MUTUAL SHARES FUND

Imagine...

FRANKLIN TEMPLETON INVESTMENTS

… you had $100,000 to invest right before the brutal bear market of 1973–1974.

And imagine you had wanted your investment to provide a **regular stream of income.**

Imagine you had invested in **Mutual Shares Fund** and immediately began a monthly systematic withdrawal plan (SWIP) to take out $5,000 the first year.

And imagine you had increased the amount withdrawn by 3% each year thereafter, to account for inflation.

IT'S NOW 39 YEARS LATER. How much money do you think would have been left in your account at the end of 2012?

Not FDIC Insured | May Lose Value | No Bank Guarantee

OVER 9.1 MILLION DOLLARS!

after receiving distributions of $377,009!

The table below illustrates a hypothetical investment scenario in which $100,000 was invested in Mutual Shares Fund–Class A for the 39-year period ended December 31, 2012. Over this time period, you can see how Mutual Shares Fund SWIP provided the regular income needed.

The hypothetical scenario includes the 3.50% sales charge applicable to the initial fund investment but does not take into account federal, state or municipal taxes.[1] If taxes were taken into account, the hypothetical values shown would be reduced.

Total amount INVESTED in Mutual Shares Fund would have been **$100,000**

Total DISTRIBUTIONS from your Mutual Shares Fund account would have been **$377,009**

THE VALUE of your Mutual Shares Fund account would have been **$9,155,749**

Performance data represents past performance, which does not guarantee future results. Current performance may differ from the 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 most recent month-end performance.*

MUTUAL SHARES FUND–CLASS A

Systematic Withdrawal Plan (With 3.50% Sales Charge[1])

The initial investment was made on December 31, 1972.

Year Ended Dec. 31	AMOUNT WITHDRAWN Annual Total	Cumulative Total	Value at End of Period
1973	$5,000	$5,000	$83,527
1974	$5,150	$10,150	$84,865
1975	$5,305	$15,455	$107,826
1976	$5,464	$20,918	$160,472
1977	$5,628	$26,546	$176,996
1978	$5,796	$32,342	$204,442
1979	$5,970	$38,313	$283,774
1980	$6,149	$44,462	$330,619
1981	$6,334	$50,796	$352,437
1982	$6,524	$57,320	$388,975
1983	$6,720	$64,039	$522,263
1984	$6,921	$70,961	$588,405
1985	$7,129	$78,090	$735,161
1986	$7,343	$85,432	$849,415
1987	$7,563	$92,995	$893,038
1988	$7,790	$100,785	$1,154,627
1989	$8,024	$108,809	$1,314,129
1990	$8,264	$117,073	$1,172,888
1991	$8,512	$125,585	$1,405,162
1992	$8,768	$134,353	$1,689,205
1993	$9,031	$143,384	$2,027,092
1994	$9,302	$152,685	$2,102,137
1995	$9,581	$162,266	$2,694,050
1996	$9,868	$172,134	$3,230,438
1997	$10,164	$182,298	$4,059,595
1998	$10,469	$192,767	$4,049,513
1999	$10,783	$203,550	$4,630,626
2000	$11,107	$214,656	$5,239,865
2001	$11,440	$226,096	$5,539,614
2002	$11,783	$237,879	$4,908,235
2003	$12,136	$250,015	$6,179,231
2004	$12,501	$262,516	$6,999,565
2005	$12,876	$275,391	$7,684,552
2006	$13,262	$288,653	$9,051,550
2007	$13,660	$302,313	$9,307,093
2008	$14,069	$316,382	$5,749,996
2009	$14,492	$330,874	$7,333,559
2010	$14,926	$345,800	$8,154,055
2011	$15,374	$361.174	$7,993,444
2012	$15,835	**$377,009** TOTAL WITHDRAWN	**$9,155,749** VALUE REMAINING

Average Annual Total Returns (Periods ended September 30, 2013)
With Maximum 5.75% Initial Sales Charge[2]

1-YEAR	5-YEAR	10-YEAR	20-YEAR	SINCE INCEPTION (7/1/49)
13.35%	6.86%	6.51%	8.84%	12.03%

Total Annual Operating Expenses: *1.12%*

1. The maximum 5.75% sales charge declines to 3.50% for investments of at least $100,000 and less than $250,000.

2. Prior to 11/1/96, only a single class of shares was offered without a sales charge and Rule 12b-1 expenses. Returns shown are a restatement of the original class to include both the Rule 12b-1 expenses and the current sales charges applicable to Class A as though in effect from the fund's inception. All figures assume reinvestment of dividends and capital gains at net asset value. The fund offers other share classes, subject to different fees and expenses, which will affect their performance.

Please note the results of such a program may vary substantially depending on the fund's investment performance during the period the program is in effect. Investors participating in a systematic withdrawal program should review the results being obtained and the value of remaining shares every year with their financial advisor. Franklin Templeton recommends consulting with a professional financial advisor to help make educated decisions about investing based on risk tolerance, financial objectives and investment time frame.

Figures show the change in the value of a $100,000 initial investment over the periods indicated. It's important to note that the amounts withdrawn do not represent dividends or income, but rather the proceeds from the sale of shares. Sufficient shares are sold from the shareholder's account at the time of each withdrawal to provide for such payments. An investor participating in a systematic withdrawal plan should review, every year, the results being obtained and the value of remaining shares. Based on this annual review, the individual can increase or decrease the monthly withdrawals if that seems appropriate. The rate or amount chosen for withdrawal determines the value remaining at the end of the period. In a period of declining market values, continued withdrawals could eventually exhaust the principal. An investor should not begin a systematic withdrawal program until at least six months following the initial investment. Otherwise, the investor may receive a portion of his or her initial investment, which most likely has not yet appreciated to offset the sales charge incurred.

FRANKLIN TEMPLETON INVESTMENTS

Franklin • Templeton • **Mutual Series**

This brochure must be preceded or accompanied by a Mutual Shares Fund summary prospectus and/or prospectus. Please read a prospectus carefully before you invest or send money. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. The fund's performance will be updated each quarter with standardized figures.

Fund Goal: The fund seeks capital appreciation.

A FEW WORDS ABOUT RISK Because the investment program in this flyer involves a substantial investment in a single mutual fund, it carries greater risks than an investment program associated with a more diversified portfolio.

Value securities may not increase in price as anticipated or may decline further in value. The fund's investments in foreign securities involve special risks including currency fluctuations, and economic and political uncertainties. The fund may also invest in companies engaged in mergers, reorganizations or liquidations, which involve special risks as pending deals may not be completed on time or on favorable terms, as well as lower-rated bonds, which entail higher credit risk. Please consult the prospectus for a more detailed description of the fund's risks.

VALUE | BLEND | GROWTH | SECTOR | GLOBAL | INTERNATIONAL | HYBRID | ASSET ALLOCATION | FIXED INCOME | TAX-FREE INCOME

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Mutual Shares Fund Symbols:

A Shares: TESIX
C Shares: TEMTX
R Shares: TESRX

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