

# Franklin Templeton Investment Funds

## Templeton Euro High Yield Fund



FRANKLIN TEMPLETON  
INVESTMENTS

### Fund Overview

Base Currency for Fund	EUR
Total Net Assets (EUR)	474 million
Launch Date	17.04.2000
Number of Holdings	156
Benchmark	BofA Merrill Lynch Euro High Yield Constrained Index
Investment Style	Fixed Income - High Yield

### Summary of Investment Objectives

The Fund aims to earn a high level of current income and seeks capital appreciation when consistent with its principal objective of high current income, by investing principally either directly or through the use of financial derivative instruments in Euro-denominated or Non-Euro denominated Euro-hedged Fixed Income Debt Securities of European or Non-European issuers with Non-investment grade ratings, or if unrated, their equivalent.

### Fund Management

Patricia O'Connor, CFA	United States
Piero del Monte	United Kingdom

### EUSD Status - A(Ydis) EUR

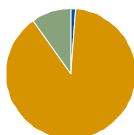
Redemption	In Scope
Distribution	In Scope

### Ratings - A(Ydis) EUR

Overall Morningstar Rating™	—
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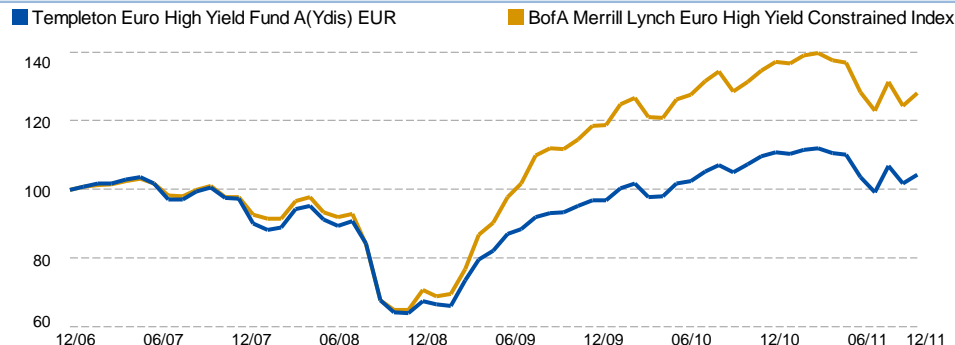
### Asset Allocation

	%
Equity	1.17
Fixed Income	88.93
Cash & Cash Equivalents	9.90



### Performance

#### Performance over 5 Years in EUR



#### Performance in EUR (%)

	Cumulative				Annualised		
	1 Yr	3 Yrs	5 Yrs	10 Yrs	3 Yrs	5 Yrs	10 Yrs
A(Ydis) EUR	-2.78	62.94	4.54	55.07	17.69	0.89	4.49
A(acc) EUR	-2.79	62.99	4.58	55.52	17.70	0.90	4.52
A(Mdis) EUR	-2.74	62.95	N/A	N/A	17.69	N/A	N/A
<b>Benchmark</b>	<b>-2.52</b>	<b>97.20</b>	<b>28.31</b>	<b>101.24</b>	<b>25.42</b>	<b>5.11</b>	<b>7.25</b>

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	2003	2002
A(Ydis) EUR	-2.78	12.86	48.50	-34.18	-2.52	9.04	4.22	10.67	24.44	-5.23
<b>Benchmark</b>	<b>-2.52</b>	<b>14.72</b>	<b>76.35</b>	<b>-33.53</b>	<b>-2.11</b>	<b>8.92</b>	<b>6.81</b>	<b>14.73</b>	<b>26.40</b>	<b>-7.03</b>

#### Top Holdings

Security Name	%
WIND ACQUISITION FIN SA	2.55
UNITYMEDIA HESSEN/NRW	2.33
FCE BANK PLC	2.29
CONTI-GUMMI FINANCE BV	2.25
CAMPOFRIO FOOD GROUP SA	1.86
INFINIS PLC	1.63
FIAT INDUSTRIAL FIN EUR	1.62
BOPARAN HOLDINGS LTD	1.56
HEIDELBERGCEMENT AG	1.56
FRESENIUS US FINANCE II	1.54

#### Fund Measures

Average Credit Quality	BB-
Average Duration	3.62 Years
Average Weighted Maturity	5.36 Years
Yield to Maturity	9.17%
Standard Deviation (5 Yrs)	15.10

### 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(Ydis) EUR	17.04.2000	EUR 5.63	1.51	3.00	1.20	Y	15.12.2011	0.3710	TEMHYEI LX	LU0109395268
A(acc) EUR	02.07.2001	EUR 12.55	1.51	3.00	1.20	N/A	N/A	N/A	TEMHYAC LX	LU0131126574
A(Mdis) EUR	12.07.2007	EUR 5.48	1.51	3.00	1.20	M	15.12.2011	0.0310	TEMHYAD LX	LU0300744835

### Contact Information

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Composition of Fund

■ Templeton Euro High Yield Fund

■ BofA Merrill Lynch Euro High Yield Constrained Index

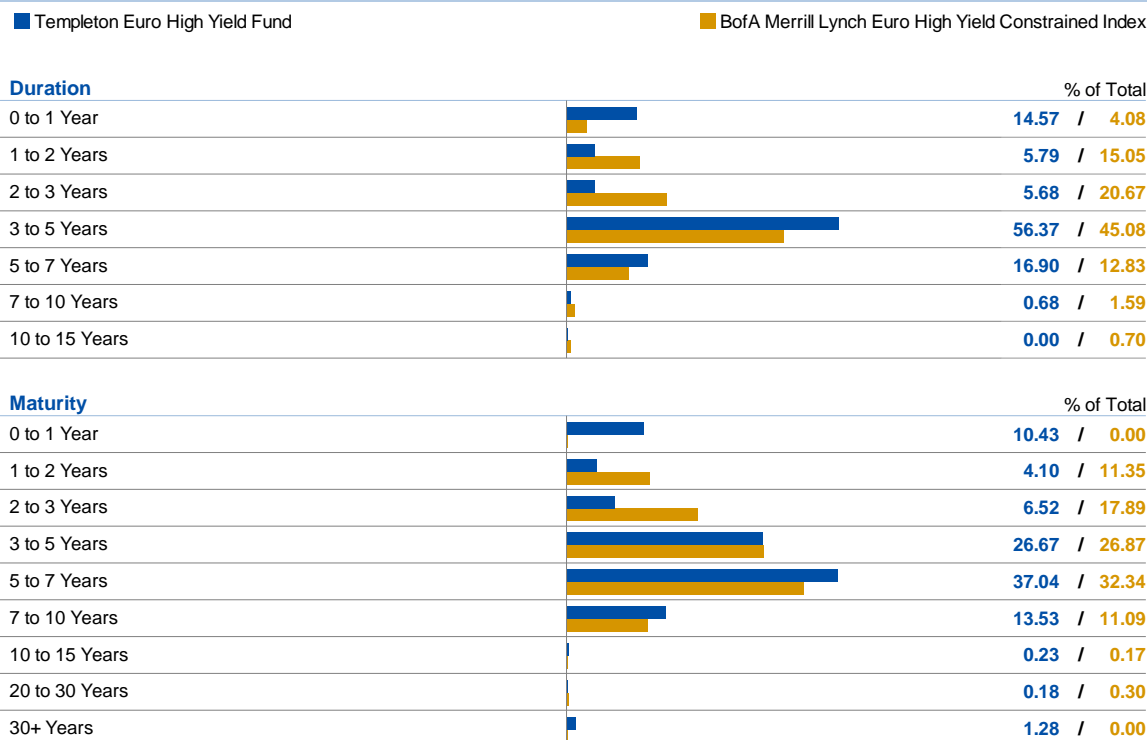
Geographic		% of Total
United Kingdom		20.27 / 6.58
United States		16.29 / 6.26
Germany		10.67 / 17.06
ST Cash and Cash Equivalents		9.90 / 0.00
Italy		8.17 / 11.56
Luxembourg		6.33 / 5.41
Netherlands		5.66 / 5.51
Spain		5.56 / 4.41
France		4.36 / 16.87
Other		12.79 / 26.34

Currency		% of Total
EURO		101.33 / 100.00
British Pound		0.25 / 0.00
Swiss Franc		0.23 / 0.00
US Dollar		-1.80 / 0.00

Sector		% of Total
Finance		12.02
Cash & Cash Equivalents		9.90
Automotive		9.01
Media Cable		8.38
Industrial		6.30
Packaging		6.19
Food & Beverage		5.92
Healthcare		4.59
Chemicals		4.03
Other		33.65

Ratings		% of Total
AA-		0.22 / 0.00
A		0.69 / 0.00
BBB+		2.58 / 0.00
BBB		2.54 / 0.00
BBB-		2.25 / 0.00
BB+		9.15 / 28.47
BB		16.95 / 25.37
BB-		17.23 / 11.93
B+		17.10 / 10.84
B		15.13 / 8.05
B-		8.18 / 8.51
CCC+		5.89 / 3.58
CCC		1.47 / 2.00
CC+		0.00 / 0.24
CCC-		0.35 / 0.76
C		0.00 / 0.09
D		0.04 / 0.16
NR		0.24 / 0.00

## Composition of Fund (continued)



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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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