



FRANKLIN TEMPLETON  
INVESTMENTS

# TEMPLETON ASIAN BOND FUND

A SUB-FUND OF LUXEMBOURG-DOMICILED SICAV

August 31, 2012

## INVESTMENT OBJECTIVE

The Fund aims to maximize total investment return consisting of a combination of interest income, capital appreciation and currency gains by investing principally in a portfolio of fixed and floating rate debt securities and debt obligations of government and government-related issuers and/or corporate entities located throughout Asia.

## FUND MANAGER AND LOCATION

**Michael Hasenstab**, San Mateo, California

**Dong Il Kim**, Seoul, South Korea

**Vivek Ahuja**, Singapore

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

**Base Currency of Fund:** US Dollar

**Portfolio Size:** \$3,884.99 million

**Date of Launch:** October 25, 2005

### Purchase of Shares:

Min Initial Investment \$5,000.00

Min Subsequent Investment \$1,000.00

### Primary Fund Benchmark/Index:

HSBC Asian Local Bond Index

### Morningstar™ Workstation Category:

Asia Bond

### Dividend Frequency:

Monthly

### Investment Management Fee (% p.a.):<sup>2</sup>

0.75%

Share Class	Date Paid	Amount
A(Mdis)USD	07/16/12	\$0.03
B(Mdis)USD	07/16/12	\$0.01
C(Mdis)USD	07/16/12	\$0.02
N(Mdis)USD	07/16/12	\$0.02
A(Mdis)EUR	07/16/12	€0.02

## FUND AWARDS AND RATINGS

**Morningstar™ Overall Rating:**<sup>4</sup> ★★★★★

**Morningstar™ Style Box:**<sup>4</sup>

### DURATION

Short Int Long

X		

### QUALITY

High

Medium

Low

☒ Current

## Client Services

Global (727) 299-5042

U.S. (800) 239-3894

Email: stpcds@templeton.com

## Offshore Sales Support Team

U.S. (800) 233-9796

Canada (877) 389-0076

Web www.templetonoffshore.com

## Address

100 Fountain Parkway

PO Box 33030

St. Petersburg, Florida 33716

## ASSET ALLOCATION<sup>1</sup>

EQUITY	FIXED INCOME	CASH & CASH EQUIVALENTS	# OF ISSUES
-	97.82%	2.18%	90

## PERFORMANCE IN SHARE CLASS CURRENCY AS OF AUGUST 31, 2012

	1-MO	3-MO	6-MO	1-YR	3-YR*	5-YR*	10-YR*	SINCE LAUNCH	SINCE LAUNCH*
A(Mdis)USD	-0.23	4.66	-1.91	-2.57	7.26	6.75	-	74.02	8.42
A(acc)USD	-0.23	4.57	-1.98	-2.63	7.27	6.73	-	73.81	8.40
B(Mdis)USD	-0.35	4.20	-2.66	-4.04	5.69	5.17	-	57.36	6.84
C(Mdis)USD	-0.29	4.39	-2.29	-3.34	6.43	5.90	-	64.63	7.55
N(Mdis)USD	-0.28	4.40	-2.32	-3.32	6.51	6.00	-	65.76	7.66
N(acc)USD	-0.30	4.41	-2.30	-3.27	6.52	5.99	-	65.72	7.65
A(Mdis)EUR	-2.37	2.79	3.85	11.27	12.05	8.45	-	55.00	7.58
A(acc)EUR	-2.40	2.77	3.85	11.26	12.04	8.45	-	67.12	7.79
N(acc)EUR	-2.45	2.64	3.51	10.47	11.28	7.71	-	59.31	7.03

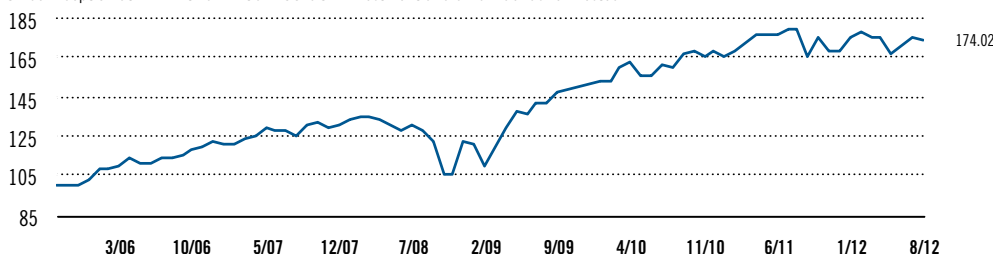
\*Annualized Performance

## CALENDAR YEAR PERFORMANCE AS OF AUGUST 31, 2012

	NAV	YTD	2011	2010	2009	2008	2007	2006	2005	2004
A(Mdis)USD	\$13.78	3.93	-0.56	11.34	23.25	-5.59	6.67	18.33	-	-
A(acc)USD	\$17.38	3.88	-0.54	11.32	23.25	-5.54	6.57	18.37	-	-
B(Mdis)USD	\$13.75	2.89	-2.05	9.76	21.36	-6.90	5.15	16.58	-	-
C(Mdis)USD	\$13.75	3.39	-1.33	10.49	22.13	-6.21	5.75	17.31	-	-
N(Mdis)USD	\$13.76	3.37	-1.25	10.65	22.25	-6.18	5.93	17.52	-	-
N(acc)USD	\$16.57	3.44	-1.29	10.64	22.25	-6.17	5.88	17.51	-	-
A(Mdis)EUR	€10.98	6.90	2.83	19.15	20.28	-1.36	-3.65	-	-	-
A(acc)EUR	€16.71	6.91	2.77	19.21	20.27	-1.39	-3.58	6.08	-	-
N(acc)EUR	€15.93	6.41	2.05	18.40	19.48	-2.08	-4.25	5.23	-	-

## TOTAL PERFORMANCE IN US DOLLAR AS OF AUGUST 31, 2012

\*Since inception at NAV with an initial 100 USD investment and all dividends reinvested.



■ Templeton Asian Bond Fund - A(Mdis)USD

## PORTFOLIO COMPOSITION (% OF TOTAL)<sup>1</sup>

### TEN LARGEST HOLDINGS<sup>3</sup>

SECURITY NAME	%
Korea Treasury Bond, senior bond, 4.25%, 12/10/12	11.08
Government of Sri Lanka, senior note, REG S, 6.25%, 7/27/21	4.01
Korea Treasury Bond, senior bond, 3.75%, 6/10/13	3.40
Korea Treasury Bond, senior bond, 3.00%, 12/10/13	3.34
Republic of Fiji, senior bond, 9.00%, 3/15/16	3.11
Government of Singapore, senior bond, 2.25%, 7/01/13	3.04
Government of China, senior bond, Reg S, .60%, 8/18/14	3.03
Government of Malaysia, senior bond, 3.702%, 2/25/13	3.00
Queensland Treasury Corp., senior note, 6.00%, 8/21/13	2.65
Government of Singapore, senior bond, 1.625%, 4/01/13	2.54

### FIXED INCOME CHARACTERISTICS

STATISTICS	
Average Duration	1.82 Yrs
Weighted Avg Yield to Maturity	4.96%
Average Weighted Maturity	2.75 Yrs
3 Yrs Annualized Std Deviation - Fund	9.43%
SHARE CLASS	YIELD
A(Mdis)USD	2.69
B(Mdis)USD	1.30
C(Mdis)USD	1.91
N(Mdis)USD	1.91
A(Mdis)EUR	2.56

COUNTRY BREAKDOWN<sup>1</sup>

COUNTRY BREAKDOWN	%
South Korea	25.14
Malaysia	21.83
Sri Lanka	10.29
Indonesia	7.41
India	7.12
China	6.53
Singapore	5.97
Australia	5.18
Philippines	3.94
Other	4.41

CURRENCY BREAKDOWN<sup>1</sup>

CURRENCY BREAKDOWN	%
S Korean Won	25.79
Malaysian Ringgit	22.48
Philippine Peso	16.90
Singapore Dollar	14.66
Indian Rupee	12.88
Indo Rupiah	9.15
Australian Dollar	6.21
US Dollar	-8.07
Japanese Yen	-8.77
Other	8.77

FUND IDENTIFIERS

SHARE CLASS*	INCEPTION DATE	CUSIP	BLOOMBERG	ISIN
A(Mdis)USD	10/25/2005	L4058X644	TEMASADLX	LU0229950067
A(acc)USD	10/25/2005	L4058X636	TEMASALX	LU0229949994
B(Mdis)USD	10/25/2005	L4058X651	TEMASBDLX	LU0229950570
C(Mdis)USD	10/25/2005	L4058X693	TEMASCDLX	LU0229951461
N(Mdis)USD	10/25/2005	L4058X677	TEMASNDLX	LU0229950810
N(acc)USD	10/25/2005	L4058X669	TEMASNALX	LU0229950653
A(Mdis)EUR	09/01/2006	L4059A338	TEMADEULX	LU0260863377
A(acc)EUR	10/25/2005	L4058X701	TEMASAE LX	LU0229951891
N(acc)EUR	10/25/2005	L4058X719	TEMASNELX	LU0229952352

\* (Mdis) - monthly distribution; (Qdis) - quarterly distribution; (Ydis) - yearly distribution; (acc) - accumulation

WHAT ARE THE RISKS

Because the Fund invests primarily in a portfolio of fixed and floating rate debt securities and debt obligations of governments, government-related, supranational entities organized or supported by several national governments, or corporate issuers located throughout Asia, it may experience greater volatility than a more geographically diversified fund. International securities risks include currency fluctuations, and economic and political uncertainties. The Fund may also invest in securities or structured products where the security is linked to or derives its value from another security, linked to assets or currencies of any Asian country, mortgage and asset-backed securities, convertible bonds, and use financial futures contracts, or options on such contracts. The Fund may invest in investment grade and non-investment grade debt securities issued by Asian issuers including securities in default. Interest rate movements may affect the Fund's share price and yield. Investment in derivative instruments, in mortgage and asset-backed securities, in non-investment grade securities as well as in securities in default are subject to a higher degree of risks. Investments in emerging market countries are subject to a higher degree of risks. Investing in a concentrated, narrowly focused fund may entail greater risks than is normally associated with more widely diversified funds. The Fund may be subject to a variety of risks in addition to those described herein. Please consult the Prospectus for a full discussion of these risks.

DISCLAIMERS

1. Portfolio Composition and Asset Allocation data as of July 31, 2012 (Negative currency positions, if any, may occur due to hedging, unsettled payables, and derivatives holdings).  
2. Investment Management Fee is a monthly fee equivalent to a percentage of the Fund's adjusted daily net assets received by the Investment Manager for each Class of Shares, except for the I shares classes. For a full description of all fees and charges that an investor may incur, including the initial sales charges and maintenance and company charges attributable to a class of shares of the Fund, please consult the current Prospectus of FTIF.  
3. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in a top 10 holdings list.  
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