

Product Profile

Product Details

Fund Assets	\$891,173,962.49
Fund Inception Date	01/10/2008
Number of Issuers	31
Base Currency	AUD
Investment Style	Equity
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.

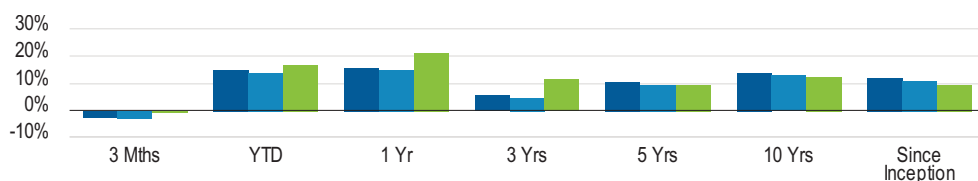
Performance Data¹

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	-2.83	14.99	16.19	5.96	10.66	14.30	13.00
Franklin Global Growth Fund - I Class - Net of Fees	-3.01	14.35	15.33	5.17	9.76	13.29	11.98
MSCI World ex-Australia Index-NR	-0.43	17.02	21.64	11.93	9.80	12.49	10.07

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	-2.82	15.00	16.20	5.96	10.67	14.30	12.22
Franklin Global Growth Fund - W Class - Net of Fees	-3.04	14.24	15.17	5.01	9.60	13.11	11.03
MSCI World ex-Australia Index-NR	-0.43	17.02	21.64	11.93	9.80	12.49	9.64



- 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 %)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Franklin Global Growth Fund - W Class - Gross of Fees	-23.14	22.84	31.88	37.26	-2.60	26.90	3.79	18.03	13.81	43.23
Franklin Global Growth Fund - W Class - Net of Fees	-23.84	21.76	30.58	35.74	-3.70	25.50	2.63	16.71	12.57	41.63
MSCI World ex-Australia Index-NR	-12.52	29.58	5.73	27.97	1.52	13.38	7.92	11.80	15.01	48.03

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 equities collectively declined during the third quarter of 2023. Generally easing inflation rates and resilient economic growth in major developed markets, along with investor optimism about a potential end to central bank rate hikes, bolstered global stocks early in the period. However, investor risk appetite soured as it became clearer that the major central banks intend to hold interest rates higher for longer than investors hoped. Rising sovereign bond yields and energy prices further weighed on equity markets. Meanwhile, global manufacturing continued to contract over the period, while global services expanded at its slowest pace in eight months. As measured by MSCI indices in US-dollar terms, developed market equities underperformed a global index, while emerging market equities outperformed it. In terms of investment style, global value stocks declined but fared substantially better than global growth stocks.

Performance Review

During the third quarter of 2023, the portfolio underperformed its benchmark, the MSCI World ex-Australia Index-NR (both in Australian-dollar terms), as stock selection in the consumer discretionary, materials and financials sectors hindered relative returns. In contrast, stock selection in the health care sector boosted relative returns. In terms of sector allocations, a lack of exposure to energy and communication services detracted from relative results. In contrast, a lack of exposure to consumer staples and utilities enhanced relative results. On a regional level, stock selection in North America and Europe dampened relative returns, while exposure to Latin America/Caribbean benefitted relative returns.

Outlook & Strategy

We believe it likely that the spike in 10-year Treasury yields will prove an overreaction in hindsight, but data available at this time remain too muddled to determine whether the equity selloff is nearing an end. Indeed, retail investors pulling out of higher-yield exchange-traded funds (ETFs) at the fastest pace of the year shows that these types of selloffs can become self-sustaining.

A concern is growing among market observers that higher pricing instituted by many companies attempting to keep up with cost inflation has little room to continue before it causes a slowdown in overall demand or order uptake. It's fair to conclude, in our view, that the odds for a soft landing in the economy lessened over the quarter.

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}

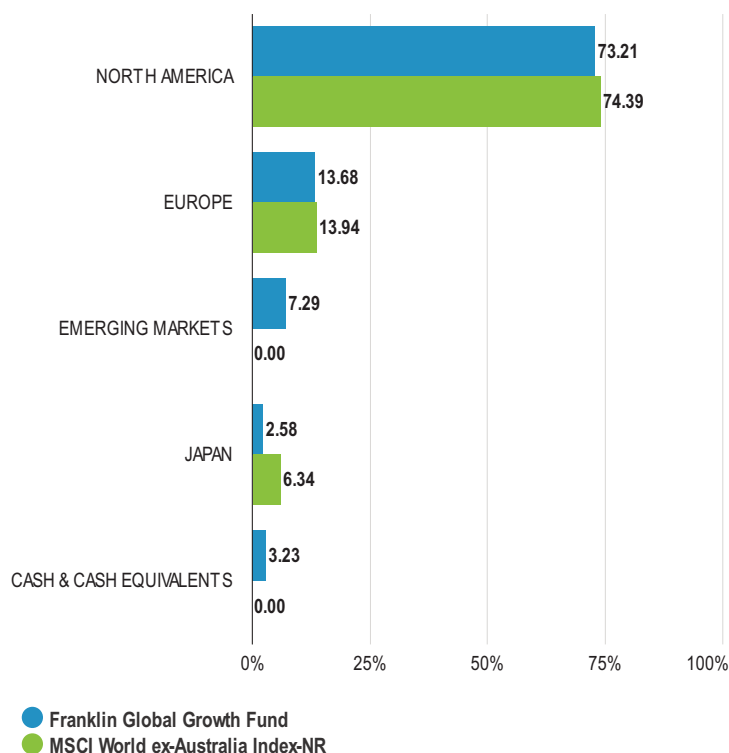
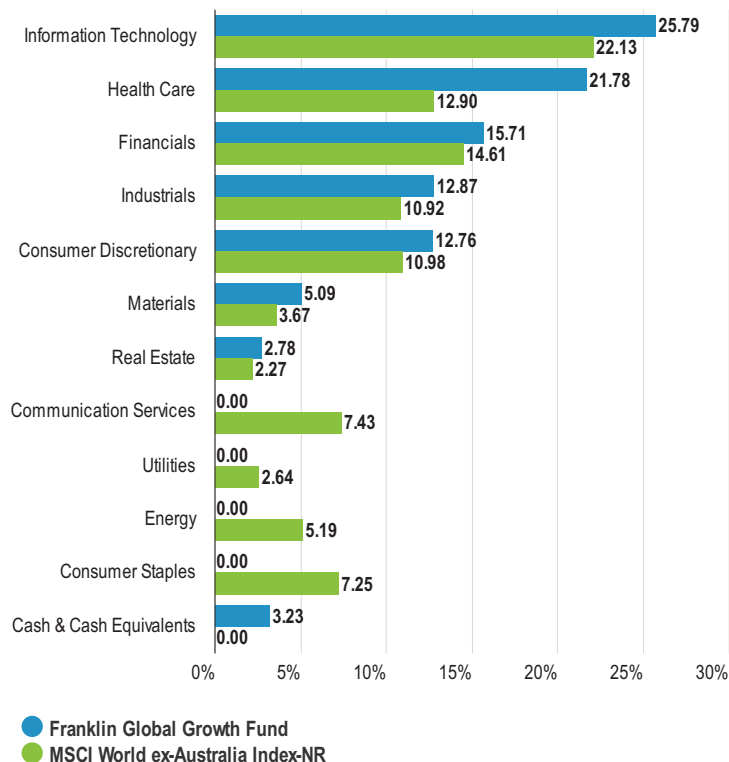
	Portfolio	MSCI World ex-Australia Index-NR
Market Capitalisation (Millions in AUD)	84,243	630,981
Number of Issuers	31	1451
Return on Equity	8.81%	20.32%
Price to Earnings Growth Ratio	1.79x	1.47x
3-Year Sales Growth	21.57%	13.85%
Historical 3-Year EPS Growth	4.48%	16.51%
Estimated 3-5 Yr EPS Growth	23.07%	12.63%
Price to Earnings (12 Month Forward)	32.16x	17.02x

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	%
ZSCALER INC	Software & Services	United States	4.19
TYLER TECHNOLOGIES INC	Software & Services	United States	3.89
MERCADOLIBRE INC	Consumer Discretionary Distribution & Retail	Brazil	3.86
SYNOPSIS INC	Software & Services	United States	3.75
HUMANA INC	Health Care Equipment & Services	United States	3.72
INTERCONTINENTAL EXCHANGE INC	Financial Services	United States	3.67
INARI MEDICAL INC	Health Care Equipment & Services	United States	3.52
APTIV PLC	Automobiles & Components	United States	3.51
HDFC BANK LTD	Banks	India	3.44
BROADRIDGE FINANCIAL SOLUTIONS INC	Commercial & Professional Services	United States	3.42

Performance Statistics

Performance Statistics (AUD)^{5,6}

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)				
Franklin Global Growth Fund	15.14	16.11	13.56	13.03
MSCI World ex-Australia Index-NR	11.99	12.46	11.14	11.32
Tracking Error (%)	7.93	8.06	6.55	6.24
Information Ratio	-0.87	-0.03	0.09	0.29
Beta	1.08	1.13	1.07	1.01
Sharpe Ratio				
Franklin Global Growth Fund	0.23	0.51	0.81	0.67
MSCI World ex-Australia Index-NR	0.87	0.68	0.93	0.61

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-NR, MSCI World ex-Australia Index (Hedged to AUD)-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	15	23
Don Huber, CFA	21	42

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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