Form **8937**
(December 2011)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer

1 Issuer's name Franklin Value Investors Trust - Franklin All Cap Value Fund		**2** Issuer's employer identification number (EIN) 20-8663279
3 Name of contact for additional information Shareholder Services	**4** Telephone No. of contact (800) 632-2301	**5** Email address of contact N/A
6 Number and street (or P.O. box if mail is not delivered to street address) of contact One Franklin Parkway; Attn: Fund Tax Department		**7** City, town, or post office, state, and Zip code of contact San Mateo, CA 94403
8 Date of action 4/01/2016	**9** Classification and description Multiple classes of shares issued by a single mutual fund/regulated investment company	

10 CUSIP number See Attachment	**11** Serial number(s)	**12** Ticker symbol See Attachment	**13** Account number(s)

Part II Organizational Action

Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ In accordance with the Plan of Reorganization, on April 1, 2016, the tax free reorganization consisted of (i) the acquisition by Franklin Value Investors Trust, on behalf of Franklin Small Cap Value Fund, of substantially all of the assets of Franklin Value Investors Trust - Franklin All Cap Value Fund in exchange solely for full and fractional Class A, Class C, Class R, and Advisor class shares of beneficial interest, with no par value, of Franklin Small Cap Value Fund; (ii) the distribution of Franklin Small Cap Value Fund shares to holders of Class A, Class C, Class R and Advisor Class shares of beneficial interest of Franklin All Cap Value Fund respectively, according to their respective interests in Franklin All Cap Value Fund in complete liquidation of Franklin All Cap Value Fund; and (iii) the dissolution of Franklin All Cap Value Fund.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See Attachment

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ There was no change in aggregate basis as a result of the above described organizational action. For additional details see attachment.

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

IRC Sections 354(a), 357(a), 358(a), 361(a), 361(c), 362(b), 368(a), 1032(a), 1223(1), and 1223(2)

18 Can any resulting loss be recognized? ▶ No loss can be recognized as a result of this event.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

The above described organizational action is reportable in the tax year 2016.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Signed copy is maintained by the issuer Date ▶

Print your name ▶ Title ▶

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Franklin Value Investors Trust - Franklin All Cap Value Fund
EIN: 20-8663279
FYE: 2016
Attachment to Form 8937

Attachment to Form 8937

Form 8937 Part II Line 15

Franklin Value Investors Trust - Franklin All Cap Value Fund (Acquired Fund)				**Franklin Value Investors Trust - Franklin Small Cap Value Fund** (Acquiring Fund)				
Ticker	**CUSIP**	**Class**	**NAV**	**Ticker**	**CUSIP**	**Class**	**NAV**	**Merger Ratio**
FRAVX	355148743	A	11.1779	FRVLX	355148305	A	47.01	0.23778
-	355148735	C	10.8776	FRVFX	355148404	C	42.60	0.25534
-	355148727	R	11.1873	FVFRX	355148826	R	46.55	0.24033
-	-	-	-	FRCSX	355148669	R6	48.85	-
-	355148719	Advisor	11.2118	FVADX	355148503	Advisor	48.89	0.22933

NAVs shown are as of immediately prior to the merger.
Merger Ratio is the number of Acquiring Fund shares received per one Acquired Fund share surrendered.

Effect on Basis

Each shareholder has an aggregate basis in Franklin Value Investors Trust - Franklin Small Cap Value Fund shares received in the merger equal to the aggregate basis of that shareholder's Franklin Value Investors Trust - Franklin All Cap Value Fund shares surrendered in the merger.

The number of Franklin Value Investors Trust - Franklin Small Cap Value Fund shares received for each share of Franklin Value Investors Trust - Franklin All Cap Value Fund shares given up in exchange is as follows:

- 0.23778 shares of Franklin Value Investors Trust - Franklin Small Cap Value Fund Class A shares for one Franklin Value Investors Trust - Franklin All Cap Value Fund Class A share
- 0.25534 shares of Franklin Value Investors Trust - Franklin Small Cap Value Fund Class C shares for one Franklin Value Investors Trust - Franklin All Cap Value Fund Class C share
- 0.24033 shares of Franklin Value Investors Trust - Franklin Small Cap Value Fund Class R shares for one Franklin Value Investors Trust - Franklin All Cap Value Fund Class R share
- 0.22933 shares of Franklin Value Investors Trust - Franklin Small Cap Value Fund Advisor Class shares for one Franklin Value Investors Trust - Franklin All Cap Value Fund Advisor Class share