MARCH 31, 2013

ANNUAL REPORT AND SHAREHOLDER LETTER

A series of Templeton Global Investment Trust

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INTERNATIONAL

TEMPLETON Asian Growth Fund



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Franklin Templeton Investments

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Franklin Templeton's distinct multi-manager structure combines the specialized expertise of three world-class investment management groups—Franklin, Templeton and Mutual Series.

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Franklin. Founded in 1947, Franklin is a recognized leader in fixed income investing and also brings expertise in growth- and value-style U.S. equity investing.

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Because our management groups work independently and adhere to different investment approaches, Franklin, Templeton and Mutual Series funds typically have distinct portfolios. That's why our funds can be used to build truly diversified allocation plans covering every major asset class.

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MUTUAL FUNDS | RETIREMENT PLANS | 529 COLLEGE SAVINGS PLANS | SEPARATELY MANAGED ACCOUNTS

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Shareholder Letter

Dear Shareholder:

During the 12 months ended March 31, 2013, the global economy improved after a slow start prompted many central banks and governments, including those of several Asian countries, to undertake monetary easing and fiscal stimulus measures to boost economic growth. Such measures gained traction near the end of 2012, with Asian and other emerging market economies generally growing faster than developed market economies. Investors were largely optimistic during the 12-month period, despite market volatility caused by concerns about eurozone stability, U.S. fiscal negotiations and cutbacks, and slowing global economic growth. For the 12 months ended March 31, 2013, stocks in Asia excluding Japan, as measured by the MSCI Asia ex Japan Index, delivered solid gains.

Although the recent environment has been challenging, we remain cautiously optimistic about many Asian and other emerging market economies as they continue to show growth. Keep in mind we have navigated through past periods of economic uncertainty and market volatility by remaining committed to our long-term perspective and disciplined investment approach. First and foremost for us, this means using our on-the-ground research team to conduct rigorous, company-by-company analysis to find what we consider to be bargain opportunities.

Templeton Asian Growth Fund's annual report goes into greater detail about prevailing conditions during the period under review. In addition, you will find Fund performance data, financial information and a discussion about investment decisions. Please remember all securities markets fluctuate, as do mutual fund share prices.

If you would like more frequent updates, franklintempleton.com provides daily prices, monthly performance figures, portfolio holdings and other information. You can also access your account, buy and sell shares, read timely articles, and find helpful financial planning tools. We hope you will take advantage of these online services.

Historically, patient investors have achieved rewarding results by evaluating their goals, diversifying their assets globally and maintaining a disciplined investment program, all hallmarks of the Templeton investment philosophy developed more than 50 years ago. We continue to recommend investors consult their financial advisors and review their portfolios to design a long-term strategy and portfolio allocation that meet their individual needs, goals and risk tolerance. We firmly believe most people benefit from professional advice and that advice is invaluable as investors navigate changing market environments.

We thank you for investing with Franklin Templeton, welcome your questions and comments, and look forward to serving your investment needs in the years ahead.

Sincerely,

Mark Mobius

Executive Chairman

Templeton Emerging Markets Group

Mark Wobins

This letter reflects our analysis and opinions as of March 31, 2013. The information is not a complete analysis of every aspect of any market, country, industry, security or fund. Statements of fact are from sources considered reliable.

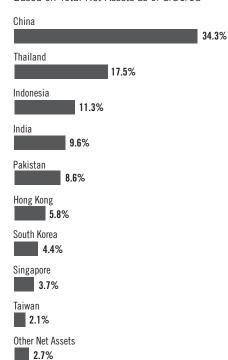
Annual Report

Templeton Asian Growth Fund

Your Fund's Goal and Main Investments: Templeton Asian Growth Fund seeks longterm capital appreciation by investing, under normal market conditions, at least 80% of its net assets in securities of companies located in the Asia region (excluding Australia, New Zealand and Japan) as defined in the prospectus. Such companies have their principal securities trading markets in, derive at least 50% of their total revenues or profits from either goods or services produced or sales made in, have at least 50% of their assets in, are linked to currencies of, or are organized under the laws of, or have principal offices in, Asia region countries.

Geographic Breakdown

Based on Equity Securities Based on Total Net Assets as of 3/31/13 This annual report for Templeton Asian Growth Fund covers the fiscal year ended March 31, 2013.



Economic and Market Overview

The global economy grew at a moderate but uneven pace during the 12 months under review as monetary easing and fiscal stimulus measures undertaken by many central banks and governments gained traction. Solid growth in many Asian economies, particularly China and Indonesia, offset weakness in several developed market economies, especially the eurozone. In addition to measures by major developed market countries, China, South Korea and India implemented fiscal and monetary easing measures. China announced a fiscal stimulus package to fund infrastructure projects, South Korea followed its June stimulus package with another package in September, and India introduced a series of reforms to boost investor confidence. Some countries such as China, Thailand, India and South Korea also cut interest rates during the 12-month period.

The effects of monetary easing and fiscal stimulus measures undertaken by central banks and governments globally were evident during the 12-month period as financial markets remained awash with liquidity. Asian stocks, as measured by the MSCI All Country (AC) Asia ex Japan Index, continued the uptrend that began in June and outperformed their emerging market counterparts, as measured by the MSCI Emerging Markets Index, during the

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Statement of Investments (SOI). The SOI begins on page 17.

12 months under review. With the exception of a sharp sell-off in May triggered by investor anxiety about slowing global economic growth and Europe's recurring sovereign debt crisis, Asian stocks performed well. For the 12 months ended March 31, 2013, the MSCI AC Asia ex Japan Index generated a +7.41% total return, with all 10 countries in the index posting positive returns. Supported by strong domestic consumption and investment growth, Southeast Asia, particularly the Philippines, Thailand, Indonesia and Singapore, outperformed many of their Asian peers. The sovereign debt rating upgrades of the Philippines and Thailand further drove these countries' stock performance. Pakistan (not an index component) and Hong Kong also produced double-digit returns for the 12-month period.

In our view, Asian countries have generally remained economically healthier than many developed countries, and Asian stocks could continue to outperform developed market stocks for the longer term. In 10 of the past 12 calendar years, Asian stocks, as measured by the MSCI AC Asia ex Japan Index, outperformed developed market stocks, as measured by the MSCI World Index, but past performance does not guarantee future results.

Investment Strategy

When choosing equity investments for the Fund, we apply a fundamental research, value-oriented, long-term approach, focusing on the market price of a company's securities relative to our evaluation of the company's long-term earnings, asset value and cash flow potential. As we look for investments, we consider specific companies, rather than sectors, while doing in-depth research to assess factors such as management strength and local conditions. We also consider a company's profit and loss outlook, balance sheet strength, cash flow trends and asset value in relation to the current price. The analysis considers the company's corporate governance behavior as well as its position in its sector, the economic framework and political environment.

Performance Overview

Templeton Asian Growth Fund – Class A delivered a +6.33% cumulative total return for the 12 months ended March 31, 2013. In comparison, the MSCI AC Asia ex Japan Index posted a +7.41% total return. Please note index performance information is provided for reference and we do not attempt to track any index but rather undertake investments on the basis of

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Please visit franklintempleton.com or call (800) 342-5236 for most recent month-end performance.

^{1.} Source: © 2013 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. The index is unmanaged and includes reinvested dividends. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

fundamental research. In addition, the Fund's return reflects the effect of fees and expenses for professional management, while an index does not have such costs. You can find more of the Fund's performance data in the Performance Summary beginning on page 8.

Manager's Discussion

During the 12 months under review, significant contributors to the Fund's absolute performance included Land and Houses, Thailand's largest residential real estate developer focused on the Greater Bangkok area and other major Thai cities; Kiatnakin Bank, a mid-sized Thai commercial bank; and Bank Danamon Indonesia, one of the country's 10 largest commercial banks. Land and Houses benefited from its reputable brand name; a conducive, low interest rate environment; and strong corporate results that showed solid revenue growth and a robust balance sheet. We believe the continued recovery in Bangkok's real estate market and Land and Houses' future property launches outside of Bangkok could support the company's growth in the years ahead. Kiatnakin Bank's diversified revenue structure, combined with the ongoing growth of its auto and commercial loan businesses, could improve the bank's profitability and outlook. The bank is attractively valued, in our view, and its merger with Phatra Capital, one of Thailand's leading investment, brokerage and wealth management firms, could make the bank a more appealing merger and acquisition target and further unlock its value. Bank Danamon's share price surged early in the period following a bid for a controlling stake from Singapore-based DBS Group Holdings, one of Southeast Asia's largest banks. However, the Indonesian central bank's latest regulation that requires a twostep process for foreign investors' acquisitions of the country's banks raised uncertainty about the timing and completion of the deal. Bank Danamon continued to report strong earnings growth in 2012, driven by continued loan growth in the mass market, small- and medium-sized companies, and wholesale segments. We believe that Bank Danamon, as one of Indonesia's largest lenders, remained well positioned to benefit from the country's expanding economy, growing middle class, strong loan demand and underserved banking sector.

In contrast, key detractors from the Fund's absolute performance included United Tractors, Indonesia's leading heavy equipment distributor; Tata Steel, India's largest steelmaker and one of the world's largest steel companies; and Chalco (Aluminum Corp. of China), one of China's major alumina and aluminum producers. United Tractors' short-term performance was negatively affected by slower demand from the mining sector and tight competition, which resulted in weak heavy equipment sales. In the longer term, we believe that United Tractors' involvement in coal mining and its dominance in heavy equipment and mining contracting make it well positioned to potentially

Top 10 Equity Holdings 3/31/13

Company % of Sector/Industry, Country Net A	
China VTM (Vanadium Titano-Magnetite) Mining Co. Ltd. <i>Metals & Mining, China</i>	4.7%
Shenzhen Chiwan Wharf Holdings Ltd., B Transportation Infrastructure, China	4.6%
Hyundai Development Co. Construction & Engineering, South Korea	4.4%
Land and Houses PCL, fgn. Real Estate Management & Development, Thailand	4.3%
MCB Bank Ltd. Commercial Banks, Pakistan	4.0%
PT Astra International Tbk Automobiles, Indonesia	4.0%
Chalco (Aluminum Corp. of China) Ltd., H Metals & Mining, China	3.8%
Kiatnakin Bank PCL, fgn. Commercial Banks, Thailand	3.8%
SembCorp Marine Ltd. Machinery, Singapore	3.7%
PT Bank Danamon Indonesia Tbk Commercial Banks, Indonesia	3.7%

benefit from growing coal demand. Despite the Reserve Bank of India's recent interest rate cuts, many Indian stocks were pressured by persistently high inflation, reduced economic growth forecasts and a government budget statement that lacked hoped-for commitments to economic reform. Tata Steel's shares declined in value along with those of other steel companies as a weak demand environment hampered earnings results. Chalco reported a worse-than-expected loss in 2012 resulting largely from higher raw material costs and lower aluminum prices. In our longer term view, the company is well positioned to benefit from China's economic recovery, which should drive aluminum demand. At period-end, we maintained our positive longterm outlook for commodity-related companies because of Asia's continued industrialization, rising per-capita incomes and increasing domestic demand. In this light, we viewed recent commodity price declines and the resulting share price corrections of select commodity-related companies as bargain opportunities to invest in what we considered to be quality companies. The valuations of United Tractors, Tata Steel and Chalco became more attractive to us after recent share price corrections, leading us to increase the Fund's investments in these industry leaders.

Portfolio inflows and our continued search for companies we considered to be attractively valued led us to undertake some purchases in Thailand, Indonesia, India and China via China H and Red Chip shares.² We added oil and gas exploration and production, automobile manufacturing and industrial machinery companies because of fundamentals we considered to be attractive. Key purchases included a new position in PTTEP (PTT Exploration and Production), Thailand's national oil and gas exploration and production company. We also increased the Fund's investment in Brilliance China Automotive Holdings, a major Chinese automobile manufacturer that has a joint venture with BMW.

Conversely, we undertook some sales in South Korea, Indonesia, Thailand and China via China H shares to focus on companies we considered to be more attractively valued within our investment universe. We eliminated the Fund's exposure to South Korea's textile, apparel and luxury goods industry and reduced the Fund's holdings in some Indonesian and Thai commercial banks. Key sales included elimination of the Fund's position in Avista, a South Korean fashion apparel manufacturer and retailer. We also reduced the Fund's investments in Bank Danamon; Siam Commercial Bank, a leading Thai commercial bank; and PetroChina, one of China's largest oil and gas companies.

^{2. &}quot;China H" denotes shares of China-incorporated, Hong Kong Stock Exchange-listed companies with most businesses in China. "Red Chip" denotes shares of Hong Kong Stock Exchange-listed companies with significant exposure to China.

Thank you for your participation in Templeton Asian Growth Fund. We look forward to serving your future investment needs.







Allan Lam



Dennis Lim



Tom Wu

Portfolio Management Team Templeton Asian Growth Fund

The foregoing information reflects our analysis, opinions and portfolio holdings as of March 31, 2013, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of 3/31/13

Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities. The performance table and graphs do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses.

Price and Distribution Information

Class A (Symbol: n/a)		Change	3/31/13	3/31/12
Net Asset Value (NAV)		+\$0.45	\$9.45	\$9.00
Distributions (4/1/12-3/31/13)				
Dividend Income	\$0.1275			
Short-Term Capital Gain	\$0.0081			
Long-Term Capital Gain	\$0.0260			
Total	\$0.1616			
Class C (Symbol: n/a)		Change	3/31/13	3/31/12
Net Asset Value (NAV)		+\$0.46	\$9.42	\$8.96
Distributions (4/1/12-3/31/13)				
Dividend Income	\$0.0559			
Short-Term Capital Gain	\$0.0081			
Long-Term Capital Gain	\$0.0260			
Total	\$0.0900			
Advisor Class (Symbol: n/a)		Change	3/31/13	3/31/12
Net Asset Value (NAV)		+\$0.45	\$9.46	\$9.01
Distributions (4/1/12-3/31/13)				
Dividend Income	\$0.1491			
Short-Term Capital Gain	\$0.0081			
Long-Term Capital Gain	\$0.0260			
Total	\$0.1832			

Performance Summary (continued)

Performance¹

Cumulative total return excludes sales charges. Average annual total return and value of \$10,000 investment include maximum sales charges. Class A: 5.75% maximum initial sales charge; Class C: 1% contingent deferred sales charge in first year only; Advisor Class: no sales charges.

Class A		1-Year	Inception (11/1/10)
Cumulative Total Return ²		+6.33%	-2.89%
Average Annual Total Return ³		+0.21%	-3.60%
Value of \$10,000 Investment ⁴		\$10,021	\$9,153
Total Annual Operating Expenses ⁵			
Without Waiver	3.52%		
With Waiver	1.67%		
Class C		1-Year	Inception (11/1/10)
Cumulative Total Return ²		+5.63%	-4.53%
Average Annual Total Return ³		+4.63%	-1.91%
Value of \$10,000 Investment ⁴		\$10,463	\$9,547
Total Annual Operating Expenses ⁵			
Without Waiver	4.27%		
With Waiver	2.42%		
Advisor Class		1-Year	Inception (11/1/10)
Cumulative Total Return ²		+6.57%	-2.30%
Average Annual Total Return ³		+6.57%	-0.96%
Value of \$10,000 Investment ⁴		\$10,657	\$9,770
Total Annual Operating Expenses ⁵			
Without Waiver	3.27%		
With Waiver	1.42%		

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

The investment manager and/or administrator have contractually agreed to waive or assume certain expenses so that common expenses (excluding Rule 12b-1 fees) for each class do not exceed 1.42% (other than certain nonroutine expenses) until 7/31/14.

Performance Summary (continued)

Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

Total return represents the change in value of an investment over the periods shown. It includes any applicable, maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged index includes reinvestment of any income or distributions. It differs from the Fund in composition and does not pay management fees or expenses. One cannot invest directly in an index.

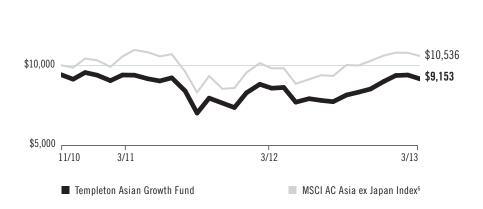
\$15,000

\$15.000

Average Annual Total Return

Class A	3/31/13
1-Year	+0.21%
Since Inception (11/1/10)	-3.60%

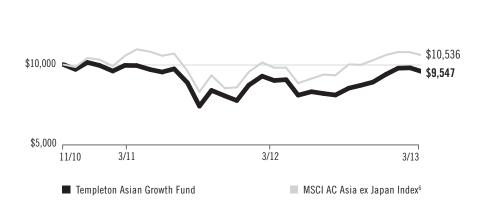
Class A (11/1/10-3/31/13)



Average Annual Total Return

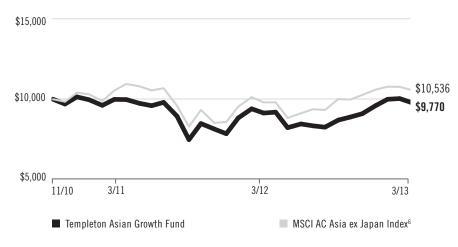
Class C	3/31/13
1-Year	+4.63%
Since Inception (11/1/10)	-1.91%

Class C (11/1/10-3/31/13)



Performance Summary (continued)

Advisor Class (11/1/10-3/31/13)



Average Annual Total Return

Advisor Class	3/31/13
1-Year	+6.57%
Since Inception (11/1/10)	-0.96%

Endnotes

All investments involve risks, including possible loss of principal. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Investments in emerging market countries involve heightened risks related to the same factors, in addition to those associated with these markets' smaller size, lesser liquidity and lack of established legal, political, business and social frameworks to support securities markets. The Fund may also experience greater volatility than a fund that is more broadly diversified geographically. Smaller company stocks have historically had more price volatility than large-company stocks, particularly over the short term. The Fund is designed for the aggressive portion of a well-diversified portfolio. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. The Fund's prospectus also includes a description of the main investment risks.

Class C: These shares have higher annual fees and expenses than Class A shares.

Advisor Class: Shares are available to certain eligible investors as described in the prospectus.

- 1. Fund investment results reflect the expense reduction, without which the results would have been lower.
- 2. Cumulative total return represents the change in value of an investment over the periods indicated.
- 3. Average annual total return represents the average annual change in value of an investment over the periods indicated
- 4. These figures represent the value of a hypothetical \$10,000 investment in the Fund over the periods indicated.
- 5. Figures are as stated in the Fund's prospectus current as of the date of this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures
- 6. Source: © 2013 Morningstar. The MSCI AC Asia ex Japan Index is a free float-adjusted, market capitalizationweighted index designed to measure equity market performance of Asia, excluding Japan.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs:

- Transaction costs, including sales charges (loads) on Fund purchases; and
- Ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses.

The following table shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The first line (Actual) for each share class listed in the table provides actual account values and expenses. The "Ending Account Value" is derived from the Fund's actual return, which includes the effect of Fund expenses.

You can estimate the expenses you paid during the period by following these steps. Of course, your account value and expenses will differ from those in this illustration:

- 1. Divide your account value by \$1,000. If an account had an \$8,600 value, then $$8,600 \div $1,000 = 8.6$.
- 2. Multiply the result by the number under the heading "Expenses Paid During Period." If Expenses Paid During Period were \$7.50, then $8.6 \times $7.50 = 64.50 .

In this illustration, the estimated expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Information in the second line (Hypothetical) for each class in the table can help you compare ongoing costs of investing in the Fund with those of other mutual funds. This information may not be used to estimate the actual ending account balance or expenses you paid during the period. The hypothetical "Ending Account Value" is based on the actual expense ratio for each class and an assumed 5% annual rate of return before expenses, which does not represent the Fund's actual return. The figure under the heading "Expenses Paid During Period" shows the hypothetical expenses your account would have incurred under this scenario. You can compare this figure with the 5% hypothetical examples that appear in shareholder reports of other funds.

Your Fund's Expenses (continued)

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transaction costs, such as sales charges. Therefore, the second line for each class is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transaction costs were included, your total costs would have been higher. Please refer to the Fund prospectus for additional information on operating expenses.

Class A	Beginning Account Value 10/1/12	Ending Account Value 3/31/13	Expenses Paid During Period* 10/1/12–3/31/13
Actual	\$1,000	\$1,116.70	\$ 8.92
Hypothetical (5% return before expenses)	\$1,000	\$1,016.50	\$ 8.50
Class C			
Actual	\$1,000	\$1,113.50	\$12.75
Hypothetical (5% return before expenses)	\$1,000	\$1,012.86	\$12.14
Advisor Class			
Actual	\$1,000	\$1,117.90	\$ 7.50
Hypothetical (5% return before expenses)	\$1,000	\$1,017.85	\$ 7.14

^{*}Expenses are calculated using the most recent six-month expense ratio, net of expense waivers, annualized for each class (A: 1.69%; C: 2.42%; and Advisor: 1.42%), multiplied by the average account value over the period, multiplied by 182/365 to reflect the one-half year period.

Financial Highlights

Templeton Asian Growth Fund

Class A		Ended Marc	
Per share operating performance	2013	2012	2011a
(for a share outstanding throughout the year)			
Net asset value, beginning of year	\$9.00	\$9.98	\$10.00
Income from investment operations ^b :			
Net investment income (loss) ^c	0.12	0.08	(0.04)
Net realized and unrealized gains (losses)	0.49	(0.94)	0.02
Total from investment operations	0.61	(0.86)	(0.02)
Less distributions from:			
Net investment income	(0.13)	(0.11)	_
Net realized gains	(0.03)	(0.01)	
Total distributions	(0.16)	(0.12)	
Net asset value, end of year	\$9.45	\$9.00	\$ 9.98
Total return ^d	6.33%	(8.48)%	(0.20)%
Ratios to average net assetse			
Expenses before waiver and payments by affiliates	3.00%	3.53%	4.22%
Expenses net of waiver and payments by affiliates	1.76%	2.00%	2.05%
Net investment income (loss)	1.32%	0.81%	(1.01)%
Supplemental data			
Net assets, end of year (000's)	\$9,895	\$8,153	\$7,052
Portfolio turnover rate	14.10%	13.05%	11.22%

^aFor the period November 1, 2010 (commencement of operations) to March 31, 2011.

The 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 shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

^cBased on average daily shares outstanding.

dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

eRatios are annualized for periods less than one year.

Financial Highlights (continued)

Templeton Asian Growth Fund

Class C	Year 2013	Ended Marc 2012	h 31, 2011ª
Per share operating performance (for a share outstanding throughout the year)	2010	2012	
Net asset value, beginning of year	\$8.96	\$9.95	\$10.00
Income from investment operations ^b :			
Net investment income (loss) ^c	0.05	(—)d	(0.07)
Net realized and unrealized gains (losses)	0.50	(0.92)	0.02
Total from investment operations	0.55	(0.92)	(0.05)
Less distributions from:			
Net investment income	(0.06)	(0.06)	_
Net realized gains	(0.03)	(0.01)	
Total distributions	(0.09)	(0.07)	
Net asset value, end of year	\$9.42	\$8.96	\$ 9.95
Total returne	5.63%	(9.16)%	(0.50)%
Ratios to average net assets ^f			
Expenses before waiver and payments by affiliates	3.75%	4.28%	5.02%
Expenses net of waiver and payments by affiliates	2.51%	2.75%	2.85%
Net investment income (loss)	0.57%	0.06%	(1.81)%
Supplemental data			
Net assets, end of year (000's)	\$2,075	\$1,769	\$1,140
Portfolio turnover rate	14.10%	13.05%	11.22%

^aFor the period November 1, 2010 (commencement of operations) to March 31, 2011.

bThe 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 shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

^cBased on average daily shares outstanding.

dAmount rounds to less than \$0.01 per share.

eTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

fRatios are annualized for periods less than one year.

Financial Highlights (continued)

Templeton Asian Growth Fund

Advisor Class	Year 2013	Ended Marc	ch 31, 2011 ^a
Per share operating performance (for a share outstanding throughout the year)	2013	2012	2011
Net asset value, beginning of year	\$9.01	\$9.99	\$10.00
Income from investment operations ^b :			
Net investment income (loss) ^c	0.14	0.07	(0.03)
Net realized and unrealized gains (losses)	0.49	(0.91)	0.02
Total from investment operations	0.63	(0.84)	(0.01)
Less distributions from:			
Net investment income	(0.15)	(0.13)	_
Net realized gains	(0.03)	(0.01)	
Total distributions	(0.18)	(0.14)	
Net asset value, end of year	\$9.46	\$9.01	\$ 9.99
Total return ^d	6.57%	(8.24)%	(0.10)%
Ratios to average net assetse			
Expenses before waiver and payments by affiliates	2.75%	3.28%	4.02%
Expenses net of waiver and payments by affiliates	1.51%	1.75%	1.85%
Net investment income (loss)	1.57%	1.06%	(0.81)%
Supplemental data			
Net assets, end of year (000's)	\$830	\$1,098	\$1,001
Portfolio turnover rate	14.10%	13.05%	11.22%

^aFor the period November 1, 2010 (commencement of operations) to March 31, 2011.

bThe 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 shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

^cBased on average daily shares outstanding.

dTotal return is not annualized for periods less than one year.

eRatios are annualized for periods less than one year.

Statement of Investments, March 31, 2013

Templeton Asian Growth Fund	Industry	Shares	Value
Common Stocks 97.3%			
China 34.3%	Matala & Mining	1 266 000	¢ 400.953
^a Aluminum Corp. of China Ltd., H	Metals & Mining Energy Equipment & Services	1,266,000 2,450,296	\$ 490,853 441,873
^a Brilliance China Automotive Holdings Ltd	Automobiles	376,000	441,706
China Merchants Bank Co. Ltd., H	Commercial Banks	190,500	403,411
China Vanadium Titano-Magnetite Mining Co.	commonda Danne	130,000	.00, .22
Ltd	Metals & Mining	2,589,000	596,947
CNOOC Ltd	Oil, Gas & Consumable Fuels	163,000	312,842
Guangzhou Automobile Group Co. Ltd., H	Automobiles	232,000	197,533
Inner Mongolia Yitai Coal Co. Ltd., B	Oil, Gas & Consumable Fuels	79,000	450,379
PetroChina Co. Ltd., H	Oil, Gas & Consumable Fuels	360,000	472,992
Shenzhen Chiwan Wharf Holdings Ltd., B	Transportation Infrastructure	350,000	582,480
			4,391,016
Hong Kong 5.8%			
Dairy Farm International Holdings Ltd	Food & Staples Retailing	36,900	446,490
VTech Holdings Ltd	Communications Equipment	24,000	293,224
			739,714
India 9.6%			
Infosys Ltd., ADR	IT Services	7,136	384,702
^b Reliance Industries Ltd., GDR, 144A	Oil, Gas & Consumable Fuels	16,070	457,272
Tata Steel Ltd., GDR	Metals & Mining	67,351	386,258
			1,228,232
Indonesia 11.3%			
PT Astra International Tbk	Automobiles	622,000	505,665
PT Bank Danamon Indonesia Tbk	Commercial Banks	714,988	474,574
PT United Tractors Tbk	Machinery	251,121	470,327
			1,450,566
Pakistan 8.6%			
^a Faysal Bank Ltd	Commercial Banks	2,593,465	231,555
MCB Bank Ltd.	Commercial Banks	266,405	511,406
Oil & Gas Development Co. Ltd	Oil, Gas & Consumable Fuels	173,278	359,052
			1,102,013
Singapore 3.7%			
SembCorp Marine Ltd	Machinery	133,000	474,885
South Korea 4.4%			
Hyundai Development Co	Construction & Engineering	24,520	565,922
Taiwan 2.1%			
Tainan Enterprises Co. Ltd	Textiles, Apparel & Luxury Goods	248,300	266,407

Statement of Investments, March 31, 2013 (continued)

Templeton Asian Growth Fund	Industry	Shares	Value
Common Stocks (continued)			
Thailand 17.5%			
Kiatnakin Bank PCL, fgn	Commercial Banks	207,300	\$ 488,348
Land and Houses PCL, fgn	Real Estate Management & Development	1,237,200	553,340
PTT Exploration and Production PCL, fgn	Oil, Gas & Consumable Fuels	59,700	301,659
PTT PCL, fgn	Oil, Gas & Consumable Fuels	24,000	267,122
Siam Commercial Bank PCL, fgn	Commercial Banks	42,600	261,796
Univanich Palm Oil PCL, fgn	Food Products	98,500	369,921
			2,242,186
Total Common Stocks			
(Cost \$13,105,852)			12,460,941
Other Assets, less Liabilities 2.7%			339,318
Net Assets 100.0%			\$12,800,259

See Abbreviations on page 31.

^aNon-income producing.

bSecurity was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. This security has been deemed liquid under guidelines approved by the Trust's Board of Trustees. At March 31, 2013, the value of this security was \$457,272, representing 3.57% of net assets.

Financial Statements

Statement of Assets and Liabilities

March 31, 2013

	Templeton Asian Growth Fund
Assets:	
Investments in securities:	¢12 10E 0E0
Cost	\$13,105,852
ValueCash	\$12,460,941
Receivables:	520,790
Capital shares sold	48,715
Dividends	43,951
Affiliates	4,566
Total assets	13,078,963
Liabilities:	
Payables:	
Capital shares redeemed	250,798
Deferred tax	7,222
Accrued expenses and other liabilities	20,684
Total liabilities	278,704
Net assets, at value	\$12,800,259
Net assets consist of:	
Paid-in capital	\$13,315,247
Net unrealized appreciation (depreciation)	(652,029)
Accumulated net realized gain (loss)	137,041
Net assets, at value	\$12,800,259
Class A:	4.0.004.660
Net assets, at value	\$ 9,894,662
Shares outstanding	1,046,725
Net asset value per share ^a	\$9.45
Maximum offering price per share (net asset value per share ÷ 94.25%)	\$10.03
Class C:	
Net assets, at value	\$ 2,075,190
Shares outstanding	220,401
Net asset value and maximum offering price per share ^a	\$9.42
Advisor Class:	
Net assets, at value	\$ 830,407
Shares outstanding	87,743
Net asset value and maximum offering price per share	\$9.46

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

Financial Statements (continued)

Statement of Operations

for the period ended March 31, 2013

	Templeton Asian Growth Fund
Investment income:	
Dividends (net of foreign taxes of \$31,333)	\$330,169
Expenses:	
Management fees (Note 3a)	117,734
Administrative fees (Note 3b)	21,406
Distribution fees: (Note 3c)	
Class A	20,532
Class C	18,057
Transfer agent fees (Note 3e)	23,113
Custodian fees (Note 4).	5,644
Reports to shareholders	19,745
Registration and filing fees	45,276 49,364
Other	12,067
Total expenses	332,938
Expenses waived/paid by affiliates (Note 3f)	(132,697)
Net expenses	200,241
Net investment income	129,928
Realized and unrealized gains (losses): Net realized gain (loss) from:	
Investments	147,931
Foreign currency transactions	(11,291)
Net realized gain (loss)	136,640
Net change in unrealized appreciation (depreciation) on:	
Investments	365,060
Translation of other assets and liabilities denominated in foreign currencies	497
Change in deferred taxes on unrealized appreciation	364
Net change in unrealized appreciation (depreciation)	365,921
Net realized and unrealized gain (loss)	502,561
Net increase (decrease) in net assets resulting from operations	\$632,489

Financial Statements (continued)

Statements of Changes in Net Assets

	Templeton Asia	n Growth Fund
		March 31,
Increase (decrease) in net assets: Operations:	2013	2012
Net investment income Net realized gain (loss) from investments and foreign currency transactions Net change in unrealized appreciation (depreciation) on investments, translation of other assets and liabilities denominated in foreign currencies and deferred taxes	\$ 129,928 136,640 365,921	\$ 70,133 33,429 (1,079,305)
Net increase (decrease) in net assets resulting from operations	632,489	(975,743)
Distributions to shareholders from: Net investment income:		
Class A	(110,044)	(80,813)
Class C	(10,717)	(9,927)
Advisor Class	(13,504)	(15,584)
Class A	(29,409)	(10,405)
Class C	(6,538)	(2,386)
Advisor Class	(3,089)	(1,669)
Total distributions to shareholders	(173,301)	(120,784)
Capital share transactions: (Note 2)		
Class A	1,395,280	2,024,561
Class C	237,597	769,994
Advisor Class	(311,655)	128,467
Total capital share transactions	1,321,222	2,923,022
Net increase (decrease) in net assets	1,780,410	1,826,495
Beginning of year	11,019,849	9,193,354
End of year	\$12,800,259	\$11,019,849
Undistributed net investment income included in net assets:		
End of year		\$ 4,778

Notes to Financial Statements

Templeton Asian Growth Fund

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Templeton Global Investment Trust (Trust) is registered under the Investment Company Act of 1940, as amended, (1940 Act) as an open-end investment company, consisting of six separate funds. The Templeton Asian Growth Fund (Fund) is included in this report. The financial statements of the remaining funds in the Trust are presented separately. The Fund offers three classes of shares: Class A, Class C, and Advisor Class. Effective May 1, 2013, the Fund began offering a new class of shares, Class R6. Each class of shares differs by its initial sales load, contingent deferred sales charges, voting rights on matters affecting a single class, its exchange privilege and fees primarily due to differing arrangements for distribution and transfer agent fees.

The following summarizes the Fund's significant accounting policies.

a. Financial Instrument Valuation

The Fund's 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. Under procedures approved by the Trust's Board of Trustees (the Board), the Fund's administrator, investment manager and other affiliates have formed the Valuation and Liquidity Oversight Committee (VLOC). The VLOC provides administration and oversight of the Fund's valuation policies and procedures, which are approved annually by the Board. Among other things, these procedures allow the Fund to 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 the NYSE, whichever is earlier. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at the close of the NYSE 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.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the VLOC convenes on a regular basis to review such financial instruments and considers a number of factors, including significant unobservable valuation inputs, when arriving at fair value. The VLOC primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may

Notes to Financial Statements (continued)

Templeton Asian Growth Fund

- 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
- a. Financial Instrument Valuation (continued)

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. The VLOC employs various methods for calibrating these valuation approaches including a regular review of key inputs and assumptions, transactional back-testing or disposition analysis, and reviews of any related market activity.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before the daily close of business on the NYSE. Occasionally, events occur between the time at which trading in a foreign security is completed and the close of the NYSE 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 Fund's portfolio securities as determined at the foreign market close and the latest indications of value at the close of the NYSE. In order to minimize the potential for these differences, the VLOC monitors price movements following the close of trading in foreign stock markets through a series of country specific market proxies (such as baskets of American Depositary Receipts, futures contracts and exchange traded funds). These price movements are measured against established trigger thresholds for each specific market proxy to assist in determining if an event has occurred that may call into question the reliability of the values of the foreign securities held by the Fund. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent pricing services.

In addition, certain foreign markets may be open on days that the NYSE is closed, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day of the reporting period. Any significant security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes. The Fund's financial statements have been adjusted to reflect investment values as of March 31, 2013.

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 Fund 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.

Notes to Financial Statements (continued)

Templeton Asian Growth Fund

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Foreign Currency Translation (continued)

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 Fund does 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 on the Statement 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. Income and Deferred Taxes

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its 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 Fund 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 it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

The Fund recognizes the tax benefits of uncertain tax positions only when the position is "more likely than not" to be sustained upon examination by the tax authorities based on the technical merits of the tax position. As of March 31, 2013, and for all open tax years, the Fund has determined that no liability for unrecognized tax benefits is required in the Fund's financial statements related to uncertain tax positions taken on a tax return (or expected to be taken on future tax returns). Open tax years are those that remain subject to examination and are based on each tax jurisdiction statute of limitation.

Notes to Financial Statements (continued)

Templeton Asian Growth Fund

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

d. 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. Estimated expenses are accrued daily. Dividend income is recorded on the ex-dividend date except that certain dividends from foreign securities are recognized as soon as the Fund is notified of the ex-dividend date. Distributions to shareholders are recorded on the ex-dividend date and are determined according to income tax regulations (tax basis). Distributable earnings determined on a tax basis may differ from earnings recorded in accordance with accounting principles generally accepted in the United States of America. 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. Fund specific expenses are charged directly to the fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, not including 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.

e. Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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.

f. 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 Fund, 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.

Notes to Financial Statements (continued)

Templeton Asian Growth Fund

2. SHARES OF BENEFICIAL INTEREST

At March 31, 2013, there were an unlimited number of shares authorized (\$0.01 par value). Transactions in the Fund's shares were as follows:

1	Year Ended March 31,			
	20	13	2012	
_	Shares	Amount	Shares	Amount
Class A Shares:				
Shares sold	377,785	\$ 3,432,698	554,291	\$ 5,018,477
Shares issued in reinvestment of				
distributions	8,743	78,247	5,687	46,179
Shares redeemed	(245,959)	(2,115,665)	(360,298)	(3,040,095)
Net increase (decrease)	140,569	\$ 1,395,280	199,680	\$ 2,024,561
Class C Shares:				_
Shares sold	133,923	\$ 1,195,078	138,538	\$ 1,250,304
Shares issued in reinvestment of				
distributions	1,930	17,255	1,491	12,088
Shares redeemed	(112,924)	(974,736)	(57,143)	(492,398)
Net increase (decrease)	22,929	\$ 237,597	82,886	\$ 769,994
Advisor Class Shares:				
Shares sold	20,532	\$ 184,632	91,247	\$ 800,934
Shares issued in reinvestment of				
distributions	1,630	14,604	1,992	16,192
Shares redeemed	(56,325)	(510,891)	(71,560)	(688,659)
Net increase (decrease)	(34,163)	\$ (311,655)	21,679	\$ 128,467

3. TRANSACTIONS WITH AFFILIATES

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

Subsidiary	Affiliation
Templeton Asset Management Ltd. (TAML)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Templeton Distributors, Inc. (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

Notes to Financial Statements (continued)

Templeton Asian Growth Fund

3. Transactions with Affiliates (continued)

a. Management Fees

The Fund pays an investment management fee to TAML based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
1.100%	Up to and including \$1 billion
1.050%	Over \$1 billion, up to and including \$5 billion
1.000%	Over \$5 billion, up to and including \$10 billion
0.950%	Over \$10 billion, up to and including \$15 billion
0.900%	Over \$15 billion, up to and including \$20 billion
0.850%	In excess of \$20 billion

b. Administrative Fees

The Fund pays an administrative fee to FT Services of 0.20% per year of the average daily net assets of the Fund.

On February 26, 2013, the Board approved the proposal to combine the Fund's investment management and administration agreements. The fees to be paid under the new combined agreement will not exceed the aggregate fees that would have been paid under the separate agreements. The new agreement went into effect on May 1, 2013.

c. Distribution Fees

The Board has adopted distribution plans for each share class, with the exception of Advisor Class shares, pursuant to Rule 12b-1 under the 1940 Act. Distribution fees are not charged on shares held by affiliates. Under the Fund's Class A reimbursement distribution plan, the Fund reimburses Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to the maximum annual plan rate. Under the Class A reimbursement distribution plan, costs exceeding the maximum for the current plan year cannot be reimbursed in subsequent periods. In addition, under the Fund's Class C compensation distribution plan, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to the maximum annual plan rate.

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

Class A	 0.30%
Class C	 1.00%

Notes to Financial Statements (continued)

Templeton Asian Growth Fund

3. Transactions with Affiliates (continued)

d. Sales Charges/Underwriting Agreements

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Fund. 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 Fund of the following commission transactions related to the sales and redemptions of the Fund's shares for the year:

Sales charges retained net of commissions	
paid to unaffiliated broker/dealers	\$7,262
CDSC retained	\$ 803

e. Transfer Agent Fees

Each class of shares, except for the R6 share class, pays transfer agent fees to Investor Services for its performance of shareholder servicing obligations and reimburses Investor Services for out of pocket expenses incurred, including shareholding servicing fees paid to third parties. These fees are allocated daily to such classes based upon the relative proportion of net assets. The R6 share class pays Investor Services transfer agent fees specific to that class.

For the year ended March 31, 2013, the Fund paid transfer agent fees of \$23,113, of which \$14,002 was retained by Investor Services.

f. Waiver and Expense Reimbursements

TAML and FT Services have contractually agreed in advance to waive or limit their respective fees and to assume as their own expense certain expenses otherwise payable by the Fund so that the expenses (excluding distribution fees, and acquired fund fees and expenses) for Class A, Class C and Advisor Class of the Fund do not exceed 1.42%, and Class R6 does not exceed 1.20% (other than certain non-routine expenses or costs, including those relating to litigation, indemnification, reorganizations, and liquidations) until July 31, 2014. Prior to August 1, 2012, expenses were limited to 1.70%.

g. Other Affiliated Transactions

At March 31, 2013, Franklin Advisors Inc., (an affiliate of the investment manager) owned 27.48% of the Fund's outstanding shares.

4. EXPENSE OFFSET ARRANGEMENT

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended March 31, 2013, there were no credits earned.

Notes to Financial Statements (continued)

Templeton Asian Growth Fund

5. INCOME TAXES

The tax character of distributions paid during the years ended March 31, 2013 and 2012 was as follows:

	2013	2012
Distributions paid from:		
Ordinary income	\$132,665	\$120,784
Long term capital gain	40,636	
	\$173,301	\$120,784

At March 31, 2013, the cost of investments, net unrealized appreciation (depreciation) and undistributed long term capital gains for income tax purposes were as follows:

Cost of investments	\$13,172,550
Unrealized appreciation	
Unrealized depreciation	(1,864,140) \$ (711,609)
Distributable earnings - undistributed long term capital gains	\$ 203,738

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.

6. INVESTMENT TRANSACTIONS

Purchases and sales of investments (excluding short term securities) for the year ended March 31, 2013, aggregated \$2,462,489 and \$1,483,656, respectively.

7. CONCENTRATION OF RISK

Investing in foreign securities may include certain risks and considerations not typically associated with investing in U.S. securities, such as fluctuating currency values and changing local and regional economic, political and social conditions, which may result in greater market volatility. In addition, certain foreign securities may not be as liquid as U.S. securities.

Notes to Financial Statements (continued)

Templeton Asian Growth Fund

8. CREDIT FACILITY

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton Investments, are borrowers in a joint syndicated senior unsecured credit facility totaling \$1.5 billion (Global Credit Facility) which matures on January 17, 2014. 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 Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.07% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses on the Statement of Operations. During the year ended March 31, 2013, the Fund did not use the Global Credit Facility.

9. FAIR VALUE MEASUREMENTS

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

The inputs or methodology used for valuing financial instruments are not an indication of the risk associated with investing in those financial instruments.

For movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing the transfers as of the date of the underlying event which caused the movement.

At March 31, 2013, all of the Fund's investments in financial instruments carried at fair value were valued using Level 1 inputs. For detailed categories, see the accompanying Statement of Investments.

Notes to Financial Statements (continued)

Templeton Asian Growth Fund

10. New Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities. The amendments in the ASU enhance disclosures about offsetting of financial assets and liabilities to enable investors to understand the effect of these arrangements on a fund's financial position. In January 2013, FASB issued ASU No. 2013-01, Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities. The amendments in ASU No. 2013-01 clarify the intended scope of disclosures required by ASU No. 2011-11. These ASUs are effective for interim and annual reporting periods beginning on or after January 1, 2013. The Fund believes the adoption of these ASUs will not have a material impact on its financial statements.

11. Subsequent Events

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure other than those already disclosed in the financial statements.

ABBREVIATIONS

Selected Portfolio

ADR - American Depositary Receipt GDR - Global Depositary Receipt

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of Templeton Asian Growth Fund

In our opinion, the accompanying statement of assets and liabilities, including the statement of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Templeton Asian Growth Fund (the "Fund") at March 31, 2013, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at March 31, 2013 by correspondence with the custodian, transfer agent and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

San Francisco, California May 22, 2013

Tax Information (unaudited)

Templeton Asian Growth Fund

Under Section 852(b)(3)(C) of the Internal Revenue Code (Code), the Fund hereby reports the maximum amount allowable but no less than \$40,636 as a long term capital gain dividend for the fiscal year ended March 31, 2013.

Under Section 871(k)(2)(C) of the Code, the Fund hereby reports the maximum amount allowable but no less than \$9,191 as a short term capital gain dividend for purposes of the tax imposed under Section 871(a)(1)(A) of the Code for the fiscal year ended March 31, 2013.

Under Section 854(b)(1)(B) of the Code, the Fund hereby reports the maximum amount allowable but no less than \$177,250 as qualified dividends for purposes of the maximum rate under Section 1(h)(11) of the Code for the fiscal year ended March 31, 2013. Distributions, including qualified dividend income, paid during calendar year 2013 will be reported to shareholders on Form 1099-DIV by mid-February 2014. Shareholders are advised to check with their tax advisors for information on the treatment of these amounts on their individual income tax returns.

At March 31, 2012, more than 50% of the Fund's total assets were invested in securities of foreign issuers. In most instances, foreign taxes were withheld from income paid to the Fund on these investments. As shown in the table below, the Fund hereby reports to shareholders the foreign source income and foreign taxes paid, pursuant to Section 853 of the Code. This written statement will allow shareholders of record on December 7, 2012, to treat their proportionate share of foreign taxes paid by the Fund as having been paid directly by them. The shareholder shall consider these amounts as foreign taxes paid in the tax year in which they receive the Fund distribution.

The following table provides a detailed analysis of foreign tax paid, and foreign source income, and foreign qualified dividends as reported by the Fund, to Class A, Class C and Advisor Class shareholders of record.

Class	Foreign Tax Paid Per Share		Foreign Qualified Dividends Per Share
Class A	\$0.0262	\$0.1406	\$0.0810
Class C	\$0.0262	\$0.0875	\$0.0505
Advisor Class	\$0.0262	\$0.1619	\$0.0934

Foreign Tax Paid Per Share (Column 1) is the amount per share available to you, as a tax credit (assuming you held your shares in the Fund for a minimum of 16 days during the 31-day period beginning 15 days before the ex-dividend date of the Fund's distribution to which the foreign taxes relate), or, as a tax deduction.

Tax Information (unaudited) (continued)

Templeton Asian Growth Fund

Foreign Source Income Per Share (Column 2) is the amount per share of income dividends attributable to foreign securities held by the Fund, plus any foreign taxes withheld on these dividends. The amounts reported include foreign source qualified dividends that have not been adjusted for the rate differential applicable to such dividend income.¹

Foreign Qualified Dividends Per Share (Column 3) is the amount per share of foreign source qualified dividends, plus any foreign taxes withheld on these dividends. These amounts represent the portion of the Foreign Source Income reported to you in column 2 that were derived from qualified foreign securities held by the Fund.¹

By mid-February 2013, shareholders received Form 1099-DIV which included their share of taxes paid and foreign source income distributed during the calendar year 2012. The Foreign Source Income reported on Form 1099-DIV has not been adjusted for the rate differential on foreign source qualified dividend income. Shareholders are advised to check with their tax advisors for information on the treatment of these amounts on their 2012 individual income tax returns.

Qualified dividends are taxed at reduced long term capital gains tax rates. In determining the amount of foreign tax credit that may be applied against the U.S. tax liability of individuals receiving foreign source qualified dividends, adjustments may be required to the foreign tax credit limitation calculation to reflect the rate differential applicable to such dividend income. The rules however permit certain individuals to elect not to apply the rate differential adjustments for capital gains and/or dividends for any taxable year. Please consult your tax advisor and the instructions to Form 1116 for more information.

Board Members and Officers

The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Trust, principal occupations during at least the past five years and number of U.S. registered portfolios overseen in the Franklin Templeton Investments fund complex are shown below. Generally, each board member serves until that person's successor is elected and qualified.

Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Harris J. Ashton (1932) 300 S.E. 2nd Street	Trustee	Since 1994	135	Bar-S Foods (meat packing company) (1981-2010).
Fort Lauderdale, FL 33301-1923				(1361 2616).

Principal Occupation During at Least the Past 5 Years:

Director of various companies; and formerly, Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).).

Ann Torre Bates (1958)	Trustee	Since 2008	36	SLM Corporation (Sallie Mae), Ares
300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923				Capital Corporation (specialty finance company) and Allied Capital
,				Corporation (financial services)
				(2003-2010)

Principal Occupation During at Least the Past 5 Years:

Independent strategic and financial consultant; and formerly, Executive Vice President and Chief Financial Officer, NHP Incorporated (manager of multifamily housing) (1995-1997); and Vice President and Treasurer, US Airways, Inc. (until 1995).

Frank J. Crothers (1944)	Trustee	Since 2001	26	Talon Metals Corp. (mining exploration),
300 S.E. 2nd Street				Fortis, Inc. (utility holding company)
Fort Lauderdale, FL 33301-1923				and AML Foods Limited (retail
				distributors).

Principal Occupation During at Least the Past 5 Years:

Director and Vice Chairman, Caribbean Utilities Company, Ltd.; director of various other private business and nonprofit organizations; and formerly, Chairman, Atlantic Equipment and Power Ltd. (1977-2003).

Edith E. Holiday (1952)	Lead	Trustee since	135	Hess Corporation (exploration and
300 S.E. 2nd Street	Independent	1996 and Lead		refining of oil and gas), H.J. Heinz
Fort Lauderdale, FL 33301-1923	Trustee	Independent		Company (processed foods and allied
		Trustee since 2007		products), RTI International Metals,
				Inc. (manufacture and distribution of
				titanium), Canadian National Railway
				(railroad) and White Mountains
				Insurance Group, Ltd. (holding
Principal Occupation During at I	Loast the Past 5	Voores		company).

Principal Occupation During at Least the Past 5 Years:

Director or Trustee of various companies and trusts; and formerly, Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison - United States Treasury Department (1988-1989).

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
J. Michael Luttig (1954)	Trustee	Since 2009	135	Boeing Capital Corporation (aircraft
300 S.E. 2nd Street				financing).
Fort Lauderdale, FL 33301-1923				

Principal Occupation During at Least the Past 5 Years:

Executive Vice President, General Counsel and member of Executive Council, The Boeing Company; and formerly, Federal Appeals Court Judge, U.S. Court of Appeals for the Fourth Circuit (1991-2006).

David W. Niemiec (1949)	Trustee	Since 2006	33	Emeritus Corporation (assisted living)
300 S.E. 2nd Street				(1999-2010) and OSI Pharmaceuticals,
Fort Lauderdale, FL 33301-1923				Inc. (pharmaceutical products)
				(2006-2010).

Principal Occupation During at Least the Past 5 Years:

Advisor, Saratoga Partners (private equity fund); and formerly, Managing Director, Saratoga Partners (1998-2001) and SBC Warburg Dillon Read (investment banking) (1997-1998); Vice Chairman, Dillon, Read & Co. Inc. (investment banking) (1991-1997); and Chief Financial Officer, Dillon, Read & Co. Inc. (1982-1997).

Frank A. Olson (1932)	Trustee	Since 2003	135	Hess Corporation (exploration and
300 S.E. 2nd Street				refining of oil and gas).
Fort Lauderdale, FL 33301-1923	3			

Principal Occupation During at Least the Past 5 Years:

Chairman Emeritus, The Hertz Corporation (car rental) (since 2000) (Chairman of the Board (1980-2000) and Chief Executive Officer (1977-1999)); and formerly, Chairman of the Board, President and Chief Executive Officer, UAL Corporation (airlines).

Larry D. Thompson (1945) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee	Since 2006	145	Cbeyond, Inc. (business communications provider), The Southern Company (energy company) (2010-2012) and The Washington Post Company (education and
				media organization)

Principal Occupation During at Least the Past 5 Years:

Executive Vice President - Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (June 2012); and formerly, John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2011-2012); Senior Vice President - Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).

Constantine D. Tseretopoulos	Trustee	Since 2001	26	None
(1954)				
300 S.E. 2nd Street				

Principal Occupation During at Least the Past 5 Years:

Fort Lauderdale, FL 33301-1923

Physician, Chief of Staff, owner and operator of the Lyford Cay Hospital (1987-present); director of various nonprofit organizations; and formerly, Cardiology Fellow, University of Maryland (1985-1987); and Internal Medicine Resident, Greater Baltimore Medical Center (1982-1985).

Robert E. Wade (1946)	Trustee	Since 2006	43	El Oro Ltd (investments).	
300 S.E. 2nd Street					
Fort Lauderdale, FL 33301-192	3				
Principal Occupation During at Least the Past 5 Years:					

Attorney at law engaged in private practice (1972-2008) and member of various boards.

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
**Charles B. Johnson (1933) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Trustee, Chairman of the Board and Vice President	Trustee and Vice President since 1994 and Chairman of the Board since 1995	135	None

Principal Occupation During at Least the Past 5 Years:

Chairman of the Board, Member - Office of the Chairman and Director, Franklin Resources, Inc.; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 42 of the investment companies in Franklin Templeton Investments.

**Gregory E. Johnson (1961)	Trustee	Since 2006	95	None
One Franklin Parkway				

San Mateo, CA 94403-1906

Principal Occupation During at Least the Past 5 Years:

Director, President and Chief Executive Officer, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 34 of the investment companies in Franklin Templeton Investments; and Chairman, Investment Company Institute.

Alison E. Baur (1964)	Vice President	Since 2012	Not Applicable	Not Applicable
One Franklin Parkway				
San Mateo, CA 94403-1906				

Principal Occupation During at Least the Past 5 Years:

Deputy General Counsel, Franklin Templeton Investments; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 47 of the investment companies in Franklin Templeton Investments.

Norman J. Boersma (1957) Lyford Cay	President and Chief Executive	Since July 2012	Not Applicable	Not Applicable
Nassau, Bahamas	Officer -			
	Investment			
	Management			

Principal Occupation During at Least the Past 5 Years:

Director, President and Chief Executive Officer, Templeton Global Advisors Ltd.; Executive Vice President/Director of Research, Franklin Templeton Investment Corp.; Chief Investment Officer of Templeton Global Equity Group; and officer of six of the investment companies in Franklin Templeton Investments.

Laura F. Fergerson (1962) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive	Since 2009	Not Applicable	Not Applicable
San Maleo, CA 94403-1906	Officer – Finance and Administration			

Principal Occupation During at Least the Past 5 Years:

Senior Vice President Franklin Templeton Services LLC and officer of 47 of the investment companies in Franklin Templeton Investments

Senior vice President, Franklin	rempieton Service	s, LLC; and one	cer of 47 of the investment co	ompanies in Franklin Templeton Investments	ó.
Aliya S. Gordon (1973)	Vice President	Since 2009	Not Applicable	Not Applicable	
One Franklin Parkway					
San Mateo, CA 94403-1906					

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton Investments; officer of 46 of the investment companies in Franklin Templeton Investments; and formerly, Litigation Associate, Steefel, Levitt & Weiss, LLP (2000-2004).

Name, Year of Birth and Address	Position	Length of	·	Other Directorships Held During at Least the Past 5 Years
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Steven J. Gray (1955) Vice President Since 2009 Not Applicable Not Applicable

One Franklin Parkway San Mateo, CA 94403-1906

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton Investments; Vice President, Franklin Templeton Distributors, Inc.; and officer of 47 of the investment companies in Franklin Templeton Investments.

Selena L. Holmes (1965) Vice President Since 2012 Not Applicable Not Applicable

100 Fountain Parkway - AML St. Petersburg, FL 33716-1205 Compliance

Principal Occupation During at Least the Past 5 Years:

Director, Global Compliance Monitoring; and officer of 47 of the investment companies in Franklin Templeton Investments.

Rupert H. Johnson, Jr. (1940) Vice President Since 1996 Not Applicable Not Applicable

One Franklin Parkway San Mateo, CA 94403-1906

Principal Occupation During at Least the Past 5 Years:

Vice Chairman, Member - Office of the Chairman and Director, Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; Senior Vice President, Franklin Advisory Services, LLC; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 25 of the investment companies in Franklin Templeton Investments.

Vice President Since March 2013 Not Applicable Not Applicable Kimberly H. Novotny (1972)

300 S.E. 2nd Street

Fort Lauderdale, FL 33301-1923

Principal Occupation During at Least the Past 5 Years:

Senior Corporate Counsel, Franklin Templeton Investments; Vice President, Fiduciary Trust International of the South and Templeton Investment Counsel, LLC; Assistant Secretary, Franklin Resources, Inc.; and officer of 47 of the investment companies in Franklin Templeton Investments.

Mark H. Otani (1968)	Treasurer,	Since 2009	Not Applicable	Not Applicable
One Franklin Parkway	Chief Financial			
San Mateo, CA 94403-1906	Officer and			
	Chief			
	Accounting			
	Officer			

Principal Occupation During at Least the Past 5 Years:

Director, Global Fund Accounting Operations, Franklin Templeton Investments; and officer of 14 of the investment companies in Franklin Templeton Investments.

Robert C. Rosselot (1960) Chief Since March 2013 Not Applicable Not Applicable

300 S.E. 2nd Street Compliance Fort Lauderdale, FL 33301-1923 Officer

Principal Occupation During at Least the Past 5 Years:

Director, Global Compliance, Franklin Templeton Investments; Vice President, Secretary and Trust Officer, Fiduciary Trust International of the South; and officer of 47 of the investment companies in Franklin Templeton Investments.

Karen L. Skidmore (1952) Vice President Since 2009 Not Applicable Not Applicable

One Franklin Parkway San Mateo, CA 94403-1906

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton Investments; and officer of 47 of the investment companies in Franklin Templeton Investments.

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Craig S. Tyle (1960)	Vice President	Since 2005	Not Applicable	Not Applicable

One Franklin Parkway San Mateo, CA 94403-1906

Principal Occupation During at Least the Past 5 Years:

General Counsel and Executive Vice President, Franklin Resources, Inc.; officer of some of the other subsidiaries of Franklin Resources, Inc. and of 47 of the investment companies in Franklin Templeton Investments; and formerly, Partner, Shearman & Sterling, LLP (2004-2005); and General Counsel, Investment Company Institute (ICI) (1997-2004).

Lori A. Weber (1964) 300 S.E. 2nd Street	,	Secretary since March 2013 and	Not Applicable	Not Applicable	
Fort Lauderdale, FL 33301-1923		Vice President since 2011			

Principal Occupation During at Least the Past 5 Years:

Senior Associate General Counsel, Franklin Templeton Investments; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; and officer of 45 of the investment companies in Franklin Templeton Investments.

Note 1: Charles B. Johnson and Rupert H. Johnson, Jr. are brothers and the father and uncle, respectively, of Gregory E. Johnson.

Note 2: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the U.S. Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated each of Ann Torre Bates and David W. Niemiec as an audit committee financial expert. The Board believes that Ms. Bates and Mr. Niemiec qualify as such an expert in view of their extensive business background and experience. Ms. Bates has served as a member of the Fund Audit Committee since 2008. She currently serves as a director of SLM Corporation and Ares Capital Corporation and was formerly a director of Allied Capital Corporation from 2003 to 2010, Executive Vice President and Chief Financial Officer of NHP Incorporated and Vice President and Treasurer of US Airways, Inc. Mr. Niemiec has served as a member of the Fund Audit Committee since 2006, currently serves as an Advisor to Saratoga Partners and was formerly its Managing Director from 1998 to 2001. Mr. Niemiec is formerly a director of Emeritus Corporation from 1999 to 2010 and OSI Pharmaceuticals, Inc. from 2006 to 2010, Managing Director of SBC Warburg Dillon Read from 1997 to 1998, and was Vice Chairman from 1991 to 1997 and Chief Financial Officer from 1982 to 1997 of Dillon, Read & Co. Inc. As a result of such background and experience, the Board believes that Ms. Bates and Mr. Niemiec have each acquired an understanding of generally accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Ms. Bates and Mr. Niemiec are independent Board members as that term is defined under the applicable U.S. Securities and Exchange Commission Rules and Releases or the listing standards applicable to the Fund.

The Statement of Additional Information (SAI) includes additional information about the board members and is available, without charge, upon request. Shareholders may call (800) DIAL BEN/342-5236 to request the SAI.

^{*}We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton Investments fund complex. These portfolios have a common investment manager or affiliated investment managers.

^{**}Charles B. Johnson is considered to be an interested person of the Trust under the federal securities laws due to his position as officer and director and major shareholder of Franklin Resources, Inc. (Resources), which is the parent company of the Trust's investment manager and distributor. Gregory E. Johnson is considered to be an interested person of the Fund under the federal securities laws due to his position as officer and director of Resources.

Shareholder Information

Templeton Asian Growth Fund

Board Review of Investment Management Agreement

At a meeting held February 26, 2013, the Board of Trustees (Board), including a majority of noninterested or independent Trustees, approved renewal of the investment management agreements for each of the separate funds within Templeton Global Investment Trust, including Templeton Asian Growth Fund (Fund(s)). In reaching this decision, the Board took into account information furnished throughout the year at regular Board meetings, as well as information prepared specifically in connection with the annual renewal review process. Information furnished and discussed throughout the year included investment performance reports and related financial information for each Fund, along with periodic reports on expenses, shareholder services, legal and compliance matters, pricing, brokerage commissions and execution and other services provided by the Investment Manager (Manager) and its affiliates, as well as a third-party survey of transfer agent fees charged funds within the Franklin Templeton Investments complex in comparison with those charged other fund complexes deemed comparable. Information furnished specifically in connection with the renewal process included a report for each Fund prepared by Lipper, Inc. (Lipper), an independent organization, as well as additional material, including a Fund profitability analysis prepared by management. The Lipper reports compared each Fund's investment performance and expenses with those of other mutual funds deemed comparable to the Fund as selected by Lipper. The Fund profitability analysis discussed the profitability to Franklin Templeton Investments from its overall U.S. fund operations, as well as on an individual fund-by-fund basis. Additional material accompanying such profitability analysis included information on a fund-by-fund basis listing portfolio managers and other accounts they manage, as well as information on management fees charged by the Manager and its affiliates to U.S. mutual funds and other accounts, including management's explanation of differences where relevant. Such material also included a memorandum prepared by management describing project initiatives and capital investments relating to the services provided to the Funds by the Franklin Templeton Investments organization, as well as a memorandum relating to economies of scale and an analysis concerning transfer agent fees charged by an affiliate of the Manager.

In considering such materials, the independent Trustees received assistance and advice from and met separately with independent counsel. While the investment management agreements for all Funds were considered at the same Board meeting, the Board dealt with each Fund separately. In approving continuance of the investment management agreement for each Fund, the Board, including a majority of independent Trustees, determined that the management fee structure was fair and reasonable and that continuance of the investment management agreement was in the best interests of each Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board's decision.

NATURE, EXTENT AND QUALITY OF SERVICES. The Board was satisfied with the nature and quality of the overall services provided by the Manager and its affiliates to the Fund and its shareholders. In addition to investment performance and expenses discussed later, the Board's

Shareholder Information (continued)

Templeton Asian Growth Fund

Board Review of Investment Management Agreement (continued)

opinion was based, in part, upon periodic reports furnished it showing that the investment policies and restrictions for the Fund were consistently complied with as well as other reports periodically furnished the Board covering matters such as the compliance of portfolio managers and other management personnel with the code of ethics adopted throughout the Franklin Templeton fund complex, the adherence to fair value pricing procedures established by the Board, and the accuracy of net asset value calculations. The Board also noted the extent of benefits provided Fund shareholders from being part of the Franklin Templeton family of funds, including the right to exchange investments between the same class of funds without a sales charge, the ability to reinvest Fund dividends into other funds and the right to combine holdings in other funds to obtain a reduced sales charge. Favorable consideration was given to management's continuous efforts and expenditures in establishing back-up systems and recovery procedures to function in the event of a natural disaster, it being noted that such systems and procedures had functioned well during the Florida hurricanes and blackouts experienced in previous years, and that those operations in the New York/New Jersey area ran smoothly during the more recent Hurricane Sandy. Among other factors taken into account by the Board were the Manager's best execution trading policies, including a favorable report by an independent portfolio trading analytical firm, which also covered FOREX transactions. Consideration was also given to the experience of the Fund's portfolio management team, the number of accounts managed and general method of compensation. In this latter respect, the Board noted that a primary factor in management's determination of a portfolio manager's bonus compensation was the relative investment performance of the funds he or she managed and that a portion of such bonus was required to be invested in a predesignated list of funds within such person's fund management area so as to be aligned with the interests of shareholders. The Board also took into account the quality of transfer agent and shareholder services provided Fund shareholders by an affiliate of the Manager and the continuous enhancements to the Franklin Templeton website. Particular attention was given to management's conservative approach and diligent risk management procedures, including continuous monitoring of counterparty credit risk and attention given to derivatives and other complex instruments including expanded collateralization requirements. The Board also took into account, among other things, management's efforts in establishing a global credit facility for the benefit of the Fund and other accounts managed by Franklin Templeton Investments 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 Manager's parent company and its commitment to the mutual fund business as evidenced by its subsidization of money market funds.

INVESTMENT PERFORMANCE. While consideration was given to performance reports and discussions with portfolio managers at Board meetings during the year, particular attention in assessing performance was given to the Lipper reports furnished for the agreement renewal. The Lipper reports prepared for the Fund showed the investment performance of its Class A shares during 2012 and previous years of operations. The Lipper performance universe for the Fund

Shareholder Information (continued)

Templeton Asian Growth Fund

Board Review of Investment Management Agreement (continued)

consisted of all retail and institutional Pacific ex-Japan funds as designated by Lipper. The Fund has been in operation for only two full years, and both its 2012 and 2011 total returns as shown in the Lipper report were in the second-lowest performing quintile of such universe. The Board also reviewed the Fund's performance within a supplementary universe consisting of funds in the Pacific/Asia ex-Japan Morningstar category included in the Lipper report at management's request, and found the Fund's comparative performance within such category to be comparable to its performance with the Lipper designated performance universe. In view of the Fund's short period of operation, the Board did not believe the Fund's performance as shown in the Lipper report to be particularly meaningful.

COMPARATIVE EXPENSES. Consideration was given to a comparative analysis of the management fees and total expense ratio of the Fund compared with those of a group of other funds selected by Lipper as its appropriate Lipper expense group. Lipper expense data is based upon historical 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, Lipper provides information on the Fund's contractual investment management fee in comparison with the effective management fee that would have been charged by other funds within its Lipper expense group assuming they were similar in size to the Fund, as well as the actual total expense ratio of the Fund in comparison with those of its Lipper expense group. The Lipper contractual investment management fee analysis includes administrative charges as being part of a management fee, and actual total expenses, for comparative consistency, are shown by Lipper for Fund Class A shares. The Lipper reports for the Fund showed both the contractual management fee rate and actual total expense ratio to be among the highest within its Lipper expense group. The Board found the expenses of the Fund to be acceptable in view of its relatively small size and specialized nature and noted that the expenses had been subsidized by management fee waivers.

MANAGEMENT PROFITABILITY. The Board also considered the level of profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board reviewed the Fund profitability analysis that addresses the overall profitability of Franklin Templeton's U.S. fund business, as well as its profits in providing management and other services to each of the individual funds during the 12-month period ended September 30, 2012, being the most recent fiscal year-end for Franklin Resources, Inc., the Manager's parent. In reviewing the analysis, attention was given to the methodology followed in allocating costs to the Fund, it being recognized that allocation methodologies are inherently subjective and various allocation methodologies may each be reasonable while producing different results. In this respect, the Board noted

Shareholder Information (continued)

Templeton Asian Growth Fund

Board Review of Investment Management Agreement (continued)

that, while being continuously refined and reflecting changes in the Manager's own cost accounting, the cost allocation methodology was consistent with that followed in profitability report presentations for the Fund made in prior years and that the Fund's independent registered public accounting firm had been engaged by the Manager to periodically review the reasonableness of the allocation methodologies solely for use by the Fund's Board in reference to the profitability analysis. In reviewing and discussing such analysis, management discussed with the Board its belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to the Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. The Board also took into account management's expenditures in improving shareholder services provided the Fund, as well as the need to implement systems to meet additional regulatory and compliance requirements resulting from statutes such as the Sarbanes-Oxley and Dodd Frank Acts and recent SEC and other regulatory requirements. In addition, the Board considered a third-party study comparing the profitability of the Manager's parent on an overall basis to other publicly held managers broken down to show profitability from management operations exclusive of distribution expenses, as well as profitability including distribution expenses. The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services and potential benefits resulting from allocation of fund brokerage and the use of commission dollars to pay for research. Based upon its consideration of all these factors, the Board determined that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, quality and extent of services provided.

ECONOMIES OF SCALE. The Board also considered whether economies of scale are realized by the Manager as the Fund grows larger and the extent to which this is reflected in the level of management fees charged. While recognizing that any precise determination is inherently subjective, the Board noted that based upon the Fund profitability analysis, it appears that as some funds get larger, at some point economies of scale do result in the Manager realizing a larger profit margin on management services provided such a fund. The Board also noted that economies of scale are shared with the Fund and its shareholders through management fee breakpoints so that as a Fund grows in size, its effective management fee rate declines. In view of the specialized nature and size of the Fund, whose expenses are also being subsidized by management, the Board questioned whether economies of scale existed. The investment management advisory agreement for the Fund provides for breakpoints that are above the Fund's existing asset size, and to the extent economies of scale may be realized by the Manager and its affiliates, the Board believes the schedule of fees for the Fund provides a sharing of benefits with the Fund and its shareholders.

Shareholder Information (continued)

Templeton Asian Growth Fund

Board Review of Investment Management Agreement (continued)

In addition to the investment advisory services provided the Fund under its investment management agreement, administrative services are provided the Fund under a separate agreement at a fixed charge of 20 basis points. At the February 26, 2013, Board meeting, the Board eliminated the separate agreements and approved a new form of investment management agreement for the Fund combining such services. In approving the new form of investment management agreement, the Board took into account the fact that the types of services and aggregate fee, including breakpoints, would be the same as provided under the previous separate agreements and that combining such services was consistent with Lipper's methodology of considering contractual investment management fees to include any separately charged administrative fee. The Board also noted that combining the services under the new form of investment management agreement would have no impact on management's existing subsidization of expenses of the Fund.

Proxy Voting Policies and Procedures

The Fund's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Fund uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Fund's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Fund's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent 12-month period ended June 30.

Quarterly Statement of Investments

The Fund files a complete statement of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year on Form N-Q. Shareholders may view the filed Form N-Q by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

Shareholder Information (continued)

Templeton Asian Growth Fund

Householding of Reports and Prospectuses

You will receive the Fund's financial reports every six months as well as an annual updated summary prospectus (prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports and summary prospectus. This process, called "householding," will continue indefinitely unless you instruct us otherwise. If you prefer not to have these documents householded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

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Franklin Templeton Funds

Literature Request. To receive a summary prospectus and/or prospectus, please call us at (800) DIAL BEN/342-5236 or visit franklintempleton.com. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. The prospectus contains this and other information. Please carefully read a prospectus before investing. To ensure the highest quality of service, we may monitor, record and access telephone calls to or from our service departments. These calls can be identified by the presence of a regular beeping tone.

VALUE

Franklin All Cap Value Fund
Franklin Balance Sheet Investment Fund
Franklin Large Cap Value Fund
Franklin MicroCap Value Fund
Franklin MidCap Value Fund
Franklin Small Cap Value Fund
Mutual Beacon Fund
Mutual Quest Fund
Mutual Recovery Fund²
Mutual Shares Fund

BLEND

Franklin Focused Core Equity Fund Franklin Large Cap Equity Fund Franklin Rising Dividends Fund

GROWTH

Franklin DynaTech Fund Franklin Flex Cap Growth Fund Franklin Growth Fund Franklin Growth Opportunities Fund Franklin Small Cap Growth Fund Franklin Small-Mid Cap Growth Fund

SECTOR

Franklin Biotechnology Discovery Fund Franklin Global Real Estate Fund Franklin Gold & Precious Metals Fund Franklin Natural Resources Fund Franklin Real Estate Securities Fund Franklin Utilities Fund Mutual Financial Services Fund

GLOBAL

Franklin World Perspectives Fund Mutual Global Discovery Fund Templeton Global Opportunities Trust Templeton Global Smaller Companies Fund Templeton Growth Fund Templeton World Fund

INTERNATIONAL

Franklin India Growth Fund

Franklin International Growth Fund
Franklin International Small Cap Growth Fund³
Mutual European Fund
Mutual International Fund
Templeton Asian Growth Fund
Templeton BRIC Fund
Templeton China World Fund
Templeton Developing Markets Trust
Templeton Emerging Markets Small Cap Fund
Templeton Foreign Fund
Templeton Foreign Smaller Companies Fund
Templeton Frontier Markets Fund

HYBRID

Franklin Balanced Fund
Franklin Convertible Securities Fund
Franklin Equity Income Fund
Franklin Income Fund
Templeton Emerging Markets Balanced Fund
Templeton Global Balanced Fund

Franklin Templeton Corefolio® Allocation Fund

ASSET ALLOCATION

Franklin Templeton Founding Funds
Allocation Fund
Franklin Templeton Conservative Allocation Fund
Franklin Templeton Growth Allocation Fund
Franklin Templeton Moderate Allocation Fund
Franklin LifeSmart™ 2015 Retirement Target Fund⁴
Franklin LifeSmart™ 2025 Retirement Target Fund⁴
Franklin LifeSmart™ 2035 Retirement Target Fund⁴
Franklin LifeSmart™ 2045 Retirement Target Fund⁴
Franklin Templeton Global Allocation Fund

Franklin Templeton Multi-Asset Real Return Fund

FIXED INCOME

Franklin Adjustable U.S. Government Securities Fund⁵ Franklin Floating Rate Daily Access Fund Franklin High Income Fund Franklin Limited Maturity U.S. Government

Securities Fund⁵

Franklin Low Duration Total Return Fund

Franklin Real Return Fund Franklin Strategic Income Fund Franklin Strategic Mortgage Portfolio Franklin Templeton Hard Currency Fund

Franklin Total Return Fund

Franklin U.S. Government Securities Fund⁵ Templeton Emerging Markets Bond Fund

Templeton Global Bond Fund Templeton Global Total Return Fund Templeton International Bond Fund

TAX-FREE INCOME⁶

National

Double Tax-Free Income Fund⁷ Federal Tax-Free Income Fund High Yield Tax-Free Income Fund Insured Tax-Free Income Fund^{8,9}

Limited-/Intermediate-Term

California Intermediate-Term Tax-Free Income Fund Federal Intermediate-Term Tax-Free Income Fund Federal Limited-Term Tax-Free Income Fund New York Intermediate-Term Tax-Free Income Fund

State-Specific

Alabama Michigan Arizona Minnesota California (4 funds)9 Missouri Colorado New Jersey Connecticut New York (2 funds) Florida North Carolina Georgia 0hio Kentucky Oregon

Kentucky Oregon
Louisiana Pennsylvania
Maryland Tennessee
Massachusetts Virginia

INSURANCE FUNDS

Franklin Templeton Variable Insurance Products Trust¹⁰

- 1. The fund is closed to new investors. Existing shareholders and select retirement plans can continue adding to their accounts.
- 2. The fund is a continuously offered, closed-end fund. Shares may be purchased daily; there is no daily redemption. However, each quarter, pending board approval, the fund will authorize the repurchase of 5%–25% of the outstanding number of shares. Investors may tender all or a portion of their shares during the tender period.
- 3. Effective 6/3/13, the fund closed to new investors, with limited exceptions.
- 4. Effective 5/1/13, the Franklin Templeton Retirement Target Funds changed their names to Franklin LifeSmart Retirement Target Funds. The funds' investment goals and principal investment strategies remained unchanged.
- 5. An investment in the fund is neither insured nor guaranteed by the U.S. government or by any other entity or institution.

- 6. For investors subject to the alternative minimum tax, a small portion of fund dividends may be taxable. Distributions of capital gains are generally taxable.
- 7. The fund is closed to all new investments (other than reinvestment of dividends and capital gains distributions).
- 8. The fund invests primarily in insured municipal securities.
- 9. Effective at the close of market 3/1/13, Franklin Insured Tax-Free Income Fund and Franklin California Insured Tax-Free Income Fund closed to all new investments (other than reinvestment of dividends and capital gains distributions).
- 10. The funds of the Franklin Templeton Variable Insurance Products Trust are generally available only through insurance company variable contracts.

05/13

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



< GAIN FROM OUR PERSPECTIVE® >

Annual Report and Shareholder Letter TEMPLETON ASIAN GROWTH FUND

Investment Manager

Templeton Asset Management Ltd.

Distributor

Franklin Templeton Distributors, Inc. (800) DIAL BEN®/342-5236 franklintempleton.com

Shareholder Services

(800) 632-2301

Authorized for distribution only when accompanied or preceded by a summary prospectus and/or prospectus. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. A prospectus contains this and other information; please read it carefully before investing.

To ensure the highest quality of service, telephone calls to or from our service departments may be monitored, recorded and accessed. These calls can be identified by the presence of a regular beeping tone.