



Franklin Mutual European Fund

International
December 31, 2014

Fund Fact Sheet

Fund Description

The fund seeks capital appreciation, with income as a secondary goal, by investing at least 80% of its net assets in the securities of European companies. It focuses mainly on undervalued equity securities and, to a lesser extent, distressed securities and merger arbitrage opportunities.

Fund Overview

Total Net Assets [All Share Classes] \$2,529 million
Fund Inception Date 7/3/1996
Dividend Frequency Semiannually in September and December
Number of Issuers 68

Share Class Information

Share Class	CUSIP	NASDAQ Symbol
A	628 380 834	TEMIX
C	628 380 826	TEURX
R	354 026 833	N/A
R6	354 026 791	FMEUX
Class Z	628 380 503	MEURX

Fund Management

	Years with Firm	Years of Experience
Philippe Brugère-Trélat	19	30
Katrina Dudley, CFA	12	16

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

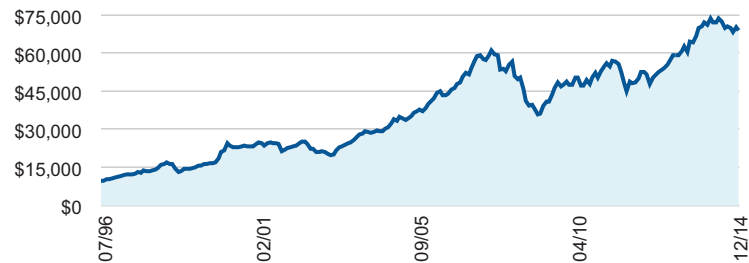
Share Class	Expense
A	1.37%
C	2.07%

Asset Allocation (%)

Undervalued Equities	89.15
Cash & Other Net Assets	9.71
Distressed Investments	0.91
Other	0.23

Performance

Growth of a \$10,000 Investment - Without Sales Charge (from 07/03/1996-12/31/2014)



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	-9.82	-9.82	10.17	5.83	6.70	10.67	7/3/1996	
A Without Sales Charge	-4.31	-4.31	12.36	7.09	7.33	11.02	7/3/1996	
C With Sales Charge	-5.81	-5.81	11.58	6.35	6.59	10.31	7/3/1996	
C Without Sales Charge	-4.97	-4.97	11.58	6.35	6.59	10.31	7/3/1996	

Calendar Year Total Returns % - Without Sales Charge

Share Class	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
A	-4.31	26.30	17.37	-8.27	8.25	22.67	-32.68	16.87	26.96	17.56
	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
	21.23	32.34	-8.05	-5.05	14.07	46.05	4.07	22.70	N/A	N/A

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.

Effective June 30, 2014, Mutual European Fund was renamed Franklin Mutual European Fund.

Top 10 Holdings (% of Total)

Issuer Name	Percentage
AP MOELLER - MAERSK A/S	2.87
DIRECT LINE INSURANCE GROUP PLC	2.69
ACCOR SA	2.50
AGEAS	2.39
VOLKSWAGEN AG	2.36
RSA INSURANCE GROUP PLC	2.23
BARCLAYS PLC	2.18
INTERNATIONAL CONSOLIDATED AIRLINES GROUP SA	2.17
THYSSENKRUPP AG	2.17
BNP PARIBAS SA	2.13

Fund Measures

Standard Deviation (3 Yrs)	9.93
Beta (3 Yrs; vs. MSCI Europe NETR (Net Dividend Local) Index)	0.97

Composition of Fund

■ Franklin Mutual European Fund ■ MSCI Europe NETR (Net Dividend Local) Index

Geographic	% of Total
United Kingdom	30.87 / 32.00
Germany	10.82 / 13.91
Cash & Cash Equivalents	9.72 / 0.00
France	9.56 / 14.70
Italy	9.03 / 3.43
Netherlands	7.51 / 4.18
Denmark	5.50 / 2.30
Switzerland	5.33 / 14.13
Austria	2.75 / 0.30
Other	8.91 / 15.05

Sector	% of Total
Financials	31.48 / 22.73
Consumer Discretionary	16.46 / 10.71
Industrials	12.68 / 11.11
Cash & Cash Equivalents	9.72 / 0.00
Telecommunication Services	8.95 / 5.18
Materials	7.45 / 7.58
Energy	7.30 / 7.77
Consumer Staples	1.94 / 13.68
Utilities	1.83 / 4.26
Other	2.19 / 16.99

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 83, 77 and 64 U.S.-domiciled Europe Stock 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. Value securities may not increase in price as anticipated or may decline further in value. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Because the Fund invests its assets primarily in companies in a specific region, it is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Political, social or economic disruptions in the region, even in countries in which the Fund is not invested, may adversely affect the value of securities held by the Fund. The Fund's investments in smaller-company stocks carry an increased risk of price fluctuation, especially over the short term. The Fund's investments in companies engaged in mergers, reorganizations or liquidations also involve special risks as pending deals may not be completed on time or on favorable terms. These and other risk considerations are discussed 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

Effective June 30, 2014, Mutual European Fund was renamed Franklin Mutual European Fund.

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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Fund Management: CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

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

Figures include the Rule 12b-1 expenses as if in effect during the entire period. Class C Shares have higher annual fees and expenses than Class A Shares.

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.

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 Mutual European Fund received a traditional Morningstar Rating of 3, 4 and 5 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.