



Operations Alert

June 4, 2018

REMINDER Reorganization of Templeton Foreign Smaller Companies Fund

On May 11, 2018, Shareholders approved the proposal to reorganize Templeton Foreign Smaller Companies Fund (the "Fund") into Templeton Global Smaller Companies Fund, effective at the close of market on June 1, 2018. The reorganization is being processed on **June 4, 2018** as of June 1, 2018. The NAV on June 1, 2018, is provided below along with the ratio used to process the reorganization.

Fund Name	Share Class	Fund	CUSIP	NASDAQ	Ratio	NAV
Templeton Foreign Smaller Companies Fund	Advisor	691	880 19R 450	FTFAX	1.8026919431	\$19.0184
	A	191	880 19R 484	FINEX	1.8187130601	\$19.0783
	C	291	880 19R 476	FCFSX	1.8400100705	\$18.2713
	R6	331	880 19R 468	-	1.8254700855	\$19.2222

Fund Name	Share Class	Fund	CUSIP	NASDAQ	NAV
Templeton Global Smaller Companies Fund	Advisor	603	880 22L 300	TGSAX	\$10.55
	A	103	880 22L 102	TEMGX	\$10.49
	C	203	880 22L 201	TESGX	\$9.93
	R6	313	880 22L 508	FBOGX	\$10.53

Operational Details

Operational information regarding the Fund reorganization is provided below. Dedicated Service Teams will perform a review of accounts with networked and omnibus positions in the Funds, and contact your firm to discuss any questions or obtain processing instructions, as needed. If you have questions that are not addressed in this notification, please contact your Dedicated Service Team.

Account Listing	If your firm requires a final listing of account numbers associated with the reorganization, please contact your Dedicated Service Team.
Account Options	Shareholders' account options may be carried over from the Templeton Foreign Smaller Companies Fund account to their new Templeton Global Smaller Companies Fund.
Existing Accounts with Matching Registrations	Shareholders who have an existing account in the Templeton Global Smaller Companies Fund that matches the registration on their Templeton Foreign Smaller Companies Fund account will have their shares exchanged into their existing account.
F55 Activity	The reorganization is being processed on June 4, 2018 as of June 1, 2018 . Activity will be included in the F55 activity file that will be transmitted around 5:00 am ET on June 5, 2018 . Shares moving from the Templeton Foreign Smaller Companies Fund as part of the reorganization will be processed as an exchange with a literal translation of "Fund Merger Out/Non-taxable" using a four-digit NAV methodology. Fund reorganization activity will be included in the NSCC F55 networking activity record with the transaction type code of W0. Shares moving into the Templeton Global Smaller Companies Fund as part of the reorganization will be processed as an exchange with a literal translation of "Fund Merger In/Non-taxable" using a two-digit NAV calculation methodology. Fund reorganization activity will be included in the NSCC F55 networking activity record with the transaction type code of W0.
Tax Implications	The Fund reorganization is a nontaxable event. While the transaction is intended to qualify as a tax-free reorganization for federal tax income purposes, please note that redemptions made before the reorganization date may be taxable. Shareholders should consult their tax advisor about the effect, if any, of the transaction in light of their individual circumstances.

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If you have questions, please contact your Dedicated Service Team at 1-800/266-6768.

Three New Franklin Liberty ETFs Available on June 1, 2018

Franklin Templeton Investments is pleased to announce the launch of three new exchange traded funds (ETFs) on **May 30, 2018**. Please see the tables below and on the following pages or visit www.libertyshares.com for more information on these new ETFs.

Three New Franklin ETFs, available to the public on June 1, 2018:

ETF Name	Symbol	CUSIP
Franklin Liberty High Yield Corporate ETF	FLHY	35473P 629
Franklin Liberty International Aggregate Bond ETF	FLIA	35473P 611
Franklin Liberty Senior Loan ETF	FLBL	35473P 595

New ETFs Product Overview:

	Franklin Liberty High Yield Corporate ETF	Franklin Liberty International Aggregate Bond ETF	Franklin Liberty Senior Loan ETF
Launch Date	May 30, 2018 (ETFs listed on the Cboe BZX Exchange on June 1, 2018)		
Fund Category	Fixed Income		
Fiscal Year-End	March 31		
Distributions	Monthly		
Portfolio Management	Glenn Voyles, CFA[®] Vice President Franklin Advisers, Inc. Patricia O'Connor, CFA Vice President Franklin Advisers, Inc.	John Beck Portfolio Manager Franklin Templeton Investment Management Limited	Mark Boyadjian, CFA Senior Vice President Franklin Advisers, Inc. Madeline Lam Vice President Franklin Advisers, Inc. Justin Ma, CFA Portfolio Manager Franklin Advisers, Inc.
Investment Manager	Franklin Advisers, Inc.	Franklin Templeton Investment Management Limited	Franklin Advisers, Inc.
Shareholder Servicing and Transfer Agency	Servicing to be provided by State Street Bank and Trust Company		
Fund Administrator	Franklin Templeton Services, LLC (FTS) is the Administrator and FTS will sub delegate the provision of certain administrative services to State Street Bank		
Custodian	State Street Bank and Trust Company		
Listing Exchange	Cboe BZX Exchange (Beginning on June 1, 2018). Shares of these funds will be listed on a national securities exchange for trading during the trading day. Shares can be bought and sold throughout the trading day like shares of other publicly traded companies.		
Purchase and Sale of Fund Shares	The funds are ETFs. Fund shares may only be purchased and sold on a national securities exchange through a broker-dealer. The price of the funds' shares are based on market price, and because ETF shares trade at market prices rather than NAV, shares may trade at a price greater than NAV (a premium) or less than NAV (a discount).		

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Continued on the following page...

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ETF Name	Investment Goal	Principal Investment Strategy	What Are the Risks?
Franklin Liberty High Yield Corporate ETF	To seek to provide a high level of current income. Its secondary goal is to seek capital appreciation to the extent it is possible and consistent with the fund's principal goal.	Under normal market conditions, the fund invests at least 80% of its net assets in high yield corporate debt securities and investments that provide exposure to high yield corporate debt securities. High yield debt securities are those that are rated below investment grade, also known as "junk bonds." High yield debt securities are rated at the time of purchase below the top four ratings categories by at least one independent rating agency such as Standard & Poor's (S&P [®]) (rated BB+ and lower) and Moody's Investors Service (Moody's) (rated Ba1 and lower) or, if unrated, are determined to be of comparable quality by the fund's investment manager. Corporate issuers may include corporate or other business entities in which a sovereign or governmental agency or entity may have, indirectly or directly, an interest, including a majority or greater ownership interest.	All investments involve risks, including possible loss of principal. Bond prices generally move in the opposite direction of interest rates. Thus, as the prices of bonds in the fund adjust to a rise in interest rates, the fund's share price may decline. Distributions to shareholders may decline when prevailing interest rates fall or when the fund experiences defaults on debt securities it holds. The high yield corporate debt securities and instruments in which the fund invests tend to be rated below investment grade. Investing in higher-yielding, lower-rated corporate debt securities and instruments involves greater risk of default, which could result in loss of principal – a risk that may be heightened in a slowing economy. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. The markets for particular securities or types of securities are or may become relatively illiquid. Reduced liquidity will have an adverse impact on the security's value and on the fund's ability to sell such securities when necessary to meet the fund's liquidity needs or in response to a specific market event. Investing in derivative securities and the use of foreign currency techniques involve special risks as such may not achieve the anticipated benefits and/or may result in losses to the fund. Please consult the prospectus for a more detailed description of the fund's risks.
Franklin Liberty International Aggregate Bond ETF	To seek to provide total investment return, consistent with prudent investing, consisting of a combination of interest income and capital appreciation.	Under normal market conditions, the fund invests at least 80% of its net assets in bonds and investments that provide exposure to bonds. Bonds include debt obligations of any maturity, such as bonds, notes, bills and debentures. The fund invests predominantly in fixed and floating-rate bonds issued by governments, government agencies and governmental-related or corporate issuers located outside the U.S. Bonds may be denominated and issued in the local currency or in another currency. The fund may also invest in securities or structured products that are linked to or derive their value from another security, asset or currency of any nation. In addition, the fund's assets are invested in issuers located in at least three countries (excluding the U.S.). The fund may invest without limit in developing or emerging markets.	All investments involve risks, including possible loss of principal. Bond prices generally move in the opposite direction of interest rates. As the prices of bonds in the fund adjust to a rise in interest rates, the fund's share price may decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. The fund's investments in foreign securities involve certain risks including currency fluctuations, and economic and political uncertainties. Investments in developing markets involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity. Investing in derivative securities and the use of foreign currency techniques involve special risks as such may not achieve the anticipated benefits and/or may result in losses to the fund. The fund may not achieve the anticipated benefits, and may realize losses when a counterparty fails to perform as promised. Sovereign debt securities are subject to various risks in addition to those relating to debt securities and foreign securities generally, including, but not limited to, the risk that a governmental entity may be unwilling or unable to pay interest and repay principal on its sovereign debt, or otherwise meet its obligations when due because of cash flow problems, insufficient foreign reserves, the relative size of the debt service burden to the economy as a whole, the government's policy towards principal international lenders such as the International Monetary Fund, or the political considerations to which the government may be subject. These and other risks are discussed in the fund's prospectus.

Continued on the following page...

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ETF Name	Investment Goal	Principal Investment Strategy	What Are the Risks?
Franklin Liberty Senior Loan ETF	To seek to provide a high level of current income. A secondary goal is preservation of capital.	Under normal market conditions, the fund invests at least 80% of its net assets in senior loans and investments that provide exposure to senior loans. Senior loans include loans referred to as leveraged loans, bank loans and/or floating rate loans. The fund invests predominantly in income-producing senior floating interest rate corporate loans made to or issued by U.S. companies, non-U.S. entities and U.S. subsidiaries of non-U.S. entities. Floating interest rates vary with and are periodically adjusted to a generally recognized base interest rate such as the London Interbank Offered Rate (LIBOR) or the Prime Rate. The fund may invest in companies whose financial condition is troubled or uncertain and that may be involved in bankruptcy proceedings, reorganizations or financial restructurings.	All investments involve risks, including possible loss of principal. Investors should be aware that the fund's share price and yield will fluctuate with market conditions. The fund should not be considered an alternative to money market funds or certificates of deposit (CDs). The senior loans and debt securities in which the fund invests tend to be rated below investment grade. Investing in higher-yielding, lower-rated, senior loans and debt securities involves greater risk of default, which could result in loss of principal—a risk that may be heightened in a slowing economy. Interest earned on senior loans varies with changes in prevailing interest rates. Therefore, while senior loans offer higher interest income when interest rates rise, they will also generate less income when interest rates decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. The markets for particular securities or types of securities are or may become relatively illiquid. Reduced liquidity will have an adverse impact on the security's value and on the fund's ability to sell such securities when necessary to meet the fund's liquidity needs or in response to a specific market event. These and other risks are discussed in the fund's prospectus.

Fees and Expenses	Franklin Liberty High Yield Corporate ETF	Franklin Liberty International Aggregate Bond ETF	Franklin Liberty Senior Loan ETF
Management fees	0.63%	0.45%	0.65%
Distribution and service (12b-1) fees	None	None	None
Other expenses ¹	0.21%	0.24%	0.16%
Total annual fund operating expenses	0.84%	0.69%	0.81%
Fee waiver and/or expense reimbursement ²	-0.44%	-0.34%	-0.36%
Total annual fund operating expenses after fee waiver and/or expense reimbursement²	0.40%	0.35%	0.45%

- Other expenses are based on estimated amounts for the current fiscal year.
- The investment manager has contractually agreed to waive or assume certain expenses so that total annual fund operating expenses (including acquired fund fees and expenses, but excluding certain non-routine expenses) for the funds do not exceed 0.40% for Franklin Liberty High Yield Corporate ETF, 0.35% for Franklin Liberty International Aggregate Bond ETF and 0.45% for Franklin Liberty Senior Loan ETF, until at least July 31, 2019. Contractual fee waiver and/or expense reimbursement agreements may not be changed or terminated during the time periods set forth above.

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529 Plan Accepting Faxed and Electronic Applications

Effective May 31, 2018, 529 Plan Account Applications are now acceptable via fax and other electronic methods. Previously, an original application was required for each 529 account opened per a HESAA contract requirement. HESAA has agreed to an amendment removing this requirement.

529 Plan Account Applications are acceptable by:

- Mail
- Fax
- E-mail: Financial Advisors may email 529 Plan Account Applications to FTrequests@FranklinTempleton.com
- Online Application: <https://profile.franklintempleton.com/forms/acctType>

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