



Templeton Dragon Fund, Inc.

TDF
June 30, 2020

Closed-End Fund Fact Sheet

Fund Description

The fund seeks long-term capital appreciation by investing at least 45% of its total assets in the equity securities of Chinese companies.

Fund Overview

| | |
|--|----------------------------|
| Total Net Assets | \$818 million |
| Fund Inception Date | 9/20/1994 |
| Number of Issuers | 42 |
| Dividend Frequency | Semi Annual in Aug and Dec |
| NAV Per Share | \$24.21 |
| Market Price Per Share | \$20.18 |
| Discount/Premium | -16.65% |
| Outstanding Shares | 33,804,143 |
| Annual Expense Ratio (with Waiver) | 1.34% |
| Annual Expense Ratio (without Waiver) | 1.35% |
| CUSIP | 88018T101 |
| Symbol | TDF |

Fund Management

| | Years with Firm | Years of Experience |
|------------------|-----------------|---------------------|
| Michael Lai, CFA | < 1 | 30 |
| Eric Mok, CFA | 22 | 22 |

Asset Allocation (%)

| | |
|-------------------------|-------|
| Equity | 98.81 |
| Cash & Cash Equivalents | 1.19 |

Performance

Total Returns % (as of 6/30/2020)

| | CUMULATIVE YTD | AVERAGE ANNUAL | | | | | Since Inception | Inception Date |
|--|-------------------|----------------|-------|-------|--------|-------|-----------------|----------------|
| | | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | | | |
| Fund (Market Price) | 3.75 | 17.05 | 10.40 | 8.19 | 8.70 | 10.16 | 9/20/1994 | |
| Fund (at NAV) | 11.00 | 23.00 | 11.12 | 6.84 | 8.12 | 9.58 | 9/20/1994 | |
| MSCI China All Shares Total Return Index | 4.11 | 13.11 | 6.61 | 1.19 | 6.26 | N/A | | |
| MSCI China Index | 3.58 | 13.28 | 8.73 | 5.49 | 6.60 | 2.20 | | |

Calendar Year Total Returns %

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---------------------|-------|--------|-------|-------|-------|-------|--------|-------|-------|--------|
| Fund (Market Price) | 27.70 | -11.87 | 42.06 | 1.03 | -8.79 | 9.74 | -3.07 | 18.07 | -9.44 | 19.58 |
| Fund (NAV) | 26.59 | -14.64 | 38.22 | 0.76 | -6.39 | 7.86 | -3.37 | 17.62 | -9.05 | 21.62 |
| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
| Fund (Market Price) | 63.62 | -39.68 | 32.25 | 50.03 | 14.32 | 0.28 | 108.11 | 21.37 | 17.07 | -15.12 |
| Fund (NAV) | 58.85 | -41.91 | 42.81 | 35.12 | 20.89 | 15.87 | 76.65 | 12.25 | -1.20 | -13.92 |

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment returns and principal values will change with market conditions, and you may have a gain or a loss when you sell your shares. Please visit franklintempleton.com for the most recent month-end performance.

The fund has a fee waiver associated with any investment it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through February 28, 2021. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.

Top Ten Holdings (% of Total)

| Issuer Name | |
|---|-------|
| TENCENT HOLDINGS LTD | 11.46 |
| ALIBABA GROUP HOLDING LTD | 9.40 |
| JD.COM INC | 3.43 |
| ANTA SPORTS PRODUCTS LTD | 2.95 |
| NEW ORIENTAL EDUCATION & TECH GROUP INC | 2.78 |
| WUXI BIOLOGICS CAYMAN INC | 2.63 |
| MEITUAN DIANPING | 2.52 |
| CHINA MERCHANTS BANK CO LTD | 2.18 |
| INNOVENT BIOLOGICS INC | 2.14 |
| GSX TECHEDU INC | 2.05 |

Portfolio Characteristics

| | |
|------------------------------------|--------|
| Price to Earnings (12-mo Trailing) | 17.18x |
| Price to Book | 3.02x |
| Price to Cash Flow | 8.47x |
| Dividend Yield | 1.30% |

The fund invests in certain China A shares through its investment in the Templeton China Opportunities Fund Ltd. (China Fund). The China Fund is a Cayman Islands exempt company, is a wholly-owned subsidiary of the fund, and is able to invest directly in China A shares consistent with the investment objective of the fund.

Unlike open-end funds (mutual funds), closed-end funds are not continuously offered. Closed-end funds trade on the secondary market through a national stock exchange at a price which may be above (a premium), but is often below (a discount to) the net asset value (NAV) of the fund's portfolio.

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Not FDIC Insured | May Lose Value | No Bank Guarantee

Composition of Fund

| Geographic | % of Total | Sector | % of Total |
|-------------------------|------------|-------------------------|------------|
| China | 95.90 | Financials | 33.87 |
| Hong Kong | 1.62 | Consumer Discretionary | 27.89 |
| Taiwan | 1.30 | Communication Services | 14.13 |
| Cash & Cash Equivalents | 1.19 | Health Care | 8.04 |
| | | Information Technology | 4.27 |
| | | Real Estate | 4.04 |
| | | Industrials | 2.96 |
| | | Materials | 2.00 |
| | | Energy | 0.88 |
| | | Consumer Staples | 0.74 |
| | | Cash & Cash Equivalents | 1.19 |

What Are the Risks?

All investments involve risks, including possible loss of principal. Special risks are associated with foreign investing, including currency volatility, economic instability and political developments of countries where the fund invests. Emerging markets involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity. There are special risks associated with investments in China, Hong Kong and Taiwan, including exposure to currency fluctuations, less liquidity, expropriation, confiscatory taxation, international trade tensions (including tariffs, embargoes and trade wars), nationalization and exchange control regulations (including currency blockage), inflation and rapid fluctuations in inflation and interest rates, all of which can negatively impact the fund. Recent events, such as the coronavirus outbreak, have caused, and may continue to cause, uncertainty and volatility in the Chinese economy, especially in the travel, leisure and retail sectors. In addition, investments in Taiwan could be adversely affected by its political and economic relationship with China. Because the fund invests its assets primarily in companies in a specific region, the fund is subject to greater risks of adverse developments in that region and/or the surrounding regions than a fund that is more broadly diversified geographically. Political, social or economic disruptions in the region, even in countries in which the fund is not invested, may adversely affect the value of securities held by the fund. Also, as a non-diversified investment company investing in "China companies," the fund may invest in a relatively small number of issuers and, as a result, be subject to a greater risk of loss with respect to its portfolio securities. The fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results.

Glossary

Dividend Yield: The annual dividend received on an equity security as a percentage of the price. For a portfolio, the value represents a weighted average of the stocks it holds. It should not be used as an indication of the income received from this portfolio.

Price to Book: The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the value represents a weighted average of the stocks it holds.

Price to Cash Flow: Supplements price/earnings ratio as a measure of relative value for a stock. For a portfolio, the value represents a weighted average of the stocks it holds.

Price to Earnings (12-mo Trailing): The share price of a stock, divided by its per-share earnings over the past year. For a portfolio, the value represents a weighted average of the stocks it holds.

Important Information

The index is unmanaged and includes reinvestment of any income or distributions. It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the fund's portfolio. Index data is provided for comparison purposes only. The fund is not managed against an index.

Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

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.

Performance: Total return calculations represent the cumulative and the average annual changes in value of an investment over the periods indicated. YTD returns have not been annualized. Fund returns at market price assumes reinvestment of distributions based on the dividend reinvestment and cash purchase plan. Fund returns at NAV assumes reinvestment of distributions based on net asset value (net of fund expenses). See the fund's annual report for full information on expenses.

Composition of Fund: Percentage may not equal 100% due to rounding.

Fund Management: CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

Top Ten Holdings: The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included.

Portfolio Characteristics: The dividend yield quoted here is the yield on securities within the Portfolio and should not be used as an indication of the income received from this portfolio.