

Franklin Mutual Financial Services Fund



Class Z: **TEFAX** Class A: **TFSIX** Class C: **TMFSX** Class R6: **FMFVX**

Sector Factsheet as of March 31, 2024

Investment Overview

The fund seeks capital appreciation, which may occasionally be short term, with income as a secondary goal, investing at least 80% of its net assets in securities of financial services companies. It focuses primarily on undervalued equity securities which may include foreign securities.

Average Annual Total Returns (%)

	Without Sales Charges					With Sales Charges					Inception Date
	1-Yr	3-Yr	5-Yr	10-Yr	Inception	1-Yr	3-Yr	5-Yr	10-Yr	Inception	
Class Z	33.95	8.65	8.90	7.64	8.45	33.95	8.65	8.90	7.64	8.45	8/19/1997
Class A	33.62	8.38	8.63	7.36	8.13	26.30	6.35	7.41	6.76	7.90	8/19/1997
Class C	32.63	7.56	7.81	6.56	7.38	31.63	7.56	7.81	6.56	7.38	8/19/1997
Class R6	34.12	8.76	9.02	7.77	8.73	34.12	8.76	9.02	7.77	8.73	8/19/1997
Benchmark 1	30.43	9.19	10.64	7.39	—	30.43	9.19	10.64	7.39	—	—
Benchmark 2	33.55	9.52	12.76	11.06	—	33.55	9.52	12.76	11.06	—	—

Cumulative Total Returns (% Without Sales Charge)

	3-Mo	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class Z	11.59	11.59	12.30	-4.76	23.98	-6.70	19.32	-16.49	13.61	11.94	8.34	11.07
Class A	11.51	11.51	12.03	-4.99	23.70	-6.95	19.06	-16.72	13.35	11.61	8.05	10.71
Class C	11.30	11.30	11.21	-5.71	22.74	-7.66	18.15	-17.35	12.50	10.79	7.30	9.93
Class R6	11.58	11.58	12.45	-4.66	24.09	-6.57	19.51	-16.41	13.76	12.09	8.55	11.23
Benchmark 1	10.49	10.49	16.16	-10.19	27.87	-2.84	25.51	-16.97	22.74	12.47	-3.37	3.17
Benchmark 2	12.46	12.46	12.15	-10.53	35.04	-1.69	32.13	-13.03	22.18	22.80	-1.53	15.20

Performance data quoted represents past performance, which does not guarantee future results. Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit www.franklintempleton.com.

The fund began offering R6 Class shares on 5/1/2013. Performance quotations have been calculated as follows: (a) for R6 Class periods prior to 5/1/2013, a restated figure is used based on the fund's Class Z performance. The performance was adjusted to take into account differences in class-specific operating expenses and maximum sales charges. (b) For periods after share class offering, performance for the specific share class is used, reflecting the expenses and maximum sales charges applicable to that class.

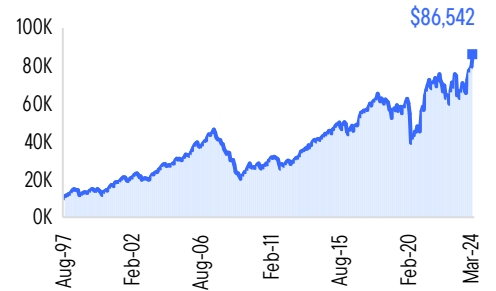
Share Class Details

	CUSIP	Ticker	Sales Charges (%)		Expenses (%)	
			Max	CDSC	Gross	Net
Class Z	354026304	TEFAX	0.00	—	1.06	1.06
Class A	354026106	TFSIX	5.50	—	1.31	1.31
Class C	354026205	TMFSX	0.00	1.00	2.07	2.07
Class R6	354026783	FMFVX	0.00	—	1.08	0.95

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 04/30/2024 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice. There is a 1% CDSC on any Class C shares you sell within 12 months of purchase.

Growth of \$10,000

Class Z Shares—Inception through March 31, 2024
Excluding Effects of Sales Charges



Fund Overview

Dividend Frequency, if any	Semiannually
Morningstar Category	Financial
Lipper Classification	Global Financial Services Funds
Turnover (fiscal yr)	18%

Benchmark(s)

- 1—MSCI World Financials Index-NR
- 2—S&P Financials Index

Fund Characteristics

	Fund
Total Net Assets	\$374.88 Million
Number of Issuers	33
Average Market Cap (Millions USD)	\$86,799
Price to Book	1.15x
Price to Earnings (12-Month Trailing)	10.78x

Risk Statistics (3-Year—Class Z vs. MSCI World Financials Index-NR)

	Fund	Benchmark 1
Beta	0.98	—
R-Squared	0.87	—
Sharpe Ratio	0.30	0.34
Standard Deviation (%)	19.94	19.05
Alpha (%)	-0.15	—
Information Ratio	-0.08	—
Tracking Error (%)	7.11	—

Asset Allocation (% of Total)

	Fund
Undervalued Equities	94.31
Cash & Other Net Assets	5.69

Portfolio Management

	Years with Firm	Years of Experience
Andrew B. Dinnhaupt, CFA	12	28
Luis Hernandez	21	22

Top Holdings (% of Total)

	Fund
JPMORGAN CHASE & CO	4.75
UNICREDIT SPA	4.69
EVEREST GROUP LTD	4.33
ASR NEDERLAND NV	4.26
PNC FINANCIAL SERVICES GROUP INC/THE	4.08
NN GROUP NV	4.02
HARTFORD FINANCIAL SERVICES GROUP INC/THE	4.01
BNP PARIBAS SA	3.87
WELLS FARGO & CO	3.86
VOYA FINANCIAL INC	3.83

What should I know before investing?

All investments involve risks, including possible loss of principal. The **investment style** may become out of favor, which may have a negative impact on performance. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the fund's prospectus.

Glossary

Beta: A measure of the fund's volatility relative to the market, as represented by the stated Index. A beta greater than 1.00 indicates volatility greater than the market. **R-squared** measures the strength of the linear relationship between the fund and its benchmark. R-squared at 1 implies perfect linear relationship and zero implies no relationship exists. **Sharpe Ratio** refers to a risk-adjusted measure calculated using standard deviation and excess returns to determine reward per unit of risk. The higher the ratio, the greater the risk-adjusted performance. **Standard Deviation:** Measure of the degree to which a fund's return varies from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate from the average return. **Alpha** is the annualized percentage difference between a portfolio's actual returns and its expected performance given its level of market risk, as measured by beta. **Information Ratio:** In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark. **Tracking Error** measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error. **Turnover** is a measure of the fund's trading activity which represents the portion of the fund's holdings that has changed over a twelve-month period through the fiscal year end. There is no assurance that the fund will maintain its current level of turnover. **Price to Book:** The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the value represents a weighted average of the stocks it holds. **Price to Earnings (12-Month Trailing)** is the share price of a stock, divided by its per-share earnings over the past year. For a portfolio, the value represents a weighted average of the stocks it holds.

Important Information

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Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at www.franklintempleton.com. Please read it carefully.