



FTGF Brandywine Global Income Optimiser Fund

Franklin Templeton Global Funds plc

A USD DIS (M)
PLUS (e)
30 November 2024

Product Commentary

Performance Review

Past performance does not predict future returns.

- After a sharp decline the prior month, the global fixed income market was relatively flat in November. Yields generally moved lower as the market digested the results from the US elections and mixed economic data, along with expectations for future central bank monetary policy. The US Federal Reserve (Fed) met in November and, as expected, lowered the federal funds rate by 25 basis points (bps). The European Central Bank did not meet in November but is expected to lower rates in December. As anticipated, the Bank of England cut rates 25 bps in November. Elsewhere, the Bank of Japan did not meet in November and there is speculation that the central bank will raise rates in December. The 10-year US Treasury yield fell 11 bps in November, ending at 4.18%. Ten-year yields also declined in the United Kingdom and Germany but moved higher in Japan. For the month, the Bloomberg Global Aggregate Bond Index gained 0.34%, bringing its year-to-date return to 0.47%. US investment-grade credit and global high-yield spreads narrowed in November, and both posted positive returns. The US dollar rose for a second consecutive month in November. Finally, the overall emerging market debt asset class posted a modest gain in November, while emerging market currencies fell versus the US dollar.
- For the month, the fund's A USD DIS (M) PLUS (e) shares returned 1.12%, and its benchmark, the Bloomberg Multiverse Index (USD Hedged), returned 1.19%.

ONE-MONTH KEY PERFORMANCE DRIVERS

	Allocation	Duration	Credit
HELPED	Prime residential mortgage-backed securities	US Treasuries	US high-yield credit (led by energy and financials)
	Select Latin America sovereign bond exposures	UK Gilts	Investment-grade credit
	—	—	—
HURT	Select foreign exchange exposures	—	—
	—	—	—
	—	—	—

- The fund's high yield corporate credit exposure was beneficial, led by its energy and financials holdings.
- Developed market sovereign duration contributed to returns, driven by the fund's UK Gilts and US Treasuries.
- An allocation to investment-grade corporate credit was rewarded.
- The fund's exposure to prime residential mortgage-backed securities was positive for returns.
- Select Latin America sovereign bond exposures contributed to performance.
- On the downside, select foreign exchange exposures detracted from returns as the dollar strengthened.

Outlook & Strategy

- Two areas benefiting from the "Trump trade" are US corporate credit and equities, both of which have been supported by expectations of a business-friendly, growth-oriented environment. This includes lower corporate tax rates, increased government spending, more mergers and acquisitions, and reduced regulation. The manager is particularly constructive on shorter-term corporate credit (predominately five years and in) offering attractive yields.
- The high-yield new issue market continues to see demand outpace supply, even with year-to-date issuance already higher than either of the previous two years. Investors have been quick to absorb new paper, even as new-issue concessions dwindle towards zero. High-yield corporate fundamentals like leverage and interest coverage remain at favourable levels, and with the US economy moderating but still growing at roughly 3% annually, the manager feels comfortable with high-yield corporate credit.
- Absent material weakness from the demand side of the US labour market, the manager continues to favour allocations to shorter dated high yield. The US seems to be on a path for a soft-landing scenario. In the short term, the manager does not see any reason for this trend to reverse.

Fund Details

Inception Date	03/06/2013
Benchmark	Bloomberg Multiverse Index (USD Hedged)
EU SFDR Category	Article 8

Fund Description

The fund's investment objective is to maximise income yield in all market conditions while preserving capital. The fund invests in debt securities and convertible securities that are listed or traded on regulated markets located anywhere in the world, as set out in the Prospectus; units or shares of some collective investment schemes and derivatives.

Performance Data^{1,2}

Past performance does not predict future returns.

Discrete Annual Performance (%) as at 30/11/2024

	11/23	11/22	11/21	11/20	11/19	11/18	11/17	11/16	11/15	11/14
	11/24	11/23	11/22	11/21	11/20	11/19	11/18	11/17	11/16	11/15
A USD DIS (M) PLUS (e)	7.67	1.82	-13.62	0.71	12.76	11.69	-2.70	5.95	8.63	-3.57
Bloomberg Multiverse Index (USD Hedged) USD	7.78	2.86	-10.44	-0.56	5.12	10.03	0.48	3.52	-	-

Performance Net of Management Fees as at 30/11/2024 (Dividends Reinvested) (%)

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (03/06/2013)
A USD DIS (M) PLUS (e)	1.12	0.66	2.74	7.67	-1.80	1.46	2.64	2.87
Bloomberg Multiverse Index (USD Hedged)	1.19	1.05	4.43	7.78	-0.24	0.75	-	-

The value of shares in the Fund and income received from it can go down as well as up, and investors may not get back the full amount invested. Performance details provided are in share class currency, include the reinvested dividends gross of tax and are net of management fees. Sales charges, taxes and other locally applied costs have not been deducted. Returns would have been lower had these charges been reflected.

The fund's returns may increase or decrease as a result of changes to foreign exchange rates. Up to date performance figures can be found on our website.

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.

Investment Team

Jack P. McIntyre
Years with Firm 26
Years Experience 37

Anujeet Sareen
Years with Firm 8
Years Experience 31

Brian Kloss
Years with Firm 14
Years Experience 29

Tracy Chen, CFA
Years with Firm 16
Years Experience 27

Renato Latini, CFA
Years with Firm 18
Years Experience 19

Michael Arno
Years with Firm 18
Years Experience 20

1. Periods shorter than one year are shown as cumulative total returns.

2. Effective 31 October 2024, the fund changed its benchmark to the Bloomberg Multiverse Index (USD Hedged).

What Are the Key Risks?

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested. The Fund is subject to the following risks which are materially relevant: **Asset-backed securities:** The timing and size of the cash-flow from asset-backed securities is not fully assured and could result in loss for the fund. These types of investments may also be difficult for the fund to sell quickly. **Bonds:** There is a risk that issuers of bonds held by the fund may not be able to repay the investment or pay the interest due on it, leading to losses for the fund. Bond values are affected by the market's view of the above risk, and by changes in interest rates and inflation. **Derivatives:** The use of derivatives can result in greater fluctuations of the fund's value and may cause the fund to lose as much as or more than the amount invested. **Emerging markets investment:** The fund may invest in the markets of countries which are smaller, less developed and regulated, and more volatile than the markets of more developed countries. **Fund counterparties:** The fund may suffer losses if the parties that it trades with cannot meet their financial obligations. **Fund currency:** Changes in exchange rates between the currencies of investments held by the fund and the fund's base currency may negatively affect the value of an investment and any income received from it. **Fund operations:** The fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets, especially to the extent that it invests in developing countries. **Interest rates:** Changes in interest rates may negatively affect the value of the fund. Typically as interest rates rise, bond values fall. **Liquidity:** In certain circumstances it may be difficult to sell the fund's investments because there may not be enough demand for them in the markets, in which case the fund may not be able to minimise a loss on such investments. **Low rated bonds:** The fund may invest in lower rated or unrated bonds of similar quality, which carry a higher degree of risk than higher rated bonds. **Sustainability:** The fund's integration of sustainability risks in the investment decision process may have the effect of excluding profitable investments from the investment universe of the fund and may also cause the fund to sell investments that will continue to perform well. A sustainability risk could materialise due to an environmental, social or governance event or condition which may impact the fund's investments and negatively affect the returns of the fund. **Charges from capital:** Fees and expenses of this share class may be charged to the capital of the share class rather than its income. This policy will result in an increase in income available for distribution to investors. However, this will forego some of the capital that the share class has available for future investment and potential growth.

Complete information on the risks of investing in the Fund are set out in the Fund's prospectus.

Important Legal Information

This fund meets the requirements under Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR); the fund has binding commitments in its investment policy to promote environmental and/or social characteristics and any companies in which it invests should follow good governance practices. Further information in relation to the sustainability-related aspects of the Fund can be found at www.franklintempleton.lu/SFDR. Please review all of the fund's objectives and characteristics before investing.

This is a sub-fund ("Fund") of Franklin Templeton Global Funds ("FTGF") plc, an Irish collective asset-management vehicle. Subscriptions to shares of the Fund can only be made based on the Fund's current Prospectus and, where available, the relevant KID/KIID, accompanied by the latest available audited annual report and the latest semi-annual report if published thereafter. These documents can be found on our website at www.franklinresources.com/all-sites, from FTGF's registered office at Riverside Two, Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2, Ireland, from FTGF's administrator, or can be requested via FT's European Facilities Service which is available at www.eifs.lu/franklintempleton. The Fund's documents are available in English, French, German, Italian and Spanish. A summary of investor rights is available here: www.franklintempleton.lu/summary-of-investor-rights. The summary is available in English. The sub-funds of FTGF are notified for marketing in multiple EU Member States under the UCITS Directive. FTGF can terminate such notifications for any share class and/or sub-fund at any time by using the process contained in Article 93a of the UCITS Directive. For the avoidance of doubt, if you decide to invest, you will be buying units/shares in the Fund and will not be investing directly in the underlying assets of the Fund.

Given the variety of investment options available today, we suggest investors seek guidance from a Financial Adviser.

Past performance is not an indicator or a guarantee of future performance. The value of shares in the Fund and income received from it can go down as well as up, and investors may not get back the full amount invested. Investment in the Fund entails risks which are described in the Fund's prospectus and, where available, in the relevant Key Information Document or any other relevant offering document. Special risks may be associated with a Fund's investment in certain types of securities, asset classes, sectors, markets, currencies or countries and in the Fund's possible use of derivatives. References to particular industries, sectors or companies are for general information and are not necessarily indicative of a fund's holdings at any one time. Currency fluctuations may affect the value of overseas investments. When investing in a fund denominated in a foreign currency, your performance may also be affected by currency fluctuations. Where a Fund invests in emerging markets, this investment can be more risky than an investment in developed markets. No shares of the Fund may be directly or indirectly offered or sold to residents of the United States of America.

The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund's portfolio selection process. Holdings are subject to change.

References to indexes are made for comparative purposes only and are provided to represent the investment environment existing during the time periods shown.



An index is unmanaged and one cannot invest directly in an index. The performance of the index does not include the deduction of expenses and does not represent the performance of any Franklin Templeton fund.

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For further information on paying agents and representative agents of FTGF, please refer to the Fund's Prospectus.

