



FRANKLIN TEMPLETON
INVESTMENTS

FRANKLIN MUTUAL BEACON FUND

A SUB-FUND OF LUXEMBOURG-DOMICILED SICAV

31 May 2010

FUND MANAGER AND LOCATION

Peter Langerman, New Jersey, United States
David Segal, New Jersey, United States
Deborah Turner, New Jersey, United States

FUND DATA

Base Currency of Fund: US dollar

Fund Size: \$1,242.54 million

Date of Fund Launch: 7 July 1997

Fund Index: S&P 500 Index

Morningstar™ Workstation Category:

Equity - Global

DIVIDENDS PAID ANNUALLY⁷

Share Class	Date Paid	Amount
A(Ydis)USD	08/07/2008	\$0.4650

NET ASSET VALUE AS AT 31 MAY 2010

A(acc)EUR	€34.50
A(acc)EUR-H1	€29.43
A(acc)USD	\$42.41
A(Ydis)USD	\$41.41
Z(acc)USD	\$10.01

EUSD STATUS

Redemption: Out of Scope

Distribution: Out of Scope

CHARGES⁴

	Initial Charge	Annual Charge	TER A(acc)USD
All A classes	5.00%	1.50%	1.87%

FUND RATINGS^{3, 5}

S&P Fund Management Rating: AA

Morningstar™ Overall Rating: ★★★★★

INVESTMENT OBJECTIVE

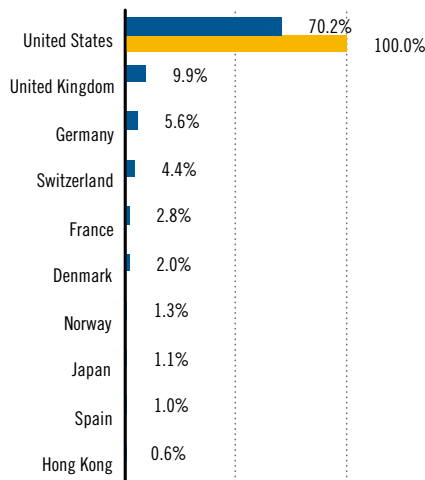
The Fund aims to achieve long-term capital appreciation by investing principally in US equity securities with no more than 30% of the Fund's net assets invested in securities of non-US issuers. The Fund may also seek to invest in the securities of companies involved in mergers, consolidations, liquidations and reorganisations. To a lesser extent, the Fund may also purchase debt securities of companies involved in reorganisation or financial restructuring.

INVESTOR PROFILE

• Seeking capital appreciation and to a lesser extent income through investment in undervalued companies based primarily in the U.S.

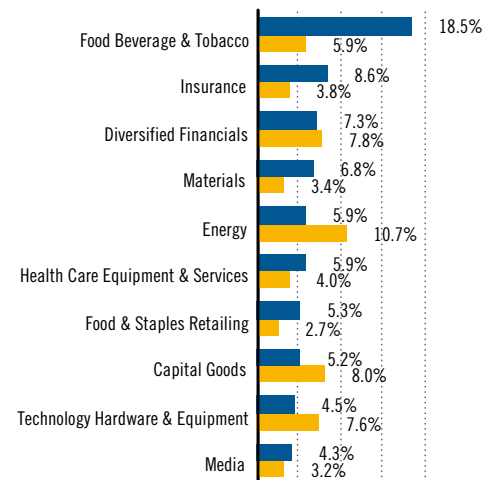
• Planning to hold their investment for the medium to long term.

LARGEST PORTFOLIO COUNTRY WEIGHTINGS VS. S&P 500 INDEX (% OF EQUITY)



■ Franklin Mutual Beacon Fund ■ S&P 500 Index

LARGEST PORTFOLIO INDUSTRY WEIGHTINGS VS. S&P 500 INDEX (% OF EQUITY)

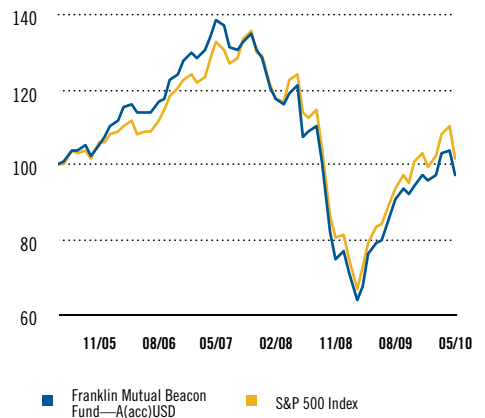


■ Franklin Mutual Beacon Fund ■ S&P 500 Index

TOP 10 HOLDINGS (31 MAY 2010)⁶

SECURITY NAME	%
CVS CAREMARK CORP	2.76
WEYERHAEUSER CO	2.29
NEWS CORP INC	2.23
KRAFT FOODS INC	2.13
MICROSOFT CORP	2.11
ALTRIA GROUP INC	1.85
BRITISH AMERICAN TOBACCO PLC	1.79
WHITE MOUNTAINS INSURANCE GROUP INC	1.72
NESTLE SA	1.59
DR PEPPER SNAPPLE GROUP INC	1.48

5 YEAR PERFORMANCE (US DOLLAR)^{1, 2}



CUMULATIVE PERFORMANCE AS AT 31 MAY 2010 % (DIV. RE-INVESTED)^{1, 3}

FUND CURRENCY	YTD	1-MO	3-MO	6-MO	1-YR	3-YR	5-YR	10-YR	SINCE LAUNCH	3-YR VOL.
A(acc)USD	-0.17	-6.52	0.00	3.49	22.50	-29.62	-2.46	32.55	79.38	20.49
Index	-1.50	-7.99	-0.89	0.41	20.99	-23.88	1.54	-7.86	49.48	20.28
Morningstar™ Sector Average	-9.26	-10.27	-5.30	-8.04	8.49	-30.10	3.64	-1.70	64.38	23.90

DISCRETE ANNUAL PERFORMANCE AS AT END MARCH 2010 % (DIV. RE-INVESTED)

SHARE CLASS CURRENCY	MARCH 2009/2010	MARCH 2008/2009	MARCH 2007/2008	MARCH 2006/2007	MARCH 2005/2006
A(acc)USD	51.70	-41.57	-11.23	13.19	15.46

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For professional investors only. Not directed at retail investors

PERFORMANCE STATISTICS - ANNUALISED (31 MAY 2010)

STD. DEVIATION	1-YR	3-YR	5-YR
Franklin Mutual Beacon Fund	13.01	20.49	16.67
S&P 500 Index	14.77	20.28	16.52

SHARPE RATIO	1-YR	3-YR	5-YR
Franklin Mutual Beacon Fund	1.72	-0.63	-0.20
S&P 500 Index	1.42	-0.52	-0.16

PORTFOLIO COMPOSITION (% OF TOTAL) (31 MAY 2010)

MARKET CAPITALISATION IN USD	%
< 1.5 billion	2.2
1.5 billion - 5 billion	13.9
> 5 billion	78.8
Unavailable	5.1

ASSET BREAKDOWN (31 MAY 2010)

EQUITY	FIXED INCOME	CASH
88.91%	2.40%	8.69%

SHARE CLASS IDENTIFIERS

SHARE CLASS	LAUNCH DATE	SEDOL	ISIN	MEX ID	BLOOMBERG ID
A(acc)EUR	31 December 2001	7338867	LU0140362707	TVAMAE	TEMAMAELX
A(acc)EUR-H1	10 April 2007	B1VVLX8	LU0294217905	TVMUAL	TEBACEHLX
A(acc)USD	7 July 1997	5197792	LU0070302665	TVAMA	TEMAMAILX
A(Ydis)USD	20 December 2004	B051D31	LU0208291251	TVMBA	TEMAMAULX
I(acc)EUR	1 September 2006	B19VQ57	LU0260870232	TVMBFI	TEMIACELX
I(acc)EUR-H1	3 September 2007	B244WS3	LU0316494045	TVMBIH	TEBIAEHLX
I(acc)USD	31 August 2004	B020F68	LU0195949986	TVMBI	TEMAMIALX
Z(acc)USD	26 February 2010	B632VH8	LU0476945075	TVFRMB	TMBCZALX

IMPORTANT INFORMATION

1. Performance data may represent blended share class performance e.g. hybrid created from an A(Ydis) share class that was converted to A(acc). Performance details provided are in base currency, include reinvested dividends and are net of management fees. Sales charges and other commissions, taxes and other relevant costs to be paid by an investor are not included in the calculations. **Past performance is no guarantee of future performance.** When investing in a fund denominated in a foreign currency, your performance may be affected by currency fluctuations. Performance figures above are for A(Ydis) shares, except where only A(acc) shares are available, then A(acc) performance is shown.

2. Chart Performance figures are rebased to 100 at beginning of time period.

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4. Total charges consists of the yearly management and maintenance fees only.

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6. 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.

7. The share class was in a net expense position for the most recent distribution, so no dividend was paid.

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OTHER STATISTICS - ANNUALISED (31 MAY 2010)

VS. S&P 500 INDEX	1-YR	3-YR	5-YR
Alpha	4.61	-2.70	-0.80
Beta	0.83	0.98	0.97
Tracking Error	5.20	5.40	4.76
Information Ratio	0.29	-0.44	-0.17
Correlation	0.94	0.96	0.96
R Squared	0.88	0.93	0.92

FUND CHARACTERISTICS (31 MAY 2010)

STATISTIC	FUND	INDEX
Price to Earnings Ratio	13.01	15.75
Price to Book Value Ratio	1.54	2.05
Price to Cash Flow Ratio	6.90	6.95
Number of Long-term Positions	179	0