

**Fund Fact Sheet**

For the source and calculation basis of Fund information, please refer to the \*Explanatory Notes section.

**Fund Overview**

Base Currency for Fund	USD
Total Net Assets (USD)	661 Millions
Fund Inception Date	28.02.1991
Number of Holdings	1,554
Benchmark	Bloomberg Barclays U.S. Government - Intermediate Index
Morningstar Category™*	USD Government Bond
Distribution Yield* – A (Mdis) USD	3.51%

**Summary of Investment Objective**

The Fund's investment objective is income and safety of principal. The Fund seeks to achieve its objective by investing in debt obligations issued or guaranteed by the U.S. government and its agencies, including purchasing mortgage- and asset-backed securities.

**Fund Management\***

Roger Bayston, CFA: United States  
Paul Varunok: United States

**Ratings - A (Mdis) USD**

Overall Morningstar Rating™\*: ★★★★★

**Asset Allocation\***

Fixed Income	95.06%
Cash & Cash Equivalents	4.94%

**Offering Documents**

**Risk Considerations**

- Franklin U.S. Government Fund invests primarily in debt securities of the U.S. government and its agencies.
- The Fund is subject to market risk, interest rate securities risk, credit risk, liquidity risk, valuation risk, mortgage- and asset-backed securities risk, prepayment risk, single country risk and foreign currency risk.
- The Fund may at its discretion pay dividends out of the capital or out of gross income of the Fund while paying all or part of the Fund's fees and expenses out of the capital of the Fund, which results in effectively paying dividends out of capital. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Fund's capital or payment of dividends effectively out of the Fund's capital (as the case may be) may result in an immediate reduction of the net asset value per share.
- Investment involves risks which may result in loss of part or entire amount of your investment. Before you decide to invest, you should make sure the intermediary has explained to you that the Fund is suitable to you. Investors should not only base on this marketing material alone to make investment decisions.

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

■ Franklin U.S. Government Fund A (Mdis) USD


**Performance in Share Class Currency (%)**

	Cumulative					
	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs Since Incept
A (Mdis) USD	1.79	1.79	2.61	0.83	4.75	20.21
Benchmark in USD	1.58	1.58	3.79	2.95	8.54	21.90

**Calendar Year Performance in Share Class Currency (%)**

	2018	2017	2016	2015	2014
A (Mdis) USD	-0.27	0.20	0.22	0.25	3.68
Benchmark in USD	1.43	1.14	1.05	1.18	2.52

**Fund Measures**

Average Credit Quality*	AAA
Average Duration	3.76 Years
Average Weighted Maturity	5.21 Years
Yield to Maturity	3.10%
Standard Deviation (5 Yrs)	1.54%

**Share Class Information**

Share Class	Incept Date	NAV	TER (%)	Fees				Dividends		Fund Identifiers
				Max. Sales Charge (%)	Mgmt. Fee (%)	Max. Maint. Charge (%)	Max. Serv. Charge (%)	Last Paid Date	Last Paid Amount	ISIN
A (Mdis) USD	28.02.1991	USD 8.89	1.27	5.00	0.65	0.30	N/A	15.03.2019	0.0260	LU0029872446
A (acc) HKD	30.04.2010	HKD 11.61	1.27	5.00	0.65	0.30	N/A	N/A	N/A	LU0496364232
A (Mdis) HKD	30.04.2010	HKD 9.55	1.28	5.00	0.65	0.30	N/A	15.03.2019	0.0280	LU0496364315
B (Mdis) USD	01.07.1999	USD 8.84	2.53	N/A	0.65	0.50	1.06	15.03.2019	0.0260	LU0098868937

For the source and calculation basis of Fund information, please refer to the \*Explanatory Notes section.

### Important Information

Unless stated otherwise, all information is as of the publishing date of this document. Source: Franklin Templeton Investments.

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### \*Explanatory Notes

**Performance:** Performance information is based on the stated share class only, in Fund Currency, NAV to NAV, taking into account of dividend reinvestments and capital gain or loss.

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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**Distribution Yield:** The Distribution Yield refers to annualized yield. The Distribution Yield is based on the most recent month's distribution and shown as an annualized percentage as of the date shown. It does not include any preliminary charge and investors may be subject to tax on distributions. Information is historical and may not reflect current or future distributions. The formula for calculating Distribution Yield of the stated share class:  $(nr/p) \times 100$ .  $r$  = last dividend paid;  $p$  = month end NAV;  $n$  = distribution frequency.  $n = 12$  for monthly distribution;  $n = 4$  for quarterly distribution;  $n = 1$  for yearly distribution.

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**Fund Measures:** The average credit quality (ACQ) rating may change over time. The portfolio itself has not been rated by an independent rating agency. The letter rating, which may be based on bond ratings from different agencies (or internal ratings for unrated bonds, cash and equivalents), is provided to indicate the average credit rating of the portfolio's underlying investments and generally ranges from AAA (highest) to D (lowest). For unrated bonds, cash and equivalents, ratings may be assigned based on the ratings of the issuer, the ratings of the underlying holdings of a pooled investment vehicle, or other relevant factors. The ACQ is determined by assigning a sequential integer to all credit ratings AAA to D, taking a simple, asset-weighted average of investments by market value and rounding to the nearest rating. The risk of default increases as a bond's rating decreases, so the ACQ provided is not a statistical measurement of the portfolio's default risk because a simple, weighted average does not measure the increasing level of risk from lower-rated bonds. The ACQ may be lower if cash and equivalents are excluded from the calculation. The ACQ is provided for informational purposes only. Derivative positions are not reflected in the ACQ.

**Asset Allocation/Composition of Fund:** Due to rounding, the sum of portfolio may not equal 100%.