



FRANKLIN TEMPLETON
INVESTMENTS

FRANKLIN ASIAN FLEX CAP FUND

Franklin Templeton Investment Funds (Luxembourg registered SICAV)

31 December 2010

RISK WARNING

Each investor's goals are unique: we suggest you seek guidance from a Financial Adviser. For more details on the fund's potential risks, please read the simplified prospectus

INVESTMENT OBJECTIVE

The Fund aims to achieve long-term capital appreciation by investing principally in equity securities of companies of any size located or performing business predominantly in the Asia Region, excluding Japan.

MANAGEMENT TEAM

Stephen Dover, California, United States

FUND DATA

Management Type: Blend

Benchmark:

MSCI All Country Asia ex Japan Index

Base Currency: US Dollar

Fund Launch Date: 15/11/2006

A(Ydis)USD 15/11/2006

NAV AS OF 31/12/10

A(Ydis)USD USD 13.72

FEES

	Entry Fees (max)	Management Fees (annual)
A(Ydis)USD	5.25%	1.50%

CODES

	Bloomberg	ISIN
A(Ydis)USD	TAFCADULX	LU0260852842

PORTFOLIO SIZE AND ASSET ALLOCATION

LONG TERM POSITIONS	PORTFOLIO SIZE	EQUITY	FIXED INCOME	CASH
52	EUR 17.9 million	98.59%	0.00%	1.41%

FUND FACTS

- Access to reasonably priced equity markets in a region that has been exhibiting strong economic growth.
- Access to a diverse range of corporates across the region that are well run, have sound financials, and meet high corporate governance criteria.
- A growth-investment style focused on mis-priced companies exhibiting characteristics such as high P/E, RoE and/or RoCE ratios.
- An award-winning team of on-the-ground analysts and local managers with years of experience.
- Some of the largest local buy-side investment teams in Asia.
- A blended bottom-up and top-down approach ideal for tapping into the Asian 'growth' opportunity.

PORTFOLIO COMPOSITION AS OF 31 DECEMBER 2010

GEOGRAPHIC BREAKDOWN

COUNTRY % EQUITY	%
China	24.14
South Korea	21.06
India	16.98
Hong Kong	15.41
Taiwan	8.85
Indonesia	4.34
Singapore	3.58
Thailand	1.99
Australia	1.94
United States	1.71

INDUSTRY BREAKDOWN

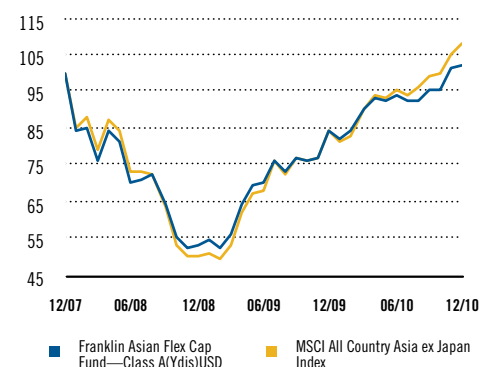
INDUSTRY % EQUITY	%
Semiconductors & Semiconductor Equipment	16.18
Banks	13.34
Materials	8.76
Energy	8.72
Retailing	6.05
Automobiles & Components	5.96
Diversified Financials	5.79
Real Estate	5.29
Telecommunication Services	4.17
Other	25.74

TOP 10 ISSUERS

HOLDING	%
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	5.73
SAMSUNG ELECTRONICS CO LTD	4.96
HYUNDAI MOTOR CO	4.32
BHARTI AIRTEL LTD	4.11
HONG KONG EXCHANGES & CLEARING LTD	4.03
CHINA SHENHUA ENERGY CO LTD	3.94
PARKSON RETAIL GROUP LTD	3.81
DAIRY FARM INTERNATIONAL HOLDINGS LTD	3.22
GRASIM INDUSTRIES LTD	2.52
CHINA CONSTRUCTION BANK	2.42

The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top 10 holdings list.

CUMULATIVE PERFORMANCE OVER 3 YEARS (IN EUR)**



PERFORMANCE (% IN EUR)**

	1-YR	3-YRS	3-YRS*	5-YRS	5-YRS*	10-YRS	10-YRS*	3-YRS ANN.VOL.
A(Ydis)USD	21.84	2.26	0.75	-	-	-	-	24.13
Index	28.26	7.73	2.51	63.34	10.31	144.27	9.34	25.70

DISCLAIMER

Source for all information in this document: Franklin Templeton Investments (2010).

References to the Fund(s) of Franklin Templeton Investment Funds ("FTIF") refer to the corresponding sub-fund of FTIF.

*Annualised performance **Performance details provided are in Euro, include reinvested dividends and are net of management fees. Sales charges and other commissions, taxes and other relevant costs to be paid by an investor are not included in the calculations. The management fees represent the aggregate of the Maintenance charge and the Management and Company charges relating to the Fund as more fully described in the current prospectus of FTIF.

Past performance is no guarantee of future performance. The prices of shares and income therefrom can go down as well as up, and investors may not get back the full amount invested. When investing in a fund denominated in a foreign currency, your performance may be affected by currency fluctuations.

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