

Product Profile

Product Details

Fund Assets	\$1,061,505,019.80
Fund Inception Date	01/10/2008
Number of Issuers	34
Base Currency	AUD
Investment Style	Growth
Benchmark	MSCI World ex-Australia Index-NR
ARSN	132 597 972

Overview

We focus on fundamental bottom-up stock analysis to identify and select quality growth companies with sustainable business models and proven management teams that are focused on the creation of shareholder value. We utilise the recommendations from this analysis to build a concentrated, best-ideas portfolio of 35–40 stocks that is benchmark indifferent, yet diversified, due to the limited overlap of economic exposures between companies. Our in-depth research supports our longer-term perspective, seeking to hold companies for three to five years.

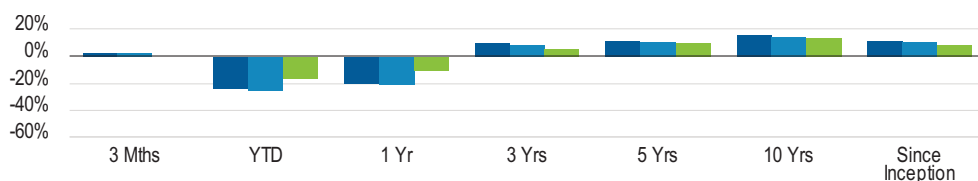
Performance Data¹

Average Annual Total Returns (Institutional, AUD %)²

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (16/10/2008)
Franklin Global Growth Fund - I Class - Gross of Fees	3.18	-23.93	-19.76	10.01	11.98	15.87	12.77
Franklin Global Growth Fund - I Class - Net of Fees	2.98	-24.37	-20.38	9.14	11.02	14.83	11.74
MSCI World ex-Australia Index-NR	0.35	-15.84	-9.79	6.33	9.65	13.59	9.28

Average Annual Total Returns (Wholesale, AUD %)

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (01/10/2008)
Franklin Global Growth Fund - W Class - Gross of Fees	3.18	-23.93	-19.77	10.01	11.98	15.87	11.94
Franklin Global Growth Fund - W Class - Net of Fees	2.95	-24.46	-20.50	8.97	10.85	14.64	10.74
MSCI World ex-Australia Index-NR	0.35	-15.84	-9.79	6.33	9.65	13.59	8.83



- Franklin Global Growth Fund - W Class - Gross of Fees
- Franklin Global Growth Fund - W Class - Net of Fees
- MSCI World ex-Australia Index-NR

Calendar Year Returns (Wholesale, AUD %)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Franklin Global Growth Fund - W Class - Gross of Fees	22.84	31.88	37.26	-2.60	26.90	3.79	18.03	13.81	43.23	22.48
Franklin Global Growth Fund - W Class - Net of Fees	21.76	30.58	35.74	-3.70	25.50	2.63	16.71	12.57	41.63	21.18
MSCI World ex-Australia Index-NR	29.58	5.73	27.97	1.52	13.38	7.92	11.80	15.01	48.03	14.14

1. Net Returns (NR) include income net of tax withholding when dividends are paid.

2. Periods of more than one year are annualised. **Past performance is not an indicator or a guarantee of future performance.**

Portfolio Manager Insight

Market Review

Following an initial strong rally, global equities fell sharply during the latter part of the third quarter, ending the period with significant losses. Stocks sold off from mid-August after hawkish commentary from the US Federal Reserve (Fed) and other central banks. The selloff intensified during September as the Fed raised interest rates for the fifth time since the start of 2022 and reiterated its focus on bringing down inflation despite potentially adverse economic effects.

Performance Review

During the quarter, the portfolio outperformed its benchmark, the MSCI World ex Australia Index, as security selection in the Industrials, Information Technology and Health Care sectors buoyed relative results.

Conversely, stock selection in the Materials, Consumer Discretionary and Real Estate sectors held back relative performance.

In terms of sector allocations, lack of exposure to Communication Services had a positive effect, whereas lack of exposure to Energy hindered relative performance. Regionally, stock selection in North America contributed on a relative basis, while stock selection in Europe held back results.

Outlook & Strategy

Last quarter, we shared our view that a market bottom had likely been achieved, meaning the bear market would have been behind us. This assumption proved incorrect. We had anticipated the US Federal Reserve (Fed) showing more sensitivity to the possibility of tipping the US economy into a recession. Language from its last meeting suggests that after getting it wrong on the front end, the Fed intends to slow the economy down until inflation subsides, even if it results in a recession. Without being able to yet judge the impact a potential recession could have on corporate earnings, it would be premature, in our view, to posit that the slightly lower market bottom reached at the end of September could now be the turning point for stocks.

As we move into the final quarter of 2022, while the global economy is certainly losing steam, it is unclear whether the slowdown will be enough to move the inflation needle in the near term to a degree that will satisfy the Fed. The odds of yet more hawkish rhetoric leave us cautionary for the fourth quarter, although some sort of rally off the bottom, as seen in the third quarter, could be part of the story.

We continue to believe that our strategy of investing in high-quality companies tied to long-term secular growth trends can perform well over an entire market cycle. Through a longer-term lens, we see promising growth opportunities for companies in areas like cybersecurity, e-commerce, medical technology, cloud computing and automation.

Portfolio Characteristics^{3,4}

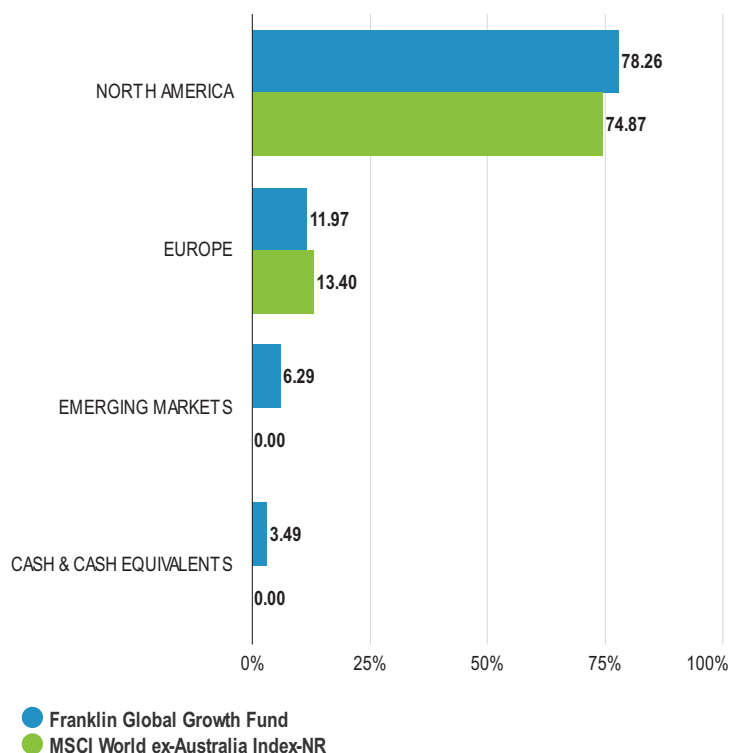
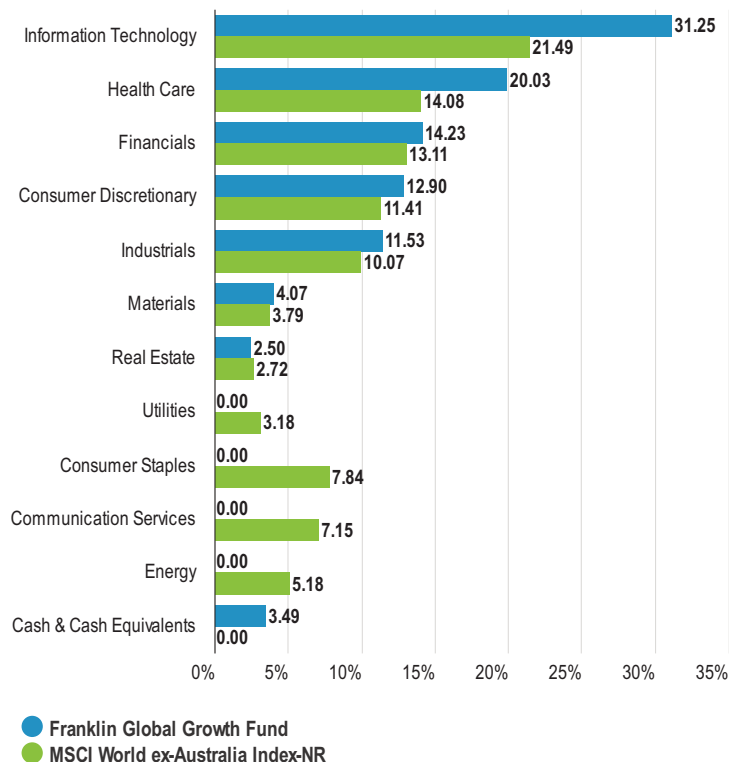
	Portfolio	MSCI World ex-Australia Index-NR
Market Capitalisation (Millions in AUD)	77,107	477,809
Number of Issuers	34	1454
Return on Equity	15.46%	22.15%
Price to Earnings Growth Ratio	1.51x	1.28x
Historical 3-Year EPS Growth	18.76%	13.32%
Estimated 3-5 Yr EPS Growth	20.19%	12.10%
Price to Earnings (12 Month Forward)	25.02x	14.10x

3. The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security's issuing company. This methodology may cause small differences between the portfolio's reported characteristics and the portfolio's actual characteristics. In practice, Franklin Templeton's portfolio managers invest in the class or type of security which they believe is most appropriate at the time of purchase. The market capitalisation figures for both the portfolio and the benchmark are at the security level, not aggregated up to the main issuer. Source: FactSet, Refinitiv. There can be no assurance that the Estimated 3-5 Year EPS Growth figure, based on Institutional Brokers Estimate System (IBES) consensus estimates, will be realised. All holdings are subject to change.

4. Source for Index: FactSet. Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

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Portfolio Diversification

Geographic Weightings vs. MSCI World ex-Australia Index-NR^a
Percent of TotalSector Weightings vs. MSCI World ex-Australia Index-NR^a
Percent of TotalTop Ten Holdings^b

Percent of Total

Top Holdings	Sector	Country	%
HUMANA INC	Health Care Equipment & Services	United States	3.63
SYNOPTIS INC	Software & Services	United States	3.58
COSTAR GROUP INC	Commercial & Professional Services	United States	3.47
BROADRIDGE FINANCIAL SOLUTIONS INC	Software & Services	United States	3.45
INARI MEDICAL INC	Health Care Equipment & Services	United States	3.41
HDFC BANK LTD	Banks	India	3.34
DANAHER CORP	Pharmaceuticals, Biotechnology & Life Sciences	United States	3.29
SEAGEN INC	Pharmaceuticals, Biotechnology & Life Sciences	United States	3.29
VISA INC	Software & Services	United States	3.25
CHARLES RIVER LABORATORIES INTERNATIONAL INC	Pharmaceuticals, Biotechnology & Life Sciences	United States	3.23

Performance Statistics

Performance Statistics (AUD)^{5,6}

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)				
Franklin Global Growth Fund	16.80	15.40	13.38	13.06
MSCI World ex-Australia Index-NR	12.40	11.68	11.13	11.28
Tracking Error (%)	9.01	7.91	6.43	6.28
Information Ratio	0.29	0.15	0.16	0.38
Beta	1.15	1.14	1.06	1.01
Sharpe Ratio				
Franklin Global Growth Fund	0.51	0.64	0.93	0.65
MSCI World ex-Australia Index-NR	0.47	0.74	1.02	0.55

Past performance is not an indicator or a guarantee of future performance.

Investment Philosophy

Research-Driven Portfolio

- Concentrated portfolio with approximately 35–40 holdings
- Benchmark Indifferent

Longer-Term Investment Horizon

- Investment Horizon of 3 to 5 years
- Typical holding period of 4+ years

Seek to Manage Risk by Limiting Economic Overlap among Holdings

- Select companies whose earnings streams are not highly correlated
- Has typically resulted in a diversified portfolio across MSCI Global Industry Classification Standard (GICS) sectors and industries

Global Opportunity Set

- Search without borders
- Average allocation to emerging markets has been less than 10%

Investment Process

STOCK SELECTION DISCIPLINE

Growth



Free cash flow analysis to assess:

- Sustainable business model
- Long-term competitive advantage
- Value-generating reinvestment record

Quality



Framework to assess:

- Financial transparency and accounting quality
- Corporate governance including share, board and management structure and compensation metrics
- Environmental management, social and labor practices

Valuation



Common discount cash flow/dividend model to assess:

- Relative attractiveness of company
- Valuation support under different scenarios

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Francyne Mu, CFA	14	22
Don Huber, CFA	20	41

5. Beta, Information Ratio and Tracking Error information are measured against the MSCI World ex-Australia Index (Hedged to AUD)-NR, MSCI World ex-Australia Index-NR.

6. Net Returns (NR) include income net of tax withholding when dividends are paid.

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Important Legal Information

Performance returns are shown gross and net of fees and assume the reinvestment of distributions. Returns for periods less than or equal to one year are cumulative and returns for periods greater than one year are annualised.

Net Returns (NR) include income net of tax withholding when dividends are paid.

The MSCI World ex-Australia Index-NR, is a free float-adjusted market capitalisation weighted equity index comprised of securities in MSCI's developed market country-specific indexes, excluding Australia. The benchmark is used for comparative purposes only and is provided to represent the investment environment during the time periods shown. Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

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