

富蘭克林坦伯頓世界基金
Templeton World Fund
年度財務報告中文簡譯本

2023 年 8 月 31 日

本基金年報中文簡譯本僅供參考。
中文簡譯本之內容與英文年報若有歧異，以英文年報之內容為準。

富蘭克林坦伯頓世界基金

財務重點

截至 8 月 31 日止之年度

	2023	2022	2021	2020	2019
A 股					
每單位股份操作績效					
(針對持續全年流通在外之股份)					
期初淨資產價值	\$11.85	\$15.52	\$12.71	\$12.76	\$17.24
來自投資操作之收益 ^a ：					
淨投資收益(損失) ^b	0.04	(—) ^c	0.20 ^d	0.16	0.29
淨實現及未實現利得(損失)	2.21	(3.44)	2.61	0.45	(2.17)
來自投資操作之收益總額	2.25	(3.44)	2.81	0.61	(1.88)
扣除配息：					
來自淨投資收益	(0.05)	(0.23)	—	(0.50)	(0.67)
來自淨實現利得	(0.14)	—	—	(0.16)	(1.93)
配息總額	(0.19)	(0.23)	—	(0.66)	(2.60)
期末淨資產價值	\$13.91	\$11.85	\$15.52	\$12.71	\$12.76
總報酬 ^e	(19.23)%	(22.39)%	22.11%	4.47%	(10.22)%

對應平均淨資產比率

費用	1.04% ^f	1.04%	1.03% ^f	1.05%	1.05% ^f
淨投資收益(損失)	0.32%	(—)% ^g	1.42% ^d	1.29%	2.06%

補充資料

期末淨資產(000's)	\$2,289,332	\$2,138,297	\$3,060,714	\$2,831,844	\$3,150,057
投資組合資金週轉率	47.28%	81.20%	41.83%	52.25%	25.16%

- 視與基金所獲取的收益以及/或是基金投資市值的變動相關的基金股份出售與購回的時間點，於此期間內流通在外股份所顯示的金額可能與此期間的經營業績表所實現的金額無關聯。
- 以每日平均流通在外股數為基礎。
- 金額四捨五入至每股不到 0.01 美元。
- 每股淨投資收益包含約 0.13 美元的每股收益是與調整歐盟對某些基金持股的回收額有關。若不計此金額，淨投資收益與平均淨資產的比率將為 0.48%。
- 總報酬並不反映銷售酬佣或是或有遞延銷售手續費（如適用）。
- 關係企業支付或減免款項的利益四捨五入到小於 0.01%。
- 四捨五入到小於 0.01%。

富蘭克林坦伯頓世界基金

資產負債表

2023 年 8 月 31 日

資產：

證券投資：

成本 - 非關係企業上市公司 \$2,229,040,872

價值 - 非關係企業上市公司(包含借出證券\$23,107,096) \$2,438,380,305

現金 232,939

外幣價值(成本\$107) 108

應收款項：

證券投資銷售款 6,177,530

股本銷售款 84,102

股利及利息 6,513,715

歐盟稅款回收(附註 1e) 787,583

資產合計 2,452,176,282

負債：

應付款項：

股本贖回款 1,169,948

管理費用 1,432,209

配銷費用 489,054

股務代理機構費用 328,362

註冊及申報費用 9,888

專業人士費用 81,067

董事酬金與費用 7,816

歐盟稅款回收的美國國稅局結算協議費用(附註 1e) 13,944,332

預提費用及其他負債 135,985

負債合計 17,598,661

淨資產價值 \$2,434,577,621

淨資產包含：

實收資本 \$2,242,781,289

可分配利得(損失)總額 191,796,332

淨資產價值 \$2,434,577,621

A 股：

淨資產價值 \$2,289,332,393

流通在外股份 164,560,051

每股淨資產價值^a \$13.91

每股最高售價 (每股淨資產價值除以 94.50%) \$14.72

a. 贖回價格等於淨資產價值減掉或有遞延銷售手續費(如適用)。

富蘭克林坦伯頓世界基金

經營業績表

截至 2023 年 8 月 31 日止之年度

投資收益：

股利：(扣除外國稅額 \$1,740,883)

非關係企業上市公司

\$27,702,054

利息：

非關係企業上市公司

2,986,826

來自借出證券的收益：

非關係企業實體(扣除費用及回扣)

19,104

非控制關係企業(附註 3f)

519

其他收益(附註 1e)

316,796

減：歐盟稅款回收的美國國稅局結算協議費用(附註 1e)

(207,883)

投資收益總額

30,817,416

費用：

管理費用(附註 3a)

15,876,060

配銷費用(附註 3c)

A 股

5,258,669

C 股

66,630

股務代理機構費用(附註 3e)

A 股

1,611,805

C 股

4,988

R6 股

17,002

Advisor 股

61,210

保管機構費用(附註 4)

65,722

股東報告書費用

(125,013)

註冊與申報費用

91,381

專業人士費用

44,830

董事酬金與費用

279,431

其他

133,926

總費用

23,386,641

關係企業減免支付的費用(附註 3f 及 3g)

(6,211)

淨費用

23,380,430

淨投資收益

7,436,986

實現與未實現利得(損失)：

淨實現利得(損失)來自：

投資(扣除外國所得稅\$127,135)：

非關係企業上市公司

291,769

外幣交易

735,387

淨實現利得(損失)

1,027,156

淨未實現溢價(折價)變動在：

投資：

非關係企業上市公司

392,890,120

以外幣計價之其他資產與負債換算

365,868

淨未實現溢價(折價)變動

393,255,988

淨實現與未實現利得(損失)

394,283,144

淨資產在操作上的淨增加(減少)

\$401,720,130

富蘭克林坦伯頓世界基金

淨資產變動表

	截至 8 月 31 日止之年度	
	2023	2022
淨資產增加(減少)：		
營運：		
淨投資收益	\$7,436,986	\$166,419
淨實現利得(損失)	1,027,156	219,790,750
淨未實現溢價(折價)變動	393,255,988	(902,487,259)
淨資產在操作上的淨增加(減少)	401,720,130	(682,530,090)
對股東配息來自：		
A 股	(31,728,587)	(44,013,452)
C 股	(79,288)	(55,139)
R6 股	(605,219)	(780,101)
Advisor 股	(1,357,839)	(1,988,799)
對股東配息總額	(33,770,933)	(46,837,491)
股本交易：(附註 2)		
A 股	(197,637,235)	(233,613,207)
C 股	(1,899,715)	(2,686,637)
R6 股	(1,391,055)	2,778,432
Advisor 股	1,248,719	(1,935,608)
股本交易總額	(199,679,286)	(235,457,020)
淨資產的增加(減少)	168,269,911	(964,824,601)
淨資產：		
年度期初	2,266,307,710	3,231,132,311
年度期末	\$2,434,577,621	\$2,266,307,710

富蘭克林坦伯頓世界基金

財務報告附註

1. 組織結構與重要會計政策

坦伯頓基金公司（Templeton Funds）是依據美國 1940 年投資公司法案（簡稱為 1940 法案）註冊成立的開放式投資公司，其包括三支個別基金。本基金遵循美國財務會計準則委員會(FASB)所認定之 Accounting Standards Codification Topic 946（財務服務：投資公司（ASC946））且採用美國一般公認會計原則（U.S. GAAP）之專業會計和報導指南，包括但不限於 ASC946。本報告為富蘭克林坦伯頓世界基金（以下稱本基金）。本基金提供四種股份類別：A 股、C 股、R6 股及 Advisor 股。C 股在持有 8 年後每月將自動轉為 A 股。各股份類別的首次銷售手續費、或有遞延銷售手續費、對單一股份具影響之事件的投票權、轉換權益、不同約定之分銷費用及股務代理機構費用皆有所不同。

本基金重要會計政策摘要如下：

a. 財務工具評價

本基金為每日以公平價值(fair value)評價投資的財務工具。公平價值是市場參與者於秩序交易中，賣出資產或轉移負債於衡量日所被買賣參與者接受的價格。本基金在每個營業日的美東時間下午四點或紐約證券交易所(NYSE)正常排定的收盤時間計算每股淨資產價值(NAV)，以較早者為準。在基金董事會(董事會)所核准的政策及程序下，董事會已指定基金的投資經理為評價指定人，並負責監督評價。投資經理在基金管理人的協助下履行此職責，亦包括領導跨職能評價委員會(the Valuation Committee(VC))。本基金得以利用獨立定價服務、來自證券和財務工具的交易商所提供的報價及其他市場資訊來決定公平價值。

在證券交易所或那斯達克交易系統掛牌之股票是分別以最後公告售價或當日官方收盤價格計價。外國證券是以證券主要交易之外國證券交易所或是東部時間下午四點的收盤價估值，其價格將以外國證券依當日東部時間下午四點的收盤匯率被轉換成美元後的價值而定。店頭市場交易證券其估值則不超過最近一次的買賣報價範圍。同時在多個市場或多個交易所進行交易的證券，其估值則以最具廣度和代表性之市場的報價為準。某些股權證券是以類似證券的基本特徵或關係為評價基礎。

投資於開放式共同基金是以結算後的淨資產價值評價。投資於定期存款是以成本評價，其成本接近公平價值。

當財務工具缺乏可以信賴或是無法獲得市場價格時，本基金採用一些程序來決定其公平價值。在這些程序下，本基金主要使用市場基礎法（market-based approach），即使用相關或可比較之資產或負債、近期交易、市場乘數及其他相關資訊來決定投資之公平價值。收益基礎衡量法（income-based valuation approach）也可用於投資之預期未來現金流量折價以計算公平價值。由於處分投資的限制的本質或是存續期間，可能也使用折價來計算。由於此類投資評價固有的不確定性，其公平價值與交易市場的價格可能會有顯著的差異。

於外國證券交易所及店頭交易市場掛牌證券的交易，可能早於東部時間下午四點時間。此外，某些外國市場的交易並不會發生在每一個基金的營業日內。有時候，在外國證券交易完畢與東部時間下午四點之間的時間裡發生的事件可能對本基金所持有之投資組合證券價值的可信度造成影響。因此，由外國市場收盤後所決定之基金組合證券價格與東部時間下午四點最近的價格間，可能會產生差異。為了最小化這些潛在的差異，本基金得採用獨立定價服務將投資組合證券的價值調整至東部時間下午四點最新指標的公平價值。截至 2023 年 8 月 31 日，部分證券已使用公平價值程序來定價，在這種情況下，這些證券被分類為公平價值衡量層級

年度財務報告/附屬的財務報表附註是財務報表的一部份

富蘭克林坦伯頓世界基金

1. 組織結構與重要會計政策(承續前文)

a. 財務工具評價(承續前文)

中的等級 2（稱為“市場公平價值”）。更多說明，請參閱“公平價值衡量”附註。

當申報期間的最後一日為非營業日時，某些外國市場是在基金的淨值未被計算時營業，此可能造成基金投資組合證券的價值在申報期間的最後營業日及最後日曆日間所有差異。任何因外國市場開市所造成之顯著證券價值變動將被基金為反映財務申報目的而進行調整和反映。

b. 外幣轉換

投資組合中以外幣結算的證券以及其他資產與負債，是在估值日以這類外幣對美元的匯率轉換成美元來定價。本基金可能簽訂外匯契約協助以外幣計價的交易。以外幣結算之證券的申購與銷售，收益與費用項目是以在交易日生效的匯率轉換成美元來定價。以外幣計價之投資組合證券、資產及負債包含這些外幣相對於美元價值下跌的風險。有時候，事件的發生可能影響外幣對美元匯率的可獲得性或可信度。若有此類事件發生，將以本基金董事會所建立並核准之程序來確定該匯率的公平價值。

本基金不會單獨報告由於持有證券的市價變動而引起的外幣匯率變動的結果。這類的變動已包含在經營業績表的淨實現與未實現投資利益或損失中。

已實現的匯兌利得或損失來自於外幣銷售、在證券的交易日與交割日之間所實現的貨幣利得或損失及股利、利息、外國預扣稅的紀錄金額與其實際交付的等值美元金額之間的差異。淨未實現匯兌利得或損失來自於在報告期末除所持有的投資證券之外，以外幣結算之資產與負債的外幣匯率變動。

c. 衍生性金融商品

本基金投資於衍生性金融商品係為了管理風險或是增加對不同的其他投資或市場之曝險。衍生性金融商品為依標的資產或其名目金額為基礎之金融契約，其無須原始投資金額或其原始淨投資金額小於一般對市場因素改變有相似反應的投資金額，及其需要或允許淨額交割。衍生性金融商品存在許多風險，包含交易對手可能無法履行基於契約條款之義務、難於次級市場變現之可能性、以及/或是於市場波動時使本基金之利得或損失曝險於超過資產負債表所列金額之可能性。這些契約在本期間之已實現利得和損失及未實現溢價及折價皆已列示於經營業績表中。

本基金購買或賣出交易所交易的選擇權合約主要是為了管理和/或獲得對股票價格風險的曝險。選擇權是一種合約賦予持有人權利以指定價格購買或出售指定數量的股份或資產單位。當購買或賣出選擇權時，與支付或收到的權利金相等的金額分別記為資產或負債。行使選擇權時，相關投資的購置成本或銷售收益將根據收到或支付的權利金進行調整。選擇權到期時，收到或支付的費用均記為已實現的收益或損失，在選擇權到期或行使以外的情況下平倉時，收到或支付的權利金與平倉成本之間的差額將記為已實現收益或損失。截至 2023 年 8 月 31 日，本基金沒有選擇權。

d. 證券借貸

本基金參與一項代理機構基礎之證券借貸計劃以賺取額外的收益。本基金收取相當於所借出證券之公平價值至少 102% 的金額之現金及/或美國政府機構證券作為擔保品。在此借貸的存續期間內擔保品的金額不低於該借出證券公平價值（在基金各營業日結束時評定）的 100%，任何因證券價值變動而須追加的擔保品必須於次一營業日交付給本基金。任何現金擔保品與其

富蘭克林坦伯頓世界基金

1. 組織結構與重要會計政策(承續前文)

d. 證券借貸(承續前文)

他基金被存入聯合現金帳戶並習慣被投資於富蘭克林顧問公司（本基金的關係企業）所管理的貨幣市場基金裡。此外，截至 2023 年 8 月 31 日，本基金持有 \$24,932,478 美元的美國政府和機構證券作為抵押品。這些證券作為抵押品被持有於基金託管人的獨立帳戶中。本基金不能再質押或轉售這些作為抵押品持有的證券。因此，非現金抵押品不包括在資產負債表中。本基金收取來自現金擔保品的投資收益，以及從借貸者收取出借費用與回扣。來自借出證券的收益，扣除支付予證券借貸機構以及/或是第三方供應商的費用，已分別記錄於經營業績表中。本基金承擔有關任何現金擔保品投資與證券借出的市場風險，以及代理機構違反其對本基金義務的風險。如果借貸者違反其應返還借出證券的義務，本基金有權利運用所收取的擔保品於公開市場再買回這些證券。證券借貸機構已同意賠償本基金由第三方借入者產生的違約風險。

e. 所得稅及遞延稅

按照基金政策，本基金必須符合美國稅務法對於投資公司的規定，對股東分配幾乎所有的應稅收益與淨實現利益以免於繳納聯邦所得稅及特許權稅，因此無需預提美國聯邦所得稅。

本基金在外國管轄區域的投資所收取的收益、證券售出的資本利得以及一些外匯交易可能須繳納外國稅捐。如有外國稅捐，其金額將依據本基金所投資之外國市場實施的稅務法規與稅率申報。如外國對淨實現利得加以課稅，本基金將記錄預估的遞延稅賦義務，其金額相當於當證券在評價日交易須支付的稅額。

由於遍及歐盟一些國家的幾個訴訟案件結果，本基金已經為以前在這些國家所賺取股利的代扣稅款申報追加的回收稅款（歐盟回收）。已認可收益，若有的話，這些歐盟回收金額是以其他收益反映於經營業績表中，而任何相關應收款項，若有的話，是以歐盟稅款回收反映於資產負債表中。而與以上相關之費用也將反映在經營業績表的其他費用上。當這些訴訟的最終裁決、取得這些回收稅款的可能性以及付款的可能時間安排尚存有不確定性時，則無金額得以被反映於財務報表中。就美國所得稅目的，本基金所收取的歐盟回收稅款，若有的話，將減少外國稅捐金額而使本基金股東得在個人所得稅申報單中作為減稅或抵免。如果本基金在一個財政年度收到的歐盟回收款項超過本基金支付的外國預扣稅，並且本基金之前已將其轉嫁給其股東的外國稅款用於作為股東收入的抵免或扣除納稅，本基金將與美國國稅局 (IRS) 簽訂結算協議，以代表本基金的股東支付相關的納稅義務。在截至 2023 年 8 月 31 日的財政年度期間，基金收到了超過當年支付的外國稅款的歐盟回收退稅。本基金已決定與 IRS 達成一項結算協議，並在經營業績表中將估計費用計為收益的減項。

只有當稅務機關基於稅項的技術優勢進行依據美國一般公認會計原則(U.S.GAAP)審查時認為不明確稅項低於 50% 的可能性將持續的情況下，本基金才會承認不明確稅項的賦稅利益。於截至 2023 年 8 月 31 日止及所有開放稅賦年度，本基金認為沒有因被要求於納稅申報表所揭有關不明確稅項之納稅申報（或預計在未來進行納稅申報）之未承認賦稅利益而產生的負債。開放稅賦年度為基於稅賦管轄權之法定時效限制下仍須接受審查的年度。

f. 證券交易、投資收益、費用及配息

證券交易是在交易日作入帳。證券交易之已實現利得或損失則決定於特定基礎。利息收入與預估費用則每日計提。股利收入是在除息日入帳，除了某些來自外國證券的股利是在本基金接獲除息日通知才立即認定。對股東的配息是在除息日入帳並且依據所得稅法（稅基）確定。以稅基所決定的可分配盈餘可能不同於依照一般美國公認會計準則所紀錄的盈餘。這些差異可能是永久或是暫時的。在資本帳戶中，永久性差異將被重新分類以反映其稅賦特性。這些

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1. 組織結構與重要會計政策(承續前文)

f. 證券交易、投資收益、費用及配息(承續前文)

重新分類對淨資產或是經營業績並不會造成影響。暫時性差異則不用重新分類，因為差異在後續期間將會迴轉。

本信託所產生的共同費用，將依個別基金的淨資產佔本基金的總淨資產的比率來配置到各別基金或基於每個基金的股東人數與信託股東總數的比率，個別基金單獨產生的費用將直接記錄在招致此費用的基金帳內。

已實現與未實現利得與損失以及淨投資收益（股份等級特定費用除外），是依照個別股份等級的淨資產之相對比重而每日分配到個別股份等級。股份等級的費用差異可能導致各股份等級每股配息款項的差異。

g. 會計估計

管理階層依照美國一般公認的會計準則(U.S.GAAP)編制財務報表時需要做出會計估計與假設。這些會計估計與假設會影響於財務報表日的資產與負債金額以及在財務報表期間的收入與費用金額。實際結果可能與估計值不同。

h. 保證及賠償

在本基金的組織文件規定下，本信託同意免除其主管與董事在某些超越其職責範圍而發生的負債的責任。此外，在正常業務狀況下，本信託代表本基金與服務提供機構簽訂契約也包含責任免除條款。本信託在這些免責條款下的最大風險是未知的，因為涉及未來可能對本信託發生的被訴訟索賠。目前，本信託預期損失的風險是很小的。

2. 實益權益股份

在截至 2023 年 8 月 31 日，本基金經授權發行無數量管制的股份(無股票面值)。本基金股份的交易如下表：

	截至 8 月 31 日止之年度		截至 8 月 31 日止之年度	
	2023		2022	
	股份	金額	股份	金額
A 股：				
股份銷售 ^a	11,879,311	\$152,104,842	7,163,158	\$100,026,779
配息轉入再投資之股份發行	2,535,772	29,423,758	2,756,371	40,243,011
股份贖回	(30,260,078)	(379,165,835)	(26,739,266)	(373,882,997)
淨增加(減少)	(15,844,995)	\$(197,637,235)	(16,819,737)	\$(233,613,207)

^a可能包含部分 C 股其被自動轉為 A 股。

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3. 與關係企業的交易

富蘭克林公司作為控股公司，與其各附屬公司合稱為富蘭克林坦伯頓基金集團。本基金的部分主管與董事也是下列附屬公司的主管以及/或是董事：

附屬公司	與本基金的關係
Franklin Templeton Investments Corp. (FTIC)	投資經理公司
Franklin Templeton Investment Management Ltd. (FTIML)	投資經理公司
Templeton Global Advisors Limited (Global Advisors)	投資經理公司
Franklin Templeton Services, LLC (FT Services)	行政經理公司
Franklin Distributors, LLC (Distributors)	主辦承銷商
Franklin Templeton Investor Services, LLC (Investor Services)	股務代理機構

a. 管理費用

本基金按基金的平均每日淨資產，其每日及每月計算，支付 Global Advisors 的投資管理費用，詳如下表所示：

年化費率	淨資產
0.705%	不超過（含）十億美元
0.690%	超過十億美元，不超過（含）五十億美元
0.675%	超過五十億美元，不超過（含）一百億美元
0.655%	超過一百億美元，不超過（含）一百五十億美元
0.635%	超過一百五十億美元，不超過（含）二百億美元
0.615%	超過二百億美元

截至 2023 年 8 月 31 日之年度，有效年化投資管理費率為基金平均每日淨資產的 0.697%

b. 行政費用

依據與 Global Advisors 的契約，FT Services 對本基金提供行政管理服務。按本基金的每日平均淨資產支付行政管理服務費用，其並不是本基金額外的費用。

c. 配銷費用

除了 R6 股及 Advisor 股以外，本基金董事會遵循美國 1940 年投資公司法案的規則 12b-1，對於各股皆採用配銷計劃。在本基金 A 股的償還配銷計劃下，本基金將向 Distributors 償付不超過最高年度計劃費率的配銷費用，用以彌補其服務、銷售與配銷本基金股份所帶來的費用。在 A 股的償還配銷計劃下，當期計劃年度的費用超出最高償還額度的部分不會在後續期間得到償還。此外，在本基金 C 股的補償配銷計劃下，本基金將向 Distributors 支付不超過最高年度計劃費率的配銷費用，用以彌補其服務、銷售與配銷本基金股份所招致的費用。為監控最高年度計劃費率之遵循情形，該計劃年度為 2 月 1 日至 1 月 31 日的整個期間。

按本基金的平均每日淨資產的特定比例，各股的最高年度計劃費率列示如下：

A 股	0.25%
C 股	1.00%

d. 銷售手續費/承銷合約

前收型銷售手續費以及或有遞延銷售手續費（CDSC）不是本基金的費用。這些手續費在投資之前就從基金股份銷售款項中扣除，或是在贖回收益匯出之前被扣除（若適用）。承銷商（Distributors）已告知本基金下列有關本期間基金股份銷售與贖回的交易佣金：

年度財務報告/附屬的財務報表附註是財務報表的一部份

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3. 與關係企業的交易(承續前文)

d. 銷售手續費/承銷合約(承續前文)

扣除支付給非關係企業的交易商/經紀商佣金後的銷售手續費	\$22,878
保留的或有遞延銷售手續費	\$620

e. 股務代理機構費用

每個基金股份為 Investor Services 對股東服務範圍的績效支付股務代理機構費用。自 2022 年 10 月 1 日起，費用是根據 0.016% 的年化資產基礎費用加上降低後的交易基礎費用。在 2022 年 10 月 1 日前，費用則是根據 0.02% 的年化資產基礎費用加上交易基礎費用。此外，每個股份償付 Investor Services 的墊付款項以及，R6 股除外，支付予第三方的股東服務費用。這些費用將以各個股份淨資產的相對比例為基礎每日配置於各該股份。R6 股僅對該股支付 Investor Services 股務代理機構費用。

在截至 2023 年 8 月 31 日止之年度，本基金支付股務代理機構的費用列示經營業績表中，其中 \$791,596 美元是用以支付 Investor Services。

f. 投資於關係企業管理投資公司

本基金投資於一家或數家關係企業管理投資公司。根據 1940 年法案的定義，當基金直接或間接擁有附屬基金 25% 或更多的已發行股份或有權對管理行使控制權時，該投資被視為基金的「控制關係企業」。本基金的投資目的不是對管理或政策施加控制影響。本基金可減免投資於關係企業管理投資公司的資產所對應的管理費用已標示於經營業績表中，但金額不超過每一個關係企業直接或間接所支付的管理費用和行政費用。在截至 2023 年 8 月 31 日止之年度，本基金投資在關係企業管理投資公司明細如下：

	期初 價值	申購	出售	已實 現利 得(虧)	未實現溢價 (折價)淨變動	期末 價值	期末 持有股數	投資 收益
非控制關係上市 公司								
Institutional Fiduciary Trust- Money Market Portfolio, 5.066%	\$—	\$1,161,951	\$(1,161,951)	\$—	\$—	\$—	—	\$519
關係上市公司 證券合計	\$—	\$1,161,951	\$(1,161,951)	\$—	\$—	\$—		\$519

g. 免除與費用償還

Investor Services 已事先簽約同意免除或是限制其收取的費用，所以 R6 股的股務代理機構費用於 2023 年 12 月 31 日前不會超過該股份平均淨資產的 0.03%。

h. 其他關聯交易 (略)

4. 費用抵銷協議 (略)

5. 所得稅

就稅務目的，資本虧損得用來抵銷未來的資本利得。

在截至 2023 年 8 月 31 日的年度，本基金使用 \$1,596,246 美元的資本虧損結餘。

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5. 所得稅(承續前文)

就稅務目的，本基金得選擇將十月後資本虧損或年尾一般虧損的任何部位遞延至下一個會計年度首日。在截至 2023 年 8 月 31 日，本基金遞延十月後資本虧損\$15,884,478 美元。

截至 2023 年 8 月 31 日和 2022 年 8 月 31 日止年度配息的稅收如下：

	2023	2022
所支付之配息來自：		
一般收益	\$8,841,707	\$46,837,491
長期資本利得	24,929,226	—
	<u>\$33,770,933</u>	<u>\$46,837,491</u>

基於所得稅目的，於 2023 年 8 月 31 日，本基金之投資成本、淨未實現溢價(折價)、及未分配的普通收益如下表所示：

投資成本	\$2,245,559,294
未實現溢價	<u>\$346,309,842</u>
未實現折價	<u>(153,488,831)</u>
淨未實現溢價(折價)	<u>\$192,821,011</u>
可分配收益：	
未分配的普通收益	<u>\$14,508,589</u>

收益以及/或是資本利得在帳面基礎與稅賦基礎上有所不同，主要是因為對沖銷性交易、被動式國外投資公司股份及企業活動的處理不同而影響分配的特性所致。

6. 投資交易

截至 2023 年 8 月 31 日止之年度內買入與賣出（不包括短期證券及賣空證券）的交易額分別為\$1,057,009,533 美元及\$1,313,806,173 美元。

7. 集中風險

投資於外國證券可能含有特定風險，須考量的因素也與投資美國證券的一般相關事項不同，例如貨幣價值的波動及當地與地區經濟、政治及社會情況的變動等，該因素可能導致大幅度的市場波動。國外地區目前政治和金融的不確定性可能會增加市場的波動，以及在外國投資證券的經濟風險。此外，某些外國證券的流動性可能低於美國證券。

8. 其他衍生性工具資訊 (略)

9. 信用工具

本基金與富蘭克林坦伯頓基金集團所管理的其他美國註冊以及外國投資基金（全體地，以下稱「全體借用人」）共同簽定一項於 2024 年 2 月 2 日到期之貸款總額為 26.75 億美元的優先無擔保聯合全球信用貸款（以下稱「全球信用工具」）。全球信用工具其為一項資金來源，以提供予全體借用人因應暫時與緊急目的，包括有能力去應付未來無預期或不尋常的大量贖回需求。

年度財務報告/附屬的財務報表附註是財務報表的一部份

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9. 信用工具(承續前文)

依據全球信用工具條款，本基金除了應負擔所動用任何貸款的利息，以及由本基金所產生的其他成本之外，尚須依據本基金佔全體借用人淨資產總額的相對持份比例，分攤履行及維持全球信用工具所產生的費用及支出，包括年度承諾費用為0.15%，基於全球信用工具的未使用部分。該費用已反映於經營業績表的其他費用裡。截至2023年8月31日止，本基金並未動用全球信用工具貸款。

10. 公平價值衡量

本基金採用公平價值的等級，其係用來區別從獨立來源所取得的市場資料(可觀察信息)與基金自行的市場假設(不可觀察信息)。這些信息被用於決定基金投資的價值，並得概述於以下之公平價值的等級：

- 等級 1—用同一證券的現行活躍市場報價
- 等級 2—其他重要的明顯信息(包括對於相類似證券的報價、利率、預付款項速度及信用風險等)
- 等級 3—重要的不可觀察信息(包括基金以自行假設決定投資的公平價值)

用以評價證券的信息或方法，並非暗示與投資該證券有關的風險或流動性。

以下為截至 2023 年 8 月 31 日止，評估本基金資產之公平價值所包含的輸入等級概要：

	等級 1	等級 2	等級 3	合計
資產：				
證券投資：				
普通股：				
法國	\$—	\$62,786,679	\$—	\$62,786,679
德國	—	236,939,680	—	236,939,680
香港	—	40,355,547	—	40,355,547
印度	6,270,201	80,902,491	—	87,172,692
日本	—	77,431,321	—	77,431,321
荷蘭	—	37,095,090	—	37,095,090
台灣	—	67,383,437	—	67,383,437
英國	—	136,124,741	—	136,124,741
美國	1,598,632,473	50,658,645	—	1,649,291,118
短期投資	—	43,800,000	—	43,800,000
證券投資總額	\$1,604,902,674	\$833,477,631 ^a	\$—	\$2,438,380,305

^a 包括價值 \$789,677,631 美元的外國證券，由於應用了市場公平價值程序，這些證券被歸類為等級 2。有關更多資訊，請參閱金融工具估值說明。

11. 期後事項

本基金已評量截至本財報公告日期間的期後事項，確定沒有發生應行揭露的事項。

縮寫

幣別

			選定的投資組合		
GBP	British Pound	英鎊	ADR	American Depositary Receipt	美國存託憑證
HKD	Hong Kong Dollar	港幣			

年度財務報告/附屬的財務報表附註是財務報表的一部份

富蘭克林坦伯頓世界基金

翻譯自獨立公開發行註冊會計師事務所簽證英文報告原文

致富蘭克林坦伯頓世界基金的全體董事與股東

財務報表之意見

我們已查核富蘭克林坦伯頓世界基金（組成坦伯頓基金的基金之一，以下簡稱「基金」）前附截至 2023 年 8 月 31 日之包括投資計劃在內的資產負債表、截至 2023 年 8 月 31 日之相關經營業績表、截至 2023 年 8 月 31 日之兩年的淨資產變動表（包括相關附註）以及截至 2023 年 8 月 31 日之五年的財務重點（以下簡稱「財務報表」）。我們認為，財務報表在所有重大方面，公允反映了基金於 2023 年 8 月 31 日的財務狀況、年度的經營成果、截至 2023 年 8 月 31 日之兩年的淨資產變動情況，以及截至 2023 年 8 月 31 日之五年各期末的財務重點，並符合美國公認會計準則的規定。

意見之基礎

這些財務報表的編制是基金管理者的責任。我們的責任是在我們查核的基礎上對這些財務報表表示意見。我們是公開發行會計公司，在公開發行公司會計監督委員會（美國）（“PCAOB”）註冊，並且被要求必須獨立於基金，符合美國聯邦證券法、美國證券交易委員會和 PCAOB 的適用規則和條例。

我們依據 PCAOB 的標準對這些財務報表進行查核。這些準則要求我們計劃與執行查核工作，以合理確信這些財務報表是否不存在重大誤述，無論是由於錯誤還是欺詐。

我們的查核工作包括評估財務報表重大誤述風險的執程序，無論是由於錯誤或是欺詐，以及執行應對這些風險的程序。這些程序包括在抽查的基礎上檢查支持財務報表金額與相關財務公開的證據。我們的查核工作也包括在評價管理當局在編制財務報表時採用的會計政策和作出的重大會計估計，以及評價財務報表的整體表達。我們相信，我們的查核工作（包括於 2023 年 8 月 31 日與保管銀行、過戶處及經紀商確認的證券餘額狀況）；當沒有收到經紀商的答覆時，我們執行了其他審計程序為所表示的意見提供了合理的基礎。

PricewaterhouseCoopers LLP 會計師事務所

舊金山・加州
2023 年 10 月 23 日

自 1948 年以來，我們一直擔任富蘭克林坦伯頓投資基金的一家或多家投資公司之會計師。

所附財務報表並非意圖顯現其財務立場和營運結果符合美國以外地區接受的一般會計原則之標準。

這些財務報表之查核的標準、程序和實務運作為美國當地接受和應用。

This version of our report is a translation from the original report, which was prepared in English. In all matters of interpretation of information, views or opinions, the original English language version of our report takes precedence over this translation.

中文簡譯本之內容與英文年報若有歧異，以英文年報之內容為準。

年度財務報告/附屬的財務報表附註是財務報表的一部份

TEMPLETON FUNDS

August 31, 2023



FRANKLIN
TEMPLETON

Templeton Foreign Fund

Templeton International Climate Change Fund

Templeton World Fund

The Securities and Exchange Commission has adopted new regulations that will result in changes to the design and delivery of annual and semiannual shareholder reports beginning in July 2024.

If you have previously elected to receive shareholder reports electronically, you will continue to do so and need not take any action.

Otherwise, paper copies of the Fund's shareholder reports will be mailed to you beginning in July 2024. If you would like to receive shareholder reports and other communications from the Fund electronically instead of by mail, you may make that request at any time by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, enrolling at franklintempleton.com.

You may access franklintempleton.com by scanning the code below.



Not FDIC Insured | May Lose Value | No Bank Guarantee

SHAREHOLDER LETTER

Dear Shareholder,

We are pleased to provide the annual report of Templeton Funds for the 12-month reporting period ended August 31, 2023. Please read on for a detailed look at prevailing economic and market conditions during the Fund's reporting period and to learn how those conditions have affected Fund performance.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices. We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, www.franklintempleton.com.

Here you can gain immediate access to market and investment information, including:

- Fund prices and performance.
- Market insights and commentaries from our portfolio Managers, and
- A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,



Manraj S. Sekhon, CFA
Chief Investment Officer
Templeton Global Equity Group

CFA® is a trademark owned by CFA Institute.

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

Funds' Overview

Q. What were the overall market conditions during the Funds' reporting period?

A. Global stocks rose during the 12-month reporting period ended August 31, 2023. After reaching a low in mid-October, stocks rallied as many investors hoped the U.S. Federal Reserve (Fed) would soon slow the pace of its policy tightening, but this optimism faded and equities worldwide collectively ended 2022 with a significant loss. A strong rally in January 2023 was followed by heightened volatility in March due to banking turmoil in the U.S. and Switzerland. However, fairly quick action by authorities in both countries to stem potential contagion calmed investors. During the latter part of the period, global equities benefited from easing concerns about the banking industry, passage of legislation that suspended the U.S. debt ceiling, first-quarter corporate earnings reports that generally exceeded consensus estimates, and several central banks' slower pace or pausing of interest-rate hikes. The final quarter of the period showed a significant rotation back into U.S. growth stocks following the banking turmoil in the U.S. with the top 5 technology companies now accounting for most of the return in the S&P 500 and over 50% of the return in global indices. This is despite interest rates and inflation remaining at elevated levels.

Templeton Foreign Fund

Fund Overview

Q. What was the Fund's investment strategy?

A. Our investment strategy employs a bottom-up, value-oriented, long-term approach. We focus on the market price of a company's securities relative to our evaluation of the company's long-term earnings, asset value and cash flow potential. We also consider the company's price/earnings ratio, price/cash flow ratio, profit margins and liquidation value.

The Fund may, from time to time, engage in currency-related derivatives, such as currency and cross-currency forwards and currency futures contracts, to seek to hedge (protect) against currency risks.

Performance Overview

The Fund's Class A shares posted a +24.57% cumulative total return for the 12 months under review. In comparison, the MSCI All Country World Index (ACWI) ex USA Index-NR, which measures stock performance in global developed and emerging markets excluding the U.S., posted a +11.89% cumulative total return.¹ Please note index performance information is provided for reference and we do not attempt to track the index but rather undertake investments on the basis of fundamental research. You can find more performance data in the Performance Summary beginning on page 7.

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.

Q. How did we respond to these changing market conditions?

A. As always, the focus in the Fund is to buy value, not market outlooks or trends. We continue to try and identify those areas of the market where both earnings and expectations are already low, combined with strong long-term drivers which will emerge and drive performance over time. We remained encouraged by the relative and absolute valuations on international markets and the number of value opportunities on offer. The Fund remains attractively valued

to us at sub 10x earnings with a strong expected EPS growth over the coming years, in our view.

Q. What were the leading contributors to performance?

A. The leading individual contributor was the U.K.-based aerospace and defense company Rolls-Royce Holdings which has undergone a revival of fortunes in the past year under the stewardship of a new CEO. Its share price surged following the publication of an unscheduled earnings update in July that indicated results for the first half of 2023 were "materially above consensus expectations." As a result, Rolls-Royce's shares, which had plummeted after the onset of the COVID-19 pandemic, experienced a double-digit percentage price gain in one day. In our view, the company remains a compelling turnaround story.

Elsewhere, holdings in autos and auto suppliers contributed strongly. We have been encouraged by attractive valuations in an industry that is slowly emerging from a 3-year recession post COVID-19 with supply chains gradually easing and production continuing to rise, while pricing has remained stubbornly strong. This has been recognized by the market with our holdings up significantly during the period.

In terms of individual stocks, BMW was the second largest contributor, behind Rolls-Royce. BMW rallied since bottoming in September 2022, below the value of its cash on the balance sheet and lease fleet (with nothing ascribed for the core business). Auto parts supplier Forvia performed strongly as results in the period were better-than-expected and leverage decreased significantly on the back of disposals and better FCF generation. They had also managed to refinance the debt associated with the Hella acquisition. Forvia remains part of the portfolio, whereas the stake in BMW was liquidated by period-end.

Geographic Composition

8/31/23

	% of Total Net Assets
Europe	57.1%
Asia	31.7%
North America	2.1%
Short-Term Investments & Other Net Assets	9.1%

1. Source: Morningstar.

The index is unmanaged and includes reinvestment of any income or distributions. 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. Net Returns (NR) include income net of tax withholding when dividends are paid.

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

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

The SOI begins on page 30.

Top 10 Industries

8/31/23

	% of Total Net Assets
Banks	17.5%
Oil, Gas & Consumable Fuels	11.2%
Semiconductors & Semiconductor Equipment	6.9%
Automobile Components	6.2%
Broadline Retail	5.2%
Technology Hardware, Storage & Peripherals	4.9%
Aerospace & Defense	4.4%
Household Durables	4.2%
Pharmaceuticals	4.1%
Insurance	3.2%

Top 10 Countries

8/31/23

	% of Total Net Assets
United Kingdom	22.7%
Netherlands	10.6%
Germany	10.3%
South Korea	8.7%
Japan	7.5%
China	6.4%
France	5.7%
Ireland	3.6%
Hong Kong	3.2%
Taiwan	2.6%

Q. What were the leading detractors from performance?

A. DXC Technology, a U.S.-based multinational IT solutions company, was the leading relative detractor. Its performance was affected by the release in early August of disappointing fiscal first-quarter 2024 earnings results and management's lower guidance. Management downwardly revised its guidance on fiscal-year 2024 revenue, earnings per share, and free cash flow (FCF). The company's earnings results were impacted by resale equipment revenue declining faster than initial expectations and lower project work in the global infrastructure services segment given the uncertain macro environment. Due to the magnitude of the earnings cuts for fiscal-year 2024 and carryover for future years, the investor reaction seems justified; however, the earnings results did include some positives as analytics and engineering (within the global business services segment) performed well and FCF came in better for the quarter.

S4 Capital, a digital-focused marketing agency founded in 2018 by the former chief executive officer of WPP (not a fund holding), Sir Martin Sorrell, also hampered

relative performance. Its shares sold off in July 2023 after the company issued a profit warning citing "challenging macroeconomic conditions" and technology clients "remaining cautious and very focused on the short term." Despite this setback, we believe that S4 is well positioned to continue to benefit from the structural growth of its underlying markets (digital marketing and digital transformation), which are poised to grow in the medium term. S4 was initiated during the reporting period and is one of the smaller positions in the Fund.

Top 10 Holdings

8/31/23

Company Industry, Country	% of Total Net Assets
BP plc <i>Oil, Gas & Consumable Fuels, United Kingdom</i>	5.0%
Samsung Electronics Co. Ltd. <i>Technology Hardware, Storage & Peripherals, South Korea</i>	4.9%
Shell plc <i>Oil, Gas & Consumable Fuels, Netherlands</i>	4.6%
Standard Chartered plc <i>Banks, United Kingdom</i>	3.1%
Lloyds Banking Group plc <i>Banks, United Kingdom</i>	2.8%
Rolls-Royce Holdings plc <i>Aerospace & Defense, United Kingdom</i>	2.7%
Infineon Technologies AG <i>Semiconductors & Semiconductor Equipment, Germany</i>	2.6%
Bayer AG <i>Pharmaceuticals, Germany</i>	2.6%
Taiwan Semiconductor Manufacturing Co. Ltd. <i>Semiconductors & Semiconductor Equipment, Taiwan</i>	2.6%
Alibaba Group Holding Ltd. <i>Broadline Retail, China</i>	2.5%

Q. Were there any significant changes to the Fund during the reporting period?

A. There were no significant changes to the investment philosophy or Fund process during the reporting period. In terms of the composition of the portfolio, the Fund was down to 49 stocks at the end of August 2023. The most significant change was, therefore, to reduce the number of companies in the Fund and focus on our highest conviction ideas.

Seven new positions were established which were still part of the Fund at the close of the period, all of which were established in the first six months of the reporting period (i.e. Q3 and Q4 2022).

Of these, two of the largest new positions were in U.K. home builders Persimmon and Barratt Developments. On purchasing in late 2022, both stocks had declined some 50% over the year, pushing valuations to tangible book

levels or below. Although the near-term outlook was and is challenging with affordability decreasing and house prices falling, we believed this to be adequately reflected in the valuations. Additionally, the homebuilders, like staffing companies, have counter cyclical cash flows which will help cushion the downside as inventory is sold (albeit at lower prices) and new land purchases slow. Finally, we believe Persimmon and Barratt (and the industry in general) are much better positioned for the inevitable slowdown this time round with net cash balance sheets (relative to the financial crisis). We believe these companies have produced strong returns on capital over the long term, and we expect that to continue after the downcycle has passed.

In keeping with the focus on reducing the number of stocks in the Fund, seventeen positions which existed in September 2022 had been liquidated over the course of the following year. These included stakes in E.ON, VIPSHOP, Justeat takeaway.com, and BAE Systems.

Thank you for your continued participation in Templeton Foreign Fund. We look forward to serving your future investment needs.

Christopher James Peel, CFA
Lead Portfolio Manager

Herbert J. Arnett, Jr.
Peter M. Moeschter, CFA
Warren Pustam, CFA

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of August 31, 2023, 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 August 31, 2023

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 8/31/23¹

*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	+24.57%	+17.68%
5-Year	+14.69%	+1.62%
10-Year	+34.84%	+2.45%
Advisor		
1-Year	+24.84%	+24.84%
5-Year	+16.07%	+3.02%
10-Year	+38.17%	+3.29%

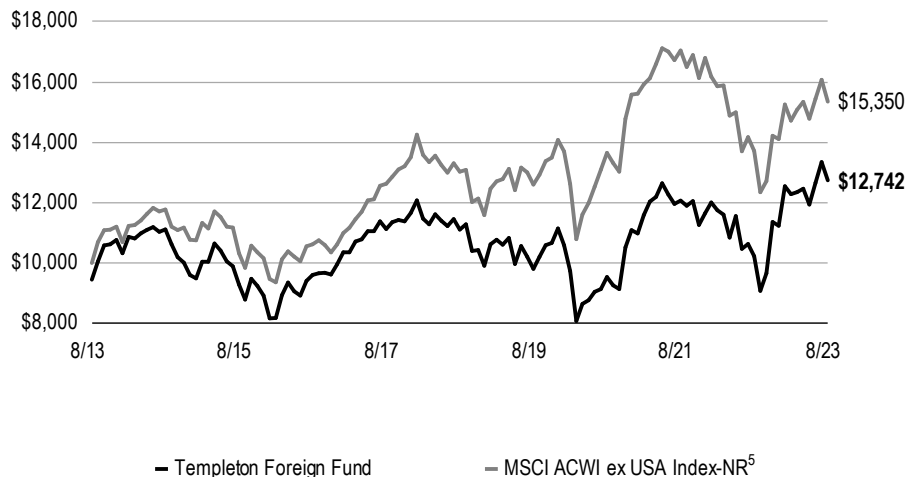
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 9 for Performance Summary footnotes.

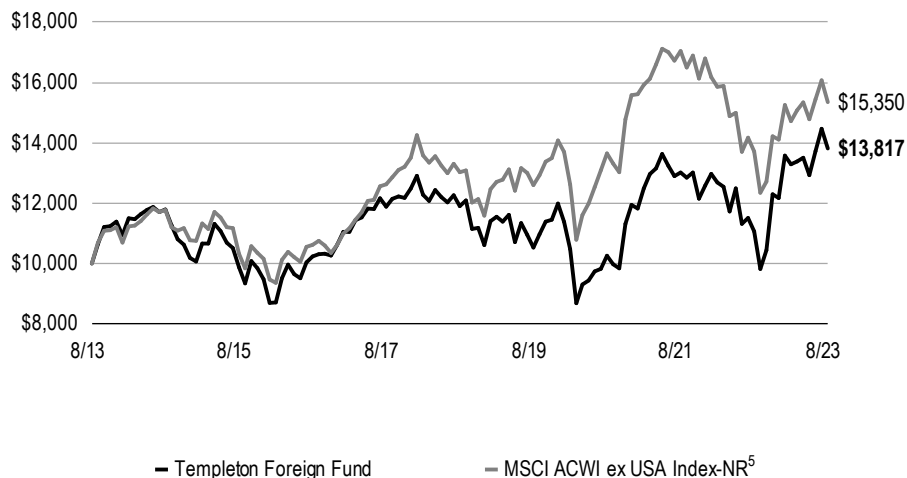
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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 (8/31/13–8/31/23)



Advisor Class (8/31/13–8/31/23)



See page 9 for Performance Summary footnotes.

Distributions (9/1/22–8/31/23)

Share Class	Net Investment Income
A	\$0.0814
C	\$0.0156
R	\$0.0660
R6	\$0.1060
Advisor	\$0.0985

Total Annual Operating Expenses⁶

Share Class	With Fee Waiver	Without Fee Waiver
A	1.10%	1.16%
Advisor	0.85%	0.91%

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

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. To the extent the Fund invests in companies in a specific **country or region**, the Fund may experience greater volatility than a fund that is more broadly diversified geographically. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 12/31/23 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

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: FactSet. The MSCI ACWI ex USA Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global developed and emerging markets, excluding the U.S. Net Returns (NR) include income net of tax withholding when dividends are paid.

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 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 ^{1,2}	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 ^{1,2}	
A	\$1,000	\$1,037.30	\$5.64	\$1,019.66	\$5.60	1.10%
C	\$1,000	\$1,033.30	\$9.47	\$1,015.89	\$9.39	1.85%
R	\$1,000	\$1,035.50	\$6.92	\$1,018.40	\$6.86	1.35%
R6	\$1,000	\$1,039.50	\$3.80	\$1,021.48	\$3.77	0.74%
Advisor	\$1,000	\$1,039.50	\$4.37	\$1,020.92	\$4.33	0.85%

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 184/365 to reflect the one-half year period.

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

Templeton International Climate Change Fund

Fund Overview

Q. What was the Fund's investment strategy?

A. When choosing equity investments for the Fund, we apply a bottom-up, value-oriented, long-term approach to select securities of companies we believe are both undervalued and meet our standards for transitioning to a lower carbon economy. We focus on the market price of the company's securities relative to our evaluation of the company's long-term earnings, asset value and cash flow potential. Our analysis includes an assessment of the potential impacts of material environmental, social and governance (ESG) factors on the long-term risk and return profile of a company. We also consider a company's price/earnings ratio, price/cash flow ratio, profit margins and liquidation value.

Performance Overview

The Fund's Class A shares posted a +25.60% cumulative total return for the 12 months under review. In comparison, the MSCI All Country World Index (ACWI) ex USA Index-NR, which measures stock performance in global developed and emerging markets excluding the U.S., posted a +11.89% cumulative total return.¹ Please note index performance information is provided for reference and we do not attempt to track the index but rather undertake investments on the basis of fundamental research. You can find more performance data in the Performance Summary beginning on page 14.

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.

Q. What were the leading contributors to performance?

A. Our financials holdings contributed positively to relative performance as the shares of Dutch bank ING Groep and U.K.-headquartered bank Standard Chartered rebounded well following the banking turmoil seen in March 2023 and benefited more broadly from rising interest rates. Financials was the top performer at the sector level and ING was the best performer at the individual stock level. ING shares rallied as sentiment towards Europe, and European banks in particular, improved following a fall in European gas prices which reduced pressure on European economies in

the final quarter of 2022. The company has also benefited from continued rate hikes from the European Central Bank. We continue to believe many investors are underestimating the potential earnings growth that can come from higher normalized global interest rates, and we see our financial holdings as attractive enablers of green finance in their respective regions.

Utilities made the second largest relative contribution at the sector level, despite an underweight allocation proving detrimental, thanks primarily to German power distributor E.ON, U.K.-based power producer SSE and Indian hydro utility NHPC. Amid a 'risk-off' environment in March 2023 these stocks performed strongly and continued to do so in April. We believe these stocks continue to be rewarded by investors given what we consider their attractive starting valuation multiples, high dividend payouts and reasonably defensive business models. We see these companies as potentially significant beneficiaries of decarbonization, with a key role to play in expanding transmission, distribution, and renewable energy infrastructure.

The industrials sector was also a significant contributor, driven by stock selection and an overweight in the sector. Within the sector, more cyclical European companies such as Italian cabling manufacturer Prysmian and French building materials leader Saint-Gobain performed well on the back of a mild winter in Europe and an easing of recessionary fears.

Within the information technology sector, semiconductor stocks made a significant contribution as the shares of many manufacturers rose higher on the back of astonishingly strong earnings results reported by NVIDIA. Semiconductor companies subject to this share-price uptrend in the portfolio included German power electronics provider Infineon Technologies and Switzerland-based STMicroelectronics. We continue to like these companies as long-term plays on several trends linked to decarbonization (including EV adoption), the internet of things, and digitalization.

Several regions made favorable contributions to relative quarterly performance, although none more so than in Europe where stock selection and an overweight resulted in significant gains. Within Europe, the Netherlands, Germany, the U.K. and Switzerland made the largest positive contributions.

1. Source: Morningstar.

The index is unmanaged and includes reinvestment of any income or distributions. 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. Net Returns (NR) include income net of tax withholding when dividends are paid.

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

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOL). The SOL begins on page 37.

Geographic Composition

8/31/23

	% of Total Net Assets
Europe	63.5%
Asia	21.9%
North America	7.5%
Other	1.0%
Short-Term Investments & Other Net Assets	6.1%

Top 10 Industries

8/31/23

	% of Total Net Assets
Electrical Equipment	16.5%
Banks	12.7%
Semiconductors & Semiconductor Equipment	11.3%
Metals & Mining	8.9%
Multi-Utilities	8.8%
Automobiles	8.1%
Building Products	6.0%
Containers & Packaging	6.0%
Electric Utilities	4.9%
Automobile Components	3.4%

Top 10 Holdings

8/31/23

Company Industry, Country	% of Total Net Assets
Cie de Saint-Gobain SA Building Products, France	6.0%
Smurfit Kappa Group plc Containers & Packaging, Ireland	6.0%
ING Groep NV Banks, Netherlands	6.0%
Standard Chartered plc Banks, United Kingdom	4.8%
E.ON SE Multi-Utilities, Germany	4.6%
Signify NV Electrical Equipment, United States	4.4%
Honda Motor Co. Ltd. Automobiles, Japan	4.3%
Prysmian SpA Electrical Equipment, Italy	4.3%
Veolia Environnement SA Multi-Utilities, France	4.2%
SSE plc Electric Utilities, United Kingdom	4.1%

Top 10 Countries

8/31/23

	% of Total Net Assets
France	13.6%
Germany	12.2%
United Kingdom	12.0%
Japan	8.3%
United States	7.5%
Ireland	6.0%
Netherlands	6.0%
Italy	4.3%
Taiwan	4.0%
Norway	3.9%

Q. What were the leading detractors from performance?

A. In what was a very strong year for the Fund, none of the twelve GICS sectors detracted from relative performance. Health care, which is a significant underweight for the Fund, contributed the least.

The leading source of relative losses at the stock level was in the industrials sector, in the form of Spanish solar tracker manufacturer Soltec Power Holdings which detracted as many investors looked to sell down smaller companies and those with potential leverage issues. We think the company remains an attractive play on the Spanish and Latin American solar industries, and at period-end it still traded at a significant discount to what we considered to be its intrinsic value.

Within the materials sector, our mining holdings dragged on Fund performance, with Japanese nickel and copper producer Sumitomo Metal Mining and Norwegian aluminum company Norsk Hydro underperforming the broad equity market as raw material prices fell. We believe the demand for metals such as aluminum and copper should see substantial demand growth from energy transition, putting upward pressure on pricing and benefiting lower-carbon manufacturers of these products.

Thank you for your continued participation in Templeton International Climate Change Fund. We look forward to serving your future investment needs.

Craig Cameron, CFA

Tina Sadler, CFA

Herbert J. Arnett, Jr.

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of August 31, 2023, 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 August 31, 2023

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. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 8/31/23¹

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	+25.60%	+18.70%
5-Year	+38.69%	+5.56%
Since Inception (6/1/18)	+33.62%	+4.54%
Advisor		
1-Year	+25.88%	+25.88%
5-Year	+40.50%	+7.04%
Since Inception (6/1/18)	+35.44%	+5.95%

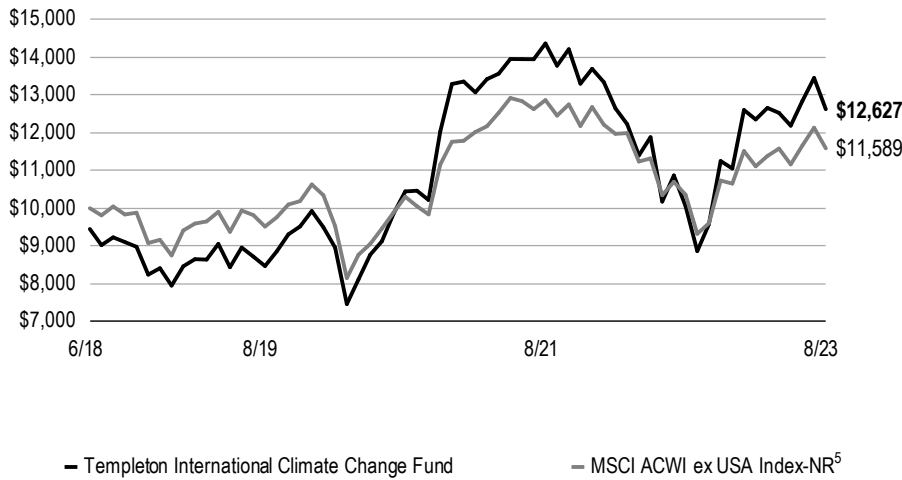
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 16 for Performance Summary footnotes.

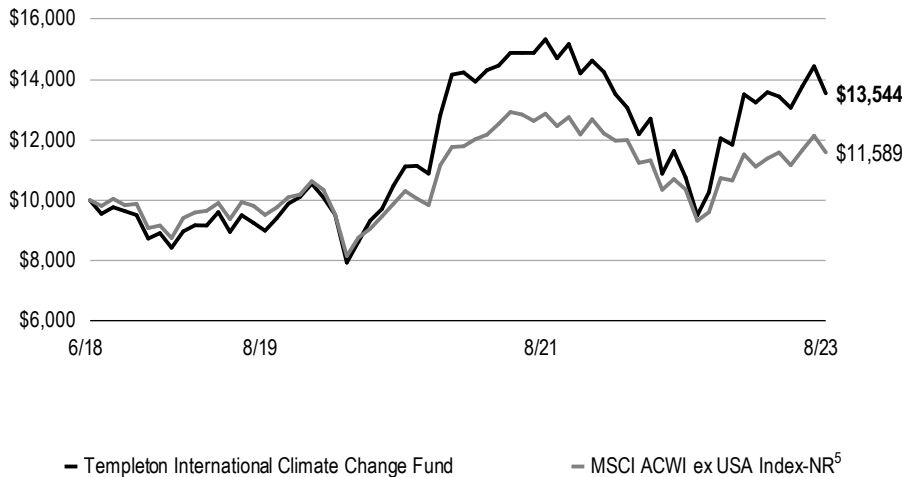
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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 (6/1/18–8/31/23)



Advisor Class (6/1/18–8/31/22)



See page 16 for Performance Summary footnotes.

Distributions (9/1/22–8/31/23)

Share Class	Net Investment Income	Long-Term Capital Gain	Total
A	\$0.1532	\$0.4095	\$0.5627
C	\$0.1272	\$0.4095	\$0.5367
R6	\$0.1528	\$0.4095	\$0.5623
Advisor	\$0.1520	\$0.4095	\$0.5615

Total Annual Operating Expenses⁶

Share Class	With Fee Waiver	Without Fee Waiver
A	1.22%	18.81%
Advisor	0.97%	9.16%

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

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. **Equity securities** are subject to price fluctuation and possible loss of principal. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. The managers' **environmental, social and governance (ESG) strategies** may limit the types and number of investments available and, as a result, may forgo favorable market opportunities or underperform strategies that are not subject to such criteria. There is no guarantee that the strategy's ESG directives will be successful or will result in better performance. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 12/31/23 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.
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. Effective 6/3/22, the Fund began offering Class A shares. Class A performance shown has been calculated as follows: (a) for periods prior to 6/3/22, a restated figure is used based on the Fund's Advisor Class performance that includes any Rule 12b-1 rate differential that exists between Class A and Advisor Class; and (b) for periods after 6/3/22, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Source: FactSet. The MSCI ACWI ex USA Index-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global developed and emerging markets, excluding the U.S. Net Returns (NR) include income net of tax withholding when dividends are paid.
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 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 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 ^{1,2}	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 ^{1,2}	
A	\$1,000	\$1,022.08	\$6.22	\$1,019.06	\$6.21	1.22%
C	\$1,000	\$1,022.00	\$6.60	\$1,018.68	\$6.58	1.29%
R6	\$1,000	\$1,022.90	\$4.79	\$1,020.47	\$4.78	0.94%
Advisor	\$1,000	\$1,022.91	\$4.95	\$1,020.32	\$4.94	0.97%

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 184/365 to reflect the one-half year period.

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

Templeton World Fund

Fund Overview

Q. What was the Fund's investment strategy?

A. Our investment strategy employs a bottom-up, value-oriented, long-term approach. We focus on the market price of a company's securities relative to our evaluation of the company's long-term earnings, asset value and cash flow potential. We also consider the company's price/earnings ratio, price/cash flow ratio, profit margins and liquidation value.

The Fund may use a variety of equity-related derivatives, which may include equity futures and equity index futures, for various purposes including enhancing Fund returns, increasing liquidity and gaining exposure to particular markets in more efficient or less expensive ways. The Fund also may from time to time engage in currency-related derivatives, such as currency and cross-currency forwards and currency futures contracts, to hedge some of its foreign currency exposure.

Geographic Composition

8/31/23

	% of Total Net Assets
North America	67.8%
Europe	19.4%
Asia	11.2%
Short-Term Investments & Other Net Assets	1.6%

Performance Overview

The Fund's Class A shares posted a +19.23% cumulative total return for the 12 months under review. In comparison, the Fund's benchmark, the MSCI All Country World Index (ACWI)-NR, which measures stock performance in global developed and emerging markets, posted a +13.95% cumulative total return.¹ Please note index performance information is provided for reference and we do not attempt to track the index but rather undertake investments on the basis of fundamental research. You can find more performance data in the Performance Summary beginning on page 21.

1. Source: Morningstar.

The index is unmanaged and includes reinvestment of any income or distributions. 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. Net Returns (NR) include income net of tax withholding when dividends are paid.

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

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

The SOI begins on page 43.

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.

Q. How did we respond to these changing market conditions?

A. Throughout the reporting period, our goal in managing the portfolio has not been to predict the macroeconomic outcome over the coming quarters, but to position the portfolio to navigate an uncertain macroeconomic backdrop with rising risk. Given the World's Fund's focus on higher-quality companies at reasonable prices, our goal has been to protect capital during market drawdowns. We use a three-pronged approach to limit permanent capital loss by investing in high-quality companies, but only paying reasonable valuations versus long-term interest rates and weighting the portfolio towards companies that are more resilient than their industry peers. These high hurdles will naturally limit our ability to outperform in broad market rallies that typically happen when corporate earnings bottom during a recession or during periods led by investment bubbles created through cheap money and investor exuberance. Regardless of what is happening in the broader market, we remain keenly focused on the financial productivity of our portfolio companies, the long-term prospects of the industries they operate in and the price we pay for a stream of future cashflows.

Q. What were the leading contributors to performance?

A. Stock selection in the industrials sector was comfortably the largest contributing factor at the sector level during the reporting period. Within industrials, the best performing holding was Rolls-Royce Holdings, a U.K.-based aerospace and defence company. Over the one-year period, Rolls-Royce has rebounded strongly from pandemic lows under the guidance of a new CEO. Its share price rose sharply towards the end of the period following the publication of an unscheduled earnings update that indicated results for the first half of 2023 were "materially above consensus expectations." This included an upgrade of full-year 2023 guidance that was significantly ahead of consensus estimates, first-half engine flying hours recovering to 83% of the 2019 level, and FCF (free cash flow) improvement coming through faster than previously guided, further

strengthening the group's balance sheet. As a result, Rolls-Royce's shares, which had plummeted after the onset of the COVID-19 pandemic, experienced a double-digit percentage price gain in one day. In our view, the company remains a compelling turnaround story. We believe the maturing of the XWB engine program should continue to drive earnings and FCF growth, while the group's new chief executive officer (CEO) is expected to announce a new strategic plan and mid-term target in the second half of 2023.

Other top performers included U.S. mega caps, Meta and Salesforce in information technology (IT) and Alphabet in Communication Services. We added shares in these stocks when the market was overly focused on near-term headwinds driven mostly by slowing growth and a rising discount rate despite managements' commitments in late 2022 to improve fundamentals and capital efficiency.

At the sector level, an overweight in IT proved favorable, as did having no exposure to Utilities and Real Estate.

Q. What were the leading detractors from performance?

A. In what was a strong year for the Fund against the benchmark, only health care and financials detracted at the sector level. In the case of health care this was due to a combination of stock selection and an overweight allocation. During a period where cyclical sectors performed especially well, defensive sectors like health care lagged somewhat.

In the communication services sector, T-Mobile and the Walt Disney Company were the two largest detractors at the stock level. T-Mobile remains a part of the portfolio, but Disney was eliminated given what we believe to be persistent headwinds that are not discounted in the current share price. Disney's assets are worth more than the current enterprise value. However, the transition from the U.S. cable bundle to global streaming is return on invested capital (ROIC) dilutive in the short run and this negative shift has yet to peak. Also, Disney may acquire the Hulu asset from Comcast for \$10bn, which means the balance sheet will only deteriorate further. Despite the rally in technology names YTD, we can purchase some of the better managed internet businesses at a lower valuation than Disney despite its recent underperformance, which might indicate less downside support at the current level.

Target, one of the largest U.S. retailers, was a new position established in Q1 2023 but ended the one-year reporting period as one of the Fund's main detractors. Our view is that Target offers above average growth driven by strong customer loyalty and superior merchandising driving market share gains. The stock sold off in 2022, as the company struggled to manage discretionary inventory and supply

chain after years of rapid sales growth during Covid. The Company has made significant progress aligning inventory with demand, and they have identified material cost savings to structurally improve operating margins. Importantly, Target's customer traffic remains positive post Covid, indicating it is a matter of when, not if, discretionary sales return. We believe the market is underestimating Target's earnings recovery, leading to the stock trading at a material discount to peers.

Top 10 Industries

8/31/23

	% of Total Net Assets
Semiconductors & Semiconductor Equipment	13.4%
Software	12.9%
Interactive Media & Services	8.7%
Broadline Retail	7.3%
Oil, Gas & Consumable Fuels	5.9%
Life Sciences Tools & Services	5.9%
Capital Markets	5.0%
Health Care Providers & Services	4.6%
Aerospace & Defense	3.8%
Ground Transportation	3.7%

Top 10 Countries

8/31/23

	% of Total Net Assets
United States	67.7%
Germany	9.7%
United Kingdom	5.6%
India	3.6%
Japan	3.2%
Taiwan	2.8%
France	2.6%
Hong Kong	1.7%
Netherlands	1.5%

Top 10 Holdings

8/31/23

Company Industry, Country	% of Total Net Assets
Amazon.com, Inc. Broadline Retail, United States	7.2%
Alphabet, Inc. Interactive Media & Services, United States	5.7%
Microsoft Corp. Software, United States	5.3%
Salesforce, Inc. Software, United States	4.0%
Rolls-Royce Holdings plc Aerospace & Defense, United Kingdom	3.8%
SAP SE Software, Germany	3.5%
UnitedHealth Group, Inc. Health Care Providers & Services, United States	3.1%
Thermo Fisher Scientific, Inc. Life Sciences Tools & Services, United States	3.1%
Meta Platforms, Inc. Interactive Media & Services, United States	2.9%
Taiwan Semiconductor Manufacturing Co. Ltd. Semiconductors & Semiconductor Equipment, Taiwan	2.8%

Thank you for your continued participation in Templeton World Fund. We look forward to serving your future investment needs.

Peter M. Moeschter, CFA
Lead Portfolio Manager

Herbert J. Arnett, Jr.
Christopher James Peel, CFA
Warren Pustam, CFA

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of August 31, 2023, 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 August 31, 2023

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 8/31/23¹

*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	+19.23%	+12.67%
5-Year	+5.83%	+0.01%
10-Year	+41.30%	+2.93%
Advisor		
1-Year	+19.52%	+19.52%
5-Year	+7.09%	+1.38%
10-Year	+44.85%	+3.77%

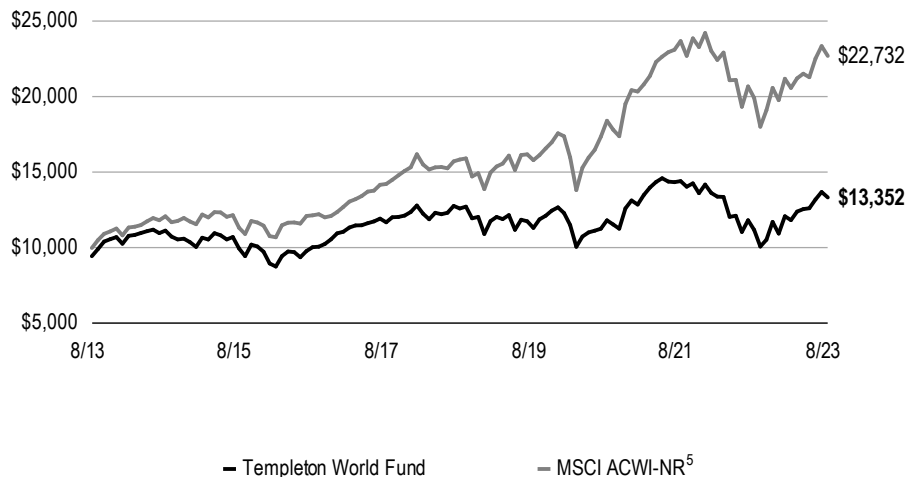
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 23 for Performance Summary footnotes.

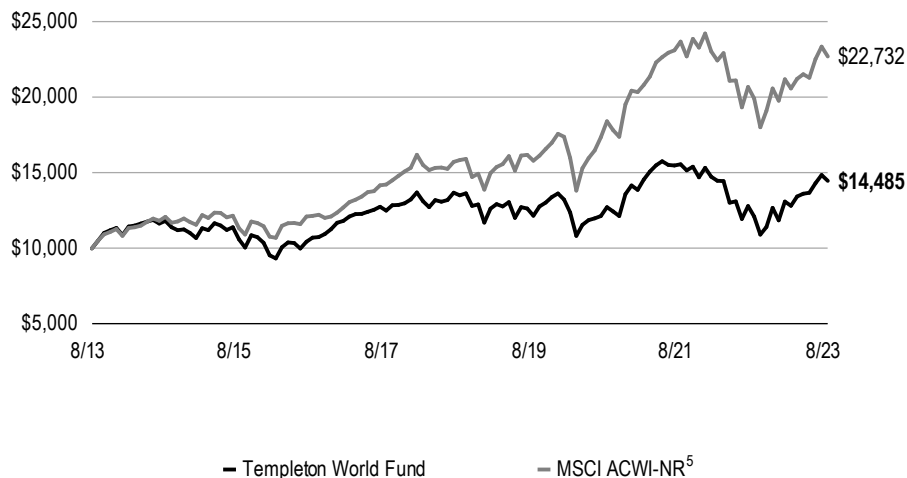
Total Return Index Comparison for a Hypothetical \$10,000 Investment

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 indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

Class A (8/31/13–8/31/23)



Advisor Class (8/31/13–8/31/23)



See page 23 for Performance Summary footnotes.

Distributions (9/1/22–8/31/23)

Share Class	Net Investment Income	Long-Term Capital Gain	Total
A	\$0.0466	\$0.1356	\$0.1822
C	—	\$0.1356	\$0.1356
R6	\$0.0736	\$0.1356	\$0.2092
Advisor	\$0.0680	\$0.1356	\$0.2036

Total Annual Operating Expenses⁶

Share Class	
A	1.05%
Advisor	0.81%

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

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. To the extent the Fund invests in companies in a specific **country or region**, the Fund may experience greater volatility than a fund that is more broadly diversified geographically. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the Fund's prospectus.

1. The total annual operating expenses are as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.
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: FactSet. The MSCI ACWI-NR is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of global developed and emerging markets. Net Returns (NR) include income net of tax withholding when dividends are paid.
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 3/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 ^{1,2}	Ending Account Value 8/31/23	Expenses Paid During Period 3/1/23–8/31/23 ^{1,2}	
A	\$1,000	\$1,127.20	\$5.47	\$1,020.06	\$5.20	1.02%
C	\$1,000	\$1,123.30	\$9.51	\$1,016.25	\$9.03	1.78%
R6	\$1,000	\$1,129.00	\$3.96	\$1,021.49	\$3.76	0.74%
Advisor	\$1,000	\$1,128.80	\$4.19	\$1,021.27	\$3.98	0.78%

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 184/365 to reflect the one-half year period.

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

Financial Highlights

Templeton Foreign Fund

	Year Ended August 31,				
	2023	2022	2021	2020	2019
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$6.32	\$7.77	\$6.22	\$6.61	\$7.69
Income from investment operations ^a :					
Net investment income ^b	0.16	0.13	0.18 ^c	0.10	0.19
Net realized and unrealized gains (losses)	1.38	(1.28)	1.46	(0.25)	(1.09)
Total from investment operations	1.54	(1.15)	1.64	(0.15)	(0.90)
Less distributions from:					
Net investment income	(0.08)	(0.30)	(0.09)	(0.24)	(0.18)
Net asset value, end of year	\$7.78	\$6.32	\$7.77	\$6.22	\$6.61
Total return ^d	24.57%	(15.25)%	26.57%	(2.76)%	(11.73)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.12%	1.16%	1.15%	1.19%	1.15%
Expenses net of waiver and payments by affiliates	1.10%	1.10%	1.07%	1.10%	1.08%
Net investment income	2.20%	1.80%	2.45% ^c	1.55%	2.69%
Supplemental data					
Net assets, end of year (000's)	\$1,605,982	\$1,418,293	\$1,990,939	\$1,766,365	\$2,395,260
Portfolio turnover rate	14.85%	29.07%	37.85% ^e	42.37% ^e	30.81%

^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.

^cNet 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%.

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

^eExcludes the value of portfolio activity as a result of in-kind transactions.

Templeton Foreign Fund (continued)

	Year Ended August 31,				
	2023	2022	2021	2020	2019
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$6.29	\$7.70	\$6.17	\$6.54	\$7.49
Income from investment operations ^a :					
Net investment income ^b	0.10	0.07	0.13 ^c	0.05	0.12
Net realized and unrealized gains (losses)	1.39	(1.27)	1.43	(0.25)	(1.05)
Total from investment operations	1.49	(1.20)	1.56	(0.20)	(0.93)
Less distributions from:					
Net investment income	(0.02)	(0.21)	(0.03)	(0.17)	(0.02)
Net asset value, end of year	\$7.76	\$6.29	\$7.70	\$6.17	\$6.54
Total return ^d	23.65%	(15.95)%	25.55%	(3.42)%	(12.40)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.87%	1.91%	1.90%	1.94%	1.90%
Expenses net of waiver and payments by affiliates	1.85%	1.85%	1.82%	1.85%	1.83%
Net investment income	1.41%	1.03%	1.81% ^c	0.81%	1.94%
Supplemental data					
Net assets, end of year (000's)	\$21,611	\$23,962	\$39,083	\$54,093	\$87,160
Portfolio turnover rate	14.85%	29.07%	37.85% ^e	42.37% ^e	30.81%

^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.

^cNet 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%.

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

^eExcludes the value of portfolio activity as a result of in-kind transactions.

Templeton Foreign Fund (continued)

	Year Ended August 31,				
	2023	2022	2021	2020	2019
Class R					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$6.16	\$7.58	\$6.08	\$6.47	\$7.53
Income from investment operations ^a :					
Net investment income ^b	0.14	0.11	0.16 ^c	0.08	0.17
Net realized and unrealized gains (losses)	1.35	(1.25)	1.42	(0.24)	(1.07)
Total from investment operations	1.49	(1.14)	1.58	(0.16)	(0.90)
Less distributions from:					
Net investment income	(0.07)	(0.28)	(0.08)	(0.23)	(0.16)
Net asset value, end of year	\$7.58	\$6.16	\$7.58	\$6.08	\$6.47
Total return	24.27%	(15.54)%	26.29%	(3.03)%	(11.96)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.37%	1.41%	1.40%	1.44%	1.40%
Expenses net of waiver and payments by affiliates	1.35%	1.35%	1.32%	1.35%	1.33%
Net investment income	1.95%	1.57%	2.21% ^c	1.33%	2.44%
Supplemental data					
Net assets, end of year (000's)	\$116,518	\$103,984	\$123,744	\$109,187	\$127,546
Portfolio turnover rate	14.85%	29.07%	37.85% ^d	42.37% ^d	30.81%

^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.

^cNet 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%.

^dExcludes the value of portfolio activity as a result of in-kind transactions.

Templeton Foreign Fund (continued)

	Year Ended August 31,				
	2023	2022	2021	2020	2019
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$6.20	\$7.64	\$6.12	\$6.51	\$7.58
Income from investment operations ^a :					
Net investment income ^b	0.18	0.15	0.21 ^c	0.12	0.22
Net realized and unrealized gains (losses)	1.36	(1.26)	1.43	(0.24)	(1.08)
Total from investment operations	1.54	(1.11)	1.64	(0.12)	(0.86)
Less distributions from:					
Net investment income	(0.11)	(0.33)	(0.12)	(0.27)	(0.21)
Net asset value, end of year	\$7.63	\$6.20	\$7.64	\$6.12	\$6.51
Total return	25.02%	(14.98)%	27.02%	(2.38)%	(11.34)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.77%	0.81%	0.79%	0.79%	0.77%
Expenses net of waiver and payments by affiliates	0.74%	0.73%	0.69%	0.70%	0.68%
Net investment income	2.57%	2.13%	2.86% ^c	1.96%	3.09%
Supplemental data					
Net assets, end of year (000's)	\$341,058	\$290,974	\$531,344	\$594,452	\$906,474
Portfolio turnover rate	14.85%	29.07%	37.85% ^d	42.37% ^d	30.81%

^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.

^cNet 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%.

^dExcludes the value of portfolio activity as a result of in-kind transactions.

Templeton Foreign Fund (continued)

	Year Ended August 31,				
	2023	2022	2021	2020	2019
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$6.21	\$7.64	\$6.12	\$6.51	\$7.58
Income from investment operations ^a :					
Net investment income ^b	0.17	0.15	0.20 ^c	0.11	0.20
Net realized and unrealized gains (losses)	1.36	(1.26)	1.43	(0.24)	(1.07)
Total from investment operations	1.53	(1.11)	1.63	(0.13)	(0.87)
Less distributions from:					
Net investment income	(0.10)	(0.32)	(0.11)	(0.26)	(0.20)
Net asset value, end of year	\$7.64	\$6.21	\$7.64	\$6.12	\$6.51
Total return	24.84%	(14.99)%	26.88%	(2.57)%	(11.53)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.87%	0.92%	0.90%	0.94%	0.90%
Expenses net of waiver and payments by affiliates	0.85%	0.85%	0.82%	0.85%	0.83%
Net investment income	2.43%	2.06%	2.80% ^c	1.79%	2.94%
Supplemental data					
Net assets, end of year (000's)	\$680,297	\$602,921	\$620,885	\$857,179	\$857,482
Portfolio turnover rate	14.85%	29.07%	37.85% ^d	42.37% ^d	30.81%

^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.

^cNet 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%.

^dExcludes the value of portfolio activity as a result of in-kind transactions.

Schedule of Investments, August 31, 2023

Templeton Foreign Fund

	Industry	Shares	Value
Common Stocks 90.9%			
China 6.4%			
^{a,b} Alibaba Group Holding Ltd.	Broadline Retail	5,842,970	\$67,814,362
NXP Semiconductors NV	Semiconductors & Semiconductor Equipment	234,593	48,260,472
^a Prosus NV	Broadline Retail	874,860	60,345,716
			176,420,550
France 5.7%			
Dassault Aviation SA.	Aerospace & Defense	233,110	45,775,601
^a Forvia SE	Automobile Components	3,190,019	67,615,731
Valeo SE.	Automobile Components	2,244,853	43,638,116
			157,029,448
Germany 10.3%			
Bayer AG	Pharmaceuticals	1,313,477	71,866,955
Continental AG	Automobile Components	797,919	59,190,957
^{a,c} Covestro AG, 144A, Reg S	Chemicals	892,495	47,397,498
^d Fresenius Medical Care AG & Co. KGaA	Health Care Providers & Services	697,029	33,561,701
Infineon Technologies AG	Semiconductors & Semiconductor Equipment	2,020,173	72,195,560
			284,212,671
Hong Kong 3.2%			
AIA Group Ltd.	Insurance	5,430,543	49,136,965
Prudential plc, (GBP Traded).	Insurance	2,655,561	32,342,251
Prudential plc, (HKD Traded).	Insurance	589,500	7,344,042
			88,823,258
India 2.0%			
HDFC Bank Ltd.	Banks	2,973,174	56,352,138
Ireland 3.6%			
CRH plc	Construction Materials	938,589	54,002,953
Smurfit Kappa Group plc.	Containers & Packaging	1,067,660	44,790,897
			98,793,850
Japan 7.5%			
Honda Motor Co. Ltd.	Automobiles	2,033,895	65,741,706
Seria Co. Ltd.	Broadline Retail	1,029,807	16,266,068
Sony Group Corp.	Household Durables	315,984	26,292,924
Sumitomo Metal Mining Co. Ltd.	Metals & Mining	1,214,093	37,685,466
Sumitomo Mitsui Financial Group, Inc.	Banks	1,369,363	62,615,356
			208,601,520
Netherlands 10.6%			
EXOR NV	Financial Services	489,813	43,348,985
ING Groep NV	Banks	4,484,698	63,546,631
SBM Offshore NV	Energy Equipment & Services	3,949,134	57,215,329
Shell plc	Oil, Gas & Consumable Fuels	4,181,677	127,855,926
			291,966,871
Portugal 1.6%			
Galp Energia SGPS SA, B	Oil, Gas & Consumable Fuels	3,303,785	45,601,535
South Korea 8.7%			
KB Financial Group, Inc.	Banks	1,428,246	58,037,535
Samsung Electronics Co. Ltd.	Technology Hardware, Storage & Peripherals	2,698,871	136,161,392
Shinhan Financial Group Co. Ltd.	Banks	1,744,881	46,754,503
			240,953,430

Templeton Foreign Fund (continued)

	Industry	Shares	Value
Common Stocks (continued)			
Spain 0.8%			
^a Tecnicas Reunidas SA	Energy Equipment & Services	2,261,657	\$20,831,918
Switzerland 1.9%			
Adecco Group AG	Professional Services	1,252,163	53,858,899
Taiwan 2.6%			
Taiwan Semiconductor Manufacturing Co. Ltd.	Semiconductors & Semiconductor Equipment	4,127,044	70,878,101
Thailand 1.2%			
Kasikornbank PCL	Banks	9,025,777	33,615,055
United Kingdom 22.7%			
AstraZeneca plc	Pharmaceuticals	301,438	40,489,974
Barratt Developments plc	Household Durables	7,724,482	44,280,409
BP plc	Oil, Gas & Consumable Fuels	22,252,522	137,504,727
CK Hutchison Holdings Ltd.	Industrial Conglomerates	7,143,676	38,933,000
Imperial Brands plc	Tobacco	2,949,536	66,782,193
Lloyds Banking Group plc	Banks	146,982,840	78,527,550
Persimmon plc	Household Durables	3,296,017	44,434,566
^a Rolls-Royce Holdings plc	Aerospace & Defense	26,976,655	75,678,263
^{a,d} S4 Capital plc	Media	12,586,320	15,787,426
Standard Chartered plc	Banks	9,428,705	84,836,782
			627,254,890
United States 2.1%			
^a DXC Technology Co.	IT Services	2,083,670	43,215,316
Freeport-McMoRan, Inc.	Metals & Mining	384,510	15,345,794
			58,561,110
Total Common Stocks (Cost \$2,277,953,218)			2,513,755,244
Short Term Investments 9.0%			
		Principal Amount^e	Value
Time Deposits 9.0%			
Canada 6.8%			
National Bank of Canada, 5.31%, 9/01/23		50,000,000	50,000,000
Royal Bank of Canada, 5.3%, 9/01/23		107,900,000	107,900,000
Toronto-Dominion Bank (The), 5.3%, 9/01/23		32,000,000	32,000,000
			189,900,000
France 2.2%			
Credit Agricole Corporate and Investment Bank SA, 5.3%, 9/01/23		60,000,000	60,000,000
Total Time Deposits (Cost \$249,900,000)			249,900,000
Total Short Term Investments (Cost \$249,900,000)			249,900,000
Total Investments (Cost \$2,527,853,218) 99.9%			\$2,763,655,244
Other Assets, less Liabilities 0.1%			1,810,674
Net Assets 100.0%			\$2,765,465,918

Templeton Foreign Fund (continued)

See Abbreviations on page 67.

^{*}The principal amount is stated in U.S. dollars unless otherwise indicated.

^aNon-income producing.

^bVariable interest entity (VIE). See the Fund's statement of additional information regarding investments made through a VIE structure. At August 31, 2023, the aggregate value of this security was \$67,814,362, representing 2.5% of net assets.

^cSecurity 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 August 31, 2023, the value of this security was \$47,397,498, representing 1.7% of net assets.

^dA portion or all of the security is on loan at August 31, 2023. See Note 1(d).

Financial Highlights

Templeton International Climate Change Fund

	Year Ended August 31,	
	2023	2022 ^a
Class A		
Per share operating performance		
(for a share outstanding throughout the year)		
Net asset value, beginning of year	\$9.73	\$11.44
Income from investment operations ^b :		
Net investment income ^c	0.32	0.03
Net realized and unrealized gains (losses)	2.08	(1.74)
Total from investment operations	2.40	(1.71)
Less distributions from:		
Net investment income	(0.15)	—
Net realized gains	(0.41)	—
Total distributions	(0.56)	—
Net asset value, end of year	\$11.57	\$9.73
Total return ^d	25.60%	(15.03)%
Ratios to average net assets^e		
Expenses before waiver and payments by affiliates and expense reduction	3.81%	18.81%
Expenses net of waiver and payments by affiliates	1.23%	1.23%
Expenses net of waiver and payments by affiliates and expense reduction	1.22%	1.22%
Net investment income	2.81%	1.41%
Supplemental data		
Net assets, end of year (000's)	\$974	\$4
Portfolio turnover rate	21.51%	35.15%

^aFor the period June 3, 2022 (effective date) to August 31, 2022.

^bThe 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.

^cBased on average daily shares outstanding.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

Templeton International Climate Change Fund (continued)

	Year Ended August 31,	
	2023	2022^a
Class C		
Per share operating performance		
(for a share outstanding throughout the year)		
Net asset value, beginning of year	\$9.71	\$11.44
Income from investment operations ^b :		
Net investment income ^c	0.30	0.01
Net realized and unrealized gains (losses)	2.12	(1.74)
Total from investment operations	2.42	(1.73)
Less distributions from:		
Net investment income	(0.13)	—
Net realized gains	(0.41)	—
Total distributions	(0.54)	—
Net asset value, end of year	\$11.59	\$9.71
Total return ^d	25.64%	(15.12)%
Ratios to average net assets^e		
Expenses before waiver and payments by affiliates and expense reduction	5.44%	18.95%
Expenses net of waiver and payments by affiliates	1.21%	1.98%
Expenses net of waiver and payments by affiliates and expense reduction	1.21%	1.97%
Net investment income	2.70%	0.57%
Supplemental data		
Net assets, end of year (000's)	\$12	\$4
Portfolio turnover rate	21.51%	35.15%

^aFor the period June 3, 2022 (effective date) to August 31, 2022.

^bThe 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.

^cBased on average daily shares outstanding.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

Templeton International Climate Change Fund (continued)

	Year Ended August 31,	
	2023	2022^a
Class R6		
Per share operating performance		
(for a share outstanding throughout the year)		
Net asset value, beginning of year	\$9.73	\$11.44
Income from investment operations ^b :		
Net investment income ^c	0.26	0.04
Net realized and unrealized gains (losses)	2.18	(1.75)
Total from investment operations	2.44	(1.71)
Less distributions from:		
Net investment income	(0.15)	—
Net realized gains	(0.41)	—
Total distributions	(0.56)	—
Net asset value, end of year	\$11.61	\$9.73
Total return ^d	25.89%	(14.95)%
Ratios to average net assets^e		
Expenses before waiver and payments by affiliates and expense reduction	7.05%	20.46%
Expenses net of waiver and payments by affiliates	0.94%	0.98%
Expenses net of waiver and payments by affiliates and expense reduction	0.94%	0.97%
Net investment income	2.37%	1.57%
Supplemental data		
Net assets, end of year (000's)	\$5	\$4
Portfolio turnover rate	21.51%	35.15%

^aFor the period June 3, 2022 (effective date) to August 31, 2022.

^bThe 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.

^cBased on average daily shares outstanding.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

Templeton International Climate Change Fund (continued)

	Year Ended August 31,				
	2023	2022	2021	2020	2019
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$9.74	\$14.68	\$10.71	\$8.91	\$9.64
Income from investment operations ^a :					
Net investment income ^b	0.26	0.18	0.10	0.07	0.27
Net realized and unrealized gains (losses)	2.18	(4.39)	3.96	2.03	(0.93)
Total from investment operations	2.44	(4.21)	4.06	2.10	(0.66)
Less distributions from:					
Net investment income	(0.15)	(0.13)	(0.09)	(0.30)	(0.05)
Net realized gains	(0.41)	(0.60)	—	—	(0.02)
Total distributions	(0.56)	(0.73)	(0.09)	(0.30)	(0.07)
Net asset value, end of year	\$11.62	\$9.74	\$14.68	\$10.71	\$8.91
Total return	25.88%	(29.83)%	37.89%	23.70%	(6.75)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates and expense reduction	6.25%	9.16%	8.16%	6.48%	9.65%
Expenses net of waiver and payments by affiliates	0.97%	0.98%	0.97%	0.97%	0.97%
Expenses net of waiver and payments by affiliates and expense reduction	0.97%	0.97%	0.97% ^c	0.97%	0.97%
Net investment income	2.39%	1.47%	0.80%	0.74%	2.94%
Supplemental data					
Net assets, end of year (000's)	\$2,500	\$1,968	\$2,935	\$2,142	\$1,783
Portfolio turnover rate	21.51%	35.15%	53.37%	39.99%	9.55%

^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%.

Schedule of Investments, August 31, 2023

Templeton International Climate Change Fund

	Industry	Shares	Value
Common Stocks 93.9%			
Chile 1.0%			
Antofagasta plc.	Metals & Mining	1,891	\$34,632
Denmark 2.9%			
^a Vestas Wind Systems A/S.	Electrical Equipment	4,446	102,722
France 13.6%			
Cie de Saint-Gobain SA.	Building Products	3,240	210,779
Valeo SE.	Automobile Components	6,018	116,985
Veolia Environnement SA.	Multi-Utilities	4,711	146,975
			474,739
Germany 12.2%			
Bayerische Motoren Werke AG.	Automobiles	1,260	132,532
E.ON SE.	Multi-Utilities	13,041	160,538
Infineon Technologies AG.	Semiconductors & Semiconductor Equipment	3,730	133,300
			426,370
Hong Kong 0.7%			
^a Cadeler A/S.	Construction & Engineering	6,736	25,333
India 3.5%			
^a Kaveri Seed Co. Ltd.	Food Products	8,009	52,908
NHPC Ltd.	Independent Power and Renewable Electricity Producers	116,361	70,594
			123,502
Ireland 6.0%			
Smurfit Kappa Group plc.	Containers & Packaging	4,968	208,419
Italy 4.3%			
Prysmian SpA.	Electrical Equipment	3,635	148,520
Japan 8.3%			
Honda Motor Co. Ltd.	Automobiles	4,665	150,787
Sumitomo Metal Mining Co. Ltd.	Metals & Mining	4,442	137,880
			288,667
Netherlands 6.0%			
ING Groep NV.	Banks	14,675	207,940
Norway 3.9%			
Norsk Hydro ASA.	Metals & Mining	24,912	137,847
Singapore 3.5%			
STMicroelectronics NV.	Semiconductors & Semiconductor Equipment	2,564	121,013
South Korea 1.9%			
Samsung SDI Co. Ltd.	Electronic Equipment, Instruments & Components	145	67,085
Spain 2.6%			
Redeia Corp. SA.	Electric Utilities	1,789	29,053
^a Soltec Power Holdings SA.	Electrical Equipment	14,289	60,999
			90,052
Taiwan 4.0%			
Taiwan Semiconductor Manufacturing Co. Ltd., ADR.	Semiconductors & Semiconductor Equipment	1,498	140,168
United Kingdom 12.0%			
AstraZeneca plc.	Pharmaceuticals	303	40,700

Templeton International Climate Change Fund (continued)

	Industry	Shares	Value
Common Stocks (continued)			
United Kingdom (continued)			
Lloyds Banking Group plc	Banks	129,813	\$69,354
SSE plc	Electric Utilities	6,932	142,447
Standard Chartered plc	Banks	18,541	166,826
			<u>419,327</u>
United States 7.5%			
Schneider Electric SE	Electrical Equipment	626	107,307
^b Signify NV, 144A, Reg S	Electrical Equipment	5,476	154,799
			<u>262,106</u>
Total Common Stocks (Cost \$2,925,726)			<u>3,278,442</u>
Short Term Investments 8.3%			
Money Market Funds 8.3%			
United States 8.3%			
^{c,d} Institutional Fiduciary Trust - Money Market Portfolio, 5.066%		289,072	289,072
Total Money Market Funds (Cost \$289,072)			<u>289,072</u>
Total Short Term Investments (Cost \$289,072)			<u>289,072</u>
Total Investments (Cost \$3,214,798) 102.2%			<u>\$3,567,514</u>
Other Assets, less Liabilities (2.2)%			<u>(77,094)</u>
Net Assets 100.0%			<u>\$3,490,420</u>

See Abbreviations on page 67.

^aNon-income producing.

^bSecurity 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 August 31, 2023, the value of this security was \$154,799, representing 4.4% of net assets.

^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

Templeton World Fund

	Year Ended August 31,				
	2023	2022	2021	2020	2019
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.85	\$15.52	\$12.71	\$12.76	\$17.24
Income from investment operations ^a :					
Net investment income (loss) ^b	0.04	(—) ^c	0.20 ^d	0.16	0.29
Net realized and unrealized gains (losses)	2.21	(3.44)	2.61	0.45	(2.17)
Total from investment operations	2.25	(3.44)	2.81	0.61	(1.88)
Less distributions from:					
Net investment income	(0.05)	(0.23)	—	(0.50)	(0.67)
Net realized gains	(0.14)	—	—	(0.16)	(1.93)
Total distributions	(0.19)	(0.23)	—	(0.66)	(2.60)
Net asset value, end of year	\$13.91	\$11.85	\$15.52	\$12.71	\$12.76
Total return ^e	19.23%	(22.39)%	22.11%	4.47%	(10.22)%
Ratios to average net assets					
Expenses	1.04% ^f	1.04%	1.03% ^f	1.05%	1.05% ^f
Net investment income (loss)	0.32%	(—)% ^g	1.42% ^d	1.29%	2.06%
Supplemental data					
Net assets, end of year (000's)	\$2,289,332	\$2,138,297	\$3,060,714	\$2,831,844	\$3,150,057
Portfolio turnover rate	47.28%	81.20%	41.83%	52.25%	25.16%

^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.

^dNet 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%.

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

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

^gRounds to less than 0.01%.

Templeton World Fund (continued)

	Year Ended August 31,				
	2023	2022	2021	2020	2019
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.30	\$14.76	\$12.18	\$12.26	\$16.35
Income from investment operations ^a :					
Net investment income (loss) ^b	(0.06)	(0.10)	0.10 ^c	0.07	0.13
Net realized and unrealized gains (losses)	2.11	(3.29)	2.48	0.42	(2.01)
Total from investment operations	2.05	(3.39)	2.58	0.49	(1.88)
Less distributions from:					
Net investment income	—	(0.07)	—	(0.41)	(0.28)
Net realized gains	(0.14)	—	—	(0.16)	(1.93)
Total distributions	(0.14)	(0.07)	—	(0.57)	(2.21)
Net asset value, end of year	\$13.21	\$11.30	\$14.76	\$12.18	\$12.26
Total return ^d	18.33%	(23.01)%	21.18%	3.61%	(10.94)%
Ratios to average net assets					
Expenses	1.79% ^e	1.81%	1.80% ^e	1.82%	1.80% ^e
Net investment income (loss)	(0.48)%	(0.77)%	0.70% ^c	0.54%	1.31%
Supplemental data					
Net assets, end of year (000's)	\$6,476	\$7,348	\$12,585	\$18,630	\$28,850
Portfolio turnover rate	47.28%	81.20%	41.83%	52.25%	25.16%

^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.

^cNet 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)%.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

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

Templeton World Fund (continued)

	Year Ended August 31,				
	2023	2022	2021	2020	2019
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.86	\$15.53	\$12.69	\$12.73	\$17.21
Income from investment operations ^a :					
Net investment income ^b	0.08	0.04	0.24 ^c	0.20	0.34
Net realized and unrealized gains (losses)	2.19	(3.43)	2.60	0.45	(2.17)
Total from investment operations	2.27	(3.39)	2.84	0.65	(1.83)
Less distributions from:					
Net investment income	(0.07)	(0.28)	—	(0.53)	(0.72)
Net realized gains	(0.14)	—	—	(0.16)	(1.93)
Total distributions	(0.21)	(0.28)	—	(0.69)	(2.65)
Net asset value, end of year	\$13.92	\$11.86	\$15.53	\$12.69	\$12.73
Total return	19.50%	(22.14)%	22.38%	4.71%	(9.88)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.77%	0.78%	0.78%	0.79%	0.77%
Expenses net of waiver and payments by affiliates	0.75%	0.76%	0.76%	0.76%	0.75%
Net investment income	0.61%	0.29%	1.68% ^c	1.59%	2.36%
Supplemental data					
Net assets, end of year (000's)	\$38,834	\$34,238	\$42,010	\$38,885	\$43,595
Portfolio turnover rate	47.28%	81.20%	41.83%	52.25%	25.16%

^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.

^cNet 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%.

Templeton World Fund (continued)

	Year Ended August 31,				
	2023	2022	2021	2020	2019
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$11.86	\$15.54	\$12.70	\$12.74	\$17.23
Income from investment operations ^a :					
Net investment income ^b	0.07	0.03	0.24 ^c	0.19	0.33
Net realized and unrealized gains (losses)	2.21	(3.44)	2.60	0.45	(2.17)
Total from investment operations	2.28	(3.41)	2.84	0.64	(1.84)
Less distributions from:					
Net investment income	(0.07)	(0.27)	—	(0.52)	(0.72)
Net realized gains	(0.14)	—	—	(0.16)	(1.93)
Total distributions	(0.21)	(0.27)	—	(0.68)	(2.65)
Net asset value, end of year	\$13.93	\$11.86	\$15.54	\$12.70	\$12.74
Total return	19.52%	(22.22)%	22.36%	4.66%	(9.99)%
Ratios to average net assets					
Expenses	0.79% ^d	0.81%	0.80% ^d	0.81%	0.80% ^d
Net investment income	0.57%	0.24%	1.64% ^c	1.53%	2.31%
Supplemental data					
Net assets, end of year (000's)	\$99,935	\$86,424	\$115,823	\$99,546	\$112,891
Portfolio turnover rate	47.28%	81.20%	41.83%	52.25%	25.16%

^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.

^cNet 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%.

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

Schedule of Investments, August 31, 2023

Templeton World Fund

	Industry	Shares	Value
Common Stocks 98.4%			
France 2.6%			
LVMH Moet Hennessy Louis Vuitton SE	Textiles, Apparel & Luxury Goods	37,809	\$31,974,942
^a SOITEC	Semiconductors & Semiconductor Equipment	168,562	30,811,737
			62,786,679
Germany 9.7%			
Bayer AG	Pharmaceuticals	1,087,095	59,480,453
Deutsche Boerse AG	Capital Markets	334,180	59,327,695
Infineon Technologies AG	Semiconductors & Semiconductor Equipment	890,349	31,818,683
SAP SE	Software	618,682	86,312,849
			236,939,680
Hong Kong 1.7%			
AIA Group Ltd.	Insurance	4,460,034	40,355,547
India 3.6%			
HDFC Bank Ltd.	Banks	1,285,078	24,356,762
^a Jio Financial Services Ltd.	Consumer Finance	2,221,010	6,270,201
Reliance Industries Ltd.	Oil, Gas & Consumable Fuels	1,944,624	56,545,729
			87,172,692
Japan 3.2%			
KDDI Corp.	Wireless Telecommunication Services	768,800	22,859,164
Tokyo Electron Ltd.	Semiconductors & Semiconductor Equipment	367,350	54,572,157
			77,431,321
Netherlands 1.5%			
Shell plc	Oil, Gas & Consumable Fuels	1,197,542	37,095,090
Taiwan 2.8%			
Taiwan Semiconductor Manufacturing Co. Ltd.	Semiconductors & Semiconductor Equipment	3,923,559	67,383,437
United Kingdom 5.6%			
^{a,b,c} Just Eat Takeaway.com NV, 144A, Reg S	Hotels, Restaurants & Leisure	1,936,670	27,203,624
^a Rolls-Royce Holdings plc	Aerospace & Defense	32,850,961	92,157,596
^{a,b} S4 Capital plc	Media	13,364,499	16,763,521
			136,124,741
United States 67.7%			
Albemarle Corp.	Chemicals	181,878	36,140,977
^a Alphabet, Inc., A	Interactive Media & Services	1,026,770	139,815,271
^a Amazon.com, Inc.	Broadline Retail	1,278,900	176,500,989
Applied Materials, Inc.	Semiconductors & Semiconductor Equipment	396,690	60,598,364
^a Booking Holdings, Inc.	Hotels, Restaurants & Leisure	11,269	34,990,583
Comcast Corp., A	Media	1,307,048	61,117,565
^a DXC Technology Co.	IT Services	1,601,152	33,207,893
Exxon Mobil Corp.	Oil, Gas & Consumable Fuels	440,170	48,942,502
^a F5, Inc.	Communications Equipment	238,786	39,079,717
Freeport-McMoRan, Inc.	Metals & Mining	358,207	14,296,041
HCA Healthcare, Inc.	Health Care Providers & Services	130,730	36,251,429
^{a,b} ICON plc	Life Sciences Tools & Services	256,060	66,560,236
Intercontinental Exchange, Inc.	Capital Markets	535,061	63,131,847
Kenvue, Inc.	Personal Care Products	1,610,632	37,125,068
^a Meta Platforms, Inc., A	Interactive Media & Services	239,679	70,918,619
Microchip Technology, Inc.	Semiconductors & Semiconductor Equipment	649,288	53,137,730
Micron Technology, Inc.	Semiconductors & Semiconductor Equipment	406,086	28,401,655
Microsoft Corp.	Software	396,871	130,078,439
^a Salesforce, Inc.	Software	439,880	97,415,825

Templeton World Fund (continued)

	Industry	Shares	Value
Common Stocks (continued)			
United States (continued)			
Schneider Electric SE	Electrical Equipment	295,530	\$50,658,645
Target Corp.	Consumer Staples Distribution & Retail	474,693	60,072,399
Thermo Fisher Scientific, Inc.	Life Sciences Tools & Services	136,302	75,933,844
^a T-Mobile US, Inc.	Wireless Telecommunication Services	228,277	31,102,741
^a Uber Technologies, Inc.	Ground Transportation	466,280	22,022,404
Union Pacific Corp.	Ground Transportation	302,613	66,747,350
UnitedHealth Group, Inc.	Health Care Providers & Services	160,672	76,573,062
Zimmer Biomet Holdings, Inc.	Health Care Equipment & Supplies	322,951	38,469,923
			1,649,291,118
Total Common Stocks (Cost \$2,185,240,872)			2,394,580,305
Short Term Investments 1.8%			
		Principal Amount [*]	Value
Time Deposits 1.8%			
Canada 1.8%			
National Bank of Canada, 5.31%, 9/01/23		43,800,000	43,800,000
Total Time Deposits (Cost \$43,800,000)			43,800,000
Total Short Term Investments (Cost \$43,800,000)			43,800,000
Total Investments (Cost \$2,229,040,872) 100.2%			\$2,438,380,305
Other Assets, less Liabilities (0.2%)			(3,802,684)
Net Assets 100.0%			\$2,434,577,621

^{*}The principal amount is stated in U.S. dollars unless otherwise indicated.

^aNon-income producing.

^bA portion or all of the security is on loan at August 31, 2023. See Note 1(d).

^cSecurity 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 August 31, 2023, the value of this security was \$27,203,624, representing 1.1% of net assets.

Statements of Assets and Liabilities

August 31, 2023

	Templeton Foreign Fund	Templeton International Climate Change Fund	Templeton World Fund
Assets:			
Investments in securities:			
Cost - Unaffiliated issuers	\$2,527,853,218	\$2,925,726	\$2,229,040,872
Cost - Non-controlled affiliates (Note 3f)	—	289,072	—
Value - Unaffiliated issuers (Includes securities loaned of \$8,959,480, \$— and \$23,107,096, respectively)	\$2,763,655,244	\$3,278,442	\$2,438,380,305
Value - Non-controlled affiliates (Note 3f)	—	289,072	—
Cash	42,062	—	232,939
Foreign currency, at value (cost \$209, \$2,288 and \$107, respectively)	209	2,274	108
Receivables:			
Investment securities sold	5,074,210	—	6,177,530
Capital shares sold	41,943,379	2,523	84,102
Dividends and interest	11,501,847	10,683	6,513,715
European Union tax reclaims (Note 1e)	362,238	—	787,583
Affiliates	—	39	—
Total assets	2,822,579,189	3,583,033	2,452,176,282
Liabilities:			
Payables:			
Investment securities purchased	27,634,450	—	—
Capital shares redeemed	2,478,646	—	1,169,948
Management fees	1,601,500	28,738	1,432,209
Distribution fees	411,683	217	489,054
Transfer agent fees	1,149,781	—	328,362
Registration and filing fees	5,301	6,777	9,888
Professional fees	74,148	52,095	81,067
Trustees' fees and expenses	15,056	—	7,816
IRS closing agreement payments for European Union tax reclaims (Note 1e)	21,287,961	—	13,944,332
Deferred tax	2,193,291	3,770	—
Accrued expenses and other liabilities	261,454	1,016	135,985
Total liabilities	57,113,271	92,613	17,598,661
Net assets, at value	\$2,765,465,918	\$3,490,420	\$2,434,577,621
Net assets consist of:			
Paid-in capital	\$2,794,731,060	\$3,141,202	\$2,242,781,289
Total distributable earnings (losses)	(29,265,142)	349,218	191,796,332
Net assets, at value	\$2,765,465,918	\$3,490,420	\$2,434,577,621

Statements of Assets and Liabilities (continued)

August 31, 2023

	Templeton Foreign Fund	Templeton International Climate Change Fund	Templeton World Fund
Class A:			
Net assets, at value	\$1,605,982,377	\$973,528	\$2,289,332,393
Shares outstanding	206,488,372	84,137	164,560,051
Net asset value per share ^a	\$7.78	\$11.57	\$13.91
Maximum offering price per share (net asset value per share ÷ 94.50%)	\$8.23	\$12.24	\$14.72
Class C:			
Net assets, at value	\$21,610,869	\$11,530	\$6,476,297
Shares outstanding	2,784,767	995	490,202
Net asset value and maximum offering price per share ^a	\$7.76	\$11.59	\$13.21
Class R:			
Net assets, at value	\$116,518,261	\$—	\$—
Shares outstanding	15,365,574	—	—
Net asset value and maximum offering price per share	\$7.58	\$—	\$—
Class R6:			
Net assets, at value	\$341,057,535	\$5,076	\$38,833,647
Shares outstanding	44,692,160	437	2,789,174
Net asset value and maximum offering price per share	\$7.63	\$11.61	\$13.92
Advisor Class:			
Net assets, at value	\$680,296,876	\$2,500,286	\$99,935,284
Shares outstanding	89,070,889	215,240	7,173,605
Net asset value and maximum offering price per share	\$7.64	\$11.62	\$13.93

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

Statements of Operations

for the year ended August 31, 2023

	Templeton Foreign Fund	Templeton International Climate Change Fund	Templeton World Fund
Investment income:			
Dividends: (net of foreign taxes of \$6,384,432, \$13,031 and \$1,740,883, respectively)			
Unaffiliated issuers	\$75,292,273	\$83,923	\$27,702,054
Non-controlled affiliates (Note 3f)	—	8,317	—
Interest:			
Unaffiliated issuers	6,119,412	—	2,986,826
Income from securities loaned:			
Unaffiliated entities (net of fees and rebates)	183,226	—	19,104
Non-controlled affiliates (Note 3f)	287,601	—	519
Other income (Note 1e)	4,987,237	—	316,796
Less: IRS closing agreement payments for European Union tax reclaims (Note 1e)	(330,866)	—	(207,883)
Total investment income.	86,538,883	92,240	30,817,416
Expenses:			
Management fees (Note 3a)	18,276,131	18,809	15,876,060
Distribution fees: (Note 3c)			
Class A	3,866,965	934	5,258,669
Class C	228,499	16	66,630
Class R	570,660	—	—
Transfer agent fees: (Note 3e)			
Class A	2,374,112	233	1,611,805
Class C	35,263	4	4,988
Class R	175,273	—	—
Class R6	192,524	40	17,002
Advisor Class	956,348	1,419	61,210
Custodian fees (Note 4)	198,927	10	65,722
Reports to shareholders fees	(391,551)	(1,959)	(125,013)
Registration and filing fees	108,668	65,000	91,381
Professional fees	18,754	69,707	44,830
Trustees' fees and expenses	322,641	3,149	279,431
Other	168,782	158	133,926
Total expenses	27,101,996	157,520	23,386,641
Expense reductions (Note 4)	—	(89)	—
Expenses waived/paid by affiliates (Note 3f and 3g)	(503,431)	(130,604)	(6,211)
Net expenses	26,598,565	26,827	23,380,430
Net investment income	59,940,318	65,413	7,436,986

Statements of Operations (continued)

for the year ended August 31, 2023

	Templeton Foreign Fund	Templeton International Climate Change Fund	Templeton World Fund
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Investments: (net of foreign taxes of \$—, \$— and \$127,135, respectively)			
Unaffiliated issuers	90,793,523	(51,174)	291,769
Written options	128,973	—	—
Foreign currency transactions	6,174	910	735,387
Net realized gain (loss)	90,928,670	(50,264)	1,027,156
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers	416,924,877	510,569	392,890,120
Translation of other assets and liabilities denominated in foreign currencies	758,736	218	365,868
Change in deferred taxes on unrealized appreciation	(620,461)	(2,611)	—
Net change in unrealized appreciation (depreciation)	417,063,152	508,176	393,255,988
Net realized and unrealized gain (loss)	507,991,822	457,912	394,283,144
Net increase (decrease) in net assets resulting from operations	\$567,932,140	\$523,325	\$401,720,130

Statements of Changes in Net Assets

	Templeton Foreign Fund		Templeton International Climate Change Fund	
	Year Ended August 31, 2023	Year Ended August 31, 2022	Year Ended August 31, 2023	Year Ended August 31, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$59,940,318	\$56,742,134	\$65,413	\$36,354
Net realized gain (loss)	90,928,670	158,736,046	(50,264)	93,086
Net change in unrealized appreciation (depreciation)	417,063,152	(681,581,753)	508,176	(978,202)
Net increase (decrease) in net assets resulting from operations.	567,932,140	(466,103,573)	523,325	(848,762)
Distributions to shareholders:				
Class A.	(17,674,304)	(68,477,455)	(6,003)	—
Class C.	(51,405)	(999,549)	(235)	—
Class R.	(1,094,380)	(4,571,272)	—	—
Class R6.	(4,832,491)	(20,850,055)	(246)	—
Advisor Class	(8,718,598)	(34,087,582)	(113,511)	(147,060)
Total distributions to shareholders	(32,371,178)	(128,985,913)	(119,995)	(147,060)
Capital share transactions: (Note 2)				
Class A.	(127,590,385)	(240,351,269)	941,636	5,009
Class C.	(6,998,992)	(9,046,243)	6,454	5,000
Class R.	(10,994,510)	3,756,831	—	—
Class R6.	(15,350,359)	(158,973,250)	—	5,000
Advisor Class	(49,294,028)	133,841,510	158,680	25,871
Total capital share transactions	(210,228,274)	(270,772,421)	1,106,770	40,880
Net increase (decrease) in net assets	325,332,688	(865,861,907)	1,510,100	(954,942)
Net assets:				
Beginning of year.	2,440,133,230	3,305,995,137	1,980,320	2,935,262
End of year	\$2,765,465,918	\$2,440,133,230	\$3,490,420	\$1,980,320

Statements of Changes in Net Assets (continued)

	Templeton World Fund	
	Year Ended August 31, 2023	Year Ended August 31, 2022
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$7,436,986	\$166,419
Net realized gain (loss)	1,027,156	219,790,750
Net change in unrealized appreciation (depreciation)	393,255,988	(902,487,259)
Net increase (decrease) in net assets resulting from operations	401,720,130	(682,530,090)
Distributions to shareholders:		
Class A	(31,728,587)	(44,013,452)
Class C	(79,288)	(55,139)
Class R6	(605,219)	(780,101)
Advisor Class	(1,357,839)	(1,988,799)
Total distributions to shareholders	(33,770,933)	(46,837,491)
Capital share transactions: (Note 2)		
Class A	(197,637,235)	(233,613,207)
Class C	(1,899,715)	(2,686,637)
Class R6	(1,391,055)	2,778,432
Advisor Class	1,248,719	(1,935,608)
Total capital share transactions	(199,679,286)	(235,457,020)
Net increase (decrease) in net assets	168,269,911	(964,824,601)
Net assets:		
Beginning of year	2,266,307,710	3,231,132,311
End of year	\$2,434,577,621	\$2,266,307,710

Notes to Financial Statements

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 three 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

Templeton International Climate Change 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 Funds. 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

1. Organization and Significant Accounting Policies

(continued)

a. Financial Instrument Valuation (continued)

at 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 August 31, 2023, 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. Derivative Financial Instruments

Certain or all Funds invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in excess of the amounts shown in the Statements of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statements of Operations.

Certain or all Funds purchased or wrote exchange traded option contracts primarily to manage and/or gain exposure to equity price risk. An option is a contract entitling the holder to purchase or sell a specific amount of shares or units of an asset or notional amount of a swap (swaption), at a specified price. When an option is purchased or written, an amount equal to the premium paid or received is recorded as an asset or liability, respectively. Upon exercise of an option, the acquisition cost or sales proceeds of the underlying investment is adjusted by any premium received or paid. Upon expiration of an option, any premium received or paid is recorded as a realized gain or loss. Upon closing an option other than through expiration or exercise, the difference between the premium received or paid and the cost to close the position is recorded as a realized gain or loss. At August 31, 2023, Templeton Foreign Fund, Templeton International Climate Change Fund and Templeton World Fund had no options.

1. Organization and Significant Accounting Policies (continued)

d. 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 August 31, 2023, Templeton Foreign Fund and Templeton World Fund held \$9,520,116 and \$24,932,478, 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 and rebates 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 by a third party borrower. At August 31, 2023, Templeton International Climate Change Fund had no securities on loan.

e. 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). 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. During the fiscal year ended August 31, 2023, certain or all Funds received EU reclaims in excess of the foreign taxes paid during the year. Templeton Foreign Fund and Templeton World Fund determined to enter into closing agreements with the IRS and recorded the estimated payments as a reduction to 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

1. Organization and Significant Accounting Policies

(continued)

e. Income and Deferred Taxes (continued)

it will be sustained upon examination by the tax authorities based on its technical merits. As of August 31, 2023, 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.

f. 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.

g. 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.

h. 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 August 31, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

2. Shares of Beneficial Interest (continued)

	Templeton Foreign Fund		Templeton International Climate Change Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Year ended August 31, 2023				
Shares sold ^a	18,464,161	\$134,477,091	121,328	\$1,361,086
Shares issued in reinvestment of distributions	2,451,683	16,720,477	559	5,758
Shares redeemed	(38,885,805)	(278,787,953)	(38,187)	(425,208)
Net increase (decrease)	(17,969,961)	\$(127,590,385)	83,700	\$941,636
Year ended August 31, 2022				
Shares sold ^a	15,055,350	\$108,801,684	630	\$6,959
Shares issued in reinvestment of distributions	9,189,754	64,695,870	—	—
Shares redeemed	(56,182,941)	(413,848,823)	(193)	(1,950)
Net increase (decrease)	(31,937,837)	\$(240,351,269)	437	\$5,009
Class C Shares:				
Year ended August 31, 2023				
Shares sold	634,917	\$4,603,951	558	\$6,454
Shares issued in reinvestment of distributions	7,484	51,192	—	—
Shares redeemed ^a	(1,666,045)	(11,654,135)	—	—
Net increase (decrease)	(1,023,644)	\$(6,998,992)	558	\$6,454
Year ended August 31, 2022				
Shares sold	417,818	\$3,009,157	437	\$5,000
Shares issued in reinvestment of distributions	139,410	982,841	—	—
Shares redeemed ^a	(1,823,590)	(13,038,241)	—	—
Net increase (decrease)	(1,266,362)	\$(9,046,243)	437	\$5,000
Class R Shares:				
Six Months ended August 31, 2023				
Shares sold	2,067,697	\$14,539,898	—	\$—
Shares issued in reinvestment of distributions	163,984	1,092,131	—	—
Shares redeemed	(3,736,121)	(26,626,539)	—	—
Net increase (decrease)	(1,504,440)	\$(10,994,510)	—	\$—
Six Months ended August 31, 2022				
Shares sold	2,580,769	\$18,083,292	—	\$—
Shares issued in reinvestment of distributions	662,175	4,555,764	—	—
Shares redeemed	(2,688,708)	(18,882,225)	—	—
Net increase (decrease)	554,236	\$3,756,831	—	\$—

2. Shares of Beneficial Interest (continued)

	Templeton Foreign Fund		Templeton International Climate Change Fund	
	Shares	Amount	Shares	Amount
Class R6 Shares:				
Year ended August 31, 2023				
Shares sold	11,025,849	\$78,141,072	—	\$—
Shares issued in reinvestment of distributions	634,986	4,241,705	—	—
Shares redeemed	(13,888,696)	(97,733,136)	—	—
Net increase (decrease)	(2,227,861)	\$(15,350,359)	—	\$—
Year ended August 31, 2022				
Shares sold	10,791,025	\$76,072,674	437	\$5,000
Shares issued in reinvestment of distributions	2,743,028	18,899,459	—	—
Shares redeemed	(36,204,674)	(253,945,383)	—	—
Net increase (decrease)	(22,670,621)	\$(158,973,250)	437	\$5,000
Advisor Class Shares:				
Year ended August 31, 2023				
Shares sold	23,938,302	\$170,152,009	18,449	\$219,837
Shares issued in reinvestment of distributions	1,223,343	8,184,167	118	1,212
Shares redeemed	(33,228,043)	(227,630,204)	(5,425)	(62,369)
Net increase (decrease)	(8,066,398)	\$(49,294,028)	13,142	\$158,680
Year ended August 31, 2022				
Shares sold	54,602,589	\$402,173,464	2,098	\$25,871
Shares issued in reinvestment of distributions	4,600,357	31,742,463	—	—
Shares redeemed	(43,367,478)	(300,074,417)	—	—
Net increase (decrease)	15,835,468	\$133,841,510	2,098	\$25,871

2. Shares of Beneficial Interest (continued)

	Templeton World Fund	
	Shares	Amount
Class A Shares:		
Year ended August 31, 2023		
Shares sold ^a	11,879,311	\$152,104,842
Shares issued in reinvestment of distributions	2,535,772	29,423,758
Shares redeemed	(30,260,078)	(379,165,835)
Net increase (decrease)	(15,844,995)	\$(197,637,235)
Year ended August 31, 2022		
Shares sold ^a	7,163,158	\$100,026,779
Shares issued in reinvestment of distributions	2,756,371	40,243,011
Shares redeemed	(26,739,266)	(373,882,997)
Net increase (decrease)	(16,819,737)	\$(233,613,207)
Class C Shares:		
Year ended August 31, 2023		
Shares sold	181,830	\$2,243,324
Shares issued in reinvestment of distributions	7,104	78,786
Shares redeemed ^a	(348,831)	(4,221,825)
Net increase (decrease)	(159,897)	\$(1,899,715)
Year ended August 31, 2022		
Shares sold	59,313	\$799,919
Shares issued in reinvestment of distributions	3,910	54,747
Shares redeemed ^a	(265,836)	(3,541,303)
Net increase (decrease)	(202,613)	\$(2,686,637)
Class R6 Shares:		
Year ended August 31, 2023		
Shares sold	464,419	\$5,841,348
Shares issued in reinvestment of distributions	27,679	320,529
Shares redeemed	(590,728)	(7,552,932)
Net increase (decrease)	(98,630)	\$(1,391,055)
Year ended August 31, 2022		
Shares sold	591,711	\$8,400,647
Shares issued in reinvestment of distributions	28,589	416,823
Shares redeemed	(438,321)	(6,039,038)
Net increase (decrease)	181,979	\$2,778,432

2. Shares of Beneficial Interest (continued)

	Templeton World Fund	
	Shares	Amount
Advisor Class Shares:		
Year ended August 31, 2023		
Shares sold	3,260,778	\$42,886,023
Shares issued in reinvestment of distributions	109,395	1,268,495
Shares redeemed	(3,482,114)	(42,905,799)
Net increase (decrease)	(111,941)	\$1,248,719
Year ended August 31, 2022		
Shares sold	1,574,879	\$22,222,607
Shares issued in reinvestment of distributions	125,855	1,836,223
Shares redeemed	(1,870,594)	(25,994,438)
Net increase (decrease)	(169,860)	\$(1,935,608)

^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 Templeton Investments Corp. (FTIC)	Investment manager
Franklin Templeton Investment Management Ltd. (FTIML)	Investment manager
Templeton Global Advisors Limited (Global Advisors)	Investment manager
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)

Effective May 1, 2023, Templeton International Climate Change Fund pays an investment management fee, calculated daily and paid monthly, to FTIC based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.705%	Up to and including \$500 million
0.690%	Over \$500 million, up to and including \$1 billion
0.675%	Over \$1 billion, up to and including \$5 billion
0.655%	Over \$5 billion, up to and including \$10 billion
0.635%	Over \$10 billion, up to and including \$15 billion
0.615%	Over \$15 billion, up to and including \$20 billion
0.605%	Over \$20 billion, up to and including \$25 billion
0.595%	Over \$25 billion, up to and including \$30 billion
0.585%	In excess of \$30 billion

Prior to May 1, 2023, Templeton International Climate Change Fund paid fees, calculated daily and paid monthly, to FTIC 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

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 year ended August 31, 2023, each Fund's gross effective investment management fee rate based on average daily net assets was as follows:

3. Transactions with Affiliates (continued)

a. Management Fees (continued)

	Templeton Foreign Fund	Templeton International Climate Change Fund	Templeton World Fund
Gross effective investment management fee rate.	0.696%	0.705%	0.697%

Under a subadvisory agreement, FTIML and Global Advisors, affiliates of FTIC, provide subadvisory services to Templeton International Climate Change. The subadvisory fee is paid by FTIC 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 Templeton Foreign Fund and Templeton World Fund. The fee is paid by Global Advisors based on the Funds' average daily net assets, and is not an additional expense of the Funds.

Under an agreement with FTIC, FT Services provides administrative services to Templeton International Climate Change Fund. The fee is paid by FTIC based on the Fund's average daily net assets, and is not an additional expense of the Fund.

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 plan, 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 plan, 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 Funds' 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 International Climate Change Fund	Templeton World Fund
Class A	0.25%	0.25%	0.25%
Class C	1.00%	1.00%	1.00%
Class R	0.50%	0.50%	—%

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:

3. Transactions with Affiliates (continued)

d. Sales Charges/Underwriting Agreements (continued)

	Templeton Foreign Fund	Templeton International Climate Change Fund	Templeton World Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$47,756	\$291	\$22,878
CDSC retained	\$3,246	\$—	\$620

e. Transfer Agent Fees

Each class of shares pays transfer agent fees to Investor Services for its performance of shareholder servicing obligations. Effective October 1, 2022, the fees are based on an annualized asset based fee of 0.016% plus a reduced transaction based fee. Prior to October 1, 2022, the fees were 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 August 31, 2023, 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 International Climate Change Fund	Templeton World Fund
Transfer agent fees	\$1,215,305	\$1,506	\$791,596

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 paid directly or indirectly by each affiliate. During the year ended August 31, 2023, 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	Investment Income
Templeton Foreign Fund								
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 5.066%	\$23,064,789	\$53,460,197	\$(76,524,986)	\$—	\$—	\$—	—	\$287,601
Total Affiliated Securities . . .	\$23,064,789	\$53,460,197	\$(76,524,986)	\$—	\$—	\$—		\$287,601

3. Transactions with Affiliates (continued)

f. Investments in Affiliated Management Investment Companies (continued)

	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	Investment Income
Templeton International Climate Change Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 5.066%	\$81,707	\$2,058,365	\$(1,851,000)	\$—	\$—	\$289,072	289,072	\$8,317
Total Affiliated Securities . . .	\$81,707	\$2,058,365	\$(1,851,000)	\$—	\$—	\$289,072		\$8,317
Templeton World Fund								
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 5.066%	\$—	\$1,161,951	\$(1,161,951)	\$—	\$—	\$—	—	\$519
Total Affiliated Securities . . .	\$—	\$1,161,951	\$(1,161,951)	\$—	\$—	\$—		\$519

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%, based on the average net assets of each class until December 31, 2023. Total expenses waived or paid are not subject to recapture subsequent to the Fund's fiscal year end.

FTIC has contractually agreed in advance to waive or limit its fees and to assume as its own expense certain expenses otherwise payable by Templeton International Climate Change 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 does not exceed 0.97% based on the average net assets of each class until December 31, 2023. Total expenses waived or paid are not subject to recapture subsequent to the Fund's fiscal year end.

Investor Services has contractually agreed in advance to waive or limit its fees so that the Class R6 transfer agent fees do not exceed 0.03% based on the average net assets of the class until December 31, 2023.

h. Other Affiliated Transactions

At August 31, 2023, Franklin Resources, Inc. owned 66.5% of Templeton International Climate Change Fund's outstanding shares. Investment activities of this shareholder could have a material impact on the Fund.

4. Expense Offset Arrangement

Templeton International Climate Change Fund has previously entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended August 31, 2023, the custodian fees were reduced as noted in the Statements of Operations. Effective June 12, 2023, earned credits, if any, will be recognized as income.

5. Income Taxes

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

At August 31, 2023, the capital loss carryforwards were as follows:

	Templeton Foreign Fund	Templeton International Climate Change Fund
Capital loss carryforwards not subject to expiration:		
Long term	\$282,123,323	\$40,703

During the year ended August 31, 2023, the following Funds utilized capital loss carryforwards as follows:

	Templeton Foreign Fund	Templeton World Fund
Capital loss utilized carryforwards	\$88,030,243	\$1,596,246

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 August 31, 2023, Templeton World Fund deferred post-October capital losses of \$15,884,478.

The tax character of distributions paid during the years ended August 31, 2023 and 2022, was as follows:

	Templeton Foreign Fund		Templeton International Climate Change Fund	
	2023	2022	2023	2022
Distributions paid from:				
Ordinary income	\$32,371,178	\$128,985,913	\$32,551	\$50,520
Long term capital gain	—	—	87,444	96,540
	\$32,371,178	\$128,985,913	\$119,995	\$147,060
	Templeton World Fund			
	2023	2022		
Distributions paid from:				
Ordinary income	\$8,841,707	\$46,837,491		
Long term capital gain	24,929,226	—		
	\$33,770,933	\$46,837,491		

5. Income Taxes (continued)

At August 31, 2023, the cost of investments, net unrealized appreciation (depreciation) and undistributed ordinary income for income tax purposes were as follows:

	Templeton Foreign Fund	Templeton International Climate Change Fund	Templeton World Fund
Cost of investments	\$2,566,026,126	\$3,239,842	\$2,245,559,294
Unrealized appreciation.	\$523,943,472	\$489,595	\$346,309,842
Unrealized depreciation.	(326,314,354)	(161,923)	(153,488,831)
Net unrealized appreciation (depreciation).	\$197,629,118	\$327,672	\$192,821,011
Distributable earnings:			
Undistributed ordinary income.	\$57,146,931	\$66,127	\$14,508,589

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 and corporate actions.

The Funds, except for Templeton World Fund utilized a tax accounting practice to treat a portion of the proceeds from capital shares redeemed as a distribution from net investment income.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities and securities sold short) for the year ended August 31, 2023, were as follows:

	Templeton Foreign Fund	Templeton International Climate Change Fund	Templeton World Fund
Purchases	\$371,198,097	\$1,444,168	\$1,057,009,533
Sales	\$765,430,194	\$546,248	\$1,313,806,173

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, 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.

8. Other Derivative Information

For the year ended August 31, 2023, the effect of derivative contracts in the Statements of Operations was as follows:

8. Other Derivative Information (continued)

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Year	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Year
Templeton Foreign Fund				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Equity Contracts				
	Written options	\$128,973	Written options	\$—
Total		\$128,973		\$—

See Note 1(c) regarding derivative financial instruments.

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 \$2.675 billion (Global Credit Facility) which matures on February 2, 2024. 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 August 31, 2023, 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)

10. 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 August 31, 2023, 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:				
Common Stocks:				
China	\$48,260,472	\$128,160,078	\$—	\$176,420,550
France	—	157,029,448	—	157,029,448
Germany	—	284,212,671	—	284,212,671
Hong Kong	—	88,823,258	—	88,823,258
India	—	56,352,138	—	56,352,138
Ireland	—	98,793,850	—	98,793,850
Japan	—	208,601,520	—	208,601,520
Netherlands	—	291,966,871	—	291,966,871
Portugal	—	45,601,535	—	45,601,535
South Korea	—	240,953,430	—	240,953,430
Spain	—	20,831,918	—	20,831,918
Switzerland	—	53,858,899	—	53,858,899
Taiwan	—	70,878,101	—	70,878,101
Thailand	—	33,615,055	—	33,615,055
United Kingdom	—	627,254,890	—	627,254,890
United States	58,561,110	—	—	58,561,110
Short Term Investments	—	249,900,000	—	249,900,000
Total Investments in Securities	\$106,821,582	\$2,656,833,662 ^a	\$—	\$2,763,655,244
Templeton International Climate Change Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Chile	—	34,632	—	34,632
Denmark	—	102,722	—	102,722
France	—	474,739	—	474,739
Germany	—	426,370	—	426,370
Hong Kong	25,333	—	—	25,333
India	—	123,502	—	123,502
Ireland	—	208,419	—	208,419
Italy	—	148,520	—	148,520
Japan	—	288,667	—	288,667
Netherlands	—	207,940	—	207,940
Norway	—	137,847	—	137,847
Singapore	—	121,013	—	121,013
South Korea	—	67,085	—	67,085
Spain	—	90,052	—	90,052
Taiwan	140,168	—	—	140,168
United Kingdom	—	419,327	—	419,327
United States	—	262,106	—	262,106
Short Term Investments	289,072	—	—	289,072
Total Investments in Securities	\$454,573	\$3,112,941 ^b	\$—	\$3,567,514
Templeton World Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
France	—	62,786,679	—	62,786,679
Germany	—	236,939,680	—	236,939,680
Hong Kong	—	40,355,547	—	40,355,547

10. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Templeton World Fund (continued)				
Assets: (continued)				
Investments in Securities:				
Common Stocks:				
India	\$6,270,201	\$80,902,491	\$—	\$87,172,692
Japan	—	77,431,321	—	77,431,321
Netherlands	—	37,095,090	—	37,095,090
Taiwan	—	67,383,437	—	67,383,437
United Kingdom	—	136,124,741	—	136,124,741
United States	1,598,632,473	50,658,645	—	1,649,291,118
Short Term Investments	—	43,800,000	—	43,800,000
Total Investments in Securities	\$1,604,902,674	\$833,477,631 ^c	\$—	\$2,438,380,305

^aIncludes foreign securities valued at \$2,406,933,662, 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.

^bIncludes foreign securities valued at \$3,112,941, 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.

^cIncludes foreign securities valued at \$789,677,631, 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.

11. Subsequent Events

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

Abbreviations

Currency

GBP	British Pound
HKD	Hong Kong Dollar

Selected Portfolio

ADR	American Depositary Receipt
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Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Templeton Funds and Shareholders of Templeton World Fund, Templeton Foreign Fund and Templeton International Climate Change Fund

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Templeton World Fund, Templeton Foreign Fund and Templeton International Climate Change Fund (constituting Templeton Funds, hereafter collectively referred to as the "Funds") as of August 31, 2023, the related statements of operations for the year ended August 31, 2023, the statements of changes in net assets for each of the two years in the period ended August 31, 2023, including the related notes, and the financial highlights for each of the periods indicated therein (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 August 31, 2023, 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 August 31, 2023 and each of the financial highlights for each of the periods indicated therein 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 August 31, 2023 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

October 23, 2023

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

Tax Information (unaudited)

By mid-February, tax information related to a shareholder's proportionate share of distributions paid during the preceding calendar year will be received, if applicable. Please also refer to www.franklintempleton.com for per share tax information related to any distributions paid during the preceding calendar year. Shareholders are advised to consult with their tax advisors for further information on the treatment of this amount on their tax returns.

The following tax information for the Funds is required to be furnished to shareholders with respect to income earned and distributions paid during their fiscal year.

The Funds below hereby report the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended August 31, 2023:

	Pursuant to:	Templeton Foreign Fund	Templeton International Climate Change Fund	Templeton World Fund
Long-Term Capital Gain Dividends Distributed	§852(b)(3)(C)	—	\$87,444	\$24,929,226
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$294,582	—	\$11,286,222
Qualified Dividend Income Earned (QDI)	§854(b)(1)(B)	\$70,567,829	\$92,584	\$33,933,153
Section 163(j) Interest Dividends Earned	§163(j)	\$4,348,230	\$6,218	\$1,144,557

Under Section 853 of the Internal Revenue Code, the Funds below intend to elect to pass through to their shareholders the following amounts, or amounts as finally determined, of foreign taxes paid and foreign source income earned by the Funds during the fiscal year ended August 31, 2023:

	Templeton Foreign Fund	Templeton International Climate Change Fund
Foreign Taxes Paid	\$1,651,475	\$10,647
Foreign Source Income Earned	\$57,715,276	\$66,937

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/Legg Mason 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 ¹	Other Directorships Held During at Least the Past 5 Years
Harris J. Ashton (1932) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 1992	119	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).				
Ann Torre Bates (1958) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2008	29	Ares Strategic Income Fund (closed-end investment management company) (September 2022-present); Ares Capital Corporation (specialty finance company) (2010-present), United Natural Foods, Inc. (food distribution) (2013-present), formerly , Navient Corporation (loan management, servicing and asset recovery) (2014-2016).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Executive Vice President and Chief Financial Officer, NHP Incorporated (manager of multifamily housing) (1995-1997); and Vice President and Treasurer, US Airways, Inc. (until 1995).				
Terrence J. Checki (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since January 2023	119	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); member of the board of directors of Council of the Americas (2007-present) and the Tallberg Foundation (2018-present); 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) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2016	119	Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present); and formerly , Avis Budget Group Inc. (car rental) (2007-2020).
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).				

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 ¹	Other Directorships Held During at Least the Past 5 Years
Edith E. Holiday (1952) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Lead Independent Trustee	Trustee since 2003 and Lead Independent Trustee since 2007	119	Hess Corporation (exploration of oil and gas) (1993-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present); Santander Holdings USA (holding company) (2019-present); and formerly , Canadian National Railway (railroad) (2001-2021), White Mountains Insurance Group, Ltd. (holding company) (2004-2021), 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).

J. Michael Luttig (1954) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2009	119	Boeing Capital Corporation (aircraft financing) (2006-2010).
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Principal Occupation During at Least the Past 5 Years:

Counselor and Special Advisor to the CEO and Board of Directors of the Coca-Cola Company (beverage company) (2021-present); and **formerly**, Counselor and Senior Advisor to the Chairman, CEO, and Board of Directors, of The Boeing Company (aerospace company), and member of the Executive Council (2019-2020); Executive Vice President, General Counsel and member of the Executive Council, The Boeing Company (2006-2019); and Federal Appeals Court Judge, United States Court of Appeals for the Fourth Circuit (1991-2006).

David W. Niemiec (1949) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2005	29	Hess Midstream LP (oil and gas midstream infrastructure) (2017-present).
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Principal Occupation During at Least the Past 5 Years:

Advisor, Saratoga Partners (private equity fund); and **formerly**, Managing Director, Saratoga Partners (1998-2001) and SBC Warburg Dillon Read (investment banking) (1997-1998); Vice Chairman, Dillon, Read & Co. Inc. (investment banking) (1991-1997); and Chief Financial Officer, Dillon, Read & Co. Inc. (1982-1997).

Larry D. Thompson (1945) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2005	119	Graham Holdings Company (education and media organization) (2011-2021); The Southern Company (energy company) (2014-2020; previously (2010-2012) and Cbeyond, Inc. (business communications provider) (2010-2012).
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Principal Occupation During at Least the Past 5 Years:

Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and **formerly**, Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-2020); 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).

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 ¹	Other Directorships Held During at Least the Past 5 Years
Constantine D. Tseretopoulos (1954) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2003	19	None

Principal Occupation During at Least the Past 5 Years:

Physician, Chief of Staff, owner and operator of the Lyford Cay Hospital (1987-present); director of various nonprofit organizations; and **formerly**, Cardiology Fellow, University of Maryland (1985-1987); and Internal Medicine Resident, Greater Baltimore Medical Center (1982-1985).

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 ¹	Other Directorships Held During at Least the Past 5 Years
Gregory E. Johnson² (1961) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board, Trustee and Vice President	Chairman of the Board and Vice President since January 2023 and Trustee since 2013	129	None

Principal Occupation During at Least the Past 5 Years:

Executive Chairman, Chairman of the Board and Director, 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 certain funds in the Franklin Templeton/Legg Mason fund complex; Vice Chairman, Investment Company Institute; and **formerly**, Chief Executive Officer (2013-2020) and President (1994-2015) Franklin Resources, Inc.

Rupert H. Johnson, Jr.³ (1940) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1992	119	None
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Principal Occupation During at Least the Past 5 Years:

Director (Vice Chairman), 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 certain funds in the Franklin Templeton/Legg Mason fund complex.

Ted P. Becker (1951) 280 Park Avenue New York, NY 10017	Chief Compliance Officer	Since June 2023	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Vice President, Global Compliance of Franklin Templeton (since 2020); Chief Compliance Officer of Legg Mason Partners Fund Advisor, LLC (since 2006); Chief Compliance Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); **formerly**, Director of Global Compliance at Legg Mason (2006 to 2020); Managing Director of Compliance of Legg Mason & Co. (2005 to 2020).

Matthew T. Hinkle (1971) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since 2017	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Senior Vice President, Franklin Templeton Services, LLC; officer of certain funds in the Franklin Templeton/Legg Mason fund complex; and **formerly**, Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton (2009-2017).

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 ¹	Other Directorships Held During at Least the Past 5 Years
Susan Kerr (1949) 280 Park Avenue New York, NY 10017	Vice President – AML Compliance	Since 2021	Not Applicable	Not Applicable

Principal Occupation During at Least the Past 5 Years:

Senior Compliance Analyst, Franklin Templeton; Chief Anti-Money Laundering Compliance Officer, Legg Mason & Co., or its affiliates; Anti Money Laundering Compliance Officer; Senior Compliance Officer, LMIS; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Christopher Kings (1974) One Franklin Parkway San Mateo, CA 94403-1906	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since 2022	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Treasurer, U.S. Fund Administration & Reporting; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Manraj S. Shekhon (1969) 7 Temasek Blvd. Suntec Tower 1, #38-03 Singapore 038987	President and Chief Executive Officer – Investment Management	Since April 2023	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Chief Investment Officer Franklin Templeton Emerging Markets Equity; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Navid J. Tofigh (1972) One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Secretary	Vice President Since 2015 and Secretary since September 2023	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

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

Note 2: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

Note 3: Effective December 31, 2022, Robert E. Wade ceased to be a trustee of the Trust.

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

2. 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.

3. 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 a major shareholder of Resources, which is the parent company of the Fund's investment manager and distributor.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the U.S. 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 each of Ann Torre Bates and David W. Niemiec as an audit committee financial expert. The Board believes that Ms. Bates and Mr. Niemiec qualify as such an expert in view of their extensive business background and experience. Ms. Bates has served as a member of the Fund Audit Committee since 2008. She currently serves as a director of Ares Capital Corporation (2010-present) and United Natural Foods, Inc. (2013-present) and was formerly a director of Navient Corporation from 2014 to 2016, SLM Corporation from 1997 to 2014 and Allied Capital Corporation from 2003 to 2010, Executive Vice President and Chief Financial Officer of NHP Incorporated from 1995 to 1997 and Vice President and Treasurer of US Airways, Inc. until 1995. Mr. Niemiec has served as a member of the Fund Audit Committee since 2005, currently serves as an Advisor to Saratoga Partners and was formerly its Managing Director from 1998 to 2001 and serves as a director of Hess Midstream LP (2017-present). Mr. Niemiec was formerly a director of Emeritus Corporation from 1999 to 2010 and OSI Pharmaceuticals, Inc. from 2006 to 2010, Managing Director of SBC Warburg Dillon Read from 1997 to 1998, and was Vice Chairman from 1991 to 1997 and Chief Financial Officer from 1982 to 1997 of Dillon, Read & Co. Inc. As a result of such background and experience, the Board believes that Ms. Bates and Mr. Niemiec have each acquired an understanding of generally accepted accounting principles and financial statements, the

Interested Board Members and Officers (continued)

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. Bates and Mr. Niemiec are independent Board members as that term is defined under the applicable U.S. 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

TEMPLETON FUNDS

Templeton Foreign Fund

Templeton International Climate Change Fund

Templeton World Fund

(each a Fund)

March 27, 2023 15(c) Meeting

At a meeting held on March 27, 2023 (March Meeting), the Board of Trustees (Board) of Templeton Funds (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: (i) investment management agreement between Templeton Global Advisors Limited (TGAL) and the Trust, on behalf of each of the Templeton Foreign Fund and the Templeton World Fund, (ii) investment management agreement between Franklin Templeton Investments Corp. (FTIC) and the Trust, on behalf of the Templeton International Climate Change Fund, (iii) investment sub-advisory agreement between FTIC and Franklin Templeton Investment Management Limited (FTIML), an affiliate of FTIC, and (iv) investment sub-advisory agreement between FTIC and TGAL (collectively with FTIML, the Sub-Advisers), an affiliate of FTIC, each on behalf of the Fund (each a Management Agreement) for the period May 1, 2023 through June 30, 2023 (Stub Period). The Independent Trustees noted that each Fund’s annual contract review was historically held at the February Board meeting and that management proposed to move the contract review to the May Board meeting. The Independent Trustees further noted management’s explanation that, to effect this change, the Board needed to consider the renewal of each Fund’s Management Agreement(s) prior to their current April 30, 2023 expiration date. The Independent Trustees also noted that management would ask them to consider the continuation of the Management Agreements again at the May Board meeting for the 12-month period beginning July 1, 2023. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of each Management Agreement for the Stub Period. 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. FTIC, FTIML and TGAL 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 March 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 the Managers by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process. In addition, prior to the March Meeting, the Independent Trustees held a virtual contract renewal meeting at which the Independent Trustees first conferred amongst themselves and Independent Trustee counsel about contract renewal matters; and then met with management to request additional information that the Independent Trustees reviewed and considered prior to and at the March Meeting. 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 (Factors).

In approving the continuance of each Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreements are fair and reasonable and that the continuance of each Management Agreement is in the best 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, as well as information on succession planning where appropriate; 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 and shareholder services; 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 (FT) or the Funds to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements. The Board acknowledged management's continued development of strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and continuing geopolitical concerns.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the FT 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 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 FT organization. The Board specifically noted FT's commitment to technological innovation and advancement and investments to promote alternative investing.

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, 2022. 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.

Templeton Foreign Fund - The Performance Universe for the Fund included the Fund and all retail and institutional international multi-cap value funds. The Board noted that the Fund's annualized total return for the three-, five- and 10-year periods was below the median of its Performance Universe, but for the one-year period was above the median and in the first quintile (best performance) of its Performance Universe. The Board discussed this performance with management and management explained that the Fund had recent improved relative performance, noting that the Fund, for the one-year period, had first quintile performance versus its Performance Universe and outperformed its benchmark, the MSCI All Country World ex US Index - NR. Management further explained that the Fund's relative longer-term underperformance was due, in part, to the Fund's more diverse and deeper value portfolio positioning in comparison to peers. Management then discussed with the Board the actions that are being taken in an effort to improve the performance of the Fund, noting its confidence in the current portfolio positioning of the Fund and that the Fund's valuation profile remains attractive. The Board concluded that the Fund's performance was acceptable and that the Management Agreement should be continued for the Stub Period, while management's efforts to improve performance continue to be closely monitored.

Templeton International Climate Change Fund - The Performance Universe for the Fund included the Fund and all retail and institutional international multi-cap value funds. The Board noted that the Fund commenced operations on June 1, 2018 and was 100% owned by FRI until December 15, 2021 when the Fund became publicly available. The Board noted that the Fund's annualized total return for the one-year period was below the median of its Performance Universe, but for the three-year period was above the median and in the first quintile (best) of its Performance Universe. The Board further noted the short operating history of the Fund. After consideration of the above, the Board concluded that the Fund's performance was acceptable.

Templeton World Fund - The Performance Universe for the Fund included the Fund and all retail and institutional global multi-cap value funds. The Board noted that the Fund's annualized total return was below the median of its Performance Universe for the one-, three-, five- and 10-year periods. The Board discussed this performance with management and management explained that, even though the Fund's peer group is comprised of multi-cap value funds, some funds within the Performance Universe are more skewed toward the growth style, which negatively impacted the Fund's relative returns during periods of outperformance of growth investing strategies over value

investing strategies. Management further explained that the Fund had underweight positions to domestic securities during the one-, three- and five-year periods compared to its peer group, which detracted from the Fund's relative performance. Management discussed with the Board the impact the timing of the transition of the Fund's strategy from core value to quality value had on Fund performance as it coincided with a market rotation away from quality-oriented stocks to more cyclical value stocks in the face of rising inflation, increased interest rates and tightened fiscal policy. The Board noted management's confidence in the Fund's current portfolio positioning. The Board concluded that the Fund's Management Agreement should be continued for the Stub Period, while management's efforts continue to be closely 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 FT 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 or semi-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 Templeton Foreign Fund and for each of the other funds in the Expense Group, (ii) Advisor Class shares for the Templeton International Climate Change Fund and Class I, Class P, Investor Class, and Institutional Class shares for funds in the Expense Group with multiple classes of shares and (iii) Class A shares for

the Templeton World Fund and for each other fund in the Expense Group. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

Templeton Foreign Fund - The Expense Group for the Fund included the Fund, three other international multi-cap value funds, four international multi-cap growth funds, and five international multi-cap core funds. The Board noted that the Management Rate and actual total expense ratio for the Fund were below the medians and in the first quintile (least expensive) of its Expense Group. The Board also noted that the Fund's actual total expense ratio reflected a fee waiver from management. The Board concluded that the Management Rate charged to the Fund is reasonable.

Templeton International Climate Change Fund - The Expense Group for the Fund included the Fund and nine other international multi-cap value 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 further noted that the Fund's actual total expense ratio reflected a fee waiver from management. The Board also noted that each of the Fund's Sub-Advisers is paid by FTIC out of the management fee FTIC receives from the Fund and that the allocation of the fee between FTIC and each Sub-Adviser reflected the services provided by each to the Fund. In response to discussions with the Independent Trustees, management proposed to change the first breakpoint tier of the Fund's Management Rate schedule from "up to \$1 billion" to "up to \$500 million", effective May 1, 2023. After consideration of the above, the Board concluded that the Management Rate charged to the Fund and the sub-advisory fee paid to each Sub-Adviser are reasonable.

Templeton World Fund - The Expense Group for the Fund included the Fund and 11 other global multi-cap value 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.

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 FT'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, 2022, 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. The Board also noted that PricewaterhouseCoopers LLP, auditor to FRI and certain FT 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. As part of this evaluation, the Board considered management's outsourcing of certain operations, which effort has required considerable up-front expenditures by each Manager but, over the long run is expected to result in greater efficiencies. 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 US Securities and Exchange Commission 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 the Fund grows larger and whether the 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, which operate generally to share any economies of scale with the Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered management's 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 each Manager incurs across the FT family of funds as a whole. The Board noted that the Templeton International Climate Change Fund does not currently have an asset size that would likely enable the Fund to achieve economies of scale. The Board noted that the Templeton Foreign Fund had experienced a decrease in assets and would not be expected to demonstrate additional economies of scale in the near term. The Board concluded that to the extent economies of scale may be realized by each 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 the Stub Period.

May 24, 2023 15(c) Meeting

At a meeting held on May 24, 2023 (May Meeting), the Board reviewed and approved each Management Agreement for an additional twelve-month period beginning July 1, 2023. The Board noted its review and consideration of the information it received in connection with both the March Meeting and the May Meeting. In particular, the Board reviewed and considered information provided in response to a follow-up set of requests for information submitted to the Managers by Independent Trustee counsel on behalf of the Independent Trustees, which included information on Fund performance for the one-, three- and five-year periods ended March 31, 2023 and the other Factors. The Board noted Templeton Foreign Fund's recent improving, absolute and relative performance and Templeton International Climate Change Fund's recent strong, absolute and relative performance. The Board determined that the conclusions it made at the March Meeting had not changed. 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 the Management Agreements for an additional twelve-month period beginning July 1, 2023.

Liquidity Risk Management Program

Each of the Franklin Templeton and Legg Mason Funds has adopted and implemented a written Liquidity Risk Management Program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940 (the "Liquidity Rule"). The LRMP is designed to assess and manage each Fund's liquidity risk, which is defined as the

risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors' interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund's liquidity risk; (2) classification of each Fund's portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund's net assets in Highly Liquid investments (called a "Highly Liquid Investment Minimum" or "HLIM"); and (4) prohibiting the Fund's acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission ("SEC") (on a non-public basis) and to the Board if the Fund's holdings of Illiquid assets exceed 15% of the Fund's net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the "IRMG") is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the "ILC") to provide oversight and administration of policies and procedures governing liquidity risk management for Franklin Templeton and Legg Mason products and portfolios. The ILC includes representatives from Franklin Templeton's Risk, Trading, Global Compliance, Legal, Investment Compliance, Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

In assessing and managing each Fund's liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund's investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources including the Funds' interfund lending facility and line of credit. Classification of the Fund's portfolio holdings in the four liquidity categories is based on the number of days it is reasonably expected to take to convert the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment's market value.

Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as "Highly Liquid Investments," and therefore is not required to establish an HLIM. Highly Liquid Investments are defined as cash and any investment reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

At meetings of the Funds' Board of Trustees held in May 2023, the Program Administrator provided a written report to the Board addressing the adequacy and effectiveness of the program for the year ended December 31, 2022. The Program Administrator report concluded that (i.) the LRMP, as adopted and implemented, remains reasonably designed to assess and manage each Fund's liquidity risk; (ii.) the LRMP, including the Highly Liquid Investment Minimum ("HLIM") where applicable, was implemented and operated effectively to achieve the goal of assessing and managing each Fund's liquidity risk; and (iii.) each Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund.

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 Schedule of Investments

The Trust files a complete schedule 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, or receive notice of the availability of, the Fund's financial reports every six months. In addition, you will receive an annual updated summary prospectus (detail 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 (to the extent received by mail) 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.



**FRANKLIN
TEMPLETON**

**Annual Report and Shareholder Letter
Templeton Funds**

Investment Manager
Franklin Templeton Investments Corp.
Templeton Global Advisors Limited

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

Shareholder Services
(800) 632-2301