



FRANKLIN TEMPLETON
INVESTMENTS

TEMPLETON GLOBAL BOND FUND

A SUB-FUND OF FRANKLIN TEMPLETON INVESTMENT FUNDS

31 December 2011

PORTFOLIO MANAGEMENT

Michael Hasenstab, California, United States
Sonal Desai, California, United States

FUND INFORMATION

Fund Size: USD 40.98 b
Base Currency of Fund: USD
Benchmark/Index: JP Morgan Global Government Bond Index
Fund Inception: 28 Feb 1991
Share Class Inception:
A(Mdis)USD 28 Feb 1991
A(Mdis)SGD 25 Oct 2007
A(Mdis)SGD-H1 16 Jun 2008

NET ASSET VALUE AT 31 DEC 2011

A(Mdis)USD USD 18.80
A(Mdis)SGD SGD 10.56
A(Mdis)SGD-H1 SGD 11.65

FUND FEES & CHARGES

| | Management Fee | Maintenance / Distribution |
|--------------|-----------------------------|----------------------------|
| All A Shares | 0.75% | 0.30% |
| | Initial Sales Charge | |
| All A Shares | up to 5.0% | |

INVESTMENTS

Minimum Investment

| Share Class | Initial | Subsequent |
|----------------------|-----------|------------|
| A(Mdis)USD | USD 1,000 | USD 500 |
| A(Mdis)SGD | SGD 1,000 | SGD 500 |
| A(Mdis)SGD-H1 | SGD 1,000 | SGD 500 |

Subscription Type

| Share Class | Mode |
|----------------------|------|
| All A classes | Cash |
| A(Mdis)SGD | SRS |
| A(Mdis)SGD-H1 | SRS |

IDENTIFIER

| Share Class | Bloomberg | ISIN |
|----------------------|-----------|--------------|
| A(Mdis)USD | TEMGINILX | LU0029871042 |
| A(Mdis)SGD | TEGADSLX | LU0320763948 |
| A(Mdis)SGD-H1 | TEAMDISLX | LU0366777323 |

FUND RATINGS^{3,4}

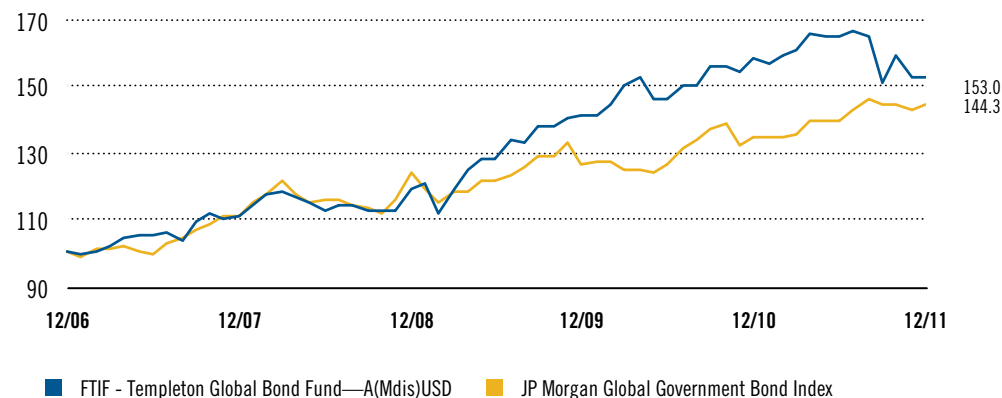
S&P Fund Research Rating: AAA/V4

Morningstar™ Overall Rating: ★★★★★

INVESTMENT OBJECTIVE

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

PERFORMANCE CHART¹



PERFORMANCE IN SHARE CLASS CURRENCY (IN %)¹

| | YEAR TO DATE | 1-YR | *3-YR | *5-YR | *SINCE LAUNCH |
|----------------------------------|--------------|------|-------|-------|---------------|
| A(Mdis)USD | -3.1 | -3.1 | 8.7 | 8.9 | 7.5 |
| Net of Sales Charge ² | -8.0 | -8.0 | 6.9 | 7.8 | 7.3 |
| Benchmark | 7.2 | 7.2 | 5.2 | 7.6 | 6.9 |
| | YEAR TO DATE | 3-MO | 1-YR | *3-YR | *SINCE LAUNCH |
| A(Mdis)SGD | -2.0 | 0.3 | -2.0 | 5.2 | 5.1 |
| Net of Sales Charge ² | -6.9 | -4.7 | -6.9 | 3.5 | 3.8 |
| Benchmark | 8.5 | -0.4 | 8.5 | 1.5 | 4.2 |
| | YEAR TO DATE | 3-MO | 1-YR | *3-YR | *SINCE LAUNCH |
| A(Mdis)SGD-H1 | -3.8 | 1.0 | -3.8 | 8.1 | 8.2 |
| Net of Sales Charge ² | -8.7 | -4.0 | -8.7 | 6.2 | 6.6 |
| Benchmark | 8.5 | -0.4 | 8.5 | 1.5 | 5.4 |

*Annualised

ASSET ALLOCATION

| EQUITY | FIXED INCOME | CASH & CASH EQUIVALENTS |
|--------|--------------|-------------------------|
| - | 93.8% | 6.2% |

FUND CHARACTERISTICS AS OF 31 DECEMBER 2011

| | FUND |
|------------------------------------|------------|
| Average Duration | 1.6 Years |
| Weighted Average Yield to Maturity | 5.3% |
| Average Weighted Maturity | 2.77 Years |
| 3 Years Annualized Std Deviation | 10.5% |
| Number of Issues | 205 |

LAST DIVIDEND PAID

| SHARE CLASS | FREQUENCY | DATE PAID | AMOUNT |
|---------------|-----------|-----------|------------|
| A(Mdis)USD | Monthly | 15/12/11 | USD 0.0380 |
| A(Mdis)SGD | Monthly | 15/12/11 | SGD 0.0220 |
| A(Mdis)SGD-H1 | Monthly | 15/12/11 | SGD 0.0240 |

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) | % |
|---|-----|
| Korea Treasury Bond, senior bond, 4.00%, 6/10/12 | 4.4 |
| Korea Treasury Bond, senior bond, 4.25%, 12/10/12 | 3.5 |
| Korea Treasury Bond, senior bond, 3.00%, 12/10/13 | 2.8 |
| Government of Sweden, 5.50%, 10/08/12 | 2.6 |
| Korea Treasury Bond, senior bond, 3.75%, 6/10/13 | 2.5 |
| Government of Poland, 4.75%, 4/25/12 | 2.1 |
| Government of Poland, Strip, 1/25/13 | 1.8 |
| Government of Poland, Strip, 7/25/13 | 1.6 |
| Government of Poland, Strip, 10/25/12 | 1.6 |
| Government of Hungary, senior note, 6.375%, 3/29/21 | 1.6 |

| COUNTRY BREAKDOWN | % |
|-------------------------|------|
| South Korea | 15.2 |
| Poland | 11.4 |
| Malaysia | 9.9 |
| Cash & Cash Equivalents | 6.2 |
| Hungary | 5.8 |
| Australia | 5.2 |
| Mexico | 4.7 |
| Irish Republic | 4.2 |
| Israel | 4.1 |
| Other | 33.4 |

| CURRENCY BREAKDOWN | % |
|--------------------|-------|
| US Dollar | 32.1 |
| S Korean Won | 16.0 |
| Swedish Krona | 13.6 |
| Australian Dlr | 13.2 |
| Polish Zloty | 12.2 |
| Malaysi Ringgit | 11.9 |
| Singapore Dollar | 10.0 |
| Japanese Yen | -16.4 |
| Euro | -43.5 |
| Other | 50.9 |

FUND AWARDS

The Edge-Lipper Singapore Fund Awards 2011

Best Fund over 10 Years – Bond Global

The Morningstar Fund Awards 2011 Singapore

Best in Global Bond

The Edge-Lipper Singapore Fund Awards 2010

Best Fund over 10 Years – Bond Global

The Edge-Lipper Singapore Fund Awards 2009

Best Fund over 3 Years – Bond Global

Best Fund over 5 Years – Bond Global

Best Fund over 10 Years – Bond Global

Asia Asset Management Awards 2009

Best Fund over 3 Years – Global Bond

The Morningstar Fund Awards 2008 Singapore

Best in the Dollar Bond Category

The Edge-Lipper Singapore Fund Awards 2008

Best Fund over 5 Years – Bond Global

Best Fund over 10 Years – Bond Global

Standard & Poor's 2007 Singapore Fund Awards

Best Fund Fixed Income Global USD – Based over 5 Years

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.
3. Standard & Poor's Fund Management Ratings © 2011, Standard & Poor's Investment Services, London. A Division of the McGraw-Hill Companies, Inc. All rights reserved.
4. Copyright - © 2011 Morningstar, Inc. All rights reserved. Morningstar Rating as of date indicated above, in the respective Morningstar™ Category relevant to the fund. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

The Fund can use derivatives for hedging and investment purposes.

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