

# Franklin Global Market Neutral Fund



Growth | Fact Sheet as of September 30, 2022

## Investment Overview

Seeks long term capital appreciation by investing in global stocks of any market capitalizations. The subadviser uses a systematic approach to select both long and short position sizes it believes will achieve overall market neutrality. The Fund seeks to have returns that are generally independent of the returns and direction of the global stock market.

## 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	
Class I	8.82	3.29	0.47	—	1.07	8.82	3.29	0.47	—	1.07	11/30/2015
Class A	8.58	2.93	0.15	—	0.74	2.30	0.93	-1.04	—	-0.13	11/30/2015
Class C	7.70	2.25	—	—	0.10	6.70	2.25	—	—	0.10	7/16/2018
Class IS	8.91	3.34	0.53	—	1.12	8.91	3.34	0.53	—	1.12	11/30/2015
Benchmark	0.63	0.57	1.13	—	—	0.63	0.57	1.13	—	—	—

## Cumulative Total Returns (% Without Sales Charge)

	3-Mo	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Class I	0.88	3.50	15.99	-6.90	-6.37	-1.47	5.65	-1.89	—	—	—	—
Class A	0.69	3.33	15.48	-7.24	-6.65	-1.80	5.34	-2.19	—	—	—	—
Class C	0.51	2.58	14.83	-7.77	-7.30	—	—	—	—	—	—	—
Class IS	0.87	3.49	16.07	-6.79	-6.38	-1.36	5.64	-1.79	—	—	—	—
Benchmark	0.45	0.62	0.05	0.58	2.25	1.86	0.84	0.27	—	—	—	—

**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).

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.

## Share Class Details

	CUSIP	Ticker	Sales Charges (%)		Expenses (%)	
			Max	CDSC	Gross	Net
Class I	52471E555	LQNI	0.00	—	3.20	3.04
Class A	52471E530	LNFI	5.50	—	3.57	3.39
Class C	52471E266	LQNC	0.00	1.00	4.24	4.14
Class IS	52471E548	LQIS	0.00	—	3.17	2.94

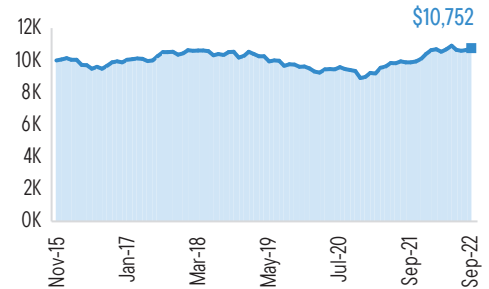
Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual fees may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 12/31/2023 without Board consent.

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

Maximum sales charges have been updated as of August 15, 2022, please refer the Fund's prospectus for more information.

## Growth of \$10,000

Class I Shares—Inception through September 30, 2022  
Excluding Effects of Sales Charges



## Fund Overview

Dividend Frequency, if any	Annually
Morningstar Category	Equity Market Neutral
Lipper Classification	Alternative Eq Mktl Neutral Funds
Turnover (fiscal yr)	134%

## Benchmark(s)

FTSE 3-Month U.S. Treasury Bill Index

## Fund Characteristics

	Fund
Total Net Assets	\$39.82 Million
Number of Holdings	552
Average Market Cap (Millions)	\$32,613
Number of Issuers Long (excl. cash)	248
Number of Issuers Short (excl. cash)	290

## Risk Statistics (3-Year—Class I)

	Fund	Benchmark
Sharpe Ratio	0.48	0.00
Standard Deviation (%)	5.93	0.21
Information Ratio	0.46	—
Tracking Error	5.98	—

## Top Short Securities (Short % Total)

	Fund
Unilever plc	-0.44
Wolfspeed Inc.	-0.44
PROSPERITY BANCSHARES INC	-0.45
Japan Airport Terminal Co. Ltd.	-0.46
HealthEquity Inc.	-0.48
Telus Corp.	-0.48
ADT Inc.	-0.49
ARTHUR J GALLAGHER & CO	-0.49
Change Healthcare Inc.	-0.50
AVEVA Group plc	-0.51

## Top Long Securities (% of Total)

	Fund
WHITEHAVEN COAL LTD	0.60
CRITEO SA	0.59
Wolters Kluwer	0.59
Balfour Beatty PLC	0.58
OCI NV	0.58
Qualys Inc.	0.58
Daito Trust Construct Co Ltd.	0.57
Molina Healthcare Inc.	0.57
BJ's Wholesale Club Holdings	0.56
McKesson Corp.	0.56

## Sector Allocation (% of Long)

	Long
Industrials	16.38
Consumer Discretionary	11.37
Technology	10.92
Health Care	8.07
Financials	7.92
Materials	7.40
Consumer Staples	6.76
Communication Services	6.70
Banks	5.01
Energy	4.35
Real Estate	3.54
Utilities	2.68

## Portfolio Management

	Years with Firm	Years of Experience		Years with Firm	Years of Experience
Chris Floyd, CFA	21	23	Vaneet Chadha, CFA	10	16
Joseph S Giroux	10	29	Sundaram Chettiappan, CFA	3	16

## What should I know before investing?

All investments are subject to risk, including the possible loss of principal. The Fund is a newly organized, open-end investment company with no history of operations. The Fund may employ leverage, which increases the volatility of investment returns and subjects the Fund to magnified losses if the Fund's investments decline in value. The Fund may use derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. The Fund may employ short selling, a speculative strategy. Unlike the possible loss on a security that is purchased, there is no limit on the amount of loss on an appreciating security that is sold short. The Fund may engage in active and frequent trading, resulting in higher portfolio turnover and transaction costs. There is no assurance strategies used by the Fund will be successful. Equity securities are subject to price fluctuation and loss of principal. International investments are subject to special risks including currency fluctuations, social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. Small-and mid-cap stocks involve greater risks and volatility than large-cap stocks. Fixed income securities involve interest rate, credit, inflation, and reinvestment risks. As interest rates rise, the value of fixed income securities fall. High-yield bonds possess greater price volatility, illiquidity, and possibility of default. Commodity-related investments may be more volatile and less liquid than the underlying commodity, instruments, or measures, and their value may be affected by the performance of the overall commodities markets as well as weather, tax, and other regulatory developments.

## Glossary

**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. **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.

## Important Information

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**FTSE 3-Month U.S. Treasury Bill Index** represents monthly return equivalents of yield averages of the last 3 month Treasury Bill issues.

Source: FTSE Russell. 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).

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**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.**