

# Franklin Templeton Investment Funds

## Templeton Emerging Markets Balanced Fund



FRANKLIN TEMPLETON  
INVESTMENTS

### Fund Overview

Base Currency for Fund	USD
Total Net Assets (USD)	50 million
Launch Date	29.04.2011
Number of Holdings	82
Benchmark	Custom 50% MSCI Emerging Markets + 50% JP Morgan EMBI Global Index
Investment Style	Balanced

### Performance

Under current legislation, we are not allowed to display performance data for funds with less than a complete 12 month performance record.

### Top Holdings

Security Name	%
Vale SA, ADR, pfd., A	4.94
Gazprom, ADR	4.86
United Bank Ltd.	2.52
Antofagasta PLC	2.45
PT Bank Danamon Indonesia Tbk	2.42
Reliance Industries Ltd., GDR, 144A	2.38
Impala Platinum Holdings Ltd.	2.33
Anglo American PLC	2.31
OAO TMK, GDR	2.30
Arab Potash Co. Ltd.	2.28

### Fund Measures

Price to Earnings	7.86
Price to Book Value	1.47
Price to Cash Flow	4.55
Average Credit Quality	BB+
Average Duration	3.70 Years
Average Weighted Maturity	4.78 Years
Yield to Maturity	7.99%

### Summary of Investment Objectives

The Fund's investment objective is to maximise, consistent with prudent investment management, a combination of capital appreciation and income. The Fund seeks to achieve its objective by investing principally in a diversified portfolio of equity securities, fixed and floating rate debt securities, including low-rated debt securities, and debt obligations issued by government, government-related issuers and corporate entities which are located, incorporated or have their principal business activities in developing or Emerging Market countries. The Fund will typically invest at least 25% of its assets in Emerging Market equity securities and at least 25% of its assets in debt securities but the proportion of its assets allocated to each may vary over time depending on the Investment Managers' view of the relative attractiveness of each asset class.

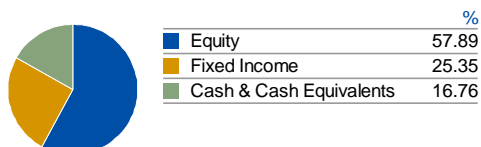
### Fund Management

Mark Mobius, PhD	Singapore
Michael Hasenstab, PhD	United States

### EUUSD Status - A(Qdis) USD

Redemption	In Scope
Distribution	In Scope

### Asset Allocation



### 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(Qdis) USD	29.04.2011	USD 9.41	2.05	3.00	1.80	Qtr	16.01.2012	0.0230	TEMAQDU LX	LU0608807946
A(acc) EUR	29.04.2011	EUR 10.54	2.05	3.00	1.80	N/A	N/A	N/A	TEMAAE LX	LU0608807516
A(acc) EUR-H1	29.04.2011	EUR 9.47	2.05	3.00	1.80	N/A	N/A	N/A	TEMAH1 LX	LU0608807789
A(Ydis) EUR	29.04.2011	EUR 10.52	2.05	3.00	1.80	Ann	08.07.2011	0.0160	TEMAYDE LX	LU0608808167
A(Ydis) EUR-H1	29.04.2011	EUR 9.45	2.05	3.00	1.80	Ann	08.07.2011	0.0160	TEMAYH1 LX	LU0608808241

### Contact Information

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

Composition of Fund

■ Templeton Emerging Markets Balanced Fund

■ Benchmark

Equity Benchmark: MSCI Emerging Markets Index  
Fixed Income Benchmark: JP Morgan EMBI Global Index

Geographic—Equity

		% of Equity
Brazil		18.48 / 14.83
China		17.01 / 17.21
Russia		15.60 / 6.62
India		10.71 / 6.48
Thailand		4.78 / 2.06
Pakistan		4.36 / 0.00
Chile		4.24 / 1.84
Indonesia		4.19 / 2.73
South Africa		4.02 / 7.58
Other		16.61 / 40.66

Sector—Equity

		% of Equity
Energy		33.79 / 13.94
Materials		28.50 / 12.94
Financials		20.87 / 23.79
Consumer Staples		9.58 / 8.03
Information Technology		2.81 / 13.93
Consumer Discretionary		2.53 / 7.94
Industrials		1.90 / 6.68
Health Care		0.00 / 1.03
Telecommunication Services		0.00 / 8.02
Utilities		0.00 / 3.71

Geographic—Fixed Income

		% of Total
Non-EMU Europe/Africa		48.73 / 37.01
Non-USA Amer.		26.01 / 45.81
Asia, Non-Japan		23.33 / 17.07
Supranational		1.43 / 0.00
ST Cash and Cash Equivalents		0.49 / 0.11

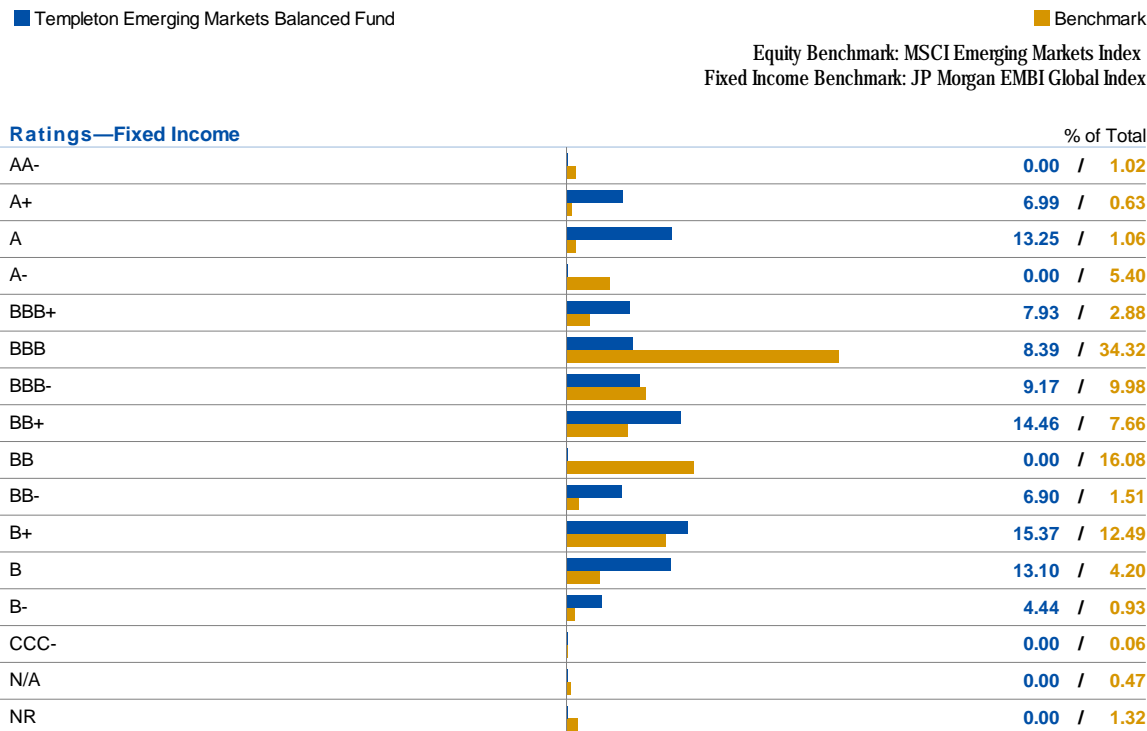
Currency—Fixed Income

		% of Total
US Dollar		38.01 / 100.00
Mexican Peso		7.89 / 0.00
Nigerian Naira		7.73 / 0.00
Indonesian Rupiah		7.39 / 0.00
Polish Zloty		7.22 / 0.00
South Korean Won		6.96 / 0.00
Brazilian Real		6.51 / 0.00
Malaysian Ringgit		5.96 / 0.00
EURO		-10.76 / 0.00
Other		23.09 / 0.00

Sector—Fixed Income

		% of Total
Intl Govt/Agency Bonds: Investment Grade		43.66 / 0.00
Intl Govt/Agency Bonds: Non-Investment Grade		21.27 / 0.00
Sovereign Bonds: Non-Investment Grade		18.06 / 38.88
Corporate Bonds: Non-Investment Grade		8.98 / 0.00
Sovereign Bonds: Investment Grade		6.11 / 61.12
Supranational		1.43 / 0.00
Cash & Cash Equivalents		0.49 / 0.00

Composition of Fund (continued)



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](http://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. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

All MSCI data is provided "as is." The Fund described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the Fund described herein. Copying or redistributing the MSCI data is strictly prohibited.

**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 / your clients / or any 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:** These securities do not represent all of the securities purchased, sold or recommended for clients, and the reader should not assume that investment in the securities listed was or will be profitable. 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.

**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.