

**Performance Review**

- July and August saw equity market strength, the result of strong second-quarter earnings, supportive monetary policies and low COVID-19 hospitalization rates due to vaccine rollouts (although concerns about the virus remained elevated).
- September saw markets fall, due to fears over interest rate rises and contagion from the Evergrande scandal and the Chinese real estate market. During the month there was a notable rotation from growth into value stocks.
- For the quarter, the fund's Series F-Hedged shares returned -6.75%, and its benchmark, the MSCI All Country World Index-NR, returned 1.23%. On July 17, 2021 Martin Currie Inc replaced Franklin Mutual Advisers, LLC as the sub-advisor and the performance after this date relates to the Martin Currie Inc managed portfolio.

**QUARTERLY KEY PERFORMANCE DRIVERS**

	Stocks	Sectors	Countries
<b>HELPED</b>	NVIDIA Corporation	—	Israel
	Oracle Corporation	—	—
	ResMed	—	—
<b>HURT</b>	Farfetch Limited Class A	Consumer Discretionary	United States
	Alibaba Group Holding Ltd. Sponsored ADR	Health Care	China
	Illumina, Inc.	Industrials	United Kingdom

- Over the quarter, U.S. medical technology companies Masimo and ResMed both benefited from strong product demand and good results over the period. Oracle also positively contributed however this position was exited as management transferred to Martin Currie Inc.
- On the downside, shares of UK online luxury retailer Farfetch fell on concerns over the luxury sector based on China's Common Prosperity initiatives. Elsewhere, Chinese internet platform Alibaba detracted from returns given the broad sell-off of Chinese technology stocks due to continued regulatory uncertainty. Illumina was also negative over the period.
- Post the transfer to Martin Currie Inc, at a sector level consumer discretionary, health care and communication services detracted. Ireland and Sweden were our best-performing countries, whereas China the biggest negative for results.

**Outlook & Strategy**

- Despite the recent pullback in equity markets, our optimistic outlook remains unchanged. We continue to see a favourable backdrop as a result of ongoing loose monetary policies, a low interest rate environment, continued significant and rising fiscal support. We also see evidence of the rapid recovery as economic activity normalizes.
- While we are aware of the potential bull/bear debate focusing on accelerating inflation, and the risk of rising rates that this entails, we believe that we are still facing a supportive backdrop for equity markets globally.
- The pace of recovery is proving stronger than we predicted at the end of last year, which is supportive for economies and markets, with leading indicators continuing to be well oriented. Corporate profits growth is coming in stronger than initially predicted, feeding into strongly positive earnings momentum.
- We believe that the supportive earnings momentum could continue for the time being, albeit at a less sustained pace as we start getting into less easy base effects than the low points we have been going through in the past several months.
- Europe stands out as the region with the most supportive earnings momentum going forward.

**Fund Details**

Inception Date	02/17/2003
Benchmark Name	MSCI All Country World Index-NR, MSCI World Value Index-NR

**Fund Description**

This Fund seeks long-term capital appreciation by investing primarily in the equity and debt securities of issuers around the world.

## Performance Data

### Performance (%) as of 09/30/2021

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception	Inception Date
Series A-Hedged	-7.21	-6.93	6.47	23.90	0.19	2.79	6.72	5.47	02/17/2003
Series F-Hedged	-7.12	-6.75	7.28	25.20	1.31	3.96	7.94	6.64	02/17/2003
MSCI All Country World Index-NR <sup>a</sup>	-3.89	1.23	10.50	20.86	11.82	12.37	14.11	8.65	-
MSCI World Value Index-NR	-2.77	1.45	13.12	24.87	5.99	7.78	11.73	7.14	-

Indicated rates of return include changes in unit or share value and reinvestment of all distributions and dividends and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Please refer to the prospectus for further details. **For details on the respective series inception dates, please consult the Fund Facts or simplified prospectus for the fund.** Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. **Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.**

## Investment Team

**Zehrid Osmani**  
 Years with Firm 3  
 Years Experience 24

**Yulia Hofstede**  
 Years with Firm 1  
 Years Experience 13

**Important Legal Information**

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Series F is available to investors participating in programs that do not require Franklin Templeton to incur distribution costs in the form of trailing commissions to dealers. As a consequence, the management fee on Series F is lower than on Series A.

Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

Effective July 19, 2021, Martin Currie Inc. ("Martin Currie") replaced Franklin Mutual Advisers, LLC as the sub-advisor to Franklin Martin Currie Global Equity Fund (formerly Franklin Mutual Global Discovery Fund).

Effective July 19, 2021 Franklin Mutual Global Discovery Fund has been renamed Franklin Martin Currie Global Equity Fund. The investment objective of the fund remains the same. Certain investment strategies have changed. Please refer to Amendment No.1 to the Simplified Prospectus for the fund, dated June 24, 2021, for further details.

Effective July 19, 2021 the fund's primary benchmark changed from MSCI World Value Index – NR to MSCI All Country World Index – NR.

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