

# **TEMPLETON ASIAN GROWTH FUND**

AS OF 12/31/13 INTERNATIONAL

Effective March 18, 2014, Templeton Asian Growth Fund is closed to new investors. Existing shareholders may continue to add money to their accounts until May 13, 2014. The fund will be liquidated on or about May 20, 2014.

### **FUND DESCRIPTION**

Templeton Asian Growth Fund seeks long-term capital appreciation, by investing at least 80% of its net assets in securities of companies located in the Asia region (excluding Australia, New Zealand and Japan), For purposes of the fund's investments, Asia region companies are companies that are organized under the laws of, or with principal offices in, the Asia region; companies whose principal trading markets are in Asia region countries; or companies that derive at least 50% of their revenues from goods or services sold or produced in Asia region countries; or companies that have at least 50% of their assets in Asia region countries.

### FUND DATA<sup>1</sup>

Total Net Assets-All Share Classes: \$12.0 million

Inception: November 1, 2010 Dividends: Annually in December Minimum Initial Investment: \$1,000

CUSIP/Symbol by Class:

Α	С	R6	Advisor	
FASQX	880 19R 625	880 19R 534	880 19R617	

### MAXIMUM SALES CHARGES

Class A: 5.75% initial sales charge

Class C: 1% contingent deferred sales charge

(CDSC) in the first year only

### TOTAL ANNUAL OPERATING EXPENSES

Without Waiver: Class A: 3.00%; Class C: 3.75% With Waiver<sup>2</sup>: Class A: 1.67%; Class C: 2.42%

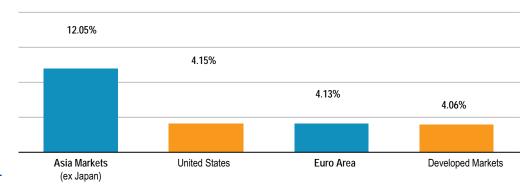
1. As of 12/31/13. Holdings are subject to change. For updated information, please call Franklin Templeton Investments at (800) DIAL BEN/342-5236 or visit franklintempleton.com. The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top 10 holdings list.

### **REASONS TO INVEST**

#### Strong Economic Growth Potential

Asia makes up the largest emerging markets region in the world and is home to some of the fastest growing economies globally. In particular, the economies of China and India are expected to grow at 8.04% and 5.68%, respectively, in 2013.3 Furthermore, an expanding middle class throughout the Asia region is expected to fuel consumer demand and economic expansion.

Asian Markets Have Displayed Strong Economic Growth<sup>4</sup> Compounded Annual GDP Growth Rates (1994–2010)



For illustrative purposes only. Not representative of the fund's portfolio composition.

### AVERAGE ANNUAL TOTAL RETURNS (As of December 31, 2013)

With Maximum Sales Charges<sup>5</sup>

Class	Inception Date	1 Yr	3 Yrs	Since Inception
Α	11/1/10	-10.22%	-5.40%	-4.71%
С	11/1/10	-6.40%	-4.22%	-3.62%

# Without Sales Charges

	Since	
1 Yr	3 Yrs	Inception
-4.79%	-3.51%	-2.91%
-5.47%	-4.22%	-3.62%

# GEOGRAPHIC BREAKDOWN<sup>1,6</sup>



# TOP 10 HOLDINGS1

MCB Bank Ltd 5.90%	)
Shenzhen Chiwan Wharf Holdings Ltd 5.47%	)
Brilliance China Automotive Holdings Ltd 5.11%	)
Hyundai Development Co	)
China Merchants Bank Co Ltd	)

2. The fund has an expense reduction contractually guaranteed through at least July 31, 2014. The fund may also have a fee waiver associated with any investments it makes in a Franklin Templeton money fund, an arrangement that is contractually

Reliance Industries Ltd	4.59%
Tata Steel Ltd	4.52%
Petrochina Co Ltd	3.89%
Oil & Gas Development Co Ltd	3.80%
Sembcorp Marine Ltd	3.77%

guaranteed through at least its current fiscal year end. Fund investment results reflect the expense reduction and fee waiver, as applicable; without these reductions, the results would have been lower.

#### LEAD PORTFOLIO MANAGERS

Mark Mobius, Ph.D.

Since 2010; joined Franklin Templeton in 1987

Allan Lam, CPA

Since 2010; joined Franklin Templeton in 1987

Dennis Lim

Since 2010; joined Franklin Templeton in 1990

Tom Wu

Since 2011; joined Franklin Templeton in 1987

### WHAT ARE THE RISKS?

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. These and other risk considerations are discussed in the fund's prospectus.

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

#### MANAGERS' PERSPECTIVE



"Asia is the largest emerging markets region in the world, home to some of the fastest growing economies globally and more than half of the world's population, giving the region a huge consumer base."

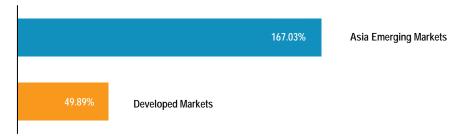
—Dr. Mark Mobius, Ph.D.

### INCREASING INTERNATIONAL OPPORTUNITIES

The number of listed companies in Asian emerging markets has grown by 167% over the last 20 years versus 50% in developed countries.<sup>6</sup> Investors who seek exposure to the growing equity markets in Asia can do so by investing in this fund.

### Increasing International Opportunities<sup>6</sup>

Cumulative Percent Change of Listed Domestic Companies (20-Year Period Ending 2010).



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### A PIONEER IN EMERGING MARKETS

Templeton is one of the pioneers in emerging markets investing, have been the first to set up a dedicated emerging markets equity team in 1987 under the leadership of Dr. Mark Mobius. Over this time, Templeton has consistently and patiently managed emerging market equities using a strict value discipline aimed at unearthing long-term value opportunities.

### GAIN FROM OUR PERSPECTIVE®

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

### Specialized Expertise

Each of our portfolio management groups operates autonomously, relying on its own research and staying true to the unique investment disciplines that underlie its success.

- 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.
- Templeton. Founded in 1940, Templeton pioneered international investing and, in 1954, launched what has become the industry's oldest global fund. Today, with offices in over 25 countries, Templeton offers investors a truly global perspective.
- Mutual Series. Founded in 1949, Mutual Series is dedicated to a unique style of value investing, searching
  aggressively for opportunity among what it believes are undervalued stocks, as well as arbitrage situations and
  distressed securities.
- 3. Source: World Economic Outlook Database, April 2013.
- 4. Source: International Monetary Fund, World Economic Outlook Database, April 2013 Developed Markets exclude United States, Hong Kong, Korea, Singapore and Taiwan.
- 5. Due to rounding, the sum of portfolio holdings may not equal 100%.
- Source: The World Bank: World Development Indicators: Standard & Poor's, Global Stock Markets Factbook (2000 & 2012) supplemental S&P data.



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