

FRANKLIN MUTUAL SERIES FUNDS

May 1, 2023



**FRANKLIN
TEMPLETON**

	Class A	Class C	Class R	Class R6	Class Z
Franklin Mutual Beacon Fund	TEBIX	TEMEX	Pending	FMBRX	BEGRX
Franklin Mutual Financial Services Fund	TFSIX	TMFSX	—	FMFVX	TEFAX
Franklin Mutual Global Discovery Fund	TEDIX	TEDSX	TEDRX	FMDRX	MDISX
Franklin Mutual International Value Fund (formerly Franklin Mutual European Fund)	TEMIX	TEURX	FMURX	FMEUX	MEURX
Franklin Mutual Quest Fund	TEQIX	TEMQX	FMQSX	FMQRX	MQIFX
Franklin Mutual Shares Fund	TESIX	TEMTX	TESRX	FMSHX	MUTHX

The U.S. Securities and Exchange Commission (SEC) has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

**FRANKLIN MUTUAL SERIES FUNDS
SUPPLEMENT DATED MARCH 22, 2024
TO THE PROSPECTUS DATED MAY 1, 2023
OF FRANKLIN MUTUAL GLOBAL DISCOVERY FUND (the “Fund”)**

The following replaces the Average Annual Total Returns table in the section of the Fund’s Prospectus entitled “Performance”:

Average Annual Total Returns

(figures reflect sales charges)

For periods ended December 31, 2022

	1 Year	5 Years	10 Years	Since Inception
Franklin Mutual Global Discovery Fund - Class A				
Return before taxes	-10.21%	2.51%	5.87%	—
Return after taxes on distributions	-12.19%	0.82%	4.18%	—
Return after taxes on distributions and sale of Fund shares	-4.50%	1.85%	4.48%	—
Franklin Mutual Global Discovery Fund - Class C	-6.56%	2.89%	5.69%	—
Franklin Mutual Global Discovery Fund - Class R	-5.24%	3.41%	6.22%	—
Franklin Mutual Global Discovery Fund - Class R6	-4.68%	4.04%	—	6.11% ¹
Franklin Mutual Global Discovery Fund - Class Z	-4.74%	3.93%	6.76%	—
MSCI World Value Index-NR (index reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding)	-6.52%	4.12%	7.24%	—

¹ Since inception May 1, 2013.

Please keep this supplement with your prospectus for future reference.



**FRANKLIN MUTUAL SERIES FUNDS
SUPPLEMENT DATED MARCH 22, 2024
TO THE PROSPECTUS DATED MAY 1, 2023
OF FRANKLIN MUTUAL FINANCIAL SERVICES FUND (the “Fund”)**

The following replaces the Average Annual Total Returns table in the section of the Fund’s Prospectus entitled “Performance”:

Average Annual Total Returns

(figures reflect sales charges)

For periods ended December 31, 2022

	1 Year	5 Years	10 Years	Since Inception
Franklin Mutual Financial Services Fund - Class A				
Return before taxes	-10.22%	0.49%	6.87%	—
Return after taxes on distributions	-10.60%	0.06%	6.49%	—
Return after taxes on distributions and sale of Fund shares	-5.67%	0.37%	5.54%	—
Franklin Mutual Financial Services Fund - Class C	-6.64%	0.86%	6.69%	—
Franklin Mutual Financial Services Fund - Class R6	-4.66%	2.00%	—	7.17% ¹
Franklin Mutual Financial Services Fund - Class Z	-4.76%	1.88%	7.76%	—
MSCI World Financials Index-NR (index reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding)	-10.19%	3.07%	7.38%	—
S&P Financials Index (index reflects no deduction for fees, expenses or taxes)	-10.53%	6.42%	12.16%	—

¹ Since inception May 1, 2013.

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**FRANKLIN MUTUAL SERIES FUNDS
SUPPLEMENT DATED MARCH 22, 2024
TO THE PROSPECTUS DATED MAY 1, 2023
OF FRANKLIN MUTUAL BEACON FUND (the “Fund”)**

The following replaces the Average Annual Total Returns table in the section of the Fund’s Prospectus entitled “Performance”:

Average Annual Total Returns

(figures reflect sales charges)

For periods ended December 31, 2022

	1 Year	5 Years	10 Years	Since Inception
Franklin Mutual Beacon Fund - Class A				
Return before taxes	-16.74%	2.79%	7.11%	—
Return after taxes on distributions	-18.54%	1.15%	5.41%	—
Return after taxes on distributions and sale of Fund shares	-8.60%	2.03%	5.46%	—
Franklin Mutual Beacon Fund - Class C	-13.35%	3.18%	6.92%	—
Franklin Mutual Beacon Fund - Class R	-12.08%	3.71%	7.46%	—
Franklin Mutual Beacon Fund - Class R6	-11.61%	4.31%	—	7.26% ¹
Franklin Mutual Beacon Fund - Class Z	-11.67%	4.23%	8.00%	—
MSCI World Value Index-NR (index reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding)	-6.52%	4.12%	7.24%	—

¹ Since inception May 1, 2013.

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**SUPPLEMENT DATED FEBRUARY 16, 2024
TO THE PROSPECTUS OF EACH
FRANKLIN TEMPLETON FUND LISTED IN SCHEDULE A**

For each of the funds listed in Schedule A, the following disclosure replaces and supersedes the corresponding disclosure in each fund's Prospectus in the appendix titled "Appendix A – Intermediary Sales Charge Discounts and Waivers":

MERRILL LYNCH

Purchases or sales of front-end (i.e., Class A) or level-load (i.e., Class C) mutual fund shares through a Merrill platform or account will be eligible only for the following sales load waivers (front-end, contingent deferred, or back-end waivers) and discounts, which differ from those disclosed elsewhere in this fund's Prospectus. Purchasers will have to buy mutual fund shares directly from the mutual fund company or through another intermediary to be eligible for waivers or discounts not listed below.

It is the client's responsibility to notify Merrill at the time of purchase or sale of any relationship or other facts that qualify the transaction for a waiver or discount. A Merrill representative may ask for reasonable documentation of such facts and Merrill may condition the granting of a waiver or discount on the timely receipt of such documentation.

Additional information on waivers and discounts is available in the Merrill Sales Load Waiver and Discounts Supplement (the "Merrill SLWD Supplement") and in the Mutual Fund Investing at Merrill pamphlet at ml.com/funds. Clients are encouraged to review these documents and speak with their financial advisor to determine whether a transaction is eligible for a waiver or discount.

Front-end Sales Load Waivers Available at Merrill

- Shares of mutual funds available for purchase by employer-sponsored retirement, deferred compensation, and employee benefit plans (including health savings accounts) and trusts used to fund those plans provided the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan. For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans
- Shares purchased through a Merrill investment advisory program
- Brokerage class shares exchanged from advisory class shares due to the holdings moving from a Merrill investment advisory program to a Merrill brokerage account
- Shares purchased through the Merrill Edge Self-Directed platform
- Shares purchased through the systematic reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same mutual fund in the same account
- Shares exchanged from level-load shares to front-end load shares of the same mutual fund in accordance with the description in the Merrill SLWD Supplement
- Shares purchased by eligible employees of Merrill or its affiliates and their family members who purchase shares in accounts within the employee's Merrill Household (as defined in the Merrill SLWD Supplement)
- Shares purchased by eligible persons associated with the fund as defined in this Prospectus (e.g., the fund's officers or trustees)
- Shares purchased from the proceeds of a mutual fund redemption in front-end load shares provided: (1) the repurchase is in a mutual fund within the same fund family; (2) the repurchase occurs within 90 calendar days from the redemption trade date; and (3) the redemption and purchase occur in the same account (known as Rights of Reinstatement). Automated transactions (i.e. systematic purchases and withdrawals) and purchases made after shares are automatically sold to pay Merrill's account maintenance fees are not eligible for Rights of Reinstatement

Contingent Deferred Sales Charge ("CDSC") Waivers on Front-end, Back-end, and Level Load Shares Available at Merrill

- Shares sold due to the client's death or disability (as defined by Internal Revenue Code Section 22e(3))
- Shares sold pursuant to a systematic withdrawal program subject to Merrill's maximum systematic withdrawal limits as described in the Merrill SLWD Supplement
- Shares sold due to return of excess contributions from an IRA account

- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the investor reaching the qualified age based on applicable IRS regulation
- Front-end or level-load shares held in commission-based, non-taxable retirement brokerage accounts (e.g., traditional, Roth, rollover, SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans) that are transferred to fee-based accounts or platforms and exchanged for a lower cost share class of the same mutual fund

Front-end Load Discounts Available at Merrill: Breakpoints, Rights of Accumulation & Letters of Intent

- Breakpoint discounts, as described in this Prospectus, where the sales load is at or below the maximum sales load that Merrill permits to be assessed to a front-end load purchase, as described in the Merrill SLWD Supplement
- Rights of Accumulation ("ROA"), as described in the Merrill SLWD Supplement, which entitle clients to breakpoint discounts based on the aggregated holdings of mutual fund family assets held in accounts in their Merrill Household
- Letters of Intent ("LOI"), which allow for breakpoint discounts on eligible new purchases based on anticipated future eligible purchases within a fund family at Merrill, in accounts within your Merrill Household, as further described in the Merrill SLWD Supplement

SCHEDULE A

<u>Fund</u>	<u>Date of Prospectus</u>
<u>FRANKLIN ALTERNATIVE STRATEGIES FUNDS</u>	
K2 Alternative Strategies Fund.....	October 1, 2023
<u>FRANKLIN CALIFORNIA TAX-FREE INCOME FUND</u>	
Franklin California Tax-Free Income Fund.....	July 1, 2023
<u>FRANKLIN CALIFORNIA TAX-FREE TRUST</u>	
Franklin California Intermediate-Term Tax-Free Income Fund.....	November 1, 2023
<u>FRANKLIN CUSTODIAN FUNDS</u>	
Franklin DynaTech Fund.....	February 1, 2024
Franklin Growth Fund.....	February 1, 2024
Franklin Income Fund.....	February 1, 2024
Franklin U.S. Government Securities Fund.....	February 1, 2024
Franklin Utilities Fund.....	February 1, 2024
<u>FRANKLIN FEDERAL TAX-FREE INCOME FUND</u>	
Franklin Federal Tax-Free Income Fund.....	September 1, 2023
<u>FRANKLIN FUND ALLOCATOR SERIES</u>	
Franklin Conservative Allocation Fund.....	May 1, 2023
Franklin Corefolio Allocation Fund.....	May 1, 2023
Franklin Global Allocation Fund.....	May 1, 2023
Franklin Growth Allocation Fund.....	May 1, 2023
Franklin LifeSmart™ Retirement Income Fund.....	May 1, 2023
Franklin LifeSmart™ 2020 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2025 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2030 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2035 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2040 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2045 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2050 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2055 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2060 Retirement Target Fund.....	May 1, 2023
Franklin Moderate Allocation Fund.....	May 1, 2023

<u>Fund</u>	<u>Date of Prospectus</u>
<u>FRANKLIN GLOBAL TRUST</u>	
Franklin International Growth Fund.....	December 1, 2023
<u>FRANKLIN GOLD AND PRECIOUS METALS FUND</u>	
Franklin Gold and Precious Metals Fund.....	December 1, 2023
<u>FRANKLIN HIGH INCOME TRUST</u>	
Franklin High Income Fund.....	February 1, 2024
<u>FRANKLIN INVESTORS SECURITIES TRUST</u>	
Franklin Convertible Securities Fund.....	March 1, 2023
Franklin Equity Income Fund.....	March 1, 2023
Franklin Floating Rate Daily Access Fund.....	March 1, 2023
Franklin Long Duration Credit Fund.....	August 22, 2023
Franklin Low Duration Total Return Fund.....	March 1, 2023
Franklin Low Duration U.S. Government Securities Fund.....	March 1, 2023
Franklin Managed Income Fund.....	March 1, 2023
Franklin Total Return Fund.....	March 1, 2023
<u>FRANKLIN MANAGED TRUST</u>	
Franklin Rising Dividends Fund.....	February 1, 2024
<u>FRANKLIN MUNICIPAL SECURITIES TRUST</u>	
Franklin California High Yield Municipal Fund.....	July 1, 2023
<u>FRANKLIN MUTUAL SERIES FUNDS</u>	
Franklin Mutual Beacon Fund.....	May 1, 2023
Franklin Mutual Financial Services Fund.....	May 1, 2023
Franklin Mutual Global Discovery Fund.....	May 1, 2023
Franklin Mutual International Value Fund.....	May 1, 2023
Franklin Mutual Quest Fund.....	May 1, 2023
Franklin Mutual Shares Fund.....	May 1, 2023
<u>FRANKLIN NEW YORK TAX-FREE INCOME FUND</u>	
Franklin New York Tax-Free Income Fund.....	July 1, 2023
<u>FRANKLIN NEW YORK TAX-FREE TRUST</u>	
Franklin New York Intermediate-Term Tax-Free Income Fund.....	February 1, 2024
<u>FRANKLIN REAL ESTATE SECURITIES TRUST</u>	
Franklin Real Estate Securities Fund.....	September 1, 2023
<u>FRANKLIN STRATEGIC MORTGAGE PORTFOLIO</u>	
Franklin Strategic Mortgage Portfolio.....	February 1, 2024
<u>FRANKLIN STRATEGIC SERIES</u>	
Franklin Biotechnology Discovery Fund.....	September 1, 2023
Franklin Growth Opportunities Fund.....	September 1, 2023
Franklin Natural Resources Fund.....	September 1, 2023
Franklin Small Cap Growth Fund.....	September 1, 2023
Franklin Small-Mid Cap Growth Fund.....	September 1, 2023
Franklin Strategic Income Fund.....	September 1, 2023
<u>FRANKLIN TAX-FREE TRUST</u>	
Franklin Alabama Tax-Free Income Fund.....	July 1, 2023
Franklin Arizona Tax-Free Income Fund.....	July 1, 2023
Franklin Colorado Tax-Free Income Fund.....	July 1, 2023
Franklin Connecticut Tax-Free Income Fund.....	July 1, 2023

<u>Fund</u>	<u>Date of Prospectus</u>
Franklin Federal Intermediate-Term Tax-Free Income Fund.....	July 1, 2023
Franklin Federal Limited-Term Tax-Free Income Fund.....	July 1, 2023
Franklin Georgia Tax-Free Income Fund.....	July 1, 2023
Franklin High Yield Tax-Free Income Fund.....	July 1, 2023
Franklin Louisiana Tax-Free Income Fund.....	July 1, 2023
Franklin Maryland Tax-Free Income Fund.....	July 1, 2023
Franklin Massachusetts Tax-Free Income Fund.....	July 1, 2023
Franklin Michigan Tax-Free Income Fund.....	July 1, 2023
Franklin Minnesota Tax-Free Income Fund.....	July 1, 2023
Franklin Missouri Tax-Free Income Fund.....	July 1, 2023
Franklin New Jersey Tax-Free Income Fund.....	July 1, 2023
Franklin North Carolina Tax-Free Income Fund.....	July 1, 2023
Franklin Ohio Tax-Free Income Fund.....	July 1, 2023
Franklin Oregon Tax-Free Income Fund.....	July 1, 2023
Franklin Pennsylvania Tax-Free Income Fund.....	July 1, 2023
Franklin Virginia Tax-Free Income Fund.....	July 1, 2023
<u>FRANKLIN VALUE INVESTORS TRUST</u>	
Franklin MicroCap Value Fund.....	March 1, 2023
Franklin Mutual U.S. Mid Cap Value Fund.....	March 1, 2023
Franklin Small Cap Value Fund.....	March 1, 2023
<u>TEMPLETON CHINA WORLD FUND</u>	
Templeton China World Fund.....	January 1, 2024
<u>TEMPLETON DEVELOPING MARKETS TRUST</u>	
Templeton Developing Markets Trust.....	May 1, 2023
<u>TEMPLETON FUNDS</u>	
Templeton Foreign Fund.....	January 1, 2024
Templeton World Fund.....	January 1, 2024
Templeton International Climate Change Fund.....	January 1, 2024
<u>TEMPLETON GLOBAL INVESTMENT TRUST</u>	
Templeton Emerging Markets Small Cap Fund.....	January 1, 2024
Templeton Global Balanced Fund.....	May 1, 2023
<u>TEMPLETON GLOBAL SMALLER COMPANIES FUND</u>	
Templeton Global Smaller Companies Fund.....	January 1, 2024
<u>TEMPLETON GROWTH FUND, INC.</u>	
Templeton Growth Fund, Inc.....	January 1, 2024
<u>TEMPLETON INCOME TRUST</u>	
Templeton Global Bond Fund.....	May 1, 2023
Templeton Global Total Return Fund.....	May 1, 2023
Templeton International Bond Fund.....	May 1, 2023
Templeton Sustainable Emerging Markets Bond Fund.....	May 1, 2023

Please retain this supplement for future reference.



**SUPPLEMENT DATED DECEMBER 21, 2023
TO THE PROSPECTUS OF EACH
FRANKLIN TEMPLETON FUND LISTED IN SCHEDULE A**

For each of the funds listed in Schedule A, the following disclosure replaces and supersedes the corresponding disclosure in each fund's Prospectus in the appendix titled "Appendix A – Intermediary Sales Charge Discounts and Waivers":

Edward D. Jones & Co., L.P. ("Edward Jones")

Policies Regarding Transactions Through Edward Jones

Effective on or after January 1st, 2024, the following information supersedes prior information with respect to transactions and positions held in fund shares through an Edward Jones system. Clients of Edward Jones (also referred to as "shareholders") purchasing fund shares on the Edward Jones commission and fee-based platforms are eligible only for the following sales charge discounts (also referred to as "breakpoints") and waivers, which can differ from discounts and waivers described elsewhere in the mutual fund Prospectus or statement of additional information ("SAI") or through another broker-dealer. In all instances, it is the shareholder's responsibility to inform Edward Jones at the time of purchase of any relationship, holdings of Franklin Templeton and Legg Mason Funds (including holdings of 529 Plans where Franklin Templeton or Legg Mason serve as the primary distributor), or other facts qualifying the purchaser for discounts or waivers. Edward Jones can ask for documentation of such circumstance. Shareholders should contact Edward Jones if they have questions regarding their eligibility for these discounts and waivers.

Breakpoints

- Breakpoint pricing, otherwise known as volume pricing, at dollar thresholds as described in the Prospectus.

Rights of Accumulation ("ROA")

- The applicable sales charge on a purchase of Class A shares is determined by taking into account all share classes (except certain money market funds and any assets held in group retirement plans) of the Franklin Templeton and Legg Mason Funds held by the shareholder or in an account grouped by Edward Jones with other accounts for the purpose of providing certain pricing considerations ("pricing groups"). If grouping assets as a shareholder, this includes all share classes held on the Edward Jones platform and/or held on another platform. The inclusion of eligible fund family assets in the ROA calculation is dependent on the shareholder notifying Edward Jones of such assets at the time of calculation. Money market funds are included only if such shares were sold with a sales charge at the time of purchase or acquired in exchange for shares purchased with a sales charge.
- The employer maintaining a SEP IRA plan and/or SIMPLE IRA plan may elect to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping as opposed to including all share classes at a shareholder or pricing group level.
- ROA is determined by calculating the higher of cost minus redemptions or market value (current shares x NAV).

Letter of Intent ("LOI")

- Through a LOI, shareholders can receive the sales charge and breakpoint discounts for purchases shareholders intend to make over a 13-month period from the date Edward Jones receives the LOI. The LOI is determined by calculating the higher of cost or market value of qualifying holdings at LOI initiation in combination with the value that the shareholder intends to buy over a 13-month period to calculate the front-end sales charge and any breakpoint discounts. Each purchase the shareholder makes during that 13-month period will receive the sales charge and breakpoint discount that applies to the total amount. The inclusion of eligible fund family assets in the LOI calculation is dependent on the shareholder notifying Edward Jones of such assets at the time of calculation. Purchases made before the LOI is received by Edward Jones are not adjusted under the LOI and will not reduce the sales charge previously paid. Sales charges will be adjusted if LOI is not met.
- If the employer maintaining a SEP IRA plan and/or SIMPLE IRA plan has elected to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping, LOIs will also be at the plan-level and may only be established by the employer.

Sales Charge Waivers

Sales charges are waived for the following shareholders and in the following situations:

- Associates of Edward Jones and its affiliates and other accounts in the same pricing group (as determined by Edward Jones under its policies and procedures) as the associate. This waiver will continue for the remainder of the associate's life if the associate retires from Edward Jones in good-standing and remains in good standing pursuant to Edward Jones' policies and procedures.
- Shares purchased in an Edward Jones fee-based program.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment.
- Shares purchased from the proceeds of redeemed shares of the same fund family so long as the following conditions are met: the proceeds are from the sale of shares within 60 days of the purchase, the sale and purchase are made from a share class that charges a front load and one of the following:
 - The redemption and repurchase occur in the same account.
 - The redemption proceeds are used to process an: IRA contribution, excess contributions, conversion, recharacterizing of contributions, or distribution, and the repurchase is done in an account within the same Edward Jones grouping for ROA.
- Shares exchanged into Class A shares from another share class so long as the exchange is into the same fund and was initiated at the discretion of Edward Jones. Edward Jones is responsible for any remaining CDSC due to the fund company, if applicable. Any future purchases are subject to the applicable sales charge as disclosed in the Prospectus.
- Exchanges from Class C shares to Class A shares of the same fund, generally, in the 84th month following the anniversary of the purchase date or earlier at the discretion of Edward Jones.
- Purchases of Class 529-A shares through a rollover from either another education savings plan or a security used for qualified distributions.
- Purchases of Class 529 shares made for retribution of refunded amounts.

Contingent Deferred Sales Charge ("CDSC") Waivers

If the shareholder purchases shares that are subject to a CDSC and those shares are redeemed before the CDSC is expired, the shareholder is responsible to pay the CDSC except in the following conditions:

- The death or disability of the shareholder.
- Systematic withdrawals with up to 10% per year of the account value.
- Return of excess contributions from an Individual Retirement Account (IRA).
- Shares redeemed as part of a required minimum distribution for IRA and retirement accounts if the redemption is taken in or after the year the shareholder reaches qualified age based on applicable IRS regulations.
- Shares redeemed to pay Edward Jones fees or costs in such cases where the transaction is initiated by Edward Jones.
- Shares exchanged in an Edward Jones fee-based program.
- Shares acquired through NAV reinstatement.
- Shares redeemed at the discretion of Edward Jones for Minimum Balances, as described below.

Other Important Information Regarding Transactions Through Edward Jones

Minimum Purchase Amounts

- Initial purchase minimum: \$250
- Subsequent purchase minimum: none

Minimum Balances

- Edward Jones has the right to redeem at its discretion fund holdings with a balance of \$250 or less. The following are examples of accounts that are not included in this policy:
 - A fee-based account held on an Edward Jones platform
 - A 529 account held on an Edward Jones platform
 - An account with an active systematic investment plan or LOI

Exchanging Share Classes

- At any time it deems necessary, Edward Jones has the authority to exchange at NAV a shareholder's holdings in a fund to Class A shares of the same fund.

SCHEDULE A

<u>Fund</u>	<u>Date of Prospectus</u>
<u>FRANKLIN ALTERNATIVE STRATEGIES FUNDS</u>	
K2 Alternative Strategies Fund.....	October 1, 2023
<u>FRANKLIN CALIFORNIA TAX-FREE INCOME FUND</u>	
Franklin California Tax-Free Income Fund.....	July 1, 2023
<u>FRANKLIN CALIFORNIA TAX-FREE TRUST</u>	
Franklin California Intermediate-Term Tax-Free Income Fund.....	November 1, 2023
<u>FRANKLIN CUSTODIAN FUNDS</u>	
Franklin DynaTech Fund.....	February 1, 2023, as amended August 16, 2023
Franklin Growth Fund.....	February 1, 2023, as amended August 16, 2023
Franklin Income Fund.....	February 1, 2023, as amended August 16, 2023
Franklin U.S. Government Securities Fund.....	February 1, 2023, as amended August 16, 2023
Franklin Utilities Fund.....	February 1, 2023, as amended August 16, 2023
<u>FRANKLIN FEDERAL TAX-FREE INCOME FUND</u>	
Franklin Federal Tax-Free Income Fund.....	September 1, 2023
<u>FRANKLIN FUND ALLOCATOR SERIES</u>	
Franklin Conservative Allocation Fund.....	May 1, 2023
Franklin Corefolio Allocation Fund.....	May 1, 2023
Franklin Global Allocation Fund.....	May 1, 2023
Franklin Growth Allocation Fund.....	May 1, 2023
Franklin LifeSmart™ Retirement Income Fund.....	May 1, 2023
Franklin LifeSmart™ 2020 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2025 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2030 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2035 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2040 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2045 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2050 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2055 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2060 Retirement Target Fund.....	May 1, 2023
Franklin Moderate Allocation Fund.....	May 1, 2023
<u>FRANKLIN GLOBAL TRUST</u>	
Franklin International Growth Fund.....	December 1, 2023
<u>FRANKLIN GOLD AND PRECIOUS METALS FUND</u>	
Franklin Gold and Precious Metals Fund.....	December 1, 2023

<u>Fund</u>	<u>Date of Prospectus</u>
<u>FRANKLIN HIGH INCOME TRUST</u>	
Franklin High Income Fund.....	February 1, 2023
<u>FRANKLIN INVESTORS SECURITIES TRUST</u>	
Franklin Convertible Securities Fund.....	March 1, 2023
Franklin Equity Income Fund.....	March 1, 2023
Franklin Floating Rate Daily Access Fund.....	March 1, 2023
Franklin Long Duration Credit Fund.....	August 22, 2023
Franklin Low Duration Total Return Fund.....	March 1, 2023
Franklin Low Duration U.S. Government Securities Fund.....	March 1, 2023
Franklin Managed Income Fund.....	March 1, 2023
Franklin Total Return Fund.....	March 1, 2023
<u>FRANKLIN MANAGED TRUST</u>	
Franklin Rising Dividends Fund.....	February 1, 2023
<u>FRANKLIN MUNICIPAL SECURITIES TRUST</u>	
Franklin California High Yield Municipal Fund.....	July 1, 2023
<u>FRANKLIN MUTUAL SERIES FUNDS</u>	
Franklin Mutual Beacon Fund.....	May 1, 2023
Franklin Mutual Financial Services Fund.....	May 1, 2023
Franklin Mutual Global Discovery Fund.....	May 1, 2023
Franklin Mutual International Value Fund.....	May 1, 2023
Franklin Mutual Quest Fund.....	May 1, 2023
Franklin Mutual Shares Fund.....	May 1, 2023
<u>FRANKLIN NEW YORK TAX-FREE INCOME FUND</u>	
Franklin New York Tax-Free Income Fund.....	July 1, 2023
<u>FRANKLIN NEW YORK TAX-FREE TRUST</u>	
Franklin New York Intermediate-Term Tax-Free Income Fund.....	February 1, 2023
<u>FRANKLIN REAL ESTATE SECURITIES TRUST</u>	
Franklin Real Estate Securities Fund.....	September 1, 2023
<u>FRANKLIN STRATEGIC MORTGAGE PORTFOLIO</u>	
Franklin Strategic Mortgage Portfolio.....	February 1, 2023, as amended August 16, 2023
<u>FRANKLIN STRATEGIC SERIES</u>	
Franklin Biotechnology Discovery Fund.....	September 1, 2023
Franklin Growth Opportunities Fund.....	September 1, 2023
Franklin Natural Resources Fund.....	September 1, 2023
Franklin Small Cap Growth Fund.....	September 1, 2023
Franklin Small-Mid Cap Growth Fund.....	September 1, 2023
Franklin Strategic Income Fund.....	September 1, 2023
<u>FRANKLIN TAX-FREE TRUST</u>	
Franklin Alabama Tax-Free Income Fund.....	July 1, 2023
Franklin Arizona Tax-Free Income Fund.....	July 1, 2023
Franklin Colorado Tax-Free Income Fund.....	July 1, 2023
Franklin Connecticut Tax-Free Income Fund.....	July 1, 2023
Franklin Federal Intermediate-Term Tax-Free Income Fund.....	July 1, 2023
Franklin Federal Limited-Term Tax-Free Income Fund.....	July 1, 2023
Franklin Georgia Tax-Free Income Fund.....	July 1, 2023

<u>Fund</u>	<u>Date of Prospectus</u>
Franklin High Yield Tax-Free Income Fund.....	July 1, 2023
Franklin Louisiana Tax-Free Income Fund.....	July 1, 2023
Franklin Maryland Tax-Free Income Fund.....	July 1, 2023
Franklin Massachusetts Tax-Free Income Fund.....	July 1, 2023
Franklin Michigan Tax-Free Income Fund.....	July 1, 2023
Franklin Minnesota Tax-Free Income Fund.....	July 1, 2023
Franklin Missouri Tax-Free Income Fund.....	July 1, 2023
Franklin New Jersey Tax-Free Income Fund.....	July 1, 2023
Franklin North Carolina Tax-Free Income Fund.....	July 1, 2023
Franklin Ohio Tax-Free Income Fund.....	July 1, 2023
Franklin Oregon Tax-Free Income Fund.....	July 1, 2023
Franklin Pennsylvania Tax-Free Income Fund.....	July 1, 2023
Franklin Virginia Tax-Free Income Fund.....	July 1, 2023
<u>FRANKLIN VALUE INVESTORS TRUST</u>	
Franklin MicroCap Value Fund.....	March 1, 2023
Franklin Mutual U.S. Mid Cap Value Fund.....	March 1, 2023
Franklin Small Cap Value Fund.....	March 1, 2023
<u>TEMPLETON CHINA WORLD FUND</u>	
Templeton China World Fund.....	January 1, 2023
<u>TEMPLETON DEVELOPING MARKETS TRUST</u>	
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<u>TEMPLETON FUNDS</u>	
Templeton Foreign Fund.....	January 1, 2023
Templeton World Fund.....	January 1, 2023
Templeton International Climate Change Fund.....	January 1, 2023
<u>TEMPLETON GLOBAL INVESTMENT TRUST</u>	
Templeton Emerging Markets Small Cap Fund.....	January 1, 2023
Templeton Global Balanced Fund.....	May 1, 2023
<u>TEMPLETON GLOBAL SMALLER COMPANIES FUND</u>	
Templeton Global Smaller Companies Fund.....	January 1, 2023
<u>TEMPLETON GROWTH FUND, INC.</u>	
Templeton Growth Fund, Inc.....	January 1, 2023
<u>TEMPLETON INCOME TRUST</u>	
Templeton Global Bond Fund.....	May 1, 2023
Templeton Global Total Return Fund.....	May 1, 2023
Templeton International Bond Fund.....	May 1, 2023
Templeton Sustainable Emerging Markets Bond Fund.....	May 1, 2023

Please retain this supplement for future reference.



**FRANKLIN MUTUAL SERIES FUNDS
SUPPLEMENT DATED DECEMBER 15, 2023
TO THE PROSPECTUS DATED MAY 1, 2023, OF
FRANKLIN MUTUAL FINANCIAL SERVICES FUND (A SERIES OF FRANKLIN MUTUAL SERIES FUNDS)**

The Board of Trustees of Franklin Mutual Series Funds recently approved a proposal to reorganize the Franklin Mutual Financial Services Fund (the “Fund”) with and into the Franklin Mutual Global Discovery Fund, each a series of Franklin Mutual Series Funds.

It is anticipated that in the first quarter of 2024, shareholders of the Fund will receive a proxy card and a Combined Prospectus/Proxy Statement requesting their votes on the reorganization. If approved by the Fund’s shareholders, the transaction is currently expected to be completed on or about April 26, 2024, but may be delayed if unforeseen circumstances arise.

Effective at the close of market (1:00 p.m. Pacific time or close of the New York Stock Exchange, whichever is earlier) on or about January 29, 2024, the Fund will be closed to all new investors except as noted below. Existing investors who had an open and funded account on January 29, 2024 can continue to invest in the Fund through exchanges and additional purchases after such date. The following categories of investors may continue to open new accounts in the Fund after the close of market on January 29, 2024: (1) clients of discretionary investment allocation programs where such programs had investments in the Fund prior to the close of market on January 29, 2024; and (2) Employer Sponsored Retirement Plans or benefit plans and their participants where the Fund was available to participants prior to the close of market on January 29, 2024. The Fund will not accept any additional purchases or exchanges after the close of market on or about April 24, 2024. The Fund reserves the right to change this policy at any time.

Please retain this supplement for future reference.

**FRANKLIN MUTUAL SERIES FUNDS
SUPPLEMENT DATED NOVEMBER 28, 2023
TO THE PROSPECTUS AND STATEMENT OF ADDITIONAL INFORMATION (“SAI”)
EACH DATED MAY 1, 2023, OF
FRANKLIN MUTUAL GLOBAL DISCOVERY FUND and FRANKLIN MUTUAL INTERNATIONAL VALUE
FUND (EACH, A “FUND” AND COLLECTIVELY THE “FUNDS”)**

1) The following sentences are added to the end of the section titled “Fund Summaries – Portfolio Managers” in each fund’s Prospectus:

Effective February 29, 2024, Katrina Dudley is anticipated to step down as portfolio manager to the Fund. At that time, Ms. Dudley will transition to a role with the Public Markets Investments organization with Franklin Templeton.

2) The following sentences are added to the end of the section titled “Fund Details – More Information on Investment Policies, Practices and Risks – Management” in each fund’s Prospectus:

Effective February 29, 2024, Katrina Dudley is anticipated to step down as portfolio manager to the Fund. At that time, Ms. Dudley will transition to a role with the Public Markets Investments organization with Franklin Templeton.

3) The following footnote is added to all references to Katrina Dudley with respect to each fund in the section of each fund’s SAI titled “Management and Other Services – Portfolio managers”:

* Effective February 29, 2024, Katrina Dudley is anticipated to step down as portfolio manager to the Fund. At that time, Ms. Dudley will transition to a role with the Public Markets Investments organization with Franklin Templeton.

Please retain this supplement for future reference.



**FRANKLIN MUTUAL SERIES FUNDS
SUPPLEMENT DATED NOVEMBER 28, 2023
TO THE PROSPECTUS AND STATEMENT OF ADDITIONAL INFORMATION (“SAI”)
EACH DATED MAY 1, 2023, OF
FRANKLIN MUTUAL BEACON FUND (THE “FUND”)**

1) The following sentences are added to the end of the section titled “Fund Summaries – Portfolio Managers” of the Fund’s Prospectus:

Effective February 29, 2024, Christian Correa is anticipated to step down as portfolio manager to the Fund. At that time, Mr. Correa will continue to serve as portfolio manager for other Franklin Mutual Series funds and as Chief Investment Officer of Franklin Mutual Series.

2) The following sentences are added to the end of the section titled “Fund Details – More Information on Investment Policies, Practices and Risks – Management” of the Fund’s Prospectus:

Effective February 29, 2024, Christian Correa is anticipated to step down as portfolio manager to the Franklin Mutual Beacon Fund. At that time, Mr. Correa will continue to serve as portfolio manager for other Franklin Mutual Series funds and as Chief Investment Officer of Franklin Mutual Series.

3) The following footnote is added to all references to Christian Correa with respect to the Fund in the section of the Fund’s SAI titled “Management and Other Services – Portfolio managers”:

* Effective February 29, 2024, Christian Correa is anticipated to step down as portfolio manager to the Fund. At that time, Mr. Correa will continue to serve as portfolio manager for other Franklin Mutual Series funds and as Chief Investment Officer of Franklin Mutual Series.

Please retain this supplement for future reference.

**FRANKLIN MUTUAL SERIES FUNDS
SUPPLEMENT DATED OCTOBER 6, 2023
TO THE PROSPECTUS DATED MAY 1, 2023 OF
FRANKLIN MUTUAL INTERNATIONAL VALUE FUND (THE “FUND”)**

The following replaces the fee table and accompanying footnotes and the expense example in the section of the Fund’s Prospectus entitled “Fund Summary- Fees and Expenses of the Fund”:

Shareholder Fees

(fees paid directly from your investment)

	Class A	Class C	Class R	Class R6	Class Z
Maximum Sales Charge (Load) Imposed on Purchases (as percentage of offering price)	5.50%	None	None	None	None
Maximum Deferred Sales Charge (Load) (as percentage of the lower of original purchase price or sale proceeds)	None ¹	1.00%	None	None	None

¹ There is a 1% contingent deferred sales charge that applies to investments of \$1 Million or more (see "Investment of \$1 Million or More" under "Choosing a Share Class") and purchases by certain retirement plans without an initial sales charge on shares sold within 18 months of purchase.

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

	Class A	Class C	Class R	Class R6	Class Z
Management fees ¹	0.80%	0.80%	0.80%	0.80%	0.80%
Distribution and service (12b-1) fees	0.25%	1.00%	0.50%	None	None
Other expenses	0.12%	0.12%	0.11%	0.04%	0.12%
Total annual Fund operating expenses ¹	1.17%	1.92%	1.41%	0.84%	0.92%
Fee waiver and/or expense reimbursement ²	None	None	None	-0.01%	None
Total annual Fund operating expenses after fee waiver and/or expense reimbursement	1.17%	1.92%	1.41%	0.83%	0.92%

¹ Management fees have been restated to reflect the reduced management fee approved by the board of trustees effective on May 1, 2023. Consequently, the Fund’s total annual Fund operating expenses differ from the ratio of expenses to average net assets shown in the Financial Highlights.

² The investment manager has agreed to waive fees and/or reimburse operating expenses (excluding Rule 12b-1 fees, acquired fund fees and expenses, dividend expense and security borrowing fees for securities sold short, and certain non-routine expenses or costs, such as those relating to litigation, indemnification, reorganizations and liquidations) for the Fund so that the ratio of total annual fund operating expenses will not exceed 0.95% for each share class. The investment manager has also agreed to reduce its fees to reflect reduced services resulting from the Fund’s investments in Franklin Templeton affiliated funds. In addition, the transfer agent has agreed to limit its fees on Class R6 shares of the Fund so that transfer agency fees for that class do not exceed 0.02%. These arrangements are expected to continue until April 30, 2024. During the terms, the fee waiver and expense reimbursement agreements may not be terminated or amended without approval of the board of trustees except to add series or classes, to reflect the extension of termination dates or to lower the waiver and expense limitation (which would result in lower fees for shareholders).

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of the period. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. The Example reflects adjustments made to the Fund’s operating expenses due to the fee waivers and/or expense reimbursements by management for the 1 Year numbers only. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A	\$663	\$901	\$1,158	\$1,892
Class C	\$295	\$603	\$1,037	\$2,049
Class R	\$144	\$447	\$772	\$1,691
Class R6	\$85	\$267	\$465	\$1,037
Class Z	\$94	\$294	\$510	\$1,132
If you do not sell your shares:				
Class C	\$195	\$603	\$1,037	\$2,049

Please retain this supplement for future reference.



**SUPPLEMENT DATED SEPTEMBER 8, 2023
TO THE PROSPECTUS
OF EACH FRANKLIN TEMPLETON FUND LISTED IN SCHEDULE A**

I. Effective September 29, 2023, for each of the funds listed in Schedule A, the following disclosure is added to each fund's Prospectus in the appendix titled "Appendix A – Intermediary Sales Charge Discounts and Waivers":

J.P. MORGAN SECURITIES LLC

Effective September 29, 2023, if you purchase or hold fund shares through an applicable J.P. Morgan Securities LLC brokerage account, you will be eligible for the following sales charge waivers (front-end sales charge waivers and contingent deferred sales charge ("CDSC"), or back-end sales charge, waivers), share class conversion policy and discounts, which may differ from those disclosed elsewhere in this fund's prospectus or Statement of Additional Information ("SAI").

Front-end sales charge waivers on Class A shares available at J.P. Morgan Securities LLC

- Shares exchanged from Class C (i.e., level-load) shares that are no longer subject to a CDSC and are exchanged into Class A shares of the same fund pursuant to J.P. Morgan Securities LLC's share class exchange policy.
- Qualified employer-sponsored defined contribution and defined benefit retirement plans, nonqualified deferred compensation plans, other employee benefit plans and trusts used to fund those plans. For purposes of this provision, such plans do not include SEP IRAs, SIMPLE IRAs, SAR-SEPs or 501(c)(3) accounts.
- Shares of funds purchased through J.P. Morgan Securities LLC Self-Directed Investing accounts.
- Shares purchased through rights of reinstatement.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family).
- Shares purchased by employees and registered representatives of J.P. Morgan Securities LLC or its affiliates and their spouse or financial dependent as defined by J.P. Morgan Securities LLC.

Class C to Class A share conversion

- A shareholder in the fund's Class C shares will have their shares converted by J.P. Morgan Securities LLC to Class A shares (or the appropriate share class) of the same fund if the shares are no longer subject to a CDSC and the conversion is consistent with J.P. Morgan Securities LLC's policies and procedures.

CDSC waivers on Class A and C shares available at J.P. Morgan Securities LLC

- Shares sold upon the death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the fund's prospectus.
- Shares purchased in connection with a return of excess contributions from an IRA account.
- Shares sold as part of a required minimum distribution for IRA and retirement accounts pursuant to the Internal Revenue Code.
- Shares acquired through a right of reinstatement.

Front-end load discounts available at J.P. Morgan Securities LLC: breakpoints, rights of accumulation & letters of intent

- Breakpoints as described in the prospectus.
- Rights of Accumulation (“ROA”) which entitle shareholders to breakpoint discounts as described in the fund’s prospectus will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser’s household at J.P. Morgan Securities LLC. Eligible fund family assets not held at J.P. Morgan Securities LLC (including 529 program holdings, where applicable) may be included in the ROA calculation only if the shareholder notifies their financial advisor about such assets.
- Letters of Intent (“LOI”) which allow for breakpoint discounts based on anticipated purchases within a fund family, through J.P. Morgan Securities LLC, over a 13-month period of time (if applicable).

SCHEDULE A

<u>Fund</u>	<u>Date of Prospectus</u>
<u>FRANKLIN ALTERNATIVE STRATEGIES FUNDS</u>	
K2 Alternative Strategies Fund.....	October 1, 2022
<u>FRANKLIN CALIFORNIA TAX-FREE INCOME FUND</u>	
Franklin California Tax-Free Income Fund.....	July 1, 2023
<u>FRANKLIN CALIFORNIA TAX-FREE TRUST</u>	
Franklin California Intermediate-Term Tax-Free Income Fund.....	November 1, 2022, as amended December 21, 2022
<u>FRANKLIN CUSTODIAN FUNDS</u>	
Franklin DynaTech Fund.....	February 1, 2023, as amended August 16, 2023
Franklin Focused Growth Fund.....	February 1, 2023, as amended August 16, 2023
Franklin Growth Fund.....	February 1, 2023, as amended August 16, 2023
Franklin Income Fund.....	February 1, 2023, as amended August 16, 2023
Franklin U.S. Government Securities Fund.....	February 1, 2023, as amended August 16, 2023
Franklin Utilities Fund.....	February 1, 2023, as amended August 16, 2023
<u>FRANKLIN FEDERAL TAX-FREE INCOME FUND</u>	
Franklin Federal Tax-Free Income Fund.....	September 1, 2023
<u>FRANKLIN FUND ALLOCATOR SERIES</u>	
Franklin Conservative Allocation Fund.....	May 1, 2023
Franklin Corefolio Allocation Fund.....	May 1, 2023
Franklin Global Allocation Fund.....	May 1, 2023
Franklin Growth Allocation Fund.....	May 1, 2023
Franklin LifeSmart™ Retirement Income Fund.....	May 1, 2023

<u>Fund</u>	<u>Date of Prospectus</u>
Franklin LifeSmart™ 2020 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2025 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2030 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2035 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2040 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2045 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2050 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2055 Retirement Target Fund.....	May 1, 2023
Franklin LifeSmart™ 2060 Retirement Target Fund.....	May 1, 2023
Franklin Moderate Allocation Fund.....	May 1, 2023
<u>FRANKLIN GLOBAL TRUST</u>	
Franklin International Growth Fund.....	December 1, 2022
<u>FRANKLIN GOLD AND PRECIOUS METALS FUND</u>	
Franklin Gold and Precious Metals Fund.....	December 1, 2022
<u>FRANKLIN HIGH INCOME TRUST</u>	
Franklin High Income Fund.....	February 1, 2023
<u>FRANKLIN INVESTORS SECURITIES TRUST</u>	
Franklin Convertible Securities Fund.....	March 1, 2023
Franklin Equity Income Fund.....	March 1, 2023
Franklin Floating Rate Daily Access Fund.....	March 1, 2023
Franklin Long Duration Credit Fund.....	August 22, 2023
Franklin Low Duration Total Return Fund.....	March 1, 2023
Franklin Low Duration U.S. Government Securities Fund.....	March 1, 2023
Franklin Managed Income Fund.....	March 1, 2023
Franklin Total Return Fund.....	March 1, 2023
<u>FRANKLIN MANAGED TRUST</u>	
Franklin Rising Dividends Fund.....	February 1, 2023
<u>FRANKLIN MUNICIPAL SECURITIES TRUST</u>	
Franklin California High Yield Municipal Fund.....	July 1, 2023
<u>FRANKLIN MUTUAL SERIES FUNDS</u>	
Franklin Mutual Beacon Fund.....	May 1, 2023
Franklin Mutual International Value Fund.....	May 1, 2023
Franklin Mutual Financial Services Fund.....	May 1, 2023
Franklin Mutual Global Discovery Fund.....	May 1, 2023
Franklin Mutual Quest Fund.....	May 1, 2023
Franklin Mutual Shares Fund.....	May 1, 2023
<u>FRANKLIN NEW YORK TAX-FREE INCOME FUND</u>	
Franklin New York Tax-Free Income Fund.....	July 1, 2023
<u>FRANKLIN NEW YORK TAX-FREE TRUST</u>	
Franklin New York Intermediate-Term Tax-Free Income Fund.....	February 1, 2023
<u>FRANKLIN REAL ESTATE SECURITIES TRUST</u>	
Franklin Real Estate Securities Fund.....	September 1, 2023
<u>FRANKLIN STRATEGIC MORTGAGE PORTFOLIO</u>	

<u>Fund</u>	<u>Date of Prospectus</u>
Franklin Strategic Mortgage Portfolio.....	February 1, 2023, as amended August 16, 2023
<u>FRANKLIN STRATEGIC SERIES</u>	
Franklin Biotechnology Discovery Fund.....	September 1, 2023
Franklin Growth Opportunities Fund.....	September 1, 2023
Franklin Natural Resources Fund.....	September 1, 2023
Franklin Small Cap Growth Fund.....	September 1, 2023
Franklin Small-Mid Cap Growth Fund.....	September 1, 2023
Franklin Strategic Income Fund.....	September 1, 2023
<u>FRANKLIN TAX-FREE TRUST</u>	
Franklin Alabama Tax-Free Income Fund.....	July 1, 2023
Franklin Arizona Tax-Free Income Fund.....	July 1, 2023
Franklin Colorado Tax-Free Income Fund.....	July 1, 2023
Franklin Connecticut Tax-Free Income Fund.....	July 1, 2023
Franklin Federal Intermediate-Term Tax-Free Income Fund.....	July 1, 2023
Franklin Federal Limited-Term Tax-Free Income Fund.....	July 1, 2023
Franklin Georgia Tax-Free Income Fund.....	July 1, 2023
Franklin High Yield Tax-Free Income Fund.....	July 1, 2023
Franklin Louisiana Tax-Free Income Fund.....	July 1, 2023
Franklin Maryland Tax-Free Income Fund.....	July 1, 2023
Franklin Massachusetts Tax-Free Income Fund.....	July 1, 2023
Franklin Michigan Tax-Free Income Fund.....	July 1, 2023
Franklin Minnesota Tax-Free Income Fund.....	July 1, 2023
Franklin Missouri Tax-Free Income Fund.....	July 1, 2023
Franklin New Jersey Tax-Free Income Fund.....	July 1, 2023
Franklin North Carolina Tax-Free Income Fund.....	July 1, 2023
Franklin Ohio Tax-Free Income Fund.....	July 1, 2023
Franklin Oregon Tax-Free Income Fund.....	July 1, 2023
Franklin Pennsylvania Tax-Free Income Fund.....	July 1, 2023
Franklin Virginia Tax-Free Income Fund.....	July 1, 2023
<u>FRANKLIN VALUE INVESTORS TRUST</u>	
Franklin MicroCap Value Fund.....	March 1, 2023
Franklin Mutual U.S. Mid Cap Value Fund.....	March 1, 2023
Franklin Small Cap Value Fund.....	March 1, 2023
<u>TEMPLETON CHINA WORLD FUND</u>	
Templeton China World Fund.....	January 1, 2023
<u>TEMPLETON DEVELOPING MARKETS TRUST</u>	
Templeton Developing Markets Trust.....	May 1, 2023
<u>TEMPLETON FUNDS</u>	
Templeton Foreign Fund.....	January 1, 2023
Templeton World Fund.....	January 1, 2023
Templeton International Climate Change Fund.....	January 1, 2023
<u>TEMPLETON GLOBAL INVESTMENT TRUST</u>	
Templeton Emerging Markets Small Cap Fund.....	January 1, 2023
Templeton Global Balanced Fund.....	May 1, 2023
<u>TEMPLETON GLOBAL SMALLER COMPANIES FUND</u>	
Templeton Global Smaller Companies Fund.....	January 1, 2023

<u>Fund</u>	<u>Date of Prospectus</u>
<u>TEMPLETON GROWTH FUND, INC.</u>	
Templeton Growth Fund, Inc.....	January 1, 2023
<u>TEMPLETON INCOME TRUST</u>	
Templeton Global Bond Fund.....	May 1, 2023
Templeton Global Total Return Fund.....	May 1, 2023
Templeton International Bond Fund.....	May 1, 2023
Templeton Sustainable Emerging Markets Bond Fund.....	May 1, 2023

Please keep this supplement with your prospectus for future reference.



**SUPPLEMENT DATED MAY 25, 2023
TO THE PROSPECTUS
DATED MAY 1, 2023
OF
FRANKLIN MUTUAL QUEST FUND
(a series of Franklin Mutual Series Funds)**

The prospectus is amended as follows:

The following replaces the “Annual Fund Operating Expenses” table in the “Fund Summaries –Franklin Mutual Quest Fund – Fees and Expenses of the Fund” section of the prospectus:

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

	Class A	Class C	Class R	Class R6	Class Z
Management fees	0.68%	0.68%	0.68%	0.68%	0.68%
Distribution and service (12b-1) fees	0.25%	1.00%	0.50%	None	None
Other expenses					
Other expenses of the Fund	0.08%	0.08%	0.07%	0.06%	0.08%
Dividend expense and security borrowing fees for securities sold short	0.02%	0.02%	0.02%	0.02%	0.02%
Total other expenses	0.10%	0.10%	0.09%	0.08%	0.10%
Total annual Fund operating expenses	1.03%	1.78%	1.27%	0.76%	0.78%
Fee waiver and/or expense reimbursement ¹	None	None	None	-0.04%	None
Total annual Fund operating expenses after fee waiver and/or expense reimbursement	1.03%	1.78%	1.27%	0.72%	0.78%

¹ The investment manager has agreed to reduce its fees to reflect reduced services resulting from the Fund's investments in Franklin Templeton affiliated funds. In addition, the transfer agent has agreed to limit its fees on Class R6 shares of the Fund so that transfer agency fees for that class do not exceed 0.02%. These arrangements are expected to continue until April 30, 2024. During the terms, the fee waiver and expense reimbursement agreements may not be terminated or amended without approval of the board of trustees except to add series or classes, to reflect the extension of termination dates or to lower the waiver and expense limitation (which would result in lower fees for shareholders).

Please keep this supplement with your prospectus for future reference.

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Franklin Mutual Beacon Fund

Investment Goal

Capital appreciation, which may occasionally be short term. The secondary goal is income.

Fees and Expenses of the Fund

These tables describe the fees and expenses that you may pay if you buy, hold and sell shares of the Fund. You may qualify for sales charge discounts in Class A if you and your family invest, or agree to invest in the future, at least \$25,000 in Franklin Templeton funds and certain other funds distributed through Franklin Distributors, LLC, the Fund's distributor. More information about these and other discounts is available from your financial professional and under "Your Account" on page 139 in the Fund's Prospectus and under "Buying and Selling Shares" on page 81 of the Fund's Statement of Additional Information. In addition, more information about sales charge discounts and waivers for purchases of shares through specific financial intermediaries is set forth in Appendix A – "Intermediary Sales Charge Discounts and Waivers" to the Fund's prospectus.

Please note that the tables and examples below do not reflect any transaction fees that may be charged by financial intermediaries, or commissions that a shareholder may be required to pay directly to its financial intermediary when buying or selling Class R6 or Class Z shares.

Shareholder Fees

(fees paid directly from your investment)

	Class A	Class C	Class R	Class R6	Class Z
Maximum Sales Charge (Load) Imposed on Purchases (as percentage of offering price)	5.50%	None	None	None	None
Maximum Deferred Sales Charge (Load) (as percentage of the lower of original purchase price or sale proceeds)	None ¹	1.00%	None	None	None

¹ There is a 1% contingent deferred sales charge that applies to investments of \$1 Million or more (see "Investment of \$1 Million or More" under "Choosing a Share Class") and purchases by certain retirement plans without an initial sales charge on shares sold within 18 months of purchase.

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

	Class A	Class C	Class R	Class R6	Class Z
Management fees	0.68%	0.68%	0.68%	0.68%	0.68%
Distribution and service (12b-1) fees	0.25%	1.00%	0.50%	None	None
Other expenses	0.09%	0.09%	0.09%	0.03%	0.09%
Total annual Fund operating expenses	1.02%	1.77%	1.27%	0.71%	0.77%
Fee waiver and/or expense reimbursement ¹	None	None	None	-0.01%	None
Total annual Fund operating expenses after fee waiver and/or expense reimbursement	1.02%	1.77%	1.27%	0.70%	0.77%

¹ The investment manager has agreed to reduce its fees to reflect reduced services resulting from the Fund's investments in Franklin Templeton affiliated funds. In addition, the transfer agent has agreed to limit its fees on Class R6 shares of the Fund so that transfer agency fees for that class do not exceed 0.02%. These arrangements are expected to continue until April 30, 2024. During the terms, the fee waiver and expense reimbursement agreements may not be terminated or amended without approval of the board of trustees except to add series or classes, to reflect the extension of termination dates or to lower the waiver and expense limitation (which would result in lower fees for shareholders).

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of the period. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The Example reflects adjustments made to the Fund's operating expenses due to the fee waivers and/or expense reimbursements by management for the 1 Year numbers only. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A	\$648	\$856	\$1,082	\$1,728
Class C	\$280	\$558	\$960	\$1,887
Class R	\$129	\$402	\$696	\$1,532
Class R6	\$72	\$227	\$395	\$881
Class Z	\$79	\$246	\$428	\$955
If you do not sell your shares:				
Class C	\$180	\$558	\$960	\$1,887

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses or in the Example, affect the Fund's performance. During the most recent

fiscal year, the Fund's portfolio turnover rate was 49.68% of the average value of its portfolio.

Principal Investment Strategies

Under normal market conditions, the Fund invests primarily to predominantly in equity securities (including securities convertible into, or that the investment manager expects to be exchanged for, common or preferred stock) of U.S. and foreign companies that the investment manager believes are available at market prices less than their value based on certain recognized or objective criteria (fundamental value). Following this value-oriented strategy, the Fund invests primarily in undervalued securities (securities trading at a discount to fundamental value). The equity securities in which the Fund invests are primarily common stock. To a lesser extent, the Fund also invests in merger arbitrage securities and the debt and equity of distressed companies.

The Fund is not limited to pre-set maximums or minimums governing the size of the companies in which it may invest. However, the Fund currently invests the equity portion of its portfolio primarily to predominantly in mid- and large cap companies, with the remaining portion of its equity portfolio in smaller companies. While the Fund does not concentrate in any one industry, from time to time, based on economic conditions, it may make significant investments in certain sectors.

The Fund regularly attempts to hedge (protect) against currency risks, largely using currency forward contracts and currency futures contracts (including currency index futures contracts) when, in the investment manager's opinion, it would be advantageous to the Fund to do so. The Fund may also, from time to time, attempt to hedge against market risk using a variety of derivatives.

The Fund may invest substantially and potentially up to 100% of its assets in foreign securities and participations in foreign government debt. The Fund presently does not intend to invest more than a portion (no more than 25%) of its assets in securities of issuers located in emerging market countries. Although the investment manager will search for investments across a large number of countries and regions, from time to time, based on economic conditions, the Fund may have significant positions in particular countries or regions.

Portfolio Selection

The investment manager employs a research driven, fundamental value strategy for the Fund. Investments are generally selected based on the investment manager's own analysis of the security's fundamental value, including for equity securities, an analysis of cash flow potential, long-term earnings, multiples of earnings, book value, and fundamental analysis, including environmental, social and governance (ESG) considerations. The investment manager examines each investment separately and there are no set criteria as to specific value parameters,

asset size, earnings or industry type. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. For example, the investment manager's assessment of investments in special situations investments, notably merger arbitrage and distressed debt, generally does not include analysis of ESG factors.

Principal Risks

You could lose money by investing in the Fund. Mutual fund shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

Market The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

The global outbreak of the novel strain of coronavirus, COVID-19 and its subsequent variants, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. The long-term impact on economies, markets, industries and individual issuers, is not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses. Periods of extreme volatility in the financial markets; reduced liquidity of many instruments; and disruptions to supply chains, consumer demand and employee availability, may continue for some time.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Value Style Investing A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur or do not have the anticipated effect.

Foreign Securities (non-U.S.) Investing in foreign securities typically involves more risks than investing in U.S. securities, including risks related to currency exchange rates and policies, country or government specific issues, less favorable trading practices or regulation and greater price volatility. Certain of these risks also may apply to securities of U.S. companies with significant foreign operations. The risks of investing in foreign securities are typically greater in less developed or emerging market countries.

Focus To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

Regional Focus Because the Fund may invest at least a significant portion of its assets in companies in a specific region, including Europe, the Fund is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Political, social or economic disruptions in the region, even in countries in which the Fund is not invested, may adversely affect the value of investments held by the Fund. Current uncertainty concerning the economic consequences of Russia's military invasion of Ukraine in February 2022 may increase market volatility.

Small and Mid Capitalization Companies Securities issued by small and mid capitalization companies may be more volatile in price than those of larger companies and may involve additional risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, small and mid capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

Derivative Instruments The performance of derivative instruments depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such derivatives often have risks similar to the underlying instrument, in addition to other risks. Derivatives involve costs and can create economic leverage in the Fund's portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Fund's initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. Their successful use will usually depend on the investment manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments move in an unexpected manner, especially in unusual or extreme market conditions, the Fund may not achieve the anticipated benefits of the transaction, and it may realize losses, which could be significant. If the investment manager is not successful in using such derivative instruments, the Fund's performance may be worse than if the investment manager did not use such derivatives at all. When a derivative is used

for hedging, the change in value of the derivative may also not correlate specifically with the currency, security, interest rate, index or other risk being hedged. Derivatives also may present the risk that the other party to the transaction will fail to perform. There is also the risk, especially under extreme market conditions, that a derivative, which usually would operate as a hedge, provides no hedging benefits at all.

Merger Arbitrage Securities and Distressed Companies A merger or other restructuring, or a tender or exchange offer, proposed or pending at the time the Fund invests in merger arbitrage securities may not be completed on the terms or within the time frame contemplated, which may result in losses to the Fund. Debt obligations of distressed companies typically are unrated, lower-rated, in default or close to default and are generally more likely to become worthless than the securities of more financially stable companies.

Liquidity From time to time, the trading market for a particular security or type of security or other investments in which the Fund invests may become less liquid or even illiquid. Reduced liquidity will have an adverse impact on the Fund's ability to sell such securities or other investments when necessary to meet the Fund's liquidity needs, which may arise or increase in response to a specific economic event or because the investment manager wishes to purchase particular investments or believes that a higher level of liquidity would be advantageous. Reduced liquidity will also generally lower the value of such securities or other investments. Market prices for such securities or other investments may be relatively volatile.

LIBOR Transition The Fund invests in financial instruments that may have floating or variable rate calculations for payment obligations or financing terms based on the London Interbank Offered Rate (LIBOR), which is the benchmark interest rate at which major global banks lent to one another in the international interbank market for short-term loans. In 2017, the U.K. Financial Conduct Authority announced its intention to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. Although many LIBOR rates were phased out at the end of 2021 as originally intended, a selection of widely used USD LIBOR rates will continue to be published until June 2023 in order to assist with the transition to an alternative rate. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. There can be no guarantee that financial instruments that transition to an alternative reference rate will retain the same value or liquidity as they would otherwise have had.

Management The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

ESG Considerations ESG considerations are one of a number of factors that the investment manager examines when considering investments for the Fund's portfolio. In light of this, the issuers in which the Fund invests may not be considered ESG-focused companies. In addition, ESG considerations assessed as part of the Fund's investment process may vary across types of eligible investments and issuers. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. The investment manager's assessment of an issuer may differ from that of investors, third-party service providers, such as ratings providers, and other funds. As a result, securities selected by the investment manager may not reflect the beliefs and values of any particular investor. The investment manager also may be dependent on the availability of timely, complete and accurate ESG data being reported by issuers and/or third-party research providers to evaluate ESG factors. ESG factors are often not uniformly measured or defined, which could impact the investment manager's ability to assess an issuer. While the investment manager views ESG considerations as having the potential to contribute to the Fund's long-term performance, there is no guarantee that such results will be achieved.

Cybersecurity Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

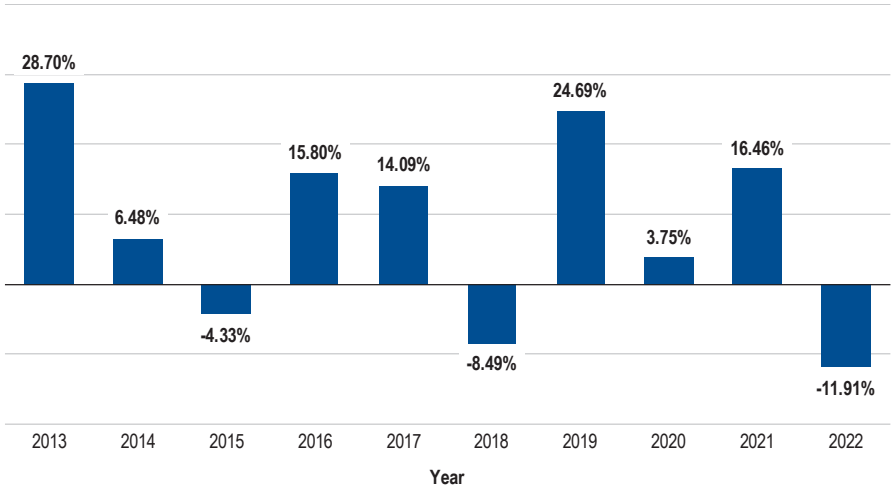
Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

Performance

The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year for Class A shares. The table shows how the Fund's average annual returns for 1 year, 5 years, 10 years or since inception, as applicable, compared with those of a broad measure of market performance. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. You can obtain updated performance information at franklintempleton.com or by calling (800) DIAL BEN/342-5236.

Sales charges are not reflected in the bar chart, and if those charges were included, returns would be less than those shown.

Class A Annual Total Returns



Best Quarter:	2020, Q4	22.45%
Worst Quarter:	2020, Q1	-26.85%

As of March 31, 2023, the Fund's year-to-date return was 3.31%.

Average Annual Total Returns

(figures reflect sales charges)

For periods ended December 31, 2022

	1 Year	5 Years	10 Years	Since Inception
Franklin Mutual Beacon Fund - Class A				
Return before taxes	-16.74%	2.79%	7.11%	—
Return after taxes on distributions	-18.47%	1.17%	5.42%	—
Return after taxes on distributions and sale of Fund shares	-8.53%	2.04%	5.47%	—
Franklin Mutual Beacon Fund - Class C	-13.35%	3.18%	6.92%	—
Franklin Mutual Beacon Fund - Class R	-12.08%	3.71%	7.46%	—
Franklin Mutual Beacon Fund - Class R6	-11.61%	4.31%	—	7.26% ¹
Franklin Mutual Beacon Fund - Class Z	-11.67%	4.23%	8.00%	—
MSCI World Value Index-NR (index reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding)	-6.52%	4.12%	7.24%	—

¹ Since inception May 1, 2013.

The figures in the average annual total returns table above reflect the Class A shares maximum front-end sales charge of 5.50%. Prior to September 10, 2018, Class A shares were subject to a maximum front-end sales charge of 5.75%. If the prior maximum front-end sales charge of 5.75% was reflected, performance for Class A shares in the average annual total returns table would be lower.

The after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. After-tax returns are shown only for Class A and after-tax returns for other classes will vary.

Investment Manager

Franklin Mutual Advisers, LLC (Franklin Mutual)

Portfolio Managers

Christian Correa, CFA

President of Franklin Mutual and portfolio manager of the Fund since 2007.

Mandana Hormozi

Portfolio Manager of Franklin Mutual and portfolio manager of the Fund since 2009.

Aman Gupta, CFA

Portfolio Manager of Franklin Mutual and portfolio manager of the Fund since 2014.

Purchase and Sale of Fund Shares

You may purchase or redeem shares of the Fund on any business day online through our website at franklintempleton.com, by mail (Franklin Templeton Investor Services, P.O. Box 33030, St. Petersburg, FL 33733-8030) or by telephone at (800) 632-2301. For Class A, C and R, the minimum initial purchase for most accounts is \$1,000 (or \$25 under an automatic investment plan). Class R6 and Class Z are only available to certain qualified investors and the minimum initial investment will vary depending on the type of qualified investor, as described under "Your Account — Choosing a Share Class — Qualified Investors — Class R6" and "— Class Z" in the Fund's prospectus. There is no minimum investment for subsequent purchases.

Taxes

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or some combination of both, unless you are investing through a tax-advantaged arrangement, such as a 401(k) plan or an individual retirement account, in which case your distributions would generally be taxed when withdrawn from the tax-advantaged account.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your financial advisor or visit your financial intermediary's website for more information.

Franklin Mutual Global Discovery Fund

Investment Goal

Capital appreciation.

Fees and Expenses of the Fund

These tables describe the fees and expenses that you may pay if you buy, hold and sell shares of the Fund. You may qualify for sales charge discounts in Class A if you and your family invest, or agree to invest in the future, at least \$25,000 in Franklin Templeton funds and certain other funds distributed through Franklin Distributors, LLC, the Fund’s distributor. More information about these and other discounts is available from your financial professional and under “Your Account” on page 139 in the Fund’s Prospectus and under “Buying and Selling Shares” on page 81 of the Fund’s Statement of Additional Information. In addition, more information about sales charge discounts and waivers for purchases of shares through specific financial intermediaries is set forth in Appendix A – “Intermediary Sales Charge Discounts and Waivers” to the Fund’s prospectus.

Please note that the tables and examples below do not reflect any transaction fees that may be charged by financial intermediaries, or commissions that a shareholder may be required to pay directly to its financial intermediary when buying or selling Class R6 or Class Z shares.

Shareholder Fees

(fees paid directly from your investment)

	Class A	Class C	Class R	Class R6	Class Z
Maximum Sales Charge (Load) Imposed on Purchases (as percentage of offering price)	5.50%	None	None	None	None
Maximum Deferred Sales Charge (Load) (as percentage of the lower of original purchase price or sale proceeds)	None ¹	1.00%	None	None	None

¹ There is a 1% contingent deferred sales charge that applies to investments of \$1 Million or more (see "Investment of \$1 Million or More" under "Choosing a Share Class") and purchases by certain retirement plans without an initial sales charge on shares sold within 18 months of purchase.

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

	Class A	Class C	Class R	Class R6	Class Z
Management fees	0.84%	0.84%	0.84%	0.84%	0.84%
Distribution and service (12b-1) fees	0.25%	1.00%	0.50%	None	None
Other expenses	0.11%	0.11%	0.11%	0.02%	0.11%
Total annual Fund operating expenses	1.20%	1.95%	1.45%	0.86%	0.95%

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of the period. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A	\$666	\$911	\$1,174	\$1,926
Class C	\$298	\$612	\$1,052	\$2,080
Class R	\$148	\$459	\$793	\$1,736
Class R6	\$88	\$274	\$476	\$1,060
Class Z	\$97	\$303	\$526	\$1,167
If you do not sell your shares:				
Class C	\$198	\$612	\$1,052	\$2,080

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 53.26% of the average value of its portfolio.

Principal Investment Strategies

Under normal market conditions, the Fund invests primarily in equity securities (including securities convertible into, or that the investment manager expects to be exchanged for, common or preferred stock) of U.S. and foreign companies that the investment manager believes are available at market prices less than their value based on certain recognized or objective criteria (fundamental value). Following this value-oriented strategy, the Fund invests primarily in undervalued securities (securities trading at a discount to fundamental value). The equity securities in which the Fund invests are primarily common stock. To a lesser extent, the Fund also invests in merger arbitrage securities and the debt and equity of distressed companies.

The Fund is not limited to pre-set maximums or minimums governing the size of the companies in which it may invest. However, the Fund currently invests the equity portion of its portfolio predominantly in mid- and large-cap companies, with the

remaining portion of its equity portfolio in smaller companies. While the Fund does not concentrate in any one industry, from time to time, based on economic conditions, it may make significant investments in certain sectors.

The Fund may invest substantially and potentially up to 100% of its assets in foreign securities and participations in foreign government debt. Depending on market conditions, the Fund's investments in foreign securities may fluctuate, but the Fund generally invests at least 30% of its assets in foreign securities or other investments that provide exposure to foreign securities. The Fund presently does not intend to invest more than a portion (no more than 25%) of its assets in securities of issuers located in emerging market countries. Although the investment manager will search for investments across a large number of countries and regions, from time to time, based on economic conditions, the Fund may have significant positions in particular countries or regions.

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The investment manager employs a research driven, fundamental value strategy for the Fund. Investments are generally selected based on the investment manager's own analysis of the security's fundamental value, including for equity securities, an analysis of cash flow potential, long-term earnings, multiples of earnings, book value, and fundamental analysis, including environmental, social and governance (ESG) considerations. The investment manager examines each investment separately and there are no set criteria as to specific value parameters, asset size, earnings or industry type. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. For example, the investment manager's assessment of investments in special situations investments, notably merger arbitrage and distressed debt, generally does not include analysis of ESG factors.

Principal Risks

You could lose money by investing in the Fund. Mutual fund shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

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Foreign Securities (non-U.S.) Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with: (i) internal and external political and economic developments – e.g., the political, economic and social policies and structures of some foreign countries may be less stable and more volatile than those in the U.S. or some foreign countries may be subject to trading restrictions or economic sanctions; (ii) trading practices – e.g., government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; (iii) availability of information – e.g., foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; (iv) limited markets – e.g., the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and (v) currency exchange rate fluctuations and policies. The risks of foreign investments may be greater in developing or emerging market countries.

Focus To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

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Cybersecurity Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

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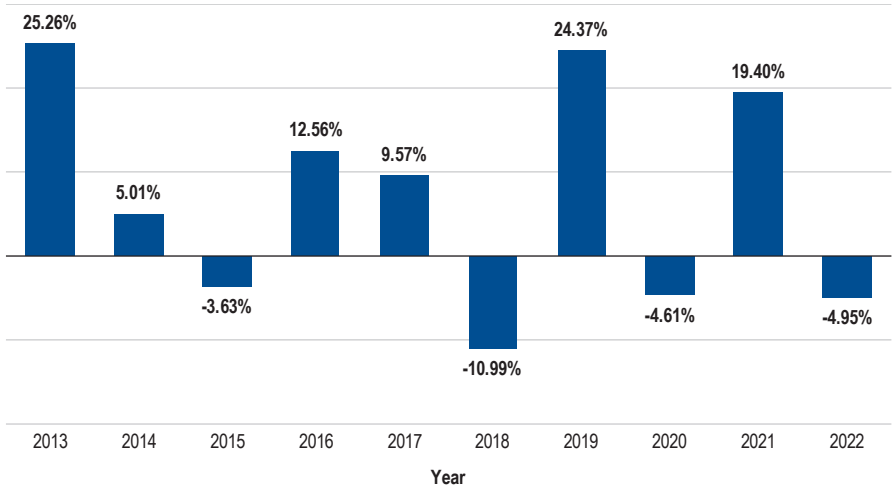
Performance

The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year for Class A shares. The table shows how the Fund's average annual returns for 1 year, 5 years, 10 years or since inception, as applicable, compared with those

of a broad measure of market performance. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. You can obtain updated performance information at franklintempleton.com or by calling (800) DIAL BEN/342-5236.

Sales charges are not reflected in the bar chart, and if those charges were included, returns would be less than those shown.

Class A Annual Total Returns



Best Quarter:	2020, Q4	19.52%
Worst Quarter:	2020, Q1	-30.06%

As of March 31, 2023, the Fund's year-to-date return was 5.41%.

Average Annual Total Returns

(figures reflect sales charges)

For periods ended December 31, 2022

	1 Year	5 Years	10 Years	Since Inception
Franklin Mutual Global Discovery Fund - Class A				
Return before taxes	-10.21%	2.51%	5.87%	—
Return after taxes on distributions	-12.10%	0.85%	4.20%	—
Return after taxes on distributions and sale of Fund shares	-4.41%	1.88%	4.49%	—
Franklin Mutual Global Discovery Fund - Class C				
	-6.56%	2.89%	5.69%	—
Franklin Mutual Global Discovery Fund - Class R				
	-5.24%	3.41%	6.22%	—
Franklin Mutual Global Discovery Fund - Class R6				
	-4.68%	4.04%	—	6.11% ¹
Franklin Mutual Global Discovery Fund - Class Z				
	-4.74%	3.93%	6.76%	—
MSCI World Value Index-NR (index reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding)	-6.52%	4.12%	7.24%	—

¹ Since inception May 1, 2013.

The figures in the average annual total returns table above reflect the Class A shares maximum front-end sales charge of 5.50%. Prior to September 10, 2018, Class A shares were subject to a maximum front-end sales charge of 5.75%. If the prior maximum front-end sales charge of 5.75% was reflected, performance for Class A shares in the average annual total returns table would be lower.

The after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. After-tax returns are shown only for Class A and after-tax returns for other classes will vary.

Investment Manager

Franklin Mutual Advisers, LLC (Franklin Mutual)

Portfolio Managers

Christian Correa, CFA

President of Franklin Mutual and portfolio manager of the Fund since 2018.

Katrina Dudley, CFA

Senior Vice President of Franklin Mutual and portfolio manager of the Fund since 2020.

Timothy Rankin, CFA

Senior Vice President of Franklin Mutual and portfolio manager of the Fund since 2010.

Purchase and Sale of Fund Shares

You may purchase or redeem shares of the Fund on any business day online through our website at franklintempleton.com, by mail (Franklin Templeton Investor Services, P.O. Box 33030, St. Petersburg, FL 33733-8030) or by telephone at (800) 632-2301. For Class A, C and R, the minimum initial purchase for most accounts is \$1,000 (or \$25 under an automatic investment plan). Class R6 and Class Z are only available to certain qualified investors and the minimum initial investment will vary depending on the type of qualified investor, as described under "Your Account — Choosing a Share Class — Qualified Investors — Class R6" and "— Class Z" in the Fund's prospectus. There is no minimum investment for subsequent purchases.

Taxes

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or some combination of both, unless you are investing through a tax-advantaged arrangement, such as a 401(k) plan or an individual retirement account, in which case your distributions would generally be taxed when withdrawn from the tax-advantaged account.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your financial advisor or visit your financial intermediary's website for more information.

Franklin Mutual Quest Fund

Investment Goal

Capital appreciation, which may occasionally be short term. The secondary goal is income.

Fees and Expenses of the Fund

These tables describe the fees and expenses that you may pay if you buy, hold and sell shares of the Fund. You may qualify for sales charge discounts in Class A if you and your family invest, or agree to invest in the future, at least \$25,000 in Franklin Templeton funds and certain other funds distributed through Franklin Distributors, LLC, the Fund's distributor. More information about these and other discounts is available from your financial professional and under "Your Account" on page 139 in the Fund's Prospectus and under "Buying and Selling Shares" on page 81 of the Fund's Statement of Additional Information. In addition, more information about sales charge discounts and waivers for purchases of shares through specific financial intermediaries is set forth in Appendix A – "Intermediary Sales Charge Discounts and Waivers" to the Fund's prospectus.

Please note that the tables and examples below do not reflect any transaction fees that may be charged by financial intermediaries, or commissions that a shareholder may be required to pay directly to its financial intermediary when buying or selling Class R6 or Class Z shares.

Shareholder Fees

(fees paid directly from your investment)

	Class A	Class C	Class R	Class R6	Class Z
Maximum Sales Charge (Load) Imposed on Purchases (as percentage of offering price)	5.50%	None	None	None	None
Maximum Deferred Sales Charge (Load) (as percentage of the lower of original purchase price or sale proceeds)	None ¹	1.00%	None	None	None

¹ There is a 1% contingent deferred sales charge that applies to investments of \$1 Million or more (see "Investment of \$1 Million or More" under "Choosing a Share Class") and purchases by certain retirement plans without an initial sales charge on shares sold within 18 months of purchase.

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

	Class A	Class C	Class R	Class R6	Class Z
Management fees	0.68%	0.68%	0.68%	0.68%	0.68%
Distribution and service (12b-1) fees	0.25%	1.00%	0.49%	None	None
Other expenses					
Other expenses of the Fund	0.08%	0.08%	0.08%	0.06%	0.08%
Dividend expense and security borrowing fees for securities sold short	0.02%	0.02%	0.02%	0.02%	0.02%
Total other expenses	0.10%	0.10%	0.10%	0.08%	0.10%
Total annual Fund operating expenses	1.03%	1.78%	1.27%	0.76%	0.78%
Fee waiver and/or expense reimbursement ¹	None	None	None	-0.04%	None
Total annual Fund operating expenses after fee waiver and/or expense reimbursement	1.03%	1.78%	1.27%	0.72%	0.78%

¹ The investment manager has agreed to reduce its fees to reflect reduced services resulting from the Fund's investments in Franklin Templeton affiliated funds. In addition, the transfer agent has agreed to limit its fees on Class R6 shares of the Fund so that transfer agency fees for that class do not exceed 0.02%. These arrangements are expected to continue until April 30, 2024. During the terms, the fee waiver and expense reimbursement agreements may not be terminated or amended without approval of the board of trustees except to add series or classes, to reflect the extension of termination dates or to lower the waiver and expense limitation (which would result in lower fees for shareholders).

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of the period. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The Example reflects adjustments made to the Fund's operating expenses due to the fee waivers and/or expense reimbursements by management for the 1 Year numbers only. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A	\$649	\$859	\$1,087	\$1,740
Class C	\$281	\$561	\$965	\$1,898
Class R	\$129	\$402	\$696	\$1,532
Class R6	\$74	\$239	\$419	\$940
Class Z	\$80	\$250	\$434	\$967
If you do not sell your shares:				
Class C	\$181	\$561	\$965	\$1,898

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate

higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 101.19% of the average value of its portfolio.

Principal Investment Strategies

Under normal market conditions, the Fund invests substantially to primarily in equity securities (including securities convertible into, or that the investment manager expects to be exchanged for, common or preferred stock) of U.S. and foreign companies that the investment manager believes are available at market prices less than their value based on certain recognized or objective criteria (fundamental value). Following this value-oriented strategy, the Fund invests primarily in undervalued securities (securities trading at a discount to fundamental value). The equity securities in which the Fund invests are primarily common stock. To a lesser extent, the Fund also invests in merger arbitrage securities and the debt and equity of distressed companies.

The Fund is not limited to pre-set maximums or minimums governing the size of the companies in which it may invest. However, the Fund currently invests the equity portion of its portfolio primarily to predominantly in mid- and large cap companies, with the remaining portion of its equity portfolio in smaller companies. While the Fund does not concentrate in any one industry, from time to time, based on economic conditions, it may make significant investments in certain sectors.

The Fund regularly attempts to hedge (protect) against currency risks, largely using currency forward contracts and currency futures contracts (including currency index futures contracts) when, in the investment manager's opinion, it would be advantageous to the Fund to do so. The Fund may also, from time to time, attempt to hedge against market risk using a variety of derivatives.

The Fund may invest substantially and potentially up to 100% of its assets in foreign securities and participations in foreign government debt. Although the investment manager will search for investments across a large number of countries and regions, from time to time, based on economic conditions, the Fund may have significant positions in particular countries or regions.

The Fund may, at times, maintain a large position in cash and cash equivalents (including money market funds).

Portfolio Selection

The investment manager employs a research driven, fundamental value strategy for the Fund. Investments are generally selected based on the investment manager's own analysis of the security's fundamental value, including for equity

securities, an analysis of cash flow potential, long-term earnings, multiples of earnings, book value, and fundamental analysis, including environmental, social and governance (ESG) considerations. The investment manager examines each investment separately and there are no set criteria as to specific value parameters, asset size, earnings or industry type. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. For example, the investment manager's assessment of investments in special situations investments, notably merger arbitrage and distressed debt, generally does not include analysis of ESG factors.

Principal Risks

You could lose money by investing in the Fund. Mutual fund shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

Market The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

The global outbreak of the novel strain of coronavirus, COVID-19 and its subsequent variants, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. The long-term impact on economies, markets, industries and individual issuers, is not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses. Periods of extreme volatility in the financial markets; reduced liquidity of many instruments; and disruptions to supply chains, consumer demand and employee availability, may continue for some time.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Value Style Investing A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur or do not have the anticipated effect.

Foreign Securities (non-U.S.) Investing in foreign securities typically involves more risks than investing in U.S. securities, including risks related to currency exchange rates and policies, country or government specific issues, less favorable

trading practices or regulation and greater price volatility. Certain of these risks also may apply to securities of U.S. companies with significant foreign operations. The risks of investing in foreign securities are typically greater in less developed or emerging market countries.

Focus To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

Regional Focus Because the Fund may invest at least a significant portion of its assets in companies in a specific region, including Europe, the Fund is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Political, social or economic disruptions in the region, even in countries in which the Fund is not invested, may adversely affect the value of investments held by the Fund. Current uncertainty concerning the economic consequences of Russia's military invasion of Ukraine in February 2022 may increase market volatility.

Small and Mid Capitalization Companies Securities issued by small and mid capitalization companies may be more volatile in price than those of larger companies and may involve additional risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, small and mid capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

Derivative Instruments The performance of derivative instruments depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such derivatives often have risks similar to the underlying instrument, in addition to other risks. Derivatives involve costs and can create economic leverage in the Fund's portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Fund's initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. Their successful use will usually depend on the investment manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments move in an unexpected manner, especially in unusual or extreme market conditions, the Fund may not

achieve the anticipated benefits of the transaction, and it may realize losses, which could be significant. If the investment manager is not successful in using such derivative instruments, the Fund's performance may be worse than if the investment manager did not use such derivatives at all. When a derivative is used for hedging, the change in value of the derivative may also not correlate specifically with the currency, security, interest rate, index or other risk being hedged. Derivatives also may present the risk that the other party to the transaction will fail to perform. There is also the risk, especially under extreme market conditions, that a derivative, which usually would operate as a hedge, provides no hedging benefits at all.

Merger Arbitrage Securities and Distressed Companies A merger or other restructuring, or a tender or exchange offer, proposed or pending at the time the Fund invests in merger arbitrage securities may not be completed on the terms or within the time frame contemplated, which may result in losses to the Fund. Debt obligations of distressed companies typically are unrated, lower-rated, in default or close to default and are generally more likely to become worthless than the securities of more financially stable companies.

Liquidity From time to time, the trading market for a particular security or type of security or other investments in which the Fund invests may become less liquid or even illiquid. Reduced liquidity will have an adverse impact on the Fund's ability to sell such securities or other investments when necessary to meet the Fund's liquidity needs, which may arise or increase in response to a specific economic event or because the investment manager wishes to purchase particular investments or believes that a higher level of liquidity would be advantageous. Reduced liquidity will also generally lower the value of such securities or other investments. Market prices for such securities or other investments may be relatively volatile.

LIBOR Transition The Fund invests in financial instruments that may have floating or variable rate calculations for payment obligations or financing terms based on the London Interbank Offered Rate (LIBOR), which is the benchmark interest rate at which major global banks lent to one another in the international interbank market for short-term loans. In 2017, the U.K. Financial Conduct Authority announced its intention to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. Although many LIBOR rates were phased out at the end of 2021 as originally intended, a selection of widely used USD LIBOR rates will continue to be published until June 2023 in order to assist with the transition to an alternative rate. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. There can be no guarantee that financial instruments that transition to an alternative reference rate will retain the same value or liquidity as they would otherwise have had.

Management The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

Portfolio Turnover The investment manager will sell a security or enter or close out of a derivative position when it believes it is appropriate to do so, regardless of how long the Fund has held the security. The Fund's portfolio turnover rate may exceed 100% per year because of the anticipated use of certain investment strategies. The rate of portfolio turnover will not be a limiting factor for the investment manager in making decisions on when to buy or sell securities. High turnover will increase the Fund's transaction costs and may increase your tax liability if the transactions result in capital gains.

ESG Considerations ESG considerations are one of a number of factors that the investment manager examines when considering investments for the Fund's portfolio. In light of this, the issuers in which the Fund invests may not be considered ESG-focused companies. In addition, ESG considerations assessed as part of the Fund's investment process may vary across types of eligible investments and issuers. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. The investment manager's assessment of an issuer may differ from that of investors, third-party service providers, such as ratings providers, and other funds. As a result, securities selected by the investment manager may not reflect the beliefs and values of any particular investor. The investment manager also may be dependent on the availability of timely, complete and accurate ESG data being reported by issuers and/or third-party research providers to evaluate ESG factors. ESG factors are often not uniformly measured or defined, which could impact the investment manager's ability to assess an issuer. While the investment manager views ESG considerations as having the potential to contribute to the Fund's long-term performance, there is no guarantee that such results will be achieved.

Cybersecurity Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may

result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

Performance

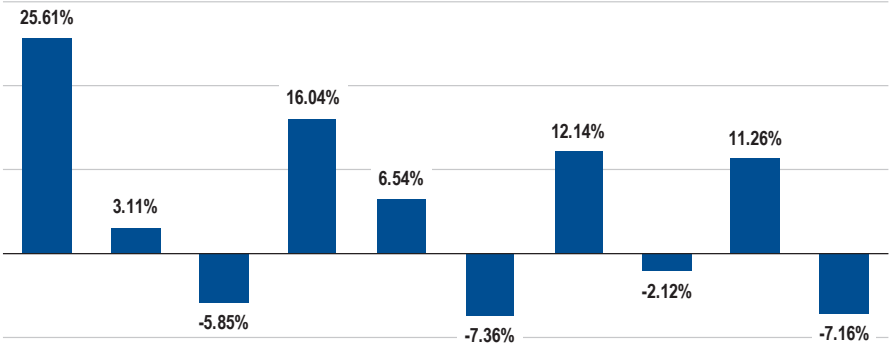
The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year for Class A shares. The table shows how the Fund's average annual returns for 1 year, 5 years, 10 years or since inception, as applicable, compared with those of a broad measure of market performance. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. You can obtain updated performance information at franklintempleton.com or by calling (800) DIAL BEN/342-5236.

The indices in the table below shows how the Fund's performance compares to groups of securities that align with a portion of the Fund's portfolio and a blended benchmark that reflects the allocations of the Fund's portfolio.

Sales charges are not reflected in the bar chart, and if those charges were included, returns would be less than those shown.

Class A Annual Total Returns

Total return information is based on net asset values calculated for shareholder transactions. Certain adjustments were made to the net assets of the Fund on December 31, 2017 for financial reporting purposes, and as a result, the calendar year 2018 total returns based on those net asset values differ from the adjusted total returns reported in the Financial Highlights.



Year		
2013	2014	2015
2016	2017	2018
2019	2020	2021
2022		
Best Quarter:		
2020, Q4		13.07%
Worst Quarter:		
2020, Q1		-22.69%
As of March 31, 2023, the Fund's year-to-date return was -0.71%.		

Average Annual Total Returns

(figures reflect sales charges)

For periods ended December 31, 2022

	1 Year	5 Years	10 Years	Since Inception
Franklin Mutual Quest Fund - Class A				
Return before taxes	-12.28%	-0.15%	4.15%	—
Return after taxes on distributions	-13.26%	-1.60%	1.86%	—
Return after taxes on distributions and sale of Fund shares	-7.00%	-0.44%	2.53%	—
Franklin Mutual Quest Fund - Class C				
	-8.78%	0.23%	3.98%	—
Franklin Mutual Quest Fund - Class R				
	-7.44%	0.73%	4.50%	—
Franklin Mutual Quest Fund - Class R6				
	-6.88%	1.31%	—	4.26% ¹
Franklin Mutual Quest Fund - Class Z				
	-6.86%	1.25%	5.03%	—
Blended 70% MSCI World Value-NR + 30% Bloomberg US Corporate High Yield Index (index reflects no deduction for fees, expenses or taxes but, for the 70% MSCI World Value-NR, are net of dividend tax withholding)	-7.82%	3.73%	6.38%	—
MSCI World Value Index-NR (index reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding)	-6.52%	4.12%	7.24%	—
Bloomberg U.S. Corporate High Yield Index (index reflects no deduction for fees, expenses or taxes)	-11.19%	2.31%	4.03%	—

¹ Since inception May 1, 2013.

No one index is representative of the Fund's portfolio.

The figures in the average annual total returns table above reflect the Class A shares maximum front-end sales charge of 5.50%. Prior to September 10, 2018, Class A shares were subject to a maximum front-end sales charge of 5.75%. If the prior maximum front-end sales charge of 5.75% was reflected, performance for Class A shares in the average annual total returns table would be lower.

The after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. After-tax returns are shown only for Class A and after-tax returns for other classes will vary.

Investment Manager

Franklin Mutual Advisers, LLC (Franklin Mutual)

Portfolio Managers

Keith Luh, CFA

Senior Vice President of Franklin Mutual and portfolio manager of the Fund since 2010.

Andrew Dinnhaupt, CFA

Portfolio Manager of Franklin Mutual and portfolio manager of the Fund since 2020.

Purchase and Sale of Fund Shares

You may purchase or redeem shares of the Fund on any business day online through our website at franklintempleton.com, by mail (Franklin Templeton Investor Services, P.O. Box 33030, St. Petersburg, FL 33733-8030) or by telephone at (800) 632-2301. For Class A, C and R, the minimum initial purchase for most accounts is \$1,000 (or \$25 under an automatic investment plan). Class R6 and Class Z are only available to certain qualified investors and the minimum initial investment will vary depending on the type of qualified investor, as described under "Your Account — Choosing a Share Class — Qualified Investors — Class R6" and "— Class Z" in the Fund's prospectus. There is no minimum investment for subsequent purchases.

Taxes

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or some combination of both, unless you are investing through a tax-advantaged arrangement, such as a 401(k) plan or an individual retirement account, in which case your distributions would generally be taxed when withdrawn from the tax-advantaged account.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your financial advisor or visit your financial intermediary's website for more information.

Franklin Mutual Shares Fund

Investment Goal

Capital appreciation, which may occasionally be short term. The secondary goal is income.

Fees and Expenses of the Fund

These tables describe the fees and expenses that you may pay if you buy, hold and sell shares of the Fund. You may qualify for sales charge discounts in Class A if you and your family invest, or agree to invest in the future, at least \$25,000 in Franklin Templeton funds and certain other funds distributed through Franklin Distributors, LLC, the Fund's distributor. More information about these and other discounts is available from your financial professional and under "Your Account" on page 139 in the Fund's Prospectus and under "Buying and Selling Shares" on page 81 of the Fund's Statement of Additional Information. In addition, more information about sales charge discounts and waivers for purchases of shares through specific financial intermediaries is set forth in Appendix A – "Intermediary Sales Charge Discounts and Waivers" to the Fund's prospectus.

Please note that the tables and examples below do not reflect any transaction fees that may be charged by financial intermediaries, or commissions that a shareholder may be required to pay directly to its financial intermediary when buying or selling Class R6 or Class Z shares.

Shareholder Fees

(fees paid directly from your investment)

	Class A	Class C	Class R	Class R6	Class Z
Maximum Sales Charge (Load) Imposed on Purchases (as percentage of offering price)	5.50%	None	None	None	None
Maximum Deferred Sales Charge (Load) (as percentage of the lower of original purchase price or sale proceeds)	None ¹	1.00%	None	None	None

¹ There is a 1% contingent deferred sales charge that applies to investments of \$1 Million or more (see "Investment of \$1 Million or More" under "Choosing a Share Class") and purchases by certain retirement plans without an initial sales charge on shares sold within 18 months of purchase.

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

	Class A	Class C	Class R	Class R6	Class Z
Management fees	0.66%	0.66%	0.66%	0.66%	0.66%
Distribution and service (12b-1) fees	0.25%	1.00%	0.50%	None	None
Other expenses	0.09%	0.09%	0.09%	0.02%	0.09%
Total annual Fund operating expenses	1.00%	1.75%	1.25%	0.68%	0.75%

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of the period. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A	\$646	\$850	\$1,071	\$1,706
Class C	\$278	\$552	\$950	\$1,865
Class R	\$127	\$396	\$686	\$1,511
Class R6	\$69	\$217	\$378	\$846
Class Z	\$77	\$240	\$417	\$930
If you do not sell your shares:				
Class C	\$178	\$552	\$950	\$1,865

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 59.69% of the average value of its portfolio.

Principal Investment Strategies

Under normal market conditions, the Fund invests primarily in equity securities (including securities convertible into, or that the investment manager expects to be exchanged for, common or preferred stock) of U.S. and foreign companies that the investment manager believes are available at market prices less than their value based on certain recognized or objective criteria (fundamental value). Following this value-oriented strategy, the Fund invests primarily in undervalued securities (securities trading at a discount to fundamental value). The equity securities in which the Fund invests are primarily common stock. To a lesser extent, the Fund also invests in merger arbitrage securities and the debt and equity of distressed companies.

The Fund may invest a significant portion (up to 35%) of its assets in foreign securities and participations in foreign government debt. The Fund presently does not intend to invest more than 15% of its assets in foreign securities. Although the

investment manager will search for investments across a large number of countries and regions, from time to time, based on economic conditions, the Fund may have significant positions in particular countries or regions.

The Fund is not limited to pre-set maximums or minimums governing the size of the companies in which it may invest. However, the Fund currently invests the equity portion of its portfolio predominantly in mid- and large-cap companies, with the remaining portion of its equity portfolio in smaller companies. While the Fund does not concentrate in any one industry, from time to time, based on economic conditions, it may make significant investments in certain sectors.

The Fund regularly attempts to hedge (protect) against currency risks, largely using currency forward contracts and currency futures contracts (including currency index futures contracts) when, in the investment manager's opinion, it would be advantageous to the Fund to do so. The Fund may also, from time to time, attempt to hedge against market risk using a variety of derivatives.

Portfolio Selection

The investment manager employs a research driven, fundamental value strategy for the Fund. Investments are generally selected based on the investment manager's own analysis of the security's fundamental value, including for equity securities, an analysis of cash flow potential, long-term earnings, multiples of earnings, book value, and fundamental analysis, including environmental, social and governance (ESG) considerations. The investment manager examines each investment separately and there are no set criteria as to specific value parameters, asset size, earnings or industry type. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. For example, the investment manager's assessment of investments in special situations investments, notably merger arbitrage and distressed debt, generally does not include analysis of ESG factors.

Principal Risks

You could lose money by investing in the Fund. Mutual fund shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

Market The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

The global outbreak of the novel strain of coronavirus, COVID-19 and its subsequent variants, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. The long-term impact on economies, markets, industries and individual issuers, is not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses. Periods of extreme volatility in the financial markets; reduced liquidity of many instruments; and disruptions to supply chains, consumer demand and employee availability, may continue for some time.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Value Style Investing A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur or do not have the anticipated effect.

Foreign Securities (non-U.S.) Investing in foreign securities typically involves more risks than investing in U.S. securities, including risks related to currency exchange rates and policies, country or government specific issues, less favorable trading practices or regulation and greater price volatility. Certain of these risks also may apply to securities of U.S. companies with significant foreign operations. The risks of investing in foreign securities are typically greater in less developed or emerging market countries.

Focus To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

Regional Focus Because the Fund may invest at least a significant portion of its assets in companies in a specific region, including Europe, the Fund is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Political, social or economic disruptions in the region, even in countries in which the Fund is not invested, may adversely affect the value of investments held by the Fund. Current uncertainty concerning the economic consequences of Russia's military invasion of Ukraine in February 2022 may increase market volatility.

Small and Mid Capitalization Companies Securities issued by small and mid capitalization companies may be more volatile in price than those of larger companies and may involve additional risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of

management and funds for growth and development, and limited or less developed product lines and markets. In addition, small and mid capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

Derivative Instruments The performance of derivative instruments depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such derivatives often have risks similar to the underlying instrument, in addition to other risks. Derivatives involve costs and can create economic leverage in the Fund's portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Fund's initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. Their successful use will usually depend on the investment manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments move in an unexpected manner, especially in unusual or extreme market conditions, the Fund may not achieve the anticipated benefits of the transaction, and it may realize losses, which could be significant. If the investment manager is not successful in using such derivative instruments, the Fund's performance may be worse than if the investment manager did not use such derivatives at all. When a derivative is used for hedging, the change in value of the derivative may also not correlate specifically with the currency, security, interest rate, index or other risk being hedged. Derivatives also may present the risk that the other party to the transaction will fail to perform. There is also the risk, especially under extreme market conditions, that a derivative, which usually would operate as a hedge, provides no hedging benefits at all.

Merger Arbitrage Securities and Distressed Companies A merger or other restructuring, or a tender or exchange offer, proposed or pending at the time the Fund invests in merger arbitrage securities may not be completed on the terms or within the time frame contemplated, which may result in losses to the Fund. Debt obligations of distressed companies typically are unrated, lower-rated, in default or close to default and are generally more likely to become worthless than the securities of more financially stable companies.

Liquidity From time to time, the trading market for a particular security or type of security or other investments in which the Fund invests may become less liquid or even illiquid. Reduced liquidity will have an adverse impact on the Fund's ability to sell such securities or other investments when necessary to meet the Fund's

liquidity needs, which may arise or increase in response to a specific economic event or because the investment manager wishes to purchase particular investments or believes that a higher level of liquidity would be advantageous. Reduced liquidity will also generally lower the value of such securities or other investments. Market prices for such securities or other investments may be relatively volatile.

LIBOR Transition The Fund invests in financial instruments that may have floating or variable rate calculations for payment obligations or financing terms based on the London Interbank Offered Rate (LIBOR), which is the benchmark interest rate at which major global banks lent to one another in the international interbank market for short-term loans. In 2017, the U.K. Financial Conduct Authority announced its intention to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. Although many LIBOR rates were phased out at the end of 2021 as originally intended, a selection of widely used USD LIBOR rates will continue to be published until June 2023 in order to assist with the transition to an alternative rate. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. There can be no guarantee that financial instruments that transition to an alternative reference rate will retain the same value or liquidity as they would otherwise have had.

Management The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

ESG Considerations ESG considerations are one of a number of factors that the investment manager examines when considering investments for the Fund's portfolio. In light of this, the issuers in which the Fund invests may not be considered ESG-focused companies. In addition, ESG considerations assessed as part of the Fund's investment process may vary across types of eligible investments and issuers. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. The investment manager's assessment of an issuer may differ from that of investors, third-party service providers, such as ratings providers, and other funds. As a result, securities selected by the investment manager may not reflect the beliefs and values of any particular investor. The investment manager also may be dependent on the availability of timely, complete and accurate ESG data being reported by issuers and/or third-party research providers to evaluate ESG factors. ESG factors are often not uniformly measured or defined, which could impact the investment manager's ability to assess an issuer. While the investment manager views ESG considerations as having the potential to

contribute to the Fund's long-term performance, there is no guarantee that such results will be achieved.

Cybersecurity Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

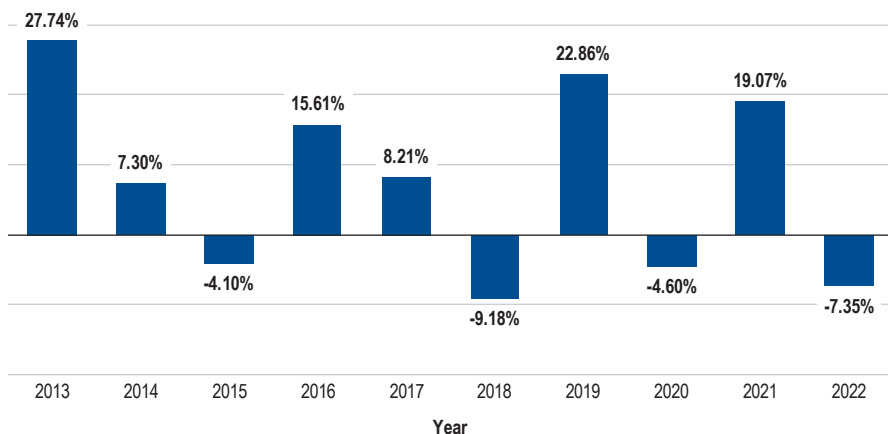
Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

Performance

The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year for Class A shares. The table shows how the Fund's average annual returns for 1 year, 5 years, 10 years or since inception, as applicable, compared with those of a broad measure of market performance. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. You can obtain updated performance information at franklintempleton.com or by calling (800) DIAL BEN/342-5236.

Sales charges are not reflected in the bar chart, and if those charges were included, returns would be less than those shown.

Class A Annual Total Returns



Best Quarter:	2020, Q4	17.52%
Worst Quarter:	2020, Q1	-29.05%

As of March 31, 2023, the Fund's year-to-date return was 0.36%.

Average Annual Total Returns

(figures reflect sales charges)

For periods ended December 31, 2022

	1 Year	5 Years	10 Years	Since Inception
Franklin Mutual Shares Fund - Class A				
Return before taxes	-12.46%	2.11%	6.20%	—
Return after taxes on distributions	-14.39%	0.22%	4.57%	—
Return after taxes on distributions and sale of Fund shares	-6.10%	1.47%	4.77%	—
Franklin Mutual Shares Fund - Class C	-8.88%	2.49%	6.01%	—
Franklin Mutual Shares Fund - Class R	-7.60%	3.01%	6.55%	—
Franklin Mutual Shares Fund - Class R6	-7.05%	3.59%	—	6.30% ¹
Franklin Mutual Shares Fund - Class Z	-7.11%	3.52%	7.08%	—
Russell 1000 Value Index (index reflects no deduction for fees, expenses or taxes)	-7.54%	6.67%	10.29%	—

¹ Since inception May 1, 2013.

The figures in the average annual total returns table above reflect the Class A shares maximum front-end sales charge of 5.50%. Prior to September 10, 2018, Class A shares were subject to a maximum front-end sales charge of 5.75%. If the

prior maximum front-end sales charge of 5.75% was reflected, performance for Class A shares in the average annual total returns table would be lower.

The after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. After-tax returns are shown only for Class A and after-tax returns for other classes will vary.

Investment Manager

Franklin Mutual Advisers, LLC (Franklin Mutual)

Portfolio Managers

Christian Correa, CFA

President of Franklin Mutual and portfolio manager of the Fund since 2020.

Grace Hoefig

Senior Vice President of Franklin Mutual and portfolio manager of the Fund since 2020.

Purchase and Sale of Fund Shares

You may purchase or redeem shares of the Fund on any business day online through our website at franklintempleton.com, by mail (Franklin Templeton Investor Services, P.O. Box 33030, St. Petersburg, FL 33733-8030) or by telephone at (800) 632-2301. For Class A, C and R, the minimum initial purchase for most accounts is \$1,000 (or \$25 under an automatic investment plan). Class R6 and Class Z are only available to certain qualified investors and the minimum initial investment will vary depending on the type of qualified investor, as described under "Your Account — Choosing a Share Class — Qualified Investors — Class R6" and "— Class Z" in the Fund's prospectus. There is no minimum investment for subsequent purchases.

Taxes

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or some combination of both, unless you are investing through a tax-advantaged arrangement, such as a 401(k) plan or an individual retirement account, in which case your distributions would generally be taxed when withdrawn from the tax-advantaged account.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your financial advisor or visit your financial intermediary's website for more information.

Franklin Mutual Financial Services Fund

Investment Goal

Capital appreciation, which may occasionally be short term. The secondary goal is income.

Fees and Expenses of the Fund

These tables describe the fees and expenses that you may pay if you buy, hold and sell shares of the Fund. You may qualify for sales charge discounts in Class A if you and your family invest, or agree to invest in the future, at least \$25,000 in Franklin Templeton funds and certain other funds distributed through Franklin Distributors, LLC, the Fund's distributor. More information about these and other discounts is available from your financial professional and under "Your Account" on page 139 in the Fund's Prospectus and under "Buying and Selling Shares" on page 81 of the Fund's Statement of Additional Information. In addition, more information about sales charge discounts and waivers for purchases of shares through specific financial intermediaries is set forth in Appendix A – "Intermediary Sales Charge Discounts and Waivers" to the Fund's prospectus.

Please note that the tables and examples below do not reflect any transaction fees that may be charged by financial intermediaries, or commissions that a shareholder may be required to pay directly to its financial intermediary when buying or selling Class R6 or Class Z shares.

Shareholder Fees

(fees paid directly from your investment)

	Class A	Class C	Class R6	Class Z
Maximum Sales Charge (Load) Imposed on Purchases (as percentage of offering price)	5.50%	None	None	None
Maximum Deferred Sales Charge (Load) (as percentage of the lower of original purchase price or sale proceeds)	None ¹	1.00%	None	None

¹ There is a 1% contingent deferred sales charge that applies to investments of \$1 Million or more (see "Investment of \$1 Million or More" under "Choosing a Share Class") and purchases by certain retirement plans without an initial sales charge on shares sold within 18 months of purchase.

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

	Class A	Class C	Class R6	Class Z
Management fees	0.88%	0.88%	0.88%	0.88%
Distribution and service (12b-1) fees	0.25%	1.00%	None	None
Other expenses	0.18%	0.19%	0.20%	0.18%
Total annual Fund operating expenses	1.31%	2.07%	1.08%	1.06%
Fee waiver and/or expense reimbursement ¹	None	None	-0.13%	None
Total annual Fund operating expenses after fee waiver and/or expense reimbursement	1.31%	2.07%	0.95%	1.06%

¹ The investment manager has agreed to reduce its fees to reflect reduced services resulting from the Fund's investments in Franklin Templeton affiliated funds. In addition, the transfer agent has agreed to limit its fees on Class R6 shares of the Fund so that transfer agency fees for that class do not exceed 0.03%. These arrangements are expected to continue until April 30, 2024. During the terms, the fee waiver and expense reimbursement agreements may not be terminated or amended without approval of the board of trustees except to add series or classes, to reflect the extension of termination dates or to lower the waiver and expense limitation (which would result in lower fees for shareholders).

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of the period. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The Example reflects adjustments made to the Fund's operating expenses due to the fee waivers and/or expense reimbursements by management for the 1 Year numbers only. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A	\$676	\$943	\$1,230	\$2,043
Class C	\$310	\$649	\$1,114	\$2,206
Class R6	\$97	\$331	\$584	\$1,307
Class Z	\$108	\$337	\$584	\$1,293
If you do not sell your shares:				
Class C	\$210	\$649	\$1,114	\$2,206

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 31.16% of the average value of its portfolio.

Principal Investment Strategies

Under normal market conditions, the Fund invests at least 80% of its net assets in securities of financial services companies that the investment manager believes are available at market prices less than their value based on certain recognized or objective criteria (fundamental value). Following this value-oriented strategy, the Fund invests primarily in undervalued equity securities (securities trading at a discount to fundamental value). The equity securities in which the Fund invests are primarily common stock.

The Fund is not limited to pre-set maximums or minimums governing the size of the companies in which it may invest. However, the Fund invests the equity portion of its portfolio substantially in mid- and large cap companies and may invest a significant portion of its equity portfolio in small-cap companies.

The Fund may invest in foreign securities without limit. Although the investment manager will search for investments across a large number of countries and regions, from time to time, based on economic conditions, the Fund may have significant positions in particular countries or regions.

The Fund regularly attempts to hedge (protect) against currency risks, largely using currency forward contracts and currency futures contracts (including currency index futures contracts) when, in the investment manager's opinion, it would be advantageous to the Fund to do so. The Fund may also, from time to time, attempt to hedge against market risk using a variety of derivatives.

Portfolio Selection

The investment manager employs a research driven, fundamental value strategy for the Fund. Investments are generally selected based on the investment manager's own analysis of the security's fundamental value, including for equity securities, an analysis of cash flow potential, long-term earnings, multiples of earnings, book value, and fundamental analysis, including environmental, social and governance (ESG) considerations. The investment manager examines each investment separately and there are no set criteria as to specific value parameters, asset size, earnings or industry type. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. For example, the investment manager's assessment of investments in special situations investments, notably merger arbitrage and distressed debt, generally does not include analysis of ESG factors.

Principal Risks

You could lose money by investing in the Fund. Mutual fund shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not

insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

Market The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

The global outbreak of the novel strain of coronavirus, COVID-19 and its subsequent variants, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. The long-term impact on economies, markets, industries and individual issuers, is not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses. Periods of extreme volatility in the financial markets; reduced liquidity of many instruments; and disruptions to supply chains, consumer demand and employee availability, may continue for some time.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Financial Services Companies The Fund concentrates its investments in companies operating in the financial services industry, which means that the Fund is less diversified than a fund investing in a broader range of industries, and is particularly sensitive to general market conditions and other risks of the financial services industry. These risks include the effects of: (1) changes in interest rates on the profitability of financial services companies; (2) the rate of corporate and consumer debt defaults; (3) price competition; (4) governmental limitations on a company's loans, other financial commitments and other operations; and (5) recent ongoing changes in the financial services industry (including consolidations, development of new products and changes to the industry's regulatory framework). Some financial services companies have recently experienced significant losses in value and the possible recapitalization of such companies may present greater risks of loss. Insurance companies have additional risks, such as heavy price competition, claims activity and marketing competition, and can be particularly sensitive to specific events such as man-made and natural disasters (including weather catastrophes), widespread disease and pandemics, terrorism, mortality risks and morbidity rates.

Value Style Investing A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the

investment manager believes will increase the price of the security do not occur or do not have the anticipated effect.

Foreign Securities (non-U.S.) Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with: (i) internal and external political and economic developments – e.g., the political, economic and social policies and structures of some foreign countries may be less stable and more volatile than those in the U.S. or some foreign countries may be subject to trading restrictions or economic sanctions; (ii) trading practices – e.g., government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; (iii) availability of information – e.g., foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; (iv) limited markets – e.g., the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and (v) currency exchange rate fluctuations and policies. The risks of foreign investments may be greater in developing or emerging market countries.

Regional Focus Because the Fund may invest at least a significant portion of its assets in companies in a specific region, including Europe, the Fund is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Political, social or economic disruptions in the region, even in countries in which the Fund is not invested, may adversely affect the value of investments held by the Fund. Current uncertainty concerning the economic consequences of Russia's military invasion of Ukraine in February 2022 may increase market volatility.

Small and Mid Capitalization Companies Securities issued by small and mid capitalization companies may be more volatile in price than those of larger companies and may involve additional risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, small and mid capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

Derivative Instruments The performance of derivative instruments depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such derivatives often have risks similar to the underlying instrument, in addition to other risks. Derivatives involve costs and can create economic leverage in the Fund's portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Fund's initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Other

risks include illiquidity, mispricing or improper valuation of the derivative, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. Their successful use will usually depend on the investment manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments move in an unexpected manner, especially in unusual or extreme market conditions, the Fund may not achieve the anticipated benefits of the transaction, and it may realize losses, which could be significant. If the investment manager is not successful in using such derivative instruments, the Fund's performance may be worse than if the investment manager did not use such derivatives at all. When a derivative is used for hedging, the change in value of the derivative may also not correlate specifically with the currency, security, interest rate, index or other risk being hedged. Derivatives also may present the risk that the other party to the transaction will fail to perform. There is also the risk, especially under extreme market conditions, that a derivative, which usually would operate as a hedge, provides no hedging benefits at all.

Liquidity From time to time, the trading market for a particular security or type of security or other investments in which the Fund invests may become less liquid or even illiquid. Reduced liquidity will have an adverse impact on the Fund's ability to sell such securities or other investments when necessary to meet the Fund's liquidity needs, which may arise or increase in response to a specific economic event or because the investment manager wishes to purchase particular investments or believes that a higher level of liquidity would be advantageous. Reduced liquidity will also generally lower the value of such securities or other investments. Market prices for such securities or other investments may be relatively volatile.

LIBOR Transition The Fund invests in financial instruments that may have floating or variable rate calculations for payment obligations or financing terms based on the London Interbank Offered Rate (LIBOR), which is the benchmark interest rate at which major global banks lent to one another in the international interbank market for short-term loans. In 2017, the U.K. Financial Conduct Authority announced its intention to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. Although many LIBOR rates were phased out at the end of 2021 as originally intended, a selection of widely used USD LIBOR rates will continue to be published until June 2023 in order to assist with the transition to an alternative rate. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. There can be no guarantee that financial instruments that transition to an alternative reference rate will retain the same value or liquidity as they would otherwise have had.

Management The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

ESG Considerations ESG considerations are one of a number of factors that the investment manager examines when considering investments for the Fund's portfolio. In light of this, the issuers in which the Fund invests may not be considered ESG-focused companies. In addition, ESG considerations assessed as part of the Fund's investment process may vary across types of eligible investments and issuers. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. The investment manager's assessment of an issuer may differ from that of investors, third-party service providers, such as ratings providers, and other funds. As a result, securities selected by the investment manager may not reflect the beliefs and values of any particular investor. The investment manager also may be dependent on the availability of timely, complete and accurate ESG data being reported by issuers and/or third-party research providers to evaluate ESG factors. ESG factors are often not uniformly measured or defined, which could impact the investment manager's ability to assess an issuer. While the investment manager views ESG considerations as having the potential to contribute to the Fund's long-term performance, there is no guarantee that such results will be achieved.

Cybersecurity Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts

limitations on the Fund's ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

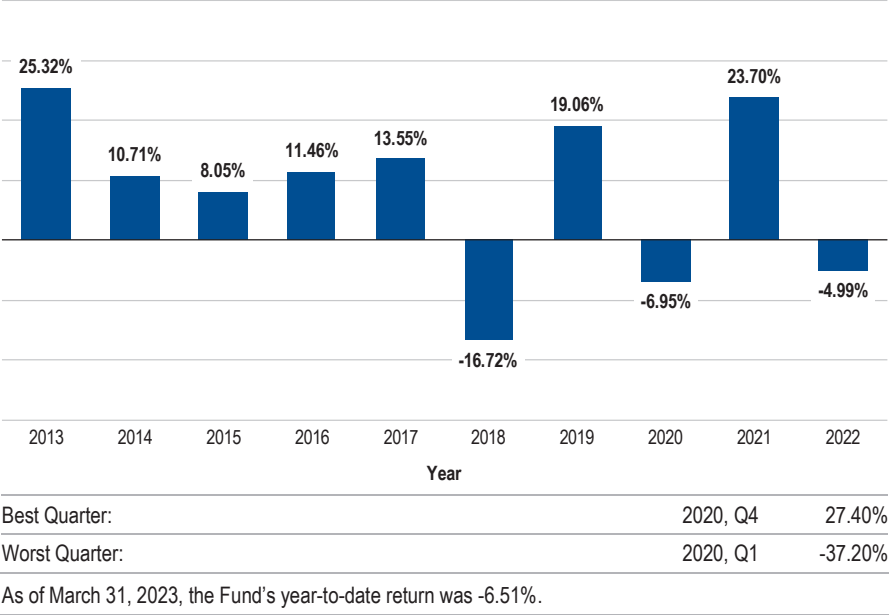
Performance

The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year for Class A shares. The table shows how the Fund's average annual returns for 1 year, 5 years, 10 years or since inception, as applicable, compared with those of a broad measure of market performance. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. You can obtain updated performance information at franklintempleton.com or by calling (800) DIAL BEN/342-5236.

The secondary index in the table below shows how the Fund's performance compares to a group of securities that also reflects the Fund's investment strategies.

Sales charges are not reflected in the bar chart, and if those charges were included, returns would be less than those shown.

Class A Annual Total Returns



Average Annual Total Returns

(figures reflect sales charges)

For periods ended December 31, 2022

	1 Year	5 Years	10 Years	Since Inception
Franklin Mutual Financial Services Fund - Class A				
Return before taxes	-10.22%	0.49%	6.87%	—
Return after taxes on distributions	-10.56%	0.09%	6.50%	—
Return after taxes on distributions and sale of Fund shares	-5.63%	0.39%	5.56%	—
Franklin Mutual Financial Services Fund - Class C				
	-6.64%	0.86%	6.69%	—
Franklin Mutual Financial Services Fund - Class R6				
	-4.66%	2.00%	—	7.17% ¹
Franklin Mutual Financial Services Fund - Class Z				
	-4.76%	1.88%	7.76%	—
MSCI World Financials Index-NR (index reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding)	-10.19%	3.07%	7.38%	—
S&P Financials Index (index reflects no deduction for fees, expenses or taxes)	-10.53%	6.42%	12.16%	—

¹ Since inception May 1, 2013.

No one index is representative of the Fund's portfolio.

The figures in the average annual total returns table above reflect the Class A shares maximum front-end sales charge of 5.50%. Prior to September 10, 2018, Class A shares were subject to a maximum front-end sales charge of 5.75%. If the prior maximum front-end sales charge of 5.75% was reflected, performance for Class A shares in the average annual total returns table would be lower.

The after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. After-tax returns are shown only for Class A and after-tax returns for other classes will vary.

Investment Manager

Franklin Mutual Advisers, LLC (Franklin Mutual)

Portfolio Managers

Andrew Dinnhaupt, CFA

Portfolio Manager of Franklin Mutual and portfolio manager of the Fund since 2014.

Luis Hernandez

Portfolio Manager of Franklin Mutual and portfolio manager of the Fund since 2019.

Purchase and Sale of Fund Shares

You may purchase or redeem shares of the Fund on any business day online through our website at franklintempleton.com, by mail (Franklin Templeton Investor Services, P.O. Box 33030, St. Petersburg, FL 33733-8030) or by telephone at (800) 632-2301. For Class A and C, the minimum initial purchase for most accounts is \$1,000 (or \$25 under an automatic investment plan). Class R6 and Class Z are only available to certain qualified investors and the minimum initial investment will vary depending on the type of qualified investor, as described under "Your Account — Choosing a Share Class — Qualified Investors — Class R6" and "— Class Z" in the Fund's prospectus. There is no minimum investment for subsequent purchases.

Taxes

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or some combination of both, unless you are investing through a tax-advantaged arrangement, such as a 401(k) plan or an individual retirement account, in which case your distributions would generally be taxed when withdrawn from the tax-advantaged account.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your financial advisor or visit your financial intermediary's website for more information.

Franklin Mutual International Value Fund (formerly Franklin Mutual European Fund)

Investment Goal

Capital appreciation, which may occasionally be short term. The secondary goal is income.

Fees and Expenses of the Fund

These tables describe the fees and expenses that you may pay if you buy, hold and sell shares of the Fund. You may qualify for sales charge discounts in Class A if you and your family invest, or agree to invest in the future, at least \$25,000 in Franklin Templeton funds and certain other funds distributed through Franklin Distributors, LLC, the Fund's distributor. More information about these and other discounts is available from your financial professional and under "Your Account" on page 139 in the Fund's Prospectus and under "Buying and Selling Shares" on page 81 of the Fund's Statement of Additional Information. In addition, more information about sales charge discounts and waivers for purchases of shares through specific financial intermediaries is set forth in Appendix A – "Intermediary Sales Charge Discounts and Waivers" to the Fund's prospectus.

Please note that the tables and examples below do not reflect any transaction fees that may be charged by financial intermediaries, or commissions that a shareholder may be required to pay directly to its financial intermediary when buying or selling Class R6 or Class Z shares.

Shareholder Fees

(fees paid directly from your investment)

	Class A	Class C	Class R	Class R6	Class Z
Maximum Sales Charge (Load) Imposed on Purchases (as percentage of offering price)	5.50%	None	None	None	None
Maximum Deferred Sales Charge (Load) (as percentage of the lower of original purchase price or sale proceeds)	None ¹	1.00%	None	None	None

¹ There is a 1% contingent deferred sales charge that applies to investments of \$1 Million or more (see "Investment of \$1 Million or More" under "Choosing a Share Class") and purchases by certain retirement plans without an initial sales charge on shares sold within 18 months of purchase.

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

	Class A	Class C	Class R	Class R6	Class Z
Management fees ¹	0.80%	0.80%	0.80%	0.80%	0.80%
Distribution and service (12b-1) fees	0.25%	1.00%	0.50%	None	None
Other expenses	0.20%	0.20%	0.19%	0.12%	0.20%
Total annual Fund operating expenses	1.25%	2.00%	1.49%	0.92%	1.00%
Fee waiver and/or expense reimbursement ²	-0.05%	-0.05%	-0.04%	-0.01%	-0.05%
Total annual Fund operating expenses after fee waiver and/or expense reimbursement	1.20%	1.95%	1.45%	0.91%	0.95%

¹ Management fees have been restated to reflect the reduced management fee approved by the board of trustees effective on May 1, 2023. Consequently, the Fund's total annual Fund operating expenses differ from the ratio of expenses to average net assets shown in the Financial Highlights.

² The investment manager has agreed to waive fees and/or reimburse operating expenses (excluding Rule 12b-1 fees, acquired fund fees and expenses, dividend expense and security borrowing fees for securities sold short, and certain non-routine expenses or costs, such as those relating to litigation, indemnification, reorganizations and liquidations) for the Fund so that the ratio of total annual fund operating expenses will not exceed 0.95% for each share class. The investment manager has also agreed to reduce its fees to reflect reduced services resulting from the Fund's investments in Franklin Templeton affiliated funds. In addition, the transfer agent has agreed to limit its fees on Class R6 shares of the Fund so that transfer agency fees for that class do not exceed 0.02%. These arrangements are expected to continue until April 30, 2024. During the terms, the fee waiver and expense reimbursement agreements may not be terminated or amended without approval of the board of trustees except to add series or classes, to reflect the extension of termination dates or to lower the waiver and expense limitation (which would result in lower fees for shareholders).

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of the period. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The Example reflects adjustments made to the Fund's operating expenses due to the fee waivers and/or expense reimbursements by management for the 1 Year numbers only. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A	\$666	\$921	\$1,194	\$1,975
Class C	\$298	\$622	\$1,073	\$2,129
Class R	\$148	\$468	\$810	\$1,777
Class R6	\$93	\$293	\$509	\$1,131
Class Z	\$97	\$313	\$547	\$1,219
If you do not sell your shares:				
Class C	\$198	\$622	\$1,073	\$2,129

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 32.10% of the average value of its portfolio.

Principal Investment Strategies

Under normal market conditions, the Fund invests at least 80% of its net assets in securities of issuers outside the United States. The investment manager invests the Fund's assets in issuers it believes are available at market prices less than their value based on certain recognized or objective criteria (fundamental value). Following this value-oriented strategy, the Fund invests primarily in undervalued equity securities (securities trading at a discount to fundamental value). The equity securities in which the Fund invests are primarily common stock. To a lesser extent, the Fund also invests in securities involving merger arbitrage and the debt and equity of stressed or distressed companies.

The Fund may invest up to 25% of its net assets in securities from emerging markets.

The Fund is not limited to pre-set maximums or minimums governing the size of the companies in which it may invest. However, the Fund currently invests the equity portion of its portfolio primarily to predominantly in mid- and large-cap companies, with the remaining portion of its equity portfolio in smaller companies.

The Fund may, from time to time, attempt to hedge (protect) against currency risks, largely using currency forward contracts and currency futures contracts (including currency index futures contracts) when, in the investment manager's opinion, it would be advantageous to the Fund to do so. The Fund may also, from time to time, attempt to hedge against market risk using a variety of derivatives.

Portfolio Selection

The investment manager employs a research driven, fundamental value strategy for the Fund. Investments are generally selected based on the investment manager's own analysis of the security's fundamental value, including for equity securities, an analysis of cash flow potential, long-term earnings, multiples of earnings, book value, and fundamental analysis, including environmental, social and governance (ESG) considerations. The investment manager examines each investment separately and there are no set criteria as to specific value parameters, asset size, earnings or industry type. The investment manager does not assess

every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. For example, the investment manager's assessment of investments in special situations investments, notably merger arbitrage and distressed debt, generally does not include analysis of ESG factors.

Principal Risks

You could lose money by investing in the Fund. Mutual fund shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

Market The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The market value of a security or other investment may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all investments. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

The global outbreak of the novel strain of coronavirus, COVID-19 and its subsequent variants, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. The long-term impact on economies, markets, industries and individual issuers, is not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses. Periods of extreme volatility in the financial markets; reduced liquidity of many instruments; and disruptions to supply chains, consumer demand and employee availability, may continue for some time.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Value Style Investing A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur or do not have the anticipated effect.

Foreign Securities (non-U.S.) Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with: (i) internal and external political and economic developments – e.g., the political, economic and social policies and structures of some foreign countries may be less stable and more volatile than those in the U.S. or some foreign countries may be subject to trading restrictions or economic sanctions; (ii) trading practices – e.g., government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; (iii) availability of

information – e.g., foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; (iv) limited markets – e.g., the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and (v) currency exchange rate fluctuations and policies. The risks of foreign investments may be greater in developing or emerging market countries.

Merger Arbitrage Securities and Distressed Companies A merger or other restructuring, or a tender or exchange offer, proposed or pending at the time the Fund invests in merger arbitrage securities may not be completed on the terms or within the time frame contemplated, which may result in losses to the Fund. Debt obligations of distressed companies typically are unrated, lower-rated, in default or close to default and are generally more likely to become worthless than the securities of more financially stable companies.

Small and Mid Capitalization Companies Securities issued by small and mid capitalization companies may be more volatile in price than those of larger companies and may involve additional risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, small and mid capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

Derivative Instruments The performance of derivative instruments depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such derivatives often have risks similar to the underlying instrument, in addition to other risks. Derivatives involve costs and can create economic leverage in the Fund's portfolio which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Fund's initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. Their successful use will usually depend on the investment manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments move in an unexpected manner, especially in unusual or extreme market conditions, the Fund may not achieve the anticipated benefits of the transaction, and it may realize losses, which could be significant. If the investment manager is not successful in using such derivative instruments, the Fund's performance may be worse than if the investment manager did not use such derivatives at all. When a derivative is used

for hedging, the change in value of the derivative may also not correlate specifically with the currency, security, interest rate, index or other risk being hedged. Derivatives also may present the risk that the other party to the transaction will fail to perform. There is also the risk, especially under extreme market conditions, that a derivative, which usually would operate as a hedge, provides no hedging benefits at all.

Emerging Markets The Fund's investments in emerging market countries are subject to all of the risks of foreign investing generally, and have additional heightened risks due to a lack of established legal, political, business and social frameworks to support securities markets, including: delays in settling portfolio securities transactions; currency and capital controls; greater sensitivity to interest rate changes; pervasiveness of corruption and crime; currency exchange rate volatility; and inflation, deflation or currency devaluation.

Liquidity From time to time, the trading market for a particular security or type of security or other investments in which the Fund invests may become less liquid or even illiquid. Reduced liquidity will have an adverse impact on the Fund's ability to sell such securities or other investments when necessary to meet the Fund's liquidity needs, which may arise or increase in response to a specific economic event or because the investment manager wishes to purchase particular investments or believes that a higher level of liquidity would be advantageous. Reduced liquidity will also generally lower the value of such securities or other investments. Market prices for such securities or other investments may be relatively volatile.

LIBOR Transition The Fund invests in financial instruments that may have floating or variable rate calculations for payment obligations or financing terms based on the London Interbank Offered Rate (LIBOR), which is the benchmark interest rate at which major global banks lent to one another in the international interbank market for short-term loans. In 2017, the U.K. Financial Conduct Authority announced its intention to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. Although many LIBOR rates were phased out at the end of 2021 as originally intended, a selection of widely used USD LIBOR rates will continue to be published until June 2023 in order to assist with the transition to an alternative rate. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. There can be no guarantee that financial instruments that transition to an alternative reference rate will retain the same value or liquidity as they would otherwise have had.

Management The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

ESG Considerations ESG considerations are one of a number of factors that the investment manager examines when considering investments for the Fund's portfolio. In light of this, the issuers in which the Fund invests may not be considered ESG-focused companies. In addition, ESG considerations assessed as part of the Fund's investment process may vary across types of eligible investments and issuers. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. The investment manager's assessment of an issuer may differ from that of investors, third-party service providers, such as ratings providers, and other funds. As a result, securities selected by the investment manager may not reflect the beliefs and values of any particular investor. The investment manager also may be dependent on the availability of timely, complete and accurate ESG data being reported by issuers and/or third-party research providers to evaluate ESG factors. ESG factors are often not uniformly measured or defined, which could impact the investment manager's ability to assess an issuer. While the investment manager views ESG considerations as having the potential to contribute to the Fund's long-term performance, there is no guarantee that such results will be achieved.

Cybersecurity Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

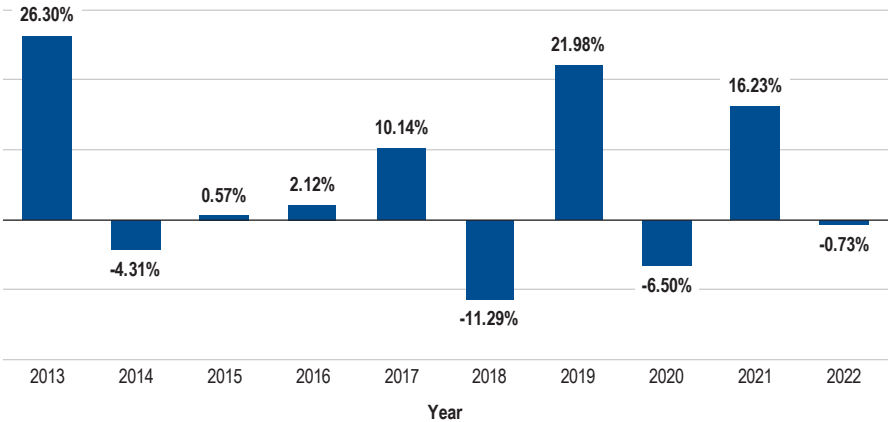
Performance

The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year for Class A shares. The table shows how the Fund's average annual returns for 1 year, 5 years, 10 years or since inception, as applicable, compared with those of a broad measure of market performance. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. You can obtain updated performance information at franklintempleton.com or by calling (800) DIAL BEN/342-5236.

On May 1, 2023, the Fund's investment strategies changed from investing at least 80% of its net assets in securities of European companies to investing at least 80% of its assets in securities of issuers outside the United States. Future performance after May 1, 2023 will be attributable to the Fund's performance after the strategy change. The performance before May 1, 2023 is attributable to the Fund's previous investment strategy.

Sales charges are not reflected in the bar chart, and if those charges were included, returns would be less than those shown.

Class A Annual Total Returns



Best Quarter:	2022, Q4	17.84%
Worst Quarter:	2020, Q1	-32.56%

As of March 31, 2023, the Fund's year-to-date return was 4.52%.

Average Annual Total Returns

(figures reflect sales charges)

For periods ended December 31, 2022

	1 Year	5 Years	10 Years	Since Inception
Franklin Mutual International Value Fund - Class A				
Return before taxes	-6.43%	1.94%	4.17%	—
Return after taxes on distributions	-7.12%	1.35%	3.16%	—
Return after taxes on distributions and sale of Fund shares	-3.31%	1.56%	3.28%	—
Franklin Mutual International Value Fund - Class C				
	-2.67%	2.32%	3.99%	—
Franklin Mutual International Value Fund - Class R				
	-1.23%	2.83%	4.51%	—
Franklin Mutual International Value Fund - Class R6				
	-0.62%	3.46%	—	4.66% ¹
Franklin Mutual International Value Fund - Class Z				
	-0.70%	3.35%	5.04%	—
MSCI EAFE Value Index-NR (Unhedged) (index reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding) ²	-5.58%	0.17%	3.51%	—
MSCI Europe Value Local Index-NR (index reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding) ²	0.57%	1.91%	5.59%	—

¹ Since inception May 1, 2013.

² Effective May 1, 2023, the Fund's primary benchmark changed from the MSCI Europe Value Local Index-NR to the MSCI EAFE Value Index in connection with the Fund's investment strategy change from investing at least 80% of its net assets in securities of European companies to investing at least 80% of its net assets in securities of issuers outside the United States.

The figures in the average annual total returns table above reflect the Class A shares maximum front-end sales charge of 5.50%. Prior to September 10, 2018, Class A shares were subject to a maximum front-end sales charge of 5.75%. If the prior maximum front-end sales charge of 5.75% was reflected, performance for Class A shares in the average annual total returns table would be lower.

The after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. After-tax returns are shown only for Class A and after-tax returns for other classes will vary.

Investment Manager

Franklin Mutual Advisers, LLC (Franklin Mutual)

Portfolio Managers

Katrina Dudley, CFA

Senior Vice President of Franklin Mutual and portfolio manager of the Fund since 2007.

Mandana Hormozi

Portfolio Manager of Franklin Mutual and portfolio manager of the Fund since 2018.

Todd Ostrow

Portfolio Manager of Franklin Mutual and portfolio manager of the Fund since 2019.

Timothy Rankin, CFA

Senior Vice President of Franklin Mutual and portfolio manager of the Fund since May 2023.

Purchase and Sale of Fund Shares

You may purchase or redeem shares of the Fund on any business day online through our website at franklintempleton.com, by mail (Franklin Templeton Investor Services, P.O. Box 33030, St. Petersburg, FL 33733-8030) or by telephone at (800) 632-2301. For Class A, C and R, the minimum initial purchase for most accounts is \$1,000 (or \$25 under an automatic investment plan). Class R6 and Class Z are only available to certain qualified investors and the minimum initial investment will vary depending on the type of qualified investor, as described under "Your Account — Choosing a Share Class — Qualified Investors — Class R6" and "— Class Z" in the Fund's prospectus. There is no minimum investment for subsequent purchases.

Taxes

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or some combination of both, unless you are investing through a tax-advantaged arrangement, such as a 401(k) plan or an individual retirement account, in which case your distributions would generally be taxed when withdrawn from the tax-advantaged account.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another

investment. Ask your financial advisor or visit your financial intermediary's website for more information.

Fund Details

Franklin Mutual Beacon Fund

Franklin Mutual Global Discovery Fund

Franklin Mutual Quest Fund

Franklin Mutual Shares Fund

Investment Goal

The principal investment goal of Franklin Mutual Beacon, Franklin Mutual Quest and Franklin Mutual Shares Funds is capital appreciation, which may occasionally be short term. Their secondary goal is income. Franklin Mutual Global Discovery Fund's investment goal is capital appreciation.

Principal Investment Policies and Practices

Under normal market conditions, Franklin Mutual Quest Fund invests substantially to primarily, Franklin Mutual Beacon Fund invests primarily to predominantly, and Franklin Mutual Global Discovery and Franklin Mutual Shares Funds invests primarily, in equity securities (including securities convertible into, or that the investment manager expects to be exchanged for, common or preferred stock) of U.S. and foreign companies that the investment manager believes are available at market prices less than their value based on certain recognized or objective criteria (fundamental value). Following this value-oriented strategy, each Fund invests primarily in:

- **Undervalued Securities** - Securities trading at a discount to fundamental value.

And, to a lesser extent, each Fund also invests in:

- **Merger Arbitrage Securities** - Securities of companies involved in non-distressed restructurings (such as mergers, acquisitions, consolidations, liquidations, spinoffs, or tender or exchange offers) or that the investment manager believes are cheap relative to an economically equivalent security of the same or another company.
- **Distressed Companies** - Securities of companies that are, or are about to be, involved in reorganizations, financial restructurings, or bankruptcy.

In pursuit of their value-oriented strategy, the Funds are not limited to pre-set maximums or minimums governing the size of the companies in which they may invest. However, as a general rule, the Funds currently invest the equity portion of their portfolios primarily to predominantly in companies with market capitalizations (share price times the number of common stock shares outstanding) greater than \$5 billion, with a portion in smaller companies.

While the Funds do not concentrate in any one industry, from time to time, based on economic conditions, they may make significant investments in certain sectors, such as the financial services, information technology and healthcare sectors for Franklin Mutual Global Discovery Fund and Franklin Mutual Shares Fund; the financial services and healthcare sectors for Franklin Mutual Beacon Fund; and the information technology, financial services and communication services sectors for Franklin Mutual Quest Fund.

While each Fund generally purchases securities for investment purposes, the investment manager may seek to influence or control management, or invest in other companies that do so, when the investment manager believes the Fund may benefit.

The Franklin Mutual Shares Fund may invest a significant portion (up to 35%) of its assets in foreign securities although it presently does not intend to invest more than 15% of its assets in foreign securities. The Franklin Mutual Beacon Fund, Franklin Mutual Quest Fund and Franklin Mutual Global Discovery Fund may invest substantially and potentially up to 100% of their assets in foreign securities and participations in foreign government debt. With respect to the Franklin Mutual Global Discovery Fund, depending on market conditions, the Fund's investments in foreign securities may fluctuate, but the Fund generally invests at least 30% of its assets in foreign securities or other investments that provide exposure to foreign securities. The Franklin Mutual Beacon Fund, Franklin Mutual Quest Fund and Franklin Mutual Global Discovery Fund presently do not intend to invest more than a portion (no more than 25%) of their assets in securities of issuers located in emerging market countries. Although the investment manager will search for investments across a large number of countries and regions, from time to time, based on economic conditions, each Fund may have significant positions in particular countries or regions.

The Funds' investments in Distressed Companies typically involve the purchase of bank debt, lower-rated or defaulted debt securities, comparable unrated debt securities or other indebtedness of such companies. The Funds also may purchase loan participation interests, trade claims and other similar direct obligations or claims against Distressed Companies. Such other indebtedness generally represents a specific commercial loan or portion of a loan made to a company by a financial institution such as a bank. Loan participations represent fractional interests in a company's indebtedness and are generally made available by banks

or other institutional investors. By purchasing all or a part of a company's direct indebtedness, the Fund, in effect, steps into the shoes of the lender. If the loan is secured, the Fund will have a priority claim to the assets of the company ahead of unsecured creditors and stockholders. The Funds generally make investments in Distressed Companies to achieve capital appreciation, in addition to generating income.

For purposes of pursuing its investment goal, each Fund may continue to opportunistically use currency-related transactions involving certain derivative instruments, including currency forwards and currency futures contracts (including currency index futures contracts). The use of derivative currency transactions may allow the Fund to obtain net long or net negative (short) exposure to selected currencies. Each Fund may also enter into various other transactions involving derivatives, including put and call options on equity securities and swap agreements (which may include total return and credit default swaps). The use of these derivative transactions may allow the Fund to obtain net long or net negative (short) exposures to selected countries, currencies or issues.

Each Fund may use any of the above currency techniques or other derivative transactions for the purposes of enhancing Fund returns, increasing liquidity, gaining exposure to particular instruments in more efficient or less expensive ways and/or hedging risks relating to changes in currency exchange rates, market prices and other market factors. By way of example, when the investment manager believes that the value of a particular foreign currency is expected to increase compared to the U.S. dollar, the Fund could enter into a forward contract to purchase that foreign currency at a future date. If at such future date the value of the foreign currency exceeds the then current amount of U.S. dollars to be paid by the Fund under the contract, the Fund will recognize a gain. When used for hedging purposes, a forward contract or other derivative instrument could be used to protect against possible declines in a currency's value where a security held or to be purchased by the Fund is denominated in that currency.

A currency forward contract is an obligation to purchase or sell a specific quantity of foreign currency at an agreed exchange rate (price) at a future date. Currency forwards are typically individually negotiated and privately traded by currency traders and their customers in the interbank market.

A futures contract is a standard binding agreement that trades on an exchange to buy or sell a specified quantity of an underlying instrument or asset at a specified price at a specified later date. A "sale" of a futures contract means the acquisition of a contractual obligation to deliver the underlying instrument called for by the contract at a specified price on a specified date. A "purchase" of a futures contract means the acquisition of a contractual obligation to acquire a specified quantity of the underlying instrument called for by the contract at a specified price on a specified date. The purchase or sale of a futures contract will allow the Fund to

increase or decrease its exposure to the underlying instrument or asset. Although most futures contracts used by the Fund allow for a cash payment of the net gain or loss on the contract at maturity in lieu of delivery of the underlying instruments, some require the actual delivery or acquisition of the underlying instrument or asset. The Fund may buy and sell futures contracts that trade on U.S. and foreign exchanges.

Swap agreements, such as total return swaps and credit default swaps, are contracts between the Fund and, typically, a brokerage firm, bank, or other financial institution (the swap counterparty) for periods ranging from a few days to multiple years. In a basic swap transaction, the Fund agrees with its counterparty to exchange the returns (or differentials in rates of return) earned or realized on a particular "notional amount" of underlying instruments or assets. The notional amount is the set amount selected by the parties as the basis on which to calculate the obligations that they have agreed to exchange. The parties typically do not actually exchange the notional amount. Instead, they agree to exchange the returns that would be earned or realized if the notional amount were invested in given instruments or assets at given interest rates. For credit default swaps, the "buyer" of the credit default swap agreement is obligated to pay the "seller" a periodic stream of payments over the term of the agreement in return for a payment by the "seller" that is contingent upon the occurrence of a credit event with respect to an underlying reference debt obligation. As a "buyer" of the credit default swap, the Fund is purchasing the obligation of its counterparty to offset losses the Fund could experience if there was such a credit event. Generally, a credit event means bankruptcy, failure to timely pay interest or principal, obligation acceleration, or modified restructuring of the reference debt obligation. The contingent payment by the seller generally is the face amount of the debt obligation in exchange for the physical delivery of the reference debt obligation or a cash payment equal to the then current market value of that debt obligation.

A call option gives the purchaser of the option, upon payment of a premium, the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price. Conversely, a put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the seller of the option the obligation to buy, the underlying instrument at the exercise price.

The investment manager considers various factors, such as availability and cost, in deciding whether to use a particular derivative instrument or strategy. Moreover, investors should bear in mind that the Fund is not obligated to actively engage in any derivative transactions.

Each Fund may also engage from time to time in an "arbitrage" strategy. When engaging in an arbitrage strategy, a Fund typically buys one security while at the same time selling short another security. Such Fund generally buys the security that the investment manager believes is either cheap relative to the price of the

other security or otherwise undervalued, and sells short the security that the investment manager believes is either expensive relative to the price of the other security or otherwise overvalued. In doing so, a Fund attempts to profit from a perceived relationship between the values of the two securities. Each Fund generally engages in an arbitrage strategy in connection with an announced corporate restructuring, such as a merger, acquisition or tender offer, or other corporate action or event as further discussed under "Merger Arbitrage Securities and Distressed Companies" below.

Portfolio Selection

The investment manager employs a research driven, fundamental value strategy for each Fund. In choosing equity investments, the investment manager focuses on the market price of a company's securities relative to the investment manager's own evaluation of the company's fundamental value, including an analysis of cash flow potential, long-term earnings, multiples of earnings, cash flow, and book value. Similarly, debt securities and other indebtedness, including loan participations, are generally selected based on the investment manager's own analysis of the security's fundamental value rather than the coupon rate or rating of the security. The investment manager examines each investment separately and there are no set criteria as to specific value parameters, asset size, earnings or industry type. The investment manager may consider environmental, social, governance (ESG) and other sustainability issues alongside traditional financial measures to provide a more comprehensive view of the value, risk and return potential of an investment. ESG factors may include, but are not limited to, emissions, energy and waste management, labor practices and relations, exposure to potential regulatory changes, and corporate governance. The investment manager's fundamental research analysts, using their industry expertise, evaluate which factors the investment manager believes to be material to the investment and incorporate both the risks and opportunities of these factors into their fundamental valuation. The weight given to consideration of any factor will vary depending on the analyst's assessment of both the potential materiality and probability of that factor, and will only be one component of any investment decision. In addition, ESG factors considered may change over time. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. For example, the investment manager's assessment of investments in special situations investments, notably merger arbitrage and distressed debt, generally does not include analysis of ESG factors.

Differences Between The Funds

Although the investment manager follows a similar strategy in choosing investments for each of the Funds, there are certain differences. First, the Funds vary in size. Second, each Fund, to a certain extent, has a different team of portfolio managers who have primary responsibility for selecting investments. Third,

although the Funds may invest a portion of their assets in foreign securities (Franklin Mutual Global Discovery, Franklin Mutual Beacon and Franklin Mutual Quest Funds may invest all of their assets in foreign securities) and in small and mid-cap companies, the proportion so invested will vary. Fourth, the average number of securities held by each Fund varies, with Franklin Mutual Beacon Fund tending to have a more concentrated portfolio. Finally, the Funds may allocate foreign investments to different geographic areas. As a result of these differences, the performance of the four Funds (hereafter "the Fund") will vary.

Principal Risks

Market

The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The Fund's investments may decline in value due to factors affecting individual issuers (such as the results of supply and demand), or sectors within the securities markets. The value of a security or other investment also may go up or down due to general market conditions that are not specifically related to a particular issuer, such as real or perceived adverse economic conditions, changes in interest rates or exchange rates, or adverse investor sentiment generally. Furthermore, events involving limited liquidity, defaults, non-performance or other adverse developments that affect one industry, such as the financial services industry, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, may spread to other industries, and could negatively affect the value and liquidity of the Fund's investments. In addition, unexpected events and their aftermaths, such as the spread of diseases; natural, environmental or man-made disasters; financial, political or social disruptions; terrorism and war; and other tragedies or catastrophes, can cause investor fear and panic, which can adversely affect the economies of many companies, sectors, nations, regions and the market in general, in ways that cannot necessarily be foreseen. During a general downturn in the securities markets, multiple asset classes may decline in value. When markets perform well, there can be no assurance that securities or other investments held by the Fund will participate in or otherwise benefit from the advance.

The global outbreak of the novel strain of coronavirus, COVID-19 and its subsequent variants, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. The long-term impact on economies, markets, industries and individual issuers, are not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses. Periods of extreme volatility in the financial markets; reduced liquidity of many instruments; and disruptions to supply chains, consumer demand and employee availability, may continue for some time. The U.S. government and the Federal Reserve, as well as certain foreign governments and

central banks, have taken extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic. This and other government intervention into the economy and financial markets may not work as intended, and have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. In addition, the COVID-19 pandemic, and measures taken to mitigate its effects, could result in disruptions to the services provided to the Fund by its service providers.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Value Style Investing

A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur or do not have the anticipated effect.

The Fund's bargain-driven focus may result in the Fund choosing securities that are not widely followed by other investors. Securities that are considered "cheaply" priced also may include those of companies reporting poor earnings, companies whose share prices have declined sharply (such as growth companies that have recently stumbled to levels considered "cheap" in the investment manager's opinion), turnarounds, cyclical companies, or companies emerging from bankruptcy. All of these securities may have a higher risk of being ignored or rejected, and therefore undervalued, by the market, or decreasing further in value.

Foreign Securities (non-U.S.)

Investing in foreign securities, including sovereign debt securities, typically involves more risks than investing in U.S. securities. Certain of these risks also may apply to securities of U.S. companies with significant foreign operations. These risks, which can increase the potential for losses in the Fund and affect its share price, are discussed in more detail in the section "More Information on Investment Policies, Practices and Risks."

Small and Mid Capitalization Companies

While small and mid capitalization companies may offer substantial opportunities for capital growth, they also may involve more risks than larger capitalization companies. Historically, small and mid capitalization company securities have been more volatile in price than larger company securities, especially over the short term. Among the reasons for the greater price volatility are the less certain growth prospects of small and mid capitalization companies, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of small and mid capitalization companies to changing economic conditions.

In addition, small and mid capitalization companies may lack depth of management, be unable to generate funds necessary for growth or development, have limited product lines or be developing or marketing new products or services for which markets are not yet established and may never become established. Small and mid capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying loans, particularly those with floating interest rates.

Merger Arbitrage Securities and Distressed Companies

A merger or other restructuring, or a tender or exchange offer, proposed or pending at the time the Fund invests in merger arbitrage securities may not be completed on the terms or within the time frame contemplated, which may result in losses to the Fund. Debt obligations of distressed companies typically are unrated, lower-rated, in default or close to default and are generally more likely to become worthless than the securities of more financially stable companies.

Credit

The Fund could lose money on a debt security if the issuer or borrower is unable or fails to meet its obligations, including failing to make interest payments and/or to repay principal when due. Changes in an issuer's financial strength, the market's perception of the issuer's financial strength or an issuer's or security's credit rating, which reflects a third party's assessment of the credit risk presented by a particular issuer or security, may affect debt securities' values. The Fund may incur substantial losses on debt securities that are inaccurately perceived to present a different amount of credit risk by the market, the investment manager or the rating agencies than such securities actually do.

High-Yield Debt Securities

High-yield debt securities (including loans) and unrated securities of similar credit quality (high-yield debt instruments or junk bonds) involve greater risk of a complete loss of the Fund's investment, or delays of interest and principal payments, than higher-quality debt securities or loans. Issuers of high-yield debt instruments are not as strong financially as those issuing securities of higher credit quality. High-yield debt instruments are generally considered predominantly speculative by the applicable rating agencies as these issuers are more likely to encounter financial difficulties because they may be more highly leveraged, or because of other considerations. In addition, high yield debt securities generally are more vulnerable to changes in the relevant economy, such as a recession or a sustained period of rising interest rates, that could affect their ability to make interest and principal payments when due. If an issuer stops making interest and/or principal payments, payments on the securities may never resume. These instruments may be worthless and the Fund could lose its entire investment.

The prices of high-yield debt instruments generally fluctuate more than higher-quality securities. Prices are especially sensitive to developments affecting the issuer's business or operations and to changes in the ratings assigned by rating agencies. In addition, the entire high-yield debt market can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sustained sales by major investors, a high-profile default, or other factors. Prices of corporate high-yield debt instruments often are closely linked with the company's stock prices and typically rise and fall in response to factors that affect stock prices.

High-yield debt instruments are generally less liquid than higher-quality securities. Many of these securities are not registered for sale under the federal securities laws and/or do not trade frequently. When they do trade, their prices may be significantly higher or lower than expected. At times, it may be difficult to sell these securities promptly at an acceptable price, which may limit the Fund's ability to sell securities in response to specific economic events or to meet redemption requests. As a result, certain high-yield debt instruments generally pose greater illiquidity and valuation risks.

Substantial declines in the prices of high-yield debt instruments can dramatically increase the yield of such instruments. The decline in market prices generally reflects an expectation that the issuer(s) may be at greater risk of defaulting on the obligation to pay interest and principal when due. Therefore, substantial increases in yield may reflect a greater risk by the Fund of losing some or part of its investment rather than reflecting any increase in income from the higher yield that the debt instrument may pay to the Fund on its investment.

Franklin Mutual Financial Services Fund

Investment Goal

The Fund's principal investment goal is capital appreciation, which may occasionally be short term. Its secondary goal is income.

Principal Investment Policies and Practices

Under normal market conditions, the Fund invests at least 80% of its net assets in securities of financial services companies that the investment manager believes are available at market prices less than their value based on certain recognized or objective criteria (fundamental value). Shareholders will be given at least 60 days' advance notice of any planned change to the 80% policy regarding investment in securities of financial services companies.

Following this value-oriented strategy, the Fund invests primarily in:

- **Undervalued Securities** - Securities trading at a discount to fundamental value.

And, to a significantly lesser extent, the Fund also invests in:

- **Merger Arbitrage Securities** - Securities of companies involved in non-distressed restructurings (such as mergers, acquisitions, consolidations, liquidations, spinoffs, or tender or exchange offers) or that the investment manager believes are cheap relative to an economically equivalent security of the same or another company.
- **Distressed Companies** - Securities of companies that are, or are about to be, involved in reorganizations, financial restructurings, or bankruptcy.

Financial services companies are companies that, in the manager's view, derive at least 50% of their assets or revenues from the creation, purchase and sale of financial instruments or services, or devote at least 50% of their assets to this objective. These companies include banks, savings and loan organizations, credit card companies, brokerage firms, finance companies (some of which may be structured as real estate investment trusts), sub-prime lending institutions, investment advisors, investment companies, exchanges, insurance companies and payment processing companies.

The Fund invests primarily in equity securities (including securities convertible into, or that the investment manager expects to be exchanged for, common or preferred stock) of financial services companies that the manager believes are undervalued. The equity securities in which the Fund invests are primarily common stock. In pursuit of its value-oriented strategy, the Fund is not limited to pre-set maximums or minimums governing the size of the companies in which it may invest. However, as

a general rule, the Fund invests the equity portion of its portfolio substantially in mid- and large cap companies and may invest a significant portion of its equity portfolio in small-cap companies. For these purposes, mid- and large cap companies are considered to be those with market capitalization values (share price times the number of shares of common stock outstanding) greater than \$5 billion. The Fund may invest in foreign securities without limit. Although the investment manager will search for investments across a large number of countries and regions, from time to time, based on economic conditions, the Fund may have significant positions in particular countries or regions.

While the Fund generally purchases securities for investment purposes, the investment manager may seek to influence or control management, or invest in other companies that do so, when the investment manager believes the Fund may benefit.

The Funds' investments in Distressed Companies typically involve the purchase of bank debt, lower-rated or defaulted debt securities, comparable unrated debt securities or other indebtedness of such companies. The Funds also may purchase loan participation interests, trade claims and other similar direct obligations or claims against Distressed Companies. Such other indebtedness generally represents a specific commercial loan or portion of a loan made to a company by a financial institution such as a bank. Loan participations represent fractional interests in a company's indebtedness and are generally made available by banks or other institutional investors. By purchasing all or a part of a company's direct indebtedness, the Fund, in effect, steps into the shoes of the lender. If the loan is secured, the Fund will have a priority claim to the assets of the company ahead of unsecured creditors and stockholders. The Funds generally make investments in Distressed Companies to achieve capital appreciation, in addition to generating income.

For purposes of pursuing its investment goal, the Fund regularly enters into currency-related transactions involving certain derivative instruments, including currency forwards and currency futures contracts (including currency index futures contracts). The use of derivative currency transactions may allow the Fund to obtain net long or net negative (short) exposure to selected currencies. The Fund may also enter into various other transactions involving derivatives, including put and call options on equity securities and swap agreements (which may include total return and credit default swaps). The use of these derivative transactions may allow the Fund to obtain net long or net negative (short) exposures to selected countries, currencies or issues.

The Fund may use any of the above currency techniques or other derivative transactions for the purposes of enhancing Fund returns, increasing liquidity, gaining exposure to particular instruments in more efficient or less expensive ways and/or hedging risks relating to changes in currency exchange rates, market prices

and other market factors. By way of example, when the investment manager believes that the value of a particular foreign currency is expected to increase compared to the U.S. dollar, the Fund could enter into a forward contract to purchase that foreign currency at a future date. If at such future date the value of the foreign currency exceeds the then current amount of U.S. dollars to be paid by the Fund under the contract, the Fund will recognize a gain. When used for hedging purposes, a forward contract or other derivative instrument could be used to protect against possible declines in a currency's value where a security held or to be purchased by the Fund is denominated in that currency.

A currency forward contract is an obligation to purchase or sell a specific quantity of foreign currency at an agreed exchange rate (price) at a future date. Currency forwards are typically individually negotiated and privately traded by currency traders and their customers in the interbank market.

A futures contract is a standard binding agreement that trades on an exchange to buy or sell a specified quantity of an underlying instrument or asset at a specified price at a specified later date. A "sale" of a futures contract means the acquisition of a contractual obligation to deliver the underlying instrument called for by the contract at a specified price on a specified date. A "purchase" of a futures contract means the acquisition of a contractual obligation to acquire a specified quantity of the underlying instrument called for by the contract at a specified price on a specified date. The purchase or sale of a futures contract will allow the Fund to increase or decrease its exposure to the underlying instrument or asset. Although most futures contracts used by the Fund allow for a cash payment of the net gain or loss on the contract at maturity in lieu of delivery of the underlying instruments, some require the actual delivery or acquisition of the underlying instrument or asset. The Fund may buy and sell futures contracts that trade on U.S. and foreign exchanges.

Swap agreements, such as total return swaps and credit default swaps, are contracts between the Fund and, typically, a brokerage firm, bank, or other financial institution (the swap counterparty) for periods ranging from a few days to multiple years. In a basic swap transaction, the Fund agrees with its counterparty to exchange the returns (or differentials in rates of return) earned or realized on a particular "notional amount" of underlying instruments or assets. The notional amount is the set amount selected by the parties as the basis on which to calculate the obligations that they have agreed to exchange. The parties typically do not actually exchange the notional amount. Instead, they agree to exchange the returns that would be earned or realized if the notional amount were invested in given instruments or assets at given interest rates. For credit default swaps, the "buyer" of the credit default swap agreement is obligated to pay the "seller" a periodic stream of payments over the term of the agreement in return for a payment by the "seller" that is contingent upon the occurrence of a credit event with respect

to an underlying reference debt obligation. As a “buyer” of the credit default swap, the Fund is purchasing the obligation of its counterparty to offset losses the Fund could experience if there was such a credit event. Generally, a credit event means bankruptcy, failure to timely pay interest or principal, obligation acceleration, or modified restructuring of the reference debt obligation. The contingent payment by the seller generally is the face amount of the debt obligation in exchange for the physical delivery of the reference debt obligation or a cash payment equal to the then current market value of that debt obligation.

A call option gives the purchaser of the option, upon payment of a premium, the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price. Conversely, a put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the seller of the option the obligation to buy, the underlying instrument at the exercise price.

The investment manager considers various factors, such as availability and cost, in deciding whether to use a particular derivative instrument or strategy. Moreover, investors should bear in mind that the Fund is not obligated to actively engage in any derivative transactions.

The Fund may also engage from time to time in an “arbitrage” strategy. When engaging in an arbitrage strategy, the Fund typically buys one security while at the same time selling short another security. The Fund generally buys the security that the investment manager believes is either cheap relative to the price of the other security or otherwise undervalued, and sells short the security that the investment manager believes is either expensive relative to the price of the other security or otherwise overvalued. In doing so, the Fund attempts to profit from a perceived relationship between the values of the two securities. The Fund generally engages in an arbitrage strategy in connection with an announced corporate restructuring, such as a merger, acquisition or tender offer, or other corporate action or event as further discussed under “Merger Arbitrage Securities and Distressed Companies” below.

Portfolio Selection

The investment manager employs a research driven, fundamental value strategy for the Fund. In choosing equity investments, the investment manager focuses on the market price of a company’s securities relative to the investment manager’s own evaluation of the company’s fundamental value, including an analysis of cash flow potential, long-term earnings, multiples of earnings, cash flow, and book value. Similarly, debt securities and other indebtedness, including loan participations, are generally selected based on the investment manager’s own analysis of the security’s fundamental value rather than the coupon rate or rating of the security. The investment manager examines each investment separately and there are no set criteria as to specific value parameters, asset size, earnings or industry type.

The investment manager may consider environmental, social, governance (ESG) and other sustainability issues alongside traditional financial measures to provide a more comprehensive view of the value, risk and return potential of an investment. ESG factors may include, but are not limited to, emissions, energy and waste management, labor practices and relations, exposure to potential regulatory changes, and corporate governance. The investment manager's fundamental research analysts, using their industry expertise, evaluate which factors the investment manager believes to be material to the investment and incorporate both the risks and opportunities of these factors into their fundamental valuation. The weight given to consideration of any factor will vary depending on the analyst's assessment of both the potential materiality and probability of that factor, and will only be one component of any investment decision. In addition, ESG factors considered may change over time. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. For example, the investment manager's assessment of investments in special situations investments, notably merger arbitrage and distressed debt, generally does not include analysis of ESG factors.

Principal Risks

Market

The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The Fund's investments may decline in value due to factors affecting individual issuers (such as the results of supply and demand), or sectors within the securities markets. The value of a security or other investment also may go up or down due to general market conditions that are not specifically related to a particular issuer, such as real or perceived adverse economic conditions, changes in interest rates or exchange rates, or adverse investor sentiment generally. Furthermore, events involving limited liquidity, defaults, non-performance or other adverse developments that affect one industry, such as the financial services industry, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, may spread to other industries, and could negatively affect the value and liquidity of the Fund's investments. In addition, unexpected events and their aftermaths, such as the spread of diseases; natural, environmental or man-made disasters; financial, political or social disruptions; terrorism and war; and other tragedies or catastrophes, can cause investor fear and panic, which can adversely affect the economies of many companies, sectors, nations, regions and the market in general, in ways that cannot necessarily be foreseen. During a general downturn in the securities markets, multiple asset classes may decline in value. When markets perform well, there can be no assurance that securities or other investments held by the Fund will participate in or otherwise benefit from the advance.

The global outbreak of the novel strain of coronavirus, COVID-19 and its subsequent variants, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. The long-term impact on economies, markets, industries and individual issuers, are not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses. Periods of extreme volatility in the financial markets; reduced liquidity of many instruments; and disruptions to supply chains, consumer demand and employee availability, may continue for some time. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, have taken extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic. This and other government intervention into the economy and financial markets may not work as intended, and have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. In addition, the COVID-19 pandemic, and measures taken to mitigate its effects, could result in disruptions to the services provided to the Fund by its service providers.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Financial Services Companies

The Fund concentrates its investments in companies operating in the financial services industry, which means the Fund is less diversified than a fund investing in a broader range of securities. As a result, the Fund's investments and performance are particularly sensitive to general market and economic conditions as well as other risks specific to the financial services industry. For example, increases in interest rates, price competition, and the rate of corporate and consumer debt defaults can have a negative effect on the profitability of financial services companies.

Financial services companies are subject to extensive government regulation, which tends to limit both the amount and types of loans and other financial commitments a financial services company can make, and the interest rates and fees it can charge. These limitations can have a significant impact on the profitability of a financial services company.

Insurance companies may be subject to heavy price competition, claims activity, marketing competition and general economic conditions. Certain lines of insurance can be significantly influenced by specific events. For example, property and casualty insurer profits may be affected by man-made and natural disasters (including weather catastrophes), widespread disease and pandemics, as well as terrorism; and life and health insurer profits may be affected by mortality risks and morbidity rates and regulatory and operational changes affected by the Affordable

Care Act of 2010. Individual insurance companies may be subject to material risks, such as inadequate reserve funds to pay claims and the inability to collect from reinsurance carriers.

The financial services industry continues to undergo change as existing distinctions between banking, insurance and brokerage businesses become blurred. In addition, the financial services industry continues to experience consolidations, development of new products and structures and changes to its regulatory framework. These changes are likely to have a significant impact on the financial services industry and the Fund, but it is not possible to predict whether the effect will be beneficial or adverse. That depends not only upon how these changes affect the industry, but also how the particular securities in the Fund's portfolio are affected.

Value Style Investing

A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur or do not have the anticipated effect.

The Fund's bargain-driven focus may result in the Fund choosing securities that are not widely followed by other investors. Securities that are considered "cheaply" priced also may include those of companies reporting poor earnings, companies whose share prices have declined sharply (such as growth companies that have recently stumbled to levels considered "cheap" in the investment manager's opinion), turnarounds, cyclical companies, or companies emerging from bankruptcy. All of these securities may have a higher risk of being ignored or rejected, and therefore undervalued, by the market, or decreasing further in value.

Foreign Securities (non-U.S.)

Investing in foreign securities, including sovereign debt securities, typically involves more risks than investing in U.S. securities. Certain of these risks also may apply to securities of U.S. companies with significant foreign operations. These risks, which can increase the potential for losses in the Fund and affect its share price, are discussed in more detail in the section "More Information on Investment Policies, Practices and Risks."

Small and Mid Capitalization Companies

While small and mid capitalization companies may offer substantial opportunities for capital growth, they also may involve more risks than larger capitalization companies. Historically, small and mid capitalization company securities have been more volatile in price than larger company securities, especially over the short term. Among the reasons for the greater price volatility are the less certain growth prospects of small and mid capitalization companies, the lower degree of liquidity in

the markets for such securities, and the greater sensitivity of small and mid capitalization companies to changing economic conditions.

In addition, small and mid capitalization companies may lack depth of management, be unable to generate funds necessary for growth or development, have limited product lines or be developing or marketing new products or services for which markets are not yet established and may never become established. Small and mid capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying loans, particularly those with floating interest rates.

Credit

The Fund could lose money on a debt security if the issuer or borrower is unable or fails to meet its obligations, including failing to make interest payments and/or to repay principal when due. Changes in an issuer's financial strength, the market's perception of the issuer's financial strength or an issuer's or security's credit rating, which reflects a third party's assessment of the credit risk presented by a particular issuer or security, may affect debt securities' values. The Fund may incur substantial losses on debt securities that are inaccurately perceived to present a different amount of credit risk by the market, the investment manager or the rating agencies than such securities actually do.

Merger Arbitrage Securities and Distressed Companies

A merger or other restructuring, or a tender or exchange offer, proposed or pending at the time the Fund invests in merger arbitrage securities may not be completed on the terms or within the time frame contemplated, which may result in losses to the Fund. Debt obligations of distressed companies typically are unrated, lower-rated, in default or close to default and are generally more likely to become worthless than the securities of more financially stable companies.

High-Yield Debt Securities

High-yield debt securities (including loans) and unrated securities of similar credit quality (high-yield debt instruments or junk bonds) involve greater risk of a complete loss of the Fund's investment, or delays of interest and principal payments, than higher-quality debt securities or loans. Issuers of high-yield debt instruments are not as strong financially as those issuing securities of higher credit quality. High-yield debt instruments are generally considered predominantly speculative by the applicable rating agencies as these issuers are more likely to encounter financial difficulties because they may be more highly leveraged, or because of other considerations. In addition, high yield debt securities generally are more vulnerable to changes in the relevant economy, such as a recession or a sustained period of rising interest rates, that could affect their ability to make interest and principal payments when due. If an issuer stops making interest and/or

principal payments, payments on the securities may never resume. These instruments may be worthless and the Fund could lose its entire investment.

The prices of high-yield debt instruments generally fluctuate more than higher-quality securities. Prices are especially sensitive to developments affecting the issuer's business or operations and to changes in the ratings assigned by rating agencies. In addition, the entire high-yield debt market can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sustained sales by major investors, a high-profile default, or other factors. Prices of corporate high-yield debt instruments often are closely linked with the company's stock prices and typically rise and fall in response to factors that affect stock prices.

High-yield debt instruments are generally less liquid than higher-quality securities. Many of these securities are not registered for sale under the federal securities laws and/or do not trade frequently. When they do trade, their prices may be significantly higher or lower than expected. At times, it may be difficult to sell these securities promptly at an acceptable price, which may limit the Fund's ability to sell securities in response to specific economic events or to meet redemption requests. As a result, certain high-yield debt instruments generally pose greater illiquidity and valuation risks.

Substantial declines in the prices of high-yield debt instruments can dramatically increase the yield of such instruments. The decline in market prices generally reflects an expectation that the issuer(s) may be at greater risk of defaulting on the obligation to pay interest and principal when due. Therefore, substantial increases in yield may reflect a greater risk by the Fund of losing some or part of its investment rather than reflecting any increase in income from the higher yield that the debt instrument may pay to the Fund on its investment.

Franklin Mutual International Value Fund

Investment Goal

The Fund's principal investment goal is capital appreciation, which may occasionally be short term. Its secondary goal is income.

Principal Investment Policies and Practices

Under normal market conditions, the Fund invests at least 80% of its net assets in securities of issuers outside the United States. The Fund defines "securities of issuers outside the United States" as securities: (1) whose principal securities trading markets are outside the United States; (2) that derive 50 percent or more of their total revenue from either goods or services produced or sales made in markets outside the United States; (3) that have 50 percent or more of their assets outside the United States; (4) that are linked to non-U.S. dollar currencies; or (5) that are organized under the laws of, or with principal offices in, a country other than the United States. The investment manager invests the Fund's assets in issuers it believes are available at market prices less than their value based on certain recognized or objective criteria (fundamental value). Shareholders will be given at least 60 days' advance notice of any change to the 80% policy regarding investment in securities of issuers outside of the United States.

Following this value-oriented strategy, the Fund invests primarily in:

- **Undervalued Securities** - Securities trading at a discount to fundamental value.

And, to a lesser extent, the Fund also invests in:

- **Merger Arbitrage Securities** - Securities of companies involved in non-distressed restructurings (such as mergers, acquisitions, consolidations, liquidations, spinoffs, or tender or exchange offers) or that the investment manager believes are cheap relative to an economically equivalent security of the same or another company.
- **Stressed or Distressed Companies** - Securities of companies that are, or are about to be, involved in reorganizations, financial restructurings, or bankruptcy.

The Fund invests primarily in equity securities (including securities convertible into, or that the investment manager expects to be exchanged for, common or preferred stock) of companies that the investment manager believes are undervalued. The equity securities in which the Fund invests are primarily common stock. In pursuit of its value-oriented strategy, the Fund is not limited to pre-set maximums or minimums governing the size of the companies in which it may invest. However, the Fund currently invests the equity portion of its portfolio primarily to predominantly in mid- and large-cap companies with market capitalization values

(share price times the number of common stock shares outstanding) greater than \$5 billion. The Fund may invest the remaining portion of its equity investments in smaller companies.

The Fund may invest up to 25% of its net assets in securities of issuers in emerging markets. Emerging market countries are those currently considered to be emerging or developing by the United Nations or by S&P Dow Jones, Morgan Stanley Capital International or Russell index providers. Emerging markets companies are those: (1) whose principal securities trading markets are in emerging market countries; (2) that derive 50% or more of their total revenue or profit from either goods or services produced or sales made in emerging market countries; (3) that have 50% or more of their assets in emerging market countries; (4) that are linked to currencies of emerging market countries; or (5) that are organized under the laws of, or with principal offices in, emerging market countries.

While the Fund does not concentrate in any one industry, from time to time, based on economic conditions, it may make significant investments in certain sectors, such as the financial services and industrials sectors.

While the Fund generally purchases securities for investment purposes, the investment manager may seek to influence or control management, or invest in other companies that do so, when the investment manager believes the Fund may benefit.

The Funds' investments in Stressed or Distressed Companies typically involve the purchase of bank debt, lower-rated or defaulted debt securities, comparable unrated debt securities or other indebtedness of such companies. The Funds also may purchase loan participation interests, trade claims and other similar direct obligations or claims against Stressed or Distressed Companies. Such other indebtedness generally represents a specific commercial loan or portion of a loan made to a company by a financial institution such as a bank. Loan participations represent fractional interests in a company's indebtedness and are generally made available by banks or other institutional investors. By purchasing all or a part of a company's direct indebtedness, the Fund, in effect, steps into the shoes of the lender. If the loan is secured, the Fund will have a priority claim to the assets of the company ahead of unsecured creditors and stockholders. The Funds generally makes investments in Stressed or Distressed Companies to achieve capital appreciation, in addition to generating income.

For purposes of pursuing its investment goal, the Fund may, from time to time, enter into currency-related transactions involving certain derivative instruments, including currency forwards and currency futures contracts (including currency index futures contracts). The use of derivative currency transactions may allow the Fund to obtain net long or net negative (short) exposure to selected currencies. The Fund may also enter into various other transactions involving derivatives,

including put and call options on equity securities, equity futures and swap agreements (which may include total return and credit default swaps). The use of these derivative transactions may allow the Fund to obtain net long or net negative (short) exposures to selected countries, currencies or issues.

The Fund may use any of the above currency techniques or other derivative transactions for the purposes of enhancing Fund returns, increasing liquidity, gaining exposure to particular instruments in more efficient or less expensive ways and/or hedging risks relating to changes in currency exchange rates, market prices and other market factors. By way of example, when the investment manager believes that the value of a particular foreign currency is expected to increase compared to the U.S. dollar, the Fund could enter into a forward contract to purchase that foreign currency at a future date. If at such future date the value of the foreign currency exceeds the then current amount of U.S. dollars to be paid by the Fund under the contract, the Fund will recognize a gain. When used for hedging purposes, a forward contract or other derivative instrument could be used to protect against possible declines in a currency's value where a security held or to be purchased by the Fund is denominated in that currency.

A currency forward contract is an obligation to purchase or sell a specific quantity of foreign currency at an agreed exchange rate (price) at a future date. Currency forwards are typically individually negotiated and privately traded by currency traders and their customers in the interbank market.

A futures contract is a standard binding agreement that trades on an exchange to buy or sell a specified quantity of an underlying instrument or asset at a specified price at a specified later date. A "sale" of a futures contract means the acquisition of a contractual obligation to deliver the underlying instrument called for by the contract at a specified price on a specified date. A "purchase" of a futures contract means the acquisition of a contractual obligation to acquire a specified quantity of the underlying instrument called for by the contract at a specified price on a specified date. The purchase or sale of a futures contract will allow the Fund to increase or decrease its exposure to the underlying instrument or asset. Although most futures contracts used by the Fund allow for a cash payment of the net gain or loss on the contract at maturity in lieu of delivery of the underlying instruments, some require the actual delivery or acquisition of the underlying instrument or asset. The Fund may buy and sell futures contracts that trade on U.S. and foreign exchanges.

Swap agreements, such as total return swaps and credit default swaps, are contracts between the Fund and, typically, a brokerage firm, bank, or other financial institution (the swap counterparty) for periods ranging from a few days to multiple years. In a basic swap transaction, the Fund agrees with its counterparty to exchange the returns (or differentials in rates of return) earned or realized on a particular "notional amount" of underlying instruments or assets. The notional

amount is the set amount selected by the parties as the basis on which to calculate the obligations that they have agreed to exchange. The parties typically do not actually exchange the notional amount. Instead, they agree to exchange the returns that would be earned or realized if the notional amount were invested in given instruments or assets at given interest rates. For credit default swaps, the "buyer" of the credit default swap agreement is obligated to pay the "seller" a periodic stream of payments over the term of the agreement in return for a payment by the "seller" that is contingent upon the occurrence of a credit event with respect to an underlying reference debt obligation. As a "buyer" of the credit default swap, the Fund is purchasing the obligation of its counterparty to offset losses the Fund could experience if there was such a credit event. Generally, a credit event means bankruptcy, failure to timely pay interest or principal, obligation acceleration, or modified restructuring of the reference debt obligation. The contingent payment by the seller generally is the face amount of the debt obligation in exchange for the physical delivery of the reference debt obligation or a cash payment equal to the then current market value of that debt obligation.

A call option gives the purchaser of the option, upon payment of a premium, the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price. Conversely, a put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the seller of the option the obligation to buy, the underlying instrument at the exercise price.

The investment manager considers various factors, such as availability and cost, in deciding whether to use a particular derivative instrument or strategy. Moreover, investors should bear in mind that the Fund is not obligated to actively engage in any derivative transactions.

The Fund may also engage from time to time in an "arbitrage" strategy. When engaging in an arbitrage strategy, the Fund typically buys one security while at the same time selling short another security. The Fund generally buys the security that the investment manager believes is either cheap relative to the price of the other security or otherwise undervalued, and sells short the security that the investment manager believes is either expensive relative to the price of the other security or otherwise overvalued. In doing so, the Fund attempts to profit from a perceived relationship between the values of the two securities. The Fund generally engages in an arbitrage strategy in connection with an announced corporate restructuring, such as a merger, acquisition or tender offer, or other corporate action or event as further discussed under "Merger Arbitrage Securities and Distressed Companies" below.

Portfolio Selection

The investment manager employs a research driven, fundamental value strategy for the Fund. In choosing equity investments, the investment manager focuses on

the market price of a company's securities relative to the investment manager's own evaluation of the company's fundamental value, including an analysis of cash flow potential, long-term earnings, multiples of earnings, cash flow, and book value. Similarly, debt securities and other indebtedness, including loan participations, are generally selected based on the investment manager's own analysis of the security's fundamental value rather than the coupon rate or rating of the security. The investment manager examines each investment separately and there are no set criteria as to specific value parameters, asset size, earnings or industry type. The investment manager may consider environmental, social, governance (ESG) and other sustainability issues alongside traditional financial measures to provide a more comprehensive view of the value, risk and return potential of an investment. ESG factors may include, but are not limited to, emissions, energy and waste management, labor practices and relations, exposure to potential regulatory changes, and corporate governance. The investment manager's fundamental research analysts, using their industry expertise, evaluate which factors the investment manager believes to be material to the investment and incorporate both the risks and opportunities of these factors into their fundamental valuation. The weight given to consideration of any factor will vary depending on the analyst's assessment of both the potential materiality and probability of that factor, and will only be one component of any investment decision. In addition, ESG factors considered may change over time. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. For example, the investment manager's assessment of investments in special situations investments, notably merger arbitrage and distressed debt, generally does not include analysis of ESG factors.

Principal Risks

Market

The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The Fund's investments may decline in value due to factors affecting individual issuers (such as the results of supply and demand), or sectors within the securities markets. The value of a security or other investment also may go up or down due to general market conditions that are not specifically related to a particular issuer, such as real or perceived adverse economic conditions, changes in interest rates or exchange rates, or adverse investor sentiment generally. Furthermore, events involving limited liquidity, defaults, non-performance or other adverse developments that affect one industry, such as the financial services industry, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, may spread to other industries, and could negatively affect the value and liquidity of the Fund's investments. In addition, unexpected events and their aftermaths, such as the spread of diseases; natural, environmental or man-made

disasters; financial, political or social disruptions; terrorism and war; and other tragedies or catastrophes, can cause investor fear and panic, which can adversely affect the economies of many companies, sectors, nations, regions and the market in general, in ways that cannot necessarily be foreseen. During a general downturn in the securities markets, multiple asset classes may decline in value. When markets perform well, there can be no assurance that securities or other investments held by the Fund will participate in or otherwise benefit from the advance.

The global outbreak of the novel strain of coronavirus, COVID-19 and its subsequent variants, has resulted in market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. The long-term impact on economies, markets, industries and individual issuers, are not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses. Periods of extreme volatility in the financial markets; reduced liquidity of many instruments; and disruptions to supply chains, consumer demand and employee availability, may continue for some time. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, have taken extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic. This and other government intervention into the economy and financial markets may not work as intended, and have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. In addition, the COVID-19 pandemic, and measures taken to mitigate its effects, could result in disruptions to the services provided to the Fund by its service providers.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Fund.

Value Style Investing

A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur or do not have the anticipated effect.

The Fund's bargain-driven focus may result in the Fund choosing securities that are not widely followed by other investors. Securities that are considered "cheaply" priced also may include those of companies reporting poor earnings, companies whose share prices have declined sharply (such as growth companies that have recently stumbled to levels considered "cheap" in the investment manager's opinion), turnarounds, cyclical companies, or companies emerging from

bankruptcy. All of these securities may have a higher risk of being ignored or rejected, and therefore undervalued, by the market, or decreasing further in value.

Foreign Securities (non-U.S.)

Investing in foreign securities, including sovereign debt securities, typically involves more risks than investing in U.S. securities. Certain of these risks also may apply to securities of U.S. companies with significant foreign operations. These risks, which can increase the potential for losses in the Fund and affect its share price, are discussed in more detail in the section "More Information on Investment Policies, Practices and Risks."

Merger Arbitrage Securities and Distressed Companies

A merger or other restructuring, or a tender or exchange offer, proposed or pending at the time the Fund invests in merger arbitrage securities may not be completed on the terms or within the time frame contemplated, which may result in losses to the Fund. Debt obligations of distressed companies typically are unrated, lower-rated, in default or close to default and are generally more likely to become worthless than the securities of more financially stable companies.

Small and Mid Capitalization Companies

While small and mid capitalization companies may offer substantial opportunities for capital growth, they also may involve more risks than larger capitalization companies. Historically, small and mid capitalization company securities have been more volatile in price than larger company securities, especially over the short term. Among the reasons for the greater price volatility are the less certain growth prospects of small and mid capitalization companies, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of small and mid capitalization companies to changing economic conditions.

In addition, small and mid capitalization companies may lack depth of management, be unable to generate funds necessary for growth or development, have limited product lines or be developing or marketing new products or services for which markets are not yet established and may never become established. Small and mid capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying loans, particularly those with floating interest rates.

Focus

The greater the Fund's exposure to any single type of investment – including investment in a given industry, sector, region, country, issuer, or type of security – the greater the losses the Fund may experience upon any single economic, market, business, political, regulatory, or other occurrence. As a result, there may be more fluctuation in the price of the Fund's shares.

Financial services companies. Financial services companies are subject to extensive government regulation that may affect their profitability in many ways, including by limiting the amount and types of loans and other commitments they can make, and the interest rates and fees they can charge. A financial services company's profitability, and therefore its stock prices, is especially sensitive to interest rate changes as well as the ability of borrowers to repay their loans. Changing regulations, continuing consolidations, and development of new products and structures all are likely to have a significant impact on financial services companies.

Industrials. The stock prices of companies in the industrials sector are affected by supply and demand both for their specific product or service and for industrials sector products in general. Companies in the industrials sector may be adversely affected by changes in government regulation, world events and economic conditions. In addition, these companies are at risk for environmental damage and product liability claims. Companies in this sector could be adversely affected by commodity price volatility, changes in exchange rates, imposition of export or import controls, increased competition, depletion of resources, technological developments and labor relations.

Credit

The Fund could lose money on a debt security if the issuer or borrower is unable or fails to meet its obligations, including failing to make interest payments and/or to repay principal when due. Changes in an issuer's financial strength, the market's perception of the issuer's financial strength or an issuer's or security's credit rating, which reflects a third party's assessment of the credit risk presented by a particular issuer or security, may affect debt securities' values. The Fund may incur substantial losses on debt securities that are inaccurately perceived to present a different amount of credit risk by the market, the investment manager or the rating agencies than such securities actually do.

High-Yield Debt Securities

High-yield debt securities (including loans) and unrated securities of similar credit quality (high-yield debt instruments or junk bonds) involve greater risk of a complete loss of the Fund's investment, or delays of interest and principal payments, than higher-quality debt securities or loans. Issuers of high-yield debt instruments are not as strong financially as those issuing securities of higher credit quality. High-yield debt instruments are generally considered predominantly speculative by the applicable rating agencies as these issuers are more likely to encounter financial difficulties because they may be more highly leveraged, or because of other considerations. In addition, high yield debt securities generally are more vulnerable to changes in the relevant economy, such as a recession or a sustained period of rising interest rates, that could affect their ability to make interest and principal payments when due. If an issuer stops making interest and/or

principal payments, payments on the securities may never resume. These instruments may be worthless and the Fund could lose its entire investment.

The prices of high-yield debt instruments generally fluctuate more than higher-quality securities. Prices are especially sensitive to developments affecting the issuer's business or operations and to changes in the ratings assigned by rating agencies. In addition, the entire high-yield debt market can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sustained sales by major investors, a high-profile default, or other factors. Prices of corporate high-yield debt instruments often are closely linked with the company's stock prices and typically rise and fall in response to factors that affect stock prices.

High-yield debt instruments are generally less liquid than higher-quality securities. Many of these securities are not registered for sale under the federal securities laws and/or do not trade frequently. When they do trade, their prices may be significantly higher or lower than expected. At times, it may be difficult to sell these securities promptly at an acceptable price, which may limit the Fund's ability to sell securities in response to specific economic events or to meet redemption requests. As a result, certain high-yield debt instruments generally pose greater illiquidity and valuation risks.

Substantial declines in the prices of high-yield debt instruments can dramatically increase the yield of such instruments. The decline in market prices generally reflects an expectation that the issuer(s) may be at greater risk of defaulting on the obligation to pay interest and principal when due. Therefore, substantial increases in yield may reflect a greater risk by the Fund of losing some or part of its investment rather than reflecting any increase in income from the higher yield that the debt instrument may pay to the Fund on its investment.

More Information on Investment Policies, Practices and Risks

Equity Securities

Each Fund (hereafter "the Fund") invests substantially to primarily in equity securities, including securities convertible, or expected to be exchanged, into equity securities. An equity security represents a proportionate share of the ownership of a company; its value is based on the success or failure of the company's business, any income paid to stockholders, the value of its assets, and general market conditions. Common stocks and preferred stocks, and securities convertible into common stocks, are examples of equity securities. The Fund may invest in convertible securities without regard to the ratings assigned by ratings services.

Debt Securities

The Fund also invests in debt securities. Debt securities represent the obligation of the issuer to repay a loan of money to it, and generally pay interest to the holder. Bonds, notes and debentures, as well as loan participations, are examples of debt securities.

Foreign Securities (non-U.S.)

Investing in foreign securities, including sovereign debt securities, typically involves more risks than investing in U.S. securities. Certain of these risks also may apply to securities of U.S. companies with significant foreign operations.

Currency exchange rates. Foreign securities may be issued and traded in foreign currencies. As a result, their market values in U.S. dollars may be affected by changes in exchange rates between such foreign currencies and the U.S. dollar, as well as between currencies of countries other than the U.S. For example, if the value of the U.S. dollar goes up compared to a foreign currency, an investment traded in that foreign currency will go down in value because it will be worth fewer U.S. dollars. The Fund accrues additional expenses when engaging in currency exchange transactions, and valuation of the Fund's foreign securities may be subject to greater risk because both the currency (relative to the U.S. dollar) and the security must be considered.

Currency management strategies. Currency management strategies may substantially change the Fund's exposure to currency exchange rates and could result in losses to the Fund if currencies do not perform as the investment manager expects. In addition, currency management strategies, to the extent that they reduce the Fund's exposure to currency risks, may also reduce the Fund's ability to benefit from favorable changes in currency exchange rates. There is no assurance that the investment manager's use of currency management strategies will benefit the Fund or that they will be, or can be, used at appropriate times. Furthermore,

there may not be perfect correlation between the amount of exposure to a particular currency and the amount of securities in the Fund's portfolio denominated in that currency. Investing in foreign currencies for purposes of gaining from projected changes in exchange rates, as opposed to hedging currency risks applicable to the Fund's holdings, further increases the Fund's exposure to foreign investment losses.

Political and economic developments. The political, economic and social policies or structures of some foreign countries may be less stable and more volatile than those in the United States. Investments in these countries may be subject to greater risks of internal and external conflicts, expropriation, nationalization of assets, foreign exchange controls (such as suspension of the ability to transfer currency from a given country), restrictions on removal of assets, political or social instability, military action or unrest, diplomatic developments, currency devaluations, foreign ownership limitations, and substantial, punitive or confiscatory tax increases. It is possible that a government may take over the assets or operations of a company or impose restrictions on the exchange or export of currency or other assets. Some countries also may have different legal systems that may make it difficult or expensive for the Fund to vote proxies, exercise shareholder rights, and pursue legal remedies with respect to its foreign investments. Diplomatic and political developments could affect the economies, industries, and securities and currency markets of the countries in which the Fund is invested. These developments include rapid and adverse political changes; social instability; regional conflicts; sanctions imposed by the United States, other nations or other governmental entities, including supranational entities; terrorism; and war. In addition, such developments could contribute to the devaluation of a country's currency, a downgrade in the credit ratings of issuers in such country, or a decline in the value and liquidity of securities of issuers in that country. An imposition of sanctions upon, or other government actions impacting, certain issuers in a country could result in (i) an immediate freeze of that issuer's securities, impairing the ability of the Fund to buy, sell, receive or deliver those securities or (ii) other limitations on the Fund's ability to invest or hold such securities. These factors would affect the value of the Fund's investments and are extremely difficult, if not impossible, to predict and take into account with respect to the Fund's investments.

Sovereign debt securities. Sovereign debt securities are subject to various risks in addition to those relating to debt securities and foreign securities generally, including, but not limited to, the risk that a governmental entity may be unwilling or unable to pay interest and repay principal on its sovereign debt, or otherwise meet its obligations when due because of cash flow problems, insufficient foreign reserves, the relative size of the debt service burden to the economy as a whole, the government's policy towards principal international lenders such as the

International Monetary Fund, or the political considerations to which the government may be subject. Sovereign debtors also may be dependent on expected disbursements from other foreign governments or multinational agencies and the country's access to, or balance of, trade. If a sovereign debtor defaults (or threatens to default) on its sovereign debt obligations, the indebtedness may be restructured. Restructuring may include obtaining additional credit to finance outstanding obligations, reduction and rescheduling of payments of interest and principal, or negotiation of new or amended credit and security agreements. Unlike most corporate debt restructurings, the fees and expenses of financial and legal advisers to the creditors in connection with a restructuring may be borne by the holders of the sovereign debt securities instead of the sovereign entity itself. Some sovereign debtors have in the past been able to restructure their debt payments without the approval of some or all debt holders or to declare moratoria on payments, and similar occurrences may happen in the future.

In the event of a default on sovereign debt, the Fund may have limited legal recourse against the defaulting government entity. As a sovereign entity, the issuing government may be immune from lawsuits in the event of its failure or refusal to pay the obligations when due, and any rights the Fund may have may be restricted pursuant to the terms of applicable treaties with such sovereign entity. If a sovereign entity defaults, it may request additional time in which to pay or for further loans. There may be no legal process for collecting principal or interest payments on sovereign debt that a government does not pay or such legal process may be relatively more expensive, nor are there bankruptcy proceedings by which the Fund may collect in whole or in part on debt issued by a sovereign entity. In certain cases, remedies must be pursued in the courts located in the country of the defaulting sovereign entity itself, which may further limit the Fund's ability to obtain recourse.

Trading practices. Brokerage commissions, withholding taxes, custodial fees, and other fees generally are higher in foreign markets. The policies and procedures followed by foreign stock exchanges, currency markets, trading systems and brokers may differ from those applicable in the United States, with possibly negative consequences to the Fund. The procedures and rules governing foreign trading, settlement and custody (holding of the Fund's assets) also may result in losses or delays in payment, delivery or recovery of money or other property. Foreign government supervision and regulation of foreign securities and currency markets and trading systems may be less than or different from government supervision in the United States, and may increase the Fund's regulatory and compliance burden and/or decrease the Fund's investor rights and protections.

Availability of information. Foreign issuers may not be subject to the same disclosure, accounting, auditing and financial reporting standards and practices as U.S. issuers. Thus, there may be less information publicly available about foreign

issuers than about most U.S. issuers. In addition, information provided by foreign issuers may be less timely or less reliable than information provided by U.S. issuers.

Limited markets. Certain foreign securities may be less liquid (harder to sell) and their prices may be more volatile than many U.S. securities. Illiquidity tends to be greater, and valuation of the Fund's foreign securities may be more difficult, due to the infrequent trading and/or delayed reporting of quotes and sales.

Regional. Adverse conditions in a certain region or country can adversely affect securities of issuers in other countries whose economies appear to be unrelated. To the extent that the Fund invests a significant portion of its assets in a specific geographic region or a particular country, the Fund will generally have more exposure to the specific regional or country economic risks. In the event of economic or political turmoil or a deterioration of diplomatic relations in a region or country where a substantial portion of the Fund's assets are invested, the Fund may experience substantial illiquidity or reduction in the value of the Fund's investments.

The risk of investments in Europe may be heightened due to the current uncertainty concerning the economic consequences of Russia's military invasion of Ukraine in February 2022, which may increase market volatility.

Developing Markets

The risks of foreign investments typically are greater in less developed countries, sometimes referred to as developing or emerging markets. For example, the political, social, market regulation and economic structures and institutions in these countries, including those supporting the regulatory and legal systems and financial markets, may be less established and more vulnerable to corruption and fraud, and may change rapidly. These countries are more likely to experience high levels of inflation, deflation or currency devaluation, which can harm their economies and securities markets and increase volatility. In fact, short-term volatility in these markets and declines of 50% or more are not uncommon. Investments in less developed markets generally are subject to higher fees and expenses and exhibit greater price volatility and valuation challenges. They may be subject to greater risk of expropriation, nationalization, confiscatory or punitive taxation, and foreign investment and divestment restrictions. In addition, a developing market country may experience a devaluation of its currency, a downgrade in the credit ratings of issuers in the country, or a decline in the value and liquidity of securities of issuers in that country if the United States, other nations or other governmental entities (including supranational entities) impose sanctions on issuers that limit or restrict foreign investment, the movement of assets or other economic activity in the country due to political, military or regional conflicts or due to terrorism or war.

Restrictions on currency trading that may be imposed by developing market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries. Finally, such securities markets are smaller, relatively less liquid and may not be as efficient or established in terms of settlement, custody and securities registration.

Derivative Instruments

The performance of derivative instruments depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such instruments often have risks similar to the underlying instrument, in addition to other risks. Derivative instruments involve costs and can create economic leverage in the Fund's portfolio, which may result in significant volatility and cause the Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Fund's initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative instrument, and imperfect correlation between the value of the derivative and the underlying instrument so that the Fund may not realize the intended benefits. Their successful use will usually depend on the investment manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments, move in an unexpected manner, especially in unusual or extreme market conditions, the Fund may not realize the anticipated benefits of the transaction, and it may realize losses, which could be significant. If the investment manager is not successful in using such derivative instruments, the Fund's performance may be worse than if the investment manager did not use such derivative instruments at all. When a derivative is used for hedging, the change in value of the derivative instrument also may not correlate specifically with the currency, security, interest rate index or other risk being hedged. There is also the risk, especially under extreme market conditions, that an instrument, which usually would operate as a hedge, provides no hedging benefits at all.

Use of these instruments could also result in a loss if the counterparty to the transaction does not perform as promised, including because of such counterparty's bankruptcy or insolvency. This risk is heightened with respect to over-the-counter (OTC) instruments, such as certain swap agreements and may be greater during volatile market conditions. Other risks include the inability to close out a position because the trading market becomes illiquid (particularly in the OTC markets) or the availability of counterparties becomes limited for a period of time. In addition, the presence of speculators in a particular market could lead to price distortions. To the extent that the Fund is unable to close out a position because of market illiquidity, the Fund may not be able to prevent further losses of value in its derivatives holdings and the Fund's liquidity may be impaired. Some derivatives can be particularly sensitive to changes in interest rates or other market prices. Investors should bear in mind that, while the Fund intends to use derivative

strategies on a regular basis, it is not obligated to actively engage in these transactions, generally or in any particular kind of derivative, if the investment manager elects not to do so due to availability, cost or other factors.

Many swaps currently are, and others eventually are expected to be, required to be cleared through a central counterparty. Central clearing is designed to reduce counterparty credit risk and increase liquidity compared to OTC swaps, but it does not eliminate those risks completely. With cleared swaps, there is also a risk of loss by the Fund of its initial and variation margin deposits in the event of bankruptcy of the futures commission merchant (FCM) with which the Fund has an open position, or the central counterparty in a swap contract. With cleared swaps, the Fund may not be able to obtain as favorable terms as it would be able to negotiate for a bilateral, uncleared swap. In addition, an FCM may unilaterally amend the terms of its agreement with the Fund, which may include the imposition of position limits or additional margin requirements with respect to the Fund's investment in certain types of swaps. The regulation of cleared and uncleared swaps, as well as other derivatives, is a rapidly changing area of law and is subject to modification by government and judicial action. In addition, the SEC, Commodity Futures Trading Commission (CFTC) and the exchanges are authorized to take extraordinary actions in the event of a market emergency. It is not possible to predict fully the effects of current or future regulation.

The use of derivative strategies may also have a tax impact on the Fund. The timing and character of income, gains or losses from these strategies could impair the ability of the investment manager to use derivatives when it wishes to do so.

Liquidity

Liquidity risk exists when the markets for particular securities or types of securities or other investments are or become relatively illiquid so that the Fund is unable, or it becomes more difficult for the Fund, to sell the security or other investment at the price at which the Fund has valued the security. Illiquidity may result from political, economic or issuer specific events; supply/demand imbalances; changes in a specific market's size or structure, including the number of participants; or overall market disruptions. Securities or other investments with reduced liquidity or that become illiquid may involve greater risk than securities with more liquid markets. Market prices or quotations for illiquid securities may be volatile, and there may be large spreads between bid and ask prices. Reduced liquidity may have an adverse impact on market price and the Fund's ability to sell particular securities when necessary to meet the Fund's liquidity needs, which may arise or increase in response to a specific economic event or because the investment manager wishes to purchase particular investments or believes that a higher level of liquidity would be advantageous. An investment may become illiquid if the Fund and its affiliates receive material non-public information about the issuer or the investment. To the extent that the Fund and its affiliates hold a significant portion of an issuer's

outstanding securities, the Fund may be subject to greater liquidity risk than if the issuer's securities were more widely held.

LIBOR Transition

The Fund invests in financial instruments that may have floating or variable rate calculations for payment obligations or financing terms based on the London Interbank Offered Rate (LIBOR), which is the benchmark interest rate at which major global banks lent to one another in the international interbank market for short-term loans. In 2017, the U.K. Financial Conduct Authority announced its intention to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. Although many LIBOR rates were phased out at the end of 2021 as originally intended, a selection of widely used USD LIBOR rates will continue to be published until June 2023 in order to assist with the transition to an alternative rate. In March 2022, the U.S. federal government enacted legislation to establish a process for replacing LIBOR in certain existing contracts that do not already provide for the use of a clearly defined or practicable replacement benchmark rate as described in the legislation. Generally speaking, for contracts that do not contain a fallback provision as described in the legislation, a benchmark replacement recommended by the Federal Reserve Board will effectively automatically replace the USD LIBOR benchmark in the contract after June 30, 2023. The recommended benchmark replacement will be based on the Secured Overnight Financing Rate (SOFR) published by the Federal Reserve Bank of New York, including certain spread adjustments and benchmark replacement conforming changes. There can be no guarantee that financial instruments that transition to an alternative reference rate will retain the same value or liquidity as they would otherwise have had. Since the usefulness of LIBOR as a benchmark could also deteriorate during the transition period, these effects could occur at any time.

Management

The Fund is actively managed and could experience losses (realized and unrealized) if the investment manager's judgment about markets, interest rates or the attractiveness, relative values, liquidity, or potential appreciation of particular investments made for the Fund's portfolio prove to be incorrect. There can be no guarantee that these techniques or the investment manager's investment decisions will produce the desired results. Additionally, legislative, regulatory, or tax developments may affect the investment techniques available to the investment manager in connection with managing the Fund and may also adversely affect the ability of the Fund to achieve its investment goal.

ESG Considerations

ESG considerations are one of a number of factors that the investment manager examines when considering investments for the Fund's portfolio. In light of this, the issuers in which the Fund invests may not be considered ESG-focused companies. In addition, ESG considerations assessed as part of the Fund's investment process

may vary across types of eligible investments and issuers. The investment manager does not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. The investment manager's assessment of an issuer may differ from that of investors, third-party service providers, such as ratings providers, and other funds. As a result, securities selected by the investment manager may not reflect the beliefs and values of any particular investor. The investment manager also may be dependent on the availability of timely, complete and accurate ESG data being reported by issuers and/or third-party research providers to evaluate ESG factors. ESG factors are often not uniformly measured or defined, which could impact the investment manager's ability to assess an issuer. While the investment manager views ESG considerations as having the potential to contribute to the Fund's long-term performance, there is no guarantee that such results will be achieved.

Focus

The greater the Fund's exposure to any single type of investment – including investment in a given industry, sector, region, country, issuer, or type of security – the greater the losses the Fund may experience upon any single economic, market, business, political, regulatory, or other occurrence. As a result, there may be more fluctuation in the price of the Fund's shares.

Healthcare companies. The activities of healthcare companies may be funded or subsidized by federal and state governments. If government funding and subsidies are reduced or discontinued, the profitability of these companies could be adversely affected. Healthcare companies may also be affected by government policies on healthcare reimbursements, regulatory approval for new drugs and medical products, and similar matters. They are also subject to legislative risk, i.e., the risks associated with the reform of the healthcare system through legislation.

Financial services companies. Financial services companies are subject to extensive government regulation that may affect their profitability in many ways, including by limiting the amount and types of loans and other commitments they can make, and the interest rates and fees they can charge. A financial services company's profitability, and therefore its stock prices, is especially sensitive to interest rate changes as well as the ability of borrowers to repay their loans. Changing regulations, continuing consolidations, and development of new products and structures all are likely to have a significant impact on financial services companies.

Technology companies Companies in the technology sector have historically been volatile due to the rapid pace of product change and development within the sector. For example, their products and services may not prove commercially successful or may become obsolete quickly. In addition, delays in or cancellation of the release of anticipated products or services may also affect the price of a

technology company's stock. Technology companies are subject to significant competitive pressures, such as new market entrants, aggressive pricing and tight profit margins. The activities of these companies may also be adversely affected by changes in government regulations, worldwide technological developments or investor perception of a company and/or its products or services. The stock prices of companies operating within this sector may be subject to abrupt or erratic movements.

Consumer discretionary companies. Companies in the consumer discretionary sector could be affected by, among other things, overall economic conditions, interest rates, consumer confidence, and disposable income.

Exclusion of Investment Manager from Commodity Pool Operator Definition

With respect to the Fund, the investment manager has claimed an exclusion from the definition of "commodity pool operator" (CPO) under the Commodity Exchange Act (CEA) and the rules of the Commodity Futures Trading Commission (CFTC) and, therefore, is not subject to CFTC registration or regulation as a CPO. In addition, with respect to the Fund, the investment manager is relying upon a related exclusion from the definition of "commodity trading advisor" (CTA) under the CEA and the rules of the CFTC.

The terms of the CPO exclusion require the Fund, among other things, to adhere to certain limits on its investments in commodity futures, commodity options and swaps, which in turn include non-deliverable currency forward contracts, as further described in the Fund's Statement of Additional Information (SAI). Because the investment manager and the Fund intend to comply with the terms of the CPO exclusion, the Fund may, in the future, need to adjust its investment strategies, consistent with its investment goal, to limit its investments in these types of instruments. The Fund is not intended as a vehicle for trading in the commodity futures, commodity options, or swaps markets. The CFTC has neither reviewed nor approved the investment manager's reliance on these exclusions, or the Fund, its investment strategies or this prospectus.

Temporary Investments

The investment manager may keep a portion, which may be significant at times, of the Fund's assets in cash or invested in high-quality short-term, money market instruments, corporate debt, or direct or indirect U.S. and non-U.S. government and agency obligations, when it believes that insufficient investment opportunities meeting the Fund's investment criteria exist or that it may otherwise be necessary to maintain liquidity. For example, when prevailing market valuations for securities are high, there may be fewer securities available at prices below their fundamental value. In addition, when the investment manager believes market or economic conditions are unfavorable for investors or seeks to maintain liquidity, the

investment manager may invest up to 100% of the Fund's assets in U.S. or non-U.S. dollar denominated short-term investments, including cash or cash equivalents. In these circumstances, the Fund may be unable to pursue its investment goals.

Cybersecurity

Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, cause the Fund, the investment manager, and/or their service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The investment manager has limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the Fund or the investment manager. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in an effort to prevent or mitigate future cybersecurity incidents. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the investment manager, and their service providers are subject to the risk of cyber incidents occurring from time to time.

More detailed information about the Fund and its policies and risks can be found in the Fund's Statement of Additional Information (SAI).

A description of the Fund's policies and procedures regarding the release of portfolio holdings information is also available in the Fund's SAI. Portfolio holdings information can be viewed online at franklintempleton.com.

Management

Franklin Mutual Advisers, LLC (Franklin Mutual or investment manager), 101 John F. Kennedy Parkway, Short Hills, New Jersey 07078, is the Fund's investment manager. Franklin Mutual is a wholly-owned subsidiary of Franklin Resources, Inc. (Resources). Together, Franklin Mutual and its affiliates manage, as of March 31,

2023, \$1.42 trillion in assets, and have been in the investment management business since 1947.

The following individuals are jointly responsible for the day-to-day management of each of the named Funds. The portfolio manager for each Fund has primary responsibility for the investments of the Fund and has final authority over all aspects of the Fund's investment portfolio, including but not limited to, purchases and sales of individual securities, portfolio risk assessment, and the management of daily cash balances in accordance with anticipated investment management requirements. Each portfolio manager's authority is subject to the general supervision and oversight provided by the Chief Executive Officer of Franklin Mutual. The degree to which a portfolio manager may perform these functions, and the nature of these functions, may change from time to time.

Franklin Mutual Beacon Fund

Christian Correa Co-Lead Portfolio Manager

Mandana Hormozi Co-Lead Portfolio Manager

Aman Gupta Co-Lead Portfolio Manager

Franklin Mutual Global Discovery Fund

Christian Correa Co-Lead Portfolio Manager

Katrina Dudley Co-Lead Portfolio Manager

Timothy Rankin Co-Lead Portfolio Manager

Franklin Mutual International Value Fund

Katrina Dudley Portfolio Manager

Mandana Hormozi Co-Lead Portfolio Manager

Todd Ostrow Co-Lead Portfolio Manager

Timothy Rankin Portfolio Manager

Franklin Mutual Financial Services Fund

Andrew Dinnhaupt Co-Lead Portfolio Manager

Luis Hernandez Co-Lead Portfolio Manager

Franklin Mutual Quest Fund

Keith Luh Co-Lead Portfolio Manager

Andrew Dinnhaupt Co-Lead Portfolio Manager

Franklin Mutual Shares Fund

Christian Correa Co-Lead Portfolio Manager

Grace Hoefig Co-Lead Portfolio Manager

Christian Correa, CFA President of Franklin Mutual

Mr. Correa has been a portfolio manager of the Franklin Mutual Beacon Fund since 2007, portfolio manager of the Franklin Mutual Global Discovery Fund since 2018 and portfolio manager of the Franklin Mutual Shares Fund since 2020. He joined Franklin Templeton in 2003.

Andrew Dinnhaupt, CFA Portfolio Manager of Franklin Mutual

Mr. Dinnhaupt has been a portfolio manager of the Franklin Mutual Financial Services Fund since 2014 and a portfolio manager of the Franklin Mutual Quest Fund since 2020. He joined Franklin Templeton in 2011.

Katrina Dudley, CFA Senior Vice President of Franklin Mutual

Ms. Dudley has been a portfolio manager of the Franklin Mutual International Value Fund since 2007 and portfolio manager of the Franklin Mutual Global Discovery Fund since 2020. She joined Franklin Templeton in 2002.

Aman Gupta, CFA Portfolio Manager of Franklin Mutual

Mr. Gupta has been a portfolio manager of the Franklin Mutual Beacon Fund since 2014. He joined Franklin Templeton in 2010.

Luis Hernandez Portfolio Manager of Franklin Mutual

Mr. Hernandez has been a portfolio manager of the Franklin Mutual Financial Services Fund since 2019. He joined Franklin Templeton in 2002.

Grace Hoefig Senior Vice President of Franklin Mutual

Ms. Hoefig has been a portfolio manager of the Franklin Mutual Shares Fund since 2020. She joined Franklin Templeton in 2008.

Mandana Hormozi Portfolio Manager of Franklin Mutual

Ms. Hormozi has been a portfolio manager of the Franklin Mutual Beacon Fund since 2009 and a portfolio manager of the Franklin Mutual International Value Fund since 2018. She joined Franklin Templeton in 2003.

Keith Luh, CFA Senior Vice President of Franklin Mutual

Mr. Luh has been a portfolio manager of the Franklin Mutual Quest Fund since 2010. He joined Franklin Templeton in 2005.

Todd Ostrow Portfolio Manager of Franklin Mutual

Mr. Ostrow has been a portfolio manager of the Franklin Mutual International Value Fund since 2019. He joined Franklin Templeton in 2013.

Timothy Rankin, CFA Senior Vice President of Franklin Mutual

Mr. Rankin has been a portfolio manager of the Franklin Mutual Global Discovery Fund since 2010 and a portfolio manager of the Franklin Mutual International Value Fund since May 2023. He first joined Franklin Templeton in 1997 through 2004 and rejoined in 2010.

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The Fund's SAI provides additional information about portfolio manager compensation, other accounts that they manage and their ownership of Fund shares.

Each Fund pays Franklin Mutual a fee for managing the Fund's assets.

Effective May 1, 2023, the Franklin Mutual International Value Fund's investment management fee was reduced. Prior to May 1, 2023, the Fund paid the investment manager a fee equal to an annual rate of the value of net assets, as listed below:

- 0.875% of the value of net assets up to and including \$1 billion;
- 0.845% of the value of net assets over \$1 billion, up to and including \$2 billion
- 0.825% of the value of net assets over \$2 billion, up to and including \$5 billion; and
- 0.805% of the value of net assets in excess of \$5 billion.

Effective May 1, 2023, the Franklin Mutual International Value Fund pays the investment manager a fee equal to an annual rate of the value of net assets, as listed below:

- 0.80% of the value of net assets up to and including \$1 billion;
- 0.77% of the value of net assets over \$1 billion, up to and including \$2 billion;
- 0.75% of the value of net assets over \$2 billion, up to and including \$5 billion; and
- 0.73% of the value of net assets in excess of \$5 billion.

Franklin Mutual has agreed to waive fees and/or reimburse operating expenses (excluding Rule 12b-1 fees, acquired fund fees and expenses, dividend expenses and security borrowing fees for securities sold short, and certain non-routine expenses or costs, such as those relating to litigation, indemnification, reorganizations and liquidations) for Franklin Mutual Global Discovery Fund and Franklin Mutual International Value Fund so that the ratio of total annual fund operating expenses will not exceed 1.00% and 0.95%, respectively, for each share class. Franklin Mutual has also agreed to reduce its fees to reflect reduced services resulting from each Fund's investments in Franklin Templeton affiliated funds. In addition, the transfer agent has agreed to limit its fees on Class R6 shares of each Fund so that transfer agency fees for that class do not exceed 0.02% for Franklin Mutual Beacon Fund, Franklin Mutual International Value Fund, and Franklin Mutual Quest Fund and 0.03% for each other Fund. These arrangements are expected to continue until April 30, 2024. During the terms, the fee waiver and expense reimbursement agreements may not be terminated or amended without

approval of the board of trustees except to add series or classes, to reflect the extension of termination dates or to lower the waiver and expense limitation.

For the fiscal year ended December 31, 2022, the Fund paid Franklin Mutual an effective management fee equal to the following percentages of the Fund's average net assets for investment management services.

<u>Fund</u>	<u>Effective management fee</u>
Franklin Mutual Beacon Fund	0.68%
Franklin Mutual Financial Services Fund	0.88%
Franklin Mutual Global Discovery Fund	0.84%
Franklin Mutual International Value Fund	0.88%
Franklin Mutual Quest Fund	0.68%
Franklin Mutual Shares Fund	0.66%

A discussion regarding the basis for the board of trustees' approval of each Fund's investment management agreement is available in each Fund's semiannual report for the period ended June 30, 2022.

Manager of Managers Structure

The investment manager and the Trust have received an exemptive order from the SEC that allows the Fund to operate in a "manager of managers" structure whereby the investment manager can appoint and replace both wholly-owned and unaffiliated sub-advisors, and enter into, amend and terminate sub-advisory agreements with such sub-advisors, each subject to board approval but without obtaining prior shareholder approval (Manager of Managers Structure). The Fund will, however, inform shareholders of the hiring of any new sub-advisor within 90 days after the hiring. The SEC exemptive order provides the Fund with greater flexibility and efficiency and alleviates the need for the Fund to incur the expense and delays associated with obtaining shareholder approval of such sub-advisory agreements.

The use of the Manager of Managers Structure with respect to the Fund is subject to certain conditions that are set forth in the SEC exemptive order. Under the Manager of Managers Structure, the investment manager has the ultimate responsibility, subject to oversight by the Fund's board of trustees, to oversee sub-advisors and recommend their hiring, termination and replacement. The investment manager will also, subject to the review and approval of the Fund's board of trustees: set the Fund's overall investment strategy; evaluate, select and

recommend sub-advisors to manage all or a portion of the Fund's assets; and implement procedures reasonably designed to ensure that each sub-advisor complies with the Fund's investment goal, policies and restrictions. Subject to review by the Fund's board of trustees, the investment manager will allocate and, when appropriate, reallocate the Fund's assets among sub-advisors and monitor and evaluate the sub-advisors' performance.

Distributions and Taxes

The information is provided with respect to each Fund (hereafter the "Fund").

Income and Capital Gain Distributions

As a regulated investment company, the Fund generally pays no federal income tax on the income and gains it distributes to you. The Fund intends to pay income dividends at least twice annually from its net investment income. Capital gains, if any, may be paid at least annually. The Fund may distribute income dividends and capital gains more frequently, if necessary, in order to reduce or eliminate federal excise or income taxes on the Fund. The amount of any distribution will vary, and there is no guarantee the Fund will pay either income dividends or capital gain distributions. Your income dividends and capital gain distributions will be automatically reinvested in additional shares at net asset value (NAV) unless you elect to receive them in cash.

Annual statements. After the close of each calendar year, you will receive tax information from the Fund with respect to the federal income tax treatment of the Fund's distributions and any taxable sales or exchanges of Fund shares occurring during the prior calendar year. If the Fund finds it necessary to reclassify its distributions or adjust the cost basis of any covered shares sold or exchanged after you receive your tax information, the Fund will send you revised tax information. Distributions declared in October, November or December to shareholders of record in such month and paid in January are taxable as if they were paid in December. Additional tax information about the Fund's distributions is available at franklintempleton.com.

Avoid "buying a dividend." At the time you purchase your Fund shares, the Fund's net asset value may reflect undistributed income, undistributed capital gains, or net unrealized appreciation in the value of the portfolio securities held by the Fund. For taxable investors, a subsequent distribution to you of such amounts, although constituting a return of your investment, would be taxable. Buying shares in the Fund just before it declares an income dividend or capital gain distribution is sometimes known as "buying a dividend."

Tax Considerations

If you are a taxable investor, Fund distributions are generally taxable to you as ordinary income, capital gains or some combination of both. This is the case whether you reinvest your distributions in additional Fund shares or receive them in cash.

Dividend income. Income dividends are generally subject to tax at ordinary rates. Income dividends reported by the Fund to shareholders as qualified dividend income may be subject to tax by individuals at reduced long-term capital gains tax rates provided certain holding period requirements are met. A return-of-capital

distribution is generally not taxable but will reduce the cost basis of your shares, and will result in a higher capital gain or a lower capital loss when you later sell your shares.

Capital gains. Fund distributions of short-term capital gains are also subject to tax at ordinary rates. Fund distributions of long-term capital gains are taxable at the reduced long-term capital gains rates no matter how long you have owned your Fund shares. For single individuals with taxable income not in excess of \$44,625 in 2023 (\$89,250 for married individuals filing jointly), the long-term capital gains tax rate is 0%. For single individuals and joint filers with taxable income in excess of these amounts but not more than \$492,300 or \$553,850, respectively, the long-term capital gains tax rate is 15%. The rate is 20% for single individuals with taxable income in excess of \$492,300 and married individuals filing jointly with taxable income in excess of \$553,850. An additional 3.8% Medicare tax may also be imposed as discussed below.

Sales of Fund shares. When you sell your shares in the Fund, or exchange them for shares of a different Franklin Templeton or Legg Mason fund, you will generally recognize a taxable capital gain or loss. If you have owned your Fund shares for more than one year, any net long-term capital gains will qualify for the reduced rates of taxation on long-term capital gains. An exchange of your shares in one class of the Fund for shares of another class of the same Fund is not taxable and no gain or loss will be reported on the transaction.

Cost basis reporting. If you acquire shares in the Fund on or after January 1, 2012, generally referred to as “covered shares,” and sell or exchange them after that date, the Fund is generally required to report cost basis information to you and the IRS annually. The Fund will compute the cost basis of your covered shares using the average cost method, the Fund’s “default method,” unless you contact the Fund to select a different method, or choose to specifically identify your shares at the time of each sale or exchange. If your account is held by your financial advisor or other broker-dealer, that firm may select a different default method. In these cases, please contact the firm to obtain information with respect to the available methods and elections for your account. Shareholders should carefully review the cost basis information provided by the Fund and make any additional basis, holding period or other adjustments that are required when reporting these amounts on their federal and state income tax returns. Additional information about cost basis reporting is available at franklintempleton.com/costbasis.

Medicare tax. An additional 3.8% Medicare tax is imposed on certain net investment income (including ordinary dividends and capital gain distributions received from the Fund and net gains from redemptions or other taxable dispositions of Fund shares) of U.S. individuals, estates and trusts to the extent that such person’s “modified adjusted gross income” (in the case of an individual) or “adjusted gross income” (in the case of an estate or trust) exceeds a threshold

amount. Any liability for this additional Medicare tax is reported on, and paid with, your federal income tax return.

Backup withholding. A shareholder may be subject to backup withholding on any distributions of income capital gains or proceeds from the sale or exchange of Fund shares if the shareholder has provided either an incorrect tax identification number or no number at all, is subject to backup withholding by the IRS for failure to properly report payments of interest or dividends, has failed to certify that the shareholder is not subject to backup withholding, or has not certified that the shareholder is a U.S. person (including a U.S. resident alien). The backup withholding rate is currently 24%. State backup withholding may also apply.

State, local and foreign taxes. Distributions of ordinary income and capital gains, and gains from the sale of your Fund shares, are generally subject to state and local taxes. If the Fund qualifies, it may elect to pass through to you as a foreign tax credit or deduction any foreign taxes that it pays on its investments.

Non-U.S. investors. Non-U.S. investors may be subject to U.S. withholding tax at 30% or a lower treaty rate on Fund dividends of ordinary income. Non-U.S. investors may be subject to U.S. estate tax on the value of their shares. They are subject to special U.S. tax certification requirements to avoid backup withholding, claim any exemptions from withholding and claim any treaty benefits. Exemptions from U.S. withholding tax are generally provided for capital gains realized on the sale of Fund shares, capital gain dividends paid by the Fund from net long-term capital gains, short-term capital gain dividends paid by the Fund from net short-term capital gains and interest-related dividends paid by the Fund from its qualified net interest income from U.S. sources. However, notwithstanding such exemptions from U.S. withholding tax at source, any such dividends and distributions of income and capital gains will be subject to backup withholding at a rate of 24% if you fail to properly certify that you are not a U.S. person.

Other reporting and withholding requirements. Payments to a shareholder that is either a foreign financial institution or a non-financial foreign entity within the meaning of the Foreign Account Tax Compliance Act (FATCA) may be subject to a 30% withholding tax on income dividends paid by the Fund. The FATCA withholding tax generally can be avoided by such foreign entity if it provides the Fund, and in some cases, the IRS, information concerning the ownership of certain foreign financial accounts or other appropriate certifications or documentation concerning its status under FATCA. The Fund may be required to report certain shareholder account information to the IRS, non-U.S. taxing authorities or other parties to comply with FATCA.

Other tax information. This discussion of "Distributions and Taxes" is for general information only and is not tax advice. You should consult your own tax advisor regarding your particular circumstances, and about any federal, state, local and

foreign tax consequences before making an investment in the Fund. Additional information about the tax consequences of investing in the Fund may be found in the SAI.

Financial Highlights

The Financial Highlights present the Fund's financial performance for the past five years or since its inception. Certain information reflects financial results for a single Fund share. The total returns represent the rate that an investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gains. This information has been derived from the financial statements audited by Ernst & Young LLP, an independent registered public accounting firm, whose report, along with the Fund's financial statements, are included in the annual report, which is available upon request.

Franklin Mutual Beacon Fund - Class Z

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$17.96	\$16.48	\$16.40	\$13.76	\$16.61
Income from investment operations ^a :					
Net investment income ^b	0.28	0.26	0.51 ^c	0.33	0.29
Net realized and unrealized gains (losses)	(2.45)	2.45	0.12	3.06	(1.68)
Total from investment operations	(2.17)	2.71	0.63	3.39	(1.39)
Less distributions from:					
Net investment income	(0.23)	(0.37)	(0.45)	(0.36)	(0.31)
Net realized gains	(1.19)	(0.86)	(0.10)	(0.39)	(1.15)
Total distributions	(1.42)	(1.23)	(0.55)	(0.75)	(1.46)
Net asset value, end of year	\$14.37	\$17.96	\$16.48	\$16.40	\$13.76
Total return	(11.67)%	16.68%	4.08%	24.96%	(8.24)%
Ratios to average net assets					
Expenses ^{d,e}	0.77%	0.81%	0.82%	0.81% ^f	0.80% ^f
Expenses - incurred in connection with securities sold short	—% ^g	0.01%	0.02%	0.02%	0.01%
Net investment income	1.73%	1.41%	3.56% ^c	2.11%	1.77%
Supplemental data					
Net assets, end of year (000's)	\$2,010,947	\$2,508,213	\$2,320,077	\$2,600,744	\$2,271,217
Portfolio turnover rate	49.68%	40.89%	42.37%	30.72%	47.20%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.29 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.56%.

d. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

g. Rounds to less than 0.01%.

Franklin Mutual Beacon Fund - Class A

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$17.76	\$16.30	\$16.24	\$13.63	\$16.47
Income from investment operations ^a :					
Net investment income ^b	0.23	0.21	0.47 ^c	0.29	0.25
Net realized and unrealized gains (losses)	(2.42)	2.43	0.10	3.03	(1.67)
Total from investment operations	(2.19)	2.64	0.57	3.32	(1.42)
Less distributions from:					
Net investment income	(0.19)	(0.32)	(0.41)	(0.32)	(0.27)
Net realized gains	(1.19)	(0.86)	(0.10)	(0.39)	(1.15)
Total distributions	(1.38)	(1.18)	(0.51)	(0.71)	(1.42)
Net asset value, end of year	\$14.19	\$17.76	\$16.30	\$16.24	\$13.63
Total return ^d	(11.91)%	16.46%	3.75%	24.69%	(8.49)%
Ratios to average net assets					
Expenses ^{e,f}	1.02%	1.06%	1.07%	1.06% ^g	1.05% ^g
Expenses - incurred in connection with securities sold short	—% ^h	0.01%	0.02%	0.02%	0.01%
Net investment income	1.48%	1.16%	3.32% ^c	1.86%	1.52%
Supplemental data					
Net assets, end of year (000's)	\$798,281	\$987,817	\$893,378	\$1,028,482	\$890,294
Portfolio turnover rate	49.68%	40.89%	42.37%	30.72%	47.20%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.28 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.33%.

d. Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

e. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

f. Benefit of expense reduction rounds to less than 0.01%.

g. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

h. Rounds to less than 0.01%.

Franklin Mutual Beacon Fund - Class C

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$17.88	\$16.37	\$16.29	\$13.65	\$16.34
Income from investment operations ^a :					
Net investment income ^b	0.12	0.08	0.39 ^c	0.17	0.13
Net realized and unrealized gains (losses)	(2.43)	2.43	0.06	3.04	(1.65)
Total from investment operations	(2.31)	2.51	0.45	3.21	(1.52)
Less distributions from:					
Net investment income	(0.06)	(0.14)	(0.27)	(0.18)	(0.02)
Net realized gains	(1.19)	(0.86)	(0.10)	(0.39)	(1.15)
Total distributions	(1.25)	(1.00)	(0.37)	(0.57)	(1.17)
Net asset value, end of year	\$14.32	\$17.88	\$16.37	\$16.29	\$13.65
Total return ^d	(12.55)%	15.55%	2.96%	23.74%	(9.19)%
Ratios to average net assets					
Expenses ^{e,f}	1.77%	1.80%	1.82%	1.81% ^g	1.80% ^g
Expenses - incurred in connection with securities sold short	—% ^h	0.01%	0.02%	0.02%	0.01%
Net investment income	0.75%	0.43%	2.75% ^c	1.11%	0.77%
Supplemental data					
Net assets, end of year (000's)	\$18,813	\$27,853	\$35,273	\$52,620	\$59,828
Portfolio turnover rate	49.68%	40.89%	42.37%	30.72%	47.20%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.28 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.76%.

d. Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

e. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

f. Benefit of expense reduction rounds to less than 0.01%.

g. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

h. Rounds to less than 0.01%.

Franklin Mutual Beacon Fund - Class R

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$17.51	\$16.09	\$16.03	\$13.46	\$16.28
Income from investment operations ^a :					
Net investment income ^b	0.19	0.16	0.44 ^c	0.24	0.20
Net realized and unrealized gains (losses)	(2.38)	2.40	0.09	3.01	(1.64)
Total from investment operations	(2.19)	2.56	0.53	3.25	(1.44)
Less distributions from:					
Net investment income	(0.16)	(0.28)	(0.37)	(0.29)	(0.23)
Net realized gains	(1.19)	(0.86)	(0.10)	(0.39)	(1.15)
Total distributions	(1.35)	(1.14)	(0.47)	(0.68)	(1.38)
Net asset value, end of year	\$13.97	\$17.51	\$16.09	\$16.03	\$13.46
Total return	(12.08)%	16.12%	3.49%	24.33%	(8.65)%
Ratios to average net assets					
Expenses ^{d,e}	1.27%	1.31%	1.32%	1.31% ^f	1.30% ^f
Expenses - incurred in connection with securities sold short	—% ^g	0.01%	0.02%	0.02%	0.01%
Net investment income	1.22%	0.92%	3.16% ^c	1.61%	1.27%
Supplemental data					
Net assets, end of year (000's)	\$1,329	\$1,388	\$1,262	\$1,769	\$1,662
Portfolio turnover rate	49.68%	40.89%	42.37%	30.72%	47.20%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.28 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.17%.

d. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

g. Rounds to less than 0.01%.

Franklin Mutual Beacon Fund - Class R6

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$17.96	\$16.47	\$16.40	\$13.75	\$16.60
Income from investment operations ^a :					
Net investment income ^b	0.30	0.26	0.53 ^c	0.34	0.30
Net realized and unrealized gains (losses)	(2.46)	2.47	0.10	3.07	(1.68)
Total from investment operations	(2.16)	2.73	0.63	3.41	(1.38)
Less distributions from:					
Net investment income	(0.24)	(0.38)	(0.46)	(0.37)	(0.32)
Net realized gains	(1.19)	(0.86)	(0.10)	(0.39)	(1.15)
Total distributions	(1.43)	(1.24)	(0.56)	(0.76)	(1.47)
Net asset value, end of year	\$14.37	\$17.96	\$16.47	\$16.40	\$13.75
Total return	(11.61)%	16.83%	4.08%	25.13%	(8.18)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates ^d	0.71%	0.77%	0.78%	0.76%	0.75%
Expenses net of waiver and payments by affiliates ^{d,e}	0.70%	0.75%	0.75%	0.74%	0.73%
Expenses - incurred in connection with securities sold short	—% ^f	0.01%	0.02%	0.02%	0.01%
Net investment income	1.83%	1.39%	3.67% ^c	2.18%	1.84%
Supplemental data					
Net assets, end of year (000's)	\$101,313	\$151,226	\$70,839	\$90,220	\$79,358
Portfolio turnover rate	49.68%	40.89%	42.37%	30.72%	47.20%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.29 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.68%.

d. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Rounds to less than 0.01%.

Franklin Mutual Financial Services Fund - Class Z

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$25.51	\$20.89	\$22.78	\$19.46	\$24.14
Income from investment operations ^a :					
Net investment income ^b	0.61	0.46	0.18	0.38	0.38 ^c
Net realized and unrealized gains (losses)	(1.83)	4.54	(1.72)	3.38	(4.37)
Total from investment operations	(1.22)	5.00	(1.54)	3.76	(3.99)
Less distributions from:					
Net investment income	(0.57)	(0.38)	(0.35)	(0.44)	(0.17)
Net realized gains	—	—	—	—	(0.52)
Total distributions	(0.57)	(0.38)	(0.35)	(0.44)	(0.69)
Net asset value, end of year	\$23.72	\$25.51	\$20.89	\$22.78	\$19.46
Total return	(4.76)%	23.98%	(6.70)%	19.32%	(16.49)%
Ratios to average net assets					
Expenses ^d	1.06% ^e	1.12% ^e	1.14% ^e	1.10%	1.09% ^e
Net investment income	2.54%	1.87%	0.99%	1.80%	1.61% ^c
Supplemental data					
Net assets, end of year (000's)	\$114,507	\$128,352	\$104,183	\$139,189	\$142,212
Portfolio turnover rate	31.16%	28.64%	28.18%	17.06%	33.11%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.08 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.29%.

d. Benefit of expense reduction rounds to less than 0.01%.

e. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Mutual Financial Services Fund - Class A

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$25.59	\$20.95	\$22.85	\$19.52	\$24.21
Income from investment operations ^a :					
Net investment income ^b	0.55	0.40	0.26	0.33	0.31 ^c
Net realized and unrealized gains (losses)	(1.83)	4.56	(1.86)	3.38	(4.36)
Total from investment operations	(1.28)	4.96	(1.60)	3.71	(4.05)
Less distributions from:					
Net investment income	(0.51)	(0.32)	(0.30)	(0.38)	(0.12)
Net realized gains	—	—	—	—	(0.52)
Total distributions	(0.51)	(0.32)	(0.30)	(0.38)	(0.64)
Net asset value, end of year	\$23.80	\$25.59	\$20.95	\$22.85	\$19.52
Total return ^d	(4.99)%	23.70%	(6.95)%	19.06%	(16.72)%
Ratios to average net assets					
Expenses ^e	1.31% ^f	1.37% ^f	1.39% ^f	1.35%	1.34% ^f
Net investment income	2.30%	1.62%	1.42%	1.55%	1.36% ^c
Supplemental data					
Net assets, end of year (000's)	\$230,921	\$259,203	\$209,222	\$278,968	\$298,878
Portfolio turnover rate	31.16%	28.64%	28.18%	17.06%	33.11%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.08 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.04%.

d. Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Mutual Financial Services Fund - Class C

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$25.41	\$20.78	\$22.65	\$19.32	\$24.08
Income from investment operations ^a :					
Net investment income ^b	0.38	0.20	0.12	0.18	0.15 ^c
Net realized and unrealized gains (losses)	(1.83)	4.52	(1.86)	3.32	(4.33)
Total from investment operations	(1.45)	4.72	(1.74)	3.50	(4.18)
Less distributions from:					
Net investment income	(0.28)	(0.09)	(0.13)	(0.17)	(0.06)
Net realized gains	—	—	—	—	(0.52)
Total distributions	(0.28)	(0.09)	(0.13)	(0.17)	(0.58)
Net asset value, end of year	\$23.68	\$25.41	\$20.78	\$22.65	\$19.32
Total return ^d	(5.71)%	22.74%	(7.66)%	18.15%	(17.35)%
Ratios to average net assets					
Expenses ^e	2.07% ^f	2.12% ^f	2.14% ^f	2.10%	2.09% ^f
Net investment income	1.58%	0.83%	0.69%	0.80%	0.61% ^c
Supplemental data					
Net assets, end of year (000's)	\$18,260	\$25,503	\$27,498	\$46,132	\$58,610
Portfolio turnover rate	31.16%	28.64%	28.18%	17.06%	33.11%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.08 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.29%.

d. Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Mutual Financial Services Fund - Class R6

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$25.68	\$21.03	\$22.93	\$19.58	\$24.30
Income from investment operations ^a :					
Net investment income ^b	0.62	0.47	0.33	0.42	0.41 ^c
Net realized and unrealized gains (losses)	(1.82)	4.58	(1.85)	3.40	(4.41)
Total from investment operations	(1.20)	5.05	(1.52)	3.82	(4.00)
Less distributions from:					
Net investment income	(0.60)	(0.40)	(0.38)	(0.47)	(0.20)
Net realized gains	—	—	—	—	(0.52)
Total distributions	(0.60)	(0.40)	(0.38)	(0.47)	(0.72)
Net asset value, end of year	\$23.88	\$25.68	\$21.03	\$22.93	\$19.58
Total return	(4.66)%	24.09%	(6.57)%	19.51%	(16.41)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.08%	1.19%	1.16%	1.05%	1.06%
Expenses net of waiver and payments by affiliates ^d	0.95%	1.02%	1.02%	0.97%	0.97%
Net investment income	2.55%	1.89%	1.83%	1.93%	1.73% ^c
Supplemental data					
Net assets, end of year (000's)	\$2,086	\$2,995	\$2,191	\$2,931	\$3,371
Portfolio turnover rate	31.16%	28.64%	28.18%	17.06%	33.11%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.08 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.41%.

d. Benefit of expense reduction rounds to less than 0.01%.

Franklin Mutual Global Discovery Fund - Class Z

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$31.58	\$28.77	\$31.19	\$26.86	\$32.42
Income from investment operations ^a :					
Net investment income ^b	0.59 ^c	0.42	0.96 ^d	0.67	0.58
Net realized and unrealized gains (losses)	(2.20)	5.15	(2.38)	5.91	(4.13)
Total from investment operations	(1.61)	5.57	(1.42)	6.58	(3.55)
Less distributions from:					
Net investment income	(0.56)	(0.81)	(0.83)	(0.70)	(0.64)
Net realized gains	(2.23)	(1.95)	(0.17)	(1.55)	(1.37)
Total distributions	(2.79)	(2.76)	(1.00)	(2.25)	(2.01)
Net asset value, end of year	\$27.18	\$31.58	\$28.77	\$31.19	\$26.86
Total return	(4.70)%	19.67%	(4.38)%	24.70%	(10.78)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates ^e	0.95%	1.04%	1.03%	1.00%	0.97%
Expenses net of waiver and payments by affiliates ^{e,f}	0.95% ^g	1.02%	1.03% ^g	1.00% ^g	0.97% ^g
Expenses - incurred in connection with securities sold short	—% ^h	0.02%	0.01%	0.02%	—% ^h
Net investment income	1.98% ^c	1.28%	3.66% ^d	2.20%	1.82%
Supplemental data					
Net assets, end of year (000's)	\$2,857,597	\$3,355,158	\$3,274,956	\$5,176,787	\$5,114,274
Portfolio turnover rate	53.26%	40.67%	17.25%	14.08%	14.70%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.08 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.71%.

d. Net investment income per share includes approximately \$0.43 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.02%.

e. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

f. Benefit of expense reduction rounds to less than 0.01%.

g. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

h. Rounds to less than 0.01%.

Franklin Mutual Global Discovery Fund - Class A

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$30.81	\$28.12	\$30.51	\$26.32	\$31.80
Income from investment operations ^a :					
Net investment income ^b	0.50 ^c	0.33	0.86 ^d	0.58	0.49
Net realized and unrealized gains (losses)	(2.15)	5.04	(2.32)	5.78	(4.04)
Total from investment operations	(1.65)	5.37	(1.46)	6.36	(3.55)
Less distributions from:					
Net investment income	(0.49)	(0.73)	(0.76)	(0.62)	(0.56)
Net realized gains	(2.23)	(1.95)	(0.17)	(1.55)	(1.37)
Total distributions	(2.72)	(2.68)	(0.93)	(2.17)	(1.93)
Net asset value, end of year	\$26.44	\$30.81	\$28.12	\$30.51	\$26.32
Total return ^e	(4.95)%	19.40%	(4.61)%	24.37%	(10.99)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates ^f	1.20%	1.29%	1.28%	1.25%	1.22%
Expenses net of waiver and payments by affiliates ^{f,g}	1.20% ^h	1.27%	1.28% ^h	1.25% ^h	1.22% ^h
Expenses - incurred in connection with securities sold short	—% ⁱ	0.02%	0.01%	0.02%	—% ⁱ
Net investment income	1.72% ^c	1.03%	3.39% ^d	1.95%	1.57%
Supplemental data					
Net assets, end of year (000's)	\$4,749,259	\$5,618,446	\$5,358,016	\$7,683,644	\$7,461,444
Portfolio turnover rate	53.26%	40.67%	17.25%	14.08%	14.70%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.08 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.45%.

d. Net investment income per share includes approximately \$0.42 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.75%.

e. Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

f. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

g. Benefit of expense reduction rounds to less than 0.01%.

h. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

i. Rounds to less than 0.01%.

Franklin Mutual Global Discovery Fund - Class C

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$30.92	\$28.12	\$30.46	\$26.25	\$31.44
Income from investment operations ^a :					
Net investment income ^b	0.28 ^c	0.09	0.67 ^d	0.36	0.26
Net realized and unrealized gains (losses)	(2.13)	5.04	(2.34)	5.74	(3.98)
Total from investment operations	(1.85)	5.13	(1.67)	6.10	(3.72)
Less distributions from:					
Net investment income	(0.24)	(0.38)	(0.50)	(0.34)	(0.10)
Net realized gains	(2.23)	(1.95)	(0.17)	(1.55)	(1.37)
Total distributions	(2.47)	(2.33)	(0.67)	(1.89)	(1.47)
Net asset value, end of year	\$26.60	\$30.92	\$28.12	\$30.46	\$26.25
Total return ^e	(5.63)%	18.50%	(5.32)%	23.43%	(11.70)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates ^f	1.95%	2.04%	2.03%	2.00%	1.97%
Expenses net of waiver and payments by affiliates ^{f,g}	1.95% ^h	2.02%	2.03% ^h	2.00% ^h	1.97% ^h
Expenses - incurred in connection with securities sold short	—% ⁱ	0.02%	0.01%	0.02%	—% ⁱ
Net investment income	0.97% ^c	0.29%	2.66% ^d	1.20%	0.82%
Supplemental data					
Net assets, end of year (000's)	\$221,344	\$335,605	\$494,606	\$872,717	\$1,054,412
Portfolio turnover rate	53.26%	40.67%	17.25%	14.08%	14.70%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.08 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.70%.

d. Net investment income per share includes approximately \$0.42 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.01%.

e. Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

f. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

g. Benefit of expense reduction rounds to less than 0.01%.

h. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

i. Rounds to less than 0.01%.

Franklin Mutual Global Discovery Fund - Class R

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$30.34	\$27.70	\$30.08	\$25.97	\$31.37
Income from investment operations ^a :					
Net investment income ^b	0.42 ^c	0.24	0.78 ^d	0.50	0.41
Net realized and unrealized gains (losses)	(2.11)	4.97	(2.29)	5.69	(3.97)
Total from investment operations	(1.69)	5.21	(1.51)	6.19	(3.56)
Less distributions from:					
Net investment income	(0.42)	(0.62)	(0.70)	(0.53)	(0.47)
Net realized gains	(2.23)	(1.95)	(0.17)	(1.55)	(1.37)
Total distributions	(2.65)	(2.57)	(0.87)	(2.08)	(1.84)
Net asset value, end of year	\$26.00	\$30.34	\$27.70	\$30.08	\$25.97
Total return	(5.17)%	19.10%	(4.87)%	24.09%	(11.24)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates ^e	1.45%	1.54%	1.53%	1.50%	1.47%
Expenses net of waiver and payments by affiliates ^{e,f}	1.45% ^g	1.52%	1.53% ^g	1.50% ^g	1.47% ^g
Expenses - incurred in connection with securities sold short	—% ^h	0.02%	0.01%	0.02%	—% ^h
Net investment income	1.47% ^c	0.79%	3.13% ^d	1.70%	1.32%
Supplemental data					
Net assets, end of year (000's)	\$109,826	\$136,983	\$175,393	\$251,089	\$274,086
Portfolio turnover rate	53.26%	40.67%	17.25%	14.08%	14.70%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.08 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.20%.

d. Net investment income per share includes approximately \$0.41 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.48%.

e. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

f. Benefit of expense reduction rounds to less than 0.01%.

g. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

h. Rounds to less than 0.01%.

Franklin Mutual Global Discovery Fund - Class R6

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$31.57	\$28.75	\$31.17	\$26.85	\$32.41
Income from investment operations ^a :					
Net investment income ^b	0.62 ^c	0.44	0.97 ^d	0.70	0.62
Net realized and unrealized gains (losses)	(2.21)	5.18	(2.35)	5.90	(4.13)
Total from investment operations	(1.59)	5.62	(1.38)	6.60	(3.51)
Less distributions from:					
Net investment income	(0.59)	(0.85)	(0.87)	(0.73)	(0.68)
Net realized gains	(2.23)	(1.95)	(0.17)	(1.55)	(1.37)
Total distributions	(2.82)	(2.80)	(1.04)	(2.28)	(2.05)
Net asset value, end of year	\$27.16	\$31.57	\$28.75	\$31.17	\$26.85
Total return	(4.65)%	19.84%	(4.27)%	24.80%	(10.67)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates ^e	0.86%	0.95%	0.92%	0.90%	0.88%
Expenses net of waiver and payments by affiliates ^{e,f}	0.86% ^g	0.92%	0.92% ^g	0.89%	0.87%
Expenses - incurred in connection with securities sold short	—% ^h	0.02%	0.01%	0.02%	—% ^h
Net investment income	2.07% ^c	1.35%	3.73% ^d	2.31%	1.92%
Supplemental data					
Net assets, end of year (000's)	\$525,379	\$653,091	\$843,143	\$1,295,457	\$1,418,812
Portfolio turnover rate	53.26%	40.67%	17.25%	14.08%	14.70%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.08 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.79%.

d. Net investment income per share includes approximately \$0.43 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.08%.

e. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

f. Benefit of expense reduction rounds to less than 0.01%.

g. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

h. Rounds to less than 0.01%.

Franklin Mutual International Value Fund (formerly Franklin Mutual European Fund) - Class Z

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$21.91	\$19.49	\$21.31	\$17.89	\$20.93
Income from investment operations ^a :					
Net investment income ^b	0.60	0.58	0.56 ^c	0.54	0.49
Net realized and unrealized gains (losses)	(0.74)	2.61	(1.92)	3.46	(2.80)
Total from investment operations	(0.14)	3.19	(1.36)	4.00	(2.31)
Less distributions from:					
Net investment income	(0.70)	(0.77)	(0.46)	(0.58)	(0.73)
Net asset value, end of year	\$21.07	\$21.91	\$19.49	\$21.31	\$17.89
Total return	(0.51)%	16.49%	(6.23)%	22.28%	(11.12)%
Ratios to average net assets					
Expenses ^{d,e}	1.00% ^f	1.07% ^f	1.08% ^f	1.04%	1.04% ^f
Expenses - incurred in connection with securities sold short	—%	—%	—%	—%	—% ^g
Net investment income	2.87%	2.71%	3.19% ^c	2.77%	2.38%
Supplemental data					
Net assets, end of year (000's)	\$414,151	\$457,644	\$450,864	\$789,012	\$958,149
Portfolio turnover rate	32.10%	32.03%	24.04%	12.16%	35.42%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.30 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.48%.

d. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

g. Rounds to less than 0.01%.

Franklin Mutual International Value Fund (formerly Franklin Mutual European Fund) - Class A

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$21.24	\$18.91	\$20.67	\$17.37	\$20.33
Income from investment operations ^a :					
Net investment income ^b	0.53	0.51	0.54 ^c	0.49	0.41
Net realized and unrealized gains (losses)	(0.72)	2.54	(1.91)	3.33	(2.69)
Total from investment operations	(0.19)	3.05	(1.37)	3.82	(2.28)
Less distributions from:					
Net investment income	(0.64)	(0.72)	(0.39)	(0.52)	(0.68)
Net asset value, end of year	\$20.41	\$21.24	\$18.91	\$20.67	\$17.37
Total return ^d	(0.73)%	16.23%	(6.50)%	21.98%	(11.29)%
Ratios to average net assets					
Expenses ^{e,f}	1.25% ^g	1.32% ^g	1.33% ^g	1.29%	1.29% ^g
Expenses - incurred in connection with securities sold short	—%	—%	—%	—%	—% ^h
Net investment income	2.60%	2.45%	3.14% ^c	2.52%	2.13%
Supplemental data					
Net assets, end of year (000's)	\$256,163	\$281,685	\$272,579	\$512,218	\$564,038
Portfolio turnover rate	32.10%	32.03%	24.04%	12.16%	35.42%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.29 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.44%.

d. Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

e. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

f. Benefit of expense reduction rounds to less than 0.01%.

g. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

h. Rounds to less than 0.01%.

Franklin Mutual International Value Fund (formerly Franklin Mutual European Fund) - Class C

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$21.60	\$19.17	\$20.93	\$17.56	\$20.38
Income from investment operations ^a :					
Net investment income ^b	0.39	0.38	0.38 ^c	0.35	0.29
Net realized and unrealized gains (losses)	(0.73)	2.54	(1.90)	3.35	(2.72)
Total from investment operations	(0.34)	2.92	(1.52)	3.70	(2.43)
Less distributions from:					
Net investment income	(0.43)	(0.49)	(0.24)	(0.33)	(0.39)
Net asset value, end of year	\$20.83	\$21.60	\$19.17	\$20.93	\$17.56
Total return ^d	(1.42)%	15.32%	(7.15)%	21.01%	(11.96)%
Ratios to average net assets					
Expenses ^{e,f}	2.00% ^g	2.07% ^g	2.08% ^g	2.04%	2.04% ^g
Expenses - incurred in connection with securities sold short	—%	—%	—%	—%	—% ^h
Net investment income	1.91%	1.83%	2.18% ^c	1.77%	1.38%
Supplemental data					
Net assets, end of year (000's)	\$15,190	\$24,236	\$34,693	\$61,743	\$78,149
Portfolio turnover rate	32.10%	32.03%	24.04%	12.16%	35.42%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.29 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.47%.

d. Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

e. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

f. Benefit of expense reduction rounds to less than 0.01%.

g. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

h. Rounds to less than 0.01%.

Franklin Mutual International Value Fund (formerly Franklin Mutual European Fund) - Class R

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$20.75	\$18.49	\$20.27	\$17.05	\$19.97
Income from investment operations ^a :					
Net investment income ^b	0.44	0.45	0.53 ^c	0.43	0.35
Net realized and unrealized gains (losses)	(0.68)	2.48	(1.92)	3.27	(2.64)
Total from investment operations	(0.24)	2.93	(1.39)	3.70	(2.29)
Less distributions from:					
Net investment income	(0.61)	(0.67)	(0.39)	(0.48)	(0.63)
Net asset value, end of year	\$19.90	\$20.75	\$18.49	\$20.27	\$17.05
Total return	(1.03)%	15.96%	(6.76)%	21.70%	(11.54)%
Ratios to average net assets					
Expenses ^{d,e}	1.49% ^f	1.58% ^f	1.58% ^f	1.54%	1.54% ^f
Expenses - incurred in connection with securities sold short	—%	—%	—%	—%	—% ^g
Net investment income	2.23%	2.21%	3.19% ^c	2.27%	1.88%
Supplemental data					
Net assets, end of year (000's)	\$623	\$639	\$714	\$733	\$731
Portfolio turnover rate	32.10%	32.03%	24.04%	12.16%	35.42%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.29 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.48%.

d. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

g. Rounds to less than 0.01%.

Franklin Mutual International Value Fund (formerly Franklin Mutual European Fund) - Class R6

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$21.88	\$19.47	\$21.29	\$17.87	\$20.91
Income from investment operations ^a :					
Net investment income ^b	0.62	0.60	0.64 ^c	0.69	0.56
Net realized and unrealized gains (losses)	(0.73)	2.60	(1.97)	3.33	(2.85)
Total from investment operations	(0.11)	3.20	(1.33)	4.02	(2.29)
Less distributions from:					
Net investment income	(0.72)	(0.79)	(0.49)	(0.60)	(0.75)
Net asset value, end of year	\$21.05	\$21.88	\$19.47	\$21.29	\$17.87
Total return	(0.38)%	16.56%	(6.10)%	22.35%	(10.94)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates ^d	0.92%	1.02%	1.00%	0.94%	0.92%
Expenses net of waiver and payments by affiliates ^{d,e}	0.91%	0.99%	0.97%	0.93%	0.91%
Expenses - incurred in connection with securities sold short	—%	—%	—%	—%	—% ^f
Net investment income	2.96%	2.78%	3.61% ^c	2.88%	2.51%
Supplemental data					
Net assets, end of year (000's)	\$33,306	\$35,798	\$33,407	\$44,561	\$149,796
Portfolio turnover rate	32.10%	32.03%	24.04%	12.16%	35.42%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.30 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.91%.

d. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Rounds to less than 0.01%.

Franklin Mutual Quest Fund - Class Z

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$14.46	\$13.31	\$14.06	\$12.95	\$15.83
Income from investment operations ^a :					
Net investment income ^b	0.50	0.23	0.40 ^c	0.45	0.48
Net realized and unrealized gains (losses)	(1.51)	1.29	(0.66)	1.16	(1.58)
Total from investment operations	(1.01)	1.52	(0.26)	1.61	(1.10)
Less distributions from:					
Net investment income	(0.49)	(0.37)	(0.49)	(0.50)	(0.58)
Net realized gains	—	—	—	—	(1.20)
Total distributions	(0.49)	(0.37)	(0.49)	(0.50)	(1.78)
Net asset value, end of year	\$12.96	\$14.46	\$13.31	\$14.06	\$12.95
Total return	(6.86)%	11.51%	(1.83)%	12.40%	(6.85)%
Ratios to average net assets					
Expenses ^{d,e}	0.78% ^f	0.87% ^f	0.81% ^f	0.78%	0.78%
Expenses - incurred in connection with securities sold short	0.02%	0.06%	0.02%	0.02%	—% ^g
Net investment income	3.60%	1.59%	3.22% ^c	3.22%	2.96%
Supplemental data					
Net assets, end of year (000's)	\$2,047,788	\$2,397,948	\$2,472,118	\$3,042,387	\$3,054,792
Portfolio turnover rate	101.19%	66.95%	52.07%	60.96%	115.52%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.11 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.32%.

d. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

g. Rounds to less than 0.01%.

Franklin Mutual Quest Fund - Class A

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$14.22	\$13.09	\$13.84	\$12.75	\$15.60
Income from investment operations ^a :					
Net investment income ^b	0.46	0.19	0.37 ^c	0.41	0.43
Net realized and unrealized gains (losses)	(1.48)	1.28	(0.67)	1.14	(1.54)
Total from investment operations	(1.02)	1.47	(0.30)	1.55	(1.11)
Less distributions from:					
Net investment income	(0.46)	(0.34)	(0.45)	(0.46)	(0.54)
Net realized gains	—	—	—	—	(1.20)
Total distributions	(0.46)	(0.34)	(0.45)	(0.46)	(1.74)
Net asset value, end of year	\$12.74	\$14.22	\$13.09	\$13.84	\$12.75
Total return ^d	(7.16)%	11.26%	(2.12)%	12.14%	(7.00)%
Ratios to average net assets					
Expenses ^{e,f}	1.03% ^g	1.12% ^g	1.06% ^g	1.03%	1.03%
Expenses - incurred in connection with securities sold short	0.02%	0.06%	0.02%	0.02%	—% ^h
Net investment income	3.35%	1.34%	2.98% ^c	2.97%	2.71%
Supplemental data					
Net assets, end of year (000's)	\$617,190	\$723,791	\$760,173	\$1,035,699	\$1,067,382
Portfolio turnover rate	101.19%	66.95%	52.07%	60.96%	115.52%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.11 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.08%.

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

e. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

f. Benefit of expense reduction rounds to less than 0.01%.

g. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

h. Rounds to less than 0.01%.

Franklin Mutual Quest Fund - Class C

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$14.17	\$13.01	\$13.73	\$12.64	\$15.35
Income from investment operations ^a :					
Net investment income ^b	0.35	0.08	0.27 ^c	0.30	0.29
Net realized and unrealized gains (losses)	(1.47)	1.27	(0.66)	1.12	(1.49)
Total from investment operations	(1.12)	1.35	(0.39)	1.42	(1.20)
Less distributions from:					
Net investment income	(0.34)	(0.19)	(0.33)	(0.33)	(0.31)
Net realized gains	—	—	—	—	(1.20)
Total distributions	(0.34)	(0.19)	(0.33)	(0.33)	(1.51)
Net asset value, end of year	\$12.71	\$14.17	\$13.01	\$13.73	\$12.64
Total return ^d	(7.88)%	10.42%	(2.83)%	11.26%	(7.77)%
Ratios to average net assets					
Expenses ^{e,f}	1.78% ^g	1.87% ^g	1.81% ^g	1.78%	1.78%
Expenses - incurred in connection with securities sold short	0.02%	0.06%	0.02%	0.02%	—% ^h
Net investment income	2.57%	0.55%	2.24% ^c	2.22%	1.96%
Supplemental data					
Net assets, end of year (000's)	\$33,039	\$44,228	\$65,715	\$112,751	\$141,619
Portfolio turnover rate	101.19%	66.95%	52.07%	60.96%	115.52%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.11 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.34%.

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

e. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

f. Benefit of expense reduction rounds to less than 0.01%.

g. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

h. Rounds to less than 0.01%.

Franklin Mutual Quest Fund - Class R

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$13.98	\$12.87	\$13.61	\$12.54	\$15.40
Income from investment operations ^a :					
Net investment income ^b	0.45	0.15	0.33 ^c	0.37	0.39
Net realized and unrealized gains (losses)	(1.49)	1.27	(0.66)	1.12	(1.53)
Total from investment operations	(1.04)	1.42	(0.33)	1.49	(1.14)
Less distributions from:					
Net investment income	(0.42)	(0.31)	(0.41)	(0.42)	(0.52)
Net realized gains	—	—	—	—	(1.20)
Total distributions	(0.42)	(0.31)	(0.41)	(0.42)	(1.72)
Net asset value, end of year	\$12.52	\$13.98	\$12.87	\$13.61	\$12.54
Total return	(7.44)%	11.05%	(2.38)%	11.88%	(7.31)%
Ratios to average net assets					
Expenses ^{d,e}	1.27% ^f	1.37% ^f	1.31% ^f	1.28%	1.28%
Expenses - incurred in connection with securities sold short	0.02%	0.06%	0.02%	0.02%	—% ^g
Net investment income	3.39%	1.10%	2.72% ^c	2.72%	2.46%
Supplemental data					
Net assets, end of year (000's)	\$3,725	\$2,643	\$2,495	\$3,415	\$2,929
Portfolio turnover rate	101.19%	66.95%	52.07%	60.96%	115.52%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.11 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.82%.

d. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

g. Rounds to less than 0.01%.

Franklin Mutual Quest Fund - Class R6

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$14.45	\$13.29	\$14.05	\$12.94	\$15.81
Income from investment operations ^a :					
Net investment income ^b	0.51	0.23	0.41 ^c	0.46	0.49
Net realized and unrealized gains (losses)	(1.51)	1.31	(0.68)	1.15	(1.57)
Total from investment operations	(1.00)	1.54	(0.27)	1.61	(1.08)
Less distributions from:					
Net investment income	(0.50)	(0.38)	(0.49)	(0.50)	(0.59)
Net realized gains	—	—	—	—	(1.20)
Total distributions	(0.50)	(0.38)	(0.49)	(0.50)	(1.79)
Net asset value, end of year	\$12.95	\$14.45	\$13.29	\$14.05	\$12.94
Total return	(6.88)%	11.67%	(1.79)%	12.40%	(6.73)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates ^d	0.76%	0.87%	0.79%	0.74%	0.74%
Expenses net of waiver and payments by affiliates ^{d,e}	0.72%	0.82%	0.75%	0.72%	0.72%
Expenses - incurred in connection with securities sold short	0.02%	0.06%	0.02%	0.02%	—% ^f
Net investment income	3.65%	1.63%	3.28% ^c	3.28%	3.02%
Supplemental data					
Net assets, end of year (000's)	\$32,109	\$39,292	\$47,970	\$107,723	\$116,012
Portfolio turnover rate	101.19%	66.95%	52.07%	60.96%	115.52%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.11 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.38%.

d. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Rounds to less than 0.01%.

Franklin Mutual Shares Fund - Class Z

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$27.09	\$25.33	\$27.56	\$24.25	\$28.63
Income from investment operations ^a :					
Net investment income ^b	0.43	0.39	0.83 ^c	0.63	0.51
Net realized and unrealized gains (losses)	(2.45)	4.43	(2.11)	4.90	(3.11)
Total from investment operations	(2.02)	4.82	(1.28)	5.53	(2.60)
Less distributions from:					
Net investment income	(0.37)	(0.94)	(0.53)	(0.71)	(0.53)
Net realized gains	(1.84)	(2.12)	(0.42)	(1.51)	(1.25)
Total distributions	(2.21)	(3.06)	(0.95)	(2.22)	(1.78)
Net asset value, end of year	\$22.86	\$27.09	\$25.33	\$27.56	\$24.25
Total return	(7.11)%	19.34%	(4.34)%	23.13%	(8.95)%
Ratios to average net assets					
Expenses ^{d,e}	0.75%	0.81% ^f	0.80% ^f	0.78% ^f	0.76% ^f
Expenses - incurred in connection with securities sold short	—% ^g	0.02%	0.02%	0.02%	—% ^g
Net investment income	1.70%	1.36%	3.56% ^c	2.32%	1.77%
Supplemental data					
Net assets, end of year (000's)	\$3,785,598	\$4,717,528	\$4,376,135	\$5,472,276	\$5,189,476
Portfolio turnover rate	59.69%	41.18% ^h	21.35%	21.71%	20.72%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.29 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.30%.

d. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

g. Rounds to less than 0.01%.

h. Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) in the annual report.

Franklin Mutual Shares Fund - Class A

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$26.75	\$25.04	\$27.26	\$24.00	\$28.35
Income from investment operations ^a :					
Net investment income ^b	0.36	0.31	0.76 ^c	0.56	0.43
Net realized and unrealized gains (losses)	(2.42)	4.39	(2.10)	4.85	(3.07)
Total from investment operations	(2.06)	4.70	(1.34)	5.41	(2.64)
Less distributions from:					
Net investment income	(0.31)	(0.87)	(0.46)	(0.64)	(0.46)
Net realized gains	(1.84)	(2.12)	(0.42)	(1.51)	(1.25)
Total distributions	(2.15)	(2.99)	(0.88)	(2.15)	(1.71)
Net asset value, end of year	\$22.54	\$26.75	\$25.04	\$27.26	\$24.00
Total return ^d	(7.35)%	19.07%	(4.60)%	22.86%	(9.18)%
Ratios to average net assets					
Expenses ^{e,f}	1.00%	1.06% ^g	1.05% ^g	1.03% ^g	1.01% ^g
Expenses - incurred in connection with securities sold short	—% ^h	0.02%	0.02%	0.02%	—% ^h
Net investment income	1.45%	1.11%	3.32% ^c	2.07%	1.52%
Supplemental data					
Net assets, end of year (000's)	\$2,601,790	\$3,125,320	\$2,965,127	\$4,042,626	\$3,852,134
Portfolio turnover rate	59.69%	41.18% ⁱ	21.35%	21.71%	20.72%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.29 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.07%.

d. Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

e. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

f. Benefit of expense reduction rounds to less than 0.01%.

g. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

h. Rounds to less than 0.01%.

i. Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) in the annual report.

Franklin Mutual Shares Fund - Class C

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$26.75	\$25.02	\$27.22	\$23.97	\$28.04
Income from investment operations ^a :					
Net investment income ^b	0.17	0.10	0.60 ^c	0.36	0.21
Net realized and unrealized gains (losses)	(2.41)	4.37	(2.12)	4.82	(3.00)
Total from investment operations	(2.24)	4.47	(1.52)	5.18	(2.79)
Less distributions from:					
Net investment income	(0.12)	(0.62)	(0.26)	(0.42)	(0.03)
Net realized gains	(1.84)	(2.12)	(0.42)	(1.51)	(1.25)
Total distributions	(1.96)	(2.74)	(0.68)	(1.93)	(1.28)
Net asset value, end of year	\$22.55	\$26.75	\$25.02	\$27.22	\$23.97
Total return ^d	(8.04)%	18.13%	(5.29)%	21.93%	(9.87)%
Ratios to average net assets					
Expenses ^{e,f}	1.75%	1.81% ^g	1.80% ^g	1.78% ^g	1.76% ^g
Expenses - incurred in connection with securities sold short	—% ^h	0.02%	0.02%	0.02%	—% ^h
Net investment income	0.69%	0.35%	2.63% ^c	1.32%	0.77%
Supplemental data					
Net assets, end of year (000's)	\$158,150	\$192,660	\$206,196	\$302,296	\$309,756
Portfolio turnover rate	59.69%	41.18% ⁱ	21.35%	21.71%	20.72%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.29 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.37%.

d. Total return does not reflect sales commissions or contingent deferred sales charges.

e. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

f. Benefit of expense reduction rounds to less than 0.01%.

g. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

h. Rounds to less than 0.01%.

i. Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) in the annual report.

Franklin Mutual Shares Fund - Class R

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$26.65	\$24.96	\$27.17	\$23.91	\$28.21
Income from investment operations ^a :					
Net investment income ^b	0.29	0.24	0.70 ^c	0.49	0.36
Net realized and unrealized gains (losses)	(2.40)	4.36	(2.09)	4.83	(3.05)
Total from investment operations	(2.11)	4.60	(1.39)	5.32	(2.69)
Less distributions from:					
Net investment income	(0.25)	(0.79)	(0.40)	(0.55)	(0.36)
Net realized gains	(1.84)	(2.12)	(0.42)	(1.51)	(1.25)
Total distributions	(2.09)	(2.91)	(0.82)	(2.06)	(1.61)
Net asset value, end of year	\$22.45	\$26.65	\$24.96	\$27.17	\$23.91
Total return	(7.60)%	18.75%	(4.80)%	22.55%	(9.41)%
Ratios to average net assets					
Expenses ^{d,e}	1.25%	1.31% ^f	1.30% ^f	1.28% ^f	1.26% ^f
Expenses - incurred in connection with securities sold short	—% ^g	0.02%	0.02%	0.02%	—% ^g
Net investment income	1.19%	0.86%	3.06% ^c	1.82%	1.27%
Supplemental data					
Net assets, end of year (000's)	\$38,759	\$49,843	\$48,216	\$66,038	\$74,345
Portfolio turnover rate	59.69%	41.18% ^h	21.35%	21.71%	20.72%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.29 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.80%.

d. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

g. Rounds to less than 0.01%.

h. Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) in the annual report.

Franklin Mutual Shares Fund - Class R6

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$27.07	\$25.32	\$27.55	\$24.23	\$28.61
Income from investment operations ^a :					
Net investment income ^b	0.44	0.39	0.83 ^c	0.64	0.53
Net realized and unrealized gains (losses)	(2.44)	4.43	(2.09)	4.92	(3.11)
Total from investment operations	(2.00)	4.82	(1.26)	5.56	(2.58)
Less distributions from:					
Net investment income	(0.39)	(0.95)	(0.55)	(0.73)	(0.55)
Net realized gains	(1.84)	(2.12)	(0.42)	(1.51)	(1.25)
Total distributions	(2.23)	(3.07)	(0.97)	(2.24)	(1.80)
Net asset value, end of year	\$22.84	\$27.07	\$25.32	\$27.55	\$24.23
Total return	(7.05)%	19.37%	(4.27)%	23.26%	(8.88)%
Ratios to average net assets					
Expenses ^{d,e}	0.68%	0.74% ^f	0.72% ^f	0.70% ^f	0.69% ^f
Expenses - incurred in connection with securities sold short	—% ^g	0.02%	0.02%	0.02%	—% ^g
Net investment income	1.76%	1.40%	3.57% ^c	2.40%	1.84%
Supplemental data					
Net assets, end of year (000's)	\$286,332	\$372,115	\$1,449,696	\$1,680,600	\$3,160,186
Portfolio turnover rate	59.69%	41.18% ^h	21.35%	21.71%	20.72%

a. The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations in the annual report 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 \$0.29 per share related to income received in the form of special dividends and an adjustment for EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.31%.

d. Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e) in the annual report.

e. Benefit of expense reduction rounds to less than 0.01%.

f. Benefit of waiver and payments by affiliates rounds to less than 0.01%.

g. Rounds to less than 0.01%.

h. Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) in the annual report.

Your Account

Choosing a Share Class

Each class has its own sales charge and expense structure, allowing you to choose the class that best meets your situation. Some share classes may not be offered by certain financial intermediaries. Your financial intermediary or investment representative (financial advisor) can help you decide which class is best for you. Investors may purchase Class C or Class R shares only for Fund accounts on which they have appointed an investment representative (financial advisor) of record. Investors who have not appointed an investment representative (financial advisor) to existing Class C or Class R share Fund accounts may not make additional purchases to those accounts but may exchange their shares for shares of a Franklin Templeton and Legg Mason fund that offers Class C or Class R shares. Dividend and capital gain distributions may continue to be reinvested in existing Class C or Class R share Fund accounts. These provisions do not apply to Employer Sponsored Retirement Plans.

Class A	Class C	Class R	Class R6	Class Z
Initial sales charge of 5.50% or less	No initial sales charge	No initial sales charge	See "Qualified Investors - Class R6" below	See "Qualified Investors – Class Z" below
Deferred sales charge of 1% on purchases of \$1 million or more sold within 18 months	Deferred sales charge of 1% on shares you sell within 12 months	Deferred sales charge is not applicable		
Lower annual expenses than Class C and Class R due to lower distribution fees	Higher annual expenses than Class A and Class R due to higher distribution fees. Automatic conversion to Class A shares after approximately eight years, reducing future annual expenses.	Higher annual expenses than Class A due to higher distribution fees (lower than Class C). No conversion to Class A shares, so annual expenses do not decrease.		

Class A, C & R

The availability of certain sales charge waivers and discounts may depend on whether you purchase your shares directly from the Fund or through a financial intermediary. Different intermediaries may impose different sales

charges (including potential reductions in or waivers of sales charges) other than those listed below. Such intermediary-specific sales charge variations are described in Appendix A to this prospectus, entitled "Intermediary Sales Charge Discounts and Waivers." Appendix A is incorporated herein by reference (is legally a part of this prospectus).

In all instances, it is the purchaser's responsibility to notify the Fund or the purchaser's financial intermediary at the time of purchase of any relationship or other facts qualifying the purchaser for sales charge waivers or discounts. For waivers and discounts not available through a particular intermediary, shareholders will have to purchase Fund shares directly from the Fund or through another intermediary to receive these waivers or discounts.

As noted above, the availability of certain share classes and/or shareholder privileges or services described in this prospectus will depend on the policies, procedures and trading platforms of your financial intermediary. Accordingly, you may be invested through your financial intermediary in a share class that has higher annual fees and expenses than other share classes offered in this prospectus, which will have an adverse impact on your investment return. The Fund is not responsible for any additional share class eligibility requirements, investment minimums, exchange privileges, or other policies imposed by financial intermediaries or for notifying shareholders of any changes to them. It is the responsibility of the financial intermediary (and not the Fund) to ensure that you obtain proper financial intermediary-specific waivers, discounts, investment minimums, minimum account balances and other special arrangements and that you are placed in the proper share class for which you are eligible through your financial intermediary. Please consult your financial adviser to consider your options, including your eligibility to qualify for the share classes and/or shareholder privileges or services described in this prospectus.

Sales Charges - Class A

when you invest this amount	the sales charge makes up this % of the offering price ¹	which equals this % of your net investment ¹
Under \$25,000	5.50	5.82
\$25,000 but under \$50,000	5.25	5.54
\$50,000 but under \$100,000	4.50	4.71
\$100,000 but under \$250,000	3.50	3.63
\$250,000 but under \$500,000	2.50	2.56
\$500,000 but under \$750,000	2.00	2.04
\$750,000 but under \$1 million	1.50	1.52
\$1 million or more	0.00	0.00

¹ The dollar amount of the sales charge is the difference between the offering price of the shares purchased (which factors in the applicable sales charge in this table) and the net asset value of those shares. Since the offering price is calculated to two decimal places using standard rounding criteria, the number of shares purchased and the dollar amount of the sales charge as a percentage of the offering price and of your net investment may be higher or lower depending on whether there was a downward or upward rounding.

Sales Charge Reductions

Quantity discounts. We offer two ways for you to combine your current purchase of Class A Fund shares with other existing Franklin Templeton and Legg Mason fund share holdings that might enable you to qualify for a lower sales charge with your current purchase. You can qualify for a lower sales charge when you reach certain "sales charge breakpoints." Sales charge and quantity discount information is also available free of charge at franklintempleton.com/quantity-discounts. This web page can also be reached at franklintempleton.com by clicking "Sales Charges and Breakpoints" under the "Investments" tab.

1. Cumulative quantity discount - lets you combine certain existing holdings of Franklin Templeton and Legg Mason fund shares - referred to as "cumulative quantity discount eligible shares" - with your current purchase of Class A shares to determine if you qualify for a sales charge breakpoint.

Cumulative quantity discount eligible shares are Franklin Templeton and Legg Mason fund shares registered to (or held by a financial intermediary for):

- You, individually;
- Your "family member," defined as your spouse or domestic partner, as recognized by applicable state law, and your children under the age of 21;
- You jointly with one or more family members;
- You jointly with another person(s) who is (are) not family members if that other person has not included the value of the jointly-owned shares as cumulative quantity discount eligible shares for purposes of that person's separate investments in Franklin Templeton and Legg Mason fund shares;
- A Coverdell Education Savings account for which you or a family member is the identified responsible person;
- A trustee/custodian of an IRA (which includes a Roth IRA and an employer sponsored IRA such as a SIMPLE IRA) or your non-ERISA covered 403(b) plan account, if the shares are registered/recorded under your or a family member's Social Security number;
- A 529 college savings plan over which you or a family member has investment discretion and control;
- Any entity over which you or a family member has (have) individual or shared authority, as principal, has investment discretion and control (for example, an UGMA/UTMA account for a child on which you or a family member is the custodian, a trust on which you or a family member is the trustee, a business

account [not to include retirement plans] for your solely owned business [or the solely owned business of a family member] on which you or a family member is the authorized signer);

- A trust established by you or a family member as grantor.

Franklin Templeton and Legg Mason fund shares held through an administrator or trustee/custodian of an Employer Sponsored Retirement Plan (see definition below) such as a 401(k) plan and shares of such funds offered through separately managed accounts that are managed by Franklin Templeton and Legg Mason do not qualify for a cumulative quantity discount.

Franklin Templeton and Legg Mason fund assets held in multiple Employer Sponsored Retirement Plans may be combined in order to qualify for sales charge breakpoints at the plan level if the plans are sponsored by the same employer.

If you believe there are cumulative quantity discount eligible shares that can be combined with your current purchase to achieve a sales charge breakpoint (for example, shares held in a different broker-dealer's brokerage account or with a bank or an investment advisor), it is your responsibility to specifically identify those shares to your financial advisor at the time of your purchase (including at the time of any future purchase). It may be necessary for you to provide your financial advisor with information and records (including account statements) of all relevant accounts invested in the Franklin Templeton and Legg Mason funds. If you have not designated a financial advisor associated with your Franklin Templeton and Legg Mason fund shares, it is your responsibility to specifically identify any cumulative quantity discount eligible shares to the Fund's transfer agent at the time of any purchase.

If there are cumulative quantity discount eligible shares that would qualify for combining with your current purchase and you do not tell your financial advisor or the Franklin Templeton and Legg Mason funds' transfer agent at the time of any purchase, you may not receive the benefit of a reduced sales charge that might otherwise be available since your financial advisor and the Fund generally will not have that information.

The value of cumulative quantity discount eligible shares equals the current or cost value of those shares, whichever is higher. The current value of shares is determined by multiplying the number of shares as of the day prior to your current purchase by their public offering price on the day of your current purchase. The cost value of shares is determined by aggregating the amount you invested in cumulative quantity discount eligible shares (including reinvested dividends and capital gains, but excluding capital appreciation), less any withdrawals, as of the date prior to your current purchase. It is your responsibility to retain any records necessary to substantiate historical share costs because neither your current

financial advisor nor the Franklin Templeton and Legg Mason funds may have or maintain this information.

An "Employer Sponsored Retirement Plan" is a Qualified Retirement Plan, ERISA covered 403(b) plan and certain non-qualified deferred compensation arrangements that operate in a similar manner to a Qualified Retirement Plan, such as 457 plans and executive deferred compensation arrangements, but not including employer sponsored IRAs. A "Qualified Retirement Plan" is an employer sponsored pension or profit sharing plan that qualifies under section 401(a) of the Internal Revenue Code, including 401(k), money purchase pension, profit sharing and defined benefit plans.

2. Letter of intent (LOI) - expresses your intent to buy a stated dollar amount of "cumulative quantity discount eligible shares" (as defined in the "Cumulative quantity discount" section above) over a 13-month period and lets you receive the same sales charge as if all shares had been purchased at one time; however, purchases made under a right of reinvestment and appreciation of your holdings do not count as purchases made during the LOI period. During that 13-month period, additional purchases as well as reinvested dividends and capital gains are counted toward the fulfillment of your LOI. We will reserve 5% of your total intended purchase in Class A shares registered in your name until you fulfill your LOI to cover any additional sales charge that may apply if you do not buy the amount stated in your LOI. It is your responsibility to tell your financial advisor when you believe you have fulfilled your LOI with sufficient cumulative quantity discount eligible shares. The value of your cumulative quantity discount eligible shares (as calculated in the "Cumulative quantity discount" section above) as of the day prior to your LOI start date may be counted toward fulfillment of your LOI. The cost value of cumulative quantity discount eligible shares, however, may only be aggregated for share purchases that took place within 18 months of the LOI start date.

If you have not designated a financial advisor associated with your Franklin Templeton and Legg Mason fund shares, it is your responsibility to tell the Fund's transfer agent when you believe you have fulfilled your LOI with sufficient cumulative quantity discount eligible shares. Please refer to the SAI for more LOI details.

To sign up for these programs, complete the appropriate section of your account application.

For purposes of the cumulative quantity discount and letter of intent, Franklin Templeton and Legg Mason funds include BrandywineGLOBAL funds, ClearBridge Investments funds, Martin Currie funds, and Western Asset funds. They do not include the funds in the Franklin Templeton Variable Insurance Products Trust, Legg Mason Partners Variable Equity Trust, Legg Mason Partners Variable Income Trust or Legg Mason Partners Money Market Trust (except for shares held in Distributor Accounts). Please contact your Service Agent or the fund for more information.

Sales Charge Waivers

Class A shares may be purchased without an initial sales charge or contingent deferred sales charge (CDSC) by certain investors. If you would like information about available sales charge waivers, call your investment representative or call Shareholder Services at (800) 632-2301.

Waivers for certain investors. The following investors or investments qualify to buy Class A shares without an initial sales charge or CDSC due to anticipated economies in sales efforts and expenses, including:

- Current employees of securities dealers that have executed a selling agreement with Franklin Distributors, LLC (Distributors) and their affiliates and their family members, as allowed by the internal policies of their employer.
- Employees of Franklin Templeton and its subsidiaries.
- Board members and officers of any Franklin Templeton or Legg Mason-sponsored fund.
- Assets held in accounts managed by a subsidiary of Franklin Resources, Inc.: (1) under an advisory agreement (including sub-advisory agreements); and/or (2) as trustee of an inter vivos or testamentary trust.
- Group annuity separate accounts offered to retirement plans.
- Purchases by a bank, trust company or thrift institution that is acting as a fiduciary exercising investment discretion.
- Advisory Fee Programs. Shares acquired by an investor in connection with a comprehensive fee or other advisory fee arrangement between the investor and a registered broker-dealer, investment advisor, trust company, bank, or other financial intermediary (referred to as the "Sponsor") in which the investor pays that Sponsor a fee for investment advisory services and the Sponsor or a broker-dealer through whom the shares are acquired has an agreement with Distributors authorizing the sale of Fund shares. No minimum initial investment.
- Clients of financial intermediaries who have entered into an agreement with Distributors and have been approved by Distributors to offer Fund shares through a network, platform or self-directed investment brokerage account that may charge a transaction or other fee to customers.
- Shareholders who purchase directly from the Funds and not through any financial intermediary (i.e., Distributors is the broker of record).
- Class C shareholders whose shares are converted to Class A shares after eight years under the Class C shares' conversion feature.

- Purchases by or through a Franklin Templeton donor-advised fund (such as the Franklin or Fiduciary Trust Charitable Giving Programs).

Franklin Mutual Shares Fund's Class C shares may be purchased without limit or CDSC by a Franklin Templeton donor-advised program.

Retirement plans. Provided that Franklin Templeton Investor Services, LLC is notified, Class A shares at NAV are available for:

- Employer Sponsored Retirement Plans ("Plans" or individually, "Plan") that invest through a record-keeper platform or third party retirement platform; or
- Any investors who purchases shares with proceeds from an IRA for which Fiduciary Trust International of the South (FTIOS) is custodian.

Investments of \$1 Million or More

If you invest \$1 million or more, either as a lump sum or through our cumulative quantity discount or letter of intent programs, you can buy Class A shares without an initial sales charge. However, there is a 1% CDSC on any shares you sell within 18 months of purchase. The way we calculate the CDSC is the same for each class (please see "Contingent Deferred Sales Charge (CDSC) -Class A & C").

Distribution and Service (12b-1) Fees

Class A has a distribution plan, sometimes known as a Rule 12b-1 plan, that allows the Fund to pay distribution fees of up to 0.35% per year to those who sell and distribute Class A shares and provide other services to shareholders. Because these fees are paid out of Class A's assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges. As set by the board of trustees (until further notice), the Fund currently may pay up to 0.25% under the Class A plan, notwithstanding the higher limit provided in such plan.

We calculate the amount of these fees over a 12-month period that may differ from the Fund's fiscal year. Therefore, the amount shown from time to time in the Fund's fee table (which is based upon the Fund's fiscal year) may differ from the amount set forth in the Rule 12b-1 plan due to timing differences.

Sales Charges - Class C

With Class C shares, there is no initial sales charge.

CDSC

There is a 1% CDSC on any Class C shares you sell within 12 months of purchase. The way we calculate the CDSC is the same for each class (please see "Contingent Deferred Sales Charge (CDSC) – Class A & C").

Distribution and Service (12b-1) Fees

Class C has a distribution plan, sometimes known as a Rule 12b-1 plan, that allows the Fund to pay distribution and other fees of up to 1% per year for the sale of Class C shares and for services provided to shareholders. Because these fees are paid out of Class C's assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

Automatic Conversion of Class C Shares to Class A Shares After 8-Year Holding Period

The Class C conversion feature provides that Class C shares that have been held for eight (8) years or more will automatically convert into Class A shares and will no longer be subject to Class C shares' Rule 12b-1 fees (but will be subject to Class A share's Rule 12b-1 fee, if any) (the "Conversion Feature"). Class C shares of the Fund will convert automatically to Class A shares of the Fund on a monthly basis in the month of, or the month following, the 8-year anniversary of the Class C shares' purchase date. The monthly conversion date typically occurs around the middle of every month and generally falls on a Friday.

Terms of the conversion feature. Class C shares that automatically convert to Class A shares of the Fund convert on the basis of the relative net asset values of the two classes. Shareholders do not pay a sales charge, including a CDSC, upon the conversion of their Class C shares to Class A shares pursuant to the Conversion Feature. The automatic conversion of the Fund's Class C shares into Class A shares after the 8-year holding period is not expected to be a taxable event for federal income tax purposes. Shareholders should consult with their tax advisor regarding the state and local tax consequences of such conversions.

If you previously owned Class C shares of any Franklin Templeton or Legg Mason funds that were later merged or exchanged into the Fund, the time you held such shares counts towards the 8-year period for automatic conversion to Class A shares. Class C shares of the Fund acquired through automatic reinvestment of dividends or distributions convert to Class A shares of the Fund on the conversion date pro rata with the converting Class C shares of the Fund that were not acquired through reinvestment of dividends or distributions.

Class C shares held through a financial intermediary in an omnibus account automatically convert into Class A shares only if the intermediary can document that the shareholder has met the required holding period. In certain circumstances, when shares are invested through retirement plans, omnibus accounts, and in certain other instances, the Fund and its agents may not have transparency into how long a shareholder has held Class C shares for purposes of determining whether such Class C shares are eligible for automatic conversion into Class A shares and the financial intermediary may not have the ability to track purchases to

credit individual shareholders' holding periods. This primarily occurs when shares are invested through certain record keepers for group retirement plans, where the intermediary cannot track share aging at the participant level. In these circumstances, the Fund cannot automatically convert Class C shares into Class A shares as described above. In order to determine eligibility for conversion in these circumstances, it is the responsibility of the shareholder or their financial intermediary to notify the Fund that the shareholder is eligible for the conversion of Class C shares to Class A shares, and the shareholder or their financial intermediary may be required to maintain and provide the Fund with records that substantiate the holding period of Class C shares. In these circumstances, it is the financial intermediary's (and not the Fund's) responsibility to keep records and to ensure that the shareholder is credited with the proper holding period. Please consult with your financial intermediary about your shares' eligibility for this conversion feature.

New accounts or plans may not be eligible to purchase Class C shares of the Fund if it is determined that the intermediary cannot track shareholder holding periods to determine whether a shareholder's Class C shares are eligible for conversion to Class A shares. Accounts or plans (and their successor, related and affiliated plans) that have Class C shares of the Fund available to participants on or before October 5, 2018, may continue to open accounts for new participants in that share class and purchase additional shares in existing participant accounts. The Fund has no responsibility for overseeing, monitoring or implementing a financial intermediary's process for determining whether a shareholder meets the required holding period for conversion.

A financial intermediary may sponsor and/or control accounts, programs or platforms that impose a different conversion schedule or different eligibility requirements for the conversion of Class C shares into Class A shares. In these cases, Class C shareholders may convert to Class A shares under the policies of the financial intermediary and the conversion may be structured as an exchange of Class C shares for Class A shares of the Fund. Financial intermediaries will be responsible for making such exchanges in those circumstances. Please consult with your financial intermediary if you have any questions regarding your shares' conversion from Class C shares to Class A shares.

All Funds Except Franklin Mutual Financial Services Fund

Sales Charges - Class R

With Class R shares, there is no initial sales charge.

Retirement Plans

Class R shares are available to the following investors:

- Employer Sponsored Retirement Plans.
- Health Reimbursement Accounts and Health Savings Accounts, either as a direct investment or as a separate or managed account.
- IRAs on financial intermediary platforms approved by Distributors.
- Non-ERISA 403(b) plans when purchasing direct from the Fund or platforms approved by Distributors.
- Certain other retirement accounts held through financial intermediaries that have been approved by Distributors.

Distribution and Service (12b-1) Fees

Class R has a distribution plan, sometimes known as a Rule 12b-1 plan, that allows the Fund to pay distribution and other fees of up to 0.50% per year for the sale of Class R shares and for services provided to shareholders. Because these fees are paid out of Class R's assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

Contingent Deferred Sales Charge (CDSC) - Class A & C

The CDSC for each class is based on the current value of the shares being sold or their net asset value when purchased, whichever is less. There is no CDSC on shares you acquire by reinvesting your dividends or capital gain distributions.

To keep your CDSC as low as possible, each time you place a request to sell shares we will first sell any shares in your account that are not subject to a CDSC. If there are not enough of these to meet your request, we will sell the shares in the order they were purchased. We will use this same method if you exchange your shares into another Franklin Templeton and Legg Mason funds (please see "Exchanging Shares").

The **holding period for the CDSC** begins on the day you buy your shares. Your shares will age one month on that same date the next month and each following month. For example, if you buy shares on the 18th of the month, they will age one month on the 18th day of the next month and each following month.

Reinstatement Privilege

If you sell any class of shares of Franklin Templeton and Legg Mason funds, you may reinvest all or a portion of the proceeds from that sale within 90 days within the same share class (or share class equivalent if the share class you redeemed from is closed to new investors) without an initial sales charge. If at the time of investment your shares are registered directly with the Fund's transfer agent: Class C or Class R shares will be reinvested in Class A shares if the account does not have an investment representative of record. Proceeds from the earlier sale of Class Z shares from another fund may also be reinvested in Class A shares.

Proceeds from the earlier sale of Class A1 shares from a fund must also be reinvested in Class A shares if the account holder no longer holds investments within Class A1 shares.

This reinstatement privilege does not apply to: (i) a purchase of Fund shares made through a regularly scheduled automatic investment plan such as a purchase by a regularly scheduled payroll deduction or transfer from a bank account, or (ii) a purchase of Fund shares with proceeds from the sale of Franklin Templeton and Legg Mason funds shares that were held indirectly through a non-Franklin Templeton individual or employer sponsored IRA.

In order to take advantage of this reinstatement privilege, you must inform your investment representative or the Fund's transfer agent of this privilege at the time of your investment.

Generally, if you paid a CDSC when you sold your Class A or Class C shares, Distributors will credit back to you the CDSC paid on the amount you are reinvesting within 90 days of the sale by adding it to the amount of your reinvestment. For Class A shares reinvested with a CDSC credit, a new CDSC will apply and the CDSC holding period will begin again. For Class C shares reinvested with a CDSC credit in Class A shares, you will not receive a CDSC credit in the new Class A shares and your reinvestment will not be subject to any otherwise applicable CDSC.

Qualified Investors - Class R6

Class R6 shares are available to the following investors:

- Employer Sponsored Retirement Plans where plan level or omnibus accounts are held on the books of Franklin Templeton Investor Services.
- Endowments; foundations; local, city and state governmental institutions; corporations; non-profit organizations that are organized as corporations; and insurance companies, (collectively "institutional investors") when purchasing directly from a Fund. The minimum initial investment for institutional investors is \$1,000,000 per Fund.
- Unaffiliated U.S. registered mutual funds, including those that operate as "fund of funds."
- Other Franklin Templeton and Legg Mason funds and funds for which Franklin Templeton investment managers provide advisory or subadvisory services.
- Intermediaries that execute an addendum to their selling agreement acknowledging that they are acting exclusively as agents of their clients in transacting in Class R6 shares.
- Advisory Fee Programs. A registered broker-dealer, investment advisor, trust company, bank, or other financial intermediary (referred to as a "Sponsor") that

has an agreement with Distributors authorizing the sale of Fund shares and that acquires shares of the Fund for its clients in connection with a comprehensive fee or other advisory fee arrangement for which the client pays the Sponsor a fee for investment advisory services. No minimum initial investment.

- Health Savings Accounts (HSAs) within plan level or omnibus accounts that are held on the books of Franklin Templeton Investor Services.

Qualified Investors - Class Z

The following investors qualify to buy Class Z shares of the Fund:

- Current shareholders who owned shares of any Mutual Series Fund on October 31, 1996, and their immediate family members residing at the same address
- Partnership shareholders who owned shares of any Mutual Series Fund on October 31, 1996, whether or not they are listed on the registration
- Corporate shareholders who owned shares of any Mutual Series Fund on October 31, 1996, using the same registration, or new companies of such corporate shareholders that have been reorganized into smaller, independent companies
- Shareholders who owned shares of any Mutual Series Fund through a broker-dealer or service agent omnibus account on October 31, 1996
- Employees who owned shares of any Mutual Series Fund through an employer-sponsored retirement plan on October 31, 1996, and who wish to open new individual Class Z accounts in their own names

The investors listed above may buy Class Z shares subject to the following minimum investment requirements:

Minimum Investments

	Initial
Regular accounts, current and former full-time employees, officers, trustees and directors of Franklin Templeton entities, and their family members	\$ 1,000
Automatic investment plans	\$ 25
Employer Sponsored Retirement Plans, SIMPLE-IRAs, SEP-IRAs, SARSEPs or 403(b) plan accounts	no minimum
IRAs, IRA rollovers, Coverdell Education Savings Plans or Roth IRAs	\$250

The following investors or investments also qualify to buy Class Z shares of the Fund:

- **Advisory Fee Programs.** Shares acquired by an investor in connection with a comprehensive fee or other advisory fee arrangement between the investor and a registered broker-dealer, investment advisor, trust company, bank, or other financial intermediary (referred to as the “Sponsor”) in which the investor pays that Sponsor a fee for investment advisory services and the Sponsor or a broker-dealer through whom the shares are acquired has an agreement with Distributors authorizing the sale of Fund shares. No minimum initial investment.
- Governments, municipalities, and tax-exempt entities that meet the requirements for qualification under section 501 of the Internal Revenue Code when purchasing direct from the Fund.
- Current employees of securities dealers that have executed a selling agreement with Distributors and their affiliates and their family members, as allowed by the internal policies of their employer.
- Current employees of the investment manager and its affiliates;
- Former employees of the investment manager and its affiliates with existing accounts;
- Current and former board members of investment companies managed by affiliates of Franklin Resources;
- Current and former board members of Franklin Resources;
- The “immediate families” of such persons. “Immediate families” are such person’s spouse (including the surviving spouse of a deceased board member), parents, grandparents, and children and grandchildren (including step-relationships). For such investors, the minimum initial investment is \$1,000 and the minimum for each purchase of additional shares is \$25. Current employees may purchase additional shares through a systematic investment plan.
- Investors buying shares with redemption proceeds from a sale of Class Z shares if reinvested within 90 days of the redemption date. For investors who owned shares of any Mutual Series Fund on October 31, 1996, the 90-day requirement does not apply. No initial minimum investment.
- Assets held in accounts managed by a subsidiary of Franklin Resources, Inc.: (1) under an advisory agreement (including sub-advisory agreements); and/or (2) as trustee of an inter vivos or testamentary trust.
- Employer Sponsored Retirement Plans (“Plans” or individually, “Plan”) that invest through a record-keeper or third party retirement platform.
- Plans with aggregate plan assets of \$1 million or more invested directly with Franklin Templeton and Legg Mason funds.

- Purchases by a bank, trust company or thrift institution that is acting as a fiduciary exercising investment discretion.
- Any trust or plan established as part of a qualified tuition program under Section 529 of the Internal Revenue Code.
- An individual or entity associated with a current customer of Franklin Templeton Institutional, LLC (FTI, LLC) if approved by FTI, LLC in consultation with its customers.
- Unaffiliated U.S. registered mutual funds, including those that operate as "fund of funds."
- Assets held in accounts under the recommendation of an investment consultant provided that (1) assets are held with a firm unaffiliated with the investment consultant's firm; (2) the investment consultant is under a retainer or other similar fee arrangement with its clients; (3) the client is not an individual; and (4) a subsidiary of Franklin Resources, Inc. approves the investment.
- Clients of financial intermediaries who have entered into an agreement with Distributors and have been approved by Distributors to offer Fund shares through a network, platform, or self-directed investment brokerage account that may charge a transaction or other fee to customers. Minimum initial investment \$100,000, unless otherwise waived by Distributors.
- Purchases by or through a Franklin Templeton donor-advised fund.

Waivers for Exchanges between Classes of the Same Fund

Financial Intermediary Exchanges between Classes of the Same Fund.

Exchanges between Classes of the same Fund as described below generally will be tax-free for federal income tax purposes. You should also consult with your tax advisor regarding the state and local tax consequences of such an exchange of Fund shares. These exchange privileges are subject to termination and may be amended from time to time.

Advisory Programs Eligible for Advisor Class or Class Z shares. Class A and Class C shares purchased by accounts participating in certain programs sponsored by and/or controlled by financial intermediaries ("Advisory Programs") may be exchanged by the financial intermediary on behalf of the shareholder for Advisor Class shares of the same Fund under certain circumstances, including such Advisory Program's eligibility to purchase Advisor Class shares of the Fund. If a shareholder that holds Advisor Class shares of a Fund no longer participates in an Advisory Program, the Advisor Class shares held by the shareholder may be exchanged by the financial intermediary on behalf of the shareholder for Class A shares of the same Fund under certain circumstances. In this case, the shareholder would be subject to ongoing Rule 12b-1 fees to which it was not

previously subject. All such exchanges are initiated by the financial intermediary and not the Fund and the Fund does not have information or oversight with respect to such exchanges. Such exchanges will be on the basis of each Class' NAV per share, without the imposition of any sales charge, fee or other charge. Unless otherwise permitted, any CDSC owed must be paid on Class A and C shares that you wish to exchange.

Financial Intermediary Exchanges from Class C Shares to Class A Shares.

Class C shares purchased through financial intermediaries may be exchanged by the financial intermediary on behalf of the shareholder for Class A shares of the same Fund under certain circumstances. Such exchange will be on the basis of each Class' NAV per share, without the imposition of any sales charge, fee or other charge.

Buying Shares

Minimum Investments - Class A, C & R

	Initial
Regular accounts (includes UGMA/UTMA accounts)	\$ 1,000
Automatic investment plans	\$ 25
Employer Sponsored Retirement Plans, SIMPLE-IRAs, SEP-IRAs, SARSEPs or 403(b) plan accounts	no minimum
IRAs, IRA rollovers, Coverdell Education Savings Plans or Roth IRAs	\$250
Broker-dealer sponsored wrap account programs	no minimum

A financial intermediary may impose different investment minimums than those set forth above. The Fund is not responsible for any investment minimums imposed by financial intermediaries or for notifying shareholders of any changes to them. See Appendix A for more information on certain intermediary-specific investment minimums. Please consult with your financial intermediary if you have any questions regarding its policies.

Please note that you generally may only buy shares (including the purchase side of an exchange) of a fund eligible for sale in your state or jurisdiction. The Fund and other Franklin Templeton funds are intended for sale to residents of the United States, and, with very limited exceptions, are not registered or otherwise offered for sale in other jurisdictions.

In particular, the Fund is not registered in any provincial or territorial jurisdiction in Canada, and shares of the Fund have not been qualified for sale in any Canadian jurisdiction. The shares offered by this prospectus generally may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in Canada or to or for the benefit of residents thereof. Prospective investors may be required to declare that they are not Canadian residents and are not acquiring shares on behalf of any Canadian residents. Similarly, the Fund is not registered, and shares of the Fund have not been qualified for distribution, in any member country of the European Union (EU) or European Economic Area (EEA), and generally may not be directly or indirectly offered or distributed in any such country. If an investor becomes a Canadian, EU or EEA resident after purchasing shares of the Fund, the investor may not be able to purchase any additional shares of the Fund (other than reinvestment of dividends and capital gains) or exchange shares of the Fund for other U.S. registered Franklin Templeton and Legg Mason funds.

Account Application

If you are opening a new account, please complete and sign the enclosed account application. Make sure you indicate the share class you have chosen. If you do not indicate a class, we will place your purchase in Class A shares. To save time, you can sign up now for services you may want on your account by completing the appropriate sections of the application (see "Investor Services"). For example, if you would like to link one of your bank accounts to your Fund account so that you may use electronic funds transfer to and from your bank account to buy and sell shares, please complete the bank information section of the application. We will keep your bank information on file for future purchases and redemptions. We do not accept cash, third-party checks, credit card convenience checks, pre-paid debit cards, non-bank money orders, travelers checks or checks drawn on foreign banks as forms of payment to purchase shares.

Buying Shares

Through your investment representative

By Phone/Online
(800) 448-FUND* or
(800) 632-2301

franklintempleton.com

Note: certain account types are not available for online account access.

**For Class Z only.*

By Mail

By Wire
(800) 632-2301
or (650) 312-2000 collect

By Exchange
franklintempleton.com

Franklin Templeton Investor Services
P.O. Box 33030
St. Petersburg, FL 33733-8030
Call toll-free: (800) 632-2301
or visit us online 24 hours a day,
7 days a week, at franklintempleton.com

Opening an account

Contact your investment representative

If you have another Franklin Templeton fund account with your bank account information on file, you may open a new identically registered account by phone. To make a same day investment, your phone order must be received and accepted by us prior to 1 p.m. Pacific time or the regularly scheduled close of the New York Stock Exchange, whichever is earlier. You may open certain new accounts online at franklintempleton.com.

Make your check payable to the Fund.
Mail the check and your signed application to Investor Services.

Call to receive a wire control number and wire instructions.
Wire the funds and mail your signed application to Investor Services. Please include the wire control number or your new account number on the application.
To make a same day wire investment, the wired funds must be received and accepted by us prior to 1 p.m. Pacific time or the regularly scheduled close of the New York Stock Exchange, whichever is earlier.

Call Shareholder Services at (800) 632-2301, or send signed written instructions. You also may place an online exchange order.
(Please see "Exchanging Shares" for more information on exchanges.)

Adding to an account

Contact your investment representative

Before requesting a telephone or online purchase into an existing account, please make sure we have your bank account information on file. If we do not have this information, you will need to send written instructions with your bank's name and address and a voided check or savings account deposit slip. All bank and Fund account owners must sign the request. If the bank and Fund accounts do not have at least one common owner, each individual must also have his or her signature notarized.
To make a same day investment, your phone or online order must be received and accepted by us prior to 1 p.m. Pacific time or the regularly scheduled close of the New York Stock Exchange, whichever is earlier.

Make your check payable to the Fund. Include your account number on the check.
Fill out the deposit slip from your account statement. If you do not have a slip, include a note with your name, the Fund name, and your account number.
Mail the check and deposit slip or note to Investor Services.

Call to receive a wire control number and wire instructions.
To make a same day wire investment, the wired funds must be received and accepted by us prior to 1 p.m. Pacific time or the regularly scheduled close of the New York Stock Exchange, whichever is earlier.

Call Shareholder Services at (800) 632-2301, or send signed written instructions. You also may place an online exchange order.
(Please see "Exchanging Shares" for more information on exchanges.)

Investor Services

Automatic Investment Plan

This plan offers a convenient way for you to invest in the Fund by automatically transferring money from your checking or savings account each month to buy shares. To sign up, visit us online at franklintempleton.com or complete the appropriate section of your account application and send it to Investor Services. If you are opening a new account, please include your minimum initial investment with your application.

Automated Telephone System

Our automated system offers around-the-clock access to information about your account or any Franklin Templeton fund. This service is available by dialing any of the following numbers from a touch-tone phone:

Shareholder Services	(800) 632-2301
Advisor Services	(800) 524-4040
Retirement Services	(800) 527-2020

Distribution Options

You may reinvest distributions you receive from the Fund in an existing account in the same share class* of the Fund or another Franklin Templeton or Legg Mason fund. Initial sales charges and CDSCs will not apply to reinvested distributions. You also can have your distributions deposited in a bank account, or mailed by check. Deposits to a bank account may be made by electronic funds transfer.

* Class C shareholders may reinvest their distributions in Class A shares of any Franklin Templeton or Legg Mason money fund. Advisor Class shareholders may reinvest in Advisor Class or Class A shares of another Franklin Templeton or Legg Mason fund. To reinvest your distributions in Advisor Class shares of another Franklin Templeton or Legg Mason fund, you must be a current shareholder in Advisor Class or otherwise qualify to buy that fund's Advisor Class shares.

If you received a distribution and chose to return it to purchase additional shares in Class A shares of another Franklin Templeton fund, you will not be charged an initial sales charge if you invest the distribution within 90 days of the distribution date.

Please indicate on your application the distribution option you have chosen, otherwise we will reinvest your distributions in the same share class of the Fund.

Retirement Plans

Franklin Templeton offers a variety of retirement plans for individuals and businesses. These plans require separate applications, may require special forms for redemptions, and their policies and procedures may be different than those described in this prospectus. For more information, including a free retirement plan brochure or application, please call Retirement Services at (800) 527-2020.

Telephone/Online Privileges

You will automatically receive telephone/online privileges when you open your account, allowing you to obtain or view your account information, and conduct a number of transactions by phone or online, including: buy, sell, or exchange shares of most funds; use electronic funds transfer to buy or sell shares of most funds; change your address; and add or change account services (including distribution options, systematic withdrawal plans and automatic investment plans).

To view your account information or request online transactions, you will first need to register for these services at the shareholder section of our website at franklintempleton.com. You will be asked to accept the terms of an online agreement(s) and establish a password for online services. If you are registered for online services, you may enroll online in Franklin Templeton's electronic delivery program for your shareholder documents. This will allow you to receive electronic delivery (through our website) of most Franklin Templeton funds' prospectuses, proxy statements and other documents, as well as your account(s) statements and trade confirmations, and discontinue receiving your paper copies through the U.S. mail. Using our shareholder website means you are consenting to sending and receiving personal financial information over the Internet, so you should be sure you are comfortable with the risks.

As long as we follow reasonable security procedures and act on instructions we reasonably believe are genuine, we will not be responsible for any losses that may occur from unauthorized requests. We will request passwords or other information, and also may record calls. We have the right (but have no obligation) to refuse a telephone request if the caller is unable to provide the requested information or if we reasonably believe the caller is not an individual authorized to act on the account. To help safeguard your account, keep your password confidential, and verify the accuracy of your confirmation statements immediately after you receive them. Contact us immediately if you believe someone has obtained unauthorized access to your account or password. For transactions done over the Internet, we recommend the use of an Internet browser with 128-bit encryption. Certain methods of contacting us (such as by phone or by Internet) may be unavailable or delayed during periods of unusual market activity. *Of course, you can choose not to register for online privileges. Additionally, if you don't want telephone privileges, or want to discontinue telephone/online privileges at any time please contact us for instructions.* You may reinstate these privileges at any time in writing, including online registration with respect to online privileges.

Note: Digital communication channels are not necessarily secure. If you do choose to send confidential or sensitive information to us via digital communication channels (e.g. email, chat, text messaging, fax), you are accepting the associated risks related to potential lack of security, such as the possibility that your

confidential or sensitive information may be intercepted/accessed by a third party and subsequently used or sold.

Systematic Withdrawal Plan

This plan allows you to automatically sell your shares and receive regular payments from your account. A CDSC may apply to withdrawals that exceed certain amounts. Certain terms and minimums apply. To sign up, visit us online at franklintempleton.com or contact us for instructions.

Franklin Templeton VIP Services®

You may be eligible for Franklin Templeton VIP Services® if you currently have \$500,000 or more invested in Franklin Templeton funds based solely on shares registered directly with the Franklin Templeton funds' transfer agent and excluding shares held indirectly through brokerage accounts. Franklin Templeton VIP Services® shareholders enjoy enhanced service and transaction capabilities. Please contact Shareholder Services at (800) 632-2301 for additional information on this program.

Selling Shares

You can sell your shares at any time. To make a same day redemption, the redemption request must be received and accepted by us prior to 1 p.m. Pacific time or the regularly scheduled close of the New York Stock Exchange, whichever is earlier. Please keep in mind that a contingent deferred sales charge (CDSC) may apply

Selling Shares in Writing

Generally, requests to sell \$250,000 or less can be made over the phone, online, or with a simple letter. Sometimes, however, to protect you and the Fund we may request written instructions signed by all registered owners, with a signature guarantee for each owner, if:

- you are selling more than \$250,000 worth of shares
- you want your proceeds paid to someone who is not a registered owner
- you want to send your proceeds somewhere other than the address of record, or preauthorized bank or brokerage firm account

We also may require a signature guarantee when: we receive instructions from an agent, not the registered owners; you want to send your proceeds to a bank account that was added or changed on your account without a signature guarantee within the last 15 days; you want to send proceeds to your address that was changed without a signature guarantee within the last 15 days; or we believe it would protect the Fund against potential claims based on the instructions received. The Fund may change the signature guarantee requirements from time to time without prior notice to shareholders.

The amount may be higher for members of Franklin Templeton VIP Services®. Please see “Franklin Templeton VIP Services®” above for more information regarding eligibility.

A **signature guarantee** helps protect your account against fraud. You can obtain a signature guarantee at most banks and securities dealers.

A notary public CANNOT provide a signature guarantee.

Selling Recently Purchased Shares

If you sell shares recently purchased, we may delay sending you the proceeds until your check, draft or wire/electronic funds transfer has cleared, which may take seven business days.

Redemption Proceeds

Your redemption check will be sent within seven days after we receive your request in proper form. We are not able to receive or pay out cash in the form of currency.

Retirement Plans

You may need to complete additional forms to sell shares in a FTIOS retirement plan. For participants under the age of 59 1/2, tax penalties may apply. Call Retirement Services at (800) 527-2020 for details.

Selling Shares

To sell some or all of your shares

Through your investment representative

Contact your investment representative

By Mail

Send written instructions and endorsed share certificates (if you hold share certificates) to Investor Services. Corporate, partnership or trust accounts may need to send additional documents.

Specify the Fund, the account number and the dollar value or number of shares you wish to sell. Be sure to include all necessary signatures and any additional documents, as well as signature guarantees if required.

A check will be mailed to the name(s) and address on the account, or otherwise according to your written instructions.

By Phone/Online

(800) 632-2301

franklintempleton.com

As long as your transaction is for \$250,000 or less and you do not hold share certificates, you can sell your shares by phone or online. The amount may be higher for members of Franklin Templeton VIP Services®. Please see "Franklin Templeton VIP Services®" above for more information regarding eligibility.

A check will be mailed to the name(s) and address on the account, or a pre-authorized secondary address. Written instructions, with a signature guarantee, are required to send the check to another address or to make it payable to another person.

If you have changed your address within the last 15 days without a signature guarantee, requests to sell your shares and mail the check to the name(s) and address on the account must be in writing and we may require a signature guarantee. Requests to sell your shares and send the proceeds to a pre-authorized secondary address may be requested by phone or online.

By Electronic Funds Transfer (ACH)

You can call, write, or visit us online to have redemption proceeds sent to a bank account. See the policies at left for selling shares by mail, phone, or online.

Before requesting to have redemption proceeds sent to a bank account, please make sure we have your bank account information on file. If we do not have this information, you will need to send written instructions with your bank's name and a voided check or savings account deposit slip. All bank and Fund account owners must sign the request. If the bank and Fund accounts do not have at least one common owner, each individual must also have his or her signature notarized.

If the bank account was added or changed without a signature guarantee within the last 15 days, you may be required to provide written instructions signed by all Fund account owners, with a signature guarantee for each Fund account owner.

If we receive your request in proper form prior to 1 p.m. Pacific time, or the regularly scheduled close of the New York Stock Exchange, whichever is earlier, proceeds sent by ACH generally will be available within two to three business days.

By Exchange

Obtain a current prospectus for the fund you are considering. Prospectuses are available online at franklintempleton.com.

Call Shareholder Services at the number below or send signed written instructions. You also may place an exchange order online. See the policies at left for selling shares by mail, phone, or online.

If you hold share certificates, you will need to return them to the Fund before your exchange can be processed.

Franklin Templeton Investor Services
P.O. Box 33030
St. Petersburg, FL 33733-8030
Call toll-free: (800) 632-2301
or visit us online 24 hours a day,
7 days a week, at franklintempleton.com

Exchanging Shares

Exchange Privilege

You or your financial intermediary may instruct the Fund to exchange shares of any class for shares of the same class of any other Franklin Templeton or Legg Mason fund, provided that the fund shares to be acquired in the exchange are available to new investors in such other fund and you are eligible to invest in such shares. In addition, you may exchange shares of the Fund for a different share class of the same Fund provided you meet the eligibility requirements of the share class into which you are exchanging. If the Franklin Templeton or Legg Mason fund into which you wish to exchange your shares does not offer the class of shares in which you are currently invested, you may exchange your shares into another share class according to the following table:

Exchange From Share Class	Exchange To Share Class (if exact share class is not offered)
Advisor Class	Class I, Class Z or Class A (without any sales charge)*
Class Z	Class I or Advisor Class
Class R6	Class IS, Advisor Class or Class Z
Class R	Class FI
Class A1	Class A

* If you exchange into Class A shares and you later decide you would like to exchange into a fund that offers an Advisor Class, you may exchange your Class A shares for Advisor Class shares if you are a current shareholder in Advisor Class or you otherwise qualify to buy the fund's Advisor Class shares.

In certain comprehensive fee or advisory programs that hold Class A and/or A1 shares, the investor may exchange to Advisor Class, Class I or Class Z shares at the discretion of the financial intermediary. You may exchange shares of the Fund for a class of shares of other funds sold by the Distributor on any day that both the Fund and the fund into which you are exchanging are open for business. Please contact your financial intermediary or the Fund about funds available for exchange.

Generally exchanges may only be made between identically registered accounts, unless you send written instructions with a signature guarantee.

An **exchange** is really two transactions: a sale of one fund and the purchase of another. In general, the same policies that apply to purchases and sales also apply to exchanges, including minimum investment amounts (except exchanges of an entire account balance). Exchanges also generally have the same tax consequences as ordinary sales and purchases.

Exchange effects on sales charges. You can exchange shares between most Franklin Templeton and Legg Mason funds within the same class, generally without paying any additional sales charges. If you exchange shares from a money fund

and those shares were not charged a sales charge previously, however, a sales charge may apply.

Any CDSC will continue to be calculated from the date of your initial investment and will not be charged at the time of the exchange. The purchase price for determining a CDSC on exchanged shares will be the price you paid for the original shares.

Exchange effects on Class C conversion feature. If you exchange your Class C shares for the same class of shares of another Franklin Templeton and Legg Mason fund, the time your shares are held in the initial Fund will count towards the 8-year period for automatic conversion to Class A shares.

Rejected exchanges. If the Fund rejects an exchange request involving the sale of Fund shares, the rejected exchange request will also mean rejection of the request to purchase shares of another fund with the proceeds of the sale. Of course, you may generally redeem shares of the Fund at any time.

Exchanges through financial intermediaries. If you are investing indirectly in the Fund through a financial intermediary such as a broker-dealer, a bank, an insurance company separate account, an investment advisor, an administrator or trustee of an IRS-recognized tax-deferred savings plan such as a 401(k) retirement plan and a 529 college savings plan that maintains a master account (an Omnibus Account) with the Fund for trading on behalf of its customers, different exchange and/or transfer limit guidelines and restrictions may apply. The financial intermediary through whom you are investing may choose to adopt different trading restrictions designed to discourage short-term or excessive trading. Consult with your financial intermediary (or in the case of a 401(k) retirement plan, your plan sponsor) to determine what trading restrictions, including exchange/transfer limitations, may be applicable to you.

Fund exchange privilege changes/waiver. The Fund may terminate or modify (temporarily or permanently) this exchange privilege in the future. You will receive at least 60 days' notice of any material changes, unless otherwise provided by law.

Other funds' exchange privileges. If there is a conflict between the exchange privileges of two funds involved in an exchange transaction, the stricter policy will apply to the transaction. Other Franklin Templeton or Legg Mason funds may have different exchange restrictions. Check each fund's prospectus for details.

Exchange of shares into shares of the same Fund. The exchange of shares of one class into another class of the same Fund is not taxable for federal income tax purposes. However, shareholders should consult their tax advisors regarding the state and local tax consequences of a conversion or exchange of shares.

Frequent Trading Policy

The Fund's board of trustees has adopted the following policies and procedures with respect to frequent trading in Fund shares (Frequent Trading Policy).

The Fund does not intend to accommodate short-term or frequent purchases and redemptions of Fund shares that may be detrimental to the Fund. For example, this type of trading activity could interfere with the efficient management of the Fund's portfolio or materially increase the Fund's transaction costs, administrative costs or taxes.

In addition, since the Fund may invest in foreign securities, it may be vulnerable to a form of short-term trading that is sometimes referred to as "time-zone arbitrage." Time-zone arbitrage occurs when an investor seeks to take advantage of delays between changes in the value of a mutual fund's portfolio holdings and the reflection of those changes in the Fund's net asset value per share. These delays are more likely to occur in the case of foreign investments, due to differences between the times during which the Fund's international portfolio securities trade on foreign markets and the time as of which the Fund's NAV is calculated (generally as of the close of the NYSE - please see "Account Policies - Calculating Share Price"). Time-zone arbitrage traders seek to purchase or redeem shares of a fund based on events occurring after foreign market closing prices are established, but before calculation of the fund's NAV. This can result in the value of the Fund's shares being diluted. One of the objectives of the Fund's fair value pricing procedures is to minimize the possibility of this type of arbitrage (please see "Account Policies - Security Valuation - Foreign Securities - Potential Impact of Time Zones and Market Holidays"); however, there can be no assurance that the Fund's valuation procedures will be successful in eliminating it.

Since the Fund may invest in securities that are, or may be, restricted, unlisted, traded infrequently, thinly traded, or relatively illiquid ("relatively illiquid securities"), it may be particularly vulnerable to arbitrage short-term trading. Such arbitrage traders may seek to take advantage of a possible differential between the last available market prices for one or more of those relatively illiquid securities that are used to calculate the Fund's NAV and the latest indications of market values for those securities. One of the objectives of the Fund's fair value pricing procedures is to minimize the possibilities of this type of arbitrage (please see "Account Policies - Fair Valuation - Individual Securities"); however, there can be no assurance that the Fund's valuation procedures will be successful in eliminating it.

Through its transfer agent, the Fund performs ongoing monitoring of shareholder trading in shares of the Fund and other Franklin Templeton funds in order to try and identify shareholder trading patterns that suggest an ongoing short-term trading strategy. If shareholder trading patterns identified by the transfer agent through monitoring or from other information regarding the shareholder's trading activity in non-Franklin Templeton funds leads the transfer agent to reasonably conclude that

such trading may be detrimental to the Fund as described in this Frequent Trading Policy, the transfer agent, on behalf of the Fund, may temporarily or permanently bar future purchases into the Fund or, alternatively, may limit the amount, number or frequency of any future purchases and/or the method by which you may request future purchases and redemptions (including purchases and/or redemptions by an exchange or transfer between the Fund and any other mutual fund).

In considering an investor's trading patterns, the Fund may consider, among other factors, the investor's trading history both directly and, if known, through financial intermediaries, in the Fund, in other Franklin Templeton funds, in non-Franklin Templeton mutual funds, or in accounts under common control or ownership (see, for example, "Buying and Selling Shares - Investment by asset allocators and large shareholders" in the SAI). The transfer agent may also reject any purchase request, whether or not it represents part of any ongoing trading pattern, if the Fund's investment manager or transfer agent reasonably concludes that the amount of the requested transaction may disrupt or otherwise interfere with the efficient management of the Fund's portfolio. In determining what actions should be taken, the Fund's transfer agent may consider a variety of factors, including the potential impact of such remedial actions on the Fund and its shareholders. If the Fund is a "fund of funds," the Fund's transfer agent may consider the impact of the trading activity and of any proposed remedial action on both the Fund and the affiliated underlying funds in which the Fund invests.

Frequent trading through financial intermediaries. You are an investor subject to this Frequent Trading Policy whether you are a direct shareholder of the Fund or you are investing indirectly in the Fund through a financial intermediary, such as a broker-dealer, bank, trust company, insurance company product such as an annuity contract, investment advisor, or an administrator or trustee of an IRS-recognized tax-deferred savings plan such as a 401(k) retirement plan and a 529 college savings plan.

Some financial intermediaries maintain master accounts with the Fund on behalf of their customers ("omnibus accounts"). The Fund has entered into "information sharing agreements" with these financial intermediaries, which permit the Fund to obtain, upon request, information about the trading activity of the intermediary's customers that invest in the Fund. If the Fund's transfer agent identifies omnibus account level trading patterns that have the potential to be detrimental to the Fund, the transfer agent may, in its sole discretion, request from the financial intermediary information concerning the trading activity of its customers. Based upon its review of the information, if the transfer agent determines that the trading activity of any customer may be detrimental to the Fund, it may, in its sole discretion, request the financial intermediary to restrict or limit further trading in the Fund by that customer. There can be no assurance that the transfer agent's monitoring of omnibus account

level trading patterns will enable it to identify all short-term trading by a financial intermediary's customers.

Account Policies

Calculating Share Price

Class A & C

When you buy shares, you pay the "offering price" for the shares. The "offering price" is determined by dividing the NAV per share by an amount equal to 1 minus the sales charge applicable to the purchase (expressed in decimals), calculated to two decimal places using standard rounding criteria. The number of Fund shares you will be issued will equal the amount invested divided by the applicable offering price for those shares, calculated to three decimal places using standard rounding criteria. For example, if the NAV per share is \$10.25 and the applicable sales charge for the purchase is 5.50%, the offering price would be calculated as follows: 10.25 divided by 1.00 minus 0.055 [$10.25/0.945$] equals 10.846561, which, when rounded to two decimal points, equals 10.85. The offering price per share would be \$10.85.

When you sell shares, you receive the NAV minus any applicable CDSC.

All Classes

The value of a mutual fund is determined by deducting the fund's liabilities from the total assets of the portfolio. The NAV per share is determined by dividing the total net asset value of each fund's share class by the applicable number of shares outstanding per share class.

The Fund calculates the NAV per share each business day as of 1 p.m. Pacific time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. The Fund does not calculate the NAV on days the NYSE is closed for trading, which include New Year's Day, Martin Luther King Jr. Day, President's Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. If the NYSE has a scheduled early close, the Fund's share price would be determined as of the time of the close of the NYSE. If, due to weather or other special or unexpected circumstances, the NYSE has an unscheduled early close on a day that it has opened for business, the Fund reserves the right to consider that day as a regular business day and accept purchase and redemption orders and calculate its share price as of the normally scheduled close of regular trading on the NYSE. The Fund's NAV per share for each class is readily available online at www.franklintempleton.com/performance.

The Fund has agreements with certain financial intermediaries that authorize them to accept orders or designate third parties to accept orders on behalf of the Fund. If you place your order through these financial intermediaries, the order will be considered received when they accept the order. Those orders will be priced at the next NAV calculated after acceptance of the order by the financial intermediary or

its agent. If you place an order through an account at an intermediary, please consult with the intermediary to determine when your order will be executed, as some intermediaries may require that they receive orders prior to a specified cut-off time.

Requests to buy and sell shares are processed at the NAV next calculated after we or an approved financial intermediary receive your request in proper form.

When determining its NAV, the Fund values cash and receivables at their realizable amounts, and records interest as accrued and dividends on the ex-dividend date. The Fund generally utilizes two independent pricing services to assist in determining a current market value for each security. If market quotations are readily available for portfolio securities listed on a securities exchange, the Fund values those securities at the last quoted sale price or the official closing price of the day, respectively, or, if there is no reported sale, within the range of the most recent quoted bid and ask prices. The Fund values over-the-counter portfolio securities within the range of the most recent bid and ask prices. If portfolio securities trade both in the over-the-counter market and on a stock exchange, the Fund values them according to the broadest and most representative market. Prices received by the Fund for securities may be based on institutional “round lot” sizes, but the Fund may hold smaller, “odd lot” sizes. Odd lots may trade at lower prices than round lots.

Generally, trading in corporate bonds, U.S. government securities and money market instruments is substantially completed each day at various times before 1 p.m. Pacific time. The value of these securities used in computing the NAV is determined as of such times. Occasionally, events affecting the values of these securities may occur between the times at which they are determined and 1 p.m. Pacific time that will not be reflected in the computation of the NAV. The Fund relies on third-party pricing vendors to provide evaluated prices that reflect current fair market value at 1 p.m. Pacific time.

Fair Valuation – Individual Securities

Since the Fund may invest in securities that are restricted, unlisted, traded infrequently, thinly traded, or relatively illiquid, there is the possibility of a differential between the last available market prices for one or more of those securities and the latest indications of market values for those securities. The Fund has procedures, approved by the board of trustees, to determine the fair value of individual securities and other assets for which market prices are not readily available (such as certain restricted or unlisted securities and private placements) or which may not be reliably priced (such as in the case of trade suspensions or halts, price movement limits set by certain foreign markets, and thinly traded or illiquid securities). Some methods for valuing these securities may include: fundamental analysis (earnings multiple, etc.), matrix pricing, discounts from market prices of

similar securities, or discounts applied due to the nature and duration of restrictions on the disposition of the securities. The board of trustees oversees the application of fair value pricing procedures.

The application of fair value pricing procedures represents a good faith determination based upon specifically applied procedures. There can be no assurance that the Fund could obtain the fair value assigned to a security if it were able to sell the security at approximately the time at which the Fund determines its NAV per share.

Security Valuation – Corporate Debt Securities

Corporate debt securities generally trade in the over-the-counter market rather than on a securities exchange. The Fund may value these portfolio securities by utilizing quotations from bond dealers, information with respect to bond and note transactions and may rely on independent pricing services to assist in determining a current market value for each security. The Fund's pricing services may utilize independent quotations from bond dealers and bond market activity to determine current value.

Security Valuation – Foreign Securities – Computation of U.S. Equivalent Value

The Fund generally determines the value of a foreign security as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 1 p.m. Pacific time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 1 p.m. Pacific time on the day that the value of the foreign security is determined. If no sale is reported at that time, the foreign security will be valued within the range of the most recent quoted bid and ask prices. Occasionally events (such as repatriation limits or restrictions) 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 of trustees.

Security Valuation – Foreign Securities – Potential Impact of Time Zones and Market Holidays

Trading in securities on foreign securities stock exchanges and over-the-counter markets, such as those in Europe and Asia, may be completed before 1 p.m. Pacific time on each day that the Fund is open. Occasionally, events occur between the time at which trading in a foreign security is completed and 1 p.m. Pacific time that might call into question the availability (including the reliability) of the value of a foreign portfolio security held by the Fund. As a result, the Fund may be susceptible to what is referred to as "time-zone arbitrage." Certain investors in the Fund may seek to take advantage of discrepancies in the value of the Fund's portfolio securities as determined by the foreign market at its close and the latest

indications of value attributable to the portfolio securities at the time the Fund's NAV is computed. Trading by these investors, often referred to as "arbitrage market timers," may dilute the value of the Fund's shares, if such discrepancies in security values actually exist. To attempt to minimize the possibilities for time-zone arbitrage, and in accordance with procedures established and approved by the Fund's board of trustees, the investment manager monitors price movements by using a fair value pricing service offered through an independent pricing vendor.

The fair value pricing service is used to estimate the price of a security in a liquid market at the time of the NAV calculation (1 p.m. Pacific Time). If certain criteria are met, the foreign securities may be valued using the price from the fair value pricing service. The intended effect of applying fair value pricing is to compute an NAV that accurately reflects the value of the Fund's portfolio at the time that the NAV is calculated, to discourage potential arbitrage market timing in Fund shares, to mitigate the dilutive impact of such attempted arbitrage market timing and to be fair to purchasing, redeeming and existing shareholders. However, the application of fair value pricing procedures may, on occasion, worsen rather than mitigate the potential dilutive impact of shareholder trading.

In addition, trading in foreign portfolio securities generally, or in securities markets in a particular country or countries, may not take place on every Fund's business day. Furthermore, trading takes place in various foreign markets on days that are not business days for the Funds, and on which the Fund's NAV is not calculated (in which case, the NAV of the Fund's shares may change on days when shareholders will not be able to purchase or redeem Fund shares). Thus, the calculation of the Fund's NAV does not take place contemporaneously with the determination of the prices of many of the foreign portfolio securities used in the calculation. If events affecting the last determined values of these foreign securities occur, the securities will be valued at fair value determined in good faith in accordance with the Fund's fair value procedures established and approved by the board of trustees (as described above).

Accounts with Low Balances

If your account has been open for more than one year and its value falls below \$500, we will mail you a notice asking you to bring the account back up to its applicable minimum investment amount. If you choose not to do so within 30 days, we will close your account and proceeds will be sent by Electronic Fund Transfer (ACH) to your bank information on file. If we do not have this information, proceeds will be mailed to the address of record. You will not be charged a CDSC if your account is closed for this reason. This policy does not apply to: (1) certain broker-controlled accounts established through the National Securities Clearing Corporation's Networking system; (2) Class A or A1 accounts established pursuant to a conversion from Class C or C1, and any remaining Class C or C1 accounts involved in the conversion, with a low balance due to the conversion; (3) tax-

deferred retirement plan accounts; (4) active automatic investment plan accounts; (5) accounts in an Advisory Fee Program; (6) accounts held through a 529 college savings program; (7) Coverdell Education Savings Plan accounts; and (8) accounts currently maintained via robo advice driven services where account investments and reallocations are done through an automated, algorithm-driven platform.

Small account fees To offset the relatively higher impact on fund expenses of servicing smaller accounts, the Fund may charge you a fee of \$3.75 per account that is determined and assessed quarterly by your financial intermediary or by Distributors (i.e., for accounts for which Distributors is the broker of record) on the next-to-last business day of the quarter (with an annual maximum of \$15.00 per account) if the value of your account is below \$1,000 (if applicable, \$250 for retirement plans that are not employer-sponsored) for any reason (including declines in net asset value). The small account fee will be charged by redeeming shares in your account. If the value of your account is \$3.75 or less, the amount in the account may be exhausted to pay the small account fee. If your financial intermediary or Distributors assesses a small account fee, the small account fee will not be assessed on systematic investment plans until the end of the first quarter after the account has been established for 21 months. Payment of the small account fee through a redemption of fund shares may result in tax consequences to you (see “Distributions and Taxes” for more information).

The small account fee will not be charged on, if applicable: (i) retirement plans (but will be charged on other plans that are not employer-sponsored such as traditional and Roth individual retirement accounts, Coverdell education savings accounts, individual 403(b)(7) custodial accounts, Keogh plans, SEPs, SARSEPs, SIMPLE IRAs or similar accounts); (ii) Franklin Templeton funds that have been closed to subsequent purchases for all classes; (iii) accounts that do not have a valid address as evidenced by mail being returned to the fund or its agents; (iv) Class R, Class R6 and Advisor Class shares; and (v) for new accounts (except for new accounts opened by way of an exchange), a small account fee will not be charged during the calendar quarter in which you open your account.

If your share class is no longer offered, you may not be able to bring your account up to the minimum investment amount (although you may exchange into existing accounts of other funds sold by Distributors in which you hold the same share class, to the extent otherwise permitted by those funds and subject to any applicable sales charges).

The small account fee is calculated on a fund-by-fund basis. If you have one or more accounts in different funds, the account(s) in different funds will not be aggregated for the purpose of calculating the small account fee.

A financial intermediary may impose different minimum account balances on your account than those described above. The Fund is not responsible for any minimum

account balances imposed by financial intermediaries or for notifying shareholders of any changes to them. See Appendix A for more information on certain intermediary-specific minimum account balances. Please consult with your financial intermediary if you have any questions regarding their policies.

Redemptions

Typically, the Fund uses cash and cash equivalents held in its portfolio or sells portfolio assets to meet all redemption needs. In unusual circumstances or under stressed market conditions, the Fund may use other methods to meet redemptions, such as the use of lines of credit or interfund lending in reliance on exemptive relief from the SEC. Also, see “Account Policies – Redemptions in Kind” for information regarding redemption requests that exceed \$250,000 or 1% of the value of the Fund’s assets, whichever is less.

Redemptions in Kind

If your redemption requests during any 90-day period exceed \$250,000 (or 1% of the value of the Fund’s net assets, if less), the Fund reserves the right to make payments in whole or in part in securities or other assets of the Fund. You should expect to incur transaction costs upon the disposition of the securities received in the distribution. In addition, you will bear the market risk of the securities you hold until the securities are sold.

Redemptions by Large Shareholders

At times, the Fund may experience adverse effects when certain large shareholders redeem large amounts of shares of the Fund. Large redemptions may cause the Fund to sell portfolio securities at times when it would not otherwise do so. In addition, these transactions may also accelerate the realization of taxable income to shareholders if such sales of investments resulted in gains, and may also increase transaction costs and/or increase in the Fund’s expense ratio. When experiencing a redemption by a large shareholder, the Fund may delay payment of the redemption request up to seven days to provide the investment manager with time to determine if the Fund can redeem the request in-kind or to consider other alternatives to lessen the harm to remaining shareholders. Under certain circumstances, however, the Fund may be unable to delay a redemption request, which could result in the automatic processing of a large redemption that is detrimental to the Fund and its remaining shareholders.

Statements, Reports and Prospectuses

You will receive quarterly account statements that show all your account transactions during the quarter. You also will receive written notification after each transaction affecting your account (except for distributions and transactions made through automatic investment or withdrawal programs, which will be reported on your quarterly statement). Upon receipt, review all account statements and written

notifications after each transaction affecting your account and notify us immediately if there is a discrepancy.

You also will receive, or receive notice of the availability of, the Fund's financial reports every six months. In addition, you will receive an annual updated summary prospectus (prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports (to the extent received by mail) and summary prospectus. This process, called "householding," will continue indefinitely unless you instruct us otherwise. If you prefer not to have these documents househanded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

You may elect to receive your statements, prospectuses and other documents through electronic delivery (please see "Investor Services - Telephone/Online Privileges").

Investment Representative Account Access

If there is a dealer or other investment representative of record on your account, he or she will be able to obtain your account information, conduct transactions for your account, and also will receive copies of all notifications and statements and other information about your account directly from the Fund.

Street or Nominee Accounts

You may transfer your shares from the street or nominee name account of one dealer to another, as long as both dealers have an agreement with Distributors. We will process the transfer after we receive authorization in proper form from your delivering securities dealer.

Joint Accounts

Unless you specify a different registration, shares issued to two or more owners are registered as "joint tenants with rights of survivorship" (shown as "Jt Ten" on your account statement). To make any ownership changes to jointly owned shares, or to sever a joint tenancy in jointly owned shares, all owners must agree in writing.

Joint Account Risk with Telephone/Online Privileges

You will automatically receive telephone/online privileges when you open your account. If your account has more than one registered owner, telephone/online privileges allow the Fund to accept online registration for online services (including electronic delivery of shareholder documents) and transaction instructions online or by telephone from only one registered owner. This means that any one registered owner on your account, acting alone and without the consent of any other registered owner, may give the Fund instructions by telephone, online or in writing (subject to any limitations in telephone or online privileges) to:

- Exchange shares from a jointly registered Fund account requiring all registered owner signatures into an identically registered money fund account that only requires one registered owner's signature to redeem shares;
- Redeem Fund shares and direct the redemption proceeds to a pre-established bank account that may or may not be owned by you and, if owned by you jointly with someone else, only requires one person to withdraw funds by check or otherwise; and
- Purchase Fund shares by debiting a pre-established bank account that may be owned by you.

If you do NOT want another registered owner on your account to be able to issue these kinds of instructions to the Fund without your consent, you must instruct the Fund to deny/terminate online privileges and the ability to issue such instructions by telephone so that these types of instructions will only be accepted in writing signed by all account owners. This decision will apply to any other fund into which you may exchange your jointly owned Fund shares. Any later decision to permit these types of instructions by telephone and/or online will need to be given to the Fund in a written instruction signed by all registered owners.

Additional Policies

Please note that the Fund maintains additional policies and reserves certain rights, including:

- The Fund may restrict, reject or cancel any purchase orders, including an exchange request.
- Typically, redemptions are processed by the next business day provided the redemption request is received in proper form and good order, but may take up to seven days to be processed if making immediate payment would adversely affect the Fund or there is another cause for delay (for example, if you sell shares recently purchased, proceeds may be delayed until your check, draft or wire/electronic funds transfer has cleared). In certain circumstances, however, the Fund may not have the ability to delay a redemption request or may not have the time to determine whether a particular redemption would have an adverse effect on the Fund before the redemption request is paid.
- The Fund may modify, suspend, or terminate telephone/online privileges at any time.
- The Fund may make material changes to or discontinue the exchange privilege on 60 days' notice or as otherwise provided by law.
- The Fund may stop offering shares completely or may offer shares only on a limited basis, for a period of time or permanently.

- In unusual circumstances, we may temporarily suspend redemptions or postpone the payment of proceeds, as allowed by federal securities laws.
- For redemptions over a certain amount, the Fund may, but is not required to, pay redemption proceeds in securities or other assets rather than cash (also known as a redemption in-kind) if the investment manager determines it is in the best interest of the Fund, consistent with applicable law. The investment manager will, in its sole discretion, determine whether a redemption in-kind will be considered for a particular redemption request or type of redemption request. In certain circumstances, however, the investment manager may not have the ability to determine whether a particular redemption could be paid in-kind before the redemption request is paid. If a redemption request is redeemed in-kind, investors should expect to incur transaction costs upon the disposition of the securities received in the distribution.
- You may only buy shares of a fund (including the purchase side of an exchange) eligible for sale in your state or jurisdiction.
- To permit investors to obtain the current price, dealers are responsible for transmitting all orders to the Fund promptly.
- For non-retirement accounts, if you are receiving a dividend, capital gains or a systematic withdrawal plan payment in cash, and at least three consecutive checks remain uncashed for at least six months, the Fund reserves the right to change your distribution option to reinvest future distributions or discontinue your systematic withdrawal plan.

Dealer Compensation

Class A, C & R

Qualifying dealers who sell Fund shares may receive sales commissions and other payments. These are paid by Distributors from sales charges received from purchasing or redeeming shareholders, from distribution and service (12b-1) fees from the Fund and from Distributors' other financial resources. Dealers may also receive shareholder servicing fees for servicing investors who indirectly hold Franklin Templeton fund shares through dealer-maintained brokerage accounts as more fully described under "Shareholder servicing and transfer agent" of the "Management and Other Services" section in the SAI. These fees are paid by the Fund's transfer agent from payments it receives under its agreement with the Fund.

No dealer commission will be paid on Class A NAV purchases by Employer Sponsored Retirement Plans.

If any dealer commissions are paid in connection with a purchase which is subsequently rejected or results in any trading restriction placed on the purchaser as a result of a determination by the Fund's investment manager or transfer agent that the purchase may be connected with trading activity that may be detrimental to

the Fund as described in the Fund's "Frequent Trading Policy," the dealer shall, upon demand, refund such commissions to Distributors.

	Class A	Class C	Class R
Commission (%)	—	1.00 ¹	—
Investment under \$25,000	5.00	—	—
\$25,000 but under \$50,000	4.75	—	—
\$50,000 but under \$100,000	4.00	—	—
\$100,000 but under \$250,000	3.00	—	—
\$250,000 but under \$500,000	2.25	—	—
\$500,000 but under \$750,000	1.75	—	—
\$750,000 but under \$1 million	1.25	—	—
\$1 million or more	up to 1.00	—	—
12b-1 fee to dealer	0.25 ^{2,3}	1.00 ⁴	0.50

1. Commission includes advance of the first year's 0.25% 12b-1 service fee. Distributors may pay a prepaid commission. However, Distributors does not pay a prepaid commission on any purchases by Employer Sponsored Retirement Plans.

2. For purchases at NAV where Distributors paid a prepaid commission, dealers may start to receive the 12b-1 fee in the 13th month after purchase. For purchases at NAV where Distributors did not pay a prepaid commission, dealers may start to receive the 12b-1 fee at the time of purchase.

3. Under the Distribution Plan for Class A, the Fund may pay up to 0.35% to Distributors or others, out of which 0.10% generally will be retained by Distributors for its distribution expenses. As set by the board of trustees (until further notice), the Fund currently may pay up to 0.25% under the Plan.

4. Dealers may be eligible to receive up to 0.25% at the time of purchase and may be eligible to receive 1% starting in the 13th month. During the first 12 months, the full 12b-1 fee will be paid to Distributors to partially offset the commission and the prepaid service fee paid at the time of purchase. For purchases at NAV where Distributors did not pay a prepaid commission, dealers may start to receive the 12b-1 fee at the time of purchase. After approximately eight years, Class C shares convert to Class A shares and dealers may then be eligible to receive the 12b-1 fee applicable to Class A.

Purchases of certain share classes through financial intermediaries (Class R6 and Class Z) There are no associated sales charges or Rule 12b-1 distribution and service fees for the purchase of Class R6 and Class Z shares. However, pursuant to SEC guidance, certain financial intermediaries acting as agents on behalf of their customers may directly impose on shareholders sales charges or transaction fees determined by the financial intermediary related to the purchase of these shares. These charges and fees are not disclosed in this prospectus. You should consult with your financial advisor or visit your financial intermediary's website for more information.

The Fund's service providers also may pay financial intermediaries for marketing support and other related services as disclosed below for Class Z shares, but not for Class R6 shares. These payments may create a conflict of interest by influencing the financial intermediary and your salesperson to recommend one share class over another. There is some uncertainty concerning whether marketing support or other similar payments may be made or received in connection with Class Z shares where a financial intermediary has imposed its own sales charges

or transaction fees. Based on future regulatory developments, such payments may be terminated.

Other financial intermediary compensation Except with respect to Class R6 shares, Distributors may make marketing support payments (a portion of which may be reimbursable under the terms of the Fund's Rule 12b-1 distribution plans) to certain dealers and other financial intermediaries, such as banks, insurance companies, or plan administrators, in connection with their efforts to educate financial advisors or provide other services which may facilitate, directly or indirectly, investment in Franklin Templeton mutual funds. In the case of any one intermediary, marketing support payments generally will not exceed 0.05% of the total assets of Franklin Templeton mutual funds attributable to that intermediary, on an annual basis. For an intermediary exceeding \$50 billion in total assets of Franklin Templeton mutual funds, Distributors may agree to make annual marketing support payments up to a limit of 0.06% of such assets. In other limited circumstances, Distributors or an affiliate will have alternative arrangements with an intermediary that provide for payments in excess of the 0.05% limitation, which may include arrangements based on assets or sales of the funds, combined assets or sales of related funds, or other criteria. Marketing support payments made to organizations located outside the U.S., with respect to investments in the Fund by non-U.S. persons, also may exceed this limitation. Any assets held on behalf of Employer Sponsored Retirement Plans for which payment is made to a financial intermediary pursuant to the following paragraph will be excluded from the calculation of marketing support payments pursuant to this paragraph. You should contact your financial intermediary to determine the amount of any compensation it may receive from Distributors or its affiliates.

Except with respect to Class R6 shares, Distributors and/or its affiliates may also make payments (a portion of which may be reimbursable under the terms of the Fund's Rule 12b-1 distribution plans) to certain financial intermediaries in connection with their activities that are intended to assist in the sale of shares of Franklin Templeton mutual funds, directly or indirectly, to certain Employer Sponsored Retirement Plans. In the case of any one financial intermediary, such payments will not exceed 0.10% of the total assets of Franklin Templeton mutual funds held, directly or indirectly, by such Employer Sponsored Retirement Plans, on an annual basis.

A number of factors will be considered in determining these payments, including the qualifying financial intermediary's sales, assets and redemption rates, the nature and quality of any servicing provided by the financial intermediary, and the quality of the financial intermediary's relationship with Distributors. Distributors will, on an annual basis, determine the advisability of continuing these payments. These payments may be in addition to any shareholder servicing fees paid by the Fund's transfer agent from payments it receives under its agreement with the Fund.

To the extent permitted by SEC and Financial Industry Regulatory Authority rules and other applicable laws and regulations, Distributors may, in addition to marketing support payments, pay or allow other promotional incentives or payments to financial intermediaries, such as payments related to transaction support, various financial intermediary-sponsored events intended to educate financial advisers and their clients about the Franklin Templeton mutual funds, and data analytics and support.

Sales of Fund shares, as well as shares of other mutual funds in Franklin Templeton, is not considered a factor in the selection of financial intermediaries to execute the Fund's portfolio transactions. Accordingly, the allocation of portfolio transactions for execution by financial intermediaries that sell Fund shares is not considered marketing support payments to such financial intermediaries.

You can find further details in the SAI about the payments made by Distributors and the services provided by your financial advisor. Your financial advisor may charge you additional fees or commissions other than those disclosed in this prospectus. You should ask your financial advisor for information about any payments it receives from Distributors and any services it provides, as well as about fees and/or commissions it charges.

Questions

If you have any questions about the Fund or your account, you can write to us at P.O. Box 33030, St. Petersburg FL 33733-8030. You also can call us at one of the following numbers. For your protection and to help ensure we provide you with quality service, all calls may be monitored or recorded.

Department Name	Telephone Number
Shareholder Services	(800) 632-2301
Fund Information	(800) DIAL BEN
	(800) 342-5236
Retirement Services	(800) 527-2020
Advisor Services	(800) 524-4040
Hearing Impaired Assistance	For hearing impaired assistance, please contact us via a Relay Service.
Automated Telephone System	(800) 632-2301
	(800) 524-4040
	(800) 527-2020

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For More Information

You can learn more about the Fund in the following documents:

Annual/Semiannual Report to Shareholders

Includes a discussion of recent market conditions and Fund strategies that significantly affected Fund performance during its last fiscal year, financial statements, detailed performance information, portfolio holdings and, in the annual report only, the independent registered public accounting firm's report.

Statement of Additional Information (SAI)

Contains more information about the Fund, its investments and policies. It is incorporated by reference (is legally a part of this prospectus).

For a free copy of the current annual/semiannual report or the SAI, please contact your investment representative or call us at the number below. You also can view the current annual/semiannual report and the SAI online through franklintempleton.com.

Appendix A to the Prospectus -- Intermediary Sales Charge Discounts and Waivers

Contains more information about specific sales charge discounts and waivers available for shareholders who purchase Fund shares through a specific financial intermediary. Appendix A is a separate document and is incorporated herein by reference (is legally a part of this prospectus).

Reports and other information about the Fund are available on the EDGAR Database on the SEC's Internet site at <http://www.sec.gov>, and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following email address: publicinfo@sec.gov.



**FRANKLIN
TEMPLETON**

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(800) DIAL BEN@/342-5236
franklintempleton.com

For hearing impaired assistance, please contact us via a Relay Service.

APPENDIX A

INTERMEDIARY SALES CHARGE DISCOUNTS AND WAIVERS

Specific intermediaries may have different policies and procedures than the Fund regarding the availability of front-end sales load (charge) waivers or CDSC waivers; exchanges or conversions between classes or exchanges between Funds; account investment minimums; and minimum account balances, all of which are discussed below. In all instances, it is the purchaser's responsibility to notify the Fund or the purchaser's financial intermediary at the time of purchase of any relationship or other facts qualifying the purchaser for sales charge waivers or discounts. For waivers and discounts not available through a particular intermediary, shareholders will have to purchase Fund shares directly from the Fund or through another intermediary to receive such waivers or discounts. Please see the section entitled "Fund Details – Your Account – Choosing a Share Class – Class A, & C" for more information on sales charges and waivers available for different classes.

The information in this Appendix is part of, and incorporated into, the Fund's prospectus.

CLASS A AND CLASS C PURCHASES THROUGH AMERIPRISE FINANCIAL

Automatic exchange of Class C shares. Class C shares will automatically exchange to Class A shares in the month of the 10-year anniversary of the purchase date. Effective January 15, 2021, the anniversary year of the purchase date will change to 7-years.

Class A Shares Front-End Sales Charge Waivers Available at Ameriprise Financial:

The following information applies to Class A shares purchases if you have an account with or otherwise purchase Fund shares through Ameriprise Financial:

Effective June 1, 2018, shareholders purchasing Fund shares through an Ameriprise Financial platform or account will be eligible for the following front-end sales charge waivers and discounts, which may differ from those disclosed elsewhere in this Fund's prospectus or SAI:

- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs or SAR-SEPs.
- Shares purchased through an Ameriprise Financial investment advisory program (if an Advisory or similar share class for such investment advisory program is not available).

- Shares purchased by third party investment advisors on behalf of their advisory clients through Ameriprise Financial's platform (if an Advisory or similar share class for such investment advisory program is not available).
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same Fund (but not any other fund within the same fund family).
- Shares exchanged from Class C shares of the same fund in the month of or following the 10-year anniversary of the purchase date (effective January 15, 2021, the anniversary year of the purchase date will change to 7-years). To the extent that this prospectus elsewhere provides for a waiver with respect to such shares following a shorter holding period, that waiver will apply to exchanges following such shorter period. To the extent that this prospectus elsewhere provides for a waiver with respect to exchanges of Class C shares for load waived shares, that waiver will also apply to such exchanges.
- Employees and registered representatives of Ameriprise Financial or its affiliates and their immediate family members.
- Shares purchased by or through qualified accounts (including IRAs, Coverdell Education Savings Accounts, 401(k)s, 403(b) TSCAs subject to ERISA and defined benefit plans) that are held by a covered family member, defined as an Ameriprise financial advisor and/or the advisor's spouse, advisor's lineal ascendant (mother, father, grandmother, grandfather, great grandmother, great grandfather), advisor's lineal descendant (son, daughter, grandson, granddaughter, great grandson, great granddaughter) or any spouse of a covered family member who is a lineal descendant.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (i.e. Rights of Reinstatement).

BAIRD

Intermediary-Defined Sales Charge Waiver Policies

Effective June 15, 2020, shareholders purchasing fund shares through a Baird platform or account will only be eligible for the following sales charge waivers (front-end sales charge waivers and CDSC waivers) and discounts, which may differ from those disclosed elsewhere in this prospectus or the SAI.

Front-End Sales Charge Waivers on Investors A-shares Available at Baird

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing share of the same fund

- Share purchase by employees and registers representatives of Baird or its affiliate and their family members as designated by Baird
- Shares purchase from the proceeds of redemptions from another Franklin Templeton fund, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same accounts, and (3) redeemed shares were subject to a front-end or deferred sales charge (known as rights of reinstatement)
- A shareholder in the Funds Class C shares will have their share converted at net asset value to Class A shares of the fund if the shares are no longer subject to CDSC and the conversion is in line with the policies and procedures of Baird
- Employer-sponsored retirement plans or charitable accounts in a transactional brokerage account at Baird, including 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans. For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs or SAR-SEPs

CDSC Waivers on Class A and C shares Available at Baird

- Shares sold due to death or disability of the shareholder
- Shares sold as part of a systematic withdrawal plan as described in the Fund's Prospectus
- Shares bought due to returns of excess contributions from an IRA Account
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching age 72 as described in the Fund's prospectus
- Shares sold to pay Baird fees but only if the transaction is initiated by Baird
- Shares acquired through a right of reinstatement

Front-End Sales Charge Discounts Available at Baird: Breakpoints and/or Rights of Accumulations

- Breakpoints as described in this prospectus
- Rights of accumulations which entitles shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of Franklin Templeton assets held by accounts within the purchaser's household at Baird. Eligible Franklin Templeton assets not held at Baird may be included in the rights of accumulations calculation only if the shareholder notifies his or her financial advisor about such assets
- Letters of Intent (LOI) allow for breakpoint discounts based on anticipated purchases of Franklin Templeton funds through Baird, over a 13-month period of time

D.A. DAVIDSON & CO.

Effective June 1, 2020, shareholders purchasing fund shares including existing fund shareholders through a D.A. Davidson & Co. ("D.A. Davidson") platform or account, or through an introducing broker-dealer or independent registered investment advisor for which D.A. Davidson provides trade execution, clearance, and/or custody services, will be eligible for the following sales charge waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this prospectus or SAI.

Front-End Sales Charge Waivers on Class A Shares available at D.A. Davidson

- Shares purchased within the same fund family through a systematic reinvestment of capital gains and dividend distributions.
- Employees and registered representatives of D.A. Davidson or its affiliates and their family members as designated by D.A. Davidson.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales charge (known as Rights of Reinstatement).
- A shareholder in the Fund's Class C shares will have their shares converted at net asset value to Class A shares (or the appropriate share class) of the Fund if the shares are no longer subject to a CDSC and the conversion is consistent with D.A. Davidson's policies and procedures.

CDSC Waivers on Classes A and C shares available at D.A. Davidson

- Death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the fund's prospectus.
- Return of excess contributions from an IRA Account.
- Shares sold as part of a required minimum distribution for IRA or other qualifying retirement accounts as described in the fund's prospectus beginning in the calendar year the shareholder turns age 72.
- Shares acquired through a right of reinstatement.

Front-end sales charge discounts available at D.A. Davidson: breakpoints, rights of accumulation and/or letters of intent

- Breakpoints as described in this prospectus.
- Rights of accumulation which entitle shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at D.A. Davidson. Eligible fund family assets not held at D.A. Davidson may be

included in the calculation of rights of accumulation only if the shareholder notifies his or her financial advisor about such assets.

- Letters of intent which allow for breakpoint discounts based on anticipated purchases within a fund family, over a 13-month time period. Eligible fund family assets not held at D.A. Davidson may be included in the calculation of letters of intent only if the shareholder notifies his or her financial advisor about such assets.

Edward D. Jones & Co., L.P. ("EDWARD JONES")

Policies Regarding Transactions Through Edward Jones

Effective on or after January 1, 2021, the following information supersedes prior information with respect to transactions and positions held in fund shares through an Edward Jones system. Clients of Edward Jones (also referred to as "shareholders") purchasing fund shares on the Edward Jones commission and fee-based platforms are eligible only for the following sales charge discounts (also referred to as "breakpoints") and waivers, which can differ from discounts and waivers described elsewhere in the mutual fund prospectus or statement of additional information ("SAI") or through another broker-dealer. In all instances, it is the shareholder's responsibility to inform Edward Jones at the time of purchase of any relationship, holdings of the Franklin Templeton and Legg Mason Funds (including holdings of 529 Plans where Franklin Templeton or Legg Mason serve as the primary distributor), or other facts qualifying the purchaser for discounts or waivers. Edward Jones can ask for documentation of such circumstance. Shareholders should contact Edward Jones if they have questions regarding their eligibility for these discounts and waivers.

Breakpoints

- Breakpoint pricing, otherwise known as volume pricing, at dollar thresholds as described in the prospectus.

Rights of Accumulation ("ROA")

- The applicable sales charge on a purchase of Class A shares is determined by taking into account all share classes (except certain money markets funds and any assets held in group retirement plans) of the Franklin Templeton and Legg Mason Funds held by the shareholder or in an account grouped by Edward Jones with other accounts for the purpose of providing certain pricing considerations ("pricing groups"). If grouping assets as a shareholder, this includes all share classes held on the Edward Jones platform and/or held on another platform. The inclusion of eligible fund family assets in the ROA calculation is dependent on the

shareholder notifying Edward Jones of such assets at the time of calculation. Money market funds are included only if such shares were sold with a sales charge at the time of purchase or acquired in exchange for shares purchased with a sales charge.

- The employer maintaining a SEP IRA plan and/or SIMPLE IRA plan may elect to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping as opposed to including all share classes at a shareholder or pricing group level.
- ROA is determined by calculating the higher of cost minus redemptions or market value (current shares x NAV).

Letter of Intent (“LOI”)

- Through a LOI, shareholders can receive the sales charge and breakpoint discounts for purchases shareholders intend to make over a 13-month period from the date Edward Jones receives the LOI. The LOI is determined by calculating the higher of cost or market value of qualifying holdings at LOI initiation in combination with the value that the shareholder intends to buy over a 13-month period to calculate the front-end sales charge and any breakpoint discounts. Each purchase the shareholder makes during that 13-month period will receive the sales charge and breakpoint discount that applies to the total amount. The inclusion of eligible fund family assets in the LOI calculation is dependent on the shareholder notifying Edward Jones of such assets at the time of calculation. Purchases made before the LOI is received by Edward Jones are not adjusted under the LOI and will not reduce the sales charge previously paid. Sales charges will be adjusted if LOI is not met.
- If the employer maintaining a SEP IRA plan and/or SIMPLE IRA plan has elected to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping, LOIs will also be at the plan-level and may only be established by the employer.

Sales Charge Waivers

Sales charges are waived for the following shareholders and in the following situations:

- Associates of Edward Jones and its affiliates and their family members who are in the same pricing group (as determined by Edward Jones under its policies and procedures) as the associate. This waiver will continue for the remainder of the associate's life if the associate retires from Edward Jones in good-standing and remains in good standing pursuant to Edward Jones' policies and procedures.
- Shares purchased in an Edward Jones fee-based program.

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment.
- Shares purchased from the proceeds of redeemed shares of the same fund family so long as the following conditions are met: 1) the proceeds are from the sale of shares within 60 days of the purchase, and 2) the sale and purchase are made in the same share class and the same account or the purchase is made in an individual retirement account with proceeds from liquidations in a non-retirement account.
- Shares exchanged into Class A shares from another share class so long as the exchange is into the same fund and was initiated at the discretion of Edward Jones. Edward Jones is responsible for any remaining CDSC due to the fund company, if applicable. Any future purchases are subject to the applicable sales charge as disclosed in the prospectus.
- Exchanges from Class C shares to Class A shares of the same fund, generally, in the 84th month following the anniversary of the purchase date or earlier at the discretion of Edward Jones.

Contingent Deferred Sales Charge (“CDSC”) Waivers

If the shareholder purchases shares that are subject to a CDSC and those shares are redeemed before the CDSC is expired, the shareholder is responsible to pay the CDSC except in the following conditions:

- The death or disability of the shareholder
- Systematic withdrawals with up to 10% per year of the account value
- Return of excess contributions from an Individual Retirement Account (IRA)
- Shares sold as part of a required minimum distribution for IRA and retirement accounts if the redemption is taken in or after the year the shareholder reaches qualified age based on applicable IRS regulations
- Shares sold to pay Edward Jones fees or costs in such cases where the transaction is initiated by Edward Jones
- Shares exchanged in an Edward Jones fee-based program
- Shares acquired through NAV reinstatement
- Shares redeemed at the discretion of Edward Jones for Minimum Balances, as described below.

Other Important Information Regarding Transactions Through Edward Jones

Minimum Purchase Amounts

- Initial purchase minimum: \$250
- Subsequent purchase minimum: none

Minimum Balances

- Edward Jones has the right to redeem at its discretion fund holdings with a balance of \$250 or less. The following are examples of accounts that are not included in this policy:
- A fee-based account held on an Edward Jones platform
- A 529 account held on an Edward Jones platform
- An account with an active systematic investment plan or letter of intent (LOI)

Exchanging Share Classes

- At any time it deems necessary, Edward Jones has the authority to exchange at NAV a shareholder's holdings in a fund to Class A shares of the same fund.

JANNEY MONTGOMERY SCOTT LLC ("JANNEY")

Effective May 1, 2020, if you purchase fund shares through a Janney Montgomery Scott LLC ("Janney") brokerage account, you will be eligible for the following load waivers (front-end sales charge waivers and contingent deferred sales charge ("CDSC"), or back-end sales charge, waivers) and discounts, which may differ from those disclosed elsewhere in this fund's Prospectus or SAI.

Front-end sales charge* waivers on Class A shares available at Janney

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family).
- Shares purchased by employees and registered representatives of Janney or its affiliates and their family members as designated by Janney.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within ninety (90) days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (i.e., right of reinstatement).
- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans.
- Shares acquired through a right of reinstatement.
- Class C shares that are no longer subject to a contingent deferred sales charge and are converted to Class A shares of the same fund pursuant to Janney's policies and procedures.

CDSC waivers on Class A and C shares available at Janney

- Shares sold upon the death or disability of the shareholder.

- Shares sold as part of a systematic withdrawal plan as described in the fund's Prospectus.
- Shares purchased in connection with a return of excess contributions from an IRA account.
- Shares sold as part of a required minimum distribution for IRA and other retirement accounts due to the shareholder reaching age 72 as described in the fund's Prospectus.
- Shares sold to pay Janney fees but only if the transaction is initiated by Janney.
- Shares acquired through a right of reinstatement.
- Shares exchanged into the same share class of a different fund.

Front-end sales charge* discounts available at Janney: breakpoints, rights of accumulation, and/or letters of intent

- Breakpoints as described in the fund's Prospectus.
- Rights of accumulation ("ROA"), which entitle shareholders to breakpoint discounts, will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at Janney. Eligible fund family assets not held at Janney may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets.
- Letters of intent which allow for breakpoint discounts based on anticipated purchases within a fund family, over a 13-month time period. Eligible fund family assets not held at Janney Montgomery Scott may be included in the calculation of letters of intent only if the shareholder notifies his or her financial advisor about such assets.

*Also referred to as an "initial sales charge."

CLASS A AND CLASS C PURCHASES THROUGH MERRILL LYNCH

Shareholders purchasing Fund shares through a Merrill Lynch platform or account will be eligible only for the following load waivers (front-end sales charge waivers and contingent deferred or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this Fund's prospectus or SAI.

Front-end Sales Load Waivers on Class A Shares available at Merrill Lynch

Employer-sponsored retirement, deferred compensation and employee benefit plans (including health savings accounts) and trusts used to fund those plans, provided that the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan

Shares purchased by a 529 Plan (does not include 529 Plan units or 529-

specific share classes or equivalents)
Shares purchased through a Merrill Lynch affiliated investment advisory program
Shares exchanged due to the holdings moving from a Merrill Lynch affiliated investment advisory program to a Merrill Lynch brokerage (non-advisory) account pursuant to Merrill Lynch's policies relating to sales load discounts and waivers
Shares purchased by third party investment advisors on behalf of their advisory clients through Merrill Lynch's platform
Shares of funds purchased through the Merrill Edge Self-Directed platform
Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family)
Shares exchanged from Class C (i.e. level-load) shares of the same fund pursuant to Merrill Lynch's policies relating to sales load discounts and waivers
Employees and registered representatives of Merrill Lynch or its affiliates and their family members
Directors or Trustees of the Fund, and employees of the Fund's investment adviser or any of its affiliates, as described in this prospectus
Eligible shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Reinstatement). Automated transactions (i.e. systematic purchases and withdrawals) and purchases made after shares are automatically sold to pay Merrill Lynch's account maintenance fees are not eligible for reinstatement
CDSC Waivers on A and C Shares available at Merrill Lynch
Death or disability of the shareholder
Shares sold as part of a systematic withdrawal plan as described in the Fund's prospectus
Return of excess contributions from an IRA Account
Shares sold as part of a required minimum distribution for IRA and retirement accounts pursuant to the Internal Revenue Code
Shares sold to pay Merrill Lynch fees but only if the transaction is initiated

by Merrill Lynch
Shares acquired through a right of reinstatement
Shares held in retirement brokerage accounts, that are exchanged for a lower cost share class due to transfer to certain fee-based accounts or platforms
Shares received through an exchange due to the holdings moving from a Merrill Lynch affiliated investment advisory program to a Merrill Lynch brokerage (non-advisory) account pursuant to Merrill Lynch's policies relating to sales load discounts and waivers
Front-end load Discounts Available at Merrill Lynch: Breakpoints, Rights of Accumulation & Letters of Intent
Breakpoints as described in this prospectus.
Rights of Accumulation (ROA) which entitle shareholders to breakpoint discounts as described in the Fund's prospectus will be automatically calculated based on the aggregated holding of fund family assets held by accounts (including 529 program holdings, where applicable) within the purchaser's household at Merrill Lynch. Eligible fund family assets not held at Merrill Lynch may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets
Letters of Intent (LOI) which allow for breakpoint discounts based on anticipated purchases within a fund family, through Merrill Lynch, over a 13-month period of time

CLASS A PURCHASES THROUGH MORGAN STANLEY

Effective July 1, 2018 shareholders purchasing Fund shares through a Morgan Stanley Wealth Management transactional brokerage account will be eligible only for the following front-end sales charge waivers with respect to Class A shares, which may differ from and may be more limited than those disclosed elsewhere in this Fund's Prospectus or SAI.

Front-end Sales Charge Waivers on Class A Shares available at Morgan Stanley Wealth Management

- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans
- Morgan Stanley employee and employee-related accounts according to Morgan Stanley's account linking rules

- Shares purchased through reinvestment of dividends and capital gains distributions when purchasing shares of the same fund
- Shares purchased through a Morgan Stanley self-directed brokerage account
- Class C (i.e., level-load) shares that are no longer subject to a contingent deferred sales charge and are converted to Class A shares of the same fund pursuant to Morgan Stanley Wealth Management's share class conversion program
- Shares purchased from the proceeds of redemptions within the same fund family, provided (i) the repurchase occurs within 90 days following the redemption, (ii) the redemption and purchase occur in the same account, and (iii) redeemed shares were subject to a front-end or deferred sales charge.

In addition, effective November 12, 2021 for the purpose of calculating rights of accumulation and letters of intent with respect to purchases made in a Morgan Stanley Wealth Management brokerage account, the following definition for "cumulative quantity discount eligible shares" applies. This definition may be more limited than the one contained in this Fund's Prospectus or SAI. It is the shareholder's responsibility to inform Morgan Stanley at the time of purchase of any relationship, holdings, or other facts qualifying the purchaser for a discount. Morgan Stanley can ask for documentation of such circumstance. Shareholders should contact Morgan Stanley if they have questions.

Cumulative quantity discount eligible shares include:

- Any class of shares of any Franklin Templeton or Legg Mason fund that is registered in the U.S.; and
- Units of a Section 529 Plan where Franklin Templeton or Legg Mason is the program manager.

For purposes of this section, Franklin Templeton and Legg Mason funds also include Brandywine GLOBAL funds, ClearBridge Investments funds, Martin Currie funds, Western Asset funds and certain other funds managed by affiliated investment advisers. They do not include the funds in the Franklin Templeton Variable Insurance Products Trust, Legg Mason Partners Variable Equity Trust or Legg Mason Partners Variable Income Trust.

OPPENHEIMER & CO., INC.

Effective June 1, 2020, shareholders purchasing Fund shares through an Oppenheimer & Co. Inc. ("OPCO") platform or account are eligible only for the following load waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this Fund's prospectus or SAI.

Front-end Sales Load Waivers on Class A Shares available at OPCO

- Employer-sponsored retirement, deferred compensation and employee benefit plans (including health savings accounts) and trusts used to fund those plans, provided that the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan
- Shares purchased by or through a 529 Plan
- Shares purchased through a OPCO affiliated investment advisory program
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family)
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Restatement).
- A shareholder in the Fund's Class C shares will have their shares converted at net asset value to Class A shares (or the appropriate share class) of the Fund if the shares are no longer subject to a CDSC and the conversion is in line with the policies and procedures of OPCO
- Employees and registered representatives of OPCO or its affiliates and their family members
- Directors or Trustees of the Fund, and employees of the Fund's investment adviser or any of its affiliates, as described in this prospectus

CDSC Waivers on A and C Shares available at OPCO

- Death or disability of the shareholder
- Shares sold as part of a systematic withdrawal plan as described in the Fund's prospectus
- Return of excess contributions from an IRA Account
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified age based on applicable IRS regulations as described in the prospectus
- Shares sold to pay OPCO fees but only if the transaction is initiated by OPCO
- Shares acquired through a right of reinstatement

Front-end load Discounts Available at OPCO: Breakpoints, Rights of Accumulation & Letters of Intent

- Breakpoints as described in this prospectus.
- Rights of Accumulation (ROA) which entitle shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at OPCO. Eligible fund family assets not held at OPCO may be

included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets.

PFS Investments Inc. ("PFSI")

Policies Regarding Fund Purchases Through PFSI

The following information supersedes all prior information with respect to transactions and positions held in fund shares purchased through PFSI and held on the mutual fund platform of its affiliate, Primerica Shareholder Services ("PSS"). Clients of PFSI (also referred to as "shareholders") purchasing fund shares on the PSS platform are eligible only for the following share classes, sales charge discounts (also referred to as "breakpoints") and waivers, which can differ from share classes, discounts and waivers described elsewhere in this prospectus or the related statement of additional information ("SAI") or through another broker-dealer. In all instances, it is the shareholder's responsibility to inform PFSI at the time of a purchase of all holdings of the Franklin Templeton and Legg Mason Funds on the PSS platform, or other facts qualifying the purchaser for discounts or waivers. PFSI may request reasonable documentation of such facts and condition the granting of any discount or waiver on the timely receipt of such documents. Shareholders should contact PSS if they have questions regarding their eligibility for these discounts and waivers.

Share Classes

Shareholders purchasing Fund shares on the PSS platform are eligible only for the following share classes:

- Class A shares are available in non-retirement accounts, individual retirement accounts (IRA), SEP IRAs, SIMPLE IRAs, Keogh Plans, and all other account types.
- Class A1 and Class C shares are available only in accounts that already hold such shares.

Breakpoints

- Breakpoint pricing at dollar thresholds as described in the prospectus of the fund you are purchasing.

Rights of Accumulation ("ROA")

- The applicable sales charge on a purchase of Class A or Class A1 shares is determined by taking into account all share classes (except any assets held in group retirement plans) of the Franklin Templeton and Legg Mason Funds held by the shareholder on the PSS platform. The inclusion of eligible fund family assets in the ROA calculation is dependent on the shareholder notifying PFSI of such assets at the time of calculation. Shares of money market funds are included only if such shares were

acquired in exchange for shares of another Franklin Templeton or Legg Mason Fund purchased with a sales charge. No shares of the Franklin Templeton and Legg Mason Funds held by the shareholder away from the PSS platform, will be granted ROA with shares of any Franklin Templeton or Legg Mason Fund purchased on the PSS platform.

- Any SEP IRA plan, any SIMPLE IRA plan or any Payroll Deduction Plan ("PDP") on the PSS platform will be defaulted to plan-level grouping for purposes of ROA, which allows each participating employee ROA with all other eligible shares held in plan accounts on the PSS platform. At any time, a participating employee may elect to exercise a one-time option to change grouping for purposes of ROA to shareholder-level grouping, which allows the plan account of the electing employee ROA with her other eligible holdings on the PSS platform, but not with all other eligible participant holdings in the plan. Eligible shares held in plan accounts electing shareholder-level grouping will not be available for purposes of ROA to plan accounts electing plan-level grouping.
- ROA is determined by calculating the higher of cost minus redemptions or current market value (current shares x NAV).

Letter of Intent ("LOI")

- By executing a LOI, shareholders can receive the sales charge and breakpoint discounts for purchases shareholders *intend to make* over a 13-month period through PFSI, from the date PSS receives the LOI. The purchase price of the LOI is determined by calculating the higher of cost or market value of qualifying holdings at LOI initiation in combination with the dollar amount the shareholder intends to invest over a 13-month period to arrive at total investment for purposes of determining any breakpoint discount and the applicable front-end sales charge. Each purchase the shareholder makes during that 13-month period will receive the sales charge and breakpoint discount that applies to the projected total investment.
- Only holdings of Franklin Templeton and Legg Mason Funds on the PSS platform are eligible for inclusion in the LOI calculation and the shareholder must notify PFSI of all eligible assets at the time of calculation.
- Purchases made before the LOI is received by PSS are not adjusted under the LOI, and the LOI will not reduce any sales charge previously paid. Sales charges will be automatically adjusted if the total purchases required by the LOI are not met.
- If an employer maintaining a SEP IRA plan, SIMPLE IRA or non-IRA PDP plan on the PSS platform has elected to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping, LOIs will

also be at the plan-level and may only be established by the employer. LOIs are not available to PDP IRA plans on the PSS platform with plan-level grouping for purposes of ROA, but are available to any participating employee that elects shareholder-level grouping for purposes of ROA.

Sales Charge Waivers

Sales charges are waived for the following shareholders and in the following situations:

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment.
- Shares purchased with the proceeds of redeemed shares of either the Franklin Templeton or Legg Mason fund families so long as the following conditions are met: 1) the proceeds are from the sale of shares within 90 days of the purchase, 2) the sale and purchase are made in the same share class and the same account or the purchase is made in an individual retirement account with proceeds from liquidations in a non-retirement account, and 3) the redeemed shares were subject to a front-end or deferred sales load. Automated transactions (i.e., systematic purchases and withdrawals), full or partial transfers or rollovers of retirement accounts, and purchases made after shares are automatically sold to pay account maintenance fees are not eligible for this sales charge waiver.
- Shares exchanged into Class A or Class A1 shares from another share class so long as the exchange is into the same fund and was initiated at the discretion of PFSI. PFSI is responsible for any remaining CDSC due to the fund company, if applicable. Any future purchases are subject to the applicable sales charge as disclosed in the prospectus.

Policies Regarding Fund Purchases That Are Not Held on the PSS Platform

Class R shares are available through PFSI only in 401(k) plans covering a business owner with no employees, commonly referred to as a one-participant 401(k) plan or solo 401(k) and which are not held on the PSS platform.

RAYMOND JAMES®

Intermediary-Defined Sales Charge Waiver Policies

The availability of certain initial or deferred sales charge waivers and discounts may depend on the particular financial intermediary or type of account through which you purchase or hold Fund shares.

Intermediaries may have different policies and procedures regarding the availability of front-end sales load waivers or contingent deferred (back-end) sales load ("CDSC") waivers, which are discussed below. In all instances, it is

the purchaser's responsibility to notify the fund or the purchaser's financial intermediary at the time of purchase of any relationship or other facts qualifying the purchaser for sales charge waivers or discounts. For waivers and discounts not available through a particular intermediary, shareholders will have to purchase fund shares directly from the fund or through another intermediary to receive these waivers or discounts.

Raymond James & Associates, Inc., Raymond James Financial Services, Inc. and each entity's affiliates ("Raymond James")

Effective March 1, 2019, shareholders purchasing fund shares through a Raymond James platform or account, or through an introducing broker-dealer or independent registered investment adviser for which Raymond James provides trade execution, clearance, and/or custody services, will be eligible only for the following load waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this fund's prospectus or SAI.

Front-end sales load waivers on Class A shares available at Raymond James

- Shares purchased in an investment advisory program.
- Shares purchased within the same fund family through a systematic reinvestment of capital gains and dividend distributions.
- Employees and registered representatives of Raymond James or its affiliates and their family members as designated by Raymond James.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Reinstatement).
- A shareholder in the Fund's Class C shares will have their shares converted at net asset value to Class A shares (or the appropriate share class) of the Fund if the shares are no longer subject to a CDSC and the conversion is in line with the policies and procedures of Raymond James.

CDSC Waivers on Classes A and C shares available at Raymond James

- Death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the fund's prospectus.
- Return of excess contributions from an IRA Account.
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified age based on applicable IRS regulations as described in the fund's prospectus.

- Shares sold to pay Raymond James fees but only if the transaction is initiated by Raymond James.
- Shares acquired through a right of reinstatement.

Front-end load discounts available at Raymond James: breakpoints, rights of accumulation, and/or letters of intent

- Breakpoints as described in this prospectus.
- Rights of accumulation which entitle shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at Raymond James. Eligible fund family assets not held at Raymond James may be included in the calculation of rights of accumulation only if the shareholder notifies his or her financial advisor about such assets.
- Letters of intent which allow for breakpoint discounts based on anticipated purchases within a fund family, over a 13-month time period. Eligible fund family assets not held at Raymond James may be included in the calculation of letters of intent only if the shareholder notifies his or her financial advisor about such assets.

Stifel, Nicolaus & Company, Incorporated ("Stifel")

Effective July 1, 2020, shareholders purchasing Fund shares through a Stifel platform or account or who own shares for which Stifel or an affiliate is the broker-dealer of record are eligible for the following front-end sales charge (load) waiver, in addition to those listed in the prospectus:

- Class C shares that have been held for more than seven (7) years will be converted to Class A shares of the same Fund pursuant to Stifel's policies and procedures at net asset value (without a front-end sales charge).