



2017 Year-End Capital Gain Indications

Preliminary capital gains distribution indications (shown as a percentage of net asset value) are based on each fund's portfolio at a point in time and are subject to change prior to each fund's actual distribution. Actual distributions will be based on net capital gains and losses realized by each fund through October 31st, and may be substantially different.

Each fund's short-term and long-term capital gain distributions are the same for all share classes. Ordinary income distributions may vary among share classes.

This preliminary information IS NOT FINAL. Tax returns should not be prepared based on this information. Shareholders should contact their tax advisors for information regarding the federal and state income taxation of capital gain distributions on their personal tax situations.

Indications do not include ordinary income distributions, other than short-term capital gains, a fund may be making. Net short-term capital gains, when distributed, are generally taxable as ordinary income and are reported as Ordinary Dividends on Form 1099-DIV.

All dates are tentative and subject to board approval.

Based on information as of September 30, 2017, the Franklin Templeton funds listed are projected to make a capital gain distribution as indicated. No other Franklin Templeton funds are projected to make a capital gain distribution at this time.

Capital Gain Indications (percentage of NAV) as of September 30, 2017

Fund Name	Record Date	Short-Term	Long-Term	Total
Franklin Balance Sheet Investment	12/14/2017	0% - 2%	5% - 8%	5% - 10%
Franklin Balanced	12/14/2017	0% - 2%	0% - 3%	0% - 5%
Franklin Biotechnology Discovery	12/14/2017	1% - 3%	0% - 3%	1% - 6%
Franklin Conservative Allocation	12/27/2017	0	0% - 2%	0% - 2%
Franklin Convertible Securities	12/14/2017	0% - 2%	5% - 8%	5% - 10%
Franklin Corefolio Allocation	12/27/2017	0% - 2%	0% - 3%	0% - 5%
Franklin DynaTech	11/30/2017	0	0% - 3%	0% - 3%
Franklin Emerging Market Debt Opportunities	12/14/2017	0% - 2%	0% - 2%	0% - 4%
Franklin Equity Income	12/14/2017	0	2% - 4%	2% - 4%
Franklin Growth Allocation	12/27/2017	0% - 2%	2% - 5%	2% - 7%
Franklin Growth	11/30/2017	0	1% - 3%	1% - 3%
Franklin Growth Opportunities	12/14/2017	0	7% - 9%	7% - 9%
Franklin India Growth	12/14/2017	0% - 2%	4% - 7%	4% - 9%
Franklin International Small Cap Growth	12/14/2017	0% - 2%	2% - 4%	2% - 6%
Franklin K2 Long Short Credit	12/27/2017	0% - 3%	0% - 2%	0% - 5%
Franklin LifeSmart 2055 Retirement Target	12/27/2017	0% - 2%	0% - 2%	0% - 4%
Franklin MicroCap Value	12/14/2017	0% - 2%	5% - 8%	5% - 10%
Franklin MidCap Value	11/28/2017	0% - 3%	4% - 7%	4% - 10%
Franklin Moderate Allocation	12/27/2017	0% - 2%	2% - 4%	2% - 6%
Franklin Mutual Beacon	12/21/2017	0	1% - 4%	1% - 4%
Franklin Mutual Global Discovery	12/21/2017	0	1% - 4%	1% - 4%
Franklin Mutual Shares	12/21/2017	0	2% - 5%	2% - 5%
Franklin NextStep Conservative	12/27/2017	0% - 2%	0% - 2%	0% - 4%

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

Franklin Templeton Distributors, Inc.
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FRANKLIN TEMPLETON
INVESTMENTS

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Franklin NextStep Growth	12/27/2017	2% - 4%	0% - 2%	2% - 6%
Franklin NextStep Moderate	12/27/2017	1% - 3%	0% - 2%	1% - 5%
Franklin Payout 2017	TBD	0	0% - 2%	0% - 2%
Franklin Payout 2019	11/30/2017	0	0% - 2%	0% - 2%
Franklin Real Estate Securities	12/14/2017	0	7% - 9%	7% - 9%
Franklin Rising Dividends	11/30/2017	0% - 2%	1% - 4%	1% - 6%
Franklin Small Cap Growth	12/14/2017	0	0% - 3%	0% - 3%
Franklin Small Cap Value	12/14/2017	0% - 3%	7% - 10%	7% - 13%
Franklin Small-Mid Cap Growth	12/14/2017	0% - 2%	6% - 9%	6% - 11%
Franklin Utilities	11/30/2017	0	0% - 3%	0% - 3%
Templeton China World	12/21/2017	0% - 2%	7% - 10%	7% - 12%
Templeton Emerging Markets Bond	12/14/2017	0% - 2%	0	0% - 2%
Templeton Global Bond	12/14/2017	0	0% - 2%	0% - 2%
Templeton Global Opportunities Trust	12/21/2017	0% - 2%	0% - 3%	0% - 5%
Templeton Global Smaller Companies	12/21/2017	0% - 2%	2% - 5%	2% - 7%
Templeton International Bond	12/14/2017	0	0% - 2%	0% - 2%
Templeton World	12/21/2017	0% - 2%	3% - 6%	3% - 8%
TIF Foreign Smaller Companies Series	12/21/2017	0% - 2%	2% - 5%	2% - 7%
TIF Global Equity Series	12/21/2017	0	0% - 2%	0% - 2%
TIF International Equity Series	12/21/2017	0	0% - 3%	0% - 3%

Important Legal Information

All investments involve risks, including possible loss of principal.

Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, for any Franklin Templeton fund, talk to your financial advisor, call us at (800) DIAL BEN / (800) 342-5236 or visit franklintempleton.com. Please carefully read a prospectus before you invest or send money.

Franklin Templeton mutual funds, regardless of performance, distribute to shareholders any net realized gains from the sale of individual securities in their portfolios. Distributions are made to those who are registered shareholders of the fund on the record date. Distributions are paid on the pay date. All dates and distributions are subject to board approval. Distributions will vary depending on the funds' income and any net gains realized from the sale of securities in the funds' portfolio. Past distributions are not indicative of future trends.

Each fund hereby reports its distribution of a long-term capital gain dividend to its shareholders on Form 1099-DIV (if applicable) and in accordance with Internal Revenue Code Section 852(b)(3).

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