

Franklin Templeton Investment Funds

Franklin U.S. Government Fund



FRANKLIN TEMPLETON
INVESTMENTS

Fund Overview

| | |
|------------------------|---|
| Base Currency for Fund | USD |
| Total Net Assets (USD) | 2,513 million |
| Launch Date | 28.02.1991 |
| Number of Holdings | 2,355 |
| Benchmark | Barclays Capital U.S. Government - Intermediate Index |
| Investment Style | Fixed Income - Governments |

Summary of Investment Objectives

The Fund aims to achieve income and safety of principal by investing primarily in debt obligations issued or guaranteed by the United States of America government and its agencies.

Fund Management

| | |
|--------------------|---------------|
| Roger Bayston, CFA | United States |
| Paul Varunok | United States |

EUUSD Status - A(Mdis) USD

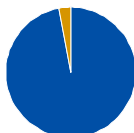
| | |
|--------------|----------|
| Redemption | In Scope |
| Distribution | In Scope |

Ratings - A(Mdis) USD

| | |
|-----------------------------|-------|
| S&P Fund Management Rating | AA/V2 |
| Overall Morningstar Rating™ | - - - |

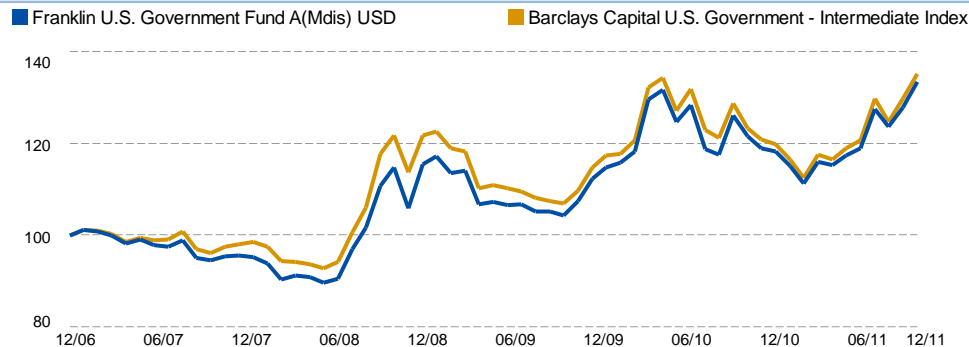
Asset Allocation

| | |
|-------------------------|-------|
| | % |
| Fixed Income | 96.89 |
| Cash & Cash Equivalents | 3.11 |



Performance

Performance over 5 Years in EUR



Performance in EUR (%)

| | Cumulative | | | | | Annualised | | | |
|------------------|-------------|--------------|--------------|--------------|---------------|-------------|-------------|-------------|-------------|
| | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 20 Yrs | 3 Yrs | 5 Yrs | 10 Yrs | 20 Yrs |
| A(Mdis) USD | 9.81 | 26.19 | 33.62 | 6.98 | 152.79 | 8.07 | 5.97 | 0.68 | 4.75 |
| Benchmark | 9.63 | 18.86 | 35.06 | 10.50 | 204.01 | 5.93 | 6.20 | 1.00 | 5.72 |

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(Mdis) USD | 9.81 | 13.05 | 1.64 | 10.73 | -4.37 | -7.44 | 16.81 | -3.79 | -16.20 | -8.16 |
| Benchmark | 9.63 | 12.27 | -3.43 | 16.15 | -2.17 | -7.11 | 17.18 | -5.06 | -14.90 | -6.97 |

Top Holdings

| Security Name | % |
|------------------------------|------|
| GNMA, SF, 4.00%, 7/15/41 | 4.41 |
| GNMA II, SF, 4.00%, 10/20/41 | 3.51 |
| GNMA, SF, 5.00%, 10/15/39 | 3.25 |
| GNMA II, SF, 4.50%, 7/20/41 | 3.00 |
| GNMA, SF, 4.50%, 7/15/40 | 2.91 |
| GNMA, SF, 4.50%, 3/15/39 | 2.86 |
| GNMA, SF, 5.00%, 6/15/40 | 2.44 |
| GNMA, SF, 4.00%, 9/15/41 | 2.35 |
| GNMA, SF, 5.00%, 11/15/39 | 1.99 |
| GNMA II, SF, 4.00%, 11/20/41 | 1.96 |

Fund Measures

| | |
|---------------------------------|------------|
| Average Credit Quality | AAA |
| Average Duration | 3.49 Years |
| Average Weighted Maturity | 5.16 Years |
| Yield to Maturity | 2.49% |
| Standard Deviation (5 Yrs, USD) | 2.73 |

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 | 28.02.1991 | USD 9.82 | 1.27 | 3.00 | 0.95 | M | 15.12.2011 | 0.0200 | TEMUSGI LX | LU0029872446 |

Contact Information

| | | | |
|----------------|---------------|----------------------------|--------------------------|
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Composition of Fund

■ Franklin U.S. Government Fund ■ Barclays Capital U.S. Government - Intermediate Index

| Maturity | | % of Total |
|---------------|--|---------------|
| 0 to 1 Year | | 3.11 / 0.01 |
| 1 to 2 Years | | 0.00 / 25.63 |
| 2 to 3 Years | | 0.15 / 19.15 |
| 3 to 5 Years | | 36.98 / 25.86 |
| 5 to 7 Years | | 54.93 / 15.15 |
| 7 to 10 Years | | 4.82 / 14.20 |

| Coupon | | % of Total |
|----------|--|--------------|
| Cash | | 3.80 / 0.00 |
| 0-0.5% | | 0.00 / 7.00 |
| 0.5-1% | | 0.00 / 11.87 |
| 1-1.5% | | 0.00 / 13.38 |
| 1.5-2% | | 0.00 / 9.46 |
| 2-2.5% | | 0.00 / 12.83 |
| 2.5-3% | | 0.00 / 12.40 |
| 3-3.5% | | 0.00 / 10.27 |
| 3.5-4% | | 0.00 / 7.48 |
| 4-4.5% | | 19.55 / 5.35 |
| 4.5-5% | | 29.51 / 4.53 |
| 5-5.5% | | 21.72 / 2.13 |
| 5.5-6% | | 11.23 / 0.28 |
| 6-6.5% | | 9.72 / 0.05 |
| 6.5-7% | | 2.67 / 0.00 |
| 7-7.5% | | 0.84 / 0.31 |
| 7.5-8% | | 0.44 / 0.34 |
| 8-8.5% | | 0.30 / 0.73 |
| 8.5-9% | | 0.12 / 0.86 |
| 9-9.5% | | 0.05 / 0.30 |
| 9.5-10% | | 0.02 / 0.19 |
| 10-10.5% | | 0.03 / 0.04 |
| 10.5-11% | | 0.00 / 0.06 |
| 11-11.5% | | 0.00 / 0.14 |

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Disclaimers

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