FRANKLIN TEMPLETON INVESTMENTS

MUTUAL BEACON FUND

AS OF 3/31/14

VALUE

FUND DESCRIPTION

The fund seeks capital appreciation with income as a secondary goal. Its strategy is focused on undervalued mid- and large-cap equity securities which may include foreign equities and, to a lesser extent, distressed securities and merger arbitrage.

FUND DATA[1]

Total Net Assets-All Share Classes: $4.3 billion

Number of Holdings: 170

Inception: 6/29/62

Beta[2]: 0.81

Dividends: Semiannually in September and December

CUSIP/Symbol by Class:

A	C	R	R6	Z
TEBIX	TEMEX	354 026 858	354 026 817	BEGRX

MAXIMUM SALES CHARGES

Class A: 5.75% initial sales charge

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

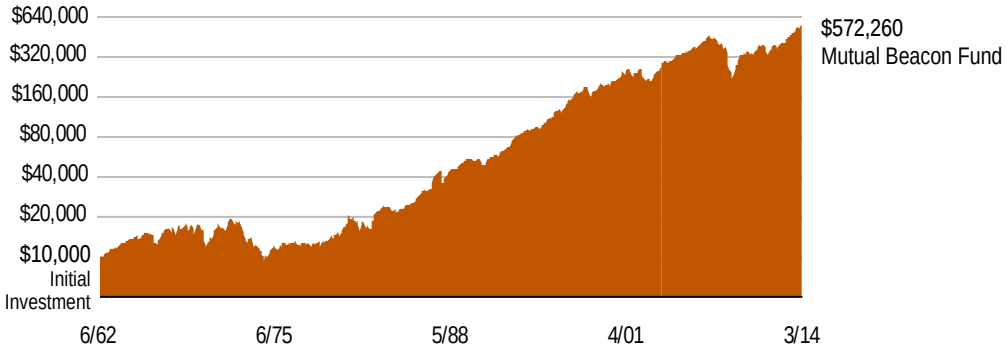
TOTAL ANNUAL OPERATING EXPENSES

Class A: 1.14%; Class C: 1.84%

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 29, 1962–March 31, 2014



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

AVERAGE ANNUAL TOTAL RETURNS *(As of March 31, 2014)*

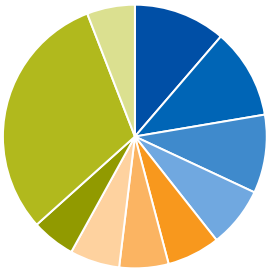
With Maximum Sales Charges[4]

Class	Inception Date	1 Yr	5 Yrs	10 Yrs	Since Inception
A	6/29/62	12.79%	16.83%	5.83%	8.01%
C	6/29/62	17.86%	17.41%	5.74%	7.20%

Without Sales Charges[3]

1 Yr	5 Yrs	10 Yrs	Since Inception
19.65%	18.21%	6.47%	8.13%
18.86%	17.41%	5.74%	7.20%

PORTFOLIO BREAKDOWN[1,5]



Media	11.32%
Software & Services	11.00%
Energy	9.65%
Pharmaceuticals, Biotechnology & Life Sciences	7.38%
Telecommunication Services	6.40%
Insurance	6.19%
Banks	5.98%
Food Beverage & Tobacco	5.36%
Other	30.81%
Cash & Other Net Assets	5.91%

TOP 10 HOLDINGS[1]

Microsoft Corp.	3.23%
Medtronic Inc.	2.90%
Twenty-First Century Fox Inc.	2.65%
Merck & Co Inc.	2.63%
Wells Fargo & Co.	2.51%
British American Tobacco PLC	2.47%
Symantec Corp.	2.29%
J P Morgan Chase & Co.	2.18%
White Mountains Insurance Group Ltd.	2.03%
TEVA Pharmaceutical Industries Ltd.	1.98%

1. As of 3/31/14. 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, 3/31/14. Beta measures the fund's market-related risk over a three-year period. The MSCI World Value (Net) Index has a beta of 1.00. A beta lower than 1.00 indicates historically lower volatility than the index; higher than 1.00 indicates historically higher volatility.

3. Figures include the Rule 12b-1 expenses as if in effect during the entire period.

4. Prior to 11/1/96, only a single class of fund 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 each share class. Class A: Prior to 8/3/98, these shares were offered at a lower initial sales charge; thus actual returns would have differed. Class C: Prior to 1/1/04, these shares were offered with an initial sales charge; thus actual returns would have differed.

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]

Christian Correa, CFA
Since 2007; joined Franklin Templeton in 2003

Mandana Hormozi
Since 2009; joined Franklin Templeton in 2003

WHAT ARE THE RISKS?

All investments involve risks, including possible loss of principal. Value securities may not increase in price as anticipated or may decline further in value. The fund's investments in smaller-company stocks and foreign securities involve special risks. Smaller-company stocks have exhibited greater price volatility than larger-company stocks, particularly over the short term. Foreign securities risks include 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.

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

"Mutual Beacon Fund aims to deliver solid risk-adjusted returns over the long term. We focus on deep value stocks where we believe there is an opportunity for capital appreciation and less room for these stocks to fall, thus helping reduce our downside risk. Select investments in distressed debt and merger arbitrage are natural extensions of the fund's value approach/strategy and help provide diversification to the overall portfolio. Our bottom-up, in-depth research helps us identify undervalued securities with viable catalysts that we believe may change the way the market views their true worth. When necessary, we will be activist investors if we feel we can unlock value for our shareholders. In these circumstances, we think and act like company owners as we attempt to help a company realize its full potential."

—Christian Correa, Portfolio Manager

CALENDAR YEAR TOTAL RETURNS—CLASS A[7] (Without Sales Charge)

YTD 2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
1.37%	28.70%	16.10%	-2.50%	10.82%	29.30%	-40.48%	2.67%	20.65%	8.89%

2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
14.13%	28.99%	-11.41%	5.78%	13.89%	16.40%	2.02%	22.55%	20.75%	25.40%

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. Figures include the Rule 12b-1 expenses as if in effect during the entire period.

FRANKLIN TEMPLETON INVESTMENTS

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