FRANKLIN TEMPLETON

Templeton Funds

Financial Statements and Other Important Information

Semi-Annual | February 28, 2026

Templeton Foreign Fund

Templeton World Fund

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Financial Highlights

Templeton Foreign Fund

	Six Months Ended February 28, 2026 (unaudited)	Year Ended August 31, 2025	2024	2023	2022	2021
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	$9.15	$8.60	$7.78	$6.32	$7.77	$6.22
Income from investment operations[a]:						
Net investment income[b]	0.03	0.17	0.18	0.16	0.13	0.18[c]
Net realized and unrealized gains (losses)	1.54	0.56	0.83	1.38	(1.28)	1.46
Total from investment operations	1.57	0.73	1.01	1.54	(1.15)	1.64
Less distributions from:						
Net investment income	(0.35)	(0.18)	(0.19)	(0.08)	(0.30)	(0.09)
Net asset value, end of period	$10.37	$9.15	$8.60	$7.78	$6.32	$7.77
Total return[d]	17.57%	8.91%	13.28%	24.57%	(15.25)%	26.57%
Ratios to average net assets[e]						
Expenses before waiver and payments by affiliates	1.13%	1.13%	1.13%	1.12%	1.16%	1.15%
Expenses net of waiver and payments by affiliates	1.10%	1.10%	1.10%	1.10%	1.10%	1.07%
Net investment income	0.73%	1.99%	2.26%	2.20%	1.80%	2.45%[c]
Supplemental data						
Net assets, end of period (000's)	$1,725,801	$1,541,500	$1,606,239	$1,605,982	$1,418,293	$1,990,939
Portfolio turnover rate	21.21%	44.39%[f]	42.01%	14.85%	29.07%	37.85%[f]

[a]The 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.
[b]Based on average daily shares outstanding.
[c]Net investment income per share includes approximately $0.09 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.23%.
[d]Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.
[e]Ratios are annualized for periods less than one year.
[f]Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) for prior year information.

Templeton Foreign Fund (continued)

	Six Months Ended February 28, 2026 (unaudited)	Year Ended August 31, 2025	2024	2023	2022	2021
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	$9.16	$8.59	$7.76	$6.29	$7.70	$6.17
Income from investment operations[a]:						
Net investment income (loss)[b]	(—)[c]	0.10	0.12	0.10	0.07	0.13[d]
Net realized and unrealized gains (losses)	1.54	0.58	0.83	1.39	(1.27)	1.43
Total from investment operations	1.54	0.68	0.95	1.49	(1.20)	1.56
Less distributions from:						
Net investment income	(0.27)	(0.11)	(0.12)	(0.02)	(0.21)	(0.03)
Net asset value, end of period	$10.43	$9.16	$8.59	$7.76	$6.29	$7.70
Total return[e]	17.17%	8.13%	12.40%	23.65%	(15.95)%	25.55%
Ratios to average net assets[f]						
Expenses before waiver and payments by affiliates	1.88%	1.88%	1.87%	1.87%	1.91%	1.90%
Expenses net of waiver and payments by affiliates	1.85%	1.85%	1.85%	1.85%	1.85%	1.82%
Net investment income (loss)	(0.01)%	1.17%	1.47%	1.41%	1.03%	1.81%[d]
Supplemental data						
Net assets, end of period (000's)	$14,316	$13,876	$17,220	$21,611	$23,962	$39,083
Portfolio turnover rate	21.21%	44.39%[g]	42.01%	14.85%	29.07%	37.85%[g]

[a]The 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.
[b]Based on average daily shares outstanding.
[c]Amount rounds to less than $0.01 per share.
[d]Net investment income per share includes approximately $0.09 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.58%.
[e]Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.
[f]Ratios are annualized for periods less than one year.
[g]Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) for prior year information.

Templeton Foreign Fund (continued)

	Six Months Ended February 28, 2026 (unaudited)	Year Ended August 31,				
		2025	2024	2023	2022	2021
Class R						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	$8.91	$8.38	$7.58	$6.16	$7.58	$6.08
Income from investment operations[a]:						
Net investment income[b]	0.02	0.14	0.16	0.14	0.11	0.16[c]
Net realized and unrealized gains (losses)	1.50	0.55	0.82	1.35	(1.25)	1.42
Total from investment operations	1.52	0.69	0.98	1.49	(1.14)	1.58
Less distributions from:						
Net investment income	(0.33)	(0.16)	(0.18)	(0.07)	(0.28)	(0.08)
Net asset value, end of period	$10.10	$8.91	$8.38	$7.58	$6.16	$7.58
Total return[d]	17.42%	8.63%	13.09%	24.27%	(15.54)%	26.29%
Ratios to average net assets[e]						
Expenses before waiver and payments by affiliates	1.38%	1.39%	1.38%	1.37%	1.41%	1.40%
Expenses net of waiver and payments by affiliates	1.35%	1.35%	1.35%	1.35%	1.35%	1.32%
Net investment income	0.48%	1.74%	2.03%	1.95%	1.57%	2.21%[c]
Supplemental data						
Net assets, end of period (000's)	$119,263	$113,063	$121,214	$116,518	$103,984	$123,744
Portfolio turnover rate	21.21%	44.39%[f]	42.01%	14.85%	29.07%	37.85%[f]

[a]The 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.
[b]Based on average daily shares outstanding.
[c]Net investment income per share includes approximately $0.09 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.98%.
[d]Total return is not annualized for periods less than one year.
[e]Ratios are annualized for periods less than one year.
[f]Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) for prior year information.

Templeton Foreign Fund (continued)

	Six Months Ended February 28, 2026 (unaudited)	Year Ended August 31,				
		2025	2024	2023	2022	2021
Class R6						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	$8.96	$8.43	$7.63	$6.20	$7.64	$6.12
Income from investment operations[a]:						
Net investment income[b]	0.05	0.20	0.21	0.18	0.15	0.21[c]
Net realized and unrealized gains (losses)	1.50	0.54	0.81	1.36	(1.26)	1.43
Total from investment operations	1.55	0.74	1.02	1.54	(1.11)	1.64
Less distributions from:						
Net investment income	(0.38)	(0.21)	(0.22)	(0.11)	(0.33)	(0.12)
Net asset value, end of period	$10.13	$8.96	$8.43	$7.63	$6.20	$7.64
Total return[d]	17.77%	9.31%	13.69%	25.02%	(14.98)%	27.02%
Ratios to average net assets[e]						
Expenses before waiver and payments by affiliates	0.78%	0.78%	0.78%	0.77%	0.81%	0.79%
Expenses net of waiver and payments by affiliates	0.74%	0.74%	0.74%	0.74%	0.73%	0.69%
Net investment income	1.08%	2.37%	2.72%	2.57%	2.13%	2.86%[c]
Supplemental data						
Net assets, end of period (000's)	$320,484	$368,372	$387,773	$341,058	$290,974	$531,344
Portfolio turnover rate	21.21%	44.39%[f]	42.01%	14.85%	29.07%	37.85%[f]

[a]The 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.
[b]Based on average daily shares outstanding.
[c]Net investment income per share includes approximately $0.09 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.63%.
[d]Total return is not annualized for periods less than one year.
[e]Ratios are annualized for periods less than one year.
[f]Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) for prior year information.

Templeton Foreign Fund (continued)

	Six Months Ended February 28, 2026 (unaudited)	Year Ended August 31,				
		2025	2024	2023	2022	2021
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	$8.97	$8.44	$7.64	$6.21	$7.64	$6.12
Income from investment operations[a]:						
Net investment income[b]	0.05	0.18	0.20	0.17	0.15	0.20[c]
Net realized and unrealized gains (losses)	1.50	0.55	0.81	1.36	(1.26)	1.43
Total from investment operations	1.55	0.73	1.01	1.53	(1.11)	1.63
Less distributions from:						
Net investment income	(0.37)	(0.20)	(0.21)	(0.10)	(0.32)	(0.11)
Net asset value, end of period	$10.15	$8.97	$8.44	$7.64	$6.21	$7.64
Total return[d]	17.73%	9.14%	13.55%	24.84%	(14.99)%	26.88%
Ratios to average net assets[e]						
Expenses before waiver and payments by affiliates	0.88%	0.88%	0.88%	0.87%	0.92%	0.90%
Expenses net of waiver and payments by affiliates	0.85%	0.85%	0.85%	0.85%	0.85%	0.82%
Net investment income	0.97%	2.19%	2.54%	2.43%	2.06%	2.80%[c]
Supplemental data						
Net assets, end of period (000's)	$466,861	$546,122	$672,907	$680,297	$602,921	$620,885
Portfolio turnover rate	21.21%	44.39%[f]	42.01%	14.85%	29.07%	37.85%[f]

[a]The 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.
[b]Based on average daily shares outstanding.
[c]Net investment income per share includes approximately $0.09 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.57%.
[d]Total return is not annualized for periods less than one year.
[e]Ratios are annualized for periods less than one year.
[f]Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) for prior year information.

Schedule of Investments (unaudited), February 28, 2026

Templeton Foreign Fund

	Industry	Shares	Value
Common Stocks 94.8%			
China 5.2%			
[a]Alibaba Group Holding Ltd.	Broadline Retail	2,914,483	$52,742,645
Prosus NV	Broadline Retail	1,043,823	53,652,961
[a]Tencent Holdings Ltd.	Interactive Media & Services	491,046	32,307,799
			138,703,405
Denmark 1.1%			
Novo Nordisk A/S, B	Pharmaceuticals	753,519	28,500,760
France 7.9%			
Carrefour SA.	Consumer Staples Distribution & Retail	5,940,126	112,656,483
Dassault Aviation SA.	Aerospace & Defense	149,220	59,932,582
Kering SA	Textiles, Apparel & Luxury Goods	111,215	37,294,704
			209,883,769
Hong Kong 3.8%			
AIA Group Ltd.	Insurance	2,701,248	29,798,909
Prudential plc	Insurance	4,631,593	70,939,763
			100,738,672
India 3.1%			
HDFC Bank Ltd.	Banks	8,478,372	82,876,101
Japan 6.0%			
Sumitomo Mitsui Financial Group, Inc.	Banks	2,165,300	81,708,865
Toyota Motor Corp.	Automobiles	3,145,480	76,209,839
			157,918,704
Netherlands 8.3%			
Akzo Nobel NV	Chemicals	449,582	31,582,626
[b]Euronext NV, 144A, Reg S	Capital Markets	334,845	55,322,044
Heineken NV	Beverages	669,017	61,963,581
ING Groep NV	Banks	2,413,401	69,633,700
			218,501,951
Poland 1.0%			
[c,d]InPost SA	Air Freight & Logistics	1,490,340	26,751,458
Portugal 1.2%			
Galp Energia SGPS SA, B	Oil, Gas & Consumable Fuels	1,461,536	31,713,733
Singapore 2.3%			
STMicroelectronics NV	Semiconductors & Semiconductor Equipment	1,859,258	62,034,300
South Korea 3.9%			
Samsung Electronics Co. Ltd.	Technology Hardware, Storage & Peripherals	681,917	102,063,427
Sweden 1.6%			
Securitas AB, B.	Commercial Services & Supplies	2,365,697	42,099,058
Switzerland 6.9%			
Adecco Group AG.	Professional Services	1,669,931	46,947,740
[d]Barry Callebaut AG	Food Products	29,131	54,753,720
UBS Group AG	Capital Markets	1,960,559	81,460,924
			183,162,384
Taiwan 5.3%			
Taiwan Semiconductor Manufacturing Co. Ltd.	Semiconductors & Semiconductor Equipment	2,257,544	140,866,668

Templeton Foreign Fund (continued)

	Industry	Shares	Value
Common Stocks (continued)			
United Kingdom 21.2%			
AstraZeneca plc	Pharmaceuticals	461,879	$97,194,411
Barratt Redrow plc	Household Durables	9,587,007	46,936,599
JD Sports Fashion plc	Specialty Retail	53,315,515	58,733,742
Persimmon plc	Household Durables	2,747,119	55,717,661
SSE plc	Electric Utilities	3,012,804	108,898,975
Standard Chartered plc	Banks	3,024,053	74,595,538
Unilever plc	Personal Care Products	1,140,170	83,782,047
[c]Verisure plc	Commercial Services & Supplies	3,058,411	34,132,515
			559,991,488
United States 16.0%			
BP plc	Oil, Gas & Consumable Fuels	13,427,667	87,030,205
CNH Industrial NV	Machinery	7,227,681	88,900,476
ManpowerGroup, Inc.	Professional Services	980,892	27,435,549
Sanofi SA	Pharmaceuticals	728,335	71,232,155
Shell plc	Oil, Gas & Consumable Fuels	1,483,686	62,141,035
Smurfit Westrock plc	Containers & Packaging	1,854,487	87,179,434
			423,918,854
Total Common Stocks (Cost $1,800,232,304)			**2,509,724,732**

Short Term Investments 8.4%

	Principal Amount*	Value
Time Deposits 6.5%		
Canada 3.3%		
Bank of Montreal, 3.62%, 3/02/26	37,000,000	37,000,000
National Bank of Canada, 3.58%, 3/02/26	49,200,000	49,200,000
		86,200,000
France 3.2%		
Credit Agricole Corporate and Investment Bank SA, 3.57%, 3/02/26	85,000,000	85,000,000
Total Time Deposits (Cost $171,200,000)		**171,200,000**
	Shares	
[e]**Investments from Cash Collateral Received for Loaned Securities 1.9%**		
Money Market Funds 1.9%		
[f,g]Franklin Institutional U.S. Government Money Market Fund, 3.583%	50,254,961	50,254,961
Total Investments from Cash Collateral Received for Loaned Securities (Cost $50,254,961)		**50,254,961**
Total Short Term Investments (Cost $221,454,961)		**221,454,961**
Total Investments (Cost $2,021,687,265) 103.2%		**$2,731,179,693**
Other Assets, less Liabilities (3.2)%		**(84,454,990)**
Net Assets 100.0%		**$2,646,724,703**

Templeton Foreign Fund (continued)

[*] The principal amount is stated in U.S. dollars unless otherwise indicated.
[a] Variable interest entity (VIE). See Note 6 regarding investments made through a VIE structure. At February 28, 2026, the aggregate value of these securities was $85,050,444, representing 3.2% of net assets.
[b] Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At February 28, 2026, the value of this security was $55,322,044, representing 2.1% of net assets.
[c] Non-income producing.
[d] A portion or all of the security is on loan at February 28, 2026. See Note 1(c).
[e] See Note 1(c) regarding securities on loan.
[f] See Note 3(f) regarding investments in affiliated management investment companies.
[g] The rate shown is the annualized seven-day effective yield at period end.

Financial Highlights

Templeton World Fund

	Six Months Ended February 28, 2026 (unaudited)	Year Ended August 31, 2025	2024	2023	2022	2021
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	$18.87	$17.62	$13.91	$11.85	$15.52	$12.71
Income from investment operations[a]:						
Net investment income (loss)[b]	(0.02)	0.05	0.01	0.04	(—)[c]	0.20[d]
Net realized and unrealized gains (losses)	1.61	2.31	3.79	2.21	(3.44)	2.61
Total from investment operations	1.59	2.36	3.80	2.25	(3.44)	2.81
Less distributions from:						
Net investment income	—	(—)[c]	(0.09)	(0.05)	(0.23)	—
Net realized gains	(2.37)	(1.11)	—	(0.14)	—	—
Total distributions	(2.37)	(1.11)	(0.09)	(0.19)	(0.23)	—
Net asset value, end of period	$18.09	$18.87	$17.62	$13.91	$11.85	$15.52
Total return[e]	8.72%	14.23%	27.48%	19.23%	(22.39)%	22.11%
Ratios to average net assets[f]						
Expenses	1.03%[g]	1.05%	1.03%[g]	1.04%[g]	1.04%	1.03%[g]
Net investment income (loss)	(0.23)%	0.26%	0.09%	0.32%	(—)%[h]	1.42%[d]
Supplemental data						
Net assets, end of period (000's)	$2,729,415	$2,667,444	$2,592,377	$2,289,332	$2,138,297	$3,060,714
Portfolio turnover rate	43.36%	100.16%	52.04%	47.28%	81.20%	41.83%

[a]The 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.
[b]Based on average daily shares outstanding.
[c]Amount rounds to less than $0.01 per share.
[d]Net investment income per share includes approximately $0.13 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.48%.
[e]Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.
[f]Ratios are annualized for periods less than one year.
[g]Benefit of waiver and payments by affiliates rounds to less than 0.01%.
[h]Rounds to less than 0.01%.

Templeton World Fund (continued)

	Six Months Ended February 28, 2026 (unaudited)	Year Ended August 31,				
		2025	2024	2023	2022	2021
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	$17.70	$16.71	$13.21	$11.30	$14.76	$12.18
Income from investment operations[a]:						
Net investment income (loss)[b]	(0.09)	(0.08)	(0.10)	(0.06)	(0.10)	0.10[c]
Net realized and unrealized gains (losses)	1.51	2.18	3.60	2.11	(3.29)	2.48
Total from investment operations	1.42	2.10	3.50	2.05	(3.39)	2.58
Less distributions from:						
Net investment income	—	—	—	—	(0.07)	—
Net realized gains	(2.37)	(1.11)	—	(0.14)	—	—
Total distributions	(2.37)	(1.11)	—	(0.14)	(0.07)	—
Net asset value, end of period	$16.75	$17.70	$16.71	$13.21	$11.30	$14.76
Total return[d]	8.32%	13.39%	26.50%	18.33%	(23.01)%	21.18%
Ratios to average net assets[e]						
Expenses	1.78%[f]	1.80%	1.79%[f]	1.79%[f]	1.81%	1.80%[f]
Net investment income (loss)	(0.98)%	(0.50)%	(0.67)%	(0.48)%	(0.77)%	0.70%[c]
Supplemental data						
Net assets, end of period (000's)	$5,392	$5,360	$6,187	$6,476	$7,348	$12,585
Portfolio turnover rate	43.36%	100.16%	52.04%	47.28%	81.20%	41.83%

[a]The 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.
[b]Based on average daily shares outstanding.
[c]Net investment income per share includes approximately $0.13 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been (0.24)%.
[d]Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.
[e]Ratios are annualized for periods less than one year.
[f]Benefit of waiver and payments by affiliates rounds to less than 0.01%.

Templeton World Fund (continued)

	Six Months Ended February 28, 2026 (unaudited)	Year Ended August 31, 2025	2024	2023	2022	2021
Class R6						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	$18.90	$17.64	$13.92	$11.86	$15.53	$12.69
Income from investment operations[a]:						
Net investment income[b]	—[c]	0.10	0.06	0.08	0.04	0.24[d]
Net realized and unrealized gains (losses)	1.61	2.32	3.79	2.19	(3.43)	2.60
Total from investment operations	1.61	2.42	3.85	2.27	(3.39)	2.84
Less distributions from:						
Net investment income	—	(0.05)	(0.13)	(0.07)	(0.28)	—
Net realized gains	(2.37)	(1.11)	—	(0.14)	—	—
Total distributions	(2.37)	(1.16)	(0.13)	(0.21)	(0.28)	—
Net asset value, end of period	$18.14	$18.90	$17.64	$13.92	$11.86	$15.53
Total return[e]	8.82%	14.61%	27.85%	19.50%	(22.14)%	22.38%
Ratios to average net assets[f]						
Expenses before waiver and payments by affiliates	0.78%	0.78%	0.78%	0.77%	0.78%	0.78%
Expenses net of waiver and payments by affiliates	0.76%	0.76%	0.75%	0.75%	0.76%	0.76%
Net investment income	0.05%	0.55%	0.41%	0.61%	0.29%	1.68%[d]
Supplemental data						
Net assets, end of period (000's)	$27,819	$25,997	$26,493	$38,834	$34,238	$42,010
Portfolio turnover rate	43.36%	100.16%	52.04%	47.28%	81.20%	41.83%

[a]The 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.
[b]Based on average daily shares outstanding.
[c]Amount rounds to less than $0.01 per share.
[d]Net investment income per share includes approximately $0.13 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.74%.
[e]Total return is not annualized for periods less than one year.
[f]Ratios are annualized for periods less than one year.

Templeton World Fund (continued)

	Six Months Ended February 28, 2026 (unaudited)	Year Ended August 31,				
		2025	2024	2023	2022	2021
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	$18.91	$17.65	$13.93	$11.86	$15.54	$12.70
Income from investment operations[a]:						
Net investment income[b]	—[c]	0.09	0.05	0.07	0.03	0.24[d]
Net realized and unrealized gains (losses)	1.61	2.33	3.80	2.21	(3.44)	2.60
Total from investment operations	1.61	2.42	3.85	2.28	(3.41)	2.84
Less distributions from:						
Net investment income	—	(0.05)	(0.13)	(0.07)	(0.27)	—
Net realized gains	(2.37)	(1.11)	—	(0.14)	—	—
Total distributions	(2.37)	(1.16)	(0.13)	(0.21)	(0.27)	—
Net asset value, end of period	$18.15	$18.91	$17.65	$13.93	$11.86	$15.54
Total return[e]	8.82%	14.55%	27.81%	19.52%	(22.22)%	22.36%
Ratios to average net assets[f]						
Expenses	0.78%[g]	0.80%	0.79%[g]	0.79%[g]	0.81%	0.80%[g]
Net investment income	0.03%	0.51%	0.33%	0.57%	0.24%	1.64%[d]
Supplemental data						
Net assets, end of period (000's)	$100,387	$98,938	$93,548	$99,935	$86,424	$115,823
Portfolio turnover rate	43.36%	100.16%	52.04%	47.28%	81.20%	41.83%

[a]The 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.
[b]Based on average daily shares outstanding.
[c]Amount rounds to less than $0.01 per share.
[d]Net investment income per share includes approximately $0.13 per share related to an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.70%.
[e]Total return is not annualized for periods less than one year.
[f]Ratios are annualized for periods less than one year.
[g]Benefit of waiver and payments by affiliates rounds to less than 0.01%.

Schedule of Investments (unaudited), February 28, 2026

Templeton World Fund

	Industry	Shares	Value
Common Stocks 99.0%			
China 2.4%			
[a]BYD Co. Ltd., H	Automobiles	3,645,330	$43,944,840
[b]Tencent Holdings Ltd.	Interactive Media & Services	363,559	23,919,940
			67,864,780
France 9.3%			
Airbus SE	Aerospace & Defense	259,637	56,380,936
LVMH Moet Hennessy Louis Vuitton SE	Textiles, Apparel & Luxury Goods	70,552	45,084,188
Safran SA	Aerospace & Defense	282,132	113,625,492
Vinci SA	Construction & Engineering	309,124	51,310,301
			266,400,917
Germany 5.3%			
Infineon Technologies AG	Semiconductors & Semiconductor Equipment	529,940	28,561,024
Siemens Energy AG	Electrical Equipment	630,260	122,067,354
			150,628,378
Hong Kong 1.2%			
[a]AIA Group Ltd.	Insurance	3,154,057	34,794,087
India 1.6%			
HDFC Bank Ltd.	Banks	4,728,370	46,219,825
Japan 1.1%			
Mizuho Financial Group, Inc.	Banks	715,869	31,937,788
Netherlands 3.5%			
ASML Holding NV	Semiconductors & Semiconductor Equipment	20,445	29,735,371
ING Groep NV	Banks	2,446,797	70,597,273
			100,332,644
Singapore 1.3%			
[c]Sea Ltd., ADR	Broadline Retail	345,586	37,478,802
South Korea 2.6%			
Samsung Electronics Co. Ltd.	Technology Hardware, Storage & Peripherals	500,429	74,899,876
Taiwan 6.8%			
Taiwan Semiconductor Manufacturing Co. Ltd.	Semiconductors & Semiconductor Equipment	1,575,195	98,289,322
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	Semiconductors & Semiconductor Equipment	186,546	69,876,401
Wiwynn Corp.	Technology Hardware, Storage & Peripherals	215,206	27,045,214
			195,210,937
United Kingdom 11.6%			
AstraZeneca plc	Pharmaceuticals	305,520	64,291,376
Rolls-Royce Holdings plc	Aerospace & Defense	6,119,587	110,042,902
SSE plc	Electric Utilities	2,383,853	86,165,296
Unilever plc.	Personal Care Products	976,350	71,744,215
			332,243,789
United States 52.3%			
Alcon AG	Health Care Equipment & Supplies	337,695	29,274,221
Alphabet, Inc., A	Interactive Media & Services	370,209	115,416,358
[c]Amazon.com, Inc.	Broadline Retail	538,478	113,080,380
Apple, Inc.	Technology Hardware, Storage & Peripherals	248,463	65,638,955
Broadcom, Inc.	Semiconductors & Semiconductor Equipment	307,435	98,240,854
Charles Schwab Corp. (The)	Capital Markets	304,909	29,027,337
CRH plc	Construction Materials	622,955	74,742,141

Templeton World Fund (continued)

	Industry	Shares	Value
Common Stocks (continued)			
United States (continued)			
Eli Lilly & Co.	Pharmaceuticals	64,393	$67,740,792
Ferguson Enterprises, Inc.	Trading Companies & Distributors	163,383	42,603,751
HCA Healthcare, Inc..	Health Care Providers & Services	99,610	52,763,417
[c]Illumina, Inc.	Life Sciences Tools & Services	301,570	40,549,102
Linde plc	Chemicals	57,390	29,158,711
Meta Platforms, Inc., A	Interactive Media & Services	132,909	86,148,956
Microsoft Corp.	Software	360,526	141,592,981
[c]MongoDB, Inc., A	IT Services	77,395	25,421,936
[c]Netflix, Inc.	Entertainment	682,160	65,651,078
NVIDIA Corp.	Semiconductors & Semiconductor Equipment	971,460	172,132,997
Schneider Electric SE	Electrical Equipment	201,935	65,994,343
Smurfit Westrock plc	Containers & Packaging	1,122,850	52,785,179
Thermo Fisher Scientific, Inc.	Life Sciences Tools & Services	90,296	47,054,149
Visa, Inc., A.	Financial Services	129,510	41,461,331
Wells Fargo & Co..	Banks	501,522	40,848,967
			1,497,327,936
Total Common Stocks (Cost $2,070,019,208)			**2,835,339,759**

Short Term Investments 0.3%

	Principal Amount*	Value
Time Deposits 0.3%		
Canada 0.3%		
National Bank of Canada, 3.58%, 3/02/26	7,800,000	7,800,000
Total Time Deposits (Cost $7,800,000)		**7,800,000**
	Shares	
[d]**Investments from Cash Collateral Received for Loaned Securities 0.0%†**		
Money Market Funds 0.0%†		
[e,f]Franklin Institutional U.S. Government Money Market Fund, 3.583%	116,500	116,500
Total Investments from Cash Collateral Received for Loaned Securities (Cost $116,500)		**116,500**
Total Short Term Investments (Cost $7,916,500)		**7,916,500**
Total Investments (Cost $2,077,935,708) 99.3%		**$2,843,256,259**
Other Assets, less Liabilities 0.7%		**19,757,470**
Net Assets 100.0%		**$2,863,013,729**

Templeton World Fund (continued)

See Abbreviations on page 33.

[*] The principal amount is stated in U.S. dollars unless otherwise indicated.
[†] Rounds to less than 0.1% of net assets.
[a] A portion or all of the security is on loan at February 28, 2026. See Note 1(c).
[b] Variable interest entity (VIE). See Note 6 regarding investments made through a VIE structure. At February 28, 2026, the value of this security was $23,919,940, representing 0.8% of net assets.
[c] Non-income producing.
[d] See Note 1(c) regarding securities on loan.
[e] See Note 3(f) regarding investments in affiliated management investment companies.
[f] The rate shown is the annualized seven-day effective yield at period end.

Statements of Assets and Liabilities

February 28, 2026 (unaudited)

	Templeton Foreign Fund	Templeton World Fund
Assets:		
Investments in securities:		
Cost - Unaffiliated issuers	$1,971,432,304	$2,077,819,208
Cost - Non-controlled affiliates (Note 3f)	50,254,961	116,500
Value - Unaffiliated issuers (Includes securities loaned of $72,736,893 and $10,393,321, respectively)	$2,680,924,732	$2,843,139,759
Value - Non-controlled affiliates (Note 3f)	50,254,961	116,500
Cash	71,866	407,586
Receivables:		
Investment securities sold	—	51,136,165
Capital shares sold	739,303	1,042,269
Dividends and interest	10,440,308	6,184,853
European Union tax reclaims (Note 1d)	—	753,025
Total assets	2,742,431,170	2,902,780,157
Liabilities:		
Payables:		
Investment securities purchased	5,164,330	27,477,691
Capital shares redeemed	32,301,610	2,331,568
Management fees	1,359,837	1,528,007
Distribution fees	384,936	528,076
Transfer agent fees	971,807	400,332
Trustees' fees and expenses	13,868	5,709
Payable upon return of securities loaned (Note 1c)	50,254,961	116,500
Deferred taxes on unrealized appreciation	4,943,775	6,040,422
Accrued expenses and other liabilities	311,343	1,338,123
Total liabilities	95,706,467	39,766,428
Net assets, at value	$2,646,724,703	$2,863,013,729
Net assets consist of:		
Paid-in capital	$1,939,995,835	$1,991,636,521
Total distributable earnings (losses)	706,728,868	871,377,208
Net assets, at value	$2,646,724,703	$2,863,013,729

Statements of Assets and Liabilities (continued)

February 28, 2026 (unaudited)

	Templeton Foreign Fund	Templeton World Fund
Class A:		
Net assets, at value	$1,725,800,877	$2,729,415,367
Shares outstanding	166,437,094	150,888,939
Net asset value per share[a,b]	$10.37	$18.09
Maximum offering price per share (net asset value per share ÷ 94.50%)[b]	$10.97	$19.14
Class C:		
Net assets, at value	$14,315,600	$5,392,402
Shares outstanding	1,372,524	321,973
Net asset value and maximum offering price per share[a,b]	$10.43	$16.75
Class R:		
Net assets, at value	$119,263,402	$—
Shares outstanding	11,809,034	—
Net asset value and maximum offering price per share[b]	$10.10	$—
Class R6:		
Net assets, at value	$320,483,973	$27,819,345
Shares outstanding	31,627,494	1,533,410
Net asset value and maximum offering price per share[b]	$10.13	$18.14
Advisor Class:		
Net assets, at value	$466,860,851	$100,386,615
Shares outstanding	45,987,642	5,530,484
Net asset value and maximum offering price per share[b]	$10.15	$18.15

[a]Redemption price is equal to net asset value less contingent deferred sales charges, if applicable.
[b]Net asset value per share may not recalculate due to rounding.

Statements of Operations

for the six months ended February 28, 2026 (unaudited)

	Templeton Foreign Fund	Templeton World Fund
Investment income:		
Dividends: (net of foreign taxes of $1,013,426 and $1,239,317, respectively)		
Unaffiliated issuers	$21,274,243	$10,496,738
Interest:		
Unaffiliated issuers	1,954,412	984,042
Income from securities loaned:		
Unaffiliated entities (net of fees and rebates)	(269,949)	(50,359)
Non-controlled affiliates (Note 3f)	358,696	56,530
Other income (Note 1d)	—	19,836
Total investment income	23,317,402	11,506,787
Expenses:		
Management fees (Note 3a)	8,883,569	9,900,707
Distribution fees: (Note 3c)		
Class A	1,989,338	3,395,437
Class C	69,630	27,310
Class R	283,440	—
Transfer agent fees: (Note 3e)		
Class A	1,152,334	803,745
Class C	10,075	1,616
Class R	82,051	—
Class R6	86,527	7,643
Advisor Class	343,002	29,286
Custodian fees	80,972	46,475
Reports to shareholders fees	97,500	60,163
Registration and filing fees	41,261	58,756
Professional fees	58,131	57,721
Trustees' fees and expenses	155,245	163,232
Other	51,494	46,798
Total expenses	13,384,569	14,598,889
Expenses waived/paid by affiliates (Note 3f and 3g)	(395,831)	(6,107)
Net expenses	12,988,738	14,592,782
Net investment income (loss)	10,328,664	(3,085,995)
Realized and unrealized gains (losses):		
Net realized gain (loss) from:		
Investments:		
Unaffiliated issuers	132,347,355	165,896,766
Foreign currency transactions	269,164	(6,901)
Net realized gain (loss)	132,616,519	165,889,865
Net change in unrealized appreciation (depreciation) on:		
Investments:		
Unaffiliated issuers	277,297,445	75,290,283
Translation of other assets and liabilities denominated in foreign currencies	(54,912)	36,543
Change in deferred taxes on unrealized appreciation	1,111,718	621,884
Net change in unrealized appreciation (depreciation)	278,354,251	75,948,710
Net realized and unrealized gain (loss)	410,970,770	241,838,575
Net increase (decrease) in net assets resulting from operations	$421,299,434	$238,752,580

Statements of Changes in Net Assets

	Templeton Foreign Fund		Templeton World Fund	
	Six Months Ended February 28, 2026 (unaudited)	**Year Ended August 31, 2025**	**Six Months Ended February 28, 2026 (unaudited)**	**Year Ended August 31, 2025**
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	$10,328,664	$52,719,497	$(3,085,995)	$7,289,113
Net realized gain (loss)	132,616,519	129,871,782	165,889,865	397,555,118
Net change in unrealized appreciation (depreciation)	278,354,251	21,201,442	75,948,710	(46,449,257)
Net increase (decrease) in net assets resulting from operations	421,299,434	203,792,721	238,752,580	358,394,974
Distributions to shareholders:				
Class A	(57,268,704)	(32,084,926)	(325,153,474)	(158,900,136)
Class C	(377,446)	(199,047)	(698,632)	(382,723)
Class R	(3,886,174)	(2,255,243)	—	—
Class R6	(14,615,493)	(9,520,094)	(3,299,351)	(1,680,416)
Advisor Class	(18,375,080)	(13,240,139)	(11,806,783)	(6,032,030)
Total distributions to shareholders	(94,522,897)	(57,299,449)	(340,958,240)	(166,995,305)
Capital share transactions: (Note 2)				
Class A	(20,899,257)	(154,386,205)	159,568,215	(107,578,857)
Class C	(1,404,443)	(4,109,409)	294,613	(1,117,407)
Class R	(8,444,414)	(15,048,062)	—	—
Class R6	(93,335,946)	(42,582,011)	2,792,594	(2,258,995)
Advisor Class	(138,901,259)	(152,786,832)	4,824,186	(1,309,258)
Total capital share transactions	(262,985,319)	(368,912,519)	167,479,608	(112,264,517)
Net increase (decrease) in net assets	63,791,218	(222,419,247)	65,273,948	79,135,152
Net assets:				
Beginning of period	2,582,933,485	2,805,352,732	2,797,739,781	2,718,604,629
End of period	$2,646,724,703	$2,582,933,485	$2,863,013,729	$2,797,739,781

Notes to Financial Statements (unaudited)

1. Organization and Significant Accounting Policies

Templeton Funds (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of two separate funds (Funds). The Funds follow the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and apply the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. The classes of shares offered within each of the Funds are indicated below. Class C shares automatically convert to Class A shares on a monthly basis, after they have been held for 8 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.

Class A, Class C, Class R, Class R6 & Advisor Class
Templeton Foreign Fund

Class A, Class C, Class R6 & Advisor Class
Templeton World 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 Board has designated the Funds' investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Funds' administrator in performing this responsibility, 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, 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. Events can 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

1. Organization and Significant Accounting Policies
(continued)

a. Financial Instrument Valuation (continued)

4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Funds' portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At February 28, 2026, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as “market level fair value”). See the Fair Value Measurements note for more information.

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 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. Securities Lending

Certain or all Funds participate in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Funds. Additionally, at February 28, 2026, Templeton Foreign Fund and Templeton World Fund held $27,141,712 and $11,540,986, respectively, in U.S. Government and Agency securities as collateral. These securities are held as collateral in segregated accounts with the Funds' custodian. The Fund cannot repledge or resell these securities held as collateral. As such, the non-cash collateral is excluded from the Statements of Assets and Liabilities. The Fund may receive income from the investment of cash collateral, in addition to lending fees paid by the borrower. Income from securities loaned, net of fees paid to the securities lending agent and/or third-party vendor, is reported separately in the Statements of Operations. The Fund bears the market risk with respect to any cash collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default

1. Organization and Significant Accounting Policies
(continued)

c. Securities Lending (continued)

by a third party borrower. Securities on loan outstanding at period end, if any, are listed in the Funds' Schedules of Investments.

d. 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. In some cases, the Funds may be entitled to reclaim all or a portion of such taxes, and such reclaim amounts, if any, are reflected as a dividend receivable in the Statements of Assets and Liabilities and dividend income in the Statements of Operations. In many cases, however, the Funds may not receive such amounts for an extended period of time, depending on the country of investment. 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). 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. Any fees associated with these filings are reflected in other expenses in the Statements of Operations. 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 amount of foreign taxes Fund shareholders can use as tax deductions or credits on their income tax returns. In the event that EU reclaims received by the Funds during a fiscal year exceed foreign withholding taxes paid by the Funds, and the Funds previously passed through to its shareholders foreign taxes incurred by the Funds to be used as a credit or deduction on a shareholder’s income tax return, the Funds will enter into a closing agreement with the Internal Revenue Service (IRS) in order to pay the associated tax liability on behalf of the Funds' shareholders. The Funds previously determined to enter into a closing agreement with the IRS and recorded any adjustments to estimated payments as other income, as reflected in the Statements of Operations.

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 February 28, 2026, 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). The Funds' federal and state income and federal excise tax returns for the prior three fiscal years are subject to examination by the Internal Revenue Service and state departments of revenue.

e. 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 (including interest income from payment-in-kind securities, if any) 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.

1. Organization and Significant Accounting Policies
(continued)

e. Security Transactions, Investment Income, Expenses and Distributions (continued)

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.

f. 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.

g. 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.

2. Shares of Beneficial Interest

At February 28, 2026, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Templeton Foreign Fund		Templeton World Fund	
	Shares	**Amount**	**Shares**	**Amount**
Class A Shares:				
Six Months ended February 28, 2026				
Shares sold[a]	5,218,639	$51,014,735	3,456,770	$65,365,470
Shares issued in reinvestment of distributions	5,775,629	54,175,399	17,284,774	305,594,806
Shares redeemed	(13,083,036)	(126,089,391)	(11,181,841)	(211,392,061)
Net increase (decrease)	(2,088,768)	$(20,899,257)	9,559,703	$159,568,215
Year ended August 31, 2025				
Shares sold[a]	8,146,651	$68,114,745	5,103,637	$89,005,165
Shares issued in reinvestment of distributions	3,989,681	30,321,574	8,899,573	149,067,843
Shares redeemed	(30,400,498)	(252,822,524)	(19,822,496)	(345,651,865)
Net increase (decrease)	(18,264,166)	$(154,386,205)	(5,819,286)	$(107,578,857)

2. Shares of Beneficial Interest (continued)

	Templeton Foreign Fund		Templeton World Fund	
	Shares	Amount	Shares	Amount
Class C Shares:				
Six Months ended February 28, 2026				
Shares sold	141,943	$1,376,645	19,882	$354,349
Shares issued in reinvestment of distributions	39,398	372,315	42,623	698,589
Shares redeemed[a]	(323,606)	(3,153,403)	(43,339)	(758,325)
Net increase (decrease)	(142,265)	$(1,404,443)	19,166	$294,613
Year ended August 31, 2025				
Shares sold	174,802	$1,466,613	37,667	$624,154
Shares issued in reinvestment of distributions	25,725	196,796	23,995	378,875
Shares redeemed[a]	(689,398)	(5,772,818)	(129,129)	(2,120,436)
Net increase (decrease)	(488,871)	$(4,109,409)	(67,467)	$(1,117,407)
Class R Shares:				
Six Months ended February 28, 2026				
Shares sold	300,728	$2,856,247	—	$—
Shares issued in reinvestment of distributions	425,136	3,885,743	—	—
Shares redeemed	(1,610,657)	(15,186,404)	—	—
Net increase (decrease)	(884,793)	$(8,444,414)	—	$—
Year ended August 31, 2025				
Shares sold	1,050,534	$8,499,430	—	$—
Shares issued in reinvestment of distributions	304,180	2,253,972	—	—
Shares redeemed	(3,128,651)	(25,801,464)	—	—
Net increase (decrease)	(1,773,937)	$(15,048,062)	—	$—
Class R6 Shares:				
Six Months ended February 28, 2026				
Shares sold	2,294,327	$21,766,897	162,419	$3,113,793
Shares issued in reinvestment of distributions	1,392,869	12,758,679	176,187	3,122,038
Shares redeemed	(13,174,431)	(127,861,522)	(180,840)	(3,443,237)
Net increase (decrease)	(9,487,235)	$(93,335,946)	157,766	$2,792,594
Year ended August 31, 2025				
Shares sold	8,400,845	$68,212,528	231,637	$4,057,103
Shares issued in reinvestment of distributions	1,137,609	8,452,433	95,503	1,598,721
Shares redeemed	(14,411,793)	(119,246,972)	(453,337)	(7,914,819)
Net increase (decrease)	(4,873,339)	$(42,582,011)	(126,197)	$(2,258,995)

2. Shares of Beneficial Interest (continued)

	Templeton Foreign Fund		Templeton World Fund	
	Shares	Amount	Shares	Amount
Advisor Class Shares:				
Six Months ended February 28, 2026				
Shares sold	4,016,429	$37,804,539	565,594	$10,666,561
Shares issued in reinvestment of distributions	1,790,065	16,432,798	619,617	10,985,813
Shares redeemed	(20,697,972)	(193,138,596)	(887,720)	(16,828,188)
Net increase (decrease)	(14,891,478)	$(138,901,259)	297,491	$4,824,186
Year ended August 31, 2025				
Shares sold	13,045,343	$105,600,853	977,752	$17,085,499
Shares issued in reinvestment of distributions	1,587,795	11,813,196	336,737	5,640,353
Shares redeemed in-kind (Note 3h)	(14,642,321)	(116,113,608)	—	—
Shares redeemed	(18,843,371)	(154,087,273)	(1,383,044)	(24,035,110)
Net increase (decrease)	(18,852,554)	$(152,786,832)	(68,555)	$(1,309,258)

[a]May 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
Templeton Global Advisors Limited (Global Advisors)	Investment manager
Templeton Asset Management Ltd (Asset Management)	Subadvisor
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

a. Management Fees

Templeton Foreign Fund pays an investment management fee, calculated daily and paid monthly, to Global Advisors based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.705%	Up to and including $1 billion
0.690%	Over $1 billion, up to and including $5 billion
0.675%	Over $5 billion, up to and including $10 billion
0.655%	Over $10 billion, up to and including $15 billion
0.635%	Over $15 billion, up to and including $20 billion
0.615%	Over $20 billion, up to and including $25 billion
0.605%	Over $25 billion, up to and including $30 billion
0.595%	Over $30 billion, up to and including $35 billion
0.585%	In excess of $35 billion

3. Transactions with Affiliates (continued)

a. Management Fees (continued)

Templeton World Fund pays an investment management fee, calculated daily and paid monthly, to Global Advisors based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.705%	Up to and including $1 billion
0.690%	Over $1 billion, up to and including $5 billion
0.675%	Over $5 billion, up to and including $10 billion
0.655%	Over $10 billion, up to and including $15 billion
0.635%	Over $15 billion, up to and including $20 billion
0.615%	In excess of $20 billion

For the period ended February 28, 2026, each Fund's annualized gross effective investment management fee rate based on average daily net assets was as follows:

	Templeton Foreign Fund	Templeton World Fund
Gross effective investment management fee rate	0.696%	0.695%

Under a subadvisory agreement, Asset Management, an affiliate of Global Advisors, provides subadvisory services to Templeton World Fund. The subadvisory fee is paid by Global Advisors 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 Global Advisors, FT Services provides administrative services to the Funds. The fee is paid by Global Advisors based on the Funds' 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. 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:

	Templeton Foreign Fund	Templeton World Fund
Class A	0.25%	0.25%
Class C	1.00%	1.00%
Class R	0.50%	—%

3. Transactions with Affiliates (continued)

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 period:

	Templeton Foreign Fund	Templeton World Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	$20,317	$14,030
CDSC retained	$1,631	$(22)

e. Transfer Agent Fees

Each class of shares pays transfer agent fees, calculated monthly and paid monthly, to Investor Services for its performance of shareholder servicing obligations. The fees are based on a fixed margin earned by Investor Services and are allocated to the Funds based upon relative assets and relative transactions. 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 paid to third parties are accrued and allocated daily based upon their relative proportion of such classes' aggregate net assets. Class R6 pays Investor Services transfer agent fees allocated specifically to that class based upon its relative assets and relative transactions.

For the period ended February 28, 2026, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

	Templeton Foreign Fund	Templeton World Fund
Transfer agent fees	$410,448	$325,820

f. Investments in Affiliated Management Investment Companies

Certain or all Funds invest in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a “Controlled Affiliate” of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund’s outstanding shares or has the power to exercise control over management or policies of such fund. The Funds do not invest for purposes of 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, if applicable, paid directly or indirectly by each affiliate. During the period ended February 28, 2026, investments in affiliated management investment companies were as follows:

3. Transactions with Affiliates (continued)

f. Investments in Affiliated Management Investment Companies (continued)

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
Templeton Foreign Fund								
Non-Controlled Affiliates								
								Income from securities loaned
Franklin Institutional U.S. Government Money Market Fund, 3.583%	$—	$257,513,737	$(207,258,776)	$—	$—	$50,254,961	50,254,961	$358,696
Total Affiliated Securities	$—	$257,513,737	$(207,258,776)	$—	$—	$50,254,961		$358,696
Templeton World Fund								
Non-Controlled Affiliates								
								Income from securities loaned
Franklin Institutional U.S. Government Money Market Fund, 3.583%	$—	$117,793,433	$(117,676,933)	$—	$—	$116,500	116,500	$56,530
Total Affiliated Securities	$—	$117,793,433	$(117,676,933)	$—	$—	$116,500		$56,530

g. Waiver and Expense Reimbursements

Global Advisors has contractually agreed in advance to waive or limit its fees and to assume as its own expense certain expenses otherwise payable by Templeton Foreign Fund so that the operating 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 each class of the Fund do not exceed 0.85%, and for R6 do not exceed 0.74%, based on the average net assets of each class until December 31, 2026. Total expenses waived or paid are not subject to recapture subsequent to the Fund's fiscal year end.

Transfer agent fees on Class R6 shares of the Funds have been capped so that transfer agent fees for that class do not exceed 0.03% based on the average net assets of the class until December 31, 2026.

h. Other Affiliated Transactions

During the year ended August 31, 2025, the New Jersey Better Educational Savings Trust Program – Franklin Templeton Managed Investments Options (529 Portfolios) redeemed out of Templeton Foreign Fund. As a result, on November 22, 2024, the Fund delivered portfolio securities and cash that were transferred in-kind to the 529 Portfolios, which included $1,397,640 of net realized gains. As such gains are not taxable to the Fund and are not distributed to remaining shareholders, they are reclassified from accumulated net realized gains to paid-in capital.

4. Income Taxes

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

At August 31, 2025, the capital loss carryforwards were as follows:

	Templeton Foreign Fund	Templeton World Fund
Capital loss carryforwards not subject to expiration:		
Long term	$124,369,053	$—

At February 28, 2026, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

	Templeton Foreign Fund	Templeton World Fund
Cost of investments	$2,033,001,444	$2,088,250,962
Unrealized appreciation	$791,279,599	$798,139,360
Unrealized depreciation	(93,101,350)	(43,134,063)
Net unrealized appreciation (depreciation)	$698,178,249	$755,005,297

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

5. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the period ended February 28, 2026, were as follows:

	Templeton Foreign Fund	Templeton World Fund
Purchases	$524,469,170	$1,226,000,107
Sales	$870,588,276	$1,393,202,767

At February 28, 2026, in connection with securities lending transactions, certain or all Funds loaned investments and received cash collateral as follows:

	Templeton Foreign Fund	Templeton World Fund
Securities lending transactions[a]:		
Equity investments[b]	$50,254,961	$116,500

[a]The agreements can be terminated at any time.
[b]The gross amount of recognized liability for such transactions is included in payable upon return of securities loaned in the Statements of Assets and Liabilities.

6. 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, regional and global economic, political and social conditions, which may result in greater market volatility. Political and financial uncertainty in many foreign regions may increase market volatility and the economic risk of investing in foreign securities. In addition, certain foreign securities may not be as liquid as U.S. securities.

Certain investments in Chinese companies are made through a special structure known as a VIE. In a VIE structure, foreign investors, such as Templeton Foreign Fund and Templeton World Fund, will only own stock in a shell company rather than directly in the VIE, which must be owned by Chinese nationals (and/or Chinese companies) to obtain the licenses and/or assets required to operate in a restricted or prohibited sector in China. The value of the shell company is derived from its ability to consolidate the VIE into its financials pursuant to contractual arrangements that allow the shell company to exert a degree of control over, and obtain economic benefits arising from, the VIE without formal legal ownership. While VIEs are a longstanding industry practice and are well known by Chinese officials and regulators, the structure historically has not been formally recognized under Chinese law and it is uncertain whether Chinese officials or regulators will withdraw their implicit acceptance of the structure. It is also uncertain whether the contractual arrangements, which may be subject to conflicts of interest between the legal owners of the VIE and foreign investors, would be enforced by Chinese courts or arbitration bodies. Prohibitions of these structures by the Chinese government, or the inability to enforce such contracts, from which the shell company derives its value, would likely cause the VIE-structured holding(s) to suffer significant, detrimental, and possibly permanent losses, and in turn, adversely affect the Funds' returns and net asset value.

7. 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 $2.995 billion (Global Credit Facility) which matures on January 29, 2027. 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 may, 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 period ended February 28, 2026, the Funds did not use the Global Credit Facility.

8. 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)

8. Fair Value Measurements (continued)

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

A summary of inputs used as of February 28, 2026, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Templeton Foreign Fund				
Assets:				
Investments in Securities:[a]				
Common Stocks:				
China	$—	$138,703,405	$—	$138,703,405
Denmark	—	28,500,760	—	28,500,760
France	—	209,883,769	—	209,883,769
Hong Kong	—	100,738,672	—	100,738,672
India	—	82,876,101	—	82,876,101
Japan	—	157,918,704	—	157,918,704
Netherlands	—	218,501,951	—	218,501,951
Poland	—	26,751,458	—	26,751,458
Portugal	—	31,713,733	—	31,713,733
Singapore	—	62,034,300	—	62,034,300
South Korea	—	102,063,427	—	102,063,427
Sweden	—	42,099,058	—	42,099,058
Switzerland	—	183,162,384	—	183,162,384
Taiwan	—	140,866,668	—	140,866,668
United Kingdom	34,132,515	525,858,973	—	559,991,488
United States	203,515,459	220,403,395	—	423,918,854
Short Term Investments	50,254,961	171,200,000	—	221,454,961
Total Investments in Securities	$287,902,935	$2,443,276,758[b]	$—	$2,731,179,693
Templeton World Fund				
Assets:				
Investments in Securities:[a]				
Common Stocks:				
China	—	67,864,780	—	67,864,780
France	—	266,400,917	—	266,400,917
Germany	—	150,628,378	—	150,628,378
Hong Kong	—	34,794,087	—	34,794,087
India	—	46,219,825	—	46,219,825
Japan	—	31,937,788	—	31,937,788
Netherlands	—	100,332,644	—	100,332,644
Singapore	37,478,802	—	—	37,478,802
South Korea	—	74,899,876	—	74,899,876
Taiwan	69,876,401	125,334,536	—	195,210,937
United Kingdom	—	332,243,789	—	332,243,789
United States	1,402,059,372	95,268,564	—	1,497,327,936
Short Term Investments	116,500	7,800,000	—	7,916,500
Total Investments in Securities	$1,509,531,075	$1,333,725,184[c]	$—	$2,843,256,259

[a]For detailed categories, see the accompanying Schedule of Investments.
[b]Includes foreign securities valued at $2,272,076,758, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.
[c]Includes foreign securities valued at $1,325,925,184, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

9. Operating Segments

Each Fund operates as a single operating segment, which is an investment portfolio. The chief investment officer of the Funds' investment manager serves as the Chief Operating Decision Maker ("CODM") and is responsible for evaluating each Fund's operating results and allocating resources in accordance with each Fund's investment strategy. Internal reporting provided to the CODM aligns with the accounting policies and measurement principles used in the financial statements.

For information regarding segment assets, segment profit or loss, and significant expenses, refer to the Statements of Assets and Liabilities and the Statements of Operations, along with the related notes to the financial statements. The Schedules of Investments provides details of the Funds' investments that generate returns such as interest, dividends, and realized and unrealized gains or losses. Performance metrics, including portfolio turnover and expense ratios, are disclosed in the Financial Highlights.

10. 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

Changes In and Disagreements with Accountants

For the period covered by this report

Not applicable.

Results of Meeting(s) of Shareholders

For the period covered by this report

Not applicable.

Remuneration Paid to Directors, Officers and Others

For the period covered by this report

Refer to the financial statements included herein. Remuneration to officers is paid by the Funds' investment manager according to the terms of the agreement.

Board Approval of Management and Subadvisory Agreements

For the period covered by this report

Not applicable.

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