

Product Profile

Product Details

Fund Assets	\$1,389,300,142.04
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.

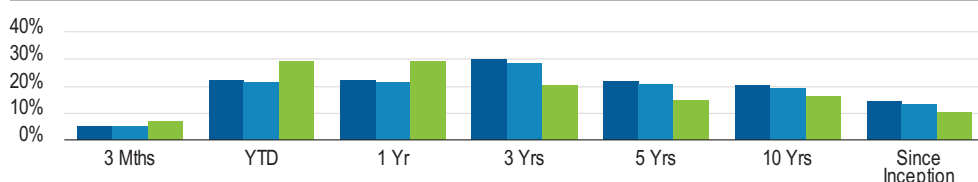
Performance Data¹

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	5.47	22.84	22.84	30.51	22.41	20.98	15.92
Franklin Global Growth Fund - I Class - Net of Fees	5.28	21.94	21.94	29.42	21.33	19.88	14.85
MSCI World ex-Australia Index-NR	7.19	29.58	29.58	20.58	15.08	16.81	11.28

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	5.47	22.84	22.84	30.52	22.41	20.99	15.00
Franklin Global Growth Fund - W Class - Net of Fees	5.24	21.76	21.76	29.22	21.14	19.69	13.76
MSCI World ex-Australia Index-NR	7.19	29.58	29.58	20.58	15.08	16.81	10.79



- 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 rose in US-dollar terms during the fourth quarter of 2021. The overall advance was largely due to gains in December as fears about the severity of the Omicron coronavirus variant faded. Earlier in the period, markets were hit by uncertainty around the COVID-19 pandemic and global supply chain issues. Potential moves by developed market central banks to tighten policy and raise interest rates in response to inflation also weighed on investors' minds.

Performance Review

During the quarter, the portfolio underperformed its benchmark, the MSCI World ex Australia Index, as stock selection in the Consumer Discretionary, Industrials and Health Care sectors hindered the fund's performance.

Conversely, stock selection in Financials helped relative returns.

In terms of sector allocations, an overweight to Industrials detracted, while an overweight in Information Technology contributed to relative performance. Regionally, exposure to emerging markets weighed on relative results, while a lack of exposure to Japan had a positive effect.

Outlook & Strategy

With the emergence of the Omicron coronavirus variant at the end of the year, vaccine-fueled optimism about a quicker end to the pandemic turned to fears that it may persist. It seems likely that labor interruptions could continue to wreak havoc on supply chains for months to come.

Against a backdrop of high inflation with employment at reasonable levels, the US Federal Reserve (Fed) is preparing to accelerate the wind-down of its bond-buying program and potentially raise rates in 2022. We will closely monitor any tightening moves by the Fed or other central banks and gauge their potential effects on the equity markets.

Despite the high inflation numbers and the clear signals from the Fed, bond yields have remained well in check. Even though a consensus prevails that bond yields could gradually rise, we believe a bond selloff driven by the pandemic-induced inflation is unlikely.

Equity market expectations in 2022 look to be very muted, in our view, due to high valuations and the likelihood of monetary tightening. The consensus expectation holds that once the Fed starts raising rates, markets could begin to struggle. Not surprisingly, a growing chorus is expressing the belief that value stocks could lead the way in 2022. Our overall view remains that equity markets are almost impossible to predict and market timing in terms of style or direction is even harder.

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 do think that once the pandemic begins to stabilize, engagement in live events, including socializing, traveling, concerts, etc., will recover to pre-pandemic levels—and markets may well stabilize, too. 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^{3,4}

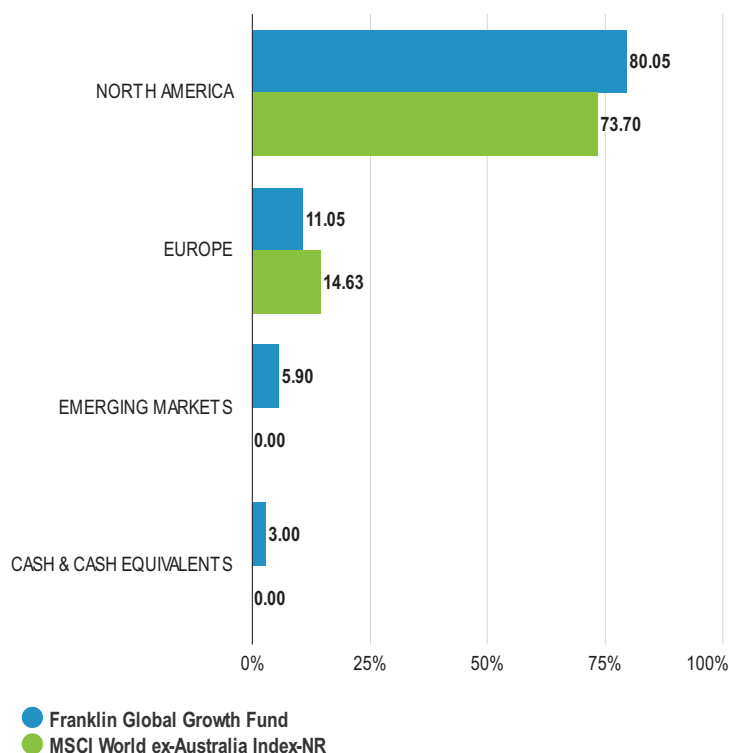
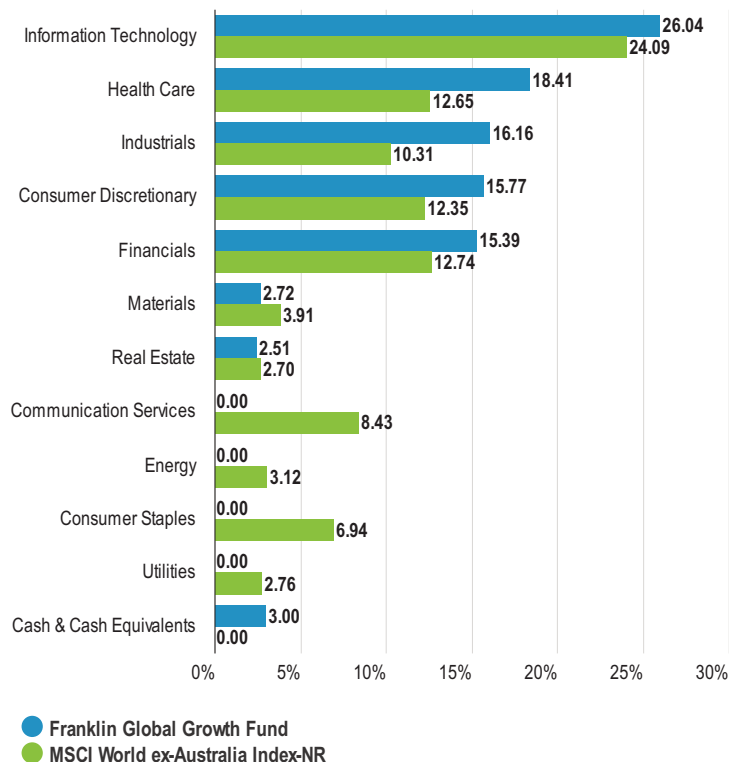
	Portfolio	MSCI World ex-Australia Index-NR
Market Capitalisation (Millions in AUD)	99,049	585,709
Number of Issuers	34	1483
Return on Equity	18.95%	17.20%
Price to Earnings Growth Ratio	2.22x	1.15x
Historical 3-Year EPS Growth	10.56%	7.74%
Estimated 3-5 Yr EPS Growth	18.34%	17.93%
Price to Earnings (12 Month Forward)	40.80x	19.81x

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	%
SVB FINANCIAL GROUP	Banks	United States	3.49
DANAHER CORP	Pharmaceuticals, Biotechnology & Life Sciences	United States	3.42
INTUITIVE SURGICAL INC	Health Care Equipment & Services	United States	3.41
SYNOPSYS INC	Software & Services	United States	3.36
CHARLES RIVER LABORATORIES INTERNATIONAL INC	Pharmaceuticals, Biotechnology & Life Sciences	United States	3.25
TYLER TECHNOLOGIES INC	Software & Services	United States	3.20
PARTNERS GROUP HOLDING AG	Diversified Financials	Switzerland	3.17
VISA INC	Software & Services	United States	3.11
HUMANA INC	Health Care Equipment & Services	United States	3.08
HDFC BANK LTD	Banks	India	3.03

Performance Statistics

Performance Statistics (AUD)^{5,6}

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)				
Franklin Global Growth Fund	13.30	12.77	12.08	12.19
MSCI World ex-Australia Index-NR	11.25	10.60	10.60	11.05
Tracking Error (%)	7.42	6.55	5.63	5.77
Information Ratio⁷	1.17	0.93	0.51	0.60
Beta	0.98	1.04	1.01	0.97
Sharpe Ratio				
Franklin Global Growth Fund	2.15	1.57	1.43	0.95
MSCI World ex-Australia Index-NR	1.78	1.32	1.35	0.73

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	13	21
Don Huber, CFA	19	40

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.

7. Information Ratio is a way to evaluate a manager's ability to outperform a benchmark in relation to the risk that manager is assuming, with risk defined as deviation from the benchmark. This measure is calculated by dividing the portfolio's excess return (portfolio return less the benchmark return) by the tracking error (derived by taking the standard deviation of the monthly differences between the portfolio return and the benchmark return over time).

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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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