



**FRANKLIN TEMPLETON  
INVESTMENTS**

**Portfolio Holdings for FTIF - Franklin U.S. Ultra Short Bond 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
004375ED9	ACCREDITED MTG LN TR	180,135	\$161,687	0.03%	0.5336%	09/25/35
02005NAF7	ALLY FINANCIAL INC	1,400,000	\$1,354,500	0.25%	4.5%	02/11/14
023771R83	AMERICAN AIRLINES INC	1,000,000	\$720,000	0.13%	7.5%	03/15/16
026874CA3	AMERICAN INTERNATIONAL GROUP I	2,000,000	\$1,944,938	0.36%	4.25%	09/15/14
03072SP33	AMERIQUEST MORTGAGE SECURITIES	228,012	\$219,643	0.04%	0.5236%	11/25/35
031162BJ8	AMGEN INC	1,500,000	\$1,520,683	0.28%	1.875%	11/15/14
86358RYJ0	AMORTIZING RESIDENTIAL COLLATE	192,146	\$81,328	0.02%	1.5686%	01/25/32
03523TBC1	ANHEUSER-BUSCH INBEV WORLDWIDE	3,000,000	\$3,007,425	0.56%	0.9722%	01/27/14
040104EW7	ARGENT SECURITIES INC	18,081	\$13,831	0.00%	0.6136%	03/25/34
04044TAA4	ARISTOTLE HOLDING INC	1,300,000	\$1,316,850	0.25%	2.75%	11/21/14
04541GLZ3	ASSET BACKED SECURITIES CORP H	1,348	\$1,084	0.00%	0.6736%	10/25/34
04541GMB5	ASSET BACKED SECURITIES CORP H	4,679	\$3,446	0.00%	0.7936%	10/25/34
05947U7M4	BANC OF AMERICA COMMERCIAL MTG	400,000	\$409,480	0.08%	5.421%	09/10/45
05950WAJ7	BANC OF AMERICA COMMERCIAL MTG	1,500,000	\$1,160,527	0.22%	5.695%	07/10/46
05956KAA6	BANC OF AMERICA LARGE LOAN	955,324	\$865,209	0.16%	2.028%	11/15/15
Y063658C0	BANK NEGARA MONETARY NOTE	12,300,000	\$3,866,351	0.72%	N/A	02/21/12
SPTD00CB	BANK OF AMERICA CORP	(3,000,000)	\$368,420	0.07%	1%	09/20/16
06051GEL9	BANK OF AMERICA CORP	3,000,000	\$2,700,624	0.50%	1.9411%	07/11/14
05531FAH6	BB&T CORP	2,500,000	\$2,526,115	0.47%	2.05%	04/28/14
B4T62L1	BG ENERGY CAPITAL PLC	2,000,000	\$2,059,420	0.39%	2.875%	10/15/16
13062TZV9	CALIFORNIA ST	2,000,000	\$2,079,480	0.39%	5.1%	08/01/14
130685Q45	CALIFORNIA ST PUB WKS BRD LEAS	1,695,000	\$1,701,186	0.32%	3.183%	12/01/14
130685Q52	CALIFORNIA ST PUB WKS BRD LEAS	1,755,000	\$1,766,337	0.33%	3.679%	12/01/15
136385AQ4	CANADIAN NATURAL RESOURCES LTD	1,300,000	\$1,308,669	0.24%	1.45%	11/14/14
14041NCL3	CAPITAL ONE MULTI-ASSET EXECUT	2,500,000	\$2,496,938	0.47%	0.3583%	09/15/15
12502CAS0	CCH II LLC/CCH II CAPITAL CORP	1,400,000	\$1,624,000	0.30%	13.5%	11/30/16



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SPD34VR9	CDX.NA.IG.17	45,000,000	(\$405,621)	-0.08%	1%	12/20/16
12516UAA3	CEMEX FINANCE LLC	1,000,000	\$882,500	0.17%	9.5%	12/14/16
SPO10B92	CENTEX CORP	(5,000,000)	(\$277,537)	-0.05%	5%	06/20/16
152312AT1	CENTEX CORP	5,000,000	\$4,787,500	0.90%	6.5%	05/01/16
161546JS6	CHASE FUNDING MORTGAGE LOAN AS	178,910	\$157,325	0.03%	0.7936%	02/25/35
165167CD7	CHESAPEAKE ENERGY CORP	1,400,000	\$1,610,000	0.30%	9.5%	02/15/15
SP0F04NM	CISCO SYSTEMS INC	1,000,000	(\$2,780)	0.00%	1%	12/20/16
125581FZ6	CIT GROUP INC	2,000,000	\$2,002,500	0.37%	7%	05/02/16
17305EEM3	CITIBANK CREDIT CARD ISSUANCE	1,000,000	\$1,003,504	0.19%	2.0283%	03/17/14
17305EBF1	CITIBANK CREDIT CARD ISSUANCE	2,110,000	\$2,113,395	0.40%	0.5346%	12/17/14
17308BAH1	CITIBANK OMNI MASTER TRUST	5,500,000	\$5,534,291	1.03%	2.3783%	05/16/16
172967EA5	CITIGROUP INC	3,000,000	\$2,805,291	0.52%	0.6589%	03/07/14
14986DAF7	CITIGROUP/DEUTSCHE BANK COMMER	1,000,000	\$1,099,385	0.21%	5.617%	10/15/48
SPG40CAC	CNA FINANCIAL CORP	(3,122,000)	(\$303,326)	-0.06%	5%	12/20/14
126117AL4	CNA FINANCIAL CORP	3,122,000	\$3,292,364	0.62%	5.85%	12/15/14
126171AK3	COMMERCIAL MORTGAGE PASS-THROU	1,000,000	\$901,181	0.17%	5.209%	06/10/44
12543DAF7	COMMUNITY HEALTH SYSTEMS INC	603,000	\$624,105	0.12%	8.875%	07/15/15
204386AM8	COMPAGNIE GENERALE DE GEOPHYSI	1,000,000	\$1,085,000	0.20%	9.5%	05/15/16
126671B47	COUNTRYWIDE ASSET-BACKED CERTI	3,576	\$2,893	0.00%	0.9136%	09/25/33
126671SJ6	COUNTRYWIDE ASSET-BACKED CERTI	15,722	\$15,101	0.00%	1.0336%	02/25/33
22545RAB2	CREDIT SUISSE MORTGAGE CAPITAL	636,557	\$587,153	0.11%	0.4483%	10/15/21
22540AB64	CS FIRST BOSTON MORTGAGE SECUR	437,164	\$256,621	0.05%	1.3436%	02/25/31
233851AG9	DAIMLER FINANCE NORTH AMERICA	2,800,000	\$2,787,027	0.52%	1.875%	09/15/14
254683AL9	DISCOVER CARD MASTER TRUST	3,100,000	\$3,121,095	0.58%	0.9283%	09/15/15
27876GBE7	DISH DBS CORP	1,400,000	\$1,515,500	0.28%	7.125%	02/01/16
SP0F04NL	DOW CHEMICAL CO	1,000,000	(\$46,720)	-0.01%	1%	12/20/16
31402SDQ7	FANNIE MAE	15,587	\$16,497	0.00%	2.56%	08/01/33
31390SVA6	FANNIE MAE	20,121	\$21,132	0.00%	2.415%	08/01/32
31374TY37	FANNIE MAE	21,944	\$23,298	0.00%	2.7225%	10/01/27
31400ARQ3	FANNIE MAE	23,025	\$23,992	0.00%	2.374%	04/01/33
31388JNQ4	FANNIE MAE	29,368	\$30,419	0.01%	2.075%	09/01/31
31404WGU4	FANNIE MAE	28,965	\$30,495	0.01%	2.527%	06/01/34
31390E2J0	FANNIE MAE	41,619	\$41,916	0.01%	2.725%	06/01/32



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31407N4S9	FANNIE MAE	42,510	\$45,510	0.01%	5.2213%	09/01/35
31363AXT5	FANNIE MAE	47,604	\$49,409	0.01%	3%	10/01/28
31389DW45	FANNIE MAE	52,047	\$54,271	0.01%	2.125%	12/01/31
31387TXS8	FANNIE MAE	57,211	\$57,982	0.01%	2.4132%	07/01/31
31385JQE1	FANNIE MAE	61,540	\$64,616	0.01%	2.3876%	09/01/32
31391RYS5	FANNIE MAE	78,123	\$81,771	0.02%	2.205%	02/01/31
31407B2L2	FANNIE MAE	80,931	\$85,190	0.02%	2.2566%	07/01/35
31402G6B4	FANNIE MAE	81,954	\$86,865	0.02%	2.3738%	07/01/33
31373TDK3	FANNIE MAE	89,745	\$95,501	0.02%	2.6931%	02/01/25
31417TXG8	FANNIE MAE	98,763	\$103,918	0.02%	3.3924%	12/01/39
31362NXH4	FANNIE MAE	105,694	\$110,105	0.02%	3.1827%	01/01/17
31411HGV6	FANNIE MAE	105,917	\$112,575	0.02%	5.0915%	04/01/37
31408JBC4	FANNIE MAE	114,443	\$122,600	0.02%	5.5399%	02/01/36
31410GM42	FANNIE MAE	117,217	\$123,650	0.02%	2.3256%	11/01/36
31401EFZ7	FANNIE MAE	123,887	\$125,202	0.02%	1.5661%	04/01/32
31386UPM8	FANNIE MAE	129,495	\$129,830	0.02%	2.52%	03/01/31
31389AZF3	FANNIE MAE	127,879	\$132,500	0.02%	2.566%	10/01/32
31412BWJ7	FANNIE MAE	126,027	\$133,165	0.02%	2.4411%	11/01/36
31412X3E2	FANNIE MAE	143,288	\$148,511	0.03%	2.175%	06/01/37
31405EDF9	FANNIE MAE	146,982	\$156,655	0.03%	2.3464%	07/01/34
31409DSH7	FANNIE MAE	149,250	\$158,392	0.03%	2.7286%	03/01/36
31362TGS6	FANNIE MAE	153,074	\$159,289	0.03%	2.7489%	03/01/19
31362TWP4	FANNIE MAE	156,097	\$160,877	0.03%	2.6964%	03/01/18
31365PJB5	FANNIE MAE	159,172	\$162,172	0.03%	1.9422%	07/01/20
31413FYF3	FANNIE MAE	154,548	\$164,904	0.03%	5.682%	07/01/37
31385SD47	FANNIE MAE	163,714	\$171,387	0.03%	3.2604%	03/01/39
31409EVJ7	FANNIE MAE	166,418	\$175,150	0.03%	2.5035%	02/01/36
31403EJW8	FANNIE MAE	178,272	\$182,087	0.03%	2.26%	10/01/43
31389WJN6	FANNIE MAE	175,319	\$183,848	0.03%	2.3723%	12/01/28
31407A7K1	FANNIE MAE	178,595	\$189,967	0.04%	2.4098%	07/01/35
31402EMX3	FANNIE MAE	187,198	\$193,376	0.04%	2.175%	02/01/33
31402A5N2	FANNIE MAE	188,145	\$197,375	0.04%	2.5014%	07/01/33
31402NY44	FANNIE MAE	198,464	\$205,552	0.04%	2.1678%	07/01/33



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31406PK65	FANNIE MAE	222,248	\$233,907	0.04%	4.0952%	02/01/35
31376HPF4	FANNIE MAE	235,123	\$242,194	0.05%	2.1055%	05/01/24
31414RPJ8	FANNIE MAE	227,264	\$243,036	0.05%	4.7078%	04/01/38
31389AY98	FANNIE MAE	268,391	\$276,277	0.05%	2.566%	11/01/32
31410MHH6	FANNIE MAE	269,258	\$284,610	0.05%	2.0475%	04/01/36
31404D7E2	FANNIE MAE	279,551	\$294,627	0.06%	2.3848%	02/01/34
31407BCW7	FANNIE MAE	285,807	\$301,212	0.06%	2.4438%	08/01/35
31400ETL4	FANNIE MAE	297,327	\$312,487	0.06%	2.54%	01/01/33
31406Q7B7	FANNIE MAE	329,494	\$334,729	0.06%	1.9791%	06/01/35
31410GK44	FANNIE MAE	337,981	\$354,386	0.07%	4.1161%	10/01/35
31407GXL7	FANNIE MAE	361,964	\$366,705	0.07%	2.0182%	01/01/35
31401KL29	FANNIE MAE	350,630	\$369,874	0.07%	2.5206%	06/01/33
31410GDV2	FANNIE MAE	393,777	\$414,030	0.08%	2.3161%	11/01/35
31381JHH8	FANNIE MAE	427,243	\$436,536	0.08%	2.3095%	07/01/35
31405UY60	FANNIE MAE	438,259	\$457,006	0.09%	2.1806%	12/01/34
31400HFD0	FANNIE MAE	468,776	\$491,907	0.09%	2.3136%	02/01/33
31406HAF4	FANNIE MAE	515,051	\$546,076	0.10%	4.6926%	03/01/35
31411YBW2	FANNIE MAE	522,896	\$557,297	0.10%	5.5727%	05/01/37
31385AGN1	FANNIE MAE	570,025	\$604,065	0.11%	2.4655%	01/01/27
31411JJW7	FANNIE MAE	571,349	\$604,350	0.11%	5.1903%	02/01/37
31418MQ96	FANNIE MAE	577,013	\$608,035	0.11%	3.7539%	11/01/39
31407Y2A6	FANNIE MAE	608,827	\$642,447	0.12%	2.4776%	12/01/35
31409VR39	FANNIE MAE	641,421	\$680,988	0.13%	2.6216%	10/01/33
31400JCT4	FANNIE MAE	663,481	\$697,018	0.13%	2.3789%	03/01/33
31408EQ21	FANNIE MAE	672,588	\$702,370	0.13%	2.1318%	01/01/36
31405RDJ2	FANNIE MAE	717,788	\$760,325	0.14%	2.56%	09/01/34
31408HCR4	FANNIE MAE	748,511	\$780,506	0.15%	1.8876%	03/01/36
3138EGMR2	FANNIE MAE	745,843	\$789,954	0.15%	2.6593%	06/01/35
31410GQH9	FANNIE MAE	779,944	\$825,141	0.15%	2.5908%	10/01/36
31400HAX1	FANNIE MAE	790,744	\$830,533	0.16%	2.3406%	02/01/33
31406NRP1	FANNIE MAE	821,544	\$856,074	0.16%	2.1931%	05/01/35
31409BB30	FANNIE MAE	815,956	\$858,630	0.16%	2.5004%	03/01/36
31381JHK1	FANNIE MAE	857,109	\$880,339	0.16%	5.29%	04/01/35



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31410S6E2	FANNIE MAE	866,395	\$911,971	0.17%	2.5054%	06/01/36
31409UWM3	FANNIE MAE	921,345	\$960,795	0.18%	1.9648%	11/01/35
31407FUZ1	FANNIE MAE	921,578	\$977,833	0.18%	4.9695%	08/01/35
31394EDJ4	FANNIE MAE	993,064	\$991,132	0.19%	0.5436%	07/25/35
31409XWW5	FANNIE MAE	1,021,189	\$1,083,237	0.20%	2.695%	04/01/36
31394VEX4	FANNIE MAE	1,284,387	\$1,281,549	0.24%	0.6436%	01/25/36
30250GAA6	FDIC STRUCTURED SALE GUARANTEE	893,761	\$892,825	0.17%	0.8202%	02/25/48
31295MGS3	FEDERAL HOME LOAN MORTGAGE COR	6,473	\$6,516	0.00%	2.482%	07/01/31
31336RTU4	FEDERAL HOME LOAN MORTGAGE COR	29,234	\$29,473	0.01%	2.658%	07/01/31
31349AT44	FEDERAL HOME LOAN MORTGAGE COR	30,534	\$30,828	0.01%	3.849%	02/01/21
3128HDW54	FEDERAL HOME LOAN MORTGAGE COR	54,835	\$55,385	0.01%	2.604%	12/01/31
31295MBA7	FEDERAL HOME LOAN MORTGAGE COR	58,349	\$59,368	0.01%	2.483%	06/01/31
31288VMG1	FEDERAL HOME LOAN MORTGAGE COR	61,482	\$62,070	0.01%	2.086%	04/01/24
3128QGK68	FEDERAL HOME LOAN MORTGAGE COR	65,528	\$69,434	0.01%	2.553%	01/01/37
3128JMWE3	FEDERAL HOME LOAN MORTGAGE COR	75,419	\$80,339	0.02%	5.215%	02/01/36
31295MZR4	FEDERAL HOME LOAN MORTGAGE COR	85,476	\$89,727	0.02%	2.375%	11/01/31
31348MW94	FEDERAL HOME LOAN MORTGAGE COR	91,809	\$91,862	0.02%	5.899%	12/01/30
3128QHTK6	FEDERAL HOME LOAN MORTGAGE COR	90,567	\$95,922	0.02%	5.625%	04/01/37
31349AT69	FEDERAL HOME LOAN MORTGAGE COR	114,947	\$117,374	0.02%	4.831%	07/01/21
31342AC49	FEDERAL HOME LOAN MORTGAGE COR	131,808	\$138,394	0.03%	2.374%	12/01/32
3128HDW96	FEDERAL HOME LOAN MORTGAGE COR	140,115	\$142,064	0.03%	2.572%	01/01/32
31349S5L3	FEDERAL HOME LOAN MORTGAGE COR	137,592	\$145,178	0.03%	2.474%	07/01/34
31348QD54	FEDERAL HOME LOAN MORTGAGE COR	157,186	\$160,154	0.03%	3.304%	11/01/20
3128HDTP4	FEDERAL HOME LOAN MORTGAGE COR	157,543	\$166,868	0.03%	2.557%	12/01/30
31348UAJ8	FEDERAL HOME LOAN MORTGAGE COR	167,848	\$168,853	0.03%	4.269%	06/01/23
31288V2W8	FEDERAL HOME LOAN MORTGAGE COR	171,028	\$171,152	0.03%	2.484%	03/01/24
31295KU36	FEDERAL HOME LOAN MORTGAGE COR	179,846	\$180,432	0.03%	2.34%	10/01/29
31295LQR6	FEDERAL HOME LOAN MORTGAGE COR	194,095	\$204,673	0.04%	2.656%	04/01/30
31349UMJ4	FEDERAL HOME LOAN MORTGAGE COR	208,472	\$220,237	0.04%	2.837%	03/01/35
31295KRB2	FEDERAL HOME LOAN MORTGAGE COR	219,391	\$222,406	0.04%	2.267%	08/01/29
3128JRTH9	FEDERAL HOME LOAN MORTGAGE COR	213,070	\$224,083	0.04%	2.372%	02/01/34
3128HDE21	FEDERAL HOME LOAN MORTGAGE COR	214,201	\$224,132	0.04%	2.277%	10/01/23
3128QPFL1	FEDERAL HOME LOAN MORTGAGE COR	224,593	\$236,809	0.04%	2.565%	03/01/36



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31295NJV9	FEDERAL HOME LOAN MORTGAGE COR	235,183	\$247,717	0.05%	2.586%	04/01/32
31348QGZ5	FEDERAL HOME LOAN MORTGAGE COR	234,268	\$247,825	0.05%	4.138%	06/01/25
3128HDBE8	FEDERAL HOME LOAN MORTGAGE COR	238,469	\$248,615	0.05%	2.1%	11/01/21
31336CLJ0	FEDERAL HOME LOAN MORTGAGE COR	245,786	\$253,221	0.05%	2.1%	09/01/33
3128QPTK8	FEDERAL HOME LOAN MORTGAGE COR	241,807	\$257,569	0.05%	5.556%	06/01/37
3128QGF64	FEDERAL HOME LOAN MORTGAGE COR	264,546	\$277,054	0.05%	2%	08/01/36
31336CKL6	FEDERAL HOME LOAN MORTGAGE COR	281,145	\$283,142	0.05%	5.264%	08/01/23
3128S4B55	FEDERAL HOME LOAN MORTGAGE COR	268,858	\$284,188	0.05%	2.406%	12/01/35
31288VW39	FEDERAL HOME LOAN MORTGAGE COR	271,498	\$288,451	0.05%	2.429%	12/01/23
3128NVLN0	FEDERAL HOME LOAN MORTGAGE COR	287,896	\$303,594	0.06%	2.495%	05/01/36
3128S4C54	FEDERAL HOME LOAN MORTGAGE COR	309,206	\$322,572	0.06%	2.491%	03/01/36
31342AHN2	FEDERAL HOME LOAN MORTGAGE COR	315,224	\$327,266	0.06%	2.468%	02/01/33
3128JRW36	FEDERAL HOME LOAN MORTGAGE COR	313,649	\$332,280	0.06%	4.404%	09/01/37
3128QJE77	FEDERAL HOME LOAN MORTGAGE COR	382,394	\$404,701	0.08%	2.483%	07/01/36
3128JRK88	FEDERAL HOME LOAN MORTGAGE COR	413,821	\$442,415	0.08%	5.35%	02/01/36
3128QLSL6	FEDERAL HOME LOAN MORTGAGE COR	509,522	\$537,608	0.10%	2.496%	07/01/36
31349T3D1	FEDERAL HOME LOAN MORTGAGE COR	516,787	\$547,251	0.10%	5.051%	10/01/35
31342AKX6	FEDERAL HOME LOAN MORTGAGE COR	568,329	\$596,114	0.11%	2.467%	03/01/33
31336CRV7	FEDERAL HOME LOAN MORTGAGE COR	609,836	\$647,048	0.12%	4.099%	03/01/39
31346AKP9	FEDERAL HOME LOAN MORTGAGE COR	640,382	\$661,577	0.12%	2.566%	04/01/25
31336CNA7	FEDERAL HOME LOAN MORTGAGE COR	654,104	\$692,728	0.13%	2.509%	11/01/35
31346AKN4	FEDERAL HOME LOAN MORTGAGE COR	795,628	\$821,420	0.15%	2.566%	07/01/24
3128NVLF7	FEDERAL HOME LOAN MORTGAGE COR	821,764	\$863,054	0.16%	2.473%	02/01/36
31300LDW2	FEDERAL HOME LOAN MORTGAGE COR	849,277	\$896,727	0.17%	2.784%	09/01/35
3128JMBB2	FEDERAL HOME LOAN MORTGAGE COR	846,416	\$901,862	0.17%	2.548%	08/01/34
3128QJB47	FEDERAL HOME LOAN MORTGAGE COR	907,571	\$957,189	0.18%	2.62%	05/01/36
3128JNDN2	FEDERAL HOME LOAN MORTGAGE COR	945,926	\$996,001	0.19%	2.516%	06/01/35
3128JMD79	FEDERAL HOME LOAN MORTGAGE COR	980,143	\$1,043,384	0.20%	2.701%	06/01/34
31300LS55	FEDERAL HOME LOAN MORTGAGE COR	1,893,343	\$2,004,528	0.37%	2.586%	10/01/36
3137A6AZ5	FHLMC MULTIFAMILY STRUCTURED P	1,675,509	\$1,797,369	0.34%	3.32%	07/25/20
3137AA4V2	FHLMC MULTIFAMILY STRUCTURED P	1,964,235	\$2,074,171	0.39%	2.902%	08/25/20
32027NAH4	FIRST FRANKLIN MTG LOAN ASSET	327,523	\$252,424	0.05%	0.9136%	11/25/31
337925CY5	FIRST PLUS HOME LOAN TRUST	30,928	\$3,092	0.00%	6.95%	01/10/24



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Security Identifier	Security Name	Shares/ Positions Held	Market Value	% of TNA	Coupon Rate	Maturity Date
337925ET4	FIRST PLUS HOME LOAN TRUST	67,769	\$6,776	0.00%	7.42%	12/10/24
345397VN0	FORD MOTOR CREDIT CO LLC	1,500,000	\$1,616,250	0.30%	7%	04/15/15
35906AAD0	FRONTIER COMMUNICATIONS CORP	1,400,000	\$1,426,250	0.27%	7.875%	04/15/15
36159JBA8	GE CAPITAL CREDIT CARD MASTER	2,000,000	\$1,998,770	0.37%	0.3283%	06/15/15
SPG40C5K	GENERAL ELECTRIC CAPITAL CORP	3,000,000	(\$51,822)	-0.01%	1%	12/20/13
375558AR4	GILEAD SCIENCES INC	2,800,000	\$2,852,822	0.53%	2.4%	12/01/14
38143USB8	GOLDMAN SACHS GROUP INC	2,500,000	\$2,338,177	0.44%	1.435%	02/07/14
382550AZ4	GOODYEAR TIRE & RUBBER CO	500,000	\$553,750	0.10%	10.5%	05/15/16
36202KQJ7	GOVT NATL MORTG ASSN	58,834	\$60,669	0.01%	2.125%	12/20/24
36202KWM3	GOVT NATL MORTG ASSN	68,131	\$71,337	0.01%	3.5%	02/20/21
36225CVJ2	GOVT NATL MORTG ASSN	95,773	\$98,548	0.02%	1.625%	07/20/32
36225CF43	GOVT NATL MORTG ASSN	97,827	\$101,275	0.02%	2.375%	04/20/28
36225CL46	GOVT NATL MORTG ASSN	100,776	\$103,919	0.02%	2.125%	11/20/29
36202KP25	GOVT NATL MORTG ASSN	120,939	\$124,711	0.02%	2.125%	11/20/24
36202KHR9	GOVT NATL MORTG ASSN	133,227	\$137,382	0.03%	2.125%	12/20/23
36225CK21	GOVT NATL MORTG ASSN	133,692	\$137,565	0.03%	1.625%	08/20/29
396789LL1	GREENWICH CAPITAL COMMERCIAL F	1,200,000	\$1,288,518	0.24%	5.224%	04/10/37
36228CWX7	GS MORTGAGE SECURITIES CORP II	2,000,000	\$2,181,079	0.41%	5.553%	04/10/38
428236BS1	HEWLETT-PACKARD CO	6,000,000	\$5,975,112	1.12%	2.1092%	09/19/14
SPTD004A	HILTON WORLDWIDE INC	(5,000,000)	(\$204,947)	-0.04%	5%	12/20/13
432848BA6	HILTON WORLDWIDE INC	5,000,000	\$4,981,250	0.93%	4.9572%	11/15/13
44923QAB0	HYUNDAI CAPITAL AMERICA	500,000	\$494,920	0.09%	4%	06/08/17
4521517S6	ILLINOIS ST	2,000,000	\$2,074,160	0.39%	3.5%	09/01/13
B0XPZM8	INDONESIA GOVERNMENT	17,300,000,000	\$2,081,304	0.39%	12.5%	03/15/13
6743116	INDONESIA RECAPITAL BOND	11,766,000,000	\$1,518,654	0.28%	14.275%	12/15/13
44984WAA5	INEOS FINANCE PLC	700,000	\$714,000	0.13%	9%	05/15/15
B0Y1967	INEOS GROUP HOLDINGS LTD	500,000	\$400,000	0.07%	8.5%	02/15/16
459745FW0	INTERNATIONAL LEASE FINANCE CO	1,000,000	\$1,028,750	0.19%	8.625%	09/15/15
B57ZJL6	IRISH BANK RESOLUTION CORP LTD	2,000,000	\$1,870,328	0.35%	4%	04/15/15
M8489CLP5	ISRAEL GOVERNMENT BOND	7,000,000	\$1,860,945	0.35%	3.5%	09/30/13
46623EJF7	JPMORGAN CHASE & CO	4,000,000	\$3,941,836	0.74%	1.2156%	01/24/14
46625YT94	JPMORGAN CHASE COMMERCIAL MTG	470,547	\$449,400	0.08%	0.6533%	07/15/19
46625YNF6	JPMORGAN CHASE COMMERCIAL MTG	1,300,000	\$1,177,865	0.22%	4.842%	07/15/42



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B675T57	KOREA TREASURY BOND	12,850,000,000	\$11,016,361	2.06%	3%	12/10/13
52108MDH3	LB-UBS COMMERCIAL MORTGAGE TRU	2,000,000	\$2,216,335	0.41%	5.156%	02/15/31
SPD34VT3	LCDX.NA.17	20,000,000	(\$1,305,761)	-0.24%	2.5%	12/20/16
Y55777S67	MALAYSIA GOVT	6,000,000	\$1,892,170	0.35%	2.711%	02/14/12
B0563S1	MALAYSIA GOVT	8,500,000	\$2,705,493	0.51%	3.702%	02/25/13
SPD34VT5	MCDX.NA.17	13,800,000	(\$594,625)	-0.11%	1%	12/20/16
SPTD00CC	MERRILL LYNCH & CO INC	3,000,000	(\$415,457)	-0.08%	1%	09/20/16
59022HLK6	MERRILL LYNCH MORTGAGE TRUST	1,300,000	\$1,170,540	0.22%	5.2196%	11/12/37
B1B1H63	MEXICAN FIXED RATE BONDS	205,000	\$1,554,963	0.29%	9%	06/20/13
B014ZQ1	MEXICAN FIXED RATE BONDS	450,000	\$3,412,366	0.64%	8%	12/19/13
552953AR2	MGM RESORTS INTERNATIONAL	1,300,000	\$1,241,500	0.23%	6.625%	07/15/15
617446B99	MORGAN STANLEY	3,000,000	\$2,715,612	0.51%	0.6911%	01/09/14
61744CFA9	MORGAN STANLEY ABS CAPITAL I I	65,755	\$49,457	0.01%	0.6336%	08/25/34
61744CAQ9	MORGAN STANLEY ABS CAPITAL I I	112,854	\$78,002	0.01%	1.4186%	09/25/33
B61GVF0	NEW SOUTH WALES TREASURY CORP	4,900,000	\$5,139,491	0.96%	5.5%	08/01/13
649845GX6	NEW YORK ST ENERGY RESH & DEV	2,000,000	\$1,989,920	0.37%	2.25%	10/15/15
SPV607JH	NEW YORK TIMES CO	(3,619,000)	(\$319,918)	-0.06%	5%	12/20/16
650111AG2	NEW YORK TIMES CO	3,619,000	\$3,686,494	0.69%	6.625%	12/15/16
R63339GS9	NORWEGIAN TREASURY BILL	22,700,000	\$3,772,345	0.71%	N/A	06/20/12
B5BVVR0	PHILIPPINE GOVERNMENT	116,000,000	\$2,809,589	0.53%	6.25%	01/27/14
B4PF0N0	POLAND GOVERNMENT	28,200,000	\$7,605,745	1.42%	N/A	07/25/13
742718DU0	PROCTER & GAMBLE CO	3,000,000	\$3,016,965	0.56%	0.7%	08/15/14
B512TQ8	QUEENSLAND TREASURY CORP	2,900,000	\$3,051,575	0.57%	6%	08/21/13
SPIF057V	QWEST CORP	(5,700,000)	(\$333,965)	-0.06%	5%	06/20/13
74913GAN5	QWEST CORP	5,700,000	\$5,745,258	1.07%	3.7963%	06/15/13
7591EPAH3	REGIONS FINANCIAL CORP	1,900,000	\$1,862,000	0.35%	4.875%	04/26/13
EH9101195	REPUBLIC OF HUNGARY	200,000	\$247,030	0.05%	6.75%	07/28/14
SPTD00HJ	REPUBLIC OF IRELAND	(2,000,000)	\$465,547	0.09%	1%	06/20/15
76110W5F9	RESIDENTIAL ASSET SECURITIES C	127,471	\$119,640	0.02%	0.5536%	10/25/35
761733AA2	REYNOLDS GROUP ISSUER INC/LLC/	1,500,000	\$1,586,250	0.30%	8.75%	10/15/16
78008TXB5	ROYAL BANK OF CANADA	3,000,000	\$2,993,877	0.56%	1.1281%	10/30/14
786514BT5	SAFEWAY INC	1,000,000	\$1,026,954	0.19%	3.4%	12/01/16
80685PAC2	SCHLUMBERGER NORGE AS	3,750,000	\$3,799,222	0.71%	1.95%	09/14/16



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B2839C9	SINGAPORE GOVERNMENT	3,000,000	\$2,349,836	0.44%	2.5%	10/01/12
6653903	SINGAPORE GOVERNMENT	4,300,000	\$3,410,697	0.64%	2.25%	07/01/13
83149EAC1	SLM STUDENT LOAN TRUST	566,530	\$566,198	0.11%	0.4483%	10/25/19
86358EAQ9	STRUCTURED ASSET INVESTMENT LO	10,459	\$1,225	0.00%	5.1686%	04/25/33
86358EFL5	STRUCTURED ASSET INVESTMENT LO	358,014	\$312,005	0.06%	1.0336%	11/25/33
86359DTE7	STRUCTURED ASSET SECURITIES CO	448,208	\$201,631	0.04%	0.5636%	05/25/31
B59LBG1	SWEDEN GOVERNMENT BOND	52,290,000	\$7,701,941	1.44%	1.5%	08/30/13
881575AE4	TESCO PLC	2,500,000	\$2,523,437	0.47%	2%	12/05/14
88166HAA5	TEVA PHARMACEUTICAL FINANCE IV	1,500,000	\$1,512,856	0.28%	1.7%	11/10/14
SPG40C1V	TEXTRON FINANCIAL CORP	(1,950,000)	(\$135,041)	-0.03%	5%	06/20/13
88319QM59	TEXTRON FINANCIAL CORP	1,950,000	\$2,006,875	0.38%	5.4%	04/28/13
88947EAG5	TOLL BROS FINANCE CORP	3,045,000	\$3,148,423	0.59%	5.15%	05/15/15
SPO10B93	TOLL BROTHERS INC	(3,045,000)	(\$369,607)	-0.07%	5%	06/20/15
B1L6WG3	U K TREASURY NOTE/BOND	1,870,000	\$2,965,646	0.55%	5.25%	06/07/12
912828KN9	U S TREASURY NOTE/BOND	1,000,000	\$1,036,719	0.19%	1.875%	04/30/14
912828CT5	U S TREASURY NOTE/BOND	1,500,000	\$1,652,929	0.31%	4.25%	08/15/14
912828BR0	U S TREASURY NOTE/BOND	8,100,000	\$8,701,489	1.63%	4.25%	11/15/13
912828JB7	U S TREASURY NOTE/BOND	9,000,000	\$9,417,303	1.76%	3.5%	05/31/13
912828JK7	U S TREASURY NOTE/BOND	10,000,000	\$10,479,300	1.96%	3.125%	08/31/13
912828PU8	U S TREASURY NOTE/BOND	13,000,000	\$13,063,479	2.44%	0.5%	11/15/13
912828JZ4	U S TREASURY NOTE/BOND	13,000,000	\$13,400,153	2.51%	1.75%	01/31/14
912828KF6	U S TREASURY NOTE/BOND	15,000,000	\$15,514,455	2.90%	1.875%	02/28/14
912828JQ4	U S TREASURY NOTE/BOND	17,800,000	\$18,610,736	3.48%	2.75%	10/31/13
912828CA6	U S TREASURY NOTE/BOND	18,200,000	\$19,633,250	3.67%	4%	02/15/14
912828CJ7	U S TREASURY NOTE/BOND	20,000,000	\$22,096,880	4.13%	4.75%	05/15/14
912828BA7	U S TREASURY NOTE/BOND	23,000,000	\$24,073,640	4.50%	3.625%	05/15/13
912828BH2	U S TREASURY NOTE/BOND	23,000,000	\$24,493,206	4.58%	4.25%	08/15/13
912828JT8	U S TREASURY NOTE/BOND	27,300,000	\$28,209,663	5.27%	2%	11/30/13
912828KM1	U S TREASURY NOTE/BOND I/L	4,280,073	\$4,488,726	0.84%	1.25%	04/15/14
912828BD1	U S TREASURY NOTE/BOND I/L	7,397,766	\$7,741,643	1.45%	1.875%	07/15/13
DDD507553	US 2YR NOTE FUTURE	80	\$5,000	0.00%	N/A	03/30/12
919061FA4	VALDEZ ALASKA MARINE TERM REV	2,000,000	\$2,241,180	0.42%	5%	01/01/16
DDD402048	VARIATION MARGIN	57,950	\$57,950	0.01%	N/A	02/20/49



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92343VAZ7	VERIZON COMMUNICATIONS INC	3,000,000	\$2,998,101	0.56%	1.1838%	03/28/14
92976BLJ9	WACHOVIA BANK COMMERCIAL MORTG	879,007	\$786,883	0.15%	0.3583%	06/15/20
944488QM0	WAYNE CNTY MI	2,000,000	\$2,001,120	0.37%	5%	09/15/13
984121CC5	XEROX CORP	1,500,000	\$1,479,001	0.28%	1.2806%	05/16/14
98417EAD2	XSTRATA CANADA FINANCIAL CORP	1,000,000	\$1,005,929	0.19%	2.85%	11/10/14



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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](http://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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