

# Franklin Global Equity Fund

Class A: CFIPX Class I: SMYIX

Commentary | as of September 30, 2025

## **Key Takeaways**

- Markets: Global equity markets collectively advanced through the third quarter of 2025 as tariff anxieties gradually
  eased, many central banks adopted a more accommodative policy stance, and leadership among technology-related
  stocks persisted. July's market tone improved amid clearer trade signals and generally resilient US corporate earnings;
  August saw equity gains despite episodic volatility around new tariff measures; and September capped the quarter with
  a US Federal Reserve rate cut that steadied rate-sensitive assets and lifted risk appetite.
- Contributors: Stock selection was a major contributor across most regions, especially in the United States, led by the
  industrials and health care sectors. Selection was also notably strong in the commodity-sensitive Australia, New Zealand
  and Canada.
- Detractors: Stock selection detracted from relative return in the continental European consumer discretionary and industrials sectors. Region and sector allocation decisions also detracted.
- Outlook: We believe global macro conditions remain generally constructive for equities, with resilient economic
  growth, moderate inflation and broadly supportive monetary and fiscal policy. Corporate fundamentals also appear
  healthy to us, amid improved earnings revisions. We still believe that growth is likely to slow, and goods inflation is likely
  to rise, against the backdrop of tariff uncertainty, but those forecasts have not yet manifested in broadly weaker
  corporate guidance.

### **Performance Review**

- Stock selection added value across most regions, led by the United States, where selection in the industrials and health care
  sectors was especially additive. Selection was also notably strong in Australia, New Zealand and Canada, developed Asia ex
  Japan and Japan and modestly so in the United Kingdom. Selection detracted in continental Europe, especially in the
  consumer discretionary and industrials sectors.
- Region and sector allocation decisions detracted modestly, especially overweights to US consumer staples and health care, both underperformers within the benchmark. This was somewhat offset by the benefit of an overweight to US communication services, a benchmark outperformer.

#### **Outlook**

- We believe global macro conditions remain generally constructive for equities, with resilient economic growth, moderate
  inflation and broadly supportive monetary and fiscal policy. Corporate fundamentals also appear healthy to us, amid
  improved earnings revisions.
- Consensus forward earnings-per-share growth forecasts for global stocks have risen into double-digit percentages, led by US companies, while we also see a clear improvement in the magnitude and breadth of earnings revisions.
- We still believe that growth is likely to slow, and goods inflation is likely to rise, against the backdrop of tariff uncertainty, but
  those forecasts have not yet manifested in broadly weaker corporate guidance. This strengthens our conviction in a
  responsibly bullish approach to risk as we move into the final quarter of 2025.
- Against this background, we believe that attractively valued stocks and companies with solid growth prospects and the
  potential to generate cash remain well-positioned to attract investor interest. We believe that our well-diversified, disciplined
  strategy is positioned to serve investors in this environment.

## **Morningstar Rating™**

Overall Rating as of September 30, 2025



As of 09/30/2025 the fund's Class I and Class A shares received a 5 star overall Morningstar rating™, measuring risk-adjusted returns against 308, 296 and 205 Global Large-Stock Blend funds over the 3-, 5- and 10- year periods, respectively. A fund's overall rating is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) rating metrics.

## **Top Equity Issuers (% of Total)**

Holding	Fund
NVIDIA Corp	6.36
Microsoft Corp	4.58
Apple Inc	4.45
Alphabet Inc	3.62
Meta Platforms Inc	2.51
Amazon.com Inc	2.47
Palantir Technologies Inc	1.41
AbbVie Inc	1.30
Netflix Inc	1.27
Broadcom Inc	1.27

## Average annual total returns and fund expenses (%) - as of September 30, 2025

			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 CDS	С	Date
Class A	52469H487	CFIPX	8.74	19.00	20.51	25.91	16.77	12.60	6.78	2.76	12.45	13.87	23.55	15.40	11.93	6.60	1.27	1.27	5.50	_	3/1/1991
Class I	52469H453	SMYIX	8.81	19.23	20.83	26.30	17.16	12.98	10.13	8.81	19.23	20.83	26.30	17.16	12.98	10.13	0.99	0.95	_	_	5/20/2003
Benchmark	_	_	7.27	17.43	17.25	23.72	14.41	12.43	_	7.27	17.43	17.25	23.72	14.41	12.43	_	_	_	_	_	_

## Benchmark(s)

Benchmark = MSCI World 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 12/31/2026 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

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

#### What are the Risks?

All investments involve risks, including possible loss of principal. Equity securities are subject to price fluctuation and possible loss of principal. Large-capitalization companies may fall out of favor with investors based on market and economic conditions. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. 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. Active and frequent trading may increase a shareholder's tax liability and transaction costs. Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. These and other risks are discussed in the fund's prospectus.

#### **Glossary**

Forward earnings are an estimate of a next period's earnings of a company.

# **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 World Index** is a free float-adjusted market-capitalization index that is designed to measure global developed market equity performance. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI. Net Returns (NR) include income net of tax withholding when dividends are paid.

Important data provider notices and terms available at www.franklintempletondatasources.com. All data is subject to change.

Morningstar Rating™: Source: Morningstar®, 09/30/2025. For each mutual fund and ETF with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance, and does not take into account the effects of sales charges and loads, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The fund's Class A shares received a Morningstar Rating of 5, 5 and 5 and fund's Class I shares received a Morningstar Rating of 5, 5 and 5 star(s) for the 3-, 5- and 10-year periods, respectively. Franklin Templeton provides this fund's Morningstar Rating™ for Class A and Class I shares only. Other share classes may have different Morningstar ratings.

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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.

