

Fund Overview

Base Currency for Fund	USD
Total Net Assets (USD)	885 million
Fund Inception Date	12.07.2007
Number of Holdings	697
Benchmark	Bloomberg Barclays U.S. Aggregate Index
Morningstar Category™	Global Flexible Bond

Minimum Investment

Share Class	Initial	Subsequent
A (Mdis) USD	USD 1,000	USD 500
A (Mdis) SGD-H1	SGD 1,000	SGD 500

Summary of Investment Objective

The Fund aims to earn a high level of current income and seeks capital appreciation over the long term by investing principally in fixed and floating rate debt securities globally, including those in emerging markets.


Fund Management

Christopher J. Molumphy, CFA: United States
Roger Bayston, CFA: United States
Patricia O'Connor, CFA: United States
Kent Burns, CFA: United States

Ratings - A (Mdis) USD

Overall Morningstar Rating™: ★★ ★

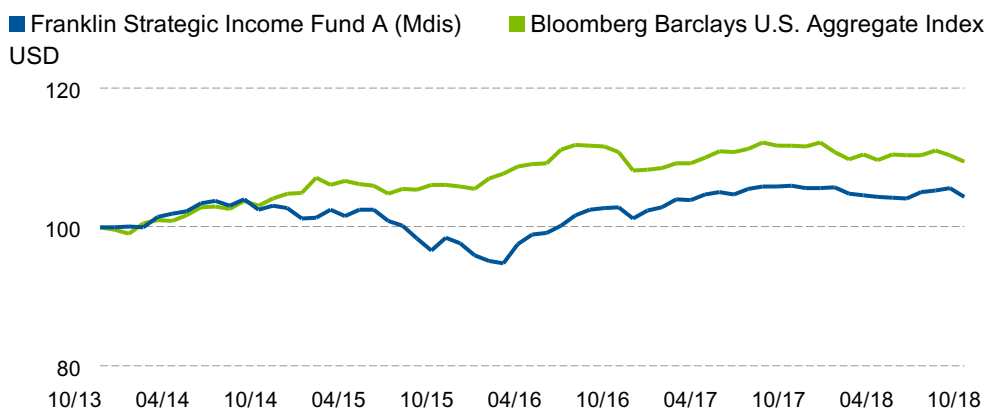
Asset Allocation



	%
Fixed Income	96.50
Cash & Cash Equivalents	2.96
Equity	0.54

Performance

Performance over 5 Years in Share Class Currency (%)



Performance in Share Class Currency (%)

	Cumulative					Annualised	
	1 Mth	3 Mths	YTD	1 Yr	Since Incept	3 Yrs	Since Incept
A (Mdis) USD	-1.20	-0.66	-1.28	-1.50	51.26	1.95	3.73
After Sales Charge*	-6.14	-5.63	-6.21	-6.42	43.70	0.22	3.26
Benchmark in USD	-0.79	-0.79	-2.38	-2.05	52.65	1.04	3.81
A (Mdis) SGD-H1	-1.27	-0.88	-1.84	-2.15	2.33	1.59	0.61
After Sales Charge*	-6.21	-5.83	-6.75	-7.04	-2.79	-0.13	-0.74
Benchmark in USD	-0.79	-0.79	-2.38	-2.05	3.43	1.04	0.89

Fund Measures

Average Duration	3.75 Years
Average Weighted Maturity	6.24 Years
Yield to Maturity	6.56%
Standard Deviation (5 Yrs)	3.28%

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

Share Class	Incept Date	NAV	TER (%)	Fees			
				Max. Sales Charge (%)	Max. Annual Charge (%)	Mgmt. Fee (%)	Max. Maint. Charge (%)
A (Mdis) USD	12.07.2007	USD 9.66	1.32	5.00	1.25	0.75	0.50
A (Mdis) SGD-H1	09.01.2015	SGD 8.68	1.33	5.00	1.25	0.75	0.50

Additional Share Class Information

Share Class	Incept Date	Subscription Type	Dividends			Fund Identifiers	
			Frequency	Last Paid Date	Last Paid Amount	Bloomberg ID	ISIN
A (Mdis) USD	12.07.2007	Cash	Mth	15.10.2018	0.0420	FTSIADU LX	LU0300737201
A (Mdis) SGD-H1	09.01.2015	Cash/SRS	Mth	15.10.2018	0.0380	FSASGH1 LX	LU1162222480

Composition of Fund

■ Franklin Strategic Income Fund ■ Bloomberg Barclays U.S. Aggregate Index

Geographic	% of Total
United States	106.67 / 91.70
United Kingdom	2.95 / 1.14
Mexico	2.25 / 0.57
Brazil	1.65 / 0.09
Indonesia	1.45 / 0.02
China	1.25 / 0.19
Germany	-1.08 / 0.68
Offset	-27.74 / 0.00
ST Cash and Cash Equivalents	2.90 / 0.00
Others	9.69 / 5.61

Sector Exposure	% of Total
High Yield Corporates	32.33 / 0.01
Bank Loans	22.71 / 0.00
Investment Grade Corporates	17.10 / 24.76
International Bonds	13.24 / 4.16
Agency Mortgage-Backed Securities	10.58 / 28.20
Residential Mortgage-Backed Securities	8.49 / 0.00
Collateralized Loan Obligations	7.75 / 0.00
U.S. Treasury	4.78 / 38.27
Interest-Rate Derivatives	-3.24 / 0.00
Others	12.85 / 4.61

Currency	% of Total
U.S. Dollar	99.80 / 100.00
Mexican Peso	0.88 / 0.00
Indonesian Rupiah	0.50 / 0.00
Indian Rupee	0.46 / 0.00
Norwegian Krone	0.31 / 0.00
South Korean Won	-0.31 / 0.00
Euro	-0.37 / 0.00
Canadian Dollar	-0.60 / 0.00
Australian Dollar	-0.77 / 0.00
Others	0.10 / 0.00

Portfolio Data Derivatives Disclosures

Asset Allocation, Average Duration, Average Weighted Maturity, Yield to Maturity, Geographic and Currency figures reflect certain derivatives held in the portfolio (or their underlying reference assets). Sector Exposure figures are intended to estimate the portfolio's exposure, including any hedged or increased exposure through certain derivatives held in the portfolio (or their underlying reference assets). The portfolio breakdown percentages may not total 100% or may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

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The Fund can use derivatives for hedging, efficient portfolio management and/or investment purposes.

Performance: Performance details provided are in the share class currency, based on NAV-NAV and include reinvested dividends. Performances of different share classes will vary. Please refer to the Fund Manager for more information.

References to indices are made for comparative purposes only and are provided to represent the investment environment existing during the time periods shown. When performance for either the portfolio or its benchmark has been converted, different foreign exchange closing rates may be used between the portfolio and its benchmark.

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