# TEMPLETON ASIAN GROWTH FUND

FRANKLIN TEMPLETON INVESTMENTS

A SUB-FUND OF LUXEMBOURG-DOMICILED SICAV | 31 December 2011

## FUND MANAGER AND LOCATION

**Mark Mobius**, Singapore
(since 30 June 1991)

## FUND INFORMATION

**Base Currency of Fund:** US dollar
**Fund Size:** $14.784,66 million
**Number of Positions:** 68
**Fund Index:** MSCI All Country Asia ex Japan Index
**Morningstar™ Workstation Category:** Asia ex Japan Equity
**Date of Fund Launch:** 30 June 1991

## NET ASSET VALUE AS OF 31 DECEMBER 2011

| | |
|---|---|
| **A(acc)EUR** | €23,39 |
| **A(acc)EUR-H1** | €20,89 |
| **A(Ydis)EUR** | €21,80 |
| **A(acc)USD** | $30,34 |
| **A(Ydis)USD** | $28,19 |
| **A(acc)CHF-H1** | CHF11,06 |
| **I(acc)USD** | $29,92 |
| **I(acc)EUR** | €23,10 |
| **I(acc)EUR-H1** | €17,93 |
| **I(acc)CHF-H1** | CHF9,09 |

## CHARGES AND IDENTIFIERS

| Share Class | Max.Initial Sales Charge | Annual Management & Administration Charge |
|---|---|---|
| **A shares** | 5,25% | 1,85% |
| **I shares** | - | 0,90% |

| Share Class | Valoren | ISIN |
|---|---|---|
| **A(acc)EUR** | 2276841 | LU0229940001 |
| **A(acc)EUR-H1** | 3346051 | LU0316493583 |
| **A(Ydis)EUR** | 2276838 | LU0229939763 |
| **A(acc)USD** | 1240363 | LU0128522157 |
| **A(Ydis)USD** | 482563 | LU0029875118 |
| **A(acc)CHF-H1** | 11025497 | LU0486624470 |
| **I(acc)EUR** | 1923015 | LU0195950992 |
| **I(acc)EUR-H1** | 4273059 | LU0366765237 |
| **I(acc)USD** | 1745166 | LU0181996454 |
| **I(acc)CHF-H1** | 11773572 | LU0543330640 |

## TOTAL EXPENSE RATIO AS OF DECEMBER 2011

| | |
|---|---|
| **A(acc)EUR** | 2,21% |
| **A(acc)EUR-H1** | 2,21% |
| **A(Ydis)EUR** | 2,21% |
| **A(acc)USD** | 2,21% |
| **A(Ydis)USD** | 2,21% |
| **A(acc)CHF-H1** | 2,24% |
| **I(acc)EUR** | 1,22% |
| **I(acc)EUR-H1** | 1,22% |
| **I(acc)USD** | 1,21% |
| **I(acc)CHF-H1** | 1,23% |

## EUSD STATUS

**Redemption:** Out of Scope
**Distribution:** Out of Scope

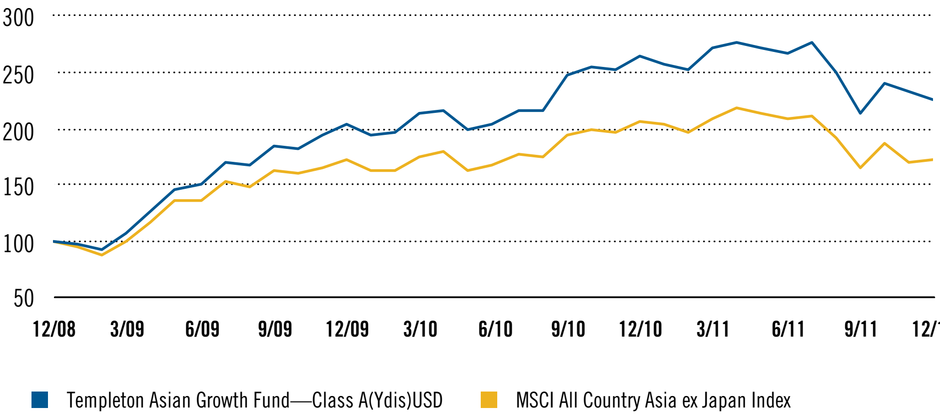
## RATINGS[3, 4]

**Morningstar™ Overall Rating:** ★★★★★
**S&P Fund Management Rating:** AAA

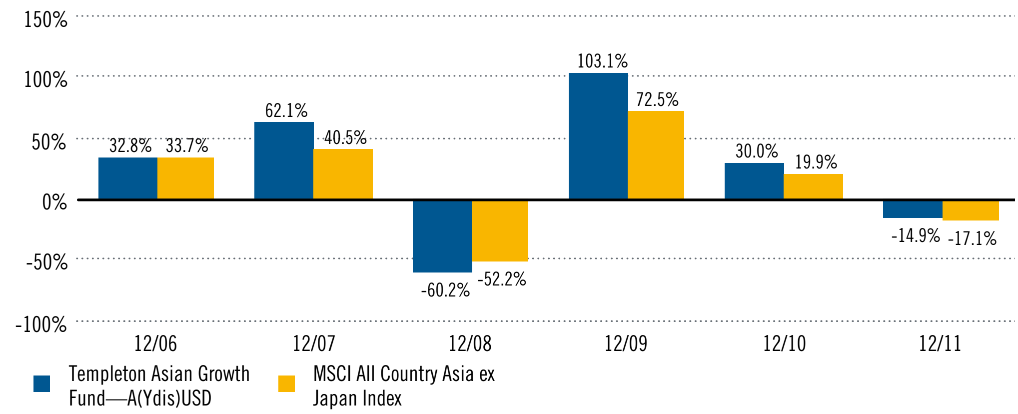
## INVESTMENT OBJECTIVE

The Fund aims to achieve long-term capital appreciation by investing primarily in equity securities listed in Asia (excluding Australia, New Zealand and Japan).

## 3 YEAR PERFORMANCE (US DOLLAR)[1, 2]




## CALENDAR YEAR PERFORMANCE RETURN (US DOLLAR)[1, 2]




## CUMULATIVE AND ANNUALISED (*) PERFORMANCE

| | YTD | 1-MO | 3-MO | 6-MO | 1- YR | 3-YR | *3-YR | 5-YR | *5-YR | SINCE LAUNCH | *SINCE LAUNCH |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A(acc)EUR | -12,07 | 0,17 | 9,35 | -6,07 | -12,07 | 142,63 | 34,40 | 47,95 | 8,15 | 104,10 | 12,23 |
| A(acc)EUR-H1 | -15,29 | -3,69 | 5,40 | -16,27 | -15,29 | 115,80 | 29,25 | - | - | -3,82 | -0,90 |
| A(Ydis)EUR | -12,06 | 0,18 | 9,38 | -6,08 | -12,06 | 142,71 | 34,42 | 47,99 | 8,16 | 104,39 | 12,26 |
| A(acc)USD | -14,89 | -3,50 | 5,71 | -16,14 | -14,89 | 124,75 | 31,01 | 45,10 | 7,73 | 378,57 | 15,87 |
| A(Ydis)USD | -14,91 | -3,52 | 5,70 | -16,18 | -14,91 | 124,64 | 30,99 | 45,03 | 7,72 | 225,10 | 5,92 |
| A(acc)CHF-H1 | -15,76 | -3,66 | 5,43 | -16,59 | -15,76 | - | - | - | - | 10,60 | 5,62 |
| I(acc)EUR | -11,15 | 0,26 | 9,63 | -5,60 | -11,15 | 150,55 | 35,85 | 55,88 | 9,29 | 191,68 | 15,72 |
| I(acc)EUR-H1 | -14,42 | -3,60 | 5,66 | -15,78 | -14,42 | 118,39 | 29,76 | - | - | 13,27 | 3,58 |
| I(acc)USD | -14,02 | -3,42 | 5,99 | -15,72 | -14,02 | 131,93 | 32,39 | 52,88 | 8,86 | 199,20 | 14,85 |
| I(acc)CHF-H1 | -14,57 | -3,60 | 5,57 | -15,83 | -14,57 | - | - | - | - | -9,10 | -7,34 |
| Index | -17,07 | 0,59 | 3,30 | -18,14 | -17,07 | 71,59 | 19,73 | 15,19 | 2,87 | 332,69 | 7,41 |
| MORNINGSTAR™ SECTOR AVERAGE[5] | | | | | | | | | | | |
| | -19,96 | -1,31 | 3,47 | -19,96 | -19,96 | 62,34 | - | 5,32 | - | 380,05 | - |

## PORTFOLIO COMPOSITION (% OF TOTAL)

| EQUITY | FIXED INCOME | CASH |
|---|---|---|
| 98,01 | - | 1,99 |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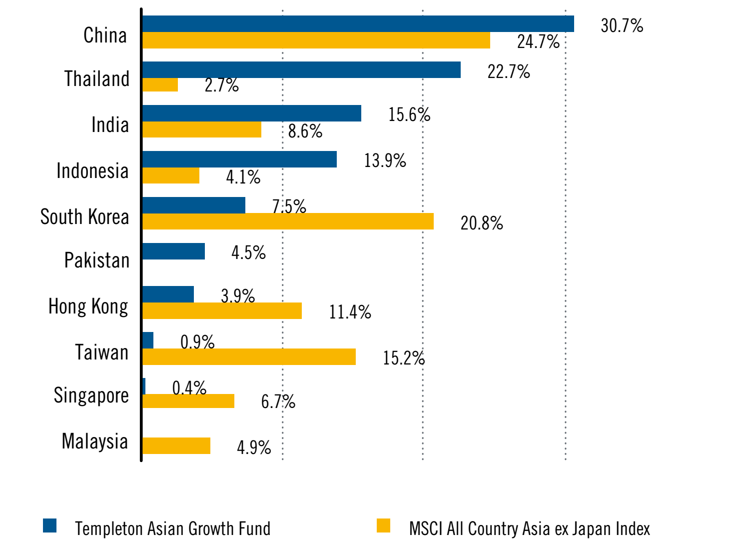
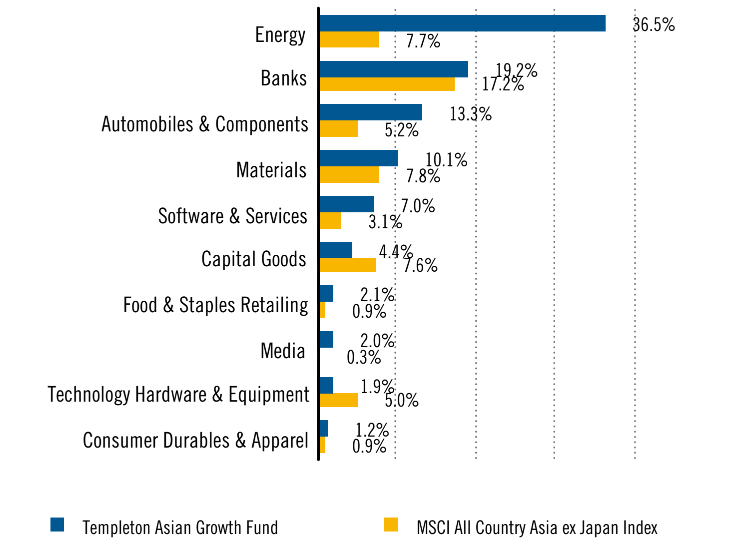
## TOP 10 ISSUERS WITHIN THE PORTFOLIO (31 DECEMBER 2011)[6]

| SECURITY | INDUSTRY | COUNTRY | % |
|---|---|---|---|
| P T ASTRA INTERNATIONAL TBK | Automobiles & Components | Indonesia | 7,13 |
| PETROCHINA CO LTD | Energy | China | 6,70 |
| PTT PCL | Energy | Thailand | 4,83 |
| CHINA MERCHANTS BANK CO LTD | Banks | China | 4,53 |
| TATA CONSULTANCY SERVICES LTD | Software & Services | India | 4,27 |
| SIAM COMMERCIAL BANK PCL | Banks | Thailand | 4,22 |
| OIL & GAS DEVELOPMENT CO LTD | Energy | Pakistan | 3,95 |
| SK INNOVATION CO LTD | Energy | South Korea | 3,82 |
| CHINA PETROLEUM & CHEMICAL CORP (SINOPEC) | Energy | China | 3,79 |
| SIAM CEMENT PUBLIC CO LTD (THE) | Materials | Thailand | 3,65 |

## PORTFOLIO COUNTRY WEIGHTINGS VS. MSCI ALL COUNTRY ASIA EX JAPAN INDEX (% OF EQUITY)




## PORTFOLIO INDUSTRY WEIGHTINGS VS. MSCI ALL COUNTRY ASIA EX JAPAN INDEX (% OF EQUITY)




## PORTFOLIO PERFORMANCE CONTRIBUTOR DATA IN US DOLLAR (31 DECEMBER 2011)

| LARGEST CONTRIBUTING SECURITIES | INDUSTRY | COUNTRY | % |
|---|---|---|---|
| China Merchants Bank Co. Ltd 'H' | Banks | China | 0,52 |
| Kasikornbank Public Co Ltd Shs Fgn Reg | Banks | Thailand | 0,10 |
| Tata Consultancy Services Ltd. | Software & Services | India | 0,10 |
| Infosys Ltd. | Software & Services | India | 0,10 |
| Dairy Farm International Holdings Ltd. | Food & Staples Retailing | Hong Kong | 0,17 |
| Bec World Thb1(Alien Mkt) | Media | Thailand | 0,21 |
| Astra International | Automobiles & Components | Indonesia | 0,32 |
| Ptt Public Company Thb10(Alien Mkt) | Energy | Thailand | 0,18 |
| China Petroleum & Chemical Corp. | Energy | China | 0,13 |
| PetroChina Co. Ltd. | Energy | China | 0,10 |

| SMALLEST CONTRIBUTING SECURITIES | INDUSTRY | COUNTRY | % |
|---|---|---|---|
| Bank Danamon Indonesia | Banks | Indonesia | -0,13 |
| Guangzhou Automobile Group Co. Ltd. | Automobiles & Components | China | -0,17 |
| PTT Global Chemical Public Company Ltd(Alien Mkt) | Materials | Thailand | -0,09 |
| Aluminum Corp. of China Ltd. | Materials | China | -0,10 |
| Sesa Goa Ltd. | Materials | India | -0,24 |
| Yanzhou Coal Mining Co. Ltd. | Energy | China | -0,07 |
| Oil & Natural Gas Corp. Ltd. | Energy | India | -0,11 |
| CNOOC Ltd. | Energy | China | -0,11 |
| Reliance Industries Ltd. | Energy | India | -0,33 |
| SK Innovation Co. Ltd. | Energy | South Korea | -0,62 |

## PERFORMANCE STATISTICS (31 DECEMBER 2011)[7]

| STANDARD DEVIATION | 1-YR | 3-YR | 5-YR |
|---|---|---|---|
| Templeton Asian Growth Fund | 24,60 | 25,70 | 31,57 |
| MSCI All Country Asia ex Japan Index | 23,27 | 25,23 | 28,26 |

| SHARPE RATIO | 1-YR | 3-YR | 5-YR |
|---|---|---|---|
| Templeton Asian Growth Fund | -0,61 | 1,20 | 0,20 |
| MSCI All Country Asia ex Japan Index | -0,74 | 0,78 | 0,06 |

| % OF POSITIVE MONTHS | 1-YR | 3-YR | 5-YR |
|---|---|---|---|
| Templeton Asian Growth Fund | 33,33 | 58,33 | 55,00 |
| MSCI All Country Asia ex Japan Index | 41,67 | 55,56 | 50,00 |

| GAINS : LOSSES | 1-YR | 3-YR | 5-YR |
|---|---|---|---|
| Templeton Asian Growth Fund | 0,67 | 2,46 | 1,34 |
| MSCI All Country Asia ex Japan Index | 0,60 | 1,88 | 1,20 |

| MAXIMUM LOSS | 1-YR | 3-YR | 5-YR |
|---|---|---|---|
| Templeton Asian Growth Fund | -23,41 | -23,41 | -67,57 |
| MSCI All Country Asia ex Japan Index | -23,58 | -23,58 | -61,50 |

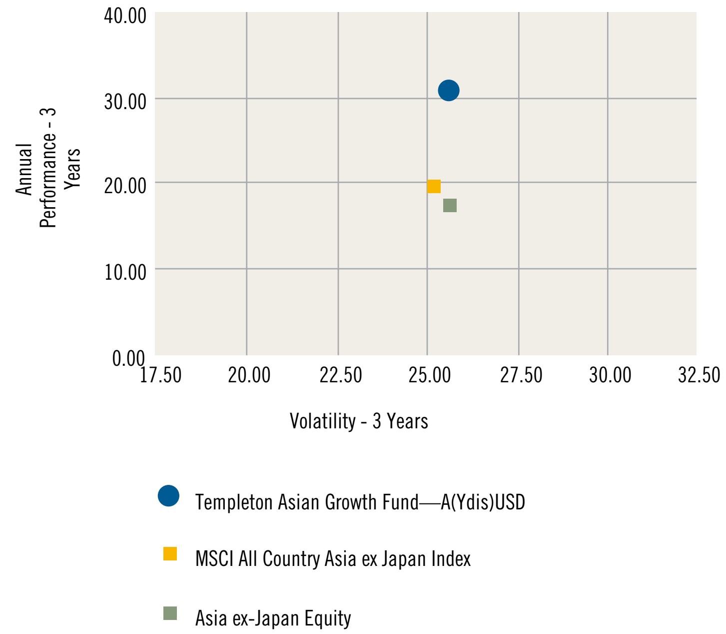
| VS. MSCI ALL COUNTRY ASIA EX JAPAN INDEX | 1-YR | 3-YR | 5-YR |
|---|---|---|---|
| Alpha | 2,84 | 9,96 | 5,38 |
| Beta | 1,00 | 0,99 | 1,09 |
| Tracking Error | 8,14 | 6,38 | 7,84 |
| Information Ratio | 0,27 | 1,76 | 0,62 |
| Correlation | 0,94 | 0,97 | 0,97 |
| R Squared | 0,89 | 0,94 | 0,94 |

## PORTFOLIO CHARACTERISTICS (31 DECEMBER 2011)[7]

| | PORTFOLIO | BENCHMARK |
|---|---|---|
| Avg. P/E Ratio | 11,04 | 11,29 |
| Avg. P/BV Ratio | 2,02 | 1,55 |
| Avg. P/CF Ratio | 7,74 | 7,37 |
| Avg. Dividend Yield | 2,53% | 2,86% |
| Avg. Market Capitalisation (in millions) | $22.240 | $33.829 |
| Median Market Capitalisation (in millions) | $2.498 | $3.788 |

| MARKET CAPITALISATION BREAKDOWN | PORTFOLIO |
|---|---|
| < 1.5 billion | 4,6 |
| 1.5 billion - 5 billion | 15,5 |
| > 5 billion | 74,3 |

## RISK VS. RETURN[1, 8]




## GLOSSARY

**Alpha:** Alpha measures the difference between a fund's actual returns and its expected returns given its risk level as measured by its beta. A positive alpha figure indicates the fund has performed better than its beta would predict. In contrast, a negative alpha indicates a fund has underperformed, given the expectations established by the fund's beta. Some investors see alpha as a measurement of the value added or subtracted by a fund's manager.
**Benchmark:** An unmanaged group of securities whose overall performance is used as a standard to measure investment performance.
**Beta:** A measure of the magnitude of a portfolio's past share-price fluctuations in relation to the ups and downs of the overall market (or appropriate market index). The market (or index) is assigned a beta of 1.00, so a portfolio with a beta of 1.20 would have seen its share price rise or fall by 12% when the overall market rose or fell by 10%.
**Correlation:** A measure of the degree to which the price trends of various investment categories or instruments move in the same direction. The correlation quantifies the strength of the relationship as a figure between –1 and +1. The closer the coefficient is to 1, the stronger the correlation. If the coefficient is –1, the investments and the benchmark move in opposite directions. If the value is 0 there is no correlation.
**Dividend Yield:** A Dividend is a payment of cash or stock from a company's earnings to each stockholder as declared by the company's board of directors. A dividend yield is a snapshot of interest and dividend income from a fund. The yield, expressed as a percentage of the fund's net asset value, is based on income earned over the past 30 days and is annualised for the coming year.
**Information ratio:** In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an Investment has beaten the Benchmark to the consistency by which the Investment has beaten the Benchmark.
**Market capitalization:** A determination of a company's value, calculated by multiplying the total number of company stock shares outstanding by the price per share.
**Price-to-book value (P/BV):** The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the ratio is the weighted average price/book ratio of the stocks it holds.
**Price/cash flow (P/CF):** Supplements price/earnings ratio as a measure of relative value; represents a weighted average of the price/cash flow ratios for the underlying fund holdings.
**Price/earnings ratio (P/E):** The share price of a stock, divided by its per-share earnings over the past year. For a portfolio, the weighted average P/E ratio of the stocks in the portfolio. P/E is a good indicator of market expectations about a company's prospects; the higher the P/E, the greater the expectations for a company's future growth in earnings.
**R-squared:** A measure of how much of a portfolio's performance can be explained by the returns from the overall market (or a benchmark index). If a portfolio's total return precisely matched that of the overall market or benchmark, it's R-squared would be 1.00. If a portfolio's return bore no relationship to the market's returns, its R-squared would be 0.
**Sharpe ratio:** A measure of risk-adjusted return. To calculate a Sharpe ratio, an asset's excess returns (its return in excess of the return generated by risk-free assets such as Treasury bills) are divided by the asset's standard deviation.
**Standard deviation:** A measure of the degree to which a fund's return varies from its previous returns or from the average of all similar funds. The larger the standard deviation, the greater the likelihood (and risk) that a security's performance will fluctuate from the average return.
**Tracking error:** Measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error.
**Volatility:** The degree of fluctuation in the value of a security, mutual fund, or index, volatility is often expressed as a mathematical measure such as a standard deviation or beta. The greater a fund's volatility, the wider the fluctuations between its high and low prices.

## IMPORTANT INFORMATION AND DISCLAIMERS

1. Performance data may represent blended share class performance e.g. hybrid created from an A(dis) share class which was converted to A(acc). Performance figures represent the aggregate total return for the period indicated assuming, where relevant, the reinvestment of dividends and distributions. Performance figures assume reinvestment of dividends. Performance figures above are for A(dis) shares, except where only A(acc) shares are available, then A(acc) performance is shown. S&P sector average represents the Luxembourg universe. The performance data does not take account commissions and/or costs incurred on the issue and redemption of the shares. 2. Chart performance figures are rebased to 100 at the Fund's inception date. 3. Copyright - © 2011 Morningstar, Inc. All Rights Reserved. Morningstar Rating™ as of 31 December 2011, in the Asia ex Japan Equity Morningstar Category™. 4. Copyright © 2011, Standard & Poor's, a division of The McGraw-Hill Companies, Inc. Standard & Poor's including its subsidiary corporations ("S&P") is a division of The McGraw-Hill Companies, Inc. Reproduction of S&P derived data in any form is prohibited except with the prior permission of S&P. Because of the possibility of human or mechanical error by S&P's sources, S&P or others, S&P does not guarantee the accuracy, adequacy, completeness or availability of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. S&P GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall S&P be liable for any indirect, special or consequential damages in connection with subscriber's or others' use of any S&P derived data. 5. Copyright - © 2011 Morningstar, Inc. All Rights Reserved. You will find further information under www.franklintempleton.ch/morningstar/en. 6. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top 10 holdings list. 7. Please refer to the Glossary section for more explanations on mathematical measures and financial terms. If you need further explanation, please seek guidance from a Financial Adviser. Due to rounding the percentages shown may be within 0.1% tolerance of the true value. 8. Peer Group Source: © 2011 Standard & Poor's Micropal, Inc. 1-800-596-5323 http://www.funds-sp.com. The development of the values shown above originates in the past.
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