

# Franklin Templeton Investment Funds

## Franklin Real Return Fund



FRANKLIN TEMPLETON  
INVESTMENTS

### Fund Overview

Base Currency for Fund	USD
Total Net Assets (USD)	18 million
Launch Date	30.04.2010
Number of Holdings	67
Benchmark	Barclays Capital U.S. TIPS Index
Investment Style	Fixed Income - Total Return

### Summary of Investment Objectives

The Fund's investment objective is to maximise, consistent with prudent investment management, a combination of capital appreciation and income.

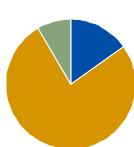
### Fund Management

Tony Coffey, CFA	United States
Kent Burns, CFA	United States

### EUUSD Status - A(acc) USD

Redemption	In Scope
Distribution	Out of Scope

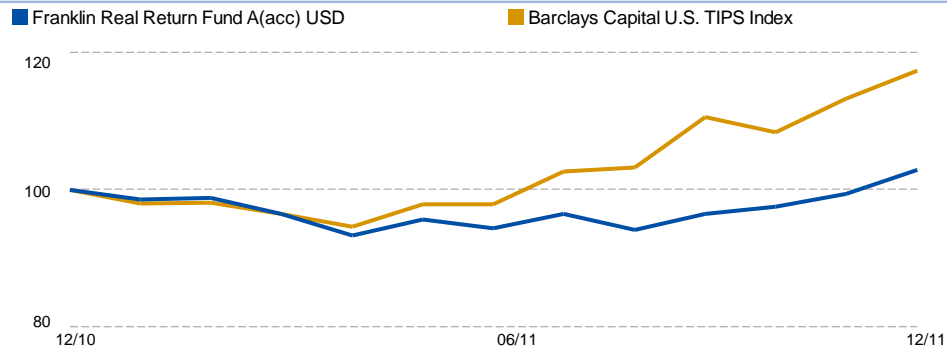
### Asset Allocation



	%
Equity	15.17
Fixed Income	76.38
Cash & Cash Equivalents	8.45

### Performance

#### Performance over 1 Year in EUR



#### Performance in EUR (%)

##### Cumulative

A(acc) USD	1 Yr	2.96
A(Ydis) EUR-H1		-0.28
<b>Benchmark</b>		<b>17.36</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 (%)

A(acc) USD	2011	2.96
<b>Benchmark</b>		<b>17.36</b>

#### Top Holdings

Security Name	%
U.S. Treasury Note, Index Linked, 1.25%, 4/15/14	11.84
U.S. Treasury Note, Index Linked, 0.625%, 4/15/13	9.55
U.S. Treasury Note, Index Linked, 2.00%, 4/15/12	8.50
U.S. Treasury Note, Index Linked, 2.00%, 1/15/14	7.95
U.S. Treasury Note, Index Linked, 0.50%, 4/15/15	7.31
U.S. Treasury Note, Index Linked, 1.625%, 1/15/15	5.99
SPDR Dow Jones REIT ETF	5.88
Queensland Treasury Corp., senior note, 6.00%, 8/21/13	2.91
Korea Treasury Bond, senior bond, 4.25%, 12/10/12	2.69
Government of Poland, Strip, 1/25/13	1.98

#### Fund Measures

Average Credit Quality	AA
Average Duration	1.55 Years
Average Weighted Maturity	1.83 Years
Yield to Maturity	1.74%
Standard Deviation (1 Yr, USD)	7.29

### 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(acc) USD	30.04.2010	USD 10.30	1.35	3.00	1.25	N/A	N/A	N/A	FRRRAAU LX	LU0496367250
A(Ydis) EUR-H1	30.04.2010	EUR 10.14	1.35	3.00	1.25	Y	08.07.2011	0.1140	FRRRAYE LX	LU0498738086










### Contact Information











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## Composition of Fund















■ Franklin Real Return Fund

■ Barclays Capital U.S. TIPS Index

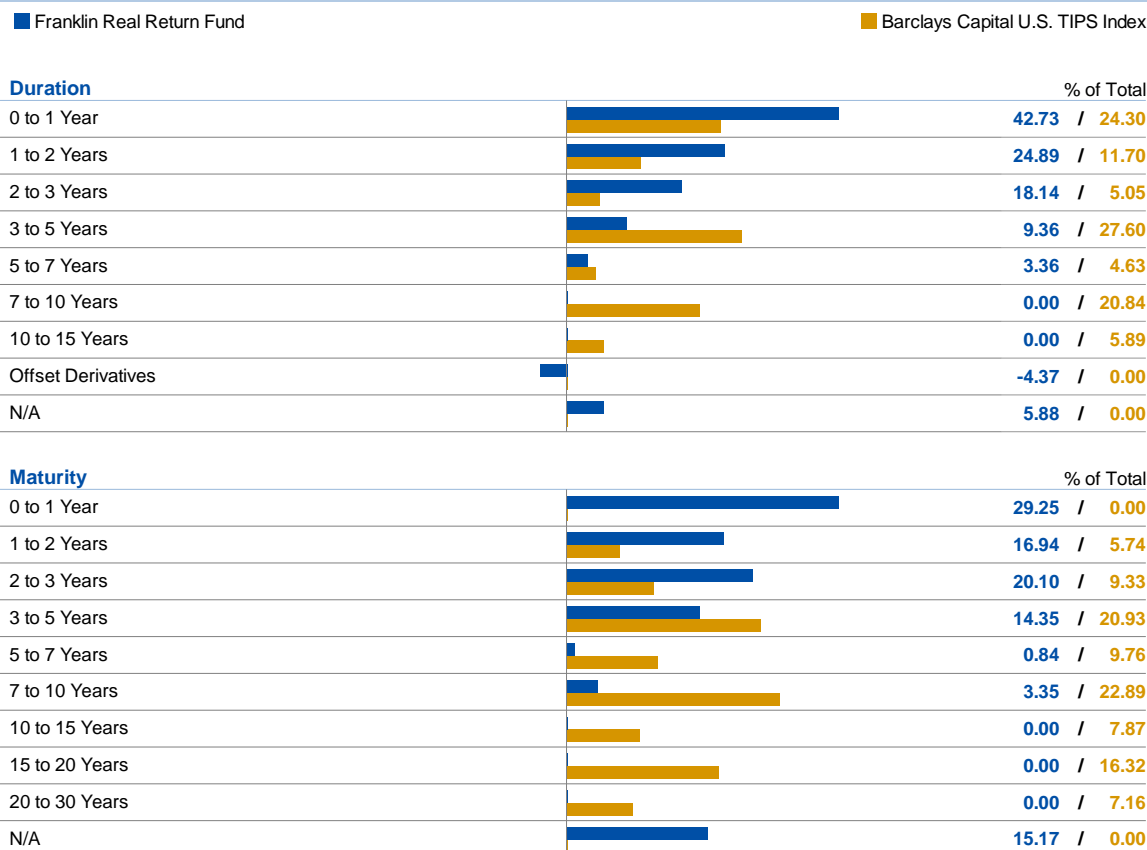
Geographic		% of Total
United States		75.00 / 100.00
ST Cash and Cash Equivalents		8.13 / 0.00
Australia		4.47 / 0.00
Malaysia		4.05 / 0.00
South Korea		3.68 / 0.00
Norway		2.83 / 0.00
Sweden		2.00 / 0.00
Poland		1.98 / 0.00
Canada		1.35 / 0.00

Currency		% of Total
US Dollar		84.73 / 100.00
Australian Dollar		4.20 / 0.00
Malaysian Ringgit		4.05 / 0.00
South Korean Won		3.68 / 0.00
Norwegian Krone		2.83 / 0.00
Swedish Krona		2.00 / 0.00
Polish Zloty		1.98 / 0.00
Chilean Peso		0.78 / 0.00
EURO		-5.00 / 0.00
Other		0.76 / 0.00

Sector		% of Total
US Treasuries/Agencies		51.85 / 100.00
Intl Govt/Agency Bonds: Investment Grade		19.30 / 0.00
Others		15.17 / 0.00
Cash & Cash Equivalents		8.45 / 0.00
Corporate Bonds: Non-Investment Grade		5.51 / 0.00
Derivatives		-0.28 / 0.00

Ratings		% of Total
AAA		63.13 / 100.00
AA+		3.17 / 0.00
A+		4.01 / 0.00
A		6.57 / 0.00
BBB		0.62 / 0.00
BB+		0.36 / 0.00
BB		0.97 / 0.00
BB-		0.93 / 0.00
B+		2.19 / 0.00
B		0.55 / 0.00
B-		0.32 / 0.00
CCC+		0.57 / 0.00
N/A		6.40 / 0.00
NR		10.22 / 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.

**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.