FRANKLIN TEMPLETON INVESTMENTS

Franklin Large Cap Value Fund—Class A

Product Profile First Quarter 2015

FUND CHARACTERISTICS (AS OF 3/31/15)

NASDAQ Symbol	FLVAX
Fund Inception Date	6/1/00
Dividends	Annually in December
Investment Style	Value
Benchmark	Russell 1000 Value Index
Lipper Classification	Large-Cap Value Funds
Morningstar Category™	Large Value
Total Net Assets—All Share Classes	224 million
Number of Issuers	85
Maximum Initial Sales Charge	5.75%

FUND DESCRIPTION

The fund's managers seek long-term capital appreciation by investing at least 80% of the fund's net assets in large-capitalization companies, which are defined as those similar in size to companies in the Russell 1000® Index, at the time of purchase. They search for stocks trading at prices below what the managers believe is the true value of the underlying businesses or represent good value relative to the overall market or the companies' industry group.

PERFORMANCE DATA

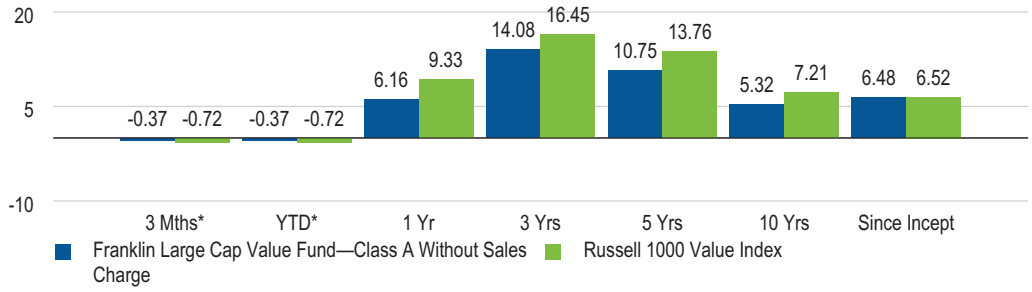
Average Annual Total Returns for Periods Ended March 31, 2015 (%)

	3 Mths*	YTD*	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Incept (6/1/00)
With Sales Charge	-6.12	-6.12	0.04	11.84	9.45	4.69	6.06
Without Sales Charge	-0.37	-0.37	6.16	14.08	10.75	5.32	6.48
Russell 1000 Value Index	-0.72	-0.72	9.33	16.45	13.76	7.21	6.52

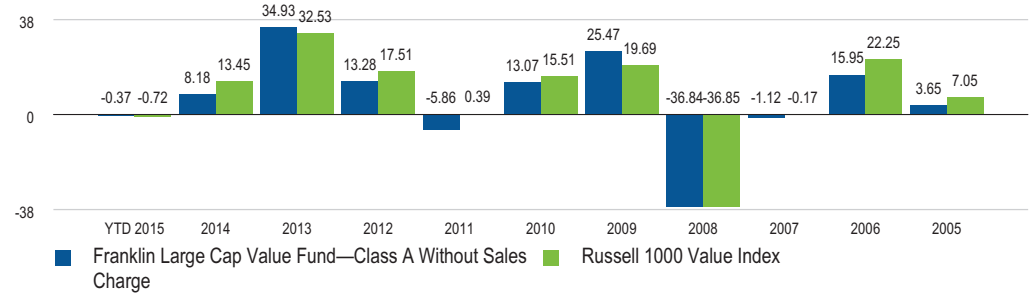
Total Annual Operating Expenses—*1.30%*

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.

Average Annual Total Returns for Periods Ended March 31, 2015 (%)



Calendar Year Returns As of March 31, 2015 (%)



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.

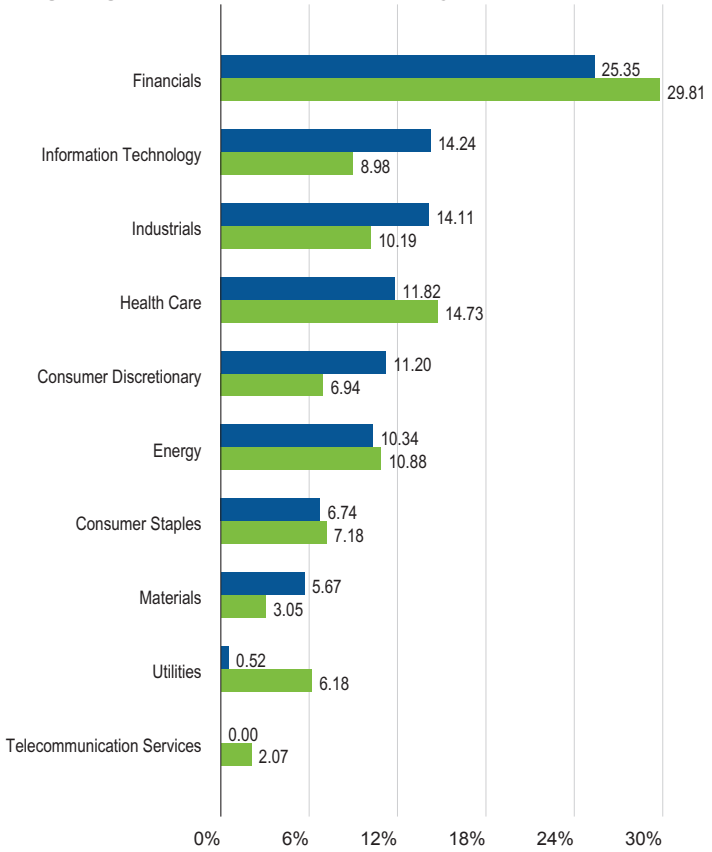
Not FDIC Insured | May Lose Value | No Bank Guarantee

PORTFOLIO DIVERSIFICATION (AS OF 3/31/15)

Top Ten Holdings

Issuer Name	Industry	% of Total
1. ALLSTATE CORP	Insurance	2.38
2. CORNING INC	Technology Hardware & Equipment	2.08
3. CITIGROUP INC	Banks	1.95
4. HOME DEPOT INC	Retailing	1.95
5. JOHNSON CONTROLS INC	Automobiles & Components	1.88
6. PRUDENTIAL FINANCIAL INC	Insurance	1.86
7. BECTON DICKINSON & CO	Health Care Equipment & Services	1.86
8. STATE STREET CORP	Diversified Financials	1.81
9. METLIFE INC	Insurance	1.81
10. ALCOA INC	Materials	1.76
Total		**19.34**

Sector Weightings vs. Benchmark (% of Equity)



Portfolio Allocation

	%
Equity	97.50
Cash & Cash Equivalents	2.50

Largest Sector Contributors vs. Russell 1000 Value Index

Sector	Total Effect (%)
Information Technology	0.85
Energy	0.42
Consumer Discretionary	0.32
Utilities	0.26
Consumer Staples	0.11

Smallest Sector Contributors vs. Russell 1000 Value Index

Sector	Total Effect (%)
Health Care	-0.47
Materials	-0.43
Financials	-0.32
Industrials	-0.13
Telecommunication Services	0.01

Contributor data shown is for the period 1/1/15 to 3/31/15

PORTFOLIO CHARACTERISTICS (AS OF 3/31/15)—Fund vs. Russell 1000 Value Index

	Fund	Benchmark
Weighted Average Market Capitalization (Millions USD)	70,138	105,936
Median Market Capitalization (Millions USD)	31,724	7,641

Price to Earnings	Fund	Benchmark
Weighted Average	17.44x	17.22x
Median	17.88x	20.24x

Price to Book Value	Fund	Benchmark
Weighted Average	1.95x	1.87x
Median	2.15x	2.25x

Price to Cash Flow	Fund	Benchmark
Weighted Average	8.81x	9.04x
Median	11.33x	12.01x

PERFORMANCE RISK STATISTICS - Class A

Modern Portfolio Theory (MPT) Statistics (As of 3/31/15)

Performance Risk Statistics	3 Years	5 Years	10 Years
Standard Deviation	10.66	14.53	16.07
Alpha	-2.84	-3.49	-1.79
Beta	1.06	1.07	1.01
Sharpe Ratio	1.32	0.74	0.25
Information Ratio	-0.95	-1.08	-0.62
Tracking Error	2.48	2.79	3.05
R-Squared	94.89	96.76	96.40

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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.
Benchmark: An unmanaged group of securities whose overall performance is used as a standard to measure investment performance.
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%.
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.
Price to Book Value (P/BV): The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the ratio is the weighted average price/book ratio of the stocks it holds.
Price to Cash Flow (P/CF): Supplements price/earnings ratio as a measure of relative value; represents a weighted average of the price/cash flow ratios for the underlying fund holdings.
Price to Earnings (P/E): The share price of a stock, divided by its per-share earnings over the past year. P/E is a good indicator of market expectations about a company's prospects; the higher the P/E, the greater the expectations for a company's future growth in earnings.
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.
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.

MARKET REVIEW

Broad US stock market gauges closed 2015's first quarter in positive territory, but they were periodically unsettled by signs of weakness in corporate earnings and forward guidance, plus turbulence in currency and energy markets. The market environment was further complicated by the trade-weighted US dollar's rise to a 12-year high and its potential to curb profits at US multinational corporations, suppress US exports and stunt broader economic growth. In addition, markets often shifted abruptly as investor perceptions changed about the timing of an eventual Federal Reserve (Fed) interest-rate increase. Brisk merger-and-acquisition activity, dovish March comments from an accommodative Fed and low inflation supported US equities. Amid continued modest US economic growth, the unemployment rate remained near a seven-year low, consumer confidence measures saw strong increases, home sales improved and home-price appreciation generally accelerated. However, weather-related setbacks may have contributed to ebbing retail sales and consumer spending. Additionally, the service sector's ongoing expansion stalled, and growth in manufacturing activity slowed amid falling exports and curbed production.

PERFORMANCE REVIEW AND CONTRIBUTORS TO PERFORMANCE

Performance Review

For the quarter ended March 31, 2015, the fund's relative performance benefited from stock selection in the information technology sector. Stock selection in the energy sector also helped relative results, as did an overweighting and stock selection in the consumer discretionary sector. In contrast, an underweighting and stock selection in the health care sector hindered the fund's relative performance, as did stock selection in the materials and financials sectors.

The fund's best-performing stocks on a contribution-to-return basis included First Solar Inc. (+34%), a manufacturer and designer of solar modules and solutions, which has continued to make efficiency advances in its thin film semiconductor technology. The company also announced the formation of a joint yield company with SunPower Corp. (not a fund holding) that will issue an initial public offering later in the year. Shares of Valero Energy Corp. (+29%), an independent petroleum refining and marketing company, performed well as increasing crude oil inventories led to a widening of the West Texas Intermediate-Brent price spread, which is positive for Valero's profitability. Shares of Walgreens Boots Alliance Inc. (+12%), a global pharmacy retailer and pharmaceutical distributor and wholesaler, rose after completion of the final stage of Walgreens' integration with Alliance Boots, benefiting from positive sentiment around the company's strategic plans to create a global health care company with a consumer-centric beauty focus. We believe that with the completion of the merger and a series of changes to senior management, the company should be well positioned to leverage its strong brands in a rapidly evolving health care market.

Detractors from absolute fund performance included Alcoa Inc. (-18%), an aluminum products manufacturer, whose stock has traded down commensurate with the price of aluminum. While the company's earnings have continued to exceed market expectations, fears of aluminum market supply/demand disruption from increased Chinese supply have been affecting the company's valuation. Prudential Financial Inc. (-11%), an insurance and financial services provider, was negatively impacted due to the company's disclosure that its excess capital had dropped from $3.5 billion to $2 billion over a three-month period. A sharp decline in interest rates during the period, along with a lack of a hedge on interest rates, contributed to the decline in capital. Ensco PLC (-29%), an operator of offshore drilling rigs, declined due to weaker demand for drilling services associated with depressed oil prices. In our view, Ensco remains one of the better positioned offshore drillers and has been trading at a significant discount to its book value.

Portfolio Positioning

At quarter-end, the fund's largest sector concentration was financials, followed by information technology and industrials. Its five largest holdings were The Allstate Corp. (financials), Corning Inc. (information technology), Citigroup Inc. (financials), The Home Depot Inc. (consumer discretionary) and Johnson Controls Inc. (consumer discretionary).

We added four new positions to the fund during the quarter: a specialty chemical company, a clothing designer, a data storage solutions provider and a pharmaceutical company. Consistent with our value strategy, we added to positions in BB&T Corp., Regions Financial Corp. and Roche Holding AG, among others.

During the period, we exited our positions in 3M Co. and Progressive Corp. We reduced our positions in Gilead Sciences Inc., Valero Energy Corp. and Walgreens Boots Alliance Inc.

Outlook & Strategy

For the balance of 2015 and beyond, we are guardedly optimistic on the likely trajectory for US equity markets. The US economy is in good, if not necessarily robust, growth mode: US companies added nearly 900,000 net new jobs in the three months through February 2015, driving the unemployment rate to 5.5% from 5.7% in January. We are inclined to see March's weak jobs data--and other recent downticks in economic indicators--as bad-weather induced aberrations. Tellingly, consumer spending--boosted by aggregate wage growth and lower fuel prices--increased 4.2% in 2014's fourth quarter and may be propelled higher by any increase in hourly wages, which may be afoot. Notably, consumer spending accounts for nearly two-thirds of US economic activity. At the same time, US corporate profit margins--outside the energy sector, of course--have been resilient, owing to lower fuel and commodity input costs and technology-driven efficiency gains.

Still, we are alert to some hazards to our upbeat outlook. We are not overly concerned about any incremental increase in interest rates by the Fed later in 2015, which is our base case scenario: Even after several rate hikes, US monetary policy will likely remain very accommodative. Based on the historical record, the US equity market should have the potential to advance in tandem with any “normalization” of the interest-rate environment from its post-2008 financial crisis lows. Nevertheless, interest-rate increases in the United States bring special risks in a global climate of divergent growth rates and monetary policies: The prospect of higher interest rates in the United States at a time when the Bank of Japan, the European Central Bank and key emerging markets are loosening monetary policy will likely stoke demand for higher-yielding US dollar-denominated assets and reinforce US dollar strength. In turn, a strong US dollar may crimp US exports, negatively impacting earnings for US companies with large overseas markets, and drag on growth in those emerging-market countries and companies that have increasingly relied on US-dollar financing. We will closely monitor this dynamic and its potential portfolio implications.

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.

PERFORMANCE REVIEW AND CONTRIBUTORS TO PERFORMANCE (*CONTINUED)*

Meanwhile, we note that there will almost always be specific companies or sectors that are passing through periods of duress. At present, lower oil prices, a stronger US dollar, and economic malaise in Japan, Europe and select emerging markets bring particular challenges to energy, materials and commodities businesses, as well as companies with larger international exposures. But, as typically happens when a sector moves out of favor, the market can discount quality companies alongside the more marginal ones, which we believe can present fertile ground for value investors with long-term investment horizons, such as ourselves.

Geopolitical risks are ever present. While faltering Greek bailout talks with the European Union and civil war in Yemen have garnered headlines in recent months, the threat from a nuclear Iran or the danger of military miscalculation in the South China Sea between Japan and China are of probably greater, but more latent, concern. However, we would be apt to see any significant equity market pullbacks emanating from these and similar flashpoints as buying opportunities.

We seek to invest in companies with rational, sustainable business models that we believe are trading at a significant discount to what they are worth. We prefer companies with strong financials (e.g., low debt), selling at what we believe are attractive valuations. We consider such metrics as price-to-earnings, book value and cash flow ratios in our pursuit of companies currently out of favor for reasons that we believe are temporary. In choosing an investment, we may consider a variety of factors in addition to price that may identify the issuer as a potential turnaround candidate or takeover target, such as ownership of what we view as valuable franchises, trademarks or trade names, control of distribution networks and market share for particular products.

We seek to leverage our managers' experience, primary research and valuation disciplines, as well as our long-term buy-and-hold approach, to try to capitalize on short-term market inefficiencies while attempting to deliver value-added returns.

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 PROCESS

INITIAL SCREEN

Screen initial universe of 8,000 stocks to search for large cap value companies with low long-term debt/equity ratio and one or more ratios such as:

- Low price/earnings ratio
- Low price/book ratio
- Low price/cash flow ratio

INDIVIDUAL COMPANY ANALYSIS

Identify companies with:

- Strong balance sheets
- Effective, shareholder-friendly management
- Viable products or services
- Valuable customer franchises and other intangibles
- Ownership of valuable trademarks, trade names, distribution networks
- Other special factors that suggest a company may be a takeover or turnaround candidate
- Set target sell price

ACCUMULATE SUBJECT TO PRICE

- Our value discipline makes us price-sensitive buyers
- Our ability to accumulate a full position is often subject to opportunistic purchases during times of market volatility

CONSTRUCT AND MONITOR PORTFOLIO

- Monitor fundamentals
- Review portfolio holdings
- Review target price

Continual screening of stock universe and monitoring of current portfolio

INVESTMENT AND MANAGEMENT TEAM (AS OF 3/31/15)

Franklin Large Cap Value Fund Management Team	Years with Firm	Years Experience
William J. Lippman	28	60
Jakov Stipanov, CFA	4	21
Donald G. Taylor, CPA	18	33
Bruce C. Baughman, CPA	28	31
Franklin U.S. Value Group	**Number of Members**	**Average Years Experience**
Portfolio Managers/Analysts	9	27
Research Analysts	6	10

WHAT ARE THE RISKS

All investments involve risks, including possible loss of principal. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. These price movements may result from factors affecting individual companies, industries or the securities market as a whole. The fund may invest up to 25% of its total assets in foreign securities, which may involve special risks, including currency fluctuations and economic and political uncertainty. These and other risks are described more fully 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.
The Russell index shown is a trademark/servicemark of the Frank Russell Company.

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.
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.

PORTFOLIO CHARACTERISTICS

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.
Source: FactSet. For the portfolio, the Price to Earnings, Price to Cash Flow, and Price to Book Value calculations for the weighted average use harmonic means. Values less than 0.01 (i.e., negative values) are excluded and values in excess of 200x are capped at 200x. For the benchmark, no limits are applied to these ratios in keeping with the benchmark's calculation methodology. Market capitalization statistics are indicated in the base currency for the portfolio presented.

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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