



Templeton Global Growth Fund 2014 Annual General Meeting

Peter Wilmshurst, CFA
Executive Vice President
Portfolio Manager, Research Analyst
Templeton Global Equity Group



The Templeton Investment Philosophy

We utilise a disciplined, consistent approach based on three timeless principles of investing

Value

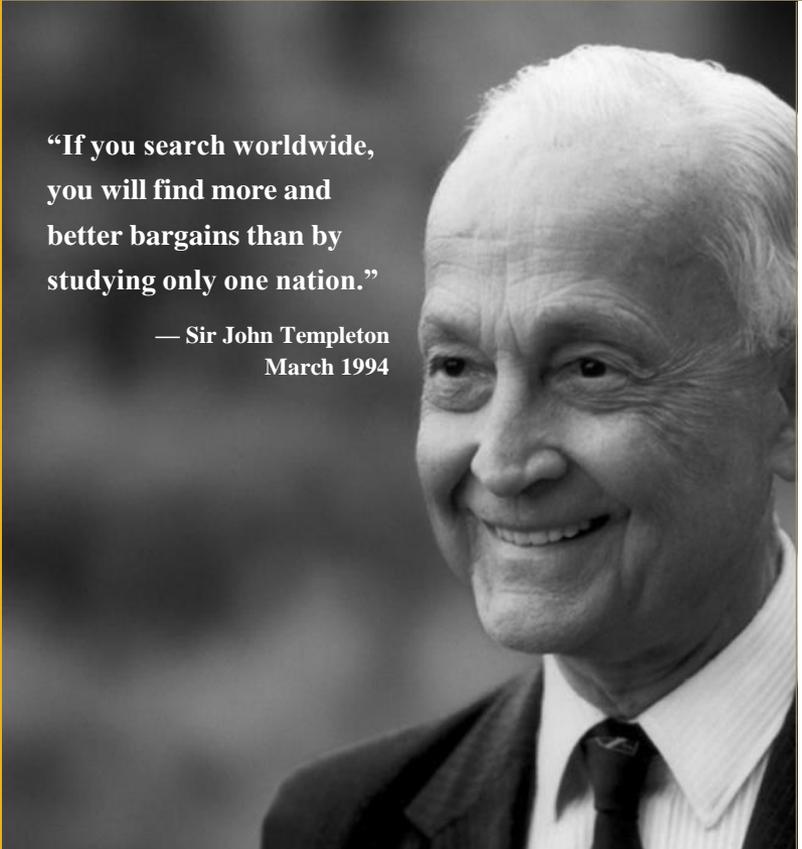
- Uncover bargains — seeking companies trading at large discounts to their business value
- Business value — based on future earnings, cash flow or asset value potential
- Flexible approach to identify potential value within a disciplined framework

Patience

- Rolling five-year time horizon focused on normalised business value
- Long-term focus gives us a framework to take advantage of short-term price volatility to reveal investment opportunities
- Patience allows time for value recognition and has historically resulted in low turnover

Bottom-up stock picking

- Build portfolios with undervalued securities identified through research process
- Portfolio structure reflects where we are finding value across sectors and regions
- Portfolio management process seeks to buy pessimism and sell optimism



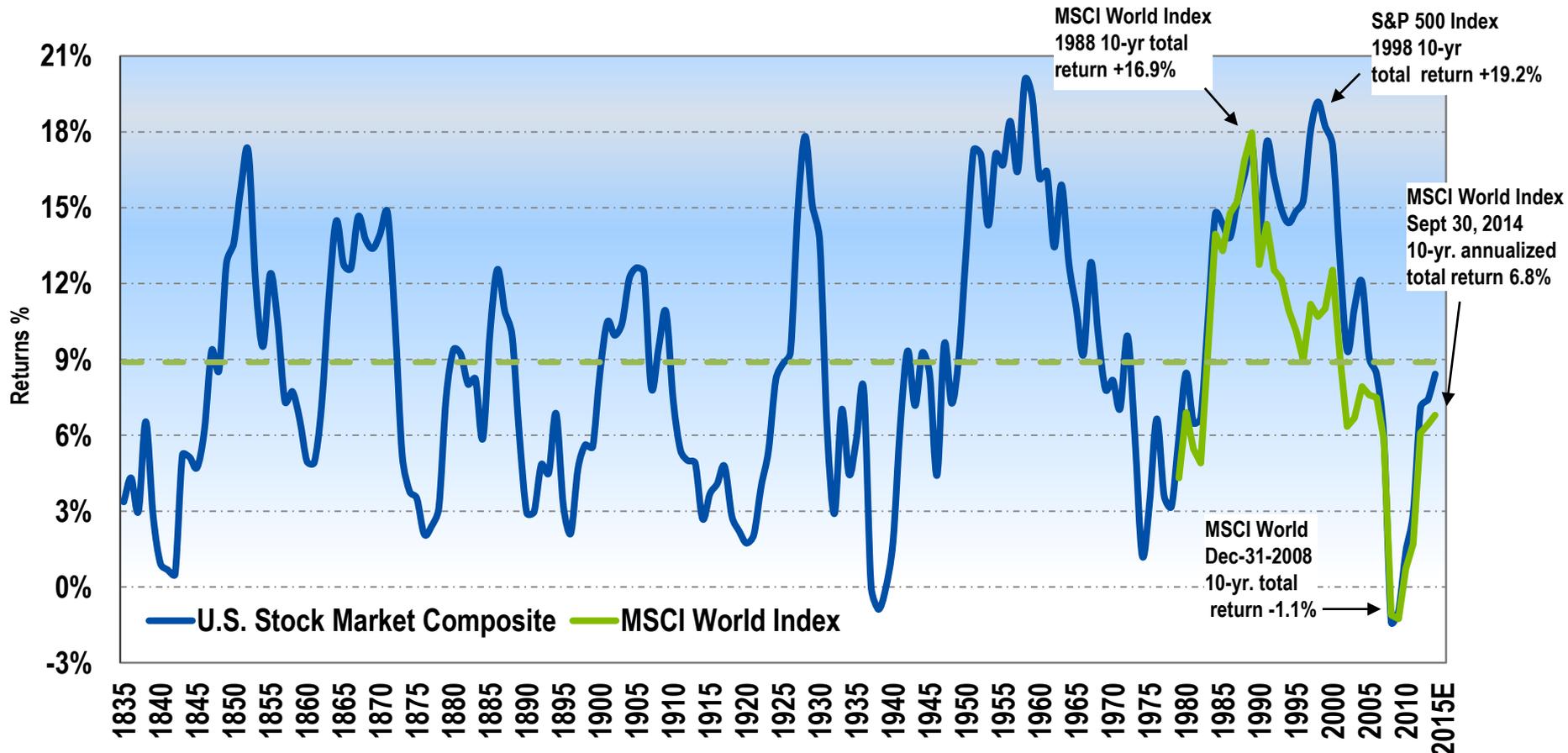
**“If you search worldwide,
you will find more and
better bargains than by
studying only one nation.”**

— Sir John Templeton
March 1994

Equities Have Recovered

MSCI World and S&P 500 Index 10-Year Compounded Annual Total Return

Data from 1835 to 30th September 2014



For illustrative and discussion purposes only.

Source: Stifel Nicolaus Associates, "A New Historical Database for the NYSE 1815 to 1925: Performance and Predictability," Yale University used with permission from Prof. William N. Goetzmann, Post-1935 data for stocks are Ibbotson/Morningstar and S&P large-cap equity, MSCI. Stock market returns include dividends. Last data point includes one year trailing total return as of 9/30/14 (intraday) as final point in compound return calculation. Chart and annotations are Stifel format.

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Valuations Are Higher, But Still Interesting

Global price to book ratios have not recovered with returns

MSCI AC World: Trend P/E¹

30th September 1995 to 30th September 2014



1. Source: FactSet, MSCI. Methodology: The benchmark's trend P/E is established by dividing its absolute price history by its trend EPS line.

2. Source: FactSet, MSCI.

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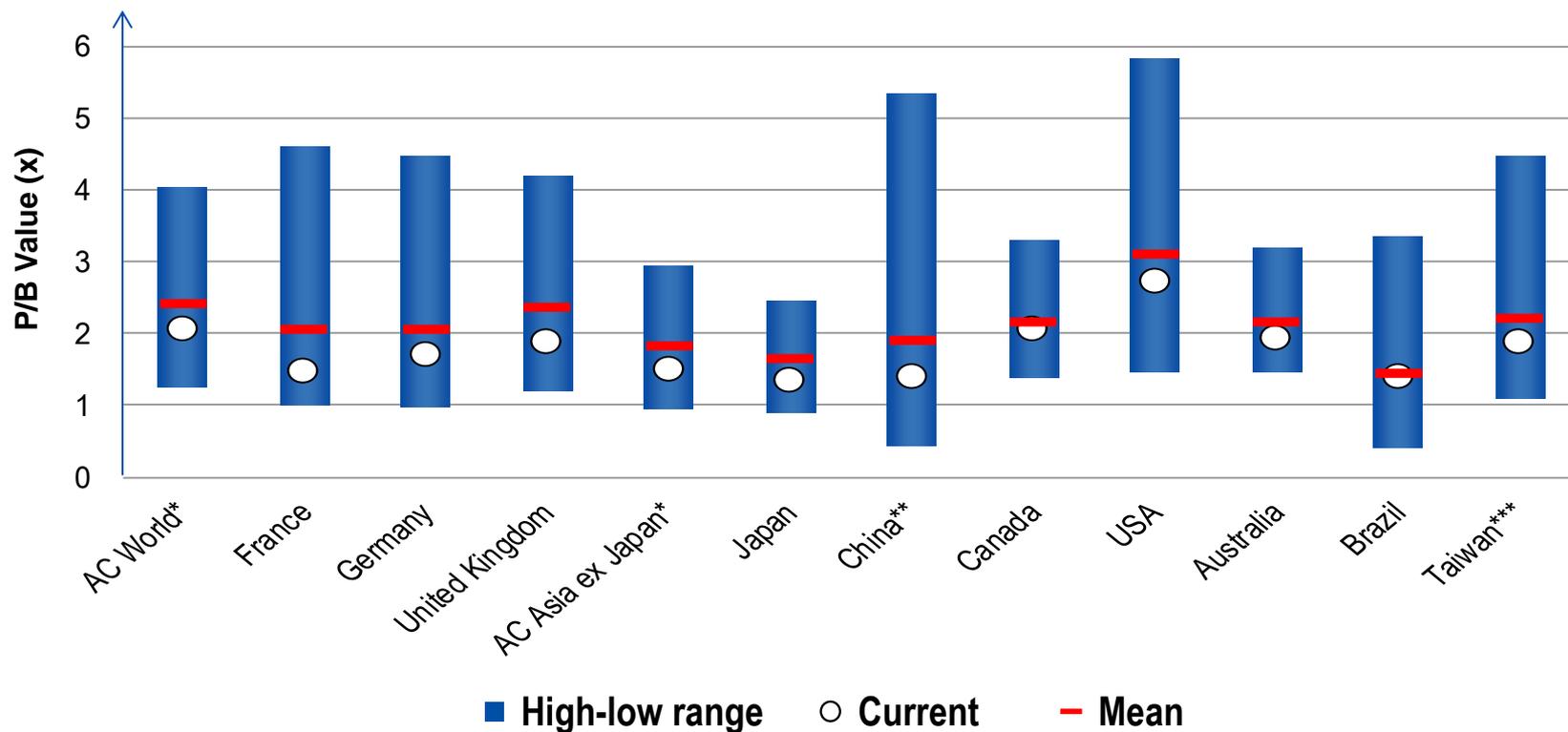
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Global Trailing Price-to-Book Value

Price-to-Book Value, Last 20 Years

From 30th September 1994 to 30th September 2014 (Monthly)



Sources: FactSet, MSCI

*Data available from 9/29/1995

**Data available from 10/31/1995

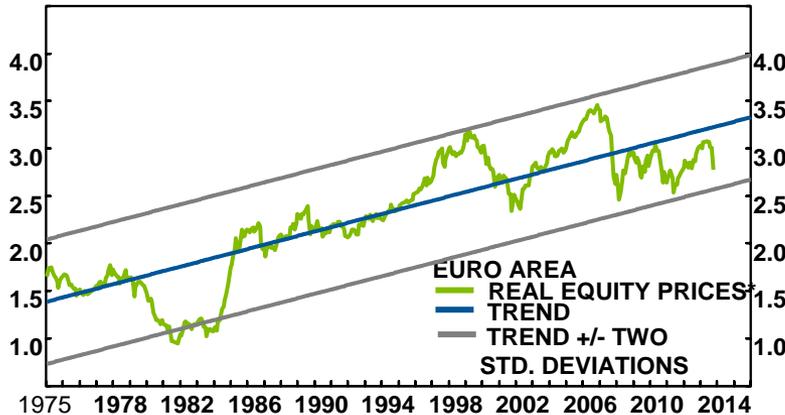
***Data available from 7/31/1995

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Europe – Compelling Absolute and Relative Valuations

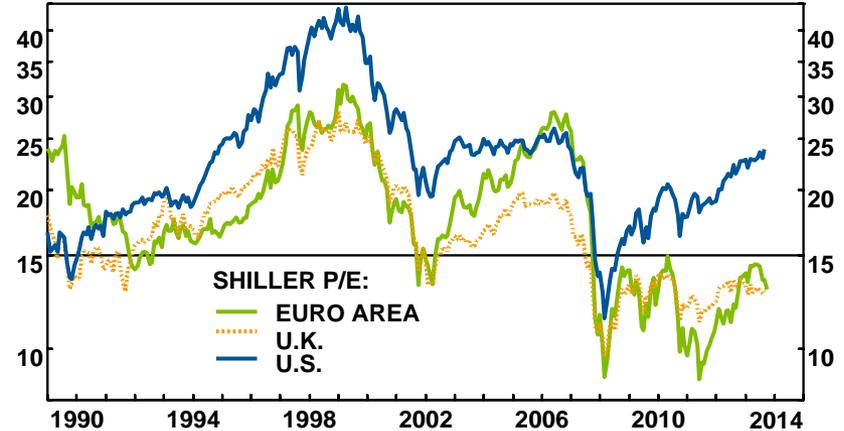
Euro Area: Real Equity Prices Approaching Relative Historical Lows

1st January 1975 – 30th September 2014



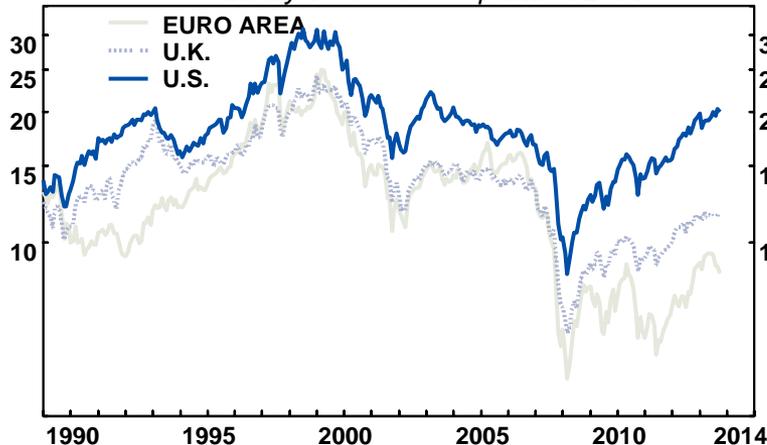
Cyclically Adjusted PE's Well Below Those in U.S.

Through 30th September 2014



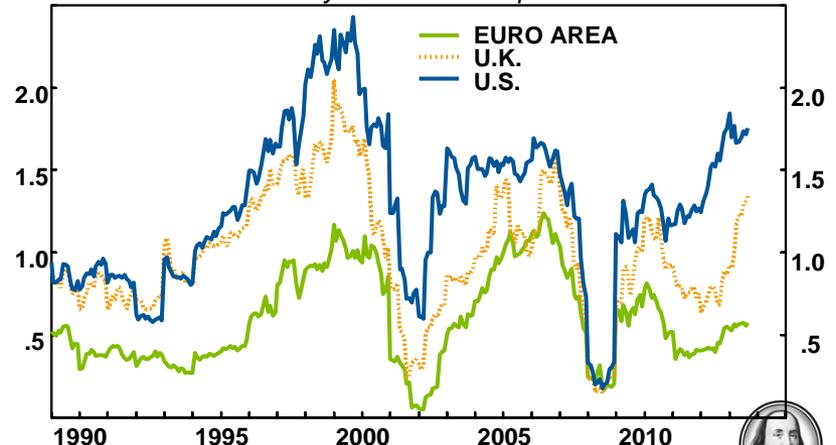
Price to Peak Earnings at a Discount

1st January 1990 – 30th September 2014



Price to Sales Ratio at a Discount

1st January 1990 – 30th September 2014



For illustrative and discussion purposes only. Source: BCA Research.

*Custom BCA Index Deflated By Consumer Price Index. Shown As a Natural Logarithm. Time Trend: 1975 - Present.

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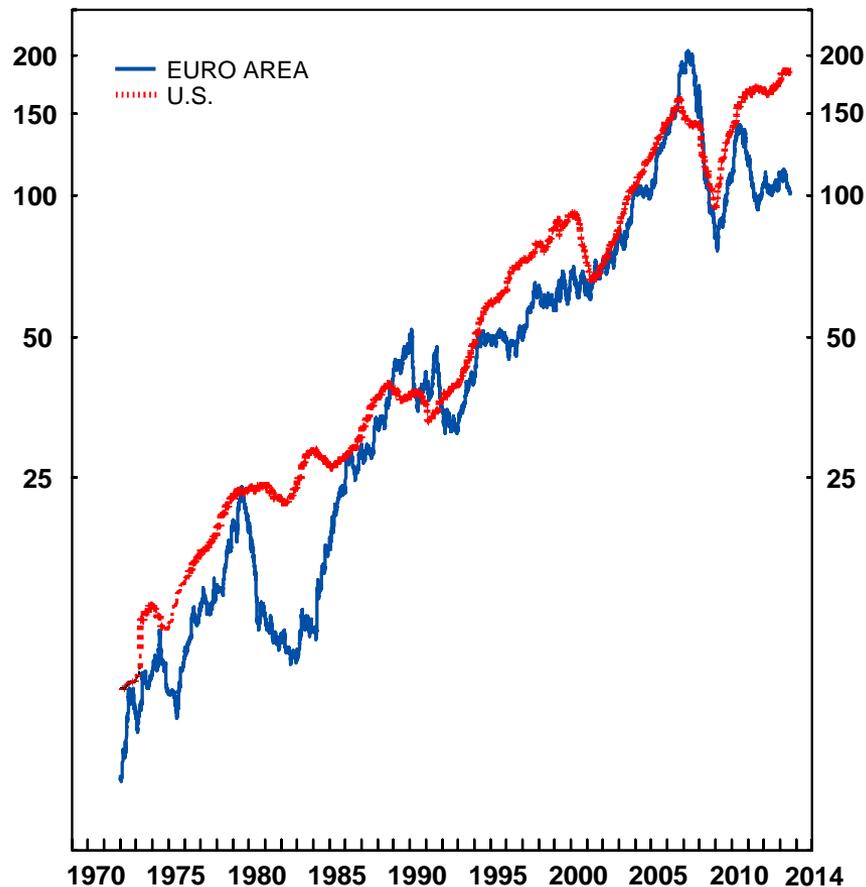


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European Margins and Earnings Have Significant Upside Potential

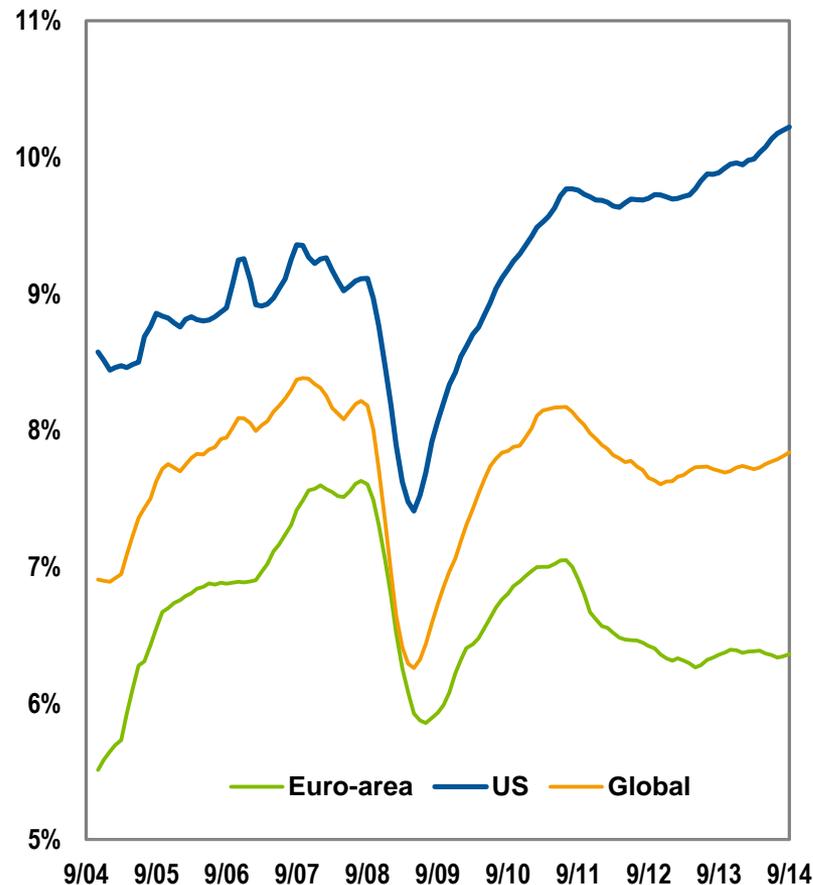
Earnings Per Share²

1st January 1970 – 18th August 2014



Non-Financial Margins¹

31st December 2004 – 30th September 2014



For illustrative and discussion purposes only.

1 Source: Thomson Reuters, Credit Suisse Research. September 30, 2014.

2 Source: BCA Research, 08/18/14. Expressed in common currency terms. Graph is presented on a logarithmic scale.

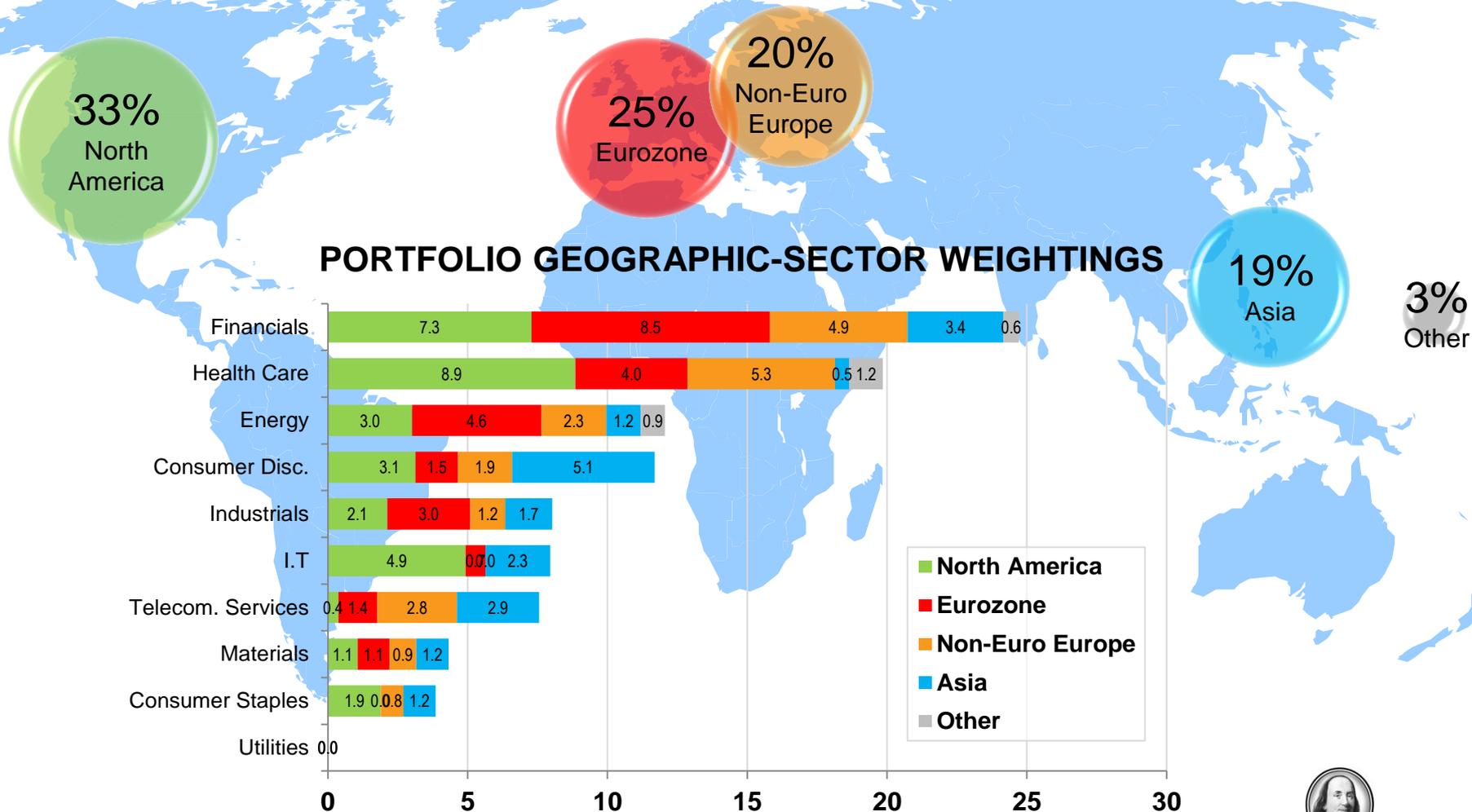
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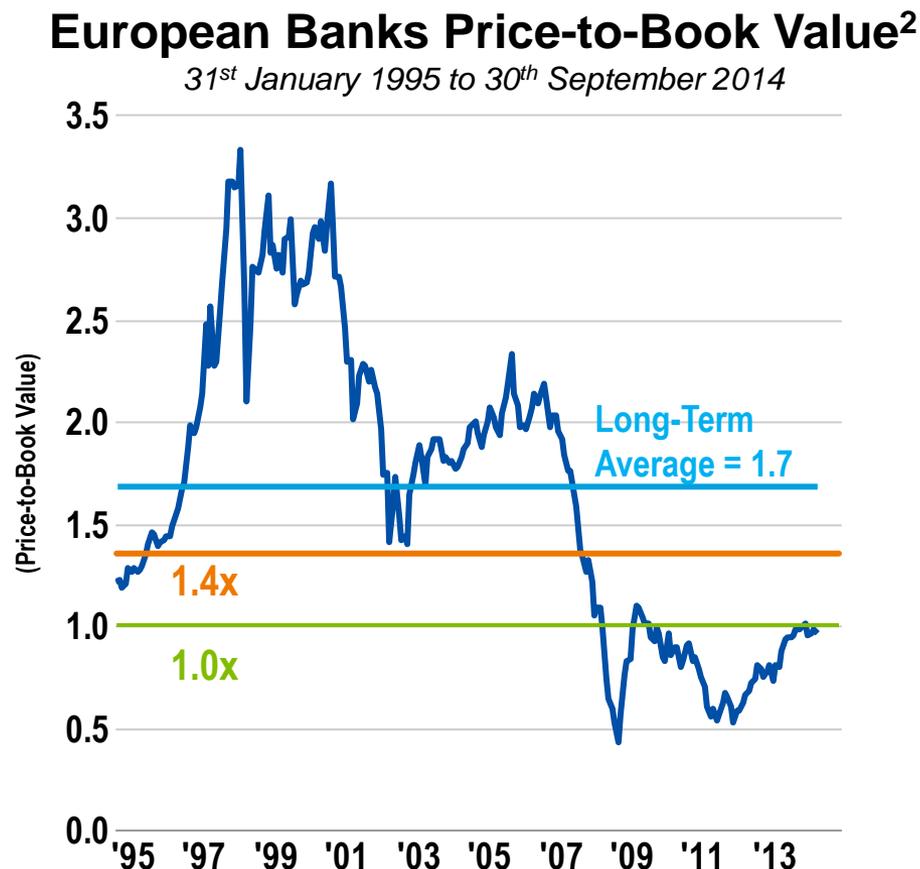
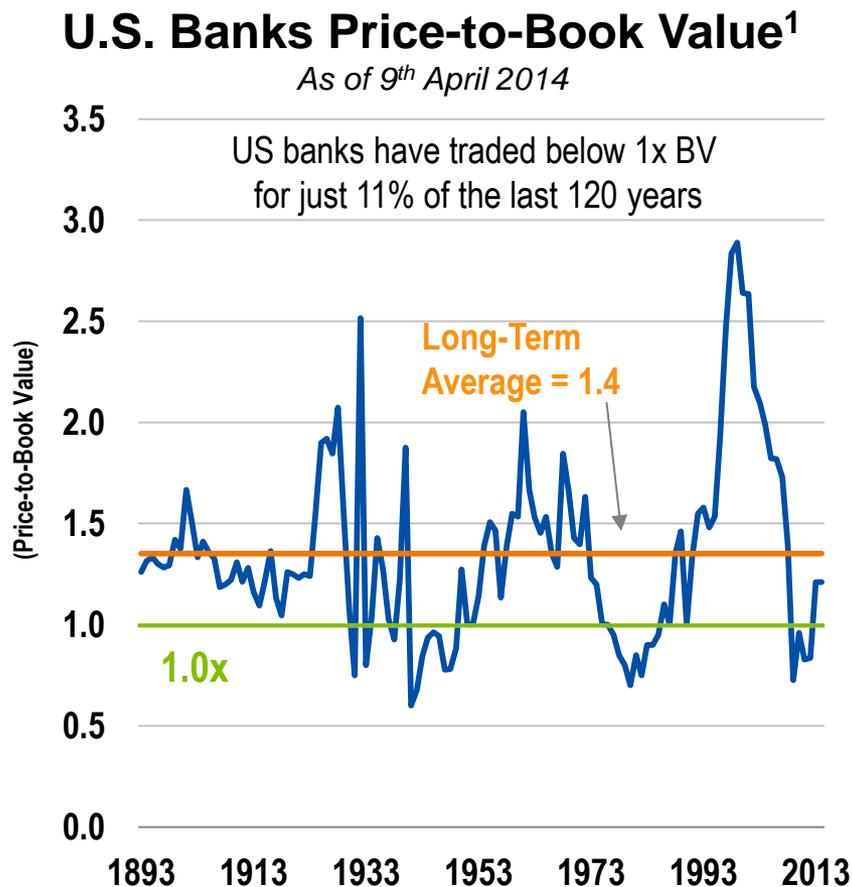
Templeton Global Growth Fund – Weights

As of 30th September 2014



Weightings as percent of equity. Percentage may not equal 100% due to rounding.
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US Banks Are Priced Below Average... And European Banks Offer Even Greater Discounts



Past performance does not guarantee future results. For illustrative purposes only. An index is unmanaged and one cannot invest directly in an index.

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. Data as of April 9, 2014.

2. Source: FactSet, MSCI. Data from January 31, 1995 to June 30, 2014.

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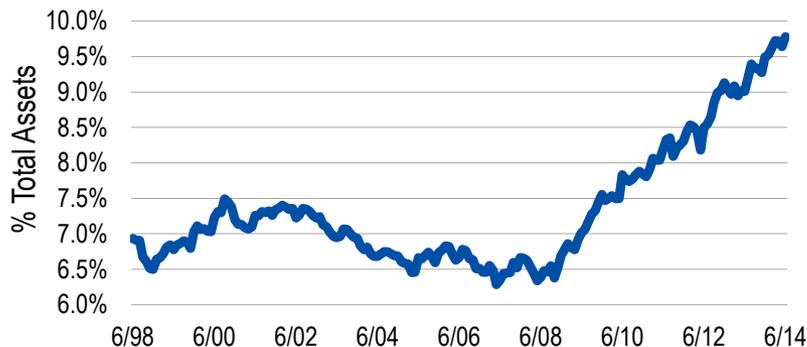


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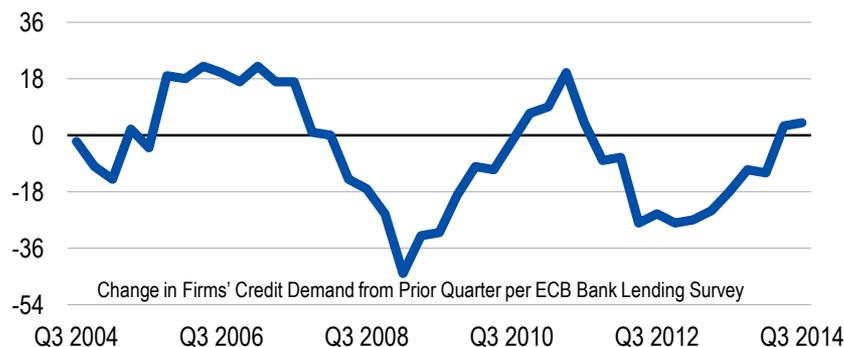
...And Are Ignoring European Bank Improvements

European Banks Have Improved Capital Positions

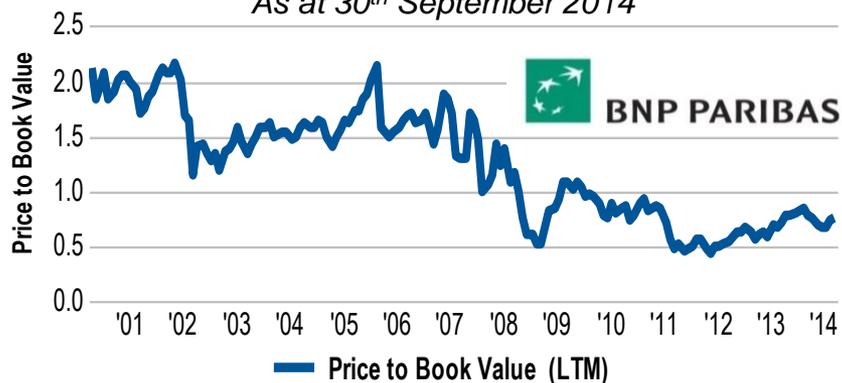
Eurozone Banking System Capital and Reserves
30th June 1998 – 30th June 2014



Credit Demand Has Turned Positive
As of 30th September 2014



BNP Paribas P/B Value (LTM)
As at 30th September 2014



UniCredit P/B Value (LTM)
As at 30th September 2014



Source: Redburn, FactSet.

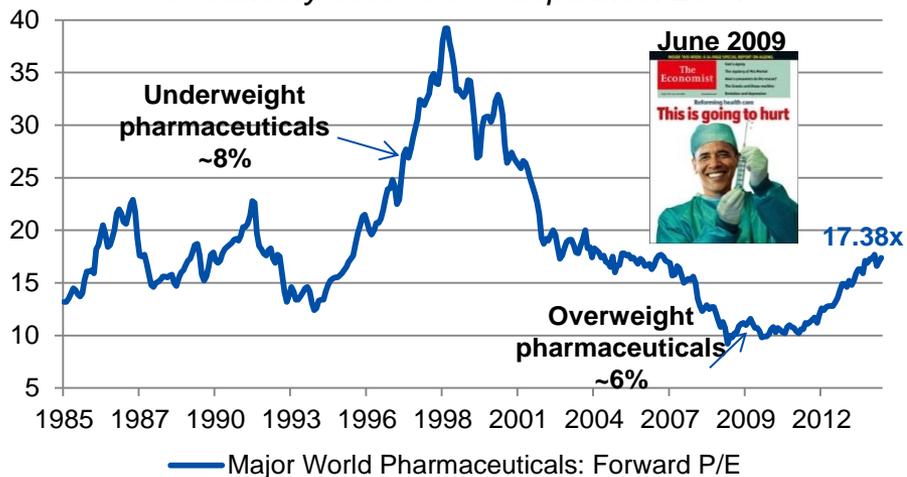
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Pharmaceuticals reflect the Templeton Value Process

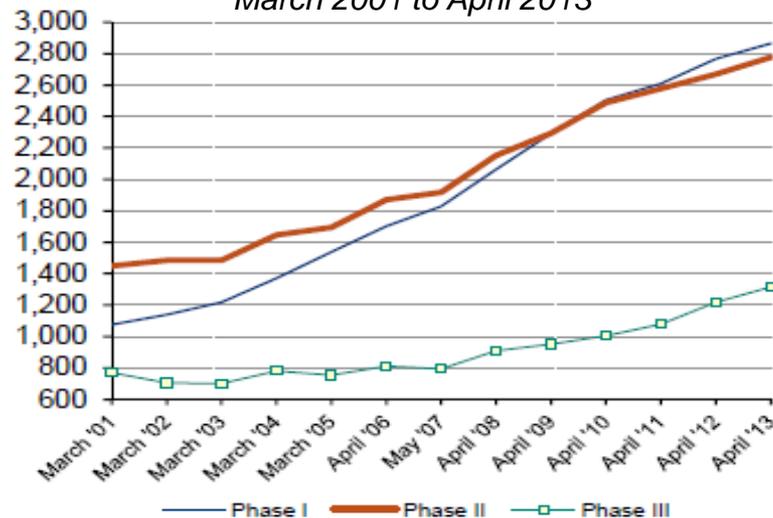
Major World Pharmaceuticals: Forward P/E

3rd January 1985 to 30th September 2014



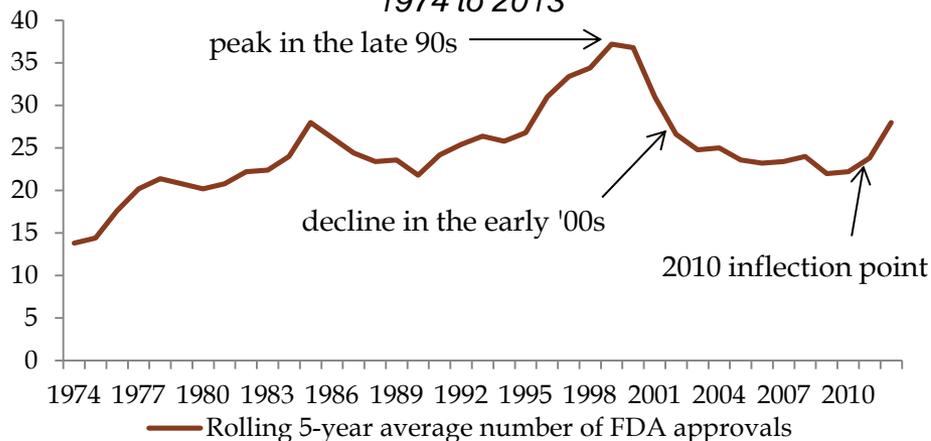
Global Pipeline Numbers

March 2001 to April 2013



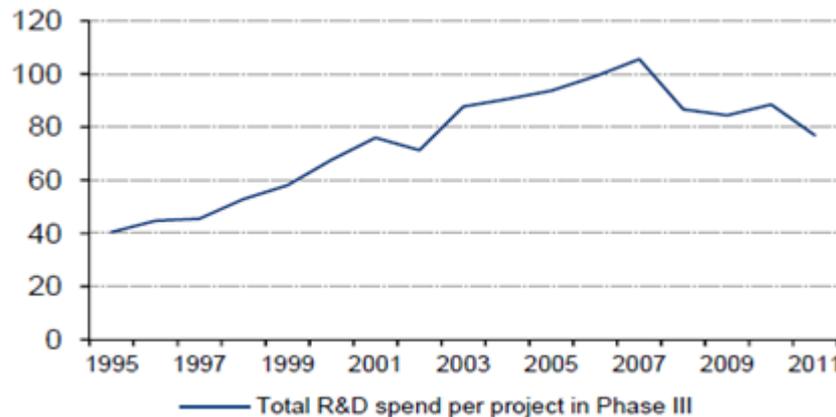
US FDA Approvals

1974 to 2013



Worldwide Phase III Project R&D Spend

1974 to 2013



Pharmaceuticals: Many Value Opportunities

SANOFI 

2.0% of TGG

31st Mar, 2000 30th Sept, 2014

P/E (FY1)	36.7x	17.3x
FCF Yield	0.9%	2.5%
Div. Yield	0.6%	3.1%

Roche 

1.8% of TGG

31st Dec, 1999 30th Sept, 2014

P/E (FY1)	30.4x	19.2x
FCF Yield	0.4%	2.5%
Div. Yield	0.5%	2.8%

gsk GlaxoSmithKline 

1.7% of TGG

31st Mar, 2000 30th Sept, 2014

P/E (FY1)	30.5x	14.9x
FCF Yield	0.5%	0.6%
Div. Yield	0.0%	5.6%

 **MERCK**

0.6% of TGG

31st Dec, 1999 30th Sept, 2014

P/E (FY1)	27.5x	17.0x
FCF Yield	0.7%	2.9%
Div. Yield	1.6%	3.0%

Pfizer 

1.6% of TGG

31st Dec, 1999 30th Sept, 2014

P/E (FY1)	38.7x	13.2x
FCF Yield	0.5%	5.8%
Div. Yield	1.1%	3.4%

AMGEN 

2.1% of TGG

31st Dec, 1999 30th Sept, 2014

P/E (FY1)	61.7x	16.8x
FCF Yield	1.2%	4.3%
Div. Yield	0.0%	1.5%

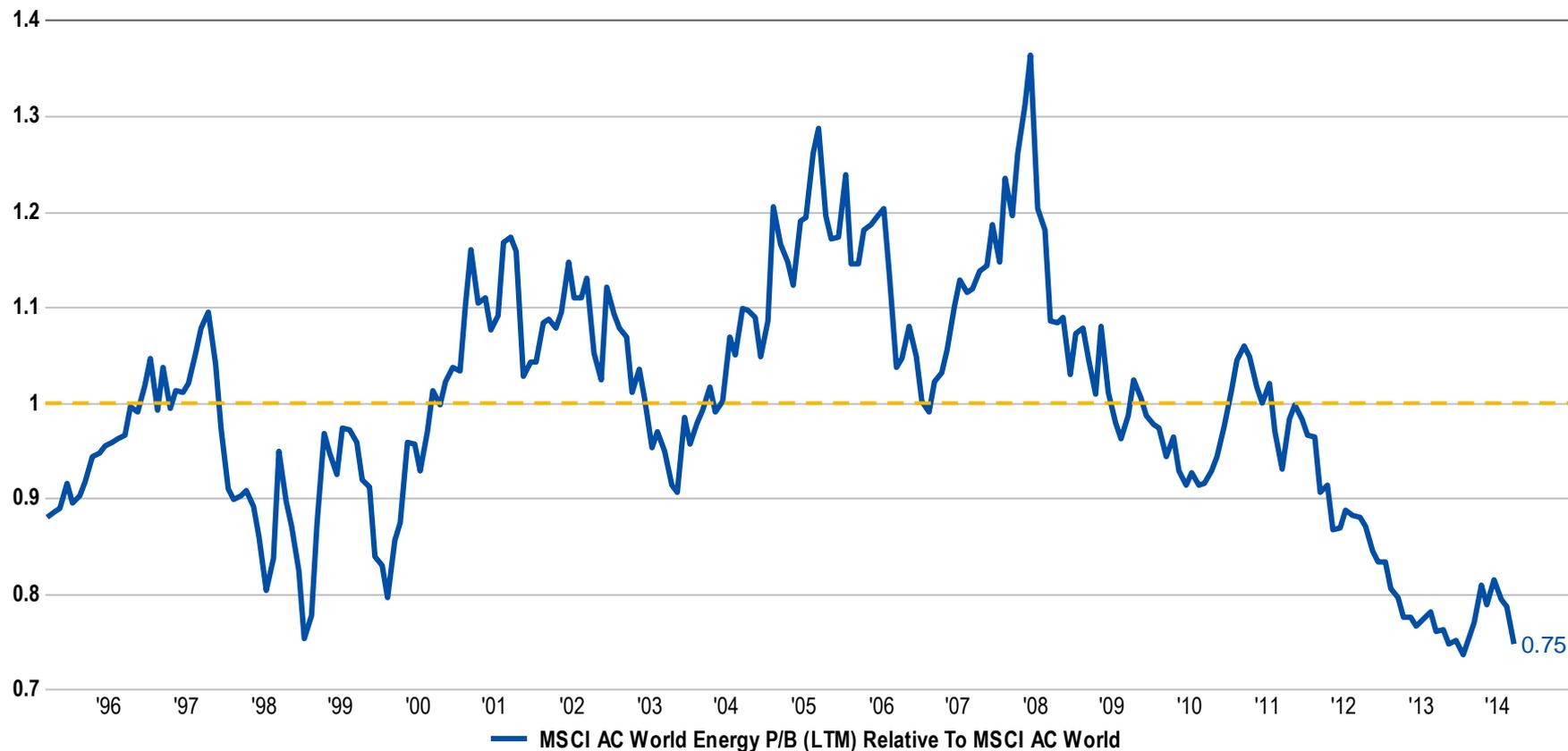
Source: © 2014 FactSet Research Systems Inc. Current data points as of 30/9/14. References to particular securities are only for the limited purpose of illustrating general market or economic conditions and are not recommendations to buy or sell a security or an indication of any portfolio holdings. 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: A Depressed Sector

All Country Energy Index Relative Price/Book

29th September 1995 to 30th September 2014



Source: © 2014 FactSet Research Systems Inc., © 2014 Morgan Stanley Capital Index (MSCI). References to indices are made for comparative purposes only and are provided to represent the investment environment existing during the time periods shown. An index is unmanaged and one cannot invest directly in an index. The performance of the index does not include the deduction of expenses and does not represent the performance of any Franklin Templeton product or strategy. Chart is for illustrative and discussion purposes only and does not represent any Franklin Templeton product or strategy.



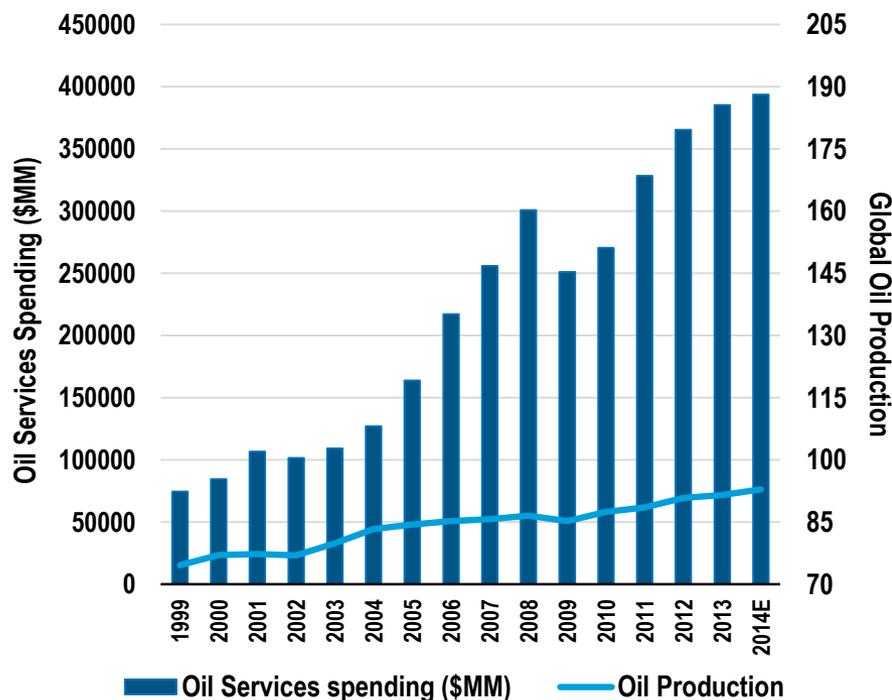
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Oil Services are a Structural Growth Story

The global oil service market has grown almost 5-fold since 1999, and oil production is up ~15%

Oil Services Spending & Global Oil Production

1999 – 2014e



Global Oil Services P/E

January 1995 - September 2014



Source: Bernstein

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Revenue Exposure by Geographic Region

% Revenue by Region

As of August 2014

	North America	Europe	Asia	Mid-East/Africa	L. America Caribbean	Australia
Templeton Representative Account	33.0%	34.4%	21.9%	2.7%	6.2%	1.8%
MSCI AC World Index	42.3%	22.7%	23.1%	2.8%	6.0%	3.1%
ASX200 ex-Energy/Materials	7.0%	5.9%	2.8%	0.2%	0.3%	83.8%

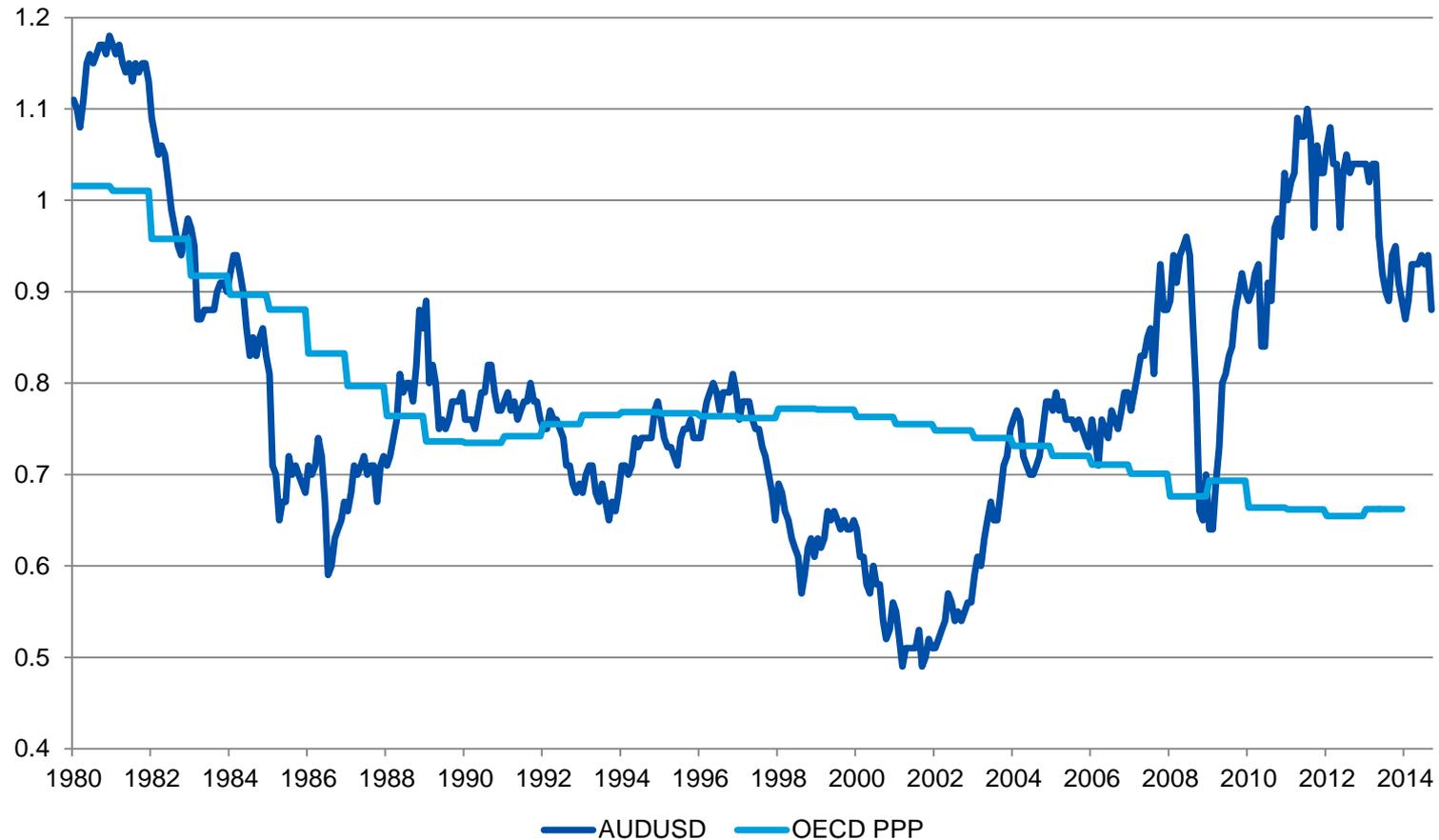
Source: Citi Research, FactSet, Franklin Templeton Investments

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Australian Dollar

AUD:USD Spot vs. OECD Purchasing Power Parity
1990 through to 2014



Australia vs Europe

Europe: Spain

New auto plants opening



"In total, 1,300 jobs should be created over the 2014-2015 period throughout all the four plants Renault has in Spain."
- WBP Online, Nov 2012



"German carmaker Volkswagen said on Wednesday it will invest 785 million euros in a plant in northern Spain over the next five years"
- Reuters, Jan 2013



"Nissan Motor is to invest 130 million euros at its factory in Barcelona to make a new model, the latest sign of returning confidence in Spain's competitiveness."
- Reuters, Feb 2013



"General Motors Co. invested 165 million euros in its Figueruelas plant in 2013 and plans to spend another 210 million euros this year."
- Bloomberg, Mar 2014



"In Spain, the investment of €812 million, or \$1.2 billion, marks Ford's biggest investment in the country for 35 years."
- The New York Times, June 2011

"General Motors Holden has announced the company will stop making vehicles by the end of 2017 - ending 65 years of building cars in Australia."
- ABC News, Dec 2013

"Ford Australia says it will close its Australian manufacturing plants in October 2016, with the loss of hundreds of jobs."
- ABC News, May 2013

Australia

3 car manufacturers closing



"Toyota has announced it will cease making cars in Australia in 2017, blaming the cost of manufacturing and the high dollar."
- The Australian, Feb 2014



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Templeton Global Growth Fund



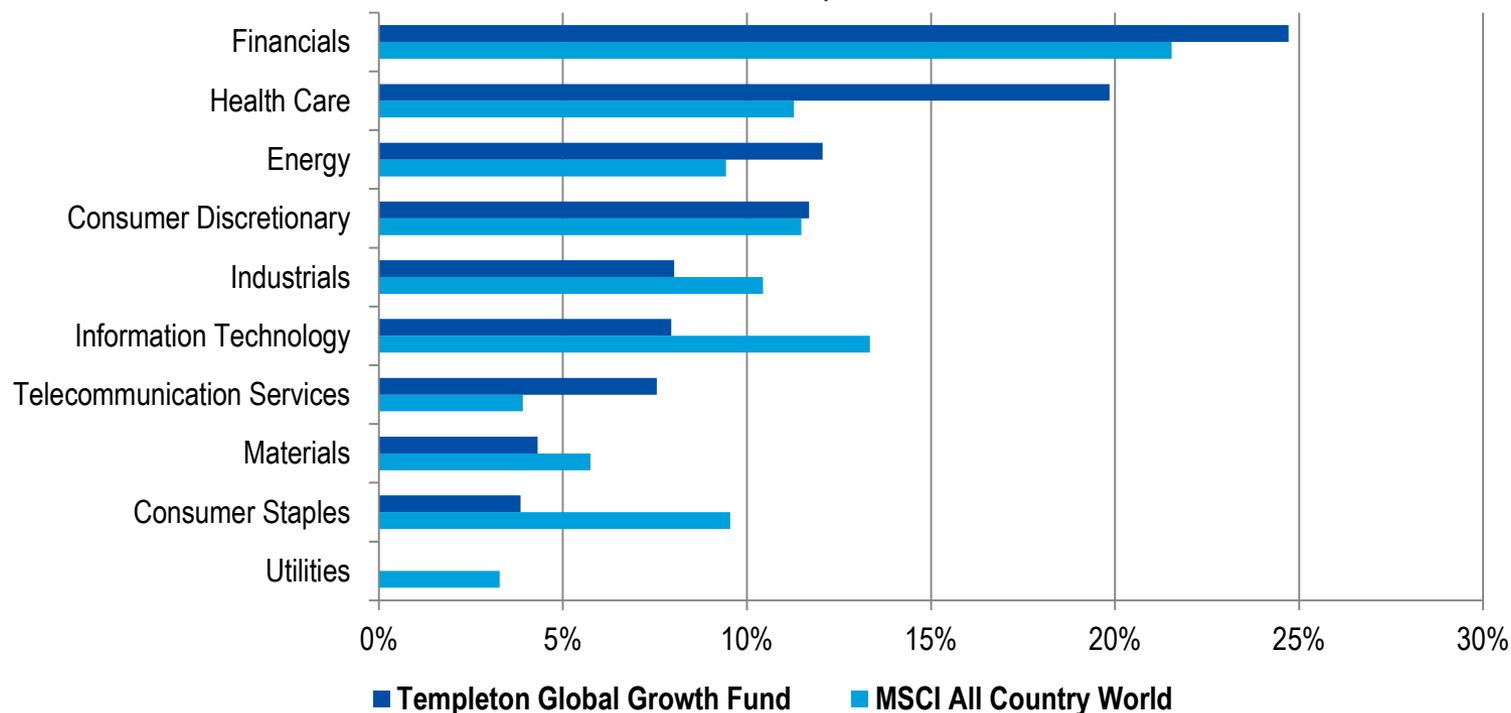
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Templeton Global Growth Fund

Sector Allocation

Templeton Global Growth Fund vs. MSCI All Country World Index

As at 30th September 2014



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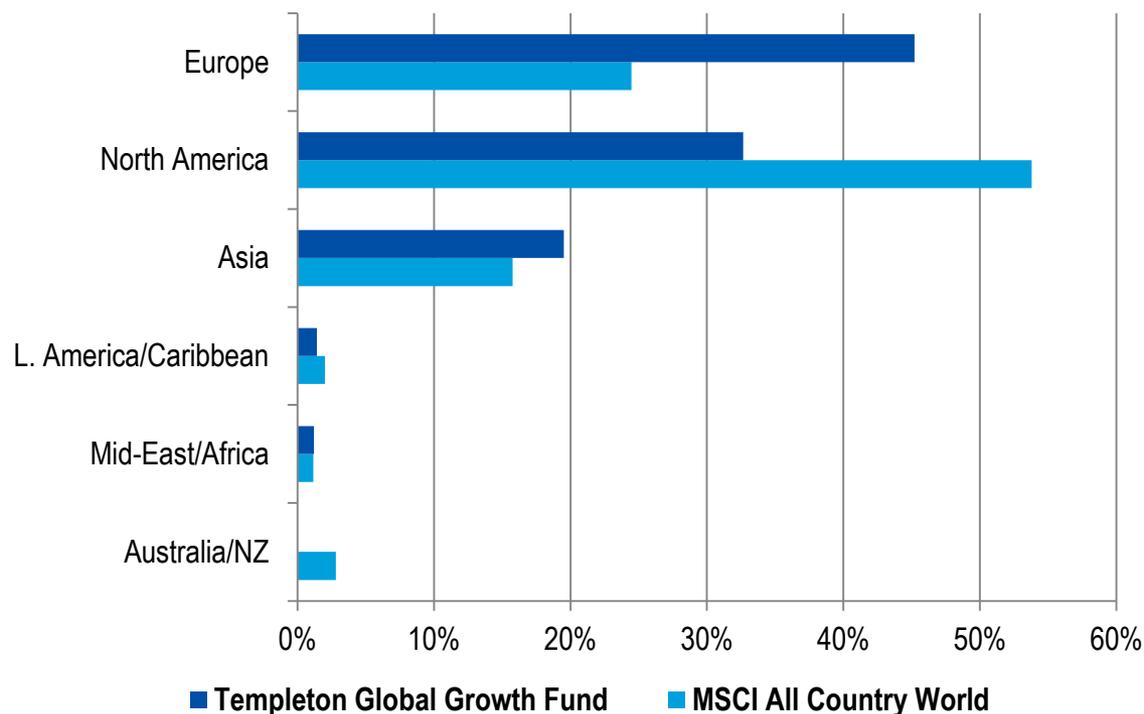


Templeton Global Growth Fund

Geographic Allocation

Templeton Global Growth Fund vs. MSCI All Country World Index

As at 30th September 2014



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Templeton Global Growth Fund

Portfolio Characteristics

Templeton Global Growth Fund vs. MSCI All Country World Index

As at 30th September 2014

	Portfolio	Benchmark
Price to Earnings	12.9x	15.3x
Price to Cash Flow	10.5x	15.3x
Price to Book Value	1.4x	2.1x
Dividend Yield	2.5%	2.3%

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.



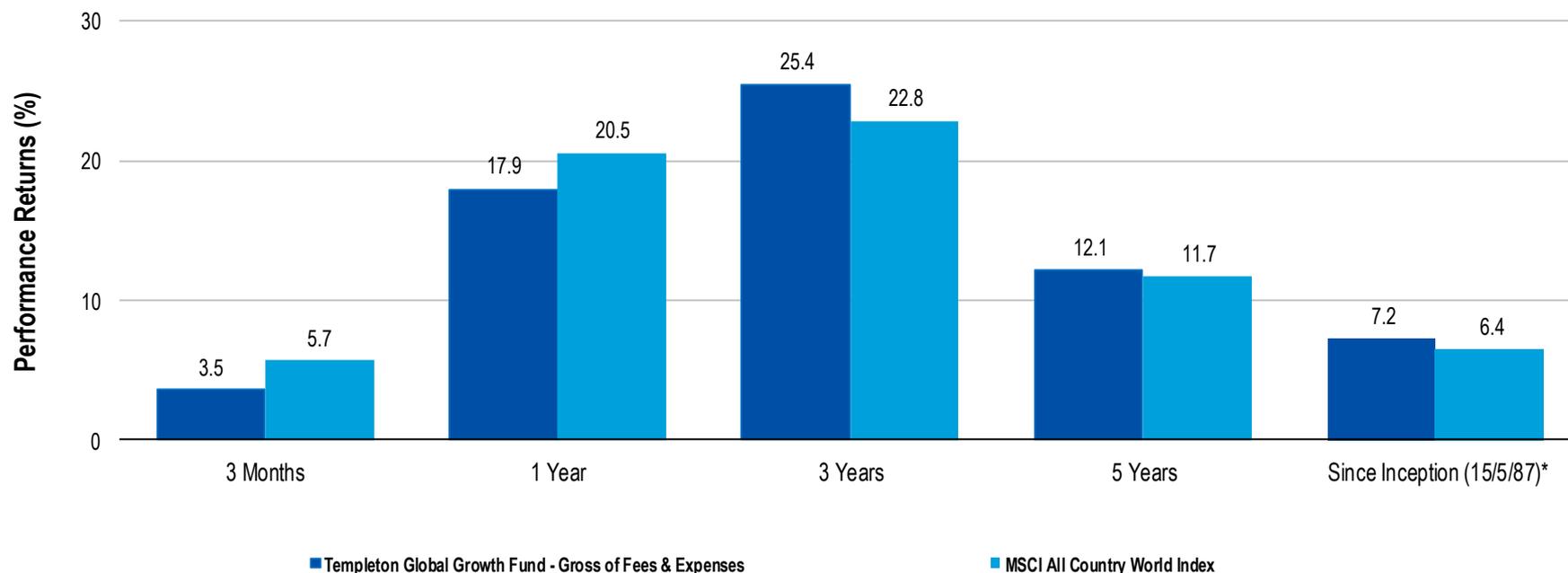
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Templeton Global Growth Fund

Performance

Templeton Global Growth Fund vs. MSCI All Country World Index

As at 30th September 2014



Periods of more than one year are annualised.

*Performance is Net of Fees & Expenses, as gross calculations were not used at inception. Index uses MSCI World as MSCI AC World was not in existence at inception.

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 2014

Name of Issuer	Country	Industry	% of Total
MICROSOFT CORP	United States	Software & Services	2.3
AMGEN INC	United States	Pharmaceuticals, Biotechnology & Life Sciences	2.1
SANOFI	France	Pharmaceuticals, Biotechnology & Life Sciences	2.0
SAMSUNG ELECTRONICS CO	South Korea	Semiconductors & Semiconductor Business	1.8
CITIGROUP	United States	Banks	1.8
ROCHE HOLDING AG	Switzerland	Pharmaceuticals, Biotechnology & Life Sciences	1.8
GLAXOSMITHKLINE PLC	United Kingdom	Pharmaceuticals, Biotechnology & Life Sciences	1.7
COMCAST CORP	United States	Media	1.7
CHINA TELECOM CORP	China	Diversified Telecommunication Services	1.7
GILEAD SCIENCES INC	United States	Pharmaceuticals, Biotechnology & Life Sciences	1.6
TOTAL			18.5

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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Portfolio and Research Management Team



PETER WILMSHURST, CFA
Executive Vice President
Portfolio Manager, Research Analyst
Templeton Global Equity Group

Franklin Templeton Investments Australia Limited
Melbourne, Victoria, Australia

Peter Wilmschurst is an executive vice president in the Templeton Global Equity Group with research responsibility for banks in Europe, the Middle East and Africa, and Asian telecommunications companies. He is also the portfolio manager of a number of Templeton's global portfolios.

Prior to joining Franklin Templeton in 1998, Mr. Wilmschurst was an equity portfolio manager and analyst with Norwich Investment Management in Australia and an actuary at MLC Life Company. He entered the financial services industry in 1993.

Mr. Wilmschurst holds a bachelor of economics degree and a master of economics degree from Macquarie University (Australia). He qualified as a Fellow of the Institute of the Actuaries of Australia and as a Fellow of the Financial Services Institute of Australia. Mr. Wilmschurst is a Chartered Financial Analyst (CFA) Charterholder and a past president of the CFA Society of Melbourne.



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