FRANKLIN TEMPLETON INVESTMENTS

# Franklin International Small Cap Growth Fund

International
June 30, 2015

**Fund Fact Sheet | Share Classes: A, C, Advisor**

## Fund Description

The fund seeks long-term capital appreciation by investing predominantly in the equity securities of smaller international companies that the managers feel are poised for long-term growth.

## Fund Overview

| | |
|---|---|
| **Total Net Assets [All Share Classes]** | $1,882 million |
| **Fund Inception Date** | 10/15/2002 |
| **Dividend Frequency** | Annually in December |
| **Number of Issuers** | 39 |

## Share Class Information

| Share Class | CUSIP | NASDAQ Symbol |
|---|---|---|
| A | 353 533 763 | FINAX |
| C | 353 533 755 | FCSMX |
| R | 353 533 748 | FISDX |
| R6 | 353 533 631 | FCAPX |
| Advisor | 353 533 888 | FKSCX |

## Fund Management

| | Years with Firm | Years of Experience |
|---|---|---|
| Ed Lugo, CFA | 14 | 25 |

## Maximum Sales Charge

**Class A**: 5.75% initial sales charge
**Class C**: 1.00% contingent deferred sales charge (CDSC) in the first year only
**Advisor Class**: None

## Total Annual Operating Expenses

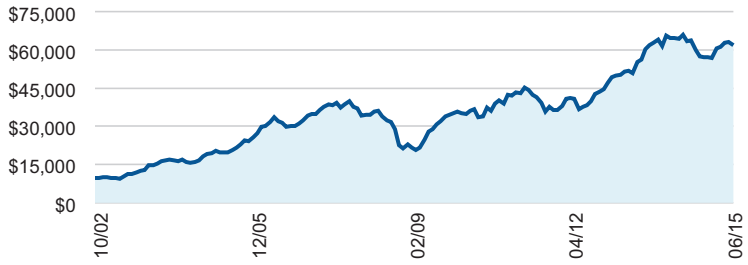
| Share Class | |
|---|---|
| A | 1.42% |
| C | 2.12% |
| Advisor | 1.12% |

## Asset Allocation (%)

| | |
|---|---|
| Equity | 95.47 |
| Cash & Cash Equivalents | 4.53 |

## Performance

**Growth of a $10,000 Investment - Without Sales Charge (from 10/15/2002-06/30/2015)**




Franklin International Small Cap Growth Fund - Class A:
**$62,154**

## Total Returns % (as of 6/30/2015)

| | | CUMULATIVE | AVERAGE ANNUAL | | | | | |
|---|---|---|---|---|---|---|---|---|
| Share Class | | YTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | Since Inception | Inception Date |
| A | With Sales Charge | 1.89 | -11.87 | 15.52 | 11.29 | 10.91 | 14.93 | 10/15/2002 |
| | Without Sales Charge | 8.10 | -6.49 | 17.82 | 12.62 | 11.56 | 15.46 | 10/15/2002 |
| C | With Sales Charge | 6.70 | -8.02 | 16.97 | 11.83 | 10.80 | 14.65 | 10/15/2002 |
| | Without Sales Charge | 7.70 | -7.18 | 16.97 | 11.83 | 10.80 | 14.65 | 10/15/2002 |
| Advisor | | 8.31 | -6.23 | 18.14 | 12.94 | 11.88 | 15.83 | 10/15/2002 |

## Calendar Year Total Returns % – Without Sales Charge

| Share Class | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|---|---|---|---|---|---|---|---|---|---|
| A | -10.89 | 36.21 | 29.41 | -14.59 | 18.66 | 55.18 | -37.41 | 8.06 | 24.54 | 43.34 |
| C | -11.54 | 35.23 | 28.53 | -15.20 | 17.83 | 54.06 | -37.68 | 7.28 | 23.69 | 42.31 |
| Advisor | -10.74 | 36.64 | 29.78 | -14.34 | 18.97 | 55.65 | -37.35 | 8.48 | 25.00 | 43.90 |

| Share Class | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|---|---|---|---|---|---|---|---|---|---|---|
| A | 23.71 | 52.81 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| C | 22.64 | 51.72 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Advisor | 24.30 | 53.39 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**Effective June 3, 2013, the fund closed to new investors with limited exceptions. Existing shareholders may continue to add money to their accounts.**

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

*If the sales charge had been included, the return would have been lower.*

## Top 10 Holdings (% of Total)

| Issuer Name | |
|---|---|
| GRAFTON GROUP PLC | 5.07 |
| FAIRFAX FINANCIAL HOLDINGS LTD | 4.47 |
| RENAISSANCERE HOLDINGS LTD | 4.35 |
| KENNEDY WILSON EUROPE REAL ESTATE PLC | 4.26 |
| TNT EXPRESS NV | 4.14 |
| MICHAEL PAGE INTERNATIONAL | 4.02 |
| OPTIMAL PAYMENTS PLC | 3.68 |
| GREEN REIT PLC | 3.34 |
| ARCH CAPITAL GROUP LTD | 3.31 |
| PRYSMIAN SPA | 3.29 |

## Fund Measures

| | |
|---|---|
| Standard Deviation (3 Yrs) - Class A | 11.58 |
| Beta (3 Yrs; vs. MSCI EAFE Small Cap Index) - Class A | 0.99 |

## Composition of Fund

■ Franklin International Small Cap Growth Fund ■ MSCI EAFE Small Cap Index

| Geographic | % of Equity | |
|---|---|---|
| United Kingdom | 26.38 | 22.12 |
| Ireland | 16.97 | 1.08 |
| United States | 8.03 | 0.00 |
| Netherlands | 7.60 | 1.52 |
| Canada | 7.09 | 0.00 |
| Finland | 5.39 | 1.34 |
| France | 5.08 | 4.23 |
| Japan | 4.55 | 30.21 |
| Singapore | 4.04 | 2.19 |
| Other | 14.87 | 37.31 |

| Sector | % of Equity | |
|---|---|---|
| Industrials | 38.10 | 22.42 |
| Financials | 33.71 | 22.74 |
| Consumer Discretionary | 11.87 | 17.51 |
| Consumer Staples | 7.58 | 6.23 |
| Materials | 4.88 | 8.50 |
| Information Technology | 3.86 | 9.56 |
| Health Care | 0.00 | 7.33 |
| Energy | 0.00 | 2.49 |
| Utilities | 0.00 | 1.67 |
| Telecommunication Services | 0.00 | 1.55 |

## Morningstar Rating™—Class A

**Overall Morningstar Rating™**

As of June 30, 2015 the fund's Class A shares received a traditional 3 star overall Morningstar Rating™, measuring risk-adjusted returns against 72, 60 and 24 U.S.-domiciled Foreign Small/Mid 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.

## What Are the Risks

All investments involve risks, including possible loss of principal. The fund is intended for long-term investors who are comfortable with fluctuation in the value of their investment, especially over the short term. Smaller, relatively new and/or unseasoned companies can be particularly sensitive to changing economic conditions, and their prospects for growth are less certain than those of larger, more established companies. Foreign investing involves additional risks such as currency and market volatility, as well as political and social instability. Investments in emerging markets involve heightened risks relating to the same factors. These and other risks are described 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.
**Standard Deviation**: A measure of risk; the larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate.

## Important Information

*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/342-5236 or visit franklintempleton.com. Please carefully read a prospectus before you invest or send money.*

Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.
Source for Index: FactSet. Indexes are unmanaged and one cannot invest directly in an index.
All MSCI data is provided "as is." The fund described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the Fund described herein. Copying or redistributing the MSCI data is strictly prohibited.
**Fund Management**: CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.
**Performance**: The fund offers other share classes subject to different fees and expenses, which will affect their performance. Advisor shares do not have sales charges or 12b-1 fees and are offered only to certain eligible investors as stated in the prospectus.
Class A and Class C: Prior to 5/15/08, the fund offered only a single class of shares without a sales charge and Rule 12b-1 expenses, Advisor Class shares. Figures reflect a restatement of the original share class to include both the Rule 12b-1 fees and maximum initial sales charges (when quoting figures with sales charges) applicable to each share class as though in effect from the fund's inception. For periods after 5/15/08, actual performance is used, reflecting all charges and fees applicable to that class.
**Top 10 Holdings**: The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included.
**Composition of Fund**: Percentage may not equal 100% due to rounding.
**Overall Morningstar Rating™:** Source: Morningstar® 6/30/15. 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 International Small Cap Growth Fund received a traditional Morningstar Rating of 3, 3 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.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