

Franklin Value Investors Trust

Financial Statements and Other Important Information

Annual | October 31, 2024

Franklin Mutual Small-Mid Cap Value Fund *(formerly, Franklin MicroCap Value Fund)*

Franklin Mutual U.S. Mid Cap Value Fund

Franklin Small Cap Value Fund

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Financial Highlights

Franklin Mutual Small-Mid Cap Value Fund

	Year Ended October 31,				
	2024	2023	2022	2021	2020
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$25.79	\$27.57	\$32.58	\$21.77	\$29.32
Income from investment operations ^a :					
Net investment income ^b	0.15	0.15	0.12	0.11 ^c	0.11
Net realized and unrealized gains (losses)	5.50	(0.30)	(0.81)	12.15	(2.89)
Total from investment operations	5.65	(0.15)	(0.69)	12.26	(2.78)
Less distributions from:					
Net investment income	(0.18)	(0.09)	(0.08)	(0.11)	(0.06)
Net realized gains	(1.27)	(1.54)	(4.24)	(1.34)	(4.71)
Total distributions	(1.45)	(1.63)	(4.32)	(1.45)	(4.77)
Net asset value, end of year	\$29.99	\$25.79	\$27.57	\$32.58	\$21.77
Total return ^d	22.43%	(0.71)%	(2.00)%	57.97%	(12.10)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.27%	1.23%	1.24%	1.23%	1.28%
Expenses net of waiver and payments by affiliates	1.19%	1.22% ^e	1.22% ^e	1.23% ^f	1.27% ^e
Net investment income	0.54%	0.56%	0.45%	0.37% ^c	0.50%
Supplemental data					
Net assets, end of year (000's)	\$160,115	\$139,370	\$144,717	\$161,200	\$94,015
Portfolio turnover rate	87.90%	32.63%	19.91%	31.98%	31.04%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.05 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.20%.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

^eBenefit of expense reduction rounds to less than 0.01%.

^fBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Mutual Small-Mid Cap Value Fund (continued)

	Year Ended October 31,				
	2024	2023	2022	2021	2020
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$26.39	\$28.18	\$33.21	\$22.17	\$29.80
Income from investment operations ^a :					
Net investment income ^b	0.25	0.27	0.22	0.22 ^c	0.20
Net realized and unrealized gains (losses)	5.63	(0.34)	(0.82)	12.36	(2.94)
Total from investment operations	5.88	(0.07)	(0.60)	12.58	(2.74)
Less distributions from:					
Net investment income	(0.27)	(0.18)	(0.19)	(0.20)	(0.18)
Net realized gains	(1.27)	(1.54)	(4.24)	(1.34)	(4.71)
Total distributions	(1.54)	(1.72)	(4.43)	(1.54)	(4.89)
Net asset value, end of year	\$30.73	\$26.39	\$28.18	\$33.21	\$22.17
Total return	22.82%	(0.35)%	(1.67)%	58.51%	(11.80)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.98%	0.90%	0.91%	0.91%	0.95%
Expenses net of waiver and payments by affiliates	0.87%	0.86% ^d	0.87% ^d	0.88%	0.91% ^d
Net investment income	0.87%	0.98%	0.79%	0.72% ^c	0.86%
Supplemental data					
Net assets, end of year (000's)	\$15,938	\$15,228	\$25,570	\$23,137	\$12,299
Portfolio turnover rate	87.90%	32.63%	19.91%	31.98%	31.04%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.05 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.54%.

^dBenefit of expense reduction rounds to less than 0.01%.

Franklin Mutual Small-Mid Cap Value Fund (continued)

	Year Ended October 31,				
	2024	2023	2022	2021	2020
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$26.15	\$27.95	\$32.96	\$22.01	\$29.62
Income from investment operations ^a :					
Net investment income ^b	0.23	0.23	0.19	0.19 ^c	0.17
Net realized and unrealized gains (losses)	5.59	(0.33)	(0.81)	12.28	(2.94)
Total from investment operations	5.82	(0.10)	(0.62)	12.47	(2.77)
Less distributions from:					
Net investment income	(0.25)	(0.16)	(0.15)	(0.18)	(0.13)
Net realized gains	(1.27)	(1.54)	(4.24)	(1.34)	(4.71)
Total distributions	(1.52)	(1.70)	(4.39)	(1.52)	(4.84)
Net asset value, end of year	\$30.45	\$26.15	\$27.95	\$32.96	\$22.01
Total return	22.74%	(0.44)%	(1.77)%	58.40%	(11.95)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.01%	0.98%	0.99%	0.98%	1.03%
Expenses net of waiver and payments by affiliates	0.94%	0.96% ^d	0.97% ^d	0.98% ^e	1.02% ^d
Net investment income	0.81%	0.83%	0.69%	0.60% ^c	0.73%
Supplemental data					
Net assets, end of year (000's)	\$29,160	\$36,980	\$44,877	\$38,829	\$22,429
Portfolio turnover rate	87.90%	32.63%	19.91%	31.98%	31.04%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.05 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.43%.

^dBenefit of expense reduction rounds to less than 0.01%.

^eBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Schedule of Investments, October 31, 2024

Franklin Mutual Small-Mid Cap Value Fund

	Country	Shares	Value
Common Stocks 98.6%			
Aerospace & Defense 4.5%			
Babcock International Group plc	United Kingdom	289,796	\$1,763,484
^a Ducommun, Inc.	United States	63,019	3,704,887
QinetiQ Group plc	United Kingdom	654,743	3,864,343
			9,332,714
Automobile Components 0.4%			
^a Aptiv plc	United States	14,571	828,070
Banks 15.2%			
Arrow Financial Corp.	United States	104,535	2,983,429
Atlantic Union Bankshares Corp.	United States	90,644	3,426,343
First Business Financial Services, Inc.	United States	79,331	3,395,367
First Internet Bancorp	United States	84,576	2,957,623
Investar Holding Corp.	United States	179,374	3,743,535
Northeast Bank.	United States	45,659	4,057,259
Orrstown Financial Services, Inc.	United States	101,930	3,816,259
Premier Financial Corp.	United States	125,678	3,099,219
Southern Missouri Bancorp, Inc.	United States	62,073	3,680,929
			31,159,963
Biotechnology 1.0%			
^a Anika Therapeutics, Inc.	United States	120,974	2,069,865
Building Products 3.8%			
Johnson Controls International plc.	United States	42,531	3,213,217
UFP Industries, Inc.	United States	38,135	4,665,436
			7,878,653
Capital Markets 2.3%			
Victory Capital Holdings, Inc., A.	United States	79,522	4,765,753
Chemicals 0.7%			
Olin Corp.	United States	33,175	1,361,170
Construction & Engineering 5.8%			
^a Matrix Service Co.	United States	211,162	2,371,349
^a Sterling Infrastructure, Inc.	United States	12,051	1,861,277
Valmont Industries, Inc.	United States	15,867	4,945,426
^a WillScot Holdings Corp.	United States	84,462	2,799,071
			11,977,123
Diversified REITs 2.3%			
Alpine Income Property Trust, Inc.	United States	114,813	2,012,672
CTO Realty Growth, Inc.	United States	140,252	2,713,876
			4,726,548
Diversified Telecommunication Services 1.6%			
Koninklijke KPN NV	Netherlands	831,299	3,248,954
Electric Utilities 2.2%			
IDACORP, Inc.	United States	15,022	1,554,477
PPL Corp.	United States	89,897	2,927,046
			4,481,523
Electrical Equipment 2.0%			
Regal Rexnord Corp.	United States	25,317	4,216,293
Electronic Equipment, Instruments & Components 3.2%			
^a Flex Ltd.	United States	89,594	3,106,224

Franklin Mutual Small-Mid Cap Value Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Electronic Equipment, Instruments & Components (continued)			
^a Sanmina Corp.	United States	48,263	\$3,383,236
			<u>6,489,460</u>
Energy Equipment & Services 2.4%			
Baker Hughes Co., A.	United States	84,134	3,203,823
^a Helix Energy Solutions Group, Inc.	United States	190,402	1,761,218
			<u>4,965,041</u>
Financial Services 3.3%			
Global Payments, Inc.	United States	28,207	2,925,348
Voya Financial, Inc.	United States	47,085	3,780,925
			<u>6,706,273</u>
Food Products 0.3%			
Glanbia plc	Ireland	38,297	635,278
Ground Transportation 1.1%			
Knight-Swift Transportation Holdings, Inc., A	United States	43,448	2,262,772
Health Care Equipment & Supplies 1.6%			
^a Envista Holdings Corp.	United States	152,322	3,194,192
Health Care Providers & Services 2.5%			
^a Fresenius SE & Co. KGaA	Germany	112,980	4,124,974
^a Henry Schein, Inc.	United States	14,750	1,035,893
			<u>5,160,867</u>
Hotels, Restaurants & Leisure 2.0%			
^a Brinker International, Inc.	United States	8,044	826,199
^a Hilton Grand Vacations, Inc.	United States	90,030	3,320,307
			<u>4,146,506</u>
Household Durables 2.8%			
Hooker Furnishings Corp.	United States	168,099	2,694,627
^a M/I Homes, Inc.	United States	6,172	935,614
^a Mohawk Industries, Inc.	United States	15,986	2,146,440
			<u>5,776,681</u>
Insurance 6.1%			
CNO Financial Group, Inc.	United States	78,519	2,701,054
Everest Group Ltd.	United States	7,843	2,789,049
Hanover Insurance Group, Inc. (The)	United States	32,382	4,803,222
Tiptree, Inc., A.	United States	107,542	2,194,932
			<u>12,488,257</u>
Interactive Media & Services 1.4%			
^a QuinStreet, Inc.	United States	138,137	2,900,877
IT Services 1.2%			
Hackett Group, Inc. (The)	United States	102,447	2,491,511
Leisure Products 2.8%			
^a Mattel, Inc.	United States	273,035	5,564,453
Polaris, Inc.	United States	4,159	290,756
			<u>5,855,209</u>
Life Sciences Tools & Services 2.3%			
^a Bio-Rad Laboratories, Inc., A.	United States	13,128	4,702,318

Franklin Mutual Small-Mid Cap Value Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Machinery 7.4%			
^a Chart Industries, Inc.	United States	32,396	\$3,910,845
^a Gates Industrial Corp. plc	United States	57,460	1,111,851
^a Graham Corp.	United States	89,015	2,494,200
^a L B Foster Co., A.	United States	34,680	653,718
Miller Industries, Inc.	United States	45,016	2,954,850
Mueller Water Products, Inc., A	United States	141,187	3,048,228
Timken Co. (The)	United States	11,217	931,011
			15,104,703
Media 1.9%			
Cable One, Inc.	United States	8,758	2,991,383
^a Charter Communications, Inc., A	United States	3,027	991,675
			3,983,058
Metals & Mining 1.2%			
Commercial Metals Co.	United States	33,527	1,803,753
Rio Tinto plc	Australia	9,929	641,592
			2,445,345
Oil, Gas & Consumable Fuels 2.2%			
VAALCO Energy, Inc.	United States	355,370	1,897,676
Veren, Inc.	Canada	493,027	2,538,875
			4,436,551
Professional Services 1.0%			
Heidrick & Struggles International, Inc.	United States	50,659	1,978,741
Retail REITs 1.4%			
Brixmor Property Group, Inc.	United States	105,205	2,835,275
Semiconductors & Semiconductor Equipment 0.9%			
MKS Instruments, Inc.	United States	18,990	1,886,277
Software 0.5%			
^a ACI Worldwide, Inc.	United States	21,316	1,048,747
Specialized REITs 0.5%			
SBA Communications Corp., A	United States	4,282	982,591
Specialty Retail 1.8%			
Group 1 Automotive, Inc.	United States	9,931	3,618,062
Textiles, Apparel & Luxury Goods 1.3%			
PVH Corp.	United States	11,283	1,110,924
Rocky Brands, Inc.	United States	76,214	1,550,193
			2,661,117
Trading Companies & Distributors 3.7%			
Ferguson Enterprises, Inc.	United States	23,794	4,681,232
McGrath RentCorp	United States	25,026	2,845,456
			7,526,688
Total Common Stocks (Cost \$165,440,417)			202,329,026

Franklin Mutual Small-Mid Cap Value Fund (continued)

Short Term Investments 1.4%		Country	Shares	Value
Money Market Funds 1.4%				
^{b,c} Institutional Fiduciary Trust - Money Market Portfolio, 4.582% . . .		United States	2,807,545	\$2,807,545
Total Money Market Funds (Cost \$2,807,545)				2,807,545
Total Short Term Investments (Cost \$2,807,545)				2,807,545
Total Investments (Cost \$168,247,962) 100.0%				\$205,136,571
Other Assets, less Liabilities 0.0% [†]				76,684
Net Assets 100.0%				\$205,213,255

See Abbreviations on page 46.

[†]Rounds to less than 0.1% of net assets.

^aNon-income producing.

^bSee Note 3(f) regarding investments in affiliated management investment companies.

^cThe rate shown is the annualized seven-day effective yield at period end.

Financial Highlights

Franklin Mutual U.S. Mid Cap Value Fund

	Year Ended October 31,				
	2024	2023	2022	2021	2020
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$30.11	\$32.32	\$40.20	\$27.59	\$34.61
Income from investment operations ^a :					
Net investment income ^b	0.47	0.43	0.37	0.43	1.14 ^c
Net realized and unrealized gains (losses)	7.73	(1.23)	(3.28)	13.37	(5.47)
Total from investment operations	8.20	(0.80)	(2.91)	13.80	(4.33)
Less distributions from:					
Net investment income	(0.42)	(0.33)	(0.45)	(1.19)	(0.54)
Net realized gains	(0.37)	(1.08)	(4.52)	—	(2.15)
Total distributions	(0.79)	(1.41)	(4.97)	(1.19)	(2.69)
Net asset value, end of year	\$37.52	\$30.11	\$32.32	\$40.20	\$27.59
Total return ^d	27.55%	(2.70)%	(8.06)%	51.14%	(13.94)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.90%	0.90%	0.91%	0.91%	0.95%
Expenses net of waiver and payments by affiliates	0.88%	0.88% ^e	0.90% ^e	0.91% ^{e,f}	0.93% ^e
Net investment income	1.35%	1.33%	1.07%	1.18%	3.94% ^c
Supplemental data					
Net assets, end of year (000's)	\$687,011	\$607,754	\$688,933	\$790,329	\$538,538
Portfolio turnover rate	37.84%	64.21%	66.63%	60.45%	57.78%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.69 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.55%.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

^eBenefit of expense reduction rounds to less than 0.01%.

^fBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Mutual U.S. Mid Cap Value Fund (continued)

	Year Ended October 31,				
	2024	2023	2022	2021	2020
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$28.39	\$30.50	\$38.15	\$26.21	\$32.97
Income from investment operations ^a :					
Net investment income ^b	0.20	0.18	0.11	0.15	0.93 ^c
Net realized and unrealized gains (losses)	7.29	(1.16)	(3.11)	12.72	(5.28)
Total from investment operations	7.49	(0.98)	(3.00)	12.87	(4.35)
Less distributions from:					
Net investment income	(0.12)	(0.05)	(0.13)	(0.93)	(0.26)
Net realized gains	(0.37)	(1.08)	(4.52)	—	(2.15)
Total distributions	(0.49)	(1.13)	(4.65)	(0.93)	(2.41)
Net asset value, end of year	\$35.39	\$28.39	\$30.50	\$38.15	\$26.21
Total return ^d	26.60%	(3.42)%	(8.77)%	50.06%	(14.57)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.65%	1.65%	1.66%	1.66%	1.70%
Expenses net of waiver and payments by affiliates	1.63%	1.63% ^e	1.65% ^e	1.66% ^{e,f}	1.68% ^e
Net investment income	0.61%	0.58%	0.32%	0.42%	3.36% ^c
Supplemental data					
Net assets, end of year (000's)	\$9,324	\$10,359	\$15,412	\$20,132	\$15,881
Portfolio turnover rate	37.84%	64.21%	66.63%	60.45%	57.78%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.66 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.97%.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

^eBenefit of expense reduction rounds to less than 0.01%.

^fBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Mutual U.S. Mid Cap Value Fund (continued)

	Year Ended October 31,				
	2024	2023	2022	2021	2020
Class R					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$30.25	\$32.46	\$40.34	\$27.67	\$34.70
Income from investment operations ^a :					
Net investment income ^b	0.39	0.35	0.28	0.34	1.11 ^c
Net realized and unrealized gains (losses)	7.76	(1.23)	(3.29)	13.44	(5.55)
Total from investment operations	8.15	(0.88)	(3.01)	13.78	(4.44)
Less distributions from:					
Net investment income	(0.33)	(0.25)	(0.35)	(1.11)	(0.44)
Net realized gains	(0.37)	(1.08)	(4.52)	—	(2.15)
Total distributions	(0.70)	(1.33)	(4.87)	(1.11)	(2.59)
Net asset value, end of year	\$37.70	\$30.25	\$32.46	\$40.34	\$27.67
Total return	27.23%	(2.94)%	(8.32)%	50.87%	(14.16)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.15%	1.15%	1.16%	1.16%	1.20%
Expenses net of waiver and payments by affiliates	1.13%	1.13% ^d	1.15% ^d	1.16% ^{d,e}	1.18% ^d
Net investment income	1.10%	1.08%	0.82%	0.93%	3.80% ^c
Supplemental data					
Net assets, end of year (000's)	\$5,854	\$4,922	\$5,419	\$6,362	\$4,465
Portfolio turnover rate	37.84%	64.21%	66.63%	60.45%	57.78%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.70 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.41%.

^dBenefit of expense reduction rounds to less than 0.01%.

^eBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Mutual U.S. Mid Cap Value Fund (continued)

	Year Ended October 31,				
	2024	2023	2022	2021	2020
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$31.66	\$33.91	\$41.93	\$28.73	\$35.93
Income from investment operations ^a :					
Net investment income ^b	0.62	0.57	0.51	0.59	1.27 ^c
Net realized and unrealized gains (losses)	8.11	(1.29)	(3.43)	13.91	(5.65)
Total from investment operations	8.73	(0.72)	(2.92)	14.50	(4.38)
Less distributions from:					
Net investment income	(0.53)	(0.45)	(0.58)	(1.30)	(0.67)
Net realized gains	(0.37)	(1.08)	(4.52)	—	(2.15)
Total distributions	(0.90)	(1.53)	(5.10)	(1.30)	(2.82)
Net asset value, end of year	\$39.49	\$31.66	\$33.91	\$41.93	\$28.73
Total return	27.96%	(2.34)%	(7.76)%	51.74%	(13.61)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.57%	0.58%	0.59%	0.59%	0.61%
Expenses net of waiver and payments by affiliates	0.54%	0.54% ^d	0.55% ^d	0.55% ^d	0.55% ^d
Net investment income	1.69%	1.67%	1.42%	1.54%	4.24% ^c
Supplemental data					
Net assets, end of year (000's)	\$35,893	\$31,790	\$36,512	\$39,290	\$27,952
Portfolio turnover rate	37.84%	64.21%	66.63%	60.45%	57.78%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.72 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.85%.

^dBenefit of expense reduction rounds to less than 0.01%.

Franklin Mutual U.S. Mid Cap Value Fund (continued)

	Year Ended October 31,				
	2024	2023	2022	2021	2020
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$31.76	\$34.02	\$42.04	\$28.80	\$36.01
Income from investment operations ^a :					
Net investment income ^b	0.59	0.54	0.48	0.55	1.28 ^c
Net realized and unrealized gains (losses)	8.15	(1.31)	(3.44)	13.95	(5.72)
Total from investment operations	8.74	(0.77)	(2.96)	14.50	(4.44)
Less distributions from:					
Net investment income	(0.50)	(0.41)	(0.54)	(1.26)	(0.62)
Net realized gains	(0.37)	(1.08)	(4.52)	—	(2.15)
Total distributions	(0.87)	(1.49)	(5.06)	(1.26)	(2.77)
Net asset value, end of year	\$39.63	\$31.76	\$34.02	\$42.04	\$28.80
Total return	27.88%	(2.45)%	(7.86)%	51.57%	(13.71)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.65%	0.65%	0.66%	0.66%	0.70%
Expenses net of waiver and payments by affiliates	0.63%	0.63% ^d	0.65% ^d	0.66% ^{d,e}	0.68% ^d
Net investment income	1.60%	1.58%	1.32%	1.43%	4.22% ^c
Supplemental data					
Net assets, end of year (000's)	\$52,612	\$43,244	\$46,625	\$56,787	\$34,029
Portfolio turnover rate	37.84%	64.21%	66.63%	60.45%	57.78%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.72 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.83%.

^dBenefit of expense reduction rounds to less than 0.01%.

^eBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Schedule of Investments, October 31, 2024

Franklin Mutual U.S. Mid Cap Value Fund

	Country	Shares	Value
Common Stocks 96.8%			
Aerospace & Defense 4.6%			
Babcock International Group plc	United Kingdom	1,834,976	\$11,166,305
L3Harris Technologies, Inc.	United States	50,762	12,562,072
Melrose Industries plc	United Kingdom	2,024,813	12,398,827
			36,127,204
Automobile Components 2.2%			
^a Aptiv plc	United States	187,340	10,646,532
Dowlais Group plc	United Kingdom	10,155,058	6,427,003
			17,073,535
Banks 5.7%			
Citizens Financial Group, Inc.	United States	461,593	19,442,297
PNC Financial Services Group, Inc. (The)	United States	134,761	25,371,454
			44,813,751
Building Products 1.9%			
Johnson Controls International plc	United States	203,098	15,344,054
Chemicals 3.9%			
Ashland, Inc.	United States	28,311	2,394,261
Avient Corp.	United States	79,660	3,712,953
LyondellBasell Industries NV, A	United States	147,283	12,791,528
Olin Corp.	United States	287,453	11,794,197
			30,692,939
Commercial Services & Supplies 1.0%			
Vestis Corp.	United States	605,826	8,190,768
Construction & Engineering 1.5%			
^a WillScot Holdings Corp.	United States	351,731	11,656,365
Consumer Finance 1.6%			
Capital One Financial Corp.	United States	79,903	13,007,409
Containers & Packaging 2.7%			
International Paper Co.	United States	382,802	21,260,823
Distributors 1.5%			
Genuine Parts Co.	United States	103,982	11,926,735
Electric Utilities 8.2%			
Entergy Corp.	United States	187,413	29,007,784
Evergy, Inc.	United States	243,968	14,745,426
PPL Corp.	United States	650,647	21,185,066
			64,938,276
Electrical Equipment 2.1%			
Regal Rexnord Corp.	United States	99,754	16,613,031
Electronic Equipment, Instruments & Components 2.1%			
^a Flex Ltd.	United States	484,596	16,800,943
Energy Equipment & Services 2.7%			
Baker Hughes Co., A.	United States	371,713	14,154,831
Schlumberger NV	United States	184,978	7,412,068
			21,566,899
Financial Services 7.0%			
Apollo Global Management, Inc.	United States	74,433	10,663,272
^a Fiserv, Inc.	United States	49,270	9,750,533
Global Payments, Inc.	United States	167,882	17,411,042

Franklin Mutual U.S. Mid Cap Value Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Financial Services (continued)			
Voya Financial, Inc.	United States	217,446	\$17,460,914
			55,285,761
Food Products 1.5%			
Kraft Heinz Co. (The)	United States	349,108	11,681,154
Health Care Equipment & Supplies 3.1%			
Baxter International, Inc.	United States	400,207	14,287,390
^a Envista Holdings Corp.	United States	483,495	10,138,890
			24,426,280
Health Care Providers & Services 3.9%			
Cencora, Inc.	United States	60,472	13,792,454
^a Fresenius SE & Co. KGaA.	Germany	221,618	8,091,419
Humana, Inc.	United States	35,315	9,105,266
			30,989,139
Household Durables 1.7%			
DR Horton, Inc.	United States	82,035	13,863,915
Insurance 4.2%			
Everest Group Ltd.	United States	45,732	16,262,757
Hartford Financial Services Group, Inc. (The)	United States	152,092	16,797,040
			33,059,797
IT Services 1.1%			
Amdocs Ltd.	United States	95,074	8,342,268
Leisure Products 1.1%			
Polaris, Inc.	United States	129,323	9,040,971
Life Sciences Tools & Services 1.9%			
^a Bio-Rad Laboratories, Inc., A.	United States	43,022	15,410,050
Machinery 2.1%			
Dover Corp.	United States	89,233	16,894,484
Media 1.6%			
^a Charter Communications, Inc., A.	United States	38,707	12,680,800
Oil, Gas & Consumable Fuels 3.6%			
EOG Resources, Inc.	United States	49,750	6,067,510
Veren, Inc.	Canada	1,355,841	6,996,140
Williams Cos., Inc. (The)	United States	287,506	15,056,689
			28,120,339
Personal Care Products 2.3%			
Kenvue, Inc.	United States	795,819	18,248,130
Pharmaceuticals 0.6%			
GSK plc	United States	242,972	4,387,047
Professional Services 5.0%			
ICF International, Inc.	United States	42,277	7,127,480
KBR, Inc.	United States	224,129	15,018,884
SS&C Technologies Holdings, Inc.	United States	247,067	17,277,395
			39,423,759
Real Estate Management & Development 3.4%			
^a CBRE Group, Inc., A.	United States	125,140	16,389,586
Colliers International Group, Inc.	Canada	68,255	10,418,443
			26,808,029

Franklin Mutual U.S. Mid Cap Value Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Retail REITs 2.4%			
Brixmor Property Group, Inc.	United States	717,780	\$19,344,171
Software 1.9%			
Gen Digital, Inc.	United States	511,083	14,877,626
Specialized REITs 1.8%			
SBA Communications Corp., A	United States	61,234	14,051,366
Specialty Retail 1.0%			
Dick's Sporting Goods, Inc.	United States	38,888	7,612,326
Trading Companies & Distributors 3.9%			
AerCap Holdings NV	Ireland	149,544	13,989,841
Ferguson Enterprises, Inc.	United States	84,945	16,712,080
			30,701,921
Total Common Stocks (Cost \$602,178,230)			765,262,065
Short Term Investments 2.8%			
	Country	Shares	Value
Money Market Funds 2.8%			
^{b,c} Institutional Fiduciary Trust - Money Market Portfolio, 4.582%	United States	22,377,306	22,377,306
Total Money Market Funds (Cost \$22,377,306)			22,377,306
Total Short Term Investments (Cost \$22,377,306)			22,377,306
Total Investments (Cost \$624,555,536) 99.6%			\$787,639,371
Other Assets, less Liabilities 0.4%			3,053,177
Net Assets 100.0%			\$790,692,548

See Abbreviations on page 46.

^a Non-income producing.

^b See Note 3(f) regarding investments in affiliated management investment companies.

^c The rate shown is the annualized seven-day effective yield at period end.

Financial Highlights

Franklin Small Cap Value Fund

	Year Ended October 31,				
	2024	2023	2022	2021	2020
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$47.55	\$51.18	\$61.24	\$41.84	\$49.48
Income from investment operations ^a :					
Net investment income ^b	0.55	0.39	0.25	0.47 ^c	0.45
Net realized and unrealized gains (losses)	13.28	(2.42)	(4.60)	20.03	(5.01)
Total from investment operations	13.83	(2.03)	(4.35)	20.50	(4.56)
Less distributions from:					
Net investment income	(0.46)	(0.20)	(0.34)	(0.35)	(0.58)
Net realized gains	(1.98)	(1.40)	(5.37)	(0.75)	(2.50)
Total distributions	(2.44)	(1.60)	(5.71)	(1.10)	(3.08)
Net asset value, end of year	\$58.94	\$47.55	\$51.18	\$61.24	\$41.84
Total return ^d	29.65%	(4.09)%	(7.83)%	49.59%	(10.04)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.97%	0.99%	0.98%	1.00%	1.08%
Expenses net of waiver and payments by affiliates	0.96%	0.98% ^e	0.98% ^f	1.00% ^f	1.07% ^e
Net investment income	0.99%	0.75%	0.46%	0.81% ^c	1.08%
Supplemental data					
Net assets, end of year (000's)	\$1,213,950	\$1,076,436	\$1,268,890	\$1,577,561	\$1,123,039
Portfolio turnover rate	59.68%	68.74%	47.06%	52.76%	67.46%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.15 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.56%.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

^eBenefit of expense reduction rounds to less than 0.01%.

^fBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Small Cap Value Fund (continued)

	Year Ended October 31,				
	2024	2023	2022	2021	2020
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$39.48	\$42.88	\$52.25	\$35.87	\$42.84
Income from investment operations ^a :					
Net investment income (loss) ^b	0.12	— ^c	(0.13)	0.02 ^d	0.12
Net realized and unrealized gains (losses)	10.99	(2.00)	(3.87)	17.20	(4.33)
Total from investment operations	11.11	(2.00)	(4.00)	17.22	(4.21)
Less distributions from:					
Net investment income	(0.11)	—	—	(0.09)	(0.26)
Net realized gains	(1.98)	(1.40)	(5.37)	(0.75)	(2.50)
Total distributions	(2.09)	(1.40)	(5.37)	(0.84)	(2.76)
Net asset value, end of year	\$48.50	\$39.48	\$42.88	\$52.25	\$35.87
Total return ^e	28.69%	(4.82)%	(8.51)%	48.51%	(10.73)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.72%	1.74%	1.73%	1.75%	1.83%
Expenses net of waiver and payments by affiliates	1.71%	1.73% ^f	1.73% ^g	1.75% ^g	1.82% ^f
Net investment income (loss)	0.26%	—% ^h	(0.29)%	0.05% ^d	0.34%
Supplemental data					
Net assets, end of year (000's)	\$48,722	\$50,027	\$68,960	\$99,994	\$77,586
Portfolio turnover rate	59.68%	68.74%	47.06%	52.76%	67.46%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cAmount rounds to less than \$0.01 per share.

^dNet investment income per share includes approximately \$0.15 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been (0.20)%.

^eTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

^fBenefit of expense reduction rounds to less than 0.01%.

^gBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^hRounds to less than 0.01%.

Franklin Small Cap Value Fund (continued)

	Year Ended October 31,				
	2024	2023	2022	2021	2020
Class R					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$46.86	\$50.46	\$60.43	\$41.31	\$48.88
Income from investment operations ^a :					
Net investment income ^b	0.41	0.26	0.11	0.32 ^c	0.35
Net realized and unrealized gains (losses)	13.07	(2.38)	(4.53)	19.79	(4.97)
Total from investment operations	13.48	(2.12)	(4.42)	20.11	(4.62)
Less distributions from:					
Net investment income	(0.32)	(0.08)	(0.18)	(0.24)	(0.45)
Net realized gains	(1.98)	(1.40)	(5.37)	(0.75)	(2.50)
Total distributions	(2.30)	(1.48)	(5.55)	(0.99)	(2.95)
Net asset value, end of year	\$58.04	\$46.86	\$50.46	\$60.43	\$41.31
Total return	29.35%	(4.35)%	(8.05)%	49.22%	(10.27)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.22%	1.24%	1.23%	1.25%	1.33%
Expenses net of waiver and payments by affiliates	1.21%	1.23% ^d	1.23% ^e	1.25% ^e	1.32% ^d
Net investment income	0.75%	0.50%	0.21%	0.56% ^c	0.84%
Supplemental data					
Net assets, end of year (000's)	\$109,718	\$102,284	\$119,060	\$150,288	\$106,201
Portfolio turnover rate	59.68%	68.74%	47.06%	52.76%	67.46%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.15 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.32%.

^dBenefit of expense reduction rounds to less than 0.01%.

^eBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Small Cap Value Fund (continued)

	Year Ended October 31,				
	2024	2023	2022	2021	2020
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$50.90	\$54.68	\$65.05	\$44.37	\$52.29
Income from investment operations ^a :					
Net investment income ^b	0.81	0.63	0.48	0.71 ^c	0.65
Net realized and unrealized gains (losses)	14.23	(2.60)	(4.89)	21.27	(5.27)
Total from investment operations	15.04	(1.97)	(4.41)	21.98	(4.62)
Less distributions from:					
Net investment income	(0.67)	(0.41)	(0.59)	(0.55)	(0.80)
Net realized gains	(1.98)	(1.40)	(5.37)	(0.75)	(2.50)
Total distributions	(2.65)	(1.81)	(5.96)	(1.30)	(3.30)
Net asset value, end of year	\$63.29	\$50.90	\$54.68	\$65.05	\$44.37
Total return	30.17%	(3.72)%	(7.46)%	50.21%	(9.65)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.60%	0.61%	0.62%	0.62%	0.68%
Expenses net of waiver and payments by affiliates	0.59%	0.59% ^d	0.59%	0.59%	0.64% ^d
Net investment income	1.37%	1.14%	0.84%	1.15% ^c	1.47%
Supplemental data					
Net assets, end of year (000's)	\$1,419,996	\$1,225,364	\$1,248,367	\$1,336,020	\$510,946
Portfolio turnover rate	59.68%	68.74%	47.06%	52.76%	67.46%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.15 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.90%.

^dBenefit of expense reduction rounds to less than 0.01%.

Franklin Small Cap Value Fund (continued)

	Year Ended October 31,				
	2024	2023	2022	2021	2020
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$50.98	\$54.76	\$65.13	\$44.44	\$52.36
Income from investment operations ^a :					
Net investment income ^b	0.73	0.55	0.41	0.63 ^c	0.58
Net realized and unrealized gains (losses)	14.26	(2.60)	(4.91)	21.30	(5.29)
Total from investment operations	14.99	(2.05)	(4.50)	21.93	(4.71)
Less distributions from:					
Net investment income	(0.59)	(0.33)	(0.50)	(0.49)	(0.71)
Net realized gains	(1.98)	(1.40)	(5.37)	(0.75)	(2.50)
Total distributions	(2.57)	(1.73)	(5.87)	(1.24)	(3.21)
Net asset value, end of year	\$63.40	\$50.98	\$54.76	\$65.13	\$44.44
Total return	29.97%	(3.86)%	(7.59)%	49.98%	(9.81)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.72%	0.74%	0.73%	0.75%	0.83%
Expenses net of waiver and payments by affiliates	0.71%	0.73% ^d	0.73% ^e	0.75% ^e	0.82% ^d
Net investment income	1.24%	1.00%	0.71%	1.01% ^c	1.30%
Supplemental data					
Net assets, end of year (000's)	\$1,306,760	\$1,199,891	\$1,406,507	\$1,687,270	\$646,240
Portfolio turnover rate	59.68%	68.74%	47.06%	52.76%	67.46%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cNet investment income per share includes approximately \$0.15 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.76%.

^dBenefit of expense reduction rounds to less than 0.01%.

^eBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Schedule of Investments, October 31, 2024

Franklin Small Cap Value Fund

	Country	Shares	Value
Common Stocks 98.6%			
Aerospace & Defense 6.4%			
Babcock International Group plc	United Kingdom	8,471,618	\$51,551,994
Melrose Industries plc	United Kingdom	7,545,744	46,205,932
QinetiQ Group plc	United Kingdom	20,014,630	118,127,865
^a Senior plc	United Kingdom	28,282,051	48,276,524
			264,162,315
Automobile Components 0.2%			
LCI Industries	United States	88,946	9,897,911
Banks 18.0%			
Atlantic Union Bankshares Corp.	United States	903,334	34,146,025
^a Camden National Corp.	United States	842,147	35,328,067
Columbia Banking System, Inc.	United States	4,274,653	121,870,357
First Bancorp	United States	1,127,765	47,027,800
First Commonwealth Financial Corp.	United States	1,952,023	32,091,258
First Interstate BancSystem, Inc., A.	United States	3,457,936	106,504,429
German American Bancorp, Inc.	United States	1,103,214	44,669,135
Peoples Bancorp, Inc.	United States	935,037	28,780,439
Sandy Spring Bancorp, Inc.	United States	815,264	27,425,481
Seacoast Banking Corp. of Florida	United States	1,366,437	36,483,868
SouthState Corp.	United States	1,052,649	102,664,857
TriCo Bancshares	United States	979,117	41,837,669
WSFS Financial Corp.	United States	1,611,695	79,247,043
			738,076,428
Building Products 2.9%			
^b American Woodmark Corp.	United States	220,907	20,038,474
UFP Industries, Inc.	United States	805,612	98,558,572
			118,597,046
Capital Markets 1.8%			
Victory Capital Holdings, Inc., A.	United States	1,215,630	72,852,706
Chemicals 4.8%			
Ashland, Inc.	United States	38,410	3,248,334
Avient Corp.	United States	1,445,371	67,368,742
^a Elementis plc	United Kingdom	39,868,704	68,568,564
Olin Corp.	United States	659,830	27,072,825
Tronox Holdings plc	United States	2,428,801	29,437,068
			195,695,533
Commercial Services & Supplies 1.6%			
HNI Corp.	United States	1,284,598	63,304,989
Communications Equipment 0.5%			
^b Lumentum Holdings, Inc.	United States	318,088	20,316,281
Construction & Engineering 6.4%			
Primoris Services Corp.	United States	1,303,590	81,630,806
Valmont Industries, Inc.	United States	316,381	98,609,630
^b WillScot Holdings Corp.	United States	2,411,742	79,925,130
			260,165,566
Consumer Finance 0.7%			
Bread Financial Holdings, Inc.	United States	554,407	27,637,189
Diversified REITs 1.0%			
Alexander & Baldwin, Inc.	United States	2,102,169	39,121,365

Franklin Small Cap Value Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Electric Utilities 0.8%			
IDACORP, Inc.	United States	300,778	\$31,124,507
Electrical Equipment 2.6%			
Regal Rexnord Corp.	United States	633,638	105,526,073
Electronic Equipment, Instruments & Components 6.1%			
Benchmark Electronics, Inc.	United States	1,185,757	51,343,278
^b Coherent Corp.	United States	204,521	18,905,921
^{a,b} Knowles Corp.	United States	5,622,273	97,377,768
^b Sanmina Corp.	United States	959,920	67,290,392
^b TTM Technologies, Inc.	United States	666,160	14,948,631
			249,865,990
Energy Equipment & Services 1.9%			
Hunting plc	United Kingdom	7,685,053	29,686,100
^b John Wood Group plc	United Kingdom	24,183,655	39,441,150
TechnipFMC plc	United Kingdom	391,017	10,436,244
			79,563,494
Food Products 0.7%			
Glanbia plc	Ireland	1,810,844	30,038,620
Ground Transportation 1.4%			
Knight-Swift Transportation Holdings, Inc., A	United States	869,924	45,305,642
^b RXO, Inc.	United States	490,054	13,814,622
			59,120,264
Health Care Equipment & Supplies 1.6%			
^b Envista Holdings Corp.	United States	3,036,710	63,679,809
Hotel & Resort REITs 0.2%			
Sunstone Hotel Investors, Inc.	United States	810,512	8,178,066
Hotels, Restaurants & Leisure 5.1%			
Boyd Gaming Corp.	United States	442,014	30,627,150
^b Brinker International, Inc.	United States	562,740	57,799,025
Dalata Hotel Group plc	Ireland	7,871,617	36,921,309
^b Hilton Grand Vacations, Inc.	United States	2,295,369	84,653,209
			210,000,693
Household Durables 2.1%			
Century Communities, Inc.	United States	140,017	12,413,907
^b M/I Homes, Inc.	United States	161,325	24,455,257
Meritage Homes Corp.	United States	144,926	26,260,591
^b Taylor Morrison Home Corp., A	United States	321,453	22,019,531
			85,149,286
Industrial REITs 0.2%			
STAG Industrial, Inc.	United States	165,773	6,180,017
Insurance 6.0%			
CNO Financial Group, Inc.	United States	2,563,667	88,190,145
Hanover Insurance Group, Inc. (The)	United States	598,612	88,792,118
Horace Mann Educators Corp.	United States	1,884,878	70,192,857
^b TWFG, Inc., A.	United States	6,521	211,541
			247,386,661
Leisure Products 3.6%			
BRP, Inc.	United States	111,466	5,495,846

Franklin Small Cap Value Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Leisure Products (continued)			
Brunswick Corp.	United States	103,534	\$8,255,801
^b Mattel, Inc.	United States	6,520,905	132,896,044
			146,647,691
Machinery 6.1%			
^b Chart Industries, Inc.	United States	651,883	78,695,316
Columbus McKinnon Corp.	United States	255,563	8,129,459
^b Gates Industrial Corp. plc	United States	2,425,918	46,941,513
Mueller Water Products, Inc., A	United States	4,746,633	102,479,807
Timken Co. (The)	United States	175,273	14,547,659
			250,793,754
Media 1.3%			
Cable One, Inc.	United States	159,888	54,611,345
Metals & Mining 1.7%			
Commercial Metals Co.	United States	794,671	42,753,300
Ryerson Holding Corp.	United States	1,289,763	28,103,936
			70,857,236
Multi-Utilities 0.8%			
Black Hills Corp.	United States	523,459	30,983,538
Office REITs 1.4%			
Highwoods Properties, Inc.	United States	1,704,462	57,167,655
Oil, Gas & Consumable Fuels 2.2%			
Veren, Inc.	Canada	17,707,656	91,186,766
Paper & Forest Products 0.4%			
Louisiana-Pacific Corp.	United States	164,387	16,257,874
Real Estate Management & Development 0.4%			
Colliers International Group, Inc.	Canada	111,225	16,977,384
Retail REITs 0.8%			
Kite Realty Group Trust	United States	1,276,262	32,761,646
Semiconductors & Semiconductor Equipment 1.2%			
^b Cohu, Inc.	United States	2,013,846	50,185,042
Software 1.9%			
^b ACI Worldwide, Inc.	United States	1,607,908	79,109,074
Specialty Retail 0.8%			
Group 1 Automotive, Inc.	United States	88,957	32,408,814
Textiles, Apparel & Luxury Goods 0.8%			
Dr. Martens plc	United Kingdom	15,757,177	11,112,272
PVH Corp.	United States	219,648	21,626,542
			32,738,814
Trading Companies & Distributors 2.2%			
Herc Holdings, Inc.	United States	69,045	14,440,071
McGrath RentCorp	United States	678,868	77,187,292
			91,627,363
Total Common Stocks (Cost \$3,283,677,956)			4,039,954,805

Franklin Small Cap Value Fund (continued)

Short Term Investments 1.6%

	Country	Shares	Value
Money Market Funds 1.6%			
^{c,d} Institutional Fiduciary Trust - Money Market Portfolio, 4.582% . . .	United States	64,241,279	\$64,241,279
Total Money Market Funds (Cost \$64,241,279)			64,241,279
Total Short Term Investments (Cost \$64,241,279)			64,241,279
Total Investments (Cost \$3,347,919,235) 100.2%			\$4,104,196,084
Other Assets, less Liabilities (0.2)%			(5,051,178)
Net Assets 100.0%			\$4,099,144,906

See Abbreviations on page 46.

^a See Note 6 regarding holdings of 5% voting securities.

^b Non-income producing.

^c See Note 3(f) regarding investments in affiliated management investment companies.

^d The rate shown is the annualized seven-day effective yield at period end.

Statements of Assets and Liabilities

October 31, 2024

	Franklin Mutual Small-Mid Cap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Assets:			
Investments in securities:			
Cost - Unaffiliated issuers	\$165,440,417	\$602,178,230	\$3,018,899,033
Cost - Non-controlled affiliates (Note 3f and 6)	2,807,545	22,377,306	329,020,202
Value - Unaffiliated issuers	\$202,329,026	\$765,262,065	\$3,790,403,882
Value - Non-controlled affiliates (Note 3f and 6)	2,807,545	22,377,306	313,792,202
Cash	—	45,272	—
Foreign currency, at value (cost \$—, \$47,611 and \$369, respectively)	—	46,988	366
Receivables:			
Investment securities sold	799,807	3,194,641	18,217,411
Capital shares sold	155,336	99,591	5,102,490
Dividends	22,458	621,068	541,255
Total assets	206,114,172	791,646,931	4,128,057,606
Liabilities:			
Payables:			
Investment securities purchased	638,789	—	17,251,998
Capital shares redeemed	41,288	187,333	7,878,046
Management fees	38,596	317,479	1,898,652
Distribution fees	34,447	157,998	350,086
Transfer agent fees	48,353	190,622	1,298,134
Professional fees	70,751	56,251	59,608
Trustees' fees and expenses	34	3,941	20,157
Accrued expenses and other liabilities	28,659	40,759	156,019
Total liabilities	900,917	954,383	28,912,700
Net assets, at value	\$205,213,255	\$790,692,548	\$4,099,144,906
Net assets consist of:			
Paid-in capital	\$126,778,937	\$583,310,160	\$3,124,313,114
Total distributable earnings (losses)	78,434,318	207,382,388	974,831,792
Net assets, at value	\$205,213,255	\$790,692,548	\$4,099,144,906

Statements of Assets and Liabilities (continued)

October 31, 2024

	Franklin Mutual Small-Mid Cap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Class A:			
Net assets, at value	\$160,115,204	\$687,010,588	\$1,213,949,723
Shares outstanding	5,338,970	18,309,506	20,598,032
Net asset value per share ^{a,b}	\$29.99	\$37.52	\$58.94
Maximum offering price per share (net asset value per share + 94.50%) ^b	\$31.74	\$39.70	\$62.37
Class C:			
Net assets, at value	\$—	\$9,323,672	\$48,721,553
Shares outstanding	—	263,435	1,004,630
Net asset value and maximum offering price per share ^{a,b}	\$—	\$35.39	\$48.50
Class R:			
Net assets, at value	\$—	\$5,853,746	\$109,717,959
Shares outstanding	—	155,254	1,890,303
Net asset value and maximum offering price per share ^b	\$—	\$37.70	\$58.04
Class R6:			
Net assets, at value	\$15,937,731	\$35,892,606	\$1,419,995,962
Shares outstanding	518,596	908,856	22,436,092
Net asset value and maximum offering price per share ^b	\$30.73	\$39.49	\$63.29
Advisor Class:			
Net assets, at value	\$29,160,320	\$52,611,936	\$1,306,759,709
Shares outstanding	957,677	1,327,554	20,612,945
Net asset value and maximum offering price per share ^b	\$30.45	\$39.63	\$63.40

^aRedemption price is equal to net asset value less contingent deferred sales charges, if applicable.

^bNet asset value per share may not recalculate due to rounding.

Statements of Operations

for the year ended October 31, 2024

	Franklin Mutual Small-Mid Cap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Investment income:			
Dividends: (net of foreign taxes of \$38,354, \$56,731 and \$952,446, respectively)			
Unaffiliated issuers	\$3,286,366	\$15,710,063	\$67,775,502
Non-controlled affiliates (Note 3f and 6)	249,036	1,625,735	11,308,997
Income from securities loaned:			
Unaffiliated entities (net of fees and rebates)	(14,340)	(285)	624,384
Non-controlled affiliates (Note 3f)	15,714	561	19,581
Total investment income.	3,536,776	17,336,074	79,728,464
Expenses:			
Management fees (Note 3a)	1,483,868	3,741,112	22,225,722
Distribution fees: (Note 3c)			
Class A	384,390	1,686,136	3,014,670
Class C	—	100,478	512,588
Class R	—	28,429	553,854
Transfer agent fees: (Note 3e)			
Class A	187,646	802,144	1,853,943
Class C	—	11,958	78,779
Class R	—	6,755	170,341
Class R6	13,520	15,770	451,570
Advisor Class	41,443	59,543	2,010,285
Custodian fees	2,614	4,677	46,397
Reports to shareholders fees	27,786	41,906	204,364
Registration and filing fees	85,214	98,439	136,816
Professional fees	212,886	134,863	157,744
Trustees' fees and expenses	12,291	37,491	187,065
Other	10,419	26,440	103,397
Total expenses	2,462,077	6,796,141	31,707,535
Expenses waived/paid by affiliates (Note 3f and 3g)	(179,292)	(119,521)	(255,395)
Net expenses	2,282,785	6,676,620	31,452,140
Net investment income	1,253,991	10,659,454	48,276,324
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Investments:			
Unaffiliated issuers	44,396,110	49,645,749	222,515,605
Non-controlled affiliates (Note 3f and 6)	—	—	6,774,700
Foreign currency transactions	(15,307)	(31,535)	217,972
Net realized gain (loss)	44,380,803	49,614,214	229,508,277
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers	(5,022,432)	124,695,003	659,583,778
Non-controlled affiliates (Note 3f and 6)	—	—	103,413,375
Translation of other assets and liabilities denominated in foreign currencies	(58)	(2,052)	68
Net change in unrealized appreciation (depreciation)	(5,022,490)	124,692,951	762,997,221
Net realized and unrealized gain (loss)	39,358,313	174,307,165	992,505,498
Net increase (decrease) in net assets resulting from operations	\$40,612,304	\$184,966,619	\$1,040,781,822

Statements of Changes in Net Assets

	Franklin Mutual Small-Mid Cap Value Fund		Franklin Mutual U.S. Mid Cap Value Fund	
	Year Ended October 31, 2024	Year Ended October 31, 2023	Year Ended October 31, 2024	Year Ended October 31, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$1,253,991	\$1,516,812	\$10,659,454	\$10,614,469
Net realized gain (loss)	44,380,803	12,069,092	49,614,214	1,831,353
Net change in unrealized appreciation (depreciation)	(5,022,490)	(15,546,751)	124,692,951	(29,357,836)
Net increase (decrease) in net assets resulting from operations.	40,612,304	(1,960,847)	184,966,619	(16,912,014)
Distributions to shareholders:				
Class A	(7,816,485)	(8,541,841)	(15,633,644)	(29,741,114)
Class C	—	—	(167,172)	(544,896)
Class R	—	—	(111,731)	(222,649)
Class R6	(864,704)	(1,655,076)	(891,595)	(1,629,920)
Advisor Class	(2,233,966)	(2,737,837)	(1,184,176)	(2,058,722)
Total distributions to shareholders	(10,915,155)	(12,934,754)	(17,988,318)	(34,197,301)
Capital share transactions: (Note 2)				
Class A	(1,727,312)	4,202,003	(65,854,803)	(36,585,914)
Class C	—	—	(3,288,581)	(4,277,447)
Class R	—	—	(269,301)	(145,538)
Class R6	(1,676,950)	(8,300,169)	(3,577,232)	(2,537,069)
Advisor Class	(12,658,186)	(4,591,114)	(1,364,641)	(177,291)
Total capital share transactions	(16,062,448)	(8,689,280)	(74,354,558)	(43,723,259)
Net increase (decrease) in net assets	13,634,701	(23,584,881)	92,623,743	(94,832,574)
Net assets:				
Beginning of year	191,578,554	215,163,435	698,068,805	792,901,379
End of year	\$205,213,255	\$191,578,554	\$790,692,548	\$698,068,805

Statements of Changes in Net Assets (continued)

	Franklin Small Cap Value Fund	
	Year Ended October 31, 2024	Year Ended October 31, 2023
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$48,276,324	\$38,472,968
Net realized gain (loss)	229,508,277	158,770,180
Net change in unrealized appreciation (depreciation)	762,997,221	(337,535,229)
Net increase (decrease) in net assets resulting from operations	1,040,781,822	(140,292,081)
Distributions to shareholders:		
Class A	(54,183,130)	(39,189,566)
Class C	(2,513,003)	(2,197,068)
Class R	(4,850,236)	(3,524,991)
Class R6	(63,537,572)	(41,658,770)
Advisor Class	(59,482,942)	(43,515,807)
Total distributions to shareholders	(184,566,883)	(130,086,202)
Capital share transactions: (Note 2)		
Class A	(113,914,134)	(111,212,666)
Class C	(11,817,268)	(14,573,606)
Class R	(15,876,421)	(8,815,609)
Class R6	(98,671,575)	67,158,340
Advisor Class	(170,792,949)	(119,959,955)
Total capital share transactions	(411,072,347)	(187,403,496)
Net increase (decrease) in net assets	445,142,592	(457,781,779)
Net assets:		
Beginning of year	3,654,002,314	4,111,784,093
End of year	\$4,099,144,906	\$3,654,002,314

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Franklin Value Investors Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of three separate funds (Funds). The Funds follow the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and apply the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. The classes of shares offered within each of the Funds are indicated below. Class C shares automatically convert to Class A shares on a monthly basis, after they have been held for 8 years. Each class of shares may differ by its initial sales load, contingent deferred sales charges, voting rights on matters affecting a single class, its exchange privilege and fees due to differing arrangements for distribution and transfer agent fees.

Class A, Class R6 & Advisor Class

Franklin Mutual Small-Mid Cap Value Fund^a

Class A, Class C, Class R, Class R6 & Advisor Class

Franklin Mutual U.S. Mid Cap Value Fund
Franklin Small Cap Value Fund

^aEffective May 22, 2024, Franklin MicroCap Value Fund was renamed Franklin Mutual Small-Mid Cap Value Fund.

The following summarizes the Funds' significant accounting policies.

a. Financial Instrument Valuation

The Funds' investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Funds calculate the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Funds' investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Funds' administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Funds may utilize

independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Investments in open-end mutual funds are valued at the closing NAV.

The Funds have procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Funds primarily employ a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Funds' business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Funds' portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for

1. Organization and Significant Accounting Policies

(continued)

a. Financial Instrument Valuation (continued)

these differences, an independent pricing service may be used to adjust the value of the Funds' portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At October 31, 2024, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Funds' NAV is not calculated, which could result in differences between the value of the Funds' portfolio securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Funds for financial reporting purposes.

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Funds may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Funds do not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statements of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

c. Securities Lending

Certain or all Funds participate in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Funds. The Fund may receive income from the investment of cash collateral, in addition to lending fees paid by the borrower. Income from securities loaned, net of fees paid to the securities lending agent and/or third-party vendor, is reported separately in the Statements of Operations. The Fund bears the market risk with respect to any cash collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower. At October 31, 2024, the Funds had no securities on loan.

d. Income and Deferred Taxes

It is each Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. Each Fund intends to distribute to shareholders substantially all of its

1. Organization and Significant Accounting Policies

(continued)

d. Income and Deferred Taxes (continued)

taxable income and net realized gains to relieve it from federal income and excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Funds may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which the Funds invest. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Funds invest. When a capital gain tax is determined to apply, certain or all Funds record an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

Each Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of October 31, 2024, each Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

e. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Funds. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications

have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

f. Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

g. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Funds, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

2. Shares of Beneficial Interest

At October 31, 2024, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin Mutual Small-Mid Cap Value Fund		Franklin Mutual U.S. Mid Cap Value Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Year ended October 31, 2024				
Shares sold ^a	932,643	\$26,258,024	1,470,880	\$51,463,643
Shares issued in reinvestment of distributions	274,938	7,637,785	438,776	14,628,778
Shares redeemed	(1,273,658)	(35,623,121)	(3,783,031)	(131,947,224)
Net increase (decrease)	(66,077)	\$(1,727,312)	(1,873,375)	\$(65,854,803)
Year ended October 31, 2023				
Shares sold ^a	1,035,751	\$27,659,059	2,557,243	\$82,248,404
Shares issued in reinvestment of distributions	316,722	8,336,842	880,190	28,029,634
Shares redeemed	(1,196,201)	(31,793,898)	(4,569,748)	(146,863,952)
Net increase (decrease)	156,272	\$4,202,003	(1,132,315)	\$(36,585,914)
Class C Shares:				
Year ended October 31, 2024				
Shares sold	—	\$—	33,344	\$1,103,416
Shares issued in reinvestment of distributions	—	—	5,273	166,900
Shares redeemed ^a	—	—	(140,038)	(4,558,897)
Net increase (decrease)	—	\$—	(101,421)	\$(3,288,581)
Year ended October 31, 2023				
Shares sold	—	\$—	92,322	\$2,772,546
Shares issued in reinvestment of distributions	—	—	18,066	543,938
Shares redeemed ^a	—	—	(250,836)	(7,593,931)
Net increase (decrease)	—	\$—	(140,448)	\$(4,277,447)
Class R Shares:				
Year ended October 31, 2024				
Shares sold	—	\$—	22,217	\$776,763
Shares issued in reinvestment of distributions	—	—	3,328	111,731
Shares redeemed	—	—	(32,995)	(1,157,795)
Net increase (decrease)	—	\$—	(7,450)	\$(269,301)
Year ended October 31, 2023				
Shares sold	—	\$—	28,352	\$916,376
Shares issued in reinvestment of distributions	—	—	6,950	222,649
Shares redeemed	—	—	(39,524)	(1,284,563)
Net increase (decrease)	—	\$—	(4,222)	\$(145,538)

2. Shares of Beneficial Interest (continued)

	Franklin Mutual Small-Mid Cap Value Fund		Franklin Mutual U.S. Mid Cap Value Fund	
	Shares	Amount	Shares	Amount
Class R6 Shares:				
Year ended October 31, 2024				
Shares sold	141,156	\$4,037,577	155,493	\$5,705,818
Shares issued in reinvestment of distributions	30,183	857,199	25,440	889,907
Shares redeemed	(229,803)	(6,571,726)	(276,322)	(10,172,957)
Net increase (decrease)	(58,464)	\$(1,676,950)	(95,389)	\$(3,577,232)
Year ended October 31, 2023				
Shares sold	738,670	\$20,542,994	170,034	\$5,757,995
Shares issued in reinvestment of distributions	16,894	455,015	48,606	1,623,689
Shares redeemed	(1,085,732)	(29,298,178)	(291,065)	(9,918,753)
Net increase (decrease)	(330,168)	\$(8,300,169)	(72,425)	\$(2,537,069)
Advisor Class Shares:				
Year ended October 31, 2024				
Shares sold	341,394	\$9,690,797	234,420	\$8,526,650
Shares issued in reinvestment of distributions	77,907	2,193,089	32,917	1,156,387
Shares redeemed	(875,582)	(24,542,072)	(301,259)	(11,047,678)
Net increase (decrease)	(456,281)	\$(12,658,186)	(33,922)	\$(1,364,641)
Year ended October 31, 2023				
Shares sold	552,788	\$15,298,860	231,598	\$7,993,826
Shares issued in reinvestment of distributions	100,780	2,690,820	60,145	2,016,897
Shares redeemed	(845,417)	(22,580,794)	(300,970)	(10,188,014)
Net increase (decrease)	(191,849)	\$(4,591,114)	(9,227)	\$(177,291)
Franklin Small Cap Value Fund				
	Shares	Amount		
Class A Shares:				
Year ended October 31, 2024				
Shares sold ^a	1,118,996	\$61,296,372		
Shares issued in reinvestment of distributions	974,628	51,703,991		
Shares redeemed	(4,133,287)	(226,914,497)		
Net increase (decrease)	(2,039,663)	\$(113,914,134)		
Year ended October 31, 2023				
Shares sold ^a	1,910,538	\$96,806,978		
Shares issued in reinvestment of distributions	753,095	37,409,030		
Shares redeemed	(4,818,249)	(245,428,674)		
Net increase (decrease)	(2,154,616)	\$(111,212,666)		

2. Shares of Beneficial Interest (continued)

	Franklin Small Cap Value Fund	
	Shares	Amount
Class C Shares:		
Year ended October 31, 2024		
Shares sold	80,935	\$3,664,444
Shares issued in reinvestment of distributions	54,542	2,396,586
Shares redeemed ^a	(397,964)	(17,878,298)
Net increase (decrease)	(262,487)	\$(11,817,268)
Year ended October 31, 2023		
Shares sold	186,548	\$7,856,284
Shares issued in reinvestment of distributions	50,791	2,103,768
Shares redeemed ^a	(578,539)	(24,533,658)
Net increase (decrease)	(341,200)	\$(14,573,606)
Class R Shares:		
Year ended October 31, 2024		
Shares sold	290,016	\$15,687,785
Shares issued in reinvestment of distributions	92,413	4,838,733
Shares redeemed	(675,102)	(36,402,939)
Net increase (decrease)	(292,673)	\$(15,876,421)
Year ended October 31, 2023		
Shares sold	420,223	\$21,360,196
Shares issued in reinvestment of distributions	71,808	3,518,304
Shares redeemed	(668,686)	(33,694,109)
Net increase (decrease)	(176,655)	\$(8,815,609)
Class R6 Shares:		
Year ended October 31, 2024		
Shares sold	5,668,676	\$333,256,395
Shares issued in reinvestment of distributions	969,782	55,064,206
Shares redeemed	(8,276,202)	(486,992,176)
Net increase (decrease)	(1,637,744)	\$(98,671,575)
Year ended October 31, 2023		
Shares sold	6,931,820	\$378,123,120
Shares issued in reinvestment of distributions	703,602	37,332,152
Shares redeemed	(6,391,812)	(348,296,932)
Net increase (decrease)	1,243,610	\$67,158,340

2. Shares of Beneficial Interest (continued)

	Franklin Small Cap Value Fund	
	Shares	Amount
Advisor Class Shares:		
Year ended October 31, 2024		
Shares sold	3,792,449	\$222,955,218
Shares issued in reinvestment of distributions	934,393	53,213,656
Shares redeemed	(7,650,336)	(446,961,823)
Net increase (decrease)	(2,923,494)	\$(170,792,949)
Year ended October 31, 2023		
Shares sold	4,515,231	\$247,071,979
Shares issued in reinvestment of distributions	725,949	38,607,884
Shares redeemed	(7,391,567)	(405,639,818)
Net increase (decrease)	(2,150,387)	\$(119,959,955)

*May include a portion of Class C shares that were automatically converted to Class A.

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Trust are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Mutual Advisers, LLC (Franklin Mutual)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

a. Management Fees

Effective May 22, 2024, Franklin Mutual Small-Mid Cap Value Fund pays an investment management fee, calculated daily and paid monthly, to Franklin Mutual based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.700%	Up to and including \$500 million
0.650%	In excess of \$500 million

Prior to May 22, 2024, Franklin Mutual Small-Mid Cap Value Fund paid an investment management fee, calculated daily and paid monthly, to Franklin Mutual of 0.75% per year of the average daily net assets of the Fund.

3. Transactions with Affiliates (continued)

a. Management Fees (continued)

Franklin Mutual U.S. Mid Cap Value Fund pays an investment management fee, calculated daily and paid monthly, to Franklin Mutual based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.625%	Up to and including \$100 million
0.500%	Over \$100 million, up to and including \$250 million
0.450%	Over \$250 million, up to and including \$7.5 billion
0.440%	Over \$7.5 billion, up to and including \$10 billion
0.430%	Over \$10 billion, up to and including \$12.5 billion
0.420%	Over \$12.5 billion, up to and including \$15 billion
0.400%	In excess of \$15 billion

Franklin Small Cap Value Fund pays an investment management fee, calculated daily and paid monthly, to Franklin Mutual based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.750%	Up to and including \$500 million
0.625%	Over \$500 million, up to and including \$1 billion
0.500%	Over \$1 billion, up to and including \$5 billion
0.490%	In excess of \$5 billion

For the year ended October 31, 2024, each Fund's gross effective investment management fee rate based on average daily net assets was as follows:

	Franklin Mutual Small-Mid Cap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Gross effective investment management fee rate.	0.728%	0.482%	0.546%

b. Administrative Fees

Under an agreement with Franklin Mutual, FT Services provides administrative services to the Funds. The fee is paid by Franklin Mutual based on each of the Fund's average daily net assets, and is not an additional expense of the Funds.

c. Distribution Fees

The Board has adopted distribution plans for each share class, with the exception of Class R6 and Advisor Class shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Funds' Class A reimbursement distribution plans, the Funds reimburse Distributors for costs incurred in connection with the servicing, sale and distribution of each Fund's shares up to the maximum annual plan rate. Under the Class A reimbursement distribution plans, costs exceeding the maximum for the current plan year cannot be reimbursed in subsequent periods. In addition, under the Funds' Class C and R compensation distribution plans, the Funds pay Distributors for costs incurred in connection with the servicing, sale and distribution of each Fund's shares up to the maximum annual plan rate for each class. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31 for each Fund.

The maximum annual plan rates, based on the average daily net assets, for each class, are as follows:

3. Transactions with Affiliates (continued)**c. Distribution Fees** (continued)

	Franklin Mutual Small-Mid Cap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Class A	0.25%	0.25%	0.35%
Class C	—%	1.00%	1.00%
Class R	—%	0.50%	0.50%

For Franklin Small Cap Value Fund, the Board has set the current rate at 0.25% per year for Class A shares until further notice and approval by the Board.

d. Sales Charges/Underwriting Agreements

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Funds. These charges are deducted from the proceeds of sales of fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. Distributors has advised the Funds of the following commission transactions related to the sales and redemptions of the Funds' shares for the year:

	Franklin Mutual Small-Mid Cap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$46,861	\$36,391	\$25,664
CDSC retained	\$14,109	\$3,924	\$2,092

e. Transfer Agent Fees

Each class of shares pays transfer agent fees, calculated monthly and paid monthly, to Investor Services for its performance of shareholder servicing obligations. The fees are based on a fixed margin earned by Investor Services and are allocated to the Funds based upon relative assets and relative transactions. In addition, each class reimburses Investor Services for out of pocket expenses incurred and, except for Class R6, reimburses shareholder servicing fees paid to third parties. These fees paid to third parties are accrued and allocated daily based upon their relative proportion of such classes' aggregate net assets. Class R6 pays Investor Services transfer agent fees allocated specifically to that class based upon its relative assets and relative transactions.

For the year ended October 31, 2024, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

	Franklin Mutual Small-Mid Cap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Transfer agent fees	\$85,320	\$282,422	\$1,479,660

f. Investments in Affiliated Management Investment Companies

Certain or all Funds invest in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Funds do not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by

3. Transactions with Affiliates (continued)

f. Investments in Affiliated Management Investment Companies (continued)

the Funds are waived on assets invested in the affiliated management investment companies, as noted in the Statements of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the year ended October 31, 2024, investments in affiliated management investment companies were as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
Franklin Mutual Small-Mid Cap Value Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.582%	\$3,026,861	\$67,008,384	\$(67,227,700)	\$—	\$—	\$2,807,545	2,807,545	\$249,036
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 4.582%	\$—	\$8,128,000	\$(8,128,000)	\$—	\$—	\$—	—	\$15,714
Total Affiliated Securities . . .	\$3,026,861	\$75,136,384	\$(75,355,700)	\$—	\$—	\$2,807,545		\$264,750
Franklin Mutual U.S. Mid Cap Value Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.582%	\$33,756,988	\$168,614,614	\$(179,994,296)	\$—	\$—	\$22,377,306	22,377,306	\$1,625,735
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 4.582%	\$—	\$4,083,000	\$(4,083,000)	\$—	\$—	\$—	—	\$561
Total Affiliated Securities . . .	\$33,756,988	\$172,697,614	\$(184,077,296)	\$—	\$—	\$22,377,306		\$1,626,296
Franklin Small Cap Value Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.582%	\$76,597,843	\$1,130,820,777	\$(1,143,177,341)	\$—	\$—	\$64,241,279	64,241,279	\$3,157,801
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 4.582%	\$—	\$25,106,000	\$(25,106,000)	\$—	\$—	\$—	—	\$19,581
Total Affiliated Securities . . .	\$76,597,843	\$1,155,926,777	\$(1,168,283,341)	\$—	\$—	\$64,241,279		\$3,177,382

3. Transactions with Affiliates (continued)

g. Waiver and Expense Reimbursements

Effective May 22, 2024, Franklin Mutual has contractually agreed in advance to waive or limit its fees and to assume as its own expense certain expenses otherwise payable by Franklin Mutual Small-Mid Cap Value Fund so that the operating expenses (excluding interest expense, distribution fees, acquired fund fees and expenses and certain non-routine expenses or costs, including those relating to litigation, indemnification, reorganizations, and liquidations) for each class of the Fund do not exceed 0.90% based on the average net assets of each class until February 28, 2026. Total expenses waived or paid are not subject to recapture subsequent to the Fund's fiscal year end.

Transfer agent fees on Class R6 shares of the Funds have been capped so that transfer agent fees for that class do not exceed 0.03% based on the average net assets of the class until February 28, 2025, for Franklin Mutual U.S. Mid Cap Value Fund and Franklin Small Cap Value Fund, and until February 28, 2026, for Franklin Mutual Small-Mid Cap Value Fund.

4. Income Taxes

The tax character of distributions paid during the years ended October 31, 2024 and 2023, was as follows:

	Franklin Mutual Small-Mid Cap Value Fund		Franklin Mutual U.S. Mid Cap Value Fund	
	2024	2023	2024	2023
Distributions paid from:				
Ordinary income	\$1,501,809	\$1,287,244	\$9,565,946	\$8,227,494
Long term capital gain	9,413,346	11,647,510	8,422,372	25,969,807
	\$10,915,155	\$12,934,754	\$17,988,318	\$34,197,301
	Franklin Small Cap Value Fund			
	2024	2023		
Distributions paid from:				
Ordinary income	\$103,424,073	\$23,113,823		
Long term capital gain	81,142,810	106,972,379		
	\$184,566,883	\$130,086,202		

At October 31, 2024, the cost of investments, net unrealized appreciation (depreciation), undistributed ordinary income and undistributed long term capital gains for income tax purposes were as follows:

	Franklin Mutual Small-Mid Cap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Cost of investments	\$168,353,607	\$629,220,556	\$3,379,844,831
Unrealized appreciation.	\$43,475,091	\$195,916,022	\$877,669,596
Unrealized depreciation.	(6,692,127)	(37,497,207)	(153,318,343)
Net unrealized appreciation (depreciation).	\$36,782,964	\$158,418,815	\$724,351,253
Distributable earnings:			
Undistributed ordinary income.	\$2,340,035	\$17,133,137	\$85,900,952
Undistributed long term capital gains.	39,311,377	31,831,061	164,596,011
Total distributable earnings	\$41,651,412	\$48,964,198	\$250,496,963

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of wash sales.

The Funds utilized a tax accounting practice to treat a portion of the proceeds from capital shares redeemed as a distribution from net investment income and realized capital gains.

5. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended October 31, 2024, were as follows:

	Franklin Mutual Small-Mid Cap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Purchases	\$176,101,343	\$282,531,209	\$2,400,078,333
Sales	\$201,637,549	\$359,469,332	\$2,939,415,817

6. Holdings of 5% Voting Securities of Portfolio Companies

The 1940 Act defines "affiliated companies" to include investments in portfolio companies in which a fund owns 5% or more of the outstanding voting securities. Additionally, as defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated companies' outstanding shares or has the power to exercise control over management or policies of such company. During the year ended October 31, 2024, investments in "affiliated companies" were as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income	Dividends
Franklin Small Cap Value Fund									
Non-Controlled Affiliates									
ACI Worldwide, Inc.	\$118,605,425	\$—	\$(167,464,281)	\$41,472,197	\$— ^a	\$— ^a	— ^a	\$—	
Camden National Corp	22,829,626	4,933,753	(2,949,083)	(966,392)	11,480,163	35,328,067	842,147	1,384,261	
Children's Place Inc. (The)	24,228,745	—	(18,862,522)	(46,404,953)	41,038,730	— ^b	—	—	
Clearfield, Inc.	25,463,434	—	(31,570,237)	(14,838,998)	20,945,801	— ^b	—	—	
Columbus McKinnon Corp.	50,856,191	8,167,693	(54,497,272)	(3,013,992)	— ^a	— ^a	— ^a	439,259	
Elementis plc	57,383,349	—	—	—	11,185,215	68,568,564	39,868,704	1,266,954	
Horace Mann Educators Corp.	77,847,302	14,971,197	(34,498,337)	(5,622,498)	— ^a	— ^a	— ^a	2,739,565	
Knowles Corp	71,614,533	3,572,893	(1,569,254)	(479,441)	24,239,037	97,377,768	5,622,273	—	
McGrath RentCorp.	135,104,593	32,181,041	(114,586,510)	36,628,777	— ^a	— ^a	— ^a	1,442,393	
Senior plc.	53,752,095	—	—	—	(5,475,571)	48,276,524	28,282,051	878,764	
Total Affiliated Securities (Value is 6.1% of Net Assets)	\$637,685,293	\$63,826,577	\$(425,997,496)	\$6,774,700	\$103,413,375	\$249,550,923		\$8,151,196	

^aAs of October 31, 2024, no longer an affiliate.

^bAs of October 31, 2024, no longer held by the fund.

7. Credit Facility

The Funds, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matures on January 31, 2025. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Funds shall, in addition to interest charged on any borrowings made by the Funds and other costs incurred by the Funds, pay their share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon their relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statements of Operations. During the year ended October 31, 2024, the Funds did not use the Global Credit Facility.

8. Fair Value Measurements

The Funds follow a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Funds' own market assumptions (unobservable inputs). These inputs are used in determining the value of the Funds' financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Funds' own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of October 31, 2024, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Mutual Small-Mid Cap Value Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	\$5,468,371	\$3,864,343	\$—	\$9,332,714
Automobile Components	828,070	—	—	828,070
Banks	31,159,963	—	—	31,159,963
Biotechnology	2,069,865	—	—	2,069,865
Building Products	7,878,653	—	—	7,878,653
Capital Markets	4,765,753	—	—	4,765,753
Chemicals	1,361,170	—	—	1,361,170
Construction & Engineering	11,977,123	—	—	11,977,123
Diversified REITs	4,726,548	—	—	4,726,548
Diversified Telecommunication Services	3,248,954	—	—	3,248,954
Electric Utilities	4,481,523	—	—	4,481,523
Electrical Equipment	4,216,293	—	—	4,216,293
Electronic Equipment, Instruments & Components	6,489,460	—	—	6,489,460
Energy Equipment & Services	4,965,041	—	—	4,965,041
Financial Services	6,706,273	—	—	6,706,273
Food Products	635,278	—	—	635,278
Ground Transportation	2,262,772	—	—	2,262,772

8. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Mutual Small-Mid Cap Value Fund (continued)				
Assets: (continued)				
Investments in Securities: (continued)				
Common Stocks: (continued)				
Health Care Equipment & Supplies	\$3,194,192	\$—	\$—	\$3,194,192
Health Care Providers & Services	1,035,893	4,124,974	—	5,160,867
Hotels, Restaurants & Leisure	4,146,506	—	—	4,146,506
Household Durables	5,776,681	—	—	5,776,681
Insurance	12,488,257	—	—	12,488,257
Interactive Media & Services	2,900,877	—	—	2,900,877
IT Services	2,491,511	—	—	2,491,511
Leisure Products	5,855,209	—	—	5,855,209
Life Sciences Tools & Services	4,702,318	—	—	4,702,318
Machinery	15,104,703	—	—	15,104,703
Media	3,983,058	—	—	3,983,058
Metals & Mining	1,803,753	641,592	—	2,445,345
Oil, Gas & Consumable Fuels	4,436,551	—	—	4,436,551
Professional Services	1,978,741	—	—	1,978,741
Retail REITs	2,835,275	—	—	2,835,275
Semiconductors & Semiconductor Equipment	1,886,277	—	—	1,886,277
Software	1,048,747	—	—	1,048,747
Specialized REITs	982,591	—	—	982,591
Specialty Retail	3,618,062	—	—	3,618,062
Textiles, Apparel & Luxury Goods	2,661,117	—	—	2,661,117
Trading Companies & Distributors	7,526,688	—	—	7,526,688
Short Term Investments	2,807,545	—	—	2,807,545
Total Investments in Securities	\$196,505,662	\$8,630,909 ^a	\$—	\$205,136,571
Franklin Mutual U.S. Mid Cap Value Fund				
Assets:				
Common Stocks:				
Aerospace & Defense	23,728,377	12,398,827	—	36,127,204
Automobile Components	10,646,532	6,427,003	—	17,073,535
Banks	44,813,751	—	—	44,813,751
Building Products	15,344,054	—	—	15,344,054
Chemicals	30,692,939	—	—	30,692,939
Commercial Services & Supplies	8,190,768	—	—	8,190,768
Construction & Engineering	11,656,365	—	—	11,656,365
Consumer Finance	13,007,409	—	—	13,007,409
Containers & Packaging	21,260,823	—	—	21,260,823
Distributors	11,926,735	—	—	11,926,735
Electric Utilities	64,938,276	—	—	64,938,276
Electrical Equipment	16,613,031	—	—	16,613,031
Electronic Equipment, Instruments & Components	16,800,943	—	—	16,800,943
Energy Equipment & Services	21,566,899	—	—	21,566,899
Financial Services	55,285,761	—	—	55,285,761
Food Products	11,681,154	—	—	11,681,154
Health Care Equipment & Supplies	24,426,280	—	—	24,426,280
Health Care Providers & Services	22,897,720	8,091,419	—	30,989,139
Household Durables	13,863,915	—	—	13,863,915
Insurance	33,059,797	—	—	33,059,797
IT Services	8,342,268	—	—	8,342,268
Leisure Products	9,040,971	—	—	9,040,971
Life Sciences Tools & Services	15,410,050	—	—	15,410,050
Machinery	16,894,484	—	—	16,894,484
Media	12,680,800	—	—	12,680,800
Oil, Gas & Consumable Fuels	28,120,339	—	—	28,120,339

8. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Mutual U.S. Mid Cap Value Fund (continued)				
Assets: (continued)				
Common Stocks: (continued)				
Personal Care Products	\$18,248,130	\$—	\$—	\$18,248,130
Pharmaceuticals	—	4,387,047	—	4,387,047
Professional Services	39,423,759	—	—	39,423,759
Real Estate Management & Development	26,808,029	—	—	26,808,029
Retail REITs	19,344,171	—	—	19,344,171
Software	14,877,626	—	—	14,877,626
Specialized REITs	14,051,366	—	—	14,051,366
Specialty Retail	7,612,326	—	—	7,612,326
Trading Companies & Distributors	30,701,921	—	—	30,701,921
Short Term Investments	22,377,306	—	—	22,377,306
Total Investments in Securities	\$756,335,075	\$31,304,296 ^b	\$—	\$787,639,371
Franklin Small Cap Value Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	99,828,518	164,333,797	—	264,162,315
Automobile Components	9,897,911	—	—	9,897,911
Banks	738,076,428	—	—	738,076,428
Building Products	118,597,046	—	—	118,597,046
Capital Markets	72,852,706	—	—	72,852,706
Chemicals	195,695,533	—	—	195,695,533
Commercial Services & Supplies	63,304,989	—	—	63,304,989
Communications Equipment	20,316,281	—	—	20,316,281
Construction & Engineering	260,165,566	—	—	260,165,566
Consumer Finance	27,637,189	—	—	27,637,189
Diversified REITs	39,121,365	—	—	39,121,365
Electric Utilities	31,124,507	—	—	31,124,507
Electrical Equipment	105,526,073	—	—	105,526,073
Electronic Equipment, Instruments & Components	249,865,990	—	—	249,865,990
Energy Equipment & Services	49,877,394	29,686,100	—	79,563,494
Food Products	30,038,620	—	—	30,038,620
Ground Transportation	59,120,264	—	—	59,120,264
Health Care Equipment & Supplies	63,679,809	—	—	63,679,809
Hotel & Resort REITs	8,178,066	—	—	8,178,066
Hotels, Restaurants & Leisure	173,079,384	36,921,309	—	210,000,693
Household Durables	85,149,286	—	—	85,149,286
Industrial REITs	6,180,017	—	—	6,180,017
Insurance	247,386,661	—	—	247,386,661
Leisure Products	146,647,691	—	—	146,647,691
Machinery	250,793,754	—	—	250,793,754
Media	54,611,345	—	—	54,611,345
Metals & Mining	70,857,236	—	—	70,857,236
Multi-Utilities	30,983,538	—	—	30,983,538
Office REITs	57,167,655	—	—	57,167,655
Oil, Gas & Consumable Fuels	91,186,766	—	—	91,186,766
Paper & Forest Products	16,257,874	—	—	16,257,874
Real Estate Management & Development	16,977,384	—	—	16,977,384
Retail REITs	32,761,646	—	—	32,761,646
Semiconductors & Semiconductor Equipment	50,185,042	—	—	50,185,042
Software	79,109,074	—	—	79,109,074
Specialty Retail	32,408,814	—	—	32,408,814
Textiles, Apparel & Luxury Goods	32,738,814	—	—	32,738,814
Trading Companies & Distributors	91,627,363	—	—	91,627,363

8. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Small Cap Value Fund (continued)				
Assets: (continued)				
Investments in Securities: (continued)				
Short Term Investments	\$64,241,279	\$—	\$—	\$64,241,279
Total Investments in Securities	\$3,873,254,878	\$230,941,206 ^c	\$—	\$4,104,196,084

^aIncludes foreign securities valued at \$8,630,909, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

^bIncludes foreign securities valued at \$31,304,296, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

^cIncludes foreign securities valued at \$230,941,206, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

9. Subsequent Events

The Funds have evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure.

Abbreviations

Selected Portfolio

REIT Real Estate Investment Trust

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Value Investors Trust and Shareholders of Franklin Mutual Small-Mid Cap Value Fund (formerly Franklin MicroCap Value Fund), Franklin Mutual U.S. Mid Cap Value Fund, and Franklin Small Cap Value Fund:

Opinion on the Financial Statements

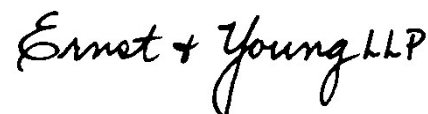
We have audited the accompanying statements of assets and liabilities of Franklin Value Investors Trust (the "Trust") (comprising Franklin Mutual Small-Mid Cap Value Fund (formerly Franklin MicroCap Value Fund), Franklin Mutual U.S. Mid Cap Value Fund, and Franklin Small Cap Value Fund (collectively referred to as the "Funds")), including the schedules of investments, as of October 31, 2024, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds comprising Franklin Value Investors Trust at October 31, 2024, the results of their operations for the year then ended, changes in their net assets for each of the two years in the period then ended, and their financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2024, by correspondence with the custodian, brokers and others; when replies were not received from brokers and others, we performed other auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.



We have served as the auditor of one or more Franklin investment companies since 1987.

Boston, Massachusetts
December 20, 2024

Tax Information (unaudited)

By mid-February, tax information related to a shareholder's proportionate share of distributions paid during the preceding calendar year will be received, if applicable. Please also refer to www.franklintempleton.com for per share tax information related to any distributions paid during the preceding calendar year. Shareholders are advised to consult with their tax advisors for further information on the treatment of these amounts on their tax returns.

The following tax information for the Funds is required to be furnished to shareholders with respect to income earned and distributions paid during their fiscal year.

The Funds hereby report the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended October 31, 2024:

	Pursuant to:	Franklin Mutual Small-Mid Cap Value Fund	Franklin Mutual U.S. Mid Cap Value Fund	Franklin Small Cap Value Fund
Long-Term Capital Gain Dividends Distributed	§852(b)(3)(C)	\$12,813,210	\$9,214,026	\$87,580,372
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$2,433,827	\$11,949,636	\$54,642,600
Qualified Dividend Income Earned (QDI)	§854(b)(1)(B)	\$2,803,501	\$13,836,491	\$70,850,664
Short-Term Capital Gain Dividends Distributed	§871(k)(2)(C)	\$135,125	\$1,083,152	\$69,089,950

Changes In and Disagreements with Accountants

For the period covered by this report

Not applicable.

Results of Meeting(s) of Shareholders

For the period covered by this report

Not applicable.

Remuneration Paid to Directors, Officers and Others

For the period covered by this report

Refer to the financial statements included herein.

Board Approval of Management and Subadvisory Agreements

For the period covered by this report

FRANKLIN VALUE INVESTORS TRUST**(EACH SERIES OF SUCH TRUST, A "FUND")**

The Board of Trustees (Board), including a majority of trustees that are not "interested persons" as such term is defined in section 2(a)(19) of the Investment Company Act of 1940 (hereinafter referred to as "independent trustees"), at an in-person meeting held on May 21, 2024, unanimously approved the renewal of each Fund's investment management agreement. Prior to a meeting of all of the trustees for the purpose of considering such renewal, the independent trustees participated in two other meetings held in connection with the renewal process. Throughout the process, the independent trustees received assistance and advice from and met separately with independent counsel. The independent trustees met with and interviewed officers of the investment manager (including portfolio managers), the transfer agent and shareholder services group and the distributor. In approving the renewal of the investment management agreement for the Funds, the Board, including the independent trustees, determined that the investment management fee structure was fair and reasonable and that continuance of the agreement was in the best interests of each Fund and its shareholders.

As part of the approval process, the Board considered the process undertaken and information provided during its consideration and approval on February 27, 2024 of the amendment to the investment management agreement with for Franklin Mutual Small-Mid Cap Value Fund (formerly, Franklin MicroCap Value Fund) and the amendment to the schedule to the fee waiver and/or expense reimbursement agreement with the investment manager. Such amendments (i) reduced the investment management fees from 0.75% of the value of all net assets to 0.70% for the initial investment management fee rate for the value of net assets up to and including \$500 million and added a breakpoint for the value of net assets in excess of \$500 million at 0.65%, and (ii) established a cap in the fee waiver and expense limitation arrangement of 0.90%, effective as of May 22, 2024, respectively. These amendments were made in connection with the repositioning of the Fund to a small-mid cap value strategy. The Board noted that the nature and quality of the overall services provided, and to be provided, by the investment manager as a result of the amendments would not be negatively affected. At the February 27, 2024 meeting, the Board determined that, after consideration of the factors discussed and presented, the services provided were reasonable in relation to the fees to be paid under the investment management agreement plus any benefits that may accrue to the investment manager that the fees and benefits were within the range of what could have been negotiated at arms-length for these services, and that the terms of the investment management agreement, as amended, were fair and reasonable.

In reaching their decision on the investment management agreement, the trustees took into account information furnished throughout the year at Board meetings, as well as information specifically requested and furnished for the renewal process, which culminated in the meetings referred to above for the specific purpose of considering such agreement. Information furnished throughout the year included, among others, reports on each Fund's investment performance, expenses, portfolio composition, portfolio brokerage execution, client commission arrangements, derivatives, securities lending, portfolio turnover, Rule 12b-1 plan, distribution, shareholder servicing, legal and compliance matters, pricing of securities, sales and redemptions, and marketing support payments made to financial intermediaries, as well as a third-party survey of transfer agent fees charged to funds within the Franklin Templeton (FT) complex in comparison to those charged to other fund complexes deemed comparable. Also, related financial statements and other information about the scope and quality of services provided by the investment manager and its affiliates and enhancements to such services over the past year were provided. In addition, the trustees received periodic reports throughout the year and during the renewal process relating to compliance with the Funds' investment policies and restrictions. During the renewal process, the independent trustees considered the investment manager's methods of operation within the FT group and its activities on behalf of other clients. The Board also reviewed and considered an annual report on payments made by FT or the Funds to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements. The Board acknowledged the ongoing integration of the Putnam family of funds into the FT family of funds and management's continued development of strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and continuing geopolitical concerns.

The information obtained by the trustees during the renewal process also included a special report prepared by Broadridge Financial Solutions, Inc., an independent third-party analyst that utilizes data from Lipper, Inc. (Lipper), comparing each Fund's investment performance and expenses with those of other mutual funds deemed comparable to such Fund as selected by Lipper (Broadridge Section 15(c) Report). The trustees reviewed the Broadridge Section 15(c) Report and its usefulness in the renewal process with respect to matters such as comparative fees, expenses, expense ratios, performance and volatility. They concluded that the report continues to be a reliable resource in the performance of their duties. However, as a result of the repositioning of the Franklin Mutual Small-Mid Cap Value Fund (formerly, Franklin MicroCap Value Fund) to a small-mid cap value strategy fund and the fact that the changes in the Fund's investment management fees and fee waiver and expense limitation arrangement were not reflected by the Broadridge Section 15(c) Report, the Board assigned less weight to the Broadridge Section 15(c) Report with respect to such Fund.

In addition, the trustees received a Profitability Study (Profitability Study) prepared by management discussing the profitability to FT from its overall U.S. fund operations, as well as on an individual fund-by-fund basis. Over the past year, the Board and counsel to the independent trustees continued to receive reports on management's handling of recent regulatory inquiries and pending legal actions against the investment manager and its affiliates. The independent trustees were satisfied with the actions taken to date by management in response to such regulatory and legal matters.

The trustees reviewed the personnel, operations, financial condition and investment management capabilities, methodologies and resources of the investment manager. As part of this review, particular attention was given to management's diligent risk management program, including continual monitoring and management of cybersecurity, liquidity and counterparty credit risk, and attention given to derivatives and other complex instruments that are held and expected to be held by each Fund and how such instruments are used to carry out each Fund's investment goal(s). The Board also took into account, among other things, management's efforts in establishing a global credit facility for the benefit of the Funds and other accounts managed by FT to provide a source of cash for temporary and emergency purposes or to meet unusual redemption requests as well as the strong financial position of the investment manager's parent company and its commitment to the mutual fund business. The Board noted management's continuing efforts and expenditures in establishing effective business continuity plans and developing strategies to address areas of heightened concern in the mutual fund industry, such as cybersecurity and liquidity risk management. The Board acknowledged management's continued development of strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and continuing geopolitical concerns. The Board also recognized management's commitment to facilitating Board oversight of particular areas, including derivatives and payments to intermediaries, by enhanced reporting.

In addition to the above and other matters considered by the trustees throughout the course of the year, the following discussion relates to certain primary factors relevant to the Board's decision. This discussion of the information and factors considered by the Board (including the information and factors discussed above) is not intended to be exhaustive, but rather summarizes certain factors considered by the Board. In view of the wide variety of factors considered, the Board did not, unless otherwise noted, find it practicable to quantify or otherwise assign relative weights to the foregoing factors. In addition, individual trustees may have assigned different weights to various factors.

NATURE, EXTENT AND QUALITY OF SERVICES. The trustees reviewed the nature, extent and quality of the services provided, and to be provided, by the investment manager. The trustees cited the investment manager's ability to implement each Fund's disciplined value investment approach and its long-term relationship with each Fund as reasons that shareholders choose to invest, and remain invested, in the Funds. The trustees reviewed each Fund's portfolio management team, including its performance, staffing, skills and compensation program. With respect to portfolio manager compensation, management assured the trustees that each Fund's long-term performance is a significant component of incentive-based compensation and noted that a portion of a portfolio manager's incentive-based compensation is paid in shares of pre-designated funds from the portfolio manager's fund management area. The trustees noted that the portfolio manager compensation program aligned the interests of the portfolio managers with that of shareholders of the Funds. The trustees discussed with management various other products, portfolios and entities that are advised by the investment manager and the allocation of assets and expenses among and within them, as well as their relative fees and reasons for differences with respect thereto and any potential conflicts. During regular Board meetings and the aforementioned meetings of the independent trustees, the trustees received reports and presentations on the investment manager's best execution trading policies. The trustees considered periodic reports provided to them showing that the investment manager complied with the investment policies and restrictions of each Fund as well as other reports periodically furnished to the Board covering matters such as the compliance of portfolio managers and other management personnel with the code of ethics covering the investment management personnel, the adherence to fair value pricing procedures established by the Board and the accuracy of net asset value calculations. The Board noted the extent of the benefits provided to the Funds' shareholders from being part of the FT group of funds, including the right to exchange investments between funds (same class) without a sales charge, the ability to reinvest dividends from any of the Funds into other funds and the right to combine holdings of other funds to obtain reduced sales charges. The Board specifically noted FT's commitment to technological innovation and advancement, including its initiative to create a new enterprise-wide artificial intelligence platform. The Board also noted the investment manager's significant efforts in developing and implementing compliance procedures established in accordance with SEC and other requirements.

The Board considered the nature, extent and quality of the services to be provided under each Fund's other service agreements to determine that, on an overall basis, Fund shareholders were well served. In this connection, the Board also took into account transfer agent and shareholder services provided to the Funds' shareholders by an affiliate of the investment manager, and favorable periodic reports on shareholder services conducted by independent third parties. While such considerations directly affected the trustees' decision in renewing each Fund's transfer agent and shareholder services agreement, the Board also considered these commitments as incidental benefits to Fund shareholders deriving from the investment management relationship.

Based on their review, the trustees were satisfied with the nature and quality of the overall services provided, and to be provided, by the investment manager and its affiliates to each Fund and its shareholders and were confident in the abilities of the management team to continue the disciplined value investment approach of each Fund and to provide quality services to such Fund and its shareholders.

INVESTMENT PERFORMANCE. The trustees reviewed and placed significant emphasis on the investment performance of the Funds over the one-, three-, five- and 10-year periods ended December 31, 2023. They considered the history of performance of each Fund relative to various benchmarks. As part of their review, they inquired of management regarding benchmarks and restrictions on permitted investments. Consideration was also given to performance in the context of available levels of cash during the periods.

The trustees had meetings during the year, including the meetings referred to above held in connection with the renewal process, with each Fund's portfolio managers to discuss performance and the management of such Fund. In addition to the materials provided by management in connection with the renewal process, the independent trustees requested throughout the year (and received) additional presentations from the investment manager and senior management of FT regarding the performance of the investment manager and the Funds. As part of these presentations, the investment manager and senior management of FT reviewed enhancements that have been made, and are being made, to the investment manager's investment process.

Particular attention in assessing performance was given to the Broadridge Section 15(c) Report. That report showed the investment performance of each Fund (Class A shares) in comparison to other funds determined comparable by Lipper.

Franklin Mutual U.S. Mid Cap Value Fund. The comparable funds to the Fund, as chosen by Lipper, included all retail and institutional mid-cap value funds. The Fund had total returns in the lowest performing quintile for the one-year period ended December 31, 2023, had annualized total returns for the three-year period in the second-lowest performing quintile, and had annualized total returns for the five- and 10-year periods also in the lowest performing quintile. The trustees also compared Fund performance to other industry benchmarks, including measures of risk-adjusted performance of a fund, as part of their evaluation of investment performance. The trustees discussed with management the reasons for the relative underperformance for the one-, three-, five- and 10-year periods ended December 31, 2023. While disappointed with the Fund's relative underperformance, the Board did not believe that any changes with respect to the Fund were warranted at the time, particularly in light of the continued enhancements to the investment manager's personnel and investment process (including recent enhancements to the research process). The Board noted that it would continue to monitor future performance.

Franklin Mutual Small-Mid Cap Value Fund (Formerly, Franklin MicroCap Value Fund). The comparable funds to the Fund, as chosen by Lipper, included all retail and institutional small-cap value funds. The Fund had total returns in the lowest performing quintile for the one-year period ended December 31, 2023, had annualized total returns for the three- and five-year periods in the middle performing quintile, and had annualized total returns for the 10-year period in the second-lowest performing quintile. The trustees discussed with management the reasons for the relative underperformance for the one- and 10-year periods ended December 31, 2023. The trustees also compared Fund performance to other industry benchmarks, including measures of risk-adjusted performance of a fund, as part of their evaluation of investment performance. While disappointed with the Fund's relative underperformance, the Board noted that the Board had recently approved a proposal to reposition the Fund to a small-mid cap value strategy fund. The Board did not believe that any additional changes with respect to the Fund were warranted at the time, particularly in light of the ongoing repositioning. The Board noted that it would continue to monitor future performance and implementation of the repositioning.

Franklin Small Cap Value Fund. The comparable funds to the Fund, as chosen by Lipper, included all retail and institutional small-cap value funds. The Fund had total returns in the second-lowest performing quintile for the one-year period ended December 31, 2023, had annualized total returns for the 10-year period in the middle performing quintile, had annualized total returns for the five-year period also in the second-lowest performing quintile, and had annualized total returns for the three-year period in the lowest performing quintile. The trustees discussed with management the reasons for the relative underperformance for the one-, three-, and five-year periods ended December 31, 2023. The trustees also compared Fund performance to other industry benchmarks, including measures of risk-adjusted performance of a fund, as part of their evaluation of investment performance. The trustees discussed with management the reasons for the relative underperformance for the one-, three- and five-year periods ended December 31, 2023. While disappointed with the Fund's relative underperformance, the Board did not believe that any changes with respect to the Fund were warranted at the time, particularly in light of the continued enhancements to the investment manager's personnel and investment process (including recent enhancements to the research process). The Board noted that it would continue to monitor future performance.

COMPARATIVE EXPENSES AND MANAGEMENT PROFITABILITY. The trustees considered the cost of the services provided and to be provided and the profits realized by the investment manager and its affiliates from their respective relationships with each Fund. As part of the renewal process, the trustees explored with management the trends in expense ratios over the past three fiscal years and the reasons for any increases in each Fund's expense ratios (or components

thereof). In considering the appropriateness of the management fees and other expenses charged to each Fund, the Board took into account various factors including investment performance and matters relating to each Fund's operations, including, but not limited to, the quality and experience of its portfolio managers and research staff. Consideration was also given to a comparative analysis in the Broadridge Section 15(c) Report of the investment management fee and total expense ratio of each Fund in comparison to those of a group of other funds selected by Lipper as its appropriate Lipper expense group. Lipper expense data is based upon information taken from each fund's most recent annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Lipper to be an appropriate measure of comparative expenses.

In reviewing comparative costs, emphasis was given to each Fund's contractual management fees in comparison to the contractual management fees that would have been charged by other funds within its Lipper expense group assuming they were similar in size to such Fund, as well as the actual total expenses of each Fund in comparison to those of its Lipper expense group. The Lipper contractual management fee analysis includes administrative charges as being part of the management fee, and total expenses, for comparative consistency, are shown by Lipper for each Fund's Class A shares.

Franklin Mutual U.S. Mid Cap Value Fund. The Fund's contractual management fee rate was in the least expensive quintile of its Lipper expense group and its total expenses were also in the least expensive quintile of such group. The Board was satisfied with such comparative fees and expenses.

Franklin Mutual Small-Mid Cap Value Fund (Formerly, Franklin MicroCap Value Fund). The Fund's contractual management fee rate was in the second-least expensive quintile of its Lipper expense group and its total expenses were also in the second-least expensive quintile of such group. The Board was satisfied with such comparative fees and expenses.

Franklin Small Cap Value Fund. The Fund's contractual management fee rate was in the least expensive quintile of its Lipper expense group and its total expenses were also in the least expensive quintile of such group. The Board was satisfied with such comparative fees and expenses.

The trustees also reviewed the Profitability Study addressing profitability of Franklin Resources, Inc. (FRI), from its overall U.S. fund business, as well as profitability to each Fund's investment manager and its affiliates, from providing investment management and other services to each Fund during the 12-month period ended September 30, 2023, the most recent fiscal year-end of FRI. The trustees reviewed the basis on which such reports are prepared and the cost allocation methodology utilized in the Profitability Study, it being recognized that allocation methodologies may each be reasonable while producing different results. The Board also noted that an independent registered public accounting firm has been engaged by the investment manager to periodically review and assess the allocation methodologies to be used solely by the Board with respect to the profitability analysis.

The independent trustees met with management to discuss the Profitability Study. This included, among other things, a comparison of investment management income with investment management expenses of each Fund; comparison of underwriting revenues and expenses; the relative relationship of investment management and underwriting expenses; shareholder servicing profitability; economies of scale; and the relative contribution of each Fund to the profitability of the investment manager and its parent. In discussing the Profitability Study with the Board, the investment manager stated its belief that the costs incurred in establishing the infrastructure necessary to operate the type of mutual fund operations conducted by it and its affiliates may not be fully reflected in the expenses allocated to each Fund in determining its profitability.

The Board considered management's outsourcing of certain operations, which effort has required considerable up-front expenditures by the investment manager but, over the long run, is expected to result in greater efficiencies. The Board also took into account management's expenditures in improving shareholder services provided to each Fund, as well as the need to meet additional regulatory and compliance requirements resulting from recent US Securities and Exchange Commission and other regulatory requirements. The trustees also considered the extent to which the investment manager may derive ancillary benefits from the Funds' operations, including those derived from economies of scale, discussed below, the allocation of each Fund's brokerage and the use of commission dollars to pay for research and other similar services.

Based upon their consideration of all these factors, the trustees determined that the level of profits realized by the investment manager and its affiliates in providing services to each Fund was not excessive in view of the nature, quality and extent of services provided.

ECONOMIES OF SCALE.

The Board considered economies of scale realized by the investment manager and its affiliates as the Funds grow larger and the extent to which they are shared with the Funds' shareholders, as for example, in the level of the investment management fees charged, in the quality and efficiency of services rendered and in increased capital commitments benefiting the Funds directly or indirectly. While recognizing that any precise determination is inherently subjective, the trustees noted that, based upon the Profitability Study, as some funds increase in size, at some point economies of scale may result in the investment manager realizing a larger profit margin on investment management services provided to such a fund. The trustees also noted that benefits of economies of scale will be shared with each Fund's shareholders due to the decline in the effective investment management fee rate as breakpoints are achieved by such Fund.

The trustees noted that breakpoints had been instituted as part of each Fund's investment management fees and that the Board regularly evaluates whether additional breakpoints are appropriate. For Small-Mid Cap Value Fund (formerly, Franklin MicroCap Value Fund), the trustees assessed the newly established breakpoint and believed it was appropriate and they agreed to continue to monitor the appropriateness of the breakpoint. For Franklin Mutual U.S. Mid Cap Value Fund and Franklin Small Cap Value Fund, the trustees assessed the savings to shareholders resulting from such breakpoints and believed they were, and continue to be, appropriate and they agreed to continue to monitor the appropriateness of the breakpoints. The trustees also considered the effects an increase in assets under management would have on the investment management fees and expense ratio of each Fund. To the extent further economies of scale may be realized by the investment manager and its affiliates, the Board believed the investment management fees provide a sharing of benefits with each Fund and its shareholders.

CONCLUSION

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of each Fund's investment management agreement for an additional one-year period.

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