



FRANKLIN TEMPLETON
INVESTMENTS

Templeton Global Equity Fund

PRODUCT PROFILE

THIRD QUARTER 2011

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INVESTMENT APPROACH

Templeton's time-tested investment approach is based on our philosophy of value, patience and bottom-up stock selection. We focus on the rigorous analysis of individual stocks across geographic borders and seek to identify companies trading at significant discounts to our estimates of future earnings power, cash flow generation and/or asset value. As independent thinkers with strong conviction in our investment ideas, we take an unconstrained approach to finding value. All clients receive a "Templeton portfolio" – one that, within the context of the client's specific investment objectives and guidelines, combines the appreciation potential of our best ideas with the risk benefits of diversification.

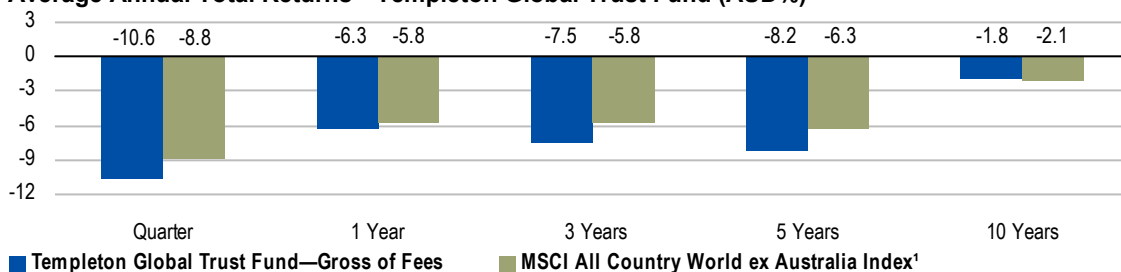
PERFORMANCE DATA* (AS OF 30/09/11)

Average Annual Total Returns—Templeton Global Equity Fund (AUD%)

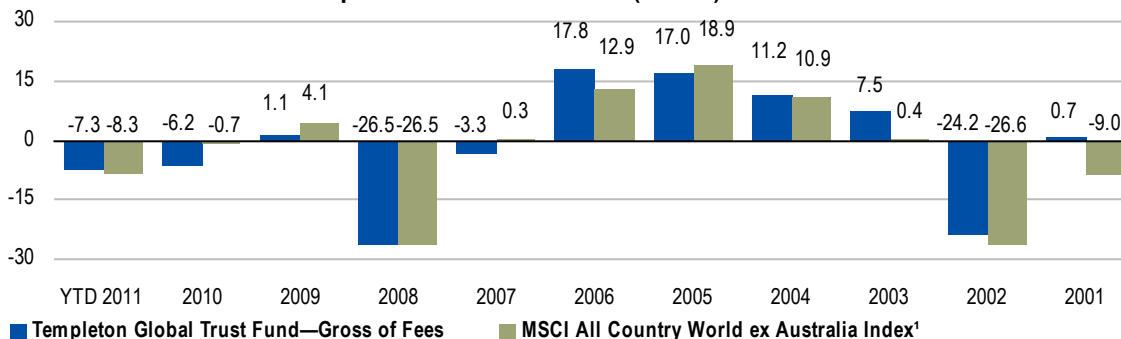
	Quarter	1 Year	3 Years	5 Years	Since Inception (10/03/05)
Templeton Global Equity Fund—Net of Fees	-10.3	-6.2	-7.9	-8.9	-3.2
MSCI All Country World ex Australia Index ¹	-8.8	-5.8	-5.8	-6.3	-1.1

SUPPLEMENTAL PERFORMANCE DATA* (AS OF 30/09/11)

Average Annual Total Returns—Templeton Global Trust Fund (AUD%)



Calendar Year Returns—Templeton Global Trust Fund (AUD%)



QUARTERLY MARKET REVIEW

Global equities had a challenging quarter as sovereign fiscal turmoil escalated and the global economy languished. At the beginning of the period, policymakers initially maintained their vigilance, with the European Central Bank raising interest rates and China continuing to tighten policy. Yet, deepening sovereign debt problems and the downgrade of U.S. credit reignited volatility. As economic weakness further pressured markets, the International Monetary Fund cut its 2012 global growth forecast from 4.5% to 4.0%, warning of "severe repercussions" if governments did not enact more stimulative policies. Policymakers took note, with the U.S. Federal Reserve announcing a new bond-buying program dubbed "Operation Twist" and European policymakers expanding the powers of the European Financial Stability Facility. Nonetheless, concerns persisted about the global economy and sovereign finances. Commodities and other risk assets tied to global economic growth declined, while traditional "safe-haven" assets such as U.S. Treasuries gained.

INVESTMENT OUTLOOK AND STRATEGY

The recent surge in volatility has been unsettling, particularly in Europe, where governments now find themselves lenders of last resort for their wobbling banks. Although we believe this represents a daunting prospect for a region undergoing a severe sovereign fiscal crisis, it is important for investors to remember that Europe in its unified structure comprises a majority of solvent and relatively healthy countries that overall exceed in size and number the region's imperiled member-states. For disciplined value investors, volatility has created wide discounts to our estimates of long-term intrinsic value that we believe offer compelling long-term opportunities. In our view, rarely has the market been so indiscriminate about the value prospects of individual businesses. In this environment, we believe investors would do well to remember the words of the late Sir John Templeton, who observed, "People focus too little on the opportunities that problems present."

*Periods of more than one year are annualised.

PORTFOLIO CHARACTERISTICS—TEMPLETON GLOBAL EQUITY FUND (AS OF 30/09/11)

	Templeton Global Trust Fund	MSCI All Country World ex Australia Index ¹
Weighted Average Market Cap (AUD Million)	62,778.2	55,536.3
Median Market Cap (AUD Million)	28,198.8	6,193.9
Number of Securities	109	2386

Price to Earnings

	Templeton Global Trust Fund	MSCI All Country World ex Australia Index ¹
Weighted Average	10.1x	11.9x
Median	11.4x	12.6x

Price to Book Value

	Templeton Global Trust Fund	MSCI All Country World ex Australia Index ¹
Weighted Average	1.2x	1.5x
Median	1.3x	1.5x

Price to Cash Flow

	Templeton Global Trust Fund	MSCI All Country World ex Australia Index ¹
Weighted Average	4.8x	7.2x
Median	5.9x	8.1x

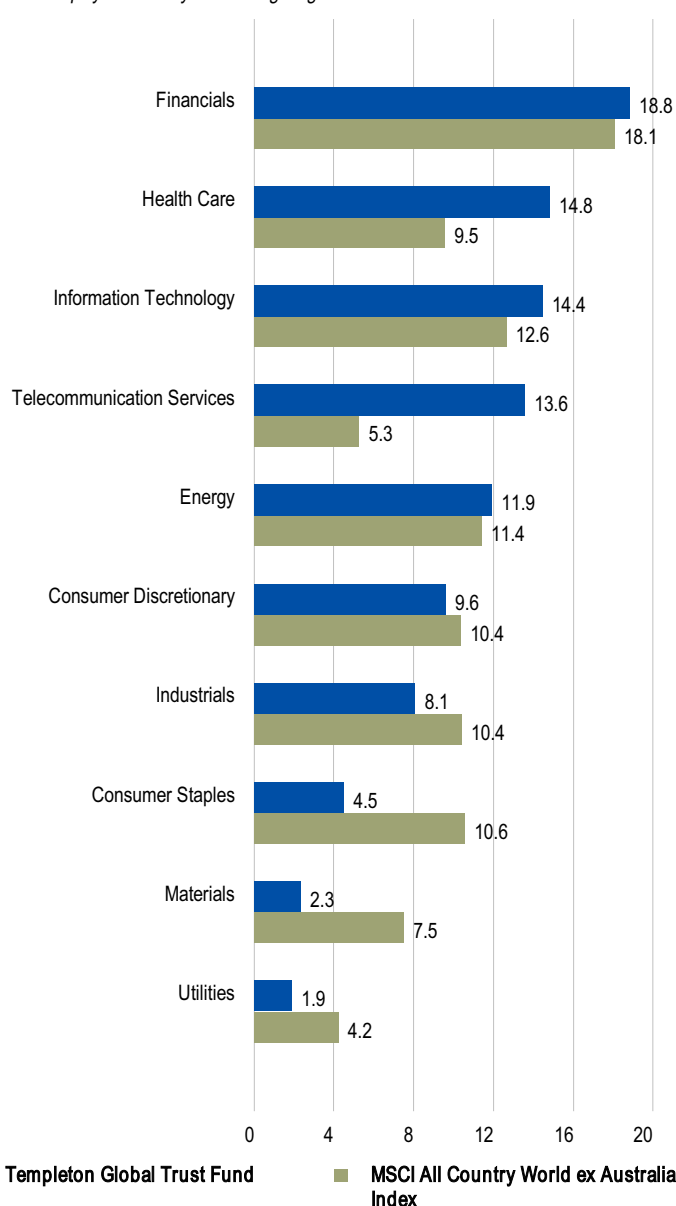
PORTFOLIO DIVERSIFICATION—TEMPLETON GLOBAL EQUITY FUND (AS OF 30/09/11)

Top Ten Holdings²

Security	Country	Industry Group
ROCHE HOLDING AG	Switzerland	Pharmaceuticals, Biotechnology & Life Sciences
MICROSOFT CORP	United States	Software & Services
AMGEN INC	United States	Pharmaceuticals, Biotechnology & Life Sciences
AMERICAN EXPRESS CO	United States	Diversified Financials
CISCO SYSTEMS INC	United States	Technology Hardware & Equipment
VODAFONE GROUP PLC	United Kingdom	Telecommunication Services
MERCK & CO INC	United States	Pharmaceuticals, Biotechnology & Life Sciences
GLAXOSMITHKLINE PLC	United Kingdom	Pharmaceuticals, Biotechnology & Life Sciences
CHINA TELECOM CORP LTD	China	Telecommunication Services
SINGAPORE TELECOMMUNICATIONS LTD	Singapore	Telecommunication Services

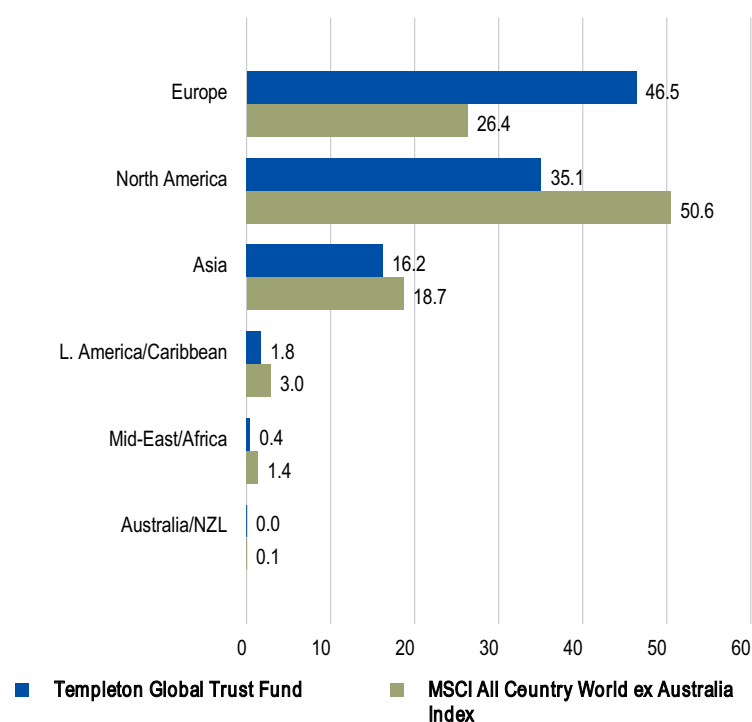
Portfolio Sector Weighting vs. MSCI All Country World ex Australia Index (%)¹

Percent of Equity Ranked by Fund Weighting



Portfolio Regional Weighting vs. MSCI All Country World ex Australia Index (%)¹

Percent of Equity Ranked by Fund Weighting



Note: Templeton's investment approach is driven by bottom up stock selection, with all sector and country weightings a residual of the stock selection process.

LONG-TERM PERFORMANCE ANALYSIS—TEMPLETON GLOBAL EQUITY FUND (AS OF 30/09/11)

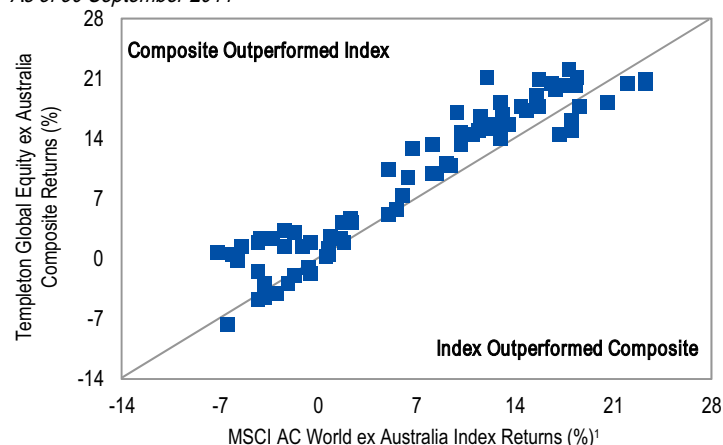
Supplemental Performance Statistics

	10 Years*	5 Years*	3 Years*
Supplemental Information—Annualised Performance (AUD)			
Templeton Global Trust Fund—Gross of fees	-1.8	-8.2	-7.5
MSCI All Country World ex Australia Index ¹	-2.1	-6.3	-5.8
Standard Deviation			
Templeton Global Trust Fund	13.33	13.08	12.64
MSCI All Country World ex Australia Index ¹	12.06	12.07	11.47
Tracking Error			
vs. MSCI All Country World ex Australia Index ¹	3.93	4.11	4.64
Information Ratio			
vs. MSCI All Country World ex Australia Index ¹	0.10	-0.40	-0.39
Alpha			
vs. MSCI All Country World ex Australia Index ¹	0.75	-1.57	-1.53
Beta			
vs. MSCI All Country World ex Australia Index ¹	1.06	1.03	1.02
Sharpe Ratio			
	-0.54	-1.17	-0.97

All risk statistics are calculated in the base currency of the fund (AUD), and use risk-free rates and benchmark returns that are also in the base currency of the fund, so that currency risk is not included in the calculation.

Strong Historical Performance

Quarterly Rolling Five-Year Gross Returns in AUD Since Inception (30/06/88) As of 30 September 2011



- Templeton's Global Equity ex Australia Composite has strong historical performance vs. the MSCI AC World ex Australia. Results for other time periods may vary. **Past performance does not guarantee future results and results may differ over future time periods.**

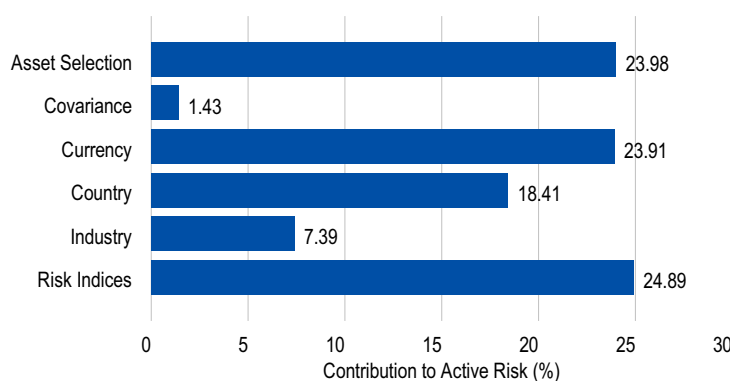
PERFORMANCE ATTRIBUTION

- An underweighting in materials was the largest contributor to relative performance as commodity prices plunged on a deteriorating global growth outlook. The profitability of metals and mining firms has not made materials ripe for bargain hunters, but we continue to closely monitor the sector as we think opportunities could emerge if the rotation out of economically sensitive stocks persists.
- An overweighting in telecommunications also contributed to relative performance for the quarter. We remain constructive on our holdings, where select firms appeared to offer investors diversified global revenue exposure and attractive dividend yields.
- Financials holdings were the largest detractors during the quarter, as stocks perceived as vulnerable to possible eurozone sovereign debt defaults came under heavy pressure, with sentiment further undermined by signs that some firms may suffer short-term funding problems.
- An underweighting in consumer staples also detracted from relative performance as the rotation out of cyclical stocks gathered pace and investors seemed to favor sectors with less cyclical earnings profiles.
- Regionally, an overweighting in Europe was the largest detractor from relative performance. While our overweighting is based on bottom-up stock selection and not macroeconomic considerations, we believe a breakup of the monetary union is unlikely and that governments remain highly incentivized to prevent regional debt contagion. Stock selection in Asia, primarily China, contributed to relative performance

BARRA RISK ANALYSIS—TEMPLETON GLOBAL TRUST FUND VS MSCI ALL COUNTRY WORLD EX AUSTRALIA INDEX¹ (AS OF 30/09/11)**

	Standard Deviation
Total Active Risk (Predictive Tracking Error)	3.68
Active Specific Risk	1.80
World Equity Risk	0.00
Active Common Factor Risks	
Risk Index	1.84
Industries	1.00
Countries	1.58
Currencies	1.80
Total Portfolio Risk	16.10
Benchmark Risk	14.61

Active Risk Profile***



Barra Active Risk Index Exposure†			
Size	0.14	Size Non-Linearity	-0.11
Momentum	-0.27	Growth	-0.11
Value	0.31	Financial Leverage	0.16
Volatility	0.10	Liquidity	0.03

*Periods of more than one year are annualised.

**Barra Inc.'s analytics and data (www.barra.com) were used in the preparation of this report. Copyright 2011 BARRA, INC. All Rights Reserved. The model used in this Barra Risk Analysis section changed as of 31 March 2009 due to the creation of the new Barra model - the GEM2. The current model takes country and industry factors on an equal basis whereas the prior model primarily focused on the country as the determining factor of an asset's risk.

***Covariance reflects the magnitude of co-movement of the fund's portfolio and benchmark's common factors (Country, Currency, Industry, and Risk Index exposures). The World Equity risk factor is the regression intercept of Barra's global equity risk model - GEM2 that is designed to reflect a global view of risk.

†In Standard Deviation Units.

INVESTMENT PHILOSOPHY AND PROCESS

Templeton’s Investment Philosophy

Templeton’s investment philosophy is built upon a disciplined, yet flexible, long-term approach to value-oriented global and international investing. This time-tested approach is based on three tenets:

Value

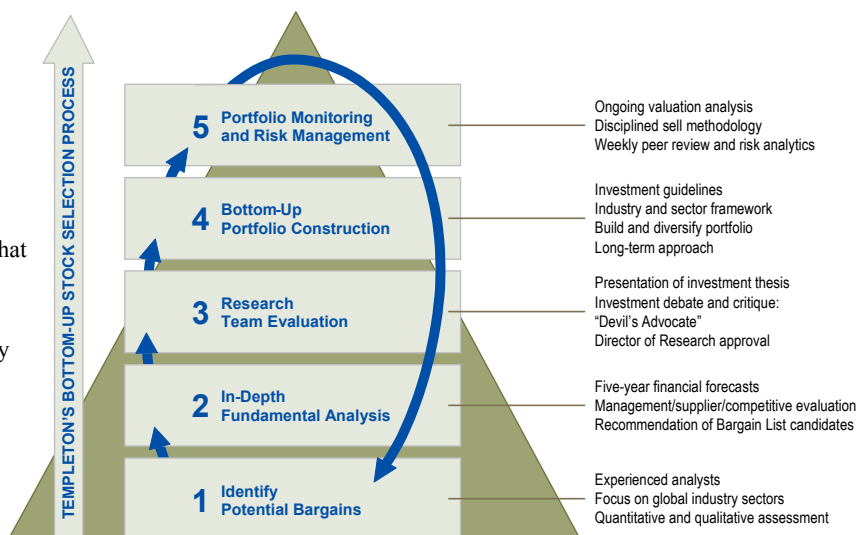
We seek companies that we believe are trading at a discount to what our research indicates the company may be worth.

Patience

Security prices can fluctuate more widely than underlying security values. In our opinion, market efficiencies should recognise and correct these security prices over time.

Bottom-Up

We identify value through rigorous fundamental analysis of a company’s business to determine what we consider its economic worth based on projected future earnings, cash flow or asset value potential.



INVESTMENT AND PRODUCT MANAGEMENT TEAM

TEMPLETON GLOBAL EQUITY MANAGEMENT TEAM	Years with Firm	Years Experience
Gary Motyl, CFA, Chief Investment Officer	30	37
Heather Arnold, CFA, Director of Research	6	27
Cindy Sweeting, CFA, Director of Portfolio Management	14	27
Peter Wilmshurst, CFA, Portfolio Manager/Research Analyst	13	18
TEMPLETON GLOBAL EQUITY TEAM	Number of Members	Average Years Experience
Portfolio Managers/Analysts	24	22
Research Analysts	13	9
ADDITIONAL RESOURCES		
Global Research Library	Junior Research Analysts	Global Trading Platform
Research Technology Group	Performance Analysis and Investment Risk Group	Global Portfolio Compliance Group
PRODUCT MANAGERS	Years with Firm	Years Experience
William Libby, CFA	4	17
Stephen Porter, CFA	7	17

COMPLIANCE STATEMENT AND OTHER INFORMATION

Past performance does not guarantee future results and results may differ over future time periods.

Basis for Performance for the Templeton Global Equity Fund (ARSN 104 669 427): From 1 April 2009, monthly returns are calculated using a "price to price" return methodology. Prior to 1 April 2009, monthly returns were calculated using a time-weighted return methodology. Please refer to the www.franklintempleton.com.au website for an explanation of the two methodologies.

Benchmark: The MSCI All Country World ex Australia Index is the primary benchmark. The benchmark is used for comparative purposes only and is provided to represent the investment environment existing during the time periods shown. The index is unmanaged and one cannot invest directly in an index. The MSCI All Country World ex Australia Index is a free float-adjusted market capitalisation weighted equity index comprised of securities in MSCI's developed and emerging market country-specific indexes, excluding Australia.

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Explanatory Notes:

- Source: Morgan Stanley Capital International (MSCI). All MSCI data is provided "as is." The Fund described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the Fund described herein. Copying or redistributing the MSCI data is strictly prohibited.
- Top ten holdings represent the 10 largest equity holdings at the end of the quarter, and may not reflect the current or future portfolio holdings. This does not represent all of the securities purchased, sold, or recommended for advisory clients, and the reader should not assume that investments in the securities listed was or will be profitable. Holdings of the same issuer have been combined.

Disclaimer:

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