

## Product Profile

### Product Details

Fund Assets	\$1,045,987,631.63
Fund Inception Date	01/10/2008
Number of Issuers	35
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.

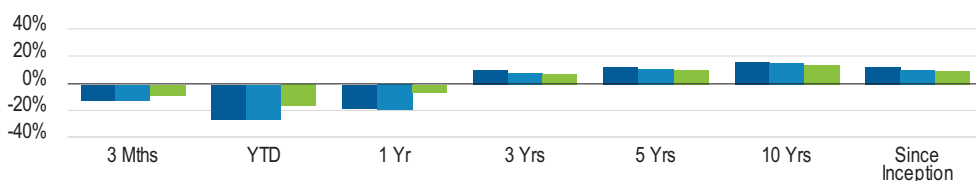
### Performance Data<sup>1</sup>

#### Average Annual Total Returns (Institutional, AUD %)<sup>2</sup>

	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	-12.17	-26.27	-18.26	9.93	12.47	16.16	12.77
Franklin Global Growth Fund - I Class - Net of Fees	-12.35	-26.56	-18.88	9.04	11.50	15.11	11.73
MSCI World ex-Australia Index-NR	-8.42	-16.13	-6.52	7.82	10.12	14.11	9.43

#### 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	-12.18	-26.27	-18.26	9.93	12.47	16.16	11.92
Franklin Global Growth Fund - W Class - Net of Fees	-12.38	-26.62	-19.00	8.87	11.32	14.92	10.71
MSCI World ex-Australia Index-NR	-8.42	-16.13	-6.52	7.82	10.12	14.11	8.98



- 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

Global equity markets posted major declines during the second quarter of 2022, pressured by investor concerns about persistently high inflation, tightening monetary policy, trade disruptions resulting from the Russia-Ukraine war and slower economic growth. Record-high inflation in multiple countries prompted central banks to raise interest rates, while recession fears grew.

### Performance Review

During the quarter, the portfolio underperformed its benchmark, the MSCI World ex Australia Index, as stock selection in the Financials, Health Care and Industrials sectors hindered relative performance.

On the upside, stock selection in the Information Technology and Real Estate sectors buoyed relative returns.

In terms of sector allocations, lack of exposure to Consumer Staples had a negative effect, whereas an overweight to Health Care benefitted relative performance. Regionally, stock selection in North America detracted while an overweight in that region marginally supported results.

### Outlook & Strategy

The end of the second quarter brought a recovery in bonds, with the 10-year US Treasury yield moving back below 3% from a high of almost 3.5%. In our view, greater stability in fixed-income markets would indicate that markets are beginning to believe central banks have achieved the upper hand against inflation.

Greater stability in bond markets may be leading to a more stable equity market entering the second half of the year, suggesting that the sharp selloff in the first half might have sufficiently corrected the pandemic-induced bull run of the past two years.

Looking toward the second half of 2022, investors hoping for a V-shaped snapback in equities are likely to be disappointed, in our view. While we believe the bear market correction is likely behind us, the market will need to clarify its response to intervening factors, including the waning pace of inflation and the depth of the economic downdraft caused by the reduction in demand associated with higher interest rates. We anticipate that it could take one or two more quarters for this picture to become clearer.

We believe our strategy of investing in high-quality companies tied to long-term secular growth trends can continue to 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, cloud computing and automation. We remain confident that a focused yet highly diversified portfolio, with an emphasis on well-managed companies that have robust competitive advantages and good growth prospects, can provide investors with excellent outcomes over the longer term.

## Portfolio Characteristics<sup>3,4</sup>

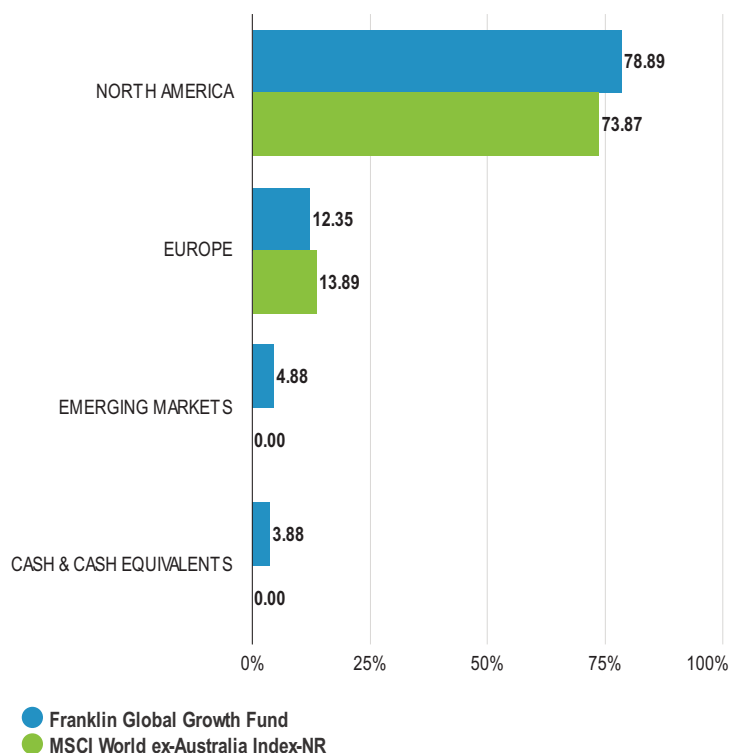
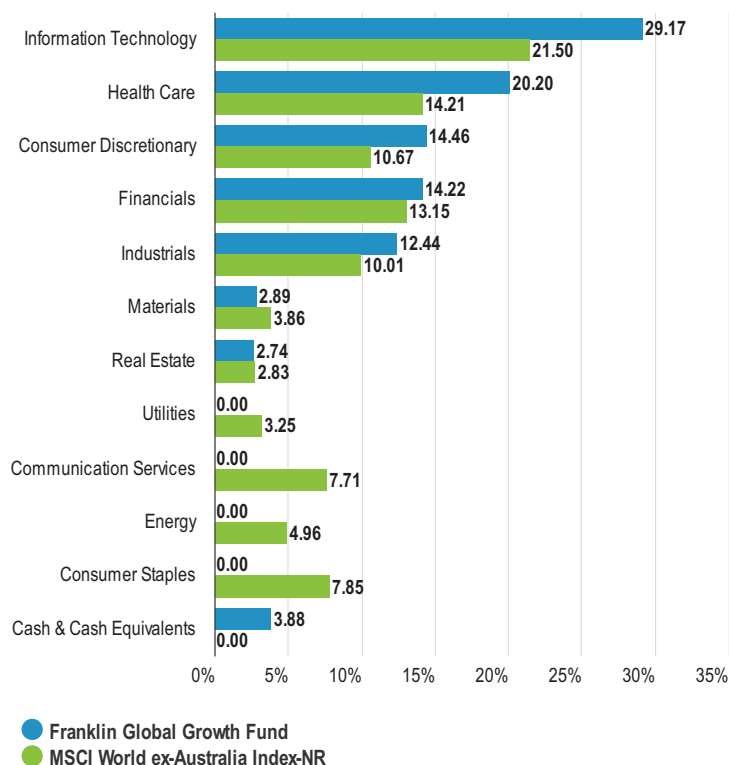
	Portfolio	MSCI World ex-Australia Index-NR
Market Capitalisation (Millions in AUD)	78,273	596,058
Number of Issuers	35	1454
Return on Equity	17.73%	22.93%
Price to Earnings Growth Ratio	1.55x	1.23x
Historical 3-Year EPS Growth	15.73%	14.33%
Estimated 3-5 Yr EPS Growth	19.27%	12.32%
Price to Earnings (12 Month Forward)	25.61x	14.80x

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<sup>a</sup>  
Percent of TotalSector Weightings vs. MSCI World ex-Australia Index-NR<sup>a</sup>  
Percent of TotalTop Ten Holdings<sup>b</sup>

Percent of Total

Top Holdings	Sector	Country	%
SEAGEN INC	Pharmaceuticals, Biotechnology & Life Sciences	United States	4.03
HUMANA INC	Health Care Equipment & Services	United States	3.71
SYNOPSYS INC	Software & Services	United States	3.67
VISA INC	Software & Services	United States	3.64
BROADRIDGE FINANCIAL SOLUTIONS INC	Software & Services	United States	3.47
AMADEUS IT GROUP SA	Software & Services	Spain	3.40
DANAHER CORP	Pharmaceuticals, Biotechnology & Life Sciences	United States	3.35
COSTAR GROUP INC	Commercial & Professional Services	United States	3.32
SVB FINANCIAL GROUP	Banks	United States	3.29
INTUITIVE SURGICAL INC	Health Care Equipment & Services	United States	3.24

## Performance Statistics

Performance Statistics (AUD)<sup>5,6</sup>

	3 Yrs	5 Yrs	10 Yrs	Since Inception
<b>Standard Deviation (%)</b>				
Franklin Global Growth Fund	15.35	14.46	12.87	12.74
MSCI World ex-Australia Index-NR	11.66	11.29	10.94	11.19
<b>Tracking Error (%)</b>	8.85	7.57	6.20	6.18
<b>Information Ratio</b>	0.12	0.16	0.13	0.36
<b>Beta</b>	1.08	1.10	1.03	0.99
<b>Sharpe Ratio</b>				
Franklin Global Growth Fund	0.55	0.71	0.98	0.67
MSCI World ex-Australia Index-NR	0.64	0.81	1.08	0.56

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

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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## 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	13	22
Don Huber, CFA	20	40

**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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