FRANKLIN TEMPLETON INVESTMENTS



Capturing Opportunities Ahead of Us

November 14, 2012

Ken Lewis, CPA, Chief Financial Officer,
Franklin Resources, Inc.

Forward Looking Statements

Statements in this presentation regarding Franklin Resources, Inc. (“Franklin”) and its subsidiaries, which are not historical facts, are "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. When used in this presentation, words or phrases generally written in the future tense and/or preceded by words such as “will,” “may,” “could,” “expect,” “believe,” “anticipate,” “intend,” “plan,” “seek,” “estimate,” “preliminary” or other similar words are forward-looking statements. Forward-looking statements involve a number of known and unknown risks, uncertainties and other important factors, some of which are listed below, that could cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. We caution you therefore against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance.

These and other risks, uncertainties and other important factors are described in more detail in Franklin’s recent filings with the U.S. Securities and Exchange Commission, including, without limitation, in Risk Factors and Management’s Discussion and Analysis of Financial Condition and Results of Operations in Franklin’s Annual Report on Form 10-K for the fiscal year ended September 30, 2011 and Franklin’s subsequent Quarterly Reports on From 10-Q: (1) volatility and disruption of the capital and credit markets, and adverse changes in the global economy, may significantly affect our results of operations and may put pressure on our financial results; (2) the amount and mix of our assets under management (“AUM”) are subject to significant fluctuations; (3) we are subject to extensive and complex, overlapping and frequently changing rules, regulations and legal interpretations; (4) regulatory and legislative actions and reforms have made the regulatory environment in which we operate more costly and future actions and reforms could adversely impact our AUM, increase costs and negatively impact our profitability and future financial results; (5) failure to comply with the laws, rules or regulations in any of the non-U.S. jurisdictions in which we operate could result in substantial harm to our reputation and results of operations; (6) changes in tax laws or exposure to additional income tax liabilities could have a material impact on our financial condition, results of operations and liquidity; (7) any significant limitation, failure or security breach of our software applications, technology or other systems that are critical to our operations could constrain our operations; (8) our business operations are complex and a failure to properly perform operational tasks or the misrepresentation of our products and services could have an adverse effect on our revenues and income; (9) we face risks, and corresponding potential costs and expenses, associated with conducting operations and growing our business in numerous countries; (10) we depend on key personnel and our financial performance could be negatively affected by the loss of their services; (11) strong competition from numerous and sometimes larger companies with competing offerings and products could limit or reduce sales of our products, potentially resulting in a decline in our market share, revenues and income; (12) changes in the third-party distribution and sales channels on which we depend could reduce our income and hinder our growth; (13) our increasing focus on international markets as a source of investments and sales of investment products subjects us to increased exchange rate and other risks in connection with our revenues and income generated overseas; (14) poor investment performance of our products could affect our sales or reduce the level of AUM, potentially negatively impacting our revenues and income; (15) we could suffer losses in our revenues and income if our reputation is harmed; (16) our future results are dependent upon maintaining an appropriate level of expenses, which is subject to fluctuation; (17) our ability to successfully integrate widely varied business lines can be impeded by systems and other technological limitations; (18) our inability to successfully recover should we experience a disaster or other business continuity problem could cause material financial loss, loss of human capital, regulatory actions, reputational harm, or legal liability; (19) certain of the portfolios we manage, including our emerging market portfolios, are vulnerable to significant market-specific political, economic or other risks, any of which may negatively impact our revenues and income; (20) regulatory and governmental examinations and/or investigations, litigation and the legal risks associated with our business, could adversely impact our AUM, increase costs and negatively impact our profitability and/or our future financial results; (21) our ability to meet cash needs depends upon certain factors, including the market value of our assets, operating cash flows and our perceived creditworthiness; (22) our business could be negatively affected if we or our banking subsidiaries fail to remain well capitalized, and liquidity needs could affect our banking services; and (23) we are dependent on the earnings of our subsidiaries.

Any forward-looking statement made by us in this presentation speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

The information in this presentation is provided solely in connection with this presentation, and is not directed toward existing or potential investment advisory clients or fund shareholders.



FRANKLIN TEMPLETON
INVESTMENTS

Franklin Templeton: A Premier Global Asset Manager



A DIVERSIFIED GLOBAL INVESTMENT MANAGER OVERSEEING $754 BILLION IN CLIENT ASSETS

WORLD CLASS BRANDS < FRANKLIN, TEMPLETON, MUTUAL SERIES > ALONG WITH SPECIALIZED TEAMS DELIVERING COMPREHENSIVE INVESTMENT SOLUTIONS

A WORLDWIDE DISTRIBUTION PRESENCE WITH OFFICES IN 35 COUNTRIES & CLIENTS IN 150+

A RESILIENT BUSINESS MODEL UNDERPINNED BY A FOUNDATION OF FINANCIAL STRENGTH

As of 10/31/12.

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Global Drivers of Growth



Emerging Middle Class in Developing Economies



Retirement Transition in Developed Economies



Reaching the Next Generation in All Economies

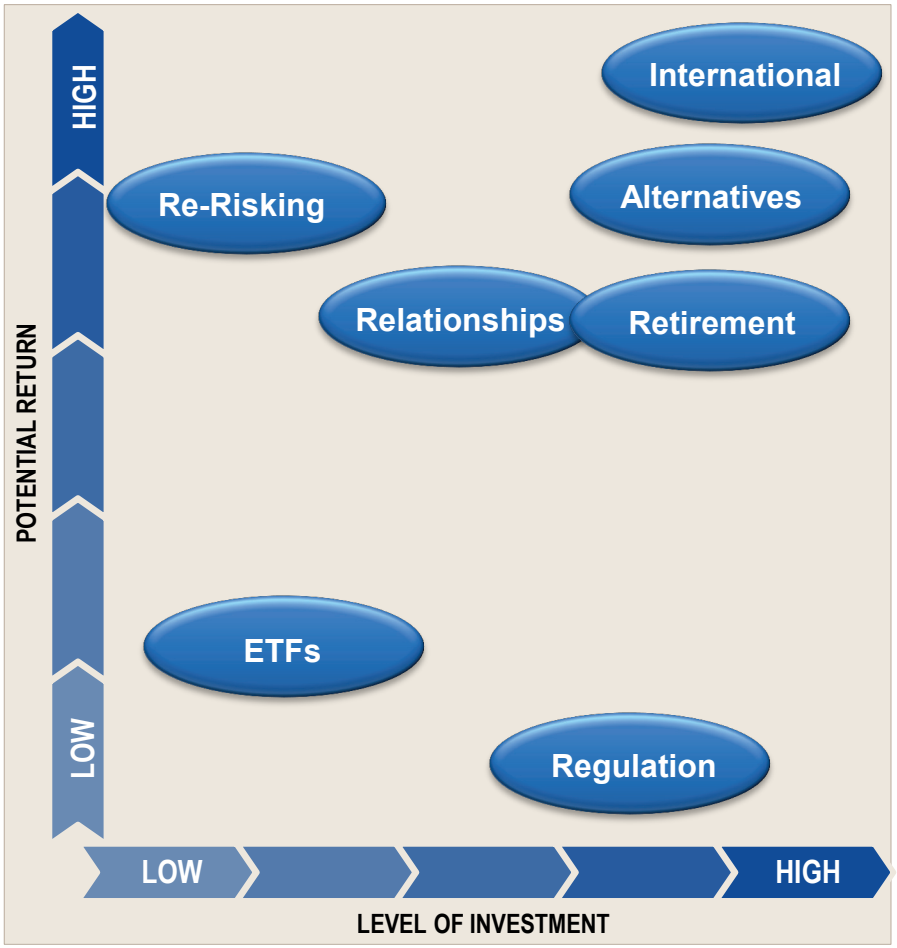


Continued Move Toward Guided & Open Architecture

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Key Industry Trends Impacting Strategy

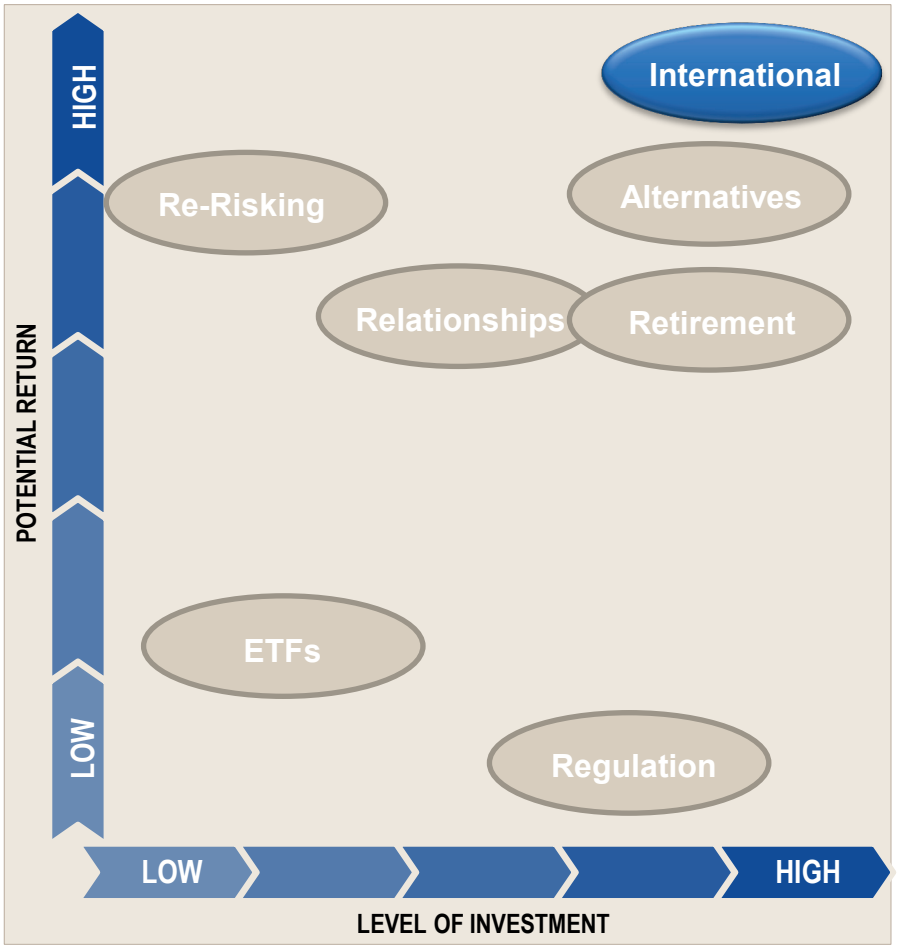
All efforts are within the context of achieving best-in-class investment quality and performance



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Key Industry Trends Impacting Strategy

All efforts are within the context of achieving best-in-class investment quality and performance

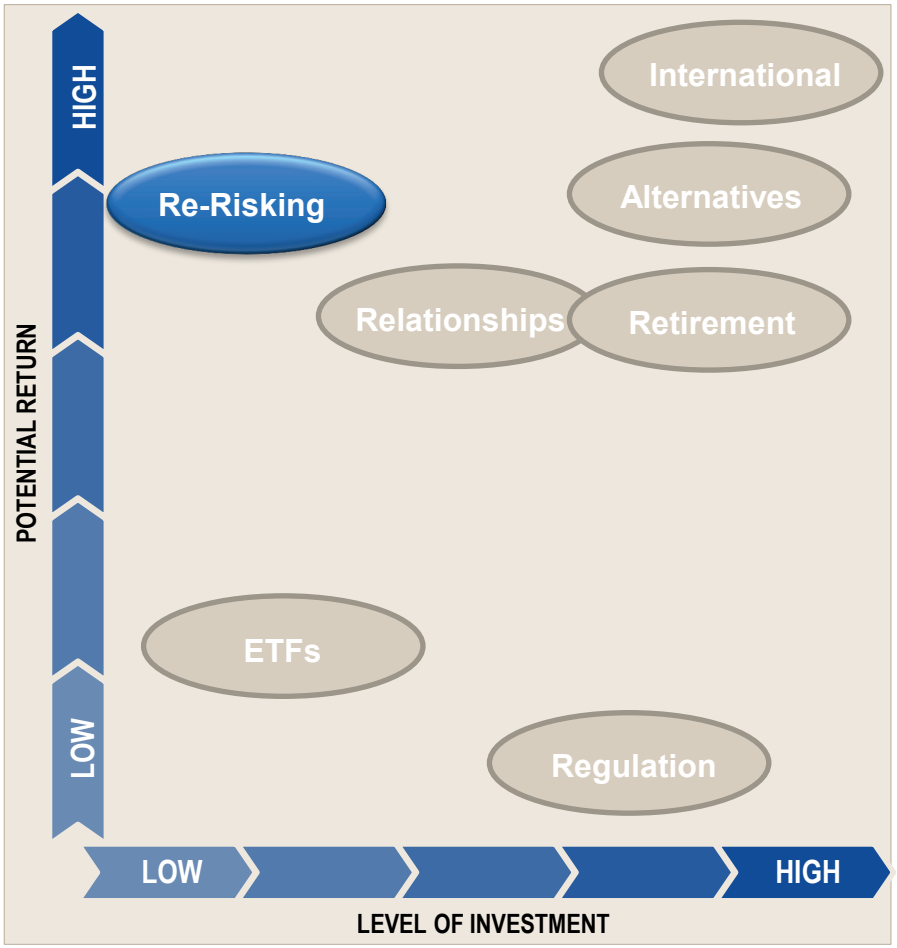


Developing Countries with an Emerging Middle Class **Growing Net Flows at 2x Developed Markets**

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Key Industry Trends Impacting Strategy

All efforts are within the context of achieving best-in-class investment quality and performance

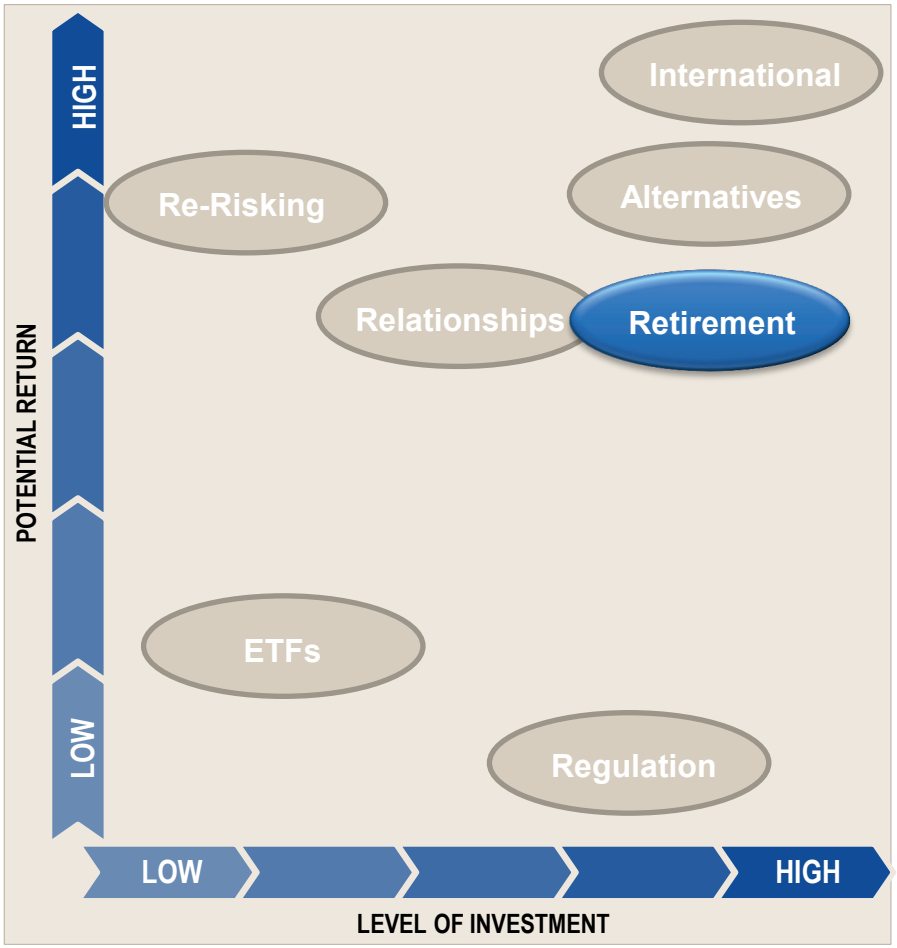


Preparing for an eventual **return to equities**

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Key Industry Trends Impacting Strategy

All efforts are within the context of achieving best-in-class investment quality and performance

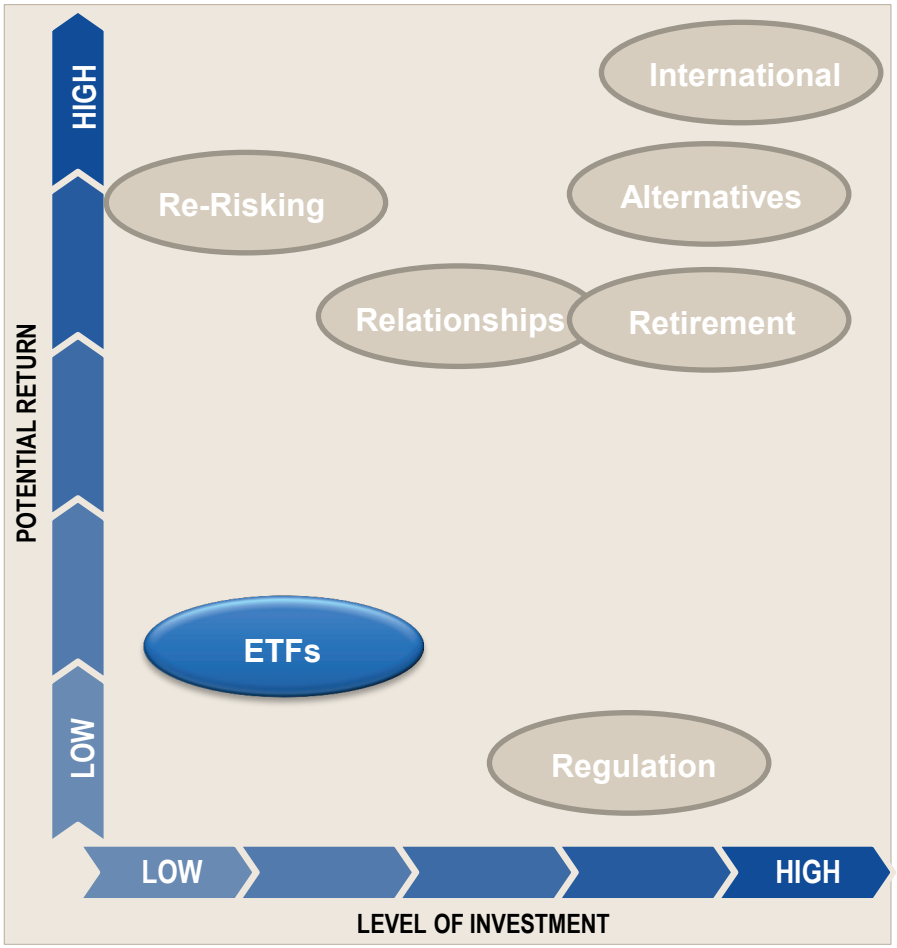


The transition of U.S. Baby Boomers into retirement represents a **huge opportunity to capture 'money in motion'**

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Key Industry Trends Impacting Strategy

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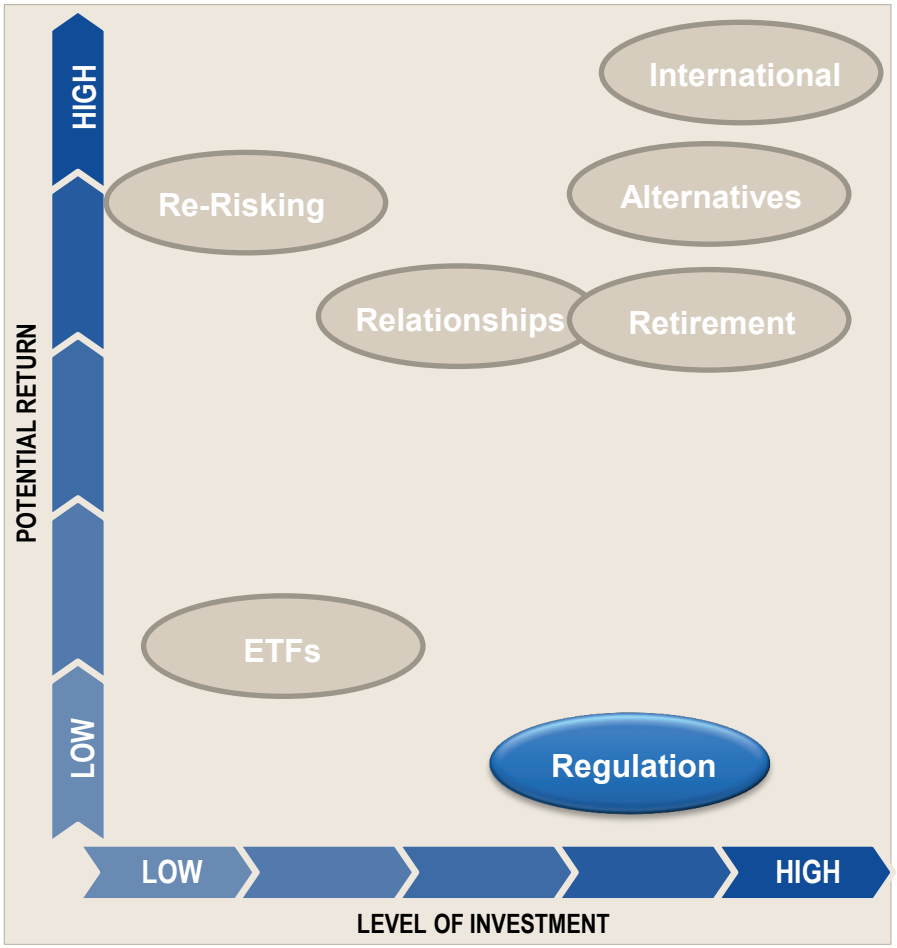


ETFs continue their **rapid growth** via beta-oriented offerings, while alternatives & solutions gather **aspired-for alpha**

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Key Industry Trends Impacting Strategy

All efforts are within the context of achieving best-in-class investment quality and performance

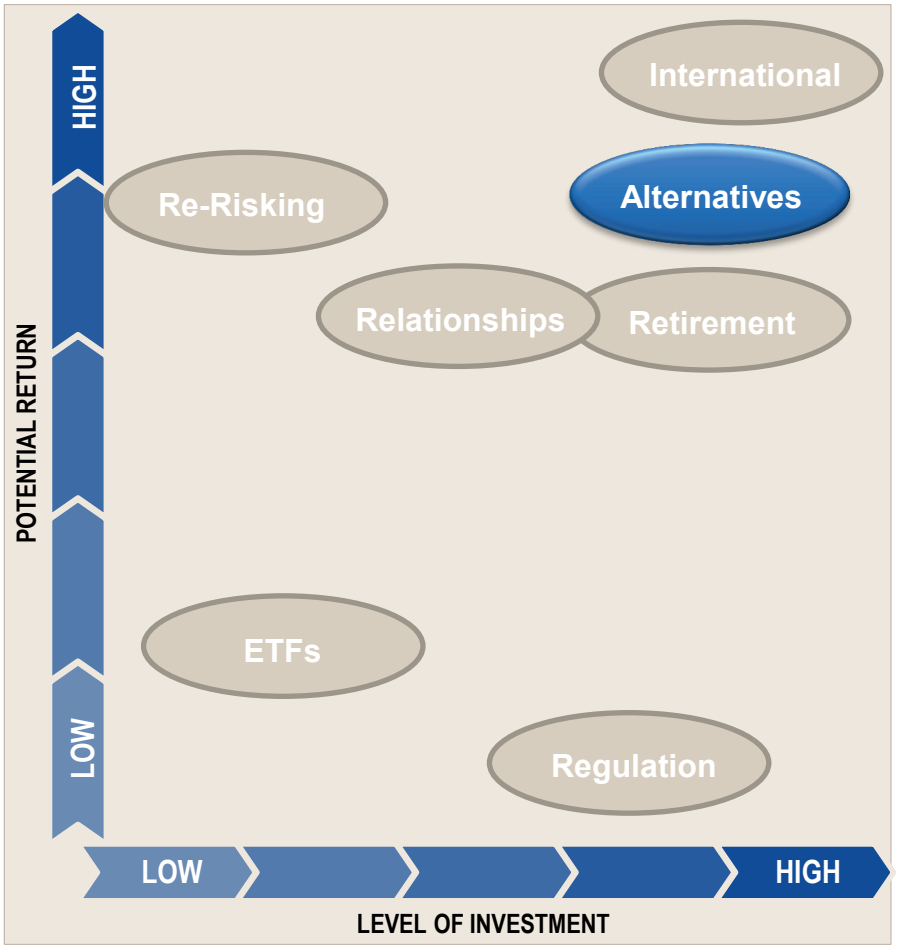


An uncertain global regulatory environment persists, with attendant **pressures on cost structures**

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Key Industry Trends Impacting Strategy

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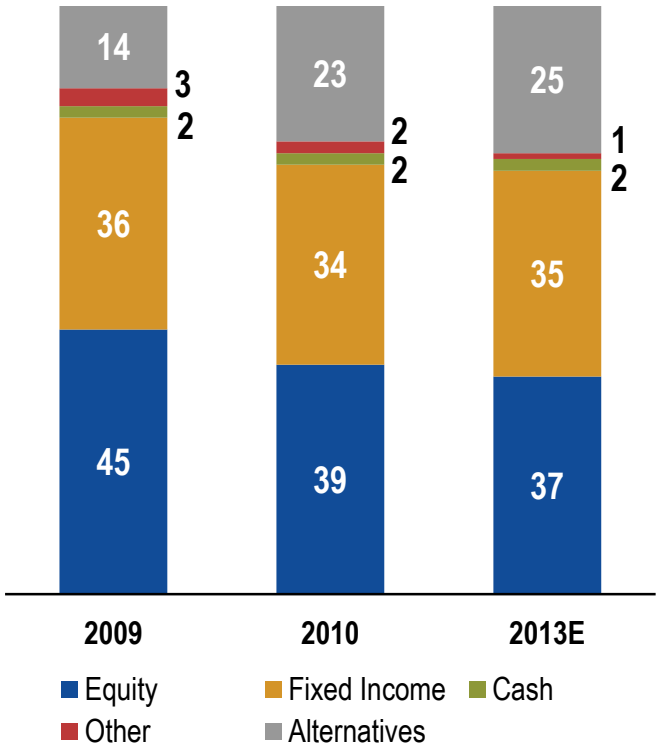


Quest for non-correlated/ diversified/ risk-adjusted assets are driving institutions **and now individuals** to Alternatives

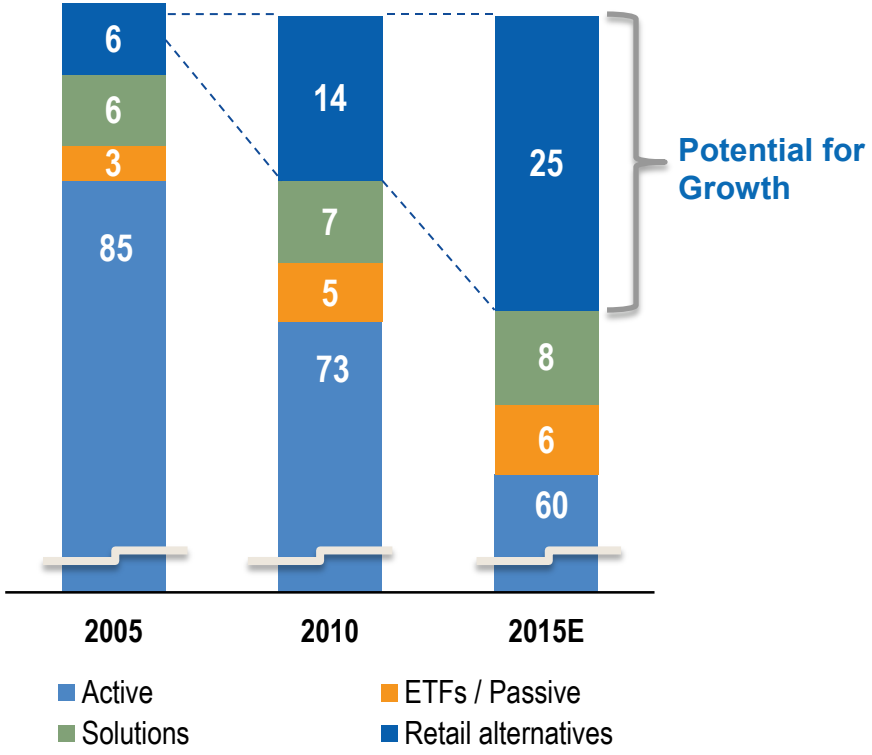
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Retail Revenue to Follow the Institutional Trend?

Institutional Portfolio Asset Allocation Percent[1]



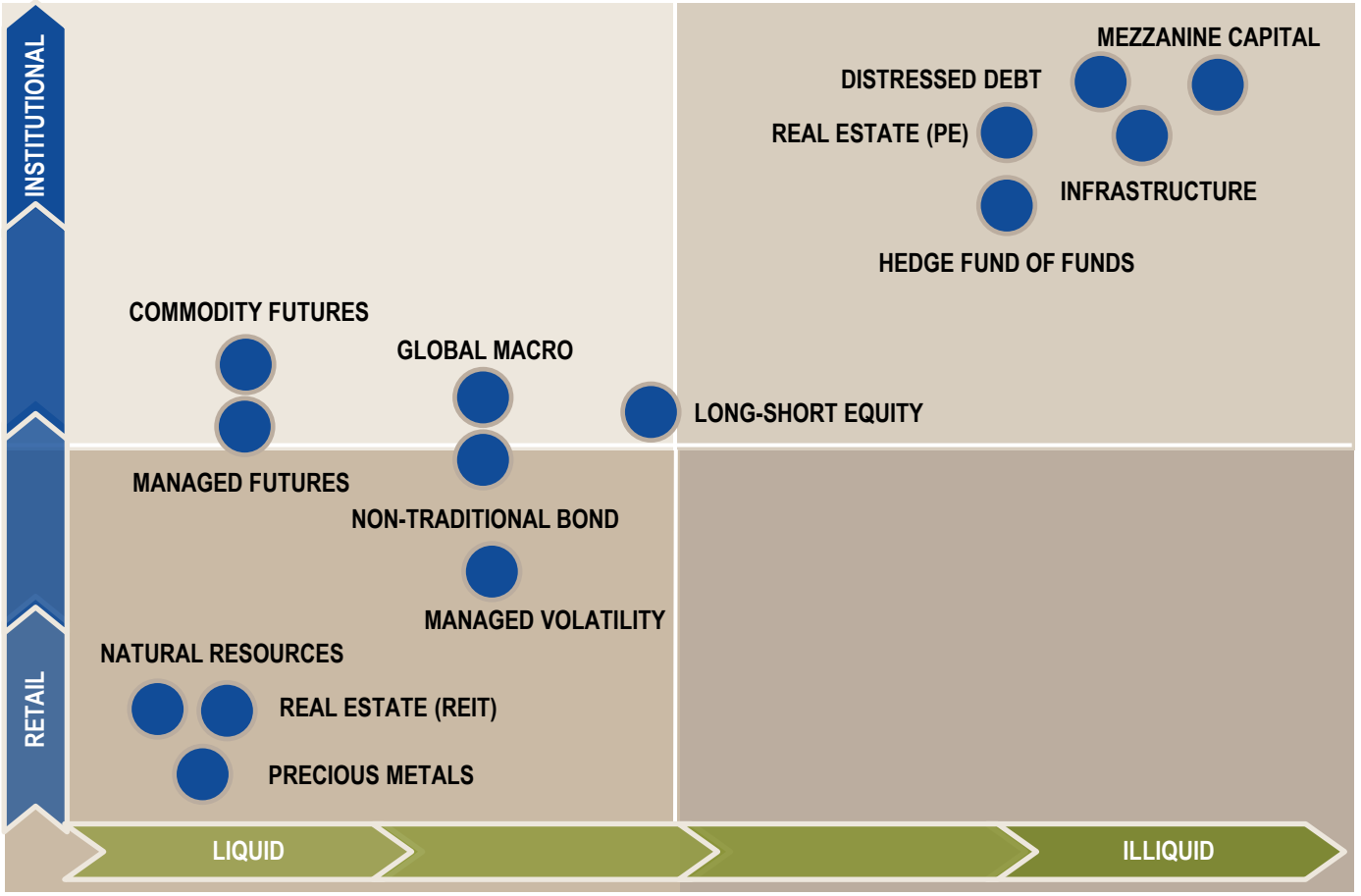
Retail Total Revenue Percent[2]



1. 2011 Global Survey on Institutional Investing; Institutional Investor, McKinsey & Company
2. 2010 Global Survey on Alternative Investing; Russell Investments, McKinsey & Company

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Franklin Templeton's Alternative Investment Capabilities

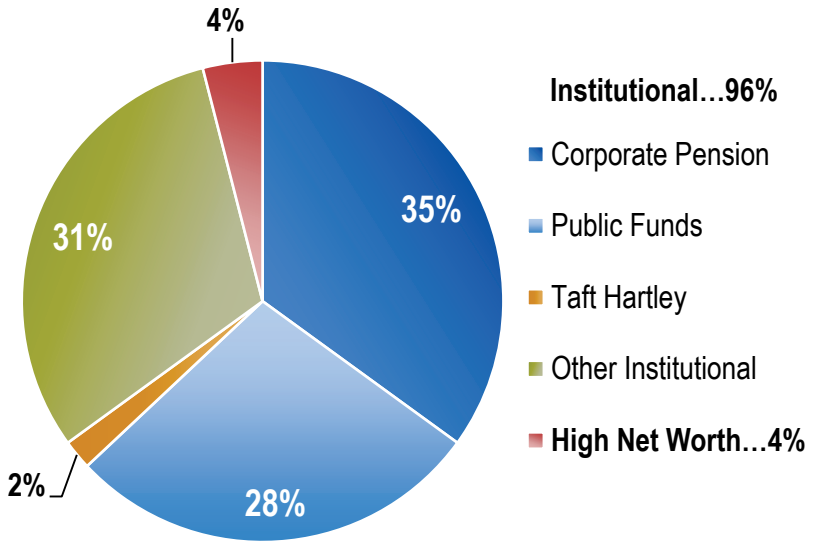


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K2 Advisors – A Leading Fund of Hedge Funds Manager

- $9 billion in assets under management
- Grew at 23% CAGR since 2008 while largest HFOF managers contracted by 34%[1]
- Best-in-class capabilities across all relevant hedge fund strategies enabling full multi-strategy design
- Proven investment process with a strong, 18-year investment track record
- 100% of managers provide portfolio level transparency

K2 Advisors AUM by Client Type[2]

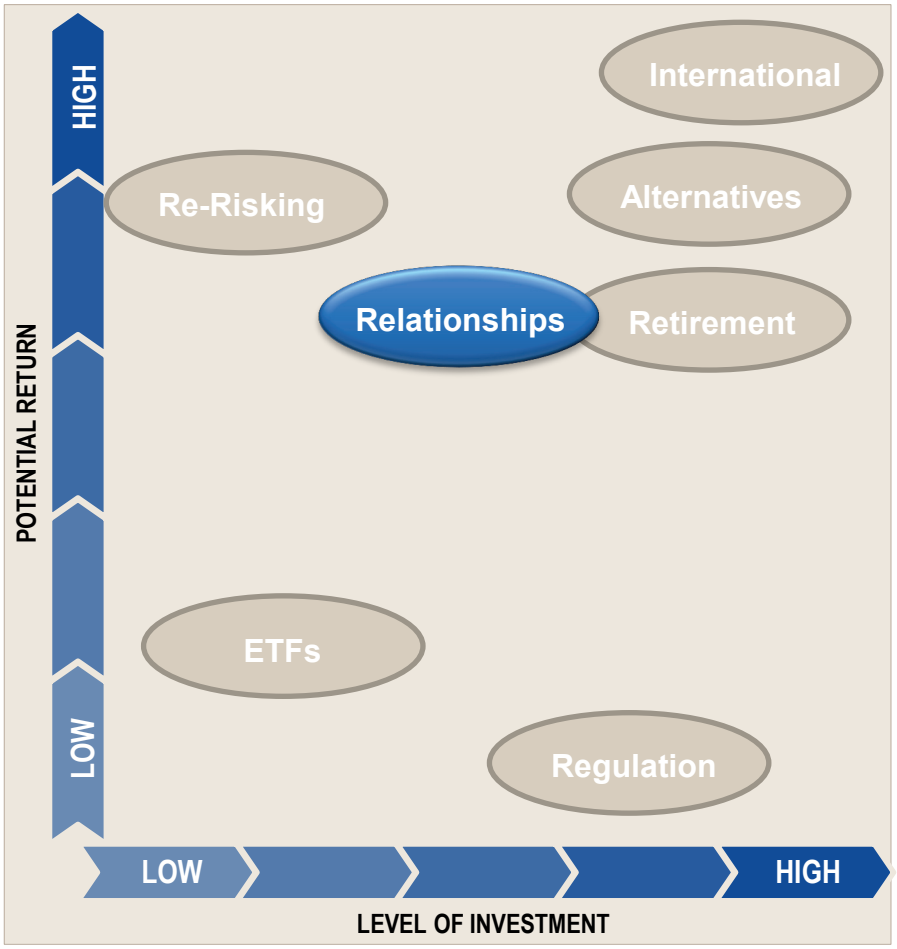


1. Pension & Investments, September 17, 2012. The largest hedge fund-of-funds managers as of June 30, 2012.
2. As of 9/1/12.

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Key Industry Trends Impacting Strategy

All efforts are within the context of achieving best-in-class investment quality and performance



After the GFC, stability, consistency, and trustworthiness **matter more than ever**

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Long-Standing Commitment to Financial Professionals



The Trust of Our Business Partners and Clients[1]

- More than 140,000 active U.S. financial advisor relationships
- Over 80,000 active international financial representative relationships

Enduring Relationships with Advisors and Institutions[2]

- Distribution relationships with the largest U.S. retail firms average 29 years
- 24% of global institutional relationships are 10+ years long

Seasoned Sales and Management Professionals

- Average U.S. Wholesaler tenure: 7.4 years (vs. industry average of 5.0 years[3])
- Average U.S. Institutional Relationship Manager tenure: 14 years

1. As of 12/31/11. Based on data collected from the U.S., Canada, India, Japan and sales of cross-border funds worldwide.
2. As of 12/31/11.
3. Source: Market Metrics *2011 Asset Wholesaler Satisfaction Study*.

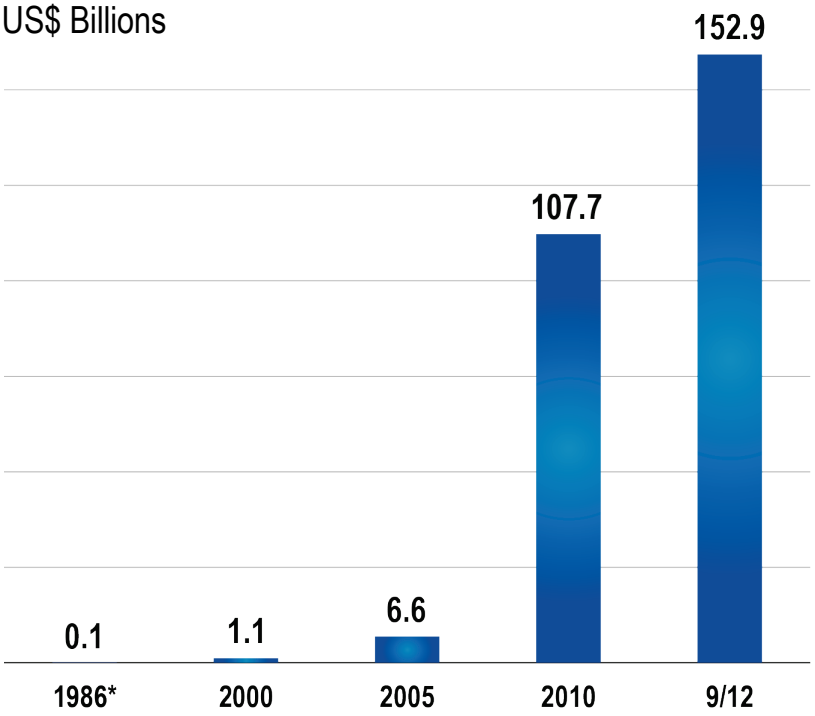
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Staying the Course—We Are Patient Investors

EXAMPLE

Growth of Assets: Global Fixed Income Strategies

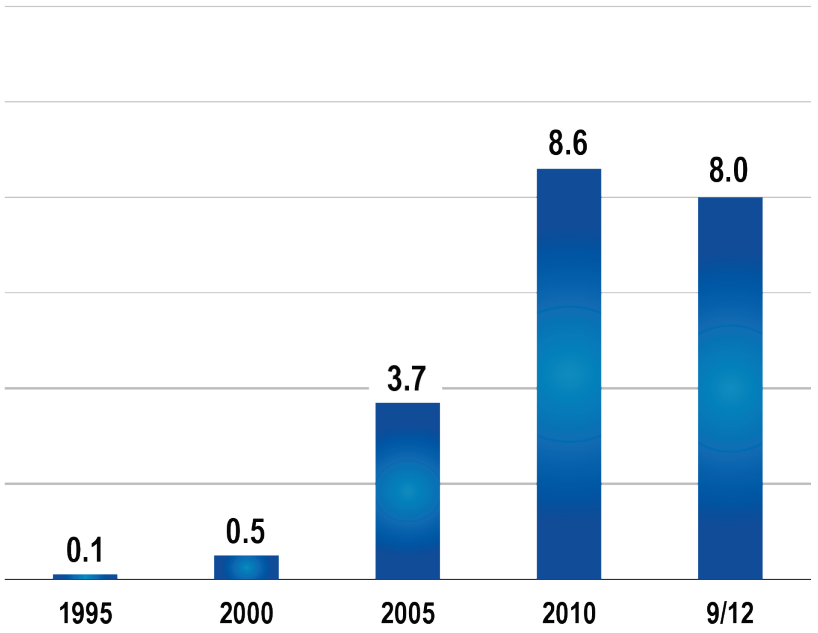
US$ Billions



EXAMPLE

Growth of Assets: India Office

US$ Billions



Global fixed income assets include all products that leverage our "Global Bond" strategy.

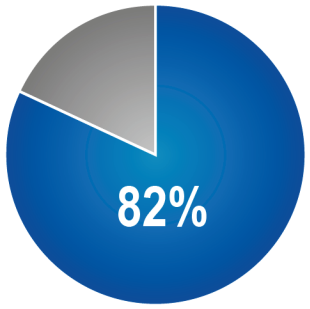
FRANKLIN TEMPLETON INVESTMENTS

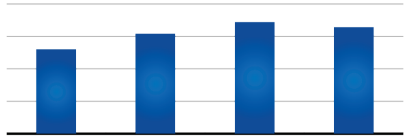
Strong Long-Term Investment Performance

Percentage of Long-Term Assets in Top Two Quartiles[1]

10-Year Periods Ended 9/30/12

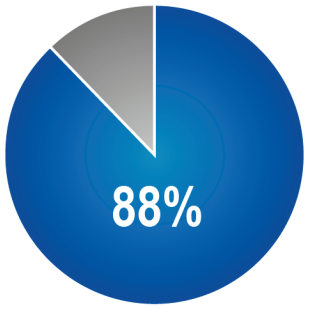
Franklin Templeton U.S. Mutual Funds[2]

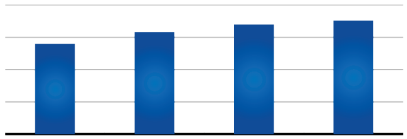




1 yr	3 yrs	5 yrs	10 yrs
65%	77%	86%	82%

Franklin Templeton Cross-Border Funds[3]





1 yr	3 yrs	5 yrs	10 yrs
70%	79%	85%	88%

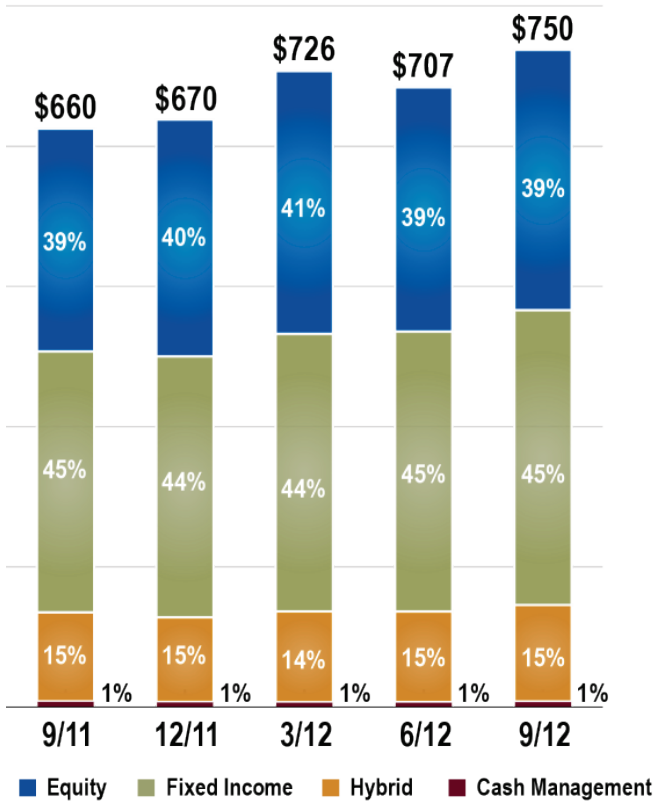
Performance quoted represents past performance, which cannot predict or guarantee future results.

1. Lipper rankings for Franklin Templeton U.S.-registered long-term mutual funds are based on Class A shares and do not include sales charges. Franklin Templeton funds are compared against a universe of all share classes. Performance rankings for other share classes may differ. Morningstar rankings for Franklin Templeton cross-border mutual funds are based on primary share classes and do not include sales charges. Performance rankings for other share classes may differ.
2. Source: Lipper, Inc., 9/30/12. Of the eligible Franklin Templeton long-term mutual funds tracked by Lipper, 21, 32, 36, and 41 funds ranked in the top quartile and 27, 31, 33, and 20 funds ranked in the second quartile of their respective Lipper peer groups for the 1-, 3-, 5-, and 10-year periods, respectively, for cumulative total return.
3. Source: © Morningstar, 9/30/12. Of the eligible Franklin Templeton long-term cross-border mutual funds tracked by Morningstar, 16, 18, 17, and 12 funds ranked in the top quartile and 33, 19, 16, and 11 funds ranked in the second quartile of their respective Morningstar categories for the 1-, 3-, 5-, and 10-year periods, respectively, for average annual total return. A cross-border fund is one that sources less than 80% of its assets from investors in any single country.

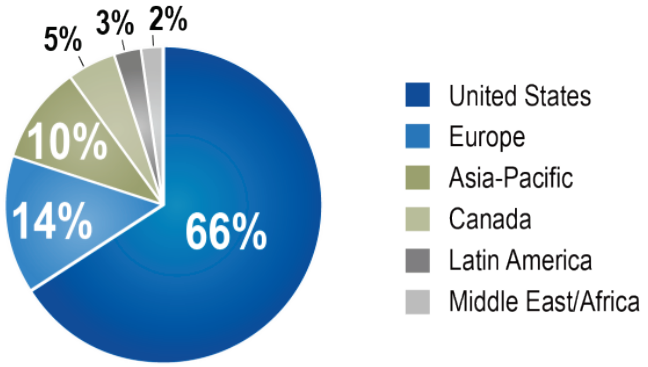
FRANKLIN TEMPLETON INVESTMENTS

Broad and Diversified Client and Asset Base

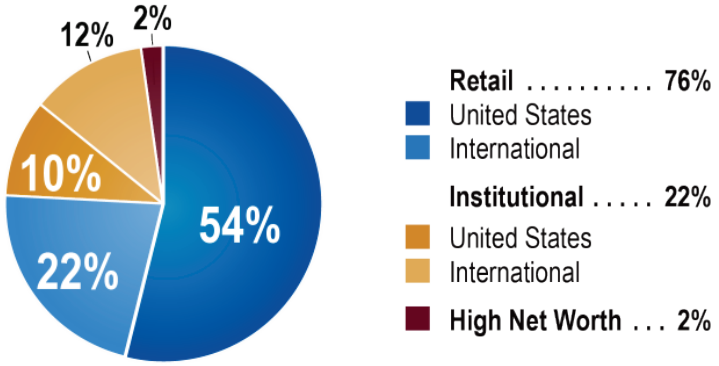
Assets Under Management in US$ Billions



AUM by Region



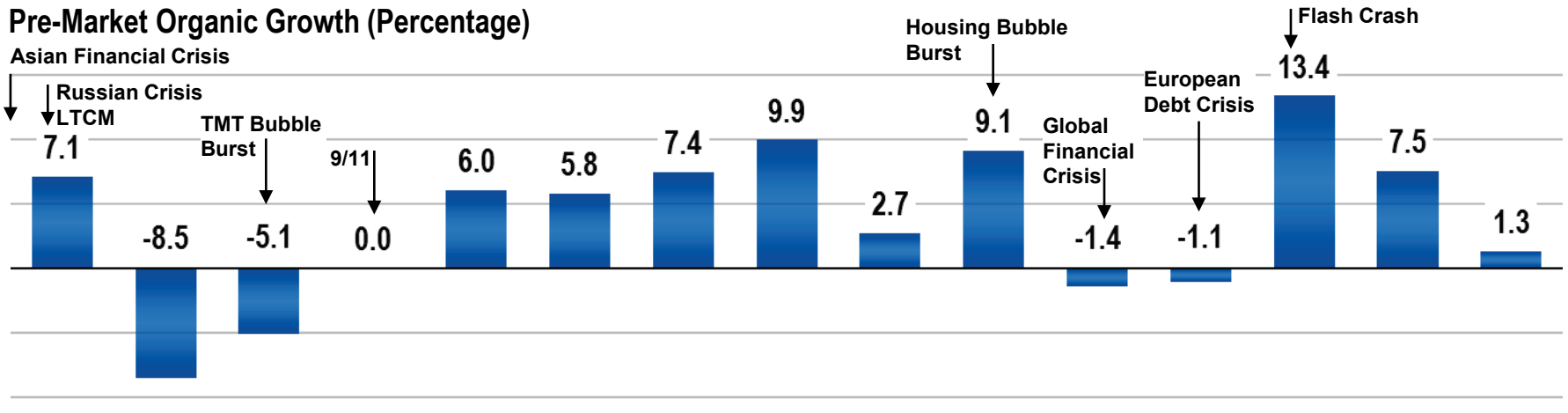
AUM by Client Type



As of 9/30/12.

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Breadth & Diversification Produce More Consistent Growth



'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12
Franklin Small Cap Growth Fund	Franklin Floating Rate Trust	Franklin Small Cap Growth Fund	Franklin Income Fund	Franklin Income Fund	Franklin Income Fund	Franklin Income Fund	Franklin Income Fund	Franklin Income Fund	Franklin Income Fund	Templeton Global Bond Fund (U.S. & SICAV)	Templeton Global Bond Fund	Templeton Global Bond Fund (U.S. & SICAV)	Templeton Global Bond Fund (U.S. & SICAV)	Franklin Income Fund
Templeton Growth Fund (Canada)	Franklin Growth Fund	Franklin Floating Rate Trust	Franklin U.S. Government Fund (SICAV)	Franklin U.S. Government Fund (SICAV)	Franklin U.S. Government Securities Fund (Japan)	Templeton Growth (Euro) Fund (SICAV)	Templeton Growth Fund	Mutual Shares Fund	Mutual Shares Fund	Templeton Global Total Return Fund (SICAV)	Franklin Federal Tax-Free Income Fund	Templeton Global Total Return Fund (SICAV)	Templeton Global Total Return Fund (SICAV)	Franklin Rising Dividends Fund
Franklin High Yield Tax-Free Income Fund	Franklin Small Cap Growth Fund	Franklin Biotechnology Discovery Fund	Franklin Balance Sheet Investment Fund	Franklin Balance Sheet Investment Fund	Templeton Growth (Euro) Fund (SICAV)	Templeton Foreign Fund	Mutual Shares Fund	Mutual Global Discovery Fund	Mutual Global Discovery Fund	Franklin Federal Tax-Free Income Fund	Franklin U.S. Government Securities Fund	Templeton Asian Growth Fund (SICAV)	Templeton Asian Growth Fund (SICAV)	Franklin High Income Fund
Templeton Growth Fund	Franklin DynaTech Fund	Franklin Flex Cap Growth Fund	Franklin U.S. Equity Fund (SICAV)	Franklin U.S. Government Securities Fund	Franklin High Yield Fund (SICAV)	Templeton Growth Fund	Templeton Global Bond Fund (SICAV)	Templeton Growth Fund	Templeton Growth Fund	Franklin Mutual European Fund (SICAV)	Franklin Adjustable U.S. Government Securities Fund	Templeton Emerging Markets Bond Fund (SICAV)	Franklin Rising Dividends Fund	Franklin High Yield Tax-Free Income Fund

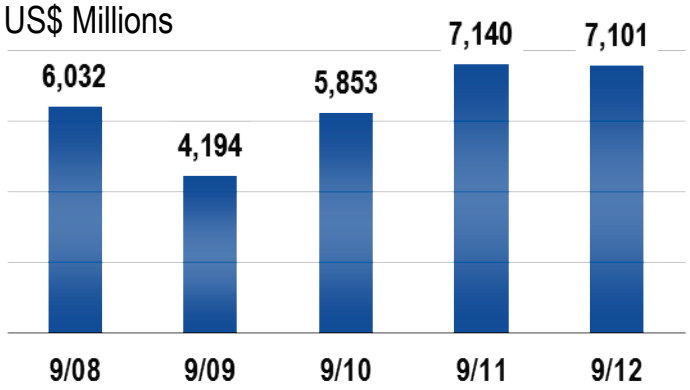
Organic growth calculated as total net new flows divided by beginning AUM for each fiscal year. Fiscal years 2011 and 2012 exclude low-fee advisory account redemptions of $12.0 and $11.1 billion, as previously disclosed.

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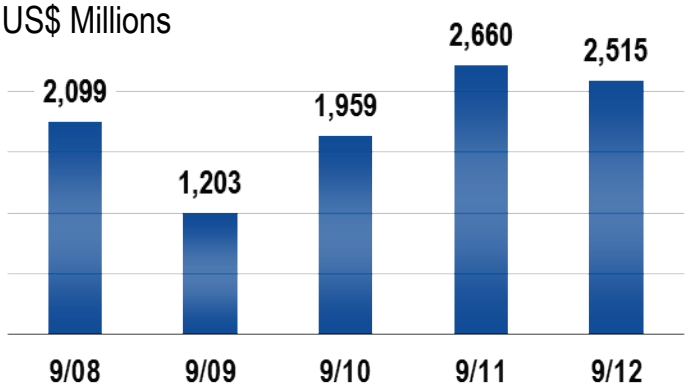
Financial Strength

As of and for the 12 Months Ended

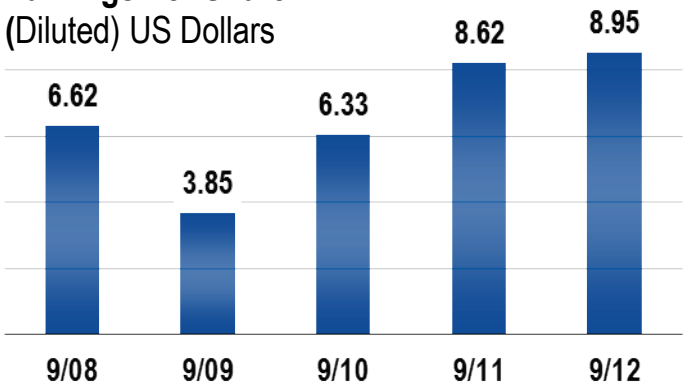
Operating Revenues
US$ Millions



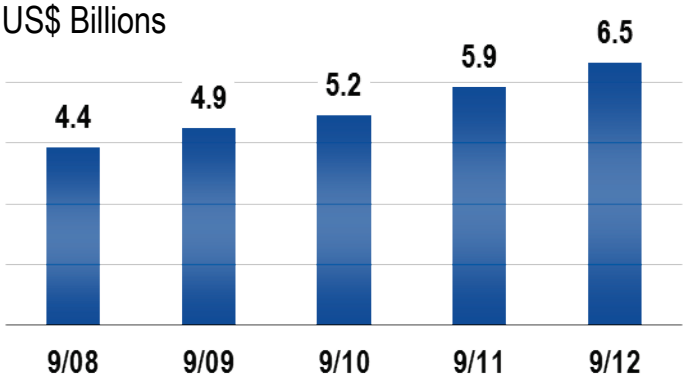
Operating Income
US$ Millions



Earnings Per Share
(Diluted) US Dollars



Net Cash & Investments[1]
US$ Billions

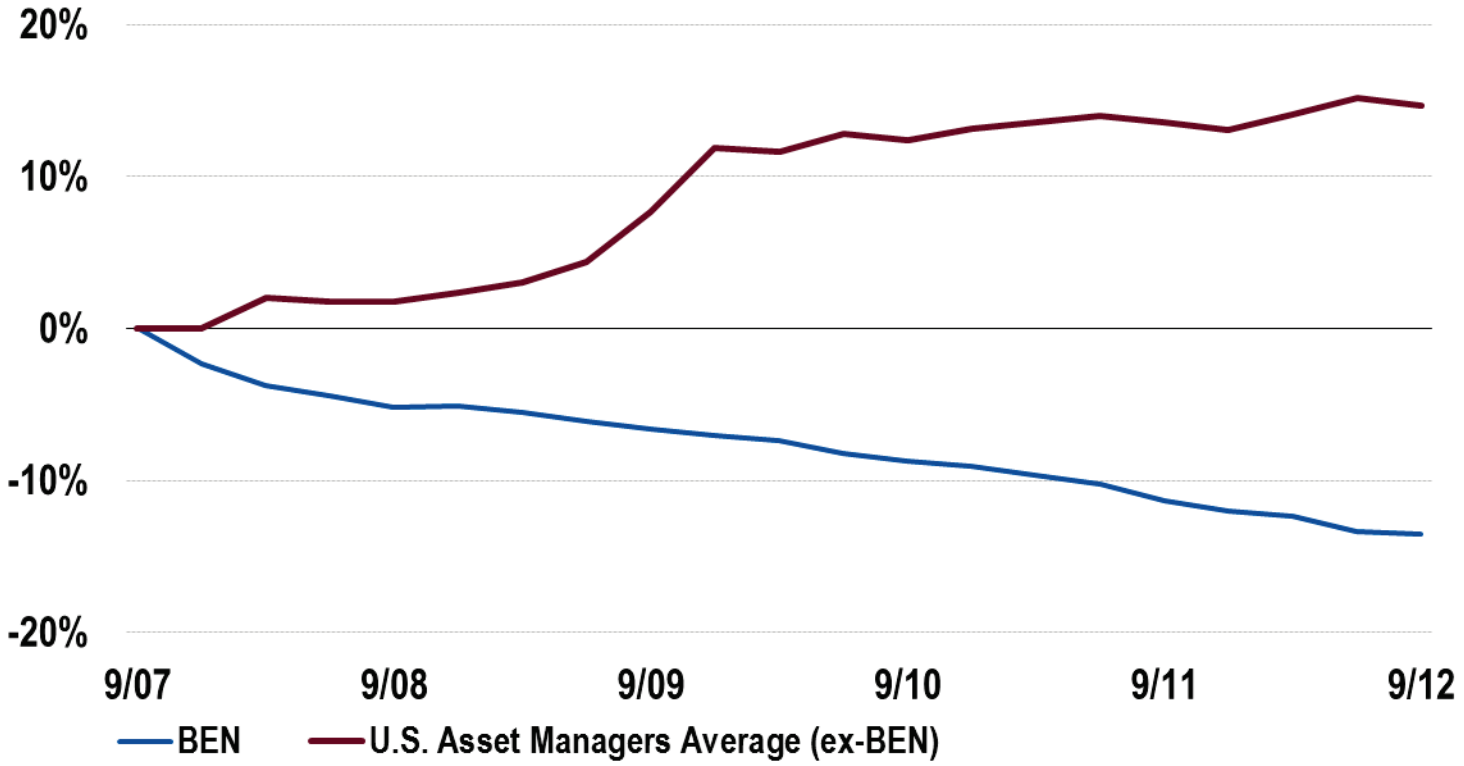


1. Net cash and investments consists of Franklin Resources, Inc. cash and investments (including those in consolidated SIPs and VIEs), net of Franklin Resources, Inc. debt and deposits..

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Capital Management

Change in Ending Shares Outstanding



U.S. ASSET MANAGERS (ex-BEN):
3% Compound Annual Dilution

BEN:
3% Compound Annual Accretion

BEN Cumulative Payout: $6.5 Billion

Source: Thomson Reuters and company reports. U.S. asset managers include AB, AMG, APO, ART, BLK, BX, CG, CLMS, CNS, EV, FIG, FII, GBL, IVZ, JNS, KKR, LM, MN, OAK, OZM, PZN, TROW, WDR and WETF.

FRANKLIN TEMPLETON INVESTMENTS

Global Drivers of Growth



Emerging Middle Class in Developing Economies



Retirement Transition in Developed Economies



Reaching the Next Generation in All Economies



Continued Move Toward Guided & Open Architecture

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