

Franklin Templeton Investment Funds

Templeton Global Total Return Fund

FRANKLIN TEMPLETON
INVESTMENTS

Fund Overview

| | |
|------------------------|--------------------------------------|
| Base Currency for Fund | USD |
| Total Net Assets (USD) | 21,555 million |
| Launch Date | 29.08.2003 |
| Number of Holdings | 527 |
| Benchmark | Barclays Capital Multiverse Index |
| Investment Style | Fixed Income - Total Return |

Summary of Investment Objectives

The Fund aims to maximise total investment return consisting of a combination of interest income, capital appreciation, and currency gains by investing principally in a portfolio of fixed and/or floating rate debt securities and debt obligations issued by government and government-related issuers or corporate entities worldwide as well as certain financial instruments for investment purposes. The Fund may also purchase mortgage and asset-backed securities, convertible bonds and debt obligations issued by supranational entities organised or supported by several national governments.

Fund Management

| | |
|------------------------|---------------|
| Michael Hasenstab, PhD | United States |
| Sonal Desai, PhD | United States |

EUSD Status - A(Mdis) USD

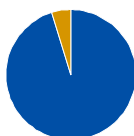
| | |
|--------------|----------|
| Redemption | In Scope |
| Distribution | In Scope |

Ratings - A(Mdis) USD

| | |
|-----------------------------|-------|
| S&P Fund Management Rating | AA/V4 |
| Overall Morningstar Rating™ | ★★★★ |

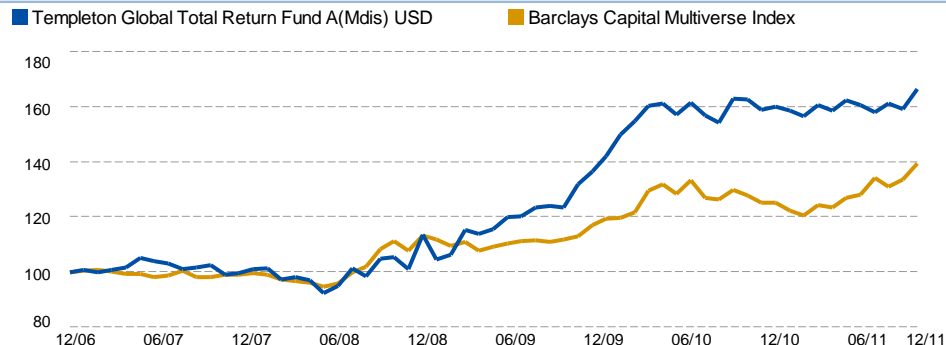
Asset Allocation

| | |
|-------------------------|-------|
| | % |
| Fixed Income | 95.14 |
| Cash & Cash Equivalents | 4.86 |



Performance

Performance over 5 Years in EUR



Performance in EUR (%)

| | Cumulative | | | Annualised | |
|------------------|-------------|--------------|--------------|-------------|-------------|
| | 1 Yr | 3 Yrs | 5 Yrs | 3 Yrs | 5 Yrs |
| A(Mdis) USD | 2.22 | 64.65 | 66.66 | 18.10 | 10.76 |
| A(acc) EUR | 2.29 | 64.78 | 66.73 | 18.13 | 10.77 |
| A(acc) EUR-H1 | -1.32 | 51.33 | N/A | 14.82 | N/A |
| A(Mdis) EUR | 2.22 | 64.71 | 66.69 | 18.11 | 10.76 |
| A(Mdis) EUR-H1 | -1.20 | 50.79 | N/A | 14.68 | N/A |
| A(Ydis) EUR | 2.26 | 64.90 | N/A | 18.16 | N/A |
| A(Ydis) EUR-H1 | -1.35 | N/A | N/A | N/A | N/A |
| Benchmark | 9.08 | 29.23 | 38.95 | 8.93 | 6.80 |

Past performance is no guarantee of future performance. The value of shares in the fund and income received from it can go down as well as up, and investors may not get back the full amount invested. All performance data shown is in the currency stated, include reinvested dividends and are net of management fees. Sales charges and other commissions, taxes and other relevant costs paid by the investor are not included in the calculations. Performance may also be affected by currency fluctuations. Up to date performance figures can be found on our local website. References to indices are made for comparative purposes only and are provided to represent the investment environment existing during the time periods shown.

Calendar Year Performance in EUR (%)

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|------------------|-------------|--------------|-------------|-------------|--------------|--------------|--------------|-------------|
| A(Mdis) USD | 2.22 | 23.54 | 30.38 | 1.49 | -0.26 | 4.87 | 11.80 | 7.02 |
| Benchmark | 9.08 | 13.20 | 4.67 | 9.14 | -1.49 | -4.36 | 10.46 | 1.56 |

Top Holdings

| Security Name | % |
|--|------|
| Korea Treasury Bond, senior bond, 3.00%, 12/10/13 | 3.70 |
| Korea Treasury Bond, senior bond, 4.00%, 6/10/12 | 3.27 |
| Government of Sweden, 5.50%, 10/08/12 | 3.02 |
| Korea Treasury Bond, senior bond, 4.25%, 12/10/12 | 2.93 |
| Government of Uruguay, senior note, 4.375%, 12/15/28 | 2.42 |
| Government of Iceland, Reg S, 4.875%, 6/16/16 | 2.17 |
| Government of Romania, senior note, 5.25%, 6/17/16 | 1.65 |
| Government of Ireland, 4.00%, 1/15/14 | 1.50 |
| Government of Hungary, D, 6.75%, 8/22/14 | 1.47 |
| Government of Ireland, 4.60%, 4/18/16 | 1.22 |

Fund Measures

| | |
|---------------------------------|------------|
| Average Credit Quality | BBB |
| Average Duration | 2.78 Years |
| Average Weighted Maturity | 4.41 Years |
| Yield to Maturity | 7.19% |
| Standard Deviation (5 Yrs, USD) | 11.53 |

Share Class Information

| Share Class | Incept Date | NAV | TER (%) | Fees | | Dividends | | | Fund Identifiers | |
|----------------|-------------|-----------|---------|-----------------------|------------------------|-----------|----------------|------------------|------------------|--------------|
| | | | | Max. Sales Charge (%) | Max. Annual Charge (%) | Frequency | Last Paid Date | Last Paid Amount | Bloomberg ID | ISIN |
| A(Mdis) USD | 29.08.2003 | USD 16.09 | 1.40 | 3.00 | 1.05 | M | 15.12.2011 | 0.0470 | TGTRFAD LX | LU0170475585 |
| A(acc) EUR | 01.09.2006 | EUR 18.29 | 1.40 | 3.00 | 1.05 | N/A | N/A | N/A | TGTAACE LX | LU0260870661 |
| A(acc) EUR-H1 | 10.04.2007 | EUR 17.16 | 1.41 | 3.00 | 1.05 | N/A | N/A | N/A | TGRAACH LX | LU0294221097 |
| A(Mdis) EUR | 29.12.2005 | EUR 12.48 | 1.40 | 3.00 | 1.05 | M | 15.12.2011 | 0.0350 | TGTRADD LX | LU0234926953 |
| A(Mdis) EUR-H1 | 16.06.2008 | EUR 10.46 | 1.41 | 3.00 | 1.05 | M | 15.12.2011 | 0.0310 | TGTAMDE LX | LU0366773504 |
| A(Ydis) EUR | 12.07.2007 | EUR 12.72 | 1.40 | 3.00 | 1.05 | Y | 15.12.2011 | 0.5100 | TGTAYDS LX | LU0300745725 |
| A(Ydis) EUR-H1 | 21.06.2010 | EUR 10.17 | 1.42 | 3.00 | 1.05 | Y | 15.12.2011 | 0.4240 | TMGTAHE LX | LU0517465034 |

Contact Information

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Composition of Fund

■ Templeton Global Total Return Fund

■ Barclays Capital Multiverse Index

Geographic

| | | % of Total |
|------------------------------|--|---------------|
| South Korea | | 11.21 / 1.05 |
| United States | | 9.92 / 37.26 |
| Hungary | | 7.52 / 0.06 |
| Malaysia | | 6.23 / 0.23 |
| Ireland | | 6.16 / 0.35 |
| Poland | | 5.99 / 0.35 |
| ST Cash and Cash Equivalents | | 4.86 / 0.11 |
| Sweden | | 4.80 / 0.95 |
| Ukraine | | 4.03 / 0.03 |
| Other | | 39.26 / 59.54 |

Currency

| | | % of Total |
|-------------------|--|----------------|
| US Dollar | | 32.36 / 42.54 |
| South Korean Won | | 14.51 / 0.88 |
| Swedish Krona | | 12.94 / 0.59 |
| Polish Zloty | | 11.31 / 0.23 |
| Malaysian Ringgit | | 10.99 / 0.19 |
| Australian Dollar | | 10.98 / 1.25 |
| Singapore Dollar | | 8.55 / 0.14 |
| Japanese Yen | | -11.22 / 20.12 |
| EURO | | -39.17 / 23.57 |
| Other | | 48.77 / 10.49 |

Sector

| | | % of Total |
|--|--|---------------|
| Intl Govt/Agency Bonds: Investment Grade | | 43.38 / 44.92 |
| Intl Govt/Agency Bonds: Non-Investment Grade | | 17.66 / 0.00 |
| Corporate Bonds: Non-Investment Grade | | 14.60 / 2.82 |
| Sovereign Bonds: Investment Grade | | 7.96 / 2.76 |
| Sovereign Bonds: Non-Investment Grade | | 7.36 / 0.60 |
| Cash & Cash Equivalents | | 4.86 / 0.00 |
| Corporate Bonds: Investment Grade | | 1.50 / 15.00 |
| Supranational | | 1.48 / 1.69 |
| Municipal | | 0.67 / 0.29 |
| Other | | 0.52 / 31.93 |

Composition of Fund (continued)

| | Templeton Global Total Return Fund | Barclays Capital Multiverse Index | % of Total |
|----------------|------------------------------------|-----------------------------------|--------------|
| Ratings | | | |
| AAA | | | 7.98 / 49.06 |
| AA+ | | | 0.00 / 1.55 |
| AA | | | 0.81 / 2.10 |
| AA- | | | 0.05 / 23.97 |
| A+ | | | 14.85 / 3.68 |
| A | | | 12.52 / 6.37 |
| A- | | | 0.77 / 3.18 |
| BBB+ | | | 9.99 / 2.68 |
| BBB | | | 3.95 / 2.40 |
| BBB- | | | 6.00 / 1.47 |
| BB+ | | | 19.09 / 0.59 |
| BB | | | 0.55 / 0.64 |
| BB- | | | 4.97 / 0.41 |
| B+ | | | 2.18 / 0.51 |
| B | | | 9.21 / 0.45 |
| B- | | | 3.52 / 0.40 |
| CCC+ | | | 2.84 / 0.23 |
| CCC | | | 0.57 / 0.10 |
| CC+ | | | 0.00 / 0.04 |
| CCC- | | | 0.02 / 0.03 |
| CC | | | 0.03 / 0.00 |
| C | | | 0.01 / 0.00 |
| N/A | | | 0.00 / 0.12 |
| NR | | | 0.10 / 0.01 |

| | Templeton Global Total Return Fund | Barclays Capital Multiverse Index | % of Total |
|--------------------|------------------------------------|-----------------------------------|---------------|
| Duration | | | |
| 0 to 1 Year | | | 31.46 / 0.86 |
| 1 to 2 Years | | | 19.90 / 15.80 |
| 2 to 3 Years | | | 4.46 / 17.19 |
| 3 to 5 Years | | | 14.62 / 25.02 |
| 5 to 7 Years | | | 15.01 / 13.27 |
| 7 to 10 Years | | | 3.76 / 12.36 |
| 10 to 15 Years | | | 2.97 / 8.24 |
| 15 to 20 Years | | | -0.76 / 5.75 |
| 20 to 30 Years | | | 0.69 / 1.52 |
| Offset Derivatives | | | 7.02 / 0.00 |
| N/A | | | 0.88 / 0.00 |

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Fund Measures: The average credit quality (ACQ) rating may change over time. The portfolio itself has not been rated by an independent rating agency. The letter rating, which may be based on bond ratings from different agencies, is provided to indicate the average credit rating of the portfolio's underlying bonds and generally ranges from AAA (highest) to D (lowest). The ACQ is determined by assigning a sequential integer to all credit ratings AAA to D, taking a simple, asset-weighted average of debt holdings by market value and rounding to the nearest rating. The risk of default increases as a bond's rating decreases, so the ACQ provided is not a statistical measurement of the portfolio's default risk because a simple, weighted average does not measure the increasing level of risk from lower rated bonds. The ACQ is provided for informational purposes only. Derivative positions and unrated securities are not reflected in the ACQ.

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