

# Franklin Natural Resources Fund



Sector | Fact Sheet as of June 30, 2022

## Investment Overview

The fund seeks high total return by investing at least 80% of its net assets in equity and debt securities of companies that own, produce, refine, process, transport and market natural resources, as well as those that provide related services.

## Average Annual Total Returns (%)

	Without Sales Charges					With Sales Charges					Inception Date
	1-Yr	3-Yr	5-Yr	10-Yr	Inception	1-Yr	3-Yr	5-Yr	10-Yr	Inception	
Advisor Class	17.01	5.45	3.18	-0.64	6.10	17.01	5.45	3.18	-0.64	6.10	6/5/1995
Class A	16.73	5.18	2.93	-0.90	5.64	10.33	3.22	1.77	-1.46	5.42	6/5/1995
Class C	15.82	4.40	2.14	-1.63	0.32	14.82	4.40	2.14	-1.63	0.32	9/1/2005
Class R6	17.21	5.71	3.43	-0.39	6.34	17.21	5.71	3.43	-0.39	6.34	6/5/1995
Benchmark 1	22.17	10.47	6.77	3.40	—	22.17	10.47	6.77	3.40	—	—
Benchmark 2	-10.62	10.60	11.31	12.96	—	-10.62	10.60	11.31	12.96	—	—

## Cumulative Total Returns (% Without Sales Charge)

	3-Mo	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Advisor Class	-11.98	11.27	36.26	-21.38	10.23	-23.53	0.54	34.89	-27.64	-19.90	9.87	-4.62
Class A	-12.04	11.14	35.94	-21.62	10.00	-23.75	0.32	34.56	-27.85	-20.17	9.55	-4.89
Class C	-12.25	10.71	34.86	-22.17	9.21	-24.32	-0.45	33.55	-28.36	-20.72	8.80	-5.55
Class R6	-11.97	11.37	36.55	-21.14	10.53	-23.43	0.89	35.34	-27.44	-19.74	10.11	-4.44
Benchmark 1	-10.44	15.87	39.94	-19.01	17.63	-21.07	1.23	30.87	-24.28	-9.77	16.49	2.20
Benchmark 2	-16.10	-19.96	28.71	18.40	31.49	-4.38	21.83	11.96	1.38	13.69	32.39	16.00

**Performance data quoted represents past performance, which does not guarantee future results.** Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit [www.franklintempleton.com](http://www.franklintempleton.com).

The fund began offering Advisor Class shares on 12/31/1996, and the fund began offering R6 Class shares on 9/20/2013. Performance quotations have been calculated as follows: (a) for Advisor Class periods prior to 12/31/1996, a restated figure is used based on the fund's Class A performance; for R6 Class periods prior to 9/20/2013, a restated figure is used based on the fund's Class Advisor performance. The performance was adjusted to take into account differences in class-specific operating expenses and maximum sales charges. (b) For periods after share class offering, performance for the specific share class is used, reflecting the expenses and maximum sales charges applicable to that class.

## Share Class Details

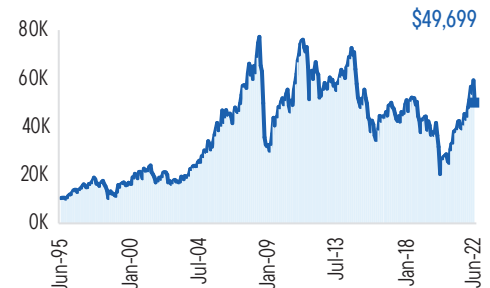
	CUSIP	Ticker	Sales Charges (%)		Expenses (%)	
			Max	CDSC	Gross	Net
Advisor Class	354 713 851	FNRAX	0.00	—	1.00	1.00
Class A	354 713 604	FRNRX	5.50	—	1.25	1.25
Class C	354 713 455	FNCRX	0.00	1.00	2.00	2.00
Class R6	354 713 257	FNC SX	0.00	—	0.89	0.72

Gross expenses are the fund's total annual operating expenses for the share class(es) shown. Net expenses for Class(es) R6 reflect contractual fee waivers and/or reimbursements, where these reductions reduce the fund's gross expenses, which cannot be terminated prior to August 31, 2022 without Board consent.

There is a 1% CDSC on any Class C shares you sell within 12 months of purchase.

## Growth of \$10,000

Advisor Class Shares—Inception through June 30, 2022  
Excluding Effects of Sales Charges



## Fund Overview

Dividend Frequency, if any	Annually
Morningstar Category	Natural Resources
Lipper Classification	Global Natural Resources Funds
Turnover (fiscal yr)	27%

## Benchmark(s)

- 1—S&P North American Natural Resources Sector Index
- 2—S&P 500 Index

## Fund Characteristics

	Fund
Total Net Assets	\$398.39 Million
Number of Issuers	87
Average Market Cap (Millions)	\$75,167
Price to Book	1.97x
Price to Earnings (12-Month Trailing)	12.80x

## Risk Statistics (3-Year—Advisor Class vs. S&P

## North American Natural Resources Sector Index)

	Fund	Benchmark 1
Beta	1.13	—
R-Squared	0.98	—
Sharpe Ratio	0.13	0.30
Standard Deviation (%)	38.20	33.32
Alpha (%)	-4.62	—
Information Ratio	-0.68	—
Tracking Error	7.41	—

Top Equity Issuers (% of Total)

	Fund
EXXON MOBIL CORP	4.53
CONOCOPHILLIPS	4.43
CHEVRON CORP	4.42
SHELL PLC	3.53
EOG RESOURCES INC	3.40
CANADIAN NATURAL RESOURCES LTD	2.64
SCHLUMBERGER NV	2.55
SUNCOR ENERGY INC	2.54
TC ENERGY CORP	2.41
PIONEER NATURAL RESOURCES CO	2.30

Geographic Allocation (% of Total)

	Fund	Benchmark 1
United States	65.36	78.63
Canada	15.74	21.37
United Kingdom	7.64	0.00
Australia	3.45	0.00
France	2.22	0.00
Brazil	1.35	0.00
Norway	1.15	0.00
Chile	0.47	0.00
Austria	0.25	0.00
Cash & Cash Equivalents	2.37	0.00

Sector Allocation (Equity % of Total)

	Fund	Benchmark 1
Oil, Gas & Consumable Fuels	52.27	72.24
Metals & Mining	16.43	11.94
Energy Equipment & Services	13.17	6.46
Chemicals	7.42	0.00
Electrical Equipment	1.72	0.00
Containers & Packaging	1.66	6.82
Machinery	1.23	0.00
Construction Materials	0.58	2.10
Other	3.15	0.44
Cash & Cash Equivalents	2.37	0.00

Portfolio Management

	Years with Firm	Years of Experience
Fred Fromm, CFA	29	30
Matthew Adams, CFA	16	24
Steve Land, CFA	24	25

What should I know before investing?

All investments involve risks, including possible loss of principal. Investing in a fund concentrating in the natural resources sector involves special risks, including increased susceptibility to adverse economic and regulatory developments affecting the sector. Growth stock prices may fall dramatically if the company fails to meet projections of earnings or revenue; their prices may be more volatile than other securities, particularly over the short term. Smaller companies can be particularly sensitive to changes in economic conditions and have less certain growth prospects than larger, more established companies and can be volatile, especially over the short term. The fund may also invest in foreign companies, which involve special risks, including currency fluctuations and political uncertainty. The manager's portfolio selection strategy is not solely based on ESG considerations, and therefore the issuers in which the fund invests may not be considered ESG-focused companies. Integrating ESG considerations into the investment process is not a guarantee that better performance will be achieved. These and other risks are described more fully in the fund's prospectus.

Glossary

**Beta** A measure of the fund's volatility relative to the market, as represented by the stated Index. A beta greater than 1.00 indicates volatility greater than the market. **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** refers to a risk-adjusted measure calculated using standard deviation and excess returns to determine reward per unit of risk. The higher the ratio, the greater the risk-adjusted performance. **Standard Deviation** measure of the degree to which a fund's return varies from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate from the average return. **Alpha** is the annualized percentage difference between a portfolio's actual returns and its expected performance given its level of market risk, as measured by beta. **Information Ratio** In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark. **Tracking Error** measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error. **Turnover** is a measure of the fund's trading activity which represents the portion of the fund's holdings that has changed over a twelve-month period through the fiscal year end. There is no assurance that the fund will maintain its current level of turnover. **Price to Book** The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the value represents a weighted average of the stocks it holds. **Price to Earnings (12-Month Trailing)** is the share price of a stock, divided by its per-share earnings over the past year. For a portfolio, the value represents a weighted average of the stocks it holds.

Important Information

**CFA®** and **Chartered Financial Analyst®** are trademarks owned by CFA Institute. The **S&P North American Natural Resources Index** provides investors with a benchmark that represents U.S. traded securities that are classified under the GICS energy and materials sector excluding the chemicals industry; and steel sub-industry. Source: © 2022 S&P Dow Jones Indices LLC. All rights reserved. The **S&P 500 Index** features 500 leading U.S. publicly traded companies, with a primary emphasis on market capitalization. Source: © 2022 S&P Dow Jones Indices LLC. All rights reserved. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change. Important data provider notices and terms available at [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com). © Franklin Templeton. Franklin Distributors, LLC. Member FINRA/SIPC.

**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, at [www.franklintempleton.com](http://www.franklintempleton.com). Please read it carefully.**