FRANKLIN TEMPLETON INVESTMENTS

FRANKLIN NATURAL RESOURCES FUND

AS OF 12/31/13

SECTOR

FUND DESCRIPTION

The fund seeks high total return by investing at least 80% of its net assets in equity and debt securities of U.S. and foreign companies that own, produce, refine, process, transport and market natural resources, as well as those that provide related services.

FUND DATA[1]

Total Net Assets-All Share Classes: $807.8 million

Number of Holdings: 104

Inception: 6/5/95

Beta[2]: 1.23

Dividends: Annually in December

CUSIP/Symbol by Class:

A	C	R6	Advisor
FRNRX	FNCRX	354 713 257	FNRAX

MAXIMUM SALES CHARGES

Class A: 5.75% initial sales charge

Class C: 1% contingent deferred sales charge (CDSC) in the first year only

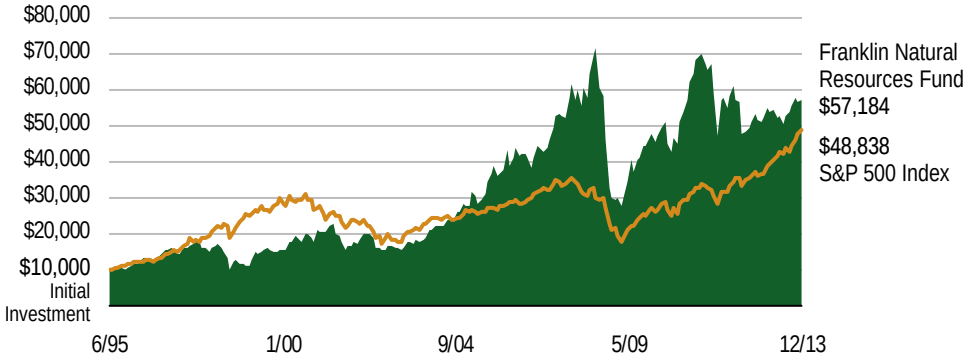
TOTAL ANNUAL OPERATING EXPENSES

Class A: 1.08%; Class C: 1.77%

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/342-5236 or visit franklintempleton.com for the most recent month-end performance.

GROWTH OF A $10,000 INVESTMENT—CLASS A (Without Sales Charge)[3]

June 5, 1995–December 31, 2013



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

AVERAGE ANNUAL TOTAL RETURNS *(As of December 31, 2013)*

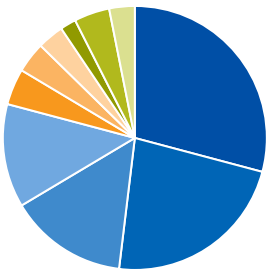
With Maximum Sales Charges[4]

Class	Inception Date	1 Yr	5 Yrs	10 Yrs	Since Inception
A	6/5/95	3.25%	12.87%	9.86%	9.49%
C	9/1/05	7.80%	13.41%	—	4.60%

Without Sales Charges

1 Yr	5 Yrs	10 Yrs	Since Inception
9.55%	14.21%	10.51%	9.84%
8.80%	13.41%	—	4.60%

PORTFOLIO BREAKDOWN[1,5]



Oil & Gas Exploration & Production	29.08%
Oil & Gas Equipment & Services	22.74%
Integrated Oil & Gas	14.70%
Diversified Metals & Mining	12.67%
Gold	4.32%
Oil & Gas Refining & Marketing	3.66%
Oil & Gas Drilling	3.52%
Coal & Consumable Fuels	1.84%
Other	4.38%
Cash	3.09%

TOP 10 HOLDINGS[1]

Schlumberger Ltd	4.58%
Exxon Mobil Corp	3.66%
Anadarko Petroleum Corp	3.26%
Occidental Petroleum Corp	3.00%
Southwestern Energy Co	2.60%
Chevron Corporation	2.49%
Freeport-Mcmoran Copper & Gold Inc	2.46%
BHP Billiton PLC	2.33%
Halliburton Co	2.33%
Marathon Oil Corp	1.81%

1. As of 12/31/13. Holdings are subject to change. For updated information, please call Franklin Templeton Investments at (800) DIAL BEN/342-5236 or visit franklintempleton.com. The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top 10 holdings list.

2. Source: © 2014 Thomson Reuters, 12/31/13. Beta measures a fund's market-related risk over a three-year period relative to the MSCI World Energy (Price) Index. A beta lower than 1.00 indicates historically lower volatility than the index; higher than 1.00 indicates historically higher volatility.

3. Source: © 2014 Morningstar, 12/31/13. The index is unmanaged, and one cannot invest directly in an index.

4. Class A: Prior to 8/3/98, these shares were offered at a lower initial sales charge; thus actual returns may differ. The fund offers other share classes, subject to different fees and expenses, which will affect their performance.

5. Due to rounding, the sum of portfolio holdings may not equal 100%.

NOT FDIC INSURED I MAY LOSE VALUE I NO BANK GUARANTEE

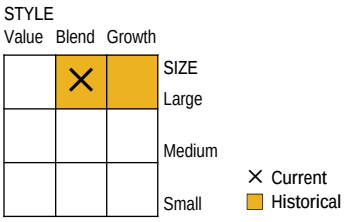
PORTFOLIO MANAGERS[6]

Frederick G. Fromm, CFA
Since 2003; joined Franklin Templeton in 1992

Matthew Adams, CFA
Since 2008; joined Franklin Templeton in 2005

Steve Land, CFA
Since 1999; joined Franklin Templeton in 1997

MORNINGSTAR STYLE BOX™[7]



WHAT ARE THE RISKS?

All investments involve risks, including possible loss of principal. Investing in a fund concentrating in the natural resources sector involves special risks, including increased susceptibility to adverse economic and regulatory developments affecting the sector. 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.

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.

MANAGER'S PERSPECTIVE

"We use a fundamental, research-driven approach to evaluate industries in the natural resources sector. The fund's holdings are typically focused in the energy industry, but also include investments in the metals and mining, chemical, paper and forest products, and other related sectors. In our opinion, energy has continued to be one of the most attractive areas of natural resources due to favorable long-term supply-and-demand fundamentals. As emerging markets continue to industrialize, we believe their demand for natural resources such as energy will increase rapidly, creating significant long-term opportunities for natural resources investors. In our view, investing in natural resources not only offers an opportunity for portfolio diversification, it also offers attractive growth prospects."

—Frederick G. Fromm, Portfolio Manager

CALENDAR YEAR TOTAL RETURNS—CLASS A (Without Sales Charge)

2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
9.55%	-4.89%	-11.71%	30.12%	62.34%	-51.18%	38.87%	14.24%	37.50%	31.23%

2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
24.98%	-5.24%	-16.70%	34.82%	33.52%	-26.03%	3.67%	39.65%	—	—

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

GAIN FROM OUR PERSPECTIVE®

Franklin Templeton's distinct multi-manager structure combines the specialized expertise of three world-class investment management groups—Franklin, Templeton and Mutual Series.

Specialized Expertise

Each of our portfolio management groups operates autonomously, relying on its own research and staying true to the unique investment disciplines that underlie its success.

- Franklin. Founded in 1947, Franklin is a recognized leader in fixed income investing and also brings expertise in growth- and value-style U.S. equity investing.
- Templeton. Founded in 1940, Templeton pioneered international investing and, in 1954, launched what has become the industry's oldest global fund. Today, with offices in over 25 countries, Templeton offers investors a truly global perspective.
- Mutual Series. Founded in 1949, Mutual Series is dedicated to a unique style of value investing, searching aggressively for opportunity among what it believes are undervalued stocks, as well as arbitrage situations and distressed securities.

6. CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

7. Source: Morningstar®, 9/30/13. The style box reveals a fund's investment style. The vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend, or growth). Placement is determined by fund portfolio holding figures most recently entered into Morningstar's database and corresponding market conditions. Shaded areas show the past 3 years of quarterly data. Past performance does not guarantee future results. © 2014 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) 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.

FRANKLIN TEMPLETON INVESTMENTS

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