

Franklin Templeton Investment Funds

Templeton Euro Government Bond Fund


**FRANKLIN TEMPLETON
INVESTMENTS**

Fund Overview

Base Currency for Fund	EUR
Total Net Assets (EUR)	23 million
Launch Date	08.01.1999
Number of Holdings	12
Benchmark	Barclays Capital Euro Government Bond Index
Investment Style	Fixed Income - Governments

Summary of Investment Objectives

The Fund's investment objective is to maximise total returns with a combination of interest income and capital appreciation by investing primarily in Euro denominated fixed-income securities issued by government and government-related issuers located throughout the European Monetary Union ("EMU").

Fund Management

John W. Beck	United Kingdom
David Zahn, CFA	United Kingdom

EUR Status - A(Ydis) EUR

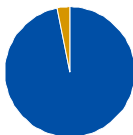
Redemption	In Scope
Distribution	In Scope

Ratings - A(Ydis) EUR

Overall Morningstar Rating™	- -
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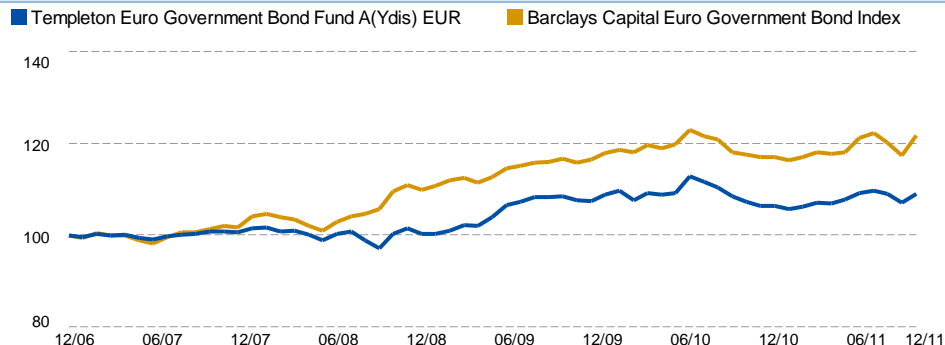
Asset Allocation

		%
Fixed Income	96.72	
Cash & Cash Equivalents	3.28	



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	1.56	7.34	9.05	31.88	2.39	1.75	2.81
Benchmark	3.54	9.81	21.90	57.19	3.17	4.04	4.63

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	1.56	-0.27	5.98	0.92	0.67	-1.08	3.97	7.11	2.67	6.92
Benchmark	3.54	1.49	4.50	9.14	1.72	-0.21	5.24	7.51	4.09	9.73

Top Holdings

Security Name	%
Government of Germany, 3.75%, 1/04/19	15.47
Government of Germany, 2.25%, 4/11/14	13.75
Republic of Austria, 3.50%, 9/15/21	11.43
Government of the Netherlands, 1.75%, 1/15/13	11.12
Government of the Netherlands, 1.00%, 1/15/14	10.99
Government of the Netherlands, 5.00%, 7/15/12	9.03
Belgium Kingdom, 3.50%, 3/28/15	6.76
Government of Poland, 3.625%, 2/01/16	6.65
Government of Slovenia, 5.125%, 3/30/26	4.53
Government of Lithuania, senior note, 9.375%, 6/22/14	4.00

Fund Measures

Average Credit Quality	AA+
Average Duration	3.77 Years
Average Weighted Maturity	4.33 Years
Yield to Maturity	1.80%
Standard Deviation (5 Yrs)	3.96

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(Ydis) EUR	08.01.1999	EUR 9.40	1.08	3.00	0.70	Y	08.07.2011	0.1740	TEMBONA LX LU0093669546

Contact Information

Tel	Fax	E-Mail	Web
+352 46 66 671	+352 22 13 57	lucs@franklintempleton.com	www.franklintempleton.lu

Composition of Fund

■ Templeton Euro Government Bond Fund

■ Barclays Capital Euro Government Bond Index

Geographic

		% of Total
Netherlands		31.14 / 6.86
Germany		29.22 / 26.80
Austria		11.43 / 4.44
Belgium		6.76 / 5.32
Poland		6.65 / 0.00
Slovenia		4.53 / 0.25
Lithuania		4.00 / 0.00
ST Cash and Cash Equivalents		3.28 / 0.00
Hungary		2.99 / 0.00
Other		0.00 / 56.34

Ratings

		% of Total
AAA		74.22 / 58.24
AA+		0.00 / 2.56
AA		0.00 / 0.72
AA-		11.67 / 16.55
A+		0.00 / 0.74
A		0.00 / 18.87
A-		6.88 / 0.42
BBB+		0.00 / 1.65
BBB		4.13 / 0.11
BBB-		0.00 / 0.14
BB+		3.09 / 0.00

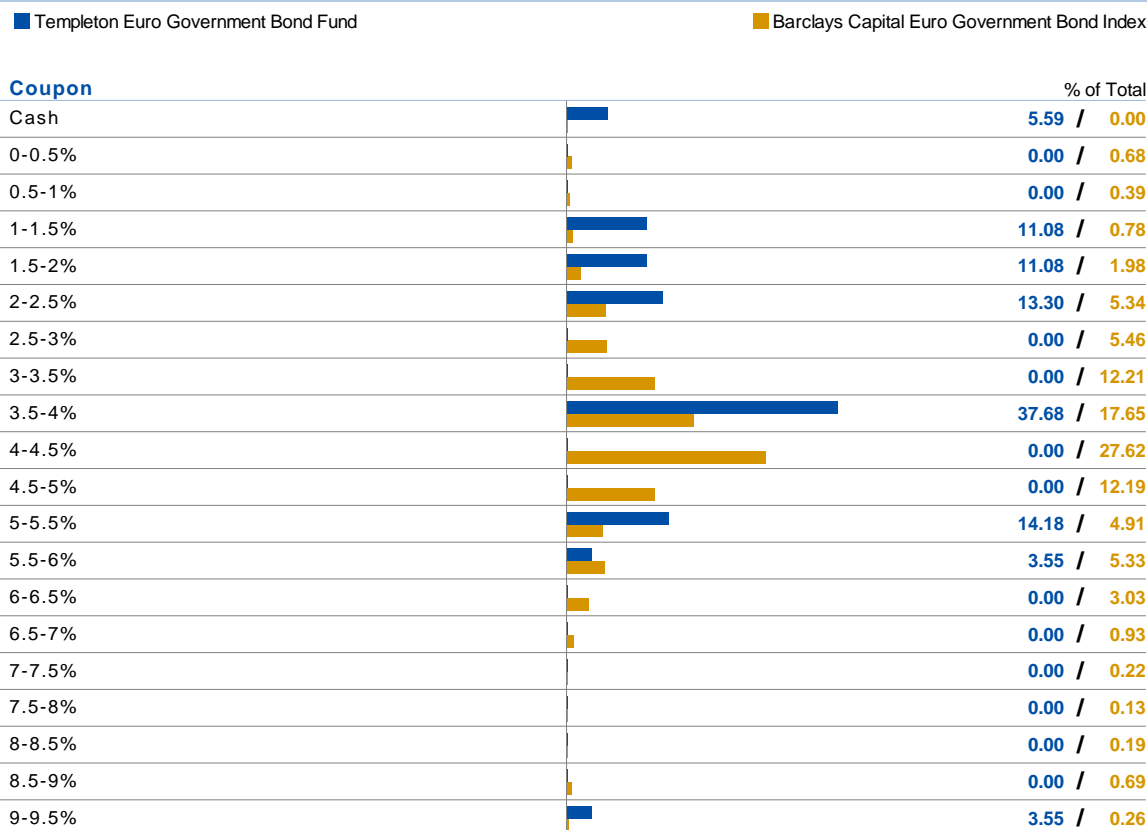
Duration

		% of Total
0 to 1 Year		12.31 / 1.05
1 to 2 Years		11.12 / 15.31
2 to 3 Years		28.74 / 12.66
3 to 5 Years		13.41 / 21.39
5 to 7 Years		18.46 / 15.24
7 to 10 Years		15.96 / 17.86
10 to 15 Years		0.00 / 11.56
15 to 20 Years		0.00 / 4.13
20 to 30 Years		0.00 / 0.80

Maturity

		% of Total
0 to 1 Year		12.31 / 0.00
1 to 2 Years		11.12 / 13.93
2 to 3 Years		28.74 / 12.20
3 to 5 Years		13.41 / 20.34
5 to 7 Years		2.99 / 11.58
7 to 10 Years		26.90 / 19.70
10 to 15 Years		4.53 / 7.59
15 to 20 Years		0.00 / 5.48
20 to 30 Years		0.00 / 8.08
30+ Years		0.00 / 1.11

Composition of Fund (continued)



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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. 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.