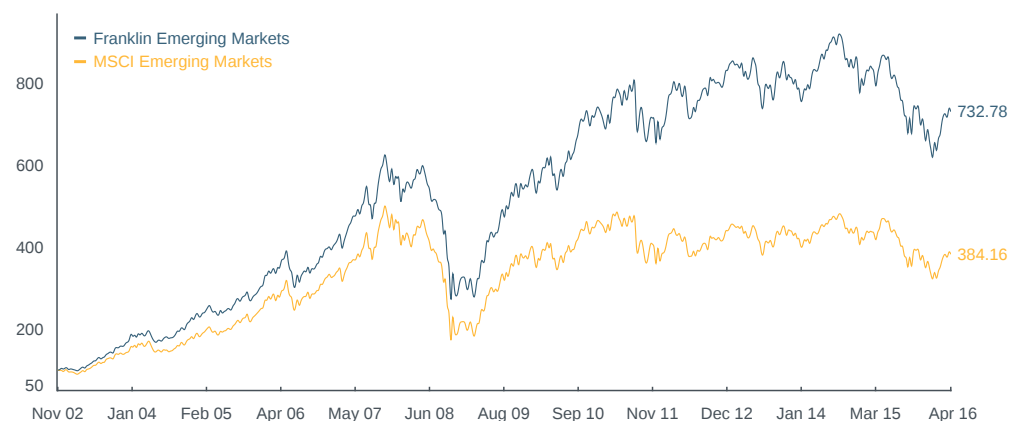


FRANKLIN EMERGING MARKETS INDEX (USD)

The Franklin Emerging Markets Index is based on the MSCI Emerging Markets Index, its parent index, which includes large and mid-cap stocks across 23 Emerging Markets (EM) countries¹. It is designed to reflect the performance of a strategy that seeks exposure to four factors: Quality, Value, Momentum and Low Volatility.

CUMULATIVE INDEX PERFORMANCE - NET RETURNS (USD) (NOV 2002 – APR 2016)



ANNUAL PERFORMANCE (%)

Year	Franklin Emerging Markets	MSCI Emerging Markets
2015	-16.05	-14.92
2014	0.18	-2.19
2013	-4.24	-2.60
2012	23.45	18.22
2011	-7.55	-18.42
2010	29.54	18.88
2009	74.91	78.51
2008	-43.44	-53.33
2007	43.63	39.42
2006	30.05	32.14
2005	30.41	34.00
2004	32.93	25.55
2003	73.53	55.82

INDEX PERFORMANCE — NET RETURNS (%) (APR 29, 2016)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Nov 29, 2002
					3 Yr	5 Yr	10 Yr		
Franklin Emerging Markets	1.03	11.84	-15.22	7.63	-4.71	-1.65	6.87	15.99	
MSCI Emerging Markets	0.54	13.66	-17.87	6.29	-4.57	-4.61	2.36	10.55	

FUNDAMENTALS (APR 29, 2016)

Div Yld (%)	P/E	P/E Fwd	P/BV
4.06	12.44	12.32	1.88
2.83	13.77	11.85	1.40

INDEX RISK AND RETURN CHARACTERISTICS (NOV 29, 2002 – APR 29, 2016)

	Beta	Tracking Error (%)	Turnover (%) ¹	ANNUALIZED STD DEV (%) ²			SHARPE RATIO ^{2,3}			Since Nov 29, 2002	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
Franklin Emerging Markets	0.88	5.11	31.56	14.70	15.86	21.16	-0.27	-0.04	0.36	0.76	56.35	2007-10-29—2008-10-27
MSCI Emerging Markets	1.00	0.00	8.45	16.66	18.72	23.72	-0.21	-0.17	0.16	0.49	65.25	2007-10-29—2008-10-27

¹Last 12 months ²Based on monthly net returns data ³Based on BBA LIBOR 1M

* EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

¹ The Franklin Indexes are custom indexes owned and calculated by MSCI, based on MSCI Parent Indexes, and aim to reflect the performance of certain Franklin strategies.

The Franklin Emerging Markets Index was launched on Apr 18, 2016. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance -- whether actual or back-tested -- is no indication or guarantee of future performance.

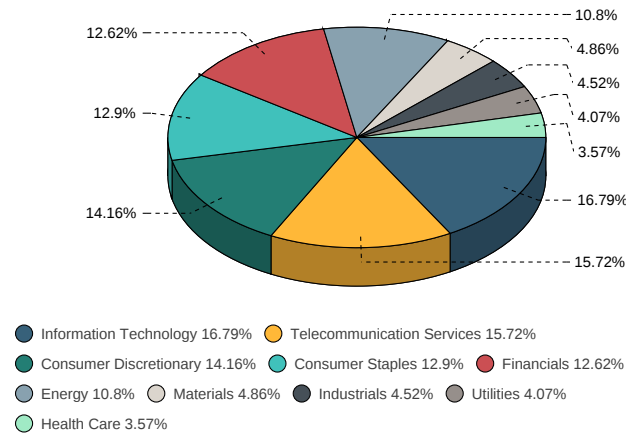
INDEX CHARACTERISTICS

	Franklin Emerging Markets	MSCI Emerging Markets
Number of Constituents	200	836
	Weight (%)	
Largest	1.3	3.3
Smallest	6.58 bps	1.07 bps
Average	50.00 bps	11.96 bps
Median	40.57 bps	6.21 bps

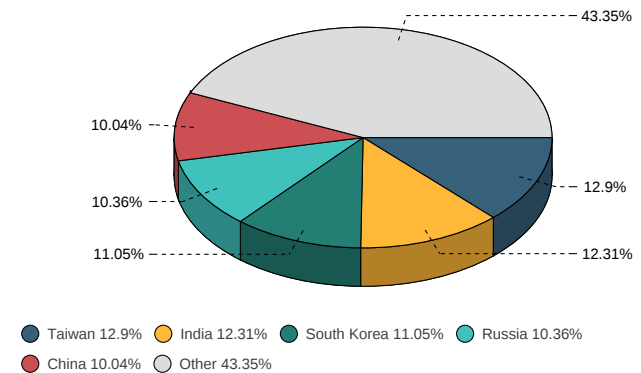
TOP 10 CONSTITUENTS

	Country	Index Wt. (%)	Parent Index Wt. (%)	Sector	Sector Wt. (%)
ROSNEFT (RUB)	RU	1.28	0.17	Energy	11.8
BB SEGURIDADE PART ON	BR	1.25	0.17	Financials	9.9
CIELO ON	BR	1.24	0.27	Info Tech	7.4
TELEKOMUNIKASI INDONESIA	ID	1.21	0.37	Telecom Srvc	7.7
GAZPROM (RUB)	RU	1.19	0.84	Energy	11.0
MOBILE TELESYS ADR	RU	1.18	0.13	Telecom Srvc	7.5
UNILEVER INDONESIA	ID	1.16	0.14	Cons Staples	9.0
AMBEV ON (NEW)	BR	1.13	0.73	Cons Staples	8.7
SASOL	ZA	1.12	0.50	Energy	10.4
KT&G CORP(KOREA TOBACCO)	KR	1.11	0.33	Cons Staples	8.6
Total		11.86	3.64		

SECTOR WEIGHTS



COUNTRY WEIGHTS



INDEX METHODOLOGY

The Franklin Emerging Markets Index aims to capture the style factors with a simple and transparent methodology that ensures reasonably high trading liquidity and investment capacity of the constituent companies, as well as moderate index turnover. A style factor z-score for each security is calculated by combining sector relative z-scores of the underlying descriptors. A sector relative z-score is computed for an underlying descriptor by standardizing the individual descriptor z-scores within specific sector groups. The composite factor z-score is then computed by custom weighting the style factors z-score. The Franklin Emerging Markets Index is constructed with a fixed number of securities approach. All the constituents of the Parent Index are ranked based on their composite factor z-score and 200 securities with the highest rank are selected. The securities included are weighted by the product of their market cap weight in the parent index and their composite factor score. Issuer weights are capped at 1%. The Franklin Emerging Markets Index is rebalanced on a semi-annual basis, as of the close of the last business day of May and November.

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