

SEMIANNUAL REPORT AND SHAREHOLDER LETTER

FRANKLIN VALUE INVESTORS TRUST

April 30, 2023



FRANKLIN
TEMPLETON

Franklin MicroCap Value Fund

Franklin Mutual U.S. Mid Cap Value Fund
Formerly, Franklin Mutual U.S. Value Fund

Franklin Small Cap Value Fund

SHAREHOLDER LETTER

Dear Franklin Fund Shareholder:

The past six months were eventful and volatile. Continued inflation, hawkish central banks, supply-chain reinforcement, the war in Ukraine and concerns over economic growth remained a part of the economic landscape, joined by new elements, such as turbulence within the banking industry. However, many economic indicators remained strong during the period, with low unemployment and a tight labor market supporting consumer spending. Better-than-expected first-quarter 2023 earnings reports also worked to support investor sentiment toward the end of the six months.

Although the year-over-year growth rate of price increases is slowly moderating, inflation remained above central bank targets during the period. In response, several of the world's central banks continued to raise rates, including the U.S. Federal Reserve (Fed), the European Central Bank (ECB) and the Bank of England (BoE). The Bank of Japan (BOJ) increased the band around the yield target on its 10-year government bond. Near the end of the six months, the Fed indicated it might slow the pace of its rate hikes, lifting investor sentiment in the wake of turbulence brought on by the banking industry.

The banking industry stumbled in March 2023 when a number of mid-sized U.S. banks collapsed, and a Swiss bank was forced into a merger. However, quick intervention by authorities worked to calm fears and prevent a widespread bank run. We continue to keep an eye out for future banking industry issues. The additional stress from the near crisis has amplified risk aversion across the capital markets, in our opinion. Along with tighter lending standards, we think this might work to increase the likelihood of a recession.

Some U.S. large-cap valuations reflect this recession risk. Furthermore, many U.S. small-cap value stocks are trading well below their 52-week highs, and valuations of profitable small-cap companies in the Russell 2000® Value Index are near 20-year lows.

After experiencing supply-chain shocks caused by multiple factors, companies are investing capital to diversify their manufacturing operations and component sourcing. Some of this new fabrication capacity is being added in the U.S., while some factories will be added in locations such as Mexico, Indonesia and Vietnam. Recent U.S. legislation

such as the CHIPS and Science Act and the Infrastructure Investment and Jobs Act incentivize U.S. reshoring initiatives. In the near term, we anticipate this increased construction and manufacturing activity will help offset some of the economic cooling caused by tighter lending standards. In the longer term, we think increased manufacturing capacity and diversification of supply sourcing will reduce the likelihood of future supply shocks.

Even though the initial shock of Russia's invasion of Ukraine has receded, the conflict continues to affect markets by stoking inflationary pressure and causing many European countries and companies to explore alternate ways to fulfill their need for energy. Thankfully, European energy security became less of an issue near the end of 2022. A warmer-than-expected winter and government subsidies combined to avert the energy crunch that had been feared.

Not all progress is a steady march forward. In the near term, market activity will likely be influenced by central bank activity, geopolitical events, inflation concerns, supply-chain redevelopment and financial institution stability. We remain focused on identifying opportunities to acquire stocks at attractive valuations based upon our assessment of fundamental value, while taking advantage of volatility. Our process of finding underappreciated and misunderstood companies with identifiable catalysts to unlock shareholder value may provide meaningful upside potential and possible downside risk management during turbulent periods. In addition, we continue to focus on event-driven situations across equity and fixed income with catalysts less correlated to the overall markets. While unnerving, volatility remains an inherent part of investing in risk assets, and the market historically rewards investors who take an opportunistic long-term perspective.

On the following pages, the portfolio management team of each Fund reviews investment decisions made during this period. Please remember all securities markets fluctuate, as do mutual fund share prices. We thank you for investing with Franklin Templeton, welcome your questions and comments, and look forward to continuing to serve your investment needs in the years ahead.

Not FDIC Insured	May Lose Value	No Bank Guarantee
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Sincerely,

A handwritten signature in black ink, appearing to read 'cc', with a long horizontal flourish extending to the right.

Christian Correa, CFA
President and Chief Investment Officer
Franklin Value Investors Trust

This letter reflects our analysis and opinions as of April 30, 2023, unless otherwise indicated. The information is not a complete analysis of every aspect of any market, country, industry, security or fund. Statements of fact are from sources considered reliable.

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Visit **franklintempleton.com** for fund updates, to access your account, or to find helpful financial planning tools.

SEMIANNUAL REPORT

Economic and Market Overview

U.S. equities, as measured by the Standard & Poor's® 500 Index (S&P 500®), posted a +8.63% total return for the six months ended April 30, 2023¹. Despite continued challenges from elevated inflation, higher interest rates and the failure of several U.S. banks in March 2023, stocks, led by the information technology sector, gained amid signs of resilience in the U.S. economy.

U.S. gross domestic product growth slowed in 2023's first quarter as the pace of business investment eased, inventories declined, and the housing market weakened. Although consumer spending continued to rise, deteriorating financial conditions kept consumer sentiment at historically low levels. Meanwhile, inflation, which remained heightened relative to recent decades, showed signs of easing. The annual inflation rate, as measured by the Consumer Price Index, eased to 5% in March 2023, the lowest rate since May 2021, as energy costs declined sharply, used car prices fell and food prices grew at a slower rate.

The U.S. unemployment rate remained at historically low levels during the period, briefly hitting a 54-year low of 3.4% in January 2023 before rising marginally to 3.5% in March 2023. Wage growth eased toward the end of the period, raising market expectations that the Fed would slow its rate of interest-rate increases. Rising interest rates translated to higher borrowing costs for individuals and businesses, which discouraged some economic activity. Despite interest-rate increases, bank failures contributed to lower mortgage rates toward the end of the period.

In an effort to control inflation, the Fed raised the federal funds target rate four times during the period to end at a range of 4.75%–5.00%. The Fed stepped down the pace of its interest-rate hikes from 75 basis points (bps) at its November 2022 meeting to 50 bps in December 2022, followed by 25-bp increases in February and March 2023. At its March 2023 meeting, the Fed said it would continue to reduce bond holdings, but it departed from previous statements by softening its firm outlook on future rate hikes. Additionally, Fed Chair Jerome Powell said the central bank most likely would not cut rates in 2023.

The foregoing information reflects our analysis and opinions as of April 30, 2023. The information is not a complete analysis of every aspect of any market, country, industry, security or fund. Statements of fact are from sources considered reliable.

1. Source: Morningstar.
See www.franklintempletondatasources.com for additional data provider information.

Franklin MicroCap Value Fund

This semiannual report for Franklin MicroCap Value Fund covers the period ended April 30, 2023.

Your Fund's Goal and Main Investments

The Fund seeks high total return, of which capital appreciation and income are components. The Fund normally invests at least 80% of its net assets in securities of microcap companies with total market capitalizations of \$1 billion or less or within the bottom 40% of the Russell 2000® Value Index, whichever is higher at the time of purchase.¹ The Fund generally invests in equity securities, predominantly common stocks, of companies that we believe are undervalued and have the potential for capital appreciation. The Fund may invest up to 25% of its total assets in foreign securities.

Performance Overview

The Fund's Class A shares posted a -3.68% cumulative total return for the six months under review. In comparison, the Russell 2000® Value Index, which measures the performance of those Russell 2000® Index companies with relatively lower price-to-book ratios and lower forecasted growth rates, posted a -6.72% cumulative total return for the same period.² You can find more of the Fund's performance data in the Performance Summary beginning on page 7.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Investment Strategy

Our strategy is to buy shares of companies that we believe are undervalued at the time of purchase and have the potential for capital appreciation. The types of companies the Fund may invest in include, among other things, those that may be considered out of favor due to actual or perceived cyclical or secular challenges, or are experiencing temporary setbacks, diminished expectations, mismanagement or

undermanagement, or are financially stressed. In choosing investments, we conduct an in-depth analysis of a company's long-term or normalized earnings and free cash flow potential, quality of management, ownership of valuable franchises, trademarks or trade names, control of distribution networks, underutilized assets and market share for particular products, balance sheet, and other factors that may identify the issuer as a potential investment. The investment manager considers selling a security when it no longer meets its value criteria.

Portfolio Composition

4/30/23

	% of Total Net Assets
Banks	17.8%
Machinery	10.5%
Health Care Equipment & Supplies	5.4%
Textiles, Apparel & Luxury Goods	4.5%
Hotels, Restaurants & Leisure	4.4%
Energy Equipment & Services	4.4%
Construction & Engineering	4.3%
Electrical Equipment	4.1%
Diversified REITs	3.2%
Electronic Equipment, Instruments & Components	2.9%
Insurance	2.7%
Specialty Retail	2.7%
Professional Services	2.6%
Pharmaceuticals	2.5%
Other*	25.6%
Short-Term Investments & Other Net Assets	2.4%

*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in this report.

Manager's Discussion

During the six-month period ended April 30, 2023, stock selection in industrials, health care and energy contributed to relative performance. Conversely, stock selection in financials and materials, as well as stock selection and an underweight in utilities, curbed relative returns.

Individual contributors included Harrow Health, Preformed Line Products and LSI Industries.

1. Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. Russell 2000® Value Index is market capitalization weighted and measures the performance of those Russell 2000® Index companies with relatively lower price-to-book ratios and lower forecasted growth rates.

2. Source: Morningstar.

The index is unmanaged and includes reinvestment of any income or distributions. It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See www.franklintempletondatasources.com for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 24.

Top 10 Holdings

4/30/23

Company Industry, Country	% of Total Net Assets
Harrow Health, Inc. <i>Pharmaceuticals, United States</i>	2.5%
Preformed Line Products Co. <i>Electrical Equipment, United States</i>	2.4%
Miller Industries, Inc. <i>Machinery, United States</i>	2.3%
Sterling Infrastructure, Inc. <i>Construction & Engineering, United States</i>	2.2%
Utah Medical Products, Inc. <i>Health Care Equipment & Supplies, United States</i>	1.8%
VAALCO Energy, Inc. <i>Oil, Gas & Consumable Fuels, United States</i>	1.8%
Daktronics, Inc. <i>Electronic Equipment, Instruments & Components, United States</i>	1.8%
Helix Energy Solutions Group, Inc. <i>Energy Equipment & Services, United States</i>	1.7%
CTO Realty Growth, Inc. <i>Diversified REITs, United States</i>	1.7%
Northeast Bank <i>Banks, United States</i>	1.7%

Eye care pharmaceutical company Harrow Health bolstered relative returns during the period. In its latest quarterly update, the company said it expected its gross margin to rise above 2021 levels in 2023, now that it has sold its non-ophthalmic unit and as supply-chain constraints ease. Harrow Health also reaffirmed its 2023 guidance.

Preformed Line Systems, which makes products used in the construction and maintenance of overhead, ground-mounted, and underground networks for the energy, telecommunication, and cable operator industries, supported relative results. Its 2022 earnings report was strong, with growth across most of its regions, and the company said that price increases announced over the past two years have helped offset raw materials and transportation cost inflation. The company also continues to invest in its facilities to increase capacity and to look for ways to grow inorganically.

LSI Industries contributed to relative results over the six-month period. The company's latest quarterly financial results were strong, on robust revenue growth in its lighting segment. LSI also said it booked a major order from an auto components company that should further support that area of its business, and ongoing strength in its overall business should help minimize any impact a slowing economy may have over the remainder of the year.

Detractors included Investar Holdings, Premier Financial and Peapack-Gladstone Financial.

The Funds's bank stocks were the main detractors from relative returns during the quarter. Among them, Investar Holdings, a commercial bank focused on South Louisiana, curbed relative results as the run on deposits at a larger bank spooked investors across the banking system. Additionally, the bank reported a decline in its net interest margin for the fourth quarter, as funding costs increased more than the increase on the yield of its interest-earning assets. Meanwhile, Investar saw a rise in deposits in the fourth quarter and an improvement in credit quality.

Premier Financial, another bank, also curbed relative results amid declining deposit balances in the first quarter. In its quarterly earnings release, the bank noted deposit withdrawals and saw its net income margin decline as it had to offer higher deposit rates. The bank is also constraining its residential real estate lending, given the economic uncertainties.

Peapack-Gladstone Financial was a detractor. The company reported that its net interest margin contracted in the first quarter, as clients moved money from noninterest bearing accounts into higher yielding deposit accounts. Loan growth was solid, but the bank expects growth to subside given the economic uncertainty and higher interest rates. Nonetheless, the bank appears to be dealing well with the current market environment, in our view.

Thank you for your participation in Franklin MicroCap Value Fund. We look forward to continuing to serve your investment needs.

Oliver H. Wong, CFA
Portfolio Manager

The foregoing information reflects our analysis, opinions and portfolio holdings as of April 30, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of April 30, 2023

The performance table does not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 4/30/23¹

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
6-Month	-3.68%	-8.96%
1-Year	+1.98%	-3.64%
5-Year	+24.87%	+3.37%
10-Year	+83.01%	+5.63%
Advisor		
6-Month	-3.57%	-3.57%
1-Year	+2.21%	+2.21%
5-Year	+26.40%	+4.80%
10-Year	+87.48%	+6.49%

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 8 for Performance Summary footnotes.

Distributions (11/1/22–4/30/23)

Share Class	Net Investment Income	Short-Term Capital Gain	Long-Term Capital Gain	Total
A	\$0.0851	\$0.0478	\$1.4886	\$1.6215
R6	\$0.1791	\$0.0478	\$1.4886	\$1.7155
Advisor	\$0.1556	\$0.0478	\$1.4886	\$1.6920

Total Annual Operating Expenses⁵

Share Class	With Fee Waiver	Without Fee Waiver
A	1.24%	1.26%
Advisor	0.99%	1.01%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

All investments involve risks, including possible loss of principal. 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. In addition, the Fund may invest up to 25% of its total assets in foreign securities, which involve special risks, including currency fluctuations and economic and political uncertainty. Value securities may not increase in price as anticipated or may decline further in value. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

1. Gross expenses are the fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 2/29/2024 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.

See www.franklintempletondatasources.com for additional data provider information.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 11/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 4/30/23	Expenses Paid During Period 11/1/22–4/30/23 ^{1,2}	Ending Account Value 4/30/23	Expenses Paid During Period 11/1/22–4/30/23 ^{1,2}	
A	\$1,000	\$963.20	\$5.89	\$1,018.80	\$6.06	1.21%
R6	\$1,000	\$964.80	\$4.28	\$1,020.44	\$4.40	0.88%
Advisor	\$1,000	\$964.30	\$4.68	\$1,020.03	\$4.81	0.96%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

Franklin Mutual U.S. Mid Cap Value Fund

Formerly, Franklin Mutual U.S. Value Fund

This semiannual report for Franklin Mutual U.S. Mid Cap Value Fund covers the period ended April 30, 2023.

Your Fund's Goal and Main Investments

The Fund seeks high total return, of which capital appreciation and income are components. The Fund normally invests at least 80% of its net assets in U.S. mid cap securities. Mid capitalization companies are companies with market capitalizations equal to those within the universe of the Russell Midcap® Value Index¹ at the time of purchase. The Fund invests primarily in equity securities (including securities convertible into, or that we expect to be exchanged for, common or preferred stock) of U.S. companies that we believe are available at market prices less than their fundamental value. The Fund currently does not expect to invest more than 10% of its net assets in non-U.S. securities.

Performance Overview

The Fund's Class A shares posted a +2.85% cumulative total return for the six months under review. In comparison, the Russell MidCap® Value Index, which is market capitalization weighted and measures the performance of those Russell Midcap® Index companies with relatively lower price-to-book ratios and lower forecasted growth rates, posted a +2.26% cumulative total return for the same period.² You can find more of the Fund's performance data in the Performance Summary beginning on page 12.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Investment Strategy

We employ a research driven, fundamental value strategy for the Fund and select investments based on our own evaluation of the security's fundamental value, including for equity securities, an analysis of the cash flow potential, long-term earnings, multiples of earnings and book value. We

examine each investment separately and there are no set criteria as to specific value parameters, earnings or industry type.

Portfolio Composition

4/30/23

	% of Total Net Assets
Professional Services	5.8%
Electric Utilities	5.4%
Health Care Providers & Services	5.1%
Insurance	5.1%
Financial Services	4.4%
Chemicals	4.4%
Banks	4.1%
Aerospace & Defense	4.0%
Energy Equipment & Services	3.5%
Food Products	3.5%
Real Estate Management & Development	3.4%
Trading Companies & Distributors	3.2%
Automobile Components	2.5%
Oil, Gas & Consumable Fuels	2.3%
Other*	35.3%
Short-Term Investments & Other Net Assets	8.0%

*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in this report.

Manager's Discussion

During the six-month period ended April 30, 2023, stock selection in the consumer discretionary and financials sectors, along with stock selection and an overweight in industrials, contributed to relative results. Stock selection in health care, real estate and utilities curbed relative returns.

Individual contributors included DR Horton, Tapestry and Univar Solutions.

U.S. homebuilder DR Horton contributed to relative performance, following a strong earnings report in April. The company's fiscal second-quarter earnings beat Wall Street forecasts on higher-than-expected closings, with orders down a modest 5% despite the higher mortgage rate environment. With the housing market looking to be more stable, DR Horton expects margins to remain steady in the

1. Russell Midcap® Value Index is market capitalization weighted and measures the performance of those Russell Midcap® Index companies with relatively lower price-to-book ratios and lower forecasted growth rates.

2. Source: Morningstar.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See www.franklintempletondatasources.com for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).

The SOI begins on page 33.

21%–22% range for the fiscal third quarter of 2023.

Top 10 Holdings

4/30/23

Company Industry, Country	% of Total Net Assets
Kraft Heinz Co. (The) Food Products, United States	3.5%
CBRE Group, Inc. Real Estate Management & Development, United States	2.7%
KBR, Inc. Professional Services, United States	2.3%
Williams Cos., Inc. (The) Oil, Gas & Consumable Fuels, United States	2.3%
Brixmor Property Group, Inc. Retail REITs, United States	2.3%
Flex Ltd. Electronic Equipment, Instruments & Components, United States	2.3%
DR Horton, Inc. Household Durables, United States	2.2%
Entergy Corp. Electric Utilities, United States	2.2%
Voya Financial, Inc. Financial Services, United States	2.2%
eBay, Inc. Broadline Retail, United States	2.1%

Tapestry, a U.S.-based owner of the Coach and Kate Spade brands, contributed to relative performance following robust recent quarterly earnings and despite the challenging global economy. The company also continued to buy back shares. We believe the company is one of the better names to provide exposure to an apparel recovery and China reopening. Moreover, Tapestry has a strong balance sheet, is cash generative, and has a high and durable margin.

Univar, a chemical distribution company, outperformed during the period following better-than-expected third-quarter results. In addition, its shares were bid higher due to the company's announcement that it will repurchase \$1 billion of stock through 2025 and plan to initiate a dividend in 2023. Lastly, later in the reporting period, Univar received a buyout offer from a private-equity firm.

Detractors included SVB Financial Group (not held at period-end), Citizens Financial Group and Vornado Realty Trust.

SVB Financial, a U.S.-based bank, detracted from relative returns. The bank suffered from a rapid run on its deposits in March in the wake of its attempt to raise capital following losses on the sale of its U.S. Treasuries portfolio. We eliminated the position prior to it being seized by the regulators; nevertheless it was a big drag on performance during the period.

Citizens Financial Group, a U.S.-based bank, detracted from relative results following the collapse of SVB Financial and resulting stresses in the broader banking system. The bank has been focused on managing both its balance sheet and interest-rate exposure in an uncertain macroeconomic environment and ended 2022 with a strong credit and capital position. Citizens saw higher deposit costs in the first quarter, and some deposit outflows, but the company is increasing its balance sheet flexibility to deal with the more uncertain environment.

Vornado Realty Trust, an office real estate investment trust, curbed relative returns during the period. In its fourth-quarter earnings release, the company warned that the outlook for leasing remained difficult. The company also faces challenges as people continue to work from home, interest rates increase and recession concerns mount following recent bank failures.

Thank you for your participation in Franklin Mutual U.S. Mid Cap Value Fund. We look forward to continuing to serve your investment needs.

Grace Hoefig
Lead Portfolio Manager

Srini Vijay, CFA
Stephen Shunk, CFA

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of April 30, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of April 30, 2023

The performance table does not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 4/30/23¹

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
6-Month	+2.85%	-2.80%
1-Year	-1.50%	-6.91%
5-Year	+28.85%	+4.02%
10-Year	+88.18%	+5.92%
Advisor		
6-Month	+2.99%	+2.99%
1-Year	-1.25%	-1.25%
5-Year	+30.45%	+5.46%
10-Year	+92.95%	+6.79%

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 13 for Performance Summary footnotes.

Distributions (11/1/22–4/30/23)

Share Class	Net Investment Income	Long-Term Capital Gain	Total
A	\$0.3267	\$1.0752	\$1.4019
C	\$0.0535	\$1.0752	\$1.1287
R	\$0.2454	\$1.0752	\$1.3206
R6	\$0.4459	\$1.0752	\$1.5211
Advisor	\$0.4082	\$1.0752	\$1.4834

Total Annual Operating Expenses⁵

Share Class	With Fee Waiver	Without Fee Waiver
A	0.91%	0.92%
Advisor	0.66%	0.67%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

All investments involve risks, including possible loss of principal. Value securities may not increase in price as anticipated or may decline further in value. While smaller and midsize companies may offer substantial opportunities for capital growth, they also involve heightened risks and should be considered speculative. Historically, smaller- and midsize-company securities have been more volatile in price than larger-company securities, especially over the short term. The Fund may invest in foreign securities, which may involve special risks, including currency fluctuations and economic and political uncertainty. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

1. Gross expenses are the fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 2/29/2024 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See www.franklintempletondatasources.com for additional data provider information.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 11/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 4/30/23	Expenses Paid During Period 11/1/22–4/30/23 ^{1,2}	Ending Account Value 4/30/23	Expenses Paid During Period 11/1/22–4/30/23 ^{1,2}	
A	\$1,000	\$1,028.50	\$4.49	\$1,020.37	\$4.47	0.89%
C	\$1,000	\$1,024.60	\$8.24	\$1,016.65	\$8.21	1.64%
R	\$1,000	\$1,027.40	\$5.75	\$1,019.13	\$5.72	1.14%
R6	\$1,000	\$1,030.50	\$2.76	\$1,022.08	\$2.74	0.55%
Advisor	\$1,000	\$1,029.90	\$3.24	\$1,021.61	\$3.22	0.64%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

Franklin Small Cap Value Fund

This semiannual report for Franklin Small Cap Value Fund covers the period ended April 30, 2023. The Fund closed to new investors on May 27, 2021. Existing shareholders who had an open and funded account on May 27, 2021, may continue to invest through exchanges and additional purchases. Please contact your financial professional or refer to the Fund's prospectus for more information.

Your Fund's Goal and Main Investments

The Fund seeks long-term total return by normally investing at least 80% of its net assets in investments of small-capitalization (small-cap) companies, predominantly common stocks, and generally investing in equity securities of companies that we believe are undervalued at the time of purchase and have the potential for capital appreciation. We define small-cap companies as those with market capitalizations not exceeding either: the highest market capitalization in the Russell 2000® Index;¹ or the 12-month average of the highest market capitalization in the Russell 2000® Index, whichever is greater at the time of purchase. The Fund may also invest in real estate investment trusts (REITs) and invest up to 25% of its total assets in foreign securities.

Performance Overview

The Fund's Class A shares posted a +0.29% cumulative total return for the six months under review. In comparison, the Russell 2000® Value Index, which measures the performance of those Russell 2000® Index companies with relatively lower price-to-book ratios and lower forecasted growth rates, posted a -6.72% cumulative total return for the same period.² You can find more of the Fund's performance data in the Performance Summary beginning on page 18.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Portfolio Composition

4/30/23

	% of Total Net Assets
Banks	11.1%
Oil, Gas & Consumable Fuels	6.5%
Hotels, Restaurants & Leisure	6.4%
Insurance	5.8%
Building Products	5.4%
Health Care Equipment & Supplies	4.7%
Chemicals	4.7%
Electronic Equipment, Instruments & Components	4.7%
Food Products	4.5%
Software	3.9%
Metals & Mining	3.8%
Trading Companies & Distributors	3.8%
Semiconductors & Semiconductor Equipment	2.7%
Construction & Engineering	2.4%
Other*	25.1%
Short-Term Investments & Other Net Assets	4.5%

*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in this report.

Investment Strategy

The Fund generally invests in equity securities, predominantly common stocks of small cap companies, that we believe are undervalued at the time of purchase and have the potential for capital appreciation. A stock is undervalued when it trades at less than the price at which we believe it would trade if the market reflected all factors relating to the company's worth. Following this strategy, the Fund invests in companies that we believe have, for example: stock prices that are low relative to current, or historical or future earnings, book value, cash flow or sales; recent sharp price declines but the potential for good long-term earnings prospects; and valuable intangibles not reflected in the stock price. The types of companies the Fund may invest in include those that may be considered out of favor due to actual or perceived cyclical or secular challenges, or are experiencing temporary setbacks, diminished expectations, mismanagement or undermanagement, or are financially stressed. Environmental, social and governance (ESG) related assessments of companies are also considered.

1. Russell 2000® Index is market capitalization weighted and measures the performance of the approximately 2,000 smallest companies in the Russell 3000® Index that represent a small amount of the total market capitalization of the Russell 3000® Index.

2. Source: Morningstar.

The index is unmanaged and includes reinvestment of any income or distributions. It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See www.franklintempletondatasources.com for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 41.

Manager's Discussion

During the six-month period ended April 30, 2023, security selection in the health care, industrials and energy sectors contributed to relative results. An underweight in utilities, stock selection in financials and an underweight in real estate curbed returns on a relative basis.

Among the Fund's largest contributors were Integer Holdings, Glanbia and Univar Solutions (not held at period-end).

Top 10 Holdings

4/30/23

Company Industry, Country	% of Total Net Assets
ACI Worldwide, Inc. <i>Software, United States</i>	3.9%
Crescent Point Energy Corp. <i>Oil, Gas & Consumable Fuels, Canada</i>	3.8%
Glanbia plc <i>Food Products, Ireland</i>	3.0%
UFP Industries, Inc. <i>Building Products, United States</i>	2.9%
Hanover Insurance Group, Inc. (The) <i>Insurance, United States</i>	2.8%
Green Plains, Inc. <i>Oil, Gas & Consumable Fuels, United States</i>	2.7%
Integer Holdings Corp. <i>Health Care Equipment & Supplies, United States</i>	2.4%
Brinker International, Inc. <i>Hotels, Restaurants & Leisure, United States</i>	2.4%
SouthState Corp. <i>Banks, United States</i>	2.4%
Arconic Corp. <i>Metals & Mining, United States</i>	2.3%

Integer Holdings, a medical device contract development and manufacturing company, contributed during the period due to an increase in demand for medical devices and supplies, driven by an improvement in procedure volumes. Also, the supply-chain issues faced in the third quarter of 2022 improved sequentially during this six-month period. Together, higher demand and improvement in the supply chain resulted in stronger-than-expected earnings results. Integer also issued a low coupon convertible bond and used the proceeds to retire a higher interest-bearing term loan, which reduces the overall interest burden with limited impact from potential equity dilution.

Glanbia, an international consumer foods and nutritional products company, contributed to results during the period after reporting better-than-expected earnings and announcing the divestiture of a joint venture at an attractive valuation as it takes steps to simplify its business. The company's initial fiscal 2023 guidance also suggested margins should expand as it laps significant raw material inflation in its key inputs. We remain positive on the

company's growth prospects in the growing sports nutrition space, and on the margin recapture opportunity.

Univar, a chemical distribution company, outperformed during the period following better-than-expected third-quarter results. In addition, its shares were bid higher due to the company's announcement that it will repurchase \$1 billion of stock through 2025 and plan to initiate a dividend in 2023. Lastly, later in the reporting period, Univar received a buyout offer from a private-equity firm.

The Fund's most significant detractors included Columbia Banking System, NetScout Systems and Hanover Insurance Group.

Columbia Banking System, a regional bank with a footprint in the western United States, detracted from performance during the period as several mid-sized banks failed due to deposit runs, which heightened investor concerns regarding banking sector capital and liquidity. Following the bank's acquisition of Umpqua at the beginning of March, Columbia is navigating the Umpqua systems conversions and integration amid the fallout from the bank failures, which could increase the risk of customer attrition in the near term. Columbia and Umpqua did not have significant industry deposit concentrations or outsized uninsured deposit funding levels relative to peers. However, mid-sized commercial banks like Columbia may see accelerating deposit outflows given increased deposit rate competition and depositor security concerns, which may put additional pressure on net interest income outlooks.

NetScout Systems is a provider of real time operational intelligence and performance analytics for optimizing network performance. While revenues in the core service provider business have stabilized, revenues in the newer security business have declined recently.

The Hanover Group, a property and casualty insurer, declined during the period as results were negatively impacted by both significantly elevated natural catastrophe losses, as well as the impact of rising inflationary trends on loss costs. While rising loss severity trends driven by elevated inflation have put pressure on insurance claim payouts, pricing trends have accelerated, reflecting industry discipline, with rate increases expected to mitigate the impact of higher loss severity over time, resulting in improving results.

Thank you for your participation in Franklin Small Cap Value Fund. We look forward to continuing to serve your investment needs.

Steven Raineri
Lead Portfolio Manager

Nicholas Karzon, CFA
Christopher Meeker, CFA

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of April 30, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of April 30, 2023

The performance table does not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 4/30/23¹

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
6-Month	+0.29%	-5.23%
1-Year	-0.84%	-6.29%
5-Year	+32.75%	+4.64%
10-Year	+114.02%	+7.30%
Advisor		
6-Month	+0.40%	+0.40%
1-Year	-0.60%	-0.60%
5-Year	+34.36%	+6.08%
10-Year	+119.68%	+8.19%

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 19 for Performance Summary footnotes.

Distributions (11/1/22–4/30/23)

Share Class	Net Investment Income	Long-Term Capital Gain	Total
A	\$0.1982	\$1.4008	\$1.5990
C	—	\$1.4008	\$1.4008
R	\$0.0779	\$1.4008	\$1.4787
R6	\$0.4091	\$1.4008	\$1.8099
Advisor	\$0.3292	\$1.4008	\$1.7300

Total Annual Operating Expenses⁵

Share Class	
A	0.98%
Advisor	0.73%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

All investments involve risks, including possible loss of principal. The Fund's investments in smaller-company stocks carry special risks as such stocks have historically exhibited greater price volatility than larger-company stocks, particularly over the short term. Value securities may not increase in price as anticipated or may decline further in value. Additionally, smaller companies often have relatively small revenues, limited product lines and small market share. In addition, the Fund may invest up to 25% of its total assets in foreign securities, which involve special risks, including currency fluctuations and economic and political uncertainty. REITS may be affected by any change in the value of the properties owned and other factors, and their prices tend to go up and down. The managers' environmental social and governance (ESG) strategies may limit the types and number of investments available and, as a result, may forego favorable market opportunities or underperform strategies that are not subject to such criteria. There is no guarantee that the strategy's ESG directives will be successful or will result in better performance. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

1. The total annual operating expenses are as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See www.franklintempletondatasources.com for additional data provider information.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 11/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 4/30/23	Expenses Paid During Period 11/1/22–4/30/23 ^{1,2}	Ending Account Value 4/30/23	Expenses Paid During Period 11/1/22–4/30/23 ^{1,2}	
A	\$1,000	\$1,002.90	\$4.83	\$1,019.97	\$4.87	0.97%
C	\$1,000	\$999.10	\$8.54	\$1,016.25	\$8.61	1.72%
R	\$1,000	\$1,001.60	\$6.07	\$1,018.73	\$6.12	1.22%
R6	\$1,000	\$1,004.80	\$2.93	\$1,021.88	\$2.95	0.59%
Advisor	\$1,000	\$1,004.00	\$3.59	\$1,021.21	\$3.62	0.72%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

Financial Highlights

Franklin MicroCap Value Fund

	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31,				
		2022	2021	2020	2019	2018
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$27.57	\$32.58	\$21.77	\$29.32	\$31.06	\$36.43
Income from investment operations ^a :						
Net investment income (loss) ^b	0.09	0.12	0.11 ^c	0.11	0.06	(0.04)
Net realized and unrealized gains (losses)	(1.02)	(0.81)	12.15	(2.89)	(0.03)	(2.70)
Total from investment operations	(0.93)	(0.69)	12.26	(2.78)	0.03	(2.74)
Less distributions from:						
Net investment income	(0.09)	(0.08)	(0.11)	(0.06)	—	(—) ^d
Net realized gains	(1.54)	(4.24)	(1.34)	(4.71)	(1.77)	(2.63)
Total distributions	(1.63)	(4.32)	(1.45)	(4.77)	(1.77)	(2.63)
Net asset value, end of period	\$25.01	\$27.57	\$32.58	\$21.77	\$29.32	\$31.06
Total return ^e	(3.68)%	(2.00)%	57.97%	(12.10)%	0.58%	(8.11)%
Ratios to average net assets^f						
Expenses before waiver and payments by affiliates	1.23%	1.24%	1.23%	1.28%	1.22%	1.17%
Expenses net of waiver and payments by affiliates	1.21% ^g	1.22% ^g	1.23% ^h	1.27% ^g	1.21% ^g	1.16% ^g
Net investment income (loss)	0.65%	0.45%	0.37% ^c	0.50%	0.23%	(0.11)%
Supplemental data						
Net assets, end of period (000's)	\$138,778	\$144,717	\$161,200	\$94,015	\$145,897	\$184,613
Portfolio turnover rate	9.47%	19.91%	31.98%	31.04%	7.04%	4.08%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.05 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.20%.

^dAmount rounds to less than \$0.01 per share.

^eTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^fRatios are annualized for periods less than one year.

^gBenefit of expense reduction rounds to less than 0.01%.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin MicroCap Value Fund (continued)

	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31,				
		2022	2021	2020	2019	2018
Class R6						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$28.18	\$33.21	\$22.17	\$29.80	\$31.43	\$36.85
Income from investment operations ^a :						
Net investment income ^b	0.13	0.22	0.22 ^c	0.20	0.16	0.08
Net realized and unrealized gains (losses)	(1.04)	(0.82)	12.36	(2.94)	(0.02)	(2.74)
Total from investment operations	(0.91)	(0.60)	12.58	(2.74)	0.14	(2.66)
Less distributions from:						
Net investment income	(0.18)	(0.19)	(0.20)	(0.18)	—	(0.13)
Net realized gains	(1.54)	(4.24)	(1.34)	(4.71)	(1.77)	(2.63)
Total distributions	(1.72)	(4.43)	(1.54)	(4.89)	(1.77)	(2.76)
Net asset value, end of period	\$25.55	\$28.18	\$33.21	\$22.17	\$29.80	\$31.43
Total return ^d	(3.52)%	(1.67)%	58.51%	(11.80)%	0.97%	(7.83)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates	0.92%	0.91%	0.91%	0.95%	0.89%	0.85%
Expenses net of waiver and payments by affiliates	0.88% ^f	0.87% ^f	0.88%	0.91% ^f	0.86% ^f	0.82% ^f
Net investment income	0.95%	0.79%	0.72% ^c	0.86%	0.58%	0.23%
Supplemental data						
Net assets, end of period (000's)	\$32,926	\$25,570	\$23,137	\$12,299	\$19,266	\$21,070
Portfolio turnover rate	9.47%	19.91%	31.98%	31.04%	7.04%	4.08%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.05 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.54%.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fBenefit of expense reduction rounds to less than 0.01%.

Franklin MicroCap Value Fund (continued)

	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31,				
		2022	2021	2020	2019	2018
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$27.95	\$32.96	\$22.01	\$29.62	\$31.28	\$36.67
Income from investment operations ^a :						
Net investment income ^b	0.12	0.19	0.19 ^c	0.17	0.15	0.05
Net realized and unrealized gains (losses)	(1.04)	(0.81)	12.28	(2.94)	(0.04)	(2.72)
Total from investment operations	(0.92)	(0.62)	12.47	(2.77)	0.11	(2.67)
Less distributions from:						
Net investment income	(0.16)	(0.15)	(0.18)	(0.13)	—	(0.09)
Net realized gains	(1.54)	(4.24)	(1.34)	(4.71)	(1.77)	(2.63)
Total distributions	(1.70)	(4.39)	(1.52)	(4.84)	(1.77)	(2.72)
Net asset value, end of period	\$25.33	\$27.95	\$32.96	\$22.01	\$29.62	\$31.28
Total return ^d	(3.57)%	(1.77)%	58.40%	(11.95)%	0.87%	(7.90)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates	0.98%	0.99%	0.98%	1.03%	0.97%	0.92%
Expenses net of waiver and payments by affiliates	0.96% ^f	0.97% ^f	0.98% ^g	1.02% ^f	0.96% ^f	0.91% ^f
Net investment income	0.89%	0.69%	0.60% ^c	0.73%	0.48%	0.14%
Supplemental data						
Net assets, end of period (000's)	\$46,701	\$44,877	\$38,829	\$22,429	\$29,687	\$53,329
Portfolio turnover rate	9.47%	19.91%	31.98%	31.04%	7.04%	4.08%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.05 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.43%.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fBenefit of expense reduction rounds to less than 0.01%.

^gBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Schedule of Investments (unaudited), April 30, 2023

Franklin MicroCap Value Fund

	Country	Shares	Value
Common Stocks 97.6%			
Aerospace & Defense 2.0%			
^a Ducommun, Inc.	United States	63,025	\$3,151,250
Magellan Aerospace Corp.	Canada	243,900	1,287,380
			4,438,630
Banks 17.8%			
American National Bankshares, Inc.	United States	94,823	2,739,436
Arrow Financial Corp.	United States	118,488	2,558,156
Bar Harbor Bankshares.	United States	121,700	3,018,160
First Business Financial Services, Inc.	United States	130,500	3,744,045
First Internet Bancorp	United States	113,400	1,668,114
^a First Western Financial, Inc.	United States	110,706	1,966,139
Investar Holding Corp.	United States	184,381	2,474,393
Northeast Bank.	United States	101,675	3,746,724
Northrim BanCorp, Inc.	United States	28,900	998,495
Orrstown Financial Services, Inc.	United States	113,653	2,178,728
Peapack-Gladstone Financial Corp.	United States	114,985	3,054,002
Peoples Financial Services Corp.	United States	66,013	2,663,624
Premier Financial Corp.	United States	127,500	2,117,775
Southern Missouri Bancorp, Inc.	United States	76,800	2,786,304
Territorial Bancorp, Inc.	United States	121,739	2,039,128
WesBanco, Inc.	United States	42,357	1,127,543
			38,880,766
Biotechnology 2.5%			
^a Anika Therapeutics, Inc.	United States	123,992	3,181,635
^a Catalyst Pharmaceuticals, Inc.	United States	85,100	1,354,792
^a Vanda Pharmaceuticals, Inc.	United States	141,200	866,968
			5,403,395
Commercial Services & Supplies 1.7%			
^a Heritage-Crystal Clean, Inc.	United States	106,300	3,716,248
Communications Equipment 1.6%			
^a Digi International, Inc.	United States	54,701	1,649,782
PCTEL, Inc.	United States	393,331	1,872,256
			3,522,038
Construction & Engineering 4.3%			
^a Matrix Service Co.	United States	607,019	2,889,410
^a Northwest Pipe Co.	United States	65,700	1,809,378
^a Sterling Infrastructure, Inc.	United States	127,451	4,705,491
			9,404,279
Consumer Staples Distribution & Retail 1.3%			
Village Super Market, Inc., A	United States	130,416	2,854,806
Diversified REITs 3.2%			
Alpine Income Property Trust, Inc.	United States	193,121	3,105,386
CTO Realty Growth, Inc.	United States	223,688	3,766,906
			6,872,292
Diversified Telecommunication Services 0.5%			
ATN International, Inc.	United States	29,000	1,048,930
Electrical Equipment 4.1%			
LSI Industries, Inc.	United States	132,918	1,686,729
Powell Industries, Inc.	United States	53,100	2,127,186

Franklin MicroCap Value Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Electrical Equipment (continued)			
Preformed Line Products Co.	United States	41,350	\$5,138,978
			8,952,893
Electronic Equipment, Instruments & Components 2.9%			
^a Daktronics, Inc.	United States	814,658	3,918,505
^a Kimball Electronics, Inc.	United States	120,416	2,423,974
			6,342,479
Energy Equipment & Services 4.4%			
^a DMC Global, Inc.	United States	130,700	2,475,458
^a Helix Energy Solutions Group, Inc.	United States	526,542	3,817,429
^a Oil States International, Inc.	United States	461,490	3,248,890
			9,541,777
Food Products 1.6%			
Alico, Inc.	United States	144,723	3,409,674
Health Care Equipment & Supplies 5.4%			
^a Orthofix Medical, Inc.	United States	167,800	3,159,674
^a Semler Scientific, Inc.	United States	76,300	2,142,504
^a UFP Technologies, Inc.	United States	18,600	2,563,824
Utah Medical Products, Inc.	United States	41,696	3,954,448
			11,820,450
Health Care Technology 1.6%			
^a CareCloud, Inc.	United States	346,708	1,133,735
^a Computer Programs and Systems, Inc.	United States	92,333	2,389,578
			3,523,313
Hotels, Restaurants & Leisure 4.4%			
^a Century Casinos, Inc.	United States	361,662	2,546,101
^a Chuy's Holdings, Inc.	United States	97,300	3,393,824
Ruth's Hospitality Group, Inc.	United States	225,600	3,645,696
			9,585,621
Household Durables 1.3%			
Hooker Furnishings Corp.	United States	179,900	2,844,219
Independent Power and Renewable Electricity Producers 1.6%			
Polaris Renewable Energy, Inc.	Canada	354,200	3,493,365
Insurance 2.7%			
Investors Title Co.	United States	3,595	534,864
Tiptree, Inc.	United States	183,518	2,527,043
United Fire Group, Inc.	United States	106,157	2,855,623
			5,917,530
Interactive Media & Services 1.4%			
^a DHI Group, Inc.	United States	360,217	1,321,996
^a QuinStreet, Inc.	United States	163,900	1,820,929
			3,142,925
IT Services 1.3%			
Hackett Group, Inc. (The)	United States	152,200	2,824,832
Machinery 10.5%			
Alamo Group, Inc.	United States	18,100	3,198,813
^a Commercial Vehicle Group, Inc.	United States	401,700	2,944,461

Franklin MicroCap Value Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Machinery (continued)			
^a Graham Corp.	United States	236,446	\$3,043,060
Hurco Cos., Inc.	United States	95,500	2,142,065
^a L B Foster Co., A.	United States	297,265	3,323,423
Miller Industries, Inc.	United States	151,000	4,922,600
Shyft Group, Inc. (The)	United States	133,417	3,346,098
			22,920,520
Media 1.6%			
Entravision Communications Corp., A	United States	572,199	3,576,244
Metals & Mining 1.4%			
Haynes International, Inc.	United States	64,177	3,016,961
Office REITs 0.5%			
City Office REIT, Inc.	United States	204,800	1,191,936
Oil, Gas & Consumable Fuels 1.8%			
VAALCO Energy, Inc.	United States	917,300	3,926,044
Paper & Forest Products 1.6%			
Mercer International, Inc.	Germany	366,300	3,564,099
Pharmaceuticals 2.5%			
^a Harrow Health, Inc.	United States	217,396	5,484,901
Professional Services 2.6%			
Heidrick & Struggles International, Inc.	United States	118,439	2,974,003
Resources Connection, Inc.	United States	187,400	2,734,166
			5,708,169
Semiconductors & Semiconductor Equipment 0.3%			
^a AXT, Inc.	United States	254,300	678,981
Specialty Retail 2.7%			
^a America's Car-Mart, Inc.	United States	43,577	3,503,155
^a Children's Place, Inc. (The)	United States	30,300	898,092
^a Genesco, Inc.	United States	40,504	1,403,869
			5,805,116
Textiles, Apparel & Luxury Goods 4.5%			
^a Delta Apparel, Inc.	United States	210,718	2,400,078
Rocky Brands, Inc.	United States	127,817	3,734,813
^a Vera Bradley, Inc.	United States	698,125	3,658,175
			9,793,066
Total Common Stocks (Cost \$175,549,628)			213,206,499

Franklin MicroCap Value Fund (continued)

Short Term Investments 2.4%

	Country	Shares	Value
Money Market Funds 2.4%			
^{b,c} Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	United States	5,192,133	\$5,192,133
Total Money Market Funds (Cost \$5,192,133)			5,192,133
Total Short Term Investments (Cost \$5,192,133)			5,192,133
Total Investments (Cost \$180,741,761) 100.0%			\$218,398,632
Other Assets, less Liabilities 0.0%[†]			6,578
Net Assets 100.0%			\$218,405,210

See Abbreviations on page 64.

[†]Rounds to less than 0.1% of net assets.

^aNon-income producing.

^bSee Note 3(f) regarding investments in affiliated management investment companies.

^cThe rate shown is the annualized seven-day effective yield at period end.

Financial Highlights

Franklin Mutual U.S. Mid Cap Value Fund

	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31,				
		2022	2021	2020	2019	2018
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$32.32	\$40.20	\$27.59	\$34.61	\$37.93	\$41.08
Income from investment operations ^a :						
Net investment income ^b	0.21	0.37	0.43	1.14 ^c	0.52	0.45
Net realized and unrealized gains (losses)	0.71	(3.28)	13.37	(5.47)	1.13	(0.43)
Total from investment operations	0.92	(2.91)	13.80	(4.33)	1.65	0.02
Less distributions from:						
Net investment income	(0.33)	(0.45)	(1.19)	(0.54)	(0.46)	(0.46)
Net realized gains	(1.08)	(4.52)	—	(2.15)	(4.51)	(2.71)
Total distributions	(1.41)	(4.97)	(1.19)	(2.69)	(4.97)	(3.17)
Net asset value, end of period	\$31.83	\$32.32	\$40.20	\$27.59	\$34.61	\$37.93
Total return ^d	2.85%	(8.06)%	51.14%	(13.94)%	6.22%	(0.15)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates	0.92%	0.91%	0.91%	0.95%	0.93%	0.91%
Expenses net of waiver and payments by affiliates ^f	0.89%	0.90%	0.91% ^g	0.93%	0.89%	0.86%
Net investment income	1.27%	1.07%	1.18%	3.94% ^c	1.55%	1.13%
Supplemental data						
Net assets, end of period (000's)	\$683,356	\$688,933	\$790,329	\$538,538	\$735,919	\$772,976
Portfolio turnover rate	31.54%	66.63%	60.45%	57.78%	44.31%	29.85%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.69 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.55%.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fBenefit of expense reduction rounds to less than 0.01%.

^gBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Mutual U.S. Mid Cap Value Fund (continued)

	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31,				
		2022	2021	2020	2019	2018
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$30.50	\$38.15	\$26.21	\$32.97	\$36.13	\$39.27
Income from investment operations ^a :						
Net investment income ^b	0.08	0.11	0.15	0.93 ^c	0.26	0.15
Net realized and unrealized gains (losses)	0.67	(3.11)	12.72	(5.28)	1.09	(0.41)
Total from investment operations	0.75	(3.00)	12.87	(4.35)	1.35	(0.26)
Less distributions from:						
Net investment income	(0.05)	(0.13)	(0.93)	(0.26)	—	(0.17)
Net realized gains	(1.08)	(4.52)	—	(2.15)	(4.51)	(2.71)
Total distributions	(1.13)	(4.65)	(0.93)	(2.41)	(4.51)	(2.88)
Net asset value, end of period	\$30.12	\$30.50	\$38.15	\$26.21	\$32.97	\$36.13
Total return ^d	2.46%	(8.77)%	50.06%	(14.57)%	5.41%	(0.91)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates	1.66%	1.66%	1.66%	1.70%	1.68%	1.66%
Expenses net of waiver and payments by affiliates ^f	1.64%	1.65%	1.66% ^g	1.68%	1.64%	1.61%
Net investment income	0.54%	0.32%	0.42%	3.36% ^c	0.80%	0.38%
Supplemental data						
Net assets, end of period (000's)	\$13,355	\$15,412	\$20,132	\$15,881	\$27,443	\$33,854
Portfolio turnover rate	31.54%	66.63%	60.45%	57.78%	44.31%	29.85%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.66 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.97%.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fBenefit of expense reduction rounds to less than 0.01%.

^gBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Mutual U.S. Mid Cap Value Fund (continued)

	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31,				
		2022	2021	2020	2019	2018
Class R						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$32.46	\$40.34	\$27.67	\$34.70	\$37.99	\$41.10
Income from investment operations ^a :						
Net investment income ^b	0.17	0.28	0.34	1.11 ^c	0.44	0.35
Net realized and unrealized gains (losses)	0.72	(3.29)	13.44	(5.55)	1.14	(0.42)
Total from investment operations	0.89	(3.01)	13.78	(4.44)	1.58	(0.07)
Less distributions from:						
Net investment income	(0.25)	(0.35)	(1.11)	(0.44)	(0.36)	(0.33)
Net realized gains	(1.08)	(4.52)	—	(2.15)	(4.51)	(2.71)
Total distributions	(1.33)	(4.87)	(1.11)	(2.59)	(4.87)	(3.04)
Net asset value, end of period	\$32.02	\$32.46	\$40.34	\$27.67	\$34.70	\$37.99
Total return ^d	2.74%	(8.32)%	50.87%	(14.16)%	5.94%	(0.39)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates	1.17%	1.16%	1.16%	1.20%	1.18%	1.16%
Expenses net of waiver and payments by affiliates ^f	1.14%	1.15%	1.16% ^g	1.18%	1.14%	1.11%
Net investment income	1.01%	0.82%	0.93%	3.80% ^c	1.30%	0.88%
Supplemental data						
Net assets, end of period (000's)	\$5,455	\$5,419	\$6,362	\$4,465	\$6,764	\$7,280
Portfolio turnover rate	31.54%	66.63%	60.45%	57.78%	44.31%	29.85%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.70 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.41%.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fBenefit of expense reduction rounds to less than 0.01%.

^gBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Mutual U.S. Mid Cap Value Fund (continued)

	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31,				
		2022	2021	2020	2019	2018
Class R6						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$33.91	\$41.93	\$28.73	\$35.93	\$39.20	\$42.38
Income from investment operations ^a :						
Net investment income ^b	0.28	0.51	0.59	1.27 ^c	0.67	0.61
Net realized and unrealized gains (losses)	0.75	(3.43)	13.91	(5.65)	1.18	(0.45)
Total from investment operations	1.03	(2.92)	14.50	(4.38)	1.85	0.16
Less distributions from:						
Net investment income	(0.45)	(0.58)	(1.30)	(0.67)	(0.61)	(0.63)
Net realized gains	(1.08)	(4.52)	—	(2.15)	(4.51)	(2.71)
Total distributions	(1.53)	(5.10)	(1.30)	(2.82)	(5.12)	(3.34)
Net asset value, end of period	\$33.41	\$33.91	\$41.93	\$28.73	\$35.93	\$39.20
Total return ^d	3.05%	(7.76)%	51.74%	(13.61)%	6.61%	0.19%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates	0.59%	0.59%	0.59%	0.61%	0.59%	0.57%
Expenses net of waiver and payments by affiliates ^f	0.55%	0.55%	0.55%	0.55%	0.52%	0.50%
Net investment income	1.62%	1.42%	1.54%	4.24% ^c	1.92%	1.49%
Supplemental data						
Net assets, end of period (000's)	\$35,883	\$36,512	\$39,290	\$27,952	\$36,398	\$36,580
Portfolio turnover rate	31.54%	66.63%	60.45%	57.78%	44.31%	29.85%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.72 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.85%.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fBenefit of expense reduction rounds to less than 0.01%.

Franklin Mutual U.S. Mid Cap Value Fund (continued)

	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31,				
		2022	2021	2020	2019	2018
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$34.02	\$42.04	\$28.80	\$36.01	\$39.26	\$42.39
Income from investment operations ^a :						
Net investment income ^b	0.26	0.48	0.55	1.28 ^c	0.63	0.57
Net realized and unrealized gains (losses)	0.74	(3.44)	13.95	(5.72)	1.19	(0.46)
Total from investment operations	1.00	(2.96)	14.50	(4.44)	1.82	0.11
Less distributions from:						
Net investment income	(0.41)	(0.54)	(1.26)	(0.62)	(0.56)	(0.53)
Net realized gains	(1.08)	(4.52)	—	(2.15)	(4.51)	(2.71)
Total distributions	(1.49)	(5.06)	(1.26)	(2.77)	(5.07)	(3.24)
Net asset value, end of period	\$33.53	\$34.02	\$42.04	\$28.80	\$36.01	\$39.26
Total return ^d	2.99%	(7.86)%	51.57%	(13.71)%	6.48%	0.07%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates	0.67%	0.66%	0.66%	0.70%	0.68%	0.66%
Expenses net of waiver and payments by affiliates ^f	0.64%	0.65%	0.66% ^g	0.68%	0.64%	0.61%
Net investment income	1.52%	1.32%	1.43%	4.22% ^c	1.80%	1.38%
Supplemental data						
Net assets, end of period (000's)	\$46,548	\$46,625	\$56,787	\$34,029	\$47,427	\$48,616
Portfolio turnover rate	31.54%	66.63%	60.45%	57.78%	44.31%	29.85%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.72 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.83%.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fBenefit of expense reduction rounds to less than 0.01%.

^gBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Schedule of Investments (unaudited), April 30, 2023

Franklin Mutual U.S. Mid Cap Value Fund

	Country	Shares	Value
Common Stocks 92.0%			
Aerospace & Defense 4.0%			
Airbus SE	France	45,779	\$6,411,227
^a Babcock International Group plc	United Kingdom	2,830,391	11,314,216
Melrose Industries plc	United Kingdom	1,456,657	7,503,376
Moog, Inc., A.	United States	65,267	5,881,209
			31,110,028
Automobile Components 2.5%			
^a Dowlais Group plc.	United Kingdom	2,298,418	3,830,200
Lear Corp.	United States	123,183	15,725,542
			19,555,742
Banks 4.1%			
Citizens Financial Group, Inc.	United States	540,743	16,730,588
PNC Financial Services Group, Inc. (The)	United States	117,902	15,356,736
			32,087,324
Broadline Retail 2.1%			
eBay, Inc.	United States	361,656	16,791,688
Building Products 1.3%			
Johnson Controls International plc.	United States	172,553	10,325,571
Chemicals 4.4%			
Ashland, Inc.	United States	103,709	10,537,872
Avient Corp.	United States	310,196	11,945,648
Huntsman Corp.	United States	444,851	11,917,558
			34,401,078
Commercial Services & Supplies 1.6%			
^a Stericycle, Inc.	United States	276,424	12,618,756
Construction & Engineering 1.8%			
^a WillScot Mobile Mini Holdings Corp.	United States	312,872	14,204,389
Consumer Finance 1.3%			
Capital One Financial Corp.	United States	106,915	10,402,829
Containers & Packaging 1.4%			
International Paper Co.	United States	335,833	11,119,431
Electric Utilities 5.4%			
Entergy Corp.	United States	163,829	17,624,724
Evergy, Inc.	United States	142,270	8,836,389
PPL Corp.	United States	548,282	15,746,659
			42,207,772
Electrical Equipment 1.4%			
Regal Rexnord Corp.	United States	83,157	10,823,715
Electronic Equipment, Instruments & Components 2.3%			
^a Flex Ltd.	United States	859,095	17,671,584
Energy Equipment & Services 3.5%			
Baker Hughes Co.	United States	428,565	12,531,241
Schlumberger NV	United States	307,061	15,153,460
			27,684,701
Financial Services 4.4%			
^a Fiserv, Inc.	United States	63,864	7,799,072
Global Payments, Inc.	United States	84,158	9,485,448

Franklin Mutual U.S. Mid Cap Value Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Financial Services (continued)			
Voya Financial, Inc.	United States	225,378	\$17,236,909
			34,521,429
Food Products 3.5%			
Kraft Heinz Co. (The)	United States	696,129	27,336,986
Health Care Equipment & Supplies 0.7%			
^a Envista Holdings Corp.	United States	143,610	5,527,549
Health Care Providers & Services 5.1%			
AmerisourceBergen Corp.	United States	100,482	16,765,422
CVS Health Corp.	United States	53,033	3,887,849
Elevance Health, Inc.	United States	17,726	8,307,290
Fresenius SE & Co. KGaA.	Germany	388,801	11,266,134
			40,226,695
Household Durables 2.2%			
DR Horton, Inc.	United States	160,628	17,640,167
Independent Power and Renewable Electricity Producers 1.4%			
AES Corp. (The)	United States	471,118	11,146,652
Insurance 5.1%			
Everest Re Group Ltd.	United States	30,323	11,462,094
Hartford Financial Services Group, Inc. (The)	United States	189,187	13,430,385
Willis Towers Watson plc.	United States	65,106	15,078,550
			39,971,029
Machinery 1.8%			
Parker-Hannifin Corp.	United States	43,460	14,119,285
Media 1.8%			
^a Liberty Broadband Corp., C.	United States	169,505	14,370,634
Metals & Mining 1.2%			
Alcoa Corp.	United States	250,479	9,302,790
Office REITs 0.9%			
Vornado Realty Trust.	United States	446,197	6,697,417
Oil, Gas & Consumable Fuels 2.3%			
Williams Cos., Inc. (The)	United States	591,696	17,904,721
Personal Care Products 1.6%			
Haleon plc	United States	2,837,406	12,475,219
Pharmaceuticals 1.5%			
GSK plc	United States	668,106	12,048,066
Professional Services 5.8%			
ICF International, Inc.	United States	102,339	11,666,646
KBR, Inc.	United States	320,866	18,202,728
SS&C Technologies Holdings, Inc.	United States	270,012	15,806,503
			45,675,877
Real Estate Management & Development 3.4%			
^a CBRE Group, Inc., A.	United States	276,785	21,218,338
^a Cushman & Wakefield plc	United States	579,456	5,707,642
			26,925,980
Retail REITs 2.3%			
Brixmor Property Group, Inc.	United States	832,510	17,757,438

Franklin Mutual U.S. Mid Cap Value Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Semiconductors & Semiconductor Equipment 1.2%			
^a Onto Innovation, Inc.	United States	114,154	\$9,244,191
Software 2.0%			
Gen Digital, Inc.	United States	900,371	15,909,555
Specialty Retail 1.4%			
Dick's Sporting Goods, Inc.	United States	74,456	10,796,864
Textiles, Apparel & Luxury Goods 2.1%			
Tapestry, Inc.	United States	401,339	16,378,645
Trading Companies & Distributors 3.2%			
^a AerCap Holdings NV	Ireland	115,842	6,528,855
Ferguson plc.	United States	28,777	4,052,377
^a Univar Solutions, Inc.	United States	410,761	14,582,016
			25,163,248
Total Common Stocks (Cost \$634,027,638)			722,145,045
Short Term Investments 8.3%			
	Country	Shares	Value
Money Market Funds 8.3%			
^{b,c} Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	United States	65,477,823	65,477,823
Total Money Market Funds (Cost \$65,477,823)			65,477,823
Total Short Term Investments (Cost \$65,477,823)			65,477,823
Total Investments (Cost \$699,505,461) 100.3%			\$787,622,868
Other Assets, less Liabilities (0.3)%			(3,026,988)
Net Assets 100.0%			\$784,595,880

See Abbreviations on page 64.

^a Non-income producing.

^b See Note 3(f) regarding investments in affiliated management investment companies.

^c The rate shown is the annualized seven-day effective yield at period end.

Financial Highlights

Franklin Small Cap Value Fund

	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31,				
		2022	2021	2020	2019	2018
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$51.18	\$61.24	\$41.84	\$49.48	\$52.59	\$59.07
Income from investment operations ^a :						
Net investment income ^b	0.16	0.25	0.47 ^c	0.45	0.51 ^d	0.39 ^e
Net realized and unrealized gains (losses)	(0.02)	(4.60)	20.03	(5.01)	4.00	(1.95)
Total from investment operations	0.14	(4.35)	20.50	(4.56)	4.51	(1.56)
Less distributions from:						
Net investment income	(0.20)	(0.34)	(0.35)	(0.58)	(0.44)	(0.42)
Net realized gains	(1.40)	(5.37)	(0.75)	(2.50)	(7.18)	(4.50)
Total distributions	(1.60)	(5.71)	(1.10)	(3.08)	(7.62)	(4.92)
Net asset value, end of period	\$49.72	\$51.18	\$61.24	\$41.84	\$49.48	\$52.59
Total return ^f	0.29%	(7.83)%	49.59%	(10.04)%	11.35%	(3.04)%
Ratios to average net assets^g						
Expenses before waiver and payments by affiliates	0.98%	0.98%	1.00%	1.08%	1.06%	1.05%
Expenses net of waiver and payments by affiliates	0.97%	0.98% ^h	1.00% ^h	1.07% ⁱ	1.05% ⁱ	1.03% ⁱ
Net investment income	0.63%	0.46%	0.81% ^c	1.08%	1.10% ^d	0.69% ^e
Supplemental data						
Net assets, end of period (000's)	\$1,209,217	\$1,268,890	\$1,577,561	\$1,123,039	\$1,334,235	\$1,366,866
Portfolio turnover rate	33.48%	47.06%	52.76%	67.46%	57.84%	53.26%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.15 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.56%.

^dNet investment income per share includes approximately \$0.14 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.80%.

^eNet investment income per share includes approximately \$0.09 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.52%.

^fTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^gRatios are annualized for periods less than one year.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

ⁱBenefit of expense reduction rounds to less than 0.01%.

Franklin Small Cap Value Fund (continued)

	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31,				
		2022	2021	2020	2019	2018
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$42.88	\$52.25	\$35.87	\$42.84	\$46.45	\$52.75
Income from investment operations ^a :						
Net investment income (loss) ^b	(0.03)	(0.13)	0.02 ^c	0.12	0.15 ^d	(0.02) ^e
Net realized and unrealized gains (losses)	(0.01)	(3.87)	17.20	(4.33)	3.42	(1.72)
Total from investment operations	(0.04)	(4.00)	17.22	(4.21)	3.57	(1.74)
Less distributions from:						
Net investment income	—	—	(0.09)	(0.26)	—	(0.06)
Net realized gains	(1.40)	(5.37)	(0.75)	(2.50)	(7.18)	(4.50)
Total distributions	(1.40)	(5.37)	(0.84)	(2.76)	(7.18)	(4.56)
Net asset value, end of period	\$41.44	\$42.88	\$52.25	\$35.87	\$42.84	\$46.45
Total return ^f	(0.09)%	(8.51)%	48.51%	(10.73)%	10.52%	(3.77)%
Ratios to average net assets^g						
Expenses before waiver and payments by affiliates	1.73%	1.73%	1.75%	1.83%	1.81%	1.80%
Expenses net of waiver and payments by affiliates	1.72%	1.73% ^h	1.75% ^h	1.82% ⁱ	1.80% ⁱ	1.78% ⁱ
Net investment income (loss)	(0.12)%	(0.29)%	0.05% ^c	0.34%	0.35% ^d	(0.06)% ^e
Supplemental data						
Net assets, end of period (000's)	\$59,806	\$68,960	\$99,994	\$77,586	\$111,639	\$138,188
Portfolio turnover rate	33.48%	47.06%	52.76%	67.46%	57.84%	53.26%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.15 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been (0.20)%.

^dNet investment income per share includes approximately \$0.14 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.05%.

^eNet investment income per share includes approximately \$0.09 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been (0.23)%.

^fTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^gRatios are annualized for periods less than one year.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

ⁱBenefit of expense reduction rounds to less than 0.01%.

Franklin Small Cap Value Fund (continued)

	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31,				
		2022	2021	2020	2019	2018
Class R						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$50.46	\$60.43	\$41.31	\$48.88	\$51.98	\$58.37
Income from investment operations ^a :						
Net investment income ^b	0.09	0.11	0.32 ^c	0.35	0.40 ^d	0.25 ^e
Net realized and unrealized gains (losses)	(0.01)	(4.53)	19.79	(4.97)	3.94	(1.93)
Total from investment operations	0.08	(4.42)	20.11	(4.62)	4.34	(1.68)
Less distributions from:						
Net investment income	(0.08)	(0.18)	(0.24)	(0.45)	(0.26)	(0.21)
Net realized gains	(1.40)	(5.37)	(0.75)	(2.50)	(7.18)	(4.50)
Total distributions	(1.48)	(5.55)	(0.99)	(2.95)	(7.44)	(4.71)
Net asset value, end of period	\$49.06	\$50.46	\$60.43	\$41.31	\$48.88	\$51.98
Total return ^f	0.16%	(8.05)%	49.22%	(10.27)%	11.06%	(3.28)%
Ratios to average net assets^g						
Expenses before waiver and payments by affiliates	1.23%	1.23%	1.25%	1.33%	1.31%	1.30%
Expenses net of waiver and payments by affiliates	1.22%	1.23% ^h	1.25% ^h	1.32% ⁱ	1.30% ⁱ	1.28% ⁱ
Net investment income	0.37%	0.21%	0.56% ^c	0.84%	0.85% ^d	0.44% ^e
Supplemental data						
Net assets, end of period (000's)	\$116,240	\$119,060	\$150,288	\$106,201	\$143,634	\$158,678
Portfolio turnover rate	33.48%	47.06%	52.76%	67.46%	57.84%	53.26%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.15 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.32%.

^dNet investment income per share includes approximately \$0.14 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.55%.

^eNet investment income per share includes approximately \$0.09 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.27%.

^fTotal return is not annualized for periods less than one year.

^gRatios are annualized for periods less than one year.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

ⁱBenefit of expense reduction rounds to less than 0.01%.

Franklin Small Cap Value Fund (continued)

	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31,				
		2022	2021	2020	2019	2018
Class R6						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$54.68	\$65.05	\$44.37	\$52.29	\$55.17	\$61.71
Income from investment operations ^a :						
Net investment income ^b	0.28	0.48	0.71 ^c	0.65	0.75 ^d	0.66 ^e
Net realized and unrealized gains (losses)	(0.03)	(4.89)	21.27	(5.27)	4.23	(2.05)
Total from investment operations	0.25	(4.41)	21.98	(4.62)	4.98	(1.39)
Less distributions from:						
Net investment income	(0.41)	(0.59)	(0.55)	(0.80)	(0.68)	(0.65)
Net realized gains	(1.40)	(5.37)	(0.75)	(2.50)	(7.18)	(4.50)
Total distributions	(1.81)	(5.96)	(1.30)	(3.30)	(7.86)	(5.15)
Net asset value, end of period	\$53.12	\$54.68	\$65.05	\$44.37	\$52.29	\$55.17
Total return ^f	0.48%	(7.46)%	50.21%	(9.65)%	11.82%	(2.63)%
Ratios to average net assets^g						
Expenses before waiver and payments by affiliates	0.61%	0.62%	0.62%	0.68%	0.66%	0.66%
Expenses net of waiver and payments by affiliates	0.59%	0.59%	0.59%	0.64% ^h	0.61% ^h	0.60% ^h
Net investment income	1.01%	0.84%	1.15% ^c	1.47%	1.54% ^d	1.12% ^e
Supplemental data						
Net assets, end of period (000's)	\$1,256,793	\$1,248,367	\$1,336,020	\$510,946	\$362,397	\$270,426
Portfolio turnover rate	33.48%	47.06%	52.76%	67.46%	57.84%	53.26%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.15 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.90%.

^dNet investment income per share includes approximately \$0.14 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.24%.

^eNet investment income per share includes approximately \$0.09 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.95%.

^fTotal return is not annualized for periods less than one year.

^gRatios are annualized for periods less than one year.

^hBenefit of expense reduction rounds to less than 0.01%.

Franklin Small Cap Value Fund (continued)

	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31,				
		2022	2021	2020	2019	2018
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$54.76	\$65.13	\$44.44	\$52.36	\$55.19	\$61.66
Income from investment operations ^a :						
Net investment income ^b	0.24	0.41	0.63 ^c	0.58	0.67 ^d	0.56 ^e
Net realized and unrealized gains (losses)	(0.03)	(4.91)	21.30	(5.29)	4.24	(2.06)
Total from investment operations	0.21	(4.50)	21.93	(4.71)	4.91	(1.50)
Less distributions from:						
Net investment income	(0.33)	(0.50)	(0.49)	(0.71)	(0.56)	(0.47)
Net realized gains	(1.40)	(5.37)	(0.75)	(2.50)	(7.18)	(4.50)
Total distributions	(1.73)	(5.87)	(1.24)	(3.21)	(7.74)	(4.97)
Net asset value, end of period	\$53.24	\$54.76	\$65.13	\$44.44	\$52.36	\$55.19
Total return ^f	0.40%	(7.59)%	49.98%	(9.81)%	11.61%	(2.81)%
Ratios to average net assets^g						
Expenses before waiver and payments by affiliates	0.73%	0.73%	0.75%	0.83%	0.81%	0.80%
Expenses net of waiver and payments by affiliates	0.72%	0.73% ^h	0.75% ^h	0.82% ⁱ	0.80% ⁱ	0.78% ⁱ
Net investment income	0.88%	0.71%	1.01% ^c	1.30%	1.35% ^d	0.94% ^e
Supplemental data						
Net assets, end of period (000's)	\$1,333,904	\$1,406,507	\$1,687,270	\$646,240	\$522,329	\$544,792
Portfolio turnover rate	33.48%	47.06%	52.76%	67.46%	57.84%	53.26%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.15 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.76%.

^dNet investment income per share includes approximately \$0.14 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.05%.

^eNet investment income per share includes approximately \$0.09 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.77%.

^fTotal return is not annualized for periods less than one year.

^gRatios are annualized for periods less than one year.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

ⁱBenefit of expense reduction rounds to less than 0.01%.

Schedule of Investments (unaudited), April 30, 2023

Franklin Small Cap Value Fund

	Country	Shares	Value
Common Stocks 95.5%			
Aerospace & Defense 1.6%			
QinetiQ Group plc	United Kingdom	9,843,772	\$45,995,781
Senior plc	United Kingdom	9,311,309	19,238,068
			65,233,849
Automobile Components 2.1%			
^a Adient plc	United States	1,487,284	54,940,271
LCI Industries	United States	249,235	28,153,586
			83,093,857
Banks 11.1%			
Atlantic Union Bankshares Corp.	United States	604,750	17,307,945
^b Camden National Corp.	United States	748,575	23,916,971
Columbia Banking System, Inc.	United States	3,518,260	75,150,034
First Bancorp	United States	394,375	12,138,863
First Interstate BancSystem, Inc., A	United States	2,452,037	62,747,627
German American Bancorp, Inc.	United States	682,332	19,835,391
Peoples Bancorp, Inc.	United States	1,092,506	28,470,707
Seacoast Banking Corp. of Florida	United States	573,016	12,715,225
SouthState Corp.	United States	1,372,934	94,704,987
TriCo Bancshares	United States	910,409	32,601,746
WSFS Financial Corp.	United States	1,746,018	61,407,453
			440,996,949
Building Products 5.4%			
Insteel Industries, Inc.	United States	194,926	5,366,313
^a Masonite International Corp.	United States	671,388	61,371,577
UFP Industries, Inc.	United States	1,482,092	116,373,864
Zurn Elkay Water Solutions Corp.	United States	1,455,691	31,370,141
			214,481,895
Chemicals 4.7%			
Ashland, Inc.	United States	201,814	20,506,321
Avient Corp.	United States	922,204	35,514,076
^{a,b} Elementis plc	United Kingdom	39,868,704	62,931,872
Minerals Technologies, Inc.	United States	625,218	37,050,419
Tronox Holdings plc	United States	2,212,544	30,289,727
			186,292,415
Commercial Services & Supplies 1.2%			
Ritchie Bros Auctioneers, Inc.	Canada	837,871	47,917,843
Communications Equipment 1.7%			
^a Clearfield, Inc.	United States	445,491	19,459,047
^a NetScout Systems, Inc.	United States	1,809,326	49,231,760
			68,690,807
Construction & Engineering 2.4%			
Primoris Services Corp.	United States	1,751,652	44,316,796
Stantec, Inc.	Canada	827,121	49,727,399
^a WillScot Mobile Mini Holdings Corp.	United States	46,701	2,120,225
			96,164,420
Construction Materials 1.0%			
^a Summit Materials, Inc., A.	United States	1,466,637	40,200,520
Consumer Finance 0.5%			
Bread Financial Holdings, Inc.	United States	658,859	18,184,508

Franklin Small Cap Value Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Diversified REITs 1.1%			
Alexander & Baldwin, Inc.	United States	2,309,466	\$44,411,031
Electric Utilities 1.0%			
IDACORP, Inc.	United States	370,526	41,172,849
Electrical Equipment 1.4%			
Regal Rexnord Corp.	United States	437,574	56,954,632
Electronic Equipment, Instruments & Components 4.7%			
Benchmark Electronics, Inc.	United States	1,597,302	34,102,398
^a Coherent Corp.	United States	2,364,967	80,739,973
CTS Corp.	United States	47,225	1,851,692
^a Knowles Corp.	United States	4,061,388	68,556,230
			185,250,293
Energy Equipment & Services 1.9%			
Hunting plc	United Kingdom	5,894,092	17,333,316
^a TechnipFMC plc	United Kingdom	4,159,753	56,947,019
			74,280,335
Food Products 4.5%			
Glanbia plc	Ireland	7,917,096	120,074,316
Maple Leaf Foods, Inc.	Canada	2,943,831	60,328,324
			180,402,640
Ground Transportation 0.3%			
^a Saia, Inc.	United States	39,257	11,689,557
Health Care Equipment & Supplies 4.7%			
^a Envista Holdings Corp.	United States	2,378,952	91,565,863
^a Integer Holdings Corp.	United States	1,181,218	97,273,302
			188,839,165
Hotel & Resort REITs 1.7%			
Sunstone Hotel Investors, Inc.	United States	7,127,295	67,923,121
Hotels, Restaurants & Leisure 6.4%			
Boyd Gaming Corp.	United States	274,124	19,024,205
^{a,b} Brinker International, Inc.	United States	2,380,477	95,028,642
^a Dalata Hotel Group plc	Ireland	7,114,641	35,764,027
^a Denny's Corp.	United States	900,447	10,094,011
^a Hilton Grand Vacations, Inc.	United States	1,104,478	47,271,658
Jack in the Box, Inc.	United States	527,781	48,920,021
			256,102,564
Household Durables 0.9%			
Century Communities, Inc.	United States	140,017	9,428,745
^a M/I Homes, Inc.	United States	226,369	15,311,599
Meritage Homes Corp.	United States	58,743	7,522,041
^a Taylor Morrison Home Corp.	United States	60,491	2,606,557
			34,868,942
Industrial REITs 0.8%			
STAG Industrial, Inc.	United States	988,732	33,488,353
Insurance 5.8%			
CNO Financial Group, Inc.	United States	2,032,310	45,605,036
Hanover Insurance Group, Inc. (The)	United States	916,187	109,539,318
Horace Mann Educators Corp.	United States	1,732,361	54,188,252

Franklin Small Cap Value Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Insurance (continued)			
Selective Insurance Group, Inc.	United States	223,306	\$21,511,067
			230,843,673
Leisure Products 1.3%			
Brunswick Corp.	United States	586,768	49,752,059
Machinery 1.4%			
Columbus McKinnon Corp.	United States	1,322,893	45,917,616
REV Group, Inc.	United States	656,097	7,039,921
Timken Co. (The)	United States	25,937	1,993,258
			54,950,795
Metals & Mining 3.8%			
Alcoa Corp.	United States	526,852	19,567,283
^a Arconic Corp.	United States	3,702,167	91,628,633
Commercial Metals Co.	United States	445,963	20,822,013
Ryerson Holding Corp.	United States	495,568	18,717,603
			150,735,532
Multi-Utilities 0.9%			
Black Hills Corp.	United States	539,257	35,208,090
Office REITs 0.4%			
Highwoods Properties, Inc.	United States	729,944	16,730,316
Oil, Gas & Consumable Fuels 6.5%			
Crescent Point Energy Corp.	Canada	20,463,392	151,368,070
^{a,b} Green Plains, Inc.	United States	3,115,868	106,469,210
			257,837,280
Professional Services 0.6%			
ICF International, Inc.	United States	201,823	23,007,822
Real Estate Management & Development 0.1%			
^a Cushman & Wakefield plc	United States	214,511	2,112,933
Semiconductors & Semiconductor Equipment 2.7%			
^a Cohu, Inc.	United States	1,577,025	53,366,526
^a Onto Innovation, Inc.	United States	691,312	55,982,446
			109,348,972
Software 3.9%			
^{a,b} ACI Worldwide, Inc.	United States	6,068,510	153,715,358
Specialty Retail 0.8%			
^{a,b} Children's Place, Inc. (The)	United States	885,230	26,238,217
Group 1 Automotive, Inc.	United States	24,149	5,420,968
			31,659,185
Textiles, Apparel & Luxury Goods 2.4%			
^a Capri Holdings Ltd.	United States	624,980	25,936,670
Carter's, Inc.	United States	673,025	46,956,954
Dr. Martens plc	United Kingdom	10,101,327	21,060,183
			93,953,807
Trading Companies & Distributors 3.8%			
Herc Holdings, Inc.	United States	577,956	57,807,159

Franklin Small Cap Value Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Trading Companies & Distributors (continued)			
McGrath RentCorp	United States	1,027,832	\$91,353,708
			149,160,867
Total Common Stocks (Cost \$3,559,516,140)			3,795,657,234
Short Term Investments 4.9%			
	Country	Shares	Value
Money Market Funds 4.9%			
^{c,d} Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	United States	193,221,030	193,221,030
Total Money Market Funds (Cost \$193,221,030)			193,221,030
Total Short Term Investments (Cost \$193,221,030)			193,221,030
Total Investments (Cost \$3,752,737,170) 100.4%			\$3,988,878,264
Other Assets, less Liabilities (0.4)%			(12,917,821)
Net Assets 100.0%			\$3,975,960,443

See Abbreviations on page 64.

^a Non-income producing.

^b See Note 7 regarding holdings of 5% voting securities.

^c See Note 3(f) regarding investments in affiliated management investment companies.

^d The rate shown is the annualized seven-day effective yield at period end.

Statements of Assets and Liabilities

April 30, 2023 (unaudited)

	Franklin MicroCap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Assets:			
Investments in securities:			
Cost - Unaffiliated issuers	\$175,549,628	\$634,027,638	\$3,059,663,508
Cost - Non-controlled affiliates (Note 3f and 7)	5,192,133	65,477,823	693,073,662
Value - Unaffiliated issuers	\$213,206,499	\$722,145,045	\$3,327,356,964
Value - Non-controlled affiliates (Note 3f and 7)	5,192,133	65,477,823	661,521,300
Cash	12,588	45,453	343,907
Foreign currency, at value (cost \$—, \$86,866 and \$68, respectively)	—	86,834	68
Receivables:			
Investment securities sold	—	2,657,533	13,335,699
Capital shares sold	367,280	371,721	3,349,207
Dividends	4,899	423,905	2,505,947
Total assets	218,783,399	791,208,314	4,008,413,092
Liabilities:			
Payables:			
Investment securities purchased	—	4,597,769	17,286,218
Capital shares redeemed	105,574	1,180,026	11,257,008
Management fees	136,952	291,022	1,756,040
Distribution fees	29,326	152,936	350,351
Transfer agent fees	46,051	252,120	1,625,538
Professional fees	47,070	55,391	43,428
Trustees' fees and expenses	101	85	132
Accrued expenses and other liabilities	13,115	83,085	133,934
Total liabilities	378,189	6,612,434	32,452,649
Net assets, at value	\$218,405,210	\$784,595,880	\$3,975,960,443
Net assets consist of:			
Paid-in capital	\$170,129,885	\$700,363,519	\$3,663,034,102
Total distributable earnings (losses)	48,275,325	84,232,361	312,926,341
Net assets, at value	\$218,405,210	\$784,595,880	\$3,975,960,443

Statements of Assets and Liabilities (continued)

April 30, 2023 (unaudited)

	Franklin MicroCap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Class A:			
Net assets, at value	\$138,777,691	\$683,355,566	\$1,209,216,938
Shares outstanding	5,549,297	21,467,218	24,319,814
Net asset value per share ^a	\$25.01	\$31.83	\$49.72
Maximum offering price per share (net asset value per share + 94.50%)	\$26.47	\$33.68	\$52.61
Class C:			
Net assets, at value	\$—	\$13,354,963	\$59,805,756
Shares outstanding	—	443,322	1,443,219
Net asset value and maximum offering price per share ^a	\$—	\$30.12	\$41.44
Class R:			
Net assets, at value	\$—	\$5,455,089	\$116,240,423
Shares outstanding	—	170,355	2,369,527
Net asset value and maximum offering price per share	\$—	\$32.02	\$49.06
Class R6:			
Net assets, at value	\$32,926,266	\$35,882,521	\$1,256,793,031
Shares outstanding	1,288,564	1,074,147	23,659,914
Net asset value and maximum offering price per share	\$25.55	\$33.41	\$53.12
Advisor Class:			
Net assets, at value	\$46,701,253	\$46,547,741	\$1,333,904,295
Shares outstanding	1,843,355	1,388,055	25,054,305
Net asset value and maximum offering price per share	\$25.33	\$33.53	\$53.24

^aRedemption price is equal to net asset value less contingent deferred sales charges, if applicable.

Statements of Operations

for the six months ended April 30, 2023 (unaudited)

	Franklin MicroCap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Investment income:			
Dividends: (net of foreign taxes of \$14,317, \$24,622 and \$622,491, respectively)			
Unaffiliated issuers	\$1,892,812	\$7,753,807	\$28,133,691
Non-controlled affiliates (Note 3f and 7)	223,753	990,519	4,893,127
Total investment income.	2,116,565	8,744,326	33,026,818
Expenses:			
Management fees (Note 3a)	856,311	1,941,191	11,264,928
Distribution fees: (Note 3c)			
Class A	186,099	877,802	1,588,932
Class C	—	74,065	334,651
Class R	—	13,908	302,949
Transfer agent fees: (Note 3e)			
Class A	86,515	441,658	1,046,114
Class C	—	9,335	55,174
Class R	—	3,500	99,720
Class R6	7,241	10,008	268,872
Advisor Class	28,421	30,186	1,147,737
Custodian fees (Note 4)	815	3,537	33,725
Reports to shareholders fees	6,883	37,051	132,173
Registration and filing fees	44,497	85,778	130,070
Professional fees	62,500	73,980	62,233
Trustees' fees and expenses	11,147	26,325	115,655
Other	4,371	12,310	36,843
Total expenses	1,294,800	3,640,634	16,619,776
Expense reductions (Note 4)	(21)	(130)	—
Expenses waived/paid by affiliates (Note 3f and 3g)	(24,852)	(94,815)	(306,972)
Net expenses	1,269,927	3,545,689	16,312,804
Net investment income	846,638	5,198,637	16,714,014
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Investments:			
Unaffiliated issuers	9,816,630	(2,919,861)	129,336,791
Non-controlled affiliates (Note 3f and 7)	—	—	(33,684,019)
Foreign currency transactions	(2,161)	48,038	(27,556)
Net realized gain (loss)	9,814,469	(2,871,823)	95,625,216
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers	(19,800,921)	20,369,072	(161,494,000)
Non-controlled affiliates (Note 3f and 7)	—	—	66,816,138
Translation of other assets and liabilities denominated in foreign currencies	—	8	43,116
Net change in unrealized appreciation (depreciation).	(19,800,921)	20,369,080	(94,634,746)
Net realized and unrealized gain (loss)	(9,986,452)	17,497,257	990,470
Net increase (decrease) in net assets resulting from operations	\$(9,139,814)	\$22,695,894	\$17,704,484

Statements of Changes in Net Assets

	Franklin MicroCap Value Fund		Franklin Mutual U.S. Mid Cap Value Fund	
	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31, 2022	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$846,638	\$1,101,782	\$5,198,637	\$9,268,555
Net realized gain (loss)	9,814,469	13,519,892	(2,871,823)	32,462,404
Net change in unrealized appreciation (depreciation)	(19,800,921)	(19,159,042)	20,369,080	(116,245,965)
Net increase (decrease) in net assets resulting from operations.	(9,139,814)	(4,537,368)	22,695,894	(74,515,006)
Distributions to shareholders:				
Class A.	(8,541,841)	(21,286,656)	(29,741,114)	(96,583,319)
Class C.	—	—	(544,896)	(2,428,978)
Class R.	—	—	(222,649)	(760,276)
Class R6.	(1,655,076)	(3,358,927)	(1,629,920)	(4,793,006)
Advisor Class	(2,737,837)	(5,166,227)	(2,058,722)	(6,492,610)
Total distributions to shareholders	(12,934,754)	(29,811,810)	(34,197,301)	(111,058,189)
Capital share transactions: (Note 2)				
Class A.	7,966,017	8,510,330	4,471,615	59,910,867
Class C.	—	—	(1,910,800)	(532,442)
Class R.	—	—	100,595	305,628
Class R6.	10,629,150	6,135,424	(154,295)	5,072,393
Advisor Class	6,721,176	11,699,630	688,793	819,051
Total capital share transactions	25,316,343	26,345,384	3,195,908	65,575,497
Net increase (decrease) in net assets	3,241,775	(8,003,794)	(8,305,499)	(119,997,698)
Net assets:				
Beginning of period	215,163,435	223,167,229	792,901,379	912,899,077
End of period	\$218,405,210	\$215,163,435	\$784,595,880	\$792,901,379

Statements of Changes in Net Assets (continued)

	Franklin Small Cap Value Fund	
	Six Months Ended April 30, 2023 (unaudited)	Year Ended October 31, 2022
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$16,714,014	\$27,714,095
Net realized gain (loss)	95,625,216	126,095,925
Net change in unrealized appreciation (depreciation)	(94,634,746)	(503,752,410)
Net increase (decrease) in net assets resulting from operations	17,704,484	(349,942,390)
Distributions to shareholders:		
Class A	(39,189,566)	(144,535,579)
Class C	(2,197,068)	(9,999,178)
Class R	(3,524,991)	(13,461,304)
Class R6	(41,658,770)	(123,172,938)
Advisor Class	(43,515,807)	(150,020,873)
Total distributions to shareholders	(130,086,202)	(441,189,872)
Capital share transactions: (Note 2)		
Class A	(25,886,590)	(45,290,914)
Class C	(7,099,075)	(13,371,033)
Class R	390,824	(6,656,943)
Class R6	45,084,867	134,520,650
Advisor Class	(35,931,958)	(17,417,388)
Total capital share transactions	(23,441,932)	51,784,372
Net increase (decrease) in net assets	(135,823,650)	(739,347,890)
Net assets:		
Beginning of period	4,111,784,093	4,851,131,983
End of period	\$3,975,960,443	\$4,111,784,093

Notes to Financial Statements (unaudited)

1. Organization and Significant Accounting Policies

Franklin Value Investors Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of three separate funds (Funds). The Funds follow the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and apply the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. The classes of shares offered within each of the Funds are indicated below. Class C shares automatically convert to Class A shares on a monthly basis, after they have been held for 8 years. Each class of shares may differ by its initial sales load, contingent deferred sales charges, voting rights on matters affecting a single class, its exchange privilege and fees due to differing arrangements for distribution and transfer agent fees.

Class A, Class R6 & Advisor Class

Franklin MicroCap Value Fund

Class A, Class C, Class R, Class R6 & Advisor Class

Franklin Mutual U.S. Mid Cap Value Fund^a

Franklin Small Cap Value Fund^b

^aEffective June 1, 2022, Franklin Mutual U.S. Value Fund was renamed Franklin Mutual U.S. Mid Cap Value Fund.

^bEffective May 27, 2021, Franklin Small Cap Value Fund was closed to new investors with limited exceptions.

The following summarizes the Funds' significant accounting policies.

a. Financial Instrument Valuation

The Funds' investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Funds calculate the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Funds' investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Funds' administrator in

performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Funds may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Investments in open-end mutual funds are valued at the closing NAV.

The Funds have procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Funds primarily employ a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Funds' business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Funds' portfolio securities as determined at the

1. Organization and Significant Accounting Policies

(continued)

a. Financial Instrument Valuation (continued)

foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Funds' portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At April 30, 2023, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Funds' NAV is not calculated, which could result in differences between the value of the Funds' portfolio securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Funds for financial reporting purposes.

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Funds may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Funds do not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statements of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

c. Income and Deferred Taxes

It is each Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. Each Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Funds may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which the Funds invest. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Funds invest. When a capital gain tax is determined to apply, certain or all Funds record an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

As a result of several court cases, in certain countries across the European Union, certain or all Funds filed additional tax reclaims for previously withheld taxes on dividends earned in those countries (EU reclaims). Income recognized, if any, for EU reclaims is reflected as other income in the Statements of Operations and any related receivable, if any, is reflected as European Union tax reclaims in the Statements of Assets and Liabilities. Any fees associated with these filings are reflected in other expenses in the Statements of Operations. When uncertainty exists as to the ultimate resolution of these proceedings, the likelihood of receipt of these EU reclaims, and the potential timing of payment, no amounts are reflected in the financial statements. For U.S. income tax purposes, EU reclaims received by the Funds, if any, reduce the amount of foreign taxes Fund shareholders can use as tax deductions or credits on their income tax returns.

1. Organization and Significant Accounting Policies

(continued)

c. Income and Deferred Taxes (continued)

Each Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of April 30, 2023, each Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

d. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Funds. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the

relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

e. Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

f. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Funds, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

2. Shares of Beneficial Interest

At April 30, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin MicroCap Value Fund		Franklin Mutual U.S. Mid Cap Value Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Six Months ended April 30, 2023				
Shares sold ^a	504,111	\$13,759,878	1,345,821	\$44,135,823
Shares issued in reinvestment of distributions	316,722	8,336,842	880,190	28,029,635
Shares redeemed	(520,311)	(14,130,703)	(2,073,989)	(67,693,843)
Net increase (decrease)	300,522	\$7,966,017	152,022	\$4,471,615
Year ended October 31, 2022				
Shares sold ^a	719,382	\$19,904,740	3,833,315	\$132,100,439
Shares issued in reinvestment of distributions	759,014	20,759,034	2,574,503	89,386,752
Shares redeemed	(1,178,090)	(32,153,444)	(4,754,830)	(161,576,324)
Net increase (decrease)	300,306	\$8,510,330	1,652,988	\$59,910,867
Class C Shares:				
Six Months ended April 30, 2023				
Shares sold	—	\$—	35,256	\$1,098,203
Shares issued in reinvestment of distributions	—	—	18,066	543,939
Shares redeemed ^a	—	—	(115,304)	(3,552,942)
Net increase (decrease)	—	\$—	(61,982)	\$(1,910,800)
Year ended October 31, 2022				
Shares sold	—	\$—	137,768	\$4,615,640
Shares issued in reinvestment of distributions	—	—	73,166	2,413,008
Shares redeemed ^a	—	—	(233,366)	(7,561,090)
Net increase (decrease)	—	\$—	(22,432)	\$(532,442)
Class R Shares:				
Six Months ended April 30, 2023				
Shares sold	—	\$—	11,069	\$365,445
Shares issued in reinvestment of distributions	—	—	6,950	222,649
Shares redeemed	—	—	(14,590)	(487,499)
Net increase (decrease)	—	\$—	3,429	\$100,595
Year ended October 31, 2022				
Shares sold	—	\$—	19,913	\$686,271
Shares issued in reinvestment of distributions	—	—	21,753	760,276
Shares redeemed	—	—	(32,449)	(1,140,919)
Net increase (decrease)	—	\$—	9,217	\$305,628

2. Shares of Beneficial Interest (continued)

	Franklin MicroCap Value Fund		Franklin Mutual U.S. Mid Cap Value Fund	
	Shares	Amount	Shares	Amount
Class R6 Shares:				
Six Months ended April 30, 2023				
Shares sold	463,867	\$12,933,059	103,196	\$3,522,309
Shares issued in reinvestment of distributions	16,894	455,015	48,606	1,623,689
Shares redeemed	(99,425)	(2,758,924)	(154,325)	(5,300,293)
Net increase (decrease)	381,336	\$10,629,150	(2,523)	\$(154,295)
Year ended October 31, 2022				
Shares sold	443,820	\$12,691,780	242,203	\$8,742,484
Shares issued in reinvestment of distributions	19,499	543,425	131,944	4,792,208
Shares redeemed	(252,888)	(7,099,781)	(234,577)	(8,462,299)
Net increase (decrease)	210,431	\$6,135,424	139,570	\$5,072,393
Advisor Class Shares:				
Six Months ended April 30, 2023				
Shares sold	449,366	\$12,520,019	134,175	\$4,697,756
Shares issued in reinvestment of distributions	100,780	2,690,820	60,145	2,016,897
Shares redeemed	(312,598)	(8,489,663)	(176,968)	(6,025,860)
Net increase (decrease)	237,548	\$6,721,176	17,352	\$688,793
Year ended October 31, 2022				
Shares sold	569,364	\$15,566,231	340,359	\$12,456,001
Shares issued in reinvestment of distributions	183,267	5,069,161	174,964	6,379,178
Shares redeemed	(325,010)	(8,935,762)	(495,504)	(18,016,128)
Net increase (decrease)	427,621	\$11,699,630	19,819	\$819,051
Franklin Small Cap Value Fund				
	Shares	Amount		
Class A Shares:				
Six Months ended April 30, 2023				
Shares sold ^a	791,745	\$40,829,608		
Shares issued in reinvestment of distributions	753,089	37,408,743		
Shares redeemed	(2,017,331)	(104,124,941)		
Net increase (decrease)	(472,497)	\$(25,886,590)		
Year ended October 31, 2022				
Shares sold ^a	1,893,858	\$102,272,555		
Shares issued in reinvestment of distributions	2,484,880	137,836,298		
Shares redeemed	(5,348,480)	(285,399,767)		
Net increase (decrease)	(969,742)	\$(45,290,914)		

2. Shares of Beneficial Interest (continued)

	Franklin Small Cap Value Fund	
	Shares	Amount
Class C Shares:		
Six Months ended April 30, 2023		
Shares sold	69,485	\$3,034,975
Shares issued in reinvestment of distributions	50,791	2,103,768
Shares redeemed ^a	(285,374)	(12,237,818)
Net increase (decrease)	(165,098)	\$(7,099,075)
Year ended October 31, 2022		
Shares sold	117,738	\$5,358,331
Shares issued in reinvestment of distributions	202,027	9,450,847
Shares redeemed ^a	(625,299)	(28,180,211)
Net increase (decrease)	(305,534)	\$(13,371,033)
Class R Shares:		
Six Months ended April 30, 2023		
Shares sold	230,577	\$11,855,892
Shares issued in reinvestment of distributions	71,808	3,518,304
Shares redeemed	(292,489)	(14,983,372)
Net increase (decrease)	9,896	\$390,824
Year ended October 31, 2022		
Shares sold	377,026	\$20,099,136
Shares issued in reinvestment of distributions	244,996	13,425,803
Shares redeemed	(749,330)	(40,181,882)
Net increase (decrease)	(127,308)	\$(6,656,943)
Class R6 Shares:		
Six Months ended April 30, 2023		
Shares sold	2,951,630	\$163,279,915
Shares issued in reinvestment of distributions	703,602	37,332,152
Shares redeemed	(2,825,544)	(155,527,200)
Net increase (decrease)	829,688	\$45,084,867
Year ended October 31, 2022		
Shares sold	6,319,464	\$362,704,237
Shares issued in reinvestment of distributions	1,849,348	109,222,521
Shares redeemed	(5,875,630)	(337,406,108)
Net increase (decrease)	2,293,182	\$134,520,650

2. Shares of Beneficial Interest (continued)

	Franklin Small Cap Value Fund	
	Shares	Amount
Advisor Class Shares:		
Six Months ended April 30, 2023		
Shares sold	2,341,083	\$128,794,597
Shares issued in reinvestment of distributions	725,949	38,607,884
Shares redeemed	(3,699,553)	(203,334,439)
Net increase (decrease)	(632,521)	\$(35,931,958)
Year ended October 31, 2022		
Shares sold	8,113,577	\$446,920,937
Shares issued in reinvestment of distributions	2,115,030	125,230,902
Shares redeemed	(10,447,907)	(589,569,227)
Net increase (decrease)	(219,300)	\$(17,417,388)

^aMay include a portion of Class C shares that were automatically converted to Class A.

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Trust are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Mutual Advisers, LLC (Franklin Mutual)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

a. Management Fees

Franklin MicroCap Value Fund pays an investment management fee, calculated daily and paid monthly, to Franklin Mutual of 0.75% per year of the average daily net assets of the Fund.

Franklin Mutual U.S. Mid Cap Value Fund pays an investment management fee, calculated daily and paid monthly, to Franklin Mutual based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.625%	Up to and including \$100 million
0.500%	Over \$100 million, up to and including \$250 million
0.450%	Over \$250 million, up to and including \$7.5 billion
0.440%	Over \$7.5 billion, up to and including \$10 billion
0.430%	Over \$10 billion, up to and including \$12.5 billion
0.420%	Over \$12.5 billion, up to and including \$15 billion
0.400%	In excess of \$15 billion

3. Transactions with Affiliates (continued)

a. Management Fees (continued)

Franklin Small Cap Value Fund pays an investment management fee, calculated daily and paid monthly, to Franklin Mutual based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.750%	Up to and including \$500 million
0.625%	Over \$500 million, up to and including \$1 billion
0.500%	Over \$1 billion, up to and including \$5 billion
0.490%	In excess of \$5 billion

For the period ended April 30, 2023, each Fund's annualized gross effective investment management fee rate based on average daily net assets was as follows:

	Franklin MicroCap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Gross effective investment management fee rate.	0.750%	0.481%	0.545%

b. Administrative Fees

Under an agreement with Franklin Mutual, FT Services provides administrative services to the Funds. The fee is paid by Franklin Mutual based on each of the Funds' average daily net assets, and is not an additional expense of the Funds.

c. Distribution Fees

The Board has adopted distribution plans for each share class, with the exception of Class R6 and Advisor Class shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Funds' Class A reimbursement distribution plans, the Funds reimburse Distributors for costs incurred in connection with the servicing, sale and distribution of each Fund's shares up to the maximum annual plan rate. Under the Class A reimbursement distribution plans, costs exceeding the maximum for the current plan year cannot be reimbursed in subsequent periods. In addition, under the Funds' Class C and R compensation distribution plans, the Funds pay Distributors for costs incurred in connection with the servicing, sale and distribution of each Fund's shares up to the maximum annual plan rate for each class. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31 for each Fund.

The maximum annual plan rates, based on the average daily net assets, for each class, are as follows:

	Franklin MicroCap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Class A	0.25%	0.25%	0.35%
Class C	—%	1.00%	1.00%
Class R	—%	0.50%	0.50%

For Franklin Small Cap Value Fund, the Board has set the current rate at 0.25% per year for Class A shares until further notice and approval by the Board.

3. Transactions with Affiliates (continued)

d. Sales Charges/Underwriting Agreements

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Funds. These charges are deducted from the proceeds of sales of fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. Distributors has advised the Funds of the following commission transactions related to the sales and redemptions of the Funds' shares for the period:

	Franklin MicroCap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$11,348	\$23,300	\$17,790
CDSC retained	\$183	\$3,355	\$2,280

e. Transfer Agent Fees

Each class of shares pays transfer agent fees to Investor Services for its performance of shareholder servicing obligations. Effective October 1, 2022, the fees are based on an annualized asset based fee of 0.016% plus a reduced transaction based fee. Prior to October 1, 2022, the fees were based on an annualized asset based fee of 0.02% plus a transaction based fee. In addition, each class reimburses Investor Services for out of pocket expenses incurred and, except for Class R6, reimburses shareholder servicing fees paid to third parties. These fees are allocated daily based upon their relative proportion of such classes' aggregate net assets. Class R6 pays Investor Services transfer agent fees specific to that class.

For the period ended April 30, 2023, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

	Franklin MicroCap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Transfer agent fees	\$63,379	\$193,393	\$914,134

f. Investments in Affiliated Management Investment Companies

Certain or all Funds invest in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Funds do not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Funds are waived on assets invested in the affiliated management investment companies, as noted in the Statements of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the period ended April 30, 2023, investments in affiliated management investment companies were as follows:

3. Transactions with Affiliates (continued)

f. Investments in Affiliated Management Investment Companies (continued)

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
Franklin MicroCap Value Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	\$20,193,831	\$23,411,677	\$(38,413,375)	\$—	\$—	\$5,192,133	5,192,133	\$223,753
Total Affiliated Securities . . .	\$20,193,831	\$23,411,677	\$(38,413,375)	\$—	\$—	\$5,192,133		\$223,753
Franklin Mutual U.S. Mid Cap Value Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	\$30,561,198	\$139,253,590	\$(104,336,965)	\$—	\$—	\$65,477,823	65,477,823	\$990,519
Total Affiliated Securities . . .	\$30,561,198	\$139,253,590	\$(104,336,965)	\$—	\$—	\$65,477,823		\$990,519
Franklin Small Cap Value Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	\$139,833,283	\$562,217,797	\$(508,830,050)	\$—	\$—	\$193,221,030	193,221,030	\$2,446,774
Total Affiliated Securities . . .	\$139,833,283	\$562,217,797	\$(508,830,050)	\$—	\$—	\$193,221,030		\$2,446,774

g. Waiver and Expense Reimbursements

Investor Services has contractually agreed in advance to waive or limit its fees so that the Class R6 transfer agent fees do not exceed 0.03% based on the average net assets of the class until February 29, 2024.

4. Expense Offset Arrangement

The Funds have entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Funds' custodian expenses. During the period ended April 30, 2023, the custodian fees were reduced as noted in the Statements of Operations.

5. Income Taxes

At April 30, 2023, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

	Franklin MicroCap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Cost of investments	\$180,783,209	\$703,476,303	\$3,781,713,323
Unrealized appreciation.	\$55,843,367	\$110,129,232	\$503,650,549
Unrealized depreciation.	(18,227,944)	(25,982,667)	(296,485,608)
Net unrealized appreciation (depreciation).	\$37,615,423	\$84,146,565	\$207,164,941

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatment of wash sales.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the period ended April 30, 2023, were as follows:

	Franklin MicroCap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Purchases	\$47,573,376	\$242,539,809	\$1,352,193,821
Sales	\$20,570,953	\$296,296,627	\$1,547,385,435

7. Holdings of 5% Voting Securities of Portfolio Companies

The 1940 Act defines "affiliated companies" to include investments in portfolio companies in which a fund owns 5% or more of the outstanding voting securities. Additionally, as defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated companies' outstanding shares or has the power to exercise control over management or policies of such company. During the period ended April 30, 2023, investments in "affiliated companies" were as follows:

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares at End of Period	Investment Income
Franklin Small Cap Value Fund								
Non-Controlled Affiliates								
								Dividends
ACI Worldwide Inc.	\$111,134,720	\$36,880,099	\$—	\$—	\$5,700,539	\$153,715,358	6,068,510	\$—
Benchmark Electronics, Inc.	72,807,149	—	(25,155,314)	(2,830,676)	— ^a	— ^a	— ^a	618,438
Brinker International, Inc.	81,893,483	13,066,065	(16,619,185)	(1,388,201)	18,076,480	95,028,642	2,380,477	—
Camden National Corp .	28,416,993	3,849,294	—	—	(8,349,316)	23,916,971	748,575	588,646
Children's Place Inc. (The)	35,834,110	—	—	—	(9,595,893)	26,238,217	885,230	—
Denny's Corp.	42,995,424	—	(35,195,814)	(1,939,958)	— ^a	— ^a	— ^a	—

7. Holdings of 5% Voting Securities of Portfolio Companies (continued)

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares at End of Period	Investment Income
Franklin Small Cap Value Fund (continued)								
Non-Controlled Affiliates								
Elementis plc	\$33,707,697	\$10,432,994	\$—	\$—	\$18,791,181	\$62,931,872	39,868,704	\$—
Great Lakes Dredge & Dock Corp.	29,489,239	—	(25,069,840)	(31,690,386)	27,270,987	— ^b	—	—
Green Plains, Inc.	84,898,985	18,915,115	(10,811,094)	(1,455,956)	14,922,160	106,469,210	3,115,868	—
Hunting plc	28,146,395	—	(10,410,999)	(6,440,902)	— ^a	— ^a	— ^a	285,736
Knowles Corp.	62,531,590	—	(9,223,909)	(925,234)	— ^a	— ^a	— ^a	—
McGrath RentCorp.	132,308,599	2,969,984	(40,065,524)	8,199,437	— ^a	— ^a	— ^a	953,533
NetScout Systems, Inc.	129,284,413	—	(57,236,810)	4,787,857	— ^a	— ^a	— ^a	—
Total Affiliated Securities (Value is 11.8% of Net Assets)	\$873,448,797	\$86,113,551	\$(229,788,489)	\$(33,684,019)	\$66,816,138	\$468,300,270		\$2,446,353

^aAs of April 30, 2023, no longer an affiliate.

^bAs of April 30, 2023, no longer held.

8. Credit Facility

The Funds, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matures on February 2, 2024. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Funds shall, in addition to interest charged on any borrowings made by the Funds and other costs incurred by the Funds, pay their share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon their relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statements of Operations. During the period ended April 30, 2023, the Funds did not use the Global Credit Facility.

9. Fair Value Measurements

The Funds follow a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Funds' own market assumptions (unobservable inputs). These inputs are used in determining the value of the Funds' financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Funds' own assumptions in determining the fair value of financial instruments)

9. Fair Value Measurements (continued)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of April 30, 2023, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin MicroCap Value Fund				
Assets:				
Investments in Securities: ^a				
Common Stocks	\$213,206,499	\$—	\$—	\$213,206,499
Short Term Investments	5,192,133	—	—	5,192,133
Total Investments in Securities	\$218,398,632	\$—	\$—	\$218,398,632
Franklin Mutual U.S. Mid Cap Value Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	5,881,209	25,228,819	—	31,110,028
Automobile Components	19,555,742	—	—	19,555,742
Banks	32,087,324	—	—	32,087,324
Broadline Retail	16,791,688	—	—	16,791,688
Building Products	10,325,571	—	—	10,325,571
Chemicals	34,401,078	—	—	34,401,078
Commercial Services & Supplies	12,618,756	—	—	12,618,756
Construction & Engineering	14,204,389	—	—	14,204,389
Consumer Finance	10,402,829	—	—	10,402,829
Containers & Packaging	11,119,431	—	—	11,119,431
Electric Utilities	42,207,772	—	—	42,207,772
Electrical Equipment	10,823,715	—	—	10,823,715
Electronic Equipment, Instruments & Components	17,671,584	—	—	17,671,584
Energy Equipment & Services	27,684,701	—	—	27,684,701
Financial Services	34,521,429	—	—	34,521,429
Food Products	27,336,986	—	—	27,336,986
Health Care Equipment & Supplies	5,527,549	—	—	5,527,549
Health Care Providers & Services	28,960,561	11,266,134	—	40,226,695
Household Durables	17,640,167	—	—	17,640,167
Independent Power and Renewable Electricity Producers	11,146,652	—	—	11,146,652
Insurance	39,971,029	—	—	39,971,029
Machinery	14,119,285	—	—	14,119,285
Media	14,370,634	—	—	14,370,634
Metals & Mining	9,302,790	—	—	9,302,790
Office REITs	6,697,417	—	—	6,697,417
Oil, Gas & Consumable Fuels	17,904,721	—	—	17,904,721
Personal Care Products	—	12,475,219	—	12,475,219
Pharmaceuticals	—	12,048,066	—	12,048,066
Professional Services	45,675,877	—	—	45,675,877
Real Estate Management & Development	26,925,980	—	—	26,925,980
Retail REITs	17,757,438	—	—	17,757,438
Semiconductors & Semiconductor Equipment	9,244,191	—	—	9,244,191
Software	15,909,555	—	—	15,909,555
Specialty Retail	10,796,864	—	—	10,796,864
Textiles, Apparel & Luxury Goods	16,378,645	—	—	16,378,645
Trading Companies & Distributors	25,163,248	—	—	25,163,248
Short Term Investments	65,477,823	—	—	65,477,823
Total Investments in Securities	\$726,604,630	\$61,018,238 ^b	\$—	\$787,622,868

9. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Small Cap Value Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	\$19,238,068	\$45,995,781	\$—	\$65,233,849
Automobile Components	83,093,857	—	—	83,093,857
Banks	440,996,949	—	—	440,996,949
Building Products	214,481,895	—	—	214,481,895
Chemicals	186,292,415	—	—	186,292,415
Commercial Services & Supplies	47,917,843	—	—	47,917,843
Communications Equipment	68,690,807	—	—	68,690,807
Construction & Engineering	96,164,420	—	—	96,164,420
Construction Materials	40,200,520	—	—	40,200,520
Consumer Finance	18,184,508	—	—	18,184,508
Diversified REITs	44,411,031	—	—	44,411,031
Electric Utilities	41,172,849	—	—	41,172,849
Electrical Equipment	56,954,632	—	—	56,954,632
Electronic Equipment, Instruments & Components	185,250,293	—	—	185,250,293
Energy Equipment & Services	74,280,335	—	—	74,280,335
Food Products	60,328,324	120,074,316	—	180,402,640
Ground Transportation	11,689,557	—	—	11,689,557
Health Care Equipment & Supplies	188,839,165	—	—	188,839,165
Hotel & Resort REITs	67,923,121	—	—	67,923,121
Hotels, Restaurants & Leisure	220,338,537	35,764,027	—	256,102,564
Household Durables	34,868,942	—	—	34,868,942
Industrial REITs	33,488,353	—	—	33,488,353
Insurance	230,843,673	—	—	230,843,673
Leisure Products	49,752,059	—	—	49,752,059
Machinery	54,950,795	—	—	54,950,795
Metals & Mining	150,735,532	—	—	150,735,532
Multi-Utilities	35,208,090	—	—	35,208,090
Office REITs	16,730,316	—	—	16,730,316
Oil, Gas & Consumable Fuels	257,837,280	—	—	257,837,280
Professional Services	23,007,822	—	—	23,007,822
Real Estate Management & Development	2,112,933	—	—	2,112,933
Semiconductors & Semiconductor Equipment	109,348,972	—	—	109,348,972
Software	153,715,358	—	—	153,715,358
Specialty Retail	31,659,185	—	—	31,659,185
Textiles, Apparel & Luxury Goods	72,893,624	21,060,183	—	93,953,807
Trading Companies & Distributors	149,160,867	—	—	149,160,867
Short Term Investments	193,221,030	—	—	193,221,030
Total Investments in Securities	\$3,765,983,957	\$222,894,307 ^c	\$—	\$3,988,878,264

^aFor detailed categories, see the accompanying Schedule of Investments.

^bIncludes foreign securities valued at \$61,018,238, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

^cIncludes foreign securities valued at \$222,894,307, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

10. New Accounting Pronouncements

In June 2022, the FASB issued Accounting Standards Update (ASU) No. 2022-03, Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. The amendments in the ASU clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and,

10. New Accounting Pronouncements (continued)

therefore, should not be considered in measuring fair value. The ASU is effective for interim and annual reporting periods beginning after December 15, 2023, with the option of early adoption. Management has reviewed the requirements and believes that the adoption of the ASU will not have a material impact on the financial statements.

11. Subsequent Events

The Funds have evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure.

Abbreviations

Selected Portfolio

REIT	Real Estate Investment Trust
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Shareholder Information

Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent 12-month period ended June 30.

Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

Householding of Reports and Prospectuses

You will receive, or receive notice of the availability of, each Fund's financial reports every six months. In addition, you will receive an annual updated summary prospectus (detail prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports (to the extent received by mail) and summary prospectus. This process, called "householding," will continue indefinitely unless you instruct us otherwise. If you prefer not to have these documents househanded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

Authorized for distribution only when accompanied or preceded by a summary prospectus and/or prospectus. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. A prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



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Franklin Value Investors Trust**

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