



FRANKLIN TEMPLETON INVESTMENTS

Templeton Foreign Fund—Advisor Class

Value
Equity
September 30, 2018

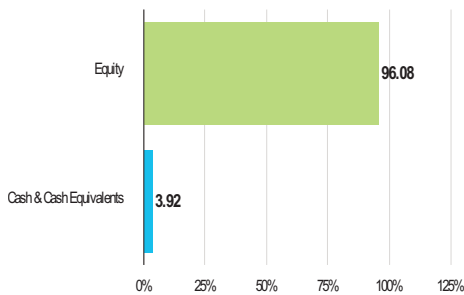
Product Profile

Product Details¹

Fund Assets	\$6,511,673,906.49
Fund Inception Date	10/05/1982
Number of Issuers	83
NASDAQ Symbol	TFFAX
Maximum Sales Charge	0.00
Investment Style	Value
Benchmark	MSCI All Country World ex-US Index
Lipper Classification	International Multi-Cap Value
Morningstar Category™	Foreign Large Value
Dividend Frequency	Annually in December

Asset Allocation²

Percent of Total



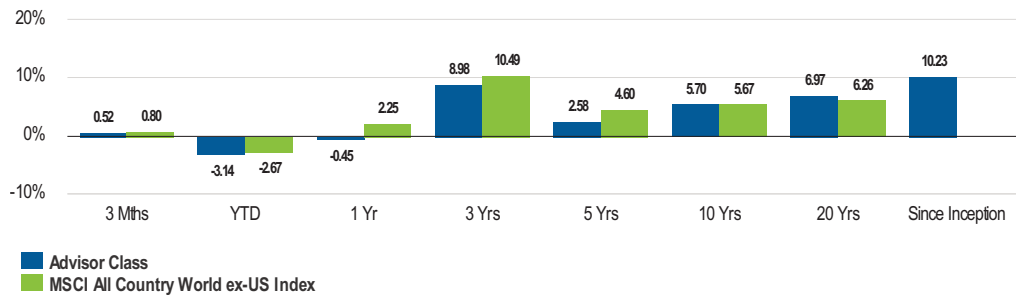
Fund Description

The fund seeks long-term capital growth by investing at least 80% of its net assets in foreign securities, that are predominantly equity securities of companies located outside of the U.S., including developing markets.

Performance Data^{3,4}

Average Annual Total Returns⁵ (%)

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	20 Yrs	Since Inception (10/05/1982)
Advisor Class	0.52	-3.14	-0.45	8.98	2.58	5.70	6.97	10.23
MSCI All Country World ex-US Index	0.80	-2.67	2.25	10.49	4.60	5.67	6.26	-



Total Annual Operating Expenses—With Waiver:0.85% Without Waiver: 0.94%

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment return and principal value will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin Templeton Investments at (800) DIAL BEN/342-5236 or visit franklintempleton.com for the most recent month-end performance.

Advisor Class shares are offered only to certain eligible investors as stated in the prospectus. They are offered without sales charges or Rule 12b-1 fees. The fund offers other share classes subject to different fees and expenses, which will affect their performance. Please see the prospectus for details.

The fund has an expense reduction contractually guaranteed through 12/31/2019. Fund investment results reflect the expense reduction; without this reduction, the results would have been lower.

Calendar Year Returns (%)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Advisor Class	17.57	11.99	-6.93	-10.55	27.32	18.89	-12.57	8.87	50.18	-45.98
MSCI All Country World ex-US Index	27.77	5.01	-5.25	-3.44	15.78	17.39	-13.33	11.60	42.14	-45.24

1. All holdings are subject to change. Holdings of the same issuers have been combined.

2. Information is historical and may not reflect current or future portfolio characteristics. Percentage may not equal 100% due to rounding. 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.

5. Periods shorter than one year are shown as cumulative total returns.

Portfolio Manager Insight⁶

Performance Review

QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
Helped	SoftBank Group Corp.	Communication Services (Stock Selection)	China (Stock Selection)
	Oracle Corporation	Information Technology (Stock Selection)	United States
	SES SA FDR (Class A)	Energy (Overweight)	Luxembourg (Overweight)
Hurt	Wheaton Precious Metals Corp	Materials (Stock Selection)	United Kingdom (Stock Selection)
	Teva Pharmaceutical Industries Limited Sponsored ADR	Financials (Stock Selection)	Canada (Stock Selection)
	Alamos Gold Inc.	Industrials (Stock Selection)	Israel (Stock Selection)

- Shares of Israeli generic drug-maker Teva Pharmaceutical Industries were volatile during the period. Investors weighed restructuring progress and positive drug trials against regulatory approval of a competitor's migraine therapy and lukewarm messaging on second-half conditions. We view these concerns as immaterial to our long-term investment thesis, which is progressing nicely as Teva has continued to improve cash flow generation, repair its balance sheet and deliver solid operating results under its new management's restructuring program.
- Stock selection in the materials sector hurt relative results. In general, precious and industrial metals declined in value during the quarter, although industrial metals showed signs of resurgence in September based partially on China's growth-supported policy moves and receding worries about trade tensions.
- In the energy sector, our strategy of rotating out of price-sensitive oil services stocks and into large, integrated energy firms as the cycle matures appears to be positive. Integrated energy firms in aggregate look set to generate more free cash flow this year than they did when oil was at US\$100 per barrel, which should allow them to fully cover dividends and enhance shareholder value through buybacks, balance sheet repair, and targeted mergers and acquisitions.

Outlook & Strategy

- Market conditions remain challenging for value investors. Despite eight rate hikes by the US Federal Reserve (Fed) since 2016, real interest rates in the United States and elsewhere remain pinned near historic lows.
- Typically, when interest rates are low, the net present value of long-dated cash flows increases and stocks with good growth visibility command a premium. Low interest rates also have coincided with periods of low economic growth, and the laws of supply and demand ensure that when growth is scarce, many investors will pay more for it.
- What's more, during this unusual cycle, low rates have been accompanied by quantitative easing, an unconventional policy tool that—through the expansion of the money supply—created artificial and largely indiscriminate demand for risk assets. This has coincided with the rise of passive investing. Many passive products are weighted by market capitalization, without regard for fundamentals. As the wave of liquidity created by central bankers flowed into the market, these popular products have helped funnel ever more capital into the growth stocks that dominate indexes.
- Ultimately, we view these conditions as unsustainable. Many central banks—led by the Fed—are raising interest rates and withdrawing liquidity, at least partly due to concerns about the distortive impact of their policies on financial markets. Meanwhile, the same passive structures that amplified the outperformance of widely owned and highly liquid growth stocks on the way up may well amplify their underperformance on the way down.
- While extraordinary circumstances have delayed the process of value recognition in our portfolios, we have every confidence that an eventual, and substantial, reversal in trend should lie ahead.

6. The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund's portfolio selection process. Holdings are subject to change.

Portfolio Characteristics^{7,8,9}

	Portfolio	MSCI All Country World ex-US Index
Price to Earnings (12 Month Trailing)	13.43x	14.94x
Price to Book Value	1.28x	1.68x
Price to Cash Flow	5.54x	9.11x
Market Capitalization (Millions in USD)	71,947	61,996

7. 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 capitalization figures for both the portfolio and the benchmark are at the security level, not aggregated up to the main issuer. Source: Factset. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted. Information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change.

8. Source: FactSet. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted.

9. 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.

Portfolio Diversification

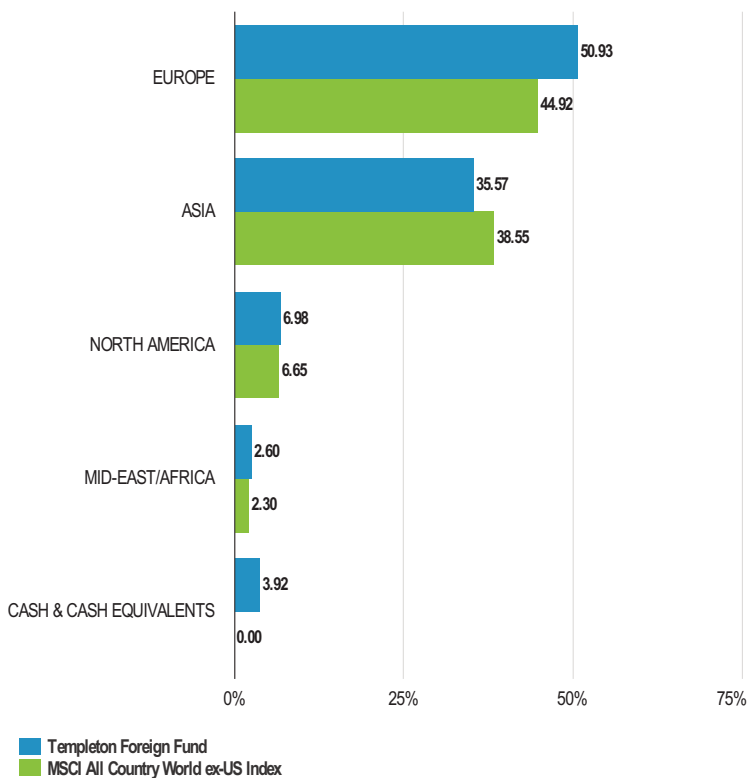
Top Ten Holdings¹⁰

Percent of Total

Top Holdings	Sector	Country	%
SAMSUNG ELECTRONICS CO LTD	Technology Hardware & Equipment	South Korea	4.17
BP PLC	Energy	United Kingdom	3.41
ROYAL DUTCH SHELL PLC	Energy	United Kingdom	2.99
TEVA PHARMACEUTICAL INDUSTRIES LTD	Pharmaceuticals, Biotechnology & Life Sciences	Israel	2.60
STANDARD CHARTERED PLC	Banks	United Kingdom	2.34
BNP PARIBAS SA	Banks	France	2.34
ROCHE HOLDING AG	Pharmaceuticals, Biotechnology & Life Sciences	Switzerland	2.29
ENI SPA	Energy	Italy	2.19
SANOFI	Pharmaceuticals, Biotechnology & Life Sciences	France	2.18
BAIDU INC	Media & Entertainment	China	1.93

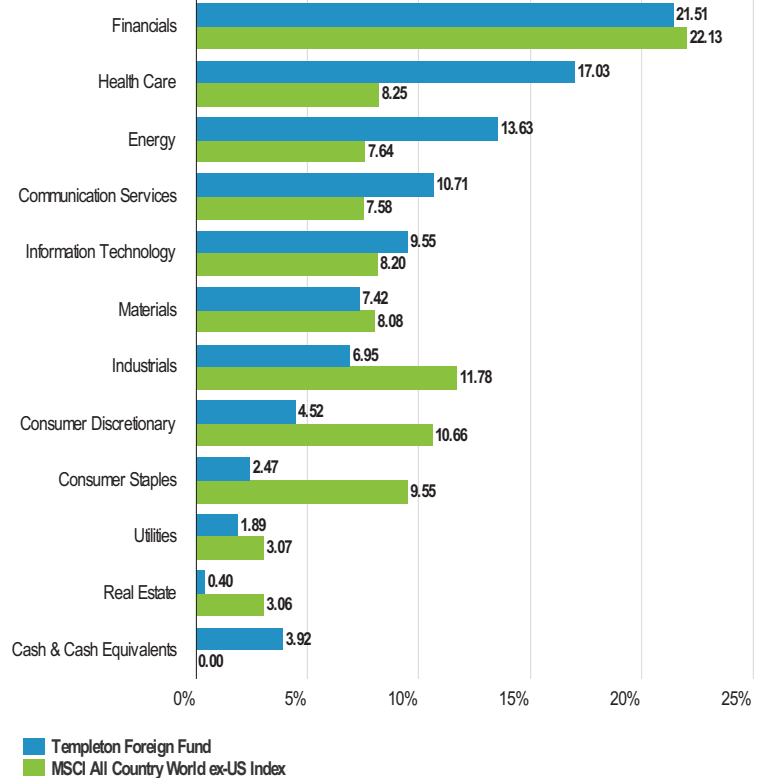
Geographic Weightings vs. MSCI All Country World ex-US Index^{11,12}

Percent of Total



Sector Weightings vs. MSCI All Country World ex-US Index^{13,14}

Percent of Total



10. Holdings of the same issuers have been combined. Top ten holdings information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change. The information provided is not a recommendation to purchase, sell, or hold any particular security. The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included.

11,13. Information is historical and may not reflect current or future portfolio characteristics. Percentage may not equal 100% due to rounding. All holdings are subject to change.

12,14. 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.

Supplemental Performance Statistics

Supplemental Risk Statistics^{15,16}

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation (%)	11.90	12.13	19.57
Beta (%)	4.10	4.03	4.97
Information Ratio	-0.37	-0.50	0.01
Beta	1.04	1.03	1.07
Sharpe Ratio	0.68	0.17	0.28

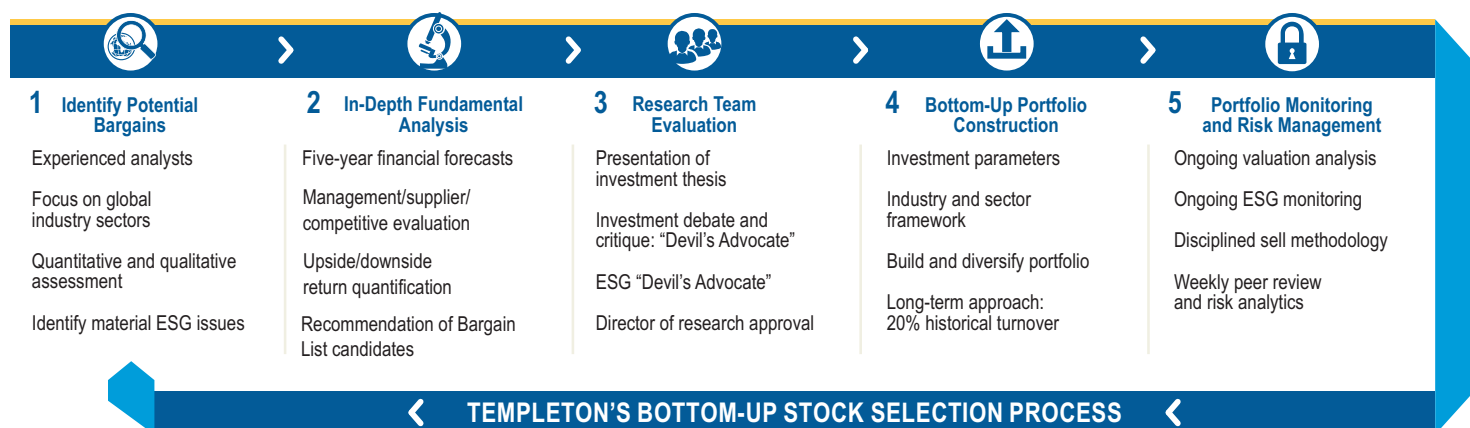
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Investment Philosophy

Templeton utilizes a disciplined, consistent approach based on three timeless principles of investing:

Value	Patience	Bottom-up stock picking
Our flexible approach is applied within a disciplined framework and seeks to identify companies trading at large discounts to their business value.	Our long-term focus gives us a framework to take advantage of price volatility to reveal potential long-term investment opportunities. Patience allows for potential long-term value recognition.	Our portfolio management process seeks to buy pessimism and sell optimism. We build portfolios spanning regions and sectors made up of securities identified through this process.

Investment Process¹⁷



17. Historical turnover is based on Templeton's experience as a Firm, over a five-year period as of most recent quarter end. The turnover is a byproduct of Templeton's long-term approach to managing portfolios, but various factors, such as a portfolio's specific investment guidelines and market or economic conditions may cause actual portfolio turnover to vary.

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Tucker Scott, CFA, EVP, Portfolio Manager, Research Analyst	22	26
Norman Boersma, CFA, Chief Investment Officer	26	32
Heather Arnold, CFA, EVP, Director of Research, Portfolio Manager, Research Analyst	13	34
Christopher James Peel, CFA, SVP, Portfolio Manager, Research Analyst	10	10
Herbert J Arnett Jr., SVP, Portfolio Manager, Research Analyst	22	24

Additional Resources

Investment Risk Management Group Group	Global Portfolio Compliance	Global Research Library
Global Trading Platform	Junior Research Analysts	Research Technology Group

15. Beta, Information Ratio and Tracking Error information are measured against the MSCI All Country World ex-US Index.

16. 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).

Beta: A measure of the magnitude of a portfolio's past share-price fluctuations in relation to the ups and downs of the overall market (or appropriate market index). The market (or index) is assigned a beta of 1.00, so a portfolio with a beta of 1.20 would have seen its share price rise or fall by 12% when the overall market rose or fell by 10%.

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.

Market Capitalization: A determination of a company's value, calculated by multiplying the total number of company stock shares outstanding by the price per share. Market capitalization is expressed in millions of USD.

Price to Book Value: 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 Cash Flow: Supplements price/earnings ratio as a measure of relative value for a stock. For a portfolio, the value represents a weighted average of the stocks it holds.

Price to Earnings (12-mo Trailing): 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.

Sharpe Ratio: To calculate a Sharpe ratio, an asset's excess returns (its return in excess of the return generated by risk-free assets such as Treasury bills) are divided by the asset's standard deviation.

Standard Deviation: A measure of the degree to which returns vary from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that performance will fluctuate from the average return.

Tracking Error: Measure of the deviation of the return of a product compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment is managed, the smaller the tracking error.

What Are The Risks?

All investments involve risks, including possible loss of principal. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments; investments in developing markets involve heightened risks related to the same factors. Currency rates may fluctuate significantly over short periods of time, and can reduce returns. Because the Fund may invest its assets in companies in a specific region, including Europe, it is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Current political and financial uncertainty surrounding the European Union may increase market volatility and the economic risk of investing in companies in Europe. Derivatives, including currency management strategies, involve costs and can create economic leverage in the portfolio which may result in significant volatility and cause the fund to participate in losses (as well as enable gains) on an amount that exceeds the fund's initial investment. The fund may not achieve the anticipated benefits, and may realize losses when a counterparty fails to perform as promised. The fund's risk considerations are discussed in the prospectus.

Important Legal Information

Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, talk to your financial advisor, call us at (800) DIAL BEN/342-5236 or visit franklintempleton.com. Please carefully read a prospectus before you invest or send money.

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3. Effective 01/02/1997, the fund began offering Advisor Class Shares. For periods prior to the fund's Advisor Class inception date, a restated figure is used based on the fund's oldest share class, Class A performance, excluding the effect of Class A's maximum initial sales charge but reflecting the effect of the Class A Rule 12b-1 fees; and b) for periods after the fund's Advisor Class inception date, actual Advisor Class performance is used, reflecting all charges and fees applicable to that class.



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Franklin Templeton Distributors, Inc.

One Franklin Parkway
San Mateo, CA 94403-1906
(800) DIAL BEN/342-5236
franklintempleton.com