

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

2022 年 2 月 28 日

(尚未經審計)

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

富蘭克林坦伯頓世界基金

財務重點

	2022 年 2 月 28 日半年度底 (尚未經審計)	截至 8 月 31 日止之年度				
		2021	2020	2019	2018	2017
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	\$15.52	\$12.71	\$12.76	\$17.24	\$16.94	\$15.47
來自投資操作之收益： ^a						
淨投資收益 ^b	(0.02)	0.20 ^c	0.16	0.29	0.28	0.27
淨實現及未實現利得(損失)	(1.09)	2.61	0.45	(2.17)	1.03	2.21
來自投資操作之收益總額	(1.11)	2.81	0.61	(1.88)	1.31	2.48
扣除配息：						
來自淨投資收益	(0.23)	—	(0.50)	(0.67)	(0.02)	(0.57)
來自淨實現利得	—	—	(0.16)	(1.93)	(0.99)	(0.44)
配息總額	(0.23)	—	(0.66)	(2.60)	(1.01)	(1.01)
期末淨資產價值	\$14.18	\$15.52	\$12.71	\$12.76	\$17.24	\$16.94
總報酬 ^d	(7.13)%	22.11%	4.47%	(10.22)%	7.81%	16.45%
對應平均淨資產比率^e						
費用	1.04%	1.03% ^f	1.05%	1.05% ^f	1.04% ^g	1.06% ^{f,g}
淨投資收益	(0.23)%	1.42% ^c	1.29%	2.06%	1.64%	1.63%
補充資料						
期末淨資產(000's)	\$2,690,812	\$3,060,714	\$2,831,844	\$3,150,057	\$3,973,648	\$4,240,117
投資組合資金週轉率	48.08%	41.83%	52.25%	25.16%	28.39%	31.46%

- 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性。
- 以每日平均流通在外股數為基礎。
- 每股淨投資收益包含約 0.13 美元的每股收益，該收益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，低於一年期間的總報酬數字未年化。
- 低於一年期間的年化比率，但非經常性費用（如有）除外。
- 關係企業支付或減免款項的利益少於 0.01%。
- 費用減少的利益四捨五入到小於 0.01%。

富蘭克林坦伯頓世界基金

資產負債表

2022 年 2 月 28 日（尚未經審計）

資產：

證券投資：

成本-非關係企業上市公司

\$2,533,483,148

價值-非關係企業上市公司

\$2,859,483,232

現金

43,874

外幣價值(成本\$303,755)

340,813

應收款項：

證券投資銷售款

2,797,920

股本銷售款

651,513

配息及利息

6,184,542

歐盟稅款回收(附註 1e)

893,942

資產合計

2,870,395,836

負債：

應付款項：

證券投資買入款

2,952,696

股本贖回款

2,351,485

管理費用

1,551,606

配銷費用

535,189

股務代理機構費用

237,359

美國國稅局對於歐盟稅款支付之結算協議費(附註 1e)

13,245,674

預提費用及其他負債

569,974

負債合計

21,443,983

淨資產價值

\$2,848,951,853

淨資產包含：

實收資本

\$2,564,011,072

可分配利得(損失)總額

284,940,781

淨資產價值

\$2,848,951,853

富蘭克林坦伯頓世界基金

資產負債表 (承續前表)

2022 年 2 月 28 日 (尚未經審計)

A 股：

淨資產價值	\$2,690,811,862
流通在外股份	189,722,672
每股淨資產價值 ^a	\$14.18
每股最高售價 (每股淨資產價值除以 94.50%)	\$15.01

a. 贖回價格等於淨資產價值減掉任何由本基金所提取的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 2022 年 2 月 28 日止之半年度（尚未經審計）

投資收益：

股利：(扣除外國稅額 \$1,142,979)

非關係企業上市公司 \$15,517,389

利息：

非關係企業上市公司 43,240

來自借出證券的收益：

非關係企業上市公司(扣除費用和回扣) 351

其他收益(附註 1e) 193,097

扣除：美國國稅局對於歐盟稅款支付之結算協議費(附註 1e) (3,336,336)

投資收益總額 12,417,741

費用：

管理費用(附註 3a) 10,608,159

配銷費用：(附註 3c)

A 股 3,483,812

C 股 57,168

股務代理機構費用：(附註 3e)

A 股 1,017,415

C 股 4,027

R6 股 10,847

Advisor 股 39,427

保管機構費用 61,573

股東報告書費用 119,063

註冊與申報費用 41,893

專業人士費用 26,738

董事酬金與費用 106,768

其他 135,990

總費用 15,712,880

由關係企業支付/減免的費用(附註 3f) (4,512)

淨費用 15,708,368

淨投資收益(損失) (3,290,627)

實現與未實現利得(損失)：

淨實現利得(損失)來自：

投資：

非關係企業上市公司 157,015,877

外幣交易 (366,992)

遠期外匯契約 15,752,137

淨實現利得(損失) 172,401,022

淨未實現溢價(折價)變動在：

投資：

非關係企業上市公司 (393,619,102)

以外幣計價之其他資產與負債換算 (560,233)

遠期外匯契約 1,232,490

淨未實現溢價(折價) (392,946,845)

富蘭克林坦伯頓世界基金

淨實現與未實現利得(損失)

(220,545,823)

淨資產在營運操作上的淨增加(減少)

\$(223,836,450)

富蘭克林坦伯頓世界基金

淨資產變動表

2022 年 2 月 28 日 2021 年 8 月 31 日
半年度底 年度底
(尚未經審計)

淨資產增加(減少)：		
營運操作：		
淨投資收益(損失)	\$(3,290,627)	\$45,221,882
淨實現利得(損失)	172,401,022	208,380,573
淨未實現溢價(折價)變動	(392,946,845)	372,038,154
淨資產在投資操作上的淨增加(減少)	(223,836,450)	625,640,609
對股東的配息：		
A 股	(44,013,452)	—
C 股	(55,139)	—
R6 股	(780,101)	—
Advisor 股	(1,988,799)	—
對股東的配息總額	(46,837,491)	—
股本交易：(附註 2)		
A 股	(114,243,148)	(364,041,894)
C 股	(1,458,095)	(9,478,984)
R6 股	3,087,929	(4,859,427)
Advisor 股	1,106,797	(5,032,934)
股本交易總額	(111,506,517)	(383,413,239)
淨資產的增加(減少)	(382,180,458)	242,227,370
淨資產：		
年度期初	3,231,132,311	2,988,904,941
年度期末	\$2,848,951,853	\$3,231,132,311

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，其投資三支個別基金並且採行美國一般公認會計原則（U.S. GAAP）之專業會計和報導指南。每支基金有各自的財務報告，此為富蘭克林坦伯頓世界基金（以下稱本基金）之財務報告。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、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。在紐約證券交易所(NYSE)開放交易的平常工作日，本基金在紐約證券交易所關閉時（通常東部時間下午四點）計算每股淨資產價值(NAV)。在本基金董事會所核准的政策及程序下，本基金的行政經理公司負責監控及評價的範圍包括：主導具有交叉功能之評價委員會（the Valuation Committee (VC)）。VC 提供由董事會每年所核准基金評價政策及程序的管理及監督。除其他事項外，這些程序允許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收盤價估值。其價格將以國外證券依估值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。

基金的投資按收盤時的資產淨值估值。投資於定期存款以成本估算價值，其接近市場價格。

特定衍生性金融商品工具在店頭市場交易。本基金使用多方面的技術作為評價服務，包括產業標準選擇模式以及財產折價現金流模型來決定這些工具的公平價值。本基金在衍生性商品契約下的淨收益或債務係計入淨資產並以契約的公平價值評估。

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）

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、帳面價值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，VC 會利用一系列的國家特定市場工具（例如一籃子的美國存託憑證、期貨契約與指數股票型基金）來監控外國股市收盤後的價格變動。價格的變動將以各個特定市場工具設定的觸發點來協助衡量是否有可能對本基金所持有之外國證券價值的可信度造成影響的事件發生。若此類事件發生，證券將以公平價值程序來定價，包括使用獨立定價服務。截至 2022 年 2 月 28 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中的等級 2，稱為“市場層級公平價值”。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，某些外國市場是在本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。本基金得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中的淨實現與未實現投資利得或損失中。

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。

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）

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。

衍生性金融商品交易對手信用風險管理是經由對所有潛在交易對手的信用做正式評估。本基金企圖減低對櫃買市場衍生性金融商品交易對手的信用風險曝險，只要有可能，會與特定交易對手簽訂國際交換合約以及衍生性商品協會（以下簡稱“ISDA”）主契約。這些契約包括各種規定，包括但不限於擔保品要求、違約事件或提前終止。適用於交易對手的終止事件包括交易對手信用品質的惡化。適用在本基金的終止事件包括本基金未能維持特定淨資產價值水準以及/或是限制淨資產價值在不同期間的跌幅。當有違約事件或是提前終止時，ISDA主契約提供未違約的一方權利去淨結算所有交易，不論是否依據ISDA主契約，由交易對手對其他支付另一交易對手應付淨額。然而，當違約事件或提前終止不存在時，櫃買市場衍生性金融商品的資產和負債將用總額呈現，而不會在資產負債表抵銷。交易對手提前終止，在ISDA主契約下，可能造成本基金欠該交易對手的任何淨負債須立即付款。

擔保品要求依衍生性金融商品種類而不同。擔保品條款是對櫃買市場衍生性金融商品的特定條款。櫃買市場衍生性金融商品在 ISDA 主契約下交易，會依本基金或是適任的交易對手而設定擔保品，假如櫃買市場衍生性金融商品與適任的交易對手的全部淨曝險超過最小轉帳金額，一般範圍為 100,000 至 250,000，並且會依據交易對手以及契約形式變更。一般而言，擔保品會在本基金每天營業結束而確定，而因衍生性金融商品價值改變而產生的任何額外的擔保品要求可能在幾個營業日內由本基金或適任的交易對手交付。本基金抵押或接受的擔保品，如有，將以分離帳戶提存於基金的保管機構/交易對手經紀商，並且得以用現金以及/或是證券形式。未受限制的現金可依據本基金的投資標的投資。在一定程度上由於來自交易對手的本基金金額不受抵押或是未全額抵押，本基金承受交易對手不履行的損失風險。

本基金訂立櫃買市場遠期外匯契約主要是為了管理及/或獲得對特定外匯的曝險。遠期外匯契約是一項協議在本基金與買賣外匯交易對手間約定在未來日期以特定匯率買賣外匯。

請參照附註 9 有關其他衍生性金融商品資訊之說明。

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

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/或美國政府與機構證券擔保品。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。與其他基金存入聯合現金帳戶的現金擔保品習慣被投資於富蘭克林顧問公司（本基金之關係企業）所管理的貨幣市場基金裡。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。截至 2022 年 2 月 28 日，本基金無借出證券。

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。與這些申報相關的任何費用都反映在經營業績表中的其他費用中。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，基金收到的歐盟稅款回收，若有的話，基金股東能夠在其個人所得稅申報單中用為稅收抵免來減少外國稅額。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申報表後，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。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)審查時認為該不明確稅項低於 50% 的情況下，本基金才會承認不明確稅項的賦稅利益。於截至 2022 年 2 月 28 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。

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）

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。利息收入包括債權的折價與溢價攤銷。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(U. S. GAAP)所紀錄的盈餘。這些差異可能是永久或是暫時的。永久性差異將產生在資本帳戶被重新分類以反映其稅賦特性。這些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，某些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

在本信託的組織文件規定下，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。

富蘭克林坦伯頓世界基金

2. 受益權股份

在截至 2022 年 2 月 28 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 2 月 28 日止之半年度 2022		截至 8 月 31 日止之年度 2021	
	股份	金額	股份	金額
A 股：				
股份銷售 ^a	3,763,942	\$56,629,243	9,217,073	\$133,230,977
配息轉入再投資之股份發行	2,756,371	40,243,011	—	—
股份贖回	(14,022,424)	(211,115,402)	(34,710,249)	(497,272,871)
淨增加(減少)	(7,502,111)	\$(114,243,148)	(25,493,176)	\$(364,041,894)

^a 可能包括部分 C 股，其被自動轉為 A 股。

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
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價值所適用之年率標準按月支付 Global Advisors 投資管理費用，年率標準詳如下表：

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

在截至 2022 年 2 月 28 日止之半年度，實際的投資管理費用年率為本基金平均每日淨資產價值之 0.695%。

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。

富蘭克林坦伯頓世界基金

3. 與關係企業的交易（承續前文）

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。配銷費用在本基金 A 股的償還配銷計劃下，每年本基金將向 Distributors 償付不超過 A 股的最高年度計劃費率的費用，用以彌補其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，每年本基金將向 Distributors 支付不超過各股的最高年度計劃費率的費用，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：

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	\$14,973
保留的或有遞延銷售手續費	\$374

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義務。費用基礎為年化資產費用的 0.02% 加上交易基礎費用。此外，除了 R6 股，每個股份償付 Investor Services 的墊付款項，R6 股除外，以及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 股支付該類股之服務代理機構費用。

在截至 2022 年 2 月 28 日止之半年度，本基金支付股務代理機構的費用為 \$1,071,716，其中 \$575,406 是用以支付 Investor Services。

f. 免除費用償付

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直到 2022 年 12 月 31 日將不會超過基於該股份平均淨資產的 0.03%。

富蘭克林坦伯頓世界基金

4. 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 2021 年 8 月 31 日，資本虧損結轉如下：

沒有到期日的資本虧損結餘：

長期

\$203,817,446

基於所得稅目的，於 2022 年 2 月 28 日，本基金之投資成本及淨未實現溢價(折價)如下表所示：

投資成本	\$2,534,454,937
未實現溢價	\$454,974,751
未實現折價	(129,946,456)
淨未實現溢價(折價)	\$325,028,295

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，主要是因為對外幣交易及歐盟稅款回收、公司行為的處理不同而影響分配的特性所致。

5. 投資交易

截至 2022 年 2 月 28 日止之半年度內買入與賣出（不包括短期證券）的交易額分別為 \$1,427,651,063 美元及 \$1,399,907,194 美元。

6. 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。許多外國地區的政治和金融不確定性可能會增加市場波動和投資外國證券的經濟風險。此外，某些外國證券的流動性可能不如美國證券。

7. 地緣政治風險

2022 年 2 月 24 日，俄羅斯在烏克蘭主權領土上採取軍事行動。當前圍繞俄羅斯和烏克蘭的政治和金融不確定性可能會增加市場波動和在這些國家投資證券的經濟風險，也可能對全球經濟和更廣泛的金融市場造成不確定性。這些事件的最終後果和長期影響尚不清楚。基金將繼續評估對估值和流動性的影響，並將根據董事會批准之程序採取任何必要的潛在行動。

8. 新型冠狀病毒大流行

全球性新型冠狀病毒疾病（稱為 COVID-19）的爆發已普遍性對許多公司、產業、國家、區域和市場造成了不利影響，並且可能以無法預料的持續時間蔓延。這種大流行病的影響可能會嚴重地衝擊本基金的價值和績效表現、在適當的評價買賣基金投資的能力以及達成其投資目標的能力。

富蘭克林坦伯頓世界基金

9. 其他衍生性金融商品資訊

截至 2022 年 2 月 28 日止，衍生性金融商品契約在本基金經營業績表的影響如下表所示：

不計入避險工具之衍生性商品契約	於經營業績表位置	淨實現利得 (損失)期間	於經營業績表位置	淨未實現溢價 (折價)期間
	淨實現利得(損失)來自：		淨未實現溢價(折價)在：	
遠期外匯契約	遠期外匯契約	\$15,752,137	遠期外匯契約	\$1,232,490
合計		\$15,752,137		\$1,232,490

截至 2022 年 2 月 28 日之期間，平均每月底之遠期外匯契約價值為\$229,173,380。有關衍生性金融商品，請參閱附註 1(c)。

10. 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（以下合稱「全體借用人」）共同簽定一項於2023年2月3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」）。全球信用工具為一項資金來源，提供基金予全體借用人以因應其暫時與緊急之資金需求，包括應付未來無預期或不尋常的大量贖回之資金需求。

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，包括全球信用工具未使用部位的0.15%年度承諾費用，該費用已反映於經營業績表的其他費用裡。截至2022年2月28日止，本基金並未動用全球信用工具貸款。

11. 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)

用以評價投資的信息或方法之等級，並非暗示該投資的投資風險或流動性。在公平價值等級間變動的情形下，本基金採用引發變動事件的日期，作為認定轉移的日期。

以下為截至 2022 年 2 月 28 日止，評估本基金資產之公平價值所包含的輸入等級概要：

富蘭克林坦伯頓世界基金

	等級 1	等級 2	等級 3	合計
資產：				
證券投資：				
普通股：				
比利時	\$ —	\$72,845,933	\$ —	\$72,845,933
中國	36,072,988	98,379,762	—	69,637,078
法國	—	33,564,090	—	98,379,762
德國	—	162,212,141	—	162,212,141
香港	—	72,569,044	—	72,569,044
愛爾蘭	54,966,029	—	—	54,966,029
日本	—	126,831,158	—	126,831,158
南韓	—	96,932,476	—	96,932,476
瑞士	—	80,968,586	—	80,968,586
台灣	—	84,303,783	—	84,303,783
英國	23,704,677	294,372,710	—	318,077,387
美國	1,560,359,855	—	—	1,560,359,855
短期投資	—	61,400,000	—	61,400,000
證券投資總額	\$1,675,103,549	\$1,184,379,683 a	\$ —	\$2,859,483,232

^a 包括價值為\$1,122,979,683 美元的外國證券，其因採用了市場等級的公平價值程序而被歸類為第二級。更多說明，請參閱“財務工具評價”附註。

12. 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。

SEMIANNUAL REPORT AND SHAREHOLDER LETTER

TEMPLETON WORLD FUND

A Series of Templeton Funds

February 28, 2022



**FRANKLIN
TEMPLETON**

SHAREHOLDER LETTER

Dear Shareholder:

During the six months ended February 28, 2022, the global economic recovery was hampered by renewed outbreaks of COVID-19, supply-chain disruptions and geopolitical tensions and conflict. Rising inflation across multiple countries caused many central banks, including the U.S. Federal Reserve, to adopt less accommodative monetary stances, putting pressure on global equity markets. New Chinese government regulations on some businesses further dampened investor sentiment in Asian and emerging market stocks. Near period-end, Russia's invasion of Ukraine increased investor uncertainty, as international sanctions on Russia constrained companies that do business with Russia and threatened to disrupt global economic activity and commodity markets. In this environment, global developed and emerging market stocks, as measured by the MSCI All Country World Index-NR (net of tax withholding when dividends are paid), posted a -5.26% total return for the period.¹

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

Historically, patient investors have achieved rewarding results by evaluating their goals, diversifying their assets globally and maintaining a disciplined investment program, all hallmarks of the Templeton investment philosophy. We continue to recommend investors consult financial professionals and review their portfolios to design a long-term strategy and portfolio allocation that meet their individual needs, goals and risk tolerance.

Templeton World Fund's semiannual report includes more detail about prevailing conditions and a discussion about investment decisions during the period. Please remember all securities markets fluctuate, as do mutual fund share prices.

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

Sincerely,

Alan Bartlett
Chief Investment Officer
Templeton Global Equity Group

This letter reflects our analysis and opinions as of February 28, 2022, unless otherwise indicated. The information is not a complete analysis of every aspect of any market, country, industry, security or fund. Statements of fact are from sources considered reliable.

¹. Source: Morningstar.
See www.franklintempletondatasources.com for additional data provider information.

Not FDIC Insured	May Lose Value	No Bank Guarantee
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Visit **franklintempleton.com** for fund updates, to access your account, or to find helpful financial planning tools.

SEMIANNUAL REPORT

Templeton World Fund

This semiannual report for Templeton World Fund covers the period ended February 28, 2022. Effective September 30, 2021, Templeton World Fund repositioned to implement a more focused global equity strategy with a greater emphasis on quality companies. The Fund remains diversified but may hold a smaller number of issuers. Additionally, the Fund's primary benchmark changed to the MSCI All Country World Index (net of dividend tax withholdings).

Your Fund's Goal and Main Investments

The Fund seeks long-term capital growth. Under normal market conditions, the Fund invests primarily in the equity securities of companies located anywhere in the world, including developing markets. Under normal circumstances, the Fund will invest in issuers located in at least three different countries (including the U.S.).

Performance Overview

The Fund's Class A shares posted a -7.13% cumulative total return for the six months under review. In comparison, the Fund's new primary benchmark, the MSCI All Country World Index (ACWI)-NR, which measures stock performance in global developed and emerging markets, posted a -5.26% cumulative total return, while the Fund's former primary benchmark, the MSCI ACWI 100% Hedged to USD-NR, posted a -4.04% cumulative total return.¹ The MSCI ACWI-NR replaced the MSCI ACWI 100% Hedged to USD-NR as the Fund's primary benchmark because the investment manager believes the MSCI ACWI-NR is a more appropriate index of the Fund due to the fact that, as of September 30, 2021, the Fund no longer regularly engages in currency-related derivatives to hedge all or substantially all of its foreign currency exposure to the U.S. dollar. 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 8.

1. Source: Morningstar.

The indexes are unmanaged and include reinvestment of any income or distributions. They do 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 Statement of Investments (SOI). The SOI begins on page 15.

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.

Geographic Composition

2/28/22

	% of Total Net Assets
North America	54.8%
Europe	27.6%
Asia	15.8%
Short-Term Investments & Other Net Assets	1.8%

Economic and Market Overview

Global developed and emerging market equities, as measured by the MSCI ACWI-NR, posted a -5.26% total return for the six months ended February 28, 2022.¹ The combination of increased consumer demand and persistent supply-chain disruptions contributed to higher inflation in many countries. This inflationary pressure led many of the world's central banks to adopt less accommodative stances regarding monetary policy. The Chinese government's imposition of new restrictions on some businesses also pressured Asian and global emerging market stocks. Near period-end, Russia's invasion of Ukraine increased investor uncertainty, as international sanctions on Russia constrained companies that do business with Russia and threatened to disrupt global economic activity and commodity markets.

In the U.S., the economy continued to recover amid declining unemployment, solid wage growth and strong business confidence. Gross domestic product (GDP) growth accelerated in the fourth quarter of 2021, as strong consumer and business spending supported the economy. However, investor expectations for higher interest rates and geopolitical uncertainty late in the reporting period negatively impacted U.S. equities. The U.S. Federal Reserve (Fed) kept the federal funds target rate at a record-low range of 0.00%–0.25% and continued its program of open-ended U.S. Treasury (UST) and mortgage bond purchases to help keep

markets functioning. In its January 2022 meeting statement, however, the Fed noted that due to employment gains and elevated inflation, it expected conditions would soon be appropriate for raising interest rates. Furthermore, the Fed maintained its timetable for reducing its purchases of UST and mortgage-backed securities.

Economic growth slowed in the eurozone, declining notably in the fourth quarter of 2021 as the spread of the Omicron variant of COVID-19 disrupted labor markets and led to renewed restrictions. Additionally, in February 2022, the annual inflation rate in the eurozone reached the highest level on record, and the prospect of energy shortages during the winter tempered investor optimism. The European Central Bank struck a less accommodative tone at its February meeting, acknowledging that inflation has been more persistent than expected and opening the possibility of an interest-rate increase in 2022. Stocks of companies with exposure to Russia, particularly banks, endured further declines late in the reporting period. Consequently, European developed market equities, as measured by the MSCI Europe Index-NR, posted a -6.70% total return for the six months under review.¹

Asian developed and emerging market equities, as measured by the MSCI All Country Asia Index-NR, posted a -9.34% total return for the six-month period.¹ Although China's economy continued to grow, it was pressured by COVID-19 restrictions and government measures to limit real estate speculation. Unexpected regulatory changes by the Chinese government, which negatively impacted education- and technology-related businesses, and investor concerns about the solvency of several large Chinese property developers further pressured Asian stocks during the six-month period.

Global emerging market stocks, as measured by the MSCI Emerging Markets Index-NR, posted a -9.81% total return for the six months under review.¹ Rising interest rates and elevated inflation dampened investor enthusiasm in global emerging market equities. Geopolitical instability drove strength in the U.S. dollar, further pressuring stocks in emerging market countries, especially Russia as the ruble plunged against the U.S. dollar. Interest-rate increases to curb inflation by several central banks, including those of Brazil and Mexico, as well as the international sanctions on Russia, raised investor concerns about a slowdown in economic growth.

Investment Strategy

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. 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 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.

Top 10 Industries

2/28/22

	% of Total Net Assets
Internet & Direct Marketing Retail	8.5%
Semiconductors & Semiconductor Equipment	7.4%
Beverages	6.8%
Pharmaceuticals	6.6%
Hotels, Restaurants & Leisure	5.6%
Interactive Media & Services	4.7%
Health Care Equipment & Supplies	4.7%
IT Services	3.9%
Technology Hardware, Storage & Peripherals	3.4%
Health Care Providers & Services	3.2%

Manager's Discussion

Templeton World Fund underperformed its benchmark, the MSCI ACWI-NR, during the semiannual review period, pressured primarily by stock-specific weakness in the consumer discretionary sector and in Europe. Stock-specific issues in materials and an unfavorable underweighting in financials also negatively impacted performance. On the other hand, the Fund benefited from an overweighted allocation to energy at a time when oil rallied above \$100 per barrel, as well as stock selection (i.e., the avoidance of the most expensive and vulnerable stocks) in information

technology (IT) and communication services, formerly well-performing sectors that sold off sharply during the review period.

Templeton World Fund is evolving toward a more focused (40-50 stocks), unhedged global equity strategy with a greater emphasis on quality stocks. As part of this evolution, the Fund's primary benchmark changed from the MSCI ACWI 100% Hedged to USD-NR to the MSCI ACWI-NR. However, no other investment strategies of the Fund are changing and the Fund will retain the flexibility to invest in U.S. and foreign (both developed and emerging markets) companies of any capitalization range. This transition has been underway for several months and is nearing completion. The market environment during the review period was quite favorable for the repositioning, as a number of higher quality stocks with attractive longer-term growth prospects have sold off indiscriminately, creating what we believe are buying opportunities.

The period encompassed what we viewed as a meaningful inflection point in markets. After several months of more persistent and higher-than-expected inflation, in November 2021 the Fed signaled a more hawkish position, including likely interest rate hikes and the gradual phasing out of asset purchases known as quantitative easing. The policy pivot pushed bond yields higher, steepening key yield curves and benefiting value-oriented sectors with positive interest rate exposure (like financials) and inflation hedge characteristics (like energy and materials). At the same time, the erstwhile leaders of the last market cycle—expensive, growth-oriented stocks in areas like technology, consumer discretionary and media and entertainment—sold off sharply.

Overall, investors seemed to be refocusing on fundamental and quality characteristics and de-emphasizing the speculative extrapolation of revenue growth trends, an about-face that began to benefit Templeton's strategies given our emphasis on rigorous fundamental analysis and valuation discipline. While the Fund underperformed during the six-month period overall, relative performance began to improve significantly after the policy pivot in late November 2021. In fact, the first two months of 2022 saw Templeton World Fund's best start to a year since 2004.

An overweighted allocation and stock-specific issues in the consumer discretionary sector were the primary drags on relative performance at the sector level. European food-delivery platform Just Eat Takeaway.com was the Fund's biggest individual relative detractor. The stock remained under pressure amid concerns about competition and profitability, and this remains a "show-me" story going forward. Investors will want to see the strategic divestiture

of certain assets (which management is exploring), more consistency hitting guidance targets, and an improving competitive environment that shifts from "growth at any cost" to "profitable growth." We see numerous catalysts that should help Just Eat achieve these goals, creating considerable upside potential from current depressed valuation levels. While we view management's intentions as credible, we are also in the process of directly expressing our views on how the company can unlock value to Just Eat's chairman and supervisory board. Offsetting Just Eat within the consumer discretionary sector was U.S.-based discount grocer Dollar Tree. Shares were up more than 50% during the six-month period and the stock finished as the Fund's top relative performer. Management reported inline results, successfully raised prices and engaged with activist shareholders seeking to unlock value, all of which led to a raft of analyst upgrades.

Top 10 Holdings

2/28/22

Company Industry, Country	% of Total Net Assets
Amazon.com, Inc. <i>Internet & Direct Marketing Retail, United States</i>	4.4%
Samsung Electronics Co. Ltd. <i>Technology Hardware, Storage & Peripherals, South Korea</i>	3.4%
UnitedHealth Group, Inc. <i>Health Care Providers & Services, United States</i>	3.2%
T-Mobile US, Inc. <i>Wireless Telecommunication Services, United States</i>	3.2%
Walt Disney Co. (The) <i>Entertainment, United States</i>	3.2%
Taiwan Semiconductor Manufacturing Co. Ltd. <i>Semiconductors & Semiconductor Equipment, Taiwan</i>	3.0%
Roche Holding AG <i>Pharmaceuticals, Switzerland</i>	2.8%
Keurig Dr Pepper, Inc. <i>Beverages, United States</i>	2.8%
Medtronic plc <i>Health Care Equipment & Supplies, United States</i>	2.7%
Alphabet, Inc. <i>Interactive Media & Services, United States</i>	2.6%

Materials stocks were led lower by Belgian specialty chemicals firm Umicore. The company, which operates a scrap recycling business and makes cathodes for batteries as well as catalysts for internal combustion engine vehicles, issued two consecutive profit warnings at the end of 2021. These unexpected warnings underscored a loss of technology leadership in cathode materials (which will negatively impact growth and margins) and raised questions about management's ability to execute. Those concerns, combined with an elevated earnings profile in the cyclical scrap metals recycling business given high

commodity prices, caused us to reevaluate our investment thesis. We exited the stock in November 2021, and the company went on to significantly underperform the market in the subsequent three-month period. Offsetting Umicore's weakness within the materials sector was strength at Freeport-McMoRan, the world's largest copper producer and a top-10 contributor during the month. We have been encouraged to see our copper thesis come to fruition as structurally constrained global supply meets elevated demand from infrastructure and building projects as well as "green" applications like electric vehicles and smart power grids.

Top 10 Countries

2/28/22

	% of Total Net Assets
United States	54.8%
United Kingdom	11.2%
Germany	5.7%
Japan	4.4%
France	3.5%
South Korea	3.4%
Taiwan	3.0%
Switzerland	2.8%
Belgium	2.6%
Hong Kong	2.5%

Financials holdings also detracted, pressured by our underweighted allocation to a sector that held up well on rising expectations for higher interest rates. We have long been underweighting the sector given concerns about credit risk and poor earnings quality. With the shift in the Fund's strategy towards quality companies that are resilient in most economic cycles, we are not compelled to participate in the financial sector given the sensitivity of the stocks to macroeconomic variables that are hard to forecast. Given the lack of structural change in the banking industry, we believe the banks carry cycle risk without a commensurate return during the good periods. Our light positioning negatively impacted relative returns during the semiannual review period.

Turning to contributors, stock selection in the IT sector aided relative performance during the period. Shares of U.S.-based semiconductor specialist Micron Technology rose to all-time highs as the combination of supply shortages and capacity discipline created a favorable pricing environment for the chipmaker. Micron remains well-positioned in an oligopolistic memory chip market, with a strong operating track record and consistent history of prodigious positive free cash flow generation.

Energy holdings also outperformed, accounting for two of the Fund's 10 biggest contributors. The sector was led by U.S. refiner Marathon Petroleum, which rallied after beating earnings estimates, buoyed by stronger-than-expected refining results and the authorization of a multibillion U.S. dollar share buyback. U.K.-based oil and gas giant BP also finished among the Fund's top-10 contributors. We are maintaining our energy position given what we believe are multi-year structural changes to the sector. Supply-and-demand imbalances continue to increase, stemming from years of under-investment in production on the supply side and a likely slower-than-expected transition to renewables supporting hydrocarbon demand.

Communication services and health care stocks also outperformed slightly during the period. Furthermore, the Fund's elevated cash position positively contributed in a broadly weak market.

From a regional standpoint, relative weakness was concentrated in the U.K., Japan and Canada, while Taiwan, South Korea, Norway and the Netherlands were all notable contributors.

The catalyst for the market rotation was, first, the Fed's hawkish policy pivot, and second, Russia's invasion of Ukraine late in the period, which sparked a risk-off event across asset classes. The Fund has no direct exposure (and little indirect exposure) to Russia. We have not found attractive opportunities in Russian equities given heightened corporate governance concerns and geopolitical risks. Nevertheless, the impact of war in Europe is creating volatility in all risk assets.

While the near-term impact of war in Europe will likely be negative for financial markets (as well as a tragic humanitarian crisis), it also accelerates the move away from the low interest rate, low inflation, benign economic environment that favored expensive growth stocks in the past cycle. We have continued to see risks in both tails of the market's valuation distribution: valuation risk among expensive growth stocks and credit risk among lower quality value stocks. We have viewed the recent leadership off these market extremes as unsustainable and have tried to manage the portfolio toward a better balance of quality, earnings growth and valuation.

It is important to recognize the effect of currency movements on the Fund's performance. In general, if the value of the U.S. dollar goes up compared with a foreign currency, an investment traded in that foreign currency will go down in value because it will be worth fewer U.S. dollars. This can have a negative effect on Fund performance. Conversely,

when the U.S. dollar weakens in relation to a foreign currency, an investment traded in that foreign currency will increase in value, which can contribute to Fund performance. For the six months ended February 28, 2022, the U.S. dollar rose in value relative to most currencies. As a result, the Fund's performance was negatively affected by the portfolio's significant investment in securities with non-U.S. currency exposure.

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

Warren Pustam, CFA
Lead Portfolio Manager

Herbert J. Arnett, Jr.
Christopher James Peel, CFA
Peter M. Moeschter, CFA

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2022, 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 February 28, 2022

The performance table does 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 2/28/22

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

Share Class	Cumulative Total Return ¹	Average Annual Total Return ²
A³		
6-Month	-7.13%	-12.23%
1-Year	-0.80%	-6.29%
5-Year	+17.99%	+2.20%
10-Year	+73.40%	+5.06%
Advisor		
6-Month	-7.01%	-7.01%
1-Year	-0.54%	-0.54%
5-Year	+19.53%	+3.63%
10-Year	+77.77%	+5.92%

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.

Distributions (9/1/21–2/28/22)

Share Class	Net Investment Income
A	\$0.2303
C	\$0.0702
R6	\$0.2751
Advisor	\$0.2690

Total Annual Operating Expenses⁴

Share Class	
A	1.05%
Advisor	0.80%

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

All investments involve risks, including possible loss of principal. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments; investments in developing markets involve heightened risks related to the same factors. Currency rates may fluctuate significantly over short periods of time, and can reduce returns. Because the Fund may invest its assets in companies in a specific region, including Europe, it is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Current political and financial uncertainty concerning the economic consequences of the departure of the U.K. from the European Union may increase market volatility. Derivatives, including currency management strategies, involve costs and can create economic leverage in the portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as enable gains) on an amount that exceeds the Fund's initial investment. The Fund may not achieve the anticipated benefits, and may realize losses when a counterparty fails to perform as promised. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The United States and other countries have imposed broad-ranging economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to its invasion of Ukraine. The United States and other countries have also imposed economic sanctions on Belarus and may impose sanctions on other countries that support Russia's military invasion. These sanctions, as well as any other economic consequences related to the invasion, such as additional sanctions, boycotts or changes in consumer or purchaser preferences or cyberattacks on governments, companies or individuals, may further decrease the value and liquidity of certain Russian securities and securities of issuers in other countries that are subject to economic sanctions related to the invasion.

1. Cumulative total return represents the change in value of an investment over the periods indicated.
2. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
3. Prior to 9/10/18 these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
4. 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 9/1/21	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 2/28/22	Expenses Paid During Period 9/1/21–2/28/22 ^{1,2}	Ending Account Value 2/28/22	Expenses Paid During Period 9/1/21–2/28/22 ^{1,2}	
A	\$1,000	\$928.70	\$4.97	\$1,019.64	\$5.21	1.04%
C	\$1,000	\$925.30	\$8.58	\$1,015.88	\$8.99	1.80%
R6	\$1,000	\$930.20	\$3.63	\$1,021.04	\$3.80	0.76%
Advisor	\$1,000	\$929.90	\$3.82	\$1,020.84	\$4.00	0.80%

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

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

Financial Highlights

Templeton World Fund

	Six Months Ended February 28, 2022 (unaudited)	Year Ended August 31,				
		2021	2020	2019	2018	2017
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$15.52	\$12.71	\$12.76	\$17.24	\$16.94	\$15.47
Income from investment operations ^a :						
Net investment income (loss) ^b	(0.02)	0.20 ^c	0.16	0.29	0.28	0.27
Net realized and unrealized gains (losses)	(1.09)	2.61	0.45	(2.17)	1.03	2.21
Total from investment operations	(1.11)	2.81	0.61	(1.88)	1.31	2.48
Less distributions from:						
Net investment income	(0.23)	—	(0.50)	(0.67)	(0.02)	(0.57)
Net realized gains	—	—	(0.16)	(1.93)	(0.99)	(0.44)
Total distributions	(0.23)	—	(0.66)	(2.60)	(1.01)	(1.01)
Net asset value, end of period	\$14.18	\$15.52	\$12.71	\$12.76	\$17.24	\$16.94
Total return ^d	(7.13)%	22.11%	4.47%	(10.22)%	7.81%	16.45%
Ratios to average net assets^e						
Expenses	1.04%	1.03% ^f	1.05%	1.05% ^f	1.04% ^g	1.06% ^{f,g}
Net investment income (loss)	(0.23)%	1.42% ^c	1.29%	2.06%	1.64%	1.63%
Supplemental data						
Net assets, end of period (000's)	\$2,690,812	\$3,060,714	\$2,831,844	\$3,150,057	\$3,973,648	\$4,240,117
Portfolio turnover rate	48.08%	41.83%	52.25%	25.16%	28.39%	31.46%

^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 0.48%.

^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, except for non-recurring expenses, if any.

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

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

Templeton World Fund (continued)

	Six Months Ended February 28, 2022 (unaudited)	Year Ended August 31,				
		2021	2020	2019	2018	2017
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$14.76	\$12.18	\$12.26	\$16.35	\$16.21	\$14.84
Income from investment operations ^a :						
Net investment income (loss) ^b	(0.07)	0.10 ^c	0.07	0.13	0.14	0.14
Net realized and unrealized gains (losses)	(1.04)	2.48	0.42	(2.01)	0.99	2.12
Total from investment operations	(1.11)	2.58	0.49	(1.88)	1.13	2.26
Less distributions from:						
Net investment income	(0.07)	—	(0.41)	(0.28)	—	(0.45)
Net realized gains	—	—	(0.16)	(1.93)	(0.99)	(0.44)
Total distributions	(0.07)	—	(0.57)	(2.21)	(0.99)	(0.89)
Net asset value, end of period	\$13.58	\$14.76	\$12.18	\$12.26	\$16.35	\$16.21
Total return ^d	(7.47)%	21.18%	3.61%	(10.94)%	7.01%	15.59%
Ratios to average net assets^e						
Expenses	1.80%	1.80% ^f	1.82%	1.80% ^f	1.80% ^g	1.81% ^{f,g}
Net investment income (loss)	(0.99)%	0.70% ^c	0.54%	1.31%	0.88%	0.88%
Supplemental data						
Net assets, end of period (000's)	\$10,196	\$12,585	\$18,630	\$28,850	\$117,879	\$138,534
Portfolio turnover rate	48.08%	41.83%	52.25%	25.16%	28.39%	31.46%

^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.

^eRatios are annualized for periods less than one year, except for non-recurring expenses, if any.

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

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

Templeton World Fund (continued)

	Six Months Ended February 28, 2022 (unaudited)	Year Ended August 31,				
		2021	2020	2019	2018	2017
Class R6						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$15.53	\$12.69	\$12.73	\$17.21	\$16.92	\$15.45
Income from investment operations ^a :						
Net investment income ^b	— ^c	0.24 ^d	0.20	0.34	0.33	0.32
Net realized and unrealized gains (losses)	(1.08)	2.60	0.45	(2.17)	1.03	2.22
Total from investment operations	(1.08)	2.84	0.65	(1.83)	1.36	2.54
Less distributions from:						
Net investment income	(0.28)	—	(0.53)	(0.72)	(0.08)	(0.63)
Net realized gains	—	—	(0.16)	(1.93)	(0.99)	(0.44)
Total distributions	(0.28)	—	(0.69)	(2.65)	(1.07)	(1.07)
Net asset value, end of period	\$14.17	\$15.53	\$12.69	\$12.73	\$17.21	\$16.92
Total return ^e	(6.98)%	22.38%	4.71%	(9.88)%	8.13%	16.87%
Ratios to average net assets^f						
Expenses before waiver and payments by affiliates	0.78%	0.78%	0.79%	0.77%	0.74%	0.73%
Expenses net of waiver and payments by affiliates	0.76%	0.76%	0.76%	0.75%	0.72% ^g	0.73% ^{g,h}
Net investment income	0.06%	1.68% ^d	1.59%	2.36%	1.96%	1.96%
Supplemental data						
Net assets, end of period (000's)	\$41,228	\$42,010	\$38,885	\$43,595	\$51,431	\$55,504
Portfolio turnover rate	48.08%	41.83%	52.25%	25.16%	28.39%	31.46%

^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 0.74%.

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

^fRatios are annualized for periods less than one year, except for non-recurring expenses, if any.

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

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

Templeton World Fund (continued)

	Six Months Ended February 28, 2022 (unaudited)	Year Ended August 31,				
		2021	2020	2019	2018	2017
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$15.54	\$12.70	\$12.74	\$17.23	\$16.93	\$15.46
Income from investment operations ^a :						
Net investment income ^b	— ^c	0.24 ^d	0.19	0.33	0.32	0.32
Net realized and unrealized gains (losses)	(1.09)	2.60	0.45	(2.17)	1.03	2.20
Total from investment operations	(1.09)	2.84	0.64	(1.84)	1.35	2.52
Less distributions from:						
Net investment income	(0.27)	—	(0.52)	(0.72)	(0.06)	(0.61)
Net realized gains	—	—	(0.16)	(1.93)	(0.99)	(0.44)
Total distributions	(0.27)	—	(0.68)	(2.65)	(1.05)	(1.05)
Net asset value, end of period	\$14.18	\$15.54	\$12.70	\$12.74	\$17.23	\$16.93
Total return ^e	(7.01)%	22.36%	4.66%	(9.99)%	8.09%	16.74%
Ratios to average net assets^f						
Expenses	0.80%	0.80% ^g	0.81%	0.80% ^g	0.80% ^h	0.81% ^{g,h}
Net investment income	0.02%	1.64% ^d	1.53%	2.31%	1.88%	1.88%
Supplemental data						
Net assets, end of period (000's)	\$106,716	\$115,823	\$99,546	\$112,891	\$146,883	\$157,237
Portfolio turnover rate	48.08%	41.83%	52.25%	25.16%	28.39%	31.46%

^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 0.70%.

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

^fRatios are annualized for periods less than one year, except for non-recurring expenses, if any.

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

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

Statement of Investments (unaudited), February 28, 2022

Templeton World Fund

	Industry	Shares	Value
Common Stocks 98.2%			
Belgium 2.6%			
Anheuser-Busch InBev SA/NV	Beverages	1,180,760	\$72,845,933
China 2.4%			
NXP Semiconductors NV	Semiconductors & Semiconductor Equipment	189,738	36,072,988
^a Prosus NV	Internet & Direct Marketing Retail	540,765	33,564,090
			69,637,078
France 3.5%			
LVMH Moët Hennessy Louis Vuitton SE	Textiles, Apparel & Luxury Goods	74,810	54,965,994
Pernod Ricard SA	Beverages	198,916	43,413,768
			98,379,762
Germany 5.7%			
Deutsche Boerse AG.	Capital Markets	352,530	59,995,275
E.ON SE.	Multi-Utilities	3,031,820	41,228,259
Infineon Technologies AG	Semiconductors & Semiconductor Equipment	855,659	28,945,560
Siemens AG	Industrial Conglomerates	227,496	32,043,047
			162,212,141
Hong Kong 2.5%			
AIA Group Ltd.	Insurance	6,988,604	72,569,044
Ireland 1.9%			
^a ICON plc.	Life Sciences Tools & Services	230,940	54,966,029
Japan 4.4%			
Fujitsu Ltd.	IT Services	252,180	36,640,926
Honda Motor Co. Ltd.	Automobiles	1,428,555	43,404,576
Sony Group Corp.	Household Durables	457,870	46,785,656
			126,831,158
South Korea 3.4%			
Samsung Electronics Co. Ltd.	Technology Hardware, Storage & Peripherals	1,608,660	96,932,476
Switzerland 2.8%			
Roche Holding AG	Pharmaceuticals	213,811	80,968,586
Taiwan 3.0%			
Taiwan Semiconductor Manufacturing Co. Ltd.	Semiconductors & Semiconductor Equipment	3,918,809	84,303,783
United Kingdom 11.2%			
AstraZeneca plc	Pharmaceuticals	518,949	63,066,954
BAE Systems plc	Aerospace & Defense	4,693,668	45,057,134
BP plc.	Oil, Gas & Consumable Fuels	8,255,226	40,230,926
Compass Group plc	Hotels, Restaurants & Leisure	1,808,196	40,864,666
^a Farfetch Ltd., A	Internet & Direct Marketing Retail	1,244,340	23,704,677
^{a,b} Just Eat Takeaway.com NV, 144A, Reg S	Internet & Direct Marketing Retail	1,430,592	57,886,268
^a Rolls-Royce Holdings plc	Aerospace & Defense	19,190,798	26,469,032
Unilever plc.	Personal Products	414,600	20,797,730
			318,077,387
United States 54.8%			
Albemarle Corp.	Chemicals	152,445	29,862,451
^a Alphabet, Inc., A	Interactive Media & Services	27,180	73,416,985
^a Amazon.com, Inc.	Internet & Direct Marketing Retail	41,216	126,585,052
American Express Co.	Consumer Finance	337,159	65,590,912
^a Booking Holdings, Inc.	Hotels, Restaurants & Leisure	33,025	71,738,556
Comcast Corp., A	Media	1,229,129	57,474,072

Templeton World Fund (continued)

	Industry	Shares	Value
Common Stocks (continued)			
United States (continued)			
^a Dollar Tree, Inc.	Multiline Retail	283,624	\$40,297,298
DuPont de Nemours, Inc.	Chemicals	453,917	35,119,558
^a DXC Technology Co.	IT Services	1,460,902	49,714,495
^a F5, Inc.	Communications Equipment	130,570	26,224,985
Freeport-McMoRan, Inc.	Metals & Mining	682,407	32,039,009
Honeywell International, Inc.	Industrial Conglomerates	129,728	24,615,888
Johnson & Johnson	Pharmaceuticals	265,801	43,742,871
Keurig Dr Pepper, Inc.	Beverages	2,030,350	78,513,635
Lear Corp.	Auto Components	245,812	38,676,060
Marathon Petroleum Corp.	Oil, Gas & Consumable Fuels	490,313	38,180,673
Medtronic plc	Health Care Equipment & Supplies	732,733	76,929,638
^a Meta Platforms, Inc., A	Interactive Media & Services	91,239	19,254,166
Micron Technology, Inc.	Semiconductors & Semiconductor Equipment	682,436	60,641,263
^a Snap, Inc., A	Interactive Media & Services	1,050,480	41,956,171
Starbucks Corp.	Hotels, Restaurants & Leisure	495,700	45,500,303
TJX Cos., Inc. (The)	Specialty Retail	509,659	33,688,460
^a T-Mobile US, Inc.	Wireless Telecommunication Services	739,231	91,080,652
^a Twilio, Inc., A	IT Services	147,210	25,732,308
^a Uber Technologies, Inc.	Road & Rail	816,380	29,414,171
UnitedHealth Group, Inc.	Health Care Providers & Services	193,782	92,215,040
^a Walt Disney Co. (The)	Entertainment	613,364	91,060,019
Westinghouse Air Brake Technologies Corp.	Machinery	700,578	65,027,650
Zimmer Biomet Holdings, Inc.	Health Care Equipment & Supplies	440,817	56,067,514
			1,560,359,855
Total Common Stocks (Cost \$2,472,083,148)			2,798,083,232
Short Term Investments 2.2%			
		Principal Amount*	Value
Time Deposits 2.2%			
Canada 0.9%			
National Bank of Canada, 0.06%, 3/01/22		26,400,000	26,400,000
France 1.3%			
Credit Agricole Corporate and Investment Bank SA, 0.07%, 3/01/22		35,000,000	35,000,000
Total Time Deposits (Cost \$61,400,000)			61,400,000
Total Short Term Investments (Cost \$61,400,000)			61,400,000
Total Investments (Cost \$2,533,483,148) 100.4%			\$2,859,483,232
Other Assets, less Liabilities (0.4)%			(10,531,379)
Net Assets 100.0%			\$2,848,951,853

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

^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 February 28, 2022, the value of this security was \$57,886,268, representing 2.0% of net assets.

Statement of Assets and Liabilities

February 28, 2022 (unaudited)

**Templeton
World Fund**

Assets:

Investments in securities:

Cost - Unaffiliated issuers \$2,533,483,148

Value - Unaffiliated issuers \$2,859,483,232

Cash 43,874

Foreign currency, at value (cost \$303,755) 340,813

Receivables:

Investment securities sold 2,797,920

Capital shares sold 651,513

Dividends and interest 6,184,542

European Union tax reclaims (Note 1e) 893,942

Total assets 2,870,395,836

Liabilities:

Payables:

Investment securities purchased 2,952,696

Capital shares redeemed 2,351,485

Management fees 1,551,606

Distribution fees 535,189

Transfer agent fees 237,359

IRS closing agreement payments for European Union tax reclaims (Note 1e) 13,245,674

Accrued expenses and other liabilities 569,974

Total liabilities 21,443,983

Net assets, at value \$2,848,951,853

Net assets consist of:

Paid-in capital \$2,564,011,072

Total distributable earnings (losses) 284,940,781

Net assets, at value \$2,848,951,853

Statement of Assets and Liabilities (continued)

February 28, 2022 (unaudited)

	Templeton World Fund
Class A:	
Net assets, at value	\$2,690,811,862
Shares outstanding	189,722,672
Net asset value per share ^a	\$14.18
Maximum offering price per share (net asset value per share ÷ 94.50%)	\$15.01
Class C:	
Net assets, at value	\$10,195,901
Shares outstanding	750,904
Net asset value and maximum offering price per share ^a	\$13.58
Class R6:	
Net assets, at value	\$41,228,008
Shares outstanding	2,910,330
Net asset value and maximum offering price per share	\$14.17
Advisor Class:	
Net assets, at value	\$106,716,082
Shares outstanding	7,526,862
Net asset value and maximum offering price per share	\$14.18

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

Statement of Operations

for the six months ended February 28, 2022 (unaudited)

**Templeton
World Fund**

Investment income:	
Dividends: (net of foreign taxes of \$1,142,979)	
Unaffiliated issuers	\$15,517,389
Interest:	
Unaffiliated issuers	43,240
Income from securities loaned:	
Unaffiliated entities (net of fees and rebates)	351
Other income (Note 1e)	193,097
Less: IRS closing agreement payments for European Union tax reclaims (Note 1e)	(3,336,336)
Total investment income	12,417,741
Expenses:	
Management fees (Note 3a)	10,608,159
Distribution fees: (Note 3c)	
Class A	3,483,812
Class C	57,168
Transfer agent fees: (Note 3e)	
Class A	1,017,415
Class C	4,027
Class R6	10,847
Advisor Class	39,427
Custodian fees	61,573
Reports to shareholders fees	119,063
Registration and filing fees	41,893
Professional fees	26,738
Trustees' fees and expenses	106,768
Other	135,990
Total expenses	15,712,880
Expenses waived/paid by affiliates (Note 3f)	(4,512)
Net expenses	15,708,368
Net investment income (loss)	(3,290,627)
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	157,015,877
Foreign currency transactions	(366,992)
Forward exchange contracts	15,752,137
Net realized gain (loss)	172,401,022
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	(393,619,102)
Translation of other assets and liabilities denominated in foreign currencies	(560,233)
Forward exchange contracts	1,232,490
Net change in unrealized appreciation (depreciation)	(392,946,845)
Net realized and unrealized gain (loss)	(220,545,823)
Net increase (decrease) in net assets resulting from operations	\$(223,836,450)

Statements of Changes in Net Assets

	Templeton World Fund	
	Six Months Ended February 28, 2022 (unaudited)	Year Ended August 31, 2021
Increase (decrease) in net assets:		
Operations:		
Net investment income (loss)	\$(3,290,627)	\$45,221,882
Net realized gain (loss)	172,401,022	208,380,573
Net change in unrealized appreciation (depreciation)	(392,946,845)	372,038,154
Net increase (decrease) in net assets resulting from operations	(223,836,450)	625,640,609
Distributions to shareholders:		
Class A	(44,013,452)	—
Class C	(55,139)	—
Class R6	(780,101)	—
Advisor Class	(1,988,799)	—
Total distributions to shareholders	(46,837,491)	—
Capital share transactions: (Note 2)		
Class A	(114,243,148)	(364,041,894)
Class C	(1,458,095)	(9,478,984)
Class R6	3,087,929	(4,859,427)
Advisor Class	1,106,797	(5,032,934)
Total capital share transactions	(111,506,517)	(383,413,239)
Net increase (decrease) in net assets	(382,180,458)	242,227,370
Net assets:		
Beginning of period	3,231,132,311	2,988,904,941
End of period	\$2,848,951,853	\$3,231,132,311

Notes to Financial Statements (unaudited)

Templeton World Fund

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 and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP). Templeton World Fund (Fund) is included in this report. The Fund offers four classes of shares: Class A, Class C, Class R6 and Advisor Class. 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.

The following summarizes the Fund's significant accounting policies.

a. Financial Instrument Valuation

The Fund's 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 Fund calculates 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 Fund's administrator has responsibility for oversight of valuation, including leading the cross-functional Valuation Committee (VC). The Fund 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.

Certain derivative financial instruments trade in the OTC market. The Fund's pricing services use various techniques including industry standard option pricing models and proprietary discounted cash flow models to determine the fair value of those instruments. The Fund's net benefit or obligation under the derivative contract, as measured by the fair value of the contract, is included in net assets.

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

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Fund's portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At February 28, 2022, certain securities may have been fair valued using these procedures, in which case the securities

Templeton World Fund (continued)

1. Organization and Significant Accounting Policies (continued)

a. Financial Instrument Valuation (continued)

were categorized as Level 2 inputs 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 Fund's NAV is not calculated, which could result in differences between the value of the Fund's 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 Fund 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 Fund 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 Fund does 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 Statement 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

The Fund 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 Statement of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statement of Operations.

Derivative counterparty credit risk is managed through a formal evaluation of the creditworthiness of all potential counterparties. The Fund attempts to reduce its exposure to counterparty credit risk on OTC derivatives, whenever possible, by entering into International Swaps and Derivatives Association (ISDA) master agreements with certain counterparties. These agreements contain various provisions, including but not limited to collateral requirements, events of default, or early termination. Termination events applicable to the counterparty include certain deteriorations in the credit quality of the counterparty. Termination events applicable to the Fund include failure of the Fund to maintain certain net asset levels and/or limit the decline in net assets over various periods of time. In the event of default or early termination, the ISDA master agreement gives the non-defaulting party the right to net and close-out all transactions traded, whether or not arising under the ISDA agreement, to one net amount payable by one counterparty to the other. However, absent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities. Early termination by the counterparty may result in an immediate payment by the Fund of any net liability owed to that counterparty under the ISDA agreement.

Templeton World Fund (continued)

1. Organization and Significant Accounting Policies (continued)

c. Derivative Financial Instruments (continued)

Collateral requirements differ by type of derivative. Collateral terms are contract specific for OTC derivatives. For OTC derivatives traded under an ISDA master agreement, posting of collateral is required by either the Fund or the applicable counterparty if the total net exposure of all OTC derivatives with the applicable counterparty exceeds the minimum transfer amount, which typically ranges from \$100,000 to \$250,000, and can vary depending on the counterparty and the type of agreement. Generally, collateral is determined at the close of Fund business each day and any additional collateral required due to changes in derivative values may be delivered by the Fund or the counterparty the next business day, or within a few business days. Collateral pledged and/or received by the Fund, if any, is held in segregated accounts with the Fund's custodian/counterparty broker and can be in the form of cash and/or securities. Unrestricted cash may be invested according to the Fund's investment objectives. To the extent that the amounts due to the Fund from its counterparties are not subject to collateralization or are not fully collateralized, the Fund bears the risk of loss from counterparty non-performance.

The Fund entered into OTC forward exchange contracts primarily to manage and/or gain exposure to certain foreign currencies. A forward exchange contract is an agreement between the Fund and a counterparty to buy or sell a foreign currency at a specific exchange rate on a future date.

See Note 9 regarding other derivative information.

d. Securities Lending

The Fund participates 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 Fund. 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 Statement 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 February 28, 2022, the Fund had no securities on loan.

e. Income and Deferred Taxes

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The 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 Fund 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 it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply, the Fund records 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, the Fund 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 Statement of Operations and any related receivable, if any, is reflected as European Union tax reclaims in the Statement of Assets and Liabilities. Any fees associated with these filings are reflected in other expenses in the Statement 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 Fund, if any, reduce the amount of foreign taxes Fund shareholders can use as tax deductions or credits on their income tax returns. In the

Templeton World Fund (continued)

1. Organization and Significant Accounting Policies (continued)

e. Income and Deferred Taxes (continued)

event that EU reclaims received by the Fund during a fiscal year exceed foreign withholding taxes paid by the Fund, and the Fund previously passed through to its shareholders foreign taxes incurred by the Fund to be used as a credit or deduction on a shareholder's income tax return, the Fund will enter into a closing agreement with the Internal Revenue Service (IRS) in order to pay the associated tax liability on behalf of the Fund's shareholders. The Fund determined to enter into a closing agreement with the IRS and recorded the estimated payments as a reduction to income, as reflected in the Statement of Operations.

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of February 28, 2022, the 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 Fund. 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. Certain 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 Fund, 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.

Templeton World Fund (continued)

2. Shares of Beneficial Interest

At February 28, 2022, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Six Months Ended February 28, 2022		Year Ended August 31, 2021	
	Shares	Amount	Shares	Amount
Class A Shares:				
Shares sold ^a	3,763,942	\$56,629,243	9,217,073	\$133,230,977
Shares issued in reinvestment of distributions	2,756,371	40,243,011	—	—
Shares redeemed	(14,022,424)	(211,115,402)	(34,710,249)	(497,272,871)
Net increase (decrease)	(7,502,111)	\$(114,243,148)	(25,493,176)	\$(364,041,894)
Class C Shares:				
Shares sold	33,663	\$483,046	111,842	\$1,540,029
Shares issued in reinvestment of distributions	3,911	54,747	—	—
Shares redeemed ^a	(139,382)	(1,995,888)	(788,496)	(11,019,013)
Net increase (decrease)	(101,808)	\$(1,458,095)	(676,654)	\$(9,478,984)
Class R6 Shares:				
Shares sold	374,157	\$5,638,538	519,191	\$7,465,031
Shares issued in reinvestment of distributions	28,589	416,823	—	—
Shares redeemed	(198,241)	(2,967,432)	(878,650)	(12,324,458)
Net increase (decrease)	204,505	\$3,087,929	(359,459)	\$(4,859,427)
Advisor Class Shares:				
Shares sold	860,876	\$13,039,299	1,575,746	\$22,918,244
Shares issued in reinvestment of distributions	125,855	1,836,223	—	—
Shares redeemed	(915,275)	(13,768,725)	(1,959,012)	(27,951,178)
Net increase (decrease)	71,456	\$1,106,797	(383,266)	\$(5,032,934)

^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
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

Templeton World Fund (continued)

3. Transactions with Affiliates (continued)

a. Management Fees

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

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

For the period ended February 28, 2022, the annualized gross effective investment management fee rate was 0.695% of the Fund's average daily net assets.

b. Administrative Fees

Under an agreement with Global Advisors, FT Services provides administrative services to the Fund. The fee is paid by Global Advisors 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 Fund's Class A reimbursement distribution plan, the Fund reimburses Distributors for costs incurred in connection with the servicing, sale and distribution of the 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 Fund's Class C compensation distribution plan, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to the maximum annual plan rate. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

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

Class A.	0.25%
Class C.	1.00%

d. Sales Charges/Underwriting Agreements

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Fund. 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 Fund of the following commission transactions related to the sales and redemptions of the Fund's shares for the period:

Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$14,973
CDSC retained	\$374

Templeton World Fund (continued)

3. Transactions with Affiliates (continued)

e. Transfer Agent Fees

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

For the period ended February 28, 2022, the Fund paid transfer agent fees of \$1,071,716, of which \$575,406 was retained by Investor Services.

f. Waiver and Expense Reimbursements

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, 2022.

4. Income Taxes

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

At August 31, 2021, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:

Long term	\$203,817,446
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At February 28, 2022, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments	\$2,534,454,937
Unrealized appreciation	\$454,974,751
Unrealized depreciation	(129,946,456)
Net unrealized appreciation (depreciation)	\$325,028,295

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of foreign currency transactions, EU reclaims and corporate actions.

5. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the period ended February 28, 2022, aggregated \$1,427,651,063 and \$1,399,907,194, respectively.

6. Concentration of Risk

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

Templeton World Fund (continued)

7. Geopolitical Risk

On February 24, 2022, Russia engaged in military actions in the sovereign territory of Ukraine. The current political and financial uncertainty surrounding Russia and Ukraine may increase market volatility and the economic risk of investing in securities in these countries and may also cause uncertainty for the global economy and broader financial markets. The ultimate fallout and long-term impact from these events are not known. The Fund will continue to assess the impact on valuations and liquidity and will take any potential actions needed in accordance with procedures approved by the Board.

8. Novel Coronavirus Pandemic

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Fund, its ability to buy and sell fund investments at appropriate valuations and its ability to achieve its investment objectives.

9. Other Derivative Information

For the period ended February 28, 2022, the effect of derivative contracts in the Statement of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Period	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Period
Templeton World Fund				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Foreign exchange contracts				
	Forward exchange contracts	\$15,752,137	Forward exchange contracts	\$1,232,490
Total		<u>\$15,752,137</u>		<u>\$1,232,490</u>

For the period ended February 28, 2022, the average month end contract value of forward exchange contracts was \$229,173,380.

See Note 1(c) regarding derivative financial instruments.

10. Credit Facility

The Fund, 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 3, 2023. 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 Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its 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 Statement of Operations. During the period ended February 28, 2022, the Fund did not use the Global Credit Facility.

Templeton World Fund (continued)

11. Fair Value Measurements

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

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

A summary of inputs used as of February 28, 2022, in valuing the Fund's assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Templeton World Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Belgium	\$—	\$72,845,933	\$—	\$72,845,933
China	36,072,988	33,564,090	—	69,637,078
France	—	98,379,762	—	98,379,762
Germany	—	162,212,141	—	162,212,141
Hong Kong	—	72,569,044	—	72,569,044
Ireland	54,966,029	—	—	54,966,029
Japan	—	126,831,158	—	126,831,158
South Korea	—	96,932,476	—	96,932,476
Switzerland	—	80,968,586	—	80,968,586
Taiwan	—	84,303,783	—	84,303,783
United Kingdom	23,704,677	294,372,710	—	318,077,387
United States	1,560,359,855	—	—	1,560,359,855
Short Term Investments	—	61,400,000	—	61,400,000
Total Investments in Securities	\$1,675,103,549	\$1,184,379,683 ^a	\$—	\$2,859,483,232

^aIncludes foreign securities valued at \$1,122,979,683, 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.

12. Subsequent Events

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

Shareholder Information

BOARD APPROVAL OF INVESTMENT MANAGEMENT AGREEMENTS

TEMPLETON FUNDS

Templeton World Fund

(Fund)

At an in-person meeting held on February 28, 2022 (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 investment management agreement between Templeton Global Advisors Limited (Manager) and the Trust, on behalf of the Fund (Management Agreement) for an additional one-year period. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of the Management Agreement.

In considering the continuation of the Management Agreement, the Board reviewed and considered information provided by the Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to the Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process. In addition, prior to the Meeting, the Independent Trustees held a virtual contract renewal meeting at which the Independent Trustees first conferred amongst themselves and Independent Trustee counsel about contract renewal matters; then met with senior leadership regarding the performance of the global equity funds, as well as expected enhancements to the Templeton Global Equity Group leadership; and last met with management to request additional information that the Independent Trustees reviewed and considered at the Meeting. The Board later had an opportunity for an expanded discussion with the leadership of the Templeton Global Equity Group to hear about strategies to deliver improved investment returns to shareholders. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of the Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by the Manager; (ii) the investment performance of the Fund; (iii) the costs of the services provided and profits realized by the Manager

and its affiliates from the relationship with the Fund; (iv) the extent to which economies of scale are realized as the Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of the Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreement are fair and reasonable and that the continuance of such Management Agreement is in the best interests of the 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 the Manager and its affiliates to the Fund and its shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of the 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 the Fund; reports on expenses and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and management fees charged by the 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 Fund to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements, which included discussion of the changing distribution landscape for the Fund. The Board noted management’s continued focus on enhancing the leadership of the Templeton Global Equity Group and commitment to providing the resources important to delivering sustainable returns. The Board also acknowledged the ongoing integration of the Legg Mason family of funds into the FT family of funds and developing strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and recent 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 Manager's 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 Fund by the FT organization. The Board specifically noted FT's commitment to being a global leader in stewardship and sustainability and the recent addition of a senior executive focused on environmental, social and governance and climate control initiatives.

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

Fund Performance

The Board reviewed and considered the performance results of the Fund over various time periods ended November 30, 2021. The Board considered the performance returns for the 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 the Fund's performance results is below.

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 and the information technology sector during the one-, three- and five-year periods compared to its peer group, which detracted from the Fund's relative performance. Management then discussed with the Board the actions that are being taken in an effort to improve the

performance of the Fund and the global equity funds as a whole. Management specifically highlighted the strategic initiatives being undertaken in the Templeton Global Equity Group, including enhancements to the leadership of the group and the commitment of additional resources important to delivering sustainable returns. The Board concluded that the Fund's Management Agreement should be continued for an additional one-year period, while management's efforts continue to be closely monitored.

Comparative Fees and Expenses

The Board reviewed and considered information regarding the 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 the 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 Class A shares for the 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.

The Expense Group for the Fund included the Fund and eleven 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 the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board considered the Fund profitability analysis provided by the Manager 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, 2021, 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 Fund's profitability report presentations from prior years. The Board also noted that PricewaterhouseCoopers LLP, auditor to FRI and certain FT funds, has been engaged by the Manager to periodically review and assess the allocation methodologies to be used solely by the Fund's 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 the Manager and its affiliates may not be fully reflected in the expenses allocated to the 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 the 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 Fund, 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 the 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 the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, extent and quality of services provided to the Fund.

Economies of Scale

The Board reviewed and considered the extent to which the 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 the Manager'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 the Manager incurs across the FT family of funds as a whole. The Board concluded that to the extent economies of scale may be realized by the Manager and its affiliates, the 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 the Management Agreement for an additional one-year period.

Proxy Voting Policies and Procedures

The Fund's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Fund uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Fund'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 Fund's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent 12-month period ended June 30.

Quarterly Statement of Investments

The Trust, on behalf of the Fund, files a complete statement of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at sec.gov. The filed form may

also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

Householding of Reports and Prospectuses

You will receive, 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.

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.



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