



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

The following portfolio data for the Franklin Templeton funds is made available to the public under our Portfolio Holdings Release Policy and is "as of" the date indicated. *This portfolio data should not be relied upon as a complete listing of a fund's holdings (or of a fund's top holdings) as information on particular holdings may be withheld if it is in the fund's interest to do so. Additionally, foreign currency forwards are not included in the portfolio data. Instead, the net market value of all currency forward contracts is included in cash and other net assets of the fund. Further, portfolio holdings data of over-the-counter derivative investments such as Credit Default Swaps, Interest Rate Swaps or other Swap contracts list only the name of counterparty to the derivative contract, not the details of the derivative. Complete portfolio data can be found in the semi- and annual financial statements of the fund.*

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
00289RAA0	ABENGOA FINANCE SAU	600,000	\$576,000	0.13%	8.875%	11/01/17
E0002VAB0	ABENGOA SA	350,000	\$438,094	0.10%	8.5%	03/31/16
004010AA2	ACADEMY LTD/FINANCE CORP	600,000	\$595,500	0.14%	9.25%	08/01/19
007903AR8	ADVANCED MICRO DEVICES INC	300,000	\$312,750	0.07%	8.125%	12/15/17
007903AU1	ADVANCED MICRO DEVICES INC	800,000	\$826,000	0.19%	7.75%	08/01/20
02005NAJ9	ALLY FINANCIAL INC	500,000	\$506,875	0.12%	7.5%	09/15/20
02005NAD2	ALLY FINANCIAL INC	600,000	\$581,149	0.13%	6.25%	12/01/17
02076XAB8	ALPHA NATURAL RESOURCES INC	300,000	\$292,500	0.07%	6%	06/01/19
02076XAC6	ALPHA NATURAL RESOURCES INC	600,000	\$585,000	0.14%	6.25%	06/01/21
00164VAA1	AMC NETWORKS INC	300,000	\$327,750	0.08%	7.75%	07/15/21
023771R83	AMERICAN AIRLINES INC	1,200,000	\$864,000	0.20%	7.5%	03/15/16
03073TAC6	AMERIGROUP CORP	600,000	\$621,000	0.14%	7.5%	11/15/19
03674PAD5	ANTERO RESOURCES FINANCE CORP	100,000	\$103,000	0.02%	7.25%	08/01/19
03674PAC7	ANTERO RESOURCES FINANCE CORP	900,000	\$976,500	0.23%	9.375%	12/01/17
B3PDHF8	ARAB REPUBLIC EGYPT	1,030,000	\$900,657	0.21%	5.75%	04/29/20
03938LAU8	ARCELORMITTAL	1,400,000	\$1,290,289	0.30%	5.5%	03/01/21
039380AD2	ARCH COAL INC	200,000	\$205,000	0.05%	7%	06/15/19
039380AF7	ARCH COAL INC	1,000,000	\$1,032,500	0.24%	7.25%	06/15/21
04012VAC3	ARES CLO FUNDS	130,000	\$108,693	0.03%	1.5061%	11/25/20
2519300	ARGENTINA REPUBLIC OF	6,700,000	\$814,927	0.19%	0.439%	08/03/12
042423AB9	ARMSTRONG LN FDG LTD 2008-1	398,447	\$385,972	0.09%	1.4294%	08/01/16
047650AB2	ATKORE INTERNATIONAL INC	100,000	\$96,250	0.02%	9.875%	01/01/18
04939MAF6	ATLAS PIPELINE PARTNERS L P	600,000	\$630,000	0.15%	8.75%	06/15/18
B1L6LB1	AUSTRALIA GOVERNMENT BOND	1,920,000	\$1,974,171	0.46%	5.75%	04/15/12
05958AAD0	BANCO DO BRASIL SA	1,100,000	\$1,108,959	0.26%	5.875%	01/26/22
B44RYP7	BANK NEGARA MALAYSIA MONETARY	235,000	\$74,112	0.02%	N/A	01/17/12



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Y06366AZ4	BANK NEGARA MONETARY NOTE	40,000	\$12,578	0.00%	N/A	02/16/12
B3S6743	BANK NEGARA MONETARY NOTE	50,000	\$15,596	0.00%	N/A	05/29/12
Y06366AY7	BANK NEGARA MONETARY NOTE	55,000	\$17,231	0.00%	N/A	04/05/12
Y06366BJ9	BANK NEGARA MONETARY NOTE	80,000	\$25,129	0.01%	N/A	03/01/12
Y06366CB5	BANK NEGARA MONETARY NOTE	130,000	\$40,666	0.01%	N/A	04/24/12
B5TVH18	BANK NEGARA MONETARY NOTE	140,000	\$44,088	0.01%	N/A	01/26/12
B77D118	BANK NEGARA MONETARY NOTE	155,000	\$48,365	0.01%	N/A	05/17/12
Y063658K2	BANK NEGARA MONETARY NOTE	155,000	\$48,577	0.01%	N/A	03/29/12
B3RTRQ5	BANK NEGARA MONETARY NOTE	270,000	\$84,993	0.02%	N/A	01/31/12
Y06366BK6	BANK NEGARA MONETARY NOTE	305,000	\$95,501	0.02%	N/A	04/12/12
Y06366BN0	BANK NEGARA MONETARY NOTE	520,000	\$162,731	0.04%	N/A	04/19/12
Y063658B2	BANK NEGARA MONETARY NOTE	820,000	\$258,005	0.06%	N/A	02/09/12
Y063658C0	BANK NEGARA MONETARY NOTE	1,505,000	\$473,078	0.11%	N/A	02/21/12
06051GDX4	BANK OF AMERICA CORP	500,000	\$476,873	0.11%	5.65%	05/01/18
060505DT8	BANK OF AMERICA CORP	1,600,000	\$1,438,000	0.33%	8.125%	05/15/18
072024NV0	BAY AREA TOLL AUTH CALIF TOLL	795,000	\$1,046,808	0.24%	7.043%	04/01/2050
07388YAG7	BEAR STEARNS COMMERCIAL MORTGA	750,000	\$721,293	0.17%	5.7125%	06/11/40
085789AD7	BERRY PETROLEUM CO	300,000	\$340,875	0.08%	10.25%	06/01/14
085789AE5	BERRY PETROLEUM CO	600,000	\$609,000	0.14%	6.75%	11/01/20
B3WT9L9	BOPARAN HOLDINGS LTD	700,000	\$736,133	0.17%	9.75%	04/30/18
101137AK3	BOSTON SCIENTIFIC CORP	800,000	\$894,224	0.21%	6%	01/15/20
12686CAY5	CABLEVISION SYSTEMS CORP	400,000	\$445,000	0.10%	8.625%	09/15/17
413627BL3	CAESARS ENTERTAINMENT OPERATIN	1,700,000	\$1,812,625	0.42%	11.25%	06/01/17
13063ACR3	CALIFORNIA ST	300,000	\$306,249	0.07%	5%	06/01/37
13063BJC7	CALIFORNIA ST	1,245,000	\$1,538,458	0.36%	7.6%	11/01/40
13063BBZ4	CALIFORNIA ST GO	65,000	\$73,934	0.02%	6%	11/01/39
13062TCA0	CALIFORNIA ST GO	115,000	\$117,295	0.03%	4.75%	09/01/31
13062T6X7	CALIFORNIA ST GO	120,000	\$121,417	0.03%	4.5%	12/01/32
13063BKC5	CALIFORNIA ST GO	225,000	\$236,493	0.05%	5.25%	11/01/40
13063AS54	CALIFORNIA ST GO	530,000	\$541,061	0.13%	5%	04/01/38
13063BFR8	CALIFORNIA ST GO	600,000	\$738,810	0.17%	7.625%	03/01/40
13063AG65	CALIFORNIA ST GO	2,655,000	\$2,757,960	0.64%	5.25%	03/01/38
131347BS4	CALPINE CORP	200,000	\$216,500	0.05%	7.875%	07/31/20



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INVESTMENTS**

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131347BW5	CALPINE CORP	400,000	\$430,000	0.10%	7.5%	02/15/21
131347BY1	CALPINE CORP	700,000	\$756,000	0.17%	7.875%	01/15/23
B57J1B2	CAMPOFRIO FOOD GROUP SA	900,000	\$1,153,867	0.27%	8.25%	10/31/16
14043DAB7	CAPITAL ONE CAPITAL VI	900,000	\$937,319	0.22%	8.875%	05/15/40
B6WC5D3	CAPSUGEL FINANCECO SCA	300,000	\$395,570	0.09%	9.875%	08/01/19
147446AP3	CASE NEW HOLLAND INC	100,000	\$106,750	0.02%	7.75%	09/01/13
B43GVW1	CASE NEW HOLLAND INC	700,000	\$794,500	0.18%	7.875%	12/01/17
12502CAS0	CCH II LLC/CCH II CAPITAL CORP	283,344	\$328,679	0.08%	13.5%	11/30/16
1248EPAP8	CCO HOLDINGS LLC/CAPITAL CORP	400,000	\$440,000	0.10%	8.125%	04/30/20
1248EPAQ6	CCO HOLDINGS LLC/CAPITAL CORP	800,000	\$847,000	0.20%	7.25%	10/30/17
12513GAX7	CDW LLC/FINANCE CORP	1,000,000	\$1,012,500	0.23%	8.5%	04/01/19
SPD34VR1	CDX.NA.HY.17	13,720,000	(\$957,656)	-0.22%	5%	12/20/16
15080BAA4	CEDC FIN CORP INTL INC	400,000	\$285,000	0.07%	9.125%	12/01/16
151290BA0	CEMEX SAB DE CV	600,000	\$392,250	0.09%	3.75%	03/15/18
151290AZ6	CEMEX SAB DE CV	600,000	\$393,750	0.09%	3.25%	03/15/16
151290AW3	CEMEX SAB DE CV	900,000	\$723,748	0.17%	9%	01/11/18
15132VAJ9	CENT CDO LTD	88,014	\$71,136	0.02%	0.88%	03/11/21
156700AR7	CENTURYLINK INC	400,000	\$401,298	0.09%	6.45%	06/15/21
156700AL0	CENTURYLINK INC	800,000	\$812,178	0.19%	6%	04/01/17
125182AC9	CEVA GROUP PLC	100,000	\$95,750	0.02%	8.375%	12/01/17
125182AB1	CEVA GROUP PLC	200,000	\$184,720	0.04%	11.5%	04/01/18
15721AAC7	CEVA GROUP PLC	600,000	\$598,500	0.14%	11.625%	10/01/16
15941RAN0	CHAPARRAL ENERGY INC	400,000	\$434,000	0.10%	9.875%	10/01/20
15942RAB5	CHAPARRAL ENERGY INC	500,000	\$508,750	0.12%	8.25%	09/01/21
12545DAA6	CHC HELICOPTER SA	1,200,000	\$1,086,000	0.25%	9.25%	10/15/20
165167CC9	CHESAPEAKE ENERGY CORP	50,000	\$55,500	0.01%	7.25%	12/15/18
165167CD7	CHESAPEAKE ENERGY CORP	50,000	\$57,500	0.01%	9.5%	02/15/15
165167CF2	CHESAPEAKE ENERGY CORP	1,600,000	\$1,724,000	0.40%	6.625%	08/15/20
167736WL7	CHICAGO ILL WTR REV	475,000	\$496,831	0.11%	5.25%	11/01/38
125577BC9	CIT GROUP INC	400,000	\$416,000	0.10%	6.625%	04/01/18
125581GA0	CIT GROUP INC	1,500,000	\$1,500,000	0.35%	7%	05/02/17
17311QBM1	CITIGROUP COMMERCIAL MORTGAGE	1,081,000	\$1,067,864	0.25%	5.698%	06/10/17
17313KAF8	CITIGROUP COMMERCIAL MORTGAGE	1,400,000	\$1,561,380	0.36%	6.072%	12/10/49



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172967CQ2	CITIGROUP INC	400,000	\$396,179	0.09%	5%	09/15/14
172967EM9	CITIGROUP INC	400,000	\$427,525	0.10%	6.125%	11/21/17
172967FF3	CITIGROUP INC	1,000,000	\$1,029,681	0.24%	5.375%	08/09/20
12513EAK0	CITIGROUP/DEUTSCHE BANK COMMER	995,000	\$893,004	0.21%	5.399%	07/15/44
178760AA2	CITYCENTER HLDGS/FINANCE	100,000	\$103,000	0.02%	7.625%	01/15/16
12561EAK1	CKE RESTAURANTS INC	467,000	\$511,365	0.12%	11.375%	07/15/18
B5MC2T1	CLEAR CHANNEL COMMUNICATIONS I	1,800,000	\$1,525,500	0.35%	9%	03/01/21
189342UP1	CLOVIS CALIF UNI SCH DIST	140,000	\$66,542	0.02%	N/A	08/01/26
189342US5	CLOVIS CALIF UNI SCH DIST	190,000	\$73,606	0.02%	N/A	08/01/29
189342UQ9	CLOVIS CALIF UNI SCH DIST	185,000	\$82,171	0.02%	N/A	08/01/27
189342UN6	CLOVIS CALIF UNI SCH DIST	275,000	\$139,568	0.03%	N/A	08/01/25
18948KAB8	CLUBCORP CLUB OPERATIONS INC	900,000	\$868,500	0.20%	10%	12/01/18
125896BC3	CMS ENERGY CORP	600,000	\$713,646	0.17%	8.75%	06/15/19
19964QAB2	COLUMBUS NOVA CLO LTD	60,000	\$50,464	0.01%	1.4031%	10/15/21
17178NAC3	COMMERCIAL INDUSTRIAL FINANCE	640,000	\$522,844	0.12%	0.8203%	07/26/21
203372AH0	COMMSCOPE INC	900,000	\$904,500	0.21%	8.25%	01/15/19
12543DAF7	COMMUNITY HEALTH SYSTEMS INC	663,000	\$686,205	0.16%	8.875%	07/15/15
204386AM8	COMPAGNIE GENERALE DE GEOPHYSI	300,000	\$325,500	0.08%	9.5%	05/15/16
204386AK2	COMPAGNIE GENERALE DE GEOPHYSI	400,000	\$407,000	0.09%	7.75%	05/15/17
B764RC5	COMPAGNIE GENERALE DE GEOPHYSI	600,000	\$585,000	0.14%	6.5%	06/01/21
20854PAF6	CONSOL ENERGY INC	100,000	\$111,000	0.03%	8.25%	04/01/20
20854PAG4	CONSOL ENERGY INC	200,000	\$203,000	0.05%	6.375%	03/01/21
20854PAD1	CONSOL ENERGY INC	400,000	\$440,000	0.10%	8%	04/01/17
22545RAB2	CREDIT SUISSE MORTGAGE CAPITAL	59,412	\$54,800	0.01%	0.4483%	10/15/21
226566AM9	CRICKET COMMUNICATIONS INC	1,100,000	\$965,250	0.22%	7.75%	10/15/20
228227AZ7	CROWN CASTLE INTERNATIONAL COR	300,000	\$326,625	0.08%	9%	01/15/15
228227BA1	CROWN CASTLE INTERNATIONAL COR	400,000	\$434,000	0.10%	7.125%	11/01/19
22764LAB9	CRTX ENRG LP/CRTX ENRG FINC CO	1,000,000	\$1,097,500	0.25%	8.875%	02/15/18
126304AK0	CSC HOLDINGS LLC	300,000	\$331,500	0.08%	7.625%	07/15/18
B5MR4X4	CSC HOLDINGS LLC	400,000	\$423,000	0.10%	6.75%	11/15/21
23918KAL2	DAVITA INC	200,000	\$205,250	0.05%	6.375%	11/01/18
242370AC8	DEAN FOODS CO	1,000,000	\$1,070,000	0.25%	9.75%	12/15/18
245217AS3	DEL MONTE CORPORATION	1,100,000	\$1,061,500	0.25%	7.625%	02/15/19



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25212W100	DEX ONE CORP	2,967	\$4,925	0.00%	N/A	N/A
25380WAA4	DIGICEL GROUP LTD	800,000	\$792,000	0.18%	8.875%	01/15/15
25459HAW5	DIRECTV HOLDINGS LLC/FINANCING	800,000	\$833,036	0.19%	4.6%	02/15/21
27876GBH0	DISH DBS CORP	250,000	\$276,250	0.06%	7.75%	05/31/15
27876GBE7	DISH DBS CORP	1,400,000	\$1,515,500	0.35%	7.125%	02/01/16
B4MD1Q7	EACCESS LTD	200,000	\$224,775	0.05%	8.375%	04/01/18
26938NAA9	EACCESS LTD	300,000	\$285,000	0.07%	8.25%	04/01/18
B1YSZK1	EDCON PTY LTD	600,000	\$576,610	0.13%	4.676%	06/15/14
EI5816935	EGYPT TREASURY BILL	1,200,000	\$195,416	0.05%	N/A	02/21/12
28336LBV0	EL PASO CORP	200,000	\$217,126	0.05%	6.5%	09/15/20
28336LBQ1	EL PASO CORP	600,000	\$660,241	0.15%	7%	06/15/17
29100PAB8	EMERGENCY MEDICAL SERVICES COR	900,000	\$902,250	0.21%	8.125%	06/01/19
29264FAG1	ENDO PHARMACEUTICALS HOLDINGS	200,000	\$214,000	0.05%	7%	07/15/19
29273VAC4	ENERGY TRANSFER EQUITY LP	1,200,000	\$1,317,000	0.30%	7.5%	10/15/20
29276KAP6	ENERGY XXI GULF COAST INC	1,100,000	\$1,199,000	0.28%	9.25%	12/15/17
293791AW9	ENTERPRISE PRODUCTS OPERATING	800,000	\$833,017	0.19%	7.034%	01/15/2068
29843XAA5	EURAMAX INTERNATIONAL INC	700,000	\$549,500	0.13%	9.5%	04/01/16
302051AQ0	EXIDE TECHNOLOGIES	300,000	\$232,500	0.05%	8.625%	02/01/18
302154AT6	EXPORT-IMPORT BANK OF KOREA	100,000	\$111,035	0.03%	8.125%	01/21/14
302203AA2	EXPRO FINANCE LUXEMBOURG	1,200,000	\$1,062,000	0.25%	8.5%	12/15/16
31413YQ53	FANNIE MAE	3,353	\$3,696	0.00%	6%	11/01/37
31415V2L8	FANNIE MAE	6,421	\$6,942	0.00%	5.5%	09/01/23
31413Y4X6	FANNIE MAE	7,626	\$8,219	0.00%	5%	11/01/22
31415BKS7	FANNIE MAE	9,221	\$10,162	0.00%	6%	06/01/38
31371NL45	FANNIE MAE	11,970	\$13,011	0.00%	5.5%	10/01/17
31413BSU6	FANNIE MAE	14,952	\$16,740	0.00%	6.5%	10/01/37
31416H4F9	FANNIE MAE	20,185	\$21,729	0.01%	5%	12/01/23
31412X5A8	FANNIE MAE	22,634	\$24,668	0.01%	5.5%	07/01/37
31416HYD1	FANNIE MAE	24,046	\$25,886	0.01%	5%	01/01/24
31411ATU9	FANNIE MAE	24,522	\$26,757	0.01%	5.5%	11/01/36
31408AAA8	FANNIE MAE	25,168	\$28,397	0.01%	6.5%	11/01/35
31403DVZ9	FANNIE MAE	33,713	\$37,870	0.01%	6.5%	11/01/36
31413GHH6	FANNIE MAE	36,695	\$40,452	0.01%	6%	07/01/37



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31414EQ72	FANNIE MAE	38,506	\$41,452	0.01%	5%	07/01/23
31415AUC3	FANNIE MAE	39,054	\$42,564	0.01%	5.5%	04/01/38
31415RVD3	FANNIE MAE	40,552	\$43,282	0.01%	4.5%	07/01/23
31371NGH2	FANNIE MAE	39,518	\$43,564	0.01%	6%	07/01/37
31418P6G5	FANNIE MAE	41,043	\$43,723	0.01%	4.5%	03/01/40
31415CNR4	FANNIE MAE	41,587	\$45,832	0.01%	6%	03/01/38
31417KVY0	FANNIE MAE	43,485	\$46,385	0.01%	4.5%	09/01/24
31412XZS6	FANNIE MAE	48,283	\$53,226	0.01%	6%	07/01/37
31410GNP4	FANNIE MAE	48,345	\$54,126	0.01%	6.5%	10/01/37
31418QS95	FANNIE MAE	58,075	\$61,866	0.01%	4.5%	04/01/40
31410YV76	FANNIE MAE	56,816	\$62,775	0.01%	6%	12/01/36
31410SQE0	FANNIE MAE	61,608	\$67,973	0.02%	6%	07/01/36
31411JZY5	FANNIE MAE	71,562	\$78,888	0.02%	6%	02/01/37
31409ELR0	FANNIE MAE	71,716	\$79,126	0.02%	6%	05/01/36
31410PAV5	FANNIE MAE	71,989	\$80,867	0.02%	6.5%	08/01/36
31410WMK1	FANNIE MAE	80,109	\$87,310	0.02%	5.5%	06/01/37
31413QM47	FANNIE MAE	80,056	\$88,252	0.02%	6%	09/01/37
31413ERY3	FANNIE MAE	87,078	\$94,905	0.02%	5.5%	07/01/37
31415QKZ8	FANNIE MAE	87,097	\$94,925	0.02%	5.5%	06/01/38
31415QMT0	FANNIE MAE	96,682	\$106,550	0.02%	6%	08/01/38
31404ML97	FANNIE MAE	106,024	\$115,852	0.03%	5.5%	03/01/34
31416CC53	FANNIE MAE	148,693	\$158,703	0.04%	4.5%	05/01/24
31417SYQ7	FANNIE MAE	159,366	\$169,772	0.04%	4.5%	11/01/39
31413QSJ8	FANNIE MAE	154,805	\$170,654	0.04%	6%	09/01/37
31419FW36	FANNIE MAE	199,446	\$212,468	0.05%	4.5%	11/01/40
31410NRU4	FANNIE MAE	195,059	\$215,212	0.05%	6%	08/01/36
31371NNU5	FANNIE MAE	207,734	\$226,405	0.05%	5.5%	12/01/37
31418NX21	FANNIE MAE	211,431	\$230,797	0.05%	5%	02/01/40
31411AS30	FANNIE MAE	218,093	\$240,626	0.06%	6%	11/01/36
31414KSQ4	FANNIE MAE	239,974	\$264,543	0.06%	6%	01/01/38
31410KG24	FANNIE MAE	265,287	\$289,131	0.07%	5.5%	02/01/38
31414FWW7	FANNIE MAE	274,366	\$297,954	0.07%	5.5%	09/01/23
31413T4N9	FANNIE MAE	271,852	\$299,684	0.07%	6%	12/01/37



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
31413YRR4	FANNIE MAE	288,453	\$317,984	0.07%	6%	11/01/37
31418UVU5	FANNIE MAE	320,968	\$341,925	0.08%	4.5%	06/01/40
31419AAH0	FANNIE MAE	319,868	\$352,515	0.08%	6%	12/01/38
31412QNU9	FANNIE MAE	327,743	\$356,483	0.08%	5%	09/01/39
31417UE35	FANNIE MAE	357,472	\$388,763	0.09%	5%	06/01/40
31419AX44	FANNIE MAE	366,434	\$390,359	0.09%	4.5%	12/01/40
31410KJY1	FANNIE MAE	369,082	\$408,256	0.09%	6%	05/01/38
31415UZD2	FANNIE MAE	514,029	\$566,494	0.13%	6%	09/01/38
3138A2MK2	FANNIE MAE	750,863	\$789,716	0.18%	4%	01/01/41
3138AGGG7	FANNIE MAE	990,795	\$1,055,486	0.24%	4.5%	05/01/41
3138AF2E9	FANNIE MAE	1,089,143	\$1,160,256	0.27%	4.5%	05/01/41
3138AALE9	FANNIE MAE	1,286,671	\$1,370,681	0.32%	4.5%	04/01/41
31418V4Y5	FANNIE MAE	2,129,049	\$2,302,775	0.53%	5%	08/01/40
3138AMUX1	FANNIE MAE	2,497,837	\$2,627,865	0.61%	4%	07/01/41
3128L3Z58	FEDERAL HOME LOAN MORTGAGE COR	16,685	\$18,360	0.00%	6%	12/01/37
3128M5J27	FEDERAL HOME LOAN MORTGAGE COR	19,977	\$21,976	0.01%	6%	11/01/37
3128M7H58	FEDERAL HOME LOAN MORTGAGE COR	23,567	\$25,917	0.01%	6%	02/01/39
3128PJRC3	FEDERAL HOME LOAN MORTGAGE COR	24,613	\$26,404	0.01%	5%	02/01/23
31294LSK0	FEDERAL HOME LOAN MORTGAGE COR	30,872	\$33,842	0.01%	5.5%	05/01/22
3128KUZE0	FEDERAL HOME LOAN MORTGAGE COR	32,188	\$35,812	0.01%	6%	08/01/37
3128MBUV7	FEDERAL HOME LOAN MORTGAGE COR	35,665	\$38,616	0.01%	5.5%	03/01/23
3128M5KF6	FEDERAL HOME LOAN MORTGAGE COR	40,874	\$44,459	0.01%	5.5%	05/01/37
312926NZ7	FEDERAL HOME LOAN MORTGAGE COR	49,122	\$54,036	0.01%	6%	01/01/38
312929S94	FEDERAL HOME LOAN MORTGAGE COR	79,948	\$86,871	0.02%	5.5%	11/01/38
3128M5ED8	FEDERAL HOME LOAN MORTGAGE COR	133,046	\$144,568	0.03%	5.5%	11/01/37
3128M5H45	FEDERAL HOME LOAN MORTGAGE COR	195,446	\$214,997	0.05%	6%	11/01/37
312943DQ3	FEDERAL HOME LOAN MORTGAGE COR	464,099	\$492,205	0.11%	4.5%	10/01/40
31292LCD5	FEDERAL HOME LOAN MORTGAGE COR	495,703	\$533,208	0.12%	5%	05/01/41
3132GDZZ8	FEDERAL HOME LOAN MORTGAGE COR	549,393	\$582,535	0.13%	4.5%	05/01/41
31292K4A2	FEDERAL HOME LOAN MORTGAGE COR	1,122,966	\$1,190,972	0.28%	4.5%	09/01/40
312942FQ3	FEDERAL HOME LOAN MORTGAGE COR	1,400,159	\$1,471,077	0.34%	4%	09/01/40
319963AY0	FIRST DATA CORP	1,400,000	\$1,260,000	0.29%	8.25%	01/15/21
30251GAH0	FMG RESOURCES AUGUST 2006 PTY	100,000	\$102,250	0.02%	8.25%	11/01/19



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
30251GAA5	FMG RESOURCES AUGUST 2006 PTY	200,000	\$198,875	0.05%	7%	11/01/15
30251GAC1	FMG RESOURCES AUGUST 2006 PTY	1,000,000	\$962,500	0.22%	6.875%	02/01/18
34460XAA7	FONTAINEBLEAU LAS VEGAS	150,000	\$93	0.00%	11%	06/15/15
345397VT7	FORD MOTOR CREDIT CO LLC	200,000	\$200,964	0.05%	5%	05/15/18
345397VU4	FORD MOTOR CREDIT CO LLC	500,000	\$521,867	0.12%	5.875%	08/02/21
345397VM2	FORD MOTOR CREDIT CO LLC	700,000	\$826,322	0.19%	8.125%	01/15/20
345397VN0	FORD MOTOR CREDIT CO LLC	800,000	\$862,000	0.20%	7%	04/15/15
345550AD9	FOREST CITY ENTERPRISES INC	400,000	\$395,000	0.09%	7.625%	06/01/15
B290DF0	FRANKLIN FLOATING RATE FUND II	3,316,932	\$29,454,362	6.82%	N/A	N/A
35687MAM9	FREESCALE SEMICONDUCTOR INC	99,000	\$101,970	0.02%	8.875%	12/15/14
35687MAP2	FREESCALE SEMICONDUCTOR INC	100,000	\$105,750	0.02%	10.125%	12/15/16
35687MAT4	FREESCALE SEMICONDUCTOR INC	200,000	\$214,750	0.05%	9.25%	04/15/18
B4XY8V3	FREESCALE SEMICONDUCTOR INC	300,000	\$283,500	0.07%	8.05%	02/01/20
B6QCFQ2	FREESCALE SEMICONDUCTOR INC	539,000	\$564,602	0.13%	10.75%	08/01/20
35804GAF5	FRESENIUS US FINANCE II	200,000	\$225,250	0.05%	9%	07/15/15
35906AAF5	FRONTIER COMMUNICATIONS CORP	100,000	\$102,750	0.02%	8.25%	04/15/17
35906AAH1	FRONTIER COMMUNICATIONS CORP	500,000	\$514,375	0.12%	8.5%	04/15/20
35906AAK4	FRONTIER COMMUNICATIONS CORP	900,000	\$895,500	0.21%	8.75%	04/15/22
B3Y1LY0	GALA GROUP FINANCE LTD	800,000	\$907,129	0.21%	8.875%	09/01/18
B45QZW7	GAZ CAPITAL SA (GAZPROM)	1,000,000	\$1,014,525	0.23%	5.092%	11/29/15
EH2921516	GENERAL ELECTRIC CAPITAL CORP	2,000,000	\$137,682	0.03%	8.5%	04/06/18
36962G4C5	GENERAL ELECTRIC CAPITAL CORP	200,000	\$219,176	0.05%	5.9%	05/13/14
369622SM8	GENERAL ELECTRIC CAPITAL CORP	1,500,000	\$1,605,754	0.37%	5.3%	02/11/21
375558AU7	GILEAD SCIENCES INC	500,000	\$530,181	0.12%	4.4%	12/01/21
375558AQ6	GILEAD SCIENCES INC	700,000	\$743,291	0.17%	4.5%	04/01/21
378663AC2	GLENEAGLES CLO LTD	1,300,000	\$1,040,006	0.24%	0.8294%	11/01/17
361860208	GMAC CAPITAL TRUST I	15,400	\$297,836	0.07%	N/A	N/A
36186CBV4	GMAC INC	200,000	\$203,000	0.05%	6.875%	08/28/12
36186CCA9	GMAC INC	300,000	\$296,250	0.07%	8%	12/31/18
382550BB6	GOODYEAR TIRE & RUBBER CO	1,100,000	\$1,204,500	0.28%	8.25%	08/15/20
36294S2Q9	GOVT NATL MORTG ASSN	30,572	\$33,907	0.01%	5%	06/15/37
36295QJ35	GOVT NATL MORTG ASSN	64,294	\$73,014	0.02%	5.5%	06/15/38
396789LL1	GREENWICH CAPITAL COMMERCIAL F	550,000	\$590,571	0.14%	5.224%	04/10/37



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
20173MAE0	GREENWICH CAPITAL COMMERCIAL F	565,000	\$629,706	0.15%	5.883%	07/10/38
398436AA3	GRIFOLS INC	500,000	\$527,500	0.12%	8.25%	02/01/18
36228CPT4	GS MORTGAGE SECURITIES CORP II	100,000	\$102,414	0.02%	4.608%	01/10/40
362332AE8	GS MORTGAGE SECURITIES CORP II	500,000	\$550,885	0.13%	5.56%	11/10/39
40412CAB7	HCA HOLDINGS INC	600,000	\$613,500	0.14%	7.75%	05/15/21
404119AR0	HCA INC	50,000	\$51,000	0.01%	6.5%	02/15/16
404119BJ7	HCA INC	200,000	\$217,000	0.05%	7.875%	02/15/20
404121AD7	HCA INC	700,000	\$717,500	0.17%	7.5%	02/15/22
421933AK8	HEALTH MANAGEMENT ASSOCIATES I	200,000	\$208,500	0.05%	7.375%	01/15/20
43739EBS5	HOMEBANC MORTGAGE TRUST	250,002	\$170,986	0.04%	0.5636%	10/25/35
40428HPB2	HSBC USA INC	1,200,000	\$1,135,580	0.26%	5%	09/27/20
B2QGP11	HUNGARY GOVERNMENT BOND	40,800,000	\$139,776	0.03%	6.5%	06/24/19
X9370VFT0	HUNGARY GOVERNMENT BOND	85,000,000	\$330,734	0.08%	6.75%	08/22/14
B00MQD0	HUNGARY GOVERNMENT BOND	116,000,000	\$414,680	0.10%	7.5%	11/12/20
7618848	HUNGARY GOVERNMENT BOND	285,900,000	\$1,096,992	0.25%	5.5%	02/12/14
B0SQ0P4	HUNGARY GOVERNMENT BOND	600,300,000	\$2,159,815	0.50%	5.5%	02/12/16
44701QAX0	HUNTSMAN INTERNATIONAL LLC	900,000	\$958,500	0.22%	8.625%	03/15/21
452152GS4	ILLINOIS ST	1,100,000	\$1,214,532	0.28%	7.35%	07/01/35
452152HU8	ILLINOIS ST	2,630,000	\$2,834,272	0.66%	5.877%	03/01/19
B1CLXS6	INDONESIA GOVERNMENT	230,000,000	\$36,046	0.01%	11.75%	08/15/23
B23GK97	INDONESIA GOVERNMENT	1,100,000,000	\$150,386	0.03%	9.5%	07/15/23
B17FWD1	INDONESIA GOVERNMENT	1,000,000,000	\$164,041	0.04%	12%	09/15/26
B114G54	INDONESIA GOVERNMENT	1,132,000,000	\$186,656	0.04%	12.9%	06/15/22
B0BSGY8	INDONESIA GOVERNMENT	1,278,000,000	\$188,969	0.04%	11%	11/15/20
B1W6P30	INDONESIA GOVERNMENT	2,126,000,000	\$303,314	0.07%	10%	09/15/24
B2490L7	INDONESIA GOVERNMENT	2,776,000,000	\$394,087	0.09%	10%	02/15/28
B1377F8	INDONESIA GOVERNMENT	4,800,000,000	\$708,632	0.16%	11.5%	09/15/19
B1FQ474	INDONESIA GOVERNMENT	5,381,000,000	\$826,015	0.19%	11%	09/15/25
B0Y51T6	INDONESIA GOVERNMENT	6,470,000,000	\$1,058,111	0.24%	12.8%	06/15/21
B02SKV2	INDONESIA RECAPITAL BOND	8,600,000,000	\$1,072,830	0.25%	14.25%	06/15/13
B564HT8	INDONESIA RETAIL BOND	4,000,000,000	\$458,958	0.11%	7.95%	08/15/13
B3S36Z8	INEOS FINANCE PLC	100,000	\$128,135	0.03%	9.25%	05/15/15
44984WAA5	INEOS FINANCE PLC	200,000	\$204,000	0.05%	9%	05/15/15



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
B0XZ3F7	INEOS GROUP HOLDINGS LTD	200,000	\$192,850	0.04%	7.875%	02/15/16
B0Y1967	INEOS GROUP HOLDINGS LTD	600,000	\$480,000	0.11%	8.5%	02/15/16
B53XM59	INFINIS PLC	100,000	\$157,654	0.04%	9.125%	12/15/14
45823WAA7	INTEGRA TELECOM INC	700,000	\$574,000	0.13%	10.75%	04/15/16
45820EAX0	INTELSAT JACKSON HOLDINGS SA	500,000	\$526,562	0.12%	11.25%	06/15/16
45824TAC9	INTELSAT JACKSON HOLDINGS SA	900,000	\$920,250	0.21%	7.25%	10/15/20
458204AH7	INTELSAT LUXEMBOURG SA	200,000	\$194,000	0.04%	11.25%	02/04/17
45867XAE4	INTERGEN NV	700,000	\$740,250	0.17%	9%	06/30/17
459745GF6	INTERNATIONAL LEASE FINANCE CO	600,000	\$607,500	0.14%	8.25%	12/15/20
459745GA7	INTERNATIONAL LEASE FINANCE CO	900,000	\$927,000	0.21%	6.75%	09/01/16
46122EAD7	INVENTIV HEALTH INC	300,000	\$276,000	0.06%	10%	08/15/18
46122EAA3	INVENTIV HEALTH INC	400,000	\$368,000	0.09%	10%	08/15/18
0685753	IRELAND REP OF	149,000	\$174,263	0.04%	4.6%	04/18/16
B28HXX0	IRELAND REP OF	224,000	\$236,504	0.05%	4.5%	10/18/18
B2QTFG5	IRELAND REP OF	277,000	\$287,225	0.07%	4.4%	06/18/19
3407448	IRELAND REP OF	379,000	\$380,168	0.09%	4.5%	04/18/20
B4TV0D4	IRELAND REP OF	479,000	\$490,752	0.11%	5.4%	03/13/25
B60Z619	IRELAND REP OF	624,000	\$646,583	0.15%	5%	10/18/20
G4935KAU4	IRELAND REP OF	663,000	\$744,612	0.17%	5.9%	10/18/19
B3KWYS2	IRELAND REP OF	690,000	\$835,642	0.19%	4%	01/15/14
B4Y8WK1	ISRAEL FIXED BOND	280,000	\$73,705	0.02%	4%	03/30/12
B39X9M5	ISRAEL GOVERNMENT BOND	2,101,000	\$566,654	0.13%	5%	03/31/13
M8489CLP5	ISRAEL GOVERNMENT BOND	3,495,000	\$929,143	0.22%	3.5%	09/30/13
M8489CMX7	ISRAEL TREASURY BILL - MAKAM	370,000	\$96,260	0.02%	N/A	05/02/12
EI5276056	ISRAEL TREASURY BILL - MAKAM	650,000	\$170,514	0.04%	N/A	01/04/12
B3QT1Z3	ISRAEL TREASURY BILL - MAKAM	720,000	\$188,159	0.04%	N/A	02/29/12
M8489CMR0	ISRAEL TREASURY BILL - MAKAM	5,090,000	\$1,332,451	0.31%	N/A	02/01/12
M8489CMU3	ISRAEL TREASURY BILL - MAKAM	7,440,000	\$1,939,821	0.45%	N/A	04/04/12
471109AD0	JARDEN CORP	100,000	\$107,000	0.02%	7.5%	01/15/20
471109AB4	JARDEN CORP	800,000	\$852,000	0.20%	7.5%	05/01/17
466112AC3	JBS USA LLC/FINANCE INC	500,000	\$568,125	0.13%	11.625%	05/01/14
46625HGY0	JPMORGAN CHASE & CO	400,000	\$446,727	0.10%	6%	01/15/18
46625HHU7	JPMORGAN CHASE & CO	800,000	\$806,791	0.19%	4.25%	10/15/20



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
48123QAA1	JPMORGAN CHASE CAP XXII	700,000	\$707,000	0.16%	6.45%	02/02/37
46625YNE9	JPMORGAN CHASE COMMERCIAL MTG	55,000	\$57,083	0.01%	4.78%	07/15/42
46630EAG5	JPMORGAN CHASE COMMERCIAL MTG	375,000	\$369,148	0.09%	5.464%	12/12/43
46625YA29	JPMORGAN CHASE COMMERCIAL MTG	375,000	\$371,861	0.09%	5.446%	12/12/44
48666KAM1	KB HOME	100,000	\$92,500	0.02%	6.25%	06/15/15
DDD461789	KERLING PLC	900,000	\$1,034,794	0.24%	10.625%	02/01/17
49456AAA1	KINDER MORGAN FINANCE CO LLC	1,100,000	\$1,124,750	0.26%	6%	01/15/18
B65N5F5	KINOVE GERMAN BONDCO GMBH	800,000	\$926,718	0.21%	10%	06/15/18
48248NAA8	KKR GROUP FINANCE CO	1,100,000	\$1,131,139	0.26%	6.375%	09/29/20
B2Q8QS1	KOREA TREASURY BOND	39,600,000	\$34,879	0.01%	5.25%	03/10/13
B24FDY9	KOREA TREASURY BOND	230,000,000	\$200,874	0.05%	5.25%	09/10/12
6605090	KOREA TREASURY BOND	581,000,000	\$503,981	0.12%	5%	03/26/13
B3P1NM1	KOREA TREASURY BOND	2,043,840,000	\$1,771,843	0.41%	3.75%	06/10/13
B51BMM2	KOREA TREASURY BOND	3,519,660,000	\$3,044,005	0.70%	4%	06/10/12
B4YV200	KOREA TREASURY BOND	4,980,000,000	\$4,328,225	1.00%	4.25%	12/10/12
B675T57	KOREA TREASURY BOND	7,026,900,000	\$6,024,192	1.39%	3%	12/10/13
52108MDH3	LB-UBS COMMERCIAL MORTGAGE TRU	350,000	\$387,858	0.09%	5.156%	02/15/31
SPD34VT3	LCDX.NA.17	43,000,000	(\$2,807,386)	-0.65%	2.5%	12/20/16
536022AG1	LINN ENERGY LLC/FINANCE CORP	200,000	\$199,500	0.05%	6.5%	05/15/19
536022AF3	LINN ENERGY LLC/FINANCE CORP	500,000	\$522,500	0.12%	7.75%	02/01/21
536022AC0	LINN ENERGY LLC/FINANCE CORP	500,000	\$545,000	0.13%	8.625%	04/15/20
55305BAE1	M/I HOMES INC	700,000	\$623,000	0.14%	8.625%	11/15/18
554273AC6	MACDERMID INC	800,000	\$800,000	0.19%	9.5%	04/15/17
Y55777S67	MALAYSIA GOVT	130,000	\$40,997	0.01%	2.711%	02/14/12
B298Y73	MALAYSIA GOVT	740,000	\$235,895	0.05%	3.7%	05/15/13
Y55777Y94	MALAYSIA GOVT	1,110,000	\$351,593	0.08%	3.21%	05/31/13
B2PDVF9	MALAYSIA GOVT	5,910,000	\$1,879,827	0.44%	3.461%	07/31/13
B1LCKL2	MALAYSIA GOVT	7,569,000	\$2,395,894	0.55%	3.718%	06/15/12
B0563S1	MALAYSIA GOVT	8,274,000	\$2,633,559	0.61%	3.702%	02/25/13
B5ZMWT8	MALAYSIA GOVT	8,960,000	\$2,819,033	0.65%	2.509%	08/27/12
Y5577BCY4	MALAYSIA TREASURY BILL	10,000	\$3,105	0.00%	N/A	07/27/12
B51X897	MALAYSIA TREASURY BILL	10,000	\$3,150	0.00%	N/A	01/20/12
B603FQ1	MALAYSIA TREASURY BILL	20,000	\$6,270	0.00%	N/A	03/23/12



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
B51VGS6	MALAYSIA TREASURY BILL	50,000	\$15,712	0.00%	N/A	02/24/12
Y557778N2	MALAYSIA TREASURY BILL	70,000	\$22,042	0.01%	N/A	01/27/12
Y5577BCR9	MALAYSIA TREASURY BILL	2,900,000	\$902,727	0.21%	N/A	06/29/12
563571AH1	MANITOWOC COMPANY INC/THE	500,000	\$529,375	0.12%	8.5%	11/01/20
563571AG3	MANITOWOC COMPANY INC/THE	600,000	\$642,000	0.15%	9.5%	02/15/18
56564PAH7	MAPS CLO FUND LLC	150,000	\$139,455	0.03%	1.067%	12/21/17
573334AB5	MARTIN MIDSTREAM PARTNERS LP	300,000	\$310,500	0.07%	8.875%	04/01/18
G59081AC6	MATALAN FINANCE LTD	600,000	\$625,804	0.14%	8.875%	04/29/16
584404AC1	MEDIA GENERAL INC	500,000	\$480,000	0.11%	11.75%	02/15/17
043353AJ0	MERITOR INC	900,000	\$850,500	0.20%	10.625%	03/15/18
59018YJ69	MERRILL LYNCH & CO INC	800,000	\$775,724	0.18%	6.4%	08/28/17
59156CAB7	METLIFE CAPITAL TRUST X	400,000	\$459,000	0.11%	9.25%	04/08/2068
59156RAP3	METLIFE INC	500,000	\$474,886	0.11%	6.4%	12/15/2066
591709AK6	METROPCS WIRELESS INC	800,000	\$815,000	0.19%	7.875%	09/01/18
B1QJKS5	MEXICAN FIXED RATE BONDS	5,500	\$42,264	0.01%	7.25%	12/15/16
B1B1H63	MEXICAN FIXED RATE BONDS	100,500	\$762,311	0.18%	9%	06/20/13
B2PGD74	MEXICAN FIXED RATE BONDS	122,800	\$966,499	0.22%	7.75%	12/14/17
2608510	MEXICAN FIXED RATE BONDS	262,000	\$1,954,556	0.45%	9%	12/20/12
B014ZQ1	MEXICAN FIXED RATE BONDS	280,000	\$2,123,250	0.49%	8%	12/19/13
552953AR2	MGM RESORTS INTERNATIONAL	1,400,000	\$1,337,000	0.31%	6.625%	07/15/15
594087AR9	MICHAELS STORES INC	1,200,000	\$1,218,000	0.28%	7.75%	11/01/18
B59M4R6	MOODY'S CORP	900,000	\$931,055	0.22%	5.5%	09/01/20
61747WAL3	MORGAN STANLEY	100,000	\$92,597	0.02%	5.5%	07/28/21
6174466Q7	MORGAN STANLEY	350,000	\$345,953	0.08%	6.625%	04/01/18
61747YCE3	MORGAN STANLEY	350,000	\$350,921	0.08%	6%	04/28/15
6174467P8	MORGAN STANLEY	800,000	\$728,347	0.17%	5.5%	07/24/20
B571T70	MUSKETEER GMBH	300,000	\$386,383	0.09%	9.5%	03/15/21
628530AP2	MYLAN INC	400,000	\$413,500	0.10%	6%	11/15/18
628530AL1	MYLAN INC	400,000	\$443,500	0.10%	7.875%	07/15/20
6422363	NEW SOUTH WALES TREASURY CORP	80,000	\$82,343	0.02%	6%	05/01/12
B1262F1	NEW SOUTH WALES TREASURY CORP	185,000	\$200,943	0.05%	5.5%	03/01/17
B61GVF0	NEW SOUTH WALES TREASURY CORP	2,080,000	\$2,181,661	0.50%	5.5%	08/01/13
64943QAA6	NEW YORK CITY INDUSTRIAL DEVEL	100,000	\$126,898	0.03%	11%	03/01/29



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
651715AK0	NEWPAGE CORP	1,000,000	\$745,000	0.17%	11.375%	12/31/14
R63339GS9	NORWEGIAN TREASURY BILL	6,000,000	\$997,095	0.23%	N/A	06/20/12
R63339GR1	NORWEGIAN TREASURY BILL	32,440,000	\$5,409,677	1.25%	N/A	03/21/12
B39VBY5	NOTA DO TESOURO NACIONAL NTN	200	\$232,763	0.05%	6%	05/15/17
B1L7ZR8	NOTA DO TESOURO NACIONAL NTN	1,010	\$1,170,333	0.27%	6%	05/15/15
B1VRLR0	NOTA DO TESOURO NACIONAL NTN	1,200	\$619,677	0.14%	9.6849%	01/01/17
B0THSG3	NOTA DO TESOURO NACIONAL NTN	2,215	\$1,188,761	0.28%	9.6849%	01/01/12
67000XAM8	NOVELIS INC	400,000	\$431,000	0.10%	8.75%	12/15/20
67000XAL0	NOVELIS INC	700,000	\$747,250	0.17%	8.375%	12/15/17
62947QAK4	NXP BV/NXP FUNDING LLC	700,000	\$772,625	0.18%	9.75%	08/01/18
676253AC1	OFFSHORE GROUP INVESTMENT LTD	600,000	\$651,750	0.15%	11.5%	08/01/15
704549AH7	PEABODY ENERGY CORP	200,000	\$211,000	0.05%	6.5%	09/15/20
704549AJ3	PEABODY ENERGY CORP	400,000	\$410,000	0.09%	6%	11/15/18
704549AE4	PEABODY ENERGY CORP	500,000	\$552,500	0.13%	7.375%	11/01/16
716016AC4	PETCO ANIMAL SUPPLIES INC	900,000	\$969,750	0.22%	9.25%	12/01/18
716495AN6	PETROHAWK ENERGY CORP	100,000	\$110,500	0.03%	6.25%	06/01/19
716495AH9	PETROHAWK ENERGY CORP	200,000	\$223,500	0.05%	10.5%	08/01/14
716495AD8	PETROHAWK ENERGY CORP	300,000	\$321,000	0.07%	7.875%	06/01/15
716495AL0	PETROHAWK ENERGY CORP	500,000	\$565,000	0.13%	7.25%	08/15/18
B1VVCG8	PHILIPPINE GOVERNMENT	1,980,000	\$45,353	0.01%	5.75%	02/21/12
B18W026	PHILIPPINE GOVERNMENT	8,130,000	\$197,395	0.05%	8.75%	03/03/13
Y6972FJW1	PHILIPPINE GOVERNMENT	10,070,000	\$234,590	0.05%	5.25%	09/24/12
B61JS25	PHILIPPINE GOVERNMENT	25,410,000	\$596,176	0.14%	5.25%	01/07/13
B5BVVR0	PHILIPPINE GOVERNMENT	32,100,000	\$777,481	0.18%	6.25%	01/27/14
Y6972FPU8	PHILIPPINE TREASURY BILL	190,000	\$4,305	0.00%	N/A	07/11/12
B42BN09	PHILIPPINE TREASURY BILL	1,040,000	\$23,704	0.01%	N/A	01/11/12
Y6972FQE3	PHILIPPINE TREASURY BILL	1,400,000	\$31,662	0.01%	N/A	09/05/12
EI5869843	PHILIPPINE TREASURY BILL	1,560,000	\$35,509	0.01%	N/A	02/22/12
EI7095538	PHILIPPINE TREASURY BILL	2,600,000	\$58,986	0.01%	N/A	06/13/12
Y6972FQD5	PHILIPPINE TREASURY BILL	3,180,000	\$71,956	0.02%	N/A	08/22/12
EI5669045	PHILIPPINE TREASURY BILL	4,460,000	\$101,566	0.02%	N/A	02/08/12
Y6972FNW6	PHILIPPINE TREASURY BILL	6,160,000	\$140,169	0.03%	N/A	03/07/12
B4VH2F6	PHILIPPINE TREASURY BILL	7,500,000	\$170,618	0.04%	N/A	03/21/12



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
723456AK5	PINNACLE ENTERTAINMENT INC	250,000	\$265,625	0.06%	8.625%	08/01/17
723456AG4	PINNACLE ENTERTAINMENT INC	400,000	\$398,000	0.09%	7.5%	06/15/15
72347QAG8	PINNACLE FOODS FINANCE LLC	300,000	\$313,500	0.07%	8.25%	09/01/17
72347QAC7	PINNACLE FOODS FINANCE LLC	600,000	\$618,750	0.14%	9.25%	04/01/15
726505AF7	PLAINS EXPLORATION & PRODUCTIO	300,000	\$319,500	0.07%	7.625%	06/01/18
726505AH3	PLAINS EXPLORATION & PRODUCTIO	400,000	\$441,500	0.10%	8.625%	10/15/19
726505AK6	PLAINS EXPLORATION & PRODUCTIO	500,000	\$527,500	0.12%	6.625%	05/01/21
B5MQDS9	POLAND GOVERNMENT	120,000	\$33,929	0.01%	N/A	07/25/12
DDD446710	POLAND GOVERNMENT	295,000	\$85,283	0.02%	N/A	01/25/12
B039PM0	POLAND GOVERNMENT	370,000	\$111,367	0.03%	6.25%	10/24/15
B29NPL9	POLAND GOVERNMENT	480,000	\$140,108	0.03%	5.25%	04/25/13
B463CP9	POLAND GOVERNMENT	665,000	\$183,807	0.04%	N/A	01/25/13
B5LG573	POLAND GOVERNMENT	750,000	\$209,583	0.05%	N/A	10/25/12
7441947	POLAND GOVERNMENT	1,160,000	\$332,846	0.08%	5.75%	09/23/22
B3DSHG6	POLAND GOVERNMENT	3,915,000	\$1,155,523	0.27%	5.75%	04/25/14
B4PF0N0	POLAND GOVERNMENT	4,700,000	\$1,267,624	0.29%	N/A	07/25/13
B1P1C20	POLAND GOVERNMENT	15,595,000	\$4,524,312	1.05%	4.75%	04/25/12
731011AR3	POLAND REPUBLIC OF	1,100,000	\$1,225,323	0.28%	6.375%	07/15/19
738850QR0	POWAY CALIF UNI SCH DIST	15,000	\$4,296	0.00%	N/A	08/01/33
738850QN9	POWAY CALIF UNI SCH DIST	25,000	\$8,947	0.00%	N/A	08/01/30
738850QQ2	POWAY CALIF UNI SCH DIST	30,000	\$9,253	0.00%	N/A	08/01/32
738850QK5	POWAY CALIF UNI SCH DIST	25,000	\$11,053	0.00%	N/A	08/01/27
B1HDLG1	QUEENSLAND TREASURY CORP	205,000	\$227,076	0.05%	6%	09/14/17
6516891	QUEENSLAND TREASURY CORP	495,000	\$523,733	0.12%	6%	08/14/13
B512TQ8	QUEENSLAND TREASURY CORP	2,115,000	\$2,225,545	0.52%	6%	08/21/13
74837RAF1	QUICKSILVER RESOURCES INC	50,000	\$57,000	0.01%	11.75%	01/01/16
74837RAG9	QUICKSILVER RESOURCES INC	300,000	\$319,500	0.07%	9.125%	08/15/19
74837RAE4	QUICKSILVER RESOURCES INC	500,000	\$520,000	0.12%	8.25%	08/01/15
75040PAP3	RADIO ONE INC	208,477	\$149,582	0.03%	6%	05/24/16
75524DAN0	RBS GLOBAL & REXNORD CORP	1,000,000	\$1,065,000	0.25%	8.5%	05/01/18
757710KN7	REDONDO BEACH CALIF UNI SCH DI	375,000	\$399,615	0.09%	6.461%	08/01/40
B4VBZJ3	REFRESKO GROUP BV	700,000	\$860,709	0.20%	7.375%	05/15/18
75913MAB5	REGIONS BANK	400,000	\$399,000	0.09%	7.5%	05/15/18



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
7591EPAG5	REGIONS FINANCIAL CORP	400,000	\$386,000	0.09%	5.75%	06/15/15
7591EPAF7	REGIONS FINANCIAL CORP	500,000	\$507,500	0.12%	7.75%	11/10/14
445545AD8	REPUBLIC OF HUNGARY	1,700,000	\$1,564,340	0.36%	6.25%	01/29/20
74959GAC4	REYNOLDS GROUP ISSUER INC/LLC/	100,000	\$95,500	0.02%	9%	04/15/19
74959HAB4	REYNOLDS GROUP ISSUER INC/LLC/	100,000	\$97,500	0.02%	9.875%	08/15/19
74959HAA6	REYNOLDS GROUP ISSUER INC/LLC/	100,000	\$105,000	0.02%	7.875%	08/15/19
74959GAA8	REYNOLDS GROUP ISSUER INC/LLC/	200,000	\$204,500	0.05%	7.125%	04/15/19
761735AA7	REYNOLDS GROUP ISSUER INC/LLC/	1,300,000	\$1,251,250	0.29%	9%	05/15/18
767754BX1	RITE AID CORP	500,000	\$550,000	0.13%	9.75%	06/12/16
767754CB8	RITE AID CORP	700,000	\$777,000	0.18%	8%	08/15/20
780153AJ1	ROYAL CARIBBEAN CRUISES LTD	100,000	\$105,250	0.02%	7.25%	03/15/18
4230814	RUSSIAN FEDERATION	1,664,990	\$1,936,591	0.45%	7.5%	03/31/30
797646NF9	SAN FRANCISCO CALIF CITY & CNT	200,000	\$228,790	0.05%	5.93%	06/15/28
797646NE2	SAN FRANCISCO CALIF CITY & CNT	225,000	\$257,163	0.06%	5.75%	06/15/27
799038EP5	SAN MATEO CNTY CALIF CMNTY COL	15,000	\$5,652	0.00%	N/A	03/01/31
799038EM2	SAN MATEO CNTY CALIF CMNTY COL	20,000	\$7,873	0.00%	N/A	09/01/30
799038DM3	SAN MATEO CNTY CALIF CMNTY COL	40,000	\$15,747	0.00%	N/A	09/01/30
80007PAL3	SANDRIDGE ENERGY INC	100,000	\$103,750	0.02%	8.75%	01/15/20
80007PAH2	SANDRIDGE ENERGY INC	200,000	\$215,000	0.05%	9.875%	05/15/16
80007PAC3	SANDRIDGE ENERGY INC	700,000	\$710,500	0.16%	8%	06/01/18
B4LX5K0	SEALED AIR CORP	100,000	\$111,000	0.03%	8.375%	09/15/21
81211KAQ3	SEALED AIR CORP	300,000	\$330,000	0.08%	8.125%	09/15/19
DDD461819	SEAT PAGINE GIALLE SPA	500,000	\$359,977	0.08%	10.5%	01/31/17
817409YA7	SEQUOIA CALIF UN HIGH SCH DIST	750,000	\$881,722	0.20%	6%	07/01/43
82088KAA6	SHEA HOMES LP/FUNDING CORP	700,000	\$656,250	0.15%	8.625%	05/15/19
82459AAA9	SHINGLE SPRINGS TRIBAL GAMING	400,000	\$228,000	0.05%	9.375%	06/15/15
B1VV2C4	SINGAPORE GOVERNMENT	1,190,000	\$922,204	0.21%	2.625%	04/01/12
Y7996FVL1	SINGAPORE TREASURY BILL	1,900,000	\$1,461,149	0.34%	N/A	11/01/12
78428EAB5	SITEL LLC/FINANCE CORP	700,000	\$519,750	0.12%	11.5%	04/01/18
Y9374MAF0	SOCIALIST REPUBLIC OF VIETNAM	700,000	\$703,062	0.16%	6.75%	01/29/20
834260AB7	SOLO CUP COMPANY	500,000	\$462,500	0.11%	8.5%	02/15/14
835574CB8	SONOMA CNTY CALIF PENSION OBLI	290,000	\$312,095	0.07%	6%	12/01/29
852061AK6	SPRINT NEXTEL CORP	600,000	\$631,500	0.15%	9%	11/15/18



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
852061AF7	SPRINT NEXTEL CORP	1,200,000	\$1,081,500	0.25%	8.375%	08/15/17
Y2835MYJ4	SRI LANKA GOVERNMENT BOND	90,000	\$832	0.00%	11.75%	03/15/15
Y2835MY70	SRI LANKA GOVERNMENT BOND	500,000	\$4,103	0.00%	6.6%	06/01/14
B3YJQ49	SRI LANKA GOVERNMENT BOND	530,000	\$4,417	0.00%	7%	03/01/14
Y2835MY88	SRI LANKA GOVERNMENT BOND	2,100,000	\$16,071	0.00%	6.4%	08/01/16
B5SR7Q2	SRI LANKA GOVERNMENT BOND	2,370,000	\$18,817	0.00%	6.5%	07/15/15
Y2835MCG4	SRI LANKA GOVERNMENT BOND	3,800,000	\$33,251	0.01%	8.5%	01/15/13
Y2835MYF2	SRI LANKA GOVERNMENT BOND	4,500,000	\$41,189	0.01%	13.5%	02/01/13
EH9476258	SRI LANKA GOVERNMENT BOND	13,200,000	\$119,877	0.03%	11.25%	07/15/14
Y2835MYP0	SRI LANKA GOVERNMENT BOND	15,000,000	\$136,135	0.03%	11%	08/01/15
Y2835M5M9	SRI LANKA T-BILL	120,000	\$1,045	0.00%	N/A	02/03/12
B3S4866	SRI LANKA T-BILL	260,000	\$2,257	0.00%	N/A	02/17/12
Y2835M5J6	SRI LANKA T-BILL	300,000	\$2,617	0.00%	N/A	01/27/12
Y2835NAV1	SRI LANKA T-BILL	500,000	\$4,118	0.00%	N/A	09/28/12
Y2835M8F1	SRI LANKA T-BILL	520,000	\$4,379	0.00%	N/A	07/06/12
Y2835M5P2	SRI LANKA T-BILL	760,000	\$6,610	0.00%	N/A	02/10/12
85590AAL8	STARWOOD HOTELS & RESORTS WORL	250,000	\$283,750	0.07%	6.75%	05/15/18
85590AAN4	STARWOOD HOTELS & RESORTS WORL	600,000	\$689,250	0.16%	7.15%	12/01/19
78464RAA3	STERLING MERGER INC	200,000	\$196,000	0.05%	11%	10/01/19
867363AL7	SUNGARD DATA SYSTEMS INC	100,000	\$104,125	0.02%	10.25%	08/15/15
B4NH9M0	SUNGARD DATA SYSTEMS INC	1,000,000	\$1,032,500	0.24%	7.625%	11/15/20
B59LBG1	SWEDEN GOVERNMENT BOND	20,430,000	\$3,009,192	0.70%	1.5%	08/30/13
7334821	SWEDEN KINGDOM OF	38,305,000	\$5,757,899	1.33%	5.5%	10/08/12
882330AQ6	TCEH CO LLC/TCEH FINANCE INC	926,000	\$513,930	0.12%	15%	04/01/21
882330AM5	TCEH CO LLC/TCEH FINANCE INC	700,000	\$597,625	0.14%	11.5%	10/01/20
882330AF0	TEXAS COMPETITIVE ELECTRIC HOL	300,000	\$108,000	0.02%	10.25%	11/01/15
DDD467143	THOMAS COOK GROUP	600,000	\$385,594	0.09%	7.75%	06/22/17
887317AH8	TIME WARNER INC	200,000	\$234,877	0.05%	6.1%	07/15/40
00184AAC9	TIME WARNER INC	600,000	\$775,568	0.18%	7.625%	04/15/31
893342AC9	TRANSUNION LLC/TRANSUNION FINA	100,000	\$114,750	0.03%	11.375%	06/15/18
87264MAB5	TRW AUTOMOTIVE INC	750,000	\$806,250	0.19%	7.25%	03/15/17
B1L6WG3	U K TREASURY NOTE/BOND	1,979,000	\$3,138,509	0.73%	5.25%	06/07/12
3046874	U K TREASURY NOTE/BOND	2,877,000	\$4,505,329	1.04%	5%	03/07/12



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
912810EM6	U S TREASURY BOND	80,000	\$121,062	0.03%	7.25%	08/15/22
912810ED6	U S TREASURY BOND	200,000	\$297,484	0.07%	8.125%	08/15/19
912810EQ7	U S TREASURY BOND	250,000	\$357,695	0.08%	6.25%	08/15/23
912810EB0	U S TREASURY BOND	300,000	\$453,796	0.11%	9%	11/15/18
912828HA1	U S TREASURY NOTE/BOND	130,000	\$156,589	0.04%	4.75%	08/15/17
912828LU2	U S TREASURY NOTE/BOND	300,000	\$332,765	0.08%	3.125%	10/31/16
912828HY9	U S TREASURY NOTE/BOND	400,000	\$415,531	0.10%	3.125%	04/30/13
912828DV9	U S TREASURY NOTE/BOND	400,000	\$448,844	0.10%	4.125%	05/15/15
912828KQ2	U S TREASURY NOTE/BOND	1,000,000	\$1,121,094	0.26%	3.125%	05/15/19
912828KT6	U S TREASURY NOTE/BOND	1,900,000	\$2,035,226	0.47%	2.375%	03/31/16
912828QV5	U S TREASURY NOTE/BOND I/L	703,315	\$752,711	0.17%	0.625%	07/15/21
912828QD5	U S TREASURY NOTE/BOND I/L	759,181	\$792,158	0.18%	0.125%	04/15/16
90261XEM0	UBS AG STAMFORD	800,000	\$834,092	0.19%	5.875%	12/20/17
B3SXD68	UKRAINE GOVERNMENT	1,900,000	\$1,653,000	0.38%	7.75%	09/23/20
911365AW4	UNITED RENTALS NORTH AMERICA I	1,200,000	\$1,176,000	0.27%	8.375%	09/15/20
913016AF8	UNITED SURGICAL PARTNERS INTER	800,000	\$808,000	0.19%	9.25%	05/01/17
913405AE6	UNIVERSAL CITY DEVELOPMENT	65,000	\$72,312	0.02%	8.875%	11/15/15
913405AG1	UNIVERSAL CITY DEVELOPMENT PAR	65,000	\$78,975	0.02%	10.875%	11/15/16
914906AM4	UNIVISION COMMUNICATIONS INC	500,000	\$485,000	0.11%	6.875%	05/15/19
914906AH5	UNIVISION COMMUNICATIONS INC	600,000	\$612,000	0.14%	7.875%	11/01/20
B41GH69	UPCB FINANCE II LTD	600,000	\$726,102	0.17%	6.375%	07/01/20
903202AA7	UPCB FINANCE III LTD	200,000	\$198,000	0.05%	6.625%	07/01/20
917288BD3	URUGUAY REPUBLIC OF	39,800,000	\$2,015,000	0.47%	4.375%	12/15/28
92203PAD8	VANGUARD HEALTH HDG CO II LLC/	650,000	\$648,375	0.15%	8%	02/01/18
922036AD0	VANGUARD HEALTH SYSTEMS INC	5,000	\$3,150	0.00%	N/A	02/01/16
922646BJ2	VENEZUELA REPUBLIC OF	700,000	\$709,642	0.16%	10.75%	09/19/13
92834UAB8	VISANT CORP (JOSTENS)	1,100,000	\$1,012,000	0.23%	10%	10/01/17
92922PAB2	W&T OFFSHORE INC	400,000	\$416,000	0.10%	8.5%	06/15/19
92976BLJ9	WACHOVIA BANK COMMERCIAL MORTG	495,011	\$443,132	0.10%	0.3583%	06/15/20
94980QAJ8	WELLS FARGO MORTGAGE BACKED SE	259,422	\$246,580	0.06%	2.7616%	11/25/34
94985TBC1	WELLS FARGO MORTGAGE BACKED SE	356,798	\$368,462	0.09%	5.5%	04/25/37
952355AK1	WEST CORP	1,100,000	\$1,097,250	0.25%	7.875%	01/15/19
95736XAA6	WESTCHESTER CLO LTD	418,637	\$369,604	0.09%	0.6544%	08/01/22



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
6407070	WESTERN AUSTRALIA TREASURY COR	280,000	\$303,177	0.07%	8%	06/15/13
B4WN026	WESTERN AUSTRALIA TREASURY COR	5,125,000	\$5,283,152	1.22%	5.5%	07/17/12
97314XAE4	WIND ACQUISITION FIN SA	1,100,000	\$979,687	0.23%	11.75%	07/15/17
B54G644	WIND ACQUISITION HOLDINGS FINA	120,671	\$113,819	0.03%	N/A	07/15/17
92933BAB0	WMG ACQUISITION CORP (WARNER M	500,000	\$545,000	0.13%	9.5%	06/15/16
98417EAK6	XSTRATA CANADA FINANCIAL CORP	700,000	\$716,249	0.17%	4.95%	11/15/21
DDD467924	ZIGGO BOND CO	700,000	\$915,070	0.21%	8%	05/15/18



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
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**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin Strategic Income Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
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- Please consult your financial advisor before deciding to invest. A copy of the latest prospectus, the annual report and semi-annual report, if published, thereafter can be found on our website www.franklintempleton.lu or can be obtained, free of charge, from Franklin Templeton International Services S.A. - Professional of the Financial Sector under the supervision of the Commission de Surveillance du Secteur Financier - 26 Boulevard Royal L-2449 Luxembourg - Tel: +352-46 66 67-1 - Fax: +352-46 66 76.*

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