

Franklin Templeton Investment Funds

Franklin Income Fund



FRANKLIN TEMPLETON
INVESTMENTS

Fund Overview

Base Currency for Fund	USD
Total Net Assets (USD)	1,177 million
Launch Date	01.07.1999
Number of Holdings	264
Benchmark	Custom 50% S&P 500 + 50% Barclays Capital U.S. Aggregate Index
Investment Style	Balanced

Summary of Investment Objectives

The Fund aims to maximise income while maintaining prospects for capital appreciation by investing primarily in equity securities and long & short-term debt securities. The Fund may invest up to 25% of its net assets in non-U.S. securities.

Fund Management

Edward Perks, CFA	United States
-------------------	---------------

EUSD Status - A(Mdis) USD

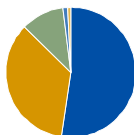
Redemption	In Scope
Distribution	In Scope

Ratings - A(Mdis) USD

Overall Morningstar Rating™	★★★★
-----------------------------	------

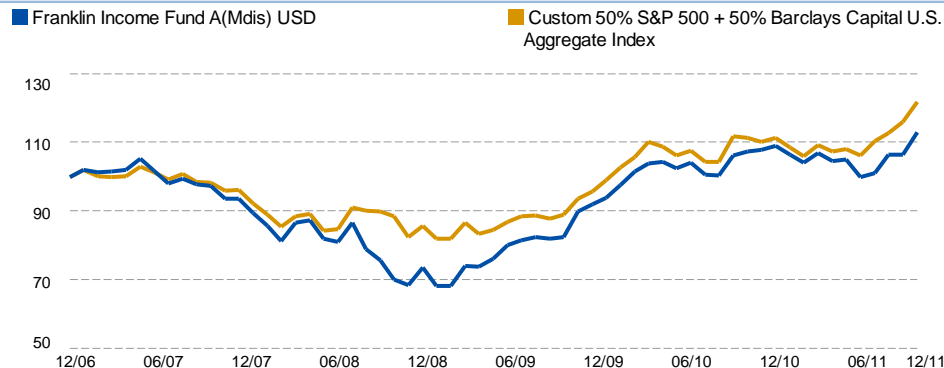
Asset Allocation

	%
Bonds	52.47
Stocks	34.78
Convertible Preferred	10.72
Cash & Cash Equivalents	1.17
Convertible Bonds	0.86



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(Mdis) USD	5.20	65.13	13.05	24.01	18.21	2.48	2.18
Benchmark	9.32	47.94	21.89	9.35	13.96	4.04	0.90

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	5.20	19.55	31.31	-26.95	-6.29	4.29	15.14	3.62	8.91	-19.05
Benchmark	9.32	19.08	13.65	-14.37	-3.78	-1.38	18.91	0.07	-3.52	-20.78

Top Holdings

Security Name	%
Roche Holding AG	1.95
CIT Group Inc., secured bond, 144A, 7.00%, 5/02/16	1.93
Merck & Co. Inc.	1.78
CIT Group Inc., secured bond, 144A, 7.00%, 5/02/17	1.71
TCEH Co. LLC/TCEH Finance Inc., senior secured note, 144A, 11.50%, 10/01/20	1.50
Wells Fargo & Co.	1.29
Intel Corp.	1.28
Freescale Semiconductor Inc., senior note, 8.05%, 2/01/20	1.26
Jaguar Land Rover PLC, senior bond, 144A, 8.125%, 5/15/18	1.23
General Electric Co.	1.17

Fund Measures

Price to Earnings	11.62
Price to Book Value	1.22
Price to Cash Flow	6.24
Average Credit Quality	B
Average Duration	4.33 Years
Average Weighted Maturity	5.98 Years
Yield to Maturity	10.07%
Standard Deviation (5 Yrs, USD)	14.95

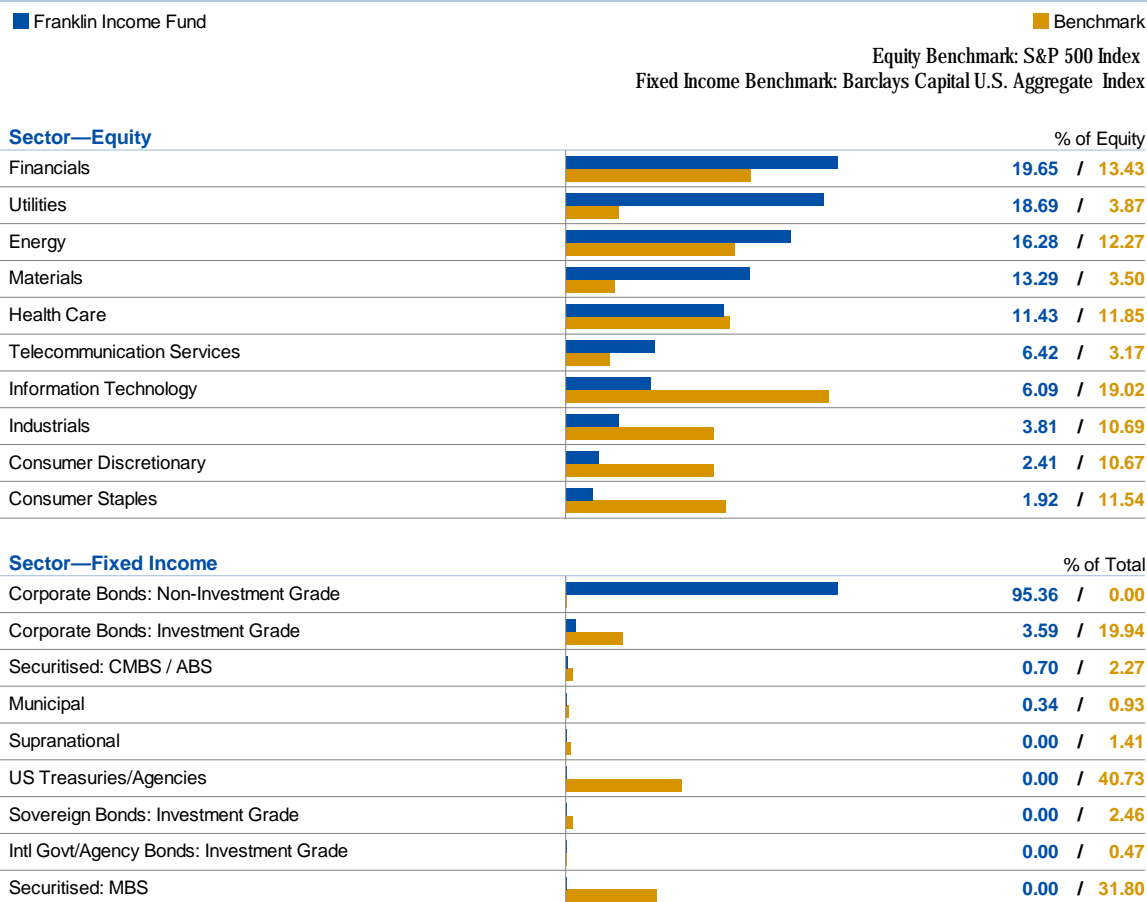
Share Class Information

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(Mdis) USD	01.07.1999	USD 11.04	1.67	3.00	1.35	M	15.12.2011	0.0450	TEMFIAI LX LU0098860793

Contact Information

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

Composition of Fund



Disclaimers

Important Information: © 2012 Franklin Templeton Investments. All rights reserved. Issued by Franklin Templeton International Services S.A. Franklin Templeton Investment Funds (the "Fund") is a Luxembourg registered SICAV. Source for data and information provided by Franklin Templeton Investments, as of the date of this document, unless otherwise noted. Benchmark related data provided by FactSet, as of the date of this document, unless otherwise noted. This document does not constitute a legal or tax advice nor an investment advice or an offer for shares of the Fund. Subscriptions to shares of the Fund can only be made on the basis of the current full or simplified prospectus of the Fund, accompanied by the latest available audited annual report and semi-annual report accessible on our website at www.franklintempleton.lu or which can be obtained, free of charge, from Franklin Templeton International Services S.A., 26 Boulevard Royal, L-2449 Luxembourg. No shares of the Fund may be directly or indirectly offered or sold to nationals or residents of the United States of America. Shares of the Fund are not available for distribution in all jurisdictions and prospective investors should confirm availability with their local Franklin Templeton Investments representative before making any plans to invest. An investment in the Fund entails risks, which are described in the Fund's prospectus. Special risks may be associated with a Fund's investment in certain types of securities, asset classes, sectors, markets, currencies or countries and in the Fund's possible use of derivatives. These risks are more fully described in the Fund's prospectus and should be read closely before investing. Subject to any applicable regulatory requirements, the portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top 10 holdings list. Holdings of the same issuer have been combined. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

STANDARD & POOR'S®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC. Standard & Poor's does not sponsor, endorse, sell or promote any S&P index-based product.

© Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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.

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.