



FRANKLIN TEMPLETON
INVESTMENTS

FRANKLIN MUTUAL EUROPEAN FUND

Franklin Templeton Investment Funds (Luxembourg registered SICAV)

30 April 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 achieve long-term capital appreciation by investing principally in equity securities of companies incorporated or having their principal activities in European countries that the investment manager believes are available at prices less than their intrinsic value. The Fund may also seek to invest in the securities of companies involved in mergers, consolidations, liquidations and reorganisations. To a lesser extent, the Fund may also purchase debt securities of companies involved in reorganisation or financial restructuring. The Fund may also invest up to 10% of its net assets in non-European securities.

MANAGEMENT TEAM

Philippe Brugere-Trelat, New Jersey, United States
Katrina Dudley, New Jersey, United States

FUND DATA

Management Type: Deep Value

Benchmark:

MSCI Europe NETR (Price With Net Dividend) Index

Base Currency: Euro

Fund Launch Date: 03/04/2000

A(acc)EUR 31/12/2001

A(Ydis)EUR 25/10/2005

NAV AS OF 30/04/10

A(acc)EUR EUR 16.06

A(Ydis)EUR EUR 15.19

FEES

	Entry Fees (max)	Management Fees (annual)
A(acc)EUR	5.25%	1.50%
A(Ydis)EUR	5.25%	1.50%

CODES

	Bloomberg	ISIN
A(acc)EUR	TEMFMEELX	LU0140363002
A(Ydis)EUR	TEMFMDLX	LU0229938955

PORTFOLIO SIZE AND ASSET ALLOCATION

LONG TERM POSITIONS	PORTFOLIO SIZE	EQUITY	FIXED INCOME	CASH
73	EUR 2,628.7 million	89.04%	0.00%	10.96%

FUND FACTS

- **A "Deep Value" style.** The management team employs a bottom-up, deep value approach to investing that focuses on buying individual stocks at 60% of what they believe the company's net asset value is.
- **A unique three-pronged approach to investing.** This approach consists of value investing in common equities, deal arbitrage (buying companies in the process of being acquired in order to play the interest rate "spread" in the deal) and bankruptcy investing.
- **An experienced management team.** Mutual Series' approach to investment management is team focused. Philippe Brugere Trelat is Vice-President of Franklin Mutual Advisers, LLC (Mutual Series) and has been with the company for over 10 years.

PORTFOLIO COMPOSITION AS OF 30 APRIL 2010

GEOGRAPHIC BREAKDOWN

COUNTRY % EQUITY	%
Germany	21.91
France	20.83
United Kingdom	18.19
Switzerland	14.40
Netherlands	5.88
Denmark	5.55
Italy	4.27
Irish Republic	2.79
United States	2.47
Other	3.70

INDUSTRY BREAKDOWN

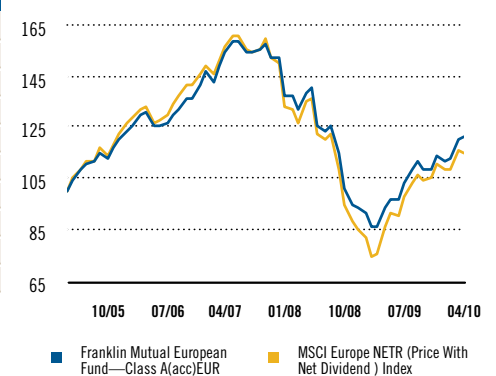
INDUSTRY % EQUITY	%
Food Beverage & Tobacco	15.25
Materials	8.73
Capital Goods	8.37
Telecommunication Services	8.17
Energy	8.09
Utilities	7.53
Insurance	6.63
Automobiles & Components	6.48
Diversified Financials	6.07
Other	24.70

TOP 10 ISSUERS

HOLDING	%
SCHINDLER HOLDING AG	3.81
A P MOLLER - MAERSK A/S	3.42
NESTLE SA	3.14
BRITISH AMERICAN TOBACCO PLC	3.05
SIEMENS AG	2.73
VODAFONE GROUP PLC	2.68
ZURICH FINANCIAL SERVICES AG	2.68
ROYAL DUTCH SHELL	2.58
KONINKLIJKE AHOLD NV	2.52
CRH PLC	2.49

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(acc)EUR	29.31	-21.35	-7.69	21.03	3.89	-	-	16.55
Index	32.84	-26.51	-9.76	14.85	2.81	-16.76	-1.82	20.33

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.

From December 2000, new accumulating shares, called Class A(acc) shares, were introduced to FTIF. Some funds had the new share class added alongside Class A(dis) shares. For other funds, the Class A(dis) shares were merged into Class A(acc) shares from 22 June 2001. Where Class A(acc) shares were added alongside Class A(dis) shares, performance data shown is for Class A(dis) shares. Where Class A(dis) shares were merged into Class A(acc) shares, performance figures of Class A(dis) shares are shown until the date of merger and performance figures of Class A(acc) shares are shown thereafter.

This document does not constitute or form part of an offer for shares or an invitation to apply for shares. Subscriptions of shares in FTIF can only be made on the basis of the latest available audited annual report accompanied by the current prospectus of FTIF. No Shares of FTIF may be directly or indirectly offered or sold to nationals or residents of the United States of America. Any research and analysis contained in this document has been procured by Franklin Templeton Investments for its own purposes. It is provided to you for information only. The annual report and the prospectus of FTIF can be obtained 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 67 212 - Fax: (+352) 46 66 76.

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