



FRANKLIN TEMPLETON
INVESTMENTS

Templeton Global Growth Fund

2015 Annual General Meeting

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Templeton Global Equity Group



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 markets involve heightened risks related to the same factors. To the extent a strategy focuses on particular countries, regions, industries, sectors or types of investment from time to time, it may be subject to greater risks of adverse developments in such areas of focus than a strategy that invests in a wider variety of countries, regions, industries, sectors or investments.

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6 Years Into a Bull Market...

Where are the opportunities for:

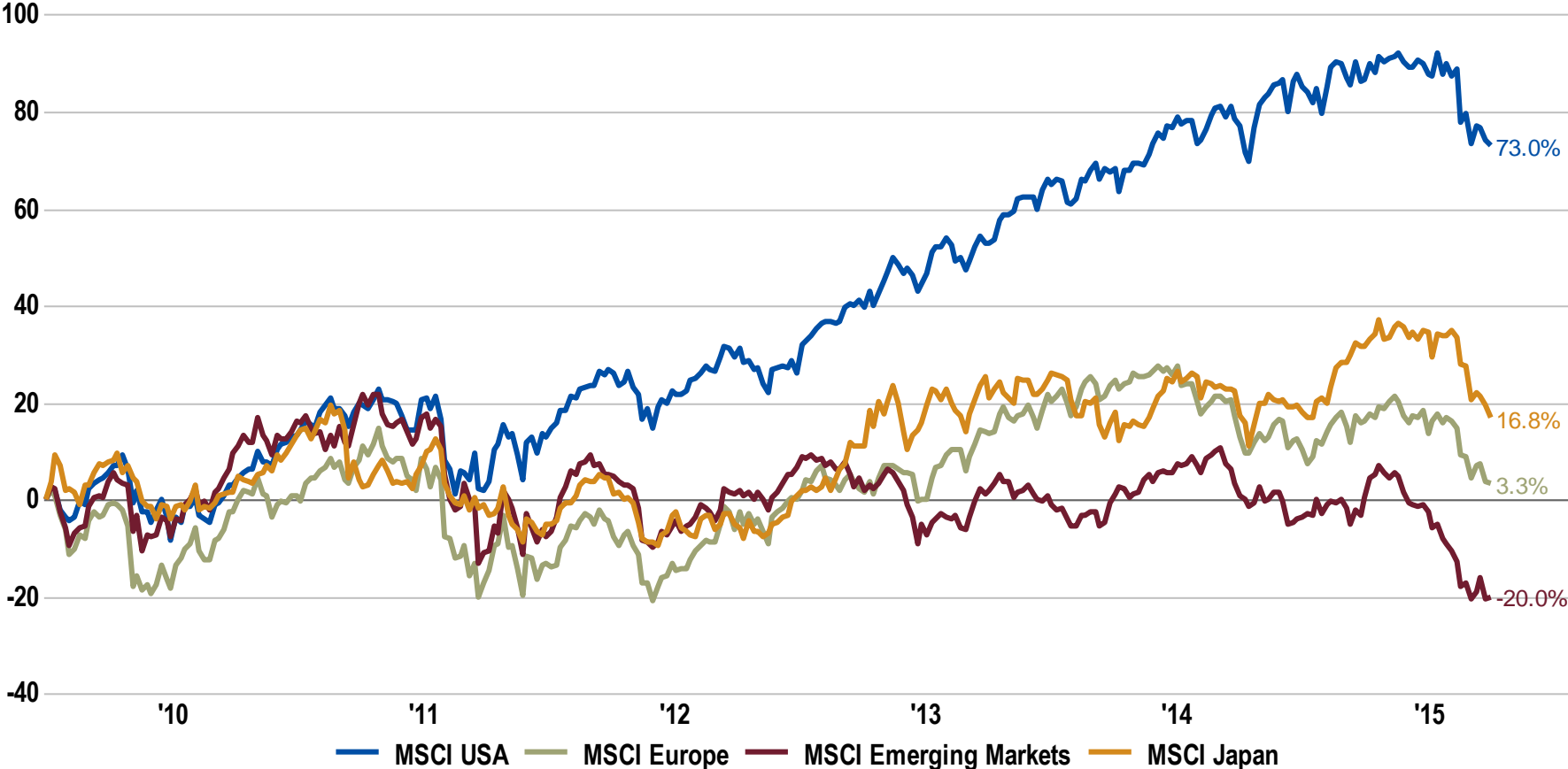
- Profit growth
- Multiple expansion
 - i. Europe
 - ii. Financials
 - iii. Health care
 - iv. Energy
 - v. Some emerging markets

The US Has Clearly Stood Out in the Last 5 Years



Price Change, USD

31st December, 2009 to 30th September, 2015



Source: FactSet.

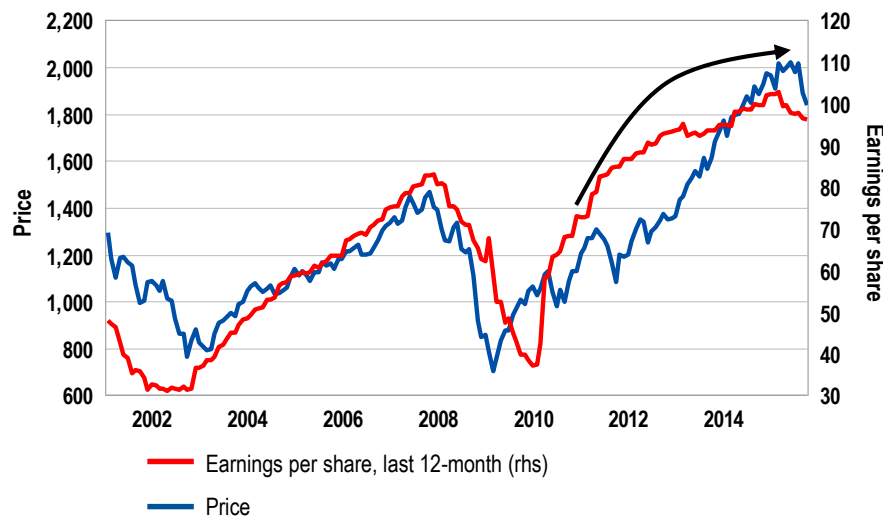
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With Contrasting Regional Differences in Earnings Cycles and Valuations



U.S. Earnings at All Time Highs MSCI USA Index

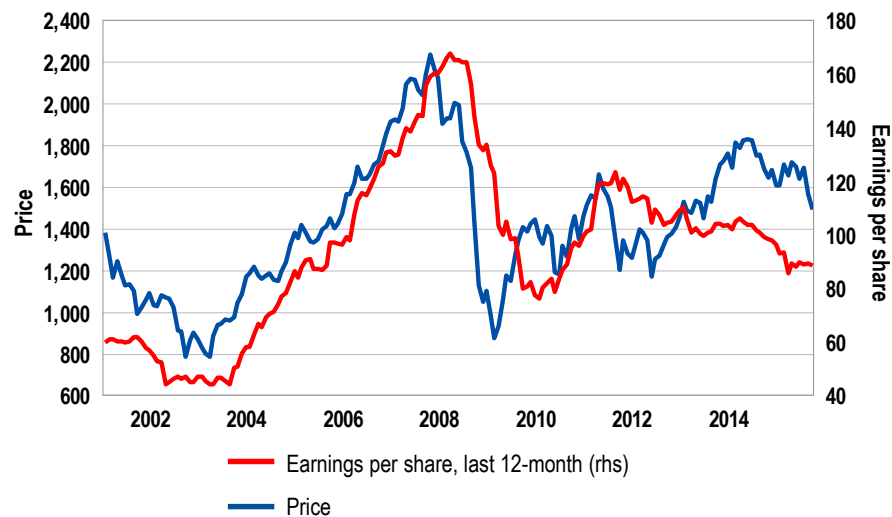
31st January, 2001 – 30th September, 2015



	Current (September 30, 2015)	Long Term Average (Since Jan. 1980)
P/TE	18.5x	18.1x
P/B	2.6x	2.5x
Earning Trend	Rising	
Opportunities	Some	

European Earnings Poised to Rise MSCI Europe Index

31st January, 2001 – 30th September, 2015



	Current (September 30, 2015)	Long Term Average (Since Jan. 1980)
P/TE	11.8x	16.0x
P/B	1.7x	1.9x
Earning Trend	Poised to Rise	
Opportunities	Many	

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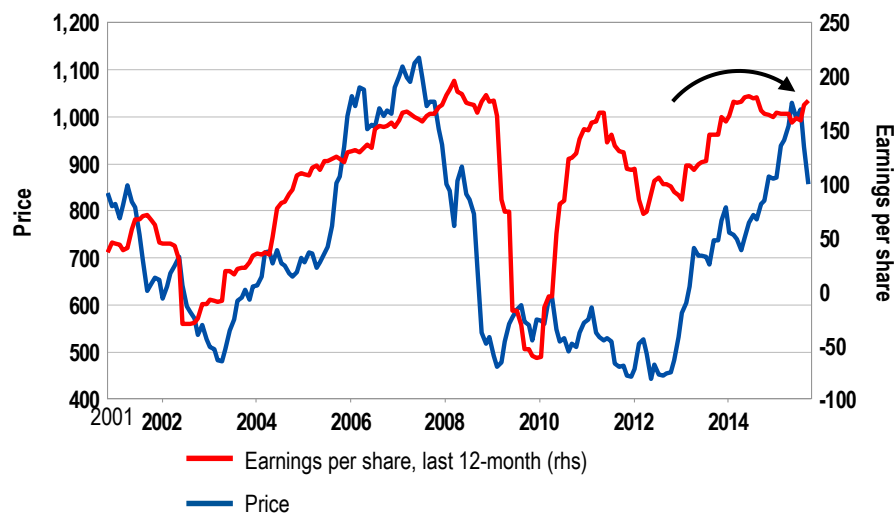
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With Contrasting Regional Differences in Earnings Cycles and Valuations

Japanese Earnings got a Yen Assist MSCI Japan Index

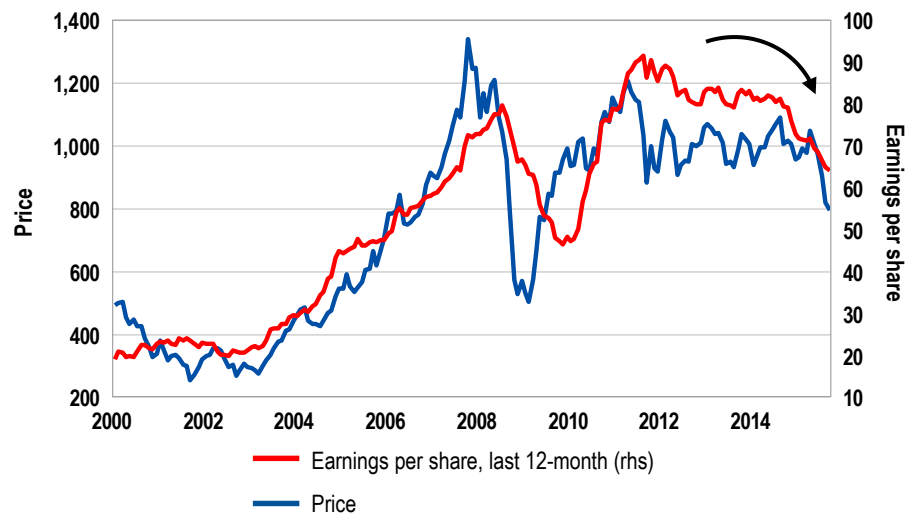
31st January, 2001 – 30th September, 2015



	Current (September 30, 2015)	Long Term Average (Since Jan. 1980)
CAPE	23.7	45.6
P/B	1.2x	2.1x
Earning Trend	Stalling	
Opportunities	Few	

EMG Earnings Rolling Over MSCI Emerging Markets Index

31st January, 2000 – 30th September, 2015



	Current (September 30, 2015)	Long Term Average (Since Sep. 1980)
P/TE	8.1x	15.6x
P/B	1.4x	1.8x
Earning Trend	Falling	
Opportunities	Some	

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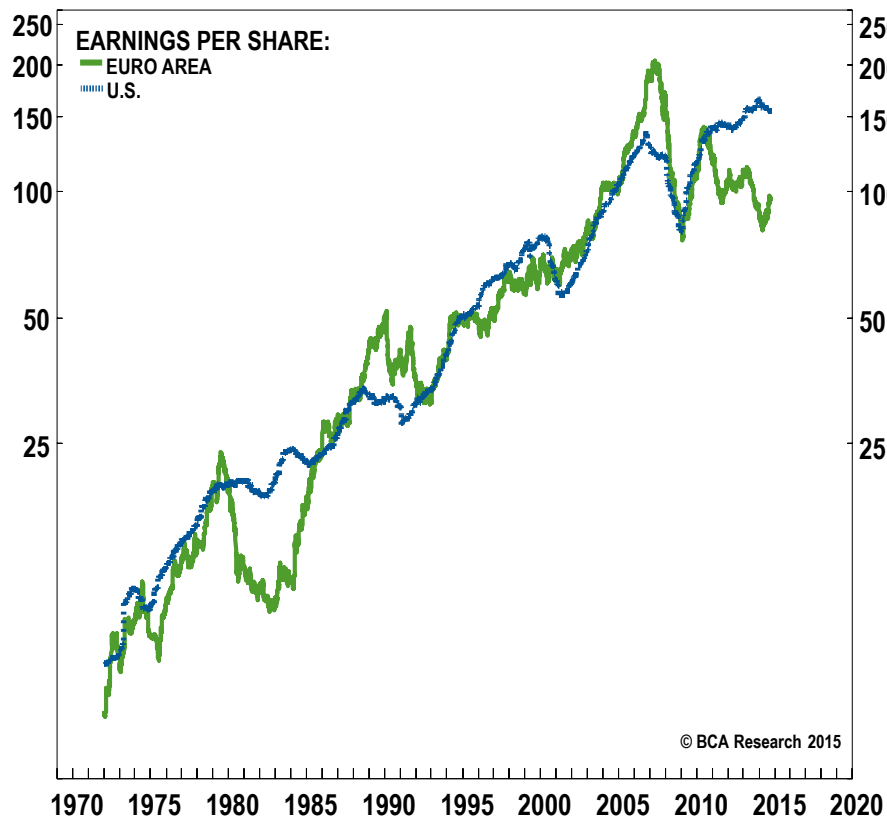
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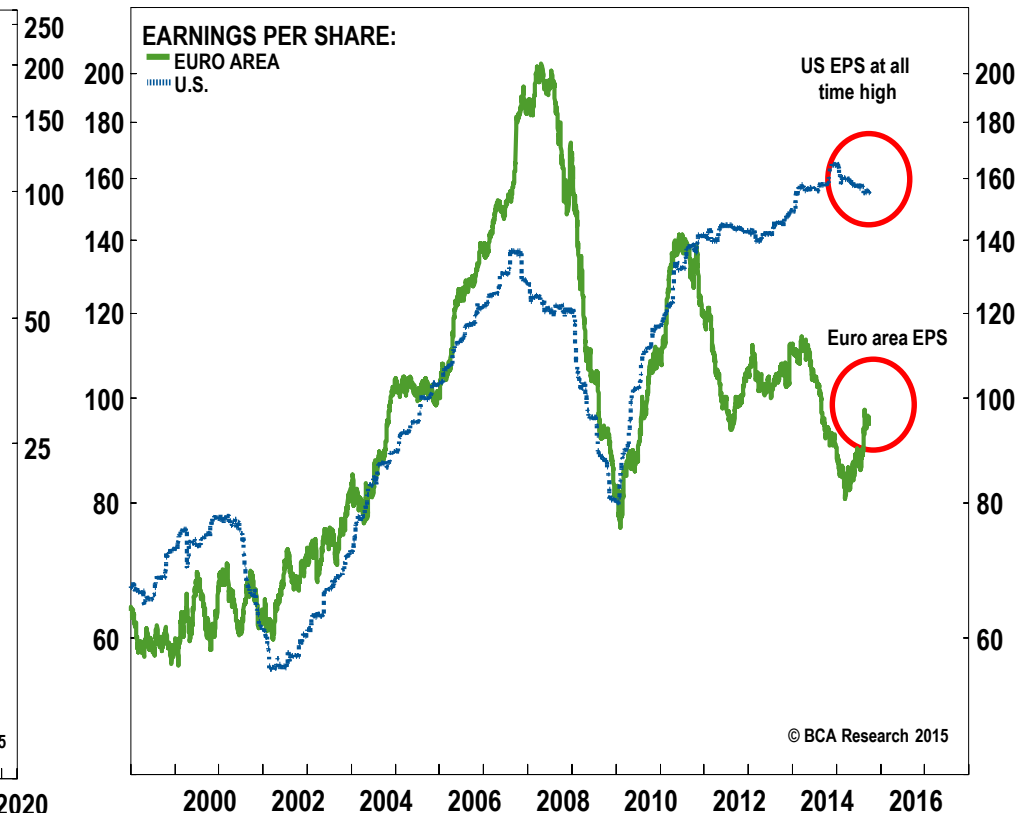
European Earnings Appear to Have Sizable Catch-up Potential

European Companies Are Still Under-Earning

31st January, 1973 to 29th September, 2015



1st January, 1999 to 29th September, 2015



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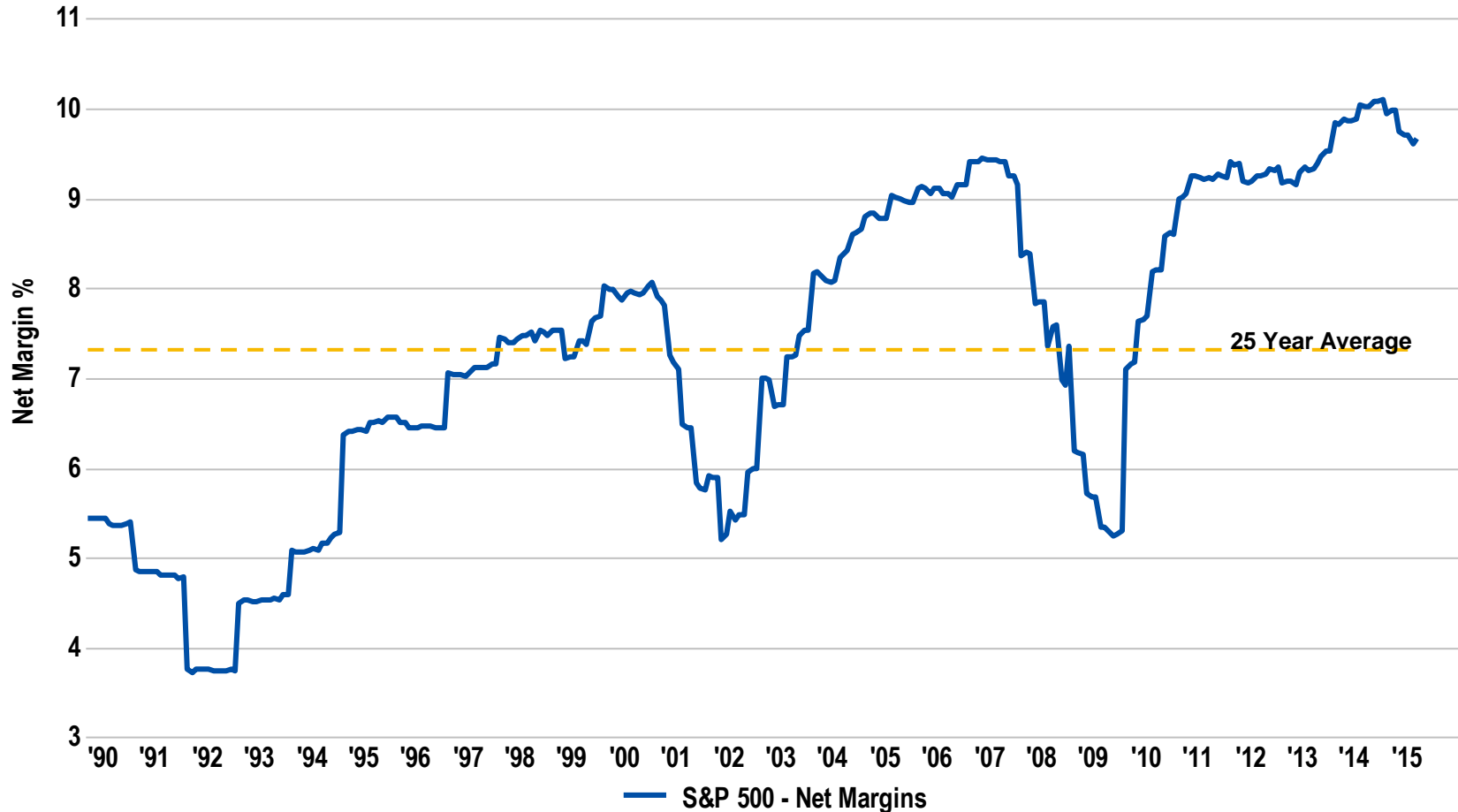
Source: BCA Research. Note: expressed in common currency terms.

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US Margins Are At 25 Year Highs

S&P 500 Net Margin

March, 1990 to September, 2015



Source: FactSet.

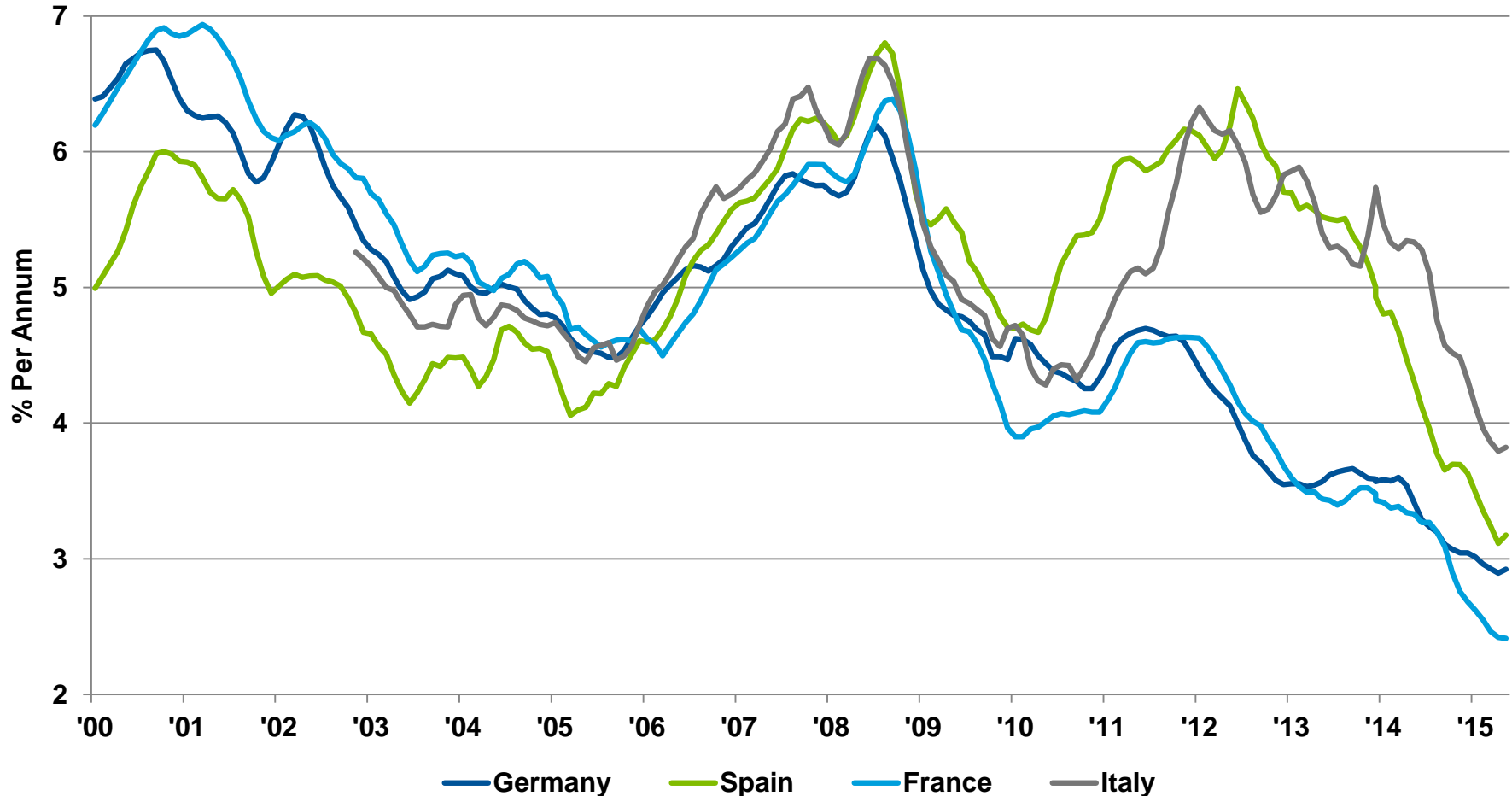
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Borrowing Costs Are Falling Rapidly For Corporates



ECB SME Borrowing Costs

April, 2000 to September, 2015

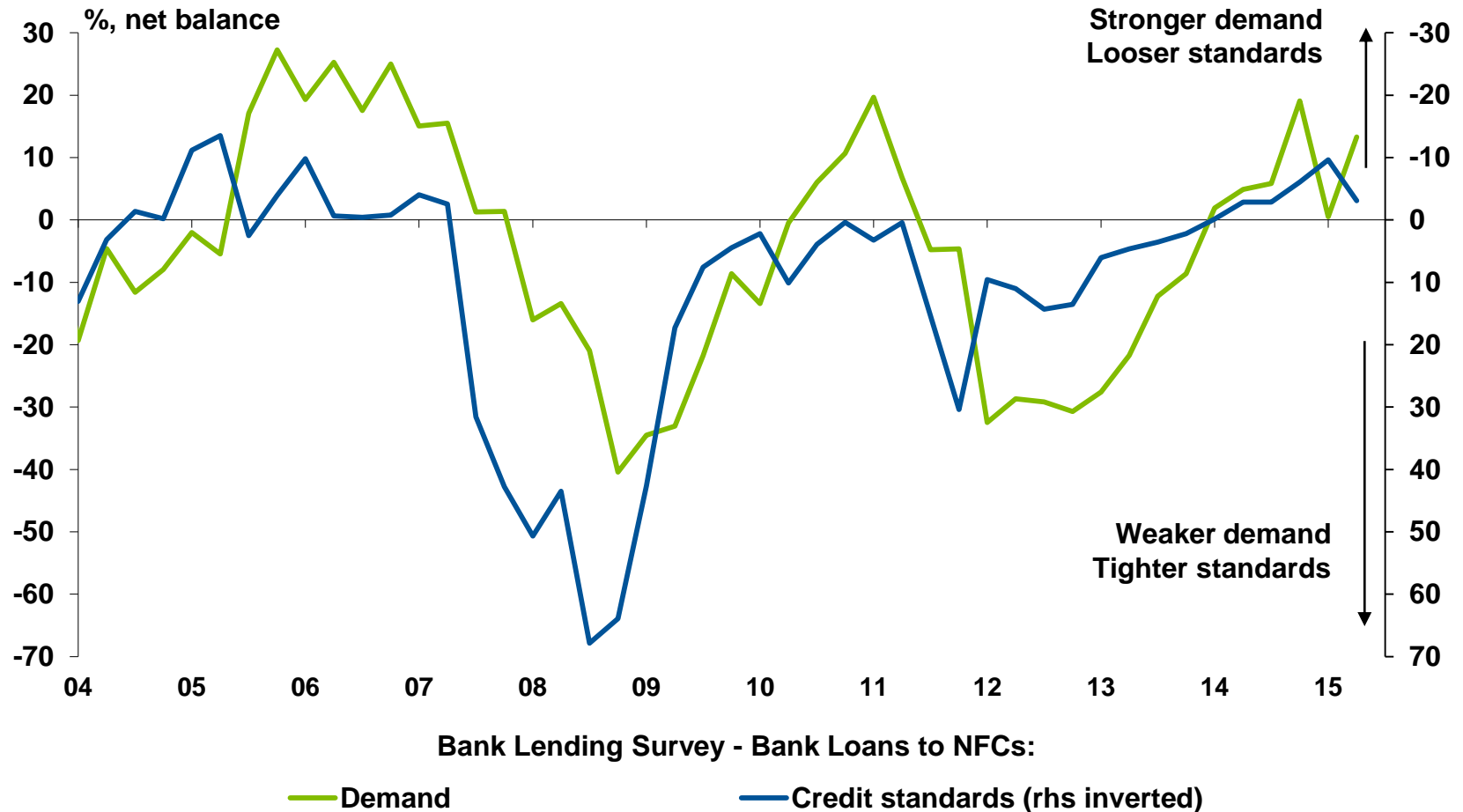


Source: ECB. 3-month moving average.

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Resulting in More Demand, More Supply

ECB Lending Survey Q1'04 to Q3'15

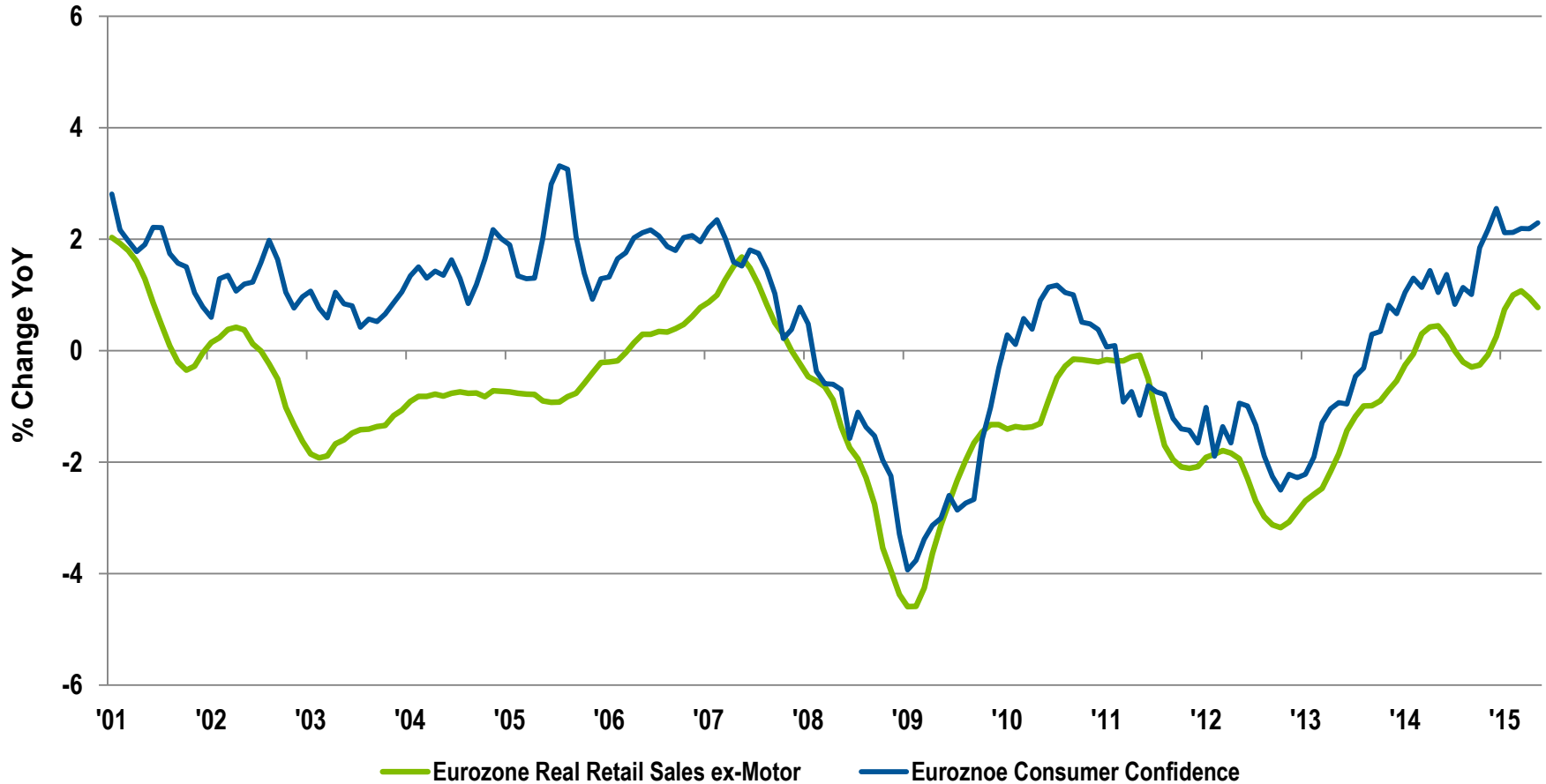


Consumer Sentiment And Retail Sales Are Improving



Eurozone Consumer Sentiment

March, 2001 to July, 2015

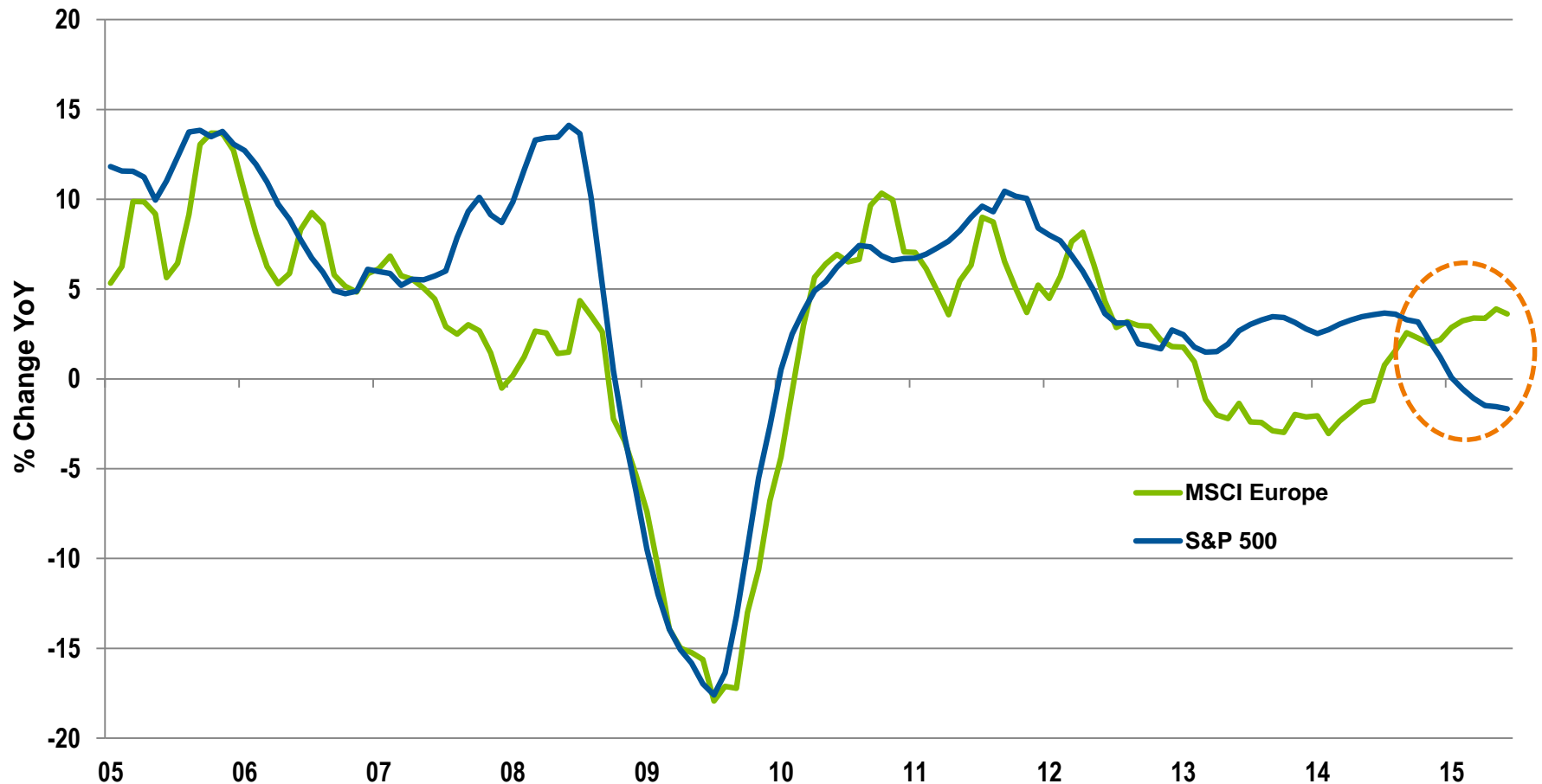


Source: FactSet. 3-month moving average, seasonally adjusted at annual rates.
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Better European Economics Feeding Into Revenues



Europe and US Forecast Sales Growth *April, 2005 to September, 2015*



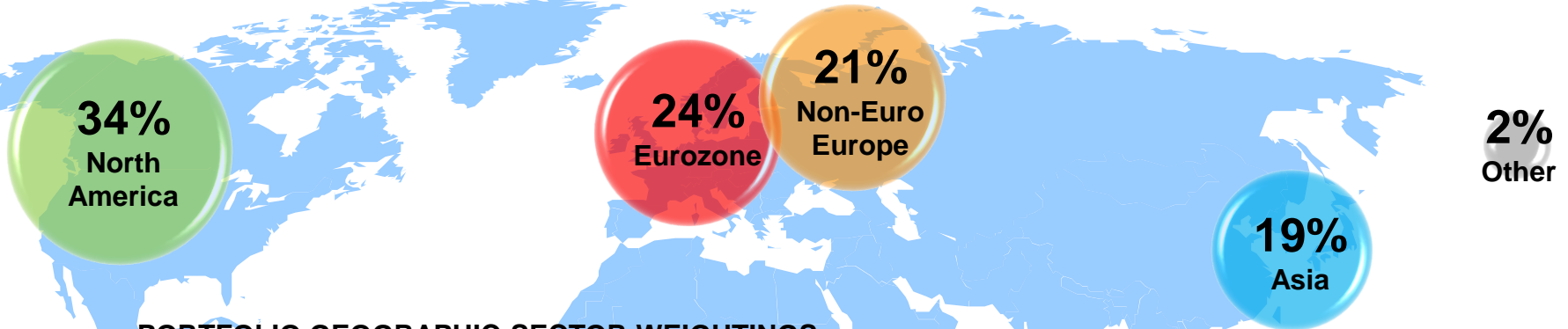
Source: Minack Advisors. 3-month moving average

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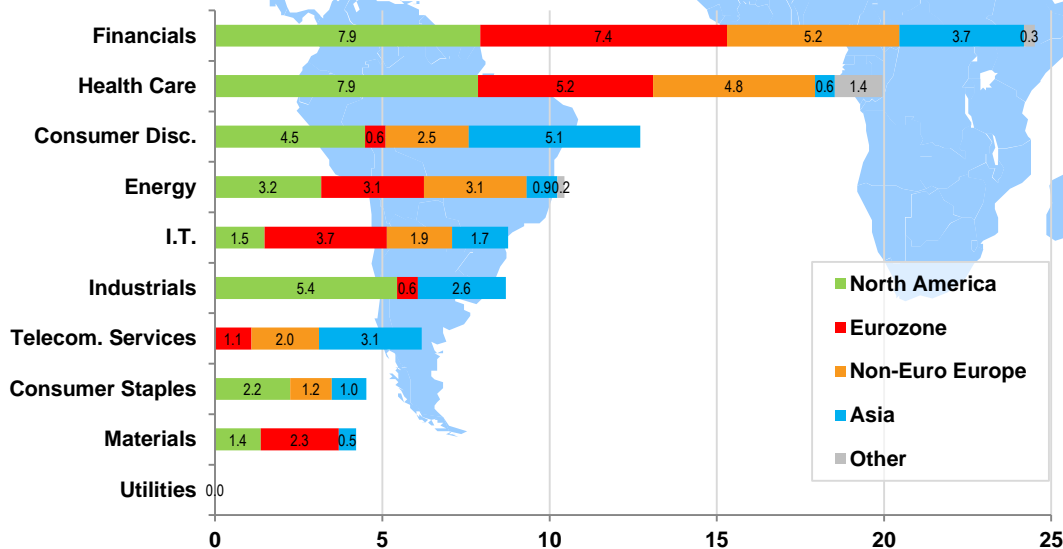
Templeton Global Growth Fund – Weights



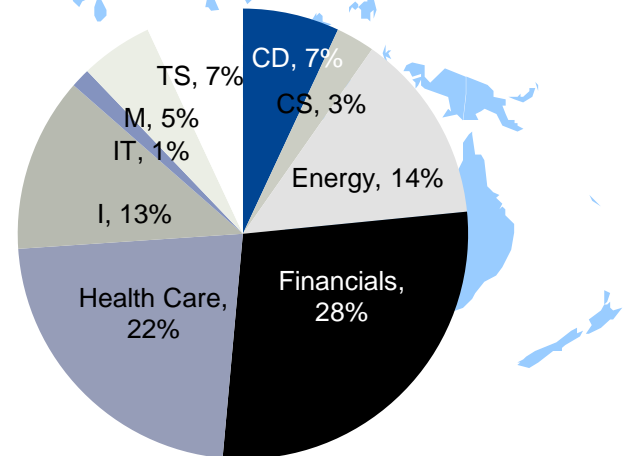
As of 30th September, 2015



PORTFOLIO GEOGRAPHIC-SECTOR WEIGHTINGS
As At 30th September, 2015



EUROPE SECTOR SPLIT



Weightings as percent of equity. Percentage may not equal 100% due to rounding.

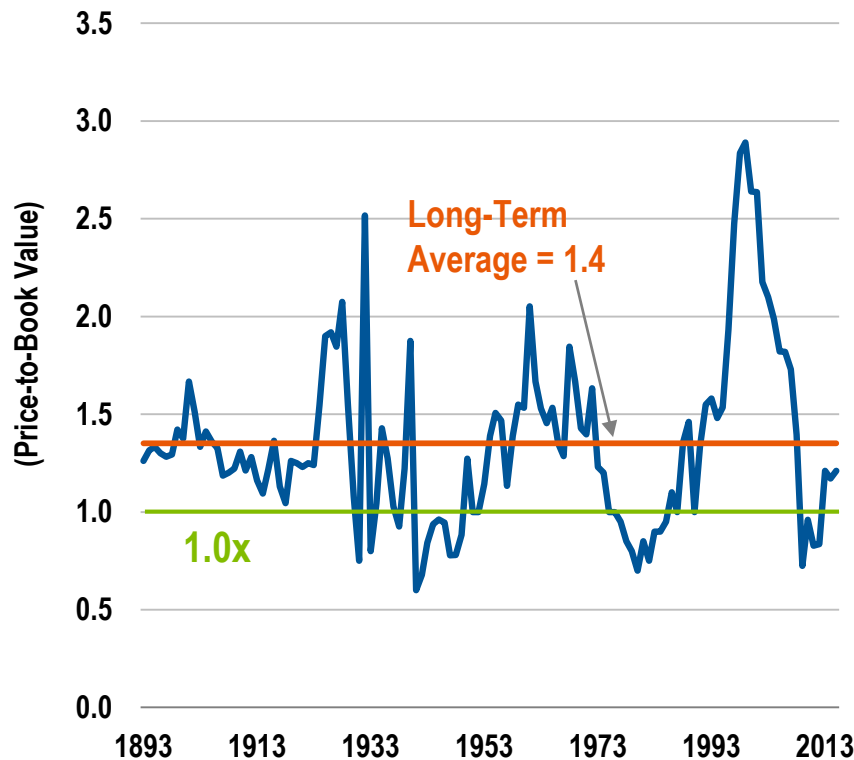
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U.S. Banks are Near Long-Term Average Valuations While Euro Banks are Still Discounted



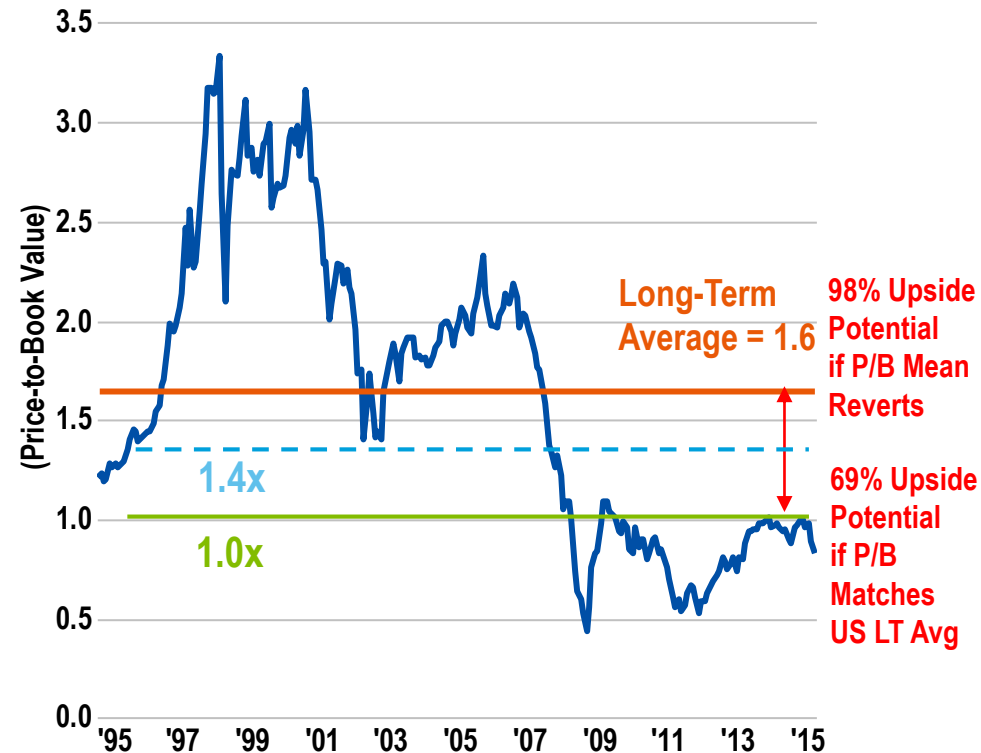
U.S. Banks Price-to-Book Value¹

As of 24th September, 2015



European Banks Price-to-Book Value²

31st January, 1995 to 30th September, 2015



For illustrative and discussion purposes only. Past performance does not guarantee future results.

1. Source: Anthony Saunders & Berry Wilson, Impact of consolidation and safety net support on Canadian, US and UK banks, 1892-1992 (1999). Michael Keeley, Deposit Insurance, Risk and Market Power in Banking (1990). FDIC – History of the 1980s. Datastream, SNL. Autonomous Research. * ignores war years, and one-off years at below 1xBV.

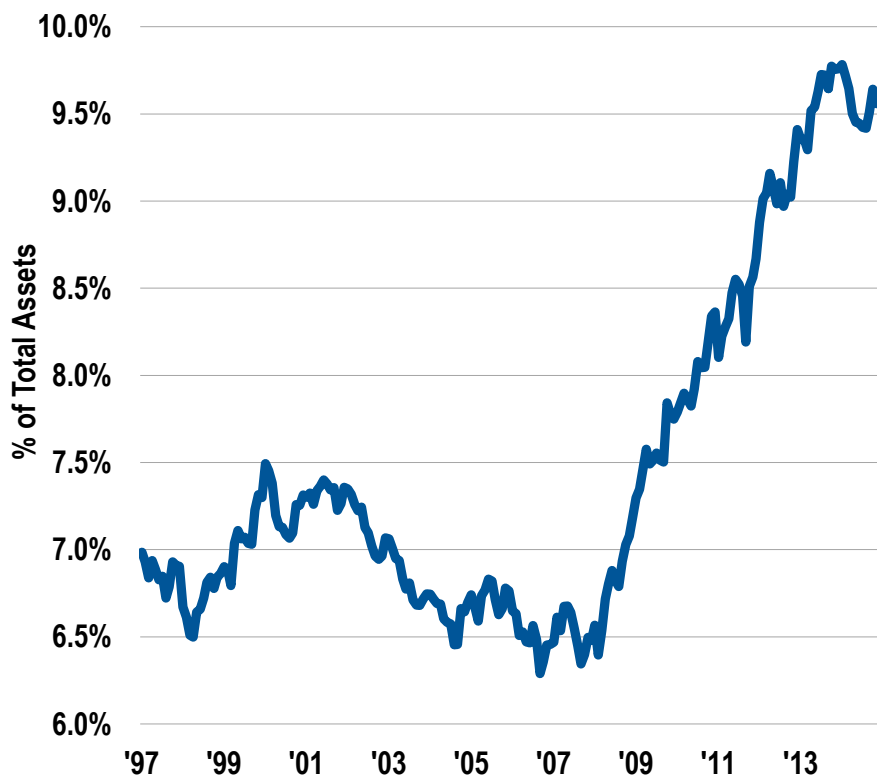
2. Source: FactSet, MSCI. Data from January 31, 1995 to September 30, 2015. See www.franklintempletondatasources.com for additional data provider information.

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Capital Much Higher, Dividends To Flow?

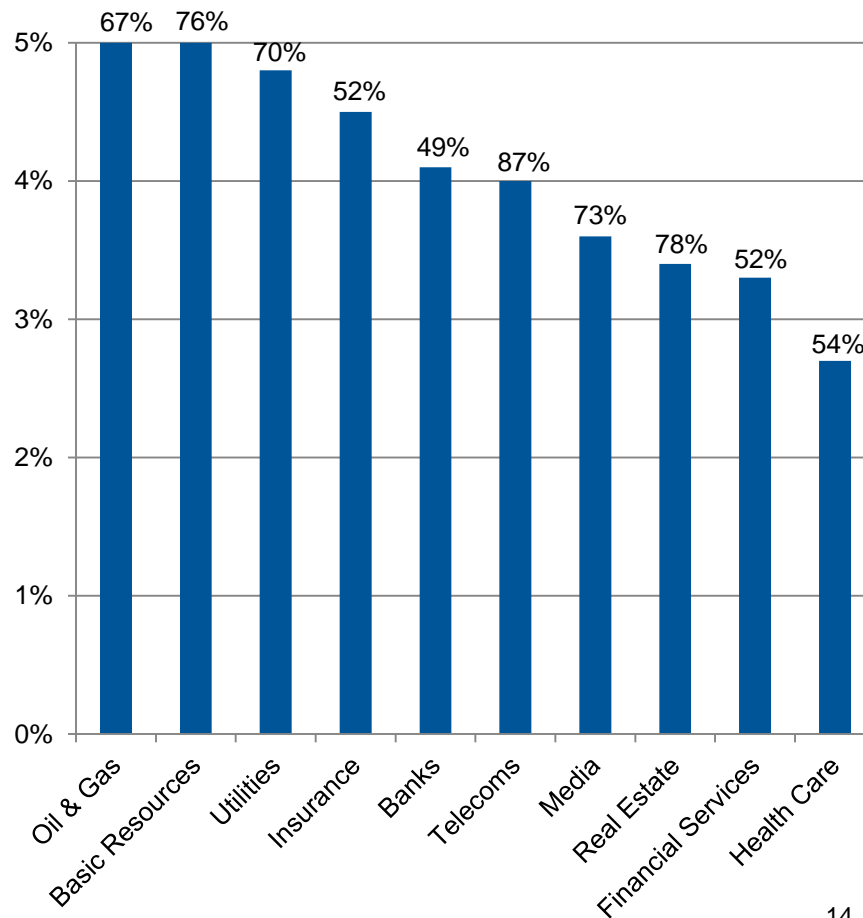
Eurozone Banking System Capital and Reserves¹

30th September, 1997 to 31st August, 2015



European Dividend Yields & Payout Ratios²

Next 12 Months Consensus



¹ Source: Redburn. Latest data as of 31st August, 2015

² Source: Autonomous, STOXX, FactSet, Bloomberg. Data as at August '15.

Casting The Net World Wide, Results Are Apparent



BNP PARIBAS

CommonwealthBank



LT credit rating (S&P / Fitch / Moody's)	A / AA- / A1	BBB / A / Baa3	A+ / A+ / A1	AA- / AA- / Aa2
Credit Default Swap ¹	95bps	77bps	87bps	101bps
Core Tier 1 Ratio ²	11.6%	11.1%	10.6%	9.2%
Loan / Deposit ratio	71%	88%	101%	134%
LTM Performance (local)	-16%	10%	3%	2%
P/TBV (2015e)	1.0x	0.9x	0.9x	2.5x
P/E (2015e)	9.4x	10.4x	9.2x	13.2x
Div Yield (2015e)	6.8%	2.8%	4.7%	5.8%
Payout Ratio (2015e)	64%	29%	43%	77%

Source: Company Reports, Franklin Templeton Investments, Bloomberg and FactSet Research Systems as of 30th September, 2015

¹ 5yr senior unsecured (in USD)

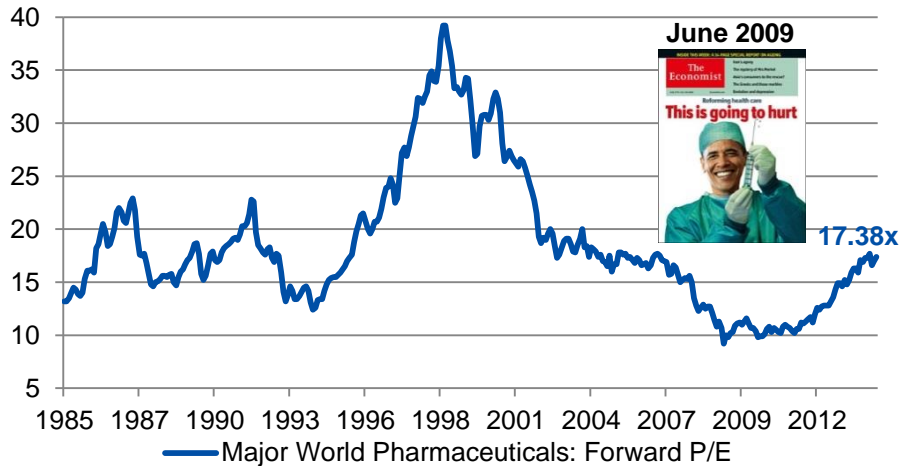
² Latest figures reported under Basel III, CRD IV or APRA standards.

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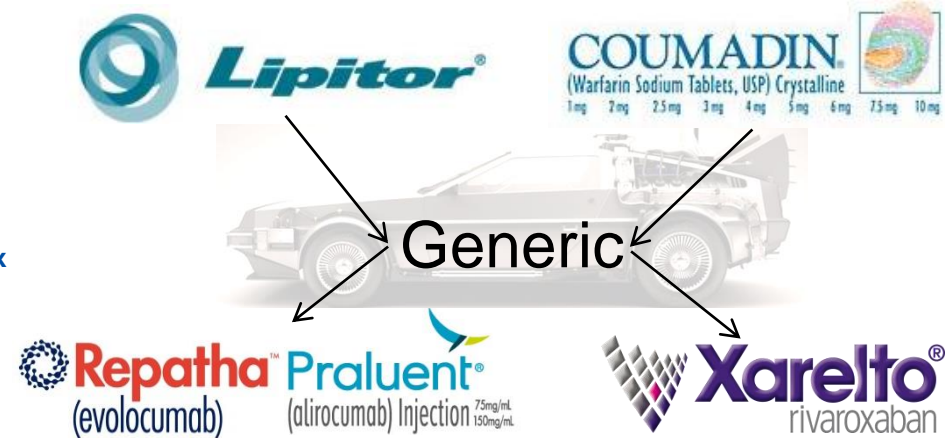
Pharmaceuticals On Their Way Back to Growth?

Major World Pharmaceuticals: Forward P/E¹

3rd January 1985 to 30th September 2014

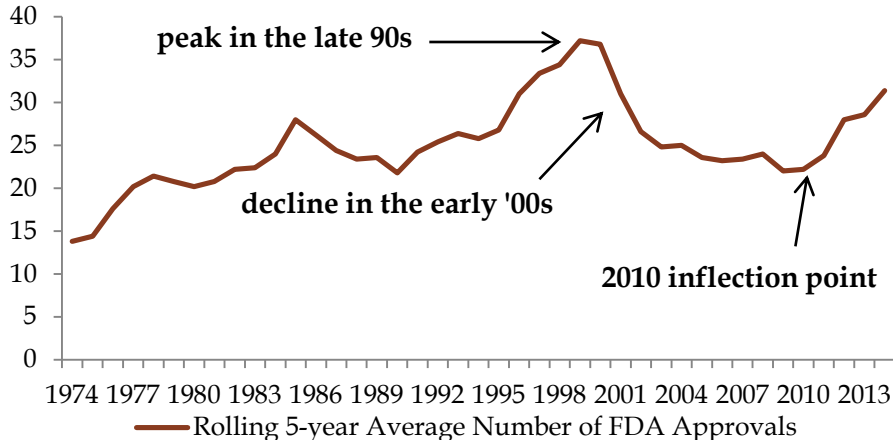


Back To The Future: Pharma Style

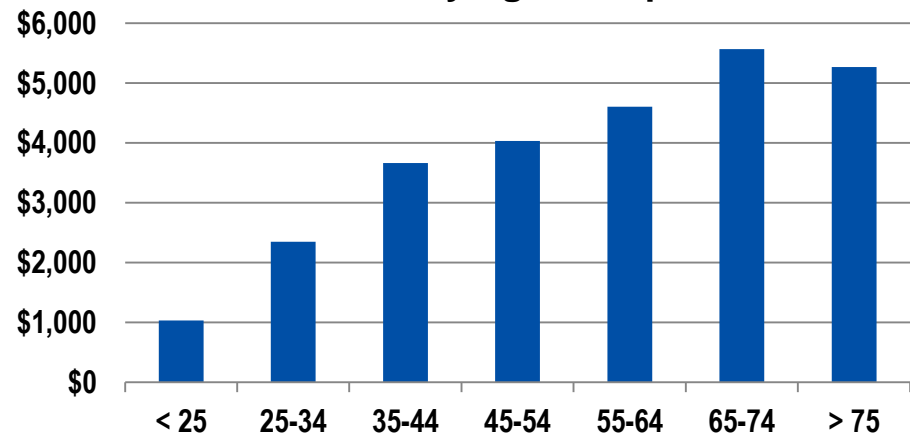


US FDA Approvals²

1974 to 2014



US Mean Annual Health Care Expenditure Per Person by Age Group³



Source: ¹FactSet Market Aggregates, ²Berenberg, ³Consumer Expenditure Survey, U.S. Bureau of Labor Statistics. BLS data from mid 2013 to mid 2014.

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Pharmaceuticals: Value Opportunities Remain

SANOFI 

1.6% of TGG

31st Mar, 2000 30th Sept, 2015

P/E (FY1)	36.7x	14.9x
FCF Yield	0.9%	5.9%
Div. Yield	0.6%	3.4%

Roche

1.9% of TGG

31st Dec, 1999 30th Sept, 2015

P/E (FY1)	30.4x	18.3x
FCF Yield	0.4%	4.8%
Div. Yield	0.5%	3.1%

gsk GlaxoSmithKline

1.4% of TGG

31st Mar, 2000 30th Sept, 2015

P/E (FY1)	30.5x	16.8x
FCF Yield	0.5%	3.6%
Div. Yield	0.0%	6.3%

Pfizer

1.2% of TGG

31st Dec, 1999 30th Sept, 2015

P/E (FY1)	38.7x	15.1x
FCF Yield	0.5%	6.9%
Div. Yield	1.1%	3.4%

AMGEN

1.8% of TGG

31st Dec, 1999 30th Sept, 2015

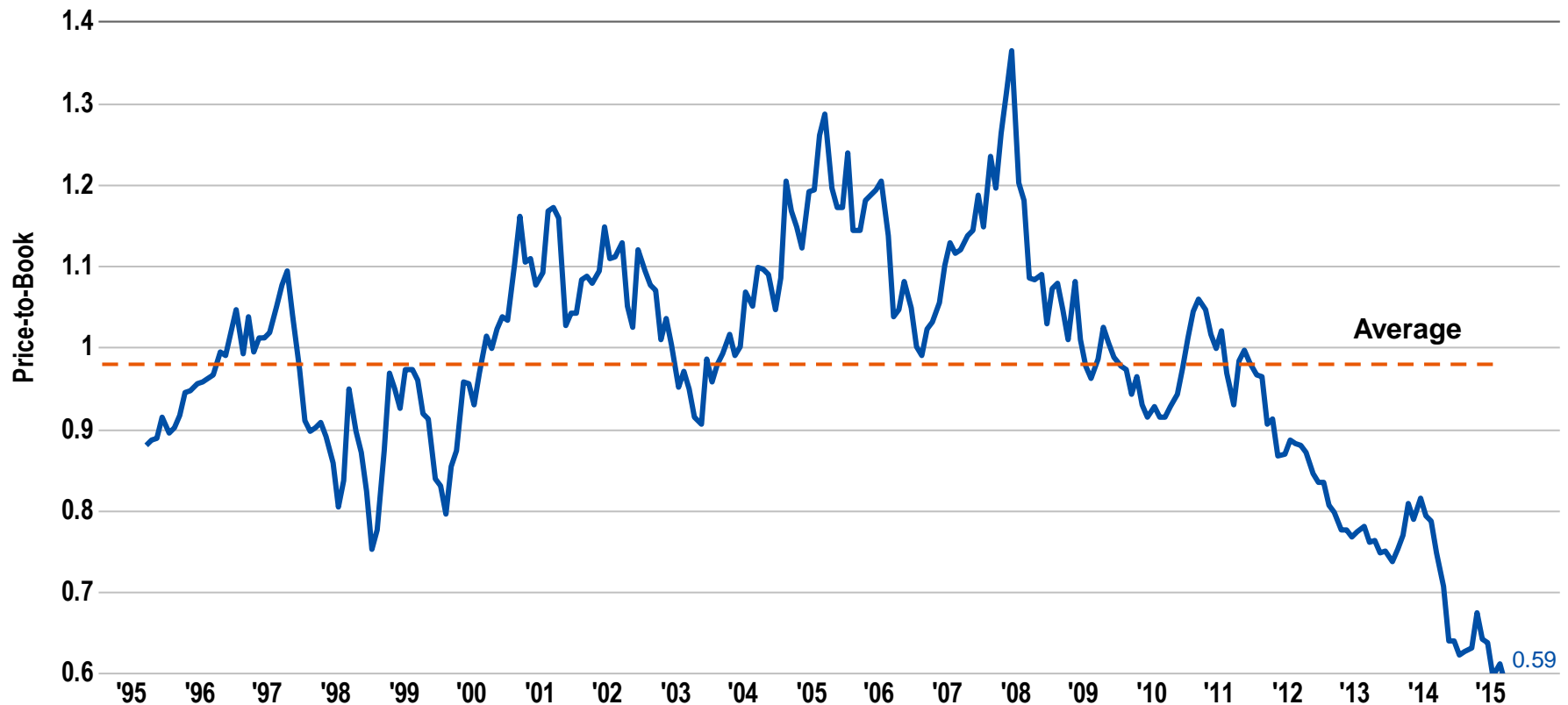
P/E (FY1)	61.7x	14.2x
FCF Yield	1.2%	8.2%
Div. Yield	0.0%	2.0%

Source: © 2015 FactSet Research Systems Inc. Current data points as of 30/09/15. References to particular securities are only for the limited purpose of illustrating general market or economic conditions and are not recommendations to buy or sell a security or an indication of any portfolio holdings. Logos are trademarks of their respective owners and are used for illustrative purposes and should not be construed as an endorsement or sponsorship of Franklin Templeton Investments. This should not be construed as investment recommendation for any stock

Energy: Full of Opportunity

MSCI All Country World Energy Index Relative Price-to-Book

29th September, 1995 – 30th September, 2015



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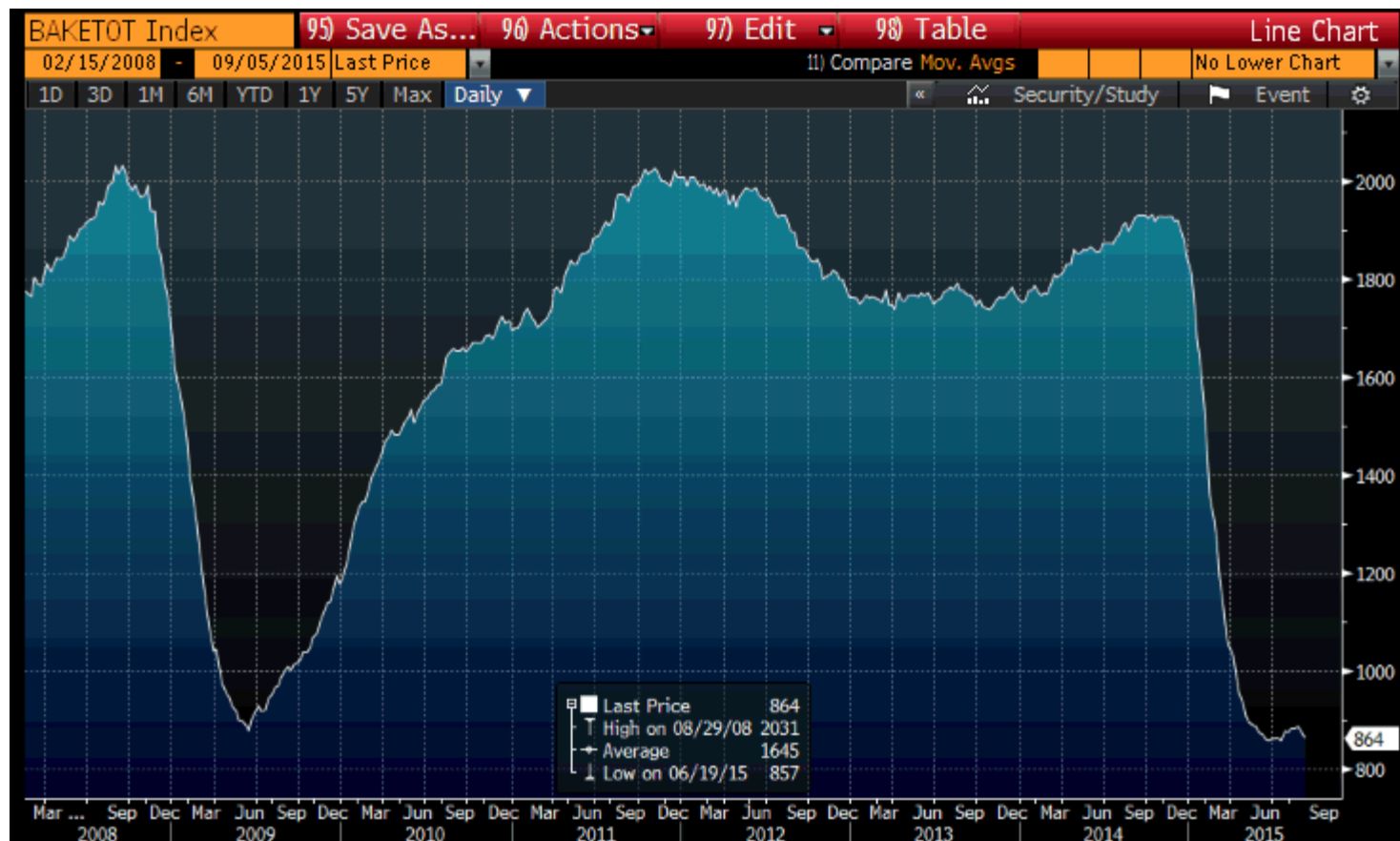
Source: FactSet, MSCI. See www.franklintempletondatasources.com for additional data provider information. LTM: last twelve months.

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Energy: Rig Counts Falling

Baker Hughes Total Rig Count

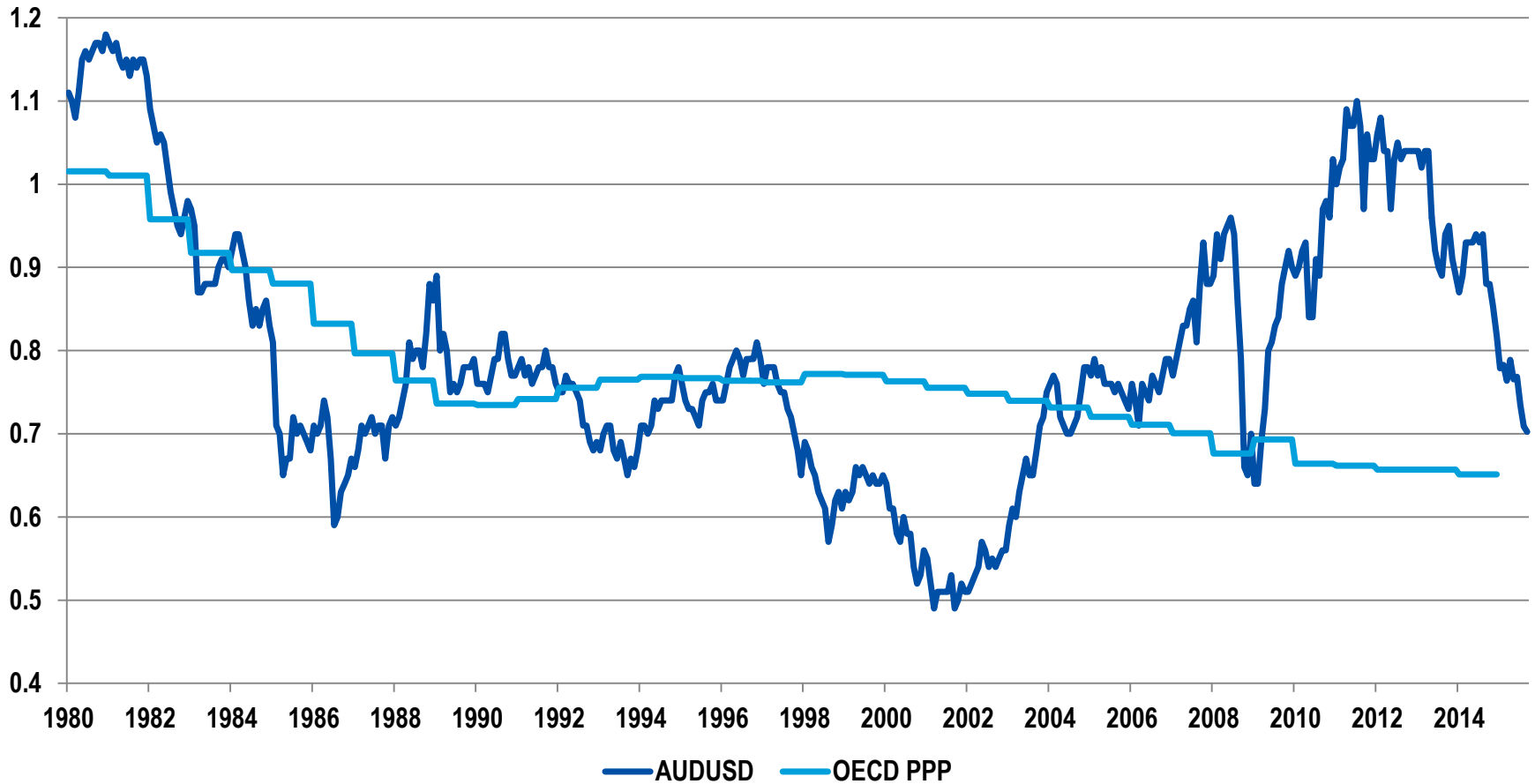
15th February, 2008 to 5th September, 2015



Source: Bloomberg.

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AUD:USD Spot vs. OECD Purchasing Power Parity 1980 through to 2014

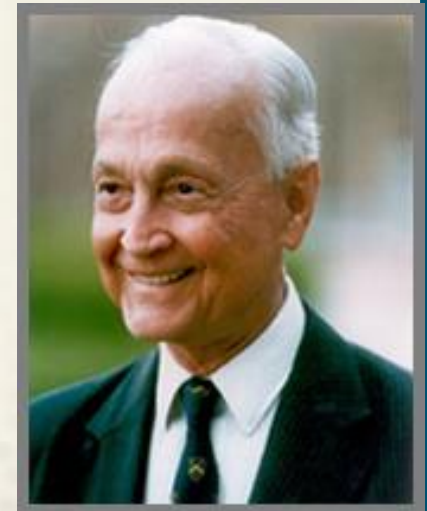


Source: OECD.PPP to 2014, AUDUSD spot to 30th September, 2015.

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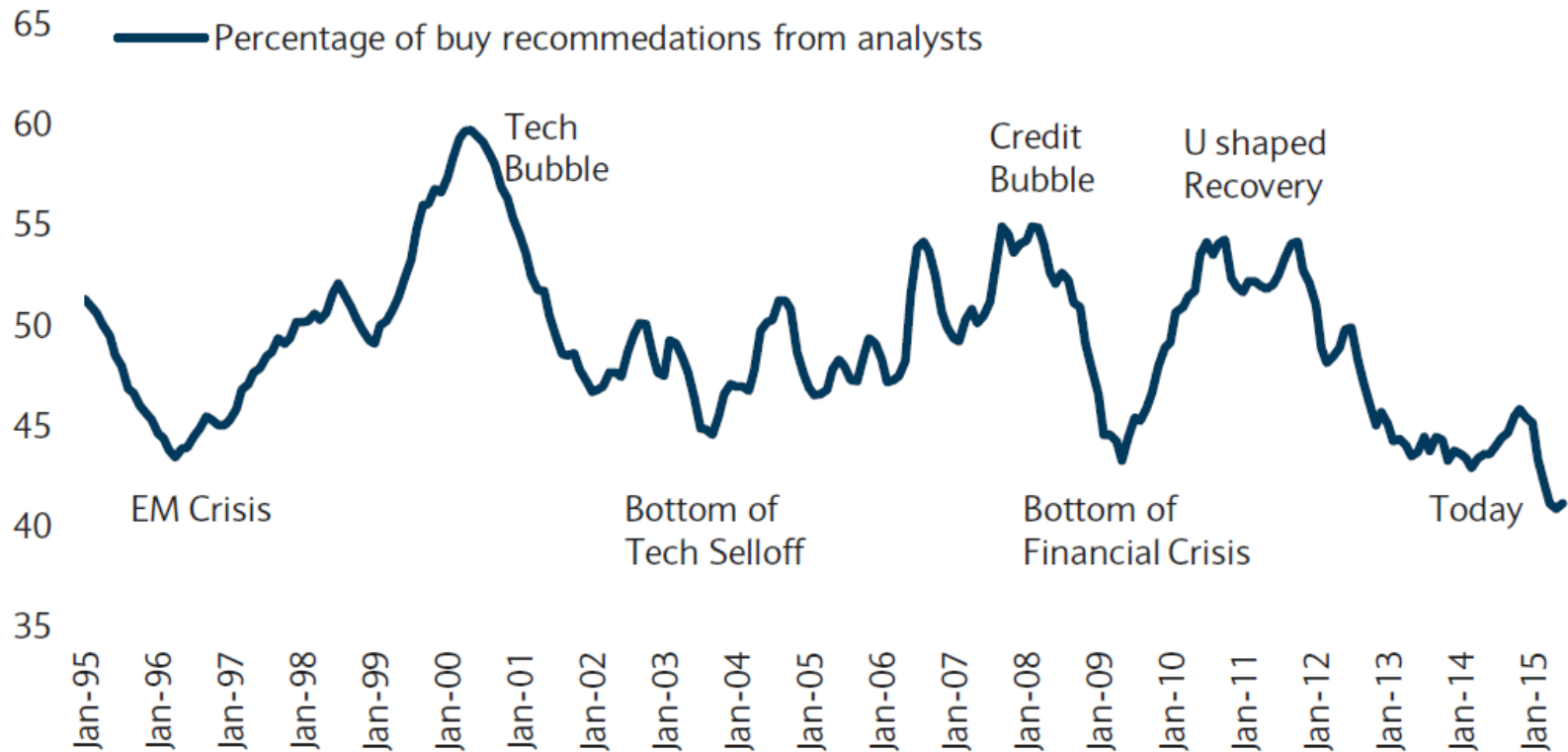
“People are always asking me where the outlook is good, but that’s the wrong question. The right question is: Where is the outlook most miserable?”

– *Sir John Templeton*



Maybe They'll Get It Right This Time?... But Probably Not

Proportion of Buy Ratings From Equity Research Analysts *1995 to 2015*



Value's Recent Underperformance is Comparable to the Tech-Bubble

10-Year Annualized Excess Total Return: Value vs. Growth *January, 1985 to September, 2015*



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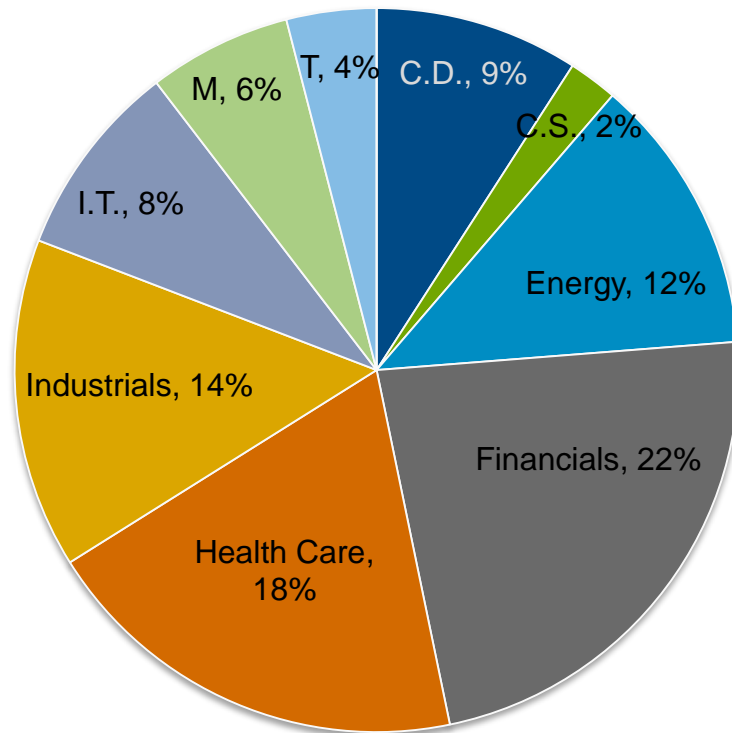
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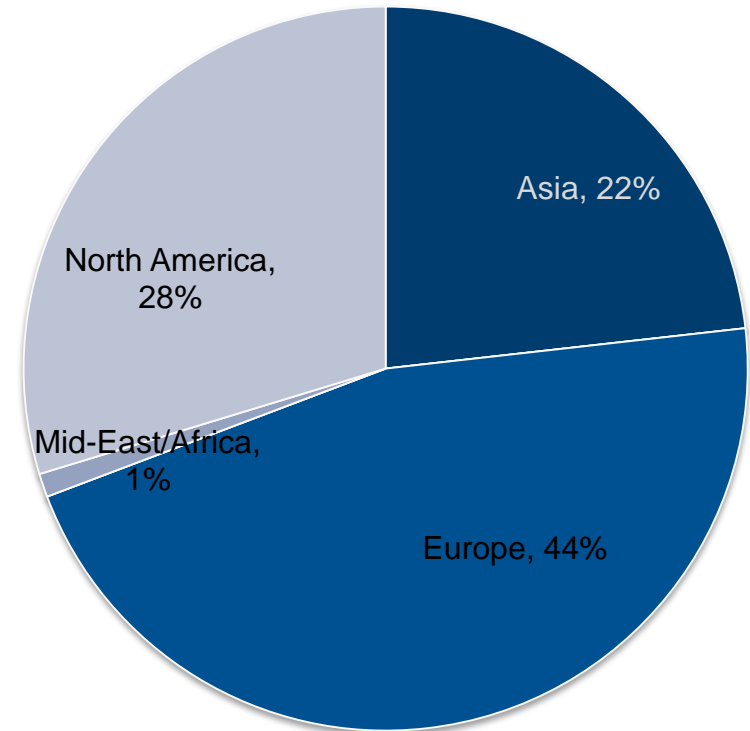
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Capital Raising Allocation

Allocation by Sector



Allocation by Region



New Names: China Life Insurance, Basilea Pharmaceuticals, Bayer, Rockwell Collins

Based on portfolio transactions from 29th June, 2015 to 15th October, 2015. Percentage of capital raised.

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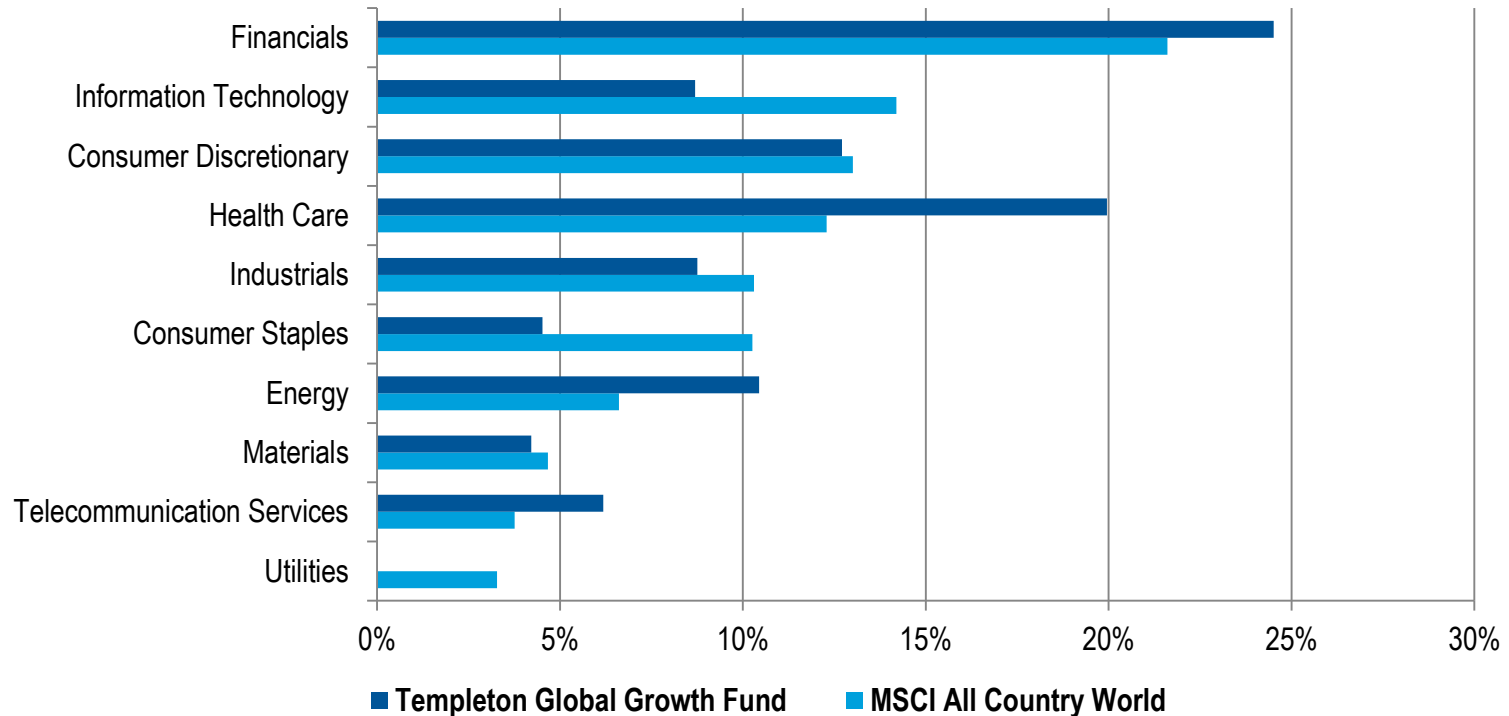
Templeton Global Growth Fund

Sector Allocation



Templeton Global Growth Fund vs. MSCI All Country World Index

As at 30th September, 2015



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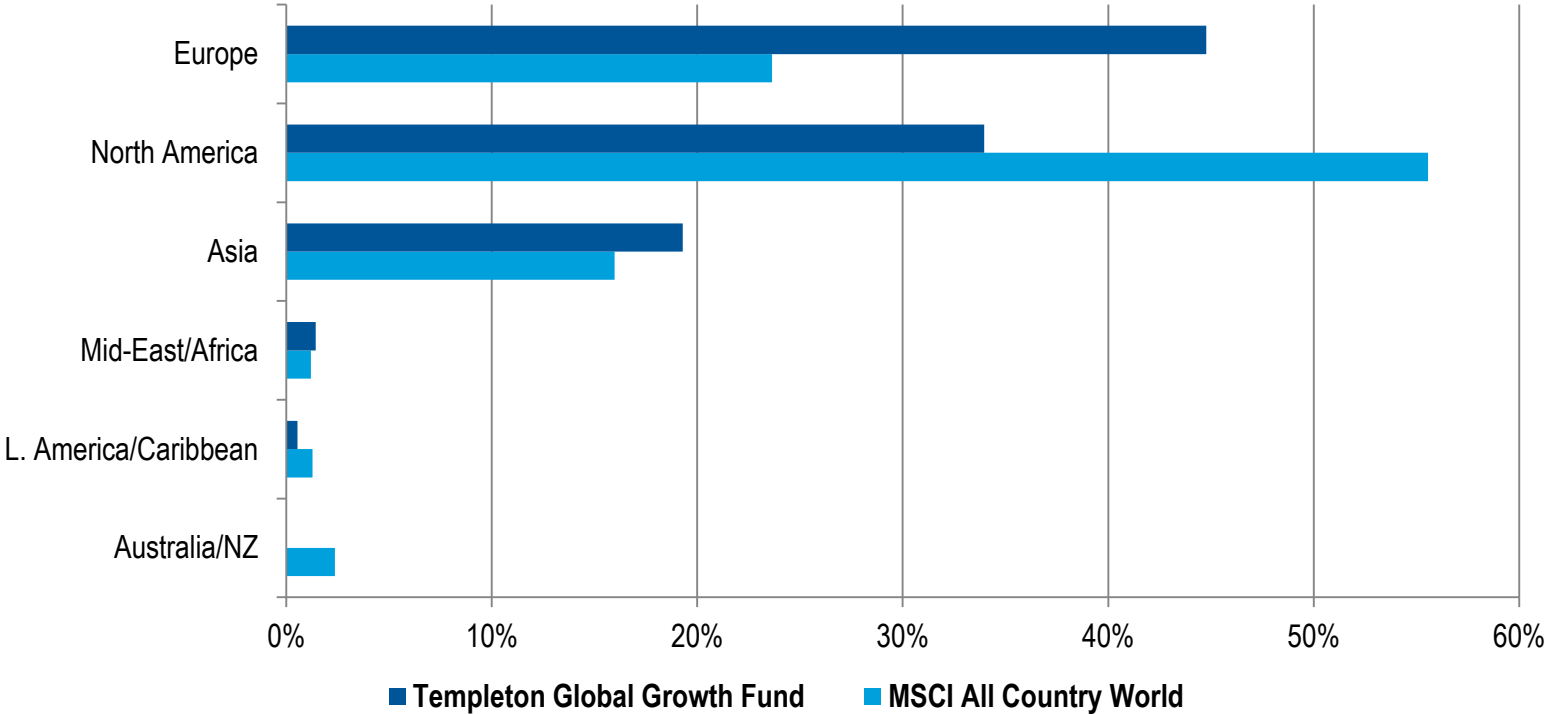
Templeton Global Growth Fund

Geographic Allocation



Templeton Global Growth Fund vs. MSCI All Country World Index

As at 30th September, 2015



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Templeton Global Growth Fund

Portfolio Characteristics



Templeton Global Growth Fund vs. MSCI All Country World Index

As at 30th September, 2015

	Portfolio	Benchmark
Price to Earnings	13.5x	17.0x
Price to Cash Flow	5.8x	10.0x
Price to Book Value	1.3x	1.9x
Dividend Yield	3.0%	2.7%

For the Fund, the Price to Earnings, Price to Cash Flow, and Price to Book Value calculations for the weighted average use harmonic means. Values less than 0.01 (i.e., negative values) are excluded and values in excess of 200x are capped at 200x. Yields above 100% are also excluded. For the benchmark, no limits are applied to these ratios in keeping with MSCI's calculation methodology. Due to data limitations, all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security's issuing company. This methodology may cause small differences between the Fund's reported characteristics and the Fund's actual characteristics. In practice, Franklin Templeton's portfolio managers invest in the class or type of security which they feel is most appropriate at the time of purchase. **Please note: The dividend yield quoted here should not be used as an indication of the income to be received from this fund.**

Index statistics calculated by FactSet Research Systems, Inc.

Source: Franklin Templeton Investments.

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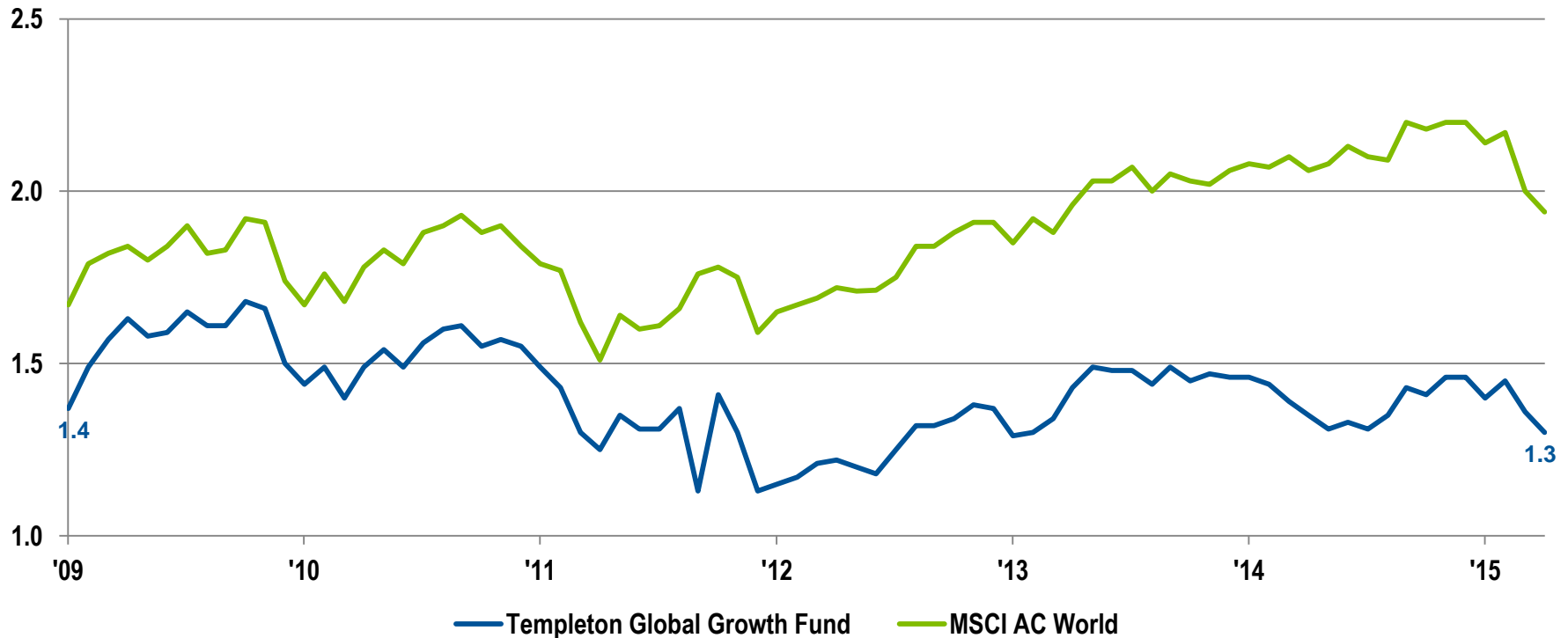
Templeton Global Growth Fund

Portfolio Characteristics



Templeton Global Growth Fund vs. MSCI All Country World Index Price to Book Ratio

30th June, 2009 to 30th September, 2015



The portfolio characteristics listed are based on the Fund's underlying holdings, and do not necessarily reflect the Fund's characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security's issuing company. This methodology may cause small differences between the portfolio's reported characteristics and the portfolio's actual characteristics. In practice, Franklin Templeton's portfolio managers invest in the class or type of security which they believe is most appropriate at the time of purchase. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

Source: FactSet. For the portfolio, the Price to Book Value calculations use harmonic means for the weighted average. Values less than 0.01 (i.e., negative values) are excluded and values in excess of 200x are capped at 200x. For the benchmark, no limits are applied to these ratios in keeping with the benchmark's calculation methodology.

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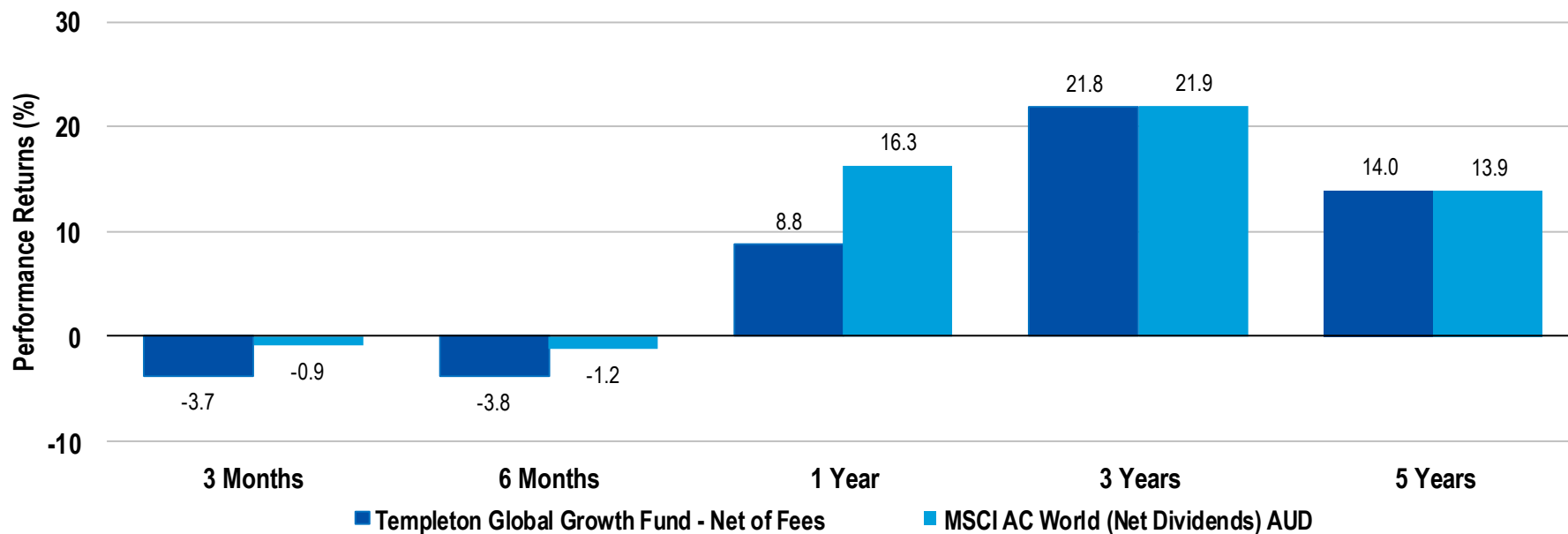
Templeton Global Growth Fund

Performance



Templeton Global Growth Fund vs. MSCI All Country World Index

As at 30th September, 2015



Periods of more than one year are annualised. Benchmark is presented net dividends.
 Past performance does not guarantee future results and results may differ over future time periods.

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Templeton Global Growth Fund

Top Ten Holdings



As at 30th September, 2015

Name of Issuer	Country	Industry	% of Total
MICROSOFT CORP	United States	Software & Services	2.4
SAMSUNG ELECTRONICS CO	South Korea	Technology Hardware & Equipment	2.0
ROCHE HOLDING AG	Switzerland	Pharmaceuticals, Biotechnology & Life Sciences	1.9
AMGEN INC	United States	Pharmaceuticals, Biotechnology & Life Sciences	1.8
COMCAST CORP	United States	Media	1.8
SANOFI	France	Pharmaceuticals, Biotechnology & Life Sciences	1.7
CITIGROUP INC	United States	Banks	1.6
JPMORGAN CHASE & CO	United States	Banks	1.6
HYUNDAI MOBIS CO	South Korea	Automobiles & Components	1.6
NISSAN MOTOR CO	Japan	Automobiles & Components	1.5
TOTAL			17.8

The Ten Largest Holdings represent the ten largest holdings of the fund as of the date indicated. These securities do not represent all of the securities purchased, sold or recommended for advisory clients, and the reader should not assume that investment in the securities listed was or will be profitable. All portfolio holdings are subject to change. Holdings of the same issuer have been combined.

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.

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- Environmental, Social and Governance (ESG) has become a hot topic in recent years with many investors and asset managers signing up to the UN-PRI
- Templeton's approach to ESG:
 - We have always examined potential investments assessing both risks and returns.
 - ESG issues matter on both those dimensions.
 - Valuation becomes the key variable in assessing risk vs return.
 - As long-term shareholders with significant stakes in many of the stocks we hold, ESG issues really matter in a way they would not for high turnover managers.

- The last six years have seen a strong bull market in the US
- The rest of the world has lagged significantly, leading to significant valuation discounts outside the US
- Economic conditions are improving in Europe, with a lower Euro, lower oil price and a resumption in bank lending
- Financials continue to trade at a discount to historic averages
- Health Care has re-rated, but the industry is returning to growth and selective opportunities remain on a stock by stock basis
- A long-term focus on oil provides a lens to sift through opportunities in the Energy sector, where valuations are currently at multi-decade lows