FRANKLIN TEMPLETON INVESTMENTS

Templeton Frontier Markets Fund—Advisor Class

PRODUCT PROFILE FOURTH QUARTER 2013

FUND CHARACTERISTICS (AS OF 12/31/13)

NASDAQ Symbol	FFRZX
Fund Inception Date	10/14/08
Dividends	Annually
Investment Style	International
Benchmark	MSCI Frontier Markets Index
Lipper Classification	Emerging Markets Funds
Morningstar Category™	US OE Diversified Emerging Mkts
Total Net Assets—All Share Classes	1,513 million
Number of Issuers	81
Maximum Initial Sales Charge	None

THIRD-PARTY FUND DATA

Overall Morningstar Rating™

★★★★★

As of December 31, 2013 the fund's Advisor Class shares received a 5 star overall Morningstar Rating™, measuring risk-adjusted returns against 399 and 315 U.S.-domiciled US OE Diversified Emerging Mkts funds over the 3- and 5-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.

Effective June 28, 2013, the fund closed to new investors with limited exceptions. Existing shareholders may continue to add money to their accounts.

FUND DESCRIPTION

Templeton Frontier Markets Fund seeks long-term capital appreciation by normally investing at least 80% of its net assets in securities of companies located in "frontier market countries" -- which, in general, are a sub-set of those currently considered to be developing by the World Bank, the International Finance Corporation, the United Nations, or the countries' authorities, or countries with a stock market capitalization of less than 3% of the MSCI World Index.

PERFORMANCE DATA

Average Annual Total Returns for Periods Ended December 31, 2013 (%)

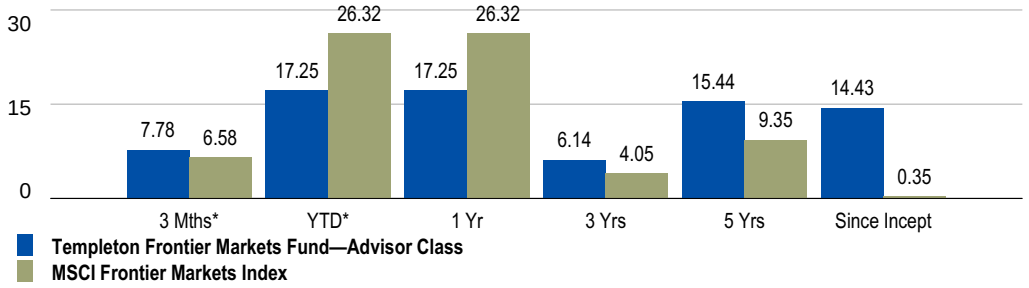
	3 Mths*	YTD*	1 Yr	3 Yrs	5 Yrs	Since Incept (10/14/08)
Templeton Frontier Markets Fund—Advisor Class	7.78	17.25	17.25	6.14	15.44	14.43
MSCI Frontier Markets Index	6.58	26.32	26.32	4.05	9.35	0.35

Total Annual Operating Expenses—*With Waiver:* *1.81%* ***Without Waiver:*** *1.82%*

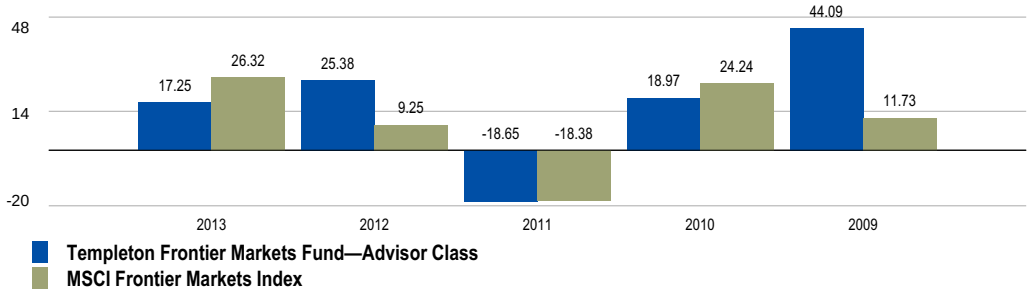
Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment returns and principal values will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin Templeton Investments at (800) DIAL BEN/(800) 342-5236 or visit franklintempleton.com for the most recent month-end performance.

The fund has a fee waiver associated with its investments in a Franklin Templeton money fund, contractually guaranteed through at least its current fiscal year end. Fund investment results reflect the fee waiver; without this reduction, the results would have been lower.

Average Annual Total Returns for Periods Ended December 31, 2013 (%)



Calendar Year Returns As of December 31, 2013 (%)



Advisor Class shares are only offered to certain eligible investors as stated in the prospectus. They are offered without sales charges or Rule 12b-1 fees.

*Cumulative Total Returns.

For information related to the "Fund Characteristics," "Third-Party Fund Data," and "Performance Data" sections, please see Explanatory Notes.

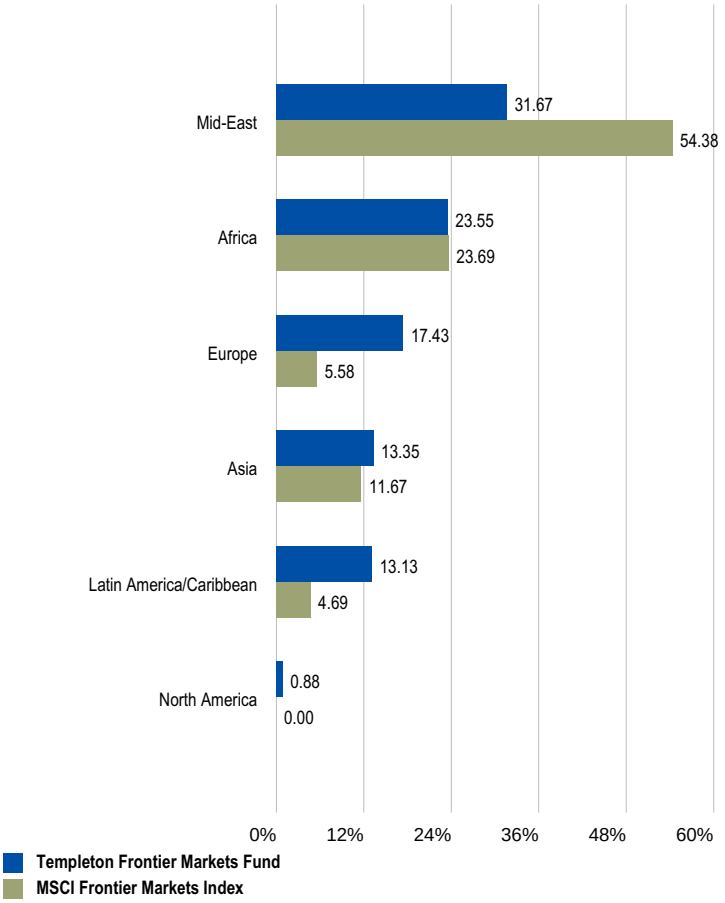
NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

PORTFOLIO DIVERSIFICATION (AS OF 12/31/13)

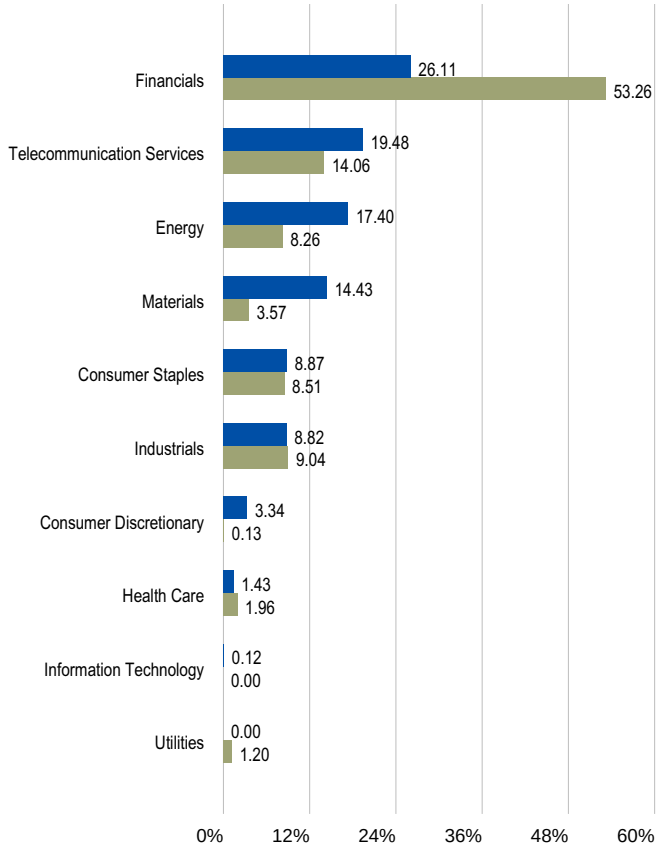
Top Ten Holdings

Issuer Name	Country	Industry	% of Total
1. INDUSTRIES QATAR	Qatar	Capital Goods	4.24
2. OMV PETROM SA	Romania	Energy	3.97
3. OOREDOO QSC	Qatar	Telecommunication Services	3.86
4. ZENITH BANK PLC	Nigeria	Banks	3.54
5. MTN GROUP LTD	South Africa	Telecommunication Services	3.24
6. KAZMUNAIGAS EXPLORATION PRODUCTION	Kazakhstan	Energy	3.18
7. DRAGON OIL PLC	Turkmenistan	Energy	3.15
8. FIRST GULF BANK	United Arab Emirates	Banks	2.97
9. SAUDI BASIC INDUSTRIES CORP	Saudi Arabia	Materials	2.50
10. FBN HOLDINGS PLC	Nigeria	Banks	2.39
Total			**33.04**

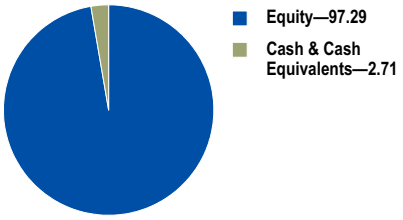
Geographic Weightings vs. Benchmark (% of Equity)



Sector Weightings vs. Benchmark (% of Equity)



Portfolio Allocation (%)



Largest Sector Contributors vs. MSCI Frontier Markets Index

Sector	Total Effect (%)
Financials	1.06
Telecommunication Services	0.85
Consumer Discretionary	0.65
Industrials	0.57
Materials	0.29

Smallest Sector Contributors vs. MSCI Frontier Markets Index

Sector	Total Effect (%)
Energy	-1.54
Cash & Other Net Assets	-0.27
Health Care	-0.06
Utilities	-0.03
Information Technology	0.00

Contributor data shown is for the period 10/1/13 to 12/31/13

PORTFOLIO CHARACTERISTICS (AS OF 12/31/13)—Fund vs. MSCI Frontier Markets Index

	Fund	Benchmark
Weighted Average Market Capitalization (Millions USD)	7,097	10,417
Median Market Capitalization (Millions USD)	1,835	1,774

Price to Earnings

	Fund	Benchmark
Weighted Average	10.81x	13.23x
Median	11.81x	12.39x

Price to Book Value

	Fund	Benchmark
Weighted Average	1.67x	1.74x
Median	1.89x	1.66x

Price to Cash Flow

	Fund	Benchmark
Weighted Average	5.94x	8.39x
Median	8.84x	8.91x

PERFORMANCE RISK STATISTICS - Advisor Class

Modern Portfolio Theory (MPT) Statistics (As of 12/31/13)

Performance Risk Statistics	3 Years	5 Years
Standard Deviation	13.06	15.65
Alpha	2.52	8.05
Beta	0.94	0.74
Sharpe Ratio	0.47	0.98
Information Ratio	0.29	0.66
Tracking Error	7.21	9.21
R-Squared	69.83	74.77

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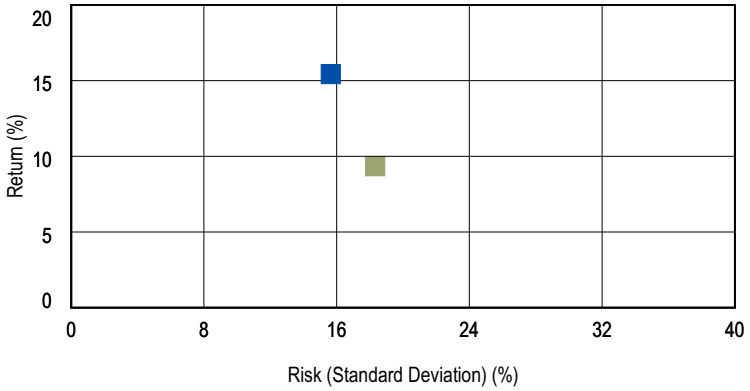
Risk vs. Return 5-Year Period Ended 12/31/13



Templeton Frontier Markets Fund—Advisor Class
MSCI Frontier Markets Index

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. For a portfolio, the weighted average P/E ratio of the stocks in the portfolio. 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

Frontier markets advanced in the final quarter of 2013, with a solid overall gain exceeding progress from more established emerging markets. Strengthening economic data across a number of major developed economies provided a supportive backdrop to global equities, and although the US Federal Reserve announced a January start to the "tapering" of its quantitative easing program, the move was accompanied by reassurance about ongoing low interest rates, and the market reaction was muted.

Many frontier markets made solid progress during the quarter. Among stronger performers, the United Arab Emirates (UAE) gained both on improving local economic data and the prospect of rising international trade flows through the port of Dubai. The 2020 World Expo was awarded to Dubai, which could provide extra impetus to an already solid local real estate market. Improving economic news from the eurozone and some positive local developments pushed a number of eastern European markets, notably the Republic of Serbia and Bulgaria, to significant gains.

In Asia, Pakistan advanced on an improving growth outlook, a new International Monetary Fund loan program and hopes that planned economic reforms will be pushed through in 2014. In Latin America, Argentina was notably strong as an outline agreement to compensate investors affected by the nationalization of a major oil company signaled a more investor-friendly stance from the government. Some countries in the Middle East and North Africa, notably Kuwait, Bahrain and Lebanon, saw modest weakness mainly due to local political concerns. All sectors in the index recorded positive performance, with energy, health care and utilities notably strong, whereas consumer discretionary, telecommunication services and consumer staples lagged.

PERFORMANCE REVIEW AND CONTRIBUTORS TO PERFORMANCE

Performance Review

Regional Analysis

A strong quarter for the fund had a variety of sources, with positions in most countries in the portfolio gaining some ground in absolute terms. Among the more substantial contributors, Nigerian banking holdings gained on solid results, with positioning by some market participants for the year-end sparking further rallies in certain stocks. Panama was home to a telecommunications business buoyed by solid third-quarter results and takeover speculation, as well as a strongly performing airline stock. In Europe, buoyant quarterly results helped a Georgian bank to a substantial contribution to portfolio performance, reinforcing the gains made by fund positions in Romania. Elsewhere, the Persian Gulf states of Qatar, the UAE and Saudi Arabia all produced solid absolute contributions, with a notable contribution from a Qatari industrial conglomerate. Individual contributors elsewhere included a South Korean-quoted sports bags and clothing operation with substantial manufacturing facilities in Bangladesh and Vietnam, as well as an Argentina-based Latin American steel business.

Colombia was the largest detractor from absolute fund performance. A Columbian oil and gas business drifted as indifferent third-quarter results and a larger-than-expected exploration expenditure plan for 2014 cooled investor sentiment, while a local banking business revealed weaker-than-expected third-quarter trading, causing its shares to dip. A Mongolian coking coal business struggled over the period. Kuwaiti holdings also detracted to a small extent. Among individual stocks, weak results for the twelve months to June 2013 sent shares of a Polish-quoted Ukrainian agribusiness lower. Poor oilseed and grain harvests and a resulting shortage of supply for newly expanded cooking oil production facilities were the major issues. A Kazakh copper mining business drifted on news of an increase in capital expenditure and possible production delays at a new project, while a Kenya-based beverages business lost ground after new taxes led to large price increases for its lower-priced beers, which could affect demand in a price-sensitive market. These issues appear relatively short term in nature, in our opinion, and did not prevent a strong overall fund return for the quarter.

Sector Analysis

No sector detracted from fund performance. Financials was the main contributor, but telecommunication services, industrials, materials and consumer discretionary all made substantial additional contributions.

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 PHILOSOPHY AND PROCESS

Templeton's approach is based on presence on the ground—a network of local offices, onsite company research visits, and more than a decade of pioneering new emerging markets and investment opportunities. The advantage in our process comes from our in-house investment research capabilities, the length of our track record, and the independence of the emerging markets team and process. Templeton's approach to the market is founded on three tenets: Value, Patience, and Bottom-Up stock selection.

Value

We seek companies trading at a substantial discount to what our research indicates the company may be worth.

Patience

Security prices can fluctuate more widely than underlying security values. In our opinion, market efficiencies should recognize and correct these security prices over time.

Bottom-Up

We identify value through rigorous fundamental analysis of a company's business to determine what we consider its economic worth to be based on future earnings potential, cash flow or asset value potential. Templeton's investment process involves five steps and is designed to add value for investors over the long term.

STEP 1
Identify stocks for potential purchase

STEP 2
Analyze securities

STEP 3
Evaluate securities with research team

STEP 4
Construct portfolio

STEP 5
Manage and maintain portfolio

INVESTMENT AND MANAGEMENT TEAM (AS OF 12/31/13)

Templeton Frontier Markets Fund Management Team	Years with Firm	Years Experience
Mark Mobius, Ph.D.- Executive Chairman	26	46
Allan Lam	26	26
Dennis Lim	23	29
Tom Wu	26	28
Templeton Emerging Markets Management Team	**Years with Firm**	**Years Experience**
Mark Mobius, Ph.D.- Executive Chairman	26	46
Templeton Emerging Markets Team	**Number of Members**	**Average Years Experience**
Portfolio Managers/Analysts	8	27
Research Analysts	44	11

WHAT ARE THE RISKS

All investments involve risks, including possible loss of principal. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Investments in emerging markets, of which frontier markets are a subset, involve heightened risks related to the same factors, in addition to those associated with these markets' smaller size, lesser liquidity and lack of established legal, political, business and social frameworks to support securities markets. Because these frameworks are typically even less developed in frontier markets, as well as various factors including the increased potential for extreme price volatility, illiquidity, trade barriers and exchange controls, the risks associated with emerging markets are magnified in frontier markets. The fund's ability to invest in smaller company securities that may have limited liquidity involves additional risks, such as relatively small revenues, limited product lines and small market share. Historically, these stocks have exhibited greater price volatility than larger-company stocks, especially over the short term. Because the fund is non-diversified and may invest a greater portion of its assets in the securities of one issuer than a diversified fund, it may be more sensitive to economic, business, political or other changes affecting similar issuers or securities. All investments in the fund should be thought of as long-term investments that could experience significant price volatility in any given year. The fund is designed for the aggressive portion of a well-diversified portfolio. These and other risk considerations are discussed in the fund's prospectus.

EXPLANATORY NOTES

FUND CHARACTERISTICS

Number of Issuers: All portfolio holdings are subject to change. Holdings of the same issuer have been combined.

THIRD-PARTY FUND DATA

Morningstar Rating™: Source: Morningstar® 12/31/13. 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. Advisor Class shares of Templeton Frontier Markets Fund received a traditional Morningstar Rating of 5 and 5 star(s) for the 3- and 5-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.** ©2014 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.

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.
All MSCI data is provided "as is." The Fund described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the Fund described herein. Copying or redistributing the MSCI data is strictly prohibited.
Performance reflects all charges and fees applicable to Advisor Class.

PORTFOLIO DIVERSIFICATION

Geographic/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.
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.

PERFORMANCE RISK STATISTICS

Risk vs. Return: Risk is measured by the annualized standard deviation of monthly total returns. Performance of the fund does not include sales charges (if applicable), but it does include dividends and capital gains reinvested at net asset value.
Source for Index: FactSet. Indexes are unmanaged and one cannot invest directly in an index.
The fund offers other share classes subject to different fees and expenses, which will affect their performance.

FRANKLIN TEMPLETON INVESTMENTS

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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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