



Despite Cyclicity, Hedging Currency Exposure Can Lead to Longer-Term Benefits

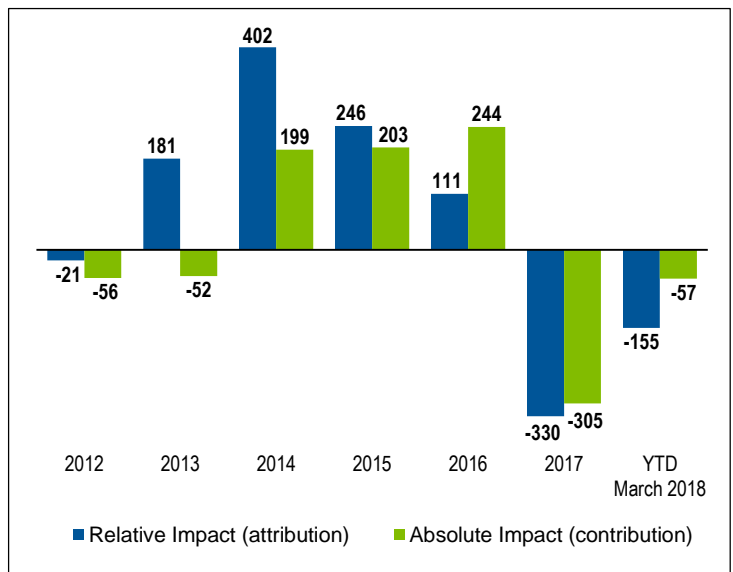
Franklin Mutual Global Discovery Fund generally hedges foreign currency exposure to ensure that stock performance is the key driver of fund performance. This helps to isolate the underlying stock return for non-US holdings and minimize the impact of currency fluctuations on investment results. We hedge on a stock-by-stock basis in keeping with our bottom-up approach to managing the fund. Accordingly, our currency hedges typically do not represent a specific near-term outlook for currencies.

Currencies experience cyclical fluctuations over time based on relative interest rates, inflation and other economic factors. Consequently, there will be periods when hedging adds to performance and periods when it detracts. Hedging has generally contributed to performance when the US dollar (USD) has strengthened and detracted when the USD has weakened.

In 2017, our currency hedges moved from contributing to the absolute return of Franklin Mutual Global Discovery Fund to detracting. Last year, the USD lost ground against the Euro and the British Pound (GBP) and the weakening USD caused our currency hedge to detract from performance. Conversely, from 2014-2016 when the USD was strong, currency hedging contributed substantially to absolute performance. Going forward, in periods when the USD is strong, we expect our hedging strategy should continue to augment performance.

Value Add of Currency Hedges

Impact of Currency Hedges on Franklin Mutual Global Discovery Fund Performance (in basis points)



Performance data represents past performance, which does not guarantee future results. Please call Franklin Templeton at (800) DIAL BEN/342-5236 or visit franklintempleton.com for the fund's standardized and most recent month-end performance.

A Record of Lower Volatility

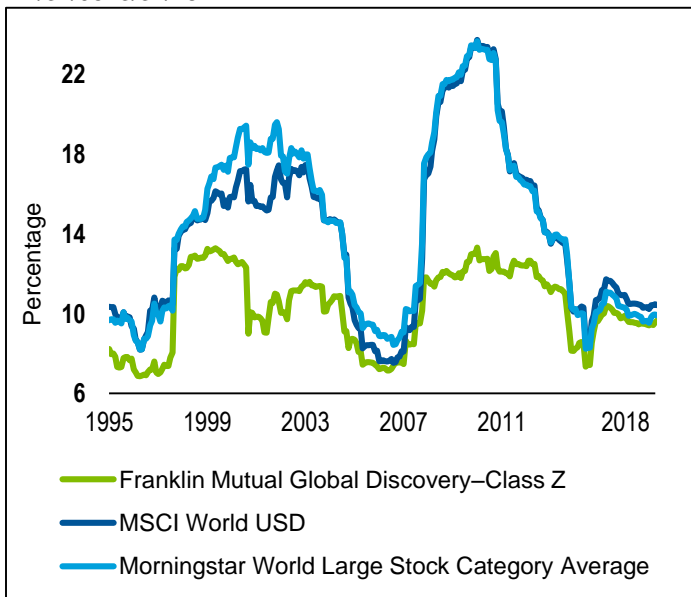
As a deep value strategy, Franklin Mutual Global Discovery Fund seeks to deliver attractive long-term risk-adjusted returns. The fund has exhibited significantly lower volatility than its benchmark, with an average three-year rolling standard deviation of monthly returns of 10.3% compared to 14.0% for the MSCI World Index since the fund's inception, as depicted in the following chart.¹

The information provided is not a complete analysis of every material fact regarding any market, industry, security or strategy. Because market and economic conditions are subject to change, comments opinions and analyses are rendered as of the date shown and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy.

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A Consistent Track Record of Lower Volatility Since Inception¹

Rolling 3-Year Standard Deviation
12/31/95–3/31/18

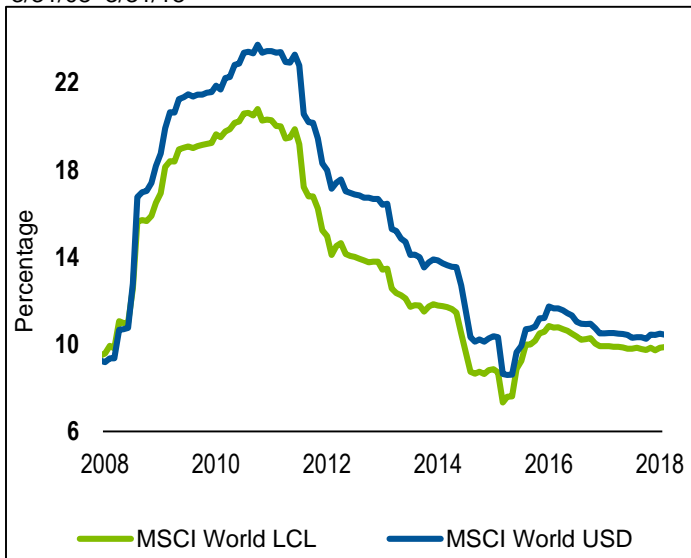


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We believe that our currency hedging strategy is a factor in our record of lower volatility. What's more, when comparing the MSCI World hedged index to the MSCI World unhedged index, the average three-year rolling standard deviation for the hedged index was 13.6% over the past 10 years, compared to 15.4% for the unhedged index.¹

Hedged Index Has Demonstrated Less Volatility Over Time¹

MSCI World Hedged (Local) & Unhedged (USD)
Rolling 3-Year Standard Deviation
3/31/08–3/31/18



For illustrative purposes only. Not representative of any Franklin Templeton fund. Past performance does not guarantee future results.

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Conclusion

Currencies fluctuate. This is an economic fact and can complicate returns for global investors. However, Franklin Mutual Global Discovery Fund was created to capitalize on the exceptional value-oriented opportunities we identify around the globe. In our view, currency hedging remains the most effective way both to deliver results based on our convictions and to help reduce volatility over time for our shareholders.

Historical Performance (for periods ended March 31, 2018)

	1-Year	5-Year	10-Year	Since Inception (12/31/92)
Avg Annl Tot Return				
MDISX (Class Z)	2.36%	7.35%	6.23%	11.37%
MSCI World Index ¹	14.20%	10.32%	6.51%	8.21%

Std Deviation

MDISX	7.37%	9.02%	11.03%	10.50%
MSCI World Index ¹	8.28%	10.20%	16.28%	14.46%

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

Class Z shares do not have sales charges or Rule 12b-1 fees and are offered only to certain eligible investors as stated in the prospectus. The fund offers multiple share classes, which are subject to different fees and expenses that will affect their performance. Please see the prospectus for details.

WHAT ARE THE RISKS?

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. 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. Please consult the prospectus for a more detailed description of the fund's risks.

Your clients 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, call us at (800) DIAL BEN/342-5236 or visit franklintempleton.com. Your clients should carefully read a prospectus before they invest or send money.

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