

# Franklin Mutual Shares Fund



Value | Fact Sheet as of December 31, 2022

Investment Overview

The fund seeks capital appreciation, which may occasionally be short term, with income as a secondary goal. Its strategy is focused on undervalued mid- and large-cap equity securities, which may include foreign securities and, to a lesser extent, distressed securities and merger arbitrage.

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	-7.11	1.98	3.52	7.08	12.12	-7.11	1.98	3.52	7.08	12.12	7/1/1949
Class A	-7.35	1.72	3.27	6.80	11.26	-12.46	-0.19	2.11	6.20	11.18	7/1/1949
Class C	-8.04	0.95	2.49	6.01	9.76	-8.88	0.95	2.49	6.01	9.76	7/1/1949
Class R	-7.60	1.46	3.01	6.55	10.73	-7.60	1.46	3.01	6.55	10.73	7/1/1949
Class R6	-7.05	2.03	3.59	7.18	12.53	-7.05	2.03	3.59	7.18	12.53	7/1/1949
Benchmark	-7.54	5.96	6.67	10.29	—	-7.54	5.96	6.67	10.29	—	—

Cumulative Total Returns (% Without Sales Charge)

	3-Mo	YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Class Z	13.87	-7.11	-7.11	19.34	-4.34	23.13	-8.95	8.49	15.88	-3.81	7.60	28.10
Class A	13.84	-7.35	-7.35	19.07	-4.60	22.86	-9.18	8.21	15.61	-4.10	7.30	27.74
Class C	13.62	-8.04	-8.04	18.13	-5.29	21.93	-9.87	7.37	14.77	-4.79	6.56	26.82
Class R	13.74	-7.60	-7.60	18.75	-4.80	22.55	-9.41	7.96	15.31	-4.32	7.10	27.47
Class R6	13.91	-7.05	-7.05	19.37	-4.27	23.26	-8.88	8.61	16.05	-3.71	7.72	28.26
Benchmark	12.42	-7.54	-7.54	25.16	2.80	26.54	-8.27	13.66	17.34	-3.83	13.45	32.53

**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](http://www.franklintempleton.com).

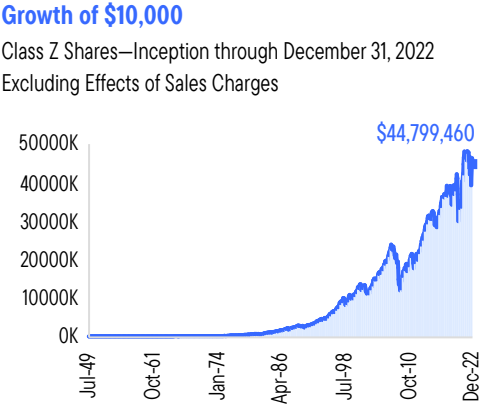
The fund began offering R Class shares on 1/2/2002, and the fund began offering R6 Class shares on 5/1/2013. Performance quotations have been calculated as follows: (a) for R Class periods prior to 1/2/2002, a restated figure is used based on the fund's Class Z performance; for R6 Class periods prior 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	628 380 107	MUTHX	0.00	—	0.81	0.81
Class A	628 380 602	TESIX	5.50	—	1.06	1.06
Class C	628 380 701	TEMTX	0.00	1.00	1.81	1.81
Class R	354 026 502	TESRX	0.00	—	1.31	1.31
Class R6	354 026 742	FMSHX	0.00	—	0.74	0.74

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 04/30/2023 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

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



Fund Overview

Dividend Frequency, if any	Semiannually
Morningstar Category	Allocation—85%+ Equity
Lipper Classification	Multi-Cap Value Funds
Turnover (fiscal yr)	41%

Benchmark(s)

Linked Russell 1000 Value Index

Fund Characteristics

	Fund
Total Net Assets	\$6.88 Billion
Number of Issuers	70
Average Market Cap (Millions USD)	\$96,742
Price to Book	1.85x
Price to Earnings (12-Month Trailing)	13.21x

Risk Statistics (3-Year—Class Z)

	Fund	Benchmark
Beta	0.99	—
R-Squared	0.97	—
Sharpe Ratio	0.06	0.25
Standard Deviation (%)	21.44	21.25
Alpha (%)	-3.66	—
Information Ratio	-1.05	—
Tracking Error	3.81	—

Asset Allocation (% of Total)

	Fund
Undervalued Equities	89.82
Special Situations	8.68
Cash & Other Net Assets	1.50

Top Holdings (% of Total)

	Fund
JPMORGAN CHASE & CO	2.76
TAPESTRY INC	2.64
PARKER-HANNIFIN CORP	2.64
SCHLUMBERGER NV	2.56
DR HORTON INC	2.55
KRAFT HEINZ CO/THE	2.53
CVS HEALTH CORP	2.46
JOHNSON CONTROLS INTERNATIONAL PLC	2.44
BANK OF AMERICA CORP	2.37
CBRE GROUP INC	2.36

Geographic Allocation (% of Total)

	Fund	Benchmark
United States	89.64	100.00
United Kingdom	5.04	0.00
Switzerland	2.27	0.00
Netherlands	1.55	0.00
Cash & Cash Equivalents	1.50	0.00

Sector Allocation (% of Total)

	Fund	Benchmark
Financials	20.48	20.11
Health Care	15.98	17.36
Information Technology	13.97	8.27
Communication Services	12.62	7.31
Consumer Discretionary	8.07	5.99
Energy	8.02	8.44
Industrials	7.67	10.53
Consumer Staples	4.01	7.38
Other	7.69	14.62
Cash & Cash Equivalents	1.50	0.00

Portfolio Management

	Years with Firm	Years of Experience
Christian Correa, CFA	19	21
Grace Hoefig	14	40

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. 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. **Special Situations** includes investments in merger arbitrage and stressed and distressed debt. **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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**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](http://www.franklintempleton.com). Please read it carefully.**