FRANKLIN TEMPLETON INVESTMENTS

2020 VISION

Time to Take STOCK™

"Bull markets are born on PESSIMISM, grow on SKEPTICISM, mature on OPTIMISM and die on EUPHORIA."

SIR JOHN TEMPLETON,
TEMPLETON FUNDS FOUNDER AND FORMER CHAIRMAN

EUPHORIA

Sir John Templeton's observations regarding investing still apply. We've seen it with the housing market. We saw it with the tech bubble. Whenever popular sentiment is **euphoric** over an investment class, vehicle or category, change is probably just around the corner:

"A Wild Party for the Bull Market."
THE NEW YORK TIMES, AUGUST 16, 1987

"Mood Changed from Complacency… to Outright Fear."
THE NEW YORK TIMES, OCTOBER 28, 1987

PESSIMISM

Just as importantly, when **pessimism** reigns, that is usually the time to take a hard look at the opportunities the market is providing:

"The Fat Lady Hasn't Sung Yet… The Bear Market Ain't Over."
BARRON'S, AUGUST 27, 1990

"It's a Bull Market!"
BARRON'S, FEBRUARY 11, 1991

WHAT DO YOU THINK?

Check the box where you believe stocks, bonds and gold fall based on today's popular sentiment.

	STOCKS	BONDS	GOLD
Euphoric	☐	☐	☐
Optimistic	☐	☐	☐
Skeptical	☐	☐	☐
Pessimistic	☐	☐	☐

Trying to determine where markets are headed over the short term can be a distraction to a long-term investment plan. A financial advisor can help you put today's headlines in perspective and stay focused on your long-term goals. Talk to your financial advisor about designing an investment strategy that works for you.

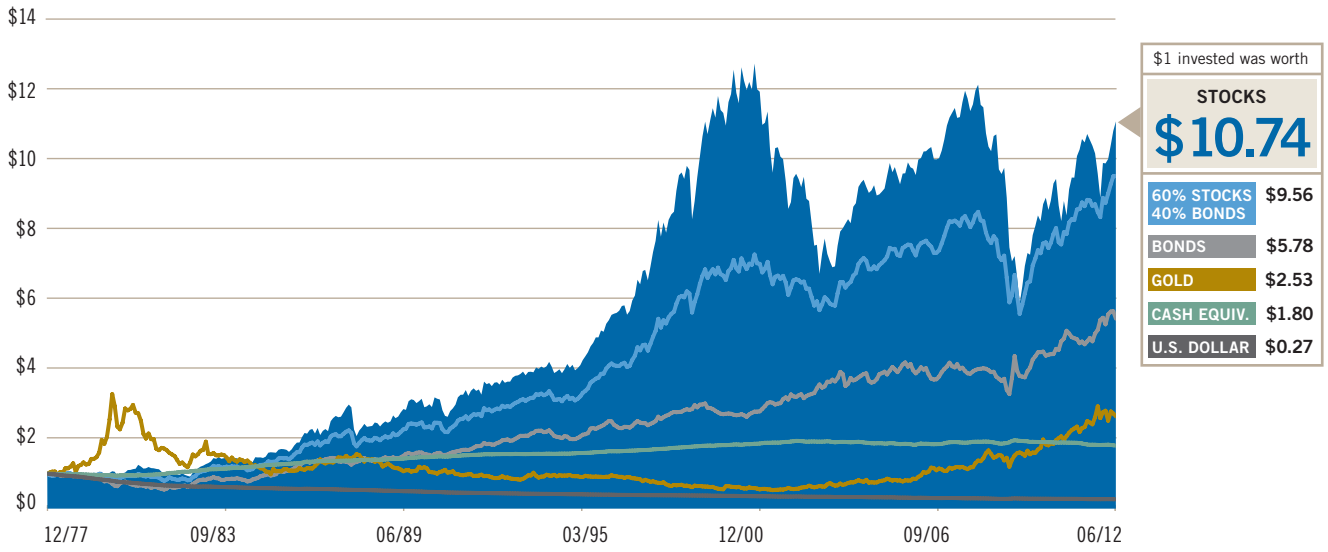
NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

THE LONG-TERM CASE FOR EQUITIES

The severity of recent market events has many investors focused on short-term safety and short-term performance, but diversification and long-term vision continue to be important as you work to achieve long-term investment goals.

Consider how different asset classes have fared on an inflation-adjusted basis since 1977.

Stocks Have Outperformed Over the Long Term[1]
Inflation-Adjusted Returns (December 31, 1977–June 30, 2012)



This chart is for illustrative purposes only and does not reflect the performance of any Franklin, Templeton or Mutual Series fund.

- Stocks, despite their recent travails, have done the best job of providing returns after inflation is taken into consideration.
- Gold, despite its rise in recent years, has provided little return over the long term.
- Of course it is important to remember that all investments involve risks, including possible loss of principal. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Investors should be comfortable with fluctuation in the value of their investment.

For information about Franklin Templeton mutual funds, please contact your financial advisor.

Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, talk to your financial advisor, call (800) DIAL BEN/342-5236 or visit ***franklintempleton.com****. Please carefully read the prospectus before you invest or send money.*

1. Source: ©2012 Morningstar. Stocks are represented by S&P 500 Index; Bonds are represented by Ibbotson Associates SBBI Long-Term Corporate Index; Cash Equivalents are represented by the P&R 90-day U.S. Treasury Index; Gold is represented by the S&P GSCI Gold Spot Index; U.S. Dollar is represented by the growth of the nominal dollar beginning in 1978, taking inflation into account. Inflation is calculated using the CPI. Indexes are unmanaged, and one cannot invest directly in an index. **Past performance does not guarantee future results.**

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< GAIN FROM OUR PERSPECTIVE® >

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