富蘭克林坦伯頓法人機構專用基金-國際股票系列

Templeton Institutional Funds-International Equity Series

半年度財務報告中文簡譯本

2024 年 6 月 30 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。

財務重點

Primary 股	2024 年 6 月 30 日半年度底 (尚未經審計)	截至 12 月 31 日止之年度 2023	2022	2021	2020	2019
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	$10.91	$10.19	$11.96	$15.22	$15.54	$14.87
來自投資操作之收益[a]：						
淨投資收益[b]	0.19	0.49[c]	0.26	0.26	1.03[d]	0.64
淨實現及未實現利得(損失)	0.77	1.77	(1.40)	0.55	(0.32)	1.06
來自投資操作之收益總額	0.96	2.26	(1.14)	0.81	0.71	1.70
扣除配息：						
來自淨投資收益	—	(0.90)	(0.10)	(1.46)	(0.67)	(1.02)
來自淨實現利得	—	(0.64)	(0.53)	(2.61)	(0.36)	(0.01)
配息總額	—	(1.54)	(0.63)	(4.07)	(1.03)	(1.03)
期末淨資產價值	**$11.87**	**$10.91**	**$10.19**	**$11.96**	**$15.22**	**$15.54**
總報酬[e]	8.71%	22.84%	(9.23)%	5.75%	5.30%	11.57%
對應平均淨資產比率[f]						
費用(未扣除關係企業支付或減免款項)	0.90%	0.92%	0.87%	0.94%	0.87%	0.82%
費用(扣除關係企業支付或減免款項)	0.85%	0.88%	0.83%	0.91%	0.84%	0.82%[g]
淨投資收益	3.26%	4.31%[c]	2.35%	1.64%	7.51%[d]	4.13%
補充資料						
期末淨資產(000's)	$102,448	$127,735	$196,051	$386,291	$447,139	$1,695,980
投資組合資金週轉率	20.35%	18.18%[h]	46.42%	44.73%	89.34%	36.83%[h]

a. 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點而定，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無法關聯。
b. 以每日平均流通在外股數為基礎。
c. 每股淨投資收益包括約每股$0.23 有關特定基金扣繳的歐盟稅款回收之調整。如排除此金額，淨投資收益佔平均淨資產之比率將為 2.34%。
d. 每股淨投資收益包括約每股$0.77 有關特定基金扣繳的歐盟稅款回收之調整。如排除此金額，淨投資收益佔平均淨資產之比率將為 1.86%，且全部的收益將為(0.03)%。
e. 低於一年期間的總報酬數字未年化。
f. 低於一年期間的年化比率。
g. 關係企業支付或減免款項的利益四捨五入到小於 0.01%。
h. 不包括由於非現金贖回而交付的有價證券的價值。

富蘭克林坦伯頓法人機構專用基金–國際股票系列

資產負債表

2024 年 6 月 30 日（尚未經審計）

資產：	
證券投資：	
成本 – 非關係企業上市公司	$69,746,226
成本 – 非控制關係企業上市公司(附註 3d)	6,283,996
價值 – 非關係企業上市公司(包含證券借出$3,915,369)	$98,935,927
價值 – 非控制關係企業上市公司(附註 3d)	6,283,996
外幣價值(成本$2,911)	2,944
應收款項：	
股本銷售款	440,177
股利	3,393,637
歐盟稅款回收(附註 1e)	186,912
關係企業	1,035
經紀商保證金：	
期貨合約	81,831
期貨合約變動保證金	2,601
資產合計	109,329,060
負債：	
應付款項：	
股本贖回款	180
股務代理機構費用	4,448
董事酬金與費用	5,806
針對歐盟回收稅款之美國國稅局結算協議款項(附註 1e)	2,466,990
保管機構墊付資金	31
依證券借出的返還支付（附註 1d）	4,144,555
遞延稅款	36,664
應計費用及其他負債	77,136
負債合計	6,735,810
淨資產價值	$102,593,250
淨資產包含：	
實收資本	$62,007,940
可分配利得(損失)總額	40,585,310
淨資產價值	$102,593,250

Primary 股：

淨資產價值	$102,448,000
流通在外股份	8,629,440
每股淨資產價值 [a]	$11.87

a. 由於四捨五入，每股淨值可能不會重新計算。

富蘭克林坦伯頓法人機構專用基金–國際股票系列

經營業績表

截至 2024 年 6 月 30 日止之半年度（尚未經審計）

投資收益：	
股利：（扣除外國稅額 $123,068）	
非關係企業上市公司	$2,223,417
非控制關係企業上市公司(附註 3d)	79,666
利息：	
非關係企業上市公司	1,940
來自借出證券的收益：	
非關係企業上市公司(扣除費用和退款)	(2,948)
非控制關係企業上市公司(附註 3d)	5,414
其他收益(附註 1e)	2,212
扣除：針對歐盟回收稅款之美國國稅局結算協議款項(附註 1e)	(109,967)
總投資收益	2,199,734
費用：	
管理費用(附註 3a)	414,614
股務代理機構費用(附註 3c)	
Primary 股	15,795
Service 股	77
次股務代理機構費用- Service 股(附註 3c)	106
保管機構費用	6,158
股東報告書費用	3,143
註冊與申報費用	23,175
專業人士費用	38,577
董事酬金與費用	12,132
其他	(34,570)
總費用	479,207
由關係企業減免/支付的費用(附註 3d 及 3e)	(24,535)
淨費用	454,672
淨投資收益	1,745,062
實現與未實現利得(損失)：	
淨實現利得(損失)來自：	
投資：（扣除外國稅額 $2,974）	
非關係企業上市公司	11,508,107
外幣交易	12,402
期貨合約	127,327
淨實現利得(損失)	11,647,836
淨未實現溢價(折價)在：	
投資：	
非關係企業上市公司	(4,662,502)
以外幣計價之其他資產與負債換算	(116,247)
期貨合約	(65,900)
未實現溢價之遞延稅款變動	(36,664)
淨未實現溢價(折價)	(4,881,313)
淨實現與未實現利得(損失)	6,766,523
淨資產在營運操作上的淨增加(減少)	$8,511,585

富蘭克林坦伯頓法人機構專用基金-國際股票系列

淨資產變動表

	2024 年 6 月 30 日 半年度底 (尚未經審計)	2023 年 12 月 31 日 年度底
淨資產增加(減少)：		
營運操作：		
淨投資收益	$1,745,062	$7,668,743
淨實現利得(損失)	11,647,836	20,108,897
淨未實現溢價(折價)變動	(4,881,313)	4,156,901
淨資產在營運操作上的淨增加(減少)	8,511,585	31,934,541
對股東配息		
Primary 股	—	(17,093,312)
Service 股	—	(18,325)
對股東的配息總額	—	(17,111,637)
股本交易(附註 2)		
Primary 股	(33,787,186)	(83,129,418)
Service 股	(2,137)	3,731
股本交易總額	(33,789,323)	(83,125,687)
淨資產的增加(減少)	(25,277,738)	(68,302,783)
淨資產		
年度期初	127,870,988	196,173,771
年度期末	$102,593,250	$127,870,988

富蘭克林坦伯頓法人機構專用基金-國際股票系列

財務報告附註（尚未經審計）

1. 組織結構與重要會計政策

坦伯頓法人機構基金（簡稱本信託）是依據美國 1940 年投資公司法案（簡稱為 1940 法案）註冊成立的開放式投資公司，其包括兩檔個別基金（**富蘭克林坦伯頓法人機構專用基金－國際股票系列**為其中之一）。本基金遵循美國財務會計準則委員會(FASB)所認定之 Accounting Standards Codification Topic 946（財務服務：投資公司（ASC946））且採用美國一般公認會計原則（U.S. GAAP）之專業會計和報導指南，包括但不限於 ASC946。**富蘭克林坦伯頓法人機構專用基金－國際股票系列**提供兩種股份類別：Primary 股與 Service 股。各股份類別的首次銷售手續費、或有遞延銷售手續費、對單一股份具影響之事件的投票權、轉換權益、不同約定之分銷費用及股務代理機構費用皆有所不同。

本基金重要會計政策摘要如下：

a. 財務工具評價

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

在證券交易所或那斯達克交易系統掛牌之股票以及衍生性金融商品是分別以最後公告售價或當日官方收盤價格計價。外國證券是以證券主要交易之外國證券交易所或是東部時間下午四點的收盤價估值，其價格將以外國證券依每個營業日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。

債權證券通常是在店頭市場而不在證券交易所進行交易。本基金的定價服務是使用多種評價技術來決定其公平價值。於交易活絡的市場，定價服務可能利用市場基礎法（market-based approach），即使用證券交易公司的報價來決定公平價值。於交易不活絡或有所限制的市場，定價服務亦使用財產評價模型（proprietary valuation model），其考量了市場特性（例如：基準收益率曲線、信用價差、估計違約率、預期市場利率變動性、票券利率、本金付款期待時間、擔保品及其他獨特的證券特性）來評估相關的現金流量，並再用折現法計算公平價值。外幣計價的證券係以東部時間下午四點的匯率轉換至美元，以決定外國債權證券之價值。

投資於開放式共同基金則以結算後的淨資產價值評價。

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

富蘭克林坦伯頓法人機構專用基金-國際股票系列

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)

某些外國市場的交易並不會發生在每一個基金的營業日內。有時候，在外國證券交易完畢與東部時間下午四點之間的時間裡發生的事件可能對本基金所持有之投資組合證券價值的可信度造成影響。因此，由外國市場收盤後所決定之基金組合證券價格與東部時間下午四點最近的價格間，可能會產生差異。為了最小化這些潛在的差異，本基金得採用獨立定價服務將投資組合證券的價值調整至東部時間下午四點最新指標的公平價值。截至 2024 年 6 月 30 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“市場公平價值”）。更多說明，請參閱“公平價值衡量”附註。

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

b. 外幣轉換

投資組合中以外幣結算的證券以及其他資產與負債，是在估值日以這類外幣對美元的匯率轉換成美元來定價。本基金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的淨實現與未實現投資利益或損失中。

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

c. 衍生性金融商品

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

擔保品要求依衍生性金融商品種類而不同。抵押品或初始保證金要求由經紀商或交易所外匯交易和設定集中清算衍生品。初始保證金存放在交易所，可以是現金和/或證券的形式。

本基金買入或賣出交易所交易之期貨契約主要係為了管理曝險於股票價格風險。期貨合約是本基金與交易對手之間在未來日期以指定價格買賣資產的協議。所需初始保證金由本基金質押，公允價值依照每日保證金變動核算作為應付或應收並記載於在資產負債表中。

請參照附註 6 有關其他衍生性金融商品資訊之說明。

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%的金額之現金擔保品和/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擔保品習慣被投資於富蘭克林顧問公司（其為本基金的關係企業）所管理的貨幣市場基金裡。這些證券在基金託管人的獨立帳戶中作為抵押品持有。基金不能再質押或轉售這些作為抵押品持有的證券。因此，非現金抵押品不包括在資產負債表中。本基金收取來自現金擔保品的投資收益，以及從借貸者收取出借費用與回扣。來自借出證券的收益，扣除支付予證券借貸機構以及/或是第三方供應商的費用，已分別記錄於經營業績表中。本基金承擔有關現金擔保品投資與證券借出的市場風險，以及代理機構違反其對本基金義務的風險。如果借貸者違反其應返還借出證券的義務，本基金有權利運用所收取的擔保品於公開市場再買回這些證券。證券借貸機構已同意賠償本基金由第三方借入者產生的違約風險。

e. 所得稅與遞延稅

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

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

由於遍及歐盟一些國家的幾個訴訟案件結果，本基金已經為以前在這些國家所賺取股利的代扣稅款申報追加的回收稅款（歐盟回收）。已認可收益，若有的話，這些歐盟回收金額是以其他收益反映於經營業績表中，而任何相關應收款項，若有的話，是以歐盟稅款回收反映於資產負債表中。而與以上相關之費用也將反映在經營業績表的其他費用上。當這些訴訟的最終裁決、取得這些回收稅款的可能性以及付款的可能時間安排尚存有不確定性時，則無金額得以被反映於財務報表中。就美國所得稅目的，本基金所收取的歐盟回收稅款，若有的話，將減少外國稅捐金額而使本基金股東得在個人所得稅申報單中作為減稅或抵免。如果本基金在一個財政年度收到的歐盟回收款項超過本基金支付的外國預扣稅，並且本基金之前已將其轉嫁給其股東的外國稅款用於作為股東收入的抵免或扣除納稅申報表後，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）審查時認為不明確稅項低於 50%的可能性持續情況下，本基金才會承認不明確稅項的賦稅利益。截至 2024 年 6 月 30 日止及所有開放稅賦年度，本基金認為沒有因被要求於納稅申報表所揭有關不明確稅項之納稅申報（或預計在未來進行納稅申報）之未承認賦稅利益而產生的負債。開放稅賦年度為基於稅賦管轄權之法定時效限制下仍須接受審查的年度。

f. 證券交易、投資收益、費用及配息

證券交易是在交易日作入帳。證券交易之已實現利得或損失則決定於特定基礎。利息收入(如果有的話，包括實物支付證券的利息收入）與預估費用則每日計提。利息收入包括債券折價及溢價攤銷。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

1. 組織結構與重要會計政策(承續前文)

f. 證券交易、投資收益、費用及配息(承續前文)

所決定的可分配盈餘可能不同於依照一般美國公認會計準則所紀錄的盈餘。這些差異可能是永久或是暫時的。在資本帳戶中，永久性差異將被重新分類以反映其稅賦特性。這些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。

本信託所招致的共同費用，將依個別基金的淨資產佔本信託的聯合總淨資產的比率來配置到個別基金，或是根據每個基金的股東人數與信託的總股東人數的比率。個別基金單獨招致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。

2. 基金股份

截至 2024 年 6 月 30 日，本基金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 6 月 30 日止之半年度		截至 12 月 31 日止之年度	
	2024 年		2023 年	
	股份	金額	股份	金額
Primary 股：				
股份銷售	692,523	$7,897,247	1,390,671	$15,553,199
配息轉入再投資之股份發行	—	—	1,536,843	16,457,252
股份實物贖回（附註9）	—	—	(5,437,954)	(59,545,598)
股份贖回	(3,770,038)	(41,684,433)	(5,026,589)	(55,594,271)
淨增加(減少)	(3,077,515)	$(33,787,186)	(7,537,029)	$(83,129,418)

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 Investment Counsel, LLC (TIC)	投資經理公司
Franklin Templeton Investments Corp. (FTIC)	投資經理公司
Franklin Templeton Services, LLC (FT Services)	行政經理公司
Franklin Templeton Distributors, Inc. (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，每日計算並每月支付 TIC 的投資管理費用，詳如下表所示：

年化費率	淨資產
0.775%	不超過（含）五億美元
0.755%	超過五億美元，不超過（含）十億美元
0.735%	超過十億美元，不超過（含）五十億美元
0.715%	超過五十億美元，不超過（含）一百億美元
0.695%	超過一百億美元，不超過（含）一百五十億美元
0.675%	超過一百五十億美元

截至 2024 年 6 月 30 日，有效年化投資管理費率為基金平均每日淨資產的 0.775%。

b. 行政費用

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

c. 股務代理機構費用

每個基金股份為 Investor Services 執行對股東服務職責，每月計算並按月支付股務代理機構費用。Investor Services 所獲取的費用為固定利潤基礎，並根據相對資產及相對交易配置於各基金。此外，每個股份償付 Investor Services 的墊付款項以及支付予第三方的股東服務費用。這些支付予第三方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。

在截至 2024 年 6 月 30 日，本基金支付股務代理機構的費用已標示於經營業績表中，其中$13,808 美元是用以支付 Investor Services。

Service 股將支付不超過 0.15%每日平均淨資產的次股務代理機構費用，本基金支付次股務代理機構的費用已列示於經營業績表中。

d. 投資於關係企業管理投資公司

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

3. 與關係企業的交易(承續前文)

d. 投資於關係企業管理投資公司(承續前文)

在截至 2024 年 6 月 30 日止之半年度，本基金投資在關係企業管理投資公司明細如下：

上市公司名稱	期初價值	申購	賣出	已實現資本利得(損失)	未實現溢價(折價)之淨變動	期末價值	期末持有股數	投資收益
非控制關係企業								
Institutional Fiduciary Trust Money Market Portfolio, 4.972%	$2,548,785	$23,804,313	$(24,213,657)	$ —	$ —	$2,139,441	2,139,441	股利 $79,666
Institutional Fiduciary Trust Money Market Portfolio, 4.972%	$221,250	$4,192,430	$(269,125)	$—	$—	$4,144,555	4,144,555	來自借出證券收益 $5,414
關係企業證券總額	$2,770,035	$27,996,743	$(24,482,782)	$ —	$ —	$6,283,996		$85,080

e. 免除與費用償還

TIC 已提前簽訂協定，在 2025 年 4 月 30 日之前，將國際股票系列的投資管理費限制在基金平均日淨資產的 0.74%。本基金會計年度結束後不會重新收回已豁免或已支付的總費用。

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。

基於所得稅目的，於 2024 年 6 月 30 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	$78,025,987
未實現溢價	$31,541,575
未實現折價	(4,332,382)
淨未實現溢價(折價)	$27,209,193

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、沖銷性交易、歐盟稅款回收、被動式國外投資公司股份以及衍生金融工具和實物交易之處理不同而影響分配的特性所致。

5. 投資交易

截至2024年6月30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$20,775,922美元及$51,349,051美元。

截至 2024 年 6 月 30 日，有關借出證券交易，本基金因借出投資收取現金擔保品如下：

借出證券交易 [a]：

股權投資 [b]	$4,144,555

a. 此協議可隨時終止。

b. 此類交易的已確認負債總額包括於資產負債表中應付款項之依證券借出的返還支付裡。

6. 其他衍生性金融商品資訊

截至 2024 年 6 月 30 日，本基金對衍生性金融商品合約的投資反應在資產負債表中，如下所示：

	衍生性工具之資產		衍生性工具之負債	
未列入避險工具的衍生性商品合約	資產負債表位置	公平價值	資產負債表位置	公平價值
股權契約				
	期貨合約的變動保證金	$15,257[a]	期貨合約變動保證金	$—
總計		$15,257		$—

a. 該金額反映了投資報表中報告的期貨合約累計升值（折價）。期末應收/應付的變動保證金僅於資產負債表中單獨報告。先前變動保證金之變動於收到或付款時記載為現金。

截至 2024 年 6 月 30 日止之半年度，衍生金融商品合約在經營績效表中之影響如下：

未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：	
股權契約	期貨合約	$127,327	期貨合約	$(65,900)
合計		$127,327		$(65,900)

截至 2024 年 6 月 30 日之半年度，期貨合約的平均月末名目金額為$2,301,614 美元。

有關衍生金融工具，請參見附註 1(c)。

7. 集中風險

投資於外國證券可能含有特定風險，須考量的因素也與投資美國證券的一般相關事項不同，例如貨幣價值的波動及當地與地區經濟、政治及社會情況的變動等，該因素可能導致大幅度的市場波動。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低於美國證券。

8. 信用工具

本基金與富蘭克林坦伯頓基金集團所管理的其他美國註冊以及外國投資基金（全體地，以下稱「全體借用人」）共同簽定一項於 2025 年 1 月 31 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以提供予全體借用人因應暫時與緊急目的，包括有能力去應付未來無預期或不尋常的大量贖回需求。

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。這些費用已反映於經營業績表的其他費用中。截至2024年6月30日止，本基金並未動用全球信用工具貸款。

9. 實物贖回

截至 2023 年 12 月 31 日止年度，本基金國際股票系列透過實物贖回已實現$8,468,998 美元的淨收益，其為股東贖回基金股份而取得本基金所持有的現金和投資組合證券。因為此類收益不對基金徵稅，也未分配於剩餘股東，並從累計已實現淨收益重新分類為實收資本。

10. 公平價值衡量

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

- 等級 1－用同一財務工具的現行市場報價
- 等級 2－其他重要的明顯信息(包括對於相類似財務工具的報價、利率、預付款項速度及信用風險等)
- 等級 3－重要的非明顯信息(包括基金決定財務工具的公平價值之自行假設)

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 2024 年 6 月 30 日止，評估本基金資產及負債之公平價值所包含的輸入等級概要：

	等級 1	等級 2	等級 3	合計
資產：				
證券投資：				
股權投資：				
比利時	$—	$1,317,527	$—	$1,317,527
加拿大	3,132,909	—	—	3,132,909
智利	—	2,088,959	—	2,088,959
中國	1,566,642	—	—	1,566,642
丹麥	—	1,502,916	—	1,502,916
法國	—	9,759,260	—	9,759,260
德國	—	10,398,377	—	10,398,377
匈牙利	961,130	—	—	961,130
印度	—	1,680,057	—	1,680,057
愛爾蘭	—	1,743,207	—	1,743,207
日本	—	11,809,642	—	11,809,642
荷蘭	—	2,774,325	—	2,774,325
挪威	—	1,454,448	—	1,454,448
南韓	—	5,385,786	—	5,385,786
瑞典	—	1,430,907	—	1,430,907
瑞士	—	1,182,584	—	1,182,584
台灣	—	3,379,555	—	3,379,555
英國	668,328	15,973,958	—	15,973,958
美國	6,250,729	14,474,681	—	20,725,410
託管和訴訟信託	—	—	—[a]	—
短期投資	6,283,996	—	—	6,283,996
證券投資總額	$18,863,734	$86,356,189[b]	$—	$105,219,923
其他金融工具：				
期貨合約	$15,257	$—	$—	$15,257
其他金融工具總額	$15,257	$—	$—	$15,257

a.包括的金融工具已評定無價值。

b.包括價值$86,356,189 美元的外國證券，由於應用了市場公平價值，這些證券被歸類為等級 2。有關更多資訊，請參閱金融衍生工具評價說明。

當在期初以及/或期末有顯著的等級 3 投資時，資產調節係以使用等級 3 信息來決定其公平價值。

11. 期後事項

本基金已評量截至本財報公告日期間的期後事項，確定沒有發生應行揭露的事項。

TIF International Equity Series

Primary Shares [TFEQX]

Semi-Annual Shareholder Report | June 30, 2024

FRANKLIN TEMPLETON

This semi-annual shareholder report contains important information about TIF International Equity Series for the period January 1, 2024, to June 30, 2024.
You can find additional information about the Fund at https://www.franklintempleton.com/regulatory-fund-documents. You can also request this information by contacting us at (800) 321-8563.

WHAT WERE THE FUND COSTS FOR THE LAST SIX MONTHS? (based on a hypothetical $10,000 investment)

Class Name	Costs of a $10,000 investment	Costs paid as a percentage of a $10,000 investment*,†
Primary Shares	$44	0.85%

* Reflects fee waivers and/or expense reimbursements, without which expenses would have been higher.
† Annualized.

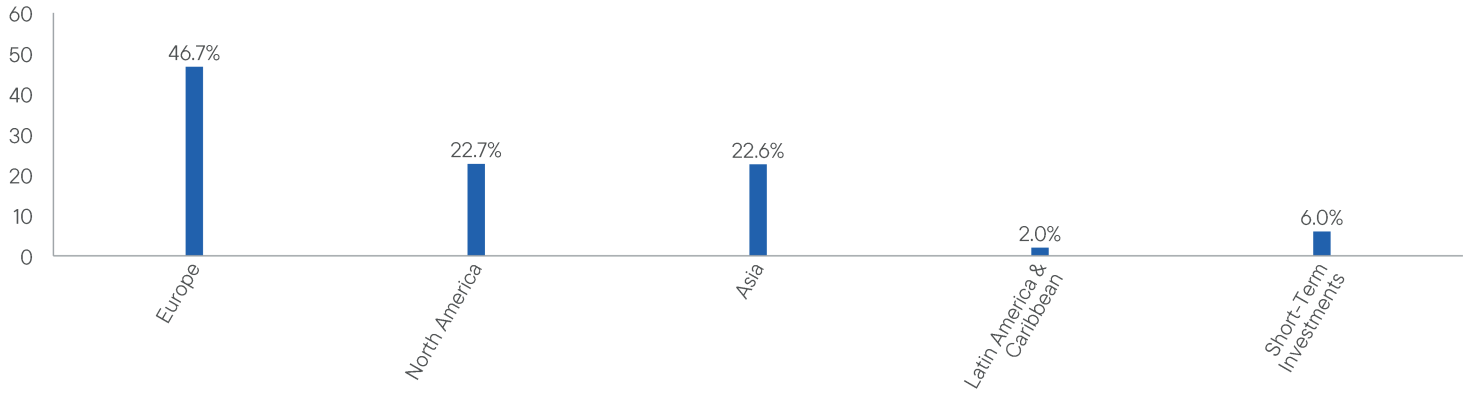
KEY FUND STATISTICS (as of June 30, 2024)

Total Net Assets	$102,593,250
Total Number of Portfolio Holdings*	54
Portfolio Turnover Rate	20.35%

* Does not include derivatives, except purchased options, if any.

WHAT DID THE FUND INVEST IN? (as of June 30, 2024)

Portfolio Composition* (% of Total Investments)



* Does not include derivatives, except purchased options, if any.

WHERE CAN I FIND ADDITIONAL INFORMATION ABOUT THE FUND?

Additional information is available on https://www.franklintempleton.com/regulatory-fund-documents, including its:

• prospectus • proxy voting information • financial information • holdings • tax information

FRANKLIN TEMPLETON

Templeton Institutional Funds

Financial Statements and Other Important Information

Semi-Annual | June 30, 2024

Foreign Smaller Companies Series

International Equity Series

Table of Contents

Financial Highlights and Schedules of Investments	**2**
Financial Statements	**13**
Notes to Financial Statements	**16**
Changes In and Disagreements with Accountants	**28**
Results of Meeting(s) of Shareholders	**28**
Remuneration Paid to Directors, Officers and Others	**28**
Board Approval of Management and Subadvisory Agreements	**28**

Financial Highlights

Foreign Smaller Companies Series

	Six Months Ended June 30, 2024 (unaudited)	Year Ended December 31,				
		2023	2022	2021	2020	2019
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	$18.67	$16.35	$21.80	$23.03	$21.40	$17.96
Income from investment operations[a]:						
Net investment income[b]	0.14	0.26	0.31	0.28	0.17	0.30
Net realized and unrealized gains (losses)	(0.09)	2.30	(5.38)	2.07	1.74	3.79
Total from investment operations	0.05	2.56	(5.07)	2.35	1.91	4.09
Less distributions from:						
Net investment income	—	(0.24)	(0.32)	(0.28)	(0.22)	(0.37)
Net realized gains	—	—	(0.06)	(3.30)	(0.06)	(0.28)
Total distributions	—	(0.24)	(0.38)	(3.58)	(0.28)	(0.65)
Net asset value, end of period	$18.72	$18.67	$16.35	$21.80	$23.03	$21.40
Total return[c]	0.27%	15.75%	(23.19)%	10.72%	8.95%	22.86%
Ratios to average net assets[d]						
Expenses before waiver and payments by affiliates	1.09%	1.09%	1.02%	1.04%	1.04%	1.02%
Expenses net of waiver and payments by affiliates	1.09%[e]	1.09%[e]	1.02%[e]	1.04%[e]	1.03%	1.02%[e]
Net investment income	1.53%	1.49%	1.76%	1.13%	0.87%	1.48%
Supplemental data						
Net assets, end of period (000's)	$160,345	$191,256	$353,380	$739,717	$725,098	$782,971
Portfolio turnover rate	17.65%	36.62%	16.54%	31.09%	34.89%	39.48%

[a]The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.
[b]Based on average daily shares outstanding.
[c]Total return is not annualized for periods less than one year.
[d]Ratios are annualized for periods less than one year.
[e]Benefit of waiver and payments by affiliates rounds to less than 0.01%.

Schedule of Investments (unaudited), June 30, 2024

Foreign Smaller Companies Series

	Industry	Shares	Value
Common Stocks 94.7%			
Austria 1.0%			
DO & CO AG	Commercial Services & Supplies	8,733	$1,554,815
Bahamas 1.8%			
[a]OneSpaWorld Holdings Ltd.	Diversified Consumer Services	187,955	2,888,868
Belgium 1.4%			
Barco NV	Electronic Equipment, Instruments & Components	103,640	1,146,384
Kinepolis Group NV	Entertainment	29,930	1,089,415
			2,235,799
Brazil 2.8%			
Camil Alimentos SA.	Food Products	966,600	1,426,467
Dexco SA	Paper & Forest Products	1,220,800	1,432,549
M Dias Branco SA.	Food Products	191,400	1,004,188
Tres Tentos Agroindustrial SA	Food Products	354,700	626,872
			4,490,076
Canada 4.4%			
Canaccord Genuity Group, Inc.	Capital Markets	149,200	922,549
Canadian Western Bank	Banks	101,654	3,223,031
Computer Modelling Group Ltd.	Software	308,104	2,970,247
			7,115,827
China 1.5%			
[b]JNBY Design Ltd., Reg S	Textiles, Apparel & Luxury Goods	598,000	1,161,657
Xtep International Holdings Ltd.	Textiles, Apparel & Luxury Goods	1,886,144	1,158,844
			2,320,501
Denmark 0.5%			
Matas A/S	Specialty Retail	48,859	812,524
Finland 2.0%			
[c]Fiskars OYJ Abp	Household Durables	46,991	818,444
Huhtamaki OYJ.	Containers & Packaging	58,242	2,329,490
			3,147,934
France 0.4%			
Kaufman & Broad SA	Household Durables	25,137	690,852
Germany 5.6%			
[c]Adesso SE	IT Services	9,959	894,444
Duerr AG	Machinery	34,206	723,974
[c]Gerresheimer AG	Life Sciences Tools & Services	13,691	1,471,485
Jenoptik AG	Electronic Equipment, Instruments & Components	46,695	1,349,124
[a,b]Montana Aerospace AG, 144A, Reg S	Aerospace & Defense	78,546	1,637,060
Rational AG	Machinery	2,240	1,857,490
Stabilus SE	Machinery	23,360	1,070,547
			9,004,124
Greece 0.7%			
JUMBO SA	Specialty Retail	37,208	1,071,262
Hong Kong 3.1%			
Techtronic Industries Co. Ltd.	Machinery	207,000	2,359,777
VTech Holdings Ltd.	Communications Equipment	349,500	2,612,961
			4,972,738

Foreign Smaller Companies Series (continued)

	Industry	Shares	Value
Common Stocks (continued)			
India 1.9%			
Exide Industries Ltd.	Automobile Components	452,275	$3,061,052
Indonesia 0.6%			
Industri Jamu Dan Farmasi Sido Muncul Tbk. PT	Personal Care Products	21,178,600	1,002,346
Israel 1.0%			
Maytronics Ltd.	Household Durables	49,895	186,392
[a]Nayax Ltd.	Electronic Equipment, Instruments & Components	67,868	1,438,013
			1,624,405
Italy 8.9%			
Brunello Cucinelli SpA.	Textiles, Apparel & Luxury Goods	18,445	1,841,180
[b]Carel Industries SpA, 144A, Reg S	Building Products	34,785	644,567
Intercos SpA	Personal Care Products	118,810	1,926,677
Interpump Group SpA	Machinery	52,929	2,348,638
LU-VE SpA	Building Products	28,057	779,846
Sanlorenzo SpA	Leisure Products	65,579	2,715,885
[a,c]Seco SpA	Technology Hardware, Storage & Peripherals	255,467	823,628
[b]Technogym SpA, 144A, Reg S	Leisure Products	312,531	3,215,352
			14,295,773
Japan 19.1%			
Anicom Holdings, Inc.	Insurance	150,800	631,622
Asics Corp.	Textiles, Apparel & Luxury Goods	182,200	2,809,628
Bunka Shutter Co. Ltd.	Building Products	99,400	1,094,534
CKD Corp.	Machinery	105,800	2,099,713
Glory Ltd.	Machinery	45,100	787,688
Idec Corp.	Electrical Equipment	62,800	1,159,083
IDOM, Inc.	Specialty Retail	219,400	1,905,449
Kaneka Corp.	Chemicals	65,000	1,712,053
MEITEC Group Holdings, Inc.	Professional Services	131,500	2,666,026
Morinaga & Co. Ltd.	Food Products	41,800	649,387
Nichiha Corp.	Building Products	101,200	2,157,890
Nissei ASB Machine Co. Ltd.	Machinery	57,500	1,984,503
Qol Holdings Co. Ltd.	Consumer Staples Distribution & Retail	87,900	815,860
Roland Corp.	Leisure Products	48,800	1,236,070
Sato Holdings Corp.	Commercial Services & Supplies	86,600	1,165,392
[c]Shima Seiki Manufacturing Ltd.	Machinery	120,400	1,268,160
Shoei Co. Ltd.	Automobile Components	38,700	472,493
TechnoPro Holdings, Inc.	Professional Services	108,600	1,779,026
Topcon Corp.	Electronic Equipment, Instruments & Components	105,100	1,183,518
Tsumura & Co.	Pharmaceuticals	121,300	3,095,369
			30,673,464
Mexico 0.7%			
[a,b]Grupo Traxion SAB de CV, A, 144A, Reg S	Ground Transportation	779,074	1,159,692
New Zealand 1.0%			
Summerset Group Holdings Ltd.	Health Care Providers & Services	280,798	1,624,759
Norway 1.4%			
TGS ASA	Energy Equipment & Services	180,518	2,165,450
Philippines 2.1%			
Century Pacific Food, Inc.	Food Products	3,281,100	1,803,511

Foreign Smaller Companies Series (continued)

	Industry	Shares	Value
Common Stocks (continued)			
Philippines (continued)			
Puregold Price Club, Inc.	Consumer Staples Distribution & Retail	3,577,300	$1,480,093
			3,283,604
Portugal 0.6%			
[c]Corticeira Amorim SGPS SA	Containers & Packaging	105,605	1,019,153
South Korea 4.3%			
BNK Financial Group, Inc.	Banks	177,970	1,091,196
DGB Financial Group, Inc.	Banks	183,605	1,066,335
i-SENS, Inc.	Health Care Equipment & Supplies	98,313	1,344,911
[a]Jeisys Medical, Inc.	Health Care Equipment & Supplies	166,379	1,545,871
NongShim Co. Ltd.	Food Products	5,085	1,797,906
			6,846,219
Sweden 2.8%			
[b]Dometic Group AB, 144A	Automobile Components	198,473	1,258,618
Electrolux Professional AB, B	Machinery	199,973	1,324,049
Tethys Oil AB	Oil, Gas & Consumable Fuels	158,714	509,990
[b]Thule Group AB, 144A, Reg S	Leisure Products	52,833	1,380,191
			4,472,848
Switzerland 4.6%			
Bucher Industries AG	Machinery	5,450	2,192,368
[c]Logitech International SA	Technology Hardware, Storage & Peripherals	9,413	911,931
[b]Medacta Group SA, 144A, Reg S	Health Care Equipment & Supplies	13,154	1,789,202
Siegfried Holding AG	Life Sciences Tools & Services	2,367	2,455,076
			7,348,577
Taiwan 7.0%			
Chicony Electronics Co. Ltd.	Technology Hardware, Storage & Peripherals	61,037	320,482
Giant Manufacturing Co. Ltd.	Leisure Products	127,482	830,858
Johnson Health Tech Co. Ltd.	Leisure Products	370,000	1,009,750
King Yuan Electronics Co. Ltd.	Semiconductors & Semiconductor Equipment	475,000	1,731,957
Merida Industry Co. Ltd.	Leisure Products	193,000	1,283,727
Nien Made Enterprise Co. Ltd.	Household Durables	78,000	934,927
Primax Electronics Ltd.	Electronic Equipment, Instruments & Components	462,000	1,336,327
Shin Zu Shing Co. Ltd.	Machinery	229,000	1,720,930
Topkey Corp.	Leisure Products	130,000	800,689
Tripod Technology Corp.	Electronic Equipment, Instruments & Components	190,000	1,272,862
			11,242,509
Thailand 1.9%			
Hana Microelectronics PCL	Electronic Equipment, Instruments & Components	1,129,400	1,419,346
Major Cineplex Group PCL	Entertainment	2,915,900	991,835
TOA Paint Thailand PCL	Chemicals	1,162,200	626,591
TOA Paint Thailand PCL, NVDR	Chemicals	120,700	65,074
			3,102,846
United Kingdom 10.4%			
Coats Group plc	Textiles, Apparel & Luxury Goods	1,331,129	1,332,735
Fevertree Drinks plc	Beverages	137,101	1,878,748
Greggs plc	Hotels, Restaurants & Leisure	56,930	1,994,955
[b]Ibstock plc, 144A, Reg S	Construction Materials	421,204	825,321
Johnson Service Group plc	Commercial Services & Supplies	502,820	1,003,040
Man Group plc	Capital Markets	921,687	2,816,295

Foreign Smaller Companies Series (continued)

	Industry	Shares	Value
Common Stocks (continued)			
United Kingdom (continued)			
Oxford Instruments plc	Electronic Equipment, Instruments & Components	47,434	$1,475,942
Pagegroup plc	Professional Services	321,992	1,735,171
Rathbones Group plc	Capital Markets	80,176	1,701,026
Savills plc	Real Estate Management & Development	68,816	969,110
[a,b]Watches of Switzerland Group plc, 144A	Specialty Retail	192,627	1,004,940
			16,737,283
United States 1.2%			
Axis Capital Holdings Ltd.	Insurance	12,714	898,244
[a,c]IMAX Corp.	Entertainment	61,767	1,035,833
			1,934,077
Total Common Stocks (Cost $111,355,229)			**151,899,377**

Short Term Investments 0.8%

	Shares	Value
[d]**Investments from Cash Collateral Received for Loaned Securities 0.8%**		
Money Market Funds 0.8%		
[e,f]Institutional Fiduciary Trust - Money Market Portfolio, 4.972%	1,205,427	1,205,427
Total Investments from Cash Collateral Received for Loaned Securities (Cost $1,205,427)		**1,205,427**
Total Short Term Investments (Cost $1,205,427)		**1,205,427**
Total Investments (Cost $112,560,656) 95.5%		**$153,104,804**
Other Assets, less Liabilities 4.5%		**7,239,982**
Net Assets 100.0%		**$160,344,786**

See Abbreviations on page 27.

[a] Non-income producing.
[b] Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At June 30, 2024, the aggregate value of these securities was $14,076,600, representing 8.8% of net assets.
[c] A portion or all of the security is on loan at June 30, 2024. See Note 1(d).
[d] See Note 1(d) regarding securities on loan.
[e] See Note 3(d) regarding investments in affiliated management investment companies.
[f] The rate shown is the annualized seven-day effective yield at period end.

Financial Highlights

International Equity Series

	Six Months Ended June 30, 2024 (unaudited)	Year Ended December 31, 2023	2022	2021	2020	2019
Primary Shares						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	$10.91	$10.19	$11.96	$15.22	$15.54	$14.87
Income from investment operations[a]:						
Net investment income[b]	0.19	0.49[c]	0.26	0.26	1.03[d]	0.64
Net realized and unrealized gains (losses)	0.77	1.77	(1.40)	0.55	(0.32)	1.06
Total from investment operations	0.96	2.26	(1.14)	0.81	0.71	1.70
Less distributions from:						
Net investment income	—	(0.90)	(0.10)	(1.46)	(0.67)	(1.02)
Net realized gains	—	(0.64)	(0.53)	(2.61)	(0.36)	(0.01)
Total distributions	—	(1.54)	(0.63)	(4.07)	(1.03)	(1.03)
Net asset value, end of period	$11.87	$10.91	$10.19	$11.96	$15.22	$15.54
Total return[e]	8.71%	22.84%	(9.23)%	5.75%	5.30%	11.57%
Ratios to average net assets[f]						
Expenses before waiver and payments by affiliates	0.90%	0.92%	0.87%	0.94%	0.87%	0.82%
Expenses net of waiver and payments by affiliates	0.85%	0.88%	0.83%	0.91%	0.84%	0.82%[g]
Net investment income	3.26%	4.31%[c]	2.35%	1.64%	7.51%[d]	4.13%
Supplemental data						
Net assets, end of period (000's)	$102,448	$127,735	$196,051	$386,291	$447,139	$1,695,980
Portfolio turnover rate	20.35%	18.18%[h]	46.42%	44.73%	89.34%	36.83%[h]

[a]The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.
[b]Based on average daily shares outstanding.
[c]Net investment income per share includes approximately $0.23 per share related to income received in the form of EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.34%.
[d]Net investment income per share includes approximately $0.77 per share related to income received in the form of EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.86% and total return would have been (0.03)%.
[e]Total return is not annualized for periods less than one year.
[f]Ratios are annualized for periods less than one year.
[g]Benefit of waiver and payments by affiliates rounds to less than 0.01%.
[h]Excludes the value of portfolio activity as a result of in-kind transactions.

International Equity Series (continued)

	Six Months Ended June 30, 2024 (unaudited)	Year Ended December 31, 2023	2022	2021	2020	2019
Service Shares						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	$11.23	$10.45	$12.24	$15.48	$15.79	$14.97
Income from investment operations[a]:						
Net investment income[b]	0.19	0.49[c]	0.20	0.24	1.17[d]	0.98
Net realized and unrealized gains (losses)	0.78	1.84	(1.38)	0.58	(0.47)	0.70
Total from investment operations	0.97	2.33	(1.18)	0.82	0.70	1.68
Less distributions from:						
Net investment income	—	(0.91)	(0.08)	(1.45)	(0.65)	(0.85)
Net realized gains	—	(0.64)	(0.53)	(2.61)	(0.36)	(0.01)
Total distributions	—	(1.55)	(0.61)	(4.06)	(1.01)	(0.86)
Net asset value, end of period	$12.20	$11.23	$10.45	$12.24	$15.48	$15.79
Total return[e]	8.65%	22.68%	(9.29)%	5.69%	5.16%	11.34%
Ratios to average net assets[f]						
Expenses before waiver and payments by affiliates	1.12%	0.86%	1.01%	1.04%	1.01%	0.97%
Expenses net of waiver and payments by affiliates	1.07%	0.82%	0.97%	1.00%	0.98%	0.97%[g]
Net investment income	3.18%	4.26%[c]	1.71%	1.52%	8.42%[d]	3.98%
Supplemental data						
Net assets, end of period (000's)	$145	$136	$123	$521	$448	$700
Portfolio turnover rate	20.35%	18.18%[h]	46.42%	44.73%	89.34%	36.83%[h]

[a]The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.
[b]Based on average daily shares outstanding.
[c]Net investment income per share includes approximately $0.23 per share related to income received in the form of EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.29%.
[d]Net investment income per share includes approximately $0.78 per share related to income received in the form of EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.77% and total return would have been (0.14)%.
[e]Total return is not annualized for periods less than one year.
[f]Ratios are annualized for periods less than one year.
[g]Benefit of waiver and payments by affiliates rounds to less than 0.01%.
[h]Excludes the value of portfolio activity as a result of in-kind transactions.

Schedule of Investments (unaudited), June 30, 2024

International Equity Series

	Industry	Shares	Value
Common Stocks 96.4%			
Belgium 1.3%			
Anheuser-Busch InBev SA/NV	Beverages	22,691	$1,317,527
Canada 3.1%			
Manulife Financial Corp.	Insurance	39,700	1,057,061
Royal Bank of Canada	Banks	19,500	2,075,848
			3,132,909
Chile 2.0%			
Antofagasta plc	Metals & Mining	78,600	2,088,959
China 1.5%			
NXP Semiconductors NV	Semiconductors & Semiconductor Equipment	5,822	1,566,642
Denmark 1.5%			
[a,b]Orsted A/S, 144A, Reg S.	Electric Utilities	28,288	1,502,916
France 9.5%			
Cie de Saint-Gobain SA	Building Products	21,882	1,702,092
Danone SA	Food Products	27,435	1,680,623
Kering SA	Textiles, Apparel & Luxury Goods	4,452	1,619,619
TotalEnergies SE	Oil, Gas & Consumable Fuels	43,227	2,894,616
Veolia Environnement SA	Multi-Utilities	62,166	1,862,310
			9,759,260
Germany 10.1%			
Deutsche Boerse AG.	Capital Markets	8,276	1,691,823
Deutsche Telekom AG.	Diversified Telecommunication Services	155,109	3,899,288
Fresenius Medical Care AG.	Health Care Providers & Services	25,264	965,644
Infineon Technologies AG	Semiconductors & Semiconductor Equipment	45,975	1,687,533
SAP SE	Software	10,722	2,154,089
			10,398,377
Hungary 0.9%			
Richter Gedeon Nyrt.	Pharmaceuticals	37,000	961,130
India 1.6%			
Reliance Industries Ltd.	Oil, Gas & Consumable Fuels	44,803	1,680,057
Ireland 1.7%			
[c]Smurfit Kappa Group plc	Containers & Packaging	39,146	1,743,207
Japan 11.5%			
[c]Hitachi Ltd.	Industrial Conglomerates	103,010	2,319,767
Honda Motor Co. Ltd.	Automobiles	196,828	2,116,228
KDDI Corp.	Wireless Telecommunication Services	42,041	1,113,903
Mitsubishi Electric Corp.	Electrical Equipment	135,658	2,174,274
Sumitomo Mitsui Financial Group, Inc.	Banks	48,586	3,261,839
Tokyo Electron Ltd.	Semiconductors & Semiconductor Equipment	3,762	823,631
			11,809,642
Netherlands 2.7%			
ING Groep NV	Banks	109,438	1,880,700
SBM Offshore NV	Energy Equipment & Services	58,381	893,625
			2,774,325
Norway 1.4%			
Norsk Hydro ASA	Metals & Mining	233,268	1,454,448
South Korea 5.3%			
KB Financial Group, Inc.	Banks	25,324	1,436,837

International Equity Series (continued)

	Industry	Shares	Value
Common Stocks (continued)			
South Korea (continued)			
Samsung Electronics Co. Ltd.	Technology Hardware, Storage & Peripherals	43,972	$2,581,459
Shinhan Financial Group Co. Ltd.	Banks	39,324	1,367,490
			5,385,786
Sweden 1.4%			
Securitas AB, B	Commercial Services & Supplies	144,325	1,430,907
Switzerland 1.2%			
Adecco Group AG	Professional Services	35,645	1,182,584
Taiwan 3.3%			
Taiwan Semiconductor Manufacturing Co. Ltd.	Semiconductors & Semiconductor Equipment	114,298	3,379,555
United Kingdom 16.2%			
AstraZeneca plc	Pharmaceuticals	20,516	3,193,094
BAE Systems plc	Aerospace & Defense	119,950	1,998,043
Barratt Developments plc	Household Durables	250,479	1,487,686
HSBC Holdings plc	Banks	236,180	2,038,789
Lloyds Banking Group plc	Banks	3,841,928	2,649,943
Smith & Nephew plc	Health Care Equipment & Supplies	152,142	1,885,467
Standard Chartered plc	Banks	101,053	912,491
Unilever plc	Personal Care Products	32,947	1,808,445
WH Smith plc	Specialty Retail	46,703	668,328
			16,642,286
United States 20.2%			
BP plc	Oil, Gas & Consumable Fuels	587,753	3,538,870
CNH Industrial NV	Machinery	172,588	1,748,316
CRH plc	Construction Materials	34,283	2,540,615
[c]GFL Environmental, Inc.	Commercial Services & Supplies	67,156	2,614,383
[a]ICON plc	Life Sciences Tools & Services	6,023	1,888,030
Sanofi SA	Pharmaceuticals	32,732	3,157,218
Shell plc	Oil, Gas & Consumable Fuels	107,385	3,851,838
Swiss Re AG	Insurance	11,180	1,386,140
			20,725,410
Total Common Stocks (Cost $69,746,226)			**98,935,927**
Escrows and Litigation Trusts 0.0%			
[a,d]Hemisphere Properties India Ltd., Escrow Account		2,094,964	—
Total Escrows and Litigation Trusts (Cost $–)			**—**
Total Long Term Investments (Cost $69,746,226)			**98,935,927**

Short Term Investments 6.1%

	Shares	Value
Money Market Funds 2.1%		
United States 2.1%		
[e,f]Institutional Fiduciary Trust - Money Market Portfolio, 4.972%	2,139,441	2,139,441
Total Money Market Funds (Cost $2,139,441)		**2,139,441**

International Equity Series (continued)

Short Term Investments (continued)

	Shares	Value
[g]**Investments from Cash Collateral Received for Loaned Securities 4.0%**		
Money Market Funds 4.0%		
[e,f]Institutional Fiduciary Trust - Money Market Portfolio, 4.972%	4,144,555	$4,144,555
Total Investments from Cash Collateral Received for Loaned Securities (Cost $4,144,555)		**4,144,555**
Total Short Term Investments (Cost $6,283,996)		**6,283,996**
Total Investments (Cost $76,030,222) 102.5%		**$105,219,923**
Other Assets, less Liabilities (2.5)%		**(2,626,673)**
Net Assets 100.0%		**$102,593,250**

[a] Non-income producing.
[b] Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At June 30, 2024, the value of this security was $1,502,916, representing 1.5% of net assets.
[c] A portion or all of the security is on loan at June 30, 2024. See Note 1(d).
[d] Fair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.
[e] See Note 3(d) regarding investments in affiliated management investment companies.
[f] The rate shown is the annualized seven-day effective yield at period end.
[g] See Note 1(d) regarding securities on loan.

International Equity Series (continued)

At June 30, 2024, the Fund had the following futures contracts outstanding. See Note 1(c).

Futures Contracts

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/ Unrealized Appreciation (Depreciation)
Equity contracts					
MSCI EAFE Index	Long	20	$2,343,200	9/20/24	$15,257
Total Futures Contracts					$15,257

*As of period end.

See Note 6 regarding other derivative information.

Statements of Assets and Liabilities

June 30, 2024 (unaudited)

	Foreign Smaller Companies Series	International Equity Series
Assets:		
Investments in securities:		
Cost - Unaffiliated issuers	$111,355,229	$69,746,226
Cost - Non-controlled affiliates (Note 3d)	1,205,427	6,283,996
Value - Unaffiliated issuers (Includes securities loaned of $4,656,081 and $3,915,369, respectively)	$151,899,377	$98,935,927
Value - Non-controlled affiliates (Note 3d)	1,205,427	6,283,996
Cash	7,741,130	—
Foreign currency, at value (cost $2,498 and $2,911, respectively)	2,498	2,944
Receivables:		
Investment securities sold	347,514	—
Capital shares sold	15,925	440,177
Dividends	514,269	3,393,637
European Union tax reclaims (Note 1e)	193,356	186,912
Affiliates	—	1,035
Deposits with brokers for:		
Futures contracts	—	81,831
Variation margin on futures contracts	—	2,601
Total assets	161,919,496	109,329,060
Liabilities:		
Payables:		
Investment securities purchased	84,707	—
Capital shares redeemed	33,954	180
Management fees	128,389	—
Transfer agent fees	3,133	4,448
Trustees' fees and expenses	4,861	5,806
IRS closing agreement payments for European Union tax reclaims (Note 1e)	—	2,466,990
Funds advanced by custodian	—	31
Payable upon return of securities loaned (Note 1d)	1,205,427	4,144,555
Deferred tax	—	36,664
Accrued expenses and other liabilities	114,239	77,136
Total liabilities	1,574,710	6,735,810
Net assets, at value	$160,344,786	$102,593,250
Net assets consist of:		
Paid-in capital	$120,266,055	$62,007,940
Total distributable earnings (losses)	40,078,731	40,585,310
Net assets, at value	$160,344,786	$102,593,250
Shares outstanding	8,564,724	
Net asset value per share[a]	$18.72	

	International Equity Series
Primary Shares:	
Net assets, at value	$102,448,000
Shares outstanding	8,629,440
Net asset value per share[a]	$11.87
Service Shares:	
Net assets, at value	$145,250
Shares outstanding	11,904
Net asset value per share[a]	$12.20

[a]Net asset value per share may not recalculate due to rounding.

Statements of Operations

for the six months ended June 30, 2024 (unaudited)

	Foreign Smaller Companies Series	International Equity Series
Investment income:		
Dividends: (net of foreign taxes of $276,673 and $123,068, respectively)		
Unaffiliated issuers	$2,267,126	$2,223,417
Non-controlled affiliates (Note 3d)	—	79,666
Interest:		
Unaffiliated issuers	12,969	1,940
Income from securities loaned:		
Unaffiliated entities (net of fees and rebates)	3,252	(2,948)
Non-controlled affiliates (Note 3d)	33,743	5,414
Other income (Note 1e)	491	2,212
Less: IRS closing agreement payments for European Union tax reclaims (Note 1e)	—	(109,967)
Total investment income	2,317,581	2,199,734
Expenses:		
Management fees (Note 3a)	841,523	414,614
Transfer agent fees: (Note 3c)		
Primary Shares	—	15,795
Service Shares	—	77
Transfer agent fees (Note 3c)	17,705	—
Sub-transfer agent fees: (Note 3c)		
Service Shares	—	106
Custodian fees	21,795	6,158
Reports to shareholders fees	5,735	3,143
Registration and filing fees	24,658	23,175
Professional fees	33,345	38,577
Trustees' fees and expenses	14,428	12,132
Other	8,763	(34,570)
Total expenses	967,952	479,207
Expenses waived/paid by affiliates (Note 3d and 3e)	(1,841)	(24,535)
Net expenses	966,111	454,672
Net investment income	1,351,470	1,745,062
Realized and unrealized gains (losses):		
Net realized gain (loss) from:		
Investments:(net of foreign taxes of $– and $2,974, respectively)		
Unaffiliated issuers	10,518,419	11,508,107
Foreign currency transactions	(32,651)	12,402
Futures contracts	—	127,327
Net realized gain (loss)	10,485,768	11,647,836
Net change in unrealized appreciation (depreciation) on:		
Investments:		
Unaffiliated issuers	(11,420,093)	(4,662,502)
Translation of other assets and liabilities denominated in foreign currencies	(17,250)	(116,247)
Futures contracts	—	(65,900)
Change in deferred taxes on unrealized appreciation	—	(36,664)
Net change in unrealized appreciation (depreciation)	(11,437,343)	(4,881,313)
Net realized and unrealized gain (loss)	(951,575)	6,766,523
Net increase (decrease) in net assets resulting from operations	$399,895	$8,511,585

Statements of Changes in Net Assets

	Foreign Smaller Companies Series		International Equity Series	
	Six Months Ended June 30, 2024 (unaudited)	Year Ended December 31, 2023	Six Months Ended June 30, 2024 (unaudited)	Year Ended December 31, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income	$1,351,470	$3,334,550	$1,745,062	$7,668,743
Net realized gain (loss)	10,485,768	24,618,226	11,647,836	20,108,897
Net change in unrealized appreciation (depreciation)	(11,437,343)	10,379,894	(4,881,313)	4,156,901
Net increase (decrease) in net assets resulting from operations	399,895	38,332,670	8,511,585	31,934,541
Distributions to shareholders:				
Primary Shares	—	—	—	(17,093,312)
Service Shares	—	—	—	(18,325)
Distributions to shareholders	—	(2,478,019)	—	—
Total distributions to shareholders	—	(2,478,019)	—	(17,111,637)
Capital share transactions: (Note 2)				
Primary Shares	—	—	(33,787,186)	(83,129,418)
Service Shares	—	—	(2,137)	3,731
Capital share transactions (Note 2)	(31,311,422)	(197,978,448)	—	—
Total capital share transactions	(31,311,422)	(197,978,448)	(33,789,323)	(83,125,687)
Net increase (decrease) in net assets	(30,911,527)	(162,123,797)	(25,277,738)	(68,302,783)
Net assets:				
Beginning of period	191,256,313	353,380,110	127,870,988	196,173,771
End of period	$160,344,786	$191,256,313	$102,593,250	$127,870,988

Notes to Financial Statements (unaudited)

1. Organization and Significant Accounting Policies

Templeton Institutional Funds (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of two separate funds (Funds). The Funds follow the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and apply the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. International Equity Series offers Primary and Service Shares. 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 Funds' significant accounting policies.

a. Financial Instrument Valuation

The Funds' investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Funds calculate the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Funds' investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Funds' administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Funds may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities and derivative financial instruments 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.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Funds' pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value. Securities denominated in a foreign currency are converted into their U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the date that the values of the foreign debt securities are determined.

Investments in open-end mutual funds are valued at the closing NAV.

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

1. Organization and Significant Accounting Policies (continued)

a. Financial Instrument Valuation (continued)

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Funds' business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Funds. As a result, differences may arise between the value of the Funds' portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Funds' portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At June 30, 2024, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as “market level fair value”). See the Fair Value Measurements note for more information.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Funds' NAV is not calculated, which could result in differences between the value of the Funds' portfolio securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Funds for financial reporting purposes.

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Funds may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Funds do not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statements of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

c. Derivative Financial Instruments

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

Collateral requirements differ by type of derivative. Collateral or initial margin requirements are set by the broker or exchange clearing house for exchange traded and centrally cleared derivatives. Initial margin deposited is held at the exchange and can be in the form of cash and/or securities.

Certain or all Funds entered into exchange traded futures contracts primarily to manage and/or gain exposure to equity price risk. A futures contract is an agreement between

1. Organization and Significant Accounting Policies (continued)

c. Derivative Financial Instruments (continued)

the Fund and a counterparty to buy or sell an asset at a specified price on a future date. Required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statements of Assets and Liabilities. At June 30, 2024, Foreign Smaller Companies Series had no futures contracts.

See Note 6 regarding other derivative information.

d. Securities Lending

Certain or all Funds participate in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Funds. Additionally, at June 30, 2024, Foreign Smaller Companies Series held $3,788,930 in U.S. Government and Agency securities as collateral. These securities are held as collateral in segregated accounts with the Fund's custodian. The Fund cannot repledge or resell these securities held as collateral. As such, the non-cash collateral is excluded from the Statements of Assets and Liabilities. The Fund may receive income from the investment of cash collateral, in addition to lending fees paid by the borrower. Income from securities loaned, net of fees paid to the securities lending agent and/or third-party vendor, is reported separately in the Statements of Operations. The Fund bears the market risk with respect to any cash collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower.

e. Income and Deferred Taxes

It is each Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. Each Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Funds may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which the Funds invest. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Funds invest. When a capital gain tax is determined to apply, certain or all Funds record an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

As a result of several court cases, in certain countries across the European Union, certain or all Funds filed additional tax reclaims for previously withheld taxes on dividends earned in those countries (EU reclaims). Income recognized, if any, for EU reclaims is reflected as other income in the Statements of Operations and any related receivable, if any, is reflected as European Union tax reclaims in the Statements of Assets and Liabilities. Any fees associated with these filings are reflected in other expenses in the Statements of Operations. When uncertainty exists as to the ultimate resolution of these proceedings, the likelihood of receipt of these EU reclaims, and the potential timing of payment, no amounts are reflected in the financial statements. For U.S. income tax purposes, EU reclaims received by the Funds, if any, reduce the amount of foreign taxes Fund shareholders can use as tax deductions or credits on their income tax returns. In the event that EU reclaims received by the Funds during a fiscal year exceed foreign withholding taxes paid by the Funds, and the Funds previously passed through to its shareholders foreign taxes incurred by the Funds to be used as a credit or deduction on a shareholder’s income tax return, the Funds will enter into a closing agreement with the Internal Revenue Service (IRS) in order to pay the associated tax liability on behalf of the Funds' shareholders. International Equity Series determined to enter into a closing agreement with the IRS and recorded the estimated payments as a reduction to income, as reflected in the Statements of Operations.

1. Organization and Significant Accounting Policies (continued)

e. Income and Deferred Taxes (continued)

Each Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of June 30, 2024, each Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

f. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income (including interest income from payment-in-kind securities, if any) and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Funds. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

g. Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

h. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Funds, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

2. Shares of Beneficial Interest

At June 30, 2024, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Foreign Smaller Companies Series	
	Shares	**Amount**
Six Months ended June 30, 2024		
Shares sold	581,197	$10,552,563
Shares redeemed	(2,258,669)	(41,863,985)
Net increase (decrease)	(1,677,472)	$(31,311,422)
Year ended December 31, 2023		
Shares sold	774,913	$13,498,672
Shares issued in reinvestment of distributions	139,219	2,434,410
Shares redeemed	(12,288,620)	(213,911,530)
Net increase (decrease)	(11,374,488)	$(197,978,448)

	International Equity Series	
	Shares	**Amount**
Primary Shares:		
Six Months ended June 30, 2024		
Shares sold	692,523	$7,897,247
Shares redeemed	(3,770,038)	(41,684,433)
Net increase (decrease)	(3,077,515)	$(33,787,186)
Year ended December 31, 2023		
Shares sold	1,390,671	$15,553,199
Shares issued in reinvestment of distributions	1,536,843	16,457,252
Shares redeemed in-kind (Note 9)	(5,437,954)	(59,545,598)
Shares redeemed	(5,026,589)	(55,594,271)
Net increase (decrease)	(7,537,029)	$(83,129,418)
Service Shares:		
Six Months ended June 30, 2024		
Shares sold	66	$769
Shares redeemed	(240)	(2,906)
Net increase (decrease)	(174)	$(2,137)
Year ended December 31, 2023		
Shares sold	114	$1,319
Shares issued in reinvestment of distributions	1,667	18,324
Shares redeemed	(1,448)	(15,912)
Net increase (decrease)	333	$3,731

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 Investment Counsel, LLC (TIC)	Investment manager
Franklin Templeton Investments Corp. (FTIC)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

a. Management Fees

Foreign Smaller Companies Series pays an investment management fee, calculated daily and paid monthly, to TIC based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.950%	Up to and including $500 million
0.930%	Over $500 million, up to and including $1 billion
0.910%	Over $1 billion, up to and including $5 billion
0.890%	Over $5 billion, up to and including $10 billion
0.870%	Over $10 billion, up to and including $15 billion
0.850%	In excess of $15 billion

International Equity Series pays an investment management fee, calculated daily and paid monthly, to TIC based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.775%	Up to and including $500 million
0.755%	Over $500 million, up to and including $1 billion
0.735%	Over $1 billion, up to and including $5 billion
0.715%	Over $5 billion, up to and including $10 billion
0.695%	Over $10 billion, up to and including $15 billion
0.675%	In excess of $15 billion

For the period ended June 30, 2024, each Fund's annualized gross effective investment management fee rate based on average daily net assets was as follows:

	Foreign Smaller Companies Series	International Equity Series
Gross effective investment management fee rate.	0.950%	0.775%

Under a subadvisory agreement, FTIC, an affiliate of TIC, provides subadvisory services to Foreign Smaller Companies Series. The subadvisory fee is paid by TIC based on the Fund's average daily net assets, and is not an additional expense of the Fund.

3. Transactions with Affiliates (continued)

b. Administrative Fees

Under an agreement with TIC, FT Services provides administrative services to the Funds. The fee is paid by TIC based on each of the Funds' average daily net assets, and is not an additional expense of the Funds.

c. Transfer Agent Fees

Each class of shares pays transfer agent fees, calculated monthly and paid monthly, to Investor Services for its performance of shareholder servicing obligations. The fees are based on a fixed margin earned by Investor Services and are allocated to the Funds based upon relative assets and relative transactions. In addition, each class reimburses Investor Services for out of pocket expenses incurred and reimburses shareholder servicing fees paid to third parties. These fees paid to third parties are accrued and allocated daily based upon their relative proportion of such classes' aggregate net assets.

For the period ended June 30, 2024, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

	Foreign Smaller Companies Series	International Equity Series
Transfer agent fees	$17,628	$13,808

International Equity Series' Service shares may pay up to 0.15% of average daily net assets for sub-transfer agency fees as noted in the Statements of Operations.

d. Investments in Affiliated Management Investment Companies

Certain or all Funds invest in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a “Controlled Affiliate” of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund’s outstanding shares or has the power to exercise control over management or policies of such fund. The Funds do not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Funds are waived on assets invested in the affiliated management investment companies, as noted in the Statements of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the period ended June 30, 2024, investments in affiliated management investment companies were as follows:

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
Foreign Smaller Companies Series								
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 4.972%	$525,321	$13,552,151	$(12,872,045)	$—	$—	$1,205,427	1,205,427	$33,743
Total Affiliated Securities	$525,321	$13,552,151	$(12,872,045)	$—	$—	$1,205,427		$33,743

3. Transactions with Affiliates (continued)

d. Investments in Affiliated Management Investment Companies (continued)

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
International Equity Series								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.972%	$2,548,785	$23,804,313	$(24,213,657)	$—	$—	$2,139,441	2,139,441	$79,666
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 4.972%	$221,250	$4,192,430	$(269,125)	$—	$—	$4,144,555	4,144,555	$5,414
Total Affiliated Securities . . .	$2,770,035	$27,996,743	$(24,482,782)	$—	$—	$6,283,996		$85,080

e. Waiver and Expense Reimbursements

TIC has contractually agreed in advance to limit the investment management fees for International Equity Series to 0.74% of the average daily net assets of the Fund until April 30, 2025. Total expenses waived or paid are not subject to recapture subsequent to the Fund's fiscal year end.

4. Income Taxes

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

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

	Foreign Smaller Companies Series
Capital loss carryforwards not subject to expiration:	
Short term	$9,900,242

At June 30, 2024, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

	Foreign Smaller Companies Series	International Equity Series
Cost of investments	$116,989,486	$78,025,987
Unrealized appreciation.	$48,487,471	$31,541,575
Unrealized depreciation.	(12,372,153)	(4,332,382)
Net unrealized appreciation (depreciation).	$36,115,318	$27,209,193

4. Income Taxes (continued)

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, wash sales, EU reclaims, passive foreign investment company shares, derivative financial instruments and in-kind transactions.

5. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the period ended June 30, 2024, were as follows:

	Foreign Smaller Companies Series	International Equity Series
Purchases	$29,890,560	$20,775,922
Sales	$59,982,335	$51,349,051

At June 30, 2024, in connection with securities lending transactions, certain or all Funds loaned investments and received cash collateral as follows:

	Foreign Smaller Companies Series	International Equity Series
Securities lending transactions[a]:		
Equity investments[b]	$1,205,427	$4,144,555

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

6. Other Derivative Information

At June 30, 2024, investments in derivative contracts are reflected in the Statements of Assets and Liabilities as follows:

	Asset Derivatives		Liability Derivatives	
Derivative Contracts Not Accounted for as Hedging Instruments	**Statement of Assets and Liabilities Location**	**Fair Value**	**Statement of Assets and Liabilities Location**	**Fair Value**
International Equity Series				
Equity contracts				
	Variation margin on futures contracts	$15,257[a]	Variation margin on futures contracts	$—
Total		$15,257		$—

[a]This amount reflects the cumulative appreciation (depreciation) of futures contracts as reported in the Schedule of Investments. Only the variation margin receivable/payable at period end is separately reported within the Statement of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

6. Other Derivative Information (continued)

For the period ended June 30, 2024, the effect of derivative contracts in the Statements 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
International Equity Series				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Equity contracts				
	Futures contracts	$127,327	Futures contracts	$(65,900)
Total		$127,327		$(65,900)

For the period ended June 30, 2024, the average month end notional amount of futures contracts represented $2,301,614.

See Note 1(c) regarding derivative financial instruments.

7. Concentration of Risk

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

8. Credit Facility

The Funds, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling $2.675 billion (Global Credit Facility) which matures on January 31, 2025. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Funds shall, in addition to interest charged on any borrowings made by the Funds and other costs incurred by the Funds, pay their share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon their relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statements of Operations. During the period ended June 30, 2024, the Funds did not use the Global Credit Facility.

9. Redemption In-Kind

During the year ended December 31, 2023, International Equity Series realized $8,468,998 of net gains resulting from a redemption in-kind in which a shareholder redeemed fund shares for cash and securities held by the Fund. Because such gains are not taxable to the Fund and are not distributed to remaining shareholders, they are reclassified from accumulated net realized gains to paid-in capital.

10. Fair Value Measurements

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

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Funds' own assumptions in determining the fair value of financial instruments)

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 June 30, 2024, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Foreign Smaller Companies Series				
Assets:				
Investments in Securities:				
Common Stocks:				
Austria	$—	$1,554,815	$—	$1,554,815
Bahamas	2,888,868	—	—	2,888,868
Belgium	—	2,235,799	—	2,235,799
Brazil	4,490,076	—	—	4,490,076
Canada	7,115,827	—	—	7,115,827
China	—	2,320,501	—	2,320,501
Denmark	—	812,524	—	812,524
Finland	—	3,147,934	—	3,147,934
France	—	690,852	—	690,852
Germany	—	9,004,124	—	9,004,124
Greece	1,071,262	—	—	1,071,262
Hong Kong	—	4,972,738	—	4,972,738
India	—	3,061,052	—	3,061,052
Indonesia	1,002,346	—	—	1,002,346
Israel	1,438,013	186,392	—	1,624,405
Italy	4,174,718	10,121,055	—	14,295,773
Japan	3,095,369	27,578,095	—	30,673,464
Mexico	1,159,692	—	—	1,159,692
New Zealand	—	1,624,759	—	1,624,759
Norway	—	2,165,450	—	2,165,450
Philippines	3,283,604	—	—	3,283,604
Portugal	1,019,153	—	—	1,019,153
South Korea	—	6,846,219	—	6,846,219
Sweden	509,990	3,962,858	—	4,472,848
Switzerland	2,701,133	4,647,444	—	7,348,577
Taiwan	—	11,242,509	—	11,242,509
Thailand	691,665	2,411,181	—	3,102,846
United Kingdom	8,003,909	8,733,374	—	16,737,283
United States	1,934,077	—	—	1,934,077
Short Term Investments	1,205,427	—	—	1,205,427
Total Investments in Securities	$45,785,129	$107,319,675[a]	$—	$153,104,804

10. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
International Equity Series				
Assets:				
Investments in Securities:				
Common Stocks:				
Belgium	$—	$1,317,527	$—	$1,317,527
Canada	3,132,909	—	—	3,132,909
Chile	—	2,088,959	—	2,088,959
China	1,566,642	—	—	1,566,642
Denmark	—	1,502,916	—	1,502,916
France	—	9,759,260	—	9,759,260
Germany	—	10,398,377	—	10,398,377
Hungary	961,130	—	—	961,130
India	—	1,680,057	—	1,680,057
Ireland	—	1,743,207	—	1,743,207
Japan	—	11,809,642	—	11,809,642
Netherlands	—	2,774,325	—	2,774,325
Norway	—	1,454,448	—	1,454,448
South Korea	—	5,385,786	—	5,385,786
Sweden	—	1,430,907	—	1,430,907
Switzerland	—	1,182,584	—	1,182,584
Taiwan	—	3,379,555	—	3,379,555
United Kingdom	668,328	15,973,958	—	16,642,286
United States	6,250,729	14,474,681	—	20,725,410
Escrows and Litigation Trusts	—	—	—[b]	—
Short Term Investments	6,283,996	—	—	6,283,996
Total Investments in Securities	$18,863,734	$86,356,189[c]	$—	$105,219,923
Other Financial Instruments:				
Futures Contracts	$15,257	$—	$—	$15,257
Total Other Financial Instruments	$15,257	$—	$—	$15,257

[a]Includes foreign securities valued at $107,319,675, 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.
[b]Includes financial instruments determined to have no value.
[c]Includes foreign securities valued at $86,356,189, 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.

A reconciliation in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the period.

11. Subsequent Events

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

Abbreviations

Selected Portfolio	
NVDR	Non-Voting Depositary Receipt

Changes In and Disagreements with Accountants

For the period covered by this report

Not applicable.

Results of Meeting(s) of Shareholders

For the period covered by this report

Not applicable.

Remuneration Paid to Directors, Officers and Others

For the period covered by this report

Refer to the financial statements included herein.

Board Approval of Management and Subadvisory Agreements

For the period covered by this report

TEMPLETON INSTITUTIONAL FUNDS

Foreign Smaller Companies Series
International Equity Series
(each a Fund)

At an in-person meeting held on May 22, 2024 (Meeting), the Board of Trustees (Board) of Templeton Institutional 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 Investment Counsel, LLC (TICL) and the Trust, on behalf of each Fund, and an investment sub-advisory agreement between TICL and Franklin Templeton Investments Corp. (Sub-Adviser), an affiliate of TICL, on behalf of the Foreign Smaller Companies Series (each a 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 each Management Agreement. Although the Management Agreements for the Funds were considered at the same Board meeting, the Board considered the information provided to it about the Funds together and with respect to each Fund separately as the Board deemed appropriate. TICL and the Sub-Adviser are each referred to herein as a Manager.

In considering the continuation of each Management Agreement, the Board reviewed and considered information provided by each Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to the Managers by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process. In addition, prior to the Meeting, the Independent Trustees held a virtual contract renewal meeting at which the Independent Trustees first conferred amongst themselves and Independent Trustee counsel about contract renewal matters, and then met with management to request additional information that the Independent Trustees reviewed and considered prior to and at the Meeting. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of each Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by each Manager; (ii) the investment performance of each Fund; (iii) the costs of the services provided and profits realized by each Manager and its affiliates from the relationship with each Fund; (iv) the extent to which economies of scale are realized as each Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of each Management Agreement, the Board, including a majority of the Independent Trustees, determined, through the exercise of its business judgment, that the terms of the Management Agreements are fair and reasonable and that the continuance of each Management Agreement is in the best interests of the applicable Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board's determination.

Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by each Manager and its affiliates to the Funds and their shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of each Manager, as well as information on succession planning where appropriate; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for each Fund; reports on expenses and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by each Manager and its affiliates; and management fees charged by each Manager and its affiliates to US funds and other accounts, including management's explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton (FT) or the Funds to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements. The Board acknowledged the ongoing integration of the Putnam family of funds into the FT family of funds and management's continued development of strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and continuing geopolitical concerns.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the FT family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Managers' parent, and its commitment to the mutual fund business as evidenced by its continued reassessment of the fund offerings in response to FT acquisitions and the market environment, as well as project initiatives and capital investments relating to the services provided to the Funds by the FT organization. The Board specifically noted FT's commitment to technological innovation and advancement, including its initiative to create a new enterprise-wide artificial intelligence platform.

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

Fund Performance

The Board reviewed and considered the performance results of each Fund over various time periods ended December 31, 2023. The Board considered the performance returns for each Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of each Fund's performance results is below.

Foreign Smaller Companies Series - The Performance Universe for the Fund included the Fund and all retail and institutional international small-/mid-cap growth funds. The Board noted that the Fund's annualized total return for the one- and three-year periods was above the median and in the second quintile of its Performance Universe, but for the five- and 10-year periods was below the median of its Performance Universe. The Board concluded that the Fund's performance was satisfactory.

International Equity Series - The Performance Universe for the Fund included the Fund and all retail and institutional international large-cap value funds. The Board noted that the Fund's annualized total return for the one-year period was above the median and in the first (best) quintile of its Performance Universe, but for the three-, five- and 10-year periods was below the median of its Performance Universe. The Board discussed the Fund's performance with management and management explained that some peers in the Fund's Performance Universe are more growth-oriented than the Fund and growth outperformed value in the five-year period. Management further explained that relative underperformance during the five-year period was due to stock selection in the healthcare, consumer discretionary and communication services sectors.

Management discussed with the Board the actions that are being taken/have been taken in an effort to improve the overall performance of the Fund, including, among others, the implementation of an enhanced portfolio construction approach and enhancements arising out of a review of the business and investment process. The Board noted that the Fund's annualized total return was positive for all periods and had a one-year return of 22.84%. 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 each Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of each Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from each fund's most recent annual or semi-annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges (as applicable), and the actual total expense ratio, for comparative consistency, was shown for: (i) Institutional Class, Class I, Class IS, Class Y and Class Z shares for the other funds in the Foreign Smaller Companies Series Expense Group with multiple classes of shares, and (ii) Primary shares for the International Equity Series and for Institutional Class, Class I, Class Y and Class Z for the other funds 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.

Foreign Smaller Companies Series - The Expense Group for the Fund included the Fund and 16 other international small-/mid-cap growth funds. The Board noted that the Management Rate and actual total expense ratio for the Fund were above the medians by less than one basis point of its Expense Group. The Board noted that the Sub-Adviser is paid by TICL out of the management fee TICL receives from the Fund and that the allocation of the fee between TICL and the Sub-Adviser reflected the services provided by each to the Fund. The Board concluded that the Management Rate charged to the Fund and the sub-advisory fee paid to the Sub-Adviser are reasonable.

International Equity Series - The Expense Group for the Fund included the Fund and seven other institutional international large-cap value funds. The Board noted that the Management Rate was approximately four basis points above the median of its Expense Group. The Board also noted that the actual total expense ratio for the Fund was above the median of its Expense Group. The Board discussed the expenses of this Fund with management and management explained that the Fund is the second smallest fund by assets under management in its Expense Group and therefore its fixed costs have a higher impact on a basis point basis, driving overall Fund total expenses higher. The Board further noted that the Fund's actual total expense ratio reflected an expense cap on operating expenses. After consideration of the above, the Board concluded that the Management Rate charged to the Fund is reasonable.

Profitability

The Board reviewed and considered information regarding the profits realized by each Manager and its affiliates in connection with the operation of each Fund. In this respect, the Board considered the Fund profitability analysis provided 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, 2023, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating

profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Funds' profitability report presentations from prior years. The Board also noted that an independent registered public accounting firm has been engaged to periodically review and assess the allocation methodologies to be used solely by the Funds' Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by each Manager and its affiliates may not be fully reflected in the expenses allocated to each Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. As part of this evaluation, the Board considered management's outsourcing of certain operations, which effort has required considerable upfront expenditures by each Manager but, over the long run is expected to result in greater efficiencies. The Board also noted management's expenditures in improving shareholder services provided to the Funds, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent US Securities and Exchange Commission and other regulatory requirements.

The Board also considered the extent to which each Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by each Manager and its affiliates from providing services to each Fund was not excessive in view of the nature, extent, and quality of services provided to each Fund.

Economies of Scale

The Board reviewed and considered the extent to which each Manager may realize economies of scale, if any, as each Fund grows larger and whether each 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 a Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered the Managers' views 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 Managers incur across the FT family of funds as a whole. The Board noted that each Fund does not currently have an asset size that would likely enable the Fund to achieve economies of scale, but concluded that to the extent economies of scale may be realized by each Manager and its affiliates, each Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

Conclusion

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of each Management Agreement for an additional one-year period.

This page is intentionally left blank

This page is intentionally left blank

FRANKLIN
TEMPLETON

© 2024 Franklin Templeton. All rights reserved.

ZTIF-SFSOI 08/24