareholder Services at (800) 632-2301 for additional information on this program.

Selling Shares

You can sell your shares at any time. To make a same day redemption, the redemption request must be received and accepted by us prior to 1 p.m. Pacific time or the regularly scheduled close of the New York Stock Exchange, whichever is earlier. Please keep in mind that a contingent deferred sales charge (CDSC) may apply.

Selling Shares in Writing

Generally, requests to sell \$100,000 or less can be made over the phone, online, or with a simple letter. Sometimes, however, to protect you and the Fund we will need written instructions signed by all registered owners, with a signature guarantee for each owner, if:

- you are selling more than \$100,000 worth of shares
- you want your proceeds paid to someone who is not a registered owner
- you want to send your proceeds somewhere other than the address of record, or preauthorized bank or brokerage firm account

We also may require a signature guarantee when: we receive instructions from an agent, not the registered owners; you want to send your proceeds to a bank account that was added or changed on your account without a signature guarantee within the last 15 days; you want to send proceeds to your address that was changed without a signature guarantee within the last 15 days; or we believe it would protect the Fund against potential claims based on the instructions received.

The amount may be higher for members of Franklin Templeton VIP Services®. Please see "Franklin Templeton VIP Services®" above for more information regarding eligibility.

A **signature guarantee** helps protect your account against fraud. You can obtain a signature guarantee at most banks and securities dealers.

A notary public CANNOT provide a signature guarantee.

Selling Recently Purchased Shares

If you sell shares recently purchased, we may delay sending you the proceeds until your check, draft or wire/electronic funds transfer has cleared, which may take seven business days.

Redemption Proceeds

Your redemption check will be sent within seven days after we receive your request in proper form. We are not able to receive or pay out cash in the form of currency.

Retirement Plans

You may need to complete additional forms to sell shares in a FTIOS retirement plan. For participants under the age of 59½, tax penalties may apply. Call Retirement Services at (800) 527-2020 for details.

Selling Shares

To sell some or all of your shares

Through your investment representative
Contact your investment representative

By Mail

Send written instructions and endorsed share certificates (if you hold share certificates) to Investor Services. Corporate, partnership or trust accounts may need to send additional documents.

Specify the Fund, the account number and the dollar value or number of shares you wish to sell. Be sure to include all necessary signatures and any additional documents, as well as signature guarantees if required.

A check will be mailed to the name(s) and address on the account, or otherwise according to your written instructions.

By Phone/Online

(800) 632-2301
franklintempleton.com

As long as your transaction is for \$100,000 or less and you do not hold share certificates, you can sell your shares by phone or online. The amount may be higher for members of Franklin Templeton VIP Services®. Please see "Franklin Templeton VIP Services®" above for more information regarding eligibility.

A check will be mailed to the name(s) and address on the account, or a pre-authorized secondary address. Written instructions, with a signature guarantee, are required to send the check to another address or to make it payable to another person.

If you have changed your address within the last 15 days without a signature guarantee, requests to sell your shares and mail the check to the name(s) and address on the account must be in writing and we may require a signature guarantee. Requests to sell your shares and send the proceeds to a pre-authorized secondary address may be requested by phone or online.

By Electronic Funds Transfer (ACH)

You can call, write, or visit us online to have redemption proceeds sent to a bank account. See the policies at left for selling shares by mail, phone, or online.

Before requesting to have redemption proceeds sent to a bank account, please make sure we have your bank account information on file. If we do not have this information, you will need to send written instructions with your bank's name and a voided check or savings account deposit slip. All bank and Fund account owners must sign the request. If the bank and Fund accounts do not have at least one common owner, each individual must also have his or her signature notarized.

If the bank account was added or changed without a signature guarantee within the last 15 days, you may be required to provide written instructions signed by all Fund account owners, with a signature guarantee for each Fund account owner.

If we receive your request in proper form prior to 1 p.m. Pacific time, or the regularly scheduled close of the New York Stock Exchange, whichever is earlier, proceeds sent by ACH generally will be available within two to three business days.

By Exchange

Obtain a current prospectus for the fund you are considering. Prospectuses are available online at franklintempleton.com.

Call Shareholder Services at the number below or send signed written instructions. You also may place an exchange order online. See the policies at left for selling shares by mail, phone, or online.

If you hold share certificates, you will need to return them to the Fund before your exchange can be processed.

Franklin Templeton Investor Services
P.O. Box 33030, St. Petersburg, FL 33733-8030
Call toll-free: (800) 632-2301
or visit us online 24 hours a day, 7 days a week, at franklintempleton.com

Exchanging Shares

Exchange Privilege

Class A, C & R

You can exchange shares between most Franklin Templeton funds within the same class,* generally without paying any additional sales charges. If you exchange shares from a money fund and those shares were not charged a sales charge previously, however, a sales charge may apply.

*Class Z shareholders of Franklin Mutual Series Funds may exchange into Class A without any sales charge. Advisor Class shareholders of another Franklin Templeton fund also may exchange into Class A without any sales charge. If you exchange into Class A shares and you later decide you would like to exchange into a fund that offers an Advisor Class or Class Z, you may exchange your Class A shares for Advisor Class or Class Z shares if you are a current shareholder in Advisor Class or Class Z or you otherwise qualify to buy the fund's Advisor Class or Class Z shares.

Any CDSC will continue to be calculated from the date of your initial investment and will not be charged at the time of the exchange. The purchase price for determining a CDSC on exchanged shares will be the price you paid for the original shares.

Exchange Effects on Class C Conversion Feature

Effective October 5, 2018, if you exchange your Class C shares for the same class of shares of another Franklin Templeton fund, the time your shares are held in the initial Fund will count towards the 10-year period for automatic conversion to Class A shares.

Class R6

You can exchange your Class R6 shares for Class R6 shares of other Franklin Templeton funds. You also may exchange your Class R6 shares for Advisor Class shares of a fund that does not currently offer Class R6 shares.

Advisor Class

You can exchange your Advisor Class shares for Advisor Class shares of other Franklin Templeton funds. You also may exchange your Advisor Class shares for Class A shares of a fund that does not currently offer an Advisor Class (without any sales charge)* or for Class Z shares of Franklin Mutual Series Funds.

*If you exchange into Class A shares and you later decide you would like to exchange into a fund that offers an Advisor Class, you may exchange your Class A shares for Advisor Class shares if you are a current shareholder in Advisor Class or you otherwise qualify to buy the fund's Advisor Class shares.

All Classes

The remainder of the "Exchanging Shares" section applies to all classes.

Generally exchanges may only be made between identically registered accounts, unless you send written instructions with a signature guarantee.

An **exchange** is really two transactions: a sale of one fund and the purchase of another. In general, the same policies that apply to purchases and sales also apply to exchanges, including minimum investment amounts (except exchanges of an entire account balance). Exchanges also generally have the same tax consequences as ordinary sales and purchases.

Rejected exchanges. If the Fund rejects an exchange request involving the sale of Fund shares, the rejected exchange request will also mean rejection of the request to purchase shares of another fund with the proceeds of the sale. Of course, you may generally redeem shares of the Fund at any time.

Exchanges through financial intermediaries. If you are investing indirectly in the Fund through a financial intermediary such as a broker-dealer, a bank, an insurance company separate account, an investment advisor, an administrator or trustee of an IRS-recognized tax-deferred savings plan such as a 401(k) retirement plan and a 529 college savings plan that maintains a master account (an Omnibus Account) with the Fund for trading on behalf of its customers, different exchange and/or transfer limit guidelines and restrictions may apply. The financial intermediary through whom you are investing may choose to adopt different trading restrictions designed to discourage short-term or excessive trading. Consult with your financial intermediary (or in the case of a 401(k) retirement plan, your plan sponsor) to determine what trading restrictions, including exchange/transfer limitations, may be applicable to you.

Fund exchange privilege changes/waiver. The Fund may terminate or modify (temporarily or permanently) this exchange privilege in the future. You will receive at least 60 days' notice of any material changes, unless otherwise provided by law.

Other funds' exchange privileges. If there is a conflict between the exchange privileges of two funds involved in an exchange transaction, the stricter policy will apply to the transaction. Other Franklin Templeton funds may have different exchange restrictions. Check each fund's prospectus for details.

Exchange of shares into shares of the same Fund. The exchange of shares of one class into another class of the same Fund is not taxable for federal income tax purposes. However, shareholders should consult their tax advisors regarding the state and local tax consequences of a conversion or exchange of shares.

Frequent Trading Policy

The Fund's board of trustees has adopted the following policies and procedures with respect to frequent trading in Fund shares (Frequent Trading Policy).

The Fund does not intend to accommodate short-term or frequent purchases and redemptions of Fund shares that may be detrimental to the Fund. For example, this type of trading activity could interfere with the efficient management of the Fund's portfolio or materially increase the Fund's transaction costs, administrative costs or taxes.

In addition, since the Fund may invest in foreign securities, it may be vulnerable to a form of short-term trading that is sometimes referred to as “time-zone arbitrage.” Time-zone arbitrage occurs when an investor seeks to take advantage of delays between changes in the value of a mutual fund’s portfolio holdings and the reflection of those changes in the Fund’s net asset value per share. These delays are more likely to occur in the case of foreign investments, due to differences between the times during which the Fund’s international portfolio securities trade on foreign markets and the time as of which the Fund’s NAV is calculated (generally as of the close of the NYSE - please see “Account Policies - Calculating Share Price”). Time-zone arbitrage traders seek to purchase or redeem shares of a fund based on events occurring after foreign market closing prices are established, but before calculation of the fund’s NAV. This can result in the value of the Fund’s shares being diluted. One of the objectives of the Fund’s fair value pricing procedures is to minimize the possibility of this type of arbitrage (please see “Account Policies - Security Valuation - Foreign Securities - Potential Impact of Time Zones and Market Holidays”); however, there can be no assurance that the Fund’s valuation procedures will be successful in eliminating it.

Since the Fund may invest in securities that are, or may be, restricted, unlisted, traded infrequently, thinly traded, or relatively illiquid (“relatively illiquid securities”), it may be particularly vulnerable to arbitrage short-term trading. Such arbitrage traders may seek to take advantage of a possible differential between the last available market prices for one or more of those relatively illiquid securities that are used to calculate the Fund’s NAV and the latest indications of market values for those securities. One of the objectives of the Fund’s fair value pricing procedures is to minimize the possibilities of this type of arbitrage (please see “Account Policies - Fair Valuation - Individual Securities”); however, there can be no assurance that the Fund’s valuation procedures will be successful in eliminating it.

Through its transfer agent, the Fund performs ongoing monitoring of shareholder trading in shares of the Fund and other Franklin Templeton funds in order to try and identify shareholder trading patterns that suggest an ongoing short-term trading strategy. If shareholder trading patterns identified by the transfer agent through monitoring or from other information regarding the shareholder’s trading activity in non-Franklin Templeton funds leads the transfer agent to reasonably conclude that such trading may be detrimental to the Fund as described in this Frequent Trading Policy, the transfer agent, on behalf of the Fund, may temporarily or permanently bar future purchases into the Fund or, alternatively, may limit the amount, number or frequency of any future purchases and/or the method by which you may request future purchases and redemptions (including purchases and/or redemptions by an exchange or transfer between the Fund and any other mutual fund).

In considering an investor’s trading patterns, the Fund may consider, among other factors, the investor’s trading history both directly and, if known, through financial intermediaries, in the Fund, in other Franklin Templeton funds, in non-Franklin

Templeton mutual funds, or in accounts under common control or ownership (see, for example, “Buying and Selling Shares - Investment by asset allocators and large shareholders” in the SAI). The transfer agent may also reject any purchase request, whether or not it represents part of any ongoing trading pattern, if the Fund’s investment manager or transfer agent reasonably concludes that the amount of the requested transaction may disrupt or otherwise interfere with the efficient management of the Fund’s portfolio. In determining what actions should be taken, the Fund’s transfer agent may consider a variety of factors, including the potential impact of such remedial actions on the Fund and its shareholders. If the Fund is a “fund of funds,” the Fund’s transfer agent may consider the impact of the trading activity and of any proposed remedial action on both the Fund and the affiliated underlying funds in which the Fund invests.

Frequent trading through financial intermediaries. You are an investor subject to this Frequent Trading Policy whether you are a direct shareholder of the Fund or you are investing indirectly in the Fund through a financial intermediary, such as a broker-dealer, bank, trust company, insurance company product such as an annuity contract, investment advisor, or an administrator or trustee of an IRS-recognized tax-deferred savings plan such as a 401(k) retirement plan and a 529 college savings plan.

Some financial intermediaries maintain master accounts with the Fund on behalf of their customers (“omnibus accounts”). The Fund has entered into “information sharing agreements” with these financial intermediaries, which permit the Fund to obtain, upon request, information about the trading activity of the intermediary’s customers that invest in the Fund. If the Fund’s transfer agent identifies omnibus account level trading patterns that have the potential to be detrimental to the Fund, the transfer agent may, in its sole discretion, request from the financial intermediary information concerning the trading activity of its customers. Based upon its review of the information, if the transfer agent determines that the trading activity of any customer may be detrimental to the Fund, it may, in its sole discretion, request the financial intermediary to restrict or limit further trading in the Fund by that customer. There can be no assurance that the transfer agent’s monitoring of omnibus account level trading patterns will enable it to identify all short-term trading by a financial intermediary’s customers.

Revocation of trades. While the Fund reserves the right to reject any purchase order for any reason, the Fund may also revoke executed purchase orders that the transfer agent reasonably concludes in its sole discretion may have been contrary to the objectives of the Fund’s Frequent Trading Policy.

Account Policies

Calculating Share Price

Class A & C

When you buy shares, you pay the “offering price” for the shares. The “offering price” is determined by dividing the NAV per share by an amount equal to 1 minus the sales charge applicable to the purchase (expressed in decimals), calculated to two decimal places using standard rounding criteria. The number of Fund shares you will be issued will equal the amount invested divided by the applicable offering price for those shares, calculated to three decimal places using standard rounding criteria. For example, if the NAV per share is \$10.25 and the applicable sales charge for the purchase is 5.50%, the offering price would be calculated as follows: 10.25 divided by 1.00 minus 0.055 [10.25/0.945] equals 10.846561, which, when rounded to two decimal points, equals 10.85. The offering price per share would be \$10.85.

When you sell shares, you receive the NAV minus any applicable CDSC.

All Classes

The value of a mutual fund is determined by deducting the fund’s liabilities from the total assets of the portfolio. The NAV per share is determined by dividing the total net asset value of each fund’s share class by the applicable number of shares outstanding per share class.

The Fund calculates the NAV per share each business day as of 1 p.m. Pacific time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. The Fund does not calculate the NAV on days the NYSE is closed for trading, which include New Year’s Day, Martin Luther King Jr. Day, President’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. If the NYSE has a scheduled early close, the Fund’s share price would be determined as of the time of the close of the NYSE. If, due to weather or other special or unexpected circumstances, the NYSE has an unscheduled early close on a day that it has opened for business, the Fund reserves the right to consider that day as a regular business day and accept purchase and redemption orders and calculate its share price as of the normally scheduled close of regular trading on the NYSE. The Fund’s NAV per share for each class is readily available online at www.franklintempleton.com/performance.

The Fund has an agreement with certain financial intermediaries that authorize them to accept orders or designate third parties to accept orders on behalf of the Fund. If you place your order through these financial intermediaries, the order will be considered received when they accept the order. Those orders will be priced at the next NAV calculated after acceptance of the order by the financial intermediary or its agent. If you place an order through an account at an intermediary, please

consult with the intermediary to determine when your order will be executed, as some intermediaries may require that they receive orders prior to a specified cut-off time.

Requests to buy and sell shares are processed at the NAV next calculated after we or an approved financial intermediary receive your request in proper form.

When determining its NAV, the Fund values cash and receivables at their realizable amounts, and records interest as accrued and dividends on the ex-dividend date. The Fund generally utilizes two independent pricing services to assist in determining a current market value for each security. If market quotations are readily available for portfolio securities listed on a securities exchange, the Fund values those securities at the last quoted sale price or the official closing price of the day, respectively, or, if there is no reported sale, within the range of the most recent quoted bid and ask prices. The Fund values over-the-counter portfolio securities within the range of the most recent bid and ask prices. If portfolio securities trade both in the over-the-counter market and on a stock exchange, the Fund values them according to the broadest and most representative market. Prices received by the Fund for securities may be based on institutional “round lot” sizes, but the Fund may hold smaller, “odd lot” sizes. Odd lots may trade at lower prices than round lots.

Generally, trading in corporate bonds, U.S. government securities and money market instruments is substantially completed each day at various times before 1 p.m. Pacific time. The value of these securities used in computing the NAV is determined as of such times. Occasionally, events affecting the values of these securities may occur between the times at which they are determined and 1 p.m. Pacific time that will not be reflected in the computation of the NAV. The Fund relies on third-party pricing vendors to provide evaluated prices that reflect current fair market value at 1 p.m. Pacific time.

Fair Valuation – Individual Securities

Since the Fund may invest in securities that are restricted, unlisted, traded infrequently, thinly traded, or relatively illiquid, there is the possibility of a differential between the last available market prices for one or more of those securities and the latest indications of market values for those securities. The Fund has procedures, approved by the board of trustees, to determine the fair value of individual securities and other assets for which market prices are not readily available (such as certain restricted or unlisted securities and private placements) or which may not be reliably priced (such as in the case of trade suspensions or halts, price movement limits set by certain foreign markets, and thinly traded or illiquid securities). Some methods for valuing these securities may include: fundamental analysis (earnings multiple, etc.), matrix pricing, discounts from market prices of similar securities, or

discounts applied due to the nature and duration of restrictions on the disposition of the securities. The board of trustees oversees the application of fair value pricing procedures.

The application of fair value pricing procedures represents a good faith determination based upon specifically applied procedures. There can be no assurance that the Fund could obtain the fair value assigned to a security if it were able to sell the security at approximately the time at which the Fund determines its NAV per share.

Security Valuation – Corporate Debt Securities

Corporate debt securities generally trade in the over-the-counter market rather than on a securities exchange. The Fund may value these portfolio securities by utilizing quotations from bond dealers, information with respect to bond and note transactions and may rely on independent pricing services to assist in determining a current market value for each security. The Fund's pricing services may utilize independent quotations from bond dealers and bond market activity to determine current value.

Security Valuation – Options

The Fund values traded call options at their market price as determined above. The current market value of any option the Fund holds is its last sale price on the relevant exchange before the Fund values its assets. If there are no sales that day or if the last sale price is outside the bid and ask prices, the Fund values options within the range of the current closing bid and ask prices if the Fund believes the valuation fairly reflects the contract's market value.

Security Valuation – Foreign Securities – Computation of U.S. Equivalent Value

The Fund generally determines the value of a foreign security as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 1 p.m. Pacific time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 1 p.m. Pacific time on the day that the value of the foreign security is determined. If no sale is reported at that time, the foreign security will be valued within the range of the most recent quoted bid and ask prices. Occasionally events (such as repatriation limits or restrictions) may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the board of trustees.

Security Valuation – Foreign Securities – Potential Impact of Time Zones and Market Holidays

Trading in securities on foreign securities stock exchanges and over-the-counter markets, such as those in Europe and Asia, may be completed before 1 p.m. Pacific time on each day that the Fund is open. Occasionally, events occur between the time at which trading in a foreign security is completed and 1 p.m. Pacific time that might call into question the availability (including the reliability) of the value of a foreign portfolio security held by the Fund. As a result, the Fund may be susceptible to what is referred to as "time-zone arbitrage." Certain investors in the Fund may seek to take advantage of discrepancies in the value of the Fund's portfolio securities as determined by the foreign market at its close and the latest indications of value attributable to the portfolio securities at the time the Fund's NAV is computed. Trading by these investors, often referred to as "arbitrage market timers," may dilute the value of the Fund's shares, if such discrepancies in security values actually exist. To attempt to minimize the possibilities for time-zone arbitrage, and in accordance with procedures established and approved by the Fund's board of trustees, the investment manager monitors price movements by using a fair value pricing service offered through an independent pricing vendor.

The fair value pricing service is used to estimate the price of a security in a liquid market at the time of the NAV calculation (1 p.m. Pacific Time). If certain criteria are met, the foreign securities may be valued using the price from the fair value pricing service. The intended effect of applying fair value pricing is to compute an NAV that accurately reflects the value of the Fund's portfolio at the time that the NAV is calculated, to discourage potential arbitrage market timing in Fund shares, to mitigate the dilutive impact of such attempted arbitrage market timing and to be fair to purchasing, redeeming and existing shareholders. However, the application of fair value pricing procedures may, on occasion, worsen rather than mitigate the potential dilutive impact of shareholder trading.

In addition, trading in foreign portfolio securities generally, or in securities markets in a particular country or countries, may not take place on every Fund's business day. Furthermore, trading takes place in various foreign markets on days that are not business days for the Funds, and on which the Fund's NAV is not calculated (in which case, the NAV of the Fund's shares may change on days when shareholders will not be able to purchase or redeem Fund shares). Thus, the calculation of the Fund's NAV does not take place contemporaneously with the determination of the prices of many of the foreign portfolio securities used in the calculation. If events affecting the last determined values of these foreign securities occur, the securities will be valued at fair value determined in good faith in accordance with the Fund's fair value procedures established and approved by the board of trustees (as described above).

Accounts with Low Balances

If your account has been open for more than one year and its value falls below \$500, we will mail you a notice asking you to bring the account back up to its applicable minimum investment amount. If you choose not to do so within 30 days, we will close your account and proceeds will be sent by Electronic Fund Transfer (ACH) to your bank information on file. If we do not have this information, proceeds will be mailed to the address of record. You will not be charged a CDSC if your account is closed for this reason. This policy does not apply to: (1) certain broker-controlled accounts established through the National Securities Clearing Corporation's Networking system; (2) Class A or A1 accounts established pursuant to a conversion from Class C or C1, and any remaining Class C or C1 accounts involved in the conversion, with a low balance due to the conversion; (3) tax-deferred retirement plan accounts; (4) active automatic investment plan accounts; (5) accounts in an Advisory Fee Program; (6) accounts held through a 529 college savings program; (7) Coverdell Education Savings Plan accounts; and (8) accounts currently maintained via robo advice driven services where account investments and reallocations are done through an automated, algorithm-driven platform.

A financial intermediary may impose different minimum account balances on your account than those described above. The Fund is not responsible for any minimum account balances imposed by financial intermediaries or for notifying shareholders of any changes to them. See Appendix A for more information on certain intermediary-specific minimum account balances. Please consult with your financial intermediary if you have any questions regarding their policies.

Redemptions

Typically, the Fund uses cash and cash equivalents held in its portfolio or sells portfolio assets to meet all redemption needs. In unusual circumstances or under stressed market conditions, the Fund may use other methods to meet redemptions, such as the use of lines of credit or interfund lending in reliance on exemptive relief from the SEC. Also, see "Account Policies – Redemptions in Kind" for information regarding redemption requests that exceed \$250,000 or 1% of the value of the Fund's assets, whichever is less.

Redemptions in Kind

If your redemption requests during any 90-day period exceed \$250,000 (or 1% of the value of the Fund's net assets, if less), the Fund reserves the right to make payments in whole or in part in securities or other assets of the Fund. You should expect to incur transaction costs upon the disposition of the securities received in the distribution. In addition, you will bear the market risk of the securities you hold until the securities are sold.

Redemptions by Large Shareholders

At times, the Fund may experience adverse effects when certain large shareholders redeem large amounts of shares of the Fund. Large redemptions may cause the Fund to sell portfolio securities at times when it would not otherwise do so. In addition, these transactions may also accelerate the realization of taxable income to shareholders if such sales of investments resulted in gains, and may also increase transaction costs and/or increase in the Fund's expense ratio. When experiencing a redemption by a large shareholder, the Fund may delay payment of the redemption request up to seven days to provide the investment manager with time to determine if the Fund can redeem the request in-kind or to consider other alternatives to lessen the harm to remaining shareholders. Under certain circumstances, however, the Fund may be unable to delay a redemption request, which could result in the automatic processing of a large redemption that is detrimental to the Fund and its remaining shareholders.

Statements, Reports and Prospectuses

You will receive quarterly account statements that show all your account transactions during the quarter. You also will receive written notification after each transaction affecting your account (except for distributions and transactions made through automatic investment or withdrawal programs, which will be reported on your quarterly statement). Upon receipt, review all account statements and written notifications after each transaction affecting your account and notify us immediately if there is a discrepancy.

You also will receive, or receive notice of the availability of, the Fund's financial reports every six months. In addition, you will receive an annual updated summary prospectus (prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports (to the extent received by mail) and summary prospectus. This process, called "householding," will continue indefinitely unless you instruct us otherwise. If you prefer not to have these documents househanded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

You may elect to receive your statements, prospectuses and other documents through electronic delivery (please see "Investor Services - Telephone/Online Privileges").

Investment Representative Account Access

If there is a dealer or other investment representative of record on your account, he or she will be able to obtain your account information, conduct transactions for your account, and also will receive copies of all notifications and statements and other information about your account directly from the Fund.

Street or Nominee Accounts

You may transfer your shares from the street or nominee name account of one dealer to another, as long as both dealers have an agreement with Distributors. We will process the transfer after we receive authorization in proper form from your delivering securities dealer.

Joint Accounts

Unless you specify a different registration, shares issued to two or more owners are registered as "joint tenants with rights of survivorship" (shown as "Jt Ten" on your account statement). To make any ownership changes to jointly owned shares, or to sever a joint tenancy in jointly owned shares, all owners must agree in writing.

Joint Account Risk with Telephone/Online Privileges

You will automatically receive telephone/online privileges when you open your account. If your account has more than one registered owner, telephone/online privileges allow the Fund to accept online registration for online services (including electronic delivery of shareholder documents) and transaction instructions online or by telephone from only one registered owner. This means that *any one registered owner on your account, acting alone and without the consent of any other registered owner*, may give the Fund instructions by telephone, online or in writing (subject to any limitations in telephone or online privileges) to:

- Exchange shares from a jointly registered Fund account requiring all registered owner signatures into an identically registered money fund account that only requires one registered owner's signature to redeem shares;
- Redeem Fund shares and direct the redemption proceeds to a pre-established bank account that may or may not be owned by you and, if owned by you jointly with someone else, only requires one person to withdraw funds by check or otherwise; and
- Purchase Fund shares by debiting a pre-established bank account that may be owned by you.

If you do NOT want another registered owner on your account to be able to issue these kinds of instructions to the Fund without your consent, you must instruct the Fund to deny/terminate online privileges and the ability to issue such instructions by telephone so that these types of instructions will only be accepted in writing signed by all account owners. This decision will apply to any other fund into which you may

exchange your jointly owned Fund shares. Any later decision to permit these types of instructions by telephone and/or online will need to be given to the Fund in a written instruction signed by all registered owners.

Additional Policies

Please note that the Fund maintains additional policies and reserves certain rights, including:

- The Fund may restrict, reject or cancel any purchase orders, including an exchange request.
- Typically, redemptions are processed by the next business day provided the redemption request is received in proper form and good order, but may take up to seven days to be processed if making immediate payment would adversely affect the Fund or there is another cause for delay (for example, if you sell shares recently purchased, proceeds may be delayed until your check, draft or wire/electronic funds transfer has cleared). In certain circumstances, however, the Fund may not have the ability to delay a redemption request or may not have the time to determine whether a particular redemption would have an adverse effect on the Fund before the redemption request is paid.
- The Fund may modify, suspend, or terminate telephone/online privileges at any time.
- The Fund may make material changes to or discontinue the exchange privilege on 60 days' notice or as otherwise provided by law.
- The Fund may stop offering shares completely or may offer shares only on a limited basis, for a period of time or permanently.
- In unusual circumstances, we may temporarily suspend redemptions or postpone the payment of proceeds, as allowed by federal securities laws.
- For redemptions over a certain amount, the Fund may, but is not required to, pay redemption proceeds in securities or other assets rather than cash (also known as a redemption in-kind) if the investment manager determines it is in the best interest of the Fund, consistent with applicable law. The investment manager will, in its sole discretion, determine whether a redemption in-kind will be considered for a particular redemption request or type of redemption request. In certain circumstances, however, the investment manager may not have the ability to determine whether a particular redemption could be paid in-kind before the redemption request is paid. If a redemption request is redeemed in-kind, investors should expect to incur transaction costs upon the disposition of the securities received in the distribution.
- You may only buy shares of a fund (including the purchase side of an exchange) eligible for sale in your state or jurisdiction.

- To permit investors to obtain the current price, dealers are responsible for transmitting all orders to the Fund promptly.
- For non-retirement accounts, if you are receiving a dividend, capital gains or a systematic withdrawal plan payment in cash, and at least three consecutive checks remain uncashed for at least six months, the Fund reserves the right to change your distribution option to reinvest future distributions or discontinue your systematic withdrawal plan.

Dealer Compensation

Class A, C & R

Qualifying dealers who sell Fund shares may receive sales commissions and other payments. These are paid by Distributors from sales charges received from purchasing or redeeming shareholders, from distribution and service (12b-1) fees from the Fund and from Distributors' other financial resources. Dealers may also receive shareholder servicing fees for servicing investors who indirectly hold Franklin Templeton fund shares through dealer-maintained brokerage accounts as more fully described under "Shareholder servicing and transfer agent" of the "Management and Other Services" section in the SAI. These fees are paid by the Fund's transfer agent from payments it receives under its agreement with the Fund.

No dealer commission will be paid on Class A NAV purchases by Employer Sponsored Retirement Plans.

If any dealer commissions are paid in connection with a purchase which is subsequently rejected or results in any trading restriction placed on the purchaser as a result of a determination by the Fund's investment manager or transfer agent that the purchase may be connected with trading activity that may be detrimental to the Fund as described in the Fund's "Frequent Trading Policy," the dealer shall, upon demand, refund such commissions to Distributors.

	Class A	Class C	Class R
Commission (%)	—	1.00 ¹	—
Investment under \$50,000	5.00	—	—
\$50,000 but under \$100,000	4.00	—	—
\$100,000 but under \$250,000	3.00	—	—
\$250,000 but under \$500,000	2.25	—	—
\$500,000 but under \$1 million	1.75	—	—
\$1 million or more	up to 1.00	—	—
12b-1 fee to dealer	0.25 ^{2,3}	1.00 ⁴	0.50

1. Commission includes advance of the first year's 0.25% 12b-1 service fee. Distributors may pay a prepaid commission. However, Distributors does not pay a prepaid commission on any purchases by Employer Sponsored Retirement Plans.

2. For purchases at NAV where Distributors paid a prepaid commission, dealers may start to receive the 12b-1 fee in the 13th month after purchase. For purchases at NAV where Distributors did not pay a prepaid commission, dealers may start to receive the 12b-1 fee at the time of purchase.

3. Under the Distribution Plan for Class A, the Fund may pay up to 0.25% to Distributors or others, out of which 0.05% generally will be retained by Distributors for its distribution expenses.

4. Dealers may be eligible to receive up to 0.25% at the time of purchase and may be eligible to receive 1% starting in the 13th month. During the first 12 months, the full 12b-1 fee will be paid to Distributors to partially offset the commission and the prepaid service fee paid at the time of purchase. For purchases at NAV where Distributors did not pay a prepaid commission, dealers may start to receive the 12b-1 fee at the time of purchase. After approximately 10 years, Class C shares convert to Class A shares and dealers may then be eligible to receive the 12b-1 fee applicable to Class A.

Purchases of certain share classes through financial intermediaries (Class R6 and Advisor Class) There are no associated sales charges or Rule 12b-1 distribution and service fees for the purchase of Class R6 and Advisor Class shares. However, pursuant to SEC guidance, certain financial intermediaries acting as agents on behalf of their customers may directly impose on shareholders sales charges or transaction fees determined by the financial intermediary related to the purchase of these shares. These charges and fees are not disclosed in this prospectus. You should consult with your financial advisor or visit your financial intermediary's website for more information.

The Fund's service providers also may pay financial intermediaries for marketing support and other related services as disclosed below for Advisor Class shares, but not for Class R6 shares. These payments may create a conflict of interest by influencing the financial intermediary and your salesperson to recommend one share class over another. There is some uncertainty concerning whether marketing support or other similar payments may be made or received in connection with Advisor Class shares where a financial intermediary has imposed its own sales charges or transaction fees. Based on future regulatory developments, such payments may be terminated.

Other financial intermediary compensation Except with respect to Class R6 shares, Distributors may make marketing support payments (a portion of which may be reimbursable under the terms of the Fund's Rule 12b-1 distribution plans) to certain dealers and other financial intermediaries, such as banks, insurance

companies, or plan administrators, in connection with their efforts to educate financial advisors or provide other services which may facilitate, directly or indirectly, investment in Franklin Templeton mutual funds. In the case of any one intermediary, marketing support payments generally will not exceed 0.05% of the total assets of Franklin Templeton mutual funds attributable to that intermediary, on an annual basis. For an intermediary exceeding \$50 billion in total assets of Franklin Templeton mutual funds, Distributors may agree to make annual marketing support payments up to a limit of 0.06% of such assets. In other limited circumstances, Distributors or an affiliate will have alternative arrangements with an intermediary that provide for payments in excess of the 0.05% limitation, which may include arrangements based on assets or sales of funds, combined assets or sales of related funds, or other criteria. Marketing support payments made to organizations located outside the U.S., with respect to investments in the Fund by non-U.S. persons, also may exceed this limitation. Any assets held on behalf of Employer Sponsored Retirement Plans for which payment is made to a financial intermediary pursuant to the following paragraph will be excluded from the calculation of marketing support payments pursuant to this paragraph. You should contact your financial intermediary to determine the amount of any compensation it may receive from Distributors or its affiliates.

Except with respect to Class R6 shares, Distributors and/or its affiliates may also make payments (a portion of which may be reimbursable under the terms of the Fund's Rule 12b-1 distribution plans) to certain financial intermediaries in connection with their activities that are intended to assist in the sale of shares of Franklin Templeton mutual funds, directly or indirectly, to certain Employer Sponsored Retirement Plans. In the case of any one financial intermediary, such payments will not exceed 0.10% of the total assets of Franklin Templeton mutual funds held, directly or indirectly, by such Employer Sponsored Retirement Plans, on an annual basis.

A number of factors will be considered in determining these payments, including the qualifying financial intermediary's sales, assets and redemption rates, the nature and quality of any servicing provided by the financial intermediary, and the quality of the financial intermediary's relationship with Distributors. Distributors will, on an annual basis, determine the advisability of continuing these payments. These payments may be in addition to any shareholder servicing fees paid by the Fund's transfer agent from payments it receives under its agreement with the Fund.

To the extent permitted by SEC and Financial Industry Regulatory Authority rules and other applicable laws and regulations, Distributors may, in addition to marketing support payments, pay or allow other promotional incentives or payments to financial intermediaries, such as payments related to transaction support, various

financial intermediary-sponsored events intended to educate financial advisers and their clients about the Franklin Templeton mutual funds, and data analytics and support.

Sales of Fund shares, as well as shares of other mutual funds in Franklin Templeton, is not considered a factor in the selection of financial intermediaries to execute the Fund's portfolio transactions. Accordingly, the allocation of portfolio transactions for execution by financial intermediaries that sell Fund shares is not considered marketing support payments to such financial intermediaries.

You can find further details in the SAI about the payments made by Distributors and the services provided by your financial advisor. Your financial advisor may charge you additional fees or commissions other than those disclosed in this prospectus. You should ask your financial advisor for information about any payments it receives from Distributors and any services it provides, as well as about fees and/or commissions it charges.

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Questions

If you have any questions about the Fund or your account, you can write to us at P.O. Box 33030, St. Petersburg, FL 33733-8030. You also can call us at one of the following numbers. For your protection and to help ensure we provide you with quality service, all calls may be monitored or recorded.

Department Name	Telephone Number
Shareholder Services	(800) 632-2301
Fund Information	(800) DIAL BEN (800) 342-5236
Retirement Services	(800) 527-2020
Advisor Services	(800) 524-4040
Hearing Impaired Assistance	For hearing impaired assistance, please contact us via a Relay Service.
Automated Telephone System	(800) 632-2301 (800) 524-4040 (800) 527-2020

FOR MORE INFORMATION

You can learn more about the Fund in the following documents:

Annual/Semiannual Report to Shareholders

Includes a discussion of recent market conditions and Fund strategies that significantly affected Fund performance during its last fiscal year, financial statements, detailed performance information, portfolio holdings and, in the annual report only, the independent registered public accounting firm's report.

Statement of Additional Information (SAI)

Contains more information about the Fund, its investments and policies. It is incorporated by reference (is legally a part of this prospectus).

For a free copy of the current annual/semiannual report or the SAI, please contact your investment representative or call us at the number below. You also can view the current annual/semiannual report and the SAI online through franklintempleton.com.

Appendix A to the Prospectus — Intermediary Sales Charge Discounts and Waivers

Contains more information about specific sales charge discounts and waivers available for shareholders who purchase Fund shares through a specific financial intermediary. Appendix A is a separate document and is incorporated herein by reference (is legally a part of this prospectus).

Reports and other information about the Fund are available on the EDGAR Database on the SEC's Internet site at <http://www.sec.gov>, and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following email address: publicinfo@sec.gov.



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assistance, please contact
us via a Relay Service.

APPENDIX A

INTERMEDIARY SALES CHARGE DISCOUNTS AND WAIVERS

Specific intermediaries may have different policies and procedures than the Fund regarding the availability of front-end sales load (charge) waivers or CDSC waivers; exchanges or conversions between classes or exchanges between Funds; account investment minimums; and minimum account balances, all of which are discussed below. In all instances, it is the purchaser's responsibility to notify the Fund or the purchaser's financial intermediary at the time of purchase of any relationship or other facts qualifying the purchaser for sales charge waivers or discounts. For waivers and discounts not available through a particular intermediary, shareholders will have to purchase Fund shares directly from the Fund or through another intermediary to receive such waivers or discounts. Please see the section entitled "Fund Details – Your Account – Choosing a Share Class – Class A, & C" for more information on sales charges and waivers available for different classes.

The information in this Appendix is part of, and incorporated into, the Fund's prospectus.

CLASS A AND CLASS C PURCHASES THROUGH AMERIPRISE FINANCIAL

Automatic exchange of Class C shares. Class C shares will automatically exchange to Class A shares in the month of the 10-year anniversary of the purchase date. Effective January 15, 2021, the anniversary year of the purchase date will change to 7-years.

Class A Shares Front-End Sales Charge Waivers Available at Ameriprise Financial:

The following information applies to Class A shares purchases if you have an account with or otherwise purchase Fund shares through Ameriprise Financial:

Effective June 1, 2018, shareholders purchasing Fund shares through an Ameriprise Financial platform or account will be eligible for the following front-end sales charge waivers and discounts, which may differ from those disclosed elsewhere in this Fund's prospectus or SAI:

- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs or SAR-SEPs.
- Shares purchased through an Ameriprise Financial investment advisory program (if an Advisory or similar share class for such investment advisory program is not available).
- Shares purchased by third party investment advisors on behalf of their advisory clients through Ameriprise Financial's platform (if an

Advisory or similar share class for such investment advisory program is not available).

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same Fund (but not any other fund within the same fund family).
- Shares exchanged from Class C shares of the same fund in the month of or following the 10-year anniversary of the purchase date (effective January 15, 2021, the anniversary year of the purchase date will change to 7-years). To the extent that this prospectus elsewhere provides for a waiver with respect to such shares following a shorter holding period, that waiver will apply to exchanges following such shorter period. To the extent that this prospectus elsewhere provides for a waiver with respect to exchanges of Class C shares for load waived shares, that waiver will also apply to such exchanges.
- Employees and registered representatives of Ameriprise Financial or its affiliates and their immediate family members.
- Shares purchased by or through qualified accounts (including IRAs, Coverdell Education Savings Accounts, 401(k)s, 403(b) TSCAs subject to ERISA and defined benefit plans) that are held by a covered family member, defined as an Ameriprise financial advisor and/or the advisor's spouse, advisor's lineal ascendant (mother, father, grandmother, grandfather, great grandmother, great grandfather), advisor's lineal descendant (son, daughter, grandson, granddaughter, great grandson, great granddaughter) or any spouse of a covered family member who is a lineal descendant.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (i.e. Rights of Reinstatement).

BAIRD

Intermediary-Defined Sales Charge Waiver Policies

Effective June 15, 2020, shareholders purchasing fund shares through a Baird platform or account will only be eligible for the following sales charge waivers (front-end sales charge waivers and CDSC waivers) and discounts, which may differ from those disclosed elsewhere in this prospectus or the SAI.

Front-End Sales Charge Waivers on Investors A-shares Available at Baird

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing share of the same fund
- Share purchase by employees and registers representatives of Baird or its affiliate and their family members as designated by Baird
- Shares purchase from the proceeds of redemptions from another Franklin Templeton fund, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same accounts, and (3) redeemed shares were subject to a front-end or deferred sales charge (known as rights of reinstatement)
- A shareholder in the Funds Class C shares will have their share converted at net asset value to Class A shares of the fund if the shares are no longer subject to CDSC and the conversion is in line with the policies and procedures of Baird
- Employer-sponsored retirement plans or charitable accounts in a transactional brokerage account at Baird, including 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans. For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs or SAR-SEPs

CDSC Waivers on Class A and C shares Available at Baird

- Shares sold due to death or disability of the shareholder
- Shares sold as part of a systematic withdrawal plan as described in the Fund's Prospectus
- Shares bought due to returns of excess contributions from an IRA Account
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching age 72 as described in the Fund's prospectus
- Shares sold to pay Baird fees but only if the transaction is initiated by Baird
- Shares acquired through a right of reinstatement

Front-End Sales Charge Discounts Available at Baird: Breakpoints and/or Rights of Accumulations

- Breakpoints as described in this prospectus
- Rights of accumulations which entitles shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of Franklin Templeton assets held by accounts within the purchaser's household at Baird. Eligible Franklin Templeton assets not held at Baird may be included in the rights of accumulations calculation only if the shareholder notifies his or her financial advisor about such assets

- Letters of Intent (LOI) allow for breakpoint discounts based on anticipated purchases of Franklin Templeton funds through Baird, over a 13-month period of time

D.A. DAVIDSON & CO.

Effective June 1, 2020, shareholders purchasing fund shares including existing fund shareholders through a D.A. Davidson & Co. ("D.A. Davidson") platform or account, or through an introducing broker-dealer or independent registered investment advisor for which D.A. Davidson provides trade execution, clearance, and/or custody services, will be eligible for the following sales charge waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this prospectus or SAI.

Front-End Sales Charge Waivers on Class A Shares available at D.A. Davidson

- Shares purchased within the same fund family through a systematic reinvestment of capital gains and dividend distributions.
- Employees and registered representatives of D.A. Davidson or its affiliates and their family members as designated by D.A. Davidson.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales charge (known as Rights of Reinstatement).
- A shareholder in the Fund's Class C shares will have their shares converted at net asset value to Class A shares (or the appropriate share class) of the Fund if the shares are no longer subject to a CDSC and the conversion is consistent with D.A. Davidson's policies and procedures.

CDSC Waivers on Classes A and C shares available at D.A. Davidson

- Death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the fund's prospectus.
- Return of excess contributions from an IRA Account.
- Shares sold as part of a required minimum distribution for IRA or other qualifying retirement accounts as described in the fund's prospectus beginning in the calendar year the shareholder turns age 72.
- Shares acquired through a right of reinstatement.

Front-end sales charge discounts available at D.A. Davidson: breakpoints, rights of accumulation and/or letters of intent

- Breakpoints as described in this prospectus.
- Rights of accumulation which entitle shareholders to breakpoint discounts will be automatically calculated based on the aggregated

holding of fund family assets held by accounts within the purchaser's household at D.A. Davidson. Eligible fund family assets not held at D.A. Davidson may be included in the calculation of rights of accumulation only if the shareholder notifies his or her financial advisor about such assets.

- Letters of intent which allow for breakpoint discounts based on anticipated purchases within a fund family, over a 13-month time period. Eligible fund family assets not held at D.A. Davidson may be included in the calculation of letters of intent only if the shareholder notifies his or her financial advisor about such assets.

Edward D. Jones & Co., L.P. ("EDWARD JONES")

Policies Regarding Transactions Through Edward Jones

Effective on or after December 1, 2020, the following information supersedes prior information with respect to transactions and positions held in fund shares through an Edward Jones system. Clients of Edward Jones (also referred to as "shareholders") purchasing fund shares on the Edward Jones commission and fee-based platforms are eligible only for the following sales charge discounts (also referred to as "breakpoints") and waivers, which can differ from discounts and waivers described elsewhere in the mutual fund prospectus or statement of additional information ("SAI") or through another broker-dealer. In all instances, it is the shareholder's responsibility to inform Edward Jones at the time of purchase of any relationship, holdings of the Franklin Templeton and Legg Mason Funds, or other facts qualifying the purchaser for discounts or waivers. Edward Jones can ask for documentation of such circumstance. Shareholders should contact Edward Jones if they have questions regarding their eligibility for these discounts and waivers.

Breakpoints

- Breakpoint pricing, otherwise known as volume pricing, at dollar thresholds as described in the prospectus.

Rights of Accumulation ("ROA")

- The applicable sales charge on a purchase of Class A shares is determined by taking into account all share classes (except any assets held in group retirement plans) of the Franklin Templeton and Legg Mason Funds held by the shareholder or in an account grouped by Edward Jones with other accounts for the purpose of providing certain pricing considerations ("pricing groups"). If grouping assets as a shareholder, this includes all share classes held on the Edward Jones platform and/or held on another platform. The inclusion of eligible fund family assets in the ROA calculation is dependent on the shareholder notifying Edward Jones of such assets at the time of calculation.

- The employer maintaining a SEP IRA plan and/or SIMPLE IRA plan may elect to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping as opposed to including all share classes at a shareholder or pricing group level.
- ROA is determined by calculating the higher of cost minus redemptions or market value (current shares x NAV).

Letter of Intent ("LOI")

- Through a LOI, shareholders can receive the sales charge and breakpoint discounts for purchases shareholders intend to make over a 13-month period from the date Edward Jones receives the LOI. The LOI is determined by calculating the higher of cost or market value of qualifying holdings at LOI initiation in combination with the value that the shareholder intends to buy over a 13-month period to calculate the front-end sales charge and any breakpoint discounts. Each purchase the shareholder makes during that 13-month period will receive the sales charge and breakpoint discount that applies to the total amount. The inclusion of eligible fund family assets in the LOI calculation is dependent on the shareholder notifying Edward Jones of such assets at the time of calculation. Purchases made before the LOI is received by Edward Jones are not adjusted under the LOI and will not reduce the sales charge previously paid. Sales charges will be adjusted if LOI is not met.
- If the employer maintaining a SEP IRA plan and/or SIMPLE IRA plan has elected to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping, LOIs will also be at the plan-level and may only be established by the employer.

Sales Charge Waivers

Sales charges are waived for the following shareholders and in the following situations:

- Associates of Edward Jones and its affiliates and their family members who are in the same pricing group (as determined by Edward Jones under its policies and procedures) as the associate. This waiver will continue for the remainder of the associate's life if the associate retires from Edward Jones in good-standing and remains in good standing pursuant to Edward Jones' policies and procedures.
- Shares purchased in an Edward Jones fee-based program.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment.
- Shares purchased from the proceeds of redeemed shares of the same fund family so long as the following conditions are met: 1) the proceeds are from the sale of shares within 60 days of the purchase, and 2) the sale and purchase are made in the same share class and

the same account or the purchase is made in an individual retirement account with proceeds from liquidations in a non-retirement account.

- Shares exchanged into Class A shares from another share class so long as the exchange is into the same fund and was initiated at the discretion of Edward Jones. Edward Jones is responsible for any remaining CDSC due to the fund company, if applicable. Any future purchases are subject to the applicable sales charge as disclosed in the prospectus.
- Exchanges from Class C shares to Class A shares of the same fund, generally, in the 84th month following the anniversary of the purchase date or earlier at the discretion of Edward Jones.

Contingent Deferred Sales Charge ("CDSC") Waivers

If the shareholder purchases shares that are subject to a CDSC and those shares are redeemed before the CDSC is expired, the shareholder is responsible to pay the CDSC except in the following conditions:

- The death or disability of the shareholder.
- Systematic withdrawals with up to 10% per year of the account value.
- Return of excess contributions from an Individual Retirement Account (IRA).
- Shares sold as part of a required minimum distribution for IRA and retirement accounts if the redemption is taken in or after the year the shareholder reaches qualified age based on applicable IRS regulations.
- Shares sold to pay Edward Jones fees or costs in such cases where the transaction is initiated by Edward Jones.
- Shares exchanged in an Edward Jones fee-based program.
- Shares acquired through NAV reinstatement.
- Shares redeemed at the discretion of Edward Jones for Minimum Balances, as described below.

1.1 Other Important Information Regarding Transactions Through Edward Jones

Minimum Purchase Amounts

- Initial purchase minimum: \$250
- Subsequent purchase minimum: none

Minimum Balances

- Edward Jones has the right to redeem at its discretion fund holdings

with a balance of \$250 or less. The following are examples of accounts that are not included in this policy:

- A fee-based account held on an Edward Jones platform
- A 529 account held on an Edward Jones platform
- An account with an active systematic investment plan or letter of intent (LOI)

Exchanging Share Classes

- At any time it deems necessary, Edward Jones has the authority to exchange at NAV a shareholder's holdings in a fund to Class A shares of the same fund.

JANNEY MONTGOMERY SCOTT LLC ("JANNEY")

Effective May 1, 2020, if you purchase fund shares through a Janney Montgomery Scott LLC ("Janney") brokerage account, you will be eligible for the following load waivers (front-end sales charge waivers and contingent deferred sales charge ("CDSC"), or back-end sales charge, waivers) and discounts, which may differ from those disclosed elsewhere in this fund's Prospectus or SAI.

Front-end sales charge* waivers on Class A shares available at Janney

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family).
- Shares purchased by employees and registered representatives of Janney or its affiliates and their family members as designated by Janney.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within ninety (90) days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (i.e., right of reinstatement).
- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans.
- Shares acquired through a right of reinstatement.
- Class C shares that are no longer subject to a contingent deferred sales charge and are converted to Class A shares of the same fund pursuant to Janney's policies and procedures.

CDSC waivers on Class A and C shares available at Janney

- Shares sold upon the death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the fund's Prospectus.
- Shares purchased in connection with a return of excess contributions from an IRA account.
- Shares sold as part of a required minimum distribution for IRA and other retirement accounts due to the shareholder reaching age 72 as described in the fund's Prospectus.
- Shares sold to pay Janney fees but only if the transaction is initiated by Janney.
- Shares acquired through a right of reinstatement.
- Shares exchanged into the same share class of a different fund.

Front-end sales charge* discounts available at Janney: breakpoints, rights of accumulation, and/or letters of intent

- Breakpoints as described in the fund's Prospectus.
- Rights of accumulation ("ROA"), which entitle shareholders to breakpoint discounts, will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at Janney. Eligible fund family assets not held at Janney may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets.
- Letters of intent which allow for breakpoint discounts based on anticipated purchases within a fund family, over a 13-month time period. Eligible fund family assets not held at Janney Montgomery Scott may be included in the calculation of letters of intent only if the shareholder notifies his or her financial advisor about such assets.

*Also referred to as an "initial sales charge."

CLASS A AND CLASS C PURCHASES THROUGH MERRILL LYNCH

Shareholders purchasing Fund shares through a Merrill Lynch platform or account will be eligible only for the following load waivers (front-end sales charge waivers and contingent deferred or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this Fund's prospectus or SAI.

Front-end Sales Load Waivers on Class A Shares available at Merrill Lynch

Employer-sponsored retirement, deferred compensation and employee benefit plans (including health savings accounts) and trusts used to fund those plans, provided that the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan

Shares purchased by a 529 Plan (does not include 529 Plan units or 529-specific share classes or equivalents)
Shares purchased through a Merrill Lynch affiliated investment advisory program
Shares exchanged due to the holdings moving from a Merrill Lynch affiliated investment advisory program to a Merrill Lynch brokerage (non-advisory) account pursuant to Merrill Lynch's policies relating to sales load discounts and waivers
Shares purchased by third party investment advisors on behalf of their advisory clients through Merrill Lynch's platform
Shares of funds purchased through the Merrill Edge Self-Directed platform
Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family)
Shares exchanged from Class C (i.e. level-load) shares of the same fund pursuant to Merrill Lynch's policies relating to sales load discounts and waivers
Employees and registered representatives of Merrill Lynch or its affiliates and their family members
Directors or Trustees of the Fund, and employees of the Fund's investment adviser or any of its affiliates, as described in this prospectus
Eligible shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Reinstatement). Automated transactions (i.e. systematic purchases and withdrawals) and purchases made after shares are automatically sold to pay Merrill Lynch's account maintenance fees are not eligible for reinstatement
CDSC Waivers on A and C Shares available at Merrill Lynch
Death or disability of the shareholder
Shares sold as part of a systematic withdrawal plan as described in the Fund's prospectus
Return of excess contributions from an IRA Account
Shares sold as part of a required minimum distribution for IRA and retirement accounts pursuant to the Internal Revenue Code
Shares sold to pay Merrill Lynch fees but only if the transaction is initiated by Merrill Lynch
Shares acquired through a right of reinstatement
Shares held in retirement brokerage accounts, that are exchanged for a lower cost share class due to transfer to certain fee-based accounts or platforms

Shares received through an exchange due to the holdings moving from a Merrill Lynch affiliated investment advisory program to a Merrill Lynch brokerage (non-advisory) account pursuant to Merrill Lynch's policies relating to sales load discounts and waivers
Front-end load Discounts Available at Merrill Lynch: Breakpoints, Rights of Accumulation & Letters of Intent
Breakpoints as described in this prospectus.
Rights of Accumulation (ROA) which entitle shareholders to breakpoint discounts as described in the Fund's prospectus will be automatically calculated based on the aggregated holding of fund family assets held by accounts (including 529 program holdings, where applicable) within the purchaser's household at Merrill Lynch. Eligible fund family assets not held at Merrill Lynch may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets
Letters of Intent (LOI) which allow for breakpoint discounts based on anticipated purchases within a fund family, through Merrill Lynch, over a 13-month period of time

CLASS A PURCHASES THROUGH MORGAN STANLEY

Effective July 1, 2018 shareholders purchasing Fund shares through a Morgan Stanley Wealth Management transactional brokerage account will be eligible only for the following front-end sales charge waivers with respect to Class A shares, which may differ from and may be more limited than those disclosed elsewhere in this Fund's Prospectus or SAI.

Front-end Sales Charge Waivers on Class A Shares available at Morgan Stanley Wealth Management

- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans
- Morgan Stanley employee and employee-related accounts according to Morgan Stanley's account linking rules
- Shares purchased through reinvestment of dividends and capital gains distributions when purchasing shares of the same fund
- Shares purchased through a Morgan Stanley self-directed brokerage account
- Class C (i.e., level-load) shares that are no longer subject to a contingent deferred sales charge and are converted to Class A shares of the same fund pursuant to Morgan Stanley Wealth Management's share class conversion program

- Shares purchased from the proceeds of redemptions within the same fund family, provided (i) the repurchase occurs within 90 days following the redemption, (ii) the redemption and purchase occur in the same account, and (iii) redeemed shares were subject to a front-end or deferred sales charge.

OPPENHEIMER & CO., INC.

Effective June 1, 2020, shareholders purchasing Fund shares through an Oppenheimer & Co. Inc. (“OPCO”) platform or account are eligible only for the following load waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this Fund’s prospectus or SAI.

Front-end Sales Load Waivers on Class A Shares available at OPCO

- Employer-sponsored retirement, deferred compensation and employee benefit plans (including health savings accounts) and trusts used to fund those plans, provided that the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan
- Shares purchased by or through a 529 Plan
- Shares purchased through a OPCO affiliated investment advisory program
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family)
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Restatement).
- A shareholder in the Fund’s Class C shares will have their shares converted at net asset value to Class A shares (or the appropriate share class) of the Fund if the shares are no longer subject to a CDSC and the conversion is in line with the policies and procedures of OPCO
- Employees and registered representatives of OPCO or its affiliates and their family members
- Directors or Trustees of the Fund, and employees of the Fund’s investment adviser or any of its affiliates, as described in this prospectus

CDSC Waivers on A and C Shares available at OPCO

- Death or disability of the shareholder
- Shares sold as part of a systematic withdrawal plan as described in the Fund’s prospectus
- Return of excess contributions from an IRA Account
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified

age based on applicable IRS regulations as described in the prospectus

- Shares sold to pay OPCO fees but only if the transaction is initiated by OPCO
- Shares acquired through a right of reinstatement

Front-end load Discounts Available at OPCO: Breakpoints, Rights of Accumulation & Letters of Intent

- Breakpoints as described in this prospectus.
- Rights of Accumulation (ROA) which entitle shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser’s household at OPCO. Eligible fund family assets not held at OPCO may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets.

RAYMOND JAMES®

Intermediary-Defined Sales Charge Waiver Policies

The availability of certain initial or deferred sales charge waivers and discounts may depend on the particular financial intermediary or type of account through which you purchase or hold Fund shares.

Intermediaries may have different policies and procedures regarding the availability of front-end sales load waivers or contingent deferred (back-end) sales load (“CDSC”) waivers, which are discussed below. In all instances, it is the purchaser’s responsibility to notify the fund or the purchaser’s financial intermediary at the time of purchase of any relationship or other facts qualifying the purchaser for sales charge waivers or discounts. For waivers and discounts not available through a particular intermediary, shareholders will have to purchase fund shares directly from the fund or through another intermediary to receive these waivers or discounts.

Raymond James & Associates, Inc., Raymond James Financial Services, Inc. and each entity’s affiliates (“Raymond James”)

Effective March 1, 2019, shareholders purchasing fund shares through a Raymond James platform or account, or through an introducing broker-dealer or independent registered investment adviser for which Raymond James provides trade execution, clearance, and/or custody services, will be eligible only for the following load waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this fund’s prospectus or SAI.

Front-end sales load waivers on Class A shares available at Raymond James

- Shares purchased in an investment advisory program.
- Shares purchased within the same fund family through a systematic reinvestment of capital gains and dividend distributions.
- Employees and registered representatives of Raymond James or its affiliates and their family members as designated by Raymond James.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Reinstatement).
- A shareholder in the Fund's Class C shares will have their shares converted at net asset value to Class A shares (or the appropriate share class) of the Fund if the shares are no longer subject to a CDSC and the conversion is in line with the policies and procedures of Raymond James.

CDSC Waivers on Classes A and C shares available at Raymond James

- Death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the fund's prospectus.
- Return of excess contributions from an IRA Account.
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified age based on applicable IRS regulations as described in the fund's prospectus.
- Shares sold to pay Raymond James fees but only if the transaction is initiated by Raymond James.
- Shares acquired through a right of reinstatement.

Front-end load discounts available at Raymond James: breakpoints, rights of accumulation, and/or letters of intent

- Breakpoints as described in this prospectus.
- Rights of accumulation which entitle shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at Raymond James. Eligible fund family assets not held at Raymond James may be included in the calculation of rights of accumulation only if the shareholder notifies his or her financial advisor about such assets.
- Letters of intent which allow for breakpoint discounts based on anticipated purchases within a fund family, over a 13-month time period. Eligible fund family assets not held at Raymond James

may be included in the calculation of letters of intent only if the shareholder notifies his or her financial advisor about such assets.

Stifel, Nicolaus & Company, Incorporated ("Stifel") Effective July 1, 2020, shareholders purchasing Fund shares through a Stifel platform or account or who own shares for which Stifel or an affiliate is the broker-dealer of record are eligible for the following front-end sales charge (load) waiver, in addition to those listed in the prospectus:

- Class C shares that have been held for more than seven (7) years will be converted to Class A shares of the same Fund pursuant to Stifel's policies and procedures at net asset value (without a front-end sales charge).