

Franklin Mutual Beacon Fund



Value | Fact Sheet as of June 30, 2022

Investment Overview

The fund seeks capital appreciation with income as a secondary goal. The fund focuses mainly on undervalued mid- and large-cap equity securities with a significant portion of its assets in foreign securities and, to a lesser extent, merger arbitrage securities and securities of distressed companies.

Average Annual Total Returns (%)

	Without Sales Charges					With Sales Charges					Inception Date
	1-Yr	3-Yr	5-Yr	10-Yr	Inception	1-Yr	3-Yr	5-Yr	10-Yr	Inception	
Class Z	-13.09	4.77	4.82	8.66	8.27	-13.09	4.77	4.82	8.66	8.27	6/29/1962
Class A	-13.26	4.53	4.56	8.38	7.80	-18.03	2.58	3.39	7.77	7.69	6/29/1962
Class C	-13.91	3.73	3.77	7.58	6.88	-14.72	3.73	3.77	7.58	6.88	6/29/1962
Class R	-13.47	4.25	4.30	8.12	5.38	-13.47	4.25	4.30	8.12	5.38	6/29/1962
Class R6	-13.03	4.84	4.89	8.75	8.51	-13.03	4.84	4.89	8.75	8.51	6/29/1962
Benchmark	-6.63	4.52	4.67	7.62	—	-6.63	4.52	4.67	7.62	—	—

Cumulative Total Returns (% Without Sales Charge)

	3-Mo	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Class Z	-9.35	-13.59	16.68	4.08	24.96	-8.24	14.39	16.11	-4.14	6.82	29.11	16.44
Class A	-9.34	-13.68	16.46	3.75	24.69	-8.49	14.09	15.80	-4.33	6.48	28.70	16.10
Class C	-9.53	-13.98	15.55	2.96	23.74	-9.19	13.25	14.94	-5.06	5.78	27.79	15.29
Class R	-9.42	-13.76	16.12	3.49	24.33	-8.65	13.76	15.58	-4.61	6.31	28.34	15.95
Class R6	-9.29	-13.59	16.83	4.08	25.13	-8.18	14.42	16.20	-3.98	6.91	29.16	16.65
Benchmark	-11.59	-12.16	21.94	-1.16	21.75	-10.78	17.10	12.33	-4.82	3.69	26.62	15.51

Performance data quoted represents past performance, which does not guarantee future results. Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit www.franklintempleton.com.

The fund began offering R Class shares on 10/30/2009, and the fund began offering R6 Class shares on 5/1/2013. Performance quotations have been calculated as follows: (a) for R Class periods prior to 10/30/2009, a restated figure is used based on the fund's Class Z performance; for R6 Class periods prior to 5/1/2013, a restated figure is used based on the fund's Class Z performance. The performance was adjusted to take into account differences in class-specific operating expenses and maximum sales charges. (b) For periods after share class offering, performance for the specific share class is used, reflecting the expenses and maximum sales charges applicable to that class.

Share Class Details

	CUSIP	Ticker	Sales Charges (%)		Expenses (%)	
			Max	CDSC	Gross	Net
Class Z	628 380 305	BEGRX	0.00	—	0.81	0.81
Class A	628 380 875	TEBIX	5.50	—	1.06	1.06
Class C	628 380 867	TEMEX	0.00	1.00	1.81	1.81
Class R	354 026 858	-	0.00	—	1.31	1.31
Class R6	354 026 817	FMBRX	0.00	—	0.77	0.75

Gross expenses are the fund's total annual operating expenses for the share class(es) shown. Net expenses for Class(es) R6 reflect contractual fee waivers and/or reimbursements, where these reductions reduce the fund's gross expenses, which cannot be terminated prior to April 30, 2023 without Board consent.

There is a 1% CDSC on any Class C shares you sell within 12 months of purchase.

Morningstar Rating™

Overall Rating as of June 30, 2022

★★★★ Class Z

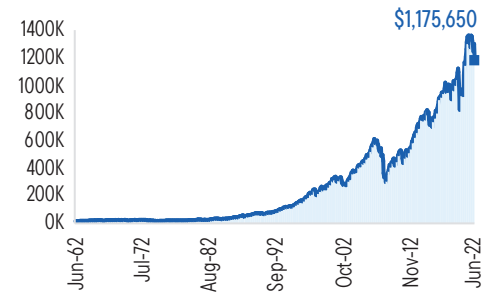
★★★★ Class A

As of 06/30/2022 the fund's Class Z and Class A shares received a 4 star overall Morningstar rating™, measuring risk-adjusted returns against 152, 143 and 86 Global Large-Stock Value funds over the 3-, 5- and 10- year periods, respectively. A fund's overall rating is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) rating metrics.

Growth of \$10,000

Class Z Shares—Inception through June 30, 2022

Excluding Effects of Sales Charges



Fund Overview

Dividend Frequency, if any	Semiannually
Morningstar Category	Global Large-Stock Value
Lipper Classification	Global Multi-Cap Value
Turnover (fiscal yr)	40%

Benchmark(s)

Linked MSCI World Value Index-NR

Fund Characteristics

	Fund
Total Net Assets	\$3.07 Billion
Number of Issuers	33
Average Market Cap (Millions)	\$93,158
Price to Book	1.80x
Price to Earnings (12-Month Trailing)	13.85x

Risk Statistics (3-Year—Class Z vs. Linked MSCI World Value Index-NR)

	Fund	Benchmark
Beta	1.02	—
R-Squared	0.93	—
Sharpe Ratio	0.21	0.21
Standard Deviation (%)	19.91	18.87
Alpha (%)	0.35	—
Information Ratio	0.05	—
Tracking Error	5.35	—

Top Holdings (% of Total)

	Fund
CHARTER COMMUNICATIONS INC	4.74
DEUTSCHE TELEKOM AG	4.31
NOVARTIS AG	4.27
GSK PLC	4.24
MEDTRONIC PLC	4.19
JPMORGAN CHASE & CO	3.99
GLOBAL PAYMENTS INC	3.91
SENSATA TECHNOLOGIES HOLDING PLC	3.62
ADIDAS AG	3.59
ELI LILLY & CO	3.50

Geographic Allocation (% of Total)

	Fund	Benchmark
United States	57.41	69.36
United Kingdom	13.49	6.02
Germany	10.22	2.76
Switzerland	6.80	1.77
Netherlands	5.24	0.51
France	4.93	2.36
Japan	0.00	6.10
Canada	0.00	3.60
Other	0.00	7.52
Cash & Cash Equivalents	1.90	0.00

Sector Allocation (% of Total)

	Fund	Benchmark
Health Care	25.06	16.28
Financials	14.70	21.08
Communication Services	14.34	4.54
Consumer Staples	11.26	9.65
Industrials	9.09	10.15
Consumer Discretionary	8.84	5.89
Information Technology	7.10	8.19
Energy	3.34	8.52
Materials	2.32	5.42
Real Estate	2.06	4.38
Utilities	0.00	5.88
Cash & Cash Equivalents	1.90	0.00

Portfolio Management

	Years with Firm	Years of Experience
Christian Correa, CFA	19	20
Mandana Hormozi	18	31
Aman Gupta, CFA	12	20

What should I know before investing?

All investments involve risks, including possible loss of principal. Value securities may not increase in price as anticipated or may decline further in value. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Because the fund may invest its assets in companies in a specific region, including Europe, it is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Current political uncertainty concerning the economic consequences of the departure of the United Kingdom from the European Union may increase market volatility. Smaller-company stocks have exhibited greater price volatility than larger-company stocks, particularly over the short term. The fund's investments in companies engaged in mergers, reorganizations or liquidations also involve special risks as pending deals may not be completed on time or on favorable terms. The fund may invest in lower-rated bonds, which entail higher credit risk. The manager's portfolio selection strategy is not solely based on ESG considerations, and therefore the issuers in which the fund invests may not be considered ESG-focused companies. Integrating ESG considerations into the investment process is not a guarantee that better performance will be achieved. Please consult the prospectus for a more detailed description of the fund's risks.

Glossary

Beta A measure of the fund's volatility relative to the market, as represented by the stated Index. A beta greater than 1.00 indicates volatility greater than the market. **R-squared** measures the strength of the linear relationship between the fund and its benchmark. R-squared at 1 implies perfect linear relationship and zero implies no relationship exists. **Sharpe Ratio** refers to a risk-adjusted measure calculated using standard deviation and excess returns to determine reward per unit of risk. The higher the ratio, the greater the risk-adjusted performance.

Standard Deviation measure of the degree to which a fund's return varies from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate from the average return. **Alpha** is the annualized percentage difference between a portfolio's actual returns and its expected performance given its level of market risk, as measured by beta.

Information Ratio In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark. **Tracking Error** measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error. **Turnover** is a measure of the fund's trading activity which represents the portion of the fund's holdings that has changed over a twelve-month period through the fiscal year end. There is no assurance that the fund will maintain its current level of turnover. **Price to Book** The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the value represents a weighted average of the stocks it holds. **Price to Earnings (12-Month Trailing)** is the share price of a stock, divided by its per-share earnings over the past year. For a portfolio, the value represents a weighted average of the stocks it holds.

Important Information

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The **Linked MSCI World Value Index-NR** reflects the performance of MSCI World Index from fund inception through 12/31/1974 and MSCI World Value Index-NR thereafter. The **MSCI World Value Index** captures large and mid cap securities exhibiting overall value style characteristics across 23 Developed Markets (DM) countries. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI. Net Returns (NR) include income net of tax withholding when dividends are paid. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change. Important data provider notices and terms available at www.franklintempletondatasources.com.

Morningstar Rating™: Source: Morningstar®, 06/30/2022. For each mutual fund and ETF with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance, and does not take into account the effects of sales charges and loads, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The fund's Class Z Shares received a Morningstar Rating of 3, 3 and 4 star(s) and the fund's Class A Shares received a Morningstar Rating of 3, 3 and 4 star(s) for the 3-, 5- and 10-year periods, respectively. Franklin Templeton provides this fund's Morningstar Rating™ for Class Z and Class A share only. Other shareclasses may have different Morningstar ratings.

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Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at www.franklintempleton.com. Please read it carefully.