

# Franklin Templeton Investment Funds

## Templeton European Corporate Bond Fund



FRANKLIN TEMPLETON  
INVESTMENTS

### Fund Overview

Base Currency for Fund	EUR
Total Net Assets (EUR)	14 million
Launch Date	30.04.2010
Number of Holdings	103
Benchmark	Barclays Capital Euro Aggregate Corporates Index
Investment Style	Fixed Income - Total Return

### Summary of Investment Objectives

The Fund seeks to maximize total investment returns through a combination of interest income and capital appreciation by investing principally in investment grade or floating rate debt securities issued by European companies or those companies with a business presence in the European region. Most investments will be either denominated in Euros or hedged back into Euros.

### Fund Management

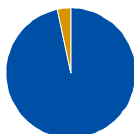
David Zahn, CFA	United Kingdom
Marc S. Kremer, CFA	United States
Eric Takaha, CFA	United States
Robert Nelson, CFA	United Kingdom
Emmanuel Teissier	United Kingdom

### EUSD Status - A(Ydis) EUR

Redemption	In Scope
Distribution	In Scope

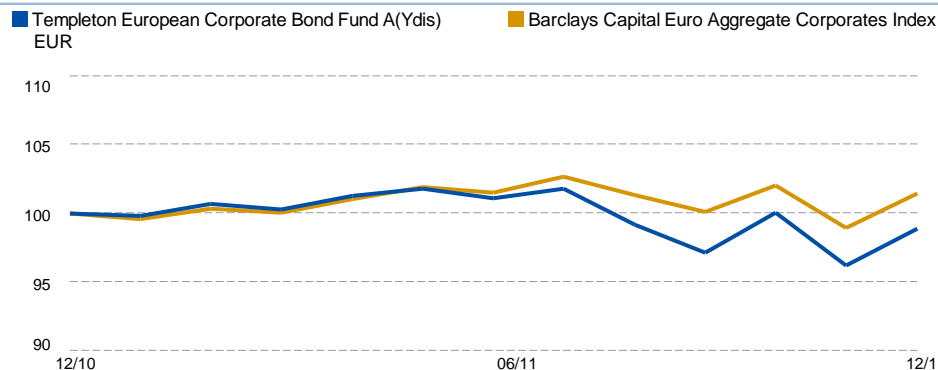
### Asset Allocation

	%
Fixed Income	96.58
Cash & Cash Equivalents	3.42



### Performance

#### Performance over 1 Year in EUR



#### Performance in EUR (%)

Cumulative	
A(Ydis) EUR	1 Yr -1.11
A(acc) EUR	-1.11
<b>Benchmark</b>	<b>1.49</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(Ydis) EUR	2011 -1.11
<b>Benchmark</b>	<b>1.49</b>

#### Top Holdings

Security Name	%
Siemens Financieringsmaatschappij NV, senior note, 5.125%, 2/20/17	1.74
Pfizer Inc., senior note, 4.75%, 6/03/16	1.67
StatoilHydro ASA, senior note, 4.375%, 3/11/15	1.64
JPMorgan Chase & Co., senior note, 6.125%, 4/01/14	1.64
Schering-Plough Corp., senior note, 5.375%, 10/01/14	1.63
Daimler AG, senior note, 4.125%, 1/19/17	1.62
Commonwealth Bank of Australia, senior note, 4.375%, 2/25/20	1.58
Fortis Bank Nederland NV, senior note, 4.00%, 2/03/15	1.54
HSBC Holdings PLC, sub. note, 6.00%, 6/10/19	1.54
HIT Finance BV, senior bond, 5.75%, 3/09/18	1.52

#### Fund Measures

Average Credit Quality	A-
Average Duration	3.84 Years
Average Weighted Maturity	5.57 Years
Yield to Maturity	4.82%
Standard Deviation (1 Yr)	6.75

### 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(Ydis) EUR	30.04.2010	EUR 9.53	1.15	3.00	0.95	Y	08.07.2011	0.2870	TECBAYE LX	LU0496369892
A(acc) EUR	30.04.2010	EUR 9.86	1.15	3.00	0.95	N/A	N/A	N/A	TECBAAE LX	LU0496369546

### Contact Information

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+352 46 66 671	+352 22 13 57	lucs@franklintempleton.com	www.franklintempleton.lu

Composition of Fund

■ Templeton European Corporate Bond Fund

■ Barclays Capital Euro-Aggregate: Corporates Index

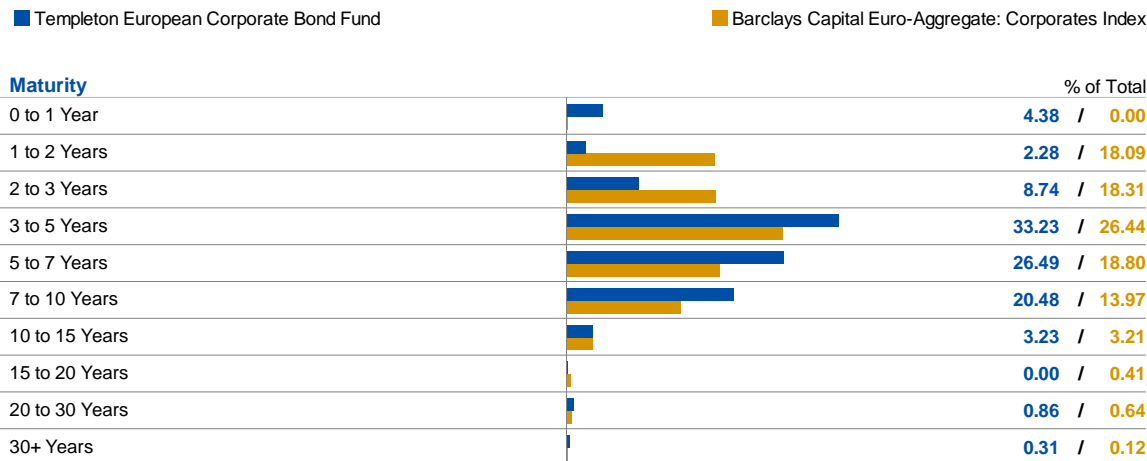
Geographic		% of Total
United States		21.52 / 13.45
United Kingdom		12.60 / 11.81
France		9.79 / 19.35
Offset Derivatives		6.93 / 0.00
Italy		5.54 / 8.61
Netherlands		4.69 / 9.67
Spain		4.38 / 6.07
Germany		4.37 / 13.48
Australia		4.30 / 2.62
Other		25.88 / 14.93

Sector		% of Total
Corporate Bonds: Investment Grade		76.77 / 99.89
Corporate Bonds: Non-Investment Grade		8.18 / 0.00
Sovereign Bonds: Investment Grade		7.43 / 0.00
Intl Govt/Agency Bonds: Investment Grade		4.40 / 0.00
Cash & Cash Equivalents		3.42 / 0.00
Securitised: N/A		0.00 / 0.11
Derivatives		-0.19 / 0.00

Ratings		% of Total
AAA		1.19 / 0.15
AA+		0.00 / 0.05
AA		7.46 / 9.51
AA-		11.86 / 8.23
A+		15.05 / 14.28
A		18.11 / 18.28
A-		10.80 / 19.47
BBB+		11.65 / 12.72
BBB		9.53 / 11.06
BBB-		5.26 / 6.25
BB+		1.09 / 0.00
BB		1.47 / 0.00
BB-		3.69 / 0.00
B+		1.69 / 0.00
B		0.38 / 0.00
NR		0.79 / 0.00

Duration		% of Total
0 to 1 Year		6.30 / 1.99
1 to 2 Years		3.89 / 23.27
2 to 3 Years		12.22 / 17.21
3 to 5 Years		43.13 / 30.30
5 to 7 Years		22.15 / 16.84
7 to 10 Years		5.37 / 8.74
10 to 15 Years		0.00 / 1.37
15 to 20 Years		0.00 / 0.24
20 to 30 Years		0.00 / 0.04
Offset Derivatives		6.93 / 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. 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.