FRANKLIN TEMPLETON INVESTMENTS

Franklin Mutual Financial Services Fund

Sector
March 31, 2016

Fund Fact Sheet | Share Classes: A, C, Z

Fund Description

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

Fund Overview

Total Net Assets [All Share Classes]	$579 million
Fund Inception Date	8/19/1997
Dividend Frequency	Semiannually in September and December
Number of Issuers	62

Share Class Information

Share Class	CUSIP	NASDAQ Symbol
A	354 026 106	TFSIX
C	354 026 205	TMFSX
R6	354 026 783	N/A
Z	354 026 304	TEFAX

Fund Management

	Years with Firm	Years of Experience
Andrew Sleeman, CFA	8	29
Andrew B. Dinnhaupt, CFA	4	20
Steven Cetlin	5	21

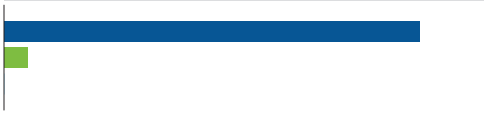
Maximum Sales Charge

Class A: 5.75% initial sales charge
Class C: 1.00% contingent deferred sales charge (CDSC) in the first year only
Class Z: None

Total Annual Operating Expenses

Share Class	
A	1.44%
C	2.14%
Z	1.14%

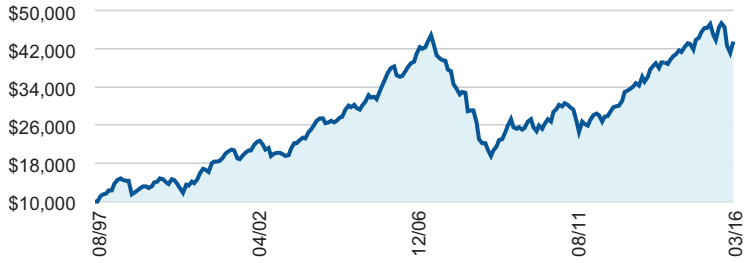
Asset Allocation (%)



Undervalued Equities	94.34
Cash & Other Net Assets	5.58
Distressed Investments	0.08

Performance

Growth of a $10,000 Investment - Without Sales Charge (from 08/19/1997-03/31/2016)



Franklin Mutual Financial Services Fund - Class A: **$43,672**

Total Returns % (as of 3/31/2016)

		CUMULATIVE	AVERAGE ANNUAL					
Share Class		YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception	Inception Date
A	With Sales Charge	-11.97	-7.59	6.82	6.50	0.77	7.90	8/19/1997
	Without Sales Charge	-6.60	-1.95	8.94	7.77	1.37	8.24	8/19/1997
C	With Sales Charge	-7.71	-3.59	8.17	7.02	0.66	7.51	8/19/1997
	Without Sales Charge	-6.78	-2.63	8.17	7.02	0.66	7.51	8/19/1997
Z		-6.52	-1.61	9.28	8.09	1.67	8.58	8/19/1997

Calendar Year Total Returns % – Without Sales Charge

Share Class	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
A	8.05	10.71	25.32	19.55	-9.49	12.45	14.53	-40.23	-8.99	19.35
C	7.30	9.93	24.50	18.67	-10.13	11.69	13.64	-40.63	-9.60	18.52
Z	8.34	11.07	25.67	19.98	-9.26	12.84	14.82	-40.08	-8.71	19.73

Share Class	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
A	13.82	15.17	29.79	-0.57	11.85	31.90	4.35	6.81	N/A	N/A
C	13.06	14.46	28.87	-1.20	11.15	31.08	3.67	6.12	N/A	N/A
Z	14.14	15.62	30.23	-0.27	12.31	32.29	4.70	7.08	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.

Top 10 Holdings (% of Total)

Issuer Name	
XL GROUP PLC	3.52
CHUBB LTD	3.52
AMERICAN INTERNATIONAL GROUP INC	3.50
CIT GROUP INC	3.19
NN GROUP NV	3.08
CAPITAL ONE FINANCIAL CORP	2.97
ALLSTATE CORP	2.76
TAKARA LEBEN CO LTD	2.47
WELLS FARGO & CO	2.38
SUNTRUST BANKS INC	2.34

Fund Measures

Standard Deviation (3 Yrs) - Class A	10.42
Beta (3 Yrs, vs.S&P 500 Index) - Class A	0.85

Composition of Fund

■ Franklin Mutual Financial Services Fund ■ S&P Financials Index

Geographic	% of Total	
United States	53.00	100.00
United Kingdom	8.74	0.00
Ireland	6.35	0.00
China	5.76	0.00
Cash & Cash Equivalents	5.58	0.00
Netherlands	3.08	0.00
Hong Kong	2.47	0.00
Japan	2.47	0.00
Norway	2.11	0.00
Other	10.44	0.00

Sector	% of Total	
Financials	93.20	100.00
Consumer Discretionary	1.22	0.00
Cash & Cash Equivalents	5.58	0.00

Morningstar Rating™—Class A

Overall Morningstar Rating™

As of March 31, 2016 the fund's Class A shares received a traditional 3 star overall Morningstar Rating™, measuring risk-adjusted returns against 93, 88 and 73 U.S.-domiciled Financial 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. Investing in a single-sector fund involves special risks, including greater sensitivity to economic, political or regulatory developments impacting the sector. In addition, the fund invests in foreign securities whose risks include currency fluctuations, and economic and political uncertainties. The fund's investments in smaller company stocks carry an increased risk of price fluctuation, particularly over the short term. 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.

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

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.
Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.
S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC. S&P does not sponsor, endorse, sell or promote any S&P index-based product.
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. Z shares do not have sales charges or 12b-1 fees and are offered only to certain eligible investors as stated in the prospectus.
Class A and Class C: Prior to 11/1/96, the fund offered only a single class of shares without a sales charge and Rule 12b-1 expenses, Class Z shares. Figures reflect a restatement of the original share class to include both the Rule 12b-1 fees and maximum initial sales charges (when quoting figures with sales charges) applicable to each share class as though in effect from the fund's inception. For periods after 11/1/96, actual performance is used, reflecting all charges and fees applicable to that class.
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® 3/31/16. 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 Financial Services Fund received a traditional Morningstar Rating of 3, 3 and 3 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.** ©2016 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.

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