



TIF International Equity Series— Primary Shares Class

Value
Equity
September 30, 2021

Product Profile

Product Details

Fund Assets	\$427,930,991.40
Fund Inception Date	10/18/1990
Number of Issuers	61
NASDAQ Symbol	TFEQX
Total Annual Operating Expenses With Waiver	0.83%
Total Annual Operating Expenses Without Waiver	0.87%
Base Currency	USD
Investment Style	Value
Benchmark	MSCI All Country World ex US Index-NR MSCI EAFE Index-NR

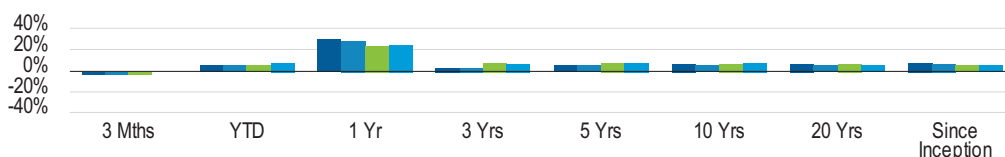
Overview

Our established investment approach seeks to identify stocks trading at a significant discount to their longer-term business value based on our estimates of future normalized earnings and cash flow generation. We utilize a disciplined, consistent investment process that is based on our philosophy of value, patience and bottom-up stock picking. Templeton's long-term perspective and in-depth research is designed to give us the insight and conviction to identify out-of-favor securities and the patience to wait for potential value recognition.

Performance Data^{1,2}

Average Annual Total Returns (USD %)³

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	20 Yrs	Since Inception (10/18/1990)
TIF International Equity Series - Primary Shares - Gross of Fees	-2.75	6.18	30.50	3.54	6.40	6.86	7.38	8.19
TIF International Equity Series - Primary Shares - Net of Fees	-2.96	5.52	29.44	2.69	5.54	6.02	6.52	7.29
MSCI All Country World ex US Index-NR	-2.99	5.90	23.92	8.03	8.94	7.48	7.15	6.28
MSCI EAFE Index-NR	-0.45	8.35	25.73	7.62	8.81	8.10	6.55	6.17



- TIF International Equity Series - Primary Shares - Gross of Fees
- TIF International Equity Series - Primary Shares - Net of Fees
- MSCI All Country World ex US Index-NR
- MSCI EAFE Index-NR

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment return and principal value will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call your Franklin Templeton institutional marketing representative at 1.800.321.8563 or visit ftinstitutional.com for the most recent month-end performance.

The fund offers another share class with different expenses which will affect its performance.

The fund has an expense reduction contractually guaranteed through 04/30/2022. Fund investment results reflect the expense reduction; without this reduction, the results would have been lower.

1. MSCI All Country World ex-US Index-NR reflects performance of the MSCI All Country World ex-US Index (gross returns) from fund inception through 31 December 1998 and the All Country World ex-US Index-NR thereafter.

2. Net Returns (NR) include income net of tax withholding when dividends are paid.

3. Periods shorter than one year are shown as cumulative total returns.

Calendar Year Returns (USD %)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
TIF International Equity Series - Primary Shares - Gross of Fees	6.18	12.48	-14.18	23.86	2.09	-1.91	-6.04	20.43	19.46	-10.18
TIF International Equity Series - Primary Shares - Net of Fees	5.30	11.57	-14.87	22.92	1.30	-2.67	-6.78	19.51	18.55	-10.89
MSCI All Country World ex US Index-NR	10.65	21.51	-14.20	27.19	4.50	-5.66	-3.87	15.29	16.83	-13.71
MSCI EAFE Index-NR	7.82	22.01	-13.79	25.03	1.00	-0.81	-4.90	22.78	17.32	-12.14

Portfolio Manager Insight*

Performance Review

QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
HELPED	Royal Dutch Shell Plc Class B	Energy (Overweight)	China (Underweight)
	Sony Group Corporation	Utilities (Stock Selection)	France (Stock Selection)
	ICON Plc	Communication Services (Stock Selection)	Brazil (Lack of Exposure)
HURT	Just Eat Takeaway.com N.V.	Financials (Stock Selection)	India (Lack of Exposure)
	Fresenius Medical Care AG & Co. KGaA	Information Technology (Stock Selection)	Canada (Stock Selection)
	Anheuser-Busch InBev SA/NV	Consumer Staples (Stock Selection)	Germany (Stock Selection, Overweight)

- Royal Dutch Shell is a multinational oil and gas company. Energy equities performed well in the third quarter as commodity prices were supportive, with record gas prices in Europe and oil moving past US\$80 per barrel. As we expected, demand has improved as economies reopen, combined with OPEC+ (the Organization of the Petroleum Exporting Countries and other oil producers) continuing to restrain supply. As of quarter-end, integrated oil firms such as Royal Dutch Shell were still cheap and offered good value, in our view, with strong free cash flow yields, a significant amount of which is being returned to shareholders through dividends and share buybacks.
- Just Eat Takeaway is the largest food delivery platform in Europe. The company holds a defensible position in its core markets as the low-cost producer and benefits from strong local network effects between restaurants, customers and couriers. Given the low penetration of food delivery in Europe, we believe Just Eat can deliver strong revenue growth rates. With a large opportunity ahead, the company has opted to invest in its growth with significant investments in customer acquisition, logistics and technology. These investments have depressed near-term margins and earnings. The shares underperformed during the quarter as investors raised concerns around the company's acquisition of US-based Grubhub, which has lost market share to competitors. We believe the three major players can co-exist profitably in the United States as Grubhub reportedly intends to focus its efforts on regional strongholds as opposed to a national effort.
- The shares of Japan-based Sony Group outperformed during the quarter following strong results in which operating profit rose 26% year-over-year, better than market expectations. Sony also raised its fiscal-year guidance. Overall, we see Sony as an asset-rich conglomerate with latent value that can be released as it continues to rationalize the business and improve shareholder returns. The company has a collection of strong franchises that are well-positioned to benefit from secular growth trends.

Outlook & Strategy

- The deflation narrative associated with economic reopening gave way to inflationary concerns during the period under review, prompting a somewhat more hawkish stance from key central bankers, led by those at the US Federal Reserve. While some of the inflationary pressures experienced recently may indeed prove transitory once supply chain and labor market bottlenecks are resolved, other aspects appear to be more structural. Higher barriers to trade, increasing regulation and taxation, onshoring of production, supply chain redundancy and, eventually, rising wage pressures are likely to continue to exert upward pressure on costs, even after the pandemic-related disruption of raw materials supply normalizes.
- Some companies will have an easier time than others managing rising costs, but it's hard to see how current supernormal levels of corporate profitability can be sustained in such an environment. That makes record-high equity valuations look increasingly vulnerable at a time when policymakers are also determined to begin removing at least some of the stimulus that has supported markets over this protracted cycle.
- Other issues we are considering in our research include a slew of upcoming elections in major economies, increasingly tense geopolitical relations between the United States and China, contagion risk associated with Chinese regulatory reforms, and shifting defense alliances in Europe. Of course, with liquidity still abundant, corporate and household balance sheets in generally good shape, and trillions of dollars of fiscal spending entering the pipeline in the United States and elsewhere, stocks may well continue to climb a wall of worry for the foreseeable future. But, on balance, risks look increasingly elevated, and we believe caution is warranted.

- In this environment especially, we see significant value in an investment approach rooted in long-term fundamental analysis, despite its unpopularity in an era of meme stocks, non-fungible tokens (NFTs), special purpose acquisition companies (SPACs) and other signs of unconstrained speculation. We are comfortable with a portfolio of what we consider reasonably priced, good quality companies that is well-diversified across economic exposures and value profiles, and we believe that our prudence and discipline will be rewarded in time.

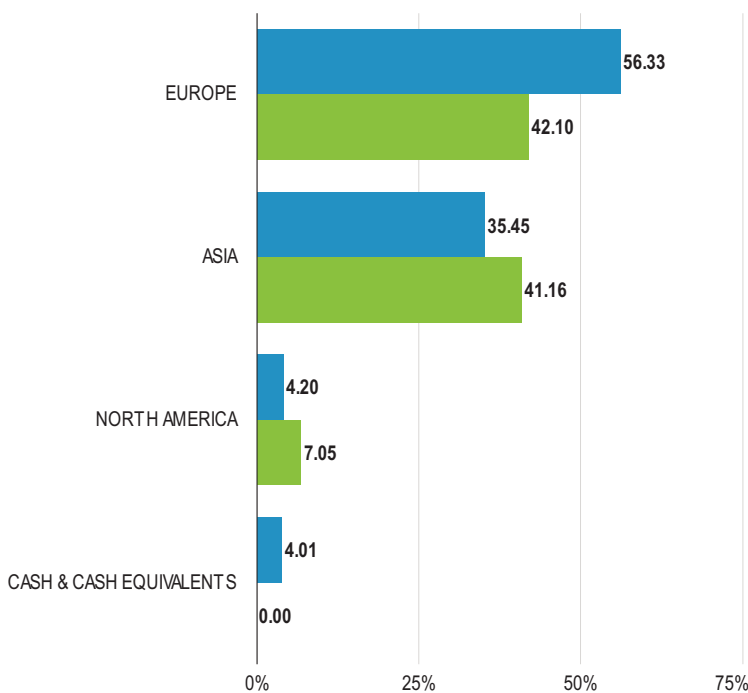
*The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager’s assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund’s portfolio selection process. Holdings are subject to change.

Portfolio Characteristics^{4,5,6}

	Portfolio	MSCI All Country World ex US Index-NR
Price to Earnings (12-Month Trailing)	14.44x	15.87x
Price to Book	1.52x	1.90x
Price to Cash Flow	6.79x	10.24x
Market Capitalization (Millions in USD)	82,914	68,714
Number of Issuers	61	2354

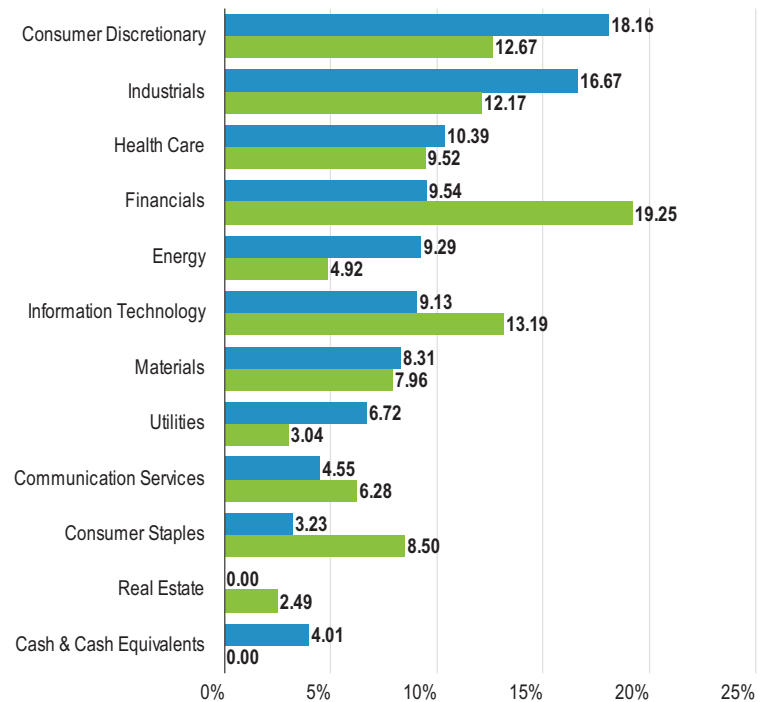
Portfolio Diversification

Geographic Weightings vs. MSCI All Country World ex US Index-NR⁷
Percent of Total



● TIF International Equity Series
● MSCI All Country World ex US Index-NR

Sector Weightings vs. MSCI All Country World ex US Index-NR⁸
Percent of Total



● TIF International Equity Series
● MSCI All Country World ex US Index-NR

4. The portfolio characteristics listed are based on the fund’s underlying holdings, and do not necessarily reflect the fund’s characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security’s issuing company. This methodology may cause small differences between the portfolio’s reported characteristics and the portfolio’s actual characteristics. In practice, Franklin Templeton’s portfolio managers invest in the class or type of security which they believe is most appropriate at the time of purchase. The market capitalization figures for both the portfolio and the benchmark are at the security level, not aggregated up to the main issuer.

5. Source: FactSet.

6. All holdings are subject to change. Holdings of the same issuers have been combined.

7,8. Percentage may not equal 100% due to rounding. All holdings are subject to change.

Top Ten Holdings⁹

Percent of Total

Top Holdings	Sector	Country	%
DEUTSCHE TELEKOM AG	Telecommunication Services	Germany	3.47
HITACHI LTD	Capital Goods	Japan	3.38
BP PLC	Energy	United Kingdom	3.09
E.ON SE	Utilities	Germany	2.96
SONY GROUP CORP	Consumer Durables & Apparel	Japan	2.77
SAMSUNG ELECTRONICS CO LTD	Technology Hardware & Equipment	South Korea	2.75
SUMITOMO MITSUI FINANCIAL GROUP INC	Banks	Japan	2.61
BAE SYSTEMS PLC	Capital Goods	United Kingdom	2.55
ROYAL DUTCH SHELL PLC	Energy	United Kingdom	2.48
TOTALENERGIES SE	Energy	France	2.47

Performance Statistics**Performance Statistics (USD)¹⁰**

Primary Shares Class

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)				
TIF International Equity Series	18.05	14.97	14.65	15.99
MSCI All Country World ex US Index-NR	17.48	14.52	14.32	16.33
Tracking Error (%)	4.88	4.25	4.03	5.53
Information Ratio¹¹	-1.09	-0.80	-0.36	0.22
Beta	1.00	0.99	0.98	0.92
Sharpe Ratio				
TIF International Equity Series	0.09	0.30	0.37	0.30
MSCI All Country World ex US Index-NR	0.40	0.54	0.48	0.22

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Investment Philosophy

Templeton utilizes a disciplined, consistent approach based on three timeless principles of investing:

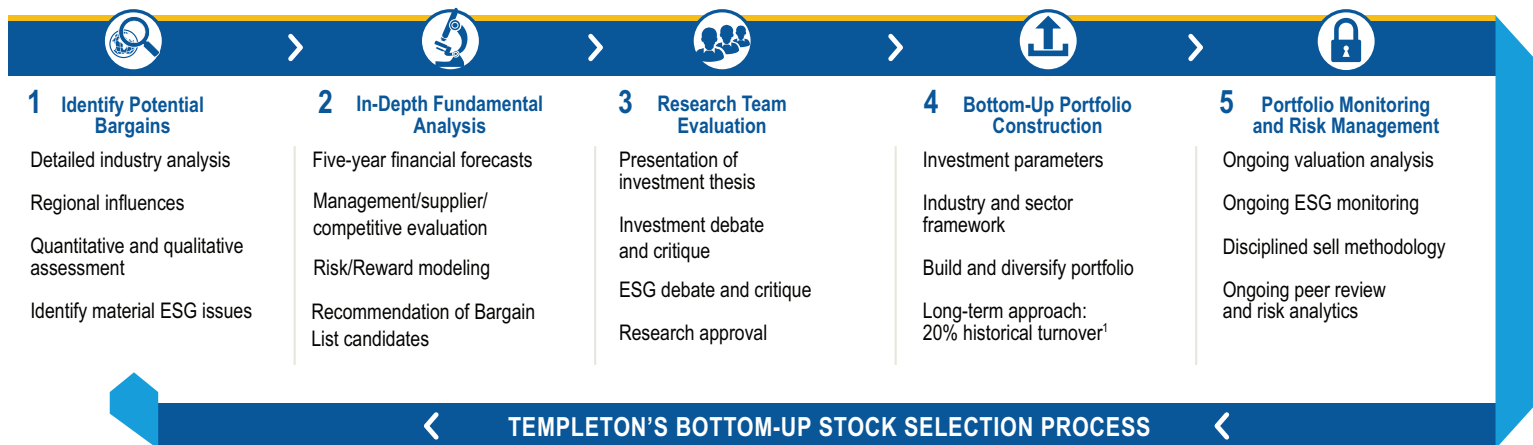
Value	Patience	Bottom-up stock picking
Our flexible approach is applied within a disciplined framework and seeks to identify companies trading at large discounts to their business value.	Our long-term focus gives us a framework to take advantage of price volatility to reveal potential long-term investment opportunities. Patience allows for potential long-term value recognition.	Our portfolio management process seeks to buy pessimism and sell optimism. We build portfolios spanning regions and sectors made up of securities identified through this process.

9. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change. The information provided is not a recommendation to purchase, sell or hold any particular security. The securities or issuers listed do not represent the entire holdings and in the aggregate may represent only a small percentage of such holdings. There is no assurance that securities purchased will remain in the portfolio, or that securities sold will not be repurchased. In addition, it should not be assumed that any securities or issuers listed were or will prove to be profitable. Holdings of the same issuers have been combined. Top ten holdings may differ for individual accounts within the composite. The portfolio manager reserves the right to withhold release of information with respect to holdings that would otherwise be included.

10. Beta, Information Ratio and Tracking Error information are measured against the MSCI All Country World ex US Index-NR.

11. Information Ratio is a way to evaluate a manager's ability to outperform a benchmark in relation to the risk that manager is assuming, with risk defined as deviation from the benchmark. This measure is calculated by dividing the portfolio's excess return (portfolio return less the benchmark return) by the tracking error (derived by taking the standard deviation of the monthly differences between the portfolio return and the benchmark return over time).

Investment Process**



**Historical turnover is based on Templeton Global Equity Group's overall experience, over a five-year period as of most recent quarter end. The turnover is a byproduct of Templeton's long-term approach to managing portfolios, but various factors, such as a portfolio's specific investment guidelines and market or economic conditions may cause actual portfolio turnover to vary. For more information regarding an individual strategy's historical turnover ratio please contact your Franklin Templeton marketing representative.

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Antonio Docal, CFA	20	42
Peter Nori, CFA	34	34
Matthew Nagle, CFA	18	23
	Number of Members	Average Years Experience
Portfolio Managers/Analysts	23	24
Research Analysts	15	13
Additional Resources		
Junior Research Analysts	Global Portfolio Compliance	Global Research Library
Research Technology Group	Global Trading Platform	Investment Risk Management Group
Product Managers	Years with Firm	Years Experience
Ann Reitman, CFA	21	28

What Are The Risks?

All investments involve risks, including possible loss of principal. Foreign investing involves special risks, including currency fluctuations, economic instability and political developments. Investments in developing markets involve heightened risks related to the same factors, in addition to those associated with these markets' small or mid-cap size and lesser liquidity. Because the fund may invest 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. Political, social or economic disruptions in the region, even in countries in which the fund is not invested, may adversely affect the value of securities held by the fund. Current political uncertainty concerning the economic consequences of the departure of the United Kingdom from the European Union may increase market volatility. Value securities may not increase in price as anticipated or may decline further in value. These and other risks are detailed in the fund's prospectus.

Important Information

Returns are presented in U.S. dollars both gross and net (as applicable) of total fund operating expenses, are inclusive of commissions and transaction costs, and assume reinvestment of any dividends, interest income, capital gains, or other earnings. The fund offers another share class subject to different fees and expenses, which affects performance. Periods greater than one year are shown as average annual total returns. Performance data is shown rounded to the nearest hundredth. **Past performance is not an indicator or a guarantee of future performance.**

The MSCI All Country World ex U.S. Index—NR is a free float-adjusted market capitalization weighted equity index comprised of securities in MSCI's developed and emerging market country-specific indexes, excluding the U.S. MSCI EAFE Index -NR is a free float-adjusted market capitalization weighted equity index comprised of securities in MSCI's developed market country-specific indexes, excluding the U.S. and Canada. The benchmarks are used for comparative purposes only and are provided to represent the investment environment existing during the time periods shown. Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, call Franklin Templeton at (800) 321-8563 or visit ftinstitutional.com. Please carefully read a prospectus before you invest or send money.

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