FRANKLIN TEMPLETON INVESTMENTS

Franklin International Growth Fund—Class A

Product Profile First Quarter 2016

FUND CHARACTERISTICS (AS OF 3/31/16)

NASDAQ Symbol	FNGAX
Fund Inception Date	6/3/08
Dividends	Annually in December
Investment Style	International Growth
Benchmark	MSCI EAFE Index
Lipper Classification	International Multi-Cap Growth
Morningstar Category™	Foreign Large Growth
Total Net Assets—All Share Classes	420 million
Number of Issuers	38
Maximum Initial Sales Charge	5.75%

FUND DESCRIPTION

The fund seeks capital appreciation by investing predominantly in the equity securities of mid-and large capitalization companies outside the U.S. with long-term growth potential.

PERFORMANCE DATA

Average Annual Total Returns for Periods Ended March 31, 2016 (%)

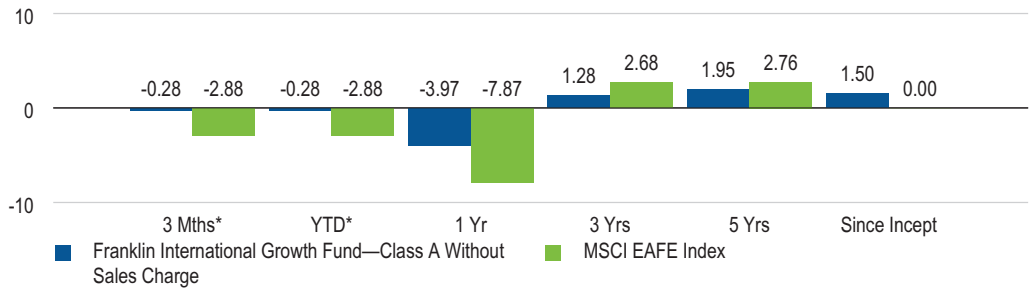
	3 Mths*	YTD*	1 Yr	3 Yrs	5 Yrs	Since Incept (6/3/08)
With Sales Charge	-6.02	-6.02	-9.45	-0.69	0.74	0.73
Without Sales Charge	-0.28	-0.28	-3.97	1.28	1.95	1.50
MSCI EAFE Index	-2.88	-2.88	-7.87	2.68	2.76	0.00

Total Annual Operating Expenses—*With Waiver:* *1.44%* ***Without Waiver:*** *1.67%*

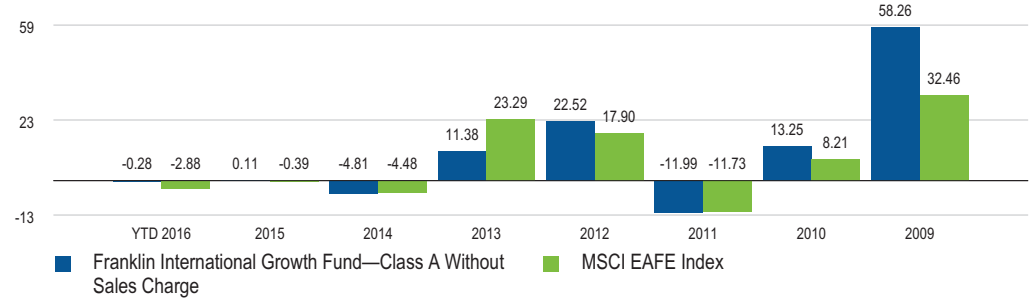
Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment return and principal value will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin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

The fund has an expense reduction contractually guaranteed through at least November 30, 2016. The fund may also have a fee waiver associated with any investments it makes in a Franklin Templeton money fund, an arrangement that is contractually guaranteed through at least its current fiscal year-end. Fund investment results reflect the expense reduction and fee waiver, as applicable; without these reductions, the results would have been lower.

Average Annual Total Returns for Periods Ended March 31, 2016 (%)



Calendar Year Returns As of March 31, 2016 (%)



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" and "Performance Data" sections, please see Explanatory Notes.

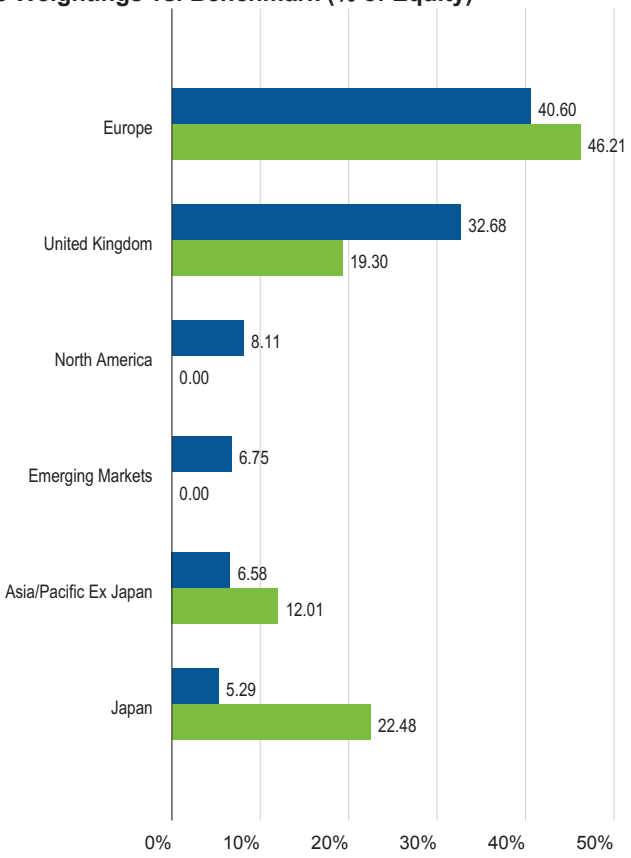
Not FDIC Insured | May Lose Value | No Bank Guarantee

PORTFOLIO DIVERSIFICATION (AS OF 3/31/16)

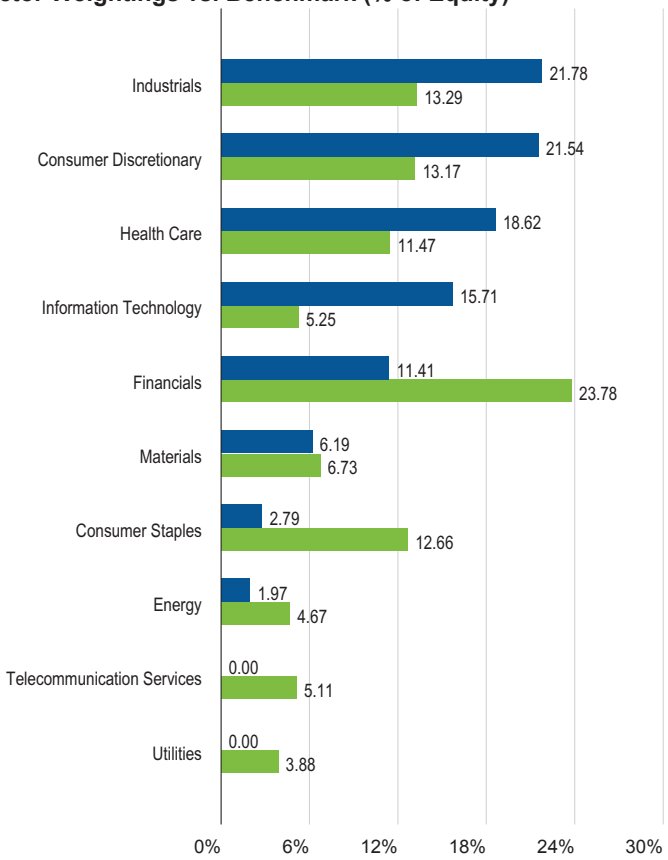
Top Ten Holdings

Issuer Name	Country	Industry	% of Total
1. UMICORE SA	Belgium	Materials	3.32
2. AZIMUT HLDG S.P.A	Italy	Diversified Financials	3.30
3. GN STORE NORD AS	Denmark	Health Care Equipment & Services	3.24
4. EXPERIAN PLC	United Kingdom	Commercial & Professional Services	3.15
5. BURBERRY GROUP PLC	United Kingdom	Consumer Durables & Apparel	3.13
6. DELPHI AUTOMOTIVE PLC	United Kingdom	Automobiles & Components	3.13
7. ROCHE HOLDING AG	Switzerland	Pharmaceuticals, Biotechnology & Life Sciences	3.11
8. DOLLARAMA INC	Canada	Retailing	3.10
9. KBC GROEP NV	Belgium	Banks	3.07
10. SGS SA	Switzerland	Commercial & Professional Services	3.02
Total			**31.58**

Geographic Weightings vs. Benchmark (% of Equity)



Sector Weightings vs. Benchmark (% of Equity)



Franklin International Growth Fund
MSCI EAFE Index

Portfolio Allocation

	%
Equity	97.61
Cash & Cash Equivalents	2.39

Largest Sector Contributors vs. MSCI EAFE Index

Sector	Total Effect (%)
Industrials	1.87
Financials	1.35
Consumer Discretionary	1.16
Materials	0.38
Information Technology	0.27

Smallest Sector Contributors vs. MSCI EAFE Index

Sector	Total Effect (%)
Consumer Staples	-0.64
Health Care	-0.54
Energy	-0.36
Telecommunication Services	-0.21
Utilities	-0.15

Contributor data shown is for the period 1/1/16 to 3/31/16.

PORTFOLIO CHARACTERISTICS (AS OF 3/31/16)—Fund vs. MSCI EAFE Index

	Fund	Benchmark
Weighted Average Market Capitalization (Millions USD)	19,145	48,369
Historical 3 Yr EPS Growth	12.99%	7.59%

	Fund	Benchmark
Return on Equity	26.13%	14.92%
P/E to Growth	1.64x	1.56x

PERFORMANCE RISK STATISTICS - Class A

Modern Portfolio Theory (MPT) Statistics (As of 3/31/16)

Performance Risk Statistics	3 Years	5 Years
Standard Deviation	13.13	15.45
Alpha	-1.10	-0.58
Beta	0.91	0.95
Sharpe Ratio	0.09	0.12
Information Ratio	-0.29	-0.16
Tracking Error	4.87	5.22
R-Squared	87.05	88.87

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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.
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%.
EPS Growth: Earning Per Share. The portion of a company's profit allocated to each outstanding share of common stock. Serves as an indicator of a company's profitability.
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.
P/E to Growth: A ratio used to determine a stock's value while taking into account earnings growth.
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.
Return on Equity: A measurement of a corporation's profitability that reveals how much profit a company generates with the money shareholders have invested.
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.

Alpha, Beta, Information Ratio, R-Squared, and Tracking Error are measured against the MSCI EAFE Index.
For information related to the “Portfolio Characteristics” section, please see Explanatory Notes.

MARKET REVIEW

International equity markets finished a volatile first quarter with losses as ongoing worries about the health of the global economy, negative interest rates in Europe and Japan, and falling commodity prices dampened market sentiment. Economic data continued to show a sluggish recovery throughout much of the developed world putting pressure on policymakers to support growth. As a result, the Bank of Japan and European Central Bank have adopted negative interest rates in hopes of supporting growth. In addition, softening economic growth has forced Chinese policymakers to take steps to support the domestic economy. US economic data have been somewhat more resilient, and the pace of interest-rate hikes could be potentially more muted that previously expected. The ongoing sharp decline in crude oil and other commodity prices at the start of the year also exacerbated worries about global growth.

PERFORMANCE REVIEW AND CONTRIBUTORS TO PERFORMANCE

Performance Review

The fund fared better than its benchmark as strong stock selection--particularly in the industrials and consumer discretionary sectors--contributed to relative returns. Conversely, stock selection in the health care sector dented relative performance.

In industrials, strong fundamentals supported contributors such as SGS, a Switzerland-based inspection, verification, testing and certification services provider; GEA Group, a Germany-based food processing equipment manufacturer; and Noble Group, a Hong Kong-based commodity trader. SGS contributed after posting solid full-year earnings despite a challenging commodity-price environment. We expect that a new senior management team, a refreshed growth strategy and a bottom in commodity prices could result in organic growth and free cash flow generation acceleration over the medium term. Noble Group's stock bounced back following a 2015 selloff as sentiment began to improve. Despite recent weakness related to low milk prices globally, GEA has seen record orders from a broad mix of markets, and the company continues to realign its cost structure.

Consumer discretionary stocks Dollarama, a Canada-based discount store operator, Start Today, a Japan-based online apparel retailer, and Burberry Group, a UK-based luxury goods company, contributed to relative performance. Despite the challenges posed by the weak Canadian dollar, Dollarama has been benefiting from strong sales as it opens new stores. Start Today posted solid quarterly earnings results during the quarter. After struggling amid slowing growth in China and Hong Kong, Burberry is cutting costs to improve profits and investing in its digital platform.

In materials, Umicore, a Belgium-based clean energy technology materials company, was a contributor on the back of strong earnings as its catalysis and energy technology materials businesses continue to perform well given strong underlying demand. Umicore's recycling business has also been steady despite falling precious metals prices.

In the health care sector, Denmark-based hearing aid and headset maker GN Store Nord and Australia-based hearing implant manufacturer Cochlear contributed to relative performance following strong earnings reports. GN Store has also been gaining market share--a trend we expect to continue over the next one or two years given its product advantage over competitors.

Conversely, as sentiment in general has turned more negative toward parts of the health care sector, detractors included Alkermes, an Ireland-domiciled biopharmaceutical company focused on central nervous system diseases; Hikma Pharmaceuticals, a UK-based generic drugs company; and Santen Pharmaceutical, a Japan-based ophthalmic drug maker. Concerns about its pipeline following a failed drug trial further drove down shares of Alkermes. However, we believe that given the strength of other parts of the product pipeline, the selloff was overdone and that over the longer term innovative biotechnology companies with secular growth drivers should perform well. Hikma Pharmaceuticals was a detractor after the company slashed the price it will pay to acquire Roxane Laboratories (not a fund holding).

Financials stock KBC Groupe, a Belgium-based bank, detracted from relative performance as global bank stocks in general had a weak quarter on concerns about negative interest rates in Europe and Japan and lending exposure to the oil and gas industry. We continue to believe KBC is in a strong position to benefit from cross-selling opportunities in the Belgian market and growth in Eastern Europe.

In the consumer discretionary sector, Italy-based eyewear manufacturer Luxottica, along with UK-based broadcaster ITV, hotel chain operator Whitbread, and auto parts manufacturer Delphi Automotive, detracted from relative performance. Luxottica's shares fell after the departure of one of its co-chief executive officers, but we expect the company's operational performance to remain solid. Fears about weaker advertising and a slowdown in consumer spending weighed on shares of ITV and Whitbread, respectively.

Sector allocations hindered relative performance as underweights in consumer staples and energy detracted from relative performance, while an underweight in financials was beneficial. Regionally, North American exposure and an underweight in the Asia-Pacific ex Japan region detracted from relative performance, while an underweight in Japan supported relative results.

Portfolio Positioning

We continue to look for companies that we believe have sustainable business models. Our search for new ideas reaches across sectors and regions one company at a time, irrespective of the longer-term direction of global stock markets. During the quarter, the fund maintained significant overweights in information technology and industrials and underweights in financials and consumer staples.

Outlook & Strategy

While bouts of volatility may arise over the near term--such as the sharp selloff and subsequent rebound witnessed in the first quarter--we note that almost all major developed equity markets have largely traded sideways since July 2014. Central bank policy is also likely to change only modestly. While the Bank of Japan followed the European Central Bank in adopting negative interest rates, recent weakness in the global economy may keep the US Federal Reserve from raising interest rates as quickly as first expected. Current expectations call for perhaps one or two more rate hikes by year-end. Politics also warrant watching as a Brexit referendum scheduled for June and the hotly contested US election cycle could create volatility.

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 STRATEGY

Research-Driven Portfolio

- Concentrated portfolio of approximately 40 holdings
- Benchmark indifferent

Long-Term Investment Horizon

- Investment horizon of 3 to 5 years
- Typical holding period of 4+ years

Seek to Manage Risk by Limiting Economic Overlap Among Holdings

- Select companies whose earning streams are not highly correlated
- Has typically resulted in a diversified portfolio across MSCI Global Industry Classification Standard (GICS) sectors and industries

Global Opportunity Set

- Search without borders
- Average allocation to emerging markets of less than 10%

STOCK SELECTION DISCIPLINE

Growth

Free cash flow analysis to assess:

- Sustainable business model
- Long-term competitive advantage
- Value-generating reinvestment record

Quality

Framework to assess:

- Financial transparency and accounting quality
- Corporate governance including share, board and management structure and compensation metrics
- Environmental management and labor practices

Valuation

Common discount cash flow/dividend model to assess:

- Relative attractiveness of company
- Valuation support under different scenarios

INVESTMENT AND MANAGEMENT TEAM (AS OF 3/31/16)

Franklin International Growth Fund Management Team	Years with Firm	Years Experience
Don Huber	14	34
Coleen Barbeau	33	35
M. Par Rostom, CFA	10	19
Franklin Global Large Cap Management Team	**Years with Firm**	**Years Experience**
Coleen Barbeau, Senior Portfolio Manager	33	35
John Remmert, Senior Portfolio Manager	14	29
Franklin Global Large Cap Team	**Number of Members**	**Average Years Experience**
Portfolio Managers	1	34
Research Analysts	8	17
Additional Resources		
Franklin Global Small Cap Team	Franklin U.S. Growth Team	

WHAT ARE THE RISKS

All investments involve risks, including possible loss of principal. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Investments in emerging markets involve heightened risks related to the same factors, in addition to those associated with these markets' smaller size and lesser liquidity. These and other risk considerations are discussed 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.

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. They do not reflect any fees, expenses or sales charges.
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.

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.
Geographic/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.
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. They do not reflect any fees, expenses or sales charges.

PORTFOLIO CHARACTERISTICS

Source: FactSet. The Price/Earnings to Growth ratio calculation for the weighted average uses harmonic means. The Return on Equity calculation uses simple weighted average means.
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.

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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