FRANKLIN TEMPLETON

Franklin International Growth Fund

Advisor Class: FNGZX Class A: FNGAX | **Commentary | as of June 30, 2026**

Key Takeaways

- **Markets:** International equities collectively delivered robust gains during the second quarter of 2026, though they lagged US stocks, as measured by MSCI indexes in US-dollar terms. Nevertheless, improving corporate earnings and a decisive rotation into technology-driven growth themes provided a positive backdrop for risk assets.
- **Contributors:** Stock selection in the communication services sector bolstered relative returns.
- **Detractors:** Stock selection in the information technology sector hindered relative returns.
- **Outlook:** In this environment, our priorities are to position holdings for long-term success, exit positions that move away from our thesis, capture opportunities in differentiated businesses and maintain diversification.

Performance Review

- Inficon, a Switzerland-based provider of vacuum instrumentation for semiconductor and industrial markets, helped relative performance as investors rerated its shares after a beat-and-raise and improving margins, supported by semiconductor strength and industrial tailwinds, with robust orders that signaled growth.
- Belimo, a Switzerland-based heating, ventilation and air conditioning controls manufacturer, helped relative performance as a new buy-rated initiation highlighted its liquid-cooling exposure to data centers.
- In contrast, Cochlear, an Australia-based hearing implant maker, weighed on relative performance as investors digested market deterioration during the period. Checks showed implants increasingly discretionary amid macro pressure, US and Middle East disruptions, tighter hospital and payer priorities and evolving China policies.

Outlook

- In this environment, our priorities are to position holdings for long-term success, exit positions that move away from our thesis, capture opportunities in differentiated businesses and maintain diversification. While recent headwinds have been frustrating, we believe volatility can create opportunities and that a disciplined approach to AI risks, applications and market concentration should ultimately support the strategy.
- The portfolio continues to evolve around secular growth drivers and structural tailwinds, not hype cycles or exaggerated concerns. Our analysts are generating ideas while maintaining deep primary research and engagement with experts, incumbents and disruptors. We will keep adding suitable new ideas, enhancing risk management and staying true to our philosophy. We continue to believe a diversified approach with companies exposed to secular growth stories will generate long-term alpha.

Top Equity Issuers (% of Total)

Holding	Fund
DSV A/S	4.47
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	4.41
LONZA GROUP AG	4.30
BELIMO HOLDING AG	4.24
ARGENX SE	4.21
ASTRAZENECA PLC	3.84
FAST RETAILING CO LTD	3.81
MTU AERO ENGINES AG	3.80
VAT GROUP AG	3.79
FINECOBANK BANCA FINECO SPA	3.77

Not FDIC Insured | No Bank Guarantee | May Lose Value

Average annual total returns and fund expenses (%) - as of June 30, 2026

			Without Sales Charge							With Maximum Sales Charge							Expenses		Sales Charges		Inception
Class	CUSIP	Ticker	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net	Initial Charge	CDSC	Date
Advisor Class	353533698	FNGZX	11.05	0.69	-3.70	4.44	-3.24	7.03	4.55	11.05	0.69	-3.70	4.44	-3.24	7.03	4.55	0.96	0.87	—	—	6/3/2008
Class A	353533730	FNGAX	10.98	0.58	-3.97	4.18	-3.48	6.76	4.27	4.89	-4.98	-9.27	2.23	-4.56	6.16	3.94	1.21	1.12	5.50	—	6/3/2008
Benchmark	—	—	10.82	9.44	20.23	16.44	9.05	9.66	—	10.82	9.44	20.23	16.44	9.05	9.66	—	—	—	—	—	—

Benchmark(s)

Benchmark =MSCI EAFE Index-NR

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 franklintempleton.com.*
Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual expenses 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 11/30/2026 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

What are the Risks?

All investments involve risks, including possible loss of principal. The **investment style** may become out of favor, which may have a negative impact on performance. **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**. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the fund's prospectus.

Important Information

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.

The **MSCI EAFE Index** is a free float-adjusted market capitalization-weighted index designed to measure developed market equity performance, excluding the U.S. and Canada.

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Holdings are provided for informational purposes only and should not be construed as a recommendation to purchase or sell any security.

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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. Please read it carefully.

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