

FRANKLIN TEMPLETON INVESTMENT FUNDS

FRANKLIN EUROPEAN SMALL- MID CAP GROWTH FUND



| | | | | | | | | | 01 July 2011 | | |
|---------|--|--------------|--------------------------|---------------------------------------|--|----------|------------------------|------------------------|--------------|-----------|--|
| Fund No | Fund name | ISIN | Reporting Period | Statement Under Regulation 92(1)(e) * | Excess of Reported Income per Unit in Base CCY | Base CCY | Fund Distribution Date | Rate per share in Base | Base CCY | Dist Type | |
| 2878 | Franklin European Small-Mid Cap Growth Fund - Class A (Acc) EUR | LU0138075311 | 01/07/2010 to 30/06/2011 | Y | 0.1995 | EUR | 31 December 2011 | N/A | EUR | Acc | |
| 2878 | Franklin European Small-Mid Cap Growth Fund - Class A (Acc) USD | LU0260871552 | 01/07/2010 to 30/06/2011 | Y | 0.2109 | EUR | 31 December 2011 | N/A | EUR | Acc | |
| 2878 | Franklin European Small-Mid Cap Growth Fund - Class I (Acc) EUR | LU0195949473 | 01/07/2010 to 30/06/2011 | Y | 0.4262 | EUR | 31 December 2011 | N/A | EUR | Acc | |
| 2878 | Franklin European Small-Mid Cap Growth Fund - Class I (Acc) USD | LU0260871636 | 01/07/2010 to 30/06/2011 | Y | 0.4253 | EUR | 31 December 2011 | N/A | EUR | Acc | |
| 2878 | Franklin European Small-Mid Cap Growth Fund - Class A (Ydis) GBP | LU0465791191 | 01/07/2010 to 30/06/2011 | Y | 0.0004 | EUR | 31 December 2011 | 0.1383 | EUR | YDist | |

* The Fund remains a reporting fund for the purposes of the Regulations as at the Fund Publication date

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Subscriptions to shares of the fund can only be made on the basis of the current full or simplified prospectus of the fund, accompanied by the latest available audited annual report and the latest semi-annual report if published thereafter. An investment in the fund entails risks which are described in the fund's full and simplified prospectus.

The value of shares in the fund and income received from it can go down as well as up, and investors may not get back the full amount invested.

Currency fluctuations may affect the value of overseas investments. When investing in a fund denominated in a foreign currency, your performance may also be affected by currency fluctuations. In emerging markets, the risks can be greater than in developed markets. Funds with investments in derivative instruments entail specific risks that may increase the risk profile of the fund and are more fully described in the fund's prospectus. Funds that invest in a specific sector or geographical area may have more volatile returns than a more diversified fund. No shares of the fund may be directly or indirectly offered or sold to nationals or residents of the United States of America. Shares of the fund are not available for distribution in all jurisdictions and prospective investors should confirm availability with their local Franklin Templeton Investments representative before making any plans to invest.

For a free copy of the latest prospectus, the annual report and semi-annual report, if published thereafter or for more information about any Franklin Templeton Investments' fund, UK investors should contact: Franklin Templeton Investments, Telephone: 0800 305 306, Email: enquiries@franklintempleton.co.uk or write to us at the address below.

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