



FRANKLIN TEMPLETON
INVESTMENTS

TEMPLETON EUROPEAN CORPORATE BOND FUND

A SUB-FUND OF FRANKLIN TEMPLETON INVESTMENT FUNDS

31 January 2011

PORTFOLIO MANAGEMENT

David Zahn, London, United Kingdom
Marc Kremer, New York, United States
Eric Takaha, California, United States
Robert Nelson, London, United Kingdom
Emmanuel Teissier, London, United Kingdom

FUND INFORMATION

Fund Size: EUR 11.61 m
Base Currency of Fund: EUR
Benchmark/Index: Barclays Capital Euro Aggregate Corporates Index
Fund Inception: 30 Apr 2010
Share Class Inception:
A(Ydis)EUR 30 Apr 2010

NET ASSET VALUE AT 31 JAN 2011

A(Ydis)EUR EUR 9.90

FUND FEES & CHARGES

	Management Fee	Maintenance / Distribution
All A Shares	0.65%	0.30%
	Initial Sales Charge	
All A Shares	up to 5.0%	

INVESTMENTS

Minimum Investment

Share Class	Initial	Subsequent
A(Ydis)EUR	USD 1,000	USD 500

Subscription Type

Share Class	Mode
All A classes	Cash

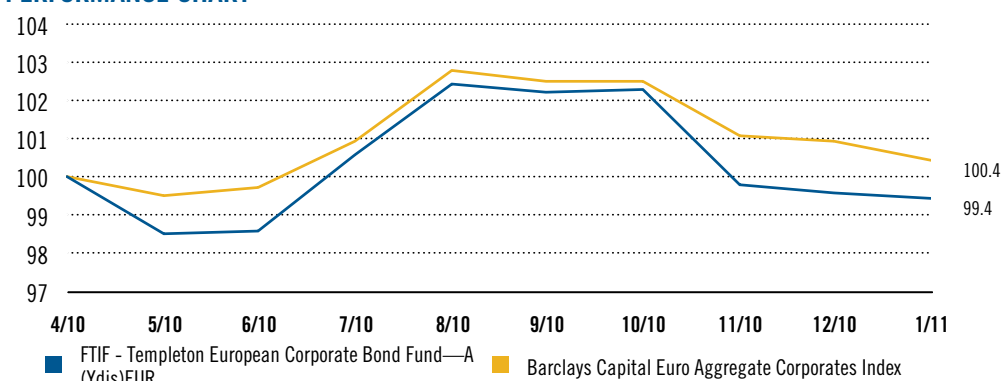
IDENTIFIER

Share Class	Bloomberg	ISIN
A(Ydis)EUR	TECBAYELX	LU0496369892

INVESTMENT OBJECTIVE

The Fund seeks to maximize total investment returns through a combination of interest income and capital appreciation by investing principally in investment grade or floating rate debt securities issued by European companies or those companies with a business presence in the European region. Most investments will be either denominated in Euros or hedged back into Euros.

PERFORMANCE CHART¹



PERFORMANCE IN SHARE CLASS CURRENCY (IN %)¹

	YEAR TO DATE	1-YR	*3-YR	*5-YR	SINCE LAUNCH
A(Ydis)EUR	-0.2	-	-	-	-0.6
Net of Sales Charge ²	-5.2	-	-	-	-5.6
Benchmark	-0.4	2.6	4.6	3.2	0.4

*Annualised

ASSET ALLOCATION

EQUITY	FIXED INCOME	CASH & CASH EQUIVALENTS
-	96.9%	3.1%

FUND CHARACTERISTICS AS OF 31 JANUARY 2011

	FUND
Average Duration	4.6 Years
Weighted Average Yield to Maturity	4.5%
Average Weighted Maturity	5.40 Years
Number of Issues	85

LAST DIVIDEND PAID

SHARE CLASS	FREQUENCY	DATE PAID	AMOUNT
A(Ydis)EUR	Annually	08/07/10	EUR 0.0410

CONTACT INFORMATION

Templeton Asset Management Ltd, 7 Temasek Boulevard, #38-03 Suntec Tower One, Singapore 038987, Tel: (65) 6241 2662, www.franklintempleton.sg

PORTFOLIO COMPOSITION (% OF TOTAL)

TOP HOLDINGS (SECURITY LEVEL)	%
Siemens Financieringsmaatschappij NV, senior note, 5.125%, 2/20/17	1.9
HSBC Holdings PLC, sub. note, 6.00%, 6/10/19	1.9
Svenska Handelsbanken AB, senior note, 4.875%, 3/25/14	1.9
Pfizer Inc., senior note, 4.75%, 6/03/16	1.9
StatoilHydro ASA, senior note, 4.375%, 3/11/15	1.9
Fortis Bank Nederland NV, senior note, 4.00%, 2/03/15	1.8
Daimler AG, senior note, 4.125%, 1/19/17	1.8
ING Bank NV, sub. note, 5.50%, 1/04/12	1.8
Rabobank Nederland NV, sub. note, 3.75%, 11/09/20	1.7
Telefonica Emisones SAU, senior note, 3.406%, 3/24/15	1.7

COUNTRY BREAKDOWN	%
United States	22.7
United Kingdom	15.8
Germany	10.2
Italy	7.7
France	6.8
Netherlands	6.5
Spain	4.2
Switzerland	3.5
Norway	3.3
Other	16.4

CURRENCY BREAKDOWN	%
Euro	98.2
Poland Zloty	1.7
British Pound	0.0

NOTES

1. Performance details provided are in the share class currency, based on NAV-NAV and include reinvested dividends. Performances of different share classes will vary. Please refer to the Fund Manager for more information.
2. Calculated based on initial sales charge of 5%; or 0% for Money Market Funds.

IMPORTANT INFORMATION

Copyright © 2011. Franklin Templeton Investments. All rights reserved. This is neither an offer nor solicitation to purchase shares of the fund. Applications for shares may only be made on the most recent prospectus, which is available from Templeton Asset Management Ltd or its authorised distributors. Investors should read the prospectus before investing. The value of investments and the income from them can go down as well as up and you may not get back the full amount that you invested. Past performance is not indicative of future performance. Investors investing in funds denominated in non-local currency should be aware of the risk of exchange fluctuations that may cause a loss of principal. Distribution of this document may be restricted in certain jurisdictions. This document does not constitute the distribution of any information or the making of any offer or solicitation by anyone in any jurisdiction in which such distribution or offer is not authorised or to any person to whom it is unlawful to distribute such a document or make such an offer or solicitation. Investors may wish to seek advice from a financial adviser before making a commitment to invest in shares of the Fund. In the event an investor chooses not to seek advice from a financial adviser, he/she should consider whether the product is suitable for him/her.

CONTACT INFORMATION

Templeton Asset Management Ltd, 7 Temasek Boulevard, #38-03 Suntec Tower One, Singapore 038987, Tel: (65) 6241 2662, www.franklintempleton.sg