

Bear Markets Are What You Make of Them



**Amy
Apprehensive**

Amy decides if there is a 20% decline in the S&P 500 Index she'll take her money out of the stock market, put it into U.S. Treasury Bills and wait for things to get better.¹ By better, Amy means she will reinvest only after the S&P 500 Index returns to the level it was at before the decline began. Amy ends up doing this six times between 1970 and 2008.

RESULTS: Amy may have reduced additional losses as the stock market continued to fall further than 20%, but she also missed out on large parts of the subsequent market recovery.



**Steady
Eddie**

Eddie decides to stick to a long-term investment strategy, and leaves his money invested through all market cycles without adding to or subtracting from his initial \$10,000 investment.

RESULTS: Although Eddie experienced some periods of negative returns, his buy-and-hold strategy returned more than Amy's strategy.



**Ollie
Opportunity**

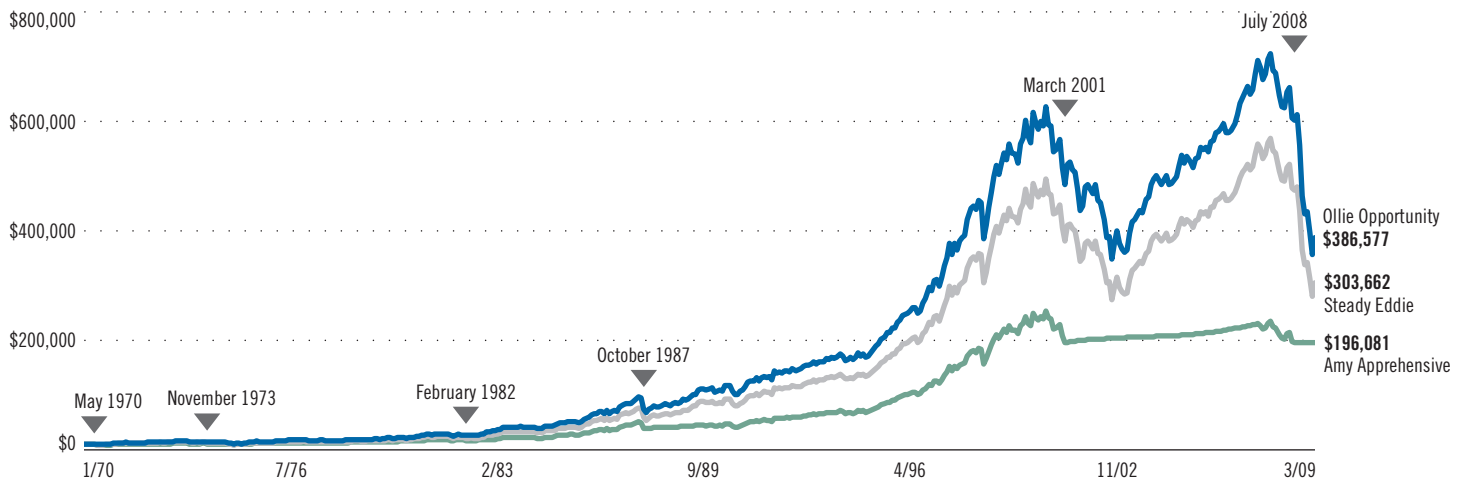
Ollie decides that a buying opportunity exists every time there is a 20% decline in the S&P 500 Index. When these declines occur, he chooses to invest an additional \$1,000. Using this strategy, from 1970 to December 2008, Ollie invests \$1,000 on six separate occasions for a total of \$6,000.

RESULTS: Ollie took advantage of market corrections and cheaper prices. His opportunistic actions would have grown to \$386,577!

THREE POSSIBLE APPROACHES TO DEALING WITH MARKET DECLINES

Illustrations Demonstrate the Growth of a Hypothetical \$10,000 Investment

12/31/69 – 3/31/09²



A bold arrow (▼) is used to indicate every time Amy Apprehensive moved to U.S. Treasury Bills and Ollie Opportunity invested an additional \$1,000.

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

Investors with the conviction and risk tolerance to stay in or add to their positions during volatile markets may be best positioned to take advantage of the market's long-term upward trend.

1. Treasury securities, if held to maturity, offer a fixed rate of return and fixed principal value; interest payments and principal are guaranteed.

2. Source © 2009 Morningstar. Standard & Poor's, 3/31/09. Based on the price movements of the S&P 500 Index. Any purchases/sales assumed to occur at the beginning of the month following a 20% decline in the index. Indexes are unmanaged, and one cannot invest directly in an index.

A BEAR MARKET OPPORTUNITY WITH FRANKLIN TEMPLETON

MUTUAL GLOBAL DISCOVERY FUND³

Fund Description: Seeks capital appreciation by investing in undervalued equities and, to a lesser extent, distressed securities and merger arbitrage opportunities around the world. The fund focuses on mid- and large-cap equities and can invest up to 100% in foreign securities.



MORNINGSTAR RATING™⁶

As of April 30, 2009, the fund's Class A shares received a 5-star overall Morningstar Rating™, measuring risk-adjusted returns against 529, 427 and 249 U.S.-domiciled World Stock 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.

AVERAGE ANNUAL TOTAL RETURNS—CLASS A

As of March 31, 2009

With Maximum 5.75% Sales Charge⁴

	1-Year	5-Year	10-Year	Since Inception (12/31/92)
Mutual Global Discovery Fund	-26.71%	4.07%	7.57%	11.36%

Without Sales Charge⁵

	1-Year	5-Year	10-Year	Since Inception (12/31/92)
Mutual Global Discovery Fund	-22.24%	5.31%	8.21%	11.77%

MSCI World Index	-42.19%	-3.00%	-1.79%	5.13%
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Total Annual Operating Expenses: 1.32%

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 you may have a gain or a loss when you sell your shares. Please call Franklin Templeton Investments at (800) DIAL BEN/(800)342-5236 or visit franklintempleton.com for the most recent month-end performance.

What are the risks?

Value securities may not increase in price as anticipated or may decline further in value. 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 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.

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

3. Effective 5/1/09, Mutual Discovery Fund changed its name to Mutual Global Discovery Fund. The fund's investment goal and strategy remained unchanged.

4. Prior to 11/1/96, only a single class of fund shares was offered without a sales charge and Rule 12b-1 expenses. Returns shown are a restatement of the original class to include both the Rule 12b-1 expenses and the current Class A sales charge. Prior to 8/3/98, these shares were offered at a lower initial sales charge; thus actual returns would have differed. The fund offers other share classes, subject to different fees and expenses that will affect their performance.

5. Figures include the Rule 12b-1 expenses as if in effect during the entire period.

LIPPER TOTAL RETURN RANKINGS⁷

CLASS A

As of April 30, 2009

1-Year	7 OUT OF 62
3-Year	10 OUT OF 43
5-Year	2 OUT OF 38
10-Year	2 OUT OF 17
Classification: Global Multi-Cap Value	

6. Source: Morningstar®, 4/30/09. For each fund with at least a 3-year history, Morningstar calculates a risk-adjusted return measure that accounts for variation in a fund's monthly performance (including the effects of all sales charges), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive a Morningstar Rating™ of 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. (Each share class is counted as a fraction of one fund and rated separately.) The fund received Morningstar Ratings of 5 stars for the 3-, 5- and 10-year periods, respectively. **Past performance does not guarantee future results.** Morningstar Rating™ is for Class A shares only; other classes may have different performance characteristics. © 2009 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

7. Source: Lipper, Inc. Rankings do not include sales charges and are for the fund's Class A shares only. Other share classes may differ. **Past performance does not guarantee future results.**

< GAIN FROM OUR PERSPECTIVE® >

VALUE	BLEND	GROWTH	SECTOR	GLOBAL	INTERNATIONAL	HYBRID	ASSET ALLOCATION	FIXED INCOME	TAX-FREE INCOME
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