

4Q 2021

Mutual Funds | International Equity | Developed Markets

FRANKLIN
TEMPLETON

FRANKLIN INTERNATIONAL EQUITY FUND

Investment overview

Seeks maximum long-term total return by investing primarily in non-U.S. stocks

Uses a quantitative process that assesses stocks by relative attractiveness based on a variety of measures including value, cash flow, earnings growth and sentiment

Region, country and sector allocations are based on rankings generated by the subadviser's proprietary models. May invest up to 35% of its total assets in emerging markets

Average annual total returns & fund expenses^A (%) as of Dec. 31, 2021

	Without sales charges					With maximum sales charges					Expenses		Inception date
	1-Yr	3-Yr	5-Yr	10-Yr	Inception	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net	
Class A	13.74	11.69	7.82	7.13	7.43	7.22	9.50	6.56	6.50	6.94	1.30	1.28	02/03/09
Class C	12.90	10.90	7.04	6.34	4.12	11.90	10.90	7.04	6.34	4.12	2.05	2.05	02/17/95
Class FI	13.75	11.67	7.79	7.11	6.53	13.75	11.67	7.79	7.11	6.53	1.33	1.30	05/16/03
Class I	14.14	12.03	8.17	7.48	3.89	14.14	12.03	8.17	7.48	3.89	1.04	0.95	05/05/98
Class IS	14.22	12.15	8.27	7.58	3.55	14.22	12.15	8.27	7.58	3.55	0.91	0.85	08/04/08
Class R	13.44	11.35	7.52	6.84	1.75	13.44	11.35	7.52	6.84	1.75	1.63	1.55	12/28/06
Benchmark	11.26	13.54	9.55	8.03	—	11.26	13.54	9.55	8.03	—			

Cumulative total returns (%) as of Dec. 31, 2021 (without sales charges)

	3 Mo	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013
Class A	3.67	13.74	13.74	3.46	18.41	-16.00	24.53	0.47	1.86	-2.45	20.89
Class C	3.55	12.90	12.90	2.73	17.61	-16.65	23.58	-0.31	0.99	-3.15	19.94
Class FI	3.68	13.75	13.75	3.42	18.36	-16.02	24.46	0.52	1.69	-2.42	20.86
Class I	3.79	14.14	14.14	3.76	18.72	-15.68	24.91	0.80	2.16	-2.14	21.25
Class IS	3.79	14.22	14.22	3.88	18.88	-15.62	25.01	0.90	2.25	-1.99	21.41
Class R	3.64	13.44	13.44	3.11	18.03	-16.22	24.23	0.19	1.47	-2.67	20.55
Benchmark	2.69	11.26	11.26	7.82	22.01	-13.79	25.03	1.00	-0.81	-4.90	22.78

Performance shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so shares, when redeemed, may be worth more or less than the original cost. Class A shares have a maximum front-end sales charge of 5.75%. Class C shares have a one-year contingent deferred sales charge (CDSC) of 1.0%. If sales charges were included, performance shown would be lower. Total returns assume the reinvestment of all distributions at net asset value and the deduction of all Fund expenses. Total return figures are based on the NAV per share applied to shareholder subscriptions and redemptions, which may differ from the NAV per share disclosed in Fund shareholder reports. Performance would have been lower if fees had not been waived in various periods. YTD is calculated from January 1 of the reporting year. All classes of shares may not be available to all investors or through all distribution channels. For the most recent month-end information, please visit www.franklintempleton.com. This fund may not be exchangeable with other Franklin Templeton-branded funds. Please see the fund's offering documents or contact your service agent for more information.

Effective August 2, 2021, except as noted below, Class C (including Class C, Class C-1 & Class C-2) shares will automatically convert to Class A shares after the shares have been held for 8 years from their original purchase date. The initial conversion took place on August 16, 2021. Refer to the fund's prospectus or contact your Service Agent for more information.

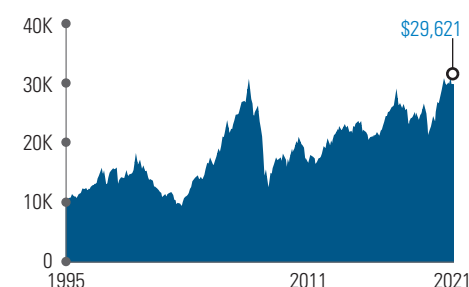
Sector allocation (%) as of Dec. 31, 2021

	Fund	BM		Fund	BM
Financials	17.2	16.9	Materials	7.4	7.5
Industrials	16.4	16.2	Communication Services	4.6	4.5
Consumer Discretionary	13.3	12.5	Energy	4.2	3.4
Health Care	11.6	12.8	Real Estate	2.3	2.8
Consumer Staples	10.8	10.3	Utilities	1.5	3.4
Information Technology	10.0	9.7	Cash	0.8	0.0

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

Growth of \$10,000

Class C shares – Inception through Dec. 31, 2021
Excluding the effects of sales charges



Share class codes

	Symbol	CUSIP		Symbol	CUSIP
A	LMEAX	524686292	IS	LIESX	524686243
C	LMGEX	524686284	R	LMIRX	524686250
FI	LGFEX	524686268			
I	LGIEX	524686276			

Benchmark (BM)

MSCI EAFE Index (Net)

^A Gross expenses are the Fund's total annual operating expenses for the share class(es) shown. Net expenses for Class(es) A reflect contractual fee waivers and/or reimbursements, where these reductions reduce the Fund's gross expenses, which cannot be terminated prior to May 21, 2022 without Board consent. Net expenses for Class(es) C, FI, I, IS & R reflect contractual fee waivers and/or reimbursements, where these reductions reduce the Fund's gross expenses, which cannot be terminated prior to Dec 31, 2022 without Board consent.

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

Prior to August 7, 2021, the Fund was known as QS International Equity Fund.

Sector allocation, top countries and top holdings percentages are based on total portfolio as of quarter-end and are subject to change at any time. For informational purposes only and not to be considered a recommendation to purchase or sell any security.

FRANKLIN INTERNATIONAL EQUITY FUND

Top 10 holdings (%) as of Dec. 31, 2021		Top countries (%) as of Dec. 31, 2021		
			Fund	Benchmark
ASML Holding NV	2.6	Japan	20.9	22.5
Nestle SA	2.5	United Kingdom	15.2	14.6
Novo Nordisk A/S	1.8	France	9.5	11.7
Roche Holding AG	1.3	Switzerland	8.8	10.5
BNP Paribas	1.1	Germany	7.9	8.9
Rio Tinto PLC	1.0	Netherlands	7.2	4.9
Atlas Copco AB	1.0	Sweden	5.5	4.0
L'oreal SA	1.0	Denmark	5.1	2.7
Royal Dutch Shell plc	1.0	Canada	4.3	0.0
Allianz SE Reg	1.0	Hong Kong	2.9	2.8
Total	14.2			

Risk statistics as of Dec. 31, 2021								
Measures based on Class C. Benchmark = MSCI EAFE Index (Net).								
	1-Yr		3-Yr		5-Yr		10-Yr	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Beta	1.06	1.00	0.99	1.00	1.00	1.00	0.96	1.00
R-squared	0.95	1.00	0.97	1.00	0.97	1.00	0.96	1.00
Sharpe ratio	1.18	1.13	0.63	0.77	0.46	0.62	0.47	0.58
Standard deviation (%)	10.71	9.80	17.28	17.16	14.99	14.83	13.74	14.14
Alpha	0.84	0.00	-2.24	0.00	-2.26	0.00	-1.26	0.00
Information ratio	0.65	—	-0.94	—	-1.03	—	-0.64	—
Tracking error	2.49	0.00	2.80	0.00	2.44	0.00	2.66	0.00

Beta measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark. **R-squared** measures the strength of the linear relationship between the Fund and its benchmark. R Squared at 1 implies perfect linear relationship and zero implies no relationship exists. **Sharpe ratio** is a risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the sharpe ratio, the better the fund's historical risk-adjusted performance. **Standard deviation** measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk. **Alpha** measures performance vs. a benchmark on a risk-adjusted basis. A positive alpha of 1.0 means the portfolio has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%. **Tracking Error** is the dispersal of differences between the returns obtained by the Fund and the benchmark variation. **Information Ratio** is the ratio of annualized expected residual return to residual risk. **Turnover** is a measure of the Fund's trading activity which represents the portion of the Fund's holdings that has changed over a year. There is no assurance that the Fund will maintain its current level of turnover.

The **MSCI EAFE Index** is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. Investors cannot invest directly in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges.

©2022 Franklin Distributors, LLC. Member FINRA/SIPC. Franklin Distributors, LLC and Franklin Templeton Investment Solutions are Franklin Templeton affiliated companies.

Statistics as of Dec. 31, 2021		
	Fund	Benchmark
Net assets	\$257.2M	—
Number of holdings	204	829
Weighted average cap	\$74.2B	\$86.1B
Weighted median cap	\$34.6B	\$50.1B

Fund facts as of Dec. 31, 2021		
Dividend frequency, if any		Annual
Morningstar category		Foreign Large Blend
Lipper category		International Multi-Cp Core Fds
Turnover (fiscal yr)		41%

Portfolio management

Christopher W. Floyd, CFA (industry since 1999) and Joseph S. Giroux (industry since 1994) lead the team that manages your Fund.

Franklin Templeton Investment Solutions translates a wide variety of investor goals into portfolios powered by Franklin Templeton's best thinking around the globe. The team includes more than 100 investment professionals, specializing in strategic asset allocation and tactical positioning, fundamental and quantitative research, active integration, and risk management.

What should I know before investing?

Equity securities are subject to price fluctuation and possible loss of principal. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. Potential active and frequent trading may result in higher transaction costs and increased investor liability. The Fund is more susceptible to any economic, business, political, regulatory or other developments that adversely affect issuers in the financial services industry than a Fund that does not concentrate its investments in the financial services industry. Derivatives, such as options and futures, can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance.

Where can I find more information?

You'll find the most current performance data, commentary, prospectus and more information on each of our managers and products at www.franklintempleton.com.

Before investing, carefully consider a Fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, which is available at www.franklintempleton.com. Please read it carefully.



**FRANKLIN
TEMPLETON**