

## Why Invest in U.S. Growth Stocks?

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### INNOVATION LEADERS WITH STRONG COMPETITIVE POSITIONS<sup>1</sup>

The U.S. is home to many companies in **leading growth fields** such as technology, biotech and communications. Among technology leaders include high-quality companies the likes of **Apple, Mastercard, Precision Castparts, Celanese, Qualcomm** and **SBA Communications**.

Some technology investments **help companies remain competitive** in a globalised economy, driving lower costs and improving productivity. Others have **strong competitive positions** in the marketplace and are constantly innovating, that can lead to **superior and sustained profitability**.

#### MASTERCARD INC.

- A global leader in credit card processing, with few competitors
- Collects fees from processing transactions on network, and does not assume credit risks
- High margin business, with very low capex requirements and beneficiary of improved consumer sentiments



#### APPLE INC.

- Net sales consist primarily of revenue from the sale of hardware such as iPads, iPhones, software, digital content and applications, peripherals, and service and support contracts
- Quarterly revenue of \$28.27 billion and quarterly net profit of \$6.62 billion, with gross margin of 40.3 % compared to 36.9 % in the year-ago quarter<sup>2</sup>
- Apple's global brand name and market position allows them to maintain pricing power

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### RECOVERY IN NORTH AMERICA AND CORPORATE PROFITS

Strengthening of the U.S. economy can be seen in consumer, jobs and housing reports that are reflecting modest improvements since early 2010. **U.S. companies are reporting healthy profits** and earnings.

#### Projected Economic Growth (% Chg. Year-on-Year)<sup>3</sup>

Advanced Economies	2011P	2012P
U.S.	2.8	2.9
Euro area	1.6	1.8
Japan	1.4	2.1
U.K.	1.7	2.3

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### U.S. COMPANIES GROWING REVENUE IN GLOBAL MARKETS

Although U.S. headquartered, many U.S. companies derive growth from global markets. According to S&P<sup>4</sup>, the percentage of foreign revenue for S&P 500 companies was **46.3%** in 2010.

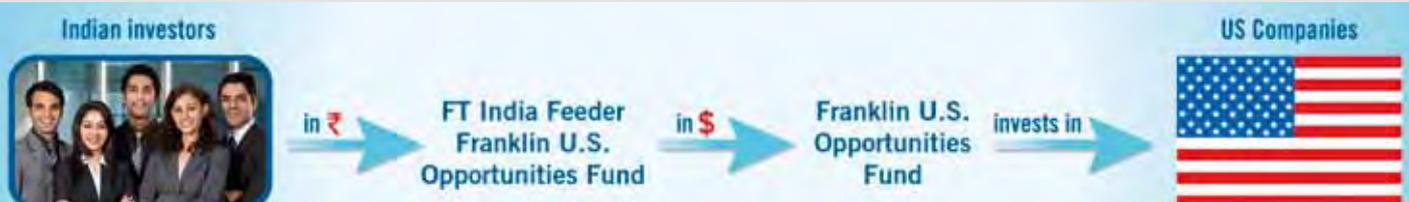


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### INTERNATIONAL DIVERSIFICATION INTO THE WORLD'S LARGEST EQUITY MARKETS

**US Equities constitute 29.14% of the world's market capitalization<sup>5</sup>** thereby giving you access to the world's largest equity market and an opportunity to diversify your portfolio globally with quality stocks.

Further given the volatility in Indian markets since 2008, global diversification becomes especially relevant.



1 Sample holdings of FTIF Franklin U.S. Opportunities Fund as of 30 November 2011. The mention of any stocks is not a recommendation to buy/sell the stocks, and there is no guarantee that the Fund will continue to hold the stocks. 2 Source: Quarterly Report of Apple Inc. for the period ended 24 September 2011. 3 Source: IMF World Economic Outlook, September 2011 update. 4 Source: 'S&P® 500: Global Sales 2010', Standard & Poor's, 18 July 2011. 5 Source: As of August 22, 2011; www.bespokeinvest.com/thinkbig/2011/8/22/percentage-of-world-market-cap.html



## FUND TYPE AND INVESTMENT OBJECTIVE:

An **open-end fund of funds** scheme investing overseas that seeks to provide capital appreciation by investing predominantly in units of Franklin U. S. Opportunities Fund, an overseas Franklin Templeton mutual fund, which primarily invests in securities in the United States of America.

## FUND FACTS

### Fund Manager (for Franklin US Opportunities Fund):

Grant Bowers  
Conrad Herrmann

### Fund Manager (for FT India Feeder Franklin US Opportunities Fund):

Roshi Jain

### NFO Dates

Opens: 17-1-2012 Closes: 31-1-2012

### Plans

Growth and Dividend (with payout and reinvestment option)

### Load Structure:

**Entry Load:** Nil

**Exit Load:** 2% if redeemed / switched out within one year of allotment

### Benchmark

Russell 3000 Growth Index

### Minimum Application Amount

₹ 5000 and in multiples of ₹ 1 thereafter

## ABOUT FRANKLIN US OPPORTUNITIES FUND

### FUND FEATURES

- Focuses on growth, quality and valuation, with strong emphasis on flexibility by combining bottom-up stock selection and top-down industry themes.
- Identifies and invests in high-quality companies with long-term revenue growth, superior profitability, and sustainable and meaningful competitive advantages, along with firms poised to benefit from favorable secular trends
- Fund mandate provides investors with exposure to the best of the U.S. economy, by investing in leading growth companies across all industries and market-caps
- An experienced group of teams provide deep industry knowledge to find the best leading growth companies in their respective sectors

### ASSET ALLOCATION

#### TOP 10 HOLDINGS

Name of Issuer	% of Total
Apple Inc	4.85%
MasterCard Inc	3.36%
Precision Cast parts Corp	2.84%
Celanese Corp	2.52%
Qualcomm Inc	2.41%
SBA Communications Corp	2.27%
Google Inc	1.93%
Blackrock Inc	1.75%
Trimble Navigation Ltd	1.65%
Praxair Inc	1.57%
<b>Total</b>	<b>25.15%</b>

#### INDUSTRY EXPOSURE

Industry	% of net assets
Software & Services	16.00
Technology Hardware & Equipment	14.00
Energy	12.00
Capital Goods	10.00
Pharmaceuticals & Biotechnology	9.00
Food Beverage & Tobacco	5.00
Materials	5.00
Retailing	4.00
Transportation	4.00
Consumer Durables & Apparel	4.00
Other	17.00

Portfolio details as of December 31 2011. Based on Global Industry Classification Standard (GICS).

### FUND PERFORMANCE

	1 Year	3 Years*	5 Years*	Since Inception
<b>USD Returns (%)</b>				
Franklin US Opportunities Fund	-3.05	19.08	3.73	7.89
Russell 3000 Growth Index	2.18	18.11	2.46	5.14
<b>INR Returns (%)</b>				
Franklin US Opportunities Fund	15.08	22.45	7.56	9.90
Russell 3000 Growth Index	21.29	21.46	6.24	7.10

Compounded and annualized returns based on December 31, 2011 NAV of Share class I (acc). Past performance may or may not be sustained in future. AUM as of 31.12.2011: US \$ 2,344 million

## Investors may pay fees to AMFI registered distributors based on the assessment of services rendered.

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**Asset Allocation Pattern:** Units of Franklin U. S. Opportunities Fund: 90%-100%; Debt securities and Money Market Instruments: 0%-10%. **Terms of issue:** The Units are being offered at Rs.10 per unit during the New Fund Offer period and at NAV based prices upon reopening, subject to the prevailing load. The Fund offers NAVs, purchases and redemptions on all business days except during the period when there is a book closure. Please visit or call the Investor Service Centre to obtain a copy of the Scheme Information Document and the Key Information Memorandum along with the application form. **Risk Factors: All investments in mutual funds and securities are subject to market risks and the NAV of the scheme may go up or down depending upon the factors and forces affecting the securities market including the fluctuations in the interest rates. There can be no assurance that the scheme's investment objectives will be achieved.** Investments in overseas financial assets are subject to risks associated with currency movements, restrictions on repatriation, transaction procedures in overseas markets and country related risks. The past performance of the mutual funds managed by the Franklin Templeton Group and its affiliates is not necessarily indicative of future performance of the scheme. **The above is only the name of the scheme and does not in any manner indicate the quality of the scheme, its future prospects or returns.** The Mutual Fund is not guaranteeing or assuring any dividend under any of the schemes and the same is subject to the availability and adequacy of distributable surplus and the investment performance of the schemes. The expenses of the scheme will be over and above the expenses charged by the underlying scheme. Investors are requested to obtain expert professional advice with regard to specific legal, tax and financial implications of their investment/participation in the scheme. The investments made by the schemes are subject to external risks. **Please read the Statement of Additional Information (SAI) and Scheme Information Document (SID) carefully before investing.** **Statutory Details:** Franklin Templeton Mutual Fund in India has been set up as a trust by Templeton International Inc. (liability restricted to the seed corpus of Rs.1 lac) with Franklin Templeton Trustee Services Pvt. Ltd. as the Trustee (Trustee under the Indian Trusts Act, 1882) and Franklin Templeton Asset Management (India) Pvt. Ltd. as the Investment Manager.

For more information, please contact :



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