

SECURITIES AND EXCHANGE COMMISSION

FORM DEF 14A

Definitive proxy statements

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FILER

TEMPLETON VIETNAM OPPORTUNITIES FUND INC

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Business Address
700 CENTRAL AVENUE
ST PETERSBURG FL 33701
8138238712

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the registrant [X]

Filed by a party other than the registrant []

Check the appropriate box:

[] Preliminary proxy statement [] Confidential, for
use of the
Commission only
(as permitted
Rule 14a-6(e) (2)

[X] Definitive proxy statement

[] Definitive additional materials

[] Soliciting material pursuant to 240.14a-11(c) or 240.14a-12

(Name of Registrant as Specified in Its Charter)

TEMPLETON VIETNAM OPPORTUNITIES FUND, INC.

(Name of Person(s) Filing Proxy Statement)

TEMPLETON VIETNAM OPPORTUNITIES FUND, INC.

Payment of filing fee (Check the appropriate box):

[] \$125 per Exchange Act Rule 0-11(c) (1) (ii), 14a-6(i) (1), or
14a-6(j) (2), or Item 22(a) (2) of Schedule 14A..

[] \$500 per each party to the controversy pursuant to Exchange Act
Rule 14a-6(i) (3).

[] Fee computed on table below per Exchange Act Rules 14a-6(i) (4)
and 0-11.

(1) Title of each class of securities to which transaction
applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction
computed pursuant to Exchange Act Rule 0-11(Set forth the
amount on which the filing fee is calculated and state how
it was determined.)

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

[X] Fee paid previously with preliminary material.

[] Check box if any part of the fee is offset as provided by Exchange
Act Rule 0-11(a) (2) and identifying the filing for which the offsetting
fee was paid previously. Identify the previous filing by registration
statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

TEMPLETON VIETNAM OPPORTUNITIES FUND, INC.

IMPORTANT SHAREHOLDER INFORMATION

This document announces the date, time and location of the annual shareholders meeting, identifies the proposals to be voted on at the meeting, and contains your proxy statement and proxy card. A proxy card is, in essence, a ballot. When you vote your proxy, it tells us how you wish to vote on important issues relating to your fund. If you complete and sign the proxy, we'll vote it exactly as you tell us. If you simply sign the proxy, we'll vote it in accordance with the Directors' recommendations on pages 3 and 4.

WE URGE YOU TO SPEND A FEW MINUTES WITH THE PROXY STATEMENT REVIEWING THE PROPOSALS AT HAND. THEN, FILL OUT YOUR PROXY CARD AND RETURN IT TO US. WHEN SHAREHOLDERS DON'T RETURN THEIR PROXIES IN SUFFICIENT NUMBERS, WE HAVE TO INCUR THE EXPENSE OF FOLLOW-UP SOLICITATIONS, WHICH CAN COST YOUR FUND MONEY. WE WANT TO KNOW HOW YOU WOULD LIKE TO VOTE AND WELCOME YOUR COMMENTS. PLEASE TAKE A FEW MINUTES WITH THESE MATERIALS AND RETURN YOUR PROXY TO US. IF YOU HAVE ANY QUESTIONS, CALL THE FUND INFORMATION DEPARTMENT AT 1-800/DIAL BEN.

VOTING BY TELEPHONE

For your convenience, you may vote by telephone, 24 hours a day, by calling toll-free a toll-free number. If you are able to vote by telephone, a 10-digit control number and further instructions will be shown on your proxy card.

TEMPLETON VIETNAM OPPORTUNITIES FUND, INC.

NOTICE OF 1996 ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting ("Meeting") of shareholders of Templeton Vietnam Opportunities Fund, Inc. (the "Fund") will be held at 700 Central Avenue, St. Petersburg, Florida 33701-3628 on Tuesday, October 8, 1996 at 10:00 A.M. (EDT).

During the Meeting, shareholders of the Fund will vote on five proposals:

1. Election of Directors of the Fund to hold office for the terms specified;
2. Approval of the deletion of the Fund's current fundamental investment restriction on loans and the adoption of a new fundamental investment policy regarding lending;
3. Approval of an amendment to the Fund's current fundamental investment restriction concerning investments in real estate;
4. Ratification of the selection of McGladrey & Pullen, LLP as independent auditors of the Fund for the fiscal year ending March 31, 1997; and
5. Transaction of any other business as may properly come before the Meeting.

By order of the Board of Directors,

J. Mark Mobius
President

August 23, 1996

PROXY STATEMENT

INFORMATION ABOUT VOTING

WHO IS ELIGIBLE TO VOTE?

Shareholders of record at the close of business on August 22, 1996 are entitled to be present and to vote at the Meeting or any adjourned Meeting. Each share of record is entitled to one vote on all matters presented at the Meeting. The Notice of Meeting, the proxy, and the proxy statement were mailed to shareholders of record on or about August 23, 1996.

ON WHAT ISSUES AM I BEING ASKED TO VOTE?

You are being asked to vote on five proposals:

1. Election of three nominees to the position of Director;
2. Approval of the deletion of the Fund's current fundamental investment restriction on loans and the adoption of a new fundamental investment policy regarding lending;
3. Approval of an amendment to the Fund's current fundamental investment restriction concerning investments in real estate;
4. Ratification of the selection of McGladrey & Pullen, LLP as independent auditors of the Fund for the fiscal year ending March 31, 1997; and
5. Transaction of any other business that may properly come before the Meeting.

HOW DO THE FUND'S DIRECTORS RECOMMEND THAT I VOTE?

The Directors recommend that you vote:

1. FOR the election of nominees;
2. FOR the approval of the deletion of the Fund's current fundamental investment restriction on loans and the adoption of a new fundamental investment policy regarding lending;
3. FOR the approval of the amendment of the Fund's current fundamental investment restriction concerning investments in real estate;
4. FOR the ratification of the selection of McGladrey & Pullen, LLP as independent auditors for the Fund; and
5. FOR the proxyholders to vote, in their discretion, on any other business that may properly come before the Meeting.

HOW DO I ENSURE THAT MY VOTE IS ACCURATELY RECORDED?

You may attend the Meeting and vote in person or you may complete and return the attached proxy. Proxies that are signed, dated and received by the close of business on October 7, 1996 will be voted as specified. If you specify a vote for any of the proposals 1 through 5, your proxy will be voted as you indicated. If you simply sign and date the proxy, but don't specify a vote for any of the proposals 1 through 5, your shares will be voted in favor of the nominees for Director (proposal 1), in favor of approval of the deletion of the Fund's current fundamental investment restriction on loans and the adoption of a new fundamental investment policy regarding lending (proposal 2), in favor of the amendment to the Fund's current fundamental investment restriction concerning investments in real estate (proposal 3), in favor of ratifying the selection of McGladrey & Pullen, LLP as independent auditors (proposal 4), and/or in accordance with the discretion of the persons named in the proxy as to any other matters (proposal 5).

CAN I REVOKE MY PROXY?

You may revoke your proxy at any time before it is voted by (1)

delivering a written revocation to the Secretary of the Fund, (2) forwarding to the Fund a later-dated proxy that is received by the Fund on or before October 7, 1996, or (3) attending the Meeting and voting in person.

THE PROPOSALS

1. ELECTION OF DIRECTORS

HOW ARE NOMINEES SELECTED?

The Board of Directors of the Fund (the "Board") established a Nominating and Compensation Committee (the "Committee") consisting of Messrs. Hines and Macklin. The Committee is responsible for the selection, nomination for appointment and election of candidates to serve as Directors of the Fund. The Committee will review shareholders' nominations to fill vacancies on the Board, if these nominations are in writing and addressed to the Committee at the Fund's offices. However, the Committee expects to be able to identify from its own resources an ample number of qualified candidates.

WHO ARE THE NOMINEES AND DIRECTORS?

The Board is divided into three classes, each class having a term of three years. Each year the term of office of one class expires. This year, the terms of four Directors are expiring. F. Bruce Clarke, whose term expires this year, declined to stand for re-election. Martin L. Flanagan, Andrew H. Hines, Jr. and Charles B. Johnson have been nominated for three-year terms, set to expire at the 1999 annual meeting of shareholders. These terms continue, however, until successors are duly elected and qualified. In addition, all of the nominees are currently members of the Board and all of the current Directors are also directors or trustees of other investment companies in the Franklin Group of Funds(R) and the Templeton Group of Funds (the "Franklin Templeton Group of Funds").

Certain nominees and Directors of the Fund hold director and/or officer positions with Franklin Resources, Inc. ("Resources") and its affiliates. Resources is a publicly owned holding company, the principal shareholders of which are Charles B. Johnson and Rupert H. Johnson, Jr. who own approximately 20% and 16% respectively, of its outstanding shares. Resources is primarily engaged, through various subsidiaries, in providing investment management, share distribution, transfer agent and administrative services to a family of investment companies. Resources is a New York Stock Exchange listed holding company (NYSE: BEN). There are no family relationships among any of the Directors or nominees for Director.

Each nominee is currently available and has consented to serve if elected. If any of the nominees should become unavailable, the persons named in the proxy will vote in their discretion for another person or other persons who may be nominated as Directors.

Listed below, for each nominee and Director, is a brief description of recent professional experience:

<TABLE>
<CAPTION>

NAME AND OFFICES WITH THE FUND	PRINCIPAL OCCUPATION DURING PAST FIVE YEARS AND AGE	DIRECTOR SINCE	SHARES OWNED BENEFICIALLY AND % OF TOTAL OUTSTANDING ON JUNE 30, 1996

<S>	<C>	<C>	<C>
NOMINEES TO SERVE UNTIL 1999 ANNUAL MEETING OF SHAREHOLDERS:			
MARTIN L. FLANAGAN* DIRECTOR AND VICE PRESIDENT	Senior vice president, treasurer and chief financial officer of Franklin Resources, Inc.; director and executive vice president of Templeton Investment Counsel, Inc.; director, president and chief executive officer of Templeton Global Investors, Inc.; accountant with Arthur Andersen &	1994	-0-

Company (1982-1983); and a member of the International Society of Financial Analysts and the American Institute of Certified Public Accountants. Age 36.

</TABLE>

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NAME AND OFFICES WITH THE FUND	PRINCIPAL OCCUPATION DURING PAST FIVE YEARS AND AGE	DIRECTOR SINCE	SHARES OWNED BENEFICIALLY AND % OF TOTAL OUTSTANDING ON JUNE 30, 1996
<S> ANDREW H. HINES, JR. DIRECTOR	<C> Consultant for the Triangle Consulting Group; chairman of the board and chief executive officer of Florida Progress Corporation (1982-1990) and director of various of its subsidiaries; chairman and director of Precise Power Corporation; College (1991-present); and a director of Checkers Drive-In Restaurants, Inc. Age 73.	<C> 1994	<C> -0-
CHARLES B. JOHNSON* CHAIRMAN OF THE BOARD AND VICE PRESIDENT	President, chief executive officer, and director of Franklin Resources, Inc.; chairman of the board and director of Franklin Advisers, Inc. and Franklin Templeton Distributors, Inc.; director of General Host Corporation (nursery and craft centers), Franklin Templeton Investor Services, Inc. and Templeton Global Investors, Inc.; and officer and director, trustee or managing general partner, as the case may be, of most other subsidiaries of Franklin Resources, Inc. Age 63.	1994	1,000 (**)
DIRECTORS SERVING UNTIL 1998 ANNUAL MEETING OF SHAREHOLDERS:			
HARMON E. BURNS* DIRECTOR AND VICE PRESIDENT	Executive vice president, secretary and director of Franklin Resources, Inc.; executive vice president and director of Franklin Templeton Distributors, Inc.; executive vice president of Franklin Advisers, Inc.; and an officer and/or director, as the case may be, of other subsidiaries of Franklin Resources, Inc. Age 51.	1994	-0-

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NAME AND OFFICES WITH THE FUND	PRINCIPAL OCCUPATION DURING PAST FIVE YEARS AND AGE	DIRECTOR SINCE	SHARES OWNED BENEFICIALLY AND % OF TOTAL OUTSTANDING ON JUNE 30, 1996
<S> JOHN Wm. GALBRAITH DIRECTOR	<C> President of Galbraith Properties, Inc. (personal investment company); director	<C> 1995	<C> -0-

of Gulf West Banks, Inc. (bank holding company) (1995-present) and Mercantile Bank (1991-1995); vice chairman of Templeton, Galbraith & Hansberger Ltd. (1986-1992); and chairman of Templeton Funds Management, Inc. (1974-1991). Age 74.

BETTY P. KRAHMER DIRECTOR	Director or trustee of various civic associations; formerly, economic analyst, U.S. government. Age 66.	1994	500(**)
GORDON S. MACKLIN DIRECTOR	Chairman of White River Corporation (information services); director of Fund America Enterprises Holdings, Inc., MCI Communications Corporation, Fusion Systems Corporation, Infovest Corporation, MedImmune, Inc., Source One Mortgage Services Corporation, and Shoppers Express, Inc. (on-line shopping service); and formerly held the following positions: chairman of Hambrecht and Quist Group; director of H&Q Healthcare Investors and Lockheed Martin Corporation; and president of the National Association of Securities Dealers, Inc. Age 68.	1994	2,000(**)
FRED R. MILLSAPS DIRECTOR	Manager of personal investments (1978-present); chairman and chief executive officer of Landmark Banking Corporation (1969-1978); financial vice president of Florida Power and Light (1965-1969); vice president of The Federal Reserve Bank of Atlanta (1958-1965); and a director of various other business and nonprofit organizations. Age 67.	1994	-0-

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<CAPTION>

NAME AND OFFICES WITH THE FUND	PRINCIPAL OCCUPATION DURING PAST FIVE YEARS AND AGE	DIRECTOR SINCE	SHARES OWNED BENEFICIALLY AND % OF TOTAL OUTSTANDING ON JUNE 30, 1996
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<S>	<C>	<C>	<C>
DIRECTORS SERVING UNTIL 1997 ANNUAL MEETING OF SHAREHOLDERS:			
HARRIS J. ASHTON DIRECTOR	Chairman of the Board, president and chief executive officer of General Host Corporation (nursery and craft centers); and a director of RBC Holdings (U.S.A.) Inc. (a bank holding company) and Bar-S Foods. Age 64.	1994	500(**)
NICHOLAS F. BRADY* DIRECTOR	Chairman of Templeton Emerging Markets Investment Trust PLC; chairman of Templeton Latin America Investment Trust PLC; chairman of Darby Overseas Investments, Ltd. (an investment firm) (1994-present); chairman and director of Templeton Central and Eastern European Fund; director of the Amerada Hess Corporation, Christiana Companies, and the H.J. Heinz Company; Secretary of the United States Department of the Treasury	1994	-0-

(1988-1993); and chairman of the board of Dillon, Read & Co. Inc. (investment banking) prior to 1988. Age 66.

S. JOSEPH FORTUNATO DIRECTOR	Member of the law firm of Pitney, Hardin, Kipp & Szuch; and a director of General Host Corporation (nursery and craft centers). Age 63.	1994	100 (**)
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HASSO-G VON DIERGARDT-NAGLO DIRECTOR	Farmer; president of Clairhaven Investments, Ltd. and other private investment companies. Age 80.	1994	-0-
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MESSRS. BRADY, BURNS, FLANAGAN, AND JOHNSON ARE "INTERESTED PERSONS" AS DEFINED BY THE INVESTMENT COMPANY ACT OF 1940 (THE "1940 ACT"). THE 1940 ACT STIPULATES THAT INTERESTED PERSONS CAN COMPRISE NO MORE THAN 60% OF A FUND'S BOARD OF DIRECTORS. MR. JOHNSON IS AN INTERESTED PERSON DUE TO HIS OWNERSHIP INTEREST IN RESOURCES. MESSRS. BURNS AND FLANAGAN ARE INTERESTED PERSONS DUE TO THEIR EMPLOYMENT AFFILIATION WITH RESOURCES, WHEREAS MR. BRADY'S STATUS AS AN INTERESTED PERSONS RESULTS FROM HIS BUSINESS AFFILIATIONS WITH RESOURCES AND TEMPLETON GLOBAL ADVISORS LIMITED. MR. BRADY AND RESOURCES ARE BOTH LIMITED PARTNERS OF DARBY OVERSEAS PARTNERS, LP ("DARBY OVERSEAS"). MR. BRADY ESTABLISHED DARBY OVERSEAS IN FEBRUARY 1994, AND IS CHAIRMAN AND SHAREHOLDER OF THE CORPORATE GENERAL PARTNER OF DARBY OVERSEAS. IN ADDITION, DARBY OVERSEAS AND TEMPLETON GLOBAL ADVISORS LIMITED ARE LIMITED PARTNERS OF DARBY EMERGING MARKETS FUND, LP. THE REMAINING NOMINEES AND DIRECTORS OF THE FUND ARE NOT INTERESTED PERSONS (THE "INDEPENDENT DIRECTORS").

** LESS THAN 1%.

HOW OFTEN DO THE DIRECTORS MEET AND WHAT ARE THEY PAID?

The Directors generally meet quarterly to review the operations of the Fund and other funds within the Franklin Templeton Group of Funds. Each fund pays its independent directors/trustees and Mr. Brady an annual retainer and/or fees for attendance at board and committee meetings. This compensation is based on the level of assets in the fund. Accordingly, the Fund pays the Independent Directors and Mr. Brady an annual retainer of \$1,000 and a fee of \$100 per meeting of the Board and its portion of a flat fee of \$2,000 for each Audit Committee meeting and/or Nominating and Compensation Committee meeting attended. Independent Directors are reimbursed by the Fund for any expenses incurred in attending Board meetings.

During the fiscal year ended March 31, 1996, there were four meetings of the Board, three meetings of the Nominating and Compensation Committee and one meeting of the Audit Committee. Each of the Directors then in office attended at least 75% of the total number of meetings of the Board and the Audit Committee throughout the year. There was 100% attendance at the meeting of the Nominating and Compensation Committee.

Certain Directors and Officers of the Fund are shareholders of Resources and may receive indirect remuneration due to their participation in management fees and other fees received from the Franklin Templeton Group of Funds by Templeton Asset Management Ltd. and its affiliates. Templeton Asset Management Ltd. or its affiliates pay the salaries and expenses of the Officers. No pension or retirement benefits are accrued as part of Fund expenses.

The following table shows the compensation paid to Independent Directors and Mr. Brady by the Fund and by the Franklin Templeton Group of Funds:

<TABLE>
<CAPTION>

NAME OF DIRECTOR	AGGREGATE COMPENSATION FROM THE FUND*	NUMBER OF BOARDS WITHIN THE FRANKLIN TEMPLETON GROUP OF FUNDS ON WHICH DIRECTOR SERVES	TOTAL COMPENSATION FROM THE FRANKLIN TEMPLETON GROUP OF FUNDS**
-----	-----	-----	-----
<S>	<C>	<C>	<C>

Harris J. Ashton	\$1,400	55	\$327,925
Andrew H. Hines, Jr.	1,646	23	106,325
Hasso-G von Diergardt-Naglo	1,400	17	77,350
Betty P. Krahmer	1,400	23	93,475
Fred R. Millsaps	1,579	23	104,325
S. Joseph Fortunato	1,400	57	344,745
Gordon S. Macklin	1,467	52	321,525
John Wm. Galbraith	1,300	22	70,100
Nicholas F. Brady	1,400	24	98,225
F. Bruce Clarke	1,579	19	83,350

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* FOR THE FISCAL YEAR ENDED MARCH 31, 1996.
** FOR THE CALENDAR YEAR ENDED DECEMBER 31, 1995.

WHO ARE THE EXECUTIVE OFFICERS OF THE FUND?

Officers of the Fund are appointed by the Directors and serve at the pleasure of the Board. Listed below, for each Executive Officer, is a brief description of recent professional experience:

<TABLE>
<CAPTION>

NAME AND OFFICES WITH THE FUND	PRINCIPAL OCCUPATION DURING PAST FIVE YEARS AND AGE
----- <S> CHARLES B. JOHNSON CHAIRMAN AND VICE PRESIDENT SINCE 1995	----- <C> See Proposal 1, "Election of Directors".
J. MARK MOBIUS PRESIDENT SINCE 1994	Portfolio manager of various Templeton advisory affiliates; managing director of Templeton Asset Management Ltd.; president of International Investment Trust Company Limited (investment manager of Taiwan R.O.C. Fund) (1983-1986); director of Vickers da Costa, Hong Kong (1980-1983). Age 59.
RUPERT H. JOHNSON, JR. VICE PRESIDENT SINCE 1996	Executive vice president and director of Franklin Resources, Inc. and Franklin Templeton Distributors, Inc.; president and director of Franklin Advisers, Inc.; director of Franklin Templeton Investor Services, Inc.; and officer and/or director, trustee or managing general partner, as the case may be, of most other subsidiaries of Franklin Resources, Inc.; and an officer and/or director, as the case may be, of various investment companies in the Franklin Templeton Group of Funds. Age 55.
HARMON E. BURNS VICE PRESIDENT SINCE 1996	See Proposal 1, "Election of Directors".
CHARLES E. JOHNSON VICE PRESIDENT SINCE 1996	Senior vice president and director of Franklin Resources, Inc.; senior vice president of Franklin Templeton Distributors, Inc.; president and chief executive officer of Templeton Worldwide, Inc.; president and director of Franklin Institutional Services Corporation; chairman of the board of Templeton Investment Counsel, Inc.; vice president and/or director, as the case may be, for some of the subsidiaries of Franklin Resources, Inc.; and an officer and/or director, as the case may be, of various investment companies in the Franklin Templeton Group of Funds. Age 40.
DEBORAH R. GATZEK VICE PRESIDENT SINCE 1996	Senior vice president and general counsel of Franklin Resources, Inc.; senior vice president of Franklin Templeton Distributors, Inc.; vice president of Franklin Advisers, Inc. and officer of various investment companies in the Franklin Templeton Group of Funds. Age 47.

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PRINCIPAL OCCUPATION
DURING PAST FIVE YEARS AND AGE

NAME AND OFFICES WITH THE FUND

<S>

MARK G. HOLOWESKO
VICE PRESIDENT SINCE 1994

MARTIN L. FLANAGAN
VICE PRESIDENT SINCE 1994

SAMUEL J. FORESTER, JR.
VICE PRESIDENT SINCE 1994

JOHN R. KAY
VICE PRESIDENT SINCE 1994

JAMES R. BAIO
TREASURER SINCE 1994

<C>

President and director of Templeton Global Advisors Limited; chief investment officer of global equity research for Templeton Worldwide, Inc.; president or vice president of the Templeton Funds; formerly, investment administrator with Roy West Trust Corporation (Bahamas) Limited (1984-1985). Age 36.

See Proposal 1, "Election of Directors".

President of the Templeton Global Bond Managers Division of Templeton Investment Counsel, Inc.; president or vice president of other Templeton Funds; founder and partner of Forester, Hairston Investment Management (1989-1990); managing director (Mid-East Region) of Merrill Lynch, Pierce, Fenner & Smith Inc. (1987-1988); advisor for Saudi Arabian Monetary Agency (1982-1987). Age 48.

Vice president of the Templeton Funds; vice president and treasurer of Templeton Global Investors, Inc. and Templeton Worldwide, Inc.; assistant vice president of Franklin Templeton Distributors, Inc.; formerly, vice president and controller of the Keystone Group, Inc. Age 55.

Certified public accountant; treasurer of the Templeton Funds; senior vice president of Templeton Worldwide, Inc., Templeton Global Investors, Inc., and Templeton Funds Trust Company; formerly, senior tax manager with Ernst & Young (certified public accountants) (1977-1989). Age 42.

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APPROVAL OF AMENDMENTS TO THE FUND'S FUNDAMENTAL INVESTMENT POLICIES

The 1940 Act requires registered investment companies such as the Fund to adopt investment policies with regard to certain types of investments. These policies, which can be changed only by shareholder vote, are often referred to as "fundamental policies."

The Board of Directors has approved, subject to shareholder approval, two amendments to the Fund's fundamental policies. The first of these amendments is the deletion of the current restriction on loans and the adoption of a new investment policy regarding lending. The second is an amendment of the Fund's fundamental investment restriction on real estate investments. The purpose of the amendments, which are described in greater detail below, is to allow the Fund greater investment flexibility so that it may take advantage of a broader range of available investment opportunities.

BACKGROUND

The Fund's Prospectus dated September 15, 1994 stated that the Fund intended to invest by October 1, 1997 at least 65% of its total assets in the equity and debt securities of Vietnam Companies. A "Vietnam Company" means a company (i) that is organized under the laws of, or with a principal office in, Vietnam, (ii) for which the principal equity securities trading market is in Vietnam, or (iii) that derives at least 50% of its revenues or profits from goods produced or sold, investments made, or services performed in, Vietnam or that has at least 50% of its assets situated in Vietnam. In addition, during the initial investment period ending October 1, 1997, the Fund is authorized to invest without limit (and thereafter up to 35% of its total assets) in companies that do not qualify as Vietnam Companies but which the Investment Manager believes will experience growth in revenue or income from participation in the development of the economy of Vietnam ("Vietnam-Related Companies").

The development of an organized securities exchange in Vietnam has progressed slowly and the timing for the establishment of a stock exchange is uncertain and subject to the control of the Vietnam government. Based upon current information, the Investment Manager believes that the prospects are not good for the establishment of a functioning stock exchange in Vietnam by October 1, 1997 and that a variety of publicly traded securities of Vietnam companies will not be available to the Fund to any significant extent for some time to come. Accordingly, in October 1995, to facilitate the Fund's investment program, the Board approved a change to the Fund's non-fundamental investment policies to increase the percentage of the Fund's assets that may be invested in direct equity investments from 35% to 65% of the Fund's total assets. Because this

change related to a non-fundamental investment policy, it did not require shareholder approval, and you are not being asked to approve the change at the Meeting. Direct equity investments consist of private investments in unlisted equity securities acquired either directly from the issuer or from a private investor in the issuer. The Investment Manager believes that the Fund will be able to attain its investment objective pursuant to its stated investment policies only if direct investments comprise a significant portion of the portfolio. However, because of the absence of a trading market for direct investments, the Fund may take longer to liquidate these positions than would be the case for publicly traded securities and the prices on these sales could be less than those originally paid by the Fund. In addition, reduced liquidity may have an adverse effect on market price and the Fund's ability to dispose of particular investments. Reduced liquidity may also make it more difficult for the Fund to obtain accurate market prices for purposes of valuing its portfolio and calculating its net asset value. As of June 30, 1996, 54.8% of the Fund's assets were invested in short-term obligations and other temporary investments outside Vietnam, with the remainder held in equity securities of Vietnam-Related Companies in Hong Kong, Singapore, Indonesia and Thailand.

The Board also has determined that the Fund should expand the categories of investments permissible for the Fund so as to take advantage of a broader range of investment opportunities in Vietnam. These opportunities include the making of loans, which may take the form of privately placed debt obligations, and certain real estate related investments such as investment in real estate mortgage loans and real estate related joint ventures structured as limited partnerships.

In connection with the proposed changes in the Fund's fundamental investment policies, the Board has changed the Fund's non-fundamental investment policy regarding investment in single issuers. That policy formerly provided that the Fund could invest up to 10% of its total assets in any one issuer. The amended policy provides that the Fund can invest up to 25% of the Fund's total assets in any one issuer. Thus, the Fund may invest a greater portion of its assets in the securities of smaller number of issuers and, as a result, will be subject to a greater risk of loss with respect to its portfolio securities. The Fund's non-fundamental investment policy which limits the Fund's investment in any one industry to 25% of the Fund's total net assets has not been changed and remains in effect. Notwithstanding the change to the Fund's policy regarding investments in any one issuer, the Fund will only invest in single issuers if the investment is consistent with the Fund's investment objective of long-term capital appreciation. Because this change related to a non-fundamental investment policy, it did not require shareholder approval, and you are not being asked to approve the change at the Meeting.

In considering the foregoing changes in investment policy, the Board has noted that the Fund's investment limitations are more restrictive than those required by applicable U.S. law and regulations and that such changes will provide the flexibility needed by the Investment Manager to make investments in Vietnam Companies in view of the fact that a stock exchange has not been established and, based upon current information, that the Investment Manager believes that the prospects are not good for the establishment of an exchange by October 1, 1997. The Board has noted that shareholders were informed in the Fund's prospectus that investments in Vietnam Companies involve a high degree of risk and are speculative in nature. Shareholders are urged to keep these considerations in mind in considering whether or not to approve the requested changes to the Fund's fundamental investment policies.

In addition, to further facilitate the Fund's investment program in Vietnam, the Fund has asked the staff of the Securities and Exchange Commission ("SEC") for its concurrence that the Fund may, under applicable U.S. law, purchase up to 100% of the voting securities of holding companies organized for the purpose of investing in Vietnam companies, direct ownership of which by the Fund would not be practicable under Vietnamese law. The reason for the request is that the holding companies could be regarded as investment companies in which the Fund might not be able to invest absent SEC staff concurrence. There is no assurance that the staff of the SEC will grant this request or that the Investment Manager will be able to identify suitable holding company investments for the Fund. Again, because this proposed investment does not involve a change of fundamental investment policy, you are not being asked to approve the Fund's investments in holding companies organized for the purpose of investing in Vietnam companies.

2. APPROVAL OF THE DELETION OF THE FUND'S CURRENT FUNDAMENTAL INVESTMENT RESTRICTION ON LOANS AND THE ADOPTION OF A NEW FUNDAMENTAL INVESTMENT POLICY REGARDING LENDING

As a fundamental investment policy, the Fund currently may not:

make loans, except that the Fund may (a) purchase and hold debt instruments (including bonds, debentures or other obligations and certificates of deposit, bankers' acceptances and fixed time deposits)

in accordance with its investment objectives and policies, (b) enter into repurchase agreements with respect to portfolio securities, and (c) make loans of portfolio securities, as described under "Additional Investment Practices - Loans of Portfolio Securities" in [the Fund's] Prospectus.

The Securities and Exchange Commission interprets the term "loans," in effect, to include the purchase of debt obligations that are not publicly distributed. The proposed investment policy on lending would permit the Fund to make loans and would specify that these loans may take the form of privately placed debt obligations.

In recommending the proposed change to the Board, the Investment Manager noted that, under applicable Vietnamese law, loan financing of certain Vietnam enterprises offers certain distinct advantages over equity investments for non-Vietnamese investors, such as the Fund. Specifically, the equity capital of Vietnamese enterprises involving non-Vietnamese investors is fixed pursuant to its organizational documents and may not be changed without regulatory approvals. Loan financing, on the other hand, may be adjusted in response to changing needs, and is thus more flexible for the parties involved. Moreover, loan interest and principal payments are usually entitled to priority right of repayment over enterprise profits, and, unlike dividends, are not subject to withholding taxes. In addition, the proceeds of loan payments may be more easily convertible to foreign currency than dividends. Having considered these and other factors, management recommended and the Board concluded that it may be more advantageous for the Fund to make investments in foreign invested enterprises through the purchase of debt securities or the making of loans, rather than through the purchase of equity securities, recognizing that loans generally do not hold the same risk/reward potential as equities.

Loans and privately placed debt obligations generally are subject to greater risks than those associated with publicly traded debt obligations. These risks include general illiquidity and greater price volatility, as well as the lack of publicly available information about issuers of privately placed debt obligations and loan counterparties.

Under the proposed change, the Fund would be subject to the following new and restated fundamental investment policy:

The Fund may purchase and hold debt instruments (including bonds, debentures or other obligations and certificates of deposit, bankers' acceptances and fixed deposits) in accordance with its investment objectives and policies. In addition, the Fund may make loans, which may take the form of the purchase of debt obligations that are not publicly distributed.

The Fund may also enter into repurchase agreements with respect to portfolio securities, and make loans of portfolio securities in accordance with its investment objective and policies.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOR OF THE DELETION OF THE FUND'S FUNDAMENTAL INVESTMENT RESTRICTION ON LOANS AND THE ADOPTION OF A NEW FUNDAMENTAL INVESTMENT POLICY REGARDING LENDING

3. APPROVAL OF AN AMENDMENT OF THE FUND'S FUNDAMENTAL INVESTMENT POLICY CONCERNING INVESTMENTS IN REAL ESTATE

As a fundamental investment policy, the Fund currently may not:

purchase real estate, real estate mortgage loans or real estate limited partnership interests (other than securities secured by real estate or interests therein or securities issued by companies that invest in real estate or interests therein).

The proposed amendment to this investment restriction would permit the Fund to make real estate mortgage loans and purchase interests in real estate related joint ventures structured as limited partnerships, although the Fund would continue to be restricted from the direct purchase of real estate.

The Fund is considering investment opportunities in Vietnam in connection with infrastructure projects, such as the development of apartment complexes or hotels. These opportunities may be available only through joint ventures that could be construed as limited partnerships. The proposed change would give the Fund added flexibility to invest in real estate limited partnerships, or real estate mortgage loans, either by way of investing in joint ventures or directly.

Real estate related investments entail certain risks, including relative illiquidity and greater price volatility, and, like other investments in developing countries, risk of forfeiture due to government action. In addition, the ability of lenders to obtain complete and enforceable security

interests in real estate is still unsettled under Vietnamese law, and the developing judicial system in Vietnam may impede the ability of a joint venture in which the Fund invests to enforce an interest in real estate. The real estate related joint venture enterprises currently available for investment by the Fund generally involve the acquisition by the joint venture of leasehold interests in property, as necessary to carry on specific business enterprises. This involves the risk of adverse claims against a legal right to occupy a property for business purposes, as well as the risk that such a right may be disturbed by capricious governmental action or other challenges. In addition, transfers of leasehold interests in Vietnam generally are subject to governmental approval, and there can be no assurance of due process in connection with these approvals. Moreover, if the Fund has rental income or income from the disposition of interest in real property, the receipt of the income may adversely affect its ability to retain its tax status as a regulated investment company.

In addition, investment in joint ventures in Vietnam raise certain risks, including the risk of liability to the Fund, that are in addition to the usual risks of investment in securities of issuers in developing markets. In particular, the principles of limited liability for investors in an enterprise in Vietnam are not settled, and the liability of a foreign investor, such as the Fund, may not be limited to the amount of the investment. Additional risks include the relative illiquidity of joint venture investments, as well as taxation of gains on the sale or transfer to another investor of the Fund's interest in a joint venture enterprise.

The amended investment restriction would provide that the Fund may not:

purchase real estate, except that the Fund may (i) purchase securities secured by real estate or interests therein or securities issued by companies that invest in real estate or interests therein, (ii) make or purchase real estate mortgage loans, and (iii) purchase interests in real estate limited partnerships.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOR OF THE AMENDMENT OF THE FUND'S FUNDAMENTAL INVESTMENT RESTRICTION ON REAL ESTATE INVESTMENTS.

4. RATIFICATION OF INDEPENDENT AUDITORS

HOW IS AN INDEPENDENT AUDITOR SELECTED?

The Board established a standing Audit Committee consisting of Messrs. Clarke, Hines, Galbraith and Millsaps, all of whom are Independent Directors. The Audit Committee reviews generally the maintenance of the Fund's records and the safekeeping arrangements of the Fund's custodian, reviews both the audit and non-audit work of the Fund's independent auditor, and submits a recommendation to the Board as to the selection of an independent auditor.

WHICH INDEPENDENT AUDITOR DID THE BOARD OF DIRECTORS SELECT?

For the current fiscal year, the Board selected as auditors the firm of McGladrey & Pullen, LLP, 555 Fifth Avenue, New York, New York 10017. McGladrey & Pullen, LLP have been the auditors of the Fund since its inception in 1994, and have examined and reported on the fiscal year end financial statements, dated March 31, 1996, and certain related Securities and Exchange Commissions filings. Neither the firm of McGladrey & Pullen, LLP nor any of its members have any material direct or indirect financial interest in the Fund.

Representatives of McGladrey & Pullen, LLP are not expected to be present at the annual meeting, but have been given the opportunity to make a statement if they wish, and will be available should any matter arise requiring their presence.

5. OTHER BUSINESS

The Directors know of no other business to be presented at the Meeting. However, if any additional matters should be properly presented, proxies will be voted or not voted as specified. Proxies reflecting no specification will be voted in accordance with the judgment of the persons named in the proxy.

INFORMATION ABOUT THE FUND

The Fund's last audited financial statements and annual report, dated March 31, 1996, are available free of charge. To obtain a copy, please call 1-800/DIAL BEN or forward a written request to Franklin Templeton Investor Services, Inc., P.O. Box 33030, St. Petersburg, Florida 33733-8030.

As of June 30, 1996 the Fund had 8,058,603 shares outstanding and assets of \$111,585,387. The Fund's shares are listed on the New York Stock Exchange (symbol TVF). From time to time, the number of shares held in "street name" accounts of various securities dealers for the benefit of their clients may exceed 5% of the total shares outstanding. To the knowledge of the Fund's management, there are no other entities holding beneficially or of record more than 5% of the Fund's outstanding shares.

In addition, to the knowledge of the Fund's management, as of June 30, 1996, no nominee or Director of the Fund owned 1% or more of the outstanding shares of the Fund, and the Officers and Directors of the Fund owned, as a group, less than 1% of the outstanding shares of the Fund.

U.S. securities laws require that the Fund's Directors, Officers, and shareholders owning more than 10% of outstanding shares, as well as affiliated persons of its investment manager, report their ownership of the Fund's shares and any changes in that ownership. Specific due dates for these reports have been established and the Fund is required to report in this Proxy Statement any failure to file by these dates during the fiscal year ended March 31, 1996. All of these filing requirements were met except that the Initial Statement of Beneficial Ownership of Securities filed on behalf of Samuel J. Forester, Jr., which was inadvertently filed late. In making this disclosure, the Fund relied upon the written representations of the persons affected and copies of their relevant filings.

THE INVESTMENT MANAGER. The investment manager of the Fund is Templeton Asset Management Ltd. ("Templeton (Singapore)"), a Singapore company with an office at 7 Temasek Boulevard, #38-03, Suntec Tower One, Singapore. Pursuant to an investment management agreement amended and restated as of November 23, 1995, Templeton (Singapore) manages the investment and reinvestment of Fund resources. Templeton (Singapore) is an indirect, wholly-owned subsidiary of Resources.

THE BUSINESS MANAGER. The business manager of the Fund is Templeton Global Investors, Inc. ("TGII"), Broward Financial Center, Suite 2100, Ft. Lauderdale, FL 33394-3091, an indirect, wholly-owned subsidiary of Resources. Pursuant to a business management agreement dated September 15, 1994, TGII performs certain administrative functions for the Fund.

THE TRANSFER AGENT. The transfer agent, registrar and dividend disbursement agent for the Fund is ChaseMellon Shareholder Services, L.L.C., 120 Broadway, New York, NY 10271, pursuant to a service agreement dated September 15, 1994.

THE CUSTODIAN. The custodian for the Fund is The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, NY 10081, pursuant to a custody agreement dated September 15, 1994.

THE SHAREHOLDER SERVICING AGENT. The shareholder servicing agent for the Fund is PaineWebber Inc. ("PaineWebber"), an affiliate of the initial underwriter of the Fund's shares. Pursuant to a shareholder servicing agreement assigned as of February 6, 1995, PaineWebber provides certain services to the Fund including statistical information and analysis, ongoing efforts to publicize the Fund's shares and making information available to investors.

FURTHER INFORMATION ABOUT VOTING AND THE SHAREHOLDERS MEETING

SOLICITATION OF PROXIES. The cost of soliciting proxies, including the fees of a proxy soliciting agent, are borne by the Fund. The Fund reimburses brokerage firms and others for their expenses in forwarding proxy material to the beneficial owners and soliciting them to execute proxies. The Fund, however, does not reimburse Directors, Officers, and regular employees and agents involved in the solicitation of proxies.

VOTING BY BROKER-DEALERS. The Fund expects that, before the Meeting, broker-dealer firms holding shares of the Fund in "street name" for their customers and clients, will request voting instructions from their customers, clients and beneficial shareholders. If these instructions are not received by the date specified in the broker-dealer firms' proxy solicitation materials, the Fund understands that New York Stock Exchange Rules permit the broker-dealers to vote on certain of the items to be considered at the Meeting on behalf of their customers, clients, and the beneficial shareholders. Certain broker-dealers may exercise discretion over shares held in their name for which no instructions are received by voting these shares in the same proportion as they vote shares for which they received

instructions.

QUORUM. A majority of the shares entitled to vote - (present in person or represented by proxy) constitutes a quorum at the Meeting. The shares over which broker-dealers have discretionary voting power, the shares that broker-dealers have declined to vote ("broker non-votes") and the shares whose proxies reflect an abstention on any item are all counted as shares present and entitled to vote for purposes of determining whether the required quorum of shares exists.

METHODS OF TABULATION. Proposal 1, election of Directors, requires the affirmative vote of the holders of a plurality of the Fund's shares present and voting at the Meeting. Proposals 2 and 3, concerning amendments to the Fund's fundamental investment restrictions, each require the affirmative vote of a majority of the Fund's outstanding shares. As defined by the 1940 Act, the vote of the holders of a majority of the outstanding shares of the Fund means the lesser of either (1) the vote of 67% or more of the Fund shares present at the Meeting, if the holders of more than 50% of the outstanding shares of the Fund are present or represented by proxy, or (2) the vote of the holders of more than 50% of the outstanding shares of the Fund. Proposal 4, ratification of the selection of the independent auditors, requires the affirmative vote of a majority of the Fund's shares present and voting at the Meeting. Proposal 5, the transaction of any other business, requires the affirmative vote of a majority of the Fund's shares present and voting at the Meeting. Abstentions and broker "non-votes" will be treated as votes not cast and, therefore, will not be counted for purposes of obtaining approval of Proposals 1, 2, 3, 4, and 5.

ADJOURNMENT. If a sufficient number of votes in favor of the proposals contained in the Notice of Annual Meeting and Proxy Statement is not received by the time scheduled for the Meeting, the persons named in the proxy may propose one or more adjournments of the Meeting to permit further solicitation of proxies with respect to any such proposals. Any proposed adjournment requires the affirmative vote of a majority of shares present at the Meeting. Proxies will be voted as specified. Those proxies reflecting no specification will be voted in accordance with the judgment of the persons named in the proxy.

SHAREHOLDER PROPOSALS. The Fund anticipates that its next annual meeting will be held in July 1997. Shareholder proposals to be presented at the next annual meeting must be received at the Fund's offices, 700 Central Avenue, St. Petersburg, Florida 33701-3628, no later than February 28, 1997.

By order of the Board of Directors,

J. Mark Mobius
President

August 23, 1996

TEMPLETON VIETNAM OPPORTUNITIES FUND, INC.
ANNUAL MEETING OF SHAREHOLDERS, OCTOBER 8, 1996
PLEASE VOTE PROMPTLY
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints BARBARA J. GREEN AND ELLEN F. STOUTAMIRE, and each of them, with full power of substitution, as proxies to vote for and in the name, place and stead of the undersigned at the Annual Meeting of Shareholders of Templeton Vietnam Opportunities Fund, Inc. (the "Fund") to be held at the Fund's offices, 700 Central Avenue, St. Petersburg, Florida 33701-3628, on Tuesday, October 8, 1996 at 10:00 A.M., EDT, and at any adjournment thereof, according to the number of votes and as fully as if personally present.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER (OR NOT VOTED) AS SPECIFIED. IF NO SPECIFICATION IS MADE, THE PROXY WILL BE VOTED FOR ALL NOMINEES FOR DIRECTOR IN PROPOSAL 1, AND IN FAVOR OF PROPOSAL 2, 3 AND 4 AND WITHIN THE DISCRETION OF THE PROXYHOLDERS AS TO PROPOSAL 5.

, 1996

Signature (s)

Date

PLEASE DATE THIS PROXY AND SIGN EXACTLY AS YOUR NAME OR NAMES APPEAR HEREON. IF MORE THAN ONE OWNER IS REGISTERED AS SUCH, ALL MUST SIGN. IF SIGNING AS ATTORNEY, EXECUTOR, TRUSTEE OR ANY OTHER REPRESENTATIVE CAPACITY, OR AS A CORPORATE OFFICER, PLEASE GIVE FULL TITLE.

(CONTINUED ON OTHER SIDE)

FOLD AND DETACH HERE

lease mark your ballot as indicated in this example X

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSALS 1 THROUGH 5.

Proposal 1 - Election of Directors

FOR all nominees listed (except as marked to the right) WITHHOLD AUTHORITY to vote for all nominees listed Nominees: Martin L. Flanagan, Andrew H. Hines, Jr. and Charles B. Johnson.

[] [] To withhold authority to vote for any individual nominee, write that nominee's name on the line below.

Proposal 2 - Approval of the deletion of the Fund's current fundamental investment restriction on loans and the adoption of a new fundamental investment policy regarding lending.

FOR [] AGAINST [] ABSTAIN []

Proposal 3 - Approval of the amendment to the Fund's current fundamental investment restriction concerning investments in real estate.

FOR [] AGAINST [] ABSTAIN []

Proposal 4 - Ratification of the selection of McGladrey & Pullen, LLP as independent public accountants for the Fund for the fiscal year ending March 31, 1997.

FOR [] AGAINST [] ABSTAIN []

Proposal 5 - In their discretion, the Proxyholders are authorized to vote upon such other matters which may legally come before the Meeting or any adjournments thereof.

FOR [] AGAINST [] ABSTAIN []

I PLAN TO ATTEND THE MEETING. []

(CONTINUED, AND TO BE SIGNED, ON THE OTHER SIDE) FOLD AND DETACH HERE