

Franklin Global Equity Fund

Class A: CFIPX Class I: SMYIX

Commentary | as of December 31, 2025

Key Takeaways

- **Markets:** Global equity markets collectively advanced through the final quarter of 2025 as investors weighed easing inflation trends and expectations for lower policy rates in 2026 against slowing economic growth and persistent geopolitical risks. US stocks overall advanced into year-end, while other regions were more mixed—benefiting from pockets of technology- and artificial intelligence-led strength (notably in Japan and China) but constrained by currency moves, uneven domestic demand and sector-specific headwinds.
- **Contributors:** Stock selection was a major contributor across most regions represented in the fund's portfolio, especially in continental Europe and the United States. Selection was also beneficial in the commodity-sensitive Australia and Canada.
- **Detractors:** Stock selection detracted from relative return in Japan, where results were especially weak in the consumer discretionary sector.
- **Outlook:** We retain measured conviction toward equities into 2026, as influential pillars of support for risk assets—such as inflation, policy and corporate fundamentals—remain healthy. These dynamics fuel our belief that equities have the potential to generate positive returns for investors, despite stretched valuations.

Performance Review

- Stock selection added value across most regions represented in the fund's portfolio, led by continental Europe and the United States. Selection was also notably strong in Australia, and modestly so in Canada, the United Kingdom and developed Asia ex Japan. Selection detracted in Japan, especially in the consumer discretionary sector.
- Region and sector allocation decisions had little impact, with a modest benefit of an overweight to the United Kingdom, which outperformed the benchmark for the period.

Outlook

- We retain measured conviction toward equities into 2026, as influential pillars of support for risk assets—such as inflation, policy and corporate fundamentals—remain healthy. These dynamics fuel our belief that equities have the potential to generate positive returns for investors, despite stretched valuations.
- Current economic activity indicators show growth above six-month averages in the United States. In addition, continued disinflation trends have provided some room for many central banks to bolster accommodative monetary policy by cutting interest rates. Equally important, corporate fundamentals show little sign of weakening, as trailing earnings growth remains broadly strong. In addition, global forward earnings expectations are generally being revised higher, alongside earnings guidance breadth.
- 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 December 31, 2025

★★★★★ (5-Star) Class A
★★★★★ (5-Star) Class I

As of 12/31/2025 the fund's Class I and Class A shares received a 5 star overall Morningstar rating™, measuring risk-adjusted returns against 305, 297 and 199 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 Securities (% of Total)

Holding	Fund
NVIDIA Corp.	6.12
Apple Inc.	4.51
Microsoft Corp	4.06
Alphabet Inc. Class C	2.46
Amazon.Com, Inc.	2.46
Alphabet Inc. Class A	2.40
Meta Platforms Inc. (FB)	2.13
MasterCard Inc.	1.33
Palantir Technologies Inc	1.30
Broadcom Inc.	1.26

Average annual total returns and fund expenses (%) - as of December 31, 2025

Class	CUSIP	Ticker	Without Sales Charge							With Maximum Sales Charge							Expenses		Sales Charges		Inception Date
			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	
Class A	52469H487	CFIPX	3.56	23.24	23.24	23.52	14.53	12.33	6.84	-2.14	16.45	16.45	21.21	13.17	11.67	6.66	1.27	1.27	5.50	—	3/1/1991
Class I	52469H453	SMYIX	3.66	23.59	23.59	23.92	14.91	12.71	10.19	3.66	23.59	23.59	23.92	14.91	12.71	10.19	0.99	0.95	—	—	5/20/2003
Benchmark	—	—	3.12	21.09	21.09	21.17	12.15	12.17	—	3.12	21.09	21.09	21.17	12.15	12.17	—	—	—	—	—	—

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.

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

Net Returns (NR) include income net of tax withholding when dividends are paid. 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.

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

Morningstar Rating™: Source: Morningstar®, 12/31/2025. 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 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 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. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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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.