FRANKLIN TEMPLETON INVESTMENTS

Franklin Rising Dividends Fund—Class A

Product Profile First Quarter 2015

FUND CHARACTERISTICS (AS OF 3/31/15)

NASDAQ Symbol	FRDPX
Fund Inception Date	1/14/87
Dividends	Quarterly
Investment Style	Blend
Benchmark	S&P 500 Index
Lipper Classification	Multi-Cap Core Funds
Morningstar Category™	Large Blend
Total Net Assets—All Share Classes	17,385 million
Number of Issuers	70
Maximum Initial Sales Charge	5.75%

THIRD-PARTY FUND DATA

Overall Morningstar Rating™

Traditional

★★★

Load Waived

★★★★

As of March 31, 2015 the fund's Class A shares received a traditional 3 star overall Morningstar Rating™ and a load waived 4 star Morningstar Rating™, measuring risk-adjusted returns against 1333, 1184 and 808 U.S.-domiciled Large Blend funds over the 3-, 5- and 10- year periods, respectively. A fund's overall rating is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) rating metrics. Load waived Class A share Morningstar Ratings do not include front-end sales charges and are intended for investors who have access to such purchase terms (e.g., fee-based programs and participants of a defined contribution plan). Investors should contact their financial advisor to determine their eligibility to purchase Class A shares without paying the sales charge.

Effective February 1, 2014, the Fund changed its dividend distribution frequency from annual to quarterly.

FUND DESCRIPTION

The fund seeks long-term capital appreciation by investing at least 80% of its net assets in companies of any size that have paid consistently rising dividends.

PERFORMANCE DATA

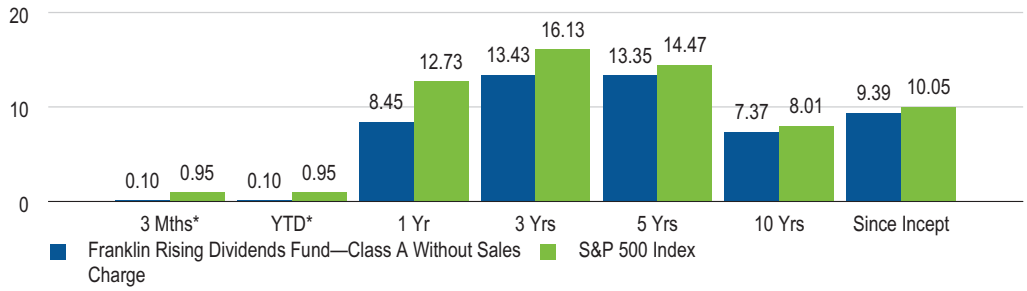
Average Annual Total Returns for Periods Ended March 31, 2015 (%)

	3 Mths*	YTD*	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Incept (1/14/87)
With Sales Charge	-5.66	-5.66	2.21	11.21	12.01	6.74	9.16
Without Sales Charge	0.10	0.10	8.45	13.43	13.35	7.37	9.39
S&P 500 Index	0.95	0.95	12.73	16.13	14.47	8.01	10.05

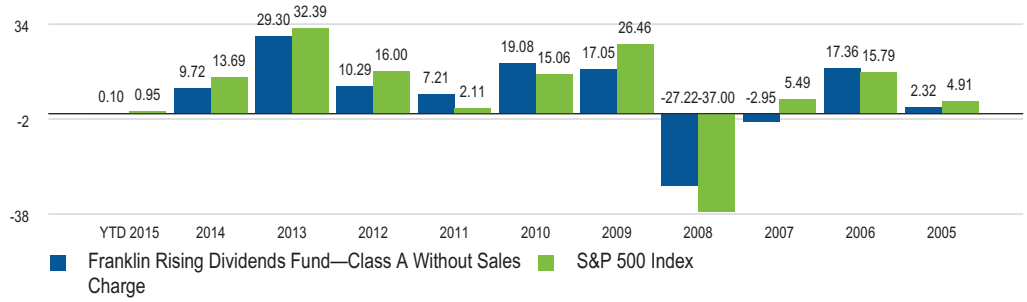
Total Annual Operating Expenses—*0.91%*

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment return and principal value will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin Templeton Investments at (800) DIAL BEN/(800) 342-5236 or visit franklintempleton.com for the most recent month-end performance.

Average Annual Total Returns for Periods Ended March 31, 2015 (%)



Calendar Year Returns As of March 31, 2015 (%)



If the Fund's sales charge had been included, the returns would have been lower.

*Cumulative Total Returns.

For information related to the "Fund Characteristics," "Third-Party Fund Data," and "Performance Data" sections, please see Explanatory Notes.

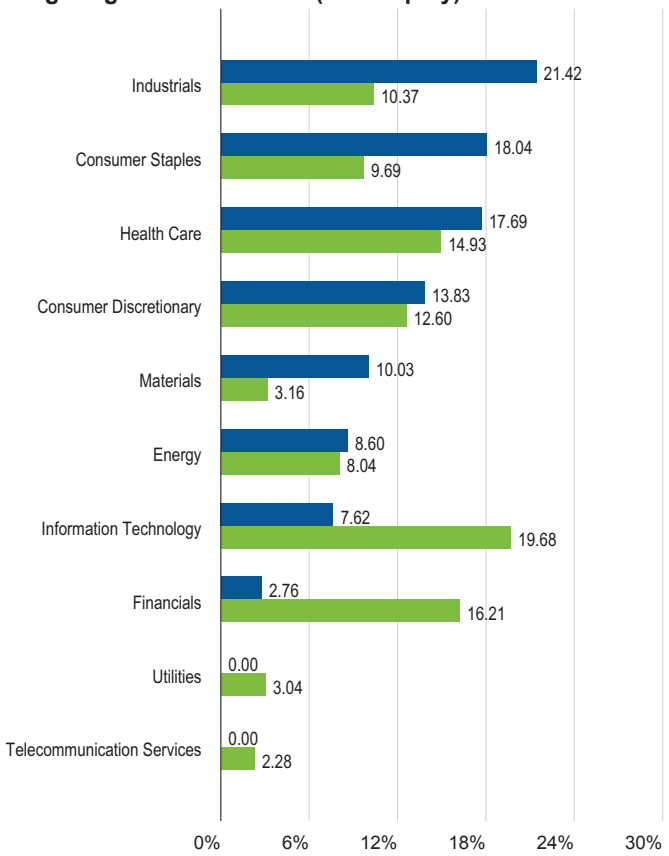
Not FDIC Insured | May Lose Value | No Bank Guarantee

PORTFOLIO DIVERSIFICATION (AS OF 3/31/15)

Top Ten Holdings

Issuer Name	Industry	% of Total
1. ROPER INDUSTRIES INC	Capital Goods	3.61
2. JOHNSON & JOHNSON	Pharmaceuticals, Biotechnology & Life Sciences	3.32
3. MEDTRONIC PLC	Health Care Equipment & Services	3.22
4. UNITED TECHNOLOGIES CORP	Capital Goods	3.16
5. AIR PRODUCTS AND CHEMICALS INC	Materials	3.10
6. PRAXAIR INC	Materials	2.97
7. PENTAIR PLC	Capital Goods	2.79
8. HONEYWELL INTERNATIONAL INC	Capital Goods	2.78
9. JOHNSON CONTROLS INC	Automobiles & Components	2.71
10. BECTON DICKINSON & CO	Health Care Equipment & Services	2.61
Total		**30.26**

Sector Weightings vs. Benchmark (% of Equity)



Franklin Rising Dividends Fund
S&P 500 Index

Portfolio Allocation

	%
Equity	98.52
Cash & Cash Equivalents	1.48

Largest Sector Contributors vs. S&P 500 Index

Sector	Total Effect (%)
Financials	0.49
Consumer Discretionary	0.32
Industrials	0.26
Utilities	0.20
Cash & Other Net Assets	0.00

Smallest Sector Contributors vs. S&P 500 Index

Sector	Total Effect (%)
Health Care	-0.60
Consumer Staples	-0.49
Information Technology	-0.30
Materials	-0.27
Energy	-0.20

Contributor data shown is for the period 1/1/15 to 3/31/15

PORTFOLIO CHARACTERISTICS (AS OF 3/31/15)—Fund vs. S&P 500 Index

	Fund	Benchmark
Weighted Average Market Capitalization (Millions USD)	80,067	132,947
Median Market Capitalization (Millions USD)	30,529	18,759

Price to Earnings	Fund	Benchmark
Weighted Average	22.25x	19.01x
Median	22.69x	21.04x

Price to Book Value	Fund	Benchmark
Weighted Average	3.53x	2.85x
Median	3.62x	3.20x

Price to Cash Flow	Fund	Benchmark
Weighted Average	12.91x	10.96x
Median	15.20x	13.25x

PERFORMANCE RISK STATISTICS - Class A

Modern Portfolio Theory (MPT) Statistics (As of 3/31/15)

Performance Risk Statistics	3 Years	5 Years	10 Years
Standard Deviation	9.14	11.04	13.12
Alpha	-1.12	1.36	0.27
Beta	0.92	0.82	0.85
Sharpe Ratio	1.46	1.20	0.46
Information Ratio	-0.90	-0.28	-0.15
Tracking Error	2.97	3.95	4.38
R-Squared	90.15	91.53	91.58

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GLOSSARY

Alpha: Alpha measures the difference between a fund's actual returns and its expected returns given its risk level as measured by its beta. A positive alpha figure indicates the fund has performed better than its beta would predict. In contrast, a negative alpha indicates a fund has underperformed, given the expectations established by the fund's beta. Some investors see alpha as a measurement of the value added or subtracted by a fund's manager.
Benchmark: An unmanaged group of securities whose overall performance is used as a standard to measure investment performance.
Beta: A measure of the magnitude of a portfolio's past share-price fluctuations in relation to the ups and downs of the overall market (or appropriate market index). The market (or index) is assigned a beta of 1.00, so a portfolio with a beta of 1.20 would have seen its share price rise or fall by 12% when the overall market rose or fell by 10%.
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.
Market Capitalization: A determination of a company's value, calculated by multiplying the total number of company stock shares outstanding by the price per share.
Price to Book Value (P/BV): The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the ratio is the weighted average price/book ratio of the stocks it holds.
Price to Cash Flow (P/CF): Supplements price/earnings ratio as a measure of relative value; represents a weighted average of the price/cash flow ratios for the underlying fund holdings.
Price to Earnings (P/E): The share price of a stock, divided by its per-share earnings over the past year. P/E is a good indicator of market expectations about a company's prospects; the higher the P/E, the greater the expectations for a company's future growth in earnings.
R-Squared: A measure of how much of a portfolio's performance can be explained by the returns from the overall market (or a benchmark index). If a portfolio's total return precisely matched that of the overall market or benchmark, its R-squared would be 100. If a portfolio's return bore no relationship to the market's returns, its R-squared would be 0.
Sharpe Ratio: To calculate a Sharpe ratio, an asset's excess returns (its return in excess of the return generated by risk-free assets such as Treasury bills) are divided by the asset's standard deviation.
Standard Deviation: A measure of the degree to which a fund's return varies from its previous returns or from the average of all similar funds. The larger the standard deviation, the greater the likelihood (and risk) that a security's performance will fluctuate from the average return.
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.

MARKET REVIEW

Broad US stock market gauges closed 2015's first quarter in positive territory, but they were periodically unsettled by signs of weakness in corporate earnings and forward guidance, plus turbulence in currency and energy markets. The market environment was further complicated by the trade-weighted US dollar's rise to a 12-year high and its potential to curb profits at US multinational corporations, suppress US exports and stunt broader economic growth. In addition, markets often shifted abruptly as investor perceptions changed about the timing of an eventual Federal Reserve (Fed) interest-rate increase. Brisk merger-and-acquisition activity, dovish March comments from an accommodative Fed and low inflation supported US equities. Amid continued modest US economic growth, the unemployment rate remained near a seven-year low, consumer confidence measures saw strong increases, home sales improved and home-price appreciation generally accelerated. However, weather-related setbacks may have contributed to ebbing retail sales and consumer spending. Additionally, the service sector's ongoing expansion stalled, and growth in manufacturing activity slowed amid falling exports and curbed production.

PERFORMANCE REVIEW AND CONTRIBUTORS TO PERFORMANCE

Performance Review

For the quarter ended March 31, 2015, the fund's relative return benefited from stock selection and an underweighting in the financials sector, as well as stock selection in the consumer discretionary sector. In contrast, stock selection in the health care, consumer staples and information technology sectors hindered the fund's relative performance.

Contributors to the fund's absolute return for the quarter included Roper Industries Inc. (+10%), a diversified industrial company; Walgreens Boots Alliance Inc. (+12%), a global pharmacy retailer and pharmaceutical distributor and wholesaler; and Ross Stores Inc., (+12%), a discount apparel and home accessories retailer. Shares of Roper delivered solid performance over the period, largely driven by the company's continued strong operational performance, despite concerns that current headwinds in energy markets could weigh on overall results. Although company management conceded that weakness in Roper's energy end markets may negatively impact the company in the quarters to come, it believes that the relatively small and well-diversified industry exposure should help the company weather any headwinds. The company has had 22 consecutive years of dividend increases. Shares of Walgreens rose after completion of the final stage of its integration with Alliance Boots, benefiting from positive sentiment around the company's strategic plans to create a global health care company with a consumer-centric beauty focus. We believe that with the completion of the merger and a series of changes to senior management, the company should be well positioned to leverage its strong brands in a rapidly evolving health care market. Walgreens has raised its dividend for 39 consecutive years. Ross reported strong quarterly earnings results, and we believe the company is poised to continue to benefit from low gas prices and an improving employment/wage scenario, particularly for the lower-income consumer. Ross has had 21 years of dividend increases.

Holdings that detracted from the fund's absolute results included Microsoft Corp. (-12%), a global software and services provider; Albemarle Corp. (-12%), a specialty and fine chemicals producer; and Bunge Ltd. (-9%), a global agribusiness and food company. Microsoft's shares declined after the company issued revenue guidance for the first quarter that was below consensus expectations. Although Microsoft's newer initiatives such as Cloud, Azure and Office365 have been performing well, the core Windows and Office franchises have been facing difficult comparisons after last year's strong results, driven by the Windows upgrade cycle. Microsoft has had 11 consecutive years of dividend increases. Shares of Albemarle declined during the period due to disappointing fourth-quarter results and lower-than-expected full-year 2015 guidance. The company reported ongoing weakness in its Bromine-related businesses, partially related to the decline in oil prices, as well as pressure from a stronger US dollar. Albemarle has increased its dividend for the past 21 years. Bunge reported weak quarterly earnings results due to a range of factors, including an inventory writedown in China, mark-to-market trading losses and ongoing weak performance by its sugar business. Company management remains focused on improving operating performance and returns. An easing of conditions in the Brazilian sugar market and an end to the soybean oversupply situation in China should help in the near term. Bunge has raised its dividend for the past 14 years.

Portfolio Positioning

At quarter-end, the fund's largest sector concentration was industrials, followed by consumer staples and health care. Its five largest portfolio holdings were Roper Industries Inc. (industrials), Johnson & Johnson (health care), Medtronic PLC (health care), United Technologies Corp. (industrials) and Air Products and Chemicals Inc. (materials).

During the quarter, we initiated three new positions: a clothing retailer, a manufacturer and distributor of analog integrated circuits, and a jewelry retailer. We made additions to our existing positions in W.W. Grainger Inc., Schlumberger Ltd. and Donaldson Co., as well as smaller additions to nine other positions. We exited our positions in International Business Machines Corp. and California Resources Corp., the latter of which we received as a spinoff from fund holding Occidental Petroleum Corp., and we reduced positions in six holdings.

Outlook & Strategy

For the balance of 2015 and beyond, we are guardedly optimistic on the likely trajectory for US equity markets. The US economy is in good, if not necessarily robust, growth mode: US companies added nearly 900,000 net new jobs in the three months through February 2015, driving the unemployment rate to 5.5% from 5.7% in January. We are inclined to see March's weak jobs data--and other recent downticks in economic indicators--as bad-weather induced aberrations. Tellingly, consumer spending--boosted by aggregate wage growth and lower fuel prices--increased 4.2% in 2014's fourth quarter and may be propelled higher by any increase in hourly wages, which may be afoot. Notably, consumer spending accounts for nearly two-thirds of US economic activity. At the same time, US corporate profit margins--outside the energy sector, of course--have been resilient, owing to lower fuel and commodity input costs and technology-driven efficiency gains.

Still, we are alert to some hazards to our upbeat outlook. We are not overly concerned about any incremental increase in interest rates by the Fed later in 2015, which is our base case scenario: Even after several rate hikes, US monetary policy will likely remain very accommodative. Based on the historical record, the US equity market should have the potential to advance in tandem with any “normalization” of the interest-rate environment from its post-2008 financial crisis lows. Nevertheless, interest-rate increases in the

The above commentary does not provide a complete analysis of every material fact regarding any market, region, industry, security, portfolio or pooled investment vehicle. Portfolio holdings information, opinions and other market or economic information and data provided are as of the date of the commentary, unless another date is expressly indicated, and may change without notice. Statements of fact cited by the manager have been obtained from sources considered reliable but no representation is made as to their completeness or accuracy. The manager’s assessment of a particular industry, region, security, sector or investment is intended solely to provide insight into the manager’s investment process and is not a recommendation to buy or sell any security, nor investment advice. References to particular securities or sectors are only for the limited purpose of illustrating general market or economic conditions and are not recommendations to buy or sell a security. Although historical data is no guarantee of future results, these insights may help you understand our investment management philosophy.

PERFORMANCE REVIEW AND CONTRIBUTORS TO PERFORMANCE (*CONTINUED)*

United States bring special risks in a global climate of divergent growth rates and monetary policies: The prospect of higher interest rates in the United States at a time when the Bank of Japan, the European Central Bank and key emerging markets are loosening monetary policy will likely stoke demand for higher-yielding US dollar-denominated

assets and reinforce US dollar strength. In turn, a strong US dollar may crimp US exports, negatively impacting earnings for US companies with large overseas markets, and drag on growth in those emerging-market countries and companies that have increasingly relied on US-dollar financing. We will closely monitor this dynamic and its potential portfolio implications.

Meanwhile, we note that there will almost always be specific companies or sectors that are passing through periods of duress. At present, lower oil prices, a stronger US dollar, and economic malaise in Japan, Europe and select emerging markets bring particular challenges to energy, materials and commodities businesses, as well as companies with larger international exposures. But, as typically happens when a sector moves out of favor, the market can discount quality companies alongside the more marginal ones, which we believe can present fertile ground for value investors with long-term investment horizons, such as ourselves.

Geopolitical risks are ever present. While faltering Greek bailout talks with the European Union and a civil war in Yemen have garnered headlines in recent months, the threat from a nuclear Iran or the danger of military miscalculation in the South China Sea between Japan and China are of probably greater, but more latent, concern. However, we would be apt to see any significant equity market pullbacks emanating from these and similar flashpoints as buying opportunities.

We believe companies with consistently rising dividends should, over time, have the potential to realize stock price appreciation. We select portfolio securities based on several criteria: We seek fundamentally sound (e.g., low debt) companies that meet our standards for dividend growth consistency and magnitude, and we attempt to acquire them at what we believe are attractive prices, often when they are out of favor with other investors. We do not focus on companies whose securities pay a high dividend rate, but rather on companies that consistently increase their dividends as a marker of earnings growth, resilient performance across business cycles and good corporate governance.

We have been executing our value discipline of buying overlooked companies for many years, across various market cycles. With a long-term buy-and-hold approach, we aim to capitalize on short-term market inefficiencies while attempting to deliver value-added returns.

The above commentary does not provide a complete analysis of every material fact regarding any market, region, industry, security, portfolio or pooled investment vehicle. Portfolio holdings information, opinions and other market or economic information and data provided are as of the date of the commentary, unless another date is expressly indicated, and may change without notice. Statements of fact cited by the manager have been obtained from sources considered reliable but no representation is made as to their completeness or accuracy. The manager's assessment of a particular industry, region, security, sector or investment is intended solely to provide insight into the manager's investment process and is not a recommendation to buy or sell any security, nor investment advice. References to particular securities or sectors are only for the limited purpose of illustrating general market or economic conditions and are not recommendations to buy or sell a security. Although historical data is no guarantee of future results, these insights may help you understand our investment management philosophy.

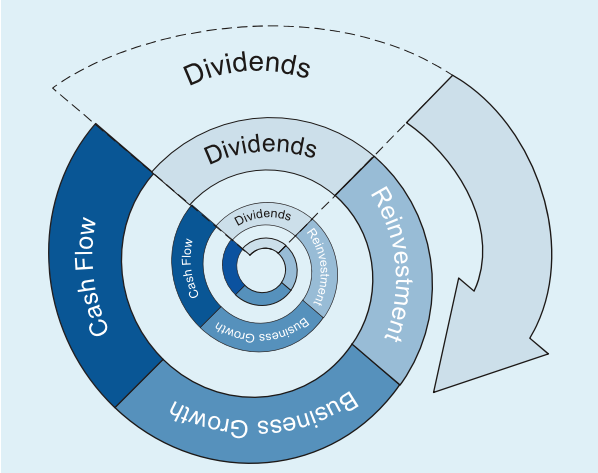
Investment Philosophy and Process

Investment Criteria

The Fund Invests Primarily In Companies That Have:

- Consistent dividend increases
  - At least 8 out of 10 years
  - No dividend decreases during that time
- Substantial dividend increases
  - At least double over last 10 years
- Reinvested earnings
  - Paid out less than 65% of current earnings in dividends
- Strong balance sheets
  - Long-term debt less than 50% of total capitalization
  - Investment-grade senior debt
- Attractive prices
  - Prices at the time of purchase either in the lower half of the stock's Price/Earnings ratio range for the past 10 years or less than the average current market Price/Earnings ratio of the stocks comprising the Standard & Poor's 500® Stock Index

The Successful Rising Dividends Pattern



INVESTMENT AND MANAGEMENT TEAM (AS OF 3/31/15)

Franklin Rising Dividends Fund Management Team	Years with Firm	Years Experience
Donald G. Taylor, CPA	18	33
Nicholas Getaz, CFA	4	14
Bruce C. Baughman, CPA	28	31
Franklin U.S. Value Group	**Number of Members**	**Average Years Experience**
Portfolio Managers/Analysts	9	27
Research Analysts	6	10

WHAT ARE THE RISKS

All investments involve risks, including possible loss of principal. Value securities may not increase in price as anticipated or may decline further in value. While smaller and midsize companies may offer substantial opportunities for capital growth, they also involve heightened risks and should be considered speculative. Historically, smaller- and midsize- company securities have been more volatile in price than larger company securities, especially over the short term. These and other risks are detailed in the fund's prospectus.

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EXPLANATORY NOTES

FUND CHARACTERISTICS

Number of Issuers: All portfolio holdings are subject to change. Holdings of the same issuer have been combined.

THIRD-PARTY FUND DATA

Morningstar Rating™: Source: Morningstar® 3/31/15. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance after adjusting for sales loads (except for load-waived A shares), redemption fees, and the risk free rate, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. Class A shares of Franklin Rising Dividends Fund received a traditional Morningstar Rating of 2, 3 and 3 star(s) for the 3-, 5- and 10-year periods, respectively. Load-waived Class A shares of Franklin Rising Dividends Fund received Morningstar Ratings of 2, 4 and 4 star(s) for the 3-, 5- and 10- year periods, respectively. The Morningstar Rating™ may differ among share classes of a mutual fund as a result of different sales loads and/or expense structure. **Past performance does not guarantee future results.** ©2015 Morningstar, Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

PERFORMANCE DATA

The fund offers other share classes subject to different fees and expenses, which will affect their performance.
Source for Index: FactSet. Indexes are unmanaged and one cannot invest directly in an index.

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PORTFOLIO DIVERSIFICATION

Top Ten Holdings: Holdings of the same issuer have been combined. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change. The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included. For updated information, call Franklin Templeton Investments at (800) DIAL BEN/(800) 342-5236 or visit franklintempleton.com.
Sector Weightings: Weightings as percent of equity (unless otherwise noted). Percentage may not equal 100% due to rounding. Information is historical and may not reflect current or future portfolio characteristics.
Largest/Smallest Sector Contributors: Total effect represents the opportunity cost of investment decisions in a group relative to overall benchmark.
Source for Index: FactSet. Indexes are unmanaged and one cannot invest directly in an index.

PORTFOLIO CHARACTERISTICS

The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security's issuing company. This methodology may cause small differences between the portfolio's reported characteristics and the portfolio's actual characteristics. In practice, Franklin Templeton's portfolio managers invest in the class or type of security which they believe is most appropriate at the time of purchase. The market capitalization figures for both the portfolio and the benchmark are at the security level, not aggregated up to the main issuer. All portfolio holdings are subject to change.
Source: FactSet. For the portfolio, the Price to Earnings, Price to Cash Flow, and Price to Book Value calculations for the weighted average use harmonic means. Values less than 0.01 (i.e., negative values) are excluded and values in excess of 200x are capped at 200x. For the benchmark, no limits are applied to these ratios in keeping with the benchmark's calculation methodology. Market capitalization statistics are indicated in the base currency for the portfolio presented.

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, 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.

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