



FRANKLIN TEMPLETON
INVESTMENTS

TEMPLETON EUROPEAN TOTAL RETURN FUND

Franklin Templeton Investment Funds (Luxembourg registered SICAV)

31 August 2010

RISK WARNING

Each investor's goals are unique: we suggest you seek guidance from a Financial Adviser. For more details on the fund's potential risks, please read the simplified prospectus

INVESTMENT OBJECTIVE

The Fund aims to maximise total investment return consisting of a combination of interest income, capital appreciation and currency gains by investing in a portfolio of fixed and floating rate debt securities and debt obligations of governments, government-related or corporate issuers in Europe.

MANAGEMENT TEAM

John Beck, London, United Kingdom

Michael Hasenstab, California, United States

FUND DATA

Management Type: Fixed Income - Total Return

Benchmark:

Barclays Capital Euro Aggregate Index

Base Currency: Euro

Fund Launch Date: 29/08/2003

A(Mdis)EUR 29/08/2003

A(acc)EUR 29/08/2003

A(Ydis)EUR 12/07/2007

NAV AS OF 31/08/10

A(Mdis)EUR EUR 8.93

A(acc)EUR EUR 11.41

A(Ydis)EUR EUR 8.95

FEES

	Entry Fees (max)	Management Fees (annual)
A(Mdis)EUR	3.00%	1.05%
A(acc)EUR	3.00%	1.05%
A(Ydis)EUR	3.00%	1.05%

CODES

	Bloomberg	ISIN
A(Mdis)EUR	TEMTRADLX	LU0170473531
A(acc)EUR	TEMTRALX	LU0170473374
A(Ydis)EUR	TETAYDELX	LU0300745139

PORTFOLIO SIZE AND ASSET ALLOCATION

LONG TERM POSITIONS	PORTFOLIO SIZE	EQUITY	FIXED INCOME	CASH & CASH EQUIVALENTS
71	EUR 74.6 million	-	96.56%	3.44%

FUND FACTS

- **An all-Season Core Bond Portfolio.** With its multi-asset classes, multi-countries, multi-currencies approach, the Fund is an ideal vehicle for investors seeking an actively management European Fixed Income portfolio.
- **A strong investment bias in Europe.** EMU government bonds and European investment grade corporate bonds represent 70% of the portfolio, high yield corporate bonds, emerging market bonds, and non-Euro European currencies 30%.
- **An experienced management team.** The fund benefits from a global research effort with a dedicated team of investment professionals, providing the necessary global research coverage.

PORTFOLIO COMPOSITION AS OF 31 AUGUST 2010

GEOGRAPHIC BREAKDOWN

COUNTRY % FIXED INCOME	%
France	21.74
United States	14.25
Netherlands	12.14
Germany	11.00
Italy	7.71
Poland	7.07
United Kingdom	6.51
Spain	4.13
Cash & Cash Equivalents	3.44
Other	12.00

CURRENCY BREAKDOWN

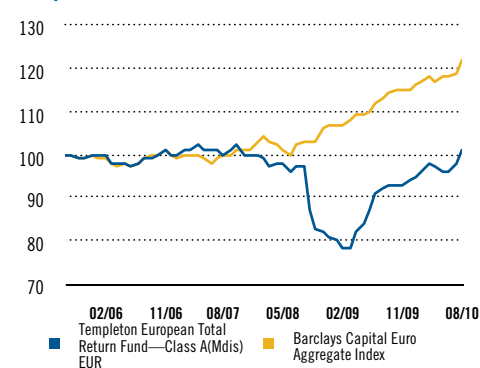
CURRENCY % TOTAL	%
Euro	71.74
Swedish Krona	10.01
Poland Zloty	9.74
Norwegian Krone	8.35
US Dollar	0.16

MAIN HOLDINGS

HOLDING	%
Government of France, 3.75%, 4/25/21	12.03
Government of the Netherlands, 4.00%, 7/15/18	9.23
Government of France, 4.75%, 10/25/12	4.53
Government of Italy, 4.00%, 2/01/37	3.74
Government of Poland, 5.75%, 9/23/22	3.59
Government of Poland, 5.25%, 10/25/17	3.49
Government of Germany, 3.50%, 1/04/16	3.03
Government of Germany, 2.25%, 9/04/20	2.72
Government of Germany, 4.75%, 7/04/40	2.12
US Bank NA, sub. note, FRN, 4.375%, 2/28/17	2.07

The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top 10 holdings list.

CUMULATIVE PERFORMANCE OVER 5 YEARS (IN EUR)**



PERFORMANCE (% IN EUR)**

	1-YR	3-YRS	3-YRS*	5-YRS	5-YRS*	10-YRS	10-YRS*	3-YRS ANN.VOL.
A(Mdis)EUR	9.55	0.28	0.09	0.52	0.10	-	-	9.01
Index	7.54	21.57	6.72	21.81	4.03	74.05	5.70	3.31

DISCLAIMER

Source for all information in this document: Franklin Templeton Investments (2010).

References to the Fund(s) of Franklin Templeton Investment Funds ("FTIF") refer to the corresponding sub-fund of FTIF.

*Annualised performance **Performance details provided are in Euro, include reinvested dividends and are net of management fees. Sales charges and other commissions, taxes and other relevant costs to be paid by an investor are not included in the calculations. The management fees represent the aggregate of the Maintenance charge and the Management and Company charges relating to the Fund as more fully described in the current prospectus of FTIF.

Past performance is no guarantee of future performance. The prices of shares and income therefrom can go down as well as up, and investors may not get back the full amount invested. When investing in a fund denominated in a foreign currency, your performance may be affected by currency fluctuations.

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