

ANNUAL REPORT AND SHAREHOLDER LETTER

FRANKLIN GLOBAL TRUST

July 31, 2019



FRANKLIN
TEMPLETON

Franklin International Growth Fund

Franklin International Small Cap Fund
*Formerly, Franklin International Small Cap Growth
Fund*

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Internet Delivery of Fund Reports Unless You Request Paper Copies: Effective January 1, 2021, as permitted by the SEC, paper copies of the Fund's shareholder reports will no longer be sent by mail, unless you specifically request them from the Fund or your financial intermediary. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. If you have not signed up for electronic delivery, we would encourage you to join fellow shareholders who have. You may elect to receive shareholder reports and other communications electronically from the Fund by calling (800) 632-2301 or by contacting your financial intermediary.

You may elect to continue to receive paper copies of all your future shareholder reports free of charge by contacting your financial intermediary or, if you invest directly with a Fund, calling (800) 632-2301 to let the Fund know of your request. Your election to receive reports in paper will apply to all funds held in your account.

FRANKLIN TEMPLETON

Successful investing begins with ambition. And achievement only comes when you reach for it. That's why we continually strive to deliver better outcomes for investors. No matter what your goals are, our deep, global investment expertise allows us to offer solutions that can help.

During our more than 70 years of experience, we've managed through all kinds of markets—up, down and those in between. We're always preparing for what may come next. It's because of this, combined with our strength as one of the world's largest asset managers that we've earned the trust of millions of investors around the world.

Dear Shareholder:

During the 12 months ended July 31, 2019, the global economy generally expanded amid positive economic data in certain regions, healthy corporate earnings, and the U.S. Federal Reserve's (Fed's) patient monetary policy stance. The European Central Bank left its benchmark interest rate unchanged and announced it would not raise rates in the next year due to risks including Brexit and global trade tensions. The Fed raised its target range for the federal funds rate by 0.25% at its September and December 2018 meetings, to 2.25%–2.50%. However, at its July 2019 meeting, the Fed lowered its target range to 2.00%–2.25%, citing muted inflation and the implications of global developments for the U.S. economy. Global markets were pressured by trade tensions between the U.S. and its trading partners and other geopolitical risks. In this environment, stocks in global developed markets excluding the U.S. and Canada ended the period with negative returns, as measured by the MSCI Europe, Australasia and Far East Index.

We are committed to our long-term perspective and disciplined investment approach as we conduct a rigorous, fundamental analysis of securities with a regular emphasis on investment risk management.

We believe active, professional investment management serves investors well. We also recognize the important role of financial advisors in today's markets and encourage investors to continue to seek their advice. Amid changing markets and economic conditions, we are confident investors

with a well-diversified portfolio and a patient, long-term outlook should be well positioned for the years ahead.

Franklin Global Trust's annual report includes more detail about prevailing conditions and discussions about investment decisions during the period. Please remember all securities markets fluctuate, as do mutual fund share prices.

We thank you for investing with Franklin Templeton, welcome your questions and comments, and look forward to serving your future investment needs.

Sincerely,



Edward Perks, CFA
President and Chief Executive Officer –
Investment Management
Franklin Global Trust

This letter reflects our analysis and opinions as of July 31, 2019, unless otherwise indicated. The information is not a complete analysis of every aspect of any market, country, industry, security or fund. Statements of fact are from sources considered reliable.

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Visit **franklintempleton.com** for fund updates, to access your account, or to find helpful financial planning tools.

ANNUAL REPORT

Economic and Market Overview

The U.S. economy grew during the 12 months ended July 31, 2019. After moderating for two consecutive quarters, the economy grew significantly faster in 2019's first quarter. However, the economy moderated again in the second quarter, due to weakness in inventory investment, exports, business investment and housing investment. The unemployment rate decreased from 3.9% in July 2018 to 3.7% at period-end.¹ The annual inflation rate, as measured by the Consumer Price Index, decreased from 2.9% in July 2018 to 1.9% at period-end.¹

The U.S. Federal Reserve (Fed) raised its target range for the federal funds rate by 0.25% at its September and December 2018 meetings, to 2.25%–2.50%. However, at its July 2019 meeting, the Fed lowered the federal funds target rate for the first time since December 2008, to 2.00%–2.25%, citing muted inflation pressures and the potential effects of global trade tensions on economic growth. Furthermore, the Fed ended its balance sheet normalization program two months earlier than previously indicated. The broad U.S. stock market, as measured by the Standard & Poor's® 500 Index, posted a +8.52% total return for the 12 months under review.²

The global economy expanded during the period, despite weakness in certain regions. Global developed and emerging market stocks were aided by upbeat economic data in some regions, encouraging corporate earnings reports and periods of optimism about a potential U.S.-China trade deal. The Fed's patient approach to its monetary policy in early 2019, recent rate cut and indications it will act appropriately to sustain U.S. economic expansion and achieve its inflation objective aided market sentiment.

However, markets reflected concerns about the Fed's interest-rate hikes and the European Central Bank's (ECB's) unwinding of its bond purchase program in 2018, political uncertainties in the U.S. and the European Union, and the impact of U.S. trade disputes with China and other trading partners on global growth and corporate earnings. In this environment, global developed and emerging market stocks, as measured by the MSCI All Country World Index, posted a +3.52% total return for the 12-month period.²

In Europe, the U.K.'s quarterly gross domestic product (GDP) growth accelerated in 2018's third quarter,

moderated in the fourth quarter and reaccelerated in 2019's first quarter. However, GDP contracted in the second quarter compared with the first quarter, as Brexit uncertainties weighed on business sentiment. The Bank of England raised its key policy rate once during the period. The eurozone's quarterly GDP growth moderated in 2018's third quarter and accelerated in the next two quarters, before moderating again in 2019's second quarter. The bloc's annual inflation rate decreased during the period. The ECB concluded its bond purchase program at the end of 2018 and kept its benchmark interest rate unchanged. In June, the ECB mentioned it would leave interest rates unchanged through the first half of 2020 and provided details of its new stimulus. However, the ECB signaled in July the potential for a rate cut, while indicating support for additional stimulus to bolster economic expansion.

In Asia, Japan's quarterly GDP growth contracted in 2018's third quarter, accelerated in the next two quarters and moderated in 2019's second quarter. The Bank of Japan (BOJ) left its benchmark interest rate unchanged and continued its stimulus measures during the period. In July, the BOJ expressed its openness to increase stimulus to sustain economic growth and achieve its inflation goal. China's annual GDP growth rate moderated in 2018's third and fourth quarters, held steady in 2019's first quarter and moderated in the second quarter to its lowest level since 1992, amid trade tensions with the U.S. and weak global demand. The People's Bank of China left its benchmark interest rate unchanged, but it took measures to improve financial liquidity to mitigate the effects of the U.S.-China trade dispute and support economic growth.

The foregoing information reflects our analysis and opinions as of July 31, 2019. The information is not a complete analysis of every aspect of any market, country, industry, security or fund. Statements of fact are from sources considered reliable.

1. Source: U.S. Bureau of Labor Statistics.

2. Source: Morningstar.

See www.franklintempletondatasources.com for additional data provider information.

Franklin International Growth Fund

This annual report for Franklin International Growth Fund covers the fiscal year ended July 31, 2019.

Your Fund's Goal and Main Investments

The Fund seeks long-term capital appreciation by investing predominantly in equity securities of mid- and large-capitalization companies, generally those with market capitalizations greater than \$2 billion, located outside of the U.S., including developing or emerging market countries. The Fund considers international companies to be those organized under the laws of a country outside of the U.S. or having a principal office in a country outside of the U.S., or whose securities are listed or traded principally on a recognized stock exchange or over-the-counter market outside of the U.S.

Performance Overview

For the 12 months ended July 31, 2019, the Fund's Class A shares posted a -2.62% cumulative total return. In comparison, the Fund's benchmark, the MSCI Europe, Australasia and Far East (EAFE) (Net Dividends) Index, posted a -2.60% total return.¹ Also for comparison, the Fund's secondary benchmark, the MSCI EAFE Index, posted a -2.09% total return.¹ Both indexes measure global developed stock market performance excluding the U.S. and Canada, taking into account the impact of foreign withholding taxes for the net index. You can find the Fund's long-term performance data in the Performance Summary beginning on page 8.

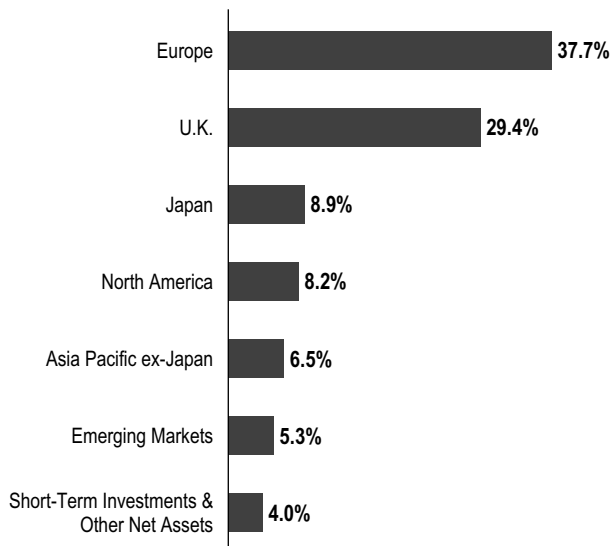
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Investment Strategy

In choosing individual equity investments, we employ a disciplined, bottom-up approach to identify attractive investment opportunities that have higher expected revenue and earnings growth than their peers. We use a growth

Geographic Composition

Based on Total Net Assets as of 7/31/19



investment style and in-depth, fundamental research to identify high-quality companies, across all industry groups, with sustainable business models that offer the most attractive combination of growth, quality and valuation. The investment manager's process generally includes an assessment of the potential impacts of any material environmental, social and governance (ESG) factors on the long-term risk and return profile of a company.

Manager's Discussion

During the 12-month period under review, stock selection in the health care, communication services and materials sectors detracted from the Fund's relative performance.²

In health care, off-benchmark positions in Ireland-based biopharmaceutical company Alkermes and U.S.-listed medical device maker LivaNova hurt relative performance. In April, LivaNova announced disappointing first quarter earnings due to short-term weakness in its neuromodulation business caused by competitive pressures and salesforce turnover. We believe the company's strong market positions

1. Source: Morningstar.

The index is unmanaged and includes reinvestment of any income or distributions (after the deduction of certain withholding taxes for the Net Dividends Index). It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

2. The health care sector comprises biotechnology, health care equipment and supplies, and pharmaceuticals in the SOI. The communication services sector comprises media in the SOI. The materials sector comprises chemicals in the SOI.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Statement of Investments (SOI). The SOI begins on page 25.

in both cardiac surgery and neurostimulation products along with a robust product pipeline should support longer-term growth.

In communication services, Japan-based media and gaming company CyberAgent was a major relative detractor. Despite this, we remain optimistic and expect CyberAgent's gaming and advertising businesses to continue to grow, which would allow the company to use those profits to invest in its media businesses to drive future growth.

Top 10 Countries 7/31/19

	% of Total Net Assets
U.K.	29.4%
Germany	14.4%
Japan	8.9%
Netherlands	7.8%
Australia	6.5%
Denmark	5.5%
Belgium	5.1%
Canada	4.9%
U.S.	3.3%
Argentina	2.7%

In materials, Belgium-based clean technology materials firm Umicore detracted from relative returns due to ongoing concerns about near-term weakness in sales, partly due to China's ongoing reduction of electric vehicle subsidies. During the second quarter of 2019, the company acquired a cobalt refinery in Finland and secured a long-term supply agreement for the metal, which is used in electric car batteries. We believe Umicore should benefit from the ongoing global growth of electric car sales and continued demand for cleaner emissions technology over the longer term.

In other sectors, relative detractors included Zozo, a Japanese online apparel retailer, and Dollarama, a Canada-based discount retailer. Despite recent weakness, we expect Zozo to benefit as more Japanese consumers purchase clothing online. Other detractors included John Wood Group, a U.K.-based oilfield services firm, and Weir Group (not held at period-end), a U.K.-based engineering equipment company.

Top 10 Sectors/Industries 7/31/19

	% of Total Net Assets
Internet & Direct Marketing Retail	11.5%
IT Services	10.5%
Health Care Equipment & Supplies	9.2%
Software	9.0%
Chemicals	8.3%
Media	6.2%
Pharmaceuticals	5.1%
Aerospace & Defense	4.8%
Banks	4.6%
Energy Equipment & Services	3.4%

Turning to contributors, stock selection and an overweight in information technology (IT) and stock selection in industrials supported relative performance.³ Stock selection and an underweight in financials also helped relative results.⁴

Several IT stocks contributed to relative performance following strong sector-wide earnings reports in the first half of 2019. Shopify (not part of the index), a Canada-based provider of software for the retail industry, continued to grow as more merchants used its products and its international operations further expanded. The company also announced plans to offer logistic services to its customers. Other contributors included Dutch data center operator InterXion (not part of the index) and British business software firm The Sage Group.

In industrials, U.K.-based consumer credit information provider Experian boosted relative performance. Investor confidence increased after the company issued solid financial guidance for its upcoming fiscal year based on new product launches and growth in its consumer services business. MTU Aero Engines, a German aircraft engine manufacturer, benefited from solid demand for its new engines and the continued need for maintenance of older engines. Danish logistics firm DSV also bolstered relative results following the announcement of its acquisition of a Swiss rival in April 2019 and strong first-quarter volume growth across its business in the face of a challenging macroeconomic environment.

3. The IT sector comprises IT services, semiconductors and semiconductor equipment, and software in the SOI. The industrials sector comprises aerospace and defense, professional services, road and rail, and trading companies and distributors in the SOI.

4. The financials sector comprises banks and capital markets in the SOI.

See www.franklintempletondatasources.com for additional data provider information.

In the consumer discretionary sector, Latin American online marketplace operator MercadoLibre (not part of the index) contributed to relative performance. MercadoLibre reported robust revenue growth and improving margins in the past few quarters, with strength in both its payment services division and marketplace platform. U.K.-based online fashion brand boohoo Group (not part of the index) bolstered relative performance due to robust sales, as marketing efforts helped boost sales of its main brands.

Regionally, stock selection in Latin America and North America benefited relative results, while stock selection in Asia hurt performance.

It is important to recognize the effect of currency movements on the Fund's performance. In general, if the value of the U.S. dollar goes up compared with a foreign currency, an investment traded in that foreign currency will go down in value because it will be worth fewer U.S. dollars. This can have a negative effect on Fund performance. Conversely, when the U.S. dollar weakens in relation to a foreign currency, an investment traded in that foreign currency will increase in value, which can contribute to Fund performance. For the 12 months ended July 31, 2019, the U.S. dollar rose in value relative to most currencies. As a result, the Fund's performance was negatively affected by the portfolio's investment predominantly in securities with non-U.S. currency exposure.

Top 10 Holdings

7/31/19

Company Sector/Industry, Country	% of Total Net Assets
Cochlear Ltd. <i>Health Care Equipment & Supplies, Australia</i>	3.5%
John Wood Group PLC <i>Energy Equipment & Services, U.K.</i>	3.4%
Infineon Technologies AG <i>Semiconductors & Semiconductor Equipment, Germany</i>	3.3%
CyberAgent Inc. <i>Media, Japan</i>	3.3%
Sophos Group PLC <i>Software, U.K.</i>	3.2%
InterXion Holding NV <i>IT Services, Netherlands</i>	3.2%
Shopify Inc., A <i>IT Services, Canada</i>	3.2%
LivaNova PLC <i>Health Care Equipment & Supplies, U.K.</i>	3.2%
Zozo Inc. <i>Internet & Direct Marketing Retail, Japan</i>	3.2%
MTU Aero Engines AG <i>Aerospace & Defense, Germany</i>	3.1%

Thank you for your continued participation in Franklin International Growth Fund. We look forward to serving your future investment needs.



Donald G. Huber, CFA



John Remmert

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of July 31, 2019, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of July 31, 2019

The performance table and graphs do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 7/31/19¹

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
1-Year	-2.62%	-7.97%
5-Year	+34.60%	+4.94%
10-Year	+114.53%	+7.33%
Advisor		
1-Year	-2.45%	-2.45%
5-Year	+36.26%	+6.38%
10-Year	+119.92%	+8.20%

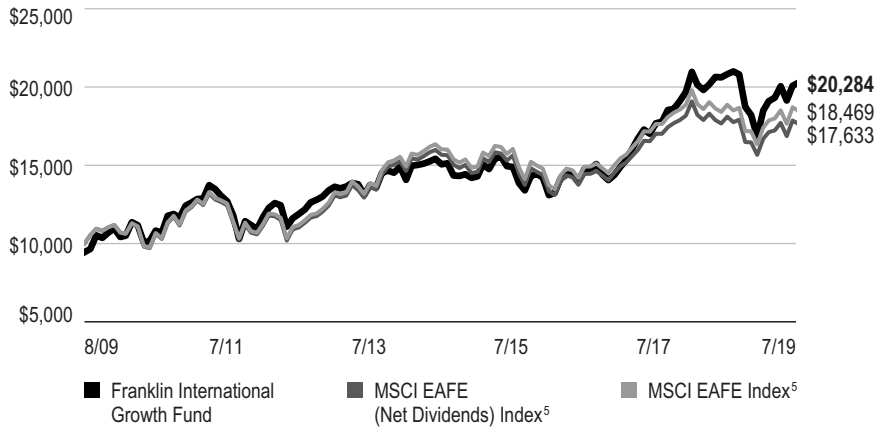
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 10 for Performance Summary footnotes.

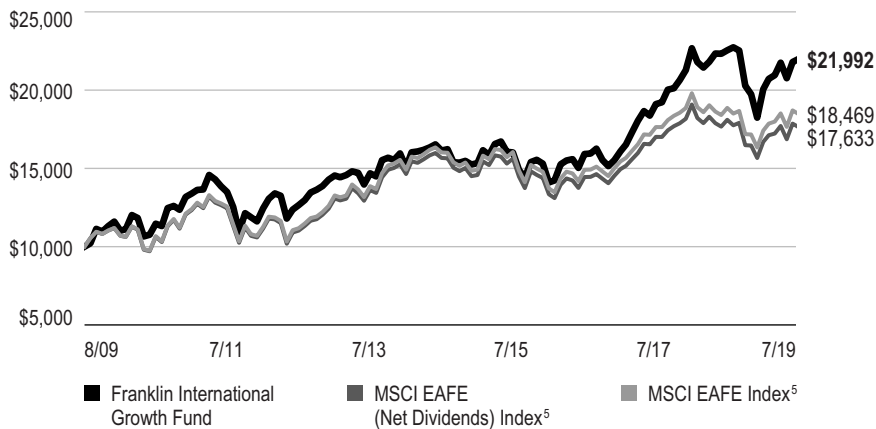
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged index includes reinvestment of any income or distributions. It differs from the Fund in composition and does not pay management fees or expenses. One cannot invest directly in an index.

Class A (8/1/09–7/31/19)



Advisor Class (8/1/09–7/31/19)



See page 10 for Performance Summary footnotes.

Distributions (8/1/18–7/31/19)

Share Class	Net Investment Income	Short-Term Capital Gain	Long-Term Capital Gain	Total
A	\$0.0338	\$0.0314	\$0.1700	\$0.2352
C	\$ —	\$0.0314	\$0.1700	\$0.2014
R	\$0.0283	\$0.0314	\$0.1700	\$0.2297
R6	\$0.0542	\$0.0314	\$0.1700	\$0.2556
Advisor	\$0.0471	\$0.0314	\$0.1700	\$0.2485

Total Annual Operating Expenses⁶

Share Class	With Fee Waiver	Without Fee Waiver
A	1.12%	1.26%
Advisor	0.87%	1.01%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

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 emerging markets involve heightened risks related to the same factors, in addition to those associated with these markets' smaller size and lesser liquidity. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. The Fund's prospectus also includes a description of the main investment risks.

1. The Fund has an expense reduction and a fee waiver associated with any investments it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through 11/30/19. Fund investment results reflect the expense reduction and fee waiver, without these reductions, the result would have been lower.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Prior to 9/10/18 these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. Source: Morningstar. The MSCI EAFE Index is a free float-adjusted, market capitalization weighted index designed to measure equity market performance in global developed markets excluding the U.S. and Canada. The Net Dividends Index reflects the deduction of withholding taxes on reinvested dividends.
6. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See www.franklintempletondatasources.com for additional data provider information.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 2/1/19	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 7/31/19	Expenses Paid During Period 2/1/19–7/31/19 ^{1, 2}	Ending Account Value 7/31/19	Expenses Paid During Period 2/1/19–7/31/19 ^{1, 2}	
A	\$1,000	\$1,095.90	\$5.61	\$1,019.44	\$5.41	1.08%
C	\$1,000	\$1,092.00	\$9.49	\$1,015.72	\$9.15	1.83%
R	\$1,000	\$1,094.30	\$6.80	\$1,018.30	\$6.56	1.31%
R6	\$1,000	\$1,097.90	\$3.49	\$1,021.47	\$3.36	0.67%
Advisor	\$1,000	\$1,096.50	\$4.31	\$1,020.68	\$4.16	0.83%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

Franklin International Small Cap Fund

Formerly, Franklin International Small Cap Growth Fund

This annual report for Franklin International Small Cap Fund covers the fiscal year ended July 31, 2019. Effective June 3, 2013, the Fund closed to new investors, with limited exceptions. As previously communicated, effective March 1, 2019, the Fund changed its name from Franklin International Small Cap Growth Fund to Franklin International Small Cap Fund.

Your Fund's Goal and Main Investments

The Fund seeks long-term capital appreciation by investing at least 80% of its net assets in a diversified portfolio of marketable equity and equity-related securities of smaller international companies with market capitalizations not exceeding \$5 billion (or the equivalent in local currencies), or the highest market capitalization of the MSCI Europe, Australasia and Far East (EAFE) Small Cap Index, whichever is greater, at the time of purchase. The Fund considers international companies to be those organized under the laws of a country outside of the U.S. or having a principal office in a country outside of the U.S., or whose securities are listed or traded principally on a recognized stock exchange or over-the-counter market outside of the U.S.

Performance Overview

For the 12 months ended July 31, 2019, the Fund's Class A shares posted a -13.49% cumulative total return. In comparison, the Fund's benchmark, the MSCI Europe, Australasia and Far East (EAFE) Small Cap (Net Dividends) Index, posted a -7.61% total return.¹ Also for comparison, the Fund's secondary benchmark, the MSCI EAFE Small Cap Index, posted a -7.24% total return.¹ Both indexes track small cap equity performance in global developed markets excluding the U.S. and Canada, taking into account the impact of foreign withholding taxes for the net index. You can find the Fund's long-term performance data in the Performance Summary beginning on page 16.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from

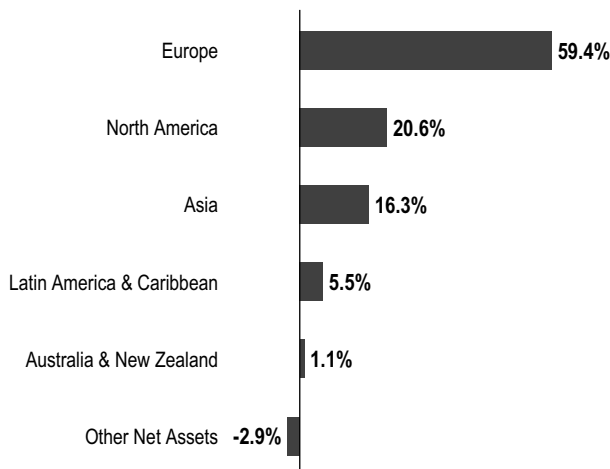
1. Source: Morningstar.

The index is unmanaged and includes reinvestment of any income or distributions (after the deduction of certain withholding taxes for the Net Dividends Index). It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Statement of Investments (SOI). The SOI begins on page 32.

Geographic Composition

Based on Total Net Assets as of 7/31/19



figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Investment Strategy

In choosing individual equity investments, we use a fundamental, bottom-up approach involving in-depth analysis of individual equity securities. We employ a quantitative and qualitative approach to identify smaller international companies that we believe have the potential to generate attractive returns with lower downside risk. Such companies tend to have proprietary products and services, which can sustain a longer-term competitive advantage, and they tend to have a higher probability of maintaining a strong balance sheet and/or generating cash flow. After we identify a company, we conduct a thorough analysis to establish its earnings prospects and determine its value. Overall, we seek to invest in growth companies with attractive valuations. The investment manager's process generally includes an assessment of the potential impacts of any material environmental, social and governance (ESG) factors on the long-term risk and return profile of a company.

We do not select investments for the Fund that are merely representative of the small cap asset class but instead aim to produce a portfolio of securities of exceptional companies operating in sectors that offer attractive growth potential.

Although we seek to outperform the MSCI EAFE Small Cap (Net Dividends) Index, the Fund may take positions that are not represented in the index.

Manager's Discussion

During the 12-month review period, stock selection and an overweighted allocation in consumer staples as well as stock selection and underweighted allocation in real estate detracted from relative results.² Stock selection and an overweighting in energy also curbed relative performance.³

In consumer staples, Ireland-based fresh produce provider Total Produce (not part of the index) detracted from relative performance due to a challenging market environment brought on by uncertainty surrounding international trade. However, its Dole business has been performing well as that brand recovers from recent food safety concerns. Over the longer term, we expect Total Produce to grow through increased demand for fresh fruits and vegetables as well as acquisitions. Denmark-based cigar maker Scandinavian Tobacco Group also detracted due to concerns about temporarily weaker sales in some markets.

Top 10 Countries

7/31/19

	% of Total Net Assets
U.K.	19.6%
Canada	10.6%
Spain	10.2%
U.S.	10.0%
France	8.7%
Denmark	6.9%
Sweden	6.4%
Singapore	5.6%
Chile	5.5%
Hong Kong	4.7%

In real estate, Spanish real estate investment trust (REIT) Lar Espana Real Estate Socimi was a relative detractor. We expect the REIT to benefit from the ongoing recovery in the Spanish commercial property market over time.

Top 10 Sectors/Industries

7/31/19

	% of Total Net Assets
Commercial Services & Supplies	13.7%
Insurance	10.3%
Marine	9.1%
Energy Equipment & Services	7.2%
Capital Markets	6.4%
Media	5.5%
Hotels, Restaurants & Leisure	4.9%
Real Estate Management & Development	4.7%
Machinery	4.6%
Food Products	4.6%

In the energy sector, Norway-based drilling services firm Borr Drilling was hurt by concerns about the capital spending environment in the broader oil and gas industry. However, we are beginning to see improving demand for self-elevating rigs as major oil companies look to replace depleted reserves. Borr Drilling also announced approval for a syndicated loan (a loan provided by a group of lenders) that could allow it to fully finance the build-out of several new rigs, as well as fund the activation costs for additional rigs. An off-benchmark position in U.K.-based oilfield services firm John Wood Group also hampered relative performance. The company was hurt by continued concerns about its efforts to reduce debt and the uncertain capital spending environment in the industry. We believe growth should return over the longer term, as we expect more large oil companies to boost their budgets to replace oil reserves.

In other sectors, Fairfax India (not part of the index), a Canada-based investment firm focused on India, curbed relative performance. Over the longer term, we expect the company's investments, such as Bangalore Airport, to appreciate.

In contrast, stock selection in the financials, materials and consumer discretionary sectors bolstered relative performance.⁴

In financials, off-benchmark positions in Bermuda-based reinsurers Arch Capital Group and RenaissanceRe supported relative performance, helped by strong earnings

2. The consumer staples sector comprises food and staples retailing, food products and tobacco in the SOI. The real estate sector comprises equity real estate investment trusts and real estate management and development in the SOI.

3. The energy sector comprises energy equipment in the SOI.

4. The financials sector comprises capital markets and insurance in the SOI. The materials sector comprises metals and mining in the SOI. The consumer discretionary sector comprises distributors; hotels, restaurants and leisure; and internet and direct marketing retail in the SOI.

See www.franklintempletondatasources.com for additional data provider information.

results and optimism about rising premiums in the broader insurance industry. Arch Capital has also continued to see robust growth in its mortgage insurance business in recent quarters.

In the materials sector, Singapore-based mining and real estate company Straits Trading (not part of the index) supported relative performance. The company announced plans to buy back its shares and continues to shed its less profitable mining businesses to make investments in higher returning real estate assets. U.K.-based plastic packaging manufacturer RPC Group (not held at period-end) contributed after receiving a takeover offer from a U.S.-based rival, and Switzerland-based industrials firm Panalpina Welttransport (not held at period-end) contributed following a takeover offer from a Denmark-based rival.

Top 10 Holdings

7/31/19

Company Sector/Industry, Country	% of Total Net Assets
Fairfax India Holdings Corp. <i>Capital Markets, Canada</i>	6.4%
Liberty Latin America Ltd. <i>Media, Chile</i>	5.5%
Clarkson PLC <i>Marine, U.K.</i>	5.1%
Elior Group SA <i>Hotels, Restaurants & Leisure, France</i>	4.9%
John Wood Group PLC <i>Energy Equipment & Services, U.K.</i>	4.9%
Hang Lung Group Ltd. <i>Real Estate Management & Development, Hong Kong</i>	4.7%
Zardoya Otis SA <i>Machinery, Spain</i>	4.6%
Biffa PLC <i>Commercial Services & Supplies, U.K.</i>	4.2%
Fairfax Financial Holdings Ltd. <i>Insurance, Canada</i>	4.2%
58.com Inc. <i>Interactive Media & Services, China</i>	4.1%

Consumer discretionary stock Bandai Namco (not held at period-end), a Japan-based toy and game maker, bolstered relative performance. The company continues to see strong growth in the Japanese market and is looking to increase its presence in other parts of Asia, particularly China, to support future growth.

Regionally, stock selection in Europe and an underweighting in Australia and New Zealand hurt relative results, while

stock selection in Asia and North America bolstered relative performance.

It is important to recognize the effect of currency movements on the Fund's performance. In general, if the value of the U.S. dollar goes up compared with a foreign currency, an investment traded in that foreign currency will go down in value because it will be worth fewer U.S. dollars. This can have a negative effect on Fund performance. Conversely, when the U.S. dollar weakens in relation to a foreign currency, an investment traded in that foreign currency will increase in value, which can contribute to Fund performance. For the 12 months ended July 31, 2019, the U.S. dollar rose in value relative to most currencies. As a result, the Fund's performance was negatively affected by the portfolio's investment predominantly in securities with non-U.S. currency exposure.

Thank you for your continued participation in Franklin International Small Cap Fund. We look forward to serving your future investment needs.



Ed Lugo

Edwin Lugo, CFA
Lead Portfolio Manager



Pankaj Nevatia

Pankaj Nevatia, CFA
Portfolio Manager

The foregoing information reflects our analysis, opinions and portfolio holdings as of July 31, 2019, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of July 31, 2019

The performance table and graphs do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 7/31/19¹

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.*

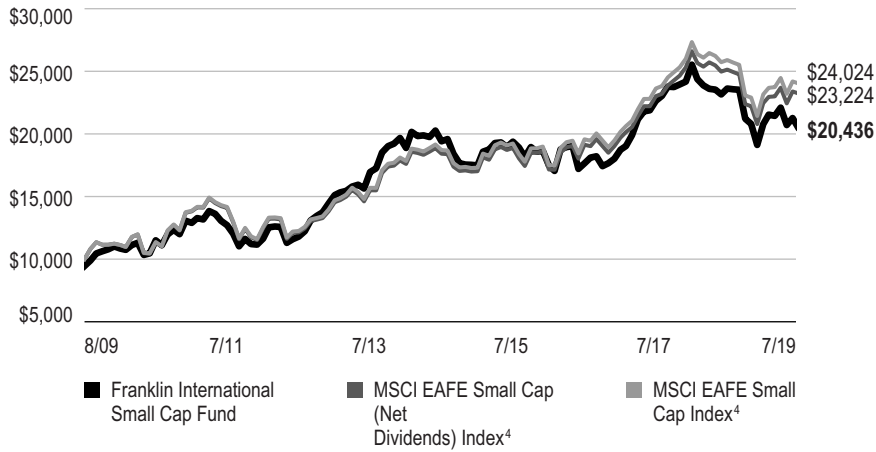
Share Class	Cumulative Total Return ¹	Average Annual Total Return ²
A³		
1-Year	-13.49%	-18.25%
5-Year	+5.28%	-0.10%
10-Year	+116.25%	+7.41%
Advisor		
1-Year	-13.22%	-13.22%
5-Year	+6.60%	+1.29%
10-Year	+122.09%	+8.31%

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

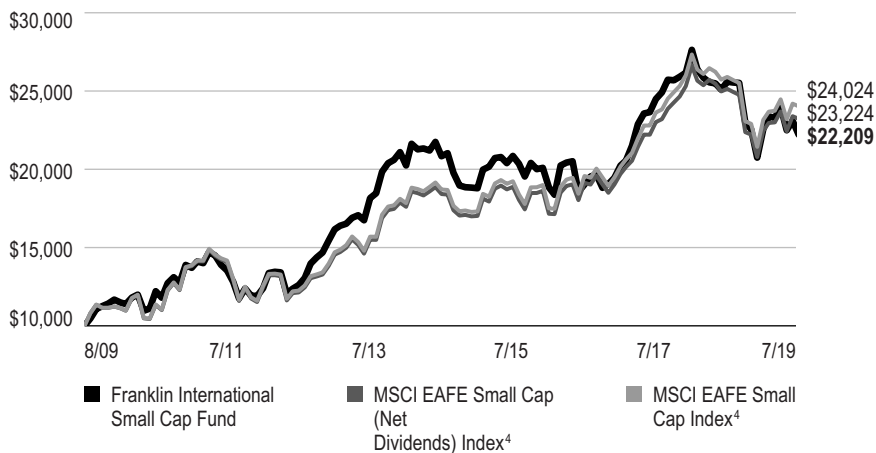
Total Return Index Comparison for a Hypothetical \$10,000 Investment

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged index includes reinvestment of any income or distributions. It differs from the Fund in composition and does not pay management fees or expenses. One cannot invest directly in an index.

Class A (8/1/09–7/31/19)



Advisor Class (8/1/09–7/31/19)



See page 18 for Performance Summary footnotes.

Distributions (8/1/18–7/31/19)

Share Class	Net Investment Income	Short-Term Capital Gain	Total
A	\$0.2690	\$0.2608	\$0.5298
C	\$0.1528	\$0.2608	\$0.4136
R	\$0.2394	\$0.2608	\$0.5002
R6	\$0.3198	\$0.2608	\$0.5806
Advisor	\$0.3023	\$0.2608	\$0.5631

Total Annual Operating Expenses⁵

Share Class	
A	1.38%
Advisor	1.13%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

All investments involve risks, including possible loss of principal. The Fund is intended for long-term investors who are comfortable with fluctuation in the value of their investment, especially over the short term. Smaller, relatively new and/or unseasoned companies can be particularly sensitive to changing economic conditions, and their prospects for growth are less certain than those of larger, more established companies. Foreign investing involves additional risks such as currency and market volatility, as well as political and social instability. Investments in emerging markets involve heightened risks relating to the same factors. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. The Fund's prospectus also includes a description of the main investment risks.

1. Cumulative total return represents the change in value of an investment over the periods indicated.
2. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
3. Prior to 9/10/18 these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
4. Source: Morningstar. The MSCI EAFE Small Cap Index is a free float-adjusted, market capitalization-weighted index designed to measure the performance of small cap equity securities of global developed markets excluding the U.S. and Canada. The Net Dividends Index reflects the deduction of withholding taxes on reinvested dividends.
5. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See www.franklintempletondatasources.com for additional data provider information.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 2/1/19	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 7/31/19	Expenses Paid During Period 2/1/19–7/31/19 ^{1, 2}	Ending Account Value 7/31/19	Expenses Paid During Period 2/1/19–7/31/19 ^{1, 2}	
A	\$1,000	\$983.30	\$ 7.13	\$1,017.60	\$ 7.25	1.45%
C	\$1,000	\$980.10	\$10.80	\$1,013.88	\$10.99	2.20%
R	\$1,000	\$982.10	\$ 8.35	\$1,016.36	\$ 8.50	1.70%
R6	\$1,000	\$985.70	\$ 5.07	\$1,019.69	\$ 5.16	1.03%
Advisor	\$1,000	\$984.50	\$ 5.90	\$1,018.84	\$ 6.01	1.20%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements, for Class R6.

Financial Highlights

Franklin International Growth Fund

Year Ended July 31,

	2019	2018	2017	2016	2015
Class A					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$15.31	\$13.18	\$11.07	\$11.16	\$11.40
Income from investment operations ^a :					
Net investment income ^b	0.04	0.06	0.05	0.03	0.06
Net realized and unrealized gains (losses)	(0.50)	2.26	2.12	(0.12)	(0.20)
Total from investment operations	(0.46)	2.32	2.17	(0.09)	(0.14)
Less distributions from:					
Net investment income	(0.03)	—	(0.06)	(—) ^c	(0.03)
Net realized gains	(0.20)	(0.19)	—	—	(0.07)
Total distributions	(0.23)	(0.19)	(0.06)	(—) ^c	(0.10)
Net asset value, end of year	\$14.62	\$15.31	\$13.18	\$11.07	\$11.16
Total return ^d	(2.62)%	17.73%	19.70%	(0.80)%	(1.13)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.19%	1.27%	1.54%	1.65%	1.72%
Expenses net of waiver and payments by affiliates	1.05% ^e	1.15% ^e	1.31% ^e	1.44% ^e	1.49%
Net investment income	0.32%	0.43%	0.37%	0.25%	0.61%
Supplemental data					
Net assets, end of year (000's)	\$289,944	\$161,607	\$185,680	\$169,994	\$182,825
Portfolio turnover rate	18.11%	58.36%	28.66%	27.27%	47.52%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cAmount rounds to less than \$0.01 per share.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

^eBenefit of expense reduction rounds to less than 0.01%.

Franklin International Growth Fund (continued)

	Year Ended July 31,				
	2019	2018	2017	2016	2015
Class C					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$14.74	\$12.80	\$10.77	\$10.94	\$11.22
Income from investment operations ^a :					
Net investment income (loss) ^b	(0.06)	(0.03)	(0.04)	(0.05)	(0.01)
Net realized and unrealized gains (losses)	(0.48)	2.16	2.07	(0.12)	(0.20)
Total from investment operations	(0.54)	2.13	2.03	(0.17)	(0.21)
Less distributions from:					
Net realized gains	(0.20)	(0.19)	—	—	(0.07)
Net asset value, end of year	\$14.00	\$14.74	\$12.80	\$10.77	\$10.94
Total return ^c	(3.34)%	16.76%	18.85%	(1.55)%	(1.84)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.94%	2.02%	2.29%	2.40%	2.42%
Expenses net of waiver and payments by affiliates	1.80% ^d	1.90% ^d	2.06% ^d	2.19% ^d	2.19%
Net investment income (loss)	(0.43)%	(0.32)%	(0.38)%	(0.50)%	(0.09)%
Supplemental data					
Net assets, end of year (000's)	\$27,397	\$22,542	\$8,702	\$6,773	\$7,179
Portfolio turnover rate	18.11%	58.36%	28.66%	27.27%	47.52%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

^dBenefit of expense reduction rounds to less than 0.01%.

Franklin International Growth Fund (continued)

	Year Ended July 31,				
	2019	2018	2017	2016	2015
Class R					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$15.21	\$13.16	\$11.02	\$11.15	\$11.38
Income from investment operations ^a :					
Net investment income (loss) ^b	— ^c	0.04	0.02	(—) ^c	0.04
Net realized and unrealized gains (losses)	(0.48)	2.22	2.13	(0.12)	(0.19)
Total from investment operations	(0.48)	2.26	2.15	(0.12)	(0.15)
Less distributions from:					
Net investment income	(0.03)	(0.02)	(0.01)	(0.01)	(0.01)
Net realized gains	(0.20)	(0.19)	—	—	(0.07)
Total distributions	(0.23)	(0.21)	(0.01)	(0.01)	(0.08)
Net asset value, end of year	\$14.50	\$15.21	\$13.16	\$11.02	\$11.15
Total return	(2.88)%	17.34%	19.54%	(1.10)%	(1.31)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.43%	1.49%	1.76%	1.90%	1.92%
Expenses net of waiver and payments by affiliates	1.29% ^d	1.37% ^d	1.53% ^d	1.69% ^d	1.69%
Net investment income	0.08%	0.21%	0.15%	(—)% ^e	0.41%
Supplemental data					
Net assets, end of year (000's)	\$1,848	\$1,086	\$371	\$295	\$363
Portfolio turnover rate	18.11%	58.36%	28.66%	27.27%	47.52%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cAmount rounds to less than \$0.01 per share.

^dBenefit of expense reduction rounds to less than 0.01%.

^eRounds to less than 0.01%.

Franklin International Growth Fund (continued)

	Year Ended July 31,				
	2019	2018	2017	2016	2015
Class R6					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$15.34	\$13.25	\$11.15	\$11.25	\$11.48
Income from investment operations ^a :					
Net investment income ^b	0.08	0.12	0.08	0.07	0.15
Net realized and unrealized gains (losses)	(0.48)	2.26	2.15	(0.12)	(0.23)
Total from investment operations	(0.40)	2.38	2.23	(0.05)	(0.08)
Less distributions from:					
Net investment income	(0.05)	(0.10)	(0.13)	(0.05)	(0.08)
Net realized gains	(0.20)	(0.19)	—	—	(0.07)
Total distributions	(0.25)	(0.29)	(0.13)	(0.05)	(0.15)
Net asset value, end of year	\$14.69	\$15.34	\$13.25	\$11.15	\$11.25
Total return	(2.26)%	18.15%	20.26%	(0.39)%	(0.62)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.84%	0.85%	0.90%	1.01%	1.02%
Expenses net of waiver and payments by affiliates	0.66% ^c	0.71% ^c	0.88% ^c	1.00% ^c	1.02% ^d
Net investment income	0.71%	0.87%	0.80%	0.69%	1.08%
Supplemental data					
Net assets, end of year (000's)	\$344,257	\$83,292	\$54,347	\$122,862	\$137,950
Portfolio turnover rate	18.11%	58.36%	28.66%	27.27%	47.52%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cBenefit of expense reduction rounds to less than 0.01%.

^dBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin International Growth Fund (continued)

	Year Ended July 31,				
	2019	2018	2017	2016	2015
Advisor Class					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$15.33	\$13.24	\$11.13	\$11.24	\$11.47
Income from investment operations ^a :					
Net investment income ^b	0.09	0.10	0.08	0.05	0.10
Net realized and unrealized gains (losses)	(0.51)	2.26	2.13	(0.12)	(0.20)
Total from investment operations	(0.42)	2.36	2.21	(0.07)	(0.10)
Less distributions from:					
Net investment income	(0.05)	(0.08)	(0.10)	(0.04)	(0.06)
Net realized gains	(0.20)	(0.19)	—	—	(0.07)
Total distributions	(0.25)	(0.27)	(0.10)	(0.04)	(0.13)
Net asset value, end of year	\$14.66	\$15.33	\$13.24	\$11.13	\$11.24
Total return	(2.45)%	17.98%	20.04%	(0.62)%	(0.76)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.94%	1.02%	1.29%	1.40%	1.42%
Expenses net of waiver and payments by affiliates	0.80% ^c	0.90% ^c	1.06% ^c	1.19% ^c	1.19%
Net investment income	0.57%	0.68%	0.62%	0.50%	0.91%
Supplemental data					
Net assets, end of year (000's)	\$863,973	\$294,254	\$147,926	\$110,441	\$126,130
Portfolio turnover rate	18.11%	58.36%	28.66%	27.27%	47.52%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cBenefit of expense reduction rounds to less than 0.01%.

Statement of Investments, July 31, 2019

Franklin International Growth Fund

	Country	Shares	Value
Common Stocks 96.0%			
Aerospace & Defense 4.8%			
CAE Inc.	Canada	926,000	\$ 24,971,654
MTU Aero Engines AG	Germany	190,000	47,618,225
			<u>72,589,879</u>
Auto Components 2.9%			
Aptiv PLC.	United States	500,000	43,825,000
Banks 4.6%			
FincoBank Banca Finco SpA	Italy	3,656,000	36,375,912
^{a,b} Irish Bank Resolution Corp. Ltd.	Ireland	11,500	—
KBC Groep NV.	Belgium	532,000	34,306,987
			<u>70,682,899</u>
Biotechnology 3.4%			
^a Alkermes PLC	United States	240,000	5,558,400
CSL Ltd.	Australia	292,000	45,838,076
			<u>51,396,476</u>
Capital Markets 2.7%			
Deutsche Boerse AG.	Germany	298,000	41,645,781
Chemicals 8.3%			
Koninklijke DSM NV	Netherlands	370,000	46,180,882
Symrise AG	Germany	402,000	37,204,158
Umicore SA	Belgium	1,380,000	43,427,025
			<u>126,812,065</u>
Diversified Consumer Services 2.6%			
^a TAL Education Group, ADR	China	1,250,000	40,250,000
Energy Equipment & Services 3.4%			
John Wood Group PLC	United Kingdom	8,150,000	52,574,455
Health Care Equipment & Supplies 9.2%			
Cochlear Ltd.	Australia	355,000	53,478,008
GN Store Nord AS	Denmark	809,000	38,490,132
^a LivaNova PLC	United Kingdom	629,000	48,464,450
			<u>140,432,590</u>
Internet & Direct Marketing Retail 11.5%			
^a boohoo Group PLC	United Kingdom	16,200,000	47,134,965
^a Just Eat PLC	United Kingdom	4,220,100	39,035,367
^a MercadoLibre Inc.	Argentina	66,400	41,262,288
Zozo Inc.	Japan	2,550,000	48,340,455
			<u>175,773,075</u>
IT Services 10.5%			
^a Adyen NV	Netherlands	33,600	25,541,560
^a InterXion Holding NV.	Netherlands	651,000	49,020,300
Keywords Studios PLC	Ireland	1,870,000	37,779,526
^a Shopify Inc., A	Canada	153,000	48,635,640
			<u>160,977,026</u>

Franklin International Growth Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Media 6.2%			
Ascential PLC.	United Kingdom	8,980,000	\$ 43,441,043
CyberAgent Inc.	Japan	1,245,000	50,566,506
			<u>94,007,549</u>
Pharmaceuticals 5.1%			
Hikma Pharmaceuticals PLC	United Kingdom	1,850,000	41,364,731
Santen Pharmaceutical Co. Ltd.	Japan	2,288,000	37,024,287
			<u>78,389,018</u>
Professional Services 2.8%			
Experian PLC.	United Kingdom	1,400,000	42,519,749
Road & Rail 3.0%			
DSV AS.	Denmark	477,000	45,586,754
Semiconductors & Semiconductor Equipment 3.3%			
Infineon Technologies AG	Germany	2,697,000	50,791,601
Software 9.0%			
The Sage Group PLC	United Kingdom	5,000,000	43,734,599
SAP SE	Germany	352,000	43,513,598
Sophos Group PLC	United Kingdom	9,350,000	49,410,986
			<u>136,659,183</u>
Trading Companies & Distributors 2.7%			
Ferguson PLC	United Kingdom	555,000	41,560,261
Total Common Stocks (Cost \$1,294,017,689)			<u>1,466,473,361</u>
Short Term Investments (Cost \$58,630,699) 3.8%			
Money Market Funds 3.8%			
^{c,d} Institutional Fiduciary Trust Money Market Portfolio, 2.00%	United States	58,630,699	58,630,699
Total Investments (Cost \$1,352,648,388) 99.8%			1,525,104,060
Other Assets, less Liabilities 0.2%			2,315,497
Net Assets 100.0%			<u>\$1,527,419,557</u>

See Abbreviations on page 50.

^aNon-income producing.

^bFair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

^cSee Note 3(f) regarding investments in affiliated management investment companies.

^dThe rate shown is the annualized seven-day effective yield at period end.

Financial Highlights

Franklin International Small Cap Fund

	Year Ended July 31,				
	2019	2018	2017	2016	2015
Class A					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$19.68	\$20.61	\$17.55	\$19.92	\$22.23
Income from investment operations ^a :					
Net investment income ^b	0.20	0.47	0.19	0.22	0.19
Net realized and unrealized gains (losses)	(2.87)	0.41	4.37	(1.98)	(0.48)
Total from investment operations	(2.67)	0.88	4.56	(1.76)	(0.29)
Less distributions from:					
Net investment income	(0.27)	(1.23)	(0.18)	(0.24)	(0.29)
Net realized gains	(0.26)	(0.58)	(1.32)	(0.37)	(1.73)
Total distributions	(0.53)	(1.81)	(1.50)	(0.61)	(2.02)
Net asset value, end of year	\$16.48	\$19.68	\$20.61	\$17.55	\$19.92
Total return ^c	(13.49)%	4.32%	28.31%	(8.93)%	(0.17)%
Ratios to average net assets					
Expenses ^d	1.41%	1.38%	1.38%	1.38%	1.36%
Net investment income	1.11%	2.32%	1.05%	1.14%	0.98%
Supplemental data					
Net assets, end of year (000's)	\$95,528	\$142,505	\$161,355	\$169,943	\$212,890
Portfolio turnover rate	11.86%	26.98%	21.71%	21.93%	24.20%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

^dBenefit of expense reduction rounds to less than 0.01%.

Franklin International Small Cap Fund (continued)

	Year Ended July 31,				
	2019	2018	2017	2016	2015
Class C					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$19.42	\$20.36	\$17.32	\$19.60	\$21.94
Income from investment operations ^a :					
Net investment income ^b	0.06	0.32	0.05	0.07	0.05
Net realized and unrealized gains (losses)	(2.82)	0.39	4.33	(1.95)	(0.47)
Total from investment operations	(2.76)	0.71	4.38	(1.88)	(0.42)
Less distributions from:					
Net investment income	(0.15)	(1.07)	(0.02)	(0.03)	(0.19)
Net realized gains	(0.26)	(0.58)	(1.32)	(0.37)	(1.73)
Total distributions	(0.41)	(1.65)	(1.34)	(0.40)	(1.92)
Net asset value, end of year	\$16.25	\$19.42	\$20.36	\$17.32	\$19.60
Total return ^c	(14.10)%	3.50%	27.39%	(9.66)%	(0.86)%
Ratios to average net assets					
Expenses ^d	2.16%	2.14%	2.13%	2.15%	2.08%
Net investment income	0.36%	1.56%	0.30%	0.37%	0.26%
Supplemental data					
Net assets, end of year (000's)	\$10,942	\$19,184	\$22,191	\$22,699	\$30,067
Portfolio turnover rate	11.86%	26.98%	21.71%	21.93%	24.20%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

^dBenefit of expense reduction rounds to less than 0.01%.

Franklin International Small Cap Fund (continued)

	Year Ended July 31,				
	2019	2018	2017	2016	2015
Class R					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$19.72	\$20.66	\$17.56	\$19.88	\$22.19
Income from investment operations ^a :					
Net investment income ^b	0.17	0.42	0.13	0.17	0.15
Net realized and unrealized gains (losses)	(2.89)	0.40	4.41	(1.98)	(0.48)
Total from investment operations	(2.72)	0.82	4.54	(1.81)	(0.33)
Less distributions from:					
Net investment income	(0.24)	(1.18)	(0.12)	(0.14)	(0.25)
Net realized gains	(0.26)	(0.58)	(1.32)	(0.37)	(1.73)
Total distributions	(0.50)	(1.76)	(1.44)	(0.51)	(1.98)
Net asset value, end of year	\$16.50	\$19.72	\$20.66	\$17.56	\$19.88
Total return	(13.67)%	3.97%	28.07%	(9.20)%	(0.41)%
Ratios to average net assets					
Expenses ^c	1.66%	1.64%	1.64%	1.64%	1.62%
Net investment income	0.86%	2.06%	0.79%	0.88%	0.72%
Supplemental data					
Net assets, end of year (000's)	\$2,482	\$3,450	\$3,592	\$4,735	\$6,193
Portfolio turnover rate	11.86%	26.98%	21.71%	21.93%	24.20%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cBenefit of expense reduction rounds to less than 0.01%.

Franklin International Small Cap Fund (continued)

	Year Ended July 31,				
	2019	2018	2017	2016	2015
Class R6					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$19.74	\$20.67	\$17.61	\$20.03	\$22.32
Income from investment operations ^a :					
Net investment income ^b	0.29	0.56	0.27	0.30	0.27
Net realized and unrealized gains (losses)	(2.91)	0.40	4.37	(2.00)	(0.48)
Total from investment operations	(2.62)	0.96	4.64	(1.70)	(0.21)
Less distributions from:					
Net investment income	(0.32)	(1.31)	(0.26)	(0.35)	(0.35)
Net realized gains	(0.26)	(0.58)	(1.32)	(0.37)	(1.73)
Total distributions	(0.58)	(1.89)	(1.58)	(0.72)	(2.08)
Net asset value, end of year	\$16.54	\$19.74	\$20.67	\$17.61	\$20.03
Total return	(13.12)%	4.70%	28.87%	(8.61)%	0.22%
Ratios to average net assets					
Expenses ^c	1.02% ^d	1.01%	0.99%	0.99%	0.99%
Net investment income	1.50%	2.69%	1.44%	1.53%	1.35%
Supplemental data					
Net assets, end of year (000's)	\$125,218	\$450,645	\$492,010	\$383,411	\$387,070
Portfolio turnover rate	11.86%	26.98%	21.71%	21.93%	24.20%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cBenefit of expense reduction rounds to less than 0.01%.

^dBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin International Small Cap Fund (continued)

	Year Ended July 31,				
	2019	2018	2017	2016	2015
Advisor Class					
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$19.73	\$20.67	\$17.59	\$20.00	\$22.30
Income from investment operations ^a :					
Net investment income ^b	0.23	0.52	0.23	0.25	0.24
Net realized and unrealized gains (losses)	(2.87)	0.40	4.39	(1.97)	(0.48)
Total from investment operations	(2.64)	0.92	4.62	(1.72)	(0.24)
Less distributions from:					
Net investment income	(0.30)	(1.28)	(0.22)	(0.32)	(0.33)
Net realized gains	(0.26)	(0.58)	(1.32)	(0.37)	(1.73)
Total distributions	(0.56)	(1.86)	(1.54)	(0.69)	(2.06)
Net asset value, end of year	\$16.53	\$19.73	\$20.67	\$17.59	\$20.00
Total return	(13.22)%	4.51%	28.68%	(8.74)%	0.09%
Ratios to average net assets					
Expenses ^c	1.16%	1.14%	1.14%	1.14%	1.12%
Net investment income	1.36%	2.56%	1.29%	1.38%	1.22%
Supplemental data					
Net assets, end of year (000's)	\$439,650	\$763,309	\$749,573	\$827,351	\$1,300,759
Portfolio turnover rate	11.86%	26.98%	21.71%	21.93%	24.20%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cBenefit of expense reduction rounds to less than 0.01%.

Statement of Investments, July 31, 2019

Franklin International Small Cap Fund

	Country	Shares	Value
Common Stocks 102.9%			
Capital Markets 6.4%			
^a Fairfax India Holdings Corp.	Canada	3,400,600	\$ 43,357,650
Commercial Services & Supplies 13.7%			
Biffa PLC	United Kingdom	10,532,000	28,084,586
Elis SA.	France	1,397,160	25,941,167
ISS AS.	Denmark	829,425	23,270,355
^a Prosegur Cash SA.	Spain	7,427,255	15,121,593
			<u>92,417,701</u>
Distributors 3.6%			
^b Headlam Group PLC	United Kingdom	4,571,588	24,464,461
Energy Equipment & Services 7.2%			
^a Borr Drilling Ltd.	Norway	1,646,855	15,803,595
John Wood Group PLC.	United Kingdom	5,080,577	32,774,058
			<u>48,577,653</u>
Equity Real Estate Investment Trusts (REITs) 3.4%			
Lar Espana Real Estate Socimi SA	Spain	3,003,610	23,164,755
Food & Staples Retailing 4.1%			
Total Produce PLC.	Ireland	18,009,900	27,899,135
Food Products 4.6%			
Cloetta AB, B	Sweden	8,761,293	26,073,280
Devro PLC	United Kingdom	1,896,900	4,724,120
			<u>30,797,400</u>
Health Care Providers & Services 1.9%			
BML Inc.	Japan	454,300	12,523,777
Hotels, Restaurants & Leisure 4.9%			
Elior Group SA	France	2,521,688	33,008,630
Insurance 10.3%			
^a Arch Capital Group Ltd.	United States	594,721	23,009,756
Fairfax Financial Holdings Ltd.	Canada	60,500	28,030,100
RenaissanceRe Holdings Ltd.	United States	102,500	18,567,875
			<u>69,607,731</u>
Interactive Media & Services 4.1%			
^a 58.com Inc., ADR	China	495,200	27,919,376
Internet & Direct Marketing Retail 2.5%			
Dustin Group AB	Sweden	1,939,271	16,775,805
Machinery 4.6%			
Zardoya Otis SA	Spain	4,499,008	30,864,543
Marine 9.1%			
Clarkson PLC	United Kingdom	1,110,315	34,733,304
^{a,b} Diana Shipping Inc.	United States	8,027,750	26,571,852
			<u>61,305,156</u>

Franklin International Small Cap Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Media 5.5%			
^a Liberty Latin America Ltd.	Chile	861,400	\$ 14,126,960
^a Liberty Latin America Ltd., A.	Chile	1,409,897	23,108,212
			<u>37,235,172</u>
Metals & Mining 4.1%			
Straits Trading Co. Ltd.	Singapore	16,461,200	27,427,349
Pharmaceuticals 1.5%			
Haw Par Corp. Ltd.	Singapore	1,002,100	10,163,907
Professional Services 1.0%			
PageGroup PLC	United Kingdom	1,252,401	6,828,399
Real Estate Management & Development 4.7%			
Hang Lung Group Ltd.	Hong Kong	12,230,300	31,559,444
Software 1.1%			
Hansen Technologies Ltd.	Australia	2,730,470	7,186,740
Tobacco 3.4%			
Scandinavian Tobacco Group AS	Denmark	2,147,373	22,622,347
Trading Companies & Distributors 1.2%			
Brenntag AG	Germany	159,500	7,834,247
Total Common Stocks (Cost \$747,260,116)			693,541,378
Other Assets, less Liabilities (2.9%)			<u>(19,721,606)</u>
Net Assets 100.0%			<u>\$673,819,772</u>

See Abbreviations on page 50.

^aNon-income producing.

^bSee Note 8 regarding holdings of 5% voting securities.

Statements of Assets and Liabilities

July 31, 2019

	Franklin International Growth Fund	Franklin International Small Cap Fund
Assets:		
Investments in securities:		
Cost - Unaffiliated issuers	\$1,294,017,689	\$684,664,694
Cost - Non-controlled affiliates (Note 3f and 8)	58,630,699	62,595,422
Value - Unaffiliated issuers	\$1,466,473,361	\$642,505,065
Value - Non-controlled affiliates (Note 3f and 8)	58,630,699	51,036,313
Receivables:		
Investment securities sold	2,664,050	35,746,857
Capital shares sold	8,084,104	337,307
Dividends	774,771	2,645,793
European Union tax reclaims	43,106	1,468,284
Other assets	560	565
Total assets	1,536,670,651	733,740,184
Liabilities:		
Payables:		
Investment securities purchased	2,816,750	3,705,467
Capital shares redeemed	5,394,156	376,541
Management fees	724,108	626,867
Distribution fees	84,759	32,129
Transfer agent fees	134,375	156,550
Funds advanced by custodian	—	54,893,671
Accrued expenses and other liabilities	96,946	129,187
Total liabilities	9,251,094	59,920,412
Net assets, at value	\$1,527,419,557	\$673,819,772
Net assets consist of:		
Paid-in capital	\$1,376,369,495	\$728,780,131
Total distributable earnings (loss)	151,050,062	(54,960,359)
Net assets, at value	\$1,527,419,557	\$673,819,772

Statements of Assets and Liabilities (continued)

July 31, 2019

	Franklin International Growth Fund	Franklin International Small Cap Fund
Class A:		
Net assets, at value	\$289,944,380	\$ 95,528,030
Shares outstanding	19,828,187	5,797,945
Net asset value per share ^a	\$14.62	\$16.48
Maximum offering price per share (net asset value per share ÷ 94.50%)	\$15.47	\$17.44
Class C:		
Net assets, at value	\$ 27,396,758	\$ 10,942,324
Shares outstanding	1,956,392	673,428
Net asset value and maximum offering price per share ^a	\$14.00	\$16.25
Class R:		
Net assets, at value	\$ 1,848,314	\$ 2,481,804
Shares outstanding	127,496	150,386
Net asset value and maximum offering price per share	\$14.50	\$16.50
Class R6:		
Net assets, at value	\$344,256,618	\$125,217,687
Shares outstanding	23,438,638	7,569,580
Net asset value and maximum offering price per share	\$14.69	\$16.54
Advisor Class:		
Net assets, at value	\$863,973,487	\$439,649,927
Shares outstanding	58,929,707	26,592,667
Net asset value and maximum offering price per share	\$14.66	\$16.53

^aRedemption price is equal to net asset value less contingent deferred sales charges, if applicable.

Statements of Operations

for the year ended July 31, 2019

	Franklin International Growth Fund	Franklin International Small Cap Fund
Investment income:		
Dividends: (net of foreign taxes)*		
Unaffiliated issuers	\$ 12,647,909	\$ 22,211,584
Non-controlled affiliates (Note 3f and 8)	895,787	2,214,029
Interest:		
Unaffiliated issuers	—	364,384
Other income (Note 1c)	—	540,541
Total investment income	13,543,696	25,330,538
Expenses:		
Management fees (Note 3a)	7,351,166	9,549,807
Distribution fees: (Note 3c)		
Class A	557,432	295,086
Class C	242,051	139,946
Class R	7,162	14,670
Transfer agent fees: (Note 3e)		
Class A	302,513	185,846
Class C	32,846	22,454
Class R	1,964	4,702
Class R6	64,021	69,848
Advisor Class	795,395	906,677
Custodian fees (Note 4)	103,004	197,030
Reports to shareholders	93,562	35,347
Registration and filing fees	251,999	110,917
Professional fees	86,509	95,305
Trustees' fees and expenses	32,529	53,830
Other	24,832	34,169
Total expenses	9,946,985	11,715,634
Expense reductions (Note 4)	(80)	(2,102)
Expenses waived/paid by affiliates (Note 3f and 3g)	(1,462,060)	(8,641)
Net expenses	8,484,845	11,704,891
Net investment income	5,058,851	13,625,647
Realized and unrealized gains (losses):		
Net realized gain (loss) from:		
Investments:		
Unaffiliated issuers	(23,888,987)	41,898,661
Non-controlled affiliates (Note 3f and 8)	—	(6,581,943)
Foreign currency transactions	(336,743)	(839,403)
Net realized gain (loss)	(24,225,730)	34,477,315
Net change in unrealized appreciation (depreciation) on:		
Investments:		
Unaffiliated issuers	57,109,335	(198,768,085)
Non-controlled affiliates (Note 3f and 8)	—	(11,464,717)
Translation of other assets and liabilities denominated in foreign currencies	12,473	(208,374)
Net change in unrealized appreciation (depreciation)	57,121,808	(210,441,176)
Net realized and unrealized gain (loss)	32,896,078	(175,963,861)
Net increase (decrease) in net assets resulting from operations	\$ 37,954,929	\$(162,338,214)
*Foreign taxes withheld on dividends	\$ 1,196,164	\$ 2,003,067

Statements of Changes in Net Assets

	Franklin International Growth Fund		Franklin International Small Cap Fund	
	Year Ended July 31,		Year Ended July 31,	
	2019	2018	2019	2018
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$ 5,058,851	\$ 2,397,810	\$ 13,625,647	\$ 36,693,227
Net realized gain (loss)	(24,225,730)	35,522,927	34,477,315	39,552,848
Net change in unrealized appreciation (depreciation)	57,121,808	20,943,148	(210,441,176)	(10,831,517)
Net increase (decrease) in net assets resulting from operations	37,954,929	58,863,885	(162,338,214)	65,414,558
Distributions to shareholders: (Note 1d)				
Class A	(3,419,430)	(1,015,218)	(3,615,239)	(13,772,561)
Class C	(341,396)	(152,224)	(337,683)	(1,699,238)
Class R	(24,774)	(6,699)	(82,207)	(294,158)
Class R6	(2,237,447)	(1,140,595)	(9,249,294)	(43,560,775)
Advisor Class	(7,947,860)	(3,071,235)	(18,744,843)	(65,916,823)
Total distributions to shareholders	(13,970,907)	(5,385,971)	(32,029,266)	(125,243,555)
Capital share transactions: (Note 2)				
Class A	128,841,303	(42,310,630)	(25,249,304)	(11,766,717)
Class C	5,920,180	12,201,180	(5,476,260)	(2,131,185)
Class R	763,393	651,154	(431,678)	6,437
Class R6	257,160,944	20,447,819	(274,102,642)	(21,574,001)
Advisor Class	547,968,186	121,288,828	(205,644,420)	45,664,816
Total capital share transactions	940,654,006	112,278,351	(510,904,304)	10,199,350
Net increase (decrease) in net assets	964,638,028	165,756,265	(705,271,784)	(49,629,647)
Net assets:				
Beginning of year	562,781,529	397,025,264	1,379,091,556	1,428,721,203
End of year (Note 1d)	\$1,527,419,557	\$562,781,529	\$ 673,819,772	\$1,379,091,556

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Franklin Global Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of four separate funds, two of which are included in this report (Funds) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP). The Funds offer five classes of shares: Class A, Class C, Class R, Class R6 and Advisor Class. Beginning on October 19, 2018, Class C shares automatically convert to Class A shares after they have been held for 10 years. Each class of shares may differ by its initial sales load, contingent deferred sales charges, voting rights on matters affecting a single class, its exchange privilege and fees due to differing arrangements for distribution and transfer agent fees. Franklin International Small Cap Fund was closed to new investors with limited exceptions effective June 3, 2013.

Effective March 1, 2019, Franklin International Small Cap Growth Fund was renamed Franklin International Small Cap Fund.

The following summarizes the Funds' significant accounting policies.

a. Financial Instrument Valuation

The Funds' investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Funds calculate the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Funds' administrator has responsibility for oversight of valuation, including leading the cross-functional Valuation Committee (VC). The Funds may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is

then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Investments in open-end mutual funds are valued at the closing NAV. Investments in time deposits are valued at cost, which approximates fair value.

The Funds have procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Funds primarily employ a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Funds' business day. Occasionally, events occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Funds' portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, the VC monitors price movements following the close of trading in foreign stock markets through a series of country specific market proxies (such as baskets of American Depositary Receipts, futures contracts and exchange traded funds). These price movements are measured against established trigger thresholds for each specific market proxy to assist in determining if an event has occurred that may call into question the reliability of the

values of the foreign securities held by the Funds. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent pricing services.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Funds' NAV is not calculated, which could result in differences between the value of the Funds' portfolio securities on the last business day and the last calendar day of the reporting period. Any significant security valuation changes due to an open foreign market are adjusted and reflected by the Funds for financial reporting purposes.

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Funds may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Funds do not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statements of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

c. Income and Deferred Taxes

It is each Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. Each Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Funds may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which the Funds invest. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Funds invest. When a capital gain tax is determined to apply, certain or all Funds record an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

As a result of several court cases, in certain countries across the European Union, certain or all Funds filed additional tax reclaims for previously withheld taxes on dividends earned in those countries (EU reclaims). These additional filings are subject to various administrative proceedings by the local jurisdictions' tax authorities within the European Union, as well as a number of related judicial proceedings. Income recognized, if any, for EU reclaims is reflected as other income in the Statements of Operations and any related receivable, if any, is reflected as European Union tax reclaims in the Statements of Assets and Liabilities. When uncertainty exists as to the ultimate resolution of these proceedings, the likelihood of receipt of these EU reclaims, and the potential timing of payment, no amounts are reflected in the financial statements. For U.S. income tax purposes, EU reclaims received by the Funds, if any, reduce the amounts of foreign taxes Fund shareholders can use as tax credits in their individual income tax returns.

Each Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of July 31, 2019, each Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

1. Organization and Significant Accounting Policies (continued)

d. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Funds. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.*

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

e. Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

f. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Funds, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

*Effective during the current reporting period, it is no longer required to present certain line items in the Statements of Changes in Net Assets. The below prior period amounts affected by this change are shown as they were in the prior year Statements of Changes in Net Assets.

For the year ended July 31, 2018, distributions to shareholders were as follows:

	Franklin International Growth Fund	Franklin International Small Cap Fund
Distributions from net investment income:		
Class A	\$ —	\$ (9,363,942)
Class C	—	(1,102,389)
Class R	(735)	(196,983)
Class R6	(390,120)	(30,175,573)
Advisor Class	(887,066)	(45,382,451)
Distributions from net realized gains:		
Class A	(1,015,218)	(4,408,619)
Class C	(152,224)	(596,849)
Class R	(5,964)	(97,175)
Class R6	(750,475)	(13,385,202)
Advisor Class	(2,184,169)	(20,534,372)

For the year ended July 31, 2018, undistributed net investment income and distributions in excess of net investment income included in net assets were as follows:

Fund	Undistributed net investment income	Distributions in excess of net investment income
Franklin International Growth Fund	\$2,522,510	\$ —
Franklin International Small Cap Fund	\$ —	\$(27,974,475)

2. Shares of Beneficial Interest

At July 31, 2019, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin International Growth Fund		Franklin International Small Cap Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Year ended July 31, 2019				
Shares sold ^a	13,452,761	\$ 186,851,311	454,186	\$ 7,950,234
Shares issued in reinvestment of distributions	275,313	3,402,876	226,177	3,555,510
Shares redeemed	(4,456,618)	(61,412,884)	(2,124,199)	(36,755,048)
Net increase (decrease)	9,271,456	\$ 128,841,303	(1,443,836)	\$ (25,249,304)
Year ended July 31, 2018				
Shares sold	9,784,621	\$ 143,206,376	955,860	\$ 19,705,489
Shares issued in reinvestment of distributions	72,096	1,010,060	684,632	13,405,092
Shares redeemed	(13,385,509)	(186,527,066)	(2,226,384)	(44,877,298)
Net increase (decrease)	(3,528,792)	\$ (42,310,630)	(585,892)	\$ (11,766,717)
Class C Shares:				
Year ended July 31, 2019				
Shares sold	1,234,966	\$ 16,656,114	24,420	\$ 424,524
Shares issued in reinvestment of distributions	28,660	340,765	20,614	321,162
Shares redeemed ^a	(836,352)	(11,076,699)	(359,485)	(6,221,946)
Net increase (decrease)	427,274	\$ 5,920,180	(314,451)	\$ (5,476,260)
Year ended July 31, 2018				
Shares sold	1,057,682	\$ 15,193,412	47,765	\$ 973,590
Shares issued in reinvestment of distributions	11,234	152,224	83,881	1,628,141
Shares redeemed	(219,449)	(3,144,456)	(233,854)	(4,732,916)
Net increase (decrease)	849,467	\$ 12,201,180	(102,208)	\$ (2,131,185)
Class R Shares:				
Year ended July 31, 2019				
Shares sold	82,357	\$ 1,121,235	27,845	\$ 491,911
Shares issued in reinvestment of distributions	2,019	24,774	5,213	82,207
Shares redeemed	(28,249)	(382,616)	(57,568)	(1,005,796)
Net increase (decrease)	56,127	\$ 763,393	(24,510)	\$ (431,678)
Year ended July 31, 2018				
Shares sold	58,200	\$ 877,018	43,438	\$ 897,263
Shares issued in reinvestment of distributions	481	6,699	14,962	294,158
Shares redeemed	(15,492)	(232,563)	(57,420)	(1,184,984)
Net increase (decrease)	43,189	\$ 651,154	980	\$ 6,437

	Franklin International Growth Fund		Franklin International Small Cap Fund	
	Shares	Amount	Shares	Amount
Class R6 Shares:				
Year ended July 31, 2019				
Shares sold	21,178,748	\$ 302,629,777	2,008,931	\$ 34,310,291
Shares issued in reinvestment of distributions	155,508	1,925,193	582,814	9,173,488
Shares redeemed	(3,324,427)	(47,394,026)	(17,855,740)	(317,586,421)
Net increase (decrease)	18,009,829	\$ 257,160,944	(15,263,995)	\$(274,102,642)
Year ended July 31, 2018				
Shares sold	1,805,337	\$ 27,141,141	1,684,517	\$ 34,660,190
Shares issued in reinvestment of distributions	69,962	979,475	2,208,458	43,263,696
Shares redeemed	(546,938)	(7,672,797)	(4,864,253)	(99,497,887)
Net increase (decrease)	1,328,361	\$ 20,447,819	(971,278)	\$(21,574,001)
Advisor Class Shares:				
Year ended July 31, 2019				
Shares sold	56,198,590	\$ 774,168,536	11,136,216	\$ 192,279,888
Shares issued in reinvestment of distributions	556,996	6,890,035	1,090,756	17,179,406
Shares redeemed	(17,025,787)	(233,090,385)	(24,313,451)	(415,103,714)
Net increase (decrease)	39,729,799	\$ 547,968,186	(12,086,479)	\$(205,644,420)
Year ended July 31, 2018				
Shares sold	8,845,618	\$ 133,146,839	6,661,969	\$ 135,690,295
Shares issued in reinvestment of distributions	151,034	2,114,473	3,054,312	59,895,053
Shares redeemed	(966,561)	(13,972,484)	(7,304,205)	(149,920,532)
Net increase (decrease)	8,030,091	\$ 121,288,828	2,412,076	\$ 45,664,816

^aMay include a portion of Class C shares that were automatically converted to Class A.

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Trust are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Advisers, Inc. (Advisers)	Investment manager
Franklin Templeton Institutional, LLC (FT Institutional)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Templeton Distributors, Inc. (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

3. Transactions with Affiliates (continued)

a. Management Fees

Franklin International Growth Fund pays an investment management fee to FT Institutional based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.760%	Up to and including \$500 million
0.740%	Over \$500 million, up to and including \$1 billion
0.720%	Over \$1 billion, up to and including \$1.5 billion
0.700%	Over \$1.5 billion, up to and including \$6.5 billion
0.675%	Over \$6.5 billion, up to and including \$11.5 billion
0.655%	Over \$11.5 billion, up to and including \$16.5 billion
0.635%	Over \$16.5 billion, up to and including \$19 billion
0.615%	Over \$19 billion, up to and including \$21.5 billion
0.600%	In excess of \$21.5 billion

For the year ended July 31, 2019, the gross effective investment management fee rate was 0.745% of the Fund's average daily net assets.

Franklin International Small Cap Fund pays an investment management fee to Advisers of 0.950% per year of the average daily net assets of the Fund.

Under a subadvisory agreement, FT Institutional, an affiliate of Advisers, provides subadvisory services to Franklin International Small Cap Fund. The subadvisory fee is paid by Advisers based on the Fund's average daily net assets, and is not an additional expense of the Fund.

b. Administrative Fees

Under an agreement with FT Institutional and Advisers, FT Services provides administrative services to the Funds. The fee is paid by FT Institutional and Advisers based on each of the Fund's average daily net assets, and is not an additional expense of the Funds.

c. Distribution Fees

The Board has adopted distribution plans for each share class with the exception of Class R6 and Advisor Class shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Funds' Class A reimbursement distribution plans, the Funds reimburse Distributors for costs incurred in connection with the servicing, sale and distribution of each Fund's shares up to the maximum annual plan rate for each class. Under the Class A reimbursement distribution plans, costs exceeding the maximum for the current plan year cannot be reimbursed in subsequent periods. In addition, under the Funds' Class C and R compensation distribution plans, the Funds pay Distributors for costs incurred in connection with the servicing, sale and distribution of each Fund's shares up to the maximum annual plan rate for each class. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31 for each Fund.

The maximum annual plan rates, based on the average daily net assets, for each class, are as follows:

	Franklin International Growth Fund	Franklin International Small Cap Fund
Reimbursement Plans:		
Class A	0.35%	0.35%
Compensation Plans:		
Class C	1.00%	1.00%
Class R	0.50%	0.50%

The Board has set the current rate at 0.25% per year for Class A shares, until further notice and approval by the Board.

d. Sales Charges/Underwriting Agreements

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Funds. These charges are deducted from the proceeds of sales of fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. Distributors has advised the Funds of the following commission transactions related to the sales and redemptions of the Funds' shares for the year:

	Franklin International Growth Fund	Franklin International Small Cap Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$162,137	\$4,428
CDSC retained	\$ 8,615	\$ 123

Effective September 10, 2018, the Board approved changes to certain front-end sales charges and dealer commissions on Class A shares. Further details are disclosed in the Funds' Prospectus.

e. Transfer Agent Fees

Each class of shares pays transfer agent fees to Investor Services for its performance of shareholder servicing obligations. The fees are based on an annualized asset based fee of 0.02% plus a transaction based fee. In addition, each class reimburses Investor Services for out of pocket expenses incurred and, except for Class R6, reimburses shareholder servicing fees paid to third parties. These fees are allocated daily based upon their relative proportion of such classes' aggregate net assets. Class R6 pays Investor Services transfer agent fees specific to that class.

For the year ended July 31, 2019, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

	Franklin International Growth Fund	Franklin International Small Cap Fund
Transfer agent fees	\$656,900	\$593,731

3. Transactions with Affiliates (continued)

f. Investments in Affiliated Management Investment Companies

Certain or all Funds invest in one or more affiliated management investment companies for purposes other than exercising a controlling influence over the management or policies. Management fees paid by the Funds are waived on assets invested in the affiliated management investment companies, as noted in the Statements of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the year ended July 31, 2019, investments in affiliated management investment companies were as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Dividend Income
Franklin International Growth Fund								
Non-Controlled Affiliates								
Institutional Fiduciary Trust Money Market Portfolio, 2.00%	\$31,353,762	\$707,892,752	\$(680,615,815)	\$ —	\$ —	\$58,630,699	58,630,699	\$895,787

g. Waiver and Expense Reimbursements

FT Institutional and Investor Services have contractually agreed in advance to waive or limit their respective fees and to assume as their own expense certain expenses otherwise payable by Franklin International Growth Fund so that the expenses (excluding distribution fees, acquired fund fees and expenses, and certain non-routine expenses or costs, including those relating to litigation, indemnification, reorganizations, and liquidations) for Class A, Class C, Class R and Advisor Class of the Fund do not exceed 0.86% and for Class R6 do not exceed 0.69% based on the average net assets of each class until November 30, 2019.

Prior to December 1, 2018, expenses (excluding certain fees and expenses as previously disclosed) for Class R6 were limited to 0.63% based on the average net assets of each class. Total expenses waived or paid are not subject to recapture subsequent to the Funds' fiscal year end.

For Franklin International Small Cap Fund, Investor Services has voluntarily agreed in advance to waive or limit its fees so that the Class R6 transfer agent fees do not exceed 0.02% based on the average net assets of the class. Investor Services may discontinue this waiver in the future.

h. Other Affiliated Transactions

At July 31, 2019, one or more of the funds in Franklin Fund Allocator Series owned a percentage of the following Funds' outstanding shares:

	Franklin International Growth Fund	Franklin International Small Cap Fund
	7.5%	11.9%

i. Interfund Transactions

Franklin International Small Cap Fund engaged in purchases and sales of investments with funds or other accounts that have common investment managers (or affiliated investment managers), directors, trustees or officers. During the year ended July 31, 2019, these purchase and sale transactions aggregated \$0 and \$401,203, respectively.

4. Expense Offset Arrangement

The Funds have entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Funds' custodian expenses. During the year ended July 31, 2019, the custodian fees were reduced as noted in the Statements of Operations.

5. Income Taxes

For tax purposes, capital losses may be carried over to offset future capital gains.

At July 31, 2019, the capital loss carryforwards were as follows:

	Franklin International Growth Fund
Capital loss carryforwards not subject to expiration:	
Short term	\$14,943,828
Long term	7,741,612
Total capital loss carryforwards	<u>\$22,685,440</u>

For tax purposes, the Funds may elect to defer any portion of a post-October capital loss or late-year ordinary loss to the first day of the following fiscal year. At July 31, 2019, Franklin International Small Cap Fund deferred late-year ordinary losses of \$2,515,506.

The tax character of distributions paid during the years ended July 31, 2019 and 2018, was as follows:

	Franklin International Growth Fund		Franklin International Small Cap Fund	
	2019	2018	2019	2018
Distributions paid from:				
Ordinary income	\$ 4,271,560	\$1,277,910	\$32,020,604	\$ 93,732,341
Long term capital gain	9,699,347	4,108,061	8,662	31,511,214
	<u>\$13,970,907</u>	<u>\$5,385,971</u>	<u>\$32,029,266</u>	<u>\$125,243,555</u>

5. Income Taxes (continued)

At July 31, 2019, the cost of investments, net unrealized appreciation (depreciation), undistributed ordinary income and undistributed long term capital gains for income tax purposes were as follows:

	Franklin International Growth Fund	Franklin International Small Cap Fund
Cost of investments	\$1,356,132,761	\$ 770,334,374
Unrealized appreciation	\$ 214,572,660	\$ 66,276,923
Unrealized depreciation	(45,601,361)	(143,069,919)
Net unrealized appreciation (depreciation)	\$ 168,971,299	\$ (76,792,996)
Distributable earnings:		
Undistributed ordinary income	\$ 4,713,921	\$ —
Undistributed long term capital gains	—	23,046,817
Total distributable earnings	\$ 4,713,921	\$ 23,046,817

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of passive foreign investment company shares and wash sales.

Franklin International Small Cap Fund utilized a tax accounting practice to treat a portion of the proceeds from capital shares redeemed as a distribution from realized capital gains.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended July 31, 2019, were as follows:

	Franklin International Growth Fund	Franklin International Small Cap Fund
Purchases	\$1,062,116,913	\$117,944,611
Sales	\$ 170,344,196	\$614,017,896

7. Concentration of Risk

Investing in foreign securities may include certain risks and considerations not typically associated with investing in U.S. securities, such as fluctuating currency values and changing local and regional economic, political and social conditions, which may result in greater market volatility. Current political and financial uncertainty surrounding the European Union may increase market volatility and the economic risk of investing in securities in Europe. In addition, certain foreign securities may not be as liquid as U.S. securities.

8. Holdings of 5% Voting Securities of Portfolio Companies

The 1940 Act defines "affiliated companies" to include investments in portfolio companies in which a fund owns 5% or more of the outstanding voting securities. During the year ended July 31, 2019, investments in "affiliated companies" were as follows:

Name of Issuer	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Dividend Income
Franklin International Small Cap Fund								
Non-Controlled Affiliates								
Clarkson PLC	\$ 60,202,821	\$ —	\$(10,939,727)	\$(5,127,870)	\$ — ^a	\$ — ^a	— ^a	\$ 557,163
Diana Shipping Inc.	36,124,875	—	—	—	(9,553,023)	26,571,852	8,027,750	—
Headlam Group PLC	32,307,618	—	(4,477,390)	(1,454,073)	(1,911,694)	24,464,461	4,571,588	1,656,866
Total Affiliated Securities (Value is 7.6% of Net Assets)	<u>\$128,635,314</u>	<u>\$ —</u>	<u>\$(15,417,117)</u>	<u>\$(6,581,943)</u>	<u>\$(11,464,717)</u>	<u>\$51,036,313</u>		<u>\$2,214,029</u>

^aAs of July 31, 2019, no longer an affiliate.

9. Credit Facility

The Funds, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2 billion (Global Credit Facility) which matures on February 7, 2020. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Funds shall, in addition to interest charged on any borrowings made by the Funds and other costs incurred by the Funds, pay their share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon their relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statements of Operations. During the year ended July 31, 2019, the Funds did not use the Global Credit Facility.

10. Fair Value Measurements

The Funds follow a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Funds' own market assumptions (unobservable inputs). These inputs are used in determining the value of the Funds' financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Funds' own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

10. Fair Value Measurements (continued)

A summary of inputs used as of July 31, 2019, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin International Growth Fund				
Assets:				
Investments in Securities: ^a				
Equity Investments	\$ 1,466,473,361	\$ —	\$ — ^b	\$ 1,466,473,361
Short Term Investments	58,630,699	—	—	58,630,699
Total Investments in Securities	\$ 1,525,104,060	\$ —	\$ —	\$ 1,525,104,060
Franklin International Small Cap Fund				
Assets:				
Investments in Securities: ^a				
Equity Investments	\$ 693,541,378	\$ —	\$ —	\$ 693,541,378

^aFor detailed categories, see the accompanying Statement of Investments.

^bIncludes securities determined to have no value at July 31, 2019.

A reconciliation of assets in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 financial instruments at the beginning and/or end of the year.

11. Subsequent Events

The Funds have evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure.

Abbreviations

Selected Portfolio

ADR American Depositary Receipt

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Global Trust and Shareholders of Franklin International Growth Fund and Franklin International Small Cap Fund

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the statements of investments, of Franklin International Growth Fund and Franklin International Small Cap Fund (the “Funds”) as of July 31, 2019, the related statements of operations for the year ended July 31, 2019, the statements of changes in net assets for each of the two years in the period ended July 31, 2019, including the related notes, and the financial highlights for each of the five years in the period ended July 31, 2019 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of July 31, 2019, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended July 31, 2019 and each of the financial highlights for each of the five years in the period ended July 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of July 31, 2019 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

PricewaterhouseCoopers LLP

San Francisco, California

September 17, 2019

We have served as the auditor of one or more investment companies in the Franklin Templeton Group of Funds since 1948.

Tax Information (unaudited)

Under Section 852(b)(3)(C) of the Internal Revenue Code, the Funds hereby report the maximum amount allowable but no less than the following amounts as long term capital gain dividends for the fiscal year ended July 31, 2019:

Franklin International Growth Fund	Franklin International Small Cap Fund
\$9,699,347	\$7,544,642

Under Section 871(k)(2)(C) of the Internal Revenue Code, the Funds hereby report the maximum amount allowable but no less than the following amounts as short term capital gain dividends for purposes of the tax imposed under Section 871(a)(1)(A) of the Internal Revenue Code for the fiscal year ended July 31, 2019:

Franklin International Growth Fund	Franklin International Small Cap Fund
\$1,790,453	\$14,867,731

Under Section 854(b)(1)(B) of the Internal Revenue Code, the Funds hereby report the maximum amount allowable but no less than the following amounts as qualified dividends for purposes of the maximum rate under Section 1(h)(11) of the Internal Revenue Code for the fiscal year ended July 31, 2019:

Franklin International Growth Fund	Franklin International Small Cap Fund
\$12,370,610	\$19,153,978

Distributions, including qualified dividend income, paid during calendar year 2019 will be reported to shareholders on Form 1099-DIV by mid-February 2020. Shareholders are advised to check with their tax advisors for information on the treatment of these amounts on their individual income tax returns.

At July 31, 2019, more than 50% of the Fund's total assets were invested in securities of foreign issuers. In most instances, foreign taxes were withheld from income paid to the Fund on these investments. The Fund elects to treat foreign taxes paid as allowed under Section 853 of the Internal Revenue Code. This election will allow shareholders of record as of the 2019 distribution date, to treat their proportionate share of foreign taxes paid by the Fund as having been paid directly by them. The shareholder shall consider these amounts as foreign taxes paid in the tax year in which they receive the Fund distribution.

Board Members and Officers

The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Trust, principal occupations during at least the past five years and number of U.S. registered portfolios overseen in the Franklin Templeton fund complex, are shown below. Generally, each board member serves until that person's successor is elected and qualified.

Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Harris J. Ashton (1932) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2000	137	Bar-S Foods (meat packing company) (1981-2010).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
Terrence J. Checki (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2017	113	Hess Corporation (exploration of oil and gas) (2014-present).
Principal Occupation During at Least the Past 5 Years: Member of the Council on Foreign Relations (1996-present); Member of the National Committee on U.S.-China Relations (1999-present); member of the Board of Trustees of the Economic Club of New York (2013-present); member of the Board of Trustees of the Foreign Policy Association (2005-present) and member of various other boards of trustees and advisory boards; and formerly , Executive Vice President of the Federal Reserve Bank of New York and Head of its Emerging Markets and Internal Affairs Group and Member of Management Committee (1995-2014); and Visiting Fellow at the Council on Foreign Relations (2014).				
Mary C. Choksi (1950) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2014	137	Avis Budget Group Inc. (car rental) (2007-present), Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).				
Edith E. Holiday (1952) One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 2000 and Lead Independent Trustee since March 2019	137	Hess Corporation (exploration of oil and gas) (1993-present), Canadian National Railway (railroad) (2001-present), White Mountains Insurance Group, Ltd. (holding company) (2004-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).
Principal Occupation During at Least the Past 5 Years: Director or Trustee of various companies and trusts; and formerly , Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison—United States Treasury Department (1988-1989).				

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
J. Michael Luttig (1954) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	137	Boeing Capital Corporation (aircraft financing) (2006-2013).
Principal Occupation During at Least the Past 5 Years: Executive Vice President, Counselor and Senior Advisor to Boeing Chairman and Board of Directors, The Boeing Company (aerospace company) (May 2019); and formerly , General Counsel and member of the Executive Council, The Boeing Company (2006-2019) and Federal Appeals Court Judge, U.S. Court of Appeals for the Fourth Circuit (1991-2006).				
Larry D. Thompson (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	137	The Southern Company (energy company) (2014-present; previously 2010-2012), Graham Holdings Company (education and media organization) (2011-present) and Cbeyond, Inc. (business communications provider) (2010-2012).
Principal Occupation During at Least the Past 5 Years: Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and formerly , Executive Vice President – Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (2012-2014); Senior Vice President – Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).				

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
**Gregory E. Johnson (1961) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	151	None
Principal Occupation During at Least the Past 5 Years: Chairman of the Board, Member – Office of the Chairman, Director and Chief Executive Officer, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 42 of the investment companies in Franklin Templeton; Vice Chairman, Investment Company Institute; and formerly , President, Franklin Resources, Inc. (1994-2015).				
**Rupert H. Johnson, Jr. (1940) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Since 2013	137	None
Principal Occupation During at Least the Past 5 Years: Vice Chairman, Member – Office of the Chairman and Director, Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 40 of the investment companies in Franklin Templeton.				
Alison E. Baur (1964) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2012	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Deputy General Counsel, Franklin Templeton; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 44 of the investment companies in Franklin Templeton.				

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Sonal Desai, Ph.D. (1963) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since December 2018	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Director and Executive Vice President, Franklin Advisers, Inc.; Executive Vice President, Franklin Templeton Institutional, LLC; and officer of 18 of the investment companies in Franklin Templeton.				
Gaston Gardey (1967) One Franklin Parkway San Mateo, CA 94403-1906	Treasurer, Chief Financial Officer and Chief Accounting Officer	Since 2009	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Treasurer, U.S. Fund Administration & Reporting, Franklin Templeton; and officer of 26 of the investment companies in Franklin Templeton.				
Aliya S. Gordon (1973) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2009	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton; Vice President and Secretary, Franklin Resources, Inc.; and officer of 44 of the investment companies in Franklin Templeton.				
Steven J. Gray (1955) One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Co-Secretary	Vice President since 2009 and Co-Secretary since January 2019	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton; Vice President, Franklin Templeton Distributors, Inc. and FASA, LLC; and officer of 44 of the investment companies in Franklin Templeton.				
Matthew T. Hinkle (1971) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since 2017	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Templeton Services, LLC; officer of 44 of the investment companies in Franklin Templeton; and formerly , Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton (2009-2017).				
Robert Lim (1948) One Franklin Parkway San Mateo, CA 94403-1906	Vice President – AML Compliance	Since 2016	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Vice President, Franklin Templeton Companies, LLC; Chief Compliance Officer, Franklin Templeton Distributors, Inc. and Franklin Templeton Investor Services, LLC; and officer of 44 of the investment companies in Franklin Templeton.				
Kimberly H. Novotny (1972) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President	Since 2013	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton; Vice President and Corporate Secretary, Fiduciary Trust International of the South; Vice President, Templeton Investment Counsel, LLC; Assistant Secretary, Franklin Resources, Inc.; and officer of 44 of the investment companies in Franklin Templeton.				

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Edward D. Perks (1970) One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer – Investment Management	Since December 2018	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: President and Director, Franklin Advisers, Inc.; and officer of nine of the investment companies in Franklin Templeton (since December 2018).				
Robert C. Rosselot (1960) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Chief Compliance Officer	Since 2013	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Director, Global Compliance, Franklin Templeton; Vice President, Franklin Templeton Companies, LLC; officer of 44 of the investment companies in Franklin Templeton; and formerly , Senior Associate General Counsel, Franklin Templeton (2007-2013); and Secretary and Vice President, Templeton Group of Funds (2004-2013).				
Navid J. Tofigh (1972) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2015	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Associate General Counsel and officer of 44 of the investment companies in Franklin Templeton.				
Craig S. Tyle (1960) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2005	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: General Counsel and Executive Vice President, Franklin Resources, Inc.; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 44 of the investment companies in Franklin Templeton.				
Lori A. Weber (1964) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President and Co-Secretary	Vice President since 2011 and Co-Secretary since January 2019	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; and officer of 44 of the investment companies in Franklin Templeton.				

*We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton Investments fund complex. These portfolios have a common investment manager or affiliated investment managers.

**Gregory E. Johnson is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director of Franklin Resources, Inc. (Resources), which is the parent company of the Fund's investment manager and distributor. Rupert H. Johnson, Jr. is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director and major shareholder of Resources.

Note 1: Rupert H. Johnson, Jr. is the uncle of Gregory E. Johnson.

Note 2: Effective March 12, 2019, John B. Wilson ceased to be a trustee of the Trust.

Note 3: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated Mary C. Choksi as its audit committee financial expert. The Board believes that Ms. Choksi qualifies as such an expert in view of her extensive business background and experience. She currently serves as a director of Avis Budget Group, Inc. (2007-present) and formerly, Founder and Senior Advisor, Strategic Investment Group (1987 to 2017). Ms. Choksi has been a Member of the Fund's Audit Committee since 2014. As a result of such background and experience, the Board believes that Ms. Choksi has acquired an understanding of generally accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Ms. Choksi is an independent Board member as that term is defined under the relevant Securities and Exchange Commission Rules and Releases.

The Statement of Additional Information (SAI) includes additional information about the board members and is available, without charge, upon request. Shareholders may call (800) DIAL BEN/342-5236 to request the SAI.

Shareholder Information

Board Approval of Investment Management Agreements

FRANKLIN GLOBAL TRUST

Franklin International Growth Fund

Franklin International Small Cap Growth Fund

(to be renamed Franklin International Small Cap Fund, effective March 1, 2019)

(each a Fund)

At an in-person meeting held on February 26, 2019 (Meeting), the Board of Trustees (Board) of Franklin Global Trust (Trust), including a majority of the trustees who are not “interested persons” as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved the continuance of the investment management agreement between Franklin Templeton Institutional, LLC (FTI LLC) and the Trust, on behalf of the Franklin International Growth Fund, the investment management agreement between Franklin Advisers, Inc. (FAI) and the Trust, on behalf of the Franklin International Small Cap Growth Fund and the investment sub-advisory agreement between FAI and FTI LLC on behalf of the Franklin International Small Cap Growth Fund (each a Management Agreement) for an additional one-year period. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of each Management Agreement. Although the Management Agreements for the Funds were considered at the same Board meeting, the Board considered the information provided to it about the Funds together and with respect to each Fund separately as the Board deemed appropriate. FTI LLC and FAI are each referred to herein as a Manager.

In considering the continuation of each Management Agreement, the Board reviewed and considered information provided by each Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to each Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process. In addition, prior to the Meeting, the Independent Trustees held a telephonic contract renewal meeting at which the Independent Trustees conferred amongst themselves and Independent Trustee counsel about contract renewal matters. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of each Management Agreement,

including, but not limited to: (i) the nature, extent and quality of the services provided by each Manager; (ii) the investment performance of each Fund; (iii) the costs of the services provided and profits realized by each Manager and its affiliates from the relationship with each Fund; (iv) the extent to which economies of scale are realized as each Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of each Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreement are fair and reasonable and that the continuance of such Management Agreement is in the interests of the applicable Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board’s determination.

Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by each Manager and its affiliates to the Funds and their shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of each Manager; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for each Fund; reports on expenses, shareholder services, marketing support payments made to financial intermediaries and third party servicing arrangements; legal and compliance matters; risk controls; pricing and other services provided by each Manager and its affiliates; and management fees charged by each Manager and its affiliates to US funds and other accounts, including management’s explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton Investments (FTI) or the Funds to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements in response to a guidance update in 2016 from the US Securities and Exchange Commission (SEC) relating to mutual fund distribution and sub-accounting fees. The Board noted management’s continuing efforts and expenditures in establishing effective business continuity plans and developing strategies to address areas of heightened concern in the mutual fund industry, such as cybersecurity and liquidity risk management. The Board also recognized management’s commitment to facilitating Board

oversight of liquidity through the designation of a liquidity/risk administrator and the development of reports that highlight the amount of illiquid investments for each Fund.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the Franklin Templeton family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Managers' parent, and its commitment to the mutual fund business as evidenced by its continued introduction of new funds, reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to the Funds by the FTI organization.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by each Manager and its affiliates to the Funds and their shareholders.

Fund Performance

The Board reviewed and considered the performance results of each Fund over various time periods ended December 31, 2018. The Board considered the performance returns for each Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of each Fund's performance results is below.

Franklin International Growth Fund - The Performance Universe for this Fund included the Fund and all retail and institutional international multi-cap growth funds. The Board noted that the Fund's annualized total return for the one-, three-, five- and 10-year periods was above the median of its Performance Universe. The Board concluded that the Fund's performance was satisfactory.

Franklin International Small Cap Growth Fund - The Performance Universe for this Fund included the Fund and all retail and institutional international small-/mid-cap growth funds. The Board noted that the Fund's annualized total return for the one-, three- and five-year periods was below the median of its Performance Universe, but for the 10-year

period was above the median of its Performance Universe. The Board discussed the Fund's underperformance with management and noted management's explanations of the reasons for the Fund's underperformance, which included, in part, stock selection arising out of the Fund's bottom-up driven investment approach which has resulted in investment exposures that are materially different from the Fund's benchmark index and Performance Universe. The Board also noted management's recent enhancements to its investment process, the Fund's name change, effective March 1, 2019, to the Franklin International Small Cap Fund and that the Fund is currently closed to new investors. The Board concluded that the Fund's Management Agreement should be continued for an additional one-year period, and the investment process enhancements monitored.

Comparative Fees and Expenses

The Board reviewed and considered information regarding each Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FTI to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of each Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from each fund's most recent annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges, and the actual total expense ratio, for comparative consistency, was shown for: (i) Class A shares for the Franklin International Growth Fund and for Class A shares and Investor Class shares for certain other funds in the Expense Group with multiple classes of shares, and (ii) Advisor Class shares for the Franklin International Small Cap Growth Fund and for Advisor Class shares, Investor Class shares, Institutional

Class shares, Class I shares and Class Y shares for certain other funds in the Expense Group with multiple classes of shares. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

Franklin International Growth Fund - The Expense Group for this Fund included the Fund and 12 other international multi-cap growth funds. The Board noted that the Management Rate and actual total expense ratio for the Fund were below the medians of its Expense Group. The Board concluded that the Management Rate charged to the Fund is reasonable. In doing so, the Board noted that the Fund's actual total expense ratio reflected a fee waiver from management.

Franklin International Small Cap Growth Fund - The Expense Group for this Fund included the Fund and 13 other international small-/mid-cap growth funds. The Board noted that the Management Rate for the Fund was below the median of its Expense Group, but its actual total expense ratio was slightly above the median of its Expense Group. The Board concluded that the Management Rate charged to the Fund is reasonable. In doing so, the Board noted that FTI LLC, as sub-adviser to the Fund, is paid by FAI out of the management fee FAI receives from the Fund.

Profitability

The Board reviewed and considered information regarding the profits realized by each Manager and its affiliates in connection with the operation of each Fund. In this respect, the Board considered the Fund profitability analysis that addresses the overall profitability of FTI's US fund business, as well as its profits in providing investment management and other services to each of the individual funds during the 12-month period ended September 30, 2018, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Funds' profitability report presentations from prior years. Additionally, PricewaterhouseCoopers LLP, auditor to FRI and certain Franklin Templeton funds, has been engaged to periodically review and assess the allocation methodologies to be used solely by the Funds' Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by each Manager and its

affiliates may not be fully reflected in the expenses allocated to each Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. The Board also noted management's expenditures in improving shareholder services provided to the Funds, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent SEC and other regulatory requirements.

The Board also considered the extent to which each Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by each Manager and its affiliates from providing services to each Fund was not excessive in view of the nature, extent and quality of services provided to each Fund.

Economies of Scale

The Board reviewed and considered the extent to which each Manager may realize economies of scale, if any, as each Fund grows larger and whether each Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints for the Franklin International Growth Fund, which operate generally to share any economies of scale with a Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered the Managers' view that any analyses of potential economies of scale in managing a particular fund are inherently limited in light of the joint and common costs and investments the Managers incur across the Franklin Templeton family of funds as a whole. The Board concluded that to the extent economies of scale may be realized by a Manager and its affiliates, each Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

Conclusion

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of each Management Agreement for an additional one-year period.

Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent 12-month period ended June 30.

Quarterly Statement of Investments

The Trust files a complete statement of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

Householding of Reports and Prospectuses

You will receive each Fund's financial reports every six months as well as an annual updated summary prospectus (prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports and summary prospectus. This process, called "householding," will continue indefinitely unless you instruct us otherwise. If you prefer not to have these documents househanded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

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Authorized for distribution only when accompanied or preceded by a summary prospectus and/or prospectus. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. A prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



**Annual Report and Shareholder Letter
Franklin Global Trust**

Investment Managers

Franklin Advisers, Inc.
Franklin Templeton
Institutional, LLC

Subadvisor

Franklin Templeton
Institutional, LLC

Distributor

Franklin Templeton
Distributors, Inc.
(800) DIAL BEN® /
342-5236
franklintempleton.com

Shareholder Services

(800) 632-2301