



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

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.*

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	0	\$0	5%	06/01/34
GOVT NATL MORTG ASSN	32	\$37	9.5%	07/20/21
GOVT NATL MORTG ASSN	41	\$41	8.5%	06/15/17
GOVT NATL MORTG ASSN	49	\$52	10%	04/15/19
GOVT NATL MORTG ASSN	75	\$74	8.5%	06/15/21
GOVT NATL MORTG ASSN	77	\$90	9.5%	02/20/21
GOVT NATL MORTG ASSN	88	\$94	8%	12/15/22
GOVT NATL MORTG ASSN	100	\$106	9%	06/15/11
GOVT NATL MORTG ASSN	112	\$122	8.5%	02/15/17
GOVT NATL MORTG ASSN	118	\$129	8%	10/15/24
GOVT NATL MORTG ASSN	120	\$132	8.5%	02/15/17
GOVT NATL MORTG ASSN	144	\$164	7%	07/15/29
GOVT NATL MORTG ASSN	151	\$170	8.5%	01/15/17
GOVT NATL MORTG ASSN	166	\$188	7.5%	09/15/22
GOVT NATL MORTG ASSN	181	\$195	10%	03/15/16
GOVT NATL MORTG ASSN	179	\$196	8.5%	01/15/17
GOVT NATL MORTG ASSN	204	\$226	9%	03/15/17
GOVT NATL MORTG ASSN	228	\$233	8%	04/15/23
GOVT NATL MORTG ASSN	215	\$240	8%	10/15/17
GOVT NATL MORTG ASSN	213	\$247	8%	10/15/24
GOVT NATL MORTG ASSN	229	\$256	9.5%	06/15/20
GOVT NATL MORTG ASSN	246	\$275	8%	03/15/17
GOVT NATL MORTG ASSN	247	\$278	9.5%	07/20/18
GOVT NATL MORTG ASSN	258	\$289	8.5%	08/15/17
GOVT NATL MORTG ASSN	290	\$324	8%	05/15/17
GOVT NATL MORTG ASSN	291	\$326	8%	06/15/17
GOVT NATL MORTG ASSN	289	\$335	8%	05/15/27
GOVT NATL MORTG ASSN	315	\$339	10%	11/15/18
GOVT NATL MORTG ASSN	322	\$339	8%	11/15/22
GOVT NATL MORTG ASSN	304	\$346	8.5%	06/15/21
GOVT NATL MORTG ASSN	309	\$347	8.5%	08/15/17
GOVT NATL MORTG ASSN	310	\$356	9%	06/15/20
GOVT NATL MORTG ASSN	321	\$360	8.5%	03/15/17
GOVT NATL MORTG ASSN	330	\$361	8.5%	08/15/16
GOVT NATL MORTG ASSN	321	\$362	7%	03/15/22
GOVT NATL MORTG ASSN	342	\$384	8.5%	02/15/17
GOVT NATL MORTG ASSN	343	\$388	7%	06/15/23
GOVT NATL MORTG ASSN	365	\$392	9%	10/15/16
GOVT NATL MORTG ASSN	391	\$399	7.5%	10/15/22
GOVT NATL MORTG ASSN	373	\$412	8%	11/15/21



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	356	\$413	9.5%	10/15/20
GOVT NATL MORTG ASSN	377	\$417	8.5%	07/15/17
GOVT NATL MORTG ASSN	390	\$422	8.5%	06/15/16
GOVT NATL MORTG ASSN	380	\$431	9.5%	10/15/17
GOVT NATL MORTG ASSN	380	\$434	9.5%	09/20/18
GOVT NATL MORTG ASSN	390	\$452	8%	06/15/27
GOVT NATL MORTG ASSN	404	\$454	6.5%	03/15/28
GOVT NATL MORTG ASSN	404	\$454	8.5%	06/15/17
GOVT NATL MORTG ASSN	391	\$455	10%	06/15/19
GOVT NATL MORTG ASSN	400	\$462	8%	01/15/22
GOVT NATL MORTG ASSN	410	\$464	9.5%	10/20/17
GOVT NATL MORTG ASSN	405	\$467	8%	08/15/21
GOVT NATL MORTG ASSN	425	\$475	8%	06/15/17
GOVT NATL MORTG ASSN	470	\$477	7%	09/15/23
GOVT NATL MORTG ASSN	425	\$477	8.5%	01/15/17
GOVT NATL MORTG ASSN	421	\$479	7%	02/15/29
GOVT NATL MORTG ASSN	427	\$488	8%	09/15/23
GOVT NATL MORTG ASSN	438	\$490	8%	05/15/17
GOVT NATL MORTG ASSN	424	\$491	8%	10/15/27
GOVT NATL MORTG ASSN	465	\$513	9.5%	12/20/15
GOVT NATL MORTG ASSN	441	\$513	10%	06/15/20
GOVT NATL MORTG ASSN	495	\$518	8.5%	10/15/16
GOVT NATL MORTG ASSN	464	\$522	6.5%	04/15/28
GOVT NATL MORTG ASSN	455	\$522	9%	05/15/20
GOVT NATL MORTG ASSN	475	\$522	8.5%	09/15/16
GOVT NATL MORTG ASSN	452	\$523	8.5%	12/15/21
GOVT NATL MORTG ASSN	484	\$533	7.5%	05/15/17
GOVT NATL MORTG ASSN	488	\$535	8%	02/15/23
GOVT NATL MORTG ASSN	482	\$543	7%	03/15/22
GOVT NATL MORTG ASSN	495	\$545	9.5%	10/20/16
GOVT NATL MORTG ASSN	471	\$546	8%	10/15/27
GOVT NATL MORTG ASSN	481	\$558	8%	02/15/24
GOVT NATL MORTG ASSN	500	\$563	7%	11/15/22
GOVT NATL MORTG ASSN	504	\$565	8.5%	04/15/17
GOVT NATL MORTG ASSN	487	\$565	8%	11/15/24
GOVT NATL MORTG ASSN	497	\$571	8%	06/20/22
GOVT NATL MORTG ASSN	521	\$577	10%	02/15/16
GOVT NATL MORTG ASSN	518	\$585	7%	05/15/23
GOVT NATL MORTG ASSN	532	\$586	7.5%	03/15/17
GOVT NATL MORTG ASSN	511	\$589	8%	01/20/26
GOVT NATL MORTG ASSN	533	\$596	10%	07/15/17
GOVT NATL MORTG ASSN	530	\$599	7.5%	10/15/22
GOVT NATL MORTG ASSN	539	\$606	6.5%	09/15/28
GOVT NATL MORTG ASSN	539	\$607	7%	10/15/22



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	551	\$612	6.5%	04/15/26
GOVT NATL MORTG ASSN	544	\$619	9.5%	10/15/17
GOVT NATL MORTG ASSN	562	\$631	8.5%	02/15/17
GOVT NATL MORTG ASSN	649	\$640	8%	10/15/21
GOVT NATL MORTG ASSN	573	\$642	9.5%	08/20/18
GOVT NATL MORTG ASSN	559	\$648	8%	09/15/27
GOVT NATL MORTG ASSN	591	\$663	8.5%	05/15/17
GOVT NATL MORTG ASSN	613	\$675	7.5%	05/15/17
GOVT NATL MORTG ASSN	616	\$683	10%	02/15/16
GOVT NATL MORTG ASSN	611	\$684	8%	03/15/17
GOVT NATL MORTG ASSN	656	\$715	8.5%	06/15/17
GOVT NATL MORTG ASSN	642	\$725	7%	05/15/23
GOVT NATL MORTG ASSN	646	\$725	8.5%	03/15/17
GOVT NATL MORTG ASSN	737	\$732	8.5%	03/15/17
GOVT NATL MORTG ASSN	630	\$735	9.5%	04/20/25
GOVT NATL MORTG ASSN	665	\$737	10%	07/15/16
GOVT NATL MORTG ASSN	641	\$739	8%	10/15/22
GOVT NATL MORTG ASSN	669	\$742	9%	10/15/16
GOVT NATL MORTG ASSN	687	\$754	9.5%	08/20/16
GOVT NATL MORTG ASSN	675	\$757	8.5%	04/15/17
GOVT NATL MORTG ASSN	662	\$764	8%	06/15/28
GOVT NATL MORTG ASSN	701	\$773	8.5%	01/15/17
GOVT NATL MORTG ASSN	721	\$775	8.5%	01/15/17
GOVT NATL MORTG ASSN	694	\$800	9.5%	11/15/20
GOVT NATL MORTG ASSN	738	\$811	10%	10/15/17
GOVT NATL MORTG ASSN	706	\$817	8.5%	06/15/21
GOVT NATL MORTG ASSN	727	\$818	8%	08/15/18
GOVT NATL MORTG ASSN	709	\$820	8%	10/15/26
GOVT NATL MORTG ASSN	728	\$821	7%	11/15/22
GOVT NATL MORTG ASSN	732	\$821	8.5%	01/15/17
GOVT NATL MORTG ASSN	712	\$828	8.5%	11/15/26
GOVT NATL MORTG ASSN	729	\$829	7%	03/15/29
GOVT NATL MORTG ASSN	763	\$838	8.5%	04/15/17
GOVT NATL MORTG ASSN	757	\$842	8.5%	04/15/17
GOVT NATL MORTG ASSN	755	\$848	8.5%	06/15/17
GOVT NATL MORTG ASSN	778	\$851	8.5%	03/15/17
GOVT NATL MORTG ASSN	744	\$861	8%	02/15/28
GOVT NATL MORTG ASSN	773	\$865	8%	05/15/17
GOVT NATL MORTG ASSN	748	\$865	8%	11/15/23
GOVT NATL MORTG ASSN	795	\$879	8.5%	06/15/17
GOVT NATL MORTG ASSN	801	\$903	7%	11/15/22
GOVT NATL MORTG ASSN	814	\$910	8%	01/15/17
GOVT NATL MORTG ASSN	818	\$924	7%	01/15/23
GOVT NATL MORTG ASSN	841	\$944	8.5%	05/15/17



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	819	\$946	8%	09/15/22
GOVT NATL MORTG ASSN	820	\$950	8.5%	05/15/21
GOVT NATL MORTG ASSN	854	\$950	8.5%	04/15/17
GOVT NATL MORTG ASSN	855	\$956	9.5%	07/15/17
GOVT NATL MORTG ASSN	854	\$958	6.5%	05/15/29
GOVT NATL MORTG ASSN	909	\$1,020	8.5%	04/15/17
GOVT NATL MORTG ASSN	884	\$1,020	8%	07/15/22
GOVT NATL MORTG ASSN	921	\$1,021	10%	11/15/16
GOVT NATL MORTG ASSN	898	\$1,034	8%	07/20/23
GOVT NATL MORTG ASSN	900	\$1,043	8%	09/15/27
GOVT NATL MORTG ASSN	917	\$1,050	8.5%	03/15/20
GOVT NATL MORTG ASSN	921	\$1,067	8.5%	05/15/21
GOVT NATL MORTG ASSN	974	\$1,070	8.5%	04/15/17
GOVT NATL MORTG ASSN	976	\$1,095	8.5%	03/15/17
GOVT NATL MORTG ASSN	952	\$1,099	9%	03/15/21
GOVT NATL MORTG ASSN	950	\$1,100	8%	07/15/27
GOVT NATL MORTG ASSN	1,095	\$1,125	8.5%	03/15/17
GOVT NATL MORTG ASSN	1,129	\$1,144	7.5%	09/15/22
GOVT NATL MORTG ASSN	1,027	\$1,152	8.5%	07/15/17
GOVT NATL MORTG ASSN	1,022	\$1,153	7%	12/15/23
GOVT NATL MORTG ASSN	1,121	\$1,159	8.5%	06/15/18
GOVT NATL MORTG ASSN	1,046	\$1,173	8.5%	02/15/17
GOVT NATL MORTG ASSN	1,042	\$1,176	7%	05/15/23
GOVT NATL MORTG ASSN	1,036	\$1,179	7%	07/15/29
GOVT NATL MORTG ASSN	1,062	\$1,192	8.5%	01/15/17
GOVT NATL MORTG ASSN	1,086	\$1,198	9.5%	05/20/16
GOVT NATL MORTG ASSN	1,093	\$1,212	10%	05/15/16
GOVT NATL MORTG ASSN	1,051	\$1,216	8%	05/15/23
GOVT NATL MORTG ASSN	1,090	\$1,223	8.5%	05/15/17
GOVT NATL MORTG ASSN	1,077	\$1,223	7.5%	07/20/30
GOVT NATL MORTG ASSN	1,197	\$1,227	8.5%	05/15/22
GOVT NATL MORTG ASSN	1,087	\$1,243	9%	09/15/19
GOVT NATL MORTG ASSN	1,068	\$1,246	8.5%	10/15/27
GOVT NATL MORTG ASSN	1,145	\$1,280	7%	05/20/26
GOVT NATL MORTG ASSN	1,162	\$1,281	7.5%	04/15/17
GOVT NATL MORTG ASSN	1,127	\$1,281	7.5%	04/15/23
GOVT NATL MORTG ASSN	1,151	\$1,291	6.5%	01/15/29
GOVT NATL MORTG ASSN	1,118	\$1,291	8%	08/20/24
GOVT NATL MORTG ASSN	1,153	\$1,293	6.5%	02/15/29
GOVT NATL MORTG ASSN	1,126	\$1,311	8.5%	09/15/27
GOVT NATL MORTG ASSN	1,174	\$1,317	8.5%	02/15/17
GOVT NATL MORTG ASSN	1,215	\$1,334	8.5%	02/15/17
GOVT NATL MORTG ASSN	1,176	\$1,360	8%	09/15/23
GOVT NATL MORTG ASSN	1,337	\$1,362	8.5%	06/15/17



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	1,179	\$1,364	8.5%	05/15/22
GOVT NATL MORTG ASSN	1,228	\$1,374	8%	06/15/17
GOVT NATL MORTG ASSN	1,221	\$1,377	7%	09/15/22
GOVT NATL MORTG ASSN	1,231	\$1,382	8.5%	06/15/17
GOVT NATL MORTG ASSN	1,211	\$1,398	8%	12/15/21
GOVT NATL MORTG ASSN	1,247	\$1,398	6.5%	06/15/29
GOVT NATL MORTG ASSN	1,230	\$1,420	9%	11/15/21
GOVT NATL MORTG ASSN	1,288	\$1,445	8.5%	05/15/17
GOVT NATL MORTG ASSN	1,431	\$1,459	8.5%	07/15/17
GOVT NATL MORTG ASSN	1,308	\$1,468	8.5%	05/15/17
GOVT NATL MORTG ASSN	1,336	\$1,468	8.5%	03/15/17
GOVT NATL MORTG ASSN	1,335	\$1,470	8.5%	01/15/17
GOVT NATL MORTG ASSN	1,302	\$1,482	7%	05/15/29
GOVT NATL MORTG ASSN	1,328	\$1,485	9.5%	10/15/16
GOVT NATL MORTG ASSN	1,324	\$1,486	8.5%	05/15/17
GOVT NATL MORTG ASSN	1,308	\$1,509	8%	04/15/22
GOVT NATL MORTG ASSN	1,348	\$1,512	8.5%	11/15/17
GOVT NATL MORTG ASSN	1,377	\$1,512	8.5%	05/15/17
GOVT NATL MORTG ASSN	1,370	\$1,518	10%	04/15/16
GOVT NATL MORTG ASSN	1,330	\$1,540	8.5%	08/15/21
GOVT NATL MORTG ASSN	1,326	\$1,544	10%	03/15/19
GOVT NATL MORTG ASSN	1,348	\$1,558	9.5%	08/20/20
GOVT NATL MORTG ASSN	1,349	\$1,560	8%	10/20/29
GOVT NATL MORTG ASSN	1,352	\$1,578	10%	11/15/20
GOVT NATL MORTG ASSN	1,372	\$1,584	8%	02/20/24
GOVT NATL MORTG ASSN	1,449	\$1,592	8.5%	10/15/16
GOVT NATL MORTG ASSN	1,450	\$1,593	8.5%	10/15/16
GOVT NATL MORTG ASSN	1,383	\$1,596	8%	04/15/22
GOVT NATL MORTG ASSN	1,464	\$1,602	8.5%	04/15/17
GOVT NATL MORTG ASSN	1,431	\$1,604	8%	11/15/22
GOVT NATL MORTG ASSN	1,427	\$1,609	7%	09/15/22
GOVT NATL MORTG ASSN	1,396	\$1,616	8%	12/15/26
GOVT NATL MORTG ASSN	1,440	\$1,636	7%	01/15/30
GOVT NATL MORTG ASSN	1,441	\$1,644	8.5%	09/15/19
GOVT NATL MORTG ASSN	1,495	\$1,651	9.5%	06/20/16
GOVT NATL MORTG ASSN	1,469	\$1,656	7%	11/15/22
GOVT NATL MORTG ASSN	1,497	\$1,679	6.5%	03/15/29
GOVT NATL MORTG ASSN	1,534	\$1,694	6%	06/15/33
GOVT NATL MORTG ASSN	1,556	\$1,709	8.5%	06/15/16
GOVT NATL MORTG ASSN	1,506	\$1,714	7%	09/15/29
GOVT NATL MORTG ASSN	1,532	\$1,718	8.5%	01/15/17
GOVT NATL MORTG ASSN	1,535	\$1,722	8.5%	01/15/17
GOVT NATL MORTG ASSN	1,489	\$1,723	8.5%	04/15/21
GOVT NATL MORTG ASSN	1,581	\$1,736	8.5%	09/15/16



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	1,526	\$1,736	7%	03/15/29
GOVT NATL MORTG ASSN	1,563	\$1,754	8.5%	01/15/17
GOVT NATL MORTG ASSN	1,577	\$1,764	8%	07/15/17
GOVT NATL MORTG ASSN	1,530	\$1,770	8%	10/15/23
GOVT NATL MORTG ASSN	1,541	\$1,773	9.5%	12/15/18
GOVT NATL MORTG ASSN	1,588	\$1,795	7.5%	02/15/22
GOVT NATL MORTG ASSN	1,656	\$1,805	8.5%	07/15/17
GOVT NATL MORTG ASSN	1,585	\$1,834	8%	06/15/23
GOVT NATL MORTG ASSN	1,625	\$1,847	7%	02/15/28
GOVT NATL MORTG ASSN	1,647	\$1,848	8.5%	01/15/17
GOVT NATL MORTG ASSN	1,615	\$1,869	8%	12/15/26
GOVT NATL MORTG ASSN	1,674	\$1,878	6.5%	01/15/29
GOVT NATL MORTG ASSN	1,670	\$1,898	7%	09/15/31
GOVT NATL MORTG ASSN	1,651	\$1,919	8%	07/15/30
GOVT NATL MORTG ASSN	1,767	\$1,933	8.5%	02/15/17
GOVT NATL MORTG ASSN	1,669	\$1,935	10%	06/15/19
GOVT NATL MORTG ASSN	1,667	\$1,947	9.5%	02/20/25
GOVT NATL MORTG ASSN	1,717	\$1,953	7%	04/15/32
GOVT NATL MORTG ASSN	1,801	\$1,956	8.5%	11/15/16
GOVT NATL MORTG ASSN	1,762	\$1,976	8.5%	06/15/17
GOVT NATL MORTG ASSN	1,716	\$1,981	8%	07/20/24
GOVT NATL MORTG ASSN	1,732	\$1,999	8%	07/15/22
GOVT NATL MORTG ASSN	1,827	\$2,007	8.5%	12/15/16
GOVT NATL MORTG ASSN	1,788	\$2,009	6.5%	10/15/28
GOVT NATL MORTG ASSN	1,800	\$2,046	7%	02/15/28
GOVT NATL MORTG ASSN	1,831	\$2,054	8.5%	01/15/17
GOVT NATL MORTG ASSN	1,808	\$2,068	8%	10/15/22
GOVT NATL MORTG ASSN	1,866	\$2,069	10%	04/15/16
GOVT NATL MORTG ASSN	1,899	\$2,086	8.5%	11/15/16
GOVT NATL MORTG ASSN	1,837	\$2,087	7%	02/15/30
GOVT NATL MORTG ASSN	1,873	\$2,095	8%	04/15/17
GOVT NATL MORTG ASSN	1,822	\$2,110	8.5%	08/15/21
GOVT NATL MORTG ASSN	1,871	\$2,127	7%	08/15/28
GOVT NATL MORTG ASSN	1,935	\$2,154	7.5%	03/15/22
GOVT NATL MORTG ASSN	1,921	\$2,155	8.5%	06/15/17
GOVT NATL MORTG ASSN	1,876	\$2,156	8%	06/20/22
GOVT NATL MORTG ASSN	1,931	\$2,166	8.5%	01/15/17
GOVT NATL MORTG ASSN	1,971	\$2,182	6%	09/15/32
GOVT NATL MORTG ASSN	1,882	\$2,182	8%	08/15/24
GOVT NATL MORTG ASSN	1,907	\$2,190	9%	02/15/20
GOVT NATL MORTG ASSN	2,000	\$2,197	8.5%	06/15/16
GOVT NATL MORTG ASSN	1,967	\$2,207	8.5%	02/15/17
GOVT NATL MORTG ASSN	1,946	\$2,212	7%	03/15/30
GOVT NATL MORTG ASSN	2,106	\$2,219	9.5%	01/15/25



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	1,992	\$2,234	8.5%	02/15/17
GOVT NATL MORTG ASSN	1,995	\$2,238	8.5%	04/15/17
GOVT NATL MORTG ASSN	1,997	\$2,240	8.5%	04/15/17
GOVT NATL MORTG ASSN	2,017	\$2,262	6.5%	01/15/29
GOVT NATL MORTG ASSN	2,078	\$2,274	8.5%	02/15/17
GOVT NATL MORTG ASSN	1,954	\$2,276	10%	02/15/19
GOVT NATL MORTG ASSN	2,173	\$2,276	8%	05/15/22
GOVT NATL MORTG ASSN	2,041	\$2,290	8.5%	01/15/17
GOVT NATL MORTG ASSN	2,130	\$2,332	8%	05/15/17
GOVT NATL MORTG ASSN	2,105	\$2,333	8.5%	01/15/17
GOVT NATL MORTG ASSN	2,049	\$2,334	7.5%	05/15/28
GOVT NATL MORTG ASSN	2,122	\$2,336	8.5%	11/15/16
GOVT NATL MORTG ASSN	2,086	\$2,341	8.5%	01/15/17
GOVT NATL MORTG ASSN	2,104	\$2,362	6.5%	01/15/31
GOVT NATL MORTG ASSN	2,053	\$2,373	8%	09/15/25
GOVT NATL MORTG ASSN	2,038	\$2,378	10%	03/15/20
GOVT NATL MORTG ASSN	2,057	\$2,381	8%	02/15/23
GOVT NATL MORTG ASSN	2,174	\$2,389	8.5%	10/15/16
GOVT NATL MORTG ASSN	2,186	\$2,395	8.5%	12/15/16
GOVT NATL MORTG ASSN	2,112	\$2,402	7%	08/15/29
GOVT NATL MORTG ASSN	2,183	\$2,411	8.5%	03/15/17
GOVT NATL MORTG ASSN	2,150	\$2,412	8.5%	03/15/17
GOVT NATL MORTG ASSN	2,261	\$2,425	8.5%	01/15/17
GOVT NATL MORTG ASSN	2,104	\$2,428	8%	04/15/22
GOVT NATL MORTG ASSN	2,111	\$2,436	8%	01/15/22
GOVT NATL MORTG ASSN	2,269	\$2,437	8.5%	04/15/17
GOVT NATL MORTG ASSN	2,107	\$2,442	8%	08/15/27
GOVT NATL MORTG ASSN	2,232	\$2,454	8.5%	05/15/17
GOVT NATL MORTG ASSN	2,243	\$2,477	6%	05/15/33
GOVT NATL MORTG ASSN	2,308	\$2,535	8.5%	10/15/16
GOVT NATL MORTG ASSN	2,265	\$2,540	6.5%	05/15/29
GOVT NATL MORTG ASSN	2,266	\$2,542	8.5%	05/15/17
GOVT NATL MORTG ASSN	2,286	\$2,564	8.5%	05/15/17
GOVT NATL MORTG ASSN	2,216	\$2,564	8%	07/15/23
GOVT NATL MORTG ASSN	2,319	\$2,569	8%	12/15/16
GOVT NATL MORTG ASSN	2,342	\$2,572	8.5%	11/15/16
GOVT NATL MORTG ASSN	2,311	\$2,592	6.5%	07/15/29
GOVT NATL MORTG ASSN	2,354	\$2,595	7.5%	06/15/17
GOVT NATL MORTG ASSN	2,266	\$2,615	8%	10/15/22
GOVT NATL MORTG ASSN	2,395	\$2,651	6%	04/15/32
GOVT NATL MORTG ASSN	2,319	\$2,652	9.5%	10/20/22
GOVT NATL MORTG ASSN	2,430	\$2,661	9.5%	07/20/16
GOVT NATL MORTG ASSN	2,377	\$2,662	9.5%	12/20/16
GOVT NATL MORTG ASSN	2,419	\$2,672	6%	12/15/33



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	2,389	\$2,681	8.5%	06/15/17
GOVT NATL MORTG ASSN	2,394	\$2,686	8.5%	01/15/17
GOVT NATL MORTG ASSN	2,446	\$2,687	8.5%	08/15/16
GOVT NATL MORTG ASSN	2,451	\$2,693	8.5%	06/15/16
GOVT NATL MORTG ASSN	2,462	\$2,725	6%	01/15/32
GOVT NATL MORTG ASSN	2,432	\$2,727	6.5%	06/15/29
GOVT NATL MORTG ASSN	2,491	\$2,728	8.5%	04/15/17
GOVT NATL MORTG ASSN	2,356	\$2,728	8.5%	09/15/21
GOVT NATL MORTG ASSN	2,414	\$2,745	7%	08/15/31
GOVT NATL MORTG ASSN	2,482	\$2,747	6%	01/15/32
GOVT NATL MORTG ASSN	2,443	\$2,755	7.5%	12/15/21
GOVT NATL MORTG ASSN	2,509	\$2,756	8.5%	09/15/16
GOVT NATL MORTG ASSN	2,399	\$2,769	9.5%	12/20/20
GOVT NATL MORTG ASSN	2,434	\$2,769	9.5%	08/15/17
GOVT NATL MORTG ASSN	2,469	\$2,770	8.5%	01/15/17
GOVT NATL MORTG ASSN	2,474	\$2,775	8.5%	06/15/17
GOVT NATL MORTG ASSN	2,442	\$2,776	7.5%	11/15/26
GOVT NATL MORTG ASSN	2,426	\$2,790	9.5%	06/15/18
GOVT NATL MORTG ASSN	2,417	\$2,798	8.5%	05/15/21
GOVT NATL MORTG ASSN	2,472	\$2,806	8%	04/15/22
GOVT NATL MORTG ASSN	2,507	\$2,813	8.5%	01/15/17
GOVT NATL MORTG ASSN	2,511	\$2,816	6.5%	04/15/29
GOVT NATL MORTG ASSN	2,511	\$2,817	8.5%	02/15/17
GOVT NATL MORTG ASSN	2,516	\$2,823	8.5%	05/15/17
GOVT NATL MORTG ASSN	2,618	\$2,828	9%	07/15/17
GOVT NATL MORTG ASSN	2,530	\$2,830	8%	05/15/17
GOVT NATL MORTG ASSN	2,505	\$2,846	9.5%	09/15/17
GOVT NATL MORTG ASSN	2,514	\$2,849	7.5%	03/20/27
GOVT NATL MORTG ASSN	2,504	\$2,849	7%	05/15/29
GOVT NATL MORTG ASSN	2,463	\$2,853	9.5%	09/15/20
GOVT NATL MORTG ASSN	2,589	\$2,854	8.5%	03/15/17
GOVT NATL MORTG ASSN	2,531	\$2,855	10%	09/15/17
GOVT NATL MORTG ASSN	2,463	\$2,868	10%	04/15/19
GOVT NATL MORTG ASSN	2,593	\$2,870	6%	02/15/32
GOVT NATL MORTG ASSN	2,486	\$2,891	9.5%	06/15/25
GOVT NATL MORTG ASSN	2,510	\$2,903	9.5%	06/15/20
GOVT NATL MORTG ASSN	2,556	\$2,911	10.5%	06/15/19
GOVT NATL MORTG ASSN	2,608	\$2,931	6.5%	09/15/28
GOVT NATL MORTG ASSN	2,624	\$2,935	8%	05/15/17
GOVT NATL MORTG ASSN	2,532	\$2,937	10%	02/15/20
GOVT NATL MORTG ASSN	2,589	\$2,944	7%	07/15/28
GOVT NATL MORTG ASSN	2,647	\$2,970	8.5%	06/15/17
GOVT NATL MORTG ASSN	2,661	\$2,985	8.5%	04/15/17
GOVT NATL MORTG ASSN	2,599	\$2,999	8%	10/15/22



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	2,674	\$2,999	6.5%	01/15/29
GOVT NATL MORTG ASSN	2,676	\$3,003	8.5%	01/15/17
GOVT NATL MORTG ASSN	2,661	\$3,027	7%	05/15/32
GOVT NATL MORTG ASSN	2,712	\$3,042	8.5%	05/15/17
GOVT NATL MORTG ASSN	2,639	\$3,050	9.5%	11/20/20
GOVT NATL MORTG ASSN	2,837	\$3,116	8.5%	11/15/17
GOVT NATL MORTG ASSN	2,763	\$3,121	7%	06/15/23
GOVT NATL MORTG ASSN	2,828	\$3,123	6%	01/15/33
GOVT NATL MORTG ASSN	2,813	\$3,124	8.5%	06/15/17
GOVT NATL MORTG ASSN	2,861	\$3,142	8.5%	02/15/17
GOVT NATL MORTG ASSN	2,793	\$3,165	7.5%	01/20/27
GOVT NATL MORTG ASSN	2,843	\$3,189	8.5%	04/15/17
GOVT NATL MORTG ASSN	2,817	\$3,195	7.5%	06/20/28
GOVT NATL MORTG ASSN	2,752	\$3,205	10%	07/15/19
GOVT NATL MORTG ASSN	2,858	\$3,205	6.5%	04/15/29
GOVT NATL MORTG ASSN	2,819	\$3,207	7%	07/15/29
GOVT NATL MORTG ASSN	2,906	\$3,217	6%	02/15/32
GOVT NATL MORTG ASSN	3,227	\$3,228	8%	04/15/17
GOVT NATL MORTG ASSN	2,859	\$3,229	7%	07/15/23
GOVT NATL MORTG ASSN	2,889	\$3,232	8%	04/15/17
GOVT NATL MORTG ASSN	2,881	\$3,233	8.5%	06/15/17
GOVT NATL MORTG ASSN	2,790	\$3,233	8%	08/15/27
GOVT NATL MORTG ASSN	3,008	\$3,304	8.5%	11/15/16
GOVT NATL MORTG ASSN	3,017	\$3,330	8.5%	05/15/17
GOVT NATL MORTG ASSN	3,034	\$3,345	7.5%	05/15/17
GOVT NATL MORTG ASSN	2,986	\$3,350	8.5%	03/15/17
GOVT NATL MORTG ASSN	3,008	\$3,378	6.5%	09/20/26
GOVT NATL MORTG ASSN	3,022	\$3,381	8%	05/15/17
GOVT NATL MORTG ASSN	3,031	\$3,418	7%	10/15/22
GOVT NATL MORTG ASSN	3,116	\$3,423	8.5%	10/15/16
GOVT NATL MORTG ASSN	3,144	\$3,431	8.5%	02/15/17
GOVT NATL MORTG ASSN	3,115	\$3,444	9.5%	04/20/17
GOVT NATL MORTG ASSN	2,993	\$3,463	8%	03/15/23
GOVT NATL MORTG ASSN	3,146	\$3,474	6%	08/15/33
GOVT NATL MORTG ASSN	3,140	\$3,486	8.5%	03/15/17
GOVT NATL MORTG ASSN	3,118	\$3,489	8%	04/15/17
GOVT NATL MORTG ASSN	3,152	\$3,495	10%	04/15/16
GOVT NATL MORTG ASSN	3,131	\$3,511	6.5%	07/15/29
GOVT NATL MORTG ASSN	3,450	\$3,513	7%	10/15/22
GOVT NATL MORTG ASSN	3,135	\$3,516	6.5%	07/15/29
GOVT NATL MORTG ASSN	3,220	\$3,523	8.5%	01/15/17
GOVT NATL MORTG ASSN	3,187	\$3,527	6%	03/15/32
GOVT NATL MORTG ASSN	3,061	\$3,542	8%	01/15/23
GOVT NATL MORTG ASSN	3,188	\$3,571	9%	12/15/19



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	3,262	\$3,589	8.5%	12/15/16
GOVT NATL MORTG ASSN	3,117	\$3,592	8%	10/20/23
GOVT NATL MORTG ASSN	3,187	\$3,621	7%	02/15/30
GOVT NATL MORTG ASSN	3,132	\$3,625	8%	09/15/26
GOVT NATL MORTG ASSN	3,252	\$3,649	8.5%	05/15/17
GOVT NATL MORTG ASSN	3,214	\$3,656	7%	06/15/29
GOVT NATL MORTG ASSN	3,169	\$3,657	8%	05/15/22
GOVT NATL MORTG ASSN	3,478	\$3,663	9.5%	06/15/18
GOVT NATL MORTG ASSN	3,240	\$3,686	9.5%	01/15/17
GOVT NATL MORTG ASSN	3,269	\$3,700	7.5%	05/20/26
GOVT NATL MORTG ASSN	3,283	\$3,712	7.5%	10/15/22
GOVT NATL MORTG ASSN	3,310	\$3,713	8.5%	10/15/17
GOVT NATL MORTG ASSN	3,380	\$3,732	6%	08/15/33
GOVT NATL MORTG ASSN	3,385	\$3,738	6%	03/15/33
GOVT NATL MORTG ASSN	3,427	\$3,739	8.5%	03/15/17
GOVT NATL MORTG ASSN	3,251	\$3,751	8%	02/15/22
GOVT NATL MORTG ASSN	3,335	\$3,791	7%	05/15/28
GOVT NATL MORTG ASSN	3,389	\$3,803	8.5%	05/15/17
GOVT NATL MORTG ASSN	3,397	\$3,811	8.5%	01/15/17
GOVT NATL MORTG ASSN	3,377	\$3,823	7.5%	11/20/26
GOVT NATL MORTG ASSN	3,360	\$3,823	7.5%	03/15/27
GOVT NATL MORTG ASSN	3,478	\$3,825	8.5%	07/15/17
GOVT NATL MORTG ASSN	3,369	\$3,830	7%	08/15/31
GOVT NATL MORTG ASSN	3,525	\$3,873	8.5%	09/15/16
GOVT NATL MORTG ASSN	3,360	\$3,877	8%	07/15/22
GOVT NATL MORTG ASSN	3,461	\$3,881	6.5%	03/15/29
GOVT NATL MORTG ASSN	3,551	\$3,931	6%	05/15/29
GOVT NATL MORTG ASSN	3,389	\$3,948	10%	03/15/19
GOVT NATL MORTG ASSN	3,463	\$4,009	8%	11/15/26
GOVT NATL MORTG ASSN	3,648	\$4,038	6%	11/15/31
GOVT NATL MORTG ASSN	3,604	\$4,044	8.5%	06/15/17
GOVT NATL MORTG ASSN	3,775	\$4,047	8%	02/15/30
GOVT NATL MORTG ASSN	3,631	\$4,073	8.5%	01/15/17
GOVT NATL MORTG ASSN	3,706	\$4,102	6%	11/15/31
GOVT NATL MORTG ASSN	3,661	\$4,105	6.5%	04/15/29
GOVT NATL MORTG ASSN	3,673	\$4,128	6.5%	12/15/28
GOVT NATL MORTG ASSN	3,735	\$4,139	8.5%	04/15/17
GOVT NATL MORTG ASSN	3,810	\$4,145	7.5%	10/15/30
GOVT NATL MORTG ASSN	3,783	\$4,177	9%	09/20/16
GOVT NATL MORTG ASSN	3,777	\$4,180	6%	10/15/32
GOVT NATL MORTG ASSN	3,671	\$4,187	7.5%	09/15/30
GOVT NATL MORTG ASSN	3,619	\$4,188	8%	06/15/23
GOVT NATL MORTG ASSN	3,739	\$4,195	8.5%	03/15/17
GOVT NATL MORTG ASSN	3,913	\$4,201	8%	06/15/22



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	3,752	\$4,210	8.5%	03/15/17
GOVT NATL MORTG ASSN	3,676	\$4,215	9.5%	07/20/19
GOVT NATL MORTG ASSN	3,659	\$4,223	8%	10/15/22
GOVT NATL MORTG ASSN	3,753	\$4,269	7%	06/15/29
GOVT NATL MORTG ASSN	3,693	\$4,291	8%	07/15/30
GOVT NATL MORTG ASSN	3,767	\$4,301	10.5%	06/15/19
GOVT NATL MORTG ASSN	3,717	\$4,306	9.5%	08/15/22
GOVT NATL MORTG ASSN	3,815	\$4,307	7%	08/15/24
GOVT NATL MORTG ASSN	3,903	\$4,318	8.5%	02/15/17
GOVT NATL MORTG ASSN	3,828	\$4,319	10%	02/15/17
GOVT NATL MORTG ASSN	3,899	\$4,320	8%	12/15/16
GOVT NATL MORTG ASSN	3,854	\$4,324	8.5%	04/15/17
GOVT NATL MORTG ASSN	3,840	\$4,336	7%	05/15/23
GOVT NATL MORTG ASSN	3,882	\$4,343	8%	08/15/17
GOVT NATL MORTG ASSN	3,975	\$4,367	8.5%	04/15/17
GOVT NATL MORTG ASSN	3,810	\$4,375	9%	06/15/20
GOVT NATL MORTG ASSN	3,985	\$4,411	6%	05/15/32
GOVT NATL MORTG ASSN	3,987	\$4,413	6%	03/15/32
GOVT NATL MORTG ASSN	3,992	\$4,419	6%	05/15/28
GOVT NATL MORTG ASSN	4,008	\$4,447	9%	05/15/19
GOVT NATL MORTG ASSN	3,844	\$4,449	8%	10/15/26
GOVT NATL MORTG ASSN	3,967	\$4,450	8.5%	06/15/17
GOVT NATL MORTG ASSN	3,985	\$4,470	8.5%	06/15/17
GOVT NATL MORTG ASSN	4,091	\$4,494	8.5%	09/15/16
GOVT NATL MORTG ASSN	4,103	\$4,541	6%	11/15/31
GOVT NATL MORTG ASSN	4,079	\$4,546	8.5%	07/15/17
GOVT NATL MORTG ASSN	4,060	\$4,553	6.5%	05/15/29
GOVT NATL MORTG ASSN	4,141	\$4,573	6%	03/15/33
GOVT NATL MORTG ASSN	4,037	\$4,574	7.5%	09/20/27
GOVT NATL MORTG ASSN	4,054	\$4,577	7%	08/15/23
GOVT NATL MORTG ASSN	4,105	\$4,603	6.5%	03/15/29
GOVT NATL MORTG ASSN	4,117	\$4,606	8%	05/15/17
GOVT NATL MORTG ASSN	4,108	\$4,609	8.5%	06/15/17
GOVT NATL MORTG ASSN	4,124	\$4,627	8.5%	02/15/17
GOVT NATL MORTG ASSN	3,997	\$4,637	9.5%	07/15/20
GOVT NATL MORTG ASSN	4,096	\$4,642	7.5%	02/20/27
GOVT NATL MORTG ASSN	4,017	\$4,650	8%	12/15/26
GOVT NATL MORTG ASSN	4,290	\$4,711	8%	03/15/22
GOVT NATL MORTG ASSN	4,199	\$4,711	8.5%	04/15/17
GOVT NATL MORTG ASSN	4,095	\$4,726	8%	01/15/22
GOVT NATL MORTG ASSN	4,237	\$4,753	8.5%	03/15/17
GOVT NATL MORTG ASSN	4,183	\$4,753	7%	04/15/30
GOVT NATL MORTG ASSN	4,311	\$4,760	6%	04/15/33
GOVT NATL MORTG ASSN	4,152	\$4,792	8%	12/15/22



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	4,147	\$4,800	8%	10/15/26
GOVT NATL MORTG ASSN	4,342	\$4,805	6%	03/15/29
GOVT NATL MORTG ASSN	4,353	\$4,807	6%	05/15/33
GOVT NATL MORTG ASSN	4,378	\$4,834	8%	04/15/17
GOVT NATL MORTG ASSN	4,414	\$4,849	8.5%	08/15/16
GOVT NATL MORTG ASSN	4,205	\$4,868	10%	12/15/18
GOVT NATL MORTG ASSN	4,339	\$4,868	8.5%	02/15/17
GOVT NATL MORTG ASSN	4,367	\$4,899	8.5%	03/15/17
GOVT NATL MORTG ASSN	4,433	\$4,922	8.5%	03/15/17
GOVT NATL MORTG ASSN	4,368	\$4,933	7%	07/15/23
GOVT NATL MORTG ASSN	4,304	\$4,939	9.5%	05/15/18
GOVT NATL MORTG ASSN	4,303	\$4,966	8%	09/15/22
GOVT NATL MORTG ASSN	4,576	\$5,041	6%	11/15/23
GOVT NATL MORTG ASSN	4,582	\$5,071	6%	04/15/31
GOVT NATL MORTG ASSN	4,392	\$5,082	8%	09/15/23
GOVT NATL MORTG ASSN	4,587	\$5,104	11%	04/15/21
GOVT NATL MORTG ASSN	4,580	\$5,129	7%	10/20/29
GOVT NATL MORTG ASSN	4,453	\$5,138	8%	10/15/22
GOVT NATL MORTG ASSN	4,655	\$5,152	6%	04/15/29
GOVT NATL MORTG ASSN	4,601	\$5,157	6.5%	05/15/30
GOVT NATL MORTG ASSN	4,676	\$5,173	8.5%	02/15/17
GOVT NATL MORTG ASSN	4,696	\$5,186	6%	10/15/33
GOVT NATL MORTG ASSN	4,652	\$5,219	8.5%	06/15/17
GOVT NATL MORTG ASSN	4,656	\$5,224	8.5%	01/15/17
GOVT NATL MORTG ASSN	4,700	\$5,252	6.5%	02/15/27
GOVT NATL MORTG ASSN	4,761	\$5,258	6%	01/15/33
GOVT NATL MORTG ASSN	4,594	\$5,316	9.5%	02/15/19
GOVT NATL MORTG ASSN	4,816	\$5,330	6%	04/15/32
GOVT NATL MORTG ASSN	4,611	\$5,335	8%	01/15/23
GOVT NATL MORTG ASSN	4,632	\$5,346	8%	03/15/22
GOVT NATL MORTG ASSN	4,639	\$5,368	8%	08/15/23
GOVT NATL MORTG ASSN	4,739	\$5,406	7.5%	10/15/30
GOVT NATL MORTG ASSN	4,898	\$5,421	6%	04/15/32
GOVT NATL MORTG ASSN	4,775	\$5,426	7.5%	02/15/23
GOVT NATL MORTG ASSN	4,726	\$5,454	8%	06/15/22
GOVT NATL MORTG ASSN	4,828	\$5,470	8.5%	05/15/18
GOVT NATL MORTG ASSN	4,726	\$5,471	8.5%	08/15/21
GOVT NATL MORTG ASSN	4,953	\$5,489	8.5%	05/15/17
GOVT NATL MORTG ASSN	4,950	\$5,496	8.5%	02/15/17
GOVT NATL MORTG ASSN	4,964	\$5,499	8%	11/15/16
GOVT NATL MORTG ASSN	5,010	\$5,504	8.5%	09/15/16
GOVT NATL MORTG ASSN	4,786	\$5,523	8%	09/15/22
GOVT NATL MORTG ASSN	4,950	\$5,538	8%	01/15/17
GOVT NATL MORTG ASSN	5,011	\$5,622	8.5%	03/15/17



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	5,032	\$5,645	8.5%	02/15/17
GOVT NATL MORTG ASSN	5,149	\$5,656	8.5%	08/15/16
GOVT NATL MORTG ASSN	5,072	\$5,691	8.5%	06/15/17
GOVT NATL MORTG ASSN	5,184	\$5,695	8.5%	10/15/16
GOVT NATL MORTG ASSN	5,166	\$5,705	6%	04/15/33
GOVT NATL MORTG ASSN	5,258	\$5,724	5.5%	12/15/33
GOVT NATL MORTG ASSN	5,055	\$5,745	7.5%	05/15/26
GOVT NATL MORTG ASSN	5,127	\$5,752	8.5%	01/15/17
GOVT NATL MORTG ASSN	5,205	\$5,761	6%	05/15/32
GOVT NATL MORTG ASSN	5,154	\$5,792	6.5%	04/15/28
GOVT NATL MORTG ASSN	5,302	\$5,829	8.5%	04/15/17
GOVT NATL MORTG ASSN	5,198	\$5,832	8.5%	03/15/17
GOVT NATL MORTG ASSN	5,183	\$5,835	7.5%	08/20/22
GOVT NATL MORTG ASSN	5,210	\$5,846	8.5%	06/15/17
GOVT NATL MORTG ASSN	5,231	\$5,852	8%	02/15/17
GOVT NATL MORTG ASSN	5,221	\$5,909	7.5%	10/20/26
GOVT NATL MORTG ASSN	5,276	\$5,916	6.5%	09/15/29
GOVT NATL MORTG ASSN	5,114	\$5,920	8%	12/15/26
GOVT NATL MORTG ASSN	5,300	\$5,946	8.5%	06/15/17
GOVT NATL MORTG ASSN	5,296	\$5,980	7%	07/15/23
GOVT NATL MORTG ASSN	5,127	\$5,981	9%	01/15/25
GOVT NATL MORTG ASSN	5,351	\$6,042	7%	11/15/23
GOVT NATL MORTG ASSN	5,370	\$6,063	7%	07/15/23
GOVT NATL MORTG ASSN	5,425	\$6,069	8%	04/15/17
GOVT NATL MORTG ASSN	5,284	\$6,081	9.5%	08/15/18
GOVT NATL MORTG ASSN	5,453	\$6,086	8.5%	07/15/17
GOVT NATL MORTG ASSN	5,514	\$6,095	8%	03/15/17
GOVT NATL MORTG ASSN	5,258	\$6,096	8%	10/15/24
GOVT NATL MORTG ASSN	5,305	\$6,123	8%	10/15/22
GOVT NATL MORTG ASSN	5,460	\$6,126	8.5%	02/15/17
GOVT NATL MORTG ASSN	5,390	\$6,144	7.5%	10/15/29
GOVT NATL MORTG ASSN	5,322	\$6,161	8%	12/15/26
GOVT NATL MORTG ASSN	5,296	\$6,172	8.5%	09/15/26
GOVT NATL MORTG ASSN	5,340	\$6,194	9.5%	05/15/20
GOVT NATL MORTG ASSN	5,361	\$6,219	8%	01/15/28
GOVT NATL MORTG ASSN	5,486	\$6,235	7%	01/15/30
GOVT NATL MORTG ASSN	5,424	\$6,248	9.5%	11/15/21
GOVT NATL MORTG ASSN	5,419	\$6,280	8%	07/15/27
GOVT NATL MORTG ASSN	5,448	\$6,307	8.5%	06/15/21
GOVT NATL MORTG ASSN	5,590	\$6,313	7%	08/15/23
GOVT NATL MORTG ASSN	5,595	\$6,318	7%	08/15/23
GOVT NATL MORTG ASSN	5,460	\$6,328	8%	08/15/27
GOVT NATL MORTG ASSN	5,637	\$6,336	6.5%	02/15/28
GOVT NATL MORTG ASSN	5,504	\$6,348	8.5%	11/20/21



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	5,601	\$6,363	7.5%	06/20/30
GOVT NATL MORTG ASSN	5,783	\$6,377	8.5%	01/15/17
GOVT NATL MORTG ASSN	5,686	\$6,379	8.5%	02/15/17
GOVT NATL MORTG ASSN	5,614	\$6,380	7.5%	03/15/23
GOVT NATL MORTG ASSN	5,513	\$6,380	8%	08/15/23
GOVT NATL MORTG ASSN	5,695	\$6,390	8.5%	05/15/17
GOVT NATL MORTG ASSN	5,789	\$6,408	6%	03/15/31
GOVT NATL MORTG ASSN	5,724	\$6,421	8.5%	01/15/17
GOVT NATL MORTG ASSN	5,854	\$6,431	8.5%	07/15/16
GOVT NATL MORTG ASSN	5,534	\$6,445	10%	04/15/19
GOVT NATL MORTG ASSN	5,735	\$6,446	6.5%	11/15/28
GOVT NATL MORTG ASSN	5,596	\$6,475	8%	02/15/23
GOVT NATL MORTG ASSN	5,954	\$6,623	8.5%	06/15/17
GOVT NATL MORTG ASSN	5,862	\$6,627	7.5%	11/15/22
GOVT NATL MORTG ASSN	5,919	\$6,641	8.5%	02/15/17
GOVT NATL MORTG ASSN	5,834	\$6,641	7.5%	06/20/31
GOVT NATL MORTG ASSN	5,933	\$6,656	8.5%	03/15/17
GOVT NATL MORTG ASSN	5,940	\$6,664	8.5%	03/15/17
GOVT NATL MORTG ASSN	5,973	\$6,682	8%	07/15/17
GOVT NATL MORTG ASSN	5,837	\$6,757	8.5%	08/15/21
GOVT NATL MORTG ASSN	5,927	\$6,843	8%	10/20/24
GOVT NATL MORTG ASSN	6,034	\$6,856	7.5%	02/15/23
GOVT NATL MORTG ASSN	6,225	\$6,874	6%	05/15/33
GOVT NATL MORTG ASSN	6,108	\$6,897	7%	07/15/23
GOVT NATL MORTG ASSN	6,248	\$6,916	6%	12/15/32
GOVT NATL MORTG ASSN	6,128	\$6,920	7%	06/15/23
GOVT NATL MORTG ASSN	6,329	\$6,926	8.5%	01/15/17
GOVT NATL MORTG ASSN	5,996	\$6,941	8.5%	05/15/21
GOVT NATL MORTG ASSN	6,189	\$6,944	8.5%	04/15/17
GOVT NATL MORTG ASSN	6,190	\$6,945	8.5%	07/15/17
GOVT NATL MORTG ASSN	6,152	\$6,946	7%	06/15/23
GOVT NATL MORTG ASSN	6,193	\$6,948	8.5%	02/15/17
GOVT NATL MORTG ASSN	6,231	\$6,991	8.5%	01/15/17
GOVT NATL MORTG ASSN	6,061	\$6,994	8%	11/15/21
GOVT NATL MORTG ASSN	6,242	\$7,002	8.5%	03/15/17
GOVT NATL MORTG ASSN	6,196	\$7,041	7%	12/15/30
GOVT NATL MORTG ASSN	6,092	\$7,049	8%	06/15/23
GOVT NATL MORTG ASSN	6,246	\$7,098	7.5%	02/15/23
GOVT NATL MORTG ASSN	6,334	\$7,106	8.5%	07/15/17
GOVT NATL MORTG ASSN	6,309	\$7,124	7%	08/15/23
GOVT NATL MORTG ASSN	6,418	\$7,129	6.5%	03/15/26
GOVT NATL MORTG ASSN	6,304	\$7,135	7.5%	06/20/26
GOVT NATL MORTG ASSN	6,334	\$7,190	7%	04/15/26
GOVT NATL MORTG ASSN	6,382	\$7,252	7.5%	02/15/23



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	6,561	\$7,259	8.5%	03/15/17
GOVT NATL MORTG ASSN	6,557	\$7,266	9%	11/15/16
GOVT NATL MORTG ASSN	6,460	\$7,295	7%	08/15/23
GOVT NATL MORTG ASSN	6,518	\$7,313	8.5%	04/15/17
GOVT NATL MORTG ASSN	6,510	\$7,316	6.5%	02/15/28
GOVT NATL MORTG ASSN	6,665	\$7,321	8.5%	06/15/16
GOVT NATL MORTG ASSN	6,431	\$7,336	9%	09/15/20
GOVT NATL MORTG ASSN	6,454	\$7,338	7%	07/15/31
GOVT NATL MORTG ASSN	6,544	\$7,342	8.5%	04/15/17
GOVT NATL MORTG ASSN	6,345	\$7,361	8%	03/15/28
GOVT NATL MORTG ASSN	6,975	\$7,383	10%	10/15/11
GOVT NATL MORTG ASSN	6,674	\$7,387	6%	08/15/31
GOVT NATL MORTG ASSN	6,618	\$7,424	8.5%	01/15/17
GOVT NATL MORTG ASSN	6,551	\$7,445	7.5%	07/15/26
GOVT NATL MORTG ASSN	6,741	\$7,470	9%	11/15/16
GOVT NATL MORTG ASSN	6,598	\$7,488	11.5%	07/15/15
GOVT NATL MORTG ASSN	6,689	\$7,501	6.5%	07/15/29
GOVT NATL MORTG ASSN	6,626	\$7,507	8.5%	05/15/18
GOVT NATL MORTG ASSN	6,696	\$7,513	8.5%	06/15/17
GOVT NATL MORTG ASSN	6,706	\$7,524	8.5%	02/15/17
GOVT NATL MORTG ASSN	6,778	\$7,525	8.5%	02/15/17
GOVT NATL MORTG ASSN	6,544	\$7,552	8%	04/15/22
GOVT NATL MORTG ASSN	6,741	\$7,563	8.5%	05/15/17
GOVT NATL MORTG ASSN	6,687	\$7,569	7.5%	07/20/26
GOVT NATL MORTG ASSN	6,706	\$7,573	7%	05/15/23
GOVT NATL MORTG ASSN	6,899	\$7,578	8.5%	11/15/16
GOVT NATL MORTG ASSN	6,765	\$7,590	8.5%	03/15/17
GOVT NATL MORTG ASSN	6,728	\$7,597	7%	12/15/23
GOVT NATL MORTG ASSN	6,562	\$7,615	8.5%	07/15/24
GOVT NATL MORTG ASSN	6,932	\$7,641	7.5%	05/15/17
GOVT NATL MORTG ASSN	6,824	\$7,720	10.5%	04/15/25
GOVT NATL MORTG ASSN	6,906	\$7,748	8.5%	05/15/17
GOVT NATL MORTG ASSN	6,712	\$7,750	8%	06/20/24
GOVT NATL MORTG ASSN	6,921	\$7,765	8.5%	03/15/17
GOVT NATL MORTG ASSN	6,921	\$7,765	8.5%	02/15/17
GOVT NATL MORTG ASSN	6,930	\$7,772	6.5%	04/15/29
GOVT NATL MORTG ASSN	6,727	\$7,786	8%	09/15/26
GOVT NATL MORTG ASSN	6,897	\$7,789	7%	01/15/23
GOVT NATL MORTG ASSN	7,041	\$7,789	10%	06/15/20
GOVT NATL MORTG ASSN	7,033	\$7,794	9%	11/15/16
GOVT NATL MORTG ASSN	7,186	\$7,826	9.5%	02/15/21
GOVT NATL MORTG ASSN	6,842	\$7,896	8%	10/15/22
GOVT NATL MORTG ASSN	7,430	\$7,905	8%	08/15/22
GOVT NATL MORTG ASSN	7,068	\$7,930	8.5%	05/15/17



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	7,084	\$7,945	6.5%	05/15/29
GOVT NATL MORTG ASSN	7,090	\$7,954	8.5%	01/15/17
GOVT NATL MORTG ASSN	7,101	\$7,967	8.5%	05/15/17
GOVT NATL MORTG ASSN	7,783	\$7,971	8%	01/15/20
GOVT NATL MORTG ASSN	7,126	\$7,991	6.5%	01/15/29
GOVT NATL MORTG ASSN	7,220	\$7,991	6%	01/15/32
GOVT NATL MORTG ASSN	7,068	\$8,039	7%	03/15/32
GOVT NATL MORTG ASSN	7,282	\$8,071	8.5%	02/15/17
GOVT NATL MORTG ASSN	7,239	\$8,121	8.5%	03/15/17
GOVT NATL MORTG ASSN	7,250	\$8,134	8.5%	01/15/17
GOVT NATL MORTG ASSN	7,269	\$8,152	6.5%	04/15/29
GOVT NATL MORTG ASSN	7,226	\$8,158	6.5%	03/20/27
GOVT NATL MORTG ASSN	7,414	\$8,187	6%	01/15/33
GOVT NATL MORTG ASSN	7,332	\$8,241	6.5%	11/15/28
GOVT NATL MORTG ASSN	7,250	\$8,246	7%	02/15/32
GOVT NATL MORTG ASSN	7,420	\$8,266	8%	05/20/17
GOVT NATL MORTG ASSN	7,117	\$8,289	10%	01/15/19
GOVT NATL MORTG ASSN	7,397	\$8,299	8.5%	02/15/17
GOVT NATL MORTG ASSN	7,571	\$8,321	8.5%	11/15/16
GOVT NATL MORTG ASSN	7,437	\$8,340	6.5%	05/15/29
GOVT NATL MORTG ASSN	7,423	\$8,343	6.5%	03/15/28
GOVT NATL MORTG ASSN	7,437	\$8,344	8.5%	05/15/17
GOVT NATL MORTG ASSN	7,576	\$8,348	9%	05/20/16
GOVT NATL MORTG ASSN	7,336	\$8,351	7.5%	11/20/31
GOVT NATL MORTG ASSN	7,512	\$8,443	6.5%	10/15/28
GOVT NATL MORTG ASSN	7,378	\$8,473	9%	02/15/20
GOVT NATL MORTG ASSN	7,523	\$8,495	7%	06/15/23
GOVT NATL MORTG ASSN	7,575	\$8,499	8.5%	11/15/17
GOVT NATL MORTG ASSN	7,353	\$8,508	8%	06/15/23
GOVT NATL MORTG ASSN	7,401	\$8,542	8%	11/20/25
GOVT NATL MORTG ASSN	7,584	\$8,564	7%	05/15/23
GOVT NATL MORTG ASSN	7,782	\$8,594	6%	07/15/33
GOVT NATL MORTG ASSN	7,765	\$8,605	9%	10/15/16
GOVT NATL MORTG ASSN	7,656	\$8,605	6.5%	10/15/28
GOVT NATL MORTG ASSN	7,445	\$8,619	8.5%	11/15/21
GOVT NATL MORTG ASSN	7,520	\$8,632	8%	02/15/20
GOVT NATL MORTG ASSN	7,762	\$8,803	7.5%	09/20/28
GOVT NATL MORTG ASSN	7,861	\$8,877	7%	09/15/23
GOVT NATL MORTG ASSN	7,820	\$8,891	7%	07/15/31
GOVT NATL MORTG ASSN	7,923	\$8,906	6.5%	04/15/28
GOVT NATL MORTG ASSN	7,887	\$8,906	7%	06/15/23
GOVT NATL MORTG ASSN	7,992	\$8,966	8.5%	01/15/17
GOVT NATL MORTG ASSN	7,887	\$8,971	7%	06/15/29
GOVT NATL MORTG ASSN	8,088	\$8,983	10%	07/15/17



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	7,884	\$8,993	7.5%	10/15/30
GOVT NATL MORTG ASSN	8,149	\$9,000	6%	02/15/33
GOVT NATL MORTG ASSN	8,043	\$9,024	8.5%	02/15/17
GOVT NATL MORTG ASSN	8,031	\$9,069	7%	01/15/23
GOVT NATL MORTG ASSN	8,055	\$9,093	6.5%	10/20/27
GOVT NATL MORTG ASSN	8,013	\$9,106	7%	12/15/30
GOVT NATL MORTG ASSN	8,134	\$9,122	6.5%	02/15/29
GOVT NATL MORTG ASSN	8,341	\$9,123	8.5%	02/15/17
GOVT NATL MORTG ASSN	8,160	\$9,129	8%	06/15/17
GOVT NATL MORTG ASSN	8,273	\$9,157	6%	05/15/32
GOVT NATL MORTG ASSN	8,199	\$9,198	8.5%	04/15/17
GOVT NATL MORTG ASSN	8,226	\$9,214	6.5%	10/15/31
GOVT NATL MORTG ASSN	8,269	\$9,274	6.5%	02/15/29
GOVT NATL MORTG ASSN	8,180	\$9,305	7%	01/15/32
GOVT NATL MORTG ASSN	9,328	\$9,343	9%	01/20/17
GOVT NATL MORTG ASSN	8,231	\$9,354	7%	01/15/30
GOVT NATL MORTG ASSN	8,290	\$9,361	7%	09/15/23
GOVT NATL MORTG ASSN	8,250	\$9,366	7.5%	05/20/32
GOVT NATL MORTG ASSN	8,245	\$9,369	7.5%	01/15/23
GOVT NATL MORTG ASSN	8,200	\$9,373	7.5%	07/15/31
GOVT NATL MORTG ASSN	8,293	\$9,376	7.5%	11/15/22
GOVT NATL MORTG ASSN	8,207	\$9,472	8%	01/15/22
GOVT NATL MORTG ASSN	8,297	\$9,547	7.75%	03/15/27
GOVT NATL MORTG ASSN	8,521	\$9,559	8.5%	02/15/17
GOVT NATL MORTG ASSN	8,547	\$9,589	8.5%	01/15/17
GOVT NATL MORTG ASSN	8,286	\$9,591	8%	06/15/26
GOVT NATL MORTG ASSN	8,289	\$9,632	8%	06/15/30
GOVT NATL MORTG ASSN	8,614	\$9,637	8%	05/15/17
GOVT NATL MORTG ASSN	8,780	\$9,678	7.5%	06/15/17
GOVT NATL MORTG ASSN	8,708	\$9,833	7%	08/15/23
GOVT NATL MORTG ASSN	8,768	\$9,837	8.5%	04/15/17
GOVT NATL MORTG ASSN	8,936	\$9,849	7.5%	02/15/17
GOVT NATL MORTG ASSN	8,802	\$9,875	8.5%	07/15/17
GOVT NATL MORTG ASSN	8,953	\$9,887	8.5%	03/15/17
GOVT NATL MORTG ASSN	8,820	\$9,891	6.5%	09/15/29
GOVT NATL MORTG ASSN	8,817	\$9,891	8.5%	02/15/17
GOVT NATL MORTG ASSN	8,552	\$9,895	8%	02/15/23
GOVT NATL MORTG ASSN	8,857	\$9,937	8.5%	06/15/17
GOVT NATL MORTG ASSN	8,848	\$9,944	6.5%	11/15/28
GOVT NATL MORTG ASSN	8,606	\$9,963	8%	08/15/27
GOVT NATL MORTG ASSN	8,655	\$9,971	8.5%	01/20/22
GOVT NATL MORTG ASSN	8,903	\$9,989	8.5%	02/15/17
GOVT NATL MORTG ASSN	9,012	\$10,011	6.5%	07/15/26
GOVT NATL MORTG ASSN	8,928	\$10,035	6.5%	06/15/28



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	8,945	\$10,054	6.5%	02/15/28
GOVT NATL MORTG ASSN	9,098	\$10,207	8.5%	01/15/17
GOVT NATL MORTG ASSN	9,304	\$10,221	8.5%	07/15/16
GOVT NATL MORTG ASSN	9,114	\$10,225	8.5%	03/15/17
GOVT NATL MORTG ASSN	8,936	\$10,235	10.5%	08/15/20
GOVT NATL MORTG ASSN	9,101	\$10,277	7%	10/15/23
GOVT NATL MORTG ASSN	9,171	\$10,356	7%	09/15/23
GOVT NATL MORTG ASSN	9,254	\$10,382	8.5%	06/15/17
GOVT NATL MORTG ASSN	9,071	\$10,500	8.5%	06/15/21
GOVT NATL MORTG ASSN	9,363	\$10,500	6.5%	05/15/29
GOVT NATL MORTG ASSN	9,193	\$10,529	8.5%	04/15/20
GOVT NATL MORTG ASSN	9,332	\$10,550	7.5%	11/15/22
GOVT NATL MORTG ASSN	9,593	\$10,594	6%	10/15/33
GOVT NATL MORTG ASSN	9,239	\$10,662	8%	06/15/22
GOVT NATL MORTG ASSN	9,512	\$10,667	6.5%	01/15/29
GOVT NATL MORTG ASSN	9,744	\$10,694	7.5%	12/20/17
GOVT NATL MORTG ASSN	9,272	\$10,700	8%	04/15/22
GOVT NATL MORTG ASSN	9,244	\$10,712	8%	12/15/27
GOVT NATL MORTG ASSN	9,247	\$10,716	8%	10/15/27
GOVT NATL MORTG ASSN	9,711	\$10,725	6%	03/15/33
GOVT NATL MORTG ASSN	9,723	\$10,737	6%	10/15/33
GOVT NATL MORTG ASSN	9,751	\$10,748	7.5%	04/15/17
GOVT NATL MORTG ASSN	9,530	\$10,761	7%	07/15/23
GOVT NATL MORTG ASSN	9,898	\$10,776	5.5%	10/15/33
GOVT NATL MORTG ASSN	9,783	\$10,828	6%	05/15/32
GOVT NATL MORTG ASSN	9,599	\$10,839	7%	05/15/23
GOVT NATL MORTG ASSN	9,694	\$10,876	8.5%	04/15/17
GOVT NATL MORTG ASSN	9,832	\$10,882	6%	04/15/31
GOVT NATL MORTG ASSN	9,418	\$10,897	8%	01/15/23
GOVT NATL MORTG ASSN	9,415	\$10,941	8%	06/15/30
GOVT NATL MORTG ASSN	9,522	\$10,944	8%	07/20/22
GOVT NATL MORTG ASSN	9,638	\$10,964	9.5%	07/15/17
GOVT NATL MORTG ASSN	9,477	\$10,983	8%	08/15/27
GOVT NATL MORTG ASSN	9,533	\$11,002	8%	10/15/22
GOVT NATL MORTG ASSN	9,665	\$11,056	9%	11/15/19
GOVT NATL MORTG ASSN	10,068	\$11,118	6%	03/15/33
GOVT NATL MORTG ASSN	10,151	\$11,129	8%	12/15/21
GOVT NATL MORTG ASSN	9,620	\$11,135	8%	11/15/26
GOVT NATL MORTG ASSN	10,068	\$11,144	6%	12/15/31
GOVT NATL MORTG ASSN	9,869	\$11,220	7%	04/15/28
GOVT NATL MORTG ASSN	10,140	\$11,238	8.5%	02/15/17
GOVT NATL MORTG ASSN	10,252	\$11,262	8.5%	11/15/16
GOVT NATL MORTG ASSN	9,912	\$11,276	7%	06/15/29
GOVT NATL MORTG ASSN	10,073	\$11,300	8.5%	04/15/17



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	10,339	\$11,357	8.5%	11/15/16
GOVT NATL MORTG ASSN	10,351	\$11,403	6%	11/15/23
GOVT NATL MORTG ASSN	10,331	\$11,409	6%	10/15/33
GOVT NATL MORTG ASSN	9,823	\$11,415	8%	07/15/30
GOVT NATL MORTG ASSN	9,885	\$11,445	10%	03/15/18
GOVT NATL MORTG ASSN	10,081	\$11,455	7.5%	01/15/23
GOVT NATL MORTG ASSN	10,227	\$11,473	8.5%	06/15/17
GOVT NATL MORTG ASSN	10,390	\$11,500	6%	09/15/32
GOVT NATL MORTG ASSN	10,251	\$11,522	6.5%	11/15/28
GOVT NATL MORTG ASSN	9,880	\$11,528	8.5%	04/15/27
GOVT NATL MORTG ASSN	10,119	\$11,542	7.5%	12/15/30
GOVT NATL MORTG ASSN	10,155	\$11,551	7%	04/15/29
GOVT NATL MORTG ASSN	10,310	\$11,562	6.5%	04/15/29
GOVT NATL MORTG ASSN	10,450	\$11,566	6%	02/15/29
GOVT NATL MORTG ASSN	10,005	\$11,574	8%	03/15/27
GOVT NATL MORTG ASSN	10,013	\$11,635	8%	02/15/30
GOVT NATL MORTG ASSN	10,306	\$11,637	7%	11/15/23
GOVT NATL MORTG ASSN	10,317	\$11,649	7%	12/15/23
GOVT NATL MORTG ASSN	10,628	\$11,674	8.5%	11/15/17
GOVT NATL MORTG ASSN	10,417	\$11,683	6.5%	01/15/29
GOVT NATL MORTG ASSN	10,462	\$11,759	6.5%	04/15/28
GOVT NATL MORTG ASSN	10,632	\$11,768	6%	08/15/28
GOVT NATL MORTG ASSN	10,636	\$11,772	6%	10/15/31
GOVT NATL MORTG ASSN	10,629	\$11,779	9%	08/15/16
GOVT NATL MORTG ASSN	10,695	\$11,782	6%	11/15/23
GOVT NATL MORTG ASSN	10,192	\$11,798	8.5%	08/15/21
GOVT NATL MORTG ASSN	10,699	\$11,815	6%	01/15/33
GOVT NATL MORTG ASSN	10,820	\$11,875	8%	08/15/22
GOVT NATL MORTG ASSN	10,575	\$11,885	6.5%	12/15/28
GOVT NATL MORTG ASSN	10,599	\$11,886	6.5%	01/15/29
GOVT NATL MORTG ASSN	10,519	\$11,954	7%	12/15/30
GOVT NATL MORTG ASSN	10,603	\$11,973	7%	12/15/23
GOVT NATL MORTG ASSN	10,326	\$11,984	8%	07/15/30
GOVT NATL MORTG ASSN	10,883	\$12,014	9%	11/15/16
GOVT NATL MORTG ASSN	11,213	\$12,049	5%	03/20/33
GOVT NATL MORTG ASSN	10,495	\$12,053	9%	03/15/20
GOVT NATL MORTG ASSN	10,917	\$12,054	9%	12/20/16
GOVT NATL MORTG ASSN	10,757	\$12,068	8.5%	06/15/17
GOVT NATL MORTG ASSN	11,005	\$12,080	8.5%	04/15/17
GOVT NATL MORTG ASSN	10,344	\$12,116	10%	08/15/21
GOVT NATL MORTG ASSN	10,863	\$12,142	9.5%	08/15/16
GOVT NATL MORTG ASSN	10,522	\$12,175	8%	11/15/23
GOVT NATL MORTG ASSN	11,114	\$12,196	8.5%	05/15/17
GOVT NATL MORTG ASSN	11,123	\$12,260	7.5%	06/15/17



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	11,284	\$12,265	5.5%	04/15/34
GOVT NATL MORTG ASSN	10,897	\$12,305	7%	08/15/23
GOVT NATL MORTG ASSN	10,851	\$12,338	7%	02/15/31
GOVT NATL MORTG ASSN	10,696	\$12,376	8%	04/15/23
GOVT NATL MORTG ASSN	11,030	\$12,397	6.5%	12/15/28
GOVT NATL MORTG ASSN	11,071	\$12,416	6.5%	05/15/29
GOVT NATL MORTG ASSN	10,674	\$12,454	8.5%	07/15/27
GOVT NATL MORTG ASSN	11,270	\$12,474	6%	01/15/32
GOVT NATL MORTG ASSN	10,856	\$12,528	8%	05/15/22
GOVT NATL MORTG ASSN	11,054	\$12,543	6.5%	10/15/28
GOVT NATL MORTG ASSN	11,004	\$12,551	7.5%	09/15/30
GOVT NATL MORTG ASSN	11,254	\$12,626	8.5%	05/15/17
GOVT NATL MORTG ASSN	10,912	\$12,631	8%	10/15/26
GOVT NATL MORTG ASSN	11,359	\$12,647	6.5%	01/15/24
GOVT NATL MORTG ASSN	11,295	\$12,666	6.5%	05/15/29
GOVT NATL MORTG ASSN	11,225	\$12,675	7%	10/15/23
GOVT NATL MORTG ASSN	11,529	\$12,700	6%	11/15/23
GOVT NATL MORTG ASSN	11,326	\$12,701	6.5%	03/15/29
GOVT NATL MORTG ASSN	11,489	\$12,716	6%	08/15/31
GOVT NATL MORTG ASSN	11,200	\$12,734	7%	07/15/31
GOVT NATL MORTG ASSN	11,224	\$12,761	7%	03/15/31
GOVT NATL MORTG ASSN	11,059	\$12,762	8%	04/15/22
GOVT NATL MORTG ASSN	11,403	\$12,788	6.5%	01/15/29
GOVT NATL MORTG ASSN	11,052	\$12,793	8.5%	11/15/21
GOVT NATL MORTG ASSN	11,312	\$12,830	7.5%	11/20/28
GOVT NATL MORTG ASSN	11,734	\$12,890	8.5%	10/15/16
GOVT NATL MORTG ASSN	11,111	\$12,940	10%	07/15/19
GOVT NATL MORTG ASSN	11,096	\$12,946	8.5%	07/15/27
GOVT NATL MORTG ASSN	11,790	\$13,049	6%	10/15/32
GOVT NATL MORTG ASSN	11,942	\$13,118	8.5%	08/15/16
GOVT NATL MORTG ASSN	11,712	\$13,139	8.5%	03/15/17
GOVT NATL MORTG ASSN	11,748	\$13,179	8.5%	02/15/17
GOVT NATL MORTG ASSN	11,796	\$13,320	7%	02/15/23
GOVT NATL MORTG ASSN	11,559	\$13,396	8.5%	08/15/23
GOVT NATL MORTG ASSN	12,107	\$13,410	10%	07/15/19
GOVT NATL MORTG ASSN	11,574	\$13,413	8%	03/15/27
GOVT NATL MORTG ASSN	11,508	\$13,427	8.5%	06/15/27
GOVT NATL MORTG ASSN	11,993	\$13,455	8.5%	02/15/17
GOVT NATL MORTG ASSN	12,224	\$13,499	6%	11/15/33
GOVT NATL MORTG ASSN	12,039	\$13,501	6.5%	02/15/29
GOVT NATL MORTG ASSN	12,130	\$13,609	8.5%	07/15/17
GOVT NATL MORTG ASSN	12,062	\$13,613	7%	12/15/23
GOVT NATL MORTG ASSN	11,777	\$13,632	8.5%	08/15/21
GOVT NATL MORTG ASSN	12,100	\$13,663	7%	07/15/23



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	12,402	\$13,696	6%	02/15/33
GOVT NATL MORTG ASSN	12,332	\$13,830	6.5%	02/15/29
GOVT NATL MORTG ASSN	12,252	\$13,835	7%	10/15/23
GOVT NATL MORTG ASSN	12,533	\$13,871	6%	12/15/31
GOVT NATL MORTG ASSN	12,318	\$13,909	7%	11/15/23
GOVT NATL MORTG ASSN	12,251	\$13,949	8%	11/15/19
GOVT NATL MORTG ASSN	12,031	\$13,970	8%	12/15/29
GOVT NATL MORTG ASSN	12,459	\$13,972	6.5%	05/15/29
GOVT NATL MORTG ASSN	12,459	\$13,977	8.5%	03/15/17
GOVT NATL MORTG ASSN	11,990	\$13,990	10%	08/15/20
GOVT NATL MORTG ASSN	12,393	\$13,994	7%	06/15/23
GOVT NATL MORTG ASSN	12,416	\$14,021	7%	09/15/23
GOVT NATL MORTG ASSN	12,511	\$14,035	8.5%	06/15/17
GOVT NATL MORTG ASSN	12,770	\$14,105	6.5%	11/15/35
GOVT NATL MORTG ASSN	12,504	\$14,120	7%	06/15/23
GOVT NATL MORTG ASSN	13,444	\$14,154	4.5%	08/20/33
GOVT NATL MORTG ASSN	12,688	\$14,229	6.5%	01/15/29
GOVT NATL MORTG ASSN	12,625	\$14,256	7%	08/15/23
GOVT NATL MORTG ASSN	12,888	\$14,265	6%	07/15/31
GOVT NATL MORTG ASSN	12,761	\$14,276	8%	04/15/17
GOVT NATL MORTG ASSN	12,844	\$14,289	8%	04/15/17
GOVT NATL MORTG ASSN	12,562	\$14,290	7%	07/15/29
GOVT NATL MORTG ASSN	12,466	\$14,362	8.5%	03/20/22
GOVT NATL MORTG ASSN	12,314	\$14,409	9.5%	07/20/25
GOVT NATL MORTG ASSN	12,821	\$14,411	6.5%	12/15/28
GOVT NATL MORTG ASSN	12,846	\$14,438	6.5%	05/15/28
GOVT NATL MORTG ASSN	12,414	\$14,458	10%	01/15/19
GOVT NATL MORTG ASSN	12,889	\$14,460	8.5%	03/15/17
GOVT NATL MORTG ASSN	12,886	\$14,483	6.5%	06/15/28
GOVT NATL MORTG ASSN	13,185	\$14,533	7.5%	06/15/17
GOVT NATL MORTG ASSN	12,999	\$14,578	6.5%	03/15/29
GOVT NATL MORTG ASSN	13,104	\$14,598	8%	05/20/17
GOVT NATL MORTG ASSN	13,031	\$14,613	6.5%	02/15/29
GOVT NATL MORTG ASSN	13,487	\$14,816	8.5%	09/15/16
GOVT NATL MORTG ASSN	13,036	\$14,820	7%	11/15/28
GOVT NATL MORTG ASSN	13,550	\$14,885	8.5%	12/15/16
GOVT NATL MORTG ASSN	13,189	\$14,910	7.5%	11/15/22
GOVT NATL MORTG ASSN	13,296	\$14,916	8.5%	01/15/17
GOVT NATL MORTG ASSN	13,523	\$14,956	6.5%	07/15/23
GOVT NATL MORTG ASSN	13,595	\$14,977	6%	10/15/23
GOVT NATL MORTG ASSN	12,963	\$15,000	8%	07/15/23
GOVT NATL MORTG ASSN	13,352	\$15,006	6.5%	07/15/28
GOVT NATL MORTG ASSN	13,397	\$15,058	6.5%	04/15/28
GOVT NATL MORTG ASSN	13,437	\$15,075	8.5%	05/15/17



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	13,053	\$15,089	8%	07/15/25
GOVT NATL MORTG ASSN	14,098	\$15,124	8%	07/15/17
GOVT NATL MORTG ASSN	13,116	\$15,136	8%	08/15/22
GOVT NATL MORTG ASSN	13,788	\$15,146	8.5%	09/15/16
GOVT NATL MORTG ASSN	13,701	\$15,165	6%	03/15/29
GOVT NATL MORTG ASSN	13,130	\$15,180	8.5%	05/15/22
GOVT NATL MORTG ASSN	13,544	\$15,195	8.5%	01/15/17
GOVT NATL MORTG ASSN	13,670	\$15,219	6.5%	01/15/24
GOVT NATL MORTG ASSN	13,598	\$15,250	6.5%	07/15/29
GOVT NATL MORTG ASSN	13,431	\$15,250	7.5%	09/20/32
GOVT NATL MORTG ASSN	13,255	\$15,360	8%	11/15/27
GOVT NATL MORTG ASSN	13,626	\$15,387	7%	09/15/23
GOVT NATL MORTG ASSN	13,803	\$15,485	8.5%	01/15/17
GOVT NATL MORTG ASSN	13,800	\$15,531	7%	06/15/30
GOVT NATL MORTG ASSN	13,825	\$15,539	6.5%	10/15/28
GOVT NATL MORTG ASSN	13,763	\$15,541	7%	06/15/23
GOVT NATL MORTG ASSN	13,847	\$15,563	6.5%	11/15/28
GOVT NATL MORTG ASSN	13,788	\$15,569	7%	05/15/23
GOVT NATL MORTG ASSN	13,902	\$15,597	8.5%	07/15/17
GOVT NATL MORTG ASSN	13,682	\$15,607	7.5%	08/15/30
GOVT NATL MORTG ASSN	13,962	\$15,640	6.5%	09/15/31
GOVT NATL MORTG ASSN	13,779	\$15,692	7.5%	03/15/28
GOVT NATL MORTG ASSN	13,561	\$15,732	8%	02/15/28
GOVT NATL MORTG ASSN	14,011	\$15,748	6.5%	10/15/28
GOVT NATL MORTG ASSN	13,963	\$15,766	7%	12/15/23
GOVT NATL MORTG ASSN	14,357	\$15,824	7.5%	06/15/17
GOVT NATL MORTG ASSN	13,709	\$15,887	8%	10/15/27
GOVT NATL MORTG ASSN	14,180	\$15,902	6.5%	05/15/29
GOVT NATL MORTG ASSN	14,005	\$15,950	7.5%	06/15/28
GOVT NATL MORTG ASSN	14,003	\$15,972	7.5%	12/15/30
GOVT NATL MORTG ASSN	14,270	\$16,003	6.5%	04/15/29
GOVT NATL MORTG ASSN	14,352	\$16,101	8.5%	06/15/17
GOVT NATL MORTG ASSN	14,633	\$16,120	6%	10/15/23
GOVT NATL MORTG ASSN	13,961	\$16,154	8%	12/15/23
GOVT NATL MORTG ASSN	14,215	\$16,162	7%	07/15/31
GOVT NATL MORTG ASSN	14,356	\$16,211	7%	06/15/23
GOVT NATL MORTG ASSN	14,453	\$16,215	8.5%	04/15/17
GOVT NATL MORTG ASSN	14,806	\$16,264	8.5%	07/15/16
GOVT NATL MORTG ASSN	15,524	\$16,345	4.5%	05/20/33
GOVT NATL MORTG ASSN	14,537	\$16,415	7%	06/15/23
GOVT NATL MORTG ASSN	14,653	\$16,440	8.5%	02/15/17
GOVT NATL MORTG ASSN	14,711	\$16,504	8.5%	02/15/17
GOVT NATL MORTG ASSN	14,929	\$16,621	6.5%	01/15/24
GOVT NATL MORTG ASSN	15,101	\$16,635	6%	10/15/23



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	15,060	\$16,669	6%	10/15/28
GOVT NATL MORTG ASSN	14,820	\$16,710	7%	11/15/22
GOVT NATL MORTG ASSN	14,391	\$16,722	8%	02/15/30
GOVT NATL MORTG ASSN	14,739	\$16,779	7.5%	09/20/31
GOVT NATL MORTG ASSN	15,110	\$16,952	8.5%	08/15/17
GOVT NATL MORTG ASSN	15,289	\$17,146	6.5%	04/15/29
GOVT NATL MORTG ASSN	15,163	\$17,231	7%	01/15/30
GOVT NATL MORTG ASSN	15,181	\$17,260	7%	07/15/31
GOVT NATL MORTG ASSN	15,392	\$17,268	8.5%	01/15/17
GOVT NATL MORTG ASSN	15,411	\$17,290	8.5%	03/15/17
GOVT NATL MORTG ASSN	15,498	\$17,387	8.5%	05/15/17
GOVT NATL MORTG ASSN	15,506	\$17,396	8.5%	07/15/17
GOVT NATL MORTG ASSN	15,036	\$17,407	8%	08/15/26
GOVT NATL MORTG ASSN	15,998	\$17,573	8.5%	11/15/16
GOVT NATL MORTG ASSN	15,670	\$17,668	6.5%	04/15/28
GOVT NATL MORTG ASSN	16,029	\$17,741	6%	10/15/31
GOVT NATL MORTG ASSN	15,831	\$17,753	6.5%	03/15/29
GOVT NATL MORTG ASSN	15,736	\$17,753	10%	12/15/17
GOVT NATL MORTG ASSN	15,876	\$17,804	6.5%	03/15/29
GOVT NATL MORTG ASSN	16,196	\$17,926	6%	05/15/29
GOVT NATL MORTG ASSN	15,990	\$17,939	8.5%	02/15/17
GOVT NATL MORTG ASSN	16,003	\$18,055	10%	08/15/17
GOVT NATL MORTG ASSN	16,018	\$18,087	7%	09/15/23
GOVT NATL MORTG ASSN	15,567	\$18,100	8.5%	08/15/27
GOVT NATL MORTG ASSN	16,106	\$18,187	7%	07/15/23
GOVT NATL MORTG ASSN	16,107	\$18,188	7%	06/15/23
GOVT NATL MORTG ASSN	16,240	\$18,213	6.5%	05/15/29
GOVT NATL MORTG ASSN	16,460	\$18,219	6%	12/15/31
GOVT NATL MORTG ASSN	16,212	\$18,222	6.5%	05/15/28
GOVT NATL MORTG ASSN	15,817	\$18,253	8%	12/15/22
GOVT NATL MORTG ASSN	15,739	\$18,258	8%	01/15/28
GOVT NATL MORTG ASSN	15,785	\$18,299	8%	07/15/24
GOVT NATL MORTG ASSN	16,425	\$18,419	6.5%	01/15/29
GOVT NATL MORTG ASSN	16,805	\$18,460	8.5%	10/15/16
GOVT NATL MORTG ASSN	16,408	\$18,528	7%	08/15/23
GOVT NATL MORTG ASSN	16,573	\$18,627	6.5%	07/15/28
GOVT NATL MORTG ASSN	16,371	\$18,712	7.5%	01/15/31
GOVT NATL MORTG ASSN	16,725	\$18,759	8%	08/15/23
GOVT NATL MORTG ASSN	16,412	\$18,760	7.5%	07/15/31
GOVT NATL MORTG ASSN	16,683	\$18,839	7%	11/15/23
GOVT NATL MORTG ASSN	17,218	\$18,977	7.5%	05/15/17
GOVT NATL MORTG ASSN	16,966	\$19,034	8.5%	03/15/17
GOVT NATL MORTG ASSN	16,475	\$19,063	8%	06/15/23
GOVT NATL MORTG ASSN	17,247	\$19,089	6%	11/15/31



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	17,320	\$19,124	9%	06/20/16
GOVT NATL MORTG ASSN	16,835	\$19,132	7%	01/15/30
GOVT NATL MORTG ASSN	17,023	\$19,132	6.5%	05/15/28
GOVT NATL MORTG ASSN	16,507	\$19,182	8%	03/15/30
GOVT NATL MORTG ASSN	17,155	\$19,245	8.5%	01/15/17
GOVT NATL MORTG ASSN	16,610	\$19,256	8%	10/15/24
GOVT NATL MORTG ASSN	16,719	\$19,335	8%	08/15/28
GOVT NATL MORTG ASSN	16,710	\$19,385	8%	09/15/28
GOVT NATL MORTG ASSN	17,539	\$19,413	6%	12/15/31
GOVT NATL MORTG ASSN	17,096	\$19,426	7.5%	03/15/23
GOVT NATL MORTG ASSN	16,807	\$19,447	8%	07/15/23
GOVT NATL MORTG ASSN	17,505	\$19,488	6.5%	01/15/24
GOVT NATL MORTG ASSN	17,250	\$19,502	7.5%	10/15/22
GOVT NATL MORTG ASSN	16,867	\$19,520	8%	06/20/30
GOVT NATL MORTG ASSN	17,339	\$19,579	7%	12/15/23
GOVT NATL MORTG ASSN	17,537	\$19,666	6.5%	01/15/29
GOVT NATL MORTG ASSN	17,600	\$19,690	8%	04/15/17
GOVT NATL MORTG ASSN	16,833	\$19,699	10.5%	12/15/20
GOVT NATL MORTG ASSN	17,090	\$19,723	8%	04/15/22
GOVT NATL MORTG ASSN	17,366	\$19,742	7%	12/15/28
GOVT NATL MORTG ASSN	17,354	\$19,795	7.5%	10/15/30
GOVT NATL MORTG ASSN	16,974	\$19,826	8.5%	06/15/28
GOVT NATL MORTG ASSN	17,397	\$19,844	7.5%	11/15/30
GOVT NATL MORTG ASSN	17,614	\$19,889	7%	07/15/23
GOVT NATL MORTG ASSN	17,998	\$19,921	6%	06/15/31
GOVT NATL MORTG ASSN	17,812	\$19,984	8.5%	05/15/17
GOVT NATL MORTG ASSN	17,530	\$20,336	8%	10/15/28
GOVT NATL MORTG ASSN	18,186	\$20,395	6.5%	02/15/29
GOVT NATL MORTG ASSN	18,189	\$20,398	6.5%	04/15/29
GOVT NATL MORTG ASSN	18,447	\$20,417	6%	11/15/31
GOVT NATL MORTG ASSN	17,636	\$20,437	8%	04/15/27
GOVT NATL MORTG ASSN	17,701	\$20,626	8.5%	11/15/26
GOVT NATL MORTG ASSN	18,993	\$20,864	8.5%	11/15/16
GOVT NATL MORTG ASSN	18,755	\$20,880	6.5%	01/15/24
GOVT NATL MORTG ASSN	18,594	\$20,899	6.5%	10/15/28
GOVT NATL MORTG ASSN	18,031	\$20,938	8.5%	10/15/24
GOVT NATL MORTG ASSN	18,156	\$20,996	8%	08/20/29
GOVT NATL MORTG ASSN	18,501	\$21,006	7.5%	08/20/32
GOVT NATL MORTG ASSN	18,241	\$21,051	8%	08/15/22
GOVT NATL MORTG ASSN	18,765	\$21,082	6.5%	12/20/27
GOVT NATL MORTG ASSN	18,180	\$21,090	8%	01/15/28
GOVT NATL MORTG ASSN	18,440	\$21,093	9%	04/15/19
GOVT NATL MORTG ASSN	19,205	\$21,096	8.5%	07/15/16
GOVT NATL MORTG ASSN	19,158	\$21,105	6%	11/15/23



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	18,822	\$21,108	6.5%	03/15/29
GOVT NATL MORTG ASSN	19,165	\$21,213	6%	07/15/31
GOVT NATL MORTG ASSN	18,669	\$21,235	7%	05/15/32
GOVT NATL MORTG ASSN	18,824	\$21,256	7%	08/15/23
GOVT NATL MORTG ASSN	19,283	\$21,294	6%	10/15/33
GOVT NATL MORTG ASSN	18,906	\$21,384	10.5%	12/15/17
GOVT NATL MORTG ASSN	19,078	\$21,403	8.5%	01/15/17
GOVT NATL MORTG ASSN	18,857	\$21,440	7%	08/15/31
GOVT NATL MORTG ASSN	19,004	\$21,487	10%	08/15/21
GOVT NATL MORTG ASSN	18,992	\$21,591	7%	05/15/28
GOVT NATL MORTG ASSN	19,180	\$21,657	7%	08/15/23
GOVT NATL MORTG ASSN	19,585	\$21,677	6%	02/15/29
GOVT NATL MORTG ASSN	19,945	\$21,721	5.5%	12/15/32
GOVT NATL MORTG ASSN	19,285	\$21,776	7%	10/15/23
GOVT NATL MORTG ASSN	19,449	\$21,820	8.5%	08/15/17
GOVT NATL MORTG ASSN	19,465	\$21,979	7%	08/15/23
GOVT NATL MORTG ASSN	19,582	\$22,112	7%	08/15/23
GOVT NATL MORTG ASSN	19,600	\$22,253	7.5%	02/20/32
GOVT NATL MORTG ASSN	19,620	\$22,294	7.5%	04/15/23
GOVT NATL MORTG ASSN	20,173	\$22,327	6%	12/15/31
GOVT NATL MORTG ASSN	20,380	\$22,388	8.5%	07/15/16
GOVT NATL MORTG ASSN	19,971	\$22,406	8.5%	05/15/17
GOVT NATL MORTG ASSN	19,822	\$22,537	7%	02/15/31
GOVT NATL MORTG ASSN	19,693	\$22,726	8%	09/15/22
GOVT NATL MORTG ASSN	20,000	\$22,731	7.5%	09/15/26
GOVT NATL MORTG ASSN	20,300	\$22,765	6.5%	04/15/29
GOVT NATL MORTG ASSN	20,173	\$22,779	7%	08/15/23
GOVT NATL MORTG ASSN	19,731	\$22,840	8.5%	03/15/21
GOVT NATL MORTG ASSN	20,389	\$22,917	10%	09/15/18
GOVT NATL MORTG ASSN	21,512	\$22,977	11%	08/15/17
GOVT NATL MORTG ASSN	20,201	\$23,006	7.5%	05/15/28
GOVT NATL MORTG ASSN	19,914	\$23,078	8%	06/15/27
GOVT NATL MORTG ASSN	20,312	\$23,094	7%	02/15/31
GOVT NATL MORTG ASSN	21,989	\$23,111	4.5%	01/20/34
GOVT NATL MORTG ASSN	20,361	\$23,160	7%	06/15/32
GOVT NATL MORTG ASSN	20,743	\$23,206	8%	06/15/17
GOVT NATL MORTG ASSN	20,413	\$23,219	7%	03/15/32
GOVT NATL MORTG ASSN	20,546	\$23,360	7%	05/15/31
GOVT NATL MORTG ASSN	20,613	\$23,448	7%	05/15/29
GOVT NATL MORTG ASSN	20,848	\$23,541	7%	08/15/23
GOVT NATL MORTG ASSN	21,245	\$23,557	10%	11/15/16
GOVT NATL MORTG ASSN	20,696	\$23,570	7.5%	05/15/28
GOVT NATL MORTG ASSN	20,386	\$23,649	8%	04/15/28
GOVT NATL MORTG ASSN	21,131	\$23,706	8.5%	07/15/17



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	21,188	\$23,761	6.5%	03/15/29
GOVT NATL MORTG ASSN	21,215	\$23,792	6.5%	07/15/29
GOVT NATL MORTG ASSN	21,606	\$23,913	6%	02/15/32
GOVT NATL MORTG ASSN	21,264	\$24,012	7%	09/15/23
GOVT NATL MORTG ASSN	21,183	\$24,072	7%	06/15/30
GOVT NATL MORTG ASSN	20,755	\$24,077	8%	03/15/28
GOVT NATL MORTG ASSN	21,810	\$24,140	6%	02/15/29
GOVT NATL MORTG ASSN	21,516	\$24,183	6.5%	04/15/28
GOVT NATL MORTG ASSN	21,453	\$24,224	7%	12/15/23
GOVT NATL MORTG ASSN	21,635	\$24,262	6.5%	09/15/29
GOVT NATL MORTG ASSN	21,363	\$24,299	7%	05/15/32
GOVT NATL MORTG ASSN	21,805	\$24,453	6.5%	07/15/29
GOVT NATL MORTG ASSN	21,507	\$24,493	7.5%	03/15/28
GOVT NATL MORTG ASSN	22,155	\$24,522	6%	12/15/28
GOVT NATL MORTG ASSN	22,333	\$24,585	6.5%	02/15/36
GOVT NATL MORTG ASSN	22,261	\$24,800	8%	03/20/17
GOVT NATL MORTG ASSN	22,434	\$24,830	6%	11/15/28
GOVT NATL MORTG ASSN	21,485	\$24,898	8%	11/15/27
GOVT NATL MORTG ASSN	21,926	\$24,917	7%	06/15/30
GOVT NATL MORTG ASSN	22,242	\$24,953	8.5%	05/15/17
GOVT NATL MORTG ASSN	22,283	\$24,989	6.5%	03/15/29
GOVT NATL MORTG ASSN	22,398	\$25,118	6.5%	06/15/29
GOVT NATL MORTG ASSN	22,544	\$25,282	6.5%	07/15/29
GOVT NATL MORTG ASSN	22,270	\$25,321	7%	05/15/31
GOVT NATL MORTG ASSN	22,447	\$25,347	7%	10/15/23
GOVT NATL MORTG ASSN	22,459	\$25,547	7%	03/15/32
GOVT NATL MORTG ASSN	22,502	\$25,602	7.5%	12/15/27
GOVT NATL MORTG ASSN	22,674	\$25,604	7%	06/15/23
GOVT NATL MORTG ASSN	22,543	\$25,630	7%	01/15/31
GOVT NATL MORTG ASSN	22,900	\$25,859	7%	10/15/23
GOVT NATL MORTG ASSN	22,564	\$26,118	8%	10/15/26
GOVT NATL MORTG ASSN	23,454	\$26,303	6.5%	04/15/29
GOVT NATL MORTG ASSN	22,650	\$26,320	8%	07/15/30
GOVT NATL MORTG ASSN	22,775	\$26,415	8%	11/15/28
GOVT NATL MORTG ASSN	23,667	\$26,541	6.5%	04/15/29
GOVT NATL MORTG ASSN	23,523	\$26,562	7%	12/15/23
GOVT NATL MORTG ASSN	23,077	\$26,631	8%	09/15/22
GOVT NATL MORTG ASSN	23,734	\$26,676	6.5%	06/15/28
GOVT NATL MORTG ASSN	23,015	\$26,725	8.5%	07/15/24
GOVT NATL MORTG ASSN	23,692	\$26,937	7%	08/15/31
GOVT NATL MORTG ASSN	23,672	\$27,002	7.5%	12/15/30
GOVT NATL MORTG ASSN	23,804	\$27,065	7%	05/15/31
GOVT NATL MORTG ASSN	24,513	\$27,131	6%	04/15/29
GOVT NATL MORTG ASSN	24,267	\$27,214	6.5%	05/15/29



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	24,405	\$27,369	6.5%	07/15/29
GOVT NATL MORTG ASSN	24,890	\$27,420	6%	11/15/23
GOVT NATL MORTG ASSN	24,449	\$27,479	6.5%	04/15/28
GOVT NATL MORTG ASSN	24,174	\$27,485	7%	06/15/31
GOVT NATL MORTG ASSN	23,806	\$27,558	8.5%	12/15/21
GOVT NATL MORTG ASSN	24,418	\$27,572	7%	07/15/23
GOVT NATL MORTG ASSN	24,423	\$27,578	7%	05/15/23
GOVT NATL MORTG ASSN	23,758	\$27,670	10%	09/15/19
GOVT NATL MORTG ASSN	24,868	\$27,899	8.5%	07/15/17
GOVT NATL MORTG ASSN	25,404	\$27,986	6%	11/15/23
GOVT NATL MORTG ASSN	24,285	\$28,026	8%	06/15/22
GOVT NATL MORTG ASSN	25,033	\$28,085	8.5%	08/15/17
GOVT NATL MORTG ASSN	24,860	\$28,105	7.5%	11/15/22
GOVT NATL MORTG ASSN	24,922	\$28,142	7%	07/15/23
GOVT NATL MORTG ASSN	25,596	\$28,143	8.5%	12/15/19
GOVT NATL MORTG ASSN	25,452	\$28,171	6%	04/15/32
GOVT NATL MORTG ASSN	24,829	\$28,244	7%	08/15/29
GOVT NATL MORTG ASSN	25,083	\$28,323	7%	06/15/23
GOVT NATL MORTG ASSN	25,332	\$28,377	6.5%	06/15/31
GOVT NATL MORTG ASSN	24,718	\$28,525	8%	04/15/22
GOVT NATL MORTG ASSN	25,105	\$28,543	7%	08/15/31
GOVT NATL MORTG ASSN	25,328	\$28,552	8%	01/15/22
GOVT NATL MORTG ASSN	25,181	\$29,059	8%	05/15/21
GOVT NATL MORTG ASSN	25,571	\$29,074	7%	03/15/31
GOVT NATL MORTG ASSN	25,939	\$29,154	6.5%	09/15/28
GOVT NATL MORTG ASSN	26,016	\$29,175	6.5%	07/15/29
GOVT NATL MORTG ASSN	26,076	\$29,210	6.5%	02/15/31
GOVT NATL MORTG ASSN	25,245	\$29,285	8%	01/15/28
GOVT NATL MORTG ASSN	26,153	\$29,329	6.5%	06/15/29
GOVT NATL MORTG ASSN	26,172	\$29,350	6.5%	02/15/29
GOVT NATL MORTG ASSN	25,899	\$29,506	9.5%	06/20/18
GOVT NATL MORTG ASSN	26,631	\$29,793	8%	04/15/17
GOVT NATL MORTG ASSN	26,653	\$29,902	8.5%	02/15/17
GOVT NATL MORTG ASSN	25,961	\$29,963	8%	11/20/27
GOVT NATL MORTG ASSN	25,966	\$30,020	8%	03/15/25
GOVT NATL MORTG ASSN	26,468	\$30,090	7%	07/15/28
GOVT NATL MORTG ASSN	26,855	\$30,117	6.5%	02/15/29
GOVT NATL MORTG ASSN	27,090	\$30,380	6.5%	03/15/29
GOVT NATL MORTG ASSN	26,409	\$30,477	8%	07/15/22
GOVT NATL MORTG ASSN	26,396	\$30,562	10%	09/15/18
GOVT NATL MORTG ASSN	26,610	\$30,708	8%	05/15/22
GOVT NATL MORTG ASSN	27,033	\$30,718	7.5%	03/15/23
GOVT NATL MORTG ASSN	26,594	\$30,790	9.5%	08/15/21
GOVT NATL MORTG ASSN	26,579	\$30,885	8%	02/15/30



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	27,262	\$30,996	7%	02/15/31
GOVT NATL MORTG ASSN	27,734	\$31,101	6.5%	03/15/29
GOVT NATL MORTG ASSN	27,296	\$31,135	7.5%	10/15/30
GOVT NATL MORTG ASSN	28,263	\$31,135	6%	11/15/23
GOVT NATL MORTG ASSN	27,865	\$31,262	8.5%	07/15/17
GOVT NATL MORTG ASSN	27,398	\$31,317	7.5%	04/15/31
GOVT NATL MORTG ASSN	27,931	\$31,323	6.5%	01/15/29
GOVT NATL MORTG ASSN	27,663	\$31,440	7.5%	06/15/26
GOVT NATL MORTG ASSN	28,222	\$31,559	6.5%	08/15/27
GOVT NATL MORTG ASSN	28,164	\$31,584	6.5%	07/15/29
GOVT NATL MORTG ASSN	28,405	\$31,623	6.5%	01/15/24
GOVT NATL MORTG ASSN	28,075	\$31,702	7%	08/15/23
GOVT NATL MORTG ASSN	28,669	\$31,731	6%	11/15/28
GOVT NATL MORTG ASSN	28,101	\$31,949	7%	03/15/31
GOVT NATL MORTG ASSN	28,503	\$31,964	6.5%	06/15/29
GOVT NATL MORTG ASSN	27,985	\$31,987	7.5%	03/15/31
GOVT NATL MORTG ASSN	28,189	\$32,153	7.5%	10/15/30
GOVT NATL MORTG ASSN	28,695	\$32,180	6.5%	07/15/29
GOVT NATL MORTG ASSN	28,501	\$32,183	7%	06/15/23
GOVT NATL MORTG ASSN	28,333	\$32,229	7%	05/15/29
GOVT NATL MORTG ASSN	29,309	\$32,439	6%	03/15/29
GOVT NATL MORTG ASSN	28,961	\$32,478	6.5%	02/15/29
GOVT NATL MORTG ASSN	28,948	\$32,536	6.5%	05/15/28
GOVT NATL MORTG ASSN	29,102	\$32,558	8%	06/15/17
GOVT NATL MORTG ASSN	29,310	\$32,943	6.5%	05/15/28
GOVT NATL MORTG ASSN	28,479	\$32,964	8%	08/15/26
GOVT NATL MORTG ASSN	30,020	\$33,147	9%	10/20/16
GOVT NATL MORTG ASSN	30,542	\$33,198	5.5%	02/15/34
GOVT NATL MORTG ASSN	29,626	\$33,223	6.5%	02/15/29
GOVT NATL MORTG ASSN	30,001	\$33,365	9%	06/20/17
GOVT NATL MORTG ASSN	30,353	\$33,514	9%	05/20/16
GOVT NATL MORTG ASSN	28,896	\$33,521	8%	09/15/28
GOVT NATL MORTG ASSN	29,948	\$33,599	8.5%	05/15/17
GOVT NATL MORTG ASSN	29,866	\$33,724	7%	08/15/23
GOVT NATL MORTG ASSN	29,123	\$33,737	8%	08/15/27
GOVT NATL MORTG ASSN	29,746	\$33,820	7%	11/15/31
GOVT NATL MORTG ASSN	30,410	\$33,856	6.5%	01/15/24
GOVT NATL MORTG ASSN	29,293	\$33,901	8%	05/20/30
GOVT NATL MORTG ASSN	30,245	\$33,918	6.5%	01/15/29
GOVT NATL MORTG ASSN	30,352	\$34,038	6.5%	08/15/29
GOVT NATL MORTG ASSN	29,815	\$34,054	7.8%	02/15/20
GOVT NATL MORTG ASSN	31,398	\$34,104	5.5%	12/15/35
GOVT NATL MORTG ASSN	30,003	\$34,112	7%	01/15/31
GOVT NATL MORTG ASSN	30,386	\$34,152	6.5%	10/15/28



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	30,062	\$34,235	7.5%	02/15/28
GOVT NATL MORTG ASSN	30,539	\$34,247	6.5%	02/15/29
GOVT NATL MORTG ASSN	30,600	\$34,316	6.5%	05/15/29
GOVT NATL MORTG ASSN	30,655	\$34,392	8.5%	01/15/17
GOVT NATL MORTG ASSN	30,443	\$34,418	7.5%	12/15/22
GOVT NATL MORTG ASSN	30,303	\$34,436	7%	11/15/30
GOVT NATL MORTG ASSN	30,737	\$34,484	8.5%	03/15/17
GOVT NATL MORTG ASSN	30,753	\$34,487	6.5%	01/15/29
GOVT NATL MORTG ASSN	31,021	\$34,536	6.5%	03/15/24
GOVT NATL MORTG ASSN	30,875	\$34,624	6.5%	02/15/29
GOVT NATL MORTG ASSN	30,979	\$34,657	8%	03/15/17
GOVT NATL MORTG ASSN	30,538	\$34,738	7%	01/15/29
GOVT NATL MORTG ASSN	31,034	\$34,880	6.5%	03/15/28
GOVT NATL MORTG ASSN	30,927	\$34,922	7%	07/15/23
GOVT NATL MORTG ASSN	30,781	\$35,004	7%	12/15/29
GOVT NATL MORTG ASSN	31,226	\$35,019	6.5%	04/15/29
GOVT NATL MORTG ASSN	31,247	\$35,042	6.5%	10/15/29
GOVT NATL MORTG ASSN	31,272	\$35,070	6.5%	06/15/29
GOVT NATL MORTG ASSN	31,336	\$35,156	8.5%	07/15/17
GOVT NATL MORTG ASSN	31,017	\$35,265	7%	07/15/31
GOVT NATL MORTG ASSN	31,237	\$35,272	7%	11/15/23
GOVT NATL MORTG ASSN	30,604	\$35,497	9.5%	08/15/20
GOVT NATL MORTG ASSN	31,482	\$35,550	7%	07/15/23
GOVT NATL MORTG ASSN	32,257	\$35,703	6%	07/15/28
GOVT NATL MORTG ASSN	31,129	\$36,075	8%	11/15/27
GOVT NATL MORTG ASSN	32,407	\$36,357	8.5%	04/15/17
GOVT NATL MORTG ASSN	31,385	\$36,371	8%	04/15/27
GOVT NATL MORTG ASSN	32,473	\$36,417	6.5%	01/15/29
GOVT NATL MORTG ASSN	33,019	\$36,463	6%	10/15/33
GOVT NATL MORTG ASSN	32,143	\$36,606	7.5%	07/15/28
GOVT NATL MORTG ASSN	32,873	\$36,948	6.5%	06/15/28
GOVT NATL MORTG ASSN	31,725	\$37,016	8.5%	09/15/27
GOVT NATL MORTG ASSN	32,589	\$37,052	7%	11/15/31
GOVT NATL MORTG ASSN	33,043	\$37,056	6.5%	03/15/29
GOVT NATL MORTG ASSN	32,848	\$37,091	7%	08/15/23
GOVT NATL MORTG ASSN	33,121	\$37,143	6.5%	07/15/29
GOVT NATL MORTG ASSN	33,199	\$37,245	8.5%	05/15/17
GOVT NATL MORTG ASSN	32,813	\$37,303	7%	08/15/28
GOVT NATL MORTG ASSN	33,308	\$37,368	8.5%	06/15/17
GOVT NATL MORTG ASSN	33,490	\$37,409	8.3%	07/15/17
GOVT NATL MORTG ASSN	33,008	\$37,528	7%	01/15/31
GOVT NATL MORTG ASSN	33,507	\$37,534	6.5%	04/15/31
GOVT NATL MORTG ASSN	33,083	\$37,615	7%	09/15/31
GOVT NATL MORTG ASSN	32,663	\$37,677	8.5%	12/20/21



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	33,626	\$37,725	8.5%	05/15/17
GOVT NATL MORTG ASSN	32,813	\$37,866	8%	10/15/21
GOVT NATL MORTG ASSN	33,784	\$37,886	6.5%	06/15/29
GOVT NATL MORTG ASSN	33,838	\$37,948	6.5%	02/15/29
GOVT NATL MORTG ASSN	33,884	\$37,999	6.5%	02/15/29
GOVT NATL MORTG ASSN	33,674	\$38,024	7%	01/15/23
GOVT NATL MORTG ASSN	34,355	\$38,024	6%	11/15/28
GOVT NATL MORTG ASSN	33,496	\$38,084	7%	10/15/31
GOVT NATL MORTG ASSN	33,519	\$38,110	7%	02/15/31
GOVT NATL MORTG ASSN	33,969	\$38,179	6.5%	05/15/28
GOVT NATL MORTG ASSN	34,061	\$38,197	6.5%	04/15/29
GOVT NATL MORTG ASSN	34,115	\$38,215	6.5%	09/15/31
GOVT NATL MORTG ASSN	33,601	\$38,221	7%	08/15/29
GOVT NATL MORTG ASSN	33,633	\$38,239	7%	06/15/31
GOVT NATL MORTG ASSN	33,847	\$38,478	7%	04/15/28
GOVT NATL MORTG ASSN	33,904	\$38,548	7%	06/15/31
GOVT NATL MORTG ASSN	35,911	\$38,561	5%	05/15/34
GOVT NATL MORTG ASSN	34,503	\$38,693	6.5%	03/15/29
GOVT NATL MORTG ASSN	35,188	\$38,764	6%	11/15/23
GOVT NATL MORTG ASSN	34,169	\$38,814	7.5%	09/20/30
GOVT NATL MORTG ASSN	34,199	\$38,902	7%	07/15/29
GOVT NATL MORTG ASSN	35,157	\$38,912	6%	06/15/31
GOVT NATL MORTG ASSN	34,749	\$38,969	6.5%	04/15/29
GOVT NATL MORTG ASSN	34,769	\$39,202	7%	10/15/22
GOVT NATL MORTG ASSN	34,542	\$39,274	7%	05/15/31
GOVT NATL MORTG ASSN	35,756	\$39,276	8.5%	11/15/17
GOVT NATL MORTG ASSN	34,641	\$39,386	7%	08/15/31
GOVT NATL MORTG ASSN	34,650	\$39,396	7%	07/15/31
GOVT NATL MORTG ASSN	35,369	\$39,421	6.5%	02/15/32
GOVT NATL MORTG ASSN	35,340	\$39,434	8.25%	04/15/17
GOVT NATL MORTG ASSN	35,296	\$39,582	6.5%	01/15/29
GOVT NATL MORTG ASSN	35,378	\$39,763	6.5%	04/15/28
GOVT NATL MORTG ASSN	34,288	\$39,776	8%	01/15/28
GOVT NATL MORTG ASSN	36,036	\$39,795	6%	01/15/33
GOVT NATL MORTG ASSN	35,965	\$39,807	6%	03/15/29
GOVT NATL MORTG ASSN	35,607	\$39,947	8.5%	01/15/17
GOVT NATL MORTG ASSN	35,813	\$40,066	8%	05/15/17
GOVT NATL MORTG ASSN	35,866	\$40,176	6.5%	03/15/31
GOVT NATL MORTG ASSN	35,326	\$40,294	7.5%	10/15/30
GOVT NATL MORTG ASSN	36,093	\$40,431	6.5%	12/15/31
GOVT NATL MORTG ASSN	36,060	\$40,455	8.5%	05/15/17
GOVT NATL MORTG ASSN	35,591	\$40,465	7%	10/15/31
GOVT NATL MORTG ASSN	36,667	\$40,551	6.5%	11/15/23
GOVT NATL MORTG ASSN	36,209	\$40,606	6.5%	08/15/29



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	35,966	\$40,612	7%	04/15/23
GOVT NATL MORTG ASSN	35,753	\$40,670	7%	04/15/29
GOVT NATL MORTG ASSN	35,824	\$40,731	7%	06/15/31
GOVT NATL MORTG ASSN	35,873	\$40,918	7.5%	08/15/30
GOVT NATL MORTG ASSN	36,630	\$40,942	7%	06/20/26
GOVT NATL MORTG ASSN	36,634	\$41,083	6.5%	05/15/29
GOVT NATL MORTG ASSN	36,640	\$41,090	6.5%	03/15/29
GOVT NATL MORTG ASSN	36,806	\$41,176	8%	06/15/17
GOVT NATL MORTG ASSN	37,306	\$41,198	6%	10/15/33
GOVT NATL MORTG ASSN	36,046	\$41,201	7.5%	05/15/31
GOVT NATL MORTG ASSN	36,349	\$41,323	7%	04/15/28
GOVT NATL MORTG ASSN	36,834	\$41,592	7%	08/15/23
GOVT NATL MORTG ASSN	36,634	\$41,652	7%	07/15/31
GOVT NATL MORTG ASSN	37,717	\$41,661	6.5%	07/15/35
GOVT NATL MORTG ASSN	37,159	\$41,671	6.5%	02/15/29
GOVT NATL MORTG ASSN	37,194	\$41,711	6.5%	04/15/29
GOVT NATL MORTG ASSN	36,526	\$41,981	8%	08/20/22
GOVT NATL MORTG ASSN	37,101	\$42,408	7.5%	01/15/31
GOVT NATL MORTG ASSN	37,866	\$42,559	6.5%	12/15/28
GOVT NATL MORTG ASSN	38,534	\$42,614	8%	04/15/17
GOVT NATL MORTG ASSN	38,093	\$42,671	6.5%	12/15/31
GOVT NATL MORTG ASSN	37,578	\$42,746	7%	02/15/29
GOVT NATL MORTG ASSN	37,713	\$42,772	7.5%	07/20/28
GOVT NATL MORTG ASSN	38,873	\$42,928	6%	03/15/33
GOVT NATL MORTG ASSN	38,165	\$43,392	7%	06/15/31
GOVT NATL MORTG ASSN	38,953	\$43,683	6.5%	02/15/29
GOVT NATL MORTG ASSN	37,596	\$43,686	8%	12/15/30
GOVT NATL MORTG ASSN	37,651	\$43,765	8%	02/15/31
GOVT NATL MORTG ASSN	39,634	\$43,867	6%	11/15/28
GOVT NATL MORTG ASSN	38,234	\$43,999	9.5%	05/15/18
GOVT NATL MORTG ASSN	39,266	\$44,035	6.5%	03/15/29
GOVT NATL MORTG ASSN	39,556	\$44,359	6.5%	07/15/29
GOVT NATL MORTG ASSN	40,194	\$44,488	6%	11/15/28
GOVT NATL MORTG ASSN	40,260	\$44,560	6%	12/15/28
GOVT NATL MORTG ASSN	39,653	\$44,644	7.5%	09/20/22
GOVT NATL MORTG ASSN	39,722	\$44,721	7.5%	10/20/22
GOVT NATL MORTG ASSN	39,566	\$44,735	7%	01/15/24
GOVT NATL MORTG ASSN	40,297	\$45,191	6.5%	02/15/29
GOVT NATL MORTG ASSN	40,253	\$45,242	6.5%	12/15/28
GOVT NATL MORTG ASSN	38,990	\$45,306	8%	02/15/30
GOVT NATL MORTG ASSN	39,940	\$45,410	7%	03/15/31
GOVT NATL MORTG ASSN	40,437	\$45,448	6.5%	09/15/28
GOVT NATL MORTG ASSN	40,541	\$45,482	8.5%	02/15/17
GOVT NATL MORTG ASSN	40,233	\$45,750	7%	04/15/31



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	40,769	\$45,822	6.5%	09/15/28
GOVT NATL MORTG ASSN	40,993	\$45,971	6.5%	06/15/29
GOVT NATL MORTG ASSN	40,994	\$45,972	6.5%	01/15/29
GOVT NATL MORTG ASSN	40,479	\$46,001	7%	12/15/30
GOVT NATL MORTG ASSN	40,582	\$46,161	7%	01/15/32
GOVT NATL MORTG ASSN	40,696	\$46,517	7.5%	01/15/31
GOVT NATL MORTG ASSN	41,186	\$46,822	7%	02/15/28
GOVT NATL MORTG ASSN	41,785	\$46,878	8.5%	07/15/17
GOVT NATL MORTG ASSN	40,664	\$46,927	8%	11/15/22
GOVT NATL MORTG ASSN	41,304	\$46,961	7%	07/15/31
GOVT NATL MORTG ASSN	42,474	\$47,011	6%	10/15/29
GOVT NATL MORTG ASSN	41,438	\$47,136	7%	08/15/29
GOVT NATL MORTG ASSN	41,564	\$47,335	7.5%	11/15/28
GOVT NATL MORTG ASSN	42,006	\$47,433	7%	01/15/23
GOVT NATL MORTG ASSN	41,593	\$47,442	7.5%	11/15/30
GOVT NATL MORTG ASSN	42,328	\$47,468	6.5%	01/15/29
GOVT NATL MORTG ASSN	42,537	\$47,702	6.5%	04/15/29
GOVT NATL MORTG ASSN	42,643	\$47,822	6.5%	06/15/29
GOVT NATL MORTG ASSN	42,752	\$47,963	8.5%	02/15/17
GOVT NATL MORTG ASSN	42,894	\$48,103	6.5%	03/15/29
GOVT NATL MORTG ASSN	42,308	\$48,103	7%	12/15/31
GOVT NATL MORTG ASSN	42,269	\$48,213	7.5%	09/15/30
GOVT NATL MORTG ASSN	42,435	\$48,268	7%	03/15/32
GOVT NATL MORTG ASSN	42,635	\$48,496	7%	06/15/32
GOVT NATL MORTG ASSN	43,994	\$48,693	6%	04/15/31
GOVT NATL MORTG ASSN	43,460	\$48,738	6.5%	02/15/29
GOVT NATL MORTG ASSN	43,214	\$48,855	7.5%	09/15/22
GOVT NATL MORTG ASSN	43,097	\$48,975	7%	11/15/30
GOVT NATL MORTG ASSN	43,790	\$49,218	6.5%	12/15/28
GOVT NATL MORTG ASSN	42,404	\$49,274	8%	06/15/30
GOVT NATL MORTG ASSN	44,669	\$49,329	6%	11/15/33
GOVT NATL MORTG ASSN	44,584	\$49,436	10%	03/15/16
GOVT NATL MORTG ASSN	43,632	\$49,632	7%	02/15/29
GOVT NATL MORTG ASSN	45,335	\$49,905	6.5%	03/15/36
GOVT NATL MORTG ASSN	44,285	\$49,931	7%	11/15/22
GOVT NATL MORTG ASSN	44,126	\$50,128	7%	12/15/27
GOVT NATL MORTG ASSN	44,206	\$50,261	7%	03/15/31
GOVT NATL MORTG ASSN	45,863	\$50,380	8.5%	06/15/16
GOVT NATL MORTG ASSN	44,932	\$50,388	6.5%	05/15/29
GOVT NATL MORTG ASSN	44,915	\$50,417	6.5%	06/15/29
GOVT NATL MORTG ASSN	44,593	\$50,463	7.5%	04/20/23
GOVT NATL MORTG ASSN	44,902	\$50,467	6.5%	06/15/28
GOVT NATL MORTG ASSN	44,391	\$50,471	7%	08/15/31
GOVT NATL MORTG ASSN	45,182	\$50,499	6%	05/15/33



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	45,203	\$50,805	6.5%	11/15/28
GOVT NATL MORTG ASSN	44,735	\$50,862	7%	06/15/31
GOVT NATL MORTG ASSN	45,446	\$50,965	6.5%	04/15/29
GOVT NATL MORTG ASSN	45,459	\$50,980	6.5%	07/15/29
GOVT NATL MORTG ASSN	46,166	\$51,097	6%	03/15/29
GOVT NATL MORTG ASSN	45,554	\$51,160	6.5%	05/15/29
GOVT NATL MORTG ASSN	45,799	\$51,476	6.5%	06/15/28
GOVT NATL MORTG ASSN	45,285	\$51,510	7%	05/15/32
GOVT NATL MORTG ASSN	46,570	\$51,544	6%	01/15/29
GOVT NATL MORTG ASSN	45,985	\$51,570	6.5%	03/15/29
GOVT NATL MORTG ASSN	45,382	\$51,598	7%	08/15/31
GOVT NATL MORTG ASSN	46,091	\$51,688	6.5%	08/15/29
GOVT NATL MORTG ASSN	47,111	\$51,899	6%	10/15/23
GOVT NATL MORTG ASSN	46,232	\$51,962	6.5%	12/15/28
GOVT NATL MORTG ASSN	46,666	\$52,304	6.5%	01/15/30
GOVT NATL MORTG ASSN	46,555	\$52,325	6.5%	10/15/28
GOVT NATL MORTG ASSN	46,574	\$52,346	6.5%	02/15/28
GOVT NATL MORTG ASSN	47,370	\$52,429	6%	06/15/31
GOVT NATL MORTG ASSN	47,300	\$52,696	8%	04/20/17
GOVT NATL MORTG ASSN	47,615	\$52,701	6%	08/15/32
GOVT NATL MORTG ASSN	47,002	\$52,709	6.5%	03/15/29
GOVT NATL MORTG ASSN	45,989	\$52,968	9.5%	04/20/20
GOVT NATL MORTG ASSN	47,222	\$53,074	6.5%	10/15/28
GOVT NATL MORTG ASSN	48,066	\$53,200	6%	03/15/29
GOVT NATL MORTG ASSN	46,627	\$53,296	7.5%	01/15/31
GOVT NATL MORTG ASSN	47,771	\$53,572	6.5%	06/15/29
GOVT NATL MORTG ASSN	48,175	\$53,695	6.5%	05/15/32
GOVT NATL MORTG ASSN	47,483	\$53,986	7%	10/15/31
GOVT NATL MORTG ASSN	46,471	\$54,187	9.5%	10/15/18
GOVT NATL MORTG ASSN	49,759	\$54,942	9%	10/20/16
GOVT NATL MORTG ASSN	49,538	\$54,988	9%	11/15/17
GOVT NATL MORTG ASSN	49,301	\$55,411	6.5%	01/15/28
GOVT NATL MORTG ASSN	50,149	\$55,894	6.5%	01/15/32
GOVT NATL MORTG ASSN	49,869	\$55,925	6.5%	04/15/29
GOVT NATL MORTG ASSN	48,563	\$56,043	8%	08/15/22
GOVT NATL MORTG ASSN	50,123	\$56,147	6.5%	11/15/31
GOVT NATL MORTG ASSN	50,754	\$56,175	6%	03/15/29
GOVT NATL MORTG ASSN	50,136	\$56,224	6.5%	03/15/29
GOVT NATL MORTG ASSN	50,827	\$56,256	6%	04/15/31
GOVT NATL MORTG ASSN	50,519	\$56,654	6.5%	02/15/29
GOVT NATL MORTG ASSN	50,817	\$56,799	7%	07/20/26
GOVT NATL MORTG ASSN	50,193	\$57,068	7%	06/15/31
GOVT NATL MORTG ASSN	51,187	\$57,403	6.5%	06/15/29
GOVT NATL MORTG ASSN	50,609	\$57,569	7%	07/15/29



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	51,286	\$58,240	6.5%	01/20/28
GOVT NATL MORTG ASSN	52,962	\$58,619	6%	04/15/29
GOVT NATL MORTG ASSN	51,573	\$58,636	7%	06/15/31
GOVT NATL MORTG ASSN	52,879	\$59,325	8.5%	04/15/17
GOVT NATL MORTG ASSN	53,767	\$59,510	6%	09/15/28
GOVT NATL MORTG ASSN	51,802	\$60,031	8%	06/15/27
GOVT NATL MORTG ASSN	54,339	\$60,143	6%	12/15/28
GOVT NATL MORTG ASSN	54,394	\$60,203	6%	02/15/29
GOVT NATL MORTG ASSN	53,322	\$60,212	6.5%	05/15/28
GOVT NATL MORTG ASSN	54,733	\$60,580	6%	03/15/29
GOVT NATL MORTG ASSN	55,140	\$60,699	6.5%	03/15/36
GOVT NATL MORTG ASSN	54,202	\$60,784	6.5%	02/15/29
GOVT NATL MORTG ASSN	54,998	\$60,873	6%	05/15/29
GOVT NATL MORTG ASSN	54,324	\$60,921	6.5%	03/15/29
GOVT NATL MORTG ASSN	54,358	\$60,925	6.5%	01/15/30
GOVT NATL MORTG ASSN	54,246	\$60,970	6.5%	10/15/28
GOVT NATL MORTG ASSN	55,192	\$61,088	6%	12/15/28
GOVT NATL MORTG ASSN	52,765	\$61,170	8%	06/15/24
GOVT NATL MORTG ASSN	55,553	\$61,437	6.5%	12/15/23
GOVT NATL MORTG ASSN	54,851	\$61,512	6.5%	07/15/29
GOVT NATL MORTG ASSN	55,079	\$61,767	6.5%	03/15/29
GOVT NATL MORTG ASSN	53,738	\$61,935	7.95%	01/15/21
GOVT NATL MORTG ASSN	55,853	\$62,661	8.5%	02/15/17
GOVT NATL MORTG ASSN	54,567	\$62,980	8%	05/20/27
GOVT NATL MORTG ASSN	56,439	\$63,293	6.5%	06/15/29
GOVT NATL MORTG ASSN	56,648	\$63,527	6.5%	01/15/29
GOVT NATL MORTG ASSN	56,719	\$63,607	6.5%	10/15/29
GOVT NATL MORTG ASSN	56,752	\$63,644	6.5%	03/15/29
GOVT NATL MORTG ASSN	56,881	\$63,698	7%	07/20/29
GOVT NATL MORTG ASSN	56,086	\$63,767	7%	07/15/31
GOVT NATL MORTG ASSN	56,954	\$63,870	6.5%	05/15/29
GOVT NATL MORTG ASSN	56,310	\$64,182	7.5%	10/15/29
GOVT NATL MORTG ASSN	56,650	\$64,409	7%	03/15/31
GOVT NATL MORTG ASSN	58,345	\$64,431	6%	01/15/33
GOVT NATL MORTG ASSN	57,149	\$64,435	7%	10/15/22
GOVT NATL MORTG ASSN	58,474	\$64,574	6%	04/15/33
GOVT NATL MORTG ASSN	57,809	\$64,829	6.5%	05/15/29
GOVT NATL MORTG ASSN	57,845	\$64,869	6.5%	01/15/29
GOVT NATL MORTG ASSN	58,300	\$64,905	6.5%	01/15/24
GOVT NATL MORTG ASSN	57,116	\$64,939	7%	08/15/31
GOVT NATL MORTG ASSN	57,922	\$64,983	8.5%	04/15/17
GOVT NATL MORTG ASSN	57,184	\$65,016	7%	04/15/31
GOVT NATL MORTG ASSN	57,297	\$65,226	9.5%	11/15/21
GOVT NATL MORTG ASSN	56,723	\$65,304	8%	08/20/25



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	56,742	\$65,757	8%	06/15/27
GOVT NATL MORTG ASSN	59,605	\$65,822	6%	12/15/33
GOVT NATL MORTG ASSN	58,733	\$65,865	6.5%	05/15/29
GOVT NATL MORTG ASSN	58,108	\$66,066	7%	04/15/31
GOVT NATL MORTG ASSN	59,993	\$66,090	6%	11/15/23
GOVT NATL MORTG ASSN	60,918	\$66,321	5.5%	11/15/33
GOVT NATL MORTG ASSN	59,530	\$66,684	6.5%	04/15/31
GOVT NATL MORTG ASSN	59,507	\$66,733	6.5%	06/15/29
GOVT NATL MORTG ASSN	59,581	\$66,742	6.5%	03/15/31
GOVT NATL MORTG ASSN	57,874	\$66,797	8%	02/20/27
GOVT NATL MORTG ASSN	59,719	\$66,896	6.5%	06/15/31
GOVT NATL MORTG ASSN	60,893	\$67,398	6%	05/15/31
GOVT NATL MORTG ASSN	59,636	\$67,743	7.5%	10/20/30
GOVT NATL MORTG ASSN	59,831	\$68,059	7%	09/15/29
GOVT NATL MORTG ASSN	58,998	\$68,396	8%	08/15/24
GOVT NATL MORTG ASSN	63,697	\$68,476	5%	12/15/33
GOVT NATL MORTG ASSN	61,155	\$68,505	6.5%	11/15/31
GOVT NATL MORTG ASSN	61,131	\$68,708	6.5%	09/15/28
GOVT NATL MORTG ASSN	60,610	\$68,911	7%	07/15/31
GOVT NATL MORTG ASSN	61,629	\$69,113	6.5%	05/15/29
GOVT NATL MORTG ASSN	61,752	\$69,251	6.5%	01/15/29
GOVT NATL MORTG ASSN	62,116	\$69,522	7%	01/20/28
GOVT NATL MORTG ASSN	62,858	\$69,573	6%	04/15/29
GOVT NATL MORTG ASSN	64,313	\$69,615	5.5%	01/15/39
GOVT NATL MORTG ASSN	61,268	\$69,659	7%	08/15/31
GOVT NATL MORTG ASSN	63,440	\$70,217	6%	04/15/29
GOVT NATL MORTG ASSN	63,583	\$70,375	6%	10/15/28
GOVT NATL MORTG ASSN	62,846	\$70,400	6.5%	11/15/31
GOVT NATL MORTG ASSN	63,136	\$70,803	6.5%	03/15/29
GOVT NATL MORTG ASSN	63,993	\$70,828	6%	01/15/29
GOVT NATL MORTG ASSN	63,427	\$71,023	6.5%	01/20/32
GOVT NATL MORTG ASSN	62,502	\$71,062	7%	08/15/31
GOVT NATL MORTG ASSN	64,210	\$71,068	6%	12/15/28
GOVT NATL MORTG ASSN	63,698	\$71,262	8%	06/15/17
GOVT NATL MORTG ASSN	64,546	\$71,440	6%	11/15/32
GOVT NATL MORTG ASSN	64,445	\$71,748	6.5%	02/15/24
GOVT NATL MORTG ASSN	63,191	\$71,845	7%	08/15/31
GOVT NATL MORTG ASSN	64,250	\$72,643	7%	01/15/24
GOVT NATL MORTG ASSN	65,054	\$72,810	7%	02/20/28
GOVT NATL MORTG ASSN	65,877	\$72,913	6%	01/15/29
GOVT NATL MORTG ASSN	65,371	\$73,205	7%	06/20/29
GOVT NATL MORTG ASSN	65,318	\$73,250	6.5%	01/15/29
GOVT NATL MORTG ASSN	64,739	\$73,385	6.5%	03/20/29
GOVT NATL MORTG ASSN	65,583	\$73,466	6.5%	08/15/31



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	65,541	\$73,500	6.5%	06/15/29
GOVT NATL MORTG ASSN	64,949	\$73,845	7%	07/15/31
GOVT NATL MORTG ASSN	66,025	\$73,961	6.5%	07/15/31
GOVT NATL MORTG ASSN	66,894	\$74,039	6%	01/15/29
GOVT NATL MORTG ASSN	65,180	\$74,143	7%	06/15/29
GOVT NATL MORTG ASSN	66,700	\$74,258	6.5%	03/15/24
GOVT NATL MORTG ASSN	69,236	\$74,987	5.5%	02/15/37
GOVT NATL MORTG ASSN	67,825	\$75,070	6%	10/15/28
GOVT NATL MORTG ASSN	67,883	\$75,133	6%	03/15/29
GOVT NATL MORTG ASSN	66,292	\$75,334	7%	12/15/30
GOVT NATL MORTG ASSN	66,635	\$75,762	7%	06/15/31
GOVT NATL MORTG ASSN	66,957	\$76,128	7%	04/15/31
GOVT NATL MORTG ASSN	69,218	\$76,612	6%	03/15/29
GOVT NATL MORTG ASSN	67,648	\$76,951	7%	06/15/29
GOVT NATL MORTG ASSN	68,881	\$77,246	6.5%	02/15/29
GOVT NATL MORTG ASSN	69,879	\$77,343	6%	11/15/28
GOVT NATL MORTG ASSN	69,168	\$77,559	7%	04/20/32
GOVT NATL MORTG ASSN	69,782	\$78,146	7%	04/20/29
GOVT NATL MORTG ASSN	70,030	\$78,446	6.5%	07/15/31
GOVT NATL MORTG ASSN	69,857	\$78,515	6.5%	12/15/28
GOVT NATL MORTG ASSN	71,048	\$78,637	6%	04/15/29
GOVT NATL MORTG ASSN	69,266	\$78,753	7%	05/15/31
GOVT NATL MORTG ASSN	71,035	\$78,840	6%	07/15/35
GOVT NATL MORTG ASSN	69,397	\$78,901	7%	01/15/31
GOVT NATL MORTG ASSN	71,361	\$78,983	6%	10/15/33
GOVT NATL MORTG ASSN	72,498	\$79,058	5.5%	01/15/29
GOVT NATL MORTG ASSN	71,078	\$79,221	6.5%	05/15/32
GOVT NATL MORTG ASSN	69,910	\$79,476	7%	04/15/28
GOVT NATL MORTG ASSN	71,885	\$79,563	6%	03/15/31
GOVT NATL MORTG ASSN	72,467	\$79,832	6%	11/15/23
GOVT NATL MORTG ASSN	73,509	\$80,160	5.5%	01/15/29
GOVT NATL MORTG ASSN	71,023	\$80,710	7%	06/15/30
GOVT NATL MORTG ASSN	72,940	\$80,731	6%	11/15/28
GOVT NATL MORTG ASSN	73,335	\$81,103	6.5%	12/15/23
GOVT NATL MORTG ASSN	73,947	\$81,106	6%	05/15/35
GOVT NATL MORTG ASSN	73,338	\$81,171	6%	11/15/28
GOVT NATL MORTG ASSN	71,461	\$81,248	7%	09/15/31
GOVT NATL MORTG ASSN	71,732	\$81,556	7%	03/15/31
GOVT NATL MORTG ASSN	75,955	\$82,502	5.5%	11/15/35
GOVT NATL MORTG ASSN	73,633	\$82,575	6.5%	05/15/29
GOVT NATL MORTG ASSN	73,857	\$82,826	6.5%	03/15/29
GOVT NATL MORTG ASSN	74,169	\$83,195	7%	03/20/33
GOVT NATL MORTG ASSN	74,566	\$83,621	6.5%	06/15/29
GOVT NATL MORTG ASSN	73,712	\$83,799	7%	05/15/28



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	75,723	\$83,801	8%	12/15/17
GOVT NATL MORTG ASSN	78,255	\$84,126	5%	10/15/33
GOVT NATL MORTG ASSN	74,402	\$84,239	7.5%	12/20/25
GOVT NATL MORTG ASSN	78,473	\$84,361	5%	12/15/33
GOVT NATL MORTG ASSN	77,243	\$85,092	6%	11/15/23
GOVT NATL MORTG ASSN	75,954	\$85,178	6.5%	01/15/29
GOVT NATL MORTG ASSN	74,926	\$85,179	7%	05/15/28
GOVT NATL MORTG ASSN	75,059	\$85,340	7%	11/15/31
GOVT NATL MORTG ASSN	77,818	\$85,644	6%	11/15/34
GOVT NATL MORTG ASSN	76,111	\$86,536	7%	06/15/31
GOVT NATL MORTG ASSN	77,178	\$86,550	6.5%	04/15/29
GOVT NATL MORTG ASSN	77,484	\$86,893	6.5%	04/15/29
GOVT NATL MORTG ASSN	76,827	\$87,306	7%	12/15/30
GOVT NATL MORTG ASSN	79,298	\$87,356	6%	10/15/23
GOVT NATL MORTG ASSN	81,536	\$88,627	5.5%	02/15/34
GOVT NATL MORTG ASSN	76,878	\$88,731	8%	01/20/27
GOVT NATL MORTG ASSN	80,045	\$89,115	6.5%	01/15/24
GOVT NATL MORTG ASSN	80,627	\$89,239	6%	11/15/28
GOVT NATL MORTG ASSN	78,445	\$89,296	7.5%	08/20/31
GOVT NATL MORTG ASSN	79,841	\$89,573	8.5%	01/15/17
GOVT NATL MORTG ASSN	79,476	\$90,352	7%	04/15/28
GOVT NATL MORTG ASSN	79,640	\$90,548	7%	06/15/31
GOVT NATL MORTG ASSN	79,982	\$90,892	7%	12/15/30
GOVT NATL MORTG ASSN	81,709	\$91,070	6.5%	04/15/32
GOVT NATL MORTG ASSN	82,560	\$91,173	6%	03/15/33
GOVT NATL MORTG ASSN	82,413	\$92,524	6.5%	05/15/29
GOVT NATL MORTG ASSN	79,920	\$92,651	8%	03/15/24
GOVT NATL MORTG ASSN	81,923	\$92,914	7.5%	02/20/28
GOVT NATL MORTG ASSN	83,468	\$93,031	6.5%	06/15/32
GOVT NATL MORTG ASSN	88,393	\$93,065	4.5%	12/20/33
GOVT NATL MORTG ASSN	82,019	\$93,252	7%	06/15/31
GOVT NATL MORTG ASSN	83,381	\$93,322	7%	11/20/28
GOVT NATL MORTG ASSN	82,696	\$93,939	7.5%	08/20/30
GOVT NATL MORTG ASSN	84,993	\$94,071	6%	03/15/29
GOVT NATL MORTG ASSN	84,174	\$94,396	6.5%	03/15/29
GOVT NATL MORTG ASSN	82,276	\$95,252	8%	07/20/31
GOVT NATL MORTG ASSN	86,498	\$95,737	6%	02/15/29
GOVT NATL MORTG ASSN	83,419	\$96,671	8%	04/15/27
GOVT NATL MORTG ASSN	85,185	\$96,804	7%	11/15/30
GOVT NATL MORTG ASSN	85,357	\$97,048	7%	05/15/31
GOVT NATL MORTG ASSN	88,132	\$97,546	6%	03/15/29
GOVT NATL MORTG ASSN	85,825	\$97,580	7%	07/15/31
GOVT NATL MORTG ASSN	88,739	\$98,218	6%	12/15/28
GOVT NATL MORTG ASSN	88,899	\$99,455	8%	04/15/17



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	87,671	\$99,678	7%	03/15/31
GOVT NATL MORTG ASSN	90,281	\$99,924	6%	12/15/31
GOVT NATL MORTG ASSN	88,519	\$100,642	7%	03/15/31
GOVT NATL MORTG ASSN	89,854	\$100,766	6.5%	03/15/29
GOVT NATL MORTG ASSN	90,633	\$101,640	6.5%	02/15/29
GOVT NATL MORTG ASSN	92,137	\$101,979	6%	03/15/31
GOVT NATL MORTG ASSN	90,371	\$102,397	7.5%	12/20/27
GOVT NATL MORTG ASSN	93,024	\$102,960	6%	05/15/32
GOVT NATL MORTG ASSN	92,029	\$103,204	6.5%	05/15/29
GOVT NATL MORTG ASSN	94,037	\$103,493	6%	11/15/34
GOVT NATL MORTG ASSN	92,289	\$103,727	6.5%	06/15/28
GOVT NATL MORTG ASSN	93,903	\$103,933	6%	03/15/29
GOVT NATL MORTG ASSN	93,095	\$104,401	6.5%	06/15/29
GOVT NATL MORTG ASSN	93,444	\$104,675	6.5%	12/15/31
GOVT NATL MORTG ASSN	93,394	\$104,736	6.5%	05/15/29
GOVT NATL MORTG ASSN	94,911	\$104,811	6%	01/15/33
GOVT NATL MORTG ASSN	94,926	\$105,065	6%	12/15/28
GOVT NATL MORTG ASSN	92,521	\$105,193	7%	07/15/31
GOVT NATL MORTG ASSN	92,626	\$105,313	7%	08/15/31
GOVT NATL MORTG ASSN	100,407	\$105,533	4.5%	03/20/34
GOVT NATL MORTG ASSN	94,796	\$106,189	6.5%	07/15/31
GOVT NATL MORTG ASSN	96,969	\$107,326	6%	03/15/29
GOVT NATL MORTG ASSN	97,284	\$107,432	6%	04/15/33
GOVT NATL MORTG ASSN	98,524	\$107,487	5.5%	12/15/28
GOVT NATL MORTG ASSN	97,415	\$107,820	6%	05/15/31
GOVT NATL MORTG ASSN	97,483	\$107,896	6%	10/15/32
GOVT NATL MORTG ASSN	95,869	\$108,254	7%	05/15/23
GOVT NATL MORTG ASSN	96,749	\$108,498	6.5%	05/15/29
GOVT NATL MORTG ASSN	95,462	\$108,537	7%	08/15/31
GOVT NATL MORTG ASSN	96,887	\$108,652	6.5%	04/15/29
GOVT NATL MORTG ASSN	99,080	\$109,663	6%	06/15/31
GOVT NATL MORTG ASSN	98,186	\$110,355	6.5%	10/15/28
GOVT NATL MORTG ASSN	95,836	\$110,611	8%	03/20/27
GOVT NATL MORTG ASSN	102,165	\$111,050	5.5%	05/15/34
GOVT NATL MORTG ASSN	100,960	\$111,491	6%	04/15/33
GOVT NATL MORTG ASSN	100,087	\$111,554	6.5%	03/15/32
GOVT NATL MORTG ASSN	99,963	\$111,977	6.5%	06/15/31
GOVT NATL MORTG ASSN	101,646	\$112,412	6.5%	11/15/23
GOVT NATL MORTG ASSN	100,442	\$112,513	6.5%	04/15/31
GOVT NATL MORTG ASSN	99,203	\$112,791	7%	08/15/31
GOVT NATL MORTG ASSN	101,919	\$112,805	6%	09/15/32
GOVT NATL MORTG ASSN	102,032	\$112,930	6%	01/15/29
GOVT NATL MORTG ASSN	100,920	\$113,175	6.5%	05/15/29
GOVT NATL MORTG ASSN	98,052	\$113,993	8.5%	02/15/27



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	102,883	\$114,315	8.625%	10/15/18
GOVT NATL MORTG ASSN	101,200	\$114,742	9.5%	09/20/17
GOVT NATL MORTG ASSN	105,412	\$114,761	5.5%	01/15/33
GOVT NATL MORTG ASSN	104,326	\$115,469	6%	07/15/31
GOVT NATL MORTG ASSN	103,363	\$115,637	8%	02/15/17
GOVT NATL MORTG ASSN	103,240	\$115,669	7%	09/20/30
GOVT NATL MORTG ASSN	104,771	\$115,700	6%	11/15/33
GOVT NATL MORTG ASSN	108,903	\$116,325	5%	08/15/39
GOVT NATL MORTG ASSN	102,539	\$116,555	7%	07/15/31
GOVT NATL MORTG ASSN	105,730	\$117,023	6%	06/15/29
GOVT NATL MORTG ASSN	106,137	\$117,208	6%	11/15/33
GOVT NATL MORTG ASSN	107,111	\$118,551	6%	10/15/31
GOVT NATL MORTG ASSN	105,906	\$118,767	6.5%	01/15/29
GOVT NATL MORTG ASSN	105,208	\$118,800	7%	08/15/23
GOVT NATL MORTG ASSN	106,128	\$119,016	6.5%	04/15/29
GOVT NATL MORTG ASSN	104,718	\$119,257	7.5%	09/15/28
GOVT NATL MORTG ASSN	102,990	\$119,674	8%	12/15/30
GOVT NATL MORTG ASSN	108,385	\$119,962	6%	01/15/29
GOVT NATL MORTG ASSN	112,083	\$120,509	5%	10/20/32
GOVT NATL MORTG ASSN	106,258	\$120,864	7%	04/15/32
GOVT NATL MORTG ASSN	110,480	\$122,281	6%	02/15/29
GOVT NATL MORTG ASSN	111,400	\$122,603	6%	01/15/34
GOVT NATL MORTG ASSN	109,591	\$122,899	6.5%	05/15/29
GOVT NATL MORTG ASSN	112,164	\$124,874	6.5%	02/15/24
GOVT NATL MORTG ASSN	109,967	\$125,028	7%	03/15/31
GOVT NATL MORTG ASSN	110,074	\$125,150	7%	09/15/31
GOVT NATL MORTG ASSN	113,527	\$125,654	6%	05/15/32
GOVT NATL MORTG ASSN	117,682	\$125,703	5%	03/15/40
GOVT NATL MORTG ASSN	114,732	\$126,700	6%	08/15/33
GOVT NATL MORTG ASSN	115,192	\$127,496	6%	11/15/28
GOVT NATL MORTG ASSN	109,901	\$127,960	9.5%	10/15/21
GOVT NATL MORTG ASSN	112,551	\$128,023	7%	09/15/32
GOVT NATL MORTG ASSN	116,561	\$129,011	6%	02/15/29
GOVT NATL MORTG ASSN	113,273	\$129,140	7.5%	08/15/30
GOVT NATL MORTG ASSN	117,680	\$130,250	6%	01/15/29
GOVT NATL MORTG ASSN	116,444	\$130,566	6.5%	04/15/31
GOVT NATL MORTG ASSN	120,162	\$130,819	5.5%	08/15/33
GOVT NATL MORTG ASSN	118,218	\$130,846	6%	09/15/32
GOVT NATL MORTG ASSN	113,489	\$131,405	8%	01/15/25
GOVT NATL MORTG ASSN	117,539	\$131,812	6.5%	06/15/29
GOVT NATL MORTG ASSN	117,750	\$131,916	6.5%	08/20/31
GOVT NATL MORTG ASSN	118,062	\$132,400	6.5%	06/15/29
GOVT NATL MORTG ASSN	118,304	\$132,670	6.5%	04/15/29
GOVT NATL MORTG ASSN	122,567	\$133,437	5.5%	01/15/33



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	120,668	\$133,556	6%	04/15/29
GOVT NATL MORTG ASSN	122,092	\$135,133	6%	02/15/29
GOVT NATL MORTG ASSN	120,650	\$135,604	6.5%	10/15/28
GOVT NATL MORTG ASSN	124,020	\$137,267	6%	01/15/29
GOVT NATL MORTG ASSN	124,301	\$137,578	6%	01/15/29
GOVT NATL MORTG ASSN	123,236	\$138,005	7%	09/20/29
GOVT NATL MORTG ASSN	124,909	\$138,250	6%	11/15/28
GOVT NATL MORTG ASSN	121,906	\$138,770	7.5%	02/20/31
GOVT NATL MORTG ASSN	130,231	\$139,107	5%	03/15/40
GOVT NATL MORTG ASSN	122,335	\$139,832	7.5%	01/15/31
GOVT NATL MORTG ASSN	126,407	\$139,909	6%	02/15/29
GOVT NATL MORTG ASSN	122,554	\$140,082	7.5%	02/15/31
GOVT NATL MORTG ASSN	127,396	\$140,240	6.5%	05/15/36
GOVT NATL MORTG ASSN	126,816	\$140,362	6%	03/15/29
GOVT NATL MORTG ASSN	125,470	\$140,550	6.5%	04/15/31
GOVT NATL MORTG ASSN	127,079	\$140,652	6%	01/15/29
GOVT NATL MORTG ASSN	125,969	\$141,581	6.5%	10/15/28
GOVT NATL MORTG ASSN	125,321	\$142,485	7%	01/15/31
GOVT NATL MORTG ASSN	133,456	\$142,552	5%	05/15/40
GOVT NATL MORTG ASSN	128,961	\$142,735	6%	01/15/32
GOVT NATL MORTG ASSN	126,209	\$143,495	7%	09/15/31
GOVT NATL MORTG ASSN	129,691	\$143,544	6%	06/15/29
GOVT NATL MORTG ASSN	129,309	\$145,012	6.5%	04/15/29
GOVT NATL MORTG ASSN	133,393	\$146,841	6.5%	04/15/36
GOVT NATL MORTG ASSN	129,119	\$146,868	7%	05/15/32
GOVT NATL MORTG ASSN	133,574	\$147,040	6.5%	06/15/36
GOVT NATL MORTG ASSN	133,192	\$147,086	6%	11/15/33
GOVT NATL MORTG ASSN	129,692	\$147,520	7%	02/15/32
GOVT NATL MORTG ASSN	131,758	\$149,985	7.5%	03/20/31
GOVT NATL MORTG ASSN	136,446	\$151,021	6%	12/15/28
GOVT NATL MORTG ASSN	134,982	\$151,205	6.5%	07/15/31
GOVT NATL MORTG ASSN	136,688	\$152,348	6.5%	01/15/32
GOVT NATL MORTG ASSN	138,437	\$152,393	6.5%	08/15/36
GOVT NATL MORTG ASSN	139,311	\$153,843	6%	10/15/33
GOVT NATL MORTG ASSN	137,281	\$154,296	6.5%	12/15/28
GOVT NATL MORTG ASSN	139,465	\$154,361	6%	04/15/29
GOVT NATL MORTG ASSN	139,774	\$156,589	6.5%	05/20/31
GOVT NATL MORTG ASSN	142,835	\$157,199	6%	12/15/34
GOVT NATL MORTG ASSN	143,853	\$158,858	6%	01/15/33
GOVT NATL MORTG ASSN	144,029	\$159,413	6%	12/15/28
GOVT NATL MORTG ASSN	148,540	\$161,714	5.5%	02/15/33
GOVT NATL MORTG ASSN	145,110	\$161,734	6.5%	07/15/32
GOVT NATL MORTG ASSN	139,768	\$161,910	8%	12/15/24
GOVT NATL MORTG ASSN	148,957	\$162,167	5.5%	06/15/33



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	145,875	\$162,587	6.5%	01/15/32
GOVT NATL MORTG ASSN	146,191	\$162,939	6.5%	03/15/32
GOVT NATL MORTG ASSN	147,310	\$163,045	6%	03/15/29
GOVT NATL MORTG ASSN	144,438	\$164,221	7%	10/15/31
GOVT NATL MORTG ASSN	149,572	\$165,548	6%	03/15/29
GOVT NATL MORTG ASSN	148,561	\$165,581	6.5%	08/15/32
GOVT NATL MORTG ASSN	147,281	\$166,394	6.5%	11/15/28
GOVT NATL MORTG ASSN	143,663	\$166,486	8%	09/15/27
GOVT NATL MORTG ASSN	150,568	\$166,651	6%	12/15/31
GOVT NATL MORTG ASSN	146,181	\$166,739	7.5%	09/15/30
GOVT NATL MORTG ASSN	147,345	\$167,151	7.5%	01/20/30
GOVT NATL MORTG ASSN	153,622	\$167,247	5.5%	07/15/33
GOVT NATL MORTG ASSN	150,411	\$167,266	6.5%	02/15/33
GOVT NATL MORTG ASSN	151,191	\$167,340	6%	04/15/29
GOVT NATL MORTG ASSN	147,363	\$167,546	7%	03/15/31
GOVT NATL MORTG ASSN	157,969	\$169,624	5%	05/15/34
GOVT NATL MORTG ASSN	149,274	\$170,623	7.5%	02/15/31
GOVT NATL MORTG ASSN	155,304	\$171,892	6%	01/15/29
GOVT NATL MORTG ASSN	153,359	\$171,982	6.5%	04/15/29
GOVT NATL MORTG ASSN	155,708	\$172,339	6%	01/15/29
GOVT NATL MORTG ASSN	156,558	\$172,889	6%	12/15/33
GOVT NATL MORTG ASSN	150,453	\$173,941	8%	07/15/25
GOVT NATL MORTG ASSN	158,143	\$174,639	6%	11/15/33
GOVT NATL MORTG ASSN	158,266	\$175,171	6%	11/15/28
GOVT NATL MORTG ASSN	159,405	\$175,475	6.5%	06/15/36
GOVT NATL MORTG ASSN	156,385	\$176,324	7%	11/15/22
GOVT NATL MORTG ASSN	159,763	\$176,827	6%	04/15/29
GOVT NATL MORTG ASSN	163,785	\$177,287	5.5%	11/15/39
GOVT NATL MORTG ASSN	158,034	\$177,423	6.5%	09/15/29
GOVT NATL MORTG ASSN	160,829	\$177,606	6%	03/15/33
GOVT NATL MORTG ASSN	161,768	\$177,798	6.5%	06/15/37
GOVT NATL MORTG ASSN	157,340	\$177,893	7%	01/15/24
GOVT NATL MORTG ASSN	159,632	\$177,920	6.5%	01/15/32
GOVT NATL MORTG ASSN	161,316	\$178,144	6%	06/15/33
GOVT NATL MORTG ASSN	164,249	\$178,867	5.5%	11/15/32
GOVT NATL MORTG ASSN	159,350	\$179,099	6.5%	11/15/28
GOVT NATL MORTG ASSN	157,599	\$179,263	7%	05/15/32
GOVT NATL MORTG ASSN	164,886	\$179,509	5.5%	10/15/33
GOVT NATL MORTG ASSN	163,039	\$180,454	6%	12/15/32
GOVT NATL MORTG ASSN	167,286	\$182,122	5.5%	02/15/33
GOVT NATL MORTG ASSN	160,458	\$182,331	7.5%	01/15/23
GOVT NATL MORTG ASSN	171,064	\$182,723	5%	11/15/39
GOVT NATL MORTG ASSN	163,423	\$183,269	6.5%	08/15/29
GOVT NATL MORTG ASSN	164,783	\$184,015	7%	07/15/29



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	166,166	\$184,787	6.5%	07/15/33
GOVT NATL MORTG ASSN	165,943	\$185,830	7%	05/20/29
GOVT NATL MORTG ASSN	164,273	\$186,772	7%	08/15/31
GOVT NATL MORTG ASSN	171,757	\$187,044	5.5%	11/15/32
GOVT NATL MORTG ASSN	170,158	\$187,312	6.5%	06/15/36
GOVT NATL MORTG ASSN	165,959	\$188,690	7%	10/15/31
GOVT NATL MORTG ASSN	169,707	\$188,724	6.5%	04/15/33
GOVT NATL MORTG ASSN	170,714	\$188,948	6%	05/15/29
GOVT NATL MORTG ASSN	166,461	\$189,240	7%	02/15/28
GOVT NATL MORTG ASSN	172,153	\$190,110	6%	05/15/33
GOVT NATL MORTG ASSN	172,189	\$190,151	6%	12/15/33
GOVT NATL MORTG ASSN	168,917	\$192,052	7%	07/15/31
GOVT NATL MORTG ASSN	177,535	\$192,975	5.5%	02/15/34
GOVT NATL MORTG ASSN	178,997	\$194,872	5.5%	08/15/33
GOVT NATL MORTG ASSN	176,718	\$195,152	6%	11/15/33
GOVT NATL MORTG ASSN	175,405	\$195,500	6.5%	04/15/32
GOVT NATL MORTG ASSN	175,054	\$196,214	7%	03/20/31
GOVT NATL MORTG ASSN	180,178	\$196,214	5.5%	12/15/32
GOVT NATL MORTG ASSN	177,322	\$196,262	6%	03/15/29
GOVT NATL MORTG ASSN	180,603	\$196,620	5.5%	12/15/33
GOVT NATL MORTG ASSN	181,383	\$197,470	5.5%	03/15/33
GOVT NATL MORTG ASSN	182,391	\$198,567	5.5%	07/15/33
GOVT NATL MORTG ASSN	177,122	\$198,631	6.5%	06/15/29
GOVT NATL MORTG ASSN	182,797	\$199,009	5.5%	08/15/33
GOVT NATL MORTG ASSN	181,243	\$200,602	6%	02/15/29
GOVT NATL MORTG ASSN	177,510	\$201,822	7%	10/15/31
GOVT NATL MORTG ASSN	182,685	\$202,199	6%	01/15/29
GOVT NATL MORTG ASSN	184,069	\$202,626	6.5%	09/15/36
GOVT NATL MORTG ASSN	186,189	\$202,701	5.5%	05/15/33
GOVT NATL MORTG ASSN	180,768	\$202,720	6.5%	02/15/29
GOVT NATL MORTG ASSN	189,804	\$202,741	5%	10/15/39
GOVT NATL MORTG ASSN	178,429	\$202,957	7%	04/15/32
GOVT NATL MORTG ASSN	187,845	\$204,505	5.5%	03/15/33
GOVT NATL MORTG ASSN	185,292	\$205,083	6%	02/15/29
GOVT NATL MORTG ASSN	191,908	\$207,728	5.5%	11/15/39
GOVT NATL MORTG ASSN	186,784	\$209,255	6.5%	07/20/31
GOVT NATL MORTG ASSN	187,851	\$210,663	6.5%	06/15/29
GOVT NATL MORTG ASSN	189,177	\$210,849	6.5%	06/15/32
GOVT NATL MORTG ASSN	203,477	\$212,487	4.5%	04/15/39
GOVT NATL MORTG ASSN	198,661	\$213,567	5%	07/15/33
GOVT NATL MORTG ASSN	188,593	\$214,232	7.5%	03/20/30
GOVT NATL MORTG ASSN	197,903	\$215,455	5.5%	03/15/33
GOVT NATL MORTG ASSN	195,691	\$216,104	6%	04/15/33
GOVT NATL MORTG ASSN	195,772	\$216,683	6%	09/15/32



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	190,725	\$217,399	7.5%	04/15/30
GOVT NATL MORTG ASSN	195,270	\$218,983	6.5%	01/15/29
GOVT NATL MORTG ASSN	193,048	\$220,104	7.5%	01/15/30
GOVT NATL MORTG ASSN	199,371	\$225,127	7%	07/15/23
GOVT NATL MORTG ASSN	204,780	\$225,424	6.5%	08/15/36
GOVT NATL MORTG ASSN	199,010	\$226,540	7.5%	01/20/31
GOVT NATL MORTG ASSN	209,264	\$227,823	5.5%	07/15/33
GOVT NATL MORTG ASSN	204,581	\$228,019	6.5%	04/15/32
GOVT NATL MORTG ASSN	199,953	\$228,551	7.5%	04/15/31
GOVT NATL MORTG ASSN	209,957	\$228,643	5.5%	11/15/32
GOVT NATL MORTG ASSN	211,019	\$229,734	5.5%	02/15/33
GOVT NATL MORTG ASSN	212,052	\$230,859	5.5%	03/15/33
GOVT NATL MORTG ASSN	210,791	\$231,679	6.5%	06/15/37
GOVT NATL MORTG ASSN	220,159	\$235,165	5%	07/15/39
GOVT NATL MORTG ASSN	212,642	\$235,355	6%	02/15/29
GOVT NATL MORTG ASSN	209,795	\$236,898	7%	06/15/23
GOVT NATL MORTG ASSN	214,925	\$237,882	6%	04/15/29
GOVT NATL MORTG ASSN	218,583	\$238,359	5.5%	01/15/29
GOVT NATL MORTG ASSN	205,980	\$239,455	10%	08/15/21
GOVT NATL MORTG ASSN	213,217	\$239,643	6.5%	12/15/28
GOVT NATL MORTG ASSN	210,946	\$239,756	7%	05/15/31
GOVT NATL MORTG ASSN	207,969	\$239,994	8%	11/15/25
GOVT NATL MORTG ASSN	217,914	\$241,190	6%	02/15/29
GOVT NATL MORTG ASSN	218,275	\$241,590	6%	01/15/29
GOVT NATL MORTG ASSN	222,385	\$242,108	5.5%	06/15/33
GOVT NATL MORTG ASSN	220,302	\$242,511	6.5%	04/15/36
GOVT NATL MORTG ASSN	220,494	\$244,045	6%	01/15/29
GOVT NATL MORTG ASSN	225,549	\$245,553	5.5%	02/15/33
GOVT NATL MORTG ASSN	225,574	\$245,650	5.5%	11/15/32
GOVT NATL MORTG ASSN	230,586	\$246,302	5%	04/15/40
GOVT NATL MORTG ASSN	223,034	\$246,857	6%	08/15/32
GOVT NATL MORTG ASSN	226,570	\$250,770	6%	11/15/28
GOVT NATL MORTG ASSN	230,392	\$250,825	5.5%	04/15/33
GOVT NATL MORTG ASSN	227,221	\$251,491	6%	01/15/29
GOVT NATL MORTG ASSN	224,031	\$251,796	6.5%	12/15/28
GOVT NATL MORTG ASSN	231,632	\$252,247	5.5%	12/15/32
GOVT NATL MORTG ASSN	231,793	\$252,351	5.5%	02/15/33
GOVT NATL MORTG ASSN	233,395	\$254,094	5.5%	03/15/33
GOVT NATL MORTG ASSN	230,431	\$255,044	6%	12/15/28
GOVT NATL MORTG ASSN	225,284	\$255,910	7.5%	12/20/30
GOVT NATL MORTG ASSN	228,526	\$255,992	6.5%	11/15/31
GOVT NATL MORTG ASSN	233,075	\$256,171	6.5%	06/15/37
GOVT NATL MORTG ASSN	225,767	\$256,460	7.5%	11/20/30
GOVT NATL MORTG ASSN	230,957	\$258,875	7%	10/20/31



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	237,900	\$259,073	5.5%	11/15/32
GOVT NATL MORTG ASSN	238,044	\$259,156	5.5%	02/15/33
GOVT NATL MORTG ASSN	235,085	\$259,852	6%	12/15/33
GOVT NATL MORTG ASSN	242,392	\$260,579	5%	07/15/33
GOVT NATL MORTG ASSN	245,892	\$264,342	5%	08/15/33
GOVT NATL MORTG ASSN	239,049	\$264,583	6%	10/15/32
GOVT NATL MORTG ASSN	243,602	\$265,206	5.5%	04/15/33
GOVT NATL MORTG ASSN	237,294	\$268,289	7%	01/15/24
GOVT NATL MORTG ASSN	243,023	\$268,981	6%	01/15/29
GOVT NATL MORTG ASSN	245,165	\$269,459	6.5%	06/15/37
GOVT NATL MORTG ASSN	248,636	\$270,687	5.5%	02/15/33
GOVT NATL MORTG ASSN	244,928	\$271,089	6%	10/15/32
GOVT NATL MORTG ASSN	238,649	\$271,335	7%	04/15/31
GOVT NATL MORTG ASSN	243,381	\$272,733	7%	04/20/32
GOVT NATL MORTG ASSN	237,526	\$273,825	8%	09/20/26
GOVT NATL MORTG ASSN	250,609	\$275,443	6.5%	06/15/37
GOVT NATL MORTG ASSN	247,208	\$277,089	7%	05/20/31
GOVT NATL MORTG ASSN	247,627	\$277,699	6.5%	04/15/29
GOVT NATL MORTG ASSN	260,599	\$278,361	5%	11/15/39
GOVT NATL MORTG ASSN	253,602	\$279,168	6.5%	03/15/36
GOVT NATL MORTG ASSN	256,693	\$279,459	5.5%	07/15/33
GOVT NATL MORTG ASSN	253,088	\$279,488	6%	10/15/33
GOVT NATL MORTG ASSN	253,420	\$279,855	6%	04/15/33
GOVT NATL MORTG ASSN	263,449	\$281,405	5%	03/15/40
GOVT NATL MORTG ASSN	256,010	\$282,715	6%	04/15/33
GOVT NATL MORTG ASSN	255,825	\$283,151	6%	04/15/29
GOVT NATL MORTG ASSN	257,194	\$284,086	6.5%	12/15/35
GOVT NATL MORTG ASSN	254,197	\$285,066	6.5%	05/15/29
GOVT NATL MORTG ASSN	261,926	\$289,903	6%	02/15/29
GOVT NATL MORTG ASSN	249,641	\$290,182	8%	01/15/31
GOVT NATL MORTG ASSN	258,871	\$290,308	6.5%	01/15/29
GOVT NATL MORTG ASSN	262,582	\$290,629	6%	01/15/33
GOVT NATL MORTG ASSN	267,070	\$294,929	6%	10/15/33
GOVT NATL MORTG ASSN	261,394	\$298,779	7.5%	04/15/31
GOVT NATL MORTG ASSN	275,528	\$299,964	5.5%	05/15/33
GOVT NATL MORTG ASSN	277,644	\$302,267	5.5%	03/15/33
GOVT NATL MORTG ASSN	268,667	\$302,686	10%	03/15/25
GOVT NATL MORTG ASSN	271,787	\$302,923	6.5%	03/15/32
GOVT NATL MORTG ASSN	270,521	\$303,221	7%	09/20/31
GOVT NATL MORTG ASSN	279,467	\$304,252	5.5%	01/15/33
GOVT NATL MORTG ASSN	279,509	\$304,298	5.5%	05/15/33
GOVT NATL MORTG ASSN	276,487	\$309,773	7%	01/20/30
GOVT NATL MORTG ASSN	272,306	\$309,975	7.5%	12/20/31
GOVT NATL MORTG ASSN	290,227	\$310,007	5%	05/15/40



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	282,016	\$314,325	6.5%	05/15/32
GOVT NATL MORTG ASSN	280,588	\$314,663	6.5%	04/15/29
GOVT NATL MORTG ASSN	278,990	\$317,167	7%	03/15/28
GOVT NATL MORTG ASSN	291,489	\$317,432	5.5%	11/15/32
GOVT NATL MORTG ASSN	300,068	\$322,582	5%	12/15/33
GOVT NATL MORTG ASSN	295,177	\$326,706	6%	02/15/29
GOVT NATL MORTG ASSN	300,413	\$327,056	5.5%	04/15/33
GOVT NATL MORTG ASSN	304,990	\$327,874	5%	10/15/33
GOVT NATL MORTG ASSN	298,164	\$330,012	6%	04/15/29
GOVT NATL MORTG ASSN	298,496	\$330,379	6%	03/15/29
GOVT NATL MORTG ASSN	307,398	\$330,462	5%	09/15/33
GOVT NATL MORTG ASSN	295,089	\$330,589	6.5%	09/20/31
GOVT NATL MORTG ASSN	293,135	\$334,359	7.5%	12/15/30
GOVT NATL MORTG ASSN	308,018	\$340,918	6%	02/15/29
GOVT NATL MORTG ASSN	292,589	\$341,308	9%	02/15/25
GOVT NATL MORTG ASSN	305,361	\$342,272	7%	02/20/31
GOVT NATL MORTG ASSN	311,436	\$342,298	6.5%	05/15/37
GOVT NATL MORTG ASSN	304,612	\$346,333	7%	10/15/31
GOVT NATL MORTG ASSN	302,494	\$351,037	8.5%	05/20/29
GOVT NATL MORTG ASSN	319,569	\$353,704	6%	03/15/29
GOVT NATL MORTG ASSN	312,095	\$354,840	7%	09/15/31
GOVT NATL MORTG ASSN	311,738	\$354,863	7.5%	05/20/31
GOVT NATL MORTG ASSN	333,427	\$356,152	5%	09/15/39
GOVT NATL MORTG ASSN	333,858	\$358,908	5%	09/15/33
GOVT NATL MORTG ASSN	326,010	\$360,832	6%	09/15/31
GOVT NATL MORTG ASSN	323,317	\$362,579	6.5%	05/15/29
GOVT NATL MORTG ASSN	346,264	\$363,942	4.5%	02/20/34
GOVT NATL MORTG ASSN	321,691	\$365,911	7%	07/15/32
GOVT NATL MORTG ASSN	331,181	\$366,556	6%	01/15/29
GOVT NATL MORTG ASSN	345,245	\$371,150	5%	12/15/33
GOVT NATL MORTG ASSN	340,702	\$372,089	6%	11/15/37
GOVT NATL MORTG ASSN	347,213	\$373,265	5%	09/15/33
GOVT NATL MORTG ASSN	343,358	\$373,917	5.5%	12/15/32
GOVT NATL MORTG ASSN	347,804	\$378,758	5.5%	12/15/32
GOVT NATL MORTG ASSN	347,183	\$382,184	6.5%	04/15/36
GOVT NATL MORTG ASSN	355,800	\$382,496	5%	10/15/33
GOVT NATL MORTG ASSN	351,491	\$382,664	5.5%	05/15/33
GOVT NATL MORTG ASSN	357,391	\$384,206	5%	09/15/33
GOVT NATL MORTG ASSN	356,240	\$387,222	5.5%	10/15/34
GOVT NATL MORTG ASSN	354,909	\$388,271	6%	07/15/36
GOVT NATL MORTG ASSN	341,162	\$389,281	7.5%	12/15/31
GOVT NATL MORTG ASSN	359,093	\$390,940	5.5%	05/15/33
GOVT NATL MORTG ASSN	359,581	\$391,583	5.5%	12/15/32
GOVT NATL MORTG ASSN	356,077	\$391,973	6.5%	02/15/36



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	364,175	\$393,950	5.5%	02/20/37
GOVT NATL MORTG ASSN	352,880	\$395,688	7%	10/20/32
GOVT NATL MORTG ASSN	348,713	\$396,431	7%	05/15/28
GOVT NATL MORTG ASSN	367,417	\$401,265	6%	11/15/37
GOVT NATL MORTG ASSN	377,092	\$405,386	5%	09/15/33
GOVT NATL MORTG ASSN	379,659	\$413,330	5.5%	07/15/33
GOVT NATL MORTG ASSN	362,678	\$413,374	7.5%	12/15/29
GOVT NATL MORTG ASSN	382,599	\$416,531	5.5%	01/15/33
GOVT NATL MORTG ASSN	365,928	\$416,549	7.5%	04/20/31
GOVT NATL MORTG ASSN	361,874	\$418,313	8%	10/15/25
GOVT NATL MORTG ASSN	395,570	\$422,531	5%	03/15/40
GOVT NATL MORTG ASSN	386,669	\$424,748	8.5%	10/15/17
GOVT NATL MORTG ASSN	394,173	\$429,131	5.5%	01/15/33
GOVT NATL MORTG ASSN	386,833	\$433,809	6.5%	06/15/29
GOVT NATL MORTG ASSN	401,594	\$437,210	5.5%	06/15/33
GOVT NATL MORTG ASSN	402,671	\$443,265	6.5%	09/15/36
GOVT NATL MORTG ASSN	401,493	\$447,490	6.5%	06/15/32
GOVT NATL MORTG ASSN	405,908	\$448,757	6%	11/15/33
GOVT NATL MORTG ASSN	400,884	\$449,146	7%	12/20/30
GOVT NATL MORTG ASSN	420,710	\$450,962	5%	12/15/35
GOVT NATL MORTG ASSN	422,650	\$451,456	5%	05/15/40
GOVT NATL MORTG ASSN	420,861	\$455,556	5.5%	02/15/40
GOVT NATL MORTG ASSN	418,836	\$456,058	5.5%	04/15/33
GOVT NATL MORTG ASSN	404,394	\$456,413	6.5%	03/15/28
GOVT NATL MORTG ASSN	416,189	\$460,644	6%	01/15/32
GOVT NATL MORTG ASSN	427,591	\$462,142	5.5%	05/20/39
GOVT NATL MORTG ASSN	411,298	\$462,274	6.5%	06/15/28
GOVT NATL MORTG ASSN	431,904	\$462,961	5%	10/15/35
GOVT NATL MORTG ASSN	427,918	\$463,194	5.5%	10/15/39
GOVT NATL MORTG ASSN	435,840	\$467,997	5%	04/15/34
GOVT NATL MORTG ASSN	435,961	\$468,126	5%	03/15/34
GOVT NATL MORTG ASSN	436,920	\$475,669	5.5%	06/15/33
GOVT NATL MORTG ASSN	440,857	\$480,094	5.5%	12/15/32
GOVT NATL MORTG ASSN	440,624	\$485,044	6.5%	07/15/36
GOVT NATL MORTG ASSN	452,968	\$493,141	5.5%	03/15/33
GOVT NATL MORTG ASSN	446,732	\$493,332	6%	02/15/33
GOVT NATL MORTG ASSN	463,937	\$498,746	5%	07/15/33
GOVT NATL MORTG ASSN	471,523	\$506,313	5%	03/15/34
GOVT NATL MORTG ASSN	466,404	\$507,768	5.5%	05/15/33
GOVT NATL MORTG ASSN	464,356	\$508,005	6%	12/15/36
GOVT NATL MORTG ASSN	468,200	\$508,919	5.5%	01/15/34
GOVT NATL MORTG ASSN	467,663	\$510,204	5.5%	11/15/28
GOVT NATL MORTG ASSN	470,927	\$512,839	5.5%	12/15/32
GOVT NATL MORTG ASSN	465,104	\$514,783	6%	11/15/28



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	485,808	\$518,919	5%	01/15/40
GOVT NATL MORTG ASSN	466,111	\$522,226	7%	02/20/30
GOVT NATL MORTG ASSN	478,376	\$522,447	6%	02/15/37
GOVT NATL MORTG ASSN	479,265	\$527,581	6.5%	07/15/36
GOVT NATL MORTG ASSN	491,794	\$528,694	5%	07/15/33
GOVT NATL MORTG ASSN	472,537	\$529,655	7%	04/20/31
GOVT NATL MORTG ASSN	489,949	\$533,401	5.5%	03/15/33
GOVT NATL MORTG ASSN	490,532	\$542,824	6%	02/15/33
GOVT NATL MORTG ASSN	505,441	\$543,365	5%	09/15/33
GOVT NATL MORTG ASSN	500,714	\$544,825	5.5%	09/20/34
GOVT NATL MORTG ASSN	510,965	\$553,088	5.5%	10/15/39
GOVT NATL MORTG ASSN	500,899	\$554,402	6%	04/15/29
GOVT NATL MORTG ASSN	502,290	\$554,685	6%	09/15/33
GOVT NATL MORTG ASSN	517,322	\$556,137	5%	08/15/33
GOVT NATL MORTG ASSN	492,808	\$560,303	7%	06/15/31
GOVT NATL MORTG ASSN	517,305	\$563,184	5.5%	02/15/33
GOVT NATL MORTG ASSN	510,932	\$572,340	6.5%	12/15/31
GOVT NATL MORTG ASSN	528,977	\$577,709	6%	11/15/37
GOVT NATL MORTG ASSN	531,875	\$579,046	5.5%	07/15/33
GOVT NATL MORTG ASSN	505,637	\$583,510	8%	11/15/22
GOVT NATL MORTG ASSN	545,859	\$586,133	5%	02/15/34
GOVT NATL MORTG ASSN	546,353	\$587,347	5%	09/15/33
GOVT NATL MORTG ASSN	548,307	\$589,447	5%	08/15/33
GOVT NATL MORTG ASSN	555,004	\$592,831	5%	11/15/39
GOVT NATL MORTG ASSN	543,271	\$598,039	6.5%	01/15/36
GOVT NATL MORTG ASSN	559,662	\$600,955	5%	03/15/34
GOVT NATL MORTG ASSN	564,839	\$603,336	5%	12/15/39
GOVT NATL MORTG ASSN	559,996	\$609,835	5.5%	12/15/32
GOVT NATL MORTG ASSN	571,769	\$610,739	5%	05/15/40
GOVT NATL MORTG ASSN	569,635	\$616,594	5.5%	02/15/40
GOVT NATL MORTG ASSN	556,459	\$623,403	6.5%	02/20/31
GOVT NATL MORTG ASSN	543,082	\$626,076	8%	11/20/26
GOVT NATL MORTG ASSN	575,302	\$629,381	6%	06/15/36
GOVT NATL MORTG ASSN	547,644	\$630,937	8%	12/20/28
GOVT NATL MORTG ASSN	593,550	\$634,004	5%	10/15/39
GOVT NATL MORTG ASSN	579,007	\$636,383	6.5%	08/15/37
GOVT NATL MORTG ASSN	567,054	\$644,399	7%	06/15/31
GOVT NATL MORTG ASSN	577,278	\$646,726	6.5%	11/20/31
GOVT NATL MORTG ASSN	598,008	\$647,306	5.5%	12/15/39
GOVT NATL MORTG ASSN	601,079	\$654,575	5.5%	12/15/32
GOVT NATL MORTG ASSN	597,842	\$660,204	6%	11/15/33
GOVT NATL MORTG ASSN	618,722	\$660,892	5%	12/15/39
GOVT NATL MORTG ASSN	599,237	\$663,243	6%	04/15/29
GOVT NATL MORTG ASSN	623,390	\$668,216	5%	05/15/35



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	611,472	\$673,116	6.5%	08/15/36
GOVT NATL MORTG ASSN	602,734	\$675,245	6.5%	03/20/31
GOVT NATL MORTG ASSN	621,984	\$675,591	5.5%	01/15/35
GOVT NATL MORTG ASSN	648,035	\$681,310	4.5%	05/20/34
GOVT NATL MORTG ASSN	623,783	\$682,418	6%	02/15/36
GOVT NATL MORTG ASSN	617,329	\$683,267	6%	07/15/29
GOVT NATL MORTG ASSN	630,786	\$685,151	5.5%	05/15/35
GOVT NATL MORTG ASSN	639,665	\$687,660	5%	12/15/33
GOVT NATL MORTG ASSN	614,163	\$688,049	6.5%	04/20/31
GOVT NATL MORTG ASSN	615,902	\$690,119	6.5%	05/15/31
GOVT NATL MORTG ASSN	669,643	\$699,296	4.5%	01/15/40
GOVT NATL MORTG ASSN	645,165	\$700,770	5.5%	08/15/35
GOVT NATL MORTG ASSN	644,976	\$702,211	5.5%	12/15/33
GOVT NATL MORTG ASSN	653,113	\$711,036	5.5%	12/15/33
GOVT NATL MORTG ASSN	649,092	\$714,529	6.5%	09/15/36
GOVT NATL MORTG ASSN	651,906	\$719,908	6%	06/15/33
GOVT NATL MORTG ASSN	650,396	\$729,013	7%	01/20/31
GOVT NATL MORTG ASSN	674,402	\$732,527	5.5%	04/15/35
GOVT NATL MORTG ASSN	673,059	\$732,750	5.5%	05/15/33
GOVT NATL MORTG ASSN	682,765	\$733,994	5%	08/15/33
GOVT NATL MORTG ASSN	682,021	\$738,245	5.5%	10/15/39
GOVT NATL MORTG ASSN	661,228	\$740,699	6.5%	06/15/31
GOVT NATL MORTG ASSN	695,472	\$757,152	5.5%	06/15/33
GOVT NATL MORTG ASSN	696,767	\$758,562	5.5%	06/15/33
GOVT NATL MORTG ASSN	706,817	\$758,967	5%	11/15/34
GOVT NATL MORTG ASSN	690,808	\$760,192	6%	05/20/34
GOVT NATL MORTG ASSN	689,559	\$765,540	6.5%	08/15/34
GOVT NATL MORTG ASSN	717,694	\$766,610	5%	05/15/40
GOVT NATL MORTG ASSN	708,246	\$771,059	5.5%	04/15/33
GOVT NATL MORTG ASSN	720,564	\$772,377	5%	05/15/35
GOVT NATL MORTG ASSN	689,378	\$784,744	7.5%	10/20/31
GOVT NATL MORTG ASSN	747,015	\$822,137	6%	02/15/34
GOVT NATL MORTG ASSN	765,420	\$822,850	5%	10/15/33
GOVT NATL MORTG ASSN	781,987	\$835,285	5%	03/15/39
GOVT NATL MORTG ASSN	790,472	\$881,030	6.5%	10/15/32
GOVT NATL MORTG ASSN	777,111	\$904,951	9%	03/15/25
GOVT NATL MORTG ASSN	840,515	\$912,956	5.5%	06/15/35
GOVT NATL MORTG ASSN	838,360	\$922,877	6.5%	06/15/36
GOVT NATL MORTG ASSN	866,193	\$930,102	5%	04/15/34
GOVT NATL MORTG ASSN	830,950	\$931,079	6.5%	06/15/31
GOVT NATL MORTG ASSN	871,966	\$932,485	5%	04/15/36
GOVT NATL MORTG ASSN	888,048	\$933,387	4.5%	10/20/34
GOVT NATL MORTG ASSN	858,485	\$937,573	6%	10/15/37
GOVT NATL MORTG ASSN	852,480	\$941,404	6%	10/15/33



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	868,860	\$944,764	5.5%	06/20/35
GOVT NATL MORTG ASSN	905,580	\$967,301	5%	05/15/40
GOVT NATL MORTG ASSN	921,189	\$968,220	4.5%	08/20/34
GOVT NATL MORTG ASSN	906,580	\$979,762	5.5%	04/20/40
GOVT NATL MORTG ASSN	889,215	\$981,971	6%	01/15/33
GOVT NATL MORTG ASSN	890,642	\$983,547	6%	05/15/33
GOVT NATL MORTG ASSN	940,174	\$988,174	4.5%	04/20/34
GOVT NATL MORTG ASSN	923,272	\$989,661	5%	11/15/35
GOVT NATL MORTG ASSN	931,701	\$1,000,443	5%	04/15/34
GOVT NATL MORTG ASSN	950,103	\$1,014,858	5%	04/15/40
GOVT NATL MORTG ASSN	979,322	\$1,029,321	4.5%	05/20/34
GOVT NATL MORTG ASSN	950,187	\$1,039,505	6%	06/15/36
GOVT NATL MORTG ASSN	969,275	\$1,047,596	5.5%	02/20/39
GOVT NATL MORTG ASSN	956,409	\$1,052,827	6.5%	09/15/36
GOVT NATL MORTG ASSN	982,219	\$1,069,330	5.5%	05/15/33
GOVT NATL MORTG ASSN	975,331	\$1,077,071	6%	11/15/33
GOVT NATL MORTG ASSN	998,125	\$1,086,646	5.5%	05/15/33
GOVT NATL MORTG ASSN	937,812	\$1,087,208	8%	12/15/24
GOVT NATL MORTG ASSN	999,782	\$1,088,450	5.5%	03/15/33
GOVT NATL MORTG ASSN	986,248	\$1,091,591	6%	12/15/32
GOVT NATL MORTG ASSN	981,222	\$1,097,773	6.5%	09/15/32
GOVT NATL MORTG ASSN	988,845	\$1,103,984	6.5%	01/15/33
GOVT NATL MORTG ASSN	1,017,149	\$1,106,008	5.5%	10/20/35
GOVT NATL MORTG ASSN	988,003	\$1,106,800	6.5%	11/15/32
GOVT NATL MORTG ASSN	1,032,987	\$1,109,202	5%	04/15/34
GOVT NATL MORTG ASSN	999,008	\$1,119,440	6.5%	10/15/31
GOVT NATL MORTG ASSN	1,047,216	\$1,122,517	5%	08/15/35
GOVT NATL MORTG ASSN	1,064,219	\$1,155,941	5.5%	05/15/35
GOVT NATL MORTG ASSN	1,047,372	\$1,156,626	6%	12/15/33
GOVT NATL MORTG ASSN	1,077,735	\$1,173,317	5.5%	03/15/33
GOVT NATL MORTG ASSN	1,087,523	\$1,183,973	5.5%	06/15/33
GOVT NATL MORTG ASSN	1,089,310	\$1,189,663	6%	09/15/37
GOVT NATL MORTG ASSN	1,089,336	\$1,194,797	6%	11/15/35
GOVT NATL MORTG ASSN	1,117,357	\$1,197,702	5%	08/15/35
GOVT NATL MORTG ASSN	1,089,487	\$1,203,135	6%	01/15/33
GOVT NATL MORTG ASSN	1,105,778	\$1,204,077	5.5%	04/15/33
GOVT NATL MORTG ASSN	1,105,021	\$1,206,821	6%	12/15/37
GOVT NATL MORTG ASSN	1,121,220	\$1,218,731	5.5%	11/15/34
GOVT NATL MORTG ASSN	1,143,170	\$1,237,410	5.5%	01/15/39
GOVT NATL MORTG ASSN	1,104,603	\$1,238,253	7%	05/20/32
GOVT NATL MORTG ASSN	1,141,014	\$1,242,208	5.5%	06/15/33
GOVT NATL MORTG ASSN	1,099,784	\$1,250,163	7%	07/15/31
GOVT NATL MORTG ASSN	1,146,771	\$1,254,568	6%	09/15/36
GOVT NATL MORTG ASSN	1,175,263	\$1,279,494	5.5%	01/15/33



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	1,200,515	\$1,297,486	5.5%	02/20/38
GOVT NATL MORTG ASSN	1,217,709	\$1,300,703	5%	03/15/40
GOVT NATL MORTG ASSN	1,185,748	\$1,309,436	6%	08/15/33
GOVT NATL MORTG ASSN	1,188,995	\$1,310,223	6%	11/20/34
GOVT NATL MORTG ASSN	1,205,992	\$1,317,094	6%	06/15/37
GOVT NATL MORTG ASSN	1,224,889	\$1,337,349	6%	02/15/38
GOVT NATL MORTG ASSN	1,251,361	\$1,345,253	5%	10/15/33
GOVT NATL MORTG ASSN	1,255,710	\$1,359,228	5.5%	05/15/38
GOVT NATL MORTG ASSN	1,255,916	\$1,359,516	5.5%	07/15/38
GOVT NATL MORTG ASSN	1,244,290	\$1,361,254	6%	06/15/36
GOVT NATL MORTG ASSN	1,248,728	\$1,366,108	6%	03/15/36
GOVT NATL MORTG ASSN	1,261,561	\$1,373,446	5.5%	03/15/33
GOVT NATL MORTG ASSN	1,262,860	\$1,379,201	6%	12/15/37
GOVT NATL MORTG ASSN	1,272,758	\$1,382,454	5.5%	03/15/35
GOVT NATL MORTG ASSN	1,271,476	\$1,388,611	6%	06/15/37
GOVT NATL MORTG ASSN	1,285,277	\$1,389,095	5.5%	11/20/38
GOVT NATL MORTG ASSN	1,329,363	\$1,397,233	4.5%	07/20/34
GOVT NATL MORTG ASSN	1,318,226	\$1,408,071	5%	05/15/40
GOVT NATL MORTG ASSN	1,295,066	\$1,409,922	5.5%	03/15/33
GOVT NATL MORTG ASSN	1,276,228	\$1,410,950	6%	07/15/34
GOVT NATL MORTG ASSN	1,281,917	\$1,415,637	6%	02/15/33
GOVT NATL MORTG ASSN	1,296,978	\$1,416,462	6%	11/15/37
GOVT NATL MORTG ASSN	1,304,760	\$1,420,544	5.5%	02/15/34
GOVT NATL MORTG ASSN	1,332,586	\$1,423,410	5%	12/15/39
GOVT NATL MORTG ASSN	1,330,539	\$1,428,708	5%	01/15/34
GOVT NATL MORTG ASSN	1,298,562	\$1,429,474	6.5%	08/15/36
GOVT NATL MORTG ASSN	1,310,407	\$1,430,719	6%	01/15/38
GOVT NATL MORTG ASSN	1,339,586	\$1,430,887	5%	11/15/39
GOVT NATL MORTG ASSN	1,349,690	\$1,441,680	5%	12/15/39
GOVT NATL MORTG ASSN	1,321,136	\$1,442,845	6%	10/15/37
GOVT NATL MORTG ASSN	1,326,332	\$1,443,962	5.5%	07/15/33
GOVT NATL MORTG ASSN	1,348,974	\$1,460,180	5.5%	11/15/39
GOVT NATL MORTG ASSN	1,364,649	\$1,465,335	5%	11/15/34
GOVT NATL MORTG ASSN	1,364,788	\$1,482,416	5.5%	06/15/35
GOVT NATL MORTG ASSN	1,342,080	\$1,485,431	6%	11/15/32
GOVT NATL MORTG ASSN	1,353,203	\$1,489,622	6.5%	09/15/36
GOVT NATL MORTG ASSN	1,384,480	\$1,504,886	5.5%	12/15/34
GOVT NATL MORTG ASSN	1,415,344	\$1,517,116	5%	08/15/35
GOVT NATL MORTG ASSN	1,385,846	\$1,530,407	6%	10/15/33
GOVT NATL MORTG ASSN	1,425,915	\$1,557,663	6%	03/20/38
GOVT NATL MORTG ASSN	1,419,850	\$1,582,512	6.5%	08/15/32
GOVT NATL MORTG ASSN	1,462,798	\$1,597,558	6%	07/15/37
GOVT NATL MORTG ASSN	1,448,693	\$1,599,810	6%	11/15/33
GOVT NATL MORTG ASSN	1,467,893	\$1,611,976	6%	04/20/35



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	1,490,587	\$1,638,295	6.5%	10/15/37
GOVT NATL MORTG ASSN	1,519,244	\$1,659,204	6%	11/15/37
GOVT NATL MORTG ASSN	1,549,687	\$1,687,125	5.5%	03/15/33
GOVT NATL MORTG ASSN	1,563,350	\$1,706,885	6%	02/15/38
GOVT NATL MORTG ASSN	1,543,254	\$1,708,093	6%	01/15/32
GOVT NATL MORTG ASSN	1,601,105	\$1,743,103	5.5%	10/15/33
GOVT NATL MORTG ASSN	1,666,689	\$1,781,507	5%	03/20/36
GOVT NATL MORTG ASSN	1,641,678	\$1,807,179	6.5%	09/15/36
GOVT NATL MORTG ASSN	1,676,782	\$1,825,492	5.5%	05/15/33
GOVT NATL MORTG ASSN	1,676,158	\$1,833,717	6%	11/15/36
GOVT NATL MORTG ASSN	1,684,912	\$1,834,342	5.5%	09/15/33
GOVT NATL MORTG ASSN	1,747,128	\$1,868,390	5%	04/15/36
GOVT NATL MORTG ASSN	1,730,113	\$1,897,880	6%	04/15/37
GOVT NATL MORTG ASSN	1,771,889	\$1,898,412	5%	11/20/35
GOVT NATL MORTG ASSN	1,739,684	\$1,899,409	6%	02/15/38
GOVT NATL MORTG ASSN	1,848,085	\$1,929,921	4.5%	05/15/39
GOVT NATL MORTG ASSN	1,768,809	\$1,931,760	6%	07/15/37
GOVT NATL MORTG ASSN	1,823,477	\$1,947,758	5%	10/15/39
GOVT NATL MORTG ASSN	1,834,089	\$1,961,386	5%	03/15/36
GOVT NATL MORTG ASSN	1,802,624	\$1,972,070	6%	05/15/36
GOVT NATL MORTG ASSN	1,821,827	\$1,983,400	5.5%	05/15/33
GOVT NATL MORTG ASSN	1,847,410	\$1,986,024	5%	07/15/33
GOVT NATL MORTG ASSN	1,850,394	\$1,989,232	5%	08/15/33
GOVT NATL MORTG ASSN	1,830,928	\$1,993,309	5.5%	02/15/33
GOVT NATL MORTG ASSN	1,800,624	\$1,997,903	6.5%	04/20/34
GOVT NATL MORTG ASSN	1,838,303	\$2,001,337	5.5%	05/15/33
GOVT NATL MORTG ASSN	1,823,082	\$2,002,030	6%	06/20/35
GOVT NATL MORTG ASSN	1,868,149	\$2,002,480	5%	08/15/35
GOVT NATL MORTG ASSN	1,842,143	\$2,004,429	5.5%	10/20/34
GOVT NATL MORTG ASSN	1,879,341	\$2,007,430	5%	03/15/40
GOVT NATL MORTG ASSN	1,886,268	\$2,047,703	5.5%	08/20/36
GOVT NATL MORTG ASSN	1,886,283	\$2,063,594	6%	06/15/36
GOVT NATL MORTG ASSN	1,952,105	\$2,092,474	5%	09/15/35
GOVT NATL MORTG ASSN	1,957,753	\$2,098,527	5%	05/15/35
GOVT NATL MORTG ASSN	1,945,039	\$2,117,539	5.5%	03/15/33
GOVT NATL MORTG ASSN	1,949,678	\$2,129,292	6%	11/15/37
GOVT NATL MORTG ASSN	2,011,046	\$2,181,230	5.5%	06/15/36
GOVT NATL MORTG ASSN	2,024,025	\$2,190,881	5.5%	04/15/39
GOVT NATL MORTG ASSN	1,998,918	\$2,200,434	6.5%	08/15/36
GOVT NATL MORTG ASSN	2,020,420	\$2,205,920	6%	02/15/38
GOVT NATL MORTG ASSN	2,077,656	\$2,219,261	5%	10/15/39
GOVT NATL MORTG ASSN	2,079,003	\$2,220,700	5%	09/15/39
GOVT NATL MORTG ASSN	2,012,842	\$2,222,806	6%	10/15/33
GOVT NATL MORTG ASSN	2,073,078	\$2,228,623	5%	11/15/33



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	2,053,791	\$2,268,027	6%	12/15/33
GOVT NATL MORTG ASSN	2,059,013	\$2,273,119	6%	06/15/37
GOVT NATL MORTG ASSN	2,088,646	\$2,273,883	5.5%	05/15/33
GOVT NATL MORTG ASSN	2,151,385	\$2,342,186	5.5%	06/15/33
GOVT NATL MORTG ASSN	2,152,382	\$2,343,271	5.5%	03/15/33
GOVT NATL MORTG ASSN	2,193,646	\$2,386,898	5.5%	05/20/34
GOVT NATL MORTG ASSN	2,206,677	\$2,393,418	5.5%	02/15/36
GOVT NATL MORTG ASSN	2,253,268	\$2,406,842	5%	06/15/39
GOVT NATL MORTG ASSN	2,220,198	\$2,408,083	5.5%	06/15/36
GOVT NATL MORTG ASSN	2,197,513	\$2,432,235	6%	06/15/32
GOVT NATL MORTG ASSN	2,301,312	\$2,458,161	5%	03/15/40
GOVT NATL MORTG ASSN	2,302,463	\$2,472,342	5%	04/15/34
GOVT NATL MORTG ASSN	2,248,099	\$2,482,188	6%	07/15/37
GOVT NATL MORTG ASSN	2,303,238	\$2,507,507	5.5%	06/15/33
GOVT NATL MORTG ASSN	2,339,913	\$2,508,167	5%	04/15/35
GOVT NATL MORTG ASSN	2,292,616	\$2,522,610	6.5%	07/20/38
GOVT NATL MORTG ASSN	2,295,471	\$2,526,026	6%	03/20/34
GOVT NATL MORTG ASSN	2,316,413	\$2,529,088	6%	02/15/38
GOVT NATL MORTG ASSN	2,469,942	\$2,579,315	4.5%	01/15/40
GOVT NATL MORTG ASSN	2,374,816	\$2,594,240	6%	10/20/38
GOVT NATL MORTG ASSN	2,489,964	\$2,600,223	4.5%	02/15/40
GOVT NATL MORTG ASSN	2,419,284	\$2,646,696	6%	07/15/36
GOVT NATL MORTG ASSN	2,539,873	\$2,712,981	5%	10/15/39
GOVT NATL MORTG ASSN	2,562,582	\$2,737,237	5%	02/15/39
GOVT NATL MORTG ASSN	2,572,440	\$2,747,768	5%	05/15/39
GOVT NATL MORTG ASSN	2,498,805	\$2,753,579	6%	06/20/34
GOVT NATL MORTG ASSN	2,526,603	\$2,758,577	6%	01/15/38
GOVT NATL MORTG ASSN	2,618,870	\$2,797,363	5%	05/15/40
GOVT NATL MORTG ASSN	2,558,649	\$2,798,564	6%	10/20/37
GOVT NATL MORTG ASSN	2,517,756	\$2,822,198	6.5%	12/20/31
GOVT NATL MORTG ASSN	2,654,045	\$2,836,881	5%	02/20/36
GOVT NATL MORTG ASSN	2,611,027	\$2,856,464	6%	06/15/36
GOVT NATL MORTG ASSN	2,778,056	\$2,901,072	4.5%	05/15/39
GOVT NATL MORTG ASSN	2,677,003	\$2,946,878	6.5%	09/15/36
GOVT NATL MORTG ASSN	2,769,630	\$2,958,398	5%	01/15/40
GOVT NATL MORTG ASSN	2,640,627	\$2,959,159	7%	07/20/32
GOVT NATL MORTG ASSN	2,766,483	\$2,970,597	5%	03/15/34
GOVT NATL MORTG ASSN	2,815,405	\$3,007,292	5%	04/15/40
GOVT NATL MORTG ASSN	2,771,120	\$3,026,410	6%	12/15/37
GOVT NATL MORTG ASSN	2,772,235	\$3,027,627	6%	12/15/37
GOVT NATL MORTG ASSN	2,869,683	\$3,112,530	5.5%	05/15/36
GOVT NATL MORTG ASSN	2,877,776	\$3,115,013	5.5%	10/15/39
GOVT NATL MORTG ASSN	3,009,880	\$3,143,161	4.5%	04/15/40
GOVT NATL MORTG ASSN	2,936,573	\$3,153,237	5%	03/15/34



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	2,903,988	\$3,206,911	6%	10/15/33
GOVT NATL MORTG ASSN	3,022,765	\$3,228,785	5%	05/15/40
GOVT NATL MORTG ASSN	2,954,461	\$3,246,768	6.5%	07/15/38
GOVT NATL MORTG ASSN	3,022,813	\$3,302,109	6%	07/20/38
GOVT NATL MORTG ASSN	3,031,091	\$3,316,013	6%	08/15/36
GOVT NATL MORTG ASSN	3,181,254	\$3,322,124	4.5%	03/15/40
GOVT NATL MORTG ASSN	3,070,217	\$3,330,034	5.5%	02/15/36
GOVT NATL MORTG ASSN	3,141,591	\$3,359,955	5%	10/15/39
GOVT NATL MORTG ASSN	3,164,251	\$3,379,914	5%	06/15/40
GOVT NATL MORTG ASSN	3,108,892	\$3,422,214	6%	07/20/39
GOVT NATL MORTG ASSN	3,219,121	\$3,504,617	5.5%	03/15/33
GOVT NATL MORTG ASSN	3,142,517	\$3,572,653	7.5%	08/15/33
GOVT NATL MORTG ASSN	3,282,642	\$3,573,771	5.5%	02/15/33
GOVT NATL MORTG ASSN	3,288,962	\$3,598,124	6%	03/15/36
GOVT NATL MORTG ASSN	3,326,642	\$3,608,160	5.5%	08/15/36
GOVT NATL MORTG ASSN	3,281,614	\$3,611,216	6%	03/20/34
GOVT NATL MORTG ASSN	3,381,831	\$3,693,382	6%	11/15/37
GOVT NATL MORTG ASSN	3,426,940	\$3,716,945	5.5%	04/15/36
GOVT NATL MORTG ASSN	3,469,129	\$3,755,116	5.5%	08/15/38
GOVT NATL MORTG ASSN	3,472,291	\$3,780,240	5.5%	05/15/33
GOVT NATL MORTG ASSN	3,526,257	\$3,834,311	5.5%	08/20/35
GOVT NATL MORTG ASSN	3,549,334	\$3,849,696	5.5%	04/15/36
GOVT NATL MORTG ASSN	3,559,648	\$3,894,255	6%	04/15/36
GOVT NATL MORTG ASSN	3,569,617	\$3,905,161	6%	10/15/36
GOVT NATL MORTG ASSN	3,587,970	\$3,906,178	5.5%	10/15/33
GOVT NATL MORTG ASSN	3,599,934	\$3,931,578	6%	06/15/37
GOVT NATL MORTG ASSN	3,597,010	\$3,940,375	6%	01/20/36
GOVT NATL MORTG ASSN	3,680,369	\$3,991,820	5.5%	02/15/36
GOVT NATL MORTG ASSN	3,741,055	\$3,996,031	5%	12/15/39
GOVT NATL MORTG ASSN	3,761,287	\$4,017,642	5%	10/15/39
GOVT NATL MORTG ASSN	3,733,613	\$4,077,572	6%	12/15/37
GOVT NATL MORTG ASSN	3,697,678	\$4,092,636	6%	08/15/32
GOVT NATL MORTG ASSN	3,779,639	\$4,099,491	5.5%	03/15/36
GOVT NATL MORTG ASSN	3,783,497	\$4,119,046	5.5%	03/15/33
GOVT NATL MORTG ASSN	3,830,093	\$4,190,122	6%	09/15/36
GOVT NATL MORTG ASSN	3,970,439	\$4,241,049	5%	04/15/40
GOVT NATL MORTG ASSN	3,886,295	\$4,257,275	6%	02/20/36
GOVT NATL MORTG ASSN	3,961,352	\$4,290,392	5.5%	01/15/37
GOVT NATL MORTG ASSN	3,924,809	\$4,299,465	6%	04/20/36
GOVT NATL MORTG ASSN	4,057,835	\$4,334,401	5%	05/15/40
GOVT NATL MORTG ASSN	4,059,729	\$4,336,424	5%	12/15/39
GOVT NATL MORTG ASSN	4,041,882	\$4,375,084	5.5%	08/15/39
GOVT NATL MORTG ASSN	4,211,427	\$4,397,915	4.5%	01/15/40
GOVT NATL MORTG ASSN	4,133,543	\$4,420,812	5%	11/15/39



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	4,117,902	\$4,426,873	5%	08/15/33
GOVT NATL MORTG ASSN	4,107,179	\$4,471,435	5.5%	02/15/33
GOVT NATL MORTG ASSN	4,365,770	\$4,559,092	4.5%	04/15/39
GOVT NATL MORTG ASSN	4,159,605	\$4,603,903	6%	10/15/32
GOVT NATL MORTG ASSN	4,434,077	\$4,630,423	4.5%	04/15/40
GOVT NATL MORTG ASSN	4,376,931	\$4,675,246	5%	05/15/39
GOVT NATL MORTG ASSN	4,424,606	\$4,726,170	5%	05/15/40
GOVT NATL MORTG ASSN	4,445,804	\$4,748,813	5%	11/15/39
GOVT NATL MORTG ASSN	4,381,822	\$4,752,633	5.5%	04/15/36
GOVT NATL MORTG ASSN	4,399,997	\$4,790,221	5.5%	05/15/33
GOVT NATL MORTG ASSN	4,524,413	\$4,832,780	5%	06/15/39
GOVT NATL MORTG ASSN	4,356,184	\$4,880,249	6.5%	06/20/31
GOVT NATL MORTG ASSN	4,569,317	\$4,880,744	5%	06/15/39
GOVT NATL MORTG ASSN	4,730,000	\$4,928,068	4.5%	07/01/40
GOVT NATL MORTG ASSN	4,644,445	\$4,960,993	5%	09/15/39
GOVT NATL MORTG ASSN	4,599,920	\$4,979,126	5.5%	10/15/39
GOVT NATL MORTG ASSN	4,650,454	\$4,982,522	5%	10/20/35
GOVT NATL MORTG ASSN	4,734,743	\$5,125,064	5.5%	10/15/39
GOVT NATL MORTG ASSN	4,836,499	\$5,166,136	5%	10/15/39
GOVT NATL MORTG ASSN	4,936,078	\$5,272,502	5%	11/15/39
GOVT NATL MORTG ASSN	5,112,984	\$5,339,393	4.5%	07/15/39
GOVT NATL MORTG ASSN	4,970,136	\$5,379,862	5.5%	01/15/38
GOVT NATL MORTG ASSN	5,189,235	\$5,419,021	4.5%	03/15/39
GOVT NATL MORTG ASSN	5,044,631	\$5,423,135	5%	08/15/33
GOVT NATL MORTG ASSN	5,354,276	\$5,591,370	4.5%	04/15/40
GOVT NATL MORTG ASSN	5,178,394	\$5,709,837	6%	09/20/34
GOVT NATL MORTG ASSN	5,262,030	\$5,745,150	6%	11/15/38
GOVT NATL MORTG ASSN	5,507,923	\$5,751,820	4.5%	04/15/40
GOVT NATL MORTG ASSN	5,323,485	\$5,762,340	5.5%	10/15/38
GOVT NATL MORTG ASSN	5,549,425	\$6,006,906	5.5%	12/15/38
GOVT NATL MORTG ASSN	5,717,793	\$6,107,496	5%	12/15/39
GOVT NATL MORTG ASSN	5,693,337	\$6,194,898	5.5%	11/20/34
GOVT NATL MORTG ASSN	5,714,389	\$6,239,041	6%	08/15/38
GOVT NATL MORTG ASSN	5,904,998	\$6,307,461	5%	12/15/39
GOVT NATL MORTG ASSN	5,847,296	\$6,319,611	5.5%	12/20/38
GOVT NATL MORTG ASSN	5,915,772	\$6,422,072	5.5%	06/20/36
GOVT NATL MORTG ASSN	6,156,294	\$6,428,902	4.5%	05/15/39
GOVT NATL MORTG ASSN	5,994,333	\$6,557,800	6%	01/15/36
GOVT NATL MORTG ASSN	6,104,141	\$6,562,142	5%	12/15/33
GOVT NATL MORTG ASSN	6,012,140	\$6,586,050	6%	03/20/36
GOVT NATL MORTG ASSN	6,104,840	\$6,648,171	5.5%	12/15/32
GOVT NATL MORTG ASSN	6,307,197	\$6,760,723	5%	11/15/35
GOVT NATL MORTG ASSN	6,607,947	\$6,900,555	4.5%	06/15/39
GOVT NATL MORTG ASSN	6,788,597	\$7,089,204	4.5%	03/15/40



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	6,952,741	\$7,525,908	5.5%	11/15/39
GOVT NATL MORTG ASSN	7,046,926	\$7,527,217	5%	10/15/39
GOVT NATL MORTG ASSN	7,107,499	\$7,848,900	6%	10/15/33
GOVT NATL MORTG ASSN	7,188,965	\$7,863,048	6%	08/20/37
GOVT NATL MORTG ASSN	7,456,116	\$7,964,296	5%	05/15/38
GOVT NATL MORTG ASSN	7,443,337	\$8,190,047	6.5%	09/20/38
GOVT NATL MORTG ASSN	7,916,997	\$8,267,572	4.5%	12/15/39
GOVT NATL MORTG ASSN	7,746,499	\$8,433,517	5.5%	03/15/33
GOVT NATL MORTG ASSN	8,096,781	\$8,455,316	4.5%	05/15/39
GOVT NATL MORTG ASSN	7,940,598	\$8,634,290	5.5%	01/20/35
GOVT NATL MORTG ASSN	7,936,088	\$8,715,066	6%	11/20/35
GOVT NATL MORTG ASSN	8,228,850	\$8,842,387	5%	11/20/33
GOVT NATL MORTG ASSN	8,456,040	\$9,155,777	5.5%	12/15/38
GOVT NATL MORTG ASSN	8,665,327	\$9,402,015	5.5%	12/15/36
GOVT NATL MORTG ASSN	9,034,266	\$9,434,314	4.5%	02/15/39
GOVT NATL MORTG ASSN	8,943,482	\$9,553,036	5%	11/15/39
GOVT NATL MORTG ASSN	8,843,770	\$9,572,828	5.5%	11/15/38
GOVT NATL MORTG ASSN	9,501,926	\$9,922,683	4.5%	10/15/39
GOVT NATL MORTG ASSN	9,192,677	\$9,995,750	5.5%	02/20/35
GOVT NATL MORTG ASSN	9,612,085	\$10,037,721	4.5%	08/15/39
GOVT NATL MORTG ASSN	9,349,932	\$10,039,781	5%	04/15/34
GOVT NATL MORTG ASSN	9,484,813	\$10,131,262	5%	03/15/38
GOVT NATL MORTG ASSN	9,537,069	\$10,377,249	5.5%	06/20/34
GOVT NATL MORTG ASSN	9,942,000	\$10,382,244	4.5%	05/15/40
GOVT NATL MORTG ASSN	9,753,518	\$10,418,281	5%	12/15/39
GOVT NATL MORTG ASSN	9,643,925	\$10,439,951	5.5%	07/15/39
GOVT NATL MORTG ASSN	9,867,677	\$10,540,221	5%	01/15/40
GOVT NATL MORTG ASSN	9,828,979	\$10,622,915	5.5%	07/20/38
GOVT NATL MORTG ASSN	10,177,435	\$11,176,416	6%	07/20/35
GOVT NATL MORTG ASSN	10,469,161	\$11,215,415	5%	09/15/36
GOVT NATL MORTG ASSN	10,466,045	\$11,216,438	5%	12/15/35
GOVT NATL MORTG ASSN	10,888,866	\$11,371,038	4.5%	01/15/39
GOVT NATL MORTG ASSN	10,920,000	\$11,403,551	4.5%	06/15/40
GOVT NATL MORTG ASSN	10,752,485	\$11,485,334	5%	04/15/39
GOVT NATL MORTG ASSN	11,028,030	\$11,516,365	4.5%	02/15/39
GOVT NATL MORTG ASSN	11,120,999	\$11,613,451	4.5%	05/15/40
GOVT NATL MORTG ASSN	11,121,000	\$11,613,451	4.5%	05/15/40
GOVT NATL MORTG ASSN	10,942,000	\$11,663,870	5%	06/20/40
GOVT NATL MORTG ASSN	11,334,612	\$11,809,742	4.5%	10/20/39
GOVT NATL MORTG ASSN	10,788,459	\$11,870,749	6.5%	10/20/38
GOVT NATL MORTG ASSN	11,456,134	\$11,963,426	4.5%	03/15/39
GOVT NATL MORTG ASSN	11,468,635	\$11,976,481	4.5%	05/15/39
GOVT NATL MORTG ASSN	11,529,999	\$12,040,562	4.5%	05/15/40
GOVT NATL MORTG ASSN	11,529,999	\$12,040,562	4.5%	12/15/39



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	11,621,965	\$12,389,998	5%	12/20/39
GOVT NATL MORTG ASSN	11,456,827	\$12,512,287	6%	03/15/37
GOVT NATL MORTG ASSN	11,776,017	\$12,588,503	5%	03/15/40
GOVT NATL MORTG ASSN	11,608,459	\$12,622,576	5.5%	05/20/35
GOVT NATL MORTG ASSN	11,776,354	\$12,659,948	5%	11/15/33
GOVT NATL MORTG ASSN	11,617,842	\$12,684,505	6%	08/15/38
GOVT NATL MORTG ASSN	12,518,945	\$13,073,299	4.5%	03/15/39
GOVT NATL MORTG ASSN	12,073,439	\$13,106,741	5.5%	04/20/36
GOVT NATL MORTG ASSN	12,553,035	\$13,108,899	4.5%	11/15/39
GOVT NATL MORTG ASSN	12,313,192	\$13,152,412	5%	06/15/38
GOVT NATL MORTG ASSN	12,599,777	\$13,539,206	5%	10/20/33
GOVT NATL MORTG ASSN	12,559,109	\$13,633,977	5.5%	02/20/36
GOVT NATL MORTG ASSN	12,800,847	\$13,673,304	5%	04/15/38
GOVT NATL MORTG ASSN	13,716,091	\$14,323,457	4.5%	11/15/39
GOVT NATL MORTG ASSN	13,476,069	\$14,394,546	5%	02/15/40
GOVT NATL MORTG ASSN	13,572,574	\$14,584,534	5%	12/20/33
GOVT NATL MORTG ASSN	14,061,798	\$14,651,567	4.5%	02/20/40
GOVT NATL MORTG ASSN	13,709,334	\$14,839,498	5.5%	06/15/38
GOVT NATL MORTG ASSN	14,204,336	\$15,172,450	5%	02/15/40
GOVT NATL MORTG ASSN	14,176,531	\$15,345,947	5.5%	07/15/38
GOVT NATL MORTG ASSN	14,476,928	\$15,432,006	5%	05/20/40
GOVT NATL MORTG ASSN	14,286,418	\$15,440,403	5.5%	06/20/38
GOVT NATL MORTG ASSN	14,789,200	\$15,797,175	5%	06/15/40
GOVT NATL MORTG ASSN	14,513,258	\$15,845,756	6%	09/15/38
GOVT NATL MORTG ASSN	15,924,492	\$17,009,845	5%	10/15/39
GOVT NATL MORTG ASSN	16,335,773	\$17,059,141	4.5%	05/15/39
GOVT NATL MORTG ASSN	16,139,431	\$17,520,720	5.5%	01/20/36
GOVT NATL MORTG ASSN	16,527,997	\$17,654,483	5%	11/15/39
GOVT NATL MORTG ASSN	16,582,845	\$17,713,068	5%	11/15/39
GOVT NATL MORTG ASSN	16,733,147	\$17,873,614	5%	02/15/40
GOVT NATL MORTG ASSN	16,699,269	\$18,075,915	5.5%	12/15/38
GOVT NATL MORTG ASSN	18,221,369	\$19,904,949	6%	01/20/38
GOVT NATL MORTG ASSN	18,966,273	\$20,602,353	5.5%	12/15/36
GOVT NATL MORTG ASSN	19,216,977	\$20,895,775	5.5%	07/20/35
GOVT NATL MORTG ASSN	20,554,260	\$21,415,864	4.5%	11/20/39
GOVT NATL MORTG ASSN	21,257,610	\$22,216,638	4.5%	02/15/39
GOVT NATL MORTG ASSN	21,377,759	\$22,834,785	5%	06/15/40
GOVT NATL MORTG ASSN	21,095,529	\$23,032,363	6%	12/15/39
GOVT NATL MORTG ASSN	23,397,546	\$24,433,619	4.5%	03/15/39
GOVT NATL MORTG ASSN	22,695,382	\$24,792,343	6%	08/20/38
GOVT NATL MORTG ASSN	23,580,652	\$25,187,819	5%	06/15/40
GOVT NATL MORTG ASSN	24,870,657	\$26,565,747	5%	01/15/40
GOVT NATL MORTG ASSN	25,656,019	\$26,792,100	4.5%	03/15/39
GOVT NATL MORTG ASSN	24,893,002	\$27,178,490	6%	11/15/38



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
GOVT NATL MORTG ASSN	29,773,189	\$32,227,616	5.5%	07/15/38
GOVT NATL MORTG ASSN	32,406,468	\$33,841,467	4.5%	03/15/39
GOVT NATL MORTG ASSN	33,192,618	\$35,928,935	5.5%	02/15/39
GOVT NATL MORTG ASSN	33,602,416	\$36,838,088	6%	12/20/38
GOVT NATL MORTG ASSN	38,428,533	\$41,316,973	5%	09/20/33
GOVT NATL MORTG ASSN	39,427,984	\$42,613,883	5.5%	03/20/39
GOVT NATL MORTG ASSN	43,023,870	\$44,827,367	4.5%	12/20/39
GOVT NATL MORTG ASSN	64,851,863	\$69,359,559	5%	10/15/39



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Government Fund as of June 30, 2010

Security Name	Shares/ Positions	Market Value	Coupon Rate	Maturity Date
---------------	----------------------	--------------	----------------	------------------

LUXEMBOURG PUBLIC DISCLAIMER

- *This information is intended to be of general information and interest only and does not constitute legal or tax advice nor is it an offer for shares or invitation to apply for shares of the Luxembourg-domiciled SICAV Franklin Templeton Investment Funds (the "Fund"). Nothing in this information should be construed as investment advice.*
- *Information and data provided at publication date are subject to change without prior notice especially given the rapidly changing market environment. Franklin Templeton Investments disclaims responsibility for updating this data and should not be liable to any user of this information or to any other person or entity for the inaccuracy of information or any errors or omissions in its content, regardless of the cause of such inaccuracy, error or omission.*
- *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 the latest semi-annual report if published thereafter.*
- *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. Past performance is not an indication or a guarantee of future performance. Currency fluctuations may affect the value of overseas investments. When investing in a fund denominated in a foreign currency, your performance may also be affected by currency fluctuations.*
- *An investment in the Fund entails risks which are described in the Fund's full and simplified prospectus. In emerging markets, the risks can be greater than in developed markets. Investments in derivative instruments entail specific risks more fully described in the Fund's prospectus.*
- *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.*
- *Any research and analysis contained in this document has been procured by Franklin Templeton Investments for its own purposes and is provided to you only incidentally. References to particular industries, sectors or companies are for general information and are not necessarily indicative of a fund's future performance.*
- *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.*

Issued by Franklin Templeton International Services S.A.