Templeton Global Bond Fund

Investment strategy and investment process
The fund invests globally in government bonds and has the goal to outperform the benchmark JP Morgan Global Government Bond Index in any market environment. Therefore the management team selects globally around 150 high quality government bonds. The distinguishing mark is that the fund really is "global"; it does not only invest according to its benchmark (which consists mainly of the G7 nations). It usually holds a significant part of its portfolio in the emerging markets. Top down analysis are key in the investment approach. The analysts apply a detailed macro analysis for each country. These result to following estimations: currency forecasts to the USD; estimation of the interest cycle and direction; estimation of credit rating and payment behaviour. Based on these assumptions the team does not shy away to take active bets. For instance in 2008: A significant overweight in JPY helped the fund to outperform its peers comprising of mainly conservative funds. The fund manager can use derivatives to play his currency views against the USD.

Fund management company
Franklin Templeton is an American based asset management company. The company is present in over 30 countries and manages over USD 740 billion.

Investment team
The international fixed income team is headed by Michael Hasenstab and John Beck. It is based in San Mateo (USA) and London. Hasenstab (Doctorate of Economic Science, Australia National University) started at Franklin Templeton in 1995 and is one of the best known fixed income managers in the industry. He is specialised in macroeconomic models, country selection and the analysis of government bonds.

Bonds Global

Key data
- Launch: 28.02.1991
- Fund currency: USD
- Additional share classes: CHF hedged; EUR hedged
- Management fee: 1.05%
- Performance fee: none
- Benchmark: JP Morgan Global Govt Bond Index
- TER: 1.40%
- Fund volume: USD 38.327 million

Identification codes/licences
- Swiss sec. no. /WKN: 10527650 / A0N91G
- ISIN code: LU0450468003
- Sales licences: Switzerland, Germany, Austria
- Website: http://www.franklintempleton.ch

Over the long term the fund has an above average performance. During the years, the fund’s deviation in performance to the other ones is evident. Due to its bets, the performance can also be negative (as in the 2011).

Reasons to invest
- Fund invests globally in government bonds within developed and emerging markets
- Flexible approach allows possibility to achieve attractive returns during different market environments
- Outstanding track record with comparative low volatility

Source: LIM (Thomson Reuters) and fund management company

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