



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin U.S. Total Return Fund as of December 31, 2011

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

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
001055AC6	AFLAC INC	100,000	\$122,694	0.16%	8.5%	05/15/19
02005NAD2	ALLY FINANCIAL INC	25,000	\$24,214	0.03%	6.25%	12/01/17
02005NAJ9	ALLY FINANCIAL INC	50,000	\$50,687	0.06%	7.5%	09/15/20
02582JFT2	AMERICAN EXPRESS CREDIT ACCT M	300,000	\$301,481	0.38%	1.6283%	12/15/14
B4R96H6	AMERICAN EXPRESS CREDIT CORP	200,000	\$327,658	0.42%	5.375%	10/01/14
2519300	ARGENTINA REPUBLIC OF	96,900	\$11,786	0.01%	0.439%	08/03/12
B1L6LB1	AUSTRALIA GOVERNMENT BOND	280,000	\$287,900	0.37%	5.75%	04/15/12
05367AAD5	AVIATION CAPITAL GROUP	100,000	\$94,376	0.12%	6.75%	04/06/21
05950WAJ7	BANC OF AMERICA COMMERCIAL MTG	225,000	\$174,079	0.22%	5.695%	07/10/46
05958AAD0	BANCO DO BRASIL SA	500,000	\$504,072	0.64%	5.875%	01/26/22
Y06366BJ9	BANK NEGARA MONETARY NOTE	5,000	\$1,570	0.00%	N/A	03/01/12
B77D118	BANK NEGARA MONETARY NOTE	10,000	\$3,120	0.00%	N/A	05/17/12
B3RTRQ5	BANK NEGARA MONETARY NOTE	10,000	\$3,147	0.00%	N/A	01/31/12
Y06366BK6	BANK NEGARA MONETARY NOTE	20,000	\$6,262	0.01%	N/A	04/12/12
Y06366AZ4	BANK NEGARA MONETARY NOTE	20,000	\$6,289	0.01%	N/A	02/16/12
Y063658B2	BANK NEGARA MONETARY NOTE	20,000	\$6,292	0.01%	N/A	02/09/12
Y06366BV2	BANK NEGARA MONETARY NOTE	20,000	\$6,304	0.01%	N/A	01/10/12
Y063658C0	BANK NEGARA MONETARY NOTE	35,000	\$11,001	0.01%	N/A	02/21/12
Y06366AQ4	BANK NEGARA MONETARY NOTE	60,000	\$18,904	0.02%	N/A	01/19/12
B5TVH18	BANK NEGARA MONETARY NOTE	80,000	\$25,193	0.03%	N/A	01/26/12
Y06366BP5	BANK NEGARA MONETARY NOTE	140,000	\$43,614	0.06%	N/A	06/14/12
060505DT8	BANK OF AMERICA CORP	100,000	\$89,875	0.11%	8.125%	05/15/18
060505CS1	BANK OF AMERICA CORP	400,000	\$384,225	0.49%	5.625%	10/14/16
06739GAR0	BARCLAYS BANK PLC	200,000	\$204,558	0.26%	5.125%	01/08/20
05531FAB9	BB&T CORP	200,000	\$244,337	0.31%	6.85%	04/30/19
07386HPY1	BEAR STEARNS ALT-A TRUST	48,635	\$34,198	0.04%	1.1736%	11/25/34



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07388YAG7	BEAR STEARNS COMMERCIAL MORTGA	100,000	\$96,172	0.12%	5.7125%	06/11/40
07388LAH3	BEAR STEARNS COMMERCIAL MORTGA	200,000	\$137,733	0.17%	5.611%	09/11/41
07388NAH9	BEAR STEARNS COMMERCIAL MORTGA	373,000	\$191,571	0.24%	5.657%	10/12/41
07388NAF3	BEAR STEARNS COMMERCIAL MORTGA	200,000	\$209,590	0.27%	5.568%	10/12/16
07383F7Y8	BEAR STEARNS COMMERCIAL MORTGA	1,400,000	\$1,301,673	1.65%	4.75%	06/11/41
10112RAR5	BOSTON PROPERTIES LP	100,000	\$111,760	0.14%	5.625%	11/15/20
413627BL3	CAESARS ENTERTAINMENT OPERATIN	50,000	\$53,312	0.07%	11.25%	06/01/17
13063A4Y7	CALIFORNIA ST GO	40,000	\$45,170	0.06%	6%	04/01/38
13063BBZ4	CALIFORNIA ST GO	55,000	\$62,559	0.08%	6%	11/01/39
13067EAK8	CALIFORNIA ST JUDGEMENT TR CTF	80,000	\$75,042	0.10%	1.7253%	06/01/15
14043DAB7	CAPITAL ONE CAPITAL VI	100,000	\$104,146	0.13%	8.875%	05/15/40
SPD34VR1	CDX.NA.HY.17	2,940,000	(\$205,212)	-0.26%	5%	12/20/16
SPD34VR9	CDX.NA.IG.17	500,000	(\$4,506)	-0.01%	1%	12/20/16
151290BA0	CEMEX SAB DE CV	50,000	\$32,687	0.04%	3.75%	03/15/18
151290AZ6	CEMEX SAB DE CV	50,000	\$32,812	0.04%	3.25%	03/15/16
15189WAC4	CENTERPOINT ENERGY INC	100,000	\$114,808	0.15%	6.125%	11/01/17
156700AR7	CENTURYLINK INC	250,000	\$250,811	0.32%	6.45%	06/15/21
161546GR1	CHASE FUNDING MORTGAGE LOAN AS	2,652	\$2,218	0.00%	0.8936%	07/25/33
161546JS6	CHASE FUNDING MORTGAGE LOAN AS	178,910	\$157,325	0.20%	0.7936%	02/25/35
161571DJ0	CHASE ISSUANCE TRUST	630,000	\$632,846	0.80%	1.8283%	04/15/14
165167CF2	CHESAPEAKE ENERGY CORP	50,000	\$53,875	0.07%	6.625%	08/15/20
167736WL7	CHICAGO ILL WTR REV	100,000	\$104,596	0.13%	5.25%	11/01/38
125581GA0	CIT GROUP INC	50,000	\$50,000	0.06%	7%	05/02/17
17308BAH1	CITIBANK OMNI MASTER TRUST	500,000	\$503,117	0.64%	2.3783%	05/16/16
17311QBM1	CITIGROUP COMMERCIAL MORTGAGE	180,000	\$177,812	0.23%	5.698%	06/10/17
172967EW7	CITIGROUP INC	100,000	\$122,784	0.16%	8.125%	07/15/39
14986DAJ9	CITIGROUP/DEUTSCHE BANK COMMER	165,000	\$93,085	0.12%	5.688%	10/15/48
14986DAF7	CITIGROUP/DEUTSCHE BANK COMMER	230,000	\$252,858	0.32%	5.617%	10/15/48
12513EAP9	CITIGROUP/DEUTSCHE BANK COMMER	500,000	\$257,147	0.33%	5.2219%	07/15/44
B5MC2T1	CLEAR CHANNEL COMMUNICATIONS I	50,000	\$42,375	0.05%	9%	03/01/21
18683KAB7	CLIFFS NATURAL RESOURCES INC	200,000	\$198,675	0.25%	4.8%	10/01/20
B63VTF9	CNPC HK OVERSEAS CAPITAL LTD	100,000	\$111,540	0.14%	5.95%	04/28/41
B764RC5	COMPAGNIE GENERALE DE GEOPHYSI	50,000	\$48,750	0.06%	6.5%	06/01/21



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INVESTMENTS**

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219023AF5	CORN PRODUCTS INTL INC	200,000	\$212,989	0.27%	4.625%	11/01/20
126673AX0	COUNTRYWIDE ASSET-BACKED CERTI	87,537	\$71,134	0.09%	0.6636%	12/25/34
12669GDS7	COUNTRYWIDE HOME LOANS	25,922	\$26,249	0.03%	5.5%	12/25/34
222862AH7	COVENTRY HEALTH CARE INC	100,000	\$108,885	0.14%	6.3%	08/15/14
222862AJ3	COVENTRY HEALTH CARE INC	500,000	\$556,436	0.71%	5.45%	06/15/21
22545RAB2	CREDIT SUISSE MORTGAGE CAPITAL	29,706	\$27,400	0.03%	0.4483%	10/15/21
126650BH2	CVS CAREMARK CORP	200,000	\$233,699	0.30%	5.75%	06/01/17
242370AC8	DEAN FOODS CO	50,000	\$53,500	0.07%	9.75%	12/15/18
25212W100	DEX ONE CORP	1,000	\$1,660	0.00%	N/A	N/A
25459HAW5	DIRECTV HOLDINGS LLC/FINANCING	400,000	\$416,518	0.53%	4.6%	02/15/21
254683AJ4	DISCOVER CARD MASTER TRUST	420,000	\$422,502	0.54%	1.5783%	12/15/14
25470XAE5	DISH DBS CORP	50,000	\$54,125	0.07%	6.75%	06/01/21
27876GBE7	DISH DBS CORP	50,000	\$54,125	0.07%	7.125%	02/01/16
260543CF8	DOW CHEMICAL CO	200,000	\$205,468	0.26%	4.125%	11/15/21
B1Z7R67	DP WORLD LTD	100,000	\$91,847	0.12%	6.85%	07/02/37
29078EAB1	EMBARQ CORP	50,000	\$54,259	0.07%	7.082%	06/01/16
29273VAC4	ENERGY TRANSFER EQUITY LP	50,000	\$54,875	0.07%	7.5%	10/15/20
29348QAB8	ENOGEX LLC	100,000	\$113,321	0.14%	6.25%	03/15/20
293791AW9	ENTERPRISE PRODUCTS OPERATING	50,000	\$52,063	0.07%	7.034%	01/15/2068
29379VAP8	ENTERPRISE PRODUCTS OPERATING	100,000	\$110,841	0.14%	5.2%	09/01/20
26884AAX1	ERP OPERATING LP	250,000	\$277,576	0.35%	5.75%	06/15/17
302182AE0	EXPRESS SCRIPTS INC	100,000	\$119,307	0.15%	7.25%	06/15/19
302203AA2	EXPRO FINANCE LUXEMBOURG	100,000	\$88,500	0.11%	8.5%	12/15/16
31404AQG2	FANNIE MAE	7,487	\$8,025	0.01%	4.5%	04/01/19
31406AG30	FANNIE MAE	18,849	\$19,479	0.02%	2.3%	12/01/34
31406BNG1	FANNIE MAE	23,524	\$25,415	0.03%	5%	01/01/20
31406AGW6	FANNIE MAE	25,382	\$26,573	0.03%	2.31%	12/01/34
31404RRX7	FANNIE MAE	24,933	\$26,690	0.03%	4.5%	04/01/19
31402DKE9	FANNIE MAE	25,924	\$28,231	0.04%	5.5%	09/01/19
31406T5M9	FANNIE MAE	30,063	\$32,504	0.04%	5%	04/01/20
31405RRN8	FANNIE MAE	31,302	\$34,880	0.04%	6%	10/01/34
31401D5K3	FANNIE MAE	36,277	\$39,188	0.05%	5%	05/01/18
31406K6M7	FANNIE MAE	38,795	\$41,915	0.05%	5%	01/01/20



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31406SZX4	FANNIE MAE	49,325	\$55,154	0.07%	7.5%	02/01/30
31408H5Q4	FANNIE MAE	50,445	\$56,855	0.07%	6.5%	01/01/36
31359DKV4	FANNIE MAE	83,364	\$94,898	0.12%	7%	09/25/23
31404JLV5	FANNIE MAE	107,906	\$113,739	0.14%	2.4658%	02/01/34
31405TX56	FANNIE MAE	128,593	\$140,432	0.18%	5.5%	04/01/35
31391Q3Y8	FANNIE MAE	143,233	\$144,752	0.18%	2.9756%	11/01/32
31405YG96	FANNIE MAE	151,773	\$164,157	0.21%	5%	10/01/34
31408GVE4	FANNIE MAE	175,874	\$196,463	0.25%	6%	05/01/36
31373KHT9	FANNIE MAE	413,784	\$428,932	0.54%	2.526%	09/01/34
31409FK98	FANNIE MAE	407,567	\$444,708	0.56%	5.5%	04/01/36
31419AX44	FANNIE MAE	544,583	\$580,140	0.74%	4.5%	12/01/40
31394VEX4	FANNIE MAE	856,258	\$854,366	1.08%	0.6436%	01/25/36
01F040610	FANNIE MAE	1,970,000	\$2,070,039	2.63%	4%	01/01/41
01F060618	FANNIE MAE	2,310,000	\$2,543,888	3.23%	6%	01/01/40
01F042616	FANNIE MAE	2,660,000	\$2,831,237	3.59%	4.5%	01/01/40
3128H5MH6	FEDERAL HOME LOAN MORTGAGE COR	6,571	\$7,127	0.01%	5.5%	06/01/18
31294KJ55	FEDERAL HOME LOAN MORTGAGE COR	8,719	\$9,367	0.01%	6%	08/01/17
31336SBZ0	FEDERAL HOME LOAN MORTGAGE COR	10,949	\$11,570	0.01%	2.537%	09/01/32
312965JA5	FEDERAL HOME LOAN MORTGAGE COR	17,236	\$18,581	0.02%	5%	03/01/19
3129713L6	FEDERAL HOME LOAN MORTGAGE COR	19,170	\$20,425	0.03%	4.5%	03/01/20
3128H7ER9	FEDERAL HOME LOAN MORTGAGE COR	27,025	\$28,828	0.04%	4.5%	09/01/18
312971E91	FEDERAL HOME LOAN MORTGAGE COR	39,068	\$42,199	0.05%	4.5%	04/01/20
31296LRM5	FEDERAL HOME LOAN MORTGAGE COR	53,903	\$58,756	0.07%	5.5%	08/01/33
31296XCV5	FEDERAL HOME LOAN MORTGAGE COR	70,117	\$75,499	0.10%	5%	04/01/34
31297BK50	FEDERAL HOME LOAN MORTGAGE COR	68,267	\$79,122	0.10%	7%	05/01/32
3128M6CW6	FEDERAL HOME LOAN MORTGAGE COR	71,623	\$80,377	0.10%	6.5%	03/01/38
02R050614	FEDERAL HOME LOAN MORTGAGE COR	200,000	\$214,937	0.27%	5%	01/01/40
31297TMT7	FEDERAL HOME LOAN MORTGAGE COR	248,599	\$275,954	0.35%	5.5%	09/01/35
3134A4UX0	FEDERAL HOME LOAN MORTGAGE COR	500,000	\$557,912	0.71%	4.5%	01/15/15
02R060613	FEDERAL HOME LOAN MORTGAGE COR	805,000	\$884,116	1.12%	6%	01/01/40
02R040615	FEDERAL HOME LOAN MORTGAGE COR	1,555,000	\$1,631,292	2.07%	4%	01/01/41
02R042611	FEDERAL HOME LOAN MORTGAGE COR	1,700,000	\$1,801,734	2.29%	4.5%	01/01/40
316781AA1	FIFTH THIRD CAP TR IV	300,000	\$295,500	0.38%	6.5%	04/15/2067



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32027NMT5	FIRST FRANKLIN MTG LOAN ASSET	34,549	\$32,241	0.04%	0.6436%	01/25/35
345397VM2	FORD MOTOR CREDIT CO LLC	100,000	\$118,046	0.15%	8.125%	01/15/20
345550AD9	FOREST CITY ENTERPRISES INC	50,000	\$49,375	0.06%	7.625%	06/01/15
35906AAH1	FRONTIER COMMUNICATIONS CORP	50,000	\$51,437	0.07%	8.5%	04/15/20
368266AE2	GAZ CAPITAL SA (GAZPROM)	300,000	\$311,250	0.40%	6.212%	11/22/16
36159JBA8	GE CAPITAL CREDIT CARD MASTER	300,000	\$299,815	0.38%	0.3283%	06/15/15
36962GZY3	GENERAL ELECTRIC CAPITAL CORP	200,000	\$209,313	0.27%	5.45%	01/15/13
EH2921516	GENERAL ELECTRIC CAPITAL CORP	8,000,000	\$550,730	0.70%	8.5%	04/06/18
37045V126	GENERAL MOTORS CO	202	\$1,579	0.00%	N/A	07/10/19
37045V118	GENERAL MOTORS CO	202	\$2,369	0.00%	N/A	07/10/16
37045V100	GENERAL MOTORS CO	223	\$4,520	0.01%	N/A	N/A
373334JR3	GEORGIA POWER CO	150,000	\$181,051	0.23%	5.4%	06/01/40
375558AQ6	GILEAD SCIENCES INC	300,000	\$318,553	0.40%	4.5%	04/01/21
361860208	GMAC CAPITAL TRUST I	800	\$15,472	0.02%	N/A	N/A
361849N32	GMAC COMMERCIAL MORTGAGE SECUR	300,000	\$226,706	0.29%	4.936%	05/10/43
36186CCA9	GMAC INC	15,000	\$14,812	0.02%	8%	12/31/18
36186CBV4	GMAC INC	25,000	\$25,375	0.03%	6.875%	08/28/12
38141GEA8	GOLDMAN SACHS GROUP INC	50,000	\$51,148	0.06%	5.125%	01/15/15
38141GFD1	GOLDMAN SACHS GROUP INC	100,000	\$93,181	0.12%	6.75%	10/01/37
38141GGQ1	GOLDMAN SACHS GROUP INC	250,000	\$244,246	0.31%	5.25%	07/27/21
36290QY82	GOVT NATL MORTG ASSN	6,002	\$6,777	0.01%	5.5%	07/15/33
36201MRM6	GOVT NATL MORTG ASSN	8,556	\$9,921	0.01%	6.5%	11/15/32
36290YKK3	GOVT NATL MORTG ASSN	9,244	\$10,300	0.01%	5%	03/15/34
36225BYC6	GOVT NATL MORTG ASSN	10,414	\$11,854	0.02%	6%	03/15/33
36202WAV1	GOVT NATL MORTG ASSN	15,893	\$17,944	0.02%	5.5%	06/15/34
36201SG60	GOVT NATL MORTG ASSN	19,307	\$22,386	0.03%	6.5%	09/15/32
36202KUD5	GOVT NATL MORTG ASSN	26,458	\$27,694	0.04%	3.5%	08/20/20
36225CK96	GOVT NATL MORTG ASSN	29,156	\$30,001	0.04%	1.625%	09/20/29
36200NST9	GOVT NATL MORTG ASSN	107,898	\$120,192	0.15%	5%	05/15/34
396789LP2	GREENWICH CAPITAL COMMERCIAL F	100,000	\$39,013	0.05%	5.3584%	04/10/37
B1WLFP7	HALYK SAVINGS BANK OF KAZAKHST	100,000	\$97,521	0.12%	7.25%	05/03/17
40414LAA7	HCP INC	100,000	\$111,274	0.14%	6.7%	01/30/18
428236BM4	HEWLETT-PACKARD CO	250,000	\$256,753	0.33%	4.3%	06/01/21



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22541SYL6	HOME EQUITY MORTGAGE TRUST	75,094	\$54,590	0.07%	1.2686%	12/25/34
43739EBS5	HOME BANC MORTGAGE TRUST	83,191	\$56,898	0.07%	0.5636%	10/25/35
40432TAA8	HSBC BANK BRASIL SA	100,000	\$99,892	0.13%	4%	05/11/16
40429CGD8	HSBC FINANCE CORP	200,000	\$207,159	0.26%	6.676%	01/15/21
B24FY35	HSBC HOLDINGS PLC	100,000	\$98,855	0.13%	6.5%	09/15/37
452152HU8	ILLINOIS ST	180,000	\$193,980	0.25%	5.877%	03/01/19
SPC709JX	INDONESIA REPUBLIC OF	900,000	(\$30,061)	-0.04%	1%	03/20/16
B0XZ3F7	INEOS GROUP HOLDINGS LTD	50,000	\$48,212	0.06%	7.875%	02/15/16
45824TAF2	INTELSAT JACKSON HOLDINGS SA	50,000	\$50,687	0.06%	7.5%	04/01/21
B28HXX0	IRELAND REP OF	15,000	\$15,837	0.02%	4.5%	10/18/18
0685753	IRELAND REP OF	16,000	\$18,712	0.02%	4.6%	04/18/16
B2QTFG5	IRELAND REP OF	26,000	\$26,959	0.03%	4.4%	06/18/19
3407448	IRELAND REP OF	34,000	\$34,104	0.04%	4.5%	04/18/20
B60Z619	IRELAND REP OF	44,000	\$45,592	0.06%	5%	10/18/20
B4TV0D4	IRELAND REP OF	60,000	\$61,472	0.08%	5.4%	03/13/25
G4935KAU4	IRELAND REP OF	67,000	\$75,247	0.10%	5.9%	10/18/19
B3KWYS2	IRELAND REP OF	66,000	\$79,931	0.10%	4%	01/15/14
B4Y8WK1	ISRAEL FIXED BOND	45,000	\$11,845	0.02%	4%	03/30/12
B39X9M5	ISRAEL GOVERNMENT BOND	52,000	\$14,024	0.02%	5%	03/31/13
M8489CLP5	ISRAEL GOVERNMENT BOND	111,000	\$29,509	0.04%	3.5%	09/30/13
M8489CMX7	ISRAEL TREASURY BILL - MAKAM	60,000	\$15,609	0.02%	N/A	05/02/12
EI5276056	ISRAEL TREASURY BILL - MAKAM	80,000	\$20,986	0.03%	N/A	01/04/12
B3QT1Z3	ISRAEL TREASURY BILL - MAKAM	130,000	\$33,973	0.04%	N/A	02/29/12
M8489CMU3	ISRAEL TREASURY BILL - MAKAM	570,000	\$148,615	0.19%	N/A	04/04/12
M8489CMR0	ISRAEL TREASURY BILL - MAKAM	755,000	\$197,642	0.25%	N/A	02/01/12
46625HHU7	JPMORGAN CHASE & CO	300,000	\$302,546	0.38%	4.25%	10/15/20
48123QAA1	JPMORGAN CHASE CAP XXII	400,000	\$404,000	0.51%	6.45%	02/02/37
46625YA29	JPMORGAN CHASE COMMERCIAL MTG	100,000	\$99,163	0.13%	5.446%	12/12/44
46630EAG5	JPMORGAN CHASE COMMERCIAL MTG	300,000	\$295,318	0.37%	5.464%	12/12/43
49456AAA1	KINDER MORGAN FINANCE CO LLC	50,000	\$51,125	0.06%	6%	01/15/18
48248NAA8	KKR GROUP FINANCE CO	200,000	\$205,661	0.26%	6.375%	09/29/20
B3P1NM1	KOREA TREASURY BOND	115,000,000	\$99,695	0.13%	3.75%	06/10/13
B675T57	KOREA TREASURY BOND	210,000,000	\$180,033	0.23%	3%	12/10/13



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin U.S. Total Return Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
B4YV200	KOREA TREASURY BOND	605,000,000	\$525,818	0.67%	4.25%	12/10/12
B51BMM2	KOREA TREASURY BOND	1,160,000,000	\$1,003,234	1.27%	4%	06/10/12
50075NBA1	KRAFT FOODS INC	300,000	\$346,618	0.44%	5.375%	02/10/20
52107QAE5	LAZARD GROUP	300,000	\$315,119	0.40%	6.85%	06/15/17
50179MAH4	LB-UBS COMMERCIAL MORTGAGE TRU	210,000	\$161,942	0.21%	5.452%	09/15/39
SPD34VT3	LCDX.NA.17	2,500,000	(\$163,220)	-0.21%	2.5%	12/20/16
524685AA2	LEGACY BENEFITS INSURANCE SETT	178,043	\$169,141	0.21%	5.35%	02/10/39
549876AA8	LUKOIL INTERNATIONAL FINANCE B	250,000	\$250,625	0.32%	6.656%	06/07/22
B298Y73	MALAYSIA GOVT	150,000	\$47,816	0.06%	3.7%	05/15/13
B1LCKL2	MALAYSIA GOVT	174,000	\$55,078	0.07%	3.718%	06/15/12
B5ZMWT8	MALAYSIA GOVT	280,000	\$88,094	0.11%	2.509%	08/27/12
Y55777Y94	MALAYSIA GOVT	360,000	\$114,030	0.14%	3.21%	05/31/13
B2PDVF9	MALAYSIA GOVT	580,000	\$184,483	0.23%	3.461%	07/31/13
B0563S1	MALAYSIA GOVT	1,803,000	\$573,882	0.73%	3.702%	02/25/13
B51VGS6	MALAYSIA TREASURY BILL	10,000	\$3,142	0.00%	N/A	02/24/12
B51X897	MALAYSIA TREASURY BILL	10,000	\$3,150	0.00%	N/A	01/20/12
B75HCW0	MALAYSIA TREASURY BILL	90,000	\$28,170	0.04%	N/A	04/13/12
59018YN64	MERRILL LYNCH & CO INC	200,000	\$197,386	0.25%	6.875%	04/25/18
B46DH43	MEXICAN FIXED RATE BONDS	12,000	\$89,979	0.11%	7%	06/19/14
B1B1H63	MEXICAN FIXED RATE BONDS	15,000	\$113,777	0.14%	9%	06/20/13
552953AR2	MGM RESORTS INTERNATIONAL	25,000	\$23,875	0.03%	6.625%	07/15/15
B59M4R6	MOODY'S CORP	600,000	\$620,703	0.79%	5.5%	09/01/20
61747WAL3	MORGAN STANLEY	100,000	\$92,597	0.12%	5.5%	07/28/21
61747YCE3	MORGAN STANLEY	100,000	\$100,263	0.13%	6%	04/28/15
61747YCM5	MORGAN STANLEY	200,000	\$182,285	0.23%	5.5%	01/26/20
61744CLV6	MORGAN STANLEY ABS CAPITAL I I	100,000	\$79,475	0.10%	1.0286%	01/25/35
61746RBV2	MORGAN STANLEY ABS CAPITAL I I	129,973	\$98,661	0.13%	1.4936%	05/25/33
61745MZA4	MORGAN STANLEY CAPITAL I TRUST	55,000	\$58,828	0.07%	5.4%	06/15/38
370ESC717	MOTORS LIQUIDATION CO	2,200	\$557	0.00%	N/A	N/A
62856RAA3	MYRIAD INT HOLDING BV	100,000	\$106,622	0.14%	6.375%	07/28/17
B61GVF0	NEW SOUTH WALES TREASURY CORP	40,000	\$41,955	0.05%	5.5%	08/01/13
B1262F1	NEW SOUTH WALES TREASURY CORP	140,000	\$152,065	0.19%	5.5%	03/01/17
6422363	NEW SOUTH WALES TREASURY CORP	470,000	\$483,769	0.61%	6%	05/01/12



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin U.S. Total Return Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
651715AK0	NEWPAGE CORP	50,000	\$37,250	0.05%	11.375%	12/31/14
R63339GS9	NORWEGIAN TREASURY BILL	2,440,000	\$405,485	0.51%	N/A	06/20/12
R63339GR1	NORWEGIAN TREASURY BILL	2,879,000	\$480,100	0.61%	N/A	03/21/12
DDD364594	NOTA DO TESOURO NACIONAL NTN	400	\$212,631	0.27%	9.6849%	01/01/14
B1VRLR0	NOTA DO TESOURO NACIONAL NTN	610	\$315,002	0.40%	9.6849%	01/01/17
714046AE9	PERKINELMER INC	200,000	\$202,686	0.26%	5%	11/15/21
B0TP8N4	PERU BOND SOBERANO	248,000	\$105,110	0.13%	7.84%	08/12/20
B1LB150	PERU ENHANCED PASS-THROUGH FIN	174,885	\$146,292	0.19%	N/A	05/31/18
B1VVCG8	PHILIPPINE GOVERNMENT	620,000	\$14,201	0.02%	5.75%	02/21/12
B61JS25	PHILIPPINE GOVERNMENT	1,050,000	\$24,635	0.03%	5.25%	01/07/13
B18W026	PHILIPPINE GOVERNMENT	1,710,000	\$41,518	0.05%	8.75%	03/03/13
Y6972FPU8	PHILIPPINE TREASURY BILL	80,000	\$1,812	0.00%	N/A	07/11/12
B42BN09	PHILIPPINE TREASURY BILL	470,000	\$10,712	0.01%	N/A	01/11/12
726505AK6	PLAINS EXPLORATION & PRODUCTIO	50,000	\$52,750	0.07%	6.625%	05/01/21
693476BB8	PNC FUNDING CORP	300,000	\$327,097	0.42%	5.625%	02/01/17
B039PM0	POLAND GOVERNMENT	110,000	\$33,109	0.04%	6.25%	10/24/15
B463CP9	POLAND GOVERNMENT	210,000	\$58,044	0.07%	N/A	01/25/13
7506631	POLAND GOVERNMENT	360,000	\$104,757	0.13%	5%	10/24/13
B4PF0N0	POLAND GOVERNMENT	550,000	\$148,339	0.19%	N/A	07/25/13
B3DSHG6	POLAND GOVERNMENT	1,235,000	\$364,513	0.46%	5.75%	04/25/14
B1P1C20	POLAND GOVERNMENT	1,330,000	\$385,850	0.49%	4.75%	04/25/12
731011AR3	POLAND REPUBLIC OF	70,000	\$77,975	0.10%	6.375%	07/15/19
6516891	QUEENSLAND TREASURY CORP	25,000	\$26,451	0.03%	6%	08/14/13
B1HDLG1	QUEENSLAND TREASURY CORP	50,000	\$55,384	0.07%	6%	09/14/17
B512TQ8	QUEENSLAND TREASURY CORP	80,000	\$84,181	0.11%	6%	08/21/13
7591EPAF7	REGIONS FINANCIAL CORP	100,000	\$101,500	0.13%	7.75%	11/10/14
B06CGC3	REPUBLIC OF HUNGARY	5,000	\$4,704	0.01%	3.875%	02/24/20
B0WG005	REPUBLIC OF HUNGARY	10,000	\$10,407	0.01%	3.5%	07/18/16
B39TPG9	REPUBLIC OF HUNGARY	10,000	\$10,833	0.01%	5.75%	06/11/18
B1P8L80	REPUBLIC OF HUNGARY	15,000	\$15,580	0.02%	4.375%	07/04/17
445545AD8	REPUBLIC OF HUNGARY	75,000	\$69,015	0.09%	6.25%	01/29/20
B4V8DP6	REPUBLIC OF LITHUANIA	100,000	\$105,125	0.13%	6.75%	01/15/15
DDD462756	REPUBLIC OF LITHUANIA	100,000	\$108,724	0.14%	7.375%	02/11/20



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin U.S. Total Return Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
74924PAD4	RESIDENTIAL ASSET SECURITIES C	35,602	\$34,827	0.04%	4.213%	04/25/32
76110W5F9	RESIDENTIAL ASSET SECURITIES C	50,988	\$47,856	0.06%	0.5536%	10/25/35
761713AE6	REYNOLDS AMERICAN INC	100,000	\$119,380	0.15%	7.625%	06/01/16
74959GAC4	REYNOLDS GROUP ISSUER INC/LLC/	100,000	\$95,500	0.12%	9%	04/15/19
767754BX1	RITE AID CORP	50,000	\$55,000	0.07%	9.75%	06/12/16
749685AM5	RPM INTERNATIONAL INC	100,000	\$106,711	0.14%	6.25%	12/15/13
4230814	RUSSIAN FEDERATION	167,000	\$194,241	0.25%	7.5%	03/31/30
797646NF9	SAN FRANCISCO CALIF CITY & CNT	135,000	\$154,433	0.20%	5.93%	06/15/28
79875EJW6	SAN MARCOS CALIF PUB FACS AUTH	200,000	\$206,266	0.26%	5%	08/01/38
82655AAB9	SIGMA ALIMENTOS SA	100,000	\$102,201	0.13%	5.625%	04/14/18
Y7996FVL1	SINGAPORE TREASURY BILL	515,000	\$396,048	0.50%	N/A	11/01/12
Y9374MAF0	SOCIALIST REPUBLIC OF VIETNAM	100,000	\$100,437	0.13%	6.75%	01/29/20
B018WG2	SOUTH AFRICA REPUBLIC OF	5,000	\$5,500	0.01%	6.5%	06/02/14
836205AL8	SOUTH AFRICA REPUBLIC OF	100,000	\$115,363	0.15%	5.875%	05/30/22
845040JB1	SOUTHWEST HIGHER ED AUTH INC	360,000	\$384,663	0.49%	5%	10/01/41
Y2835MYJ4	SRI LANKA GOVERNMENT BOND	10,000	\$92	0.00%	11.75%	03/15/15
B3YJQ49	SRI LANKA GOVERNMENT BOND	50,000	\$416	0.00%	7%	03/01/14
B5SR7Q2	SRI LANKA GOVERNMENT BOND	270,000	\$2,143	0.00%	6.5%	07/15/15
Y2835MCG4	SRI LANKA GOVERNMENT BOND	400,000	\$3,500	0.00%	8.5%	01/15/13
Y2835MYF2	SRI LANKA GOVERNMENT BOND	400,000	\$3,661	0.00%	13.5%	02/01/13
EH9476258	SRI LANKA GOVERNMENT BOND	1,300,000	\$11,806	0.01%	11.25%	07/15/14
Y2835MYP0	SRI LANKA GOVERNMENT BOND	1,400,000	\$12,706	0.02%	11%	08/01/15
Y2835M5M9	SRI LANKA T-BILL	10,000	\$87	0.00%	N/A	02/03/12
B3S4866	SRI LANKA T-BILL	30,000	\$260	0.00%	N/A	02/17/12
Y2835M8F1	SRI LANKA T-BILL	50,000	\$421	0.00%	N/A	07/06/12
Y2835M5P2	SRI LANKA T-BILL	90,000	\$782	0.00%	N/A	02/10/12
Y2835NAV1	SRI LANKA T-BILL	200,000	\$1,647	0.00%	N/A	09/28/12
78486QAC5	SVB FINANCIAL GROUP	200,000	\$205,179	0.26%	5.375%	09/15/20
B59LBG1	SWEDEN GOVERNMENT BOND	2,190,000	\$322,571	0.41%	1.5%	08/30/13
7334821	SWEDEN KINGDOM OF	6,130,000	\$921,444	1.17%	5.5%	10/08/12
882330AQ6	TCEH CO LLC/TCEH FINANCE INC	25,000	\$13,875	0.02%	15%	04/01/21
882330AM5	TCEH CO LLC/TCEH FINANCE INC	50,000	\$42,687	0.05%	11.5%	10/01/20
878742AT2	TECK RESOURCES LIMITED	100,000	\$104,583	0.13%	4.5%	01/15/21



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin U.S. Total Return Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
881575AF1	TESCO PLC	300,000	\$304,371	0.39%	2.7%	01/05/17
887317AH8	TIME WARNER INC	200,000	\$234,877	0.30%	6.1%	07/15/40
B1L6WG3	U K TREASURY NOTE/BOND	26,000	\$41,233	0.05%	5.25%	06/07/12
3046874	U K TREASURY NOTE/BOND	362,000	\$566,885	0.72%	5%	03/07/12
912810FT0	U S TREASURY BOND	100,000	\$130,765	0.17%	4.5%	02/15/36
912810FJ2	U S TREASURY BOND	150,000	\$227,179	0.29%	6.125%	08/15/29
912810PU6	U S TREASURY BOND	200,000	\$281,218	0.36%	5%	05/15/37
912810FF0	U S TREASURY BOND	260,000	\$358,312	0.45%	5.25%	11/15/28
912828GS3	U S TREASURY BOND	370,000	\$438,970	0.56%	4.5%	05/15/17
912810PT9	U S TREASURY BOND	450,000	\$610,875	0.78%	4.75%	02/15/37
912810FB9	U S TREASURY BOND	600,000	\$891,468	1.13%	6.125%	11/15/27
912810QE1	U S TREASURY NOTE/BOND	100,000	\$134,625	0.17%	4.625%	02/15/40
912828DM9	U S TREASURY NOTE/BOND	200,000	\$222,203	0.28%	4%	02/15/15
912828MP2	U S TREASURY NOTE/BOND	200,000	\$231,937	0.29%	3.625%	02/15/20
912828PX2	U S TREASURY NOTE/BOND	200,000	\$232,156	0.29%	3.625%	02/15/21
912810QK7	U S TREASURY NOTE/BOND	250,000	\$299,062	0.38%	3.875%	08/15/40
912828QN3	U S TREASURY NOTE/BOND	300,000	\$334,851	0.43%	3.125%	05/15/21
912828KJ8	U S TREASURY NOTE/BOND	400,000	\$413,218	0.52%	1.75%	03/31/14
912828LK4	U S TREASURY NOTE/BOND	400,000	\$421,468	0.53%	2.375%	08/31/14
912810QB7	U S TREASURY NOTE/BOND	450,000	\$571,500	0.73%	4.25%	05/15/39
912828LJ7	U S TREASURY NOTE/BOND	500,000	\$578,984	0.73%	3.625%	08/15/19
912828FQ8	U S TREASURY NOTE/BOND	500,000	\$593,203	0.75%	4.875%	08/15/16
912828GH7	U S TREASURY NOTE/BOND	500,000	\$593,515	0.75%	4.625%	02/15/17
912828JQ4	U S TREASURY NOTE/BOND	800,000	\$836,437	1.06%	2.75%	10/31/13
912828MH0	U S TREASURY NOTE/BOND	800,000	\$845,375	1.07%	2.25%	01/31/15
912828FY1	U S TREASURY NOTE/BOND	800,000	\$945,124	1.20%	4.625%	11/15/16
912810QH4	U S TREASURY NOTE/BOND	750,000	\$972,304	1.23%	4.375%	05/15/40
912828NF3	U S TREASURY NOTE/BOND	1,000,000	\$1,056,094	1.34%	2.125%	05/31/15
912828MG2	U S TREASURY NOTE/BOND	1,200,000	\$1,215,093	1.54%	1.375%	01/15/13
912828FF2	U S TREASURY NOTE/BOND	1,100,000	\$1,309,430	1.66%	5.125%	05/15/16
912810PX0	U S TREASURY NOTE/BOND	1,050,000	\$1,382,391	1.75%	4.5%	05/15/38
912828NP1	U S TREASURY NOTE/BOND	1,400,000	\$1,461,797	1.86%	1.75%	07/31/15
912828HR4	U S TREASURY NOTE/BOND	1,300,000	\$1,482,609	1.88%	3.5%	02/15/18



**FRANKLIN TEMPLETON
INVESTMENTS**

Portfolio Holdings for FTIF - Franklin U.S. Total Return Fund as of December 31, 2011

Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
912828BR0	U S TREASURY NOTE/BOND	1,750,000	\$1,879,951	2.39%	4.25%	11/15/13
912828EE6	U S TREASURY NOTE/BOND	2,100,000	\$2,380,547	3.02%	4.25%	08/15/15
912828JT8	U S TREASURY NOTE/BOND	3,200,000	\$3,306,627	4.20%	2%	11/30/13
912828JX9	U S TREASURY NOTE/BOND I/L	105,473	\$125,472	0.16%	2.125%	01/15/19
912828QD5	U S TREASURY NOTE/BOND I/L	2,103,136	\$2,194,492	2.79%	0.125%	04/15/16
917288BD3	URUGUAY REPUBLIC OF	2,000,000	\$101,256	0.13%	4.375%	12/15/28
91913YAN0	VALERO ENERGY CORP	200,000	\$256,752	0.33%	9.375%	03/15/19
DDD402048	VARIATION MARGIN	0	\$0	0.00%	N/A	02/20/49
922646BJ2	VENEZUELA REPUBLIC OF	30,000	\$30,413	0.04%	10.75%	09/19/13
92342YAA7	VERIFONE SYSTEMS INC	40,000	\$41,200	0.05%	1.375%	06/15/12
92345JAE9	VERITAS CLO LTD	300,000	\$266,749	0.34%	0.7211%	07/11/21
92976BLJ9	WACHOVIA BANK COMMERCIAL MORTG	328,236	\$293,836	0.37%	0.3583%	06/15/20
92978AAA0	WACHOVIA CAPITAL TRUST III	350,000	\$294,437	0.37%	5.5698%	02/20/49
94985TBC1	WELLS FARGO MORTGAGE BACKED SE	67,114	\$69,308	0.09%	5.5%	04/25/37
94980QAJ8	WELLS FARGO MORTGAGE BACKED SE	85,884	\$81,632	0.10%	2.7616%	11/25/34
6407070	WESTERN AUSTRALIA TREASURY COR	40,000	\$43,311	0.05%	8%	06/15/13
B4WN026	WESTERN AUSTRALIA TREASURY COR	155,000	\$159,783	0.20%	5.5%	07/17/12
97063PAB0	WILLIS GROUP HOLDINGS PLC	100,000	\$106,202	0.13%	5.75%	03/15/21
B54G644	WIND ACQUISITION HOLDINGS FINA	60,335	\$56,909	0.07%	N/A	07/15/17
982526AJ4	WM WRIGLEY JR CO	200,000	\$203,749	0.26%	3.05%	06/28/13
980236AJ2	WOODSIDE FINANCE LTD	200,000	\$210,751	0.27%	4.5%	11/10/14
980888AD3	WOOLWORTHS LTD	200,000	\$206,642	0.26%	4%	09/22/20
98417EAK6	XSTRATA CANADA FINANCIAL CORP	200,000	\$204,642	0.26%	4.95%	11/15/21



FRANKLIN TEMPLETON
INVESTMENTS

Portfolio Holdings for FTIF - Franklin U.S. Total Return Fund as of December 31, 2011

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

Portfolio Holdings for FTIF - Franklin U.S. Total Return Fund as of December 31, 2011

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

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