

Franklin Templeton Investment Funds

Templeton Emerging Markets Bond Fund



FRANKLIN TEMPLETON
INVESTMENTS

Fund Overview

Base Currency for Fund	USD
Total Net Assets (USD)	5,983 million
Launch Date	05.07.1991
Number of Holdings	236
Benchmark	Custom JP Morgan EMBI / JP Morgan EMBI Global Index
Investment Style	Fixed Income - Emerging Markets

Summary of Investment Objectives

The Fund aims to maximize total investment return, consisting of a combination of interest income, capital appreciation and currency gains by investing principally in a portfolio of fixed and floating rate debt securities and debt obligations issued by government and government-related issuers or corporate entities located in developing or emerging market countries.

Fund Management

Michael Hasenstab, PhD	United States
Laura Burakreis	United States
Marco Aurelio Simao Freire	Brazil

EUSD Status - A(Qdis) USD

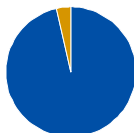
Redemption	In Scope
Distribution	In Scope

Ratings - A(Qdis) USD

S&P Fund Management Rating	AA/V5
Overall Morningstar Rating™	★★★★

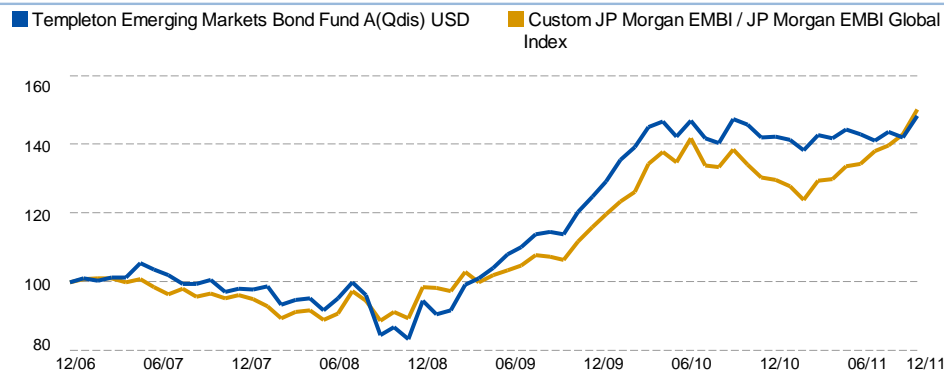
Asset Allocation

	%
Fixed Income	96.32
Cash & Cash Equivalents	3.68



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(Qdis) USD	1.66	77.86	48.36	79.68	522.49	21.18	8.21	6.04	9.57
A(Qdis) EUR	1.69	78.08	48.58	N/A	N/A	21.23	8.24	N/A	N/A
A(Ydis) EUR-H1	-1.71	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benchmark	12.11	68.28	50.41	96.03	769.72	18.96	8.51	6.96	11.42

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(Qdis) USD	1.66	21.04	44.55	-14.87	-2.01	3.92	19.04	4.70	0.43	-6.90
Benchmark	12.11	19.89	25.21	-7.02	-3.87	-1.46	26.93	3.86	4.54	-4.03

Top Holdings

Security Name	%
Government of Indonesia, FR40, 11.00%, 9/15/25	3.42
Government of Mexico, M1, 9.00%, 12/20/12	3.10
Government of Argentina, senior bond, 7.00%, 10/03/15	2.80
Cemex SAB de CV, senior secured note, Reg S, 9.00%, 1/11/18	2.67
Government of Uruguay, senior note, 4.375%, 12/15/28	2.40
Government of Romania, senior note, 5.25%, 6/17/16	2.28
Government of Ukraine, Reg S, 7.75%, 9/23/20	2.06
Korea Treasury Bond, senior bond, 4.25%, 12/10/12	1.88
Nota Do Tesouro Nacional, Index Linked, 6.00%, 5/15/15	1.82
Government of Mexico, M, 9.00%, 6/20/13	1.75

Fund Measures

Average Credit Quality	BB+
Average Duration	3.67 Years
Average Weighted Maturity	5.79 Years
Yield to Maturity	7.97%
Standard Deviation (5 Yrs, USD)	14.50

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
A(Qdis) USD	05.07.1991	USD 18.84	1.87	3.00	1.50	Q	15.12.2011	0.2090	TEMEMFI LX LU0029876355
A(Qdis) EUR	09.09.2002	EUR 14.65	1.88	3.00	1.50	Q	15.12.2011	0.1590	TEMEFAI LX LU0152984307
A(Ydis) EUR-H1	31.03.2010	EUR 9.80	1.89	3.00	1.50	Y	15.12.2011	0.4950	TEMADHI LX LU0496364158

Contact Information

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Composition of Fund

■ Templeton Emerging Markets Bond Fund

■ JP Morgan EMBI Global Index

Geographic

		% of Total
Indonesia		8.89 / 6.58
Mexico		7.80 / 12.61
Ukraine		7.21 / 2.07
Brazil		6.01 / 9.35
Russia		5.80 / 9.98
Hungary		5.79 / 1.58
Malaysia		5.64 / 1.61
Poland		5.48 / 2.56
Argentina		4.79 / 1.51
Other		42.58 / 52.17

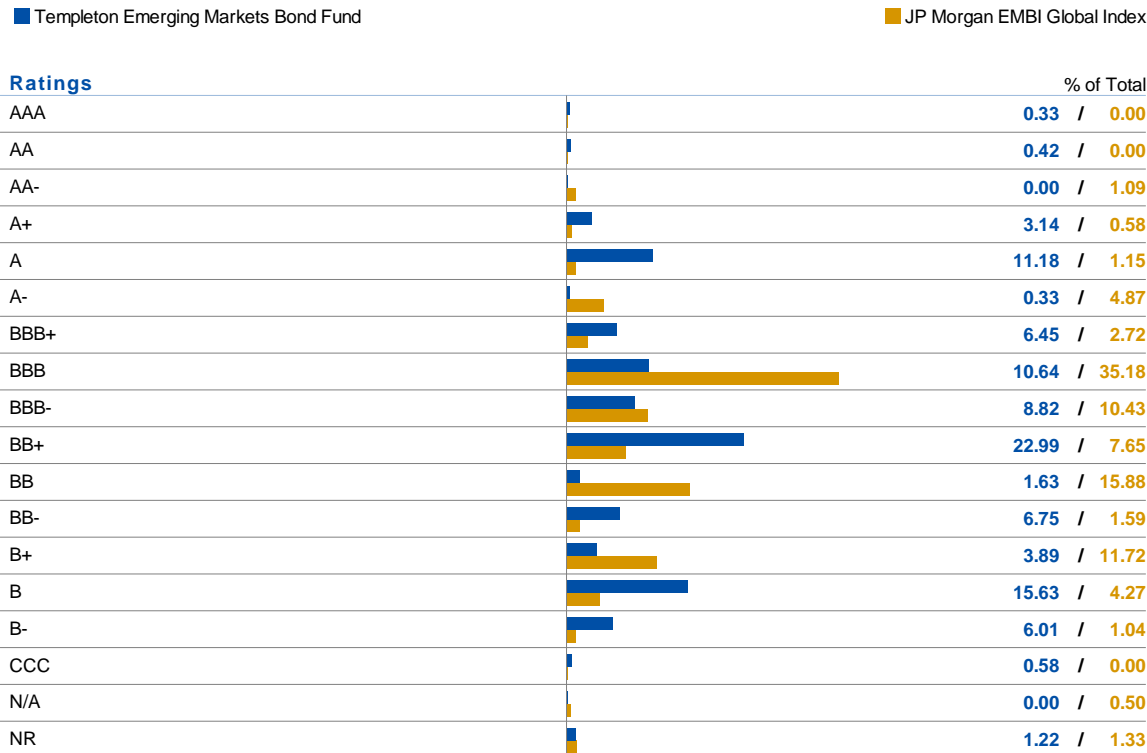
Currency

		% of Total
US Dollar		48.11 / 100.00
Indonesian Rupiah		10.30 / 0.00
South Korean Won		9.29 / 0.00
Malaysian Ringgit		7.26 / 0.00
Polish Zloty		6.06 / 0.00
Brazilian Real		5.86 / 0.00
Mexican Peso		5.58 / 0.00
Japanese Yen		-8.37 / 0.00
EURO		-12.18 / 0.00
Other		28.10 / 0.00

Sector

		% of Total
Intl Govt/Agency Bonds: Investment Grade		26.75 / 0.00
Intl Govt/Agency Bonds: Non-Investment Grade		24.26 / 0.00
Sovereign Bonds: Non-Investment Grade		18.63 / 45.33
Sovereign Bonds: Investment Grade		12.76 / 54.67
Corporate Bonds: Non-Investment Grade		9.94 / 0.00
Cash & Cash Equivalents		3.68 / 0.00
Corporate Bonds: Investment Grade		1.60 / 0.00
Derivatives		1.13 / 0.00
Supranational		0.87 / 0.00
Others		0.39 / 0.00

Composition of Fund (continued)



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EUSD Status: Any tax information provided is intended to be a general guide and should not be relied upon as a basis for calculating individual liabilities. The information does not take into consideration your personal circumstances and may be subject to change in the future. If you are in any doubt about the impact of tax on your investment you should consult a qualified tax adviser.

Performance: The "Custom JP Morgan EMBI / JP Morgan EMBI Global Index" is a custom index calculated by combining the returns of JP Morgan Emerging Markets Bond Index (EMBI) from January 1, 1991 to December 31, 1993, and JP Morgan EMBI Global returns from January 1, 1994 to the present.

Top Holdings: Top Holdings represent the largest holdings of the fund as of the date indicated. These securities do not represent all of the securities purchased, sold or recommended for advisory clients, and the reader should not assume that investment in the securities listed was or will be profitable.

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.

Composition of Fund: Quality ratings shown are assigned by one or more Nationally Recognized Statistical Credit Rating Organizations (NRSRO), such as Standard & Poor's, Moody's and Fitch. The ratings are an indication of an issuer's creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from all three agencies are available, the middle rating is used; when two are available, the lowest rating is used; and when only one is available, that rating is used. Foreign government bonds without a specific rating are assigned the country rating provided by an NRSRO, if available. The NR category consists of rateable securities that have not been rated by an NRSRO. The N/A category consists of nonrateable securities (e.g., equities). Cash and equivalents (defined as bonds with stated maturities, or that can be redeemed at intervals, of seven days or less) as well as derivatives are excluded from this breakdown. As a result, the chart does not reflect the fund's total net assets.