



Franklin Biotechnology Discovery Fund

Sector
December 31, 2014

Fund Fact Sheet

Fund Description

The fund seeks capital appreciation by investing at least 80% of its net assets in securities of biotechnology companies and discovery research firms including those involved in fields such as genomics, genetic engineering, and gene therapy, as well as health care, pharmaceuticals and agriculture.

Fund Overview

Total Net Assets [All Share Classes]	\$1,724 million
Fund Inception Date	9/15/1997
Dividend Frequency	Annually in December
Number of Issuers	104

Share Class Information

Share Class	CUSIP	NASDAQ Symbol
A	354 713 844	FBDIX
C	354 713 240	FBDIX
R6	354 713 380	FRBRX
Advisor	354 713 398	FTDZX

Fund Management

	Years with Firm	Years of Experience
Evan McCulloch, CFA	22	22
Jerel Anthony Banks, PhD	2	8

Maximum Sales Charge

Class A: 5.75% initial sales charge
Class C: 1.00% contingent deferred sales charge (CDSC) in the first year only

Total Annual Operating Expenses

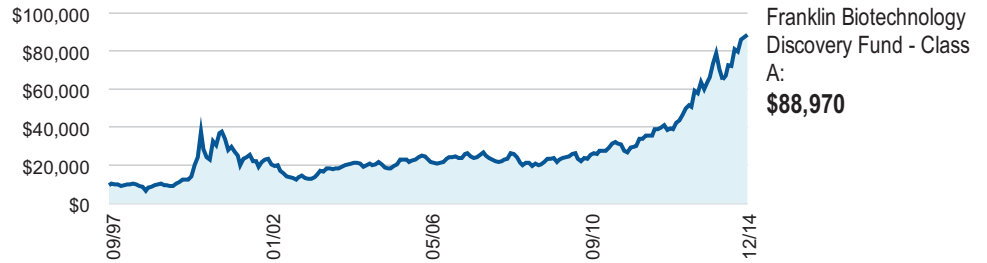
Share Class	Expense Ratio
A	1.10%
C	1.80%

Asset Allocation (%)

Equity	95.56
Cash & Cash Equivalents	4.44

Performance

Growth of a \$10,000 Investment - Without Sales Charge (from 09/15/1997-12/31/2014)



Total Returns % (as of 12/31/2014)

Share Class	YTD	AVERAGE ANNUAL				Since Inception	Inception Date
		1 Yr	3 Yrs	5 Yrs	10 Yrs		
A With Sales Charge	26.22	26.22	40.15	28.46	14.33	13.08	9/15/1997
A Without Sales Charge	33.91	33.91	42.95	29.99	15.00	13.47	9/15/1997
C With Sales Charge	31.95	31.95	41.92	29.01	14.18	12.64	9/15/1997
C Without Sales Charge	32.95	32.95	41.92	29.01	14.18	12.64	9/15/1997

Calendar Year Total Returns % - Without Sales Charge

Share Class	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
A	33.91	68.64	29.35	8.35	17.28	11.83	-10.64	-1.60	5.03	5.55
	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
	11.96	43.55	-42.48	-20.48	46.58	97.91	10.73	N/A	N/A	N/A

Effective at the close of market on July 8, 2014, 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	Percentage
CELGENE CORP	9.79
BIOGEN IDEC INC	7.25
GILEAD SCIENCES INC	6.50
AMGEN INC	5.20
MEDIVATION INC	3.42
REGENERON PHARMACEUTICALS INC	3.15
ILLUMINA INC	2.96
BIOMARIN PHARMACEUTICAL INC	2.94
INCYTE CORP	2.87
ALEXION PHARMACEUTICALS INC	2.43

Fund Measures

Standard Deviation (3 Yrs)	20.45
Beta (3 Yrs; vs. S&P 500 Index)	1.05

Composition of Fund

■ Franklin Biotechnology Discovery Fund ■ NASDAQ Biotechnology Index

Geographic	% of Equity
United States	95.11 / 100.00
Ireland	2.38 / 0.00
Canada	1.31 / 0.00
United Kingdom	0.47 / 0.00
France	0.44 / 0.00
Denmark	0.15 / 0.00
Netherlands	0.14 / 0.00

Sector	% of Equity
Biotechnology	82.97 / 77.74
Pharmaceuticals	12.51 / 16.27
Life Sciences Tools & Services	4.51 / 5.90
Health Care Supplies	0.00 / 0.08

Morningstar Rating™—Class A

Overall Morningstar Rating™ As of December 31, 2014 the fund's Class A shares received a traditional 4 star overall Morningstar Rating™, measuring risk-adjusted returns against 119, 112 and 94 U.S.-domiciled Health 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 a non-diversified fund that concentrates in a single sector, which involves risks such as patent considerations, product liability, government regulatory requirements, and regulatory approval for new drugs and medical products. Biotechnology companies often are small and/or relatively new. Smaller companies can be particularly sensitive to changes in economic conditions and have less certain growth prospects than larger, more established companies and can be volatile, especially over the short term. The fund may also invest in foreign companies, which involve special risks, including currency fluctuations and political uncertainty. These and other risks are described more fully 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.

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Performance: The fund offers other share classes subject to different fees and expenses, which will affect their performance.

Class A: Prior to 8/3/98, these shares were offered at a lower initial sales charge; thus actual returns may differ. Class C Shares have higher annual fees and expenses than Class A Shares.

Class C: The fund began offering Class C shares on 3/4/14. Total returns are calculated as follows: a) For periods prior to 3/4/14, a restated figure is used based on the fund's oldest share class, Class A, performance excluding its maximum initial sales charge, but including Class C's sales charges and Rule 12b-1 fees as though in effect from the fund's inception; and b) for periods after 3/4/14, actual Class C 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® 12/31/14. 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 Biotechnology Discovery Fund received a traditional Morningstar Rating of 4, 4 and 3 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.