



FRANKLIN TEMPLETON
INVESTMENTS

FRANKLIN MUTUAL GLOBAL DISCOVERY FUND

A SUB-FUND OF LUXEMBOURG-DOMICILED SICAV

August 31, 2012

INVESTMENT OBJECTIVE

The Fund aims to achieve capital appreciation by investing in common stock, preferred stock and debt securities, convertible or expected to be convertible into common or preferred stock of companies of any nation as well as in sovereign debts and participations in foreign government debts that the investment manager believes are available at market prices less than their intrinsic value. The Fund primarily invests in mid- and large-cap companies with a market capitalization around or greater than 1.5 billion US dollars. It may also seek to invest in the securities of companies involved in mergers, consolidations, liquidations and reorganizations. To a lesser extent, the Fund may also purchase debt securities of companies involved in reorganization or financial restructuring.

FUND MANAGER AND LOCATION

Peter Langerman, Short Hills, New Jersey
Philippe Brugere-Trelat, Short Hills, New Jersey
Tim Rankin, Short Hills, New Jersey

FUND DATA¹

Base Currency of Fund: US Dollar

Portfolio Size: \$864.19 million

Date of Launch: October 25, 2005

Purchase of Shares:

Min Initial Investment \$5,000.00

Min Subsequent Investment \$1,000.00

Primary Fund Benchmark/Index:

MSCI World Index

Morningstar™ Workstation Category:

Global Large-Cap Value Equity

Dividend Frequency: Annually

Investment Management Fee (% p.a.):²

1.00%

Share Class	Date Paid	Amount
A(Ydis)EUR	07/09/12	€0.15

FUND AWARDS AND RATINGS

S&P Capital IQ Grading:⁴ Silver

Morningstar™ Overall Rating:⁵ ★★★★★

Client Services

Global (727) 299-5042

U.S. (800) 239-3894

Email: stpcds@templeton.com

Offshore Sales Support Team

U.S. (800) 233-9796

Canada (877) 389-0076

Web www.templetonoffshore.com

Address

100 Fountain Parkway
PO Box 33030
St. Petersburg, Florida 33716

ASSET ALLOCATION¹

EQUITY	FIXED INCOME	CASH	# OF ISSUES
93.29%	0.93%	5.77%	109

PERFORMANCE IN SHARE CLASS CURRENCY AS OF AUGUST 31, 2012

	1-MO	3-MO	6-MO	1-YR	3-YR*	5-YR*	10-YR*	SINCE LAUNCH	SINCE LAUNCH*
A(acc)USD	3.38	10.24	-0.96	4.10	5.17	-0.10	-	34.60	4.43
B(acc)USD	3.18	9.80	-1.59	2.75	3.79	-1.40	-	23.20	3.09
C(acc)USD	3.28	10.05	-1.30	3.44	4.57	-0.70	-	29.20	3.81
N(acc)USD	3.31	10.08	-1.31	3.31	4.40	-0.85	-	27.80	3.65
A(Ydis)EUR	1.05	8.28	4.88	18.86	9.85	1.50	-	19.37	3.00
A(acc)EUR	1.09	8.29	4.86	18.93	9.86	1.50	-	29.41	3.83
N(acc)EUR	0.99	8.11	4.51	17.98	9.05	0.73	-	22.70	3.03

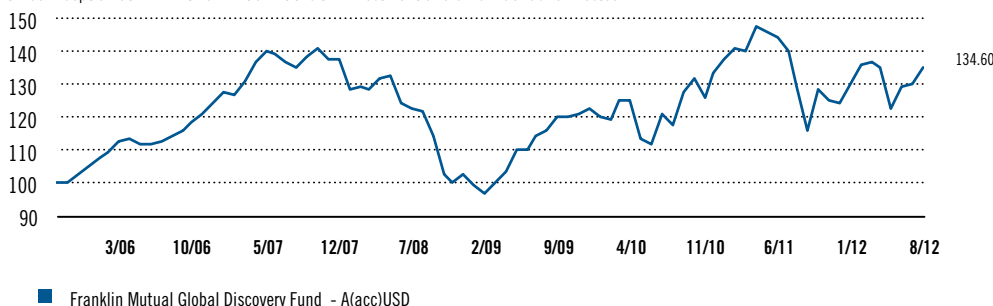
*Annualized Performance

CALENDAR YEAR PERFORMANCE AS OF AUGUST 31, 2012

	NAV	YTD	2011	2010	2009	2008	2007	2006	2005	2004
A(acc)USD	\$13.46	8.29	-6.96	9.15	19.88	-25.96	10.94	18.61	-	-
B(acc)USD	\$12.32	7.32	-8.23	7.75	18.35	-26.90	9.55	17.11	-	-
C(acc)USD	\$12.92	7.85	-7.56	8.54	19.16	-26.38	10.29	17.97	-	-
N(acc)USD	\$12.78	7.76	-7.70	8.35	18.96	-26.48	10.06	17.78	-	-
A(Ydis)EUR	€18.21	11.36	-3.89	16.83	17.05	-22.68	0.38	-	-	-
A(acc)EUR	€12.94	11.36	-3.81	16.83	16.97	-22.66	0.35	6.35	-	-
N(acc)EUR	€12.27	10.84	-4.57	16.00	16.14	-23.26	-0.44	5.42	-	-

TOTAL PERFORMANCE IN US DOLLAR AS OF AUGUST 31, 2012

*Since inception at NAV with an initial 100 USD investment and all dividends reinvested.



PORTFOLIO COMPOSITION (% OF TOTAL)¹

SECURITY NAME	%
MERCK & CO INC	2.02
REXAM PLC	1.98
MICROSOFT CORP	1.95
REED ELSEVIER PLC	1.94
ACE LTD	1.85
IMPERIAL TOBACCO GROUP PLC	1.79
PARTNERRE LTD	1.75
BRITISH AMERICAN TOBACCO PLC	1.70
WELLS FARGO & CO	1.68
VODAFONE GROUP PLC	1.60

FUND CHARACTERISTICS

STATISTICS	
Price to Earnings Ratio	10.55x
Price to Book Value Ratio	1.20x
Price to Cash Flow Ratio	5.93x
3 Yrs Annualized Std Deviation - Fund	16.88%

SHARE CLASS	YIELD
A(Ydis)EUR	0.82

COUNTRY BREAKDOWN ¹	
COUNTRY BREAKDOWN	%
United States	45.22
United Kingdom	16.86
France	7.01
Switzerland	4.77
Germany	4.23
Netherlands	2.86
Hong Kong	2.78
South Korea	2.44
Other	8.04
Cash/Cash Equivalent	5.77

CURRENCY BREAKDOWN ¹	
CURRENCY BREAKDOWN	%
US Dollar	58.75
Euro	16.42
British Pound	14.39
Swiss Franc	3.95
S Korean Won	2.44
Danish Krone	1.48
Hong Kong Dollar	1.30
Japanese Yen	1.18
Norwegian Krone	0.09

INDUSTRY BREAKDOWN ¹	
INDUSTRY BREAKDOWN	%
Energy	11.15
Insurance	10.88
Food Beverage & Tobacco	9.46
Banks	7.72
Pharmaceuticals & Biotechnology	7.02
Media	6.28
Diversified Financials	6.27
Capital Goods	5.16
Other	30.27
Cash/Cash Equivalent	5.77

FUND IDENTIFIERS				
SHARE CLASS*	INCEPTION DATE	CUSIP	BLOOMBERG	ISIN
A(acc)USD	10/25/2005	L4058X107	FMGDAACLX	LU0211331839
B(acc)USD	10/25/2005	L4058X115	FMGDBACLX	LU0211332134
C(acc)USD	10/25/2005	L4058X461	FMGDCACLX	LU0229945067
N(acc)USD	10/25/2005	L4058X164	FMGDNACLX	LU0211332217
A(Ydis)EUR	09/01/2006	L4059A452	FMGCADCLX	LU0260862726
A(acc)EUR	10/25/2005	L4058X123	FMGDAELX	LU0211333025
N(acc)EUR	10/25/2005	L4058X156	FMGDNELX	LU0211333298

* (Mdis) - monthly distribution; (Qdis) - quarterly distribution; (Ydis) - yearly distribution; (acc) - accumulation

WHAT ARE THE RISKS
The Fund's investments in foreign securities involve certain risks including currency fluctuations, and economic and political uncertainties. 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. The Fund may invest in lower-rated bonds, which entail higher credit risk. Interest rate movements may affect the Fund's share price and yield. The Fund may be subject to a variety of risks in addition to those described herein. Please consult the Prospectus for a full discussion of these risks.

DISCLAIMERS
1. Portfolio Composition and Asset Allocation data as of July 31, 2012 (Negative currency positions, if any, may occur due to hedging, unsettled payables, and derivatives holdings).
2. Investment Management Fee is a monthly fee equivalent to a percentage of the Fund's adjusted daily net assets received by the Investment Manager for each Class of Shares, except for the I shares classes. For a full description of all fees and charges that an investor may incur, including the initial sales charges and maintenance and company charges attributable to a class of shares of the Fund, please consult the current Prospectus of FTIF.
3. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in a top 10 holdings list.
4. An S&P Capital IQ fund grading represents an opinion only and should not be relied on when making an investment decision. Past performance is not indicative of future results. Currency exchange rates may affect the value of investments. Copyright © 2012 by McGraw-Hill International (UK) Limited (S&P), a subsidiary of The McGraw-Hill Companies, Inc. All rights reserved.
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