



FRANKLIN TEMPLETON  
INVESTMENTS

Audited  
Annual Report  
June 30, 2014

# Franklin Templeton Investment Funds

SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE





# FRANKLIN TEMPLETON INVESTMENT FUNDS

## société d'investissement à capital variable

### AUDITED ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2014

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This report shall not constitute an offer or a solicitation of an offer to buy shares of Franklin Templeton Investment Funds (the “Company”). Subscriptions are to be made on the basis of the current prospectus and its addendum as the case may be, where available the relevant Key Investor Information Documents (“KIIDs”), a copy of the latest available audited annual report and, if published thereafter, the latest unaudited semi-annual report. This report is an abridged version of the report of the Company which is available free of charge upon request at the registered office of the Company, at Franklin Templeton Investments’ local offices or distributors as stated in the current prospectus.

The auditor’s report refers only to the full English version of the Annual Report and not to any translated versions.



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société d'investissement à capital variable  
8A, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg  
(Registered with the registre de commerce et des sociétés, Luxembourg, under number B 35 177)

## GENERAL INFORMATION (AS AT JUNE 30, 2014)

### BOARD OF DIRECTORS:

#### Chairman

*The Honorable Nicholas F. Brady*  
Chairman and Chief Executive Officer  
CHOPTANK PARTNERS, INC.  
6967 Cooke's Hope Road  
Easton, MD 21601, U.S.A.

#### Directors

*Duke of Abercorn KG*  
Director  
TITANIC QUARTER  
Barons Court  
Omagh BT78 4EZ, Northern Ireland, United Kingdom

#### *Vijay C. Advani*

Executive Vice President-Global Advisory Services  
FRANKLIN RESOURCES, INC.  
One Franklin Parkway  
San Mateo, CA 94403-1906, U.S.A.

#### *Richard H. Frank*

Chief Executive Officer  
DARBY OVERSEAS INVESTMENTS, LTD  
1133 Connecticut Avenue, NW, Suite 400  
Washington DC 20036, U.S.A.

#### *Mark G. Holowesko*

President  
HOLLOWESKO PARTNERS LTD  
Shipston House  
P.O. Box N-7776, West Bay Street, Lyford Cay,  
Nassau, Bahamas

#### *James J. K. Hung*

President and Chief Executive Officer  
ASIA SECURITIES GLOBAL LTD  
Room 63, 21<sup>st</sup> floor, New World Tower 1  
18 Queen's Road, Central  
Hong Kong

#### *Gregory E. Johnson*

President and Chief Executive Officer  
FRANKLIN RESOURCES, INC.  
One Franklin Parkway  
San Mateo, CA 94403-1906, U.S.A.

#### *Geoffrey A. Langlands*

Managing Partner  
LANGLANDS CONSULTORIA Ltda  
Avenida Lucio Costa 3600  
Bloco 1, Apto. 2102  
Barra da Tijuca  
Rio de Janeiro – RJ  
CEP 22630 – 010 Brazil

#### *Gregory E. McGowan*

Executive Vice President and General Counsel  
TEMPLETON WORLDWIDE, INC.  
300 Southeast 2<sup>nd</sup> Street, 11th Floor  
Fort Lauderdale, FL 33301-1923, U.S.A.

#### *Dr. J. B. Mark Mobius*

Executive Chairman  
TEMPLETON EMERGING MARKETS GROUP  
7 Temasek Boulevard, # 38-03 Suntec Tower One  
Singapore 038987

#### *David E. Smart*

Director and Co-Chief Executive Officer  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED  
The Adelphi Building, 1-11 John Adam Street  
London WC2N 6HT, England, United Kingdom

#### *The Honourable Trevor G. Trefgarne*

Chairman  
ENTREPRISE GROUP LIMITED  
11 High Street  
Accra, Ghana

### REGISTRAR AND TRANSFER, CORPORATE,

### DOMICILIARY AND ADMINISTRATIVE AGENT:

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.  
8A, rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg  
(until December 31, 2013)

### MANAGEMENT COMPANY:

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.  
8A, rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg  
(from January 1, 2014)

### REGISTERED OFFICE:

8A, rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg

### PRINCIPAL DISTRIBUTOR:

TEMPLETON GLOBAL ADVISORS LIMITED  
P.O. Box N-7759, Lyford Cay, Nassau, Bahamas  
(until December 31, 2013)

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.  
8A, rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg  
(from January 1, 2014)

### INVESTMENT MANAGERS:

#### FRANKLIN ADVISERS, INC.

One Franklin Parkway  
San Mateo, CA 94403-1906, U.S.A.

#### FRANKLIN ALTERNATIVE STRATEGIES ADVISERS, LLC

One International Place, 25<sup>th</sup> Floor  
Boston, MA 02110, U.S.A.

#### FRANKLIN MUTUAL ADVISERS, LLC

101 John F. Kennedy Parkway  
Short Hills, NJ 07078-2789, U.S.A.

#### FRANKLIN TEMPLETON INSTITUTIONAL LLC

600 Fifth Avenue,  
New York, NY 10020, U.S.A.

#### FRANKLIN TEMPLETON INVESTIMENTOS (Brasil) Ltda.

Avenue Brigadeiro Faria Lima 3311, 5o andar,  
São Paulo 04538-133, Brazil

#### FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

The Adelphi Building, 1-11 John Adam Street  
London WC2N 6 HT, United Kingdom

#### FRANKLIN TEMPLETON INVESTMENT TRUST MANAGEMENT

CO. LIMITED  
12 Youido-dong, Youngdungpo-gu,  
Seoul, Korea

#### FRANKLIN TEMPLETON INVESTMENTS CORP.

200 King Street West, Suite 1500,  
Toronto, Ontario M5H 3T4, Canada

#### FRANKLIN TEMPLETON INVESTMENTS (ME) LIMITED

The Gate, East Wing, Level 2,  
Dubai International Financial Centre,  
P.O. Box 506613, Dubai, United Arab Emirates

#### SUMITOMO MITSUI ASSET MANAGEMENT COMPANY LIMITED

2-5-1 Atago Minato-ku  
Tokyo 105-6228, Japan

#### TEMPLETON ASSET MANAGEMENT LTD.

7 Temasek Boulevard  
# 38-03 Suntec Tower One  
Singapore 038987

#### TEMPLETON GLOBAL ADVISORS LIMITED

P.O. Box N-7759  
Lyford Cay, Nassau, Bahamas

### CUSTODIAN, LISTING AGENT AND PRINCIPAL PAYING AGENT:

J.P. MORGAN BANK LUXEMBOURG S.A.  
European Bank and Business Centre  
6 Route de Trèves, L-2633 Senningerberg  
Grand Duchy of Luxembourg

### AUDITOR:

PRICEWATERHOUSECOOPERS, Société coopérative  
400, route d'Esch, L-1471 Luxembourg  
Grand Duchy of Luxembourg

### LEGAL ADVISERS:

ELVINGER, HOSS & PRUSSEN  
2, place Winston Churchill, L-1340 Luxembourg  
Grand Duchy of Luxembourg

## GENERAL INFORMATION (AS AT JUNE 30, 2014) (CONTINUED)

## INVESTMENT MANAGERS PER FUND:

Franklin Asian Flex Cap Fund	Franklin MENA Fund
Co-Investment Managers	FRANKLIN ADVISERS, INC.
TEMPLETON ASSET MANAGEMENT LTD.	Franklin Multi-Asset Income Fund
FRANKLIN ADVISERS, INC.	Lead Investment Manager
Franklin Biotechnology Discovery Fund	FRANKLIN ADVISERS, INC.
FRANKLIN ADVISERS, INC.	Co-Investment Managers
Franklin Brazil Opportunities Fund	FRANKLIN TEMPLETON INSTITUTIONAL, LLC
FRANKLIN TEMPLETON INVESTIMENTOS (Brazil) Ltda.	TEMPLETON ASSET MANAGEMENT LTD.
Franklin Euro Government Bond Fund	FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED	Franklin Natural Resources Fund
Franklin Euro High Yield Fund	FRANKLIN ADVISERS, INC.
Co-Investment Managers	Franklin Real Return Fund
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED	FRANKLIN ADVISERS, INC.
FRANKLIN ADVISERS, INC.	Franklin Strategic Income Fund
Franklin Euro Short Duration Bond Fund	FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED	Franklin Technology Fund
Franklin Euroland Core Fund	FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED	Franklin U.S. Dollar Liquid Reserve Fund
Franklin European Core Fund	FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED	Franklin U.S. Equity Fund
Franklin European Corporate Bond Fund	FRANKLIN ADVISERS, INC.
Co-Investment Managers	Franklin U.S. Focus Fund
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED	FRANKLIN ADVISERS, INC.
FRANKLIN ADVISERS, INC.	Franklin U.S. Government Fund
FRANKLIN TEMPLETON INSTITUTIONAL, LLC	FRANKLIN ADVISERS, INC.
Franklin European Dividend Fund	Franklin U.S. Low Duration Fund
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED	FRANKLIN ADVISERS, INC.
Franklin European Growth Fund	Franklin U.S. Opportunities Fund
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED	FRANKLIN ADVISERS, INC.
Franklin European Small-Mid Cap Growth Fund	Franklin U.S. Small-Mid Cap Growth Fund
FRANKLIN TEMPLETON INSTITUTIONAL, LLC	FRANKLIN ADVISERS, INC.
Franklin GCC Bond Fund	Franklin U.S. Total Return Fund
FRANKLIN TEMPLETON INVESTMENTS (ME) LIMITED	FRANKLIN ADVISERS, INC.
Franklin Global Aggregate Bond Fund	Franklin World Perspectives Fund
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED	Lead Investment Manager
Franklin Global Aggregate Investment Grade Bond Fund	FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED	Co-Investment Managers
Franklin Global Allocation Fund	FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
Lead Investment Manager	FRANKLIN TEMPLETON INVESTMENTS CORP.
FRANKLIN ALTERNATIVE STRATEGIES ADVISERS, LLC	FRANKLIN TEMPLETON INVESTIMENTOS (Brasil) Ltda.
Co-Investment Managers	FRANKLIN TEMPLETON INVESTMENT TRUST MANAGEMENT CO. LIMITED
FRANKLIN ADVISERS, INC.	TEMPLETON ASSET MANAGEMENT LTD.
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED	Franklin Mutual Beacon Fund
TEMPLETON ASSET MANAGEMENT LTD.	FRANKLIN MUTUAL ADVISERS, LLC
FRANKLIN TEMPLETON INSTITUTIONAL, LLC	Franklin Mutual Euroland Fund
TEMPLETON GLOBAL ADVISORS LIMITED	FRANKLIN MUTUAL ADVISERS, LLC
FRANKLIN MUTUAL ADVISERS LIMITED	Franklin Mutual European Fund
FRANKLIN MUTUAL ADVISERS, LLC	FRANKLIN MUTUAL ADVISERS, LLC
Franklin Global Convertible Securities Fund	Franklin Mutual Global Discovery Fund
FRANKLIN ADVISERS, INC.	FRANKLIN MUTUAL ADVISERS, LLC
Franklin Global Corporate High Yield Fund	Templeton Africa Fund
FRANKLIN ADVISERS, INC.	TEMPLETON ASSET MANAGEMENT LTD.
Franklin Global Equity Strategies Fund	Templeton Asian Bond Fund
Co-Investment Managers	FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED	Templeton Asian Dividend Fund
TEMPLETON ASSET MANAGEMENT LTD.	TEMPLETON ASSET MANAGEMENT LTD.
FRANKLIN ADVISERS, INC.	Templeton Asian Growth Fund
TEMPLETON GLOBAL ADVISORS LIMITED	TEMPLETON ASSET MANAGEMENT LTD.
FRANKLIN MUTUAL ADVISERS, LLC	Templeton Asian Smaller Companies Fund
Franklin Global Fundamental Strategies Fund	TEMPLETON ASSET MANAGEMENT LTD.
Co-Investment Managers	Templeton BRIC Fund
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED	TEMPLETON ASSET MANAGEMENT LTD.
FRANKLIN ADVISERS, INC.	Templeton China Fund
TEMPLETON GLOBAL ADVISORS LIMITED	TEMPLETON ASSET MANAGEMENT LTD.
FRANKLIN MUTUAL ADVISERS, LLC	Templeton Constrained Bond Fund
Franklin Global Government Bond Fund	FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED	Templeton Eastern Europe Fund
Franklin Global Growth Fund	TEMPLETON ASSET MANAGEMENT LTD.
FRANKLIN TEMPLETON INSTITUTIONAL, LLC	Templeton Emerging Markets Fund
Franklin Global Growth and Value Fund	TEMPLETON ASSET MANAGEMENT LTD.
Lead Investment Manager	Templeton Emerging Markets Balanced Fund
FRANKLIN ADVISERS, INC.	Co-Investment Managers
Co-Investment Managers	TEMPLETON ASSET MANAGEMENT LTD.
FRANKLIN TEMPLETON INSTITUTIONAL, LLC	FRANKLIN ADVISERS, INC.
TEMPLETON GLOBAL ADVISORS LIMITED	Templeton Emerging Markets Bond Fund
Franklin Global High Income Bond Fund	FRANKLIN ADVISERS, INC.
FRANKLIN ADVISERS, INC.	Templeton Emerging Markets Smaller Companies Fund
Franklin Global Listed Infrastructure Fund	TEMPLETON ASSET MANAGEMENT LTD.
FRANKLIN TEMPLETON INSTITUTIONAL, LLC	Templeton Euro Liquid Reserve Fund
Franklin Global Real Estate Fund	FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
FRANKLIN TEMPLETON INSTITUTIONAL, LLC	Templeton Euro Short-Term Money Market Fund
Franklin Global Small-Mid Cap Growth Fund	FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
FRANKLIN TEMPLETON INSTITUTIONAL, LLC	Templeton Euroland Fund
Franklin Gold and Precious Metals Fund	TEMPLETON GLOBAL ADVISORS LIMITED
FRANKLIN ADVISERS, INC.	Templeton European Fund
Franklin High Yield Fund	TEMPLETON GLOBAL ADVISORS LIMITED
FRANKLIN ADVISERS, INC.	Templeton European Total Return Fund
Franklin Income Fund	FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
FRANKLIN ADVISERS, INC.	Templeton Frontier Markets Fund
Franklin India Fund	TEMPLETON ASSET MANAGEMENT LTD.
Co-Investment Managers	Templeton Global Fund
TEMPLETON ASSET MANAGEMENT LTD.	TEMPLETON GLOBAL ADVISORS LIMITED
FRANKLIN ADVISERS, INC.	Templeton Global (Euro) Fund
Franklin Japan Fund	FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
Lead Investment Manager	
FRANKLIN ADVISERS, INC.	
Sub-Investment Manager	
SUMITOMO MITSUI ASSET MANAGEMENT COMPANY LIMITED	

## GENERAL INFORMATION (AS AT JUNE 30, 2014) (CONTINUED)

INVESTMENT MANAGERS PER FUND (continued):

Templeton Global Balanced Fund

Co-Investment Managers

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED  
FRANKLIN ADVISERS, INC.

Templeton Global Bond Fund

FRANKLIN ADVISERS, INC.

Templeton Global Bond (Euro) Fund

FRANKLIN ADVISERS, INC.

Templeton Global Equity Income Fund

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Templeton Global High Yield Fund

FRANKLIN ADVISERS, INC.

Templeton Global Income Fund

Co-Investment Managers

FRANKLIN ADVISERS, INC.  
TEMPLETON GLOBAL ADVISORS LIMITED

Templeton Global Smaller Companies Fund

FRANKLIN TEMPLETON INVESTMENTS CORP.

Templeton Global Total Return Fund

FRANKLIN ADVISERS, INC.

Templeton Growth (Euro) Fund

TEMPLETON GLOBAL ADVISORS LIMITED

Templeton Korea Fund

TEMPLETON ASSET MANAGEMENT LTD.

Templeton Latin America Fund

TEMPLETON ASSET MANAGEMENT LTD.

Templeton Thailand Fund

TEMPLETON ASSET MANAGEMENT LTD.



## THE BOARD OF DIRECTORS

### Report of the Board of Directors

At June 30, 2014, Franklin Templeton Investment Funds (“FTIF”, or the “Company”) had assets under management of USD168.05 billion, an increase of 2.55% from a year earlier (when they stood at USD163.86 billion), and of 23.57% compared with assets under management at June 30, 2012 (USD135.99 billion).

The financial year was marked by the continued expansion of the range and depth of the Company’s offer, as detailed below.

#### Fund Launches

The following FTIF Funds were launched during the financial year:

Franklin Euro Short Duration Fund

Franklin GCC Bond Fund

Franklin Global Corporate High Yield Fund

Franklin Global Government Bond Fund

Templeton Constrained Bond Fund

The Company will continue to make changes to the range of sub-funds when this is in the best interest of investors. We remain committed to retaining investment techniques that have been shown, over time, to increase shareholder value.

For the full list of share classes offered as at June 30, 2014, please refer to the Statistical Information section.

#### Corporate Governance

The Company is committed to high standards of corporate governance. The Board of Directors of the Company (the “Board”) adheres to the principles of the ALFI Code of Conduct (as revised – June 2013) and considers that it has been in compliance with its principles throughout the financial year ended June 30, 2014.

Thank you for investing with Franklin Templeton Investments. Please be advised that the prospectus, the Key Investor Information Documents (KIIDs) and all Funds and share classes of FTIF may not be available in your jurisdiction.

If you have any queries, comments or suggestions about your investments with us please contact your financial adviser or your local Franklin Templeton Investments office using the contact details on the last page of the report.

THE BOARD OF DIRECTORS  
Luxembourg, July 2014

## THE BOARD OF DIRECTORS (CONTINUED)

### The Board

#### Chairman

##### The Honorable Nicholas F. Brady

The Honorable Nicholas Brady (84) was appointed to the Board on November 30, 1994. Mr. Brady is Chairman and President of Choptank Partners, Inc., founder and Chairman of Darby Overseas Investments, Ltd. as well as a founding partner and current participant in Holowesko Partners Ltd. In addition, he serves as a Director of Weatherford International Ltd. In 1988 Mr. Brady was appointed by President Reagan as the 68th Secretary of the Treasury of the United States, a post he held through the elder President Bush's administration. In 1982 Mr. Brady was appointed a U.S. senator from the State of New Jersey. He went on to serve on five presidential commissions, chairing the Presidential Task Force on Market Mechanisms, commonly called the Brady Commission, which investigated the causes of the 1987 stock market crash and recommended a number of reforms that were subsequently adopted. In 1954, he joined Dillon, Read & Co. Inc., starting a 34 year career in investment banking with the firm, during which time he rose to become President, Chairman of the Board and for 17 years, its Chief Executive Officer.

#### Directors

##### Duke of Abercorn KG

His Grace, the Duke of Abercorn KG (80) was appointed to the Board on November 30, 1994. His Grace, the Duke of Abercorn KG is presently a Director of Titanic Quarter which is Europe's biggest waterfront redevelopment. He was formerly a Director of Northern Bank Ltd, Chairman of Laganside Corporation, Chairman of Calor Teoranta (Ireland) and a Director of Belfast International Airport Ltd. He has also previously been a Director of The Industrial Development Board for Northern Ireland as well as a Director of Balcas Timber Ltd.

##### Vijay C. Advani

Vijay Advani (53) was appointed to the Board on February 25, 2008. Mr. Advani is an Executive Vice President for Franklin Templeton Investments – Global Advisory Services. He is responsible for Franklin Templeton's global retail and institutional distribution strategies and initiatives, including sales, marketing, client service and product development. Mr. Advani is an officer of Franklin Resources, Inc., a member of several Franklin Templeton committees and a board member of various Franklin Templeton subsidiaries.

Mr. Advani joined the Templeton organization in 1995 as the president of Templeton Asset Management (India) Pvt. Ltd., in Mumbai (Bombay). In 2000, he moved to Singapore as the regional managing director, Product Development, Sales and Marketing for Asia, Eastern Europe and Africa. In 2002, Mr. Advani relocated to California and was appointed executive managing director of International Retail Development. In 2005, he took responsibility for global retail distribution and in 2008 assumed his current role.

Prior to joining Franklin Resources, Mr. Advani worked at the World Bank Group in Washington, DC. His primary responsibility was providing advisory and technical assistance to government authorities on the development of securities and financial markets; structuring, establishing and financing specialized financial institutions; and mobilizing equity, quasi-equity and debt financing. He worked in several emerging economies in the former Soviet Union, Asia, Middle East and Africa.

Mr. Advani received an M.B.A. from the University of Massachusetts, Amherst, where he graduated as a Foreign Student Scholar and a bachelor's degree in Accounting and Finance from the University of Bombay (now the University of Mumbai), India. Mr. Advani is a board member of Jumpstart, U.S-India Business Council (USIBC) and the Center for the Advanced Study of India (CASI) at the University of Pennsylvania. He is also a committee member of the San Francisco – Bangalore Sister City Initiative and a former Board Member of Lok Foundation.

##### Richard H. Frank

Richard Frank (73) was appointed to the Board on November 30, 2000. Mr. Frank is President & Chief Executive Officer of Darby Investments/Franklin Templeton. Darby Investments is Franklin Templeton's Private Equity arm and is a leader in private equity investment in Latin America, Asia and Central and Eastern Europe.

Mr. Frank is responsible for management of firm-wide activities and Chairman on the firm's Private Equity, Mezzanine Finance and Venture Capital Investment Committees.

Mr. Frank joined Darby in July 1997 after a long and distinguished career at the World Bank and International Finance Corporation (IFC) in Washington, DC. In his last assignment he chaired the Private Sector Group, coordinating the private sector activities of the World Bank, IFC, and the Multilateral Investment Guarantee Agency (MIGA). During his career at the World Bank Group as Managing Director, Mr. Frank oversaw the South Asia and Latin America operations and chaired the Banks Finance Committee. At the IFC, Mr. Frank served as CFO leading the Corporation to become an AAA borrower and securing 2 capital increases. Earlier in his Bank Group career, he managed project and corporate investment operations in Latin America, Asia, Middle East and Eastern Europe.

Mr. Frank is a Director of Templeton International Funds and member of Franklin Templeton Alternative Strategies Group. He has also served on the Boards of several Latin American companies and banks.

Mr. Frank has served on the Board of Georgetown University and is a member of the International Strategic Board of Banco Finantia, S.A. (Portugal); Inter-American Dialogue; Institute of International Finance; Bretton Woods Committee and IBM Venture Capital Advisory Council.

## THE BOARD OF DIRECTORS (CONTINUED)

### The Board (continued)

#### Richard H. Frank (continued)

He holds a B.S. in mechanical engineering from the S. D. School of Mines and Technology and an M.S. from the Sloan School of Management at the Massachusetts Institute of Technology (MIT). Post graduate studies, he spent two years in Colombia as an MIT Fellow.

Mr. Frank earned a Bronze Star for his service as Captain in Vietnam.

#### Mark G. Holowesko

Mark Holowesko (54) was appointed to the Board on November 30, 1994. Mark Holowesko is the founding Partner and Chief Executive Officer of Holowesko Partners Ltd (HPL). Mark launched the firm in the fall of 2000, under the name of Templeton Capital Advisors, to serve the needs of institutional and high-net-worth investors. Subsequently renamed Holowesko Partners, under Mark's leadership HPL has enjoyed steady and consistent growth and now stands as one of the premier global equity hedge firms in the industry.

Mark's investment career began in 1985 when he joined Templeton Global Advisors as a research analyst. By 1987, he had assumed the day-to-day management of all portfolios previously managed by Sir John Templeton, including the Templeton Growth Fund and the Templeton Foreign Fund. In 1989, Mark became the Director of Research of the Templeton Global Equity Funds and later, in 1996, assumed the role of Chief Investment Officer.

Mark served as a member of the Executive Committee of Templeton, Galbraith & Hansberger from 1987 to 1992 and as a member of the Executive Committee of Franklin Resources from 1992 to 2000. Mark was Director, President & Head of Investments of Templeton Global Advisors Ltd. from 1992 to 2000.

Currently, Mark is Chairman of the Investment Committee of First Trust Bank, an offshore entity responsible for managing the assets of two of Sir John Templeton's Foundations.

#### James J. K. Hung

James Hung (67) was appointed to the Board on November 29, 2002. He is the Chairman and Chief Executive Officer ("CEO") of Xinya Investment Group, China, a real estate development and investment group in Mainland China, Hong Kong and Taiwan. He is also a Director and major shareholder of Security Bank in the Philippines and the Director of Franklin Templeton Fund Management Company in Shanghai, a joint venture of Franklin Templeton and the Sealand Securities Company, China. His previous experience includes working for Asia Securities Inc. (Taiwan) as the Chairman and CEO. He has also previously been the Director of Yi-Min Fund Management Co., (China), H&Q Venture Capital Inc. (Taiwan), Taiwan Index Fund Inc. (Luxembourg) and Vietnam Fund Inc. (Guernsey).

#### Gregory E. Johnson

Gregory Johnson (53) was appointed to the Board on November 28, 2003. He is Chairman, President and Chief Executive Officer of Franklin Resources, Inc. and serves on the Board of Directors. He is also President of Templeton Worldwide, Inc., Chief Executive Officer and President of Templeton International, Inc. and serves as a Director for a number of subsidiaries of Franklin Resources, Inc. He is a member of a number of Franklin Templeton's International Fund Boards. Mr. Johnson joined Franklin in 1986 after working as a senior accountant for Coopers & Lybrand. He has served as President and Chairman of the Board for Franklin Templeton Distributors, Inc., President of Franklin Investment Advisory, LLC, President of FT Trust Company, Vice President of Franklin Advisers, Inc., co-portfolio manager of Franklin Income Fund and Franklin Utilities Fund and as an investment analyst.

#### Geoffrey A. Langlands

Geoffrey Langlands (78) was appointed to the Board on September 27, 2005. He is a resident of Rio de Janeiro, Brazil, where he is currently Managing Partner of Langlands Consultoria Ltda., and a partner in Horto Consultoria Ltda., as well as participating in the Boards of Fundação Flora de Apoio à Botânica and Ser Cidadão, two non profit making institutions. He was a Director of Templeton Emerging Markets Investment Trust (1994/2005, having been Chairman 2003/2004). He was an Executive Director of Santander Brasil Asset Management S/A (2000/2001), Banco Bozano, Simonsen S/A (1969/2000) and Banco Geral de Investimentos S/A (1968/1969). Previously, he was a Managing Partner of Organização S/N Ltda. (1960/1968) and an employee of the Schroder Group in London and Rio de Janeiro (1957/1960). At Banco Bozano, Simonsen a leading Brazilian investment institution, he organized, set up and managed the bank's asset management, stock broking, corporate finance, investment research and private equity activities. He was also a Director of several companies in the Bozano, Simonsen Group. He also served on the Capital Markets Advisory Committees of the Brazilian Central Bank and the Inter-American Investment Corporation. He was a Board member of ANBID (Brazilian Investment Bankers' Association), General Accident Companhia de Seguros, and Atlantica Hotels International.

#### Gregory E. McGowan

Gregory McGowan (66) was appointed to the Board on May 20, 1994. He is Executive Vice President, Director and General Counsel of Templeton International, Inc., the organization responsible for the development and operation of Templeton businesses outside of North America and for Templeton Worldwide, Inc., the holding company of all the Templeton subsidiaries. Mr. McGowan joined the Franklin Templeton organization in 1986 and also serves as an Executive Vice President of Templeton Global Advisors Limited (a Bahamas corporation).

## THE BOARD OF DIRECTORS (CONTINUED)

### The Board (continued)

#### Gregory E. McGowan (continued)

Mr. McGowan serves on various Franklin Templeton Boards of Directors, including: Templeton Investment Counsel, L.L.C., Franklin Templeton Management Luxembourg S.A. (a Luxembourg corporation), Franklin Templeton Investments (Asia) Limited (a Hong Kong corporation), Templeton Asset Management Ltd. (a Singapore corporation), Franklin Templeton Holding Limited (a Mauritius corporation), Franklin Templeton Services Limited (an Ireland corporation) and Franklin Templeton Asset Strategies, Inc. (a U.S. corporation). Prior to joining Franklin Templeton Investments, Mr. McGowan was a senior attorney for the United States Securities and Exchange Commission.

#### Dr. J. B. Mark Mobius

Dr. Mark Mobius, Ph.D. (78) was appointed to the Board at inception. He is Executive Chairman of Templeton Emerging Markets Group, currently directs analysts based in Templeton's 18 emerging markets offices and manages the emerging markets portfolios. Dr. Mobius has spent more than 40 years working in emerging markets all over the world. He joined Franklin Templeton Investments in 1987 as president of the Templeton Emerging Markets Fund, Inc. Dr. Mobius was named by *Asiamoney* magazine in 2006 as one of their "Top 100 Most Powerful and Influential People." *Asiamoney* said, he "...boasts one of the highest profiles of any investor in the region and is regarded by many in the financial industry as one of the most successful emerging markets investors over the last 20 years. Despite tough times during the financial crisis nine years ago, he still commands a strong following in the investment world and is influencing the direction of billions of investment dollars." Other awards include: (1) "2010 Africa Investor Index Series Awards" by *African Investor*, (2) "Emerging Markets Equity Manager of the Year 2001" by *International Money Marketing*, (3) "Ten Top Money Managers of the 20<sup>th</sup> Century" in a survey by the Carson Group in 1999, (4) "Number One Global Emerging Market Fund" in the 1998 Reuters Survey, (5) "1994 First in Business Money Manager of the Year" by CNBC, (6) "Closed-End Fund Manager of the Year" in 1993 by *Morningstar* and, (7) "Investment Trust Manager of the Year 1992" by *Sunday Telegraph*.

Dr. Mobius is also the author of the following books: *Trading with China*, *The Investor's Guide to Emerging Markets*, *Mobius on Emerging Markets*, *Passport to Profits*, *Equities – An Introduction to the Core Concepts*, *Mutual Funds – An Introduction to the Core Concepts*, *Foreign Exchange – An Introduction to the Core Concepts*, *Bonds – An Introduction to the Core Concepts*, *Mark Mobius – An Illustrated Biography* and *The Little Book of Emerging Markets*.

#### David E. Smart

David Smart (53) was appointed to the Board on November 29, 2002. He joined the Group in 1988 as Senior Vice President and Head of Fixed Income with Fiduciary Trust in London, subsequently taking on responsibility for all fund management and institutional marketing initiatives in Europe, Middle East & Africa. In August 2008, Mr. Smart was appointed to his current position spearheading the Group's global efforts in the sovereign fund and supranational area using his strong investment background and experience of providing strategic asset allocation advice to institutional clients. Mr. Smart also sits on a number of the Group's subsidiary Boards. In November 2008, Mr. Smart was appointed Chairman of the National Trust Investment Committee and in November 2012, he was elected to the National Trust Council, the National Trust oversees the USD 1.6 billion endowment fund of the charity which preserves many of Britain's historic buildings and in March 2010 Mr. Smart was appointed External Advisor to Beazley plc, a publicly quoted Lloyds of London specialist insurer. Prior to joining, Mr. Smart had six years' experience as an international bond manager with Baring Brothers & Company Ltd and County NatWest Investment Management.

#### The Honourable Trevor G. Trefgarne

The Honourable Trevor Trefgarne (70) was appointed to the Board of Franklin Templeton Investment Funds on November 29, 2002. He is Chairman of Enterprise Group Limited, Ghana, and has been Director of a number of U.K. listed investment funds including Templeton Emerging Markets Investment Trust, Recovery Trust (Chairman) and Gartmore High Income Trust. He has extensive experience of the management of listed companies in the U.K. and Africa.

## REPORT OF THE INVESTMENT MANAGERS – YEAR TO JUNE 30, 2014

The year under review was marked by the tremendous amounts of liquidity that abounded in financial markets, which helped drive up asset prices in general. The level of liquidity in the market was the direct consequence of loose monetary policy throughout the developed world, including rock-bottom interest rates and outright purchases of government and mortgage-backed bonds by central banks, most notably the US Federal Reserve. While central banks have helped prop up financial assets, their actions have also helped to underpin economic recovery. Some argue, quite plausibly in our view, that without the continuous printing of money by central banks in the United States, the UK, and Japan, the economic recovery in those countries would be just as feeble as it has been in the eurozone, where the central bank has so far refrained from Fed-like quantitative easing.

The importance of continuous doses of newly printed money to the markets was most evident toward the end of 2013, when speculation that the Fed was about to taper its monthly asset purchases scared investors with emerging market exposure. These markets had been benefiting from somewhat indiscriminate capital inflows, enticed by the prospect of escaping the exceptionally low bond yields obtainable in the main developed markets. But in the fall of 2013, the speculation that the spillover from central banking liquidity injections in the West might cease led to sharp falls in emerging-market currencies, bonds and equities.

However, emerging markets reacted much more calmly to the actual announcement of tapering by the Fed in December. By then, investors had come to terms with the progressive curtailment of the Fed's exceptional asset purchases. The recent resilience of many emerging markets may indicate that they could potentially cope with future interest-rate normalization in the US and some appreciation in the US dollar over the medium term. In addition, since the 2013 scare, investors have shown welcome signs of differentiating between individual markets and ceased to treat emerging markets as a single, homogeneous asset class.

In any case, fresh sources of liquidity are replacing those provided by the US central bank. In particular, the Bank of Japan (BOJ) seems destined to continue to inject liquidity into the market through massive bond buying. The authorities in Japan have been relatively successful over the past year in their attempts to spark inflation and boost domestic demand. Yet the dampening effect of a major hike on the consumption tax and the lack of any signs of across-the-board wage increases mean the BOJ is under pressure to keep the monetary spigots open. The BOJ's assurance that it will keep buying enough government bonds and other assets to pump up Japan's monetary base at an annual pace of about ¥60–¥70 trillion (US\$592 billion–US\$692 billion) also point to further sources of liquidity to help drive asset prices. Should Japan's attempts at structural reform continue to disappoint and should efforts to reflate the economy come unstuck, we are reasonably certain that the Bank of Japan will continue to provide even more liquidity, much of which will flow into other countries.

Japan's peculiar circumstances mean that Japan's government bonds have remained low and unattractive to outside investors for some time. Over the past year, this has also been the case of benchmark government bonds elsewhere, as bond yields have been driven down by central bank asset purchases, continued buying of perceived safe-haven securities, some lackluster economic data and the lack of any inflationary pressures. In addition, even though the Fed is winding down its monthly bond purchases, market participants do not seem convinced that rates will rise any time soon or at a particularly fast rate. All of these factors have proved a boon for other fixed-income investments, including emerging-market bonds, corporate credit and bank loans. In addition, the flood of global liquidity provided by central banks has also supported a huge increase in bond issuance by governments and companies alike.

Helped by the apparent stabilization of the eurozone crisis, the chase for yield has also resulted in a rapid slide in the premiums demanded on peripheral European government debt. By the end of the 12 months under review, yields on Spanish and Italian bonds had fallen to their lowest level ever, and even Greek debt has been in demand. As in the US, the drop in inflation and inflation expectations has played a role, with bond investors generally betting on further action by the European Central Bank (ECB) in the face of possible deflation to push down eurozone bond yields. Indeed, in June 2014, along with a further cut in base rates, the imposition of a negative deposit rate on banks and measures to spur lending to smaller businesses, the ECB hinted that it may introduce an asset-buying program along the lines of the Fed's quantitative easing. Such a move would likely result in fresh capital inflows not only into European markets but also into a host of markets outside Europe that currently offer much higher yields.

The effects of abundant liquidity have inevitably given rise to fears that asset bubbles are forming and that a sense of complacency has crept into markets. This complacency could be seen in the progressive drop in volatility, with bonds, equities and currencies stuck in a narrow upward trading range over a number of months. Investors have reaped the rewards of the unprecedented calm that has descended on markets and by the concomitant rise in bond and equity prices.

By the end of the period under review, there were some tentative signs that the dangers of the current calm were being taken seriously. The Bank of England warned that investors might be assuming risks they did not fully understand in their search for yield, taking too little account of the danger of increased volatility and failing to price properly the risk of not being able to sell their holdings as quickly as assumed. As we move into a new financial year, such warnings seem apposite, especially in relation to some parts of the bond market. At the very least, the sharp drop in spreads for various instruments over benchmark bonds means investors may not reasonably expect to see a repetition of the outsized gains of the past three years, especially if we are moving closer to a turning point in monetary policy.

Indeed, as the financial year drew to a close, the Bank of England (BOE) governor Mark Carney hinted that benchmark interest rates in the UK could rise faster than the markets were expecting, setting the BOE up as the first major central bank to tighten policy in the months ahead. Rate hikes in the eurozone look a lot further off, but in the US, a strong pick up in the labor market and an increase in key inflation measures could soon put upward pressure on interest rates and bond prices. However, even as the Fed continues to taper its asset purchases and moves closer to tightening policy, the prospect of further monetary stimulus in Europe and Japan may mean a rise in interest rates and bond yields is gradual.

THE INVESTMENT MANAGERS  
July, 2014

The information stated in this report represents historical data and is not an indication of future results.

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## Audit report

To the Shareholders of  
Franklin Templeton Investment Funds

We have audited the accompanying financial statements of Franklin Templeton Investment Funds (the “Company”) and of each of its sub-funds, which comprise the statement of net assets and the schedule of investments as at June 30, 2014 and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

### *Responsibility of the Board of Directors of the Company for the financial statements*

The Board of Directors of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the “Réviseur d’entreprises agréé”*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier”. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the “Réviseur d’entreprises agréé”, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the “Réviseur d’entreprises agréé” considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Franklin Templeton Investment Funds and of each of its sub-funds as of June 30, 2014, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

### *Other matters*

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, September 29, 2014

Steve Libby

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*

## FUND PERFORMANCE

### PERCENTAGE CHANGE TO JUNE 30, 2014

	Reference Share Class	Launch Date	6 Months %	1 Year %	3 Years %	5 Years %	10 Years %	Since Launch %
Franklin Asian Flex Cap Fund	A (acc) USD	15 Nov 06	7.8	13.8	4.4	47.2	-	46.5
Franklin Biotechnology Discovery Fund	A (acc) USD	3 Apr 00	10.7	41.8	125.5	221.7	225.4	158.0
Franklin Brazil Opportunities Fund	A (acc) USD	27 Jul 12	3.9	5.3	-	-	-	7.1
Franklin Euro Government Bond Fund	A (Ydis) EUR	8 Jan 99	5.9	7.7	21.3	24.8	40.6	60.7
Franklin Euro High Yield Fund	A (Ydis) EUR	17 Apr 00	4.2	10.8	29.5	74.4	78.0	73.9
Franklin Euro Short Duration Bond Fund	A (acc) EUR	21 Feb 14	-	-	-	-	-	1.0
Franklin Euroland Core Fund	A (acc) EUR	28 Nov 08	4.6	26.3	30.1	70.5	-	78.7
Franklin European Core Fund	A (acc) EUR	29 Jul 11	5.0	22.1	-	-	-	43.6
Franklin European Corporate Bond Fund	A (acc) EUR	30 Apr 10	5.0	8.3	22.0	-	-	22.9
Franklin European Dividend Fund	A (acc) EUR	29 Jul 11	8.1	22.4	-	-	-	46.3
Franklin European Growth Fund	A (acc) EUR	29 Dec 00	6.1	19.5	58.7	122.6	157.7	53.6
Franklin European Small-Mid Cap Growth Fund	A (acc) EUR	3 Dec 01	0.5	24.1	58.6	115.4	213.0	215.8
Franklin GCC Bond Fund	A (acc) USD	30 Aug 13	6.6	-	-	-	-	11.1
Franklin Global Aggregate Bond Fund	A (acc) USD	29 Oct 10	4.8	7.5	7.9	-	-	9.4
Franklin Global Aggregate Investment Grade Bond Fund	A (acc) USD	22 Jun 12	5.1	8.3	-	-	-	9.4
Franklin Global Allocation Fund	A (acc) USD	29 Jul 11	3.4	12.7	-	-	-	13.9
Franklin Global Convertible Securities Fund	A (acc) USD	24 Feb 12	3.8	14.4	-	-	-	22.1
Franklin Global Corporate High Yield Fund	I (acc) USD	6 Sep 13	6.3	-	-	-	-	13.1
Franklin Global Equity Strategies Fund	A (acc) USD	15 May 08	4.5	17.9	16.3	60.6	-	22.4
Franklin Global Fundamental Strategies Fund	A (acc) USD	25 Oct 07	3.3	16.2	26.2	68.1	-	37.8
Franklin Global Government Bond Fund	A (acc) USD	6 Sep 13	4.8	-	-	-	-	7.2
Franklin Global Growth Fund	A (acc) USD	29 Dec 00	1.5	19.5	20.3	79.3	95.1	42.0
Franklin Global Growth and Value Fund	A (acc) USD	9 Sep 02	2.9	22.1	28.8	86.5	101.0	155.7
Franklin Global High Income Bond Fund	A (acc) USD	13 Jul 12	6.6	15.5	-	-	-	30.1
Franklin Global Listed Infrastructure Fund	A (acc) USD	26 Apr 13	17.7	31.1	-	-	-	22.8
Franklin Global Real Estate Fund	A (acc) USD	29 Dec 05	10.7	11.6	24.4	109.1	-	12.5
Franklin Global Small-Mid Cap Growth Fund	A (acc) USD	15 Apr 02	2.3	24.6	47.2	119.3	160.5	228.0
Franklin Gold and Precious Metals Fund	A (acc) USD	30 Apr 10	28.6	30.8	(51.8)	-	-	(45.2)
Franklin High Yield Fund	A (Mdis) USD	1 Mar 96	5.2	11.6	27.6	74.2	91.6	176.0
Franklin Income Fund	A (Mdis) USD	1 Jul 99	8.1	17.2	29.3	83.3	93.6	165.5
Franklin India Fund	A (acc) USD	25 Oct 05	26.5	34.9	5.1	62.0	-	184.3
Franklin Japan Fund	A (acc) JPY	1 Sep 00	(4.6)	10.2	48.9	42.5	(8.6)	(28.9)
Franklin MENA Fund	A (acc) USD	16 Jun 08	14.7	40.0	52.0	64.1	-	(30.4)
Franklin Multi-Asset Income Fund	A (acc) EUR	26 Apr 13	5.8	7.8	-	-	-	3.8
Franklin Natural Resources Fund	A (acc) USD	12 Jul 07	15.2	29.8	(1.6)	69.0	-	11.2
Franklin Real Return Fund	A (acc) USD	30 Apr 10	3.9	5.3	4.8	-	-	10.9
Franklin Strategic Income Fund	A (acc) USD	12 Jul 07	3.5	6.8	16.4	46.8	-	50.3
Franklin Technology Fund	A (acc) USD	3 Apr 00	7.1	28.5	32.1	121.9	118.0	0.5
Franklin U.S. Dollar Liquid Reserve Fund	A (Mdis) USD	1 Jun 94	(0.1)	(0.2)	(0.5)	(0.9)	12.3	58.4
Franklin U.S. Equity Fund	A (acc) USD	1 Jul 99	7.2	21.3	41.3	89.5	68.2	129.7
Franklin U.S. Focus Fund	A (acc) USD	15 May 08	11.9	29.6	46.5	117.3	-	56.9
Franklin U.S. Government Fund	A (Mdis) USD	28 Feb 91	2.6	2.9	5.0	16.7	43.8	165.0
Franklin U.S. Low Duration Fund	A (Mdis) USD	29 Aug 03	0.7	1.8	4.8	8.4	21.4	23.1
Franklin U.S. Opportunities Fund	A (acc) USD	3 Apr 00	3.1	26.8	42.7	125.8	134.2	12.2
Franklin U.S. Small-Mid Cap Growth Fund	A (acc) USD	29 Dec 00	4.8	24.6	38.5	135.5	106.4	90.3
Franklin U.S. Total Return Fund	A (acc) USD	29 Aug 03	4.1	5.7	11.3	38.4	52.9	58.6
Franklin World Perspectives Fund	A (acc) USD	14 Oct 08	4.9	23.9	31.9	94.9	-	95.5



## FUND PERFORMANCE

### PERCENTAGE CHANGE TO JUNE 30, 2014 (CONTINUED)

	Reference Share Class	Launch Date	6 Months %	1 Year %	3 Years %	5 Years %	10 Years %	Since Launch %
Franklin Mutual Beacon Fund	A (acc) USD	7 Jul 97	7.9	22.4	43.9	104.9	79.1	201.1
Franklin Mutual Euroland Fund	A (acc) EUR	14 Oct 08	4.0	29.2	31.9	73.3	–	71.9
Franklin Mutual European Fund	A (acc) EUR	3 Apr 00 *	1.0	20.6	35.1	80.0	91.7	106.0
Franklin Mutual Global Discovery Fund	A (acc) USD	25 Oct 05	3.5	20.9	30.2	70.0	–	87.2
Templeton Africa Fund	A (acc) USD	4 May 12	0.6	8.4	–	–	–	26.1
Templeton Asian Bond Fund	A (acc) USD	25 Oct 05	4.2	5.2	5.9	37.8	–	86.7
Templeton Asian Dividend Fund	A (acc) USD	26 Apr 13	(0.9)	2.6	–	–	–	(1.5)
Templeton Asian Growth Fund	A (Ydis) USD	30 Jun 91	11.7	11.0	0.4	79.0	245.4	289.5
Templeton Asian Smaller Companies Fund	A (acc) USD	14 Oct 08	7.2	21.2	32.3	148.6	–	281.8
Templeton BRIC Fund	A (acc) USD	25 Oct 05	2.1	15.8	(23.0)	11.3	–	51.2
Templeton China Fund	A (acc) USD	1 Sep 94	(2.2)	8.3	(15.5)	23.3	147.6	145.9
Templeton Constrained Bond Fund	A (acc) USD	20 Sep 13	1.5	–	–	–	–	2.1
Templeton Eastern Europe Fund	A (acc) EUR	10 Nov 97	0.6	5.0	(24.2)	15.3	43.5	149.1
Templeton Emerging Markets Fund	A (Ydis) USD	28 Feb 91	0.1	7.2	(8.0)	43.8	118.6	243.0
Templeton Emerging Markets Balanced Fund	A (acc) USD	29 Apr 11	2.3	8.1	(6.9)	–	–	(7.5)
Templeton Emerging Markets Bond Fund	A (Qdis) USD	5 Jul 91	3.3	6.1	13.3	59.7	145.6	760.9
Templeton Emerging Markets Smaller Companies Fund	A (acc) USD	18 Oct 07	9.8	23.1	8.5	83.5	–	(1.3)
Templeton Euro Liquid Reserve Fund	A (Ydis) EUR	1 Jun 94	(0.2)	(0.5)	0.2	2.1	10.4	39.6
Templeton Euro Short-Term Money Market Fund	A (acc) EUR	23 Oct 09	0.0	(0.0)	0.5	–	–	1.3
Templeton Euroland Fund	A (acc) EUR	8 Jan 99	2.6	26.0	41.4	82.8	51.2	87.1
Templeton European Fund	A (acc) EUR	17 Apr 91 *	1.4	22.9	39.5	87.3	55.9	46.8
Templeton European Total Return Fund	A (acc) EUR	29 Aug 03	6.1	9.7	23.9	40.5	33.4	38.3
Templeton Frontier Markets Fund	A (acc) USD	14 Oct 08	6.0	17.2	22.6	71.1	–	103.9
Templeton Global Fund	A (Ydis) USD	28 Feb 91	4.9	27.4	38.1	97.8	86.5	349.6
Templeton Global (Euro) Fund	A (Ydis) EUR	26 Apr 91	4.8	20.9	47.0	88.8	55.6	288.7
Templeton Global Balanced Fund	A (Qdis) USD	1 Jun 94	4.1	17.6	27.4	71.2	79.7	244.1
Templeton Global Bond Fund	A (Mdis) USD	28 Feb 91	3.0	6.0	12.8	44.6	132.9	452.5
Templeton Global Bond (Euro) Fund	A (acc) EUR	29 Aug 03	3.4	4.6	14.4	32.1	50.7	53.7
Templeton Global Equity Income Fund	A (acc) USD	27 May 05	5.5	23.4	30.6	73.0	–	44.6
Templeton Global High Yield Fund	A (acc) USD	27 Sep 07	4.3	9.0	19.6	60.4	–	51.2
Templeton Global Income Fund	A (acc) USD	27 May 05	4.7	16.8	26.9	69.6	–	96.5
Templeton Global Smaller Companies Fund	A (Ydis) USD	8 Jul 91	2.1	16.5	9.1	80.4	55.5	325.6
Templeton Global Total Return Fund	A (acc) USD	29 Aug 03	2.3	6.5	18.7	68.6	175.9	200.4
Templeton Growth (Euro) Fund	A (acc) EUR	9 Aug 00	5.3	18.8	49.2	103.8	52.1	44.3
Templeton Korea Fund	A (acc) USD	8 May 95	1.6	22.5	(5.7)	47.5	101.6	(26.7)
Templeton Latin America Fund †	A (Ydis) USD	28 Feb 91	2.7	4.4	(23.1)	21.6	270.5	297.1
Templeton Thailand Fund	A (acc) USD	20 Jun 97	17.6	(0.5)	25.5	135.5	171.5	99.0

The Fund Performance disclosed in this table is the performance of the reference share class in base currency of the Fund.

Where Class A distribution “A (dis)” Shares are disclosed, the performance is calculated with all the income reinvested (total return). Information on other share classes is available on request.

\* The inception date is for the Fund, however the reference share class launched at a later date.

† Fund performance prior to September 1996 excluded from calculation because a different portfolio allocation strategy was in use.

Information on other share classes is available on request. This report shall not constitute an offer or a solicitation of an offer to buy shares. Subscriptions are to be made on the basis of the current prospectus and its addendum as the case may be, where available the relevant Key Investor Information Documents (“KIIDs”), a copy of the latest available audited annual report and, if published thereafter, the latest unaudited semi-annual report. The price of shares and 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 no guarantee of future performance. Currency fluctuations may affect the value of investments.

Data source: Performance – Franklin Templeton Investments

## STATEMENT OF NET ASSETS AT JUNE 30, 2014

	Total (USD)	Franklin Asian Flex Cap Fund (USD)	Franklin Biotechnology Discovery Fund (USD)	Franklin Brazil Opportunities Fund (USD)
<b>ASSETS</b>				
Investment in securities at market value (notes 2(b), 3)	155,535,172,633	10,350,185	3,079,860,257	35,965,369
Cash	7,141,600,320	225,703	92,722,786	6,158,976
Time deposits and repurchase agreements (note 4)	898,184,622	-	-	-
Amounts receivable on sale of investments	4,406,239,260	-	27,858,794	4,950,000
Amounts receivable on subscriptions	892,397,867	5,437	52,272,203	99,785
Interest and dividends receivable, net	1,328,932,249	13,620	-	616,607
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	206,652,223	-	58,688	106,291
Unrealised profit on financial future contracts (notes 2(d), 6)	473,384	-	-	-
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	33,107	-	-	33,107
Unrealised profit on inflation swap contracts (notes 2(f), 8)	747,906	-	-	747,906
Credit default swap contracts at market value (notes 2(i), 11)	10,596,998	-	-	-
Option contracts at market value (notes 2(j), 12)	148,868	-	-	204
Other receivables	21,518,521	37	-	-
<b>TOTAL ASSETS</b>	<b>170,442,697,958</b>	<b>10,594,982</b>	<b>3,252,772,728</b>	<b>48,678,245</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	859,761,109	-	3,492,115	3,194,055
Amounts payable on redemptions	746,699,569	56,585	48,015,607	124,098
Investment management fees payable (note 14)	118,184,724	7,820	2,521,765	37,159
Bank overdraft	370,893	-	-	-
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	23,388,732	-	-	-
Unrealised loss on financial future contracts (notes 2(d), 6)	467,864	-	-	61,175
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	468,719,630	-	-	-
Unrealised loss on total return swap contracts (notes 2(h), 10)	28,661	-	-	-
Credit default swap contracts at market value (notes 2(i), 11)	980,748	-	-	35,035
Option contracts at market value (notes 2(j), 12)	22,848	-	-	-
Taxes and expense payable	179,055,498	21,583	1,982,905	112,270
<b>TOTAL LIABILITIES</b>	<b>2,397,680,276</b>	<b>85,988</b>	<b>56,012,392</b>	<b>3,563,792</b>
<b>TOTAL NET ASSETS</b>	<b>168,045,017,682</b>	<b>10,508,994</b>	<b>3,196,760,336</b>	<b>45,114,453</b>
<b>THREE YEAR ASSET SUMMARY</b>				
June 30, 2013	163,862,333,174	11,179,582	901,381,187	87,859,184
June 30, 2012	135,991,665,339	13,188,230	289,307,603	-
June 30, 2011	149,396,147,607	20,687,634	134,126,169	-

\* This Fund was launched on February 21, 2014

‡ This Fund had its name changed effective on March 31, 2014 (refer to Note 1)

The accompanying notes form an integral part of these financial statements

## STATEMENT OF NET ASSETS AT JUNE 30, 2014 (CONTINUED)

Franklin Euro Government Bond Fund <sup>1</sup> (EUR)	Franklin Euro High Yield Fund <sup>1</sup> (EUR)	Franklin Euro Short Duration Bond Fund* (EUR)	Franklin Euroland Core Fund (EUR)	Franklin European Core Fund (EUR)	Franklin European Corporate Bond Fund <sup>2</sup> (EUR)	Franklin European Dividend Fund (EUR)
97,267,838	1,221,640,560	6,856,156	35,651,601	7,141,232	80,436,057	52,127,313
1,826,042	80,052,331	129,317	371,714	58,196	2,390,403	585,881
-	-	-	-	-	-	-
2,242,120	7,521,226	-	131,430	168,094	2,533	2,666,063
5,994,635	7,066,689	58,500	14,363	41,007	595,788	902,623
1,783,839	22,798,356	121,705	4,247	7,442	1,192,659	113,765
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	242	29,484	8,355	500	59,733
109,114,474	1,339,079,162	7,165,920	36,202,839	7,424,326	84,617,940	56,455,378
5,793,827	16,792,848	99,684	209,042	45,473	1,290,770	2,512,293
131,990	9,456,608	-	66,842	8,166	131,423	418,903
33,630	845,718	1,756	24,750	5,627	35,760	35,969
-	-	-	-	-	-	-
-	6,857,021	-	-	-	8,886	10,458
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
46,343	850,249	3,238	21,630	6,966	43,155	25,599
6,005,790	34,802,444	104,678	322,264	66,232	1,509,994	3,003,222
103,108,684	1,304,276,718	7,061,242	35,880,575	7,358,094	83,107,946	53,452,156
32,277,784	801,702,488	-	24,599,488	4,413,361	43,393,949	23,286,097
35,752,731	541,078,975	-	19,806,420	3,586,121	23,570,368	13,919,723
17,918,215	600,780,057	-	29,083,141	-	14,348,471	-

The accompanying notes form an integral part of these financial statements

## STATEMENT OF NET ASSETS AT JUNE 30, 2014 (CONTINUED)

	Franklin European Growth Fund (EUR)	Franklin European Small-Mid Cap Growth Fund (EUR)	Franklin GCC Bond Fund* (USD)	Franklin Global Aggregate Bond Fund <sup>‡</sup> (USD)
<b>ASSETS</b>				
Investment in securities at market value (notes 2(b), 3)	2,887,723,902	891,108,875	10,563,855	21,961,388
Cash	262,806,931	14,697,664	127,176	1,025,543
Time deposits and repurchase agreements (note 4)	–	–	1,000,000	–
Amounts receivable on sale of investments	5,212,131	625,360	5,991	9
Amounts receivable on subscriptions	69,837,944	3,204,155	68,020	81,135
Interest and dividends receivable, net	2,098,537	888,042	133,615	237,264
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	–	–	–	109,374
Unrealised profit on financial future contracts (notes 2(d), 6)	–	–	–	–
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	–	–	–	–
Unrealised profit on inflation swap contracts (notes 2(f), 8)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 11)	–	–	–	–
Option contracts at market value (notes 2(j), 12)	–	–	–	–
Other receivables	2,547,496	1,019,900	–	20
<b>TOTAL ASSETS</b>	<b>3,230,226,941</b>	<b>911,543,996</b>	<b>11,898,657</b>	<b>23,414,733</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	72,550,887	–	4,479	1,391,605
Amounts payable on redemptions	21,164,544	6,261,691	1,332	8,587
Investment management fees payable (note 14)	2,254,734	609,452	5,735	9,542
Bank overdraft	–	–	–	–
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	434,458	–	–	–
Unrealised loss on financial future contracts (notes 2(d), 6)	–	–	–	–
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	–	–	35,011	–
Unrealised loss on total return swap contracts (notes 2(h), 10)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 11)	–	–	–	–
Option contracts at market value (notes 2(j), 12)	–	–	–	–
Taxes and expense payable	1,684,833	437,650	3,462	15,536
<b>TOTAL LIABILITIES</b>	<b>98,089,456</b>	<b>7,308,793</b>	<b>50,019</b>	<b>1,425,270</b>
<b>TOTAL NET ASSETS</b>	<b>3,132,137,485</b>	<b>904,235,203</b>	<b>11,848,638</b>	<b>21,989,463</b>
<b>THREE YEAR ASSET SUMMARY</b>				
June 30, 2013	737,002,037	466,899,083	–	16,109,623
June 30, 2012	320,512,865	199,790,227	–	33,185,762
June 30, 2011	391,908,724	362,431,476	–	17,891,005

\* This Fund was launched on August 30, 2013

\*\* This Fund was launched on September 6, 2013

‡ This Fund had its name changed effective on March 31, 2014 (refer to Note 1)

The accompanying notes form an integral part of these financial statements

**STATEMENT OF NET ASSETS**  
**AT JUNE 30, 2014 (CONTINUED)**

Franklin Global Aggregate Investment Grade Bond Fund <sup>1</sup> (USD)	Franklin Global Allocation Fund <sup>1</sup> (USD)	Franklin Global Convertible Securities Fund (USD)	Franklin Global Corporate High Yield Fund <sup>**</sup> (USD)	Franklin Global Equity Strategies Fund <sup>2</sup> (USD)	Franklin Global Fundamental Strategies Fund <sup>2</sup> (USD)	Franklin Global Government Bond Fund <sup>**</sup> (USD)
11,596,844	47,017,000	157,247,094	30,892,547	80,267,406	1,543,489,297	12,454,083
317,798	2,434,528	-	751,862	2,215,443	32,783,384	763,325
-	-	-	-	1,000,000	-	-
380,000	3,171,312	88	1,130,340	201,726	188,653,384	-
-	136,417	727,154	-	14,467	17,031,090	-
123,730	172,991	517,778	509,423	154,782	8,783,402	159,716
1,353	-	250,763	76,824	45,534	4,010,402	-
-	50,915	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
107	8,549	-	961	35,347	466,758	1,183
12,419,832	52,991,712	158,742,877	33,361,957	83,934,705	1,795,217,717	13,378,307
944,740	38,307	-	336,500	320,310	14,688,838	-
-	98,236	870,820	-	114,807	3,603,238	4,783
3,828	41,267	87,174	15,957	85,670	1,426,282	4,472
-	-	370,893	-	-	-	-
-	20,593	-	-	-	-	20,536
-	-	-	-	-	-	-
-	23,825	-	-	-	958,261	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,198	48,557	83,644	6,904	62,997	1,680,000	5,031
955,766	270,785	1,412,531	359,361	583,784	22,356,619	34,822
11,464,066	52,720,927	157,330,346	33,002,596	83,350,921	1,772,861,098	13,343,485
10,335,416	45,026,992	19,077,065	-	69,303,225	840,937,967	-
10,062,164	26,567,300	4,537,572	-	60,943,727	592,985,661	-
-	-	-	-	72,485,262	675,413,199	-

The accompanying notes form an integral part of these financial statements

## STATEMENT OF NET ASSETS AT JUNE 30, 2014 (CONTINUED)

	Franklin Global Growth Fund (USD)	Franklin Global Growth and Value Fund <sup>2</sup> (USD)	Franklin Global High Income Bond Fund <sup>2</sup> (USD)	Franklin Global Listed Infrastructure Fund (USD)
<b>ASSETS</b>				
Investment in securities at market value (notes 2(b), 3)	184,077,853	69,856,379	78,039,757	10,004,896
Cash	886,483	220,855	402,203	235,944
Time deposits and repurchase agreements (note 4)	3,000,000	1,000,000	–	–
Amounts receivable on sale of investments	1,986	99,189	1,308,564	141,364
Amounts receivable on subscriptions	855,086	165,365	1,832,208	173,703
Interest and dividends receivable, net	112,277	114,006	1,296,019	35,245
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	119,667	–	34,218	27,795
Unrealised profit on financial future contracts (notes 2(d), 6)	–	–	–	–
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	–	–	–	–
Unrealised profit on inflation swap contracts (notes 2(f), 8)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 11)	–	–	–	–
Option contracts at market value (notes 2(j), 12)	–	–	–	–
Other receivables	30,745	81,120	–	799
<b>TOTAL ASSETS</b>	<b>189,084,097</b>	<b>71,536,914</b>	<b>82,912,969</b>	<b>10,619,746</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	908,124	117,960	713,189	406,974
Amounts payable on redemptions	451,864	319,597	888,860	18,741
Investment management fees payable (note 14)	124,578	58,589	50,047	6,514
Bank overdraft	–	–	–	–
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	–	–	–	–
Unrealised loss on financial future contracts (notes 2(d), 6)	–	–	–	–
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	–	–	–	–
Unrealised loss on total return swap contracts (notes 2(h), 10)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 11)	–	–	–	–
Option contracts at market value (notes 2(j), 12)	–	–	–	–
Taxes and expense payable	96,923	75,988	47,096	4,782
<b>TOTAL LIABILITIES</b>	<b>1,581,489</b>	<b>572,134</b>	<b>1,699,192</b>	<b>437,011</b>
<b>TOTAL NET ASSETS</b>	<b>187,502,608</b>	<b>70,964,780</b>	<b>81,213,777</b>	<b>10,182,735</b>
<b>THREE YEAR ASSET SUMMARY</b>				
June 30, 2013	155,859,879	88,200,184	21,029,818	4,677,274
June 30, 2012	108,725,800	79,523,418	–	–
June 30, 2011	125,272,812	111,341,009	–	–

<sup>2</sup> This Fund had its name changed effective on March 31, 2014 (refer to Note 1)

The accompanying notes form an integral part of these financial statements

## STATEMENT OF NET ASSETS AT JUNE 30, 2014 (CONTINUED)

Franklin Global Real Estate Fund (USD)	Franklin Global Small-Mid Cap Growth Fund (USD)	Franklin Gold and Precious Metals Fund (USD)	Franklin High Yield Fund (USD)	Franklin Income Fund (USD)	Franklin India Fund (USD)	Franklin Japan Fund <sup>1</sup> (JPY)
432,145,646	432,026,944	103,137,363	4,968,900,567	3,259,655,965	1,823,402,425	25,089,222,200
523,446	754,437	654,422	18,834,660	65,478,311	686,392	231,330,759
4,000,000	9,000,000	-	-	-	33,000,000	-
357,270	64,068	2,725,000	126,251,206	307,974,109	2,565	617,793,415
735,477	1,415,814	3,191,809	26,600,342	58,168,753	7,884,765	627,827,622
1,636,028	513,511	26,127	80,808,406	25,371,770	3,964,460	73,345,563
317,693	-	170,622	615,721	242,727	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
37,548	331,862	-	-	8,886	928	-
439,753,108	444,106,636	109,905,343	5,222,010,902	3,716,900,521	1,868,941,535	26,639,519,559
21	112	1,324,779	59,012,442	49,091,533	2,879,661	998,837,951
1,463,789	7,751,070	1,147,758	24,242,240	31,321,363	9,323,342	271,672,339
326,373	339,753	78,686	3,308,100	2,459,567	1,242,355	17,608,591
-	-	-	-	-	-	-
-	-	-	-	-	42,605	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
375,999	285,877	92,759	4,152,469	2,701,575	1,193,969	20,999,165
2,166,182	8,376,812	2,643,982	90,715,251	85,574,038	14,681,932	1,309,118,046
437,586,926	435,729,824	107,261,361	5,131,295,651	3,631,326,483	1,854,259,603	25,330,401,513
462,643,179	207,556,600	42,976,410	3,993,642,994	1,709,720,223	953,247,397	25,430,175,279
121,399,470	57,058,308	139,752,055	4,037,075,396	1,298,369,835	1,189,022,902	12,730,289,900
159,982,185	80,420,038	81,271,337	3,732,281,743	1,280,943,588	1,796,873,179	7,525,055,818

The accompanying notes form an integral part of these financial statements

## STATEMENT OF NET ASSETS AT JUNE 30, 2014 (CONTINUED)

	Franklin MENA Fund (USD)	Franklin Multi-Asset Income Fund (EUR)	Franklin Natural Resources Fund (USD)	Franklin Real Return Fund (USD)
<b>ASSETS</b>				
Investment in securities at market value (notes 2(b), 3)	275,683,012	29,829,525	259,033,982	8,611,309
Cash	479,670	1,967,837	4,095,404	106,967
Time deposits and repurchase agreements (note 4)	1,000,000	–	–	–
Amounts receivable on sale of investments	20,280,536	322,743	19,552,409	300,000
Amounts receivable on subscriptions	1,800,954	317,942	6,034,462	50,703
Interest and dividends receivable, net	511,439	140,125	195,893	54,488
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	682,063	9,650	89,074	19,316
Unrealised profit on financial future contracts (notes 2(d), 6)	–	–	–	–
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	–	–	–	–
Unrealised profit on inflation swap contracts (notes 2(f), 8)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 11)	–	–	–	21,799
Option contracts at market value (notes 2(j), 12)	–	–	–	–
Other receivables	80	6,767	6,807	1,622
<b>TOTAL ASSETS</b>	<b>300,437,754</b>	<b>32,594,589</b>	<b>289,008,031</b>	<b>9,166,204</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	1,395,560	841,575	6,505,687	–
Amounts payable on redemptions	17,134,097	20,496	3,761,498	–
Investment management fees payable (note 14)	377,282	11,544	198,621	5,646
Bank overdraft	–	–	–	–
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	–	–	–	–
Unrealised loss on financial future contracts (notes 2(d), 6)	–	–	–	–
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	–	–	–	–
Unrealised loss on total return swap contracts (notes 2(h), 10)	–	20,929	–	–
Credit default swap contracts at market value (notes 2(i), 11)	–	–	–	–
Option contracts at market value (notes 2(j), 12)	–	–	–	–
Taxes and expense payable	262,799	13,006	202,798	10,865
<b>TOTAL LIABILITIES</b>	<b>19,169,738</b>	<b>907,550</b>	<b>10,668,604</b>	<b>16,511</b>
<b>TOTAL NET ASSETS</b>	<b>281,268,016</b>	<b>31,687,039</b>	<b>278,339,427</b>	<b>9,149,693</b>
<b>THREE YEAR ASSET SUMMARY</b>				
June 30, 2013	55,087,685	23,057,415	251,710,030	13,064,062
June 30, 2012	51,733,543	–	333,504,877	15,525,782
June 30, 2011	82,585,108	–	490,921,697	19,811,267

The accompanying notes form an integral part of these financial statements



**STATEMENT OF NET ASSETS**  
**AT JUNE 30, 2014 (CONTINUED)**

Franklin Strategic Income Fund (USD)	Franklin Technology Fund (USD)	Franklin U.S. Dollar Liquid Reserve Fund (USD)	Franklin U.S. Equity Fund (USD)	Franklin U.S. Focus Fund (USD)	Franklin U.S. Government Fund (USD)	Franklin U.S. Low Duration Fund (USD)
1,059,329,486	801,618,616	255,353,293	550,305,853	38,141,859	898,732,509	1,543,484,835
76,757,087	20,191,476	436	5,094,380	319,817	1,628,826	34,190,825
-	-	-	-	-	-	-
321,854,069	5,288,539	25,000,000	42,842,802	1,556,206	7,155,000	106,224,081
23,846,354	5,192,690	2,567,696	1,629,348	76,772	1,685,719	1,014,663
13,984,919	293,191	-	394,747	21,428	3,151,569	7,387,470
2,252,610	-	-	107,332	315,487	202,237	-
-	-	-	-	-	-	422,469
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,506,565	-	-	-	-	-	-
-	-	-	-	-	-	88,424
171,929	292,450	68,997	-	-	4,773	45,371
1,508,703,019	832,876,962	282,990,422	600,374,462	40,431,569	912,560,633	1,692,858,138
5,902,542	687,422	-	21,413,985	127,236	-	21,000,891
2,568,856	10,014,370	1,624,782	1,416,576	715,073	5,550,195	12,584,463
872,878	643,715	68,915	460,085	31,054	455,464	865,092
-	-	-	-	-	-	-
-	-	-	-	-	-	3,659,096
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	945,713
-	-	-	-	-	-	-
1,136,057	582,692	168,650	491,614	31,831	833,023	810,085
10,480,333	11,928,199	1,862,347	23,782,260	905,194	6,838,682	39,865,340
1,498,222,686	820,948,763	281,128,075	576,592,202	39,526,375	905,721,951	1,652,992,798
1,152,727,421	717,401,678	427,361,894	497,344,009	11,099,048	1,577,666,522	1,569,847,836
609,417,442	671,591,332	369,675,762	714,115,815	15,009,101	2,532,288,020	725,285,036
404,005,632	702,719,617	365,836,976	886,610,311	21,838,086	1,979,331,386	305,940,938

The accompanying notes form an integral part of these financial statements

## STATEMENT OF NET ASSETS AT JUNE 30, 2014 (CONTINUED)

	Franklin U.S. Opportunities Fund (USD)	Franklin U.S. Small-Mid Cap Growth Fund (USD)	Franklin U.S. Total Return Fund (USD)	Franklin World Perspectives Fund (USD)
<b>ASSETS</b>				
Investment in securities at market value (notes 2(b), 3)	4,651,876,301	273,355,906	118,915,261	334,707,629
Cash	12,299,864	64,791	8,096,082	1,219,715
Time deposits and repurchase agreements (note 4)	-	-	-	9,000,000
Amounts receivable on sale of investments	27,254,618	4,888,138	33,831,774	863,989
Amounts receivable on subscriptions	13,240,904	2,547,289	544,990	4,478,650
Interest and dividends receivable, net	1,251,173	65,677	904,731	263,268
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	2,189,841	-	-	-
Unrealised profit on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised profit on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Credit default swap contracts at market value (notes 2(i), 11)	-	-	68,634	-
Option contracts at market value (notes 2(j), 12)	-	-	60,240	-
Other receivables	-	-	13,720	77,380
<b>TOTAL ASSETS</b>	<b>4,708,112,701</b>	<b>280,921,801</b>	<b>162,435,432</b>	<b>350,610,631</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	-	1,495,155	24,607,843	3,001,296
Amounts payable on redemptions	30,845,319	7,604,472	1,128,392	1,954,142
Investment management fees payable (note 14)	3,463,933	223,317	81,050	237,920
Bank overdraft	-	-	-	-
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	-	-	360,801	112,278
Unrealised loss on financial future contracts (notes 2(d), 6)	-	-	29,465	-
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised loss on total return swap contracts (notes 2(h), 10)	-	-	-	-
Credit default swap contracts at market value (notes 2(i), 11)	-	-	-	-
Option contracts at market value (notes 2(j), 12)	-	-	-	-
Taxes and expense payable	2,832,611	211,754	103,796	182,362
<b>TOTAL LIABILITIES</b>	<b>37,141,863</b>	<b>9,534,698</b>	<b>26,311,347</b>	<b>5,487,998</b>
<b>TOTAL NET ASSETS</b>	<b>4,670,970,838</b>	<b>271,387,103</b>	<b>136,124,085</b>	<b>345,122,633</b>
<b>THREE YEAR ASSET SUMMARY</b>				
June 30, 2013	2,739,786,409	127,354,909	136,351,542	126,403,906
June 30, 2012	2,911,650,277	123,984,678	117,736,168	61,153,384
June 30, 2011	2,707,293,531	125,613,097	71,795,236	51,187,415

The accompanying notes form an integral part of these financial statements

## STATEMENT OF NET ASSETS AT JUNE 30, 2014 (CONTINUED)

Franklin Mutual Beacon Fund (USD)	Franklin Mutual Euroland Fund (EUR)	Franklin Mutual European Fund (EUR)	Franklin Mutual Global Discovery Fund (USD)	Templeton Africa Fund (USD)	Templeton Asian Bond Fund (USD)	Templeton Asian Dividend Fund (USD)
1,136,543,951	19,840,292	3,402,679,736	1,879,899,439	124,242,628	1,957,679,750	5,621,905
17,328,193	3,342,400	239,724,158	21,142,492	412,737	30,696,428	81,266
-	-	-	-	15,000,000	-	-
16,135,833	13,772	138,965,415	31,251,612	591,539	32,360,310	6,237
6,562,428	129,956	11,633,348	8,315,344	595,254	4,601,301	4,109
1,897,099	12,044	9,446,317	7,081,113	165,765	26,995,971	4,583
-	-	19,553	1,452,508	207,498	13,179,751	4,259
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
408,802	9,707	2,935,509	499,555	16,155	-	-
1,178,876,306	23,348,171	3,805,404,036	1,949,642,063	141,231,576	2,065,513,511	5,722,359
2,216	371,745	25,395,685	12,860	40,124	1,545,454	53,633
5,353,548	70,754	16,588,321	12,632,277	975,356	10,220,787	-
870,211	19,239	2,862,141	1,506,088	165,587	1,189,722	4,751
-	-	-	-	-	-	-
1,944,165	-	-	-	-	-	-
377,224	-	-	-	-	-	-
-	-	-	-	-	16,063,917	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,258,606	21,275	3,177,977	1,392,472	457,261	4,030,462	4,964
9,805,970	483,013	48,024,124	15,543,697	1,638,328	33,050,342	63,348
1,169,070,336	22,865,158	3,757,379,912	1,934,098,366	139,593,248	2,032,463,169	5,659,011
821,397,542	7,449,328	2,253,747,426	1,096,131,750	86,772,962	3,676,902,884	4,911,688
769,414,521	7,997,211	2,130,655,041	892,257,616	5,433,869	4,162,546,959	-
1,209,141,565	8,667,182	3,077,629,369	1,535,091,327	-	4,220,249,357	-

The accompanying notes form an integral part of these financial statements

## STATEMENT OF NET ASSETS AT JUNE 30, 2014 (CONTINUED)

	Templeton Asian Growth Fund (USD)	Templeton Asian Smaller Companies Fund (USD)	Templeton BRIC Fund (USD)	Templeton China Fund (USD)
<b>ASSETS</b>				
Investment in securities at market value (notes 2(b), 3)	12,249,642,624	921,735,135	1,193,390,079	930,982,079
Cash	1,961,833	4,748,065	4,137,952	381,865
Time deposits and repurchase agreements (note 4)	383,000,000	48,000,000	25,000,000	6,000,000
Amounts receivable on sale of investments	23,835,305	2,679,605	4,807,876	543,199
Amounts receivable on subscriptions	54,314,441	5,709,367	1,611,771	1,222,583
Interest and dividends receivable, net	21,193,066	1,888,815	5,008,458	4,601,460
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	6,341,340	-	86,255	-
Unrealised profit on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised profit on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Credit default swap contracts at market value (notes 2(i), 11)	-	-	-	-
Option contracts at market value (notes 2(j), 12)	-	-	-	-
Other receivables	-	191	-	-
<b>TOTAL ASSETS</b>	<b>12,740,288,609</b>	<b>984,761,178</b>	<b>1,234,042,391</b>	<b>943,731,186</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	-	537,036	10,033,592	-
Amounts payable on redemptions	36,171,502	8,800,624	4,103,408	4,296,846
Investment management fees payable (note 14)	12,023,379	901,960	1,578,983	1,173,327
Bank overdraft	-	-	-	-
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	-	-	-	-
Unrealised loss on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised loss on total return swap contracts (notes 2(h), 10)	-	-	-	-
Credit default swap contracts at market value (notes 2(i), 11)	-	-	-	-
Option contracts at market value (notes 2(j), 12)	-	-	-	-
Taxes and expense payable	10,824,426	589,076	3,658,668	1,006,788
<b>TOTAL LIABILITIES</b>	<b>59,019,307</b>	<b>10,828,696</b>	<b>19,374,651</b>	<b>6,476,961</b>
<b>TOTAL NET ASSETS</b>	<b>12,681,269,302</b>	<b>973,932,482</b>	<b>1,214,667,740</b>	<b>937,254,225</b>
<b>THREE YEAR ASSET SUMMARY</b>				
June 30, 2013	15,816,110,669	942,037,607	1,343,345,062	1,629,700,238
June 30, 2012	16,112,820,817	228,044,710	1,853,961,008	2,284,778,429
June 30, 2011	17,848,692,584	206,440,565	2,971,841,661	2,414,132,792

\* This Fund was launched on September 20, 2013

The accompanying notes form an integral part of these financial statements

## STATEMENT OF NET ASSETS AT JUNE 30, 2014 (CONTINUED)

Templeton Constrained Bond Fund* (USD)	Templeton Eastern Europe Fund (EUR)	Templeton Emerging Markets Fund (USD)	Templeton Emerging Markets Balanced Fund (USD)	Templeton Emerging Markets Bond Fund (USD)	Templeton Emerging Markets Smaller Companies Fund (USD)	Templeton Euro Liquid Reserve Fund (EUR)
8,612,107	354,197,099	820,355,780	75,118,018	6,093,841,794	270,876,033	59,493,999
378,126	12,727,290	1,120,881	850,312	208,458,019	4,143,958	4,704,922
-	-	72,000,000	-	-	-	-
1,415,000	-	2,695,165	1,915,309	433,100,000	18,354,941	5,000,000
33,976	1,340,276	1,634,308	830,758	73,621,204	2,157,022	749,509
77,062	950,288	1,774,311	600,775	106,361,668	1,139,372	20,816
-	-	112,230	396,589	22,884,601	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	240,302	57,783	6,781	-	-	-
10,516,271	369,455,255	899,750,458	79,718,542	6,938,267,286	296,671,326	69,969,246
1,307	1,900,384	8,467,654	825,822	8,717,734	1,596,993	1,999,578
18,375	5,276,666	3,153,548	82,244	29,982,191	705,169	266,436
3,468	453,864	1,129,991	80,300	4,984,620	361,055	16,590
-	-	-	-	-	-	-
26,868	-	-	-	-	-	-
-	-	-	-	-	-	-
2,794	-	-	36,717	17,453,594	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,480	690,625	1,221,575	78,620	8,263,099	325,031	65,991
57,292	8,321,539	13,972,768	1,103,703	69,401,238	2,988,248	2,348,595
10,458,979	361,133,716	885,777,690	78,614,839	6,868,866,048	293,683,078	67,620,651
-	401,515,127	1,114,545,821	77,639,350	8,365,282,640	234,798,323	112,358,536
-	467,205,560	1,143,809,086	55,726,679	6,610,440,114	219,607,218	136,184,651
-	805,406,537	1,319,323,235	25,318,344	6,783,106,769	445,033,992	107,876,410

The accompanying notes form an integral part of these financial statements

## STATEMENT OF NET ASSETS AT JUNE 30, 2014 (CONTINUED)

	Templeton Euro Short-Term Money Market Fund (EUR)	Templeton Euroland Fund (EUR)	Templeton European Fund (EUR)	Templeton European Total Return Fund (EUR)
<b>ASSETS</b>				
Investment in securities at market value (notes 2(b), 3)	58,492,974	237,191,115	441,611,769	182,673,230
Cash	8,236,493	6,132,992	13,255,408	2,327,707
Time deposits and repurchase agreements (note 4)	–	–	–	–
Amounts receivable on sale of investments	5,000,000	351,635	1,319,846	5,249,880
Amounts receivable on subscriptions	156,589	810,453	3,469,589	8,823,933
Interest and dividends receivable, net	16,063	438,806	1,162,267	3,281,950
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	–	–	–	–
Unrealised profit on financial future contracts (notes 2(d), 6)	–	–	–	–
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	–	–	–	–
Unrealised profit on inflation swap contracts (notes 2(f), 8)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 11)	–	–	–	–
Option contracts at market value (notes 2(j), 12)	–	–	–	–
Other receivables	10,435	305,667	487,390	27,566
<b>TOTAL ASSETS</b>	<b>71,912,554</b>	<b>245,230,668</b>	<b>461,306,269</b>	<b>202,384,266</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	1,999,578	820,976	1,547,849	12,229,633
Amounts payable on redemptions	21,593	3,592,722	8,698,184	6,058,614
Investment management fees payable (note 14)	12,512	193,046	381,360	107,034
Bank overdraft	–	–	–	–
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	–	–	–	231,061
Unrealised loss on financial future contracts (notes 2(d), 6)	–	–	–	–
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	–	–	–	–
Unrealised loss on total return swap contracts (notes 2(h), 10)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 11)	–	–	–	–
Option contracts at market value (notes 2(j), 12)	–	–	–	–
Taxes and expense payable	18,490	244,222	292,155	199,716
<b>TOTAL LIABILITIES</b>	<b>2,052,173</b>	<b>4,850,966</b>	<b>10,919,548</b>	<b>18,826,058</b>
<b>TOTAL NET ASSETS</b>	<b>69,860,381</b>	<b>240,379,702</b>	<b>450,386,721</b>	<b>183,558,208</b>
<b>THREE YEAR ASSET SUMMARY</b>				
June 30, 2013	94,345,377	121,180,156	124,537,533	84,439,789
June 30, 2012	101,016,087	101,562,854	105,757,279	64,970,960
June 30, 2011	41,550,098	130,959,835	125,715,499	58,152,467

The accompanying notes form an integral part of these financial statements

## STATEMENT OF NET ASSETS AT JUNE 30, 2014 (CONTINUED)

Templeton Frontier Markets Fund (USD)	Templeton Global Fund (USD)	Templeton Global (Euro) Fund (EUR)	Templeton Global Balanced Fund (USD)	Templeton Global Bond Fund (USD)	Templeton Global Bond (Euro) Fund (EUR)	Templeton Global Equity Income Fund (USD)
1,908,300,526	1,789,275,108	693,134,231	1,143,816,519	34,648,722,017	570,883,384	341,746,219
2,576,684	1,191,777	3,579,802	233,212,722	2,884,881,786	28,050,231	473,634
96,000,000	47,000,000	-	-	-	-	15,000,000
8,121,585	2,586,091	8,073,089	1,870,944	1,107,001,000	-	620,333
6,163,458	11,870,232	299,382	9,333,683	98,586,097	1,661,610	14,163,792
12,677,676	4,819,271	1,655,826	5,068,151	431,739,899	7,781,680	1,107,015
3,485,802	-	35,584	1,154,468	17,032,792	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,477	1,159,132	668,984	755,841	201,804	-	274,640
2,037,328,208	1,857,901,611	707,446,898	1,395,212,328	39,188,165,395	608,376,905	373,385,633
1,198,525	1,714,875	-	3,616,503	78,802,286	1,382,789	3,942,359
7,079,698	7,825,716	883,037	6,094,392	121,774,499	1,858,669	7,051,290
2,323,194	1,455,912	581,062	904,763	22,659,891	349,325	293,097
-	-	-	-	-	-	-
-	-	-	-	-	3,772,179	-
-	-	-	-	-	-	-
-	-	-	-	242,394,712	3,273,680	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,960,097	1,463,245	609,163	1,371,921	53,660,766	816,259	22,848
16,561,514	12,459,748	2,073,262	11,987,579	519,292,154	11,452,901	11,586,691
2,020,766,694	1,845,441,863	705,373,636	1,383,224,749	38,668,873,241	596,924,004	361,798,942
2,116,331,579	967,667,591	601,053,681	699,148,278	46,612,567,707	838,588,367	74,265,434
890,205,145	803,180,357	516,299,182	595,171,716	41,237,011,127	562,372,898	69,775,789
1,094,274,372	1,114,814,642	557,576,009	737,827,793	46,361,614,603	428,415,072	95,190,839

The accompanying notes form an integral part of these financial statements

## STATEMENT OF NET ASSETS AT JUNE 30, 2014 (CONTINUED)

	Templeton Global High Yield Fund (USD)	Templeton Global Income Fund (USD)	Templeton Global Smaller Companies Fund (USD)	Templeton Global Total Return Fund (USD)
<b>ASSETS</b>				
Investment in securities at market value (notes 2(b), 3)	266,024,310	1,621,268,447	158,809,951	32,065,177,136
Cash	3,183,920	37,497,737	304,153	2,201,134,161
Time deposits and repurchase agreements (note 4)	-	-	7,000,000	-
Amounts receivable on sale of investments	8,464,193	167,995,001	308,577	947,798,658
Amounts receivable on subscriptions	1,841,906	27,419,741	390,282	148,728,728
Interest and dividends receivable, net	3,980,163	9,241,598	234,337	435,265,367
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	-	-	-	128,018,152
Unrealised profit on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised profit on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Credit default swap contracts at market value (notes 2(i), 11)	-	-	-	-
Option contracts at market value (notes 2(j), 12)	-	-	-	-
Other receivables	26,934	592,239	67,389	789,940
<b>TOTAL ASSETS</b>	<b>283,521,426</b>	<b>1,864,014,763</b>	<b>167,114,689</b>	<b>35,926,912,142</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	981,769	71,702,471	1,639,334	168,465,898
Amounts payable on redemptions	1,375,920	4,232,800	503,666	119,067,174
Investment management fees payable (note 14)	193,033	1,179,469	134,732	20,889,837
Bank overdraft	-	-	-	-
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	399,028	1,308,719	-	-
Unrealised loss on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	111,803	152,021	-	187,003,834
Unrealised loss on total return swap contracts (notes 2(h), 10)	-	-	-	-
Credit default swap contracts at market value (notes 2(i), 11)	-	-	-	-
Option contracts at market value (notes 2(j), 12)	-	-	-	-
Taxes and expense payable	279,971	1,380,808	167,190	37,742,735
<b>TOTAL LIABILITIES</b>	<b>3,341,524</b>	<b>79,956,288</b>	<b>2,444,922</b>	<b>533,169,478</b>
<b>TOTAL NET ASSETS</b>	<b>280,179,902</b>	<b>1,784,058,475</b>	<b>164,669,767</b>	<b>35,393,742,664</b>
<b>THREE YEAR ASSET SUMMARY</b>				
June 30, 2013	319,217,080	647,119,095	148,616,791	39,277,370,092
June 30, 2012	176,395,245	408,785,475	131,439,485	24,045,237,813
June 30, 2011	141,925,489	522,353,073	272,029,353	22,403,862,469

The accompanying notes form an integral part of these financial statements



## STATEMENT OF NET ASSETS AT JUNE 30, 2014 (CONTINUED)

Templeton Growth Fund (EUR)	Templeton Korea Fund (USD)	Templeton Latin America Fund (USD)	Templeton Thailand Fund (USD)
6,270,490,779	91,479,531	1,814,074,812	195,248,859
104,009,402	216,894	1,752,889	1,095,750
41,027,146	6,000,000	60,000,000	–
35,924,309	1,932,208	139,698	1,820,099
3,101,006	203,933	4,068,845	1,425,067
12,133,628	–	1,054,497	–
–	–	161,623	–
–	–	–	–
–	–	–	–
–	–	–	–
–	–	–	–
–	–	–	–
2,574,008	–	–	–
<b>6,469,260,278</b>	<b>99,832,566</b>	<b>1,881,252,364</b>	<b>199,589,775</b>
38,805,758	3,811,015	1,565,882	96,522
3,857,505	712,453	6,349,568	2,551,069
5,268,192	119,846	2,088,060	255,655
–	–	–	–
–	–	–	–
–	–	–	–
–	–	–	–
–	–	–	–
–	–	–	–
5,349,636	116,934	2,157,695	216,893
<b>53,281,091</b>	<b>4,760,248</b>	<b>12,161,205</b>	<b>3,120,139</b>
<b>6,415,979,187</b>	<b>95,072,318</b>	<b>1,869,091,159</b>	<b>196,469,636</b>
5,465,230,557	114,340,738	2,182,848,599	233,282,956
4,715,345,864	98,223,872	2,799,797,107	182,794,364
4,766,968,040	141,639,288	4,013,788,231	180,851,751

The accompanying notes form an integral part of these financial statements

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2014

	Total (USD)	Franklin Asian Flex Cap Fund (USD)	Franklin Biotechnology Discovery Fund (USD)	Franklin Brazil Opportunities Fund (USD)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	163,862,333,174	11,179,582	901,381,187	87,859,184
Currency translation adjustment	825,948,129	-	-	-
	<u>164,688,281,303</u>	<u>11,179,582</u>	<u>901,381,187</u>	<u>87,859,184</u>
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	1,429,437,000	176,002	2,149,751	163,828
Interest on bonds (net of withholding taxes) (note 2(m))	5,082,536,341	-	12,763	2,685,219
Bank interest	800,174	-	-	-
Securities lending (notes 2(n), 13)	3,628,658	-	-	-
Net interest income on swaps	6,032,846	-	-	4,361
Sundry income	42,084,436	-	80	-
<b>TOTAL INCOME</b>	<u>6,564,519,455</u>	<u>176,002</u>	<u>2,162,594</u>	<u>2,853,408</u>
<b>EXPENSES</b>				
Investment management fees (note 14)	1,431,456,973	96,779	21,202,192	631,271
Administration and transfer agency fees	379,674,090	33,264	4,943,767	159,705
Directors fees	415,912	26	4,883	145
Subscription tax (note 17)	71,329,459	4,527	923,056	33,653
Custodian fees	71,359,884	4,618	14,660	22,514
Audit fees	1,503,731	92	18,167	595
Printing and publishing expenses	11,277,487	692	131,702	4,485
Bank charges	1,830,203	76	32,922	2,464
Net interest expenses on swaps	169,335,898	-	-	-
Class A (dis) and Class A (acc) shares' maintenance charges (note 18)	418,616,692	28,207	9,117,637	132,898
Class AX (acc) shares' maintenance charges (note 18)	4,202,507	-	-	-
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 18)	56,205,503	38,809	894,069	-
Class C (dis) and Class C (acc) shares' maintenance and service charges (note 18)	39,467,333	-	242,371	-
Class N (dis) and Class N (acc) shares' maintenance charges (note 18)	223,297,101	8,816	2,214,071	357,497
Other charges	53,480,055	2,373	425,740	15,448
<b>TOTAL EXPENSES</b>	<u>2,933,452,828</u>	<u>218,279</u>	<u>40,165,237</u>	<u>1,360,675</u>
Expenses reimbursement (note 19)	(6,770,729)	(955)	-	(17,311)
<b>NET EXPENSES</b>	<u>2,926,682,099</u>	<u>217,324</u>	<u>40,165,237</u>	<u>1,343,364</u>
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	3,637,837,356	(41,322)	(38,002,643)	1,510,044
Net realised profit/(loss) on sale of investments	2,363,527,910	445,625	219,821,127	(9,250,307)
Net realised profit/(loss) on forward foreign exchange contracts	1,067,944,064	-	93,250	3,594,547
Net realised profit/(loss) on financial future contracts	(579,573)	-	-	3,420,546
Net realised profit on inflation swap contracts	234,410	-	-	234,410
Net realised (loss) on cross currency swap contracts	(1,029,680)	-	-	-
Net realised (loss) on total return swap contracts	(1,480,860)	-	-	-
Net realised profit/(loss) on credit default swap contracts	5,708,977	-	-	(12,162)
Net realised profit/(loss) on option contracts	596,078	-	-	3,115,355
Net realised profit/(loss) on foreign exchange transactions	(61,371,786)	(1,432)	10,367	(492,551)
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	<u>7,011,386,896</u>	<u>402,871</u>	<u>181,922,101</u>	<u>2,119,882</u>
Change in net unrealised appreciation/(depreciation) on:				
Investments	9,300,233,245	864,575	260,970,979	3,724,395
Forward foreign exchange contracts	343,827,396	-	66,885	(1,185,106)
Financial future contracts	(2,221,577)	-	-	(1,700,298)
Interest rate swap contracts	(110,675,695)	-	-	5,909
Inflation swap contracts	579,066	-	-	579,066
Cross currency swap contracts	(50,022)	-	-	-
Total return swap contracts	(28,661)	-	-	-
Credit default swap contracts	2,145,219	-	-	6,135
Option contracts	3,971,731	-	-	47,953
Foreign exchange transactions	1,086,224,791	(70)	70,429	224,898
Provision for capital gains tax	(16,730)	-	-	-
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<u>17,635,375,659</u>	<u>1,267,376</u>	<u>443,030,394</u>	<u>3,822,834</u>
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	78,408,029,454	2,667,943	5,725,092,552	15,379,474
Redemption of shares	(89,009,222,591)	(4,587,207)	(3,872,743,797)	(59,499,698)
Equalisation (note 22)	(38,319,503)	250	-	(142,171)
	<u>(10,639,512,640)</u>	<u>(1,919,014)</u>	<u>1,852,348,755</u>	<u>(44,262,395)</u>
Dividends paid/accumulated (note 23)	(3,639,126,640)	(18,950)	-	(2,305,170)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	<u>(14,278,639,280)</u>	<u>(1,937,964)</u>	<u>1,852,348,755</u>	<u>(46,567,565)</u>
<b>NET ASSETS AT THE END OF THE YEAR</b>	<u>168,045,017,682</u>	<u>10,508,994</u>	<u>3,196,760,336</u>	<u>45,114,453</u>
Portfolio Turnover Ratio (note 24)		46.73%	17.04%	517.04%

\* This Fund was launched on February 21, 2014

† This Fund had its name changed effective on March 31, 2014 (refer to Note 1)

The accompanying notes form an integral part of these financial statements

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)**

Franklin Euro Government Bond Fund <sup>2</sup> (EUR)	Franklin Euro High Yield Fund <sup>2</sup> (EUR)	Franklin Euro Short Duration Bond Fund* (EUR)	Franklin Euroland Core Fund (EUR)	Franklin European Core Fund (EUR)	Franklin European Corporate Bond Fund <sup>2</sup> (EUR)	Franklin European Dividend Fund (EUR)
32,277,784	801,702,488	-	24,599,488	4,413,361	43,393,949	23,286,097
-	-	-	-	-	-	-
32,277,784	801,702,488	-	24,599,488	4,413,361	43,393,949	23,286,097
-	1,360,186	-	940,103	203,660	-	1,584,871
1,272,443	61,817,778	20,019	-	-	1,717,730	-
-	-	-	29	-	-	-
-	-	-	18,666	-	-	-
-	52,083	-	-	-	-	-
-	67,500	-	99,488	-	-	-
1,272,443	63,297,547	20,019	1,058,286	203,660	1,717,730	1,584,871
261,430	8,267,313	6,637	257,801	56,527	312,752	275,101
139,656	2,362,943	4,504	71,608	14,401	136,143	78,808
136	2,513	-	77	15	143	79
18,299	471,222	175	7,953	2,172	16,002	7,019
4,567	63,028	1,250	4,369	885	4,134	3,992
504	9,140	18	277	54	515	289
3,683	67,957	130	2,063	407	3,811	2,140
-	597	-	148	-	-	-
-	-	-	-	-	-	-
31,679	3,346,713	104	52,471	12,507	32,541	40,789
-	-	-	-	-	-	-
-	439,524	-	-	-	-	-
-	-	-	-	-	-	-
139,808	1,311,233	199	32,749	22,860	186,988	47,722
11,740	222,040	567	6,726	1,320	12,406	6,837
611,502	16,564,223	13,584	436,242	111,148	705,435	462,776
(320)	-	(1,216)	-	-	(16,611)	-
611,182	16,564,223	12,368	436,242	111,148	688,824	462,776
661,261	46,733,324	7,651	622,044	92,512	1,028,906	1,122,095
1,176,776	13,033,618	7,725	3,100,700	452,209	1,178,230	2,871,467
-	1,700,724	-	-	-	(27,715)	10,053
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	168,653	-	-	-	-	-
-	-	-	-	-	-	-
-	(277,075)	(512)	2,081	1,665	949	1,683
1,838,037	61,359,244	14,864	3,724,825	546,386	2,180,370	4,005,298
3,529,222	48,161,980	56,625	2,953,149	571,392	2,676,158	2,571,346
-	(7,121,788)	-	-	-	(7,009)	(10,458)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,894	-	-	-	-	-
-	267,927	17	-	86	304	(9,627)
-	-	-	-	-	-	-
5,367,259	102,673,257	71,506	6,677,974	1,117,864	4,849,823	6,556,559
90,149,982	927,321,114	6,988,745	17,873,785	2,811,070	62,595,588	38,008,180
(24,499,249)	(487,891,993)	-	(12,855,450)	(928,008)	(27,150,869)	(14,028,481)
424,723	6,180,749	991	2,307	(273)	317,400	525,648
66,075,456	445,609,870	6,989,736	5,020,642	1,882,789	35,762,119	24,505,347
(611,815)	(45,708,897)	-	(417,529)	(55,920)	(897,945)	(895,847)
65,463,641	399,900,973	6,989,736	4,603,113	1,826,869	34,864,174	23,609,500
103,108,684	1,304,276,718	7,061,242	35,880,575	7,358,094	83,107,946	53,452,156
62.65%	45.27%	75.30%	24.52%	55.29%	102.09%	36.78%

The accompanying notes form an integral part of these financial statements

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)

	Franklin European Growth Fund (EUR)	Franklin European Small-Mid Cap Growth Fund (EUR)	Franklin GCC Bond Fund* (USD)	Franklin Global Aggregate Bond Fund <sup>1</sup> (USD)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	737,002,037	466,899,083	–	16,109,623
Currency translation adjustment	–	–	–	–
	737,002,037	466,899,083	–	16,109,623
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	70,537,927	18,386,138	–	–
Interest on bonds (net of withholding taxes) (note 2(m))	–	–	363,214	536,934
Bank interest	9,081	6,050	70	–
Securities lending (notes 2(n), 13)	–	–	–	–
Net interest income on swaps	–	–	–	–
Sundry income	134,490	230,047	–	–
<b>TOTAL INCOME</b>	70,681,498	18,622,235	363,284	536,934
<b>EXPENSES</b>				
Investment management fees (note 14)	20,211,998	6,878,936	43,269	105,843
Administration and transfer agency fees	5,002,690	1,834,130	16,118	46,842
Directors fees	5,300	1,996	16	49
Subscription tax (note 17)	707,159	222,163	816	6,151
Custodian fees	269,097	170,836	546	555
Audit fees	19,075	7,207	58	176
Printing and publishing expenses	141,392	53,970	377	1,324
Bank charges	72	–	–	339
Net interest expenses on swaps	–	–	10,191	–
Class A (dis) and Class A (acc) shares' maintenance charges (note 18)	5,758,836	1,634,535	1,795	23,468
Class AX (acc) shares' maintenance charges (note 18)	–	–	–	–
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 18)	–	–	159	–
Class C (dis) and Class C (acc) shares' maintenance and service charges (note 18)	–	–	–	–
Class N (dis) and Class N (acc) shares' maintenance charges (note 18)	3,838,795	648,348	–	27,863
Other charges	451,374	174,955	1,541	5,094
<b>TOTAL EXPENSES</b>	36,405,788	11,627,076	74,886	217,704
Expenses reimbursement (note 19)	–	–	(13)	(9,524)
<b>NET EXPENSES</b>	36,405,788	11,627,076	74,873	208,180
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	34,275,710	6,995,159	288,411	328,754
Net realised profit/(loss) on sale of investments	96,072,799	43,202,556	259,919	436,253
Net realised profit/(loss) on forward foreign exchange contracts	391,678	–	–	229,172
Net realised profit/(loss) on financial future contracts	–	–	–	–
Net realised profit on inflation swap contracts	–	–	–	–
Net realised (loss) on cross currency swap contracts	–	–	–	–
Net realised (loss) on total return swap contracts	–	–	–	–
Net realised profit/(loss) on credit default swap contracts	–	–	–	–
Net realised profit/(loss) on option contracts	–	–	–	–
Net realised profit/(loss) on foreign exchange transactions	(601,561)	129,311	(1,238)	22,293
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	130,138,626	50,327,026	547,092	1,016,472
Change in net unrealised appreciation/(depreciation) on:				
Investments	183,500,160	95,083,265	483,607	430,592
Forward foreign exchange contracts	(426,371)	–	–	363,753
Financial future contracts	–	–	–	–
Interest rate swap contracts	–	–	(35,011)	–
Inflation swap contracts	–	–	–	–
Cross currency swap contracts	–	–	–	–
Total return swap contracts	–	–	–	–
Credit default swap contracts	–	–	–	–
Option contracts	–	–	–	–
Foreign exchange transactions	(445,351)	9,312	–	337,609
Provision for capital gains tax	–	–	–	–
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	312,767,064	145,419,603	995,688	2,148,426
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	3,187,326,337	788,464,497	11,612,025	11,234,681
Redemption of shares	(1,101,776,714)	(492,309,261)	(504,895)	(7,222,900)
Equalisation (note 22)	4,041,571	89,059	6,675	23,003
	2,089,591,194	296,244,295	11,113,805	4,034,784
Dividends paid/accumulated (note 23)	(7,222,810)	(4,327,778)	(260,855)	(303,370)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	2,082,368,384	291,916,517	10,852,950	3,731,414
<b>NET ASSETS AT THE END OF THE YEAR</b>	3,132,137,485	904,235,203	11,848,638	21,989,463
Portfolio Turnover Ratio (note 24)	38.67%	(14.20)%	180.32%	143.79%

\* This Fund was launched on August 30, 2013

<sup>1</sup> This Fund had its name changed effective on March 31, 2014 (refer to Note 1)

\*\* This Fund was launched on September 6, 2013

The accompanying notes form an integral part of these financial statements

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)**

Franklin Global Aggregate Investment Grade Bond Fund <sup>1</sup> (USD)	Franklin Global Allocation Fund <sup>2</sup> (USD)	Franklin Global Convertible Securities Fund (USD)	Franklin Global Corporate High Yield Fund** (USD)	Franklin Global Equity Strategies Fund <sup>3</sup> (USD)	Franklin Global Fundamental Strategies Fund <sup>4</sup> (USD)	Franklin Global Government Bond Fund** (USD)
10,335,416	45,026,992	19,077,065	-	69,303,225	840,937,967	-
-	-	-	-	-	-	-
10,335,416	45,026,992	19,077,065	-	69,303,225	840,937,967	-
-	602,518	351,724	1,523	1,831,445	20,214,138	-
267,061	392,779	1,077,285	1,322,263	84,352	16,204,504	211,888
-	445	22	-	669	3,876	10
-	-	-	-	-	-	-
-	-	-	3,333	-	-	-
-	-	-	11,140	56,267	473,394	-
267,061	995,742	1,429,031	1,338,259	1,972,733	36,895,912	211,898
44,334	509,901	560,470	136,715	979,138	13,345,976	36,373
21,932	126,894	184,366	48,488	238,573	3,260,560	18,542
24	133	166	45	193	3,193	19
1,197	22,026	23,550	1,977	38,175	604,487	855
821	9,571	2,069	949	24,969	199,230	1,405
97	486	659	167	697	11,539	69
729	3,654	4,600	1,102	5,208	86,070	456
15	2,148	112	-	107	28,810	-
-	9,223	-	-	-	268,037	-
1,083	124,921	164,509	-	391,654	5,480,830	624
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	207,079	221,048	-	-	2,792,156	1,155
2,415	15,000	15,131	4,504	21,812	294,296	2,833
72,647	1,031,036	1,176,680	193,947	1,700,526	26,375,184	62,331
(5,134)	(15,169)	-	(20,761)	-	-	(179)
67,513	1,015,867	1,176,680	173,186	1,700,526	26,375,184	62,152
199,548	(20,125)	252,351	1,165,073	272,207	10,520,728	149,746
322,977	2,026,550	1,462,170	378,610	3,426,051	33,828,215	106,158
(6,422)	257,589	51,080	151,999	323,540	6,788,020	(13,993)
-	(32,442)	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	48,282	-	-	-
-	(5,192)	-	-	-	-	-
17,827	559	67,939	20,049	31,466	27,052	(26,054)
533,930	2,226,939	1,833,540	1,764,013	4,053,264	51,164,015	215,857
431,394	3,882,743	5,082,988	1,583,275	8,853,859	124,089,050	620,633
(28,556)	254,435	440,477	76,824	101,405	7,003,929	(20,536)
-	90,446	-	-	-	-	-
-	(23,825)	-	-	-	(140,714)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(311)	753,095	439,909	85,948	116,308	11,280,474	494
-	-	-	-	-	(1,133)	-
936,457	7,183,833	7,796,914	3,510,060	13,124,836	193,395,621	816,448
669,746	23,884,941	186,754,460	29,352,219	13,084,200	1,046,447,902	12,677,534
(304,861)	(23,273,584)	(56,461,031)	-	(12,020,772)	(301,626,193)	(20,119)
1,247	(517)	386,703	140,317	(1,188)	1,403,036	2,852
366,132	610,840	130,680,132	29,492,536	1,062,240	746,224,745	12,660,267
(173,939)	(100,738)	(223,765)	-	(139,380)	(7,697,235)	(133,230)
192,193	510,102	130,456,367	29,492,536	922,860	738,527,510	12,527,037
11,464,066	52,720,927	157,330,346	33,002,596	83,350,921	1,772,861,098	13,343,485
211.16%	32.03%	(22.43)%	56.83%	34.80%	18.66%	35.18%

The accompanying notes form an integral part of these financial statements

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)

	Franklin Global Growth Fund (USD)	Franklin Global Growth and Value Fund <sup>2</sup> (USD)	Franklin Global High Income Bond Fund <sup>2</sup> (USD)	Franklin Global Listed Infrastructure Fund (USD)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	155,859,879	88,200,184	21,029,818	4,677,274
Currency translation adjustment	–	–	–	–
	155,859,879	88,200,184	21,029,818	4,677,274
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	1,998,004	1,342,741	12,056	211,126
Interest on bonds (net of withholding taxes) (note 2(m))	–	–	2,481,342	–
Bank interest	2,116	844	48	11
Securities lending (notes 2(n), 13)	–	9,970	–	–
Net interest income on swaps	–	–	1,975	–
Sundry income	1,203	64,298	19,434	75
<b>TOTAL INCOME</b>	2,001,323	1,417,853	2,514,855	211,212
<b>EXPENSES</b>				
Investment management fees (note 14)	1,410,049	634,147	298,327	50,082
Administration and transfer agency fees	390,627	203,200	90,456	13,949
Directors fees	417	213	77	13
Subscription tax (note 17)	45,509	32,497	13,127	1,185
Custodian fees	14,038	8,612	919	228
Audit fees	1,509	759	320	54
Printing and publishing expenses	11,328	5,815	2,240	347
Bank charges	115	1,378	57	12
Net interest expenses on swaps	–	–	–	–
Class A (dis) and Class A (acc) shares' maintenance charges (note 18)	282,149	253,948	84,583	7,853
Class AX (acc) shares' maintenance charges (note 18)	–	–	–	–
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 18)	–	38,596	–	–
Class C (dis) and Class C (acc) shares' maintenance and service charges (note 18)	–	42,120	–	–
Class N (dis) and Class N (acc) shares' maintenance charges (note 18)	206,610	76,881	99,815	5,684
Other charges	37,473	19,742	7,178	1,362
<b>TOTAL EXPENSES</b>	2,399,824	1,317,908	597,099	80,769
Expenses reimbursement (note 19)	(53)	–	–	(195)
<b>NET EXPENSES</b>	2,399,771	1,317,908	597,099	80,574
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	(398,448)	99,945	1,917,756	130,638
Net realised profit/(loss) on sale of investments	15,382,635	11,288,266	538,492	21,162
Net realised profit/(loss) on forward foreign exchange contracts	130,854	–	(17,286)	88,723
Net realised profit/(loss) on financial future contracts	–	–	–	–
Net realised profit on inflation swap contracts	–	–	–	–
Net realised (loss) on cross currency swap contracts	–	–	–	–
Net realised (loss) on total return swap contracts	–	–	–	–
Net realised profit/(loss) on credit default swap contracts	–	–	7,563	–
Net realised profit/(loss) on option contracts	–	–	–	–
Net realised profit/(loss) on foreign exchange transactions	64,036	35,425	26,399	(868)
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	15,179,077	11,423,636	2,472,924	239,655
Change in net unrealised appreciation/(depreciation) on:				
Investments	15,866,190	5,671,111	2,714,695	1,639,507
Forward foreign exchange contracts	302,134	–	57,060	54,683
Financial future contracts	–	–	–	–
Interest rate swap contracts	–	–	–	–
Inflation swap contracts	–	–	–	–
Cross currency swap contracts	–	–	–	–
Total return swap contracts	–	–	–	–
Credit default swap contracts	–	–	1,188	–
Option contracts	–	–	–	–
Foreign exchange transactions	301,739	(281)	21,721	54,251
Provision for capital gains tax	–	–	–	(21)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	31,649,140	17,094,466	5,267,588	1,988,075
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	97,730,658	45,039,171	74,318,289	4,077,915
Redemption of shares	(97,117,928)	(78,338,696)	(17,666,830)	(553,680)
Equalisation (note 22)	(7,237)	(205,828)	282,456	59,143
	605,493	(33,505,353)	56,933,915	3,583,378
Dividends paid/accumulated (note 23)	(611,904)	(824,517)	(2,017,544)	(65,992)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	(6,411)	(34,329,870)	54,916,371	3,517,386
<b>NET ASSETS AT THE END OF THE YEAR</b>	187,502,608	70,964,780	81,213,777	10,182,735
Portfolio Turnover Ratio (note 24)	56.60%	16.16%	25.49%	74.55%

<sup>2</sup> This Fund had its name changed effective on March 31, 2014 (refer to Note 1)

The accompanying notes form an integral part of these financial statements

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)**

Franklin Global Real Estate Fund (USD)	Franklin Global Small-Mid Cap Growth Fund (USD)	Franklin Gold and Precious Metals Fund (USD)	Franklin High Yield Fund (USD)	Franklin Income Fund (USD)	Franklin India Fund (USD)	Franklin Japan Fund <sup>2</sup> (JPY)
462,643,179	207,556,600	42,976,410	3,993,642,994	1,709,720,223	953,247,397	25,430,175,279
-	-	-	-	-	-	-
462,643,179	207,556,600	42,976,410	3,993,642,994	1,709,720,223	953,247,397	25,430,175,279
10,983,549	7,553,574	393,012	6,326,658	53,530,492	18,497,445	372,040,894
-	-	81	314,617,358	66,442,920	-	-
2,316	10,990	-	1,750	-	8,118	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
140,528	43,746	-	2,031,596	390,547	-	-
11,126,393	7,608,310	393,093	322,977,362	120,363,959	18,505,563	372,040,894
4,149,234	3,479,537	706,242	36,876,752	21,574,043	9,933,440	212,501,045
1,114,547	854,770	199,704	11,457,516	6,057,667	2,575,038	60,700,658
1,098	877	164	11,558	6,072	2,523	61,775
187,668	154,188	30,717	2,115,357	1,114,285	423,272	7,735,078
40,223	65,677	4,502	113,367	58,927	672,046	3,070,959
3,988	3,188	612	41,883	22,012	9,275	222,071
29,843	23,728	4,518	313,735	162,069	66,147	1,673,436
153	299	768	18,710	22,989	7,250	227,934
-	-	-	-	-	-	-
1,000,523	1,357,418	284,191	13,390,823	8,191,927	3,344,870	47,029,931
-	-	-	-	-	-	-
252,965	35,236	-	13,199,041	3,905,915	309,935	-
534,882	-	-	687,428	3,239,043	85,717	2,256,816
1,103,130	482,249	166,101	1,747,365	2,675,514	1,141,122	41,815,716
100,082	77,032	20,998	1,036,060	537,516	218,363	5,570,345
8,518,336	6,534,199	1,418,517	81,009,595	47,567,979	18,788,998	382,865,764
-	-	-	(141)	-	(13,592)	-
8,518,336	6,534,199	1,418,517	81,009,454	47,567,979	18,775,406	382,865,764
2,608,057	1,074,111	(1,025,424)	241,967,908	72,795,980	(269,843)	(10,824,870)
6,439,386	17,342,053	(13,616,082)	47,625,742	27,443,840	(32,087,724)	3,814,203,784
473,915	-	189,707	1,847,109	62,481	509,381	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	67,299	-	-
(123,433)	(58,833)	9,070	152,186	83,436	(1,932,832)	(29,489,228)
9,397,925	18,357,331	(14,442,729)	291,592,945	100,453,036	(33,781,018)	3,773,889,686
36,083,159	47,482,492	30,540,078	205,835,654	312,455,114	432,100,099	(1,343,212,158)
1,253,407	-	518,330	2,067,090	386,362	34,933	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,263,114	(39)	519,131	2,598,530	403,534	17,375	(2,761,418)
-	-	-	-	-	-	-
47,997,605	65,839,784	17,134,810	502,094,219	413,698,046	398,371,389	2,427,916,110
177,263,342	542,468,314	114,095,059	3,116,386,028	3,628,283,981	1,324,733,091	27,450,025,478
(239,651,846)	(378,989,463)	(66,944,918)	(2,240,230,908)	(2,051,118,443)	(824,434,353)	(29,864,378,870)
(172,220)	(171,984)	-	3,222,755	2,861,706	2,817,477	(290,463)
(62,560,724)	163,306,867	47,150,141	879,377,875	1,580,027,244	503,116,215	(2,414,643,855)
(10,493,134)	(973,427)	-	(243,819,437)	(72,119,030)	(475,398)	(113,046,021)
(73,053,858)	162,333,440	47,150,141	635,558,438	1,507,908,214	502,640,817	(2,527,689,876)
437,586,926	435,729,824	107,261,361	5,131,295,651	3,631,326,483	1,854,259,603	25,330,401,513
18.47%	(29.53)%	(42.75)%	39.48%	10.43%	27.64%	204.61%

The accompanying notes form an integral part of these financial statements

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)

	Franklin MENA Fund (USD)	Franklin Multi-Asset Income Fund (EUR)	Franklin Natural Resources Fund (USD)	Franklin Real Return Fund (USD)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	55,087,685	23,057,415	251,710,030	13,064,062
Currency translation adjustment	–	–	–	–
	55,087,685	23,057,415	251,710,030	13,064,062
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	5,770,559	532,114	2,889,727	30,808
Interest on bonds (net of withholding taxes) (note 2(m))	786	176,085	77,597	138,151
Bank interest	1,335	79	–	126
Securities lending (notes 2(n), 13)	–	–	–	–
Net interest income on swaps	–	39,243	–	14,071
Sundry income	–	14	–	–
<b>TOTAL INCOME</b>	5,772,680	747,535	2,967,324	183,156
<b>EXPENSES</b>				
Investment management fees (note 14)	2,033,630	109,609	2,325,670	82,832
Administration and transfer agency fees	399,246	52,077	600,802	28,226
Directors fees	313	54	603	28
Subscription tax (note 17)	43,483	2,202	107,748	5,864
Custodian fees	121,244	1,945	7,725	2,105
Audit fees	1,159	221	2,188	102
Printing and publishing expenses	8,098	1,470	16,332	770
Bank charges	842	20	2,794	85
Net interest expenses on swaps	–	–	–	–
Class A (dis) and Class A (acc) shares' maintenance charges (note 18)	455,409	9,394	861,085	47,483
Class AX (acc) shares' maintenance charges (note 18)	–	–	–	–
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 18)	27,152	–	75,853	–
Class C (dis) and Class C (acc) shares' maintenance and service charges (note 18)	–	–	88,882	–
Class N (dis) and Class N (acc) shares' maintenance charges (note 18)	237,334	11,083	279,027	15,476
Other charges	31,684	5,403	57,849	2,587
<b>TOTAL EXPENSES</b>	3,359,594	193,478	4,426,558	185,558
Expenses reimbursement (note 19)	(442)	–	(616)	(28,627)
<b>NET EXPENSES</b>	3,359,152	193,478	4,425,942	156,931
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	2,413,528	554,057	(1,458,618)	26,225
Net realised profit/(loss) on sale of investments	18,293,409	1,071,584	(2,820,278)	(97,562)
Net realised profit/(loss) on forward foreign exchange contracts	(681,595)	(5,186)	223,019	36,784
Net realised profit/(loss) on financial future contracts	–	–	–	–
Net realised profit on inflation swap contracts	–	–	–	–
Net realised (loss) on cross currency swap contracts	–	–	–	–
Net realised (loss) on total return swap contracts	–	(1,081,354)	–	–
Net realised profit/(loss) on credit default swap contracts	–	–	–	578
Net realised profit/(loss) on option contracts	–	–	–	–
Net realised profit/(loss) on foreign exchange transactions	(367,651)	(1,882)	1,936	(8,624)
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	19,657,691	537,219	(4,053,941)	(42,599)
Change in net unrealised appreciation/(depreciation) on:				
Investments	7,068,764	1,566,575	68,008,305	447,911
Forward foreign exchange contracts	878,140	30,966	256,395	188,406
Financial future contracts	–	–	–	–
Interest rate swap contracts	–	–	–	–
Inflation swap contracts	–	–	–	–
Cross currency swap contracts	–	–	–	–
Total return swap contracts	–	(20,929)	–	–
Credit default swap contracts	–	–	–	1,536
Option contracts	–	–	–	–
Foreign exchange transactions	871,168	(4,946)	252,232	180,021
Provision for capital gains tax	–	–	–	–
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	28,475,763	2,108,885	64,462,991	775,275
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	382,611,718	9,077,385	163,020,094	2,333,110
Redemption of shares	(184,511,668)	(2,192,791)	(200,896,702)	(7,022,144)
Equalisation (note 22)	440,426	91,133	43,014	(84)
	198,540,476	6,975,727	(37,833,594)	(4,689,118)
Dividends paid/accumulated (note 23)	(835,908)	(454,988)	–	(526)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	197,704,568	6,520,739	(37,833,594)	(4,689,644)
<b>NET ASSETS AT THE END OF THE YEAR</b>	281,268,016	31,687,039	278,339,427	9,149,693
Portfolio Turnover Ratio (note 24)	126.30%	34.58%	17.17%	(0.73)%

The accompanying notes form an integral part of these financial statements



**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)**

Franklin Strategic Income Fund (USD)	Franklin Technology Fund (USD)	Franklin U.S. Dollar Liquid Reserve Fund (USD)	Franklin U.S. Equity Fund (USD)	Franklin U.S. Focus Fund (USD)	Franklin U.S. Government Fund (USD)	Franklin U.S. Low Duration Fund (USD)
1,152,727,421	717,401,678	427,361,894	497,344,009	11,099,048	1,577,666,522	1,569,847,836
-	-	-	-	-	-	-
1,152,727,421	717,401,678	427,361,894	497,344,009	11,099,048	1,577,666,522	1,569,847,836
1,059,281	3,689,199	-	7,676,212	279,425	-	-
50,463,182	2,808	252,583	548	31	41,460,926	30,490,821
1,708	-	-	-	22	36	2,268
-	-	-	-	-	-	-
5,770,698	-	-	-	-	-	-
49,789	7,890	-	100,786	-	-	27,445
57,344,658	3,699,897	252,583	7,777,546	279,478	41,460,962	30,520,534
9,412,270	7,635,637	985,087	5,287,680	277,884	6,911,710	10,388,809
3,128,127	1,858,647	445,945	1,311,102	67,339	2,701,733	3,701,848
3,240	1,982	828	1,350	68	2,995	4,181
548,325	350,323	35,882	240,285	10,000	509,835	737,784
143,746	3,745	9,946	14,544	636	32,371	80,779
11,702	7,239	2,984	4,890	237	10,847	15,100
87,367	53,867	22,503	36,568	1,701	82,086	113,747
38,921	17,884	9,758	2,028	249	3,590	12,027
-	-	-	-	-	-	950,376
3,396,569	2,738,653	252,503	1,684,190	101,711	1,801,137	3,963,444
-	-	-	-	-	552,349	208,681
686,386	178,726	205,761	172,307	-	693,469	58,017
1,886,888	175,043	154,324	403,824	-	462,579	321,905
1,861,013	905,271	431,059	1,217,097	67,196	960,524	662,159
296,065	207,947	75,733	135,409	5,737	279,649	377,446
21,500,619	14,134,964	2,632,313	10,511,274	532,758	15,004,874	21,596,303
(1,862,217)	(8,767)	(1,079,688)	-	-	(165,310)	(1,488,478)
19,638,402	14,126,197	1,552,625	10,511,274	532,758	14,839,564	20,107,825
37,706,256	(10,426,300)	(1,300,042)	(2,733,728)	(253,280)	26,621,398	10,412,709
4,337,776	117,000,365	(192)	78,508,136	3,700,462	(527,743)	8,992,185
(1,024,398)	-	-	311,596	250,654	5,676,281	8,804,382
-	-	-	-	-	-	(3,010,150)
-	-	-	-	-	-	-
-	-	-	-	-	-	(972,006)
-	-	-	-	-	-	-
1,967,708	-	-	-	-	-	3,097,548
-	-	-	-	-	-	(2,407,097)
230,881	(197,062)	(38)	3,031	9,133	(5,606)	(105,028)
43,218,223	106,377,003	(1,300,272)	76,089,035	3,706,969	31,764,330	24,812,543
36,670,895	87,642,698	7,964	28,806,664	2,656,326	2,754,424	15,048,150
6,260,395	-	-	528,020	502,243	1,666,003	(3,708,999)
-	-	-	-	-	-	213,563
-	-	-	-	-	-	-
-	-	-	-	-	-	(40,493)
-	-	-	-	-	-	-
1,520,546	-	-	-	-	-	635,808
-	-	-	-	-	-	3,932,672
8,337,282	(31)	-	527,953	502,269	1,666,012	1,988,873
(74)	-	-	-	-	-	-
96,007,267	194,019,670	(1,292,308)	105,951,672	7,367,807	37,850,769	42,882,117
732,547,359	942,046,535	494,371,313	246,279,880	50,358,047	313,682,526	569,358,897
(446,130,037)	(1,032,496,904)	(639,312,824)	(272,344,749)	(29,290,400)	(996,210,026)	(519,006,682)
532,953	(22,216)	-	(101,265)	232	(1,235,272)	17,622
286,950,275	(90,472,585)	(144,941,511)	(26,166,134)	21,067,879	(683,762,772)	50,369,837
(37,462,277)	-	-	(537,345)	(8,359)	(26,032,568)	(10,106,992)
249,487,998	(90,472,585)	(144,941,511)	(26,703,479)	21,059,520	(709,795,340)	40,262,845
1,498,222,686	820,948,763	281,128,075	576,592,202	39,526,375	905,721,951	1,652,992,798
28.45%	31.14%	N/A	90.61%	18.03%	(15.11)%	89.16%

The accompanying notes form an integral part of these financial statements

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)

	Franklin U.S. Opportunities Fund (USD)	Franklin U.S. Small-Mid Cap Growth Fund (USD)	Franklin U.S. Total Return Fund (USD)	Franklin World Perspectives Fund (USD)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	2,739,786,409	127,354,909	136,351,542	126,403,906
Currency translation adjustment	–	–	–	–
	2,739,786,409	127,354,909	136,351,542	126,403,906
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	17,186,778	811,887	24,988	3,657,823
Interest on bonds (net of withholding taxes) (note 2(m))	6,701	224	3,982,966	110
Bank interest	90	–	217	2,794
Securities lending (notes 2(n), 13)	–	–	–	–
Net interest income on swaps	–	–	113,342	–
Sundry income	30,189	164	477	9,043
<b>TOTAL INCOME</b>	17,223,758	812,275	4,121,990	3,669,770
<b>EXPENSES</b>				
Investment management fees (note 14)	36,359,610	2,170,347	974,348	1,921,109
Administration and transfer agency fees	9,013,276	548,773	323,132	537,110
Directors fees	9,594	529	332	505
Subscription tax (note 17)	1,482,195	94,985	61,094	66,028
Custodian fees	89,507	6,088	13,342	27,466
Audit fees	34,856	1,917	1,200	1,843
Printing and publishing expenses	260,738	14,209	9,023	13,561
Bank charges	33,071	222	801	1,878
Net interest expenses on swaps	–	–	–	–
Class A (dis) and Class A (acc) shares' maintenance charges (note 18)	11,486,718	750,301	230,156	454,155
Class AX (acc) shares' maintenance charges (note 18)	–	–	–	–
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 18)	627,264	146,834	–	–
Class C (dis) and Class C (acc) shares' maintenance and service charges (note 18)	1,335,473	209,078	127,897	–
Class N (dis) and Class N (acc) shares' maintenance charges (note 18)	4,624,161	323,564	309,742	479,465
Other charges	851,635	46,121	30,965	43,551
<b>TOTAL EXPENSES</b>	66,208,098	4,312,968	2,082,032	3,546,671
Expenses reimbursement (note 19)	(9,018)	–	(220,926)	–
<b>NET EXPENSES</b>	66,199,080	4,312,968	1,861,106	3,546,671
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	(48,975,322)	(3,500,693)	2,260,884	123,099
Net realised profit/(loss) on sale of investments	249,143,698	20,231,591	1,000,315	13,569,363
Net realised profit/(loss) on forward foreign exchange contracts	4,582,141	–	(316,838)	246,209
Net realised profit/(loss) on financial future contracts	–	–	–	–
Net realised profit on inflation swap contracts	–	–	–	–
Net realised (loss) on cross currency swap contracts	–	–	(57,674)	–
Net realised (loss) on total return swap contracts	–	–	–	–
Net realised profit/(loss) on credit default swap contracts	–	–	262,171	–
Net realised profit/(loss) on option contracts	–	–	(100,060)	–
Net realised profit/(loss) on foreign exchange transactions	76,996	4,454	6,755	(70,449)
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	204,827,513	16,735,352	3,055,553	13,868,222
Change in net unrealised appreciation/(depreciation) on:				
Investments	620,360,574	27,027,028	4,268,965	28,437,671
Forward foreign exchange contracts	7,383,015	–	(237,251)	(201,131)
Financial future contracts	–	–	(29,465)	–
Interest rate swap contracts	–	–	–	–
Inflation swap contracts	–	–	–	–
Cross currency swap contracts	–	–	(9,529)	–
Total return swap contracts	–	–	–	–
Credit default swap contracts	–	–	(591)	–
Option contracts	–	–	(19,373)	–
Foreign exchange transactions	7,381,922	(90)	5,848	33,043
Provision for capital gains tax	–	–	–	–
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	839,953,024	43,762,290	7,034,157	42,137,805
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	3,584,778,677	303,705,062	60,445,492	262,571,746
Redemption of shares	(2,493,584,831)	(203,435,158)	(65,470,574)	(85,968,508)
Equalisation (note 22)	44,697	–	(858)	265,060
	1,091,238,543	100,269,904	(5,025,940)	176,868,298
Dividends paid/accumulated (note 23)	(7,138)	–	(2,235,674)	(287,376)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	1,091,231,405	100,269,904	(7,261,614)	176,580,922
<b>NET ASSETS AT THE END OF THE YEAR</b>	4,670,970,838	271,387,103	136,124,085	345,122,633
Portfolio Turnover Ratio (note 24)	61.78%	42.80%	694.31%	88.81%

The accompanying notes form an integral part of these financial statements

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)**

Franklin Mutual Beacon Fund (USD)	Franklin Mutual Euroland Fund (EUR)	Franklin Mutual European Fund (EUR)	Franklin Mutual Global Discovery Fund (USD)	Templeton Africa Fund (USD)	Templeton Asian Bond Fund (USD)	Templeton Asian Dividend Fund (USD)
821,397,542	7,449,328	2,253,747,426	1,096,131,750	86,772,962	3,676,902,884	4,911,688
-	-	-	-	-	-	-
821,397,542	7,449,328	2,253,747,426	1,096,131,750	86,772,962	3,676,902,884	4,911,688
15,085,538	363,105	82,929,504	38,346,126	4,349,418	-	233,251
3,581,983	5,647	598,900	4,696,389	-	118,372,539	-
-	-	-	10	2,003	12,130	47
43	6,769	975,789	60,416	-	-	-
-	-	-	-	-	-	-
1,310,940	42,764	8,065,765	585,512	-	-	-
19,978,504	418,285	92,569,958	43,688,453	4,351,421	118,384,669	233,298
8,906,238	148,700	29,567,266	16,194,234	1,690,552	17,918,864	58,709
2,216,919	34,770	7,323,473	4,011,381	337,065	5,676,666	12,160
2,289	34	7,878	4,221	250	6,612	12
386,451	6,434	1,157,743	655,106	46,939	1,135,876	1,233
43,674	1,676	330,908	138,306	188,774	1,193,883	3,046
8,298	125	28,509	15,271	966	23,920	51
61,883	917	214,366	115,032	7,215	180,335	337
285	22	5,217	1,694	160	88,327	23
-	-	-	-	-	6,945,219	-
2,766,385	51,585	9,280,639	5,025,702	383,747	5,197,313	6,719
-	-	-	-	-	-	-
309,968	-	541,476	284,805	-	337,360	-
416,541	-	351,387	777,896	-	620,490	-
1,795,144	56,911	4,201,021	2,835,680	186,522	1,356,773	4,073
207,690	2,921	694,280	392,293	28,619	1,552,104	1,238
17,121,765	304,095	53,704,163	30,451,621	2,870,809	42,233,742	87,601
-	-	(2,243)	(16)	(273,731)	(10,632)	(238)
17,121,765	304,095	53,701,920	30,451,605	2,597,078	42,223,110	87,363
2,856,739	114,190	38,868,038	13,236,848	1,754,343	76,161,559	145,935
69,953,789	1,029,856	233,559,260	99,081,822	973,148	(44,811,477)	(262,365)
(6,490,985)	-	(258,049)	110,849	1,218,153	45,680,099	(4,756)
(957,527)	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(518,990)	-	-	-	-	-	-
(72,440)	(2,715)	961,762	2,814,472	(89,858)	(1,715,500)	(5,380)
64,770,586	1,141,331	273,131,011	115,243,991	3,855,786	75,314,681	(126,566)
130,255,978	1,417,088	233,288,816	170,409,692	5,834,977	49,153,006	269,119
(1,653,313)	-	50,179	2,726,026	401,447	(9,499,295)	17,760
(795,823)	-	-	-	-	(4,134,772)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,739,701	4,830	1,704,306	3,759,396	400,931	17,915,442	17,762
-	-	-	-	-	(3,914)	-
194,317,129	2,563,249	508,174,312	292,139,105	10,493,141	128,745,148	178,075
618,102,775	18,676,440	2,589,913,803	1,761,009,768	92,535,136	423,400,685	1,673,094
(463,606,292)	(5,777,634)	(1,560,253,912)	(1,207,761,195)	(49,351,421)	(2,120,072,957)	(1,016,383)
1,305,435	4,516	372,447	(670,244)	341,925	(3,308,512)	(929)
155,801,918	12,903,322	1,030,032,338	552,578,329	43,525,640	(1,699,980,784)	655,782
(2,446,253)	(50,741)	(34,574,164)	(6,750,818)	(1,198,495)	(73,204,079)	(86,534)
153,355,665	12,852,581	995,458,174	545,827,511	42,327,145	(1,773,184,863)	569,248
1,169,070,336	22,865,158	3,757,379,912	1,934,098,366	139,593,248	2,032,463,169	5,659,011
17.49%	25.34%	45.23%	2.36%	(8.44)%	(18.43)%	64.51%

The accompanying notes form an integral part of these financial statements

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)

	Templeton Asian Growth Fund (USD)	Templeton Asian Smaller Companies Fund (USD)	Templeton BRIC Fund (USD)	Templeton China Fund (USD)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	15,816,110,669	942,037,607	1,343,345,062	1,629,700,238
Currency translation adjustment	-	-	-	-
	<u>15,816,110,669</u>	<u>942,037,607</u>	<u>1,343,345,062</u>	<u>1,629,700,238</u>
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	339,264,410	25,462,651	40,001,348	30,199,241
Interest on bonds (net of withholding taxes) (note 2(m))	-	-	-	-
Bank interest	31,301	13,333	8,718	1,109
Securities lending (notes 2(n), 13)	-	-	-	-
Net interest income on swaps	-	-	-	-
Sundry income	-	-	-	5,271
<b>TOTAL INCOME</b>	<u>339,295,711</u>	<u>25,475,984</u>	<u>40,010,066</u>	<u>30,205,621</u>
<b>EXPENSES</b>				
Investment management fees (note 14)	158,448,341	10,794,851	20,599,494	17,606,740
Administration and transfer agency fees	29,904,267	2,235,715	3,298,658	2,765,887
Directors fees	34,123	2,334	3,248	3,110
Subscription tax (note 17)	4,742,058	315,220	651,145	527,300
Custodian fees	9,018,226	506,699	558,797	383,578
Audit fees	123,499	8,348	11,723	11,150
Printing and publishing expenses	922,161	62,654	87,941	84,644
Bank charges	747,574	2,050	1,627	116,976
Net interest expenses on swaps	-	-	-	-
Class A (dis) and Class A (acc) shares' maintenance charges (note 18)	36,931,471	2,633,115	5,606,384	4,204,867
Class AX (acc) shares' maintenance charges (note 18)	-	-	-	-
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 18)	1,237,521	123,502	585,192	237,158
Class C (dis) and Class C (acc) shares' maintenance and service charges (note 18)	1,013,908	-	317,339	173,088
Class N (dis) and Class N (acc) shares' maintenance charges (note 18)	6,633,110	124,431	955,326	679,897
Other charges	3,222,414	208,923	884,839	288,040
<b>TOTAL EXPENSES</b>	<u>252,978,673</u>	<u>17,017,842</u>	<u>33,561,713</u>	<u>27,082,435</u>
Expenses reimbursement (note 19)	(7,911)	(315)	(30)	(14,258)
<b>NET EXPENSES</b>	<u>252,970,762</u>	<u>17,017,527</u>	<u>33,561,683</u>	<u>27,068,177</u>
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	86,324,949	8,458,457	6,448,383	3,137,444
Net realised profit/(loss) on sale of investments	301,928,902	33,418,952	(59,300,814)	43,289,399
Net realised profit/(loss) on forward foreign exchange contracts	(11,106,223)	-	1,224,598	-
Net realised profit/(loss) on financial future contracts	-	-	-	-
Net realised profit on inflation swap contracts	-	-	-	-
Net realised (loss) on cross currency swap contracts	-	-	-	-
Net realised (loss) on total return swap contracts	-	-	-	-
Net realised profit/(loss) on credit default swap contracts	-	-	-	-
Net realised profit/(loss) on option contracts	-	-	-	-
Net realised profit/(loss) on foreign exchange transactions	(2,051,783)	218,259	199,167	(747,883)
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	<u>375,095,845</u>	<u>42,095,668</u>	<u>(51,428,666)</u>	<u>45,678,960</u>
Change in net unrealised appreciation/(depreciation) on:				
Investments	850,303,783	129,494,903	241,142,437	67,404,742
Forward foreign exchange contracts	29,930,876	-	252,340	-
Financial future contracts	-	-	-	-
Interest rate swap contracts	-	-	-	-
Inflation swap contracts	-	-	-	-
Cross currency swap contracts	-	-	-	-
Total return swap contracts	-	-	-	-
Credit default swap contracts	-	-	-	-
Option contracts	-	-	-	-
Foreign exchange transactions	30,224,328	(19,658)	373,177	(10,153)
Provision for capital gains tax	-	-	-	-
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<u>1,285,554,832</u>	<u>171,570,913</u>	<u>190,339,288</u>	<u>113,073,549</u>
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	3,235,282,849	639,351,818	174,697,624	413,012,267
Redemption of shares	(7,524,099,015)	(773,279,551)	(492,747,782)	(1,200,160,724)
Equalisation (note 22)	(10,531,412)	(661,378)	(614,240)	(4,007,208)
	<u>(4,299,347,578)</u>	<u>(134,589,111)</u>	<u>(318,664,398)</u>	<u>(791,155,665)</u>
Dividends paid/accumulated (note 23)	(121,048,621)	(5,086,927)	(352,212)	(14,363,897)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	<u>(4,420,396,199)</u>	<u>(139,676,038)</u>	<u>(319,016,610)</u>	<u>(805,519,562)</u>
<b>NET ASSETS AT THE END OF THE YEAR</b>	<u>12,681,269,302</u>	<u>973,932,482</u>	<u>1,214,667,740</u>	<u>937,254,225</u>
Portfolio Turnover Ratio (note 24)	(3.29)%	(31.50)%	45.23%	(14.38)%

\* This Fund was launched on September 20, 2013

The accompanying notes form an integral part of these financial statements

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)**

Templeton Constrained Bond Fund* (USD)	Templeton Eastern Europe Fund (EUR)	Templeton Emerging Markets Fund (USD)	Templeton Emerging Markets Balanced Fund (USD)	Templeton Emerging Markets Bond Fund (USD)	Templeton Emerging Markets Smaller Companies Fund (USD)	Templeton Euro Liquid Reserve Fund (EUR)
-	401,515,127	1,114,545,821	77,639,350	8,365,282,640	234,798,323	112,358,536
-	-	-	-	-	-	-
-	401,515,127	1,114,545,821	77,639,350	8,365,282,640	234,798,323	112,358,536
-	11,283,262	28,437,818	1,600,644	-	7,600,659	-
134,067	-	-	2,313,490	601,994,231	336	316,441
-	369	8,837	51	17,898	-	240
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	202,079	327	-	10,307	-	-
134,067	11,485,710	28,446,982	3,914,185	602,022,436	7,600,995	316,681
31,746	5,660,044	15,928,862	984,414	66,012,586	3,922,288	253,804
15,925	1,004,288	2,579,494	233,119	17,060,223	649,162	132,579
18	940	2,644	194	18,578	632	224
782	171,304	468,372	35,914	2,803,790	110,338	9,463
1,960	321,051	854,299	57,552	6,615,634	173,232	6,188
66	3,380	9,532	705	66,969	2,304	807
436	25,415	71,864	5,256	503,393	17,192	6,162
-	6,288	2,098	176	74,860	883	-
1,213	-	-	14,225	7,462,274	-	-
127	1,485,361	3,822,015	278,846	19,578,595	910,876	55,947
-	-	-	-	-	-	-
-	150,362	325,971	567	11,101,601	-	-
-	14,608	388,191	29,950	762,049	87,584	-
510	214,838	749,731	118,810	2,704,946	248,086	208,369
1,799	390,042	281,348	46,363	1,693,787	80,722	20,657
54,582	9,447,921	25,484,421	1,806,091	136,459,285	6,203,299	694,200
(424)	(21,244)	(61,405)	(141,836)	(28,781)	-	-
54,158	9,426,677	25,423,016	1,664,255	136,430,504	6,203,299	694,200
79,909	2,059,033	3,023,966	2,249,930	465,591,932	1,397,696	(377,519)
49,542	(51,528,680)	133,130,109	(12,448,186)	67,819,529	(8,289,749)	-
(32,288)	-	246,673	113,743	13,306,726	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(9,818)	(147,248)	(475,975)	(19,330)	(25,368,502)	(67,658)	-
87,345	(49,616,895)	135,924,773	(10,103,843)	521,349,685	(6,959,711)	(377,519)
201,032	67,789,994	(69,823,638)	15,467,858	(177,367,566)	60,753,857	(115,089)
(26,868)	-	702,755	1,174,391	65,050,437	-	-
(2,794)	-	-	(36,717)	(1,298,212)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(1,770)	51,156	753,357	879,498	25,866,907	(26,162)	-
-	-	-	-	(2,813)	-	-
256,945	18,224,255	67,557,247	7,381,187	433,598,438	53,767,984	(492,608)
10,390,433	107,802,238	248,207,600	32,256,077	3,604,308,702	184,397,870	107,603,880
(116,460)	(164,917,906)	(538,233,436)	(36,306,352)	(5,062,779,649)	(176,727,438)	(151,824,767)
26	13,901	(923,946)	(16,305)	(9,906,767)	(121,023)	-
10,273,999	(57,101,767)	(290,949,782)	(4,066,580)	(1,468,377,714)	7,549,409	(44,220,887)
(71,965)	(1,503,899)	(5,375,596)	(2,339,118)	(461,637,316)	(2,432,638)	(24,390)
10,202,034	(58,605,666)	(296,325,378)	(6,405,698)	(1,930,015,030)	5,116,771	(44,245,277)
10,458,979	361,133,716	885,777,690	78,614,839	6,868,866,048	293,683,078	67,620,651
(30.31)%	74.66%	116.66%	102.86%	8.05%	(15.52)%	N/A

The accompanying notes form an integral part of these financial statements

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)

	Templeton Euro Short-Term Money Market Fund (EUR)	Templeton Euroland Fund (EUR)	Templeton European Fund (EUR)	Templeton European Total Return Fund (EUR)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	94,345,377	121,180,156	124,537,533	84,439,789
Currency translation adjustment	–	–	–	–
	94,345,377	121,180,156	124,537,533	84,439,789
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	–	4,984,881	9,917,030	–
Interest on bonds (net of withholding taxes) (note 2(m))	165,002	–	–	3,379,610
Bank interest	196	–	–	–
Securities lending (notes 2(n), 13)	–	103,136	151,953	–
Net interest income on swaps	–	–	–	–
Sundry income	–	2,814,801	978,224	–
<b>TOTAL INCOME</b>	165,198	7,902,818	11,047,207	3,379,610
<b>EXPENSES</b>				
Investment management fees (note 14)	180,852	1,835,918	3,163,256	844,878
Administration and transfer agency fees	103,617	470,605	749,424	264,589
Directors fees	207	465	743	264
Subscription tax (note 17)	9,055	74,857	131,308	50,607
Custodian fees	5,998	24,198	39,165	14,330
Audit fees	758	1,686	2,728	964
Printing and publishing expenses	5,741	12,572	20,154	7,007
Bank charges	–	–	–	–
Net interest expenses on swaps	–	–	–	–
Class A (dis) and Class A (acc) shares' maintenance charges (note 18)	25,925	656,238	1,463,229	168,167
Class AX (acc) shares' maintenance charges (note 18)	–	–	–	–
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 18)	–	70,983	–	–
Class C (dis) and Class C (acc) shares' maintenance and service charges (note 18)	–	–	–	–
Class N (dis) and Class N (acc) shares' maintenance charges (note 18)	–	271,709	116,560	543,586
Other charges	19,440	40,589	72,954	22,826
<b>TOTAL EXPENSES</b>	351,593	3,459,820	5,759,521	1,917,218
Expenses reimbursement (note 19)	(166,908)	–	–	(296,860)
<b>NET EXPENSES</b>	184,685	3,459,820	5,759,521	1,620,358
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	(19,487)	4,442,998	5,287,686	1,759,252
Net realised profit/(loss) on sale of investments	491	2,546,770	8,012,432	3,286,764
Net realised profit/(loss) on forward foreign exchange contracts	–	–	–	(109,978)
Net realised profit/(loss) on financial future contracts	–	–	–	–
Net realised profit on inflation swap contracts	–	–	–	–
Net realised (loss) on cross currency swap contracts	–	–	–	–
Net realised (loss) on total return swap contracts	–	–	–	–
Net realised profit/(loss) on credit default swap contracts	–	–	–	–
Net realised profit/(loss) on option contracts	–	–	–	–
Net realised profit/(loss) on foreign exchange transactions	–	3,272	(92,559)	(4,189)
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	(18,996)	6,993,040	13,207,559	4,931,849
Change in net unrealised appreciation/(depreciation) on:				
Investments	–	28,751,788	26,353,723	5,654,838
Forward foreign exchange contracts	–	–	–	(185,484)
Financial future contracts	–	–	–	–
Interest rate swap contracts	–	–	–	–
Inflation swap contracts	–	–	–	–
Cross currency swap contracts	–	–	–	–
Total return swap contracts	–	–	–	–
Credit default swap contracts	–	–	–	–
Option contracts	–	–	–	–
Foreign exchange transactions	–	(9,173)	(1,105)	(4,301)
Provision for capital gains tax	–	–	–	–
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	(18,996)	35,735,655	39,560,177	10,396,902
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	44,487,300	185,926,969	625,379,132	146,831,791
Redemption of shares	(68,942,134)	(101,204,114)	(336,998,452)	(56,409,890)
Equalisation (note 22)	–	101,659	(120,612)	103,427
	(24,454,834)	84,824,514	288,260,068	90,525,328
Dividends paid/accumulated (note 23)	(11,166)	(1,360,623)	(1,971,057)	(1,803,811)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	(24,466,000)	83,463,891	286,289,011	88,721,517
<b>NET ASSETS AT THE END OF THE YEAR</b>	69,860,381	240,379,702	450,386,721	183,558,208
Portfolio Turnover Ratio (note 24)	N/A	(0.52)%	(10.15)%	87.81%

The accompanying notes form an integral part of these financial statements

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)**

Templeton Frontier Markets Fund (USD)	Templeton Global Fund (USD)	Templeton Global (Euro) Fund (EUR)	Templeton Global Balanced Fund (USD)	Templeton Global Bond Fund (USD)	Templeton Global Bond (Euro) Fund (EUR)	Templeton Global Equity Income Fund (USD)
2,116,331,579	967,667,591	601,053,681	699,148,278	46,612,567,707	838,588,367	74,265,434
-	-	-	-	-	-	-
2,116,331,579	967,667,591	601,053,681	699,148,278	46,612,567,707	838,588,367	74,265,434
79,979,234	32,932,773	13,874,805	19,034,814	-	-	9,703,059
5,794	-	-	7,464,563	1,673,598,853	32,156,257	-
12,406	32,236	-	73	228,759	5,568	4,345
-	275,310	89,824	132,533	-	-	56,888
-	-	-	-	-	-	-
-	2,296,557	1,302,465	1,051,687	565	966	407,049
79,997,434	35,536,876	15,267,094	27,683,670	1,673,828,177	32,162,791	10,171,341
30,499,474	14,329,238	6,656,977	8,961,582	306,861,684	5,043,729	2,421,910
5,077,275	3,469,530	1,629,160	2,800,014	94,580,505	1,599,428	568,094
5,464	3,560	1,649	2,708	107,902	1,825	561
745,502	622,435	321,233	509,652	19,310,482	301,623	104,473
3,648,102	160,833	71,580	85,588	19,055,297	273,247	24,236
19,695	12,876	5,972	9,737	389,705	6,580	2,025
148,484	96,246	44,781	73,166	2,930,724	49,898	15,278
12,904	1,758	-	54,290	350,927	2,285	317
-	-	-	-	66,492,689	1,280,729	-
5,065,185	6,149,806	3,221,883	4,568,746	78,569,582	1,114,903	1,140,305
-	-	-	-	3,441,477	-	-
29,717	411,519	7,693	806,787	9,296,288	-	255,727
53,617	172,357	-	512,361	13,024,225	-	-
2,696,240	487,961	92,644	1,000,349	69,561,940	1,756,453	-
890,416	326,087	176,688	463,270	17,563,043	201,590	57,211
48,892,075	26,244,206	12,230,260	19,848,250	701,536,470	11,632,290	4,590,137
(11,182)	-	-	(23)	(54,955)	-	(439,510)
48,880,893	26,244,206	12,230,260	19,848,227	701,481,515	11,632,290	4,150,627
31,116,541	9,292,670	3,036,834	7,835,443	972,346,662	20,530,501	6,020,714
56,485,032	21,256,240	17,952,974	21,178,772	79,942,663	5,086,070	1,090,306
5,548,159	-	59,232	(2,505,759)	264,105,513	13,900,236	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(327,297)	88,838	(184,875)	148,098	523,793	(1,660,359)	428,563
92,822,435	30,637,748	20,864,165	26,656,554	1,316,918,631	37,856,448	7,280,629
248,013,410	289,302,282	103,464,317	127,764,138	1,526,435,258	8,274,366	30,319,208
11,076,161	-	65,139	3,660,839	59,462,571	(14,105,646)	-
-	-	-	-	(21,195,838)	(3,273,680)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,457,198	9,739	74,643	1,993,137	518,437,642	174,719	10,479
-	-	-	-	(5,690)	28	5,938
363,369,204	319,949,769	124,468,264	160,074,668	3,400,052,574	28,926,235	37,616,254
941,534,980	1,202,987,065	85,053,080	1,066,285,455	10,148,544,637	173,762,960	568,931,665
(1,360,481,203)	(639,671,353)	(101,169,388)	(535,996,868)	(20,522,884,362)	(419,909,053)	(312,601,816)
(2,161,458)	394,624	(18,212)	155,177	(17,327,728)	(3,885,089)	812,328
(421,107,681)	563,710,336	(16,134,520)	530,443,764	(10,391,667,453)	(250,031,182)	257,142,177
(37,826,408)	(5,885,833)	(4,013,789)	(6,441,961)	(952,079,587)	(20,559,416)	(7,224,923)
(458,934,089)	557,824,503	(20,148,309)	524,001,803	(11,343,747,040)	(270,590,598)	249,917,254
2,020,766,694	1,845,441,863	705,373,636	1,383,224,749	38,668,873,241	596,924,004	361,798,942
13.00%	10.66%	15.50%	(2.16)%	22.36%	(4.06)%	(33.55)%

The accompanying notes form an integral part of these financial statements

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)

	Templeton Global High Yield Fund (USD)	Templeton Global Income Fund (USD)	Templeton Global Smaller Companies Fund (USD)	Templeton Global Total Return Fund (USD)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	319,217,080	647,119,095	148,616,791	39,277,370,092
Currency translation adjustment	–	–	–	–
	319,217,080	647,119,095	148,616,791	39,277,370,092
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	115,554	23,659,256	3,018,353	2,591,725
Interest on bonds (net of withholding taxes) (note 2(m))	19,610,537	17,026,356	–	1,960,988,208
Bank interest	671	1,434	4,586	301,783
Securities lending (notes 2(n), 13)	–	–	–	–
Net interest income on swaps	–	–	–	–
Sundry income	51,957	391,847	31,613	1,727,386
<b>TOTAL INCOME</b>	19,778,719	41,078,893	3,054,552	1,965,609,102
<b>EXPENSES</b>				
Investment management fees (note 14)	2,511,319	9,731,453	1,731,219	272,634,231
Administration and transfer agency fees	684,418	2,704,754	424,526	83,815,786
Directors fees	753	2,746	431	94,746
Subscription tax (note 17)	145,177	478,722	84,273	17,202,366
Custodian fees	96,091	245,201	26,627	22,074,878
Audit fees	2,722	9,949	1,563	341,608
Printing and publishing expenses	20,493	73,686	11,705	2,573,427
Bank charges	1,812	13,164	1,566	83,055
Net interest expenses on swaps	10,613	59,176	–	85,358,768
Class A (dis) and Class A (acc) shares' maintenance charges (note 18)	1,111,616	3,244,651	801,302	69,322,687
Class AX (acc) shares' maintenance charges (note 18)	–	–	–	–
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 18)	–	507,430	44,592	6,396,306
Class C (dis) and Class C (acc) shares' maintenance and service charges (note 18)	–	1,536,631	1,704	8,973,833
Class N (dis) and Class N (acc) shares' maintenance charges (note 18)	621,979	2,240,803	88,661	81,750,648
Other charges	79,115	245,145	40,577	13,067,067
<b>TOTAL EXPENSES</b>	5,286,108	21,093,511	3,258,746	663,689,406
Expenses reimbursement (note 19)	–	(39,315)	–	(45,686)
<b>NET EXPENSES</b>	5,286,108	21,054,196	3,258,746	663,643,720
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	14,492,611	20,024,697	(204,194)	1,301,965,382
Net realised profit/(loss) on sale of investments	5,376,484	5,552,622	15,309,249	(170,894,754)
Net realised profit/(loss) on forward foreign exchange contracts	(960,739)	1,449,561	–	702,832,807
Net realised profit/(loss) on financial future contracts	–	–	–	–
Net realised profit on inflation swap contracts	–	–	–	–
Net realised (loss) on cross currency swap contracts	–	–	–	–
Net realised (loss) on total return swap contracts	–	–	–	–
Net realised profit/(loss) on credit default swap contracts	106,327	–	–	–
Net realised profit/(loss) on option contracts	–	16,200	–	–
Net realised profit/(loss) on foreign exchange transactions	(160,579)	189,998	(16,797)	(26,930,462)
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	18,854,104	27,233,078	15,088,258	1,806,972,973
Change in net unrealised appreciation/(depreciation) on:				
Investments	7,882,758	139,828,173	10,872,703	783,289,316
Forward foreign exchange contracts	(1,125,826)	(1,782,155)	–	186,252,024
Financial future contracts	–	–	–	–
Interest rate swap contracts	(2,022)	(152,021)	–	(79,176,537)
Inflation swap contracts	–	–	–	–
Cross currency swap contracts	–	–	–	–
Total return swap contracts	–	–	–	–
Credit default swap contracts	(27,475)	–	–	–
Option contracts	–	–	–	–
Foreign exchange transactions	1,875	120,672	1,230	427,393,388
Provision for capital gains tax	(109)	(69)	–	(2,945)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	25,583,305	165,247,678	25,962,191	3,124,728,219
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	96,447,713	1,518,850,664	77,471,084	12,615,544,129
Redemption of shares	(146,321,329)	(536,025,395)	(86,710,025)	(18,338,222,214)
Equalisation (note 22)	(165,674)	2,114,788	(24,153)	(14,469,839)
	(50,039,290)	984,940,057	(9,263,094)	(5,737,147,924)
Dividends paid/accumulated (note 23)	(14,581,193)	(13,248,355)	(646,121)	(1,271,207,723)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	(64,620,483)	971,691,702	(9,909,215)	(7,008,355,647)
<b>NET ASSETS AT THE END OF THE YEAR</b>	280,179,902	1,784,058,475	164,669,767	35,393,742,664
Portfolio Turnover Ratio (note 24)	55.79%	8.12%	35.16%	23.88%

The accompanying notes form an integral part of these financial statements



**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2014 (CONTINUED)**

Templeton Growth (Euro) Fund (EUR)	Templeton Korea Fund (USD)	Templeton Latin America Fund (USD)	Templeton Thailand Fund (USD)
5,465,230,557	114,340,738	2,182,848,599	233,282,956
-	-	-	-
5,465,230,557	114,340,738	2,182,848,599	233,282,956
139,967,540	797,631	59,071,903	6,153,917
-	-	-	-
16,512	2,546	22,109	1,699
912,798	-	-	-
-	-	-	-
8,519,558	-	-	-
149,416,408	800,177	59,094,012	6,155,616
59,853,726	1,766,147	26,913,885	3,120,228
14,589,863	302,978	4,921,138	517,799
14,825	290	5,022	491
2,900,413	54,602	922,301	97,998
737,579	63,275	989,652	90,201
53,690	1,042	18,212	1,792
402,081	7,852	135,519	13,312
1,356	1,649	2,501	2,485
-	-	-	-
29,546,548	477,806	8,197,923	852,862
-	-	-	-
4,264	-	566,660	137,412
-	1,633	82,993	-
349,472	53,279	685,161	154,409
1,458,026	26,439	958,443	44,971
109,911,843	2,756,992	44,399,410	5,033,960
-	-	(1,242)	-
109,911,843	2,756,992	44,398,168	5,033,960
39,504,565	(1,956,815)	14,695,844	1,121,656
222,817,955	1,388,784	(11,875,260)	3,138,356
-	-	(1,100,916)	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(635,866)	59,165	(928,035)	(151,080)
261,686,654	(508,866)	791,633	4,108,932
757,358,504	24,866,791	75,395,793	(8,609,246)
-	-	1,675,885	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
37,521	(976)	2,189,805	1,368
-	-	-	-
1,019,082,679	24,356,949	80,053,116	(4,498,946)
510,407,998	72,715,871	543,010,688	214,847,595
(560,188,578)	(116,341,240)	(923,643,156)	(246,422,300)
264,015	-	(484,224)	(189,800)
(49,516,565)	(43,625,369)	(381,116,692)	(31,764,505)
(18,817,484)	-	(12,693,864)	(549,869)
(68,334,049)	(43,625,369)	(393,810,556)	(32,314,374)
6,415,979,187	95,072,318	1,869,091,159	196,469,636
26.96%	(2.60)%	19.80%	(19.90)%

The accompanying notes form an integral part of these financial statements

## STATISTICAL INFORMATION

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Franklin Asian Flex Cap Fund – USD</b>					
A (acc) USD	1.98%	400,943.226	14.65	12.87	12.01
A (acc) SGD	1.90%	548.355	8.14	7.26	6.78
A (Ydis) USD	1.97%	51,199.000	14.54	12.77	11.92
B (acc) USD	3.23%	91,098.656	13.31	11.84	11.19
I (acc) USD	0.99%	122,566.363	15.85	13.79	12.75
N (acc) USD	2.72%	53,098.822	13.81	12.22	11.50
<b>Franklin Biotechnology Discovery Fund – USD</b>					
A (acc) USD	1.82%	104,628,292.284	25.80	18.19	14.09
A (acc) CHF-H1 (hedged)*	1.80%	208,899.282	12.98	–	–
A (acc) HKD	1.84%	2,464,040.509	16.66	11.76	–
A (acc) SGD	1.81%	1,379,182.367	23.43	16.79	13.01
B (acc) USD	3.14%	3,429,882.384	21.54	15.39	12.08
C (acc) USD	2.40%	853,065.907	31.20	22.13	17.24
I (acc) USD	0.97%	2,312,134.169	37.70	26.36	20.24
I (acc) EUR-H1 (hedged)	0.97%	380,985.518	16.89	11.78	–
N (acc) USD	2.57%	10,379,659.455	23.00	16.34	12.75
W (acc) USD*	1.04%	2,014,542.271	11.86	–	–
Z (acc) GBP	1.32%	136,298.554	19.38	15.30	11.45
<b>Franklin Brazil Opportunities Fund – USD</b>					
A (acc) USD	1.84%	688,251.463	10.71	10.17	–
A (acc) EUR-H1 (hedged)	1.83%	332,753.052	10.62	10.11	–
A (Qdis) USD	1.84%	678,421.901	10.29	10.10	–
A (Qdis) HKD	1.85%	155,136.000	10.31	10.10	–
I (acc) USD	0.97%	622.000	10.86	10.25	–
N (acc) USD	2.33%	970,587.124	10.61	10.12	–
N (acc) EUR-H1 (hedged)	2.33%	583,989.898	10.54	10.08	–
N (Qdis) USD	2.33%	678,440.631	10.29	10.06	–
<b>Franklin Euro Government Bond Fund – EUR**</b>					
A (Ydis) EUR	1.03%	2,405,549.451	10.81	10.21	9.70
I (acc) EUR	0.62%	2,340,877.425	14.45	13.33	12.40
I (Qdis) EUR	0.61%	1,535,106.580	10.43	9.76	–
N (acc) EUR	1.58%	2,096,297.134	13.01	12.12	11.40
<b>Franklin Euro High Yield Fund – EUR**</b>					
A (acc) EUR	1.51%	12,099,869.270	17.21	15.52	13.79
A (Mdis) EUR	1.51%	97,063,549.335	6.58	6.22	5.84
A (Mdis) USD	1.52%	9,158,739.904	11.40	10.24	9.35
A (Ydis) EUR	1.51%	11,573,641.236	6.87	6.54	6.18
B (Mdis) EUR	2.92%	1,034,692.800	12.26	11.59	10.88
B (Mdis) USD	2.96%	3,010,544.467	11.98	10.75	9.82
I (acc) EUR	0.87%	5,263,343.547	18.49	16.56	14.62
I (Ydis) EUR	0.87%	284,347.763	10.45	9.94	9.41
N (acc) EUR	2.12%	10,238,216.166	15.84	14.37	12.84
W (acc) EUR*	1.00%	13,976.500	10.62	–	–
<b>Franklin Euro Short Duration Bond Fund – EUR*</b>					
A (acc) EUR	0.90%	13,061.106	10.10	–	–
A (Ydis) EUR	0.88%	7,269.027	10.10	–	–
I (acc) EUR	0.55%	661,790.027	10.12	–	–
N (acc) EUR	1.44%	8,749.279	10.08	–	–
W (acc) EUR	0.58%	7,269.027	10.11	–	–
<b>Franklin Euroland Core Fund – EUR</b>					
A (acc) EUR	1.84%	479,116.520	17.87	14.15	11.78
A (acc) USD	1.84%	150,090.475	19.26	14.49	11.74
I (acc) EUR	0.97%	755,717.600	18.77	14.73	12.16
I (acc) USD	0.97%	486,441.204	20.24	15.10	12.12
N (acc) EUR	2.60%	223,937.419	17.14	13.67	11.47
<b>Franklin European Core Fund – EUR</b>					
A (acc) EUR	1.84%	115,670.345	14.36	11.76	9.89
A (Ydis) EUR	1.84%	107,878.435	13.97	11.57	9.89
I (acc) EUR	0.95%	137,561.043	14.72	11.95	9.97
N (acc) EUR	2.60%	154,063.232	14.05	11.60	9.83
<b>Franklin European Corporate Bond Fund – EUR**</b>					
A (acc) EUR	1.15%	760,577.039	12.29	11.35	10.54
A (Ydis) EUR	1.15%	715,909.349	11.31	10.67	10.20
I (acc) EUR	0.65%	2,920,778.363	12.55	11.54	10.66
I (Ydis) EUR	0.64%	38,231.943	11.35	10.72	10.25
N (acc) EUR	1.98%	1,264,346.341	11.86	11.05	10.34
N (Ydis) EUR	1.98%	1,210,898.218	11.22	10.58	10.11
W (acc) EUR*	0.73%	364.618	10.11	–	–

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Franklin European Dividend Fund – EUR</b>					
A (acc) EUR	1.86%	669,289.757	14.63	11.95	10.10
A (Ydis) EUR	1.86%	444,412.865	13.62	11.55	10.10
I (acc) EUR	0.97%	2,000,211.720	14.99	12.14	10.17
N (acc) EUR	2.62%	446,840.536	14.31	11.77	10.03
N (acc) PLN-H1 (hedged)*	2.62%	503,282.639	10.06	–	–
<b>Franklin European Growth Fund – EUR</b>					
A (acc) EUR	1.82%	83,251,195.505	15.36	12.85	10.16
A (acc) NOK-H1 (hedged)*	1.77%	2,192,981.491	10.32	–	–
A (acc) SGD-H1 (hedged)	1.83%	4,255,655.182	12.80	10.70	–
A (acc) USD	1.83%	15,906,816.709	13.40	10.66	–
A (acc) USD-H1 (hedged)*	1.84%	8,853,411.529	10.96	–	–
A (Ydis) GBP	1.83%	1,881,544.381	16.56	14.95	11.29
I (acc) EUR	0.97%	36,147,681.018	29.73	24.66	19.33
N (acc) EUR	2.58%	27,106,838.018	13.84	11.67	9.29
N (acc) USD	2.60%	7,662,455.036	13.27	10.63	–
W (acc) EUR*	1.05%	2,619,517.514	11.14	–	–
X (acc) EUR*	0.13%	362.897	11.06	–	–
<b>Franklin European Small-Mid Cap Growth Fund – EUR</b>					
A (acc) EUR	1.83%	8,620,698.429	31.58	25.45	18.49
A (acc) USD	1.84%	2,363,855.253	43.27	33.14	23.41
I (acc) EUR	0.98%	9,830,494.114	37.09	29.64	21.35
I (acc) USD	0.98%	2,317,076.484	50.72	38.53	27.01
N (acc) EUR	2.58%	1,742,909.245	29.77	24.17	17.69
W (acc) EUR	1.08%	1,272,424.869	13.16	10.53	–
X (acc) EUR*	0.28%	3,605,532.897	10.60	–	–
<b>Franklin GCC Bond Fund – USD*</b>					
A (acc) USD	1.50%	223,158.646	11.11	–	–
A (Mdis) USD	1.49%	41,079.837	10.85	–	–
B (acc) USD	2.90%	500.000	10.97	–	–
B (Mdis) USD	2.90%	500.000	10.84	–	–
I (acc) USD	0.79%	798,000.000	11.17	–	–
<b>Franklin Global Aggregate Bond Fund – USD**</b>					
A (acc) USD	1.25%	238,935.968	10.94	10.18	9.97
A (acc) EUR	1.25%	14,624.383	11.15	10.91	10.97
A (acc) EUR-H1 (hedged)	1.25%	107,400.126	10.84	10.11	9.95
A (Mdis) USD	1.23%	15,403.812	10.37	9.76	9.73
A (Mdis) EUR	1.25%	143,471.661	10.53	10.45	10.69
A (Qdis) GBP-H1 (hedged)	1.25%	77,820.972	10.37	9.82	9.76
A (Ydis) EUR-H1 (hedged)	1.25%	91,561.861	10.38	9.85	9.87
I (acc) USD	0.60%	335,020.748	11.23	10.38	10.08
I (acc) CHF-H1 (hedged)	0.60%	98,415.000	10.86	10.09	9.88
I (acc) EUR	0.60%	718.442	11.40	11.09	11.08
I (acc) EUR-H1 (hedged)*	0.60%	188,831.911	10.71	–	–
I (Qdis) EUR-H1 (hedged)	0.60%	71,844.240	10.29	9.75	9.76
I (Qdis) GBP-H1 (hedged)	0.60%	62,410.290	10.40	9.84	9.78
N (acc) USD	1.92%	9,209.083	10.68	10.01	9.85
N (acc) EUR	1.95%	87,881.595	10.88	10.72	10.86
N (acc) EUR-H1 (hedged)	1.95%	93,976.757	10.58	9.94	9.87
W (acc) EUR*	0.70%	366.851	10.06	–	–
<b>Franklin Global Aggregate Investment Grade Bond Fund – USD**</b>					
A (acc) USD	1.25%	44,009.564	10.94	10.10	10.06
I (acc) USD	0.60%	990,000.000	11.09	10.17	10.06
Z (acc) USD*	0.90%	500.000	10.13	–	–
<b>Franklin Global Allocation Fund – USD**</b>					
A (acc) USD	1.80%	298,685.624	11.39	10.11	9.46
A (acc) CHF-H1 (hedged)	1.80%	246,853.443	11.18	9.98	9.39
A (acc) EUR	1.79%	131,212.391	11.96	11.17	10.74
A (acc) EUR-H1 (hedged)	1.80%	355,427.442	11.23	9.99	9.41
A (Qdis) GBP	1.80%	65,025.981	10.92	10.91	9.91
A (Ydis) EUR	1.80%	122,515.689	11.95	11.16	10.74
A (Ydis) EUR-H1 (hedged)	1.80%	231,908.396	11.23	9.99	9.41
I (acc) USD	0.98%	312,275.598	11.67	10.27	9.53
I (acc) EUR	0.98%	147,706.604	12.25	11.35	10.82
I (acc) EUR-H1 (hedged)	0.96%	208,717.440	11.50	10.15	9.48
I (Ydis) EUR-H1 (hedged)	0.97%	209,187.840	11.33	10.08	9.48
N (acc) USD	2.55%	559,019.363	11.14	9.97	9.39
N (acc) EUR	2.55%	529,093.637	11.70	11.01	10.67
N (acc) SEK-H1 (hedged)	2.55%	1,921,783.677	11.34	10.07	9.43
Z (acc) USD	1.30%	101,437.729	11.56	10.21	9.50
Z (acc) EUR*	1.30%	814.132	10.16	–	–

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Franklin Global Convertible Securities Fund – USD</b>					
A (acc) USD	1.58%	1,190,144.913	12.21	10.67	9.41
A (acc) CHF-H1 (hedged)	1.56%	68,032.238	12.01	10.56	9.39
A (acc) EUR	1.57%	264,041.444	11.98	11.02	10.00
A (acc) EUR-H1 (hedged)	1.57%	798,595.937	12.06	10.57	9.39
A (acc) HKD	1.56%	33,877.977	12.19	10.66	9.41
A (Ydis) EUR	1.58%	306,102.819	11.79	10.96	10.00
A (Ydis) EUR-H1 (hedged)	1.57%	836,258.443	11.86	10.51	9.39
I (acc) USD	0.86%	1,833,183.691	12.40	10.76	9.43
I (acc) EUR	0.87%	2,945,229.485	12.19	11.13	10.02
N (acc) USD	2.34%	1,496,629.146	11.99	10.56	9.38
N (acc) EUR	2.33%	955,909.626	11.78	10.92	9.98
W (acc) EUR-H1 (hedged)*	0.91%	36,685.130	10.22	–	–
<b>Franklin Global Corporate High Yield Fund – USD*</b>					
I (acc) USD	0.76%	2,106,841.689	11.31	–	–
I (acc) EUR	0.76%	75,884.050	10.88	–	–
I (acc) EUR-H1 (hedged)	0.76%	151,768.100	11.28	–	–
I (acc) GBP	0.76%	63,987.710	10.33	–	–
I (acc) GBP-H1 (hedged)	0.76%	117,681.107	11.28	–	–
I (Ydis) EUR	0.76%	75,884.050	10.88	–	–
I (Ydis) EUR-H1 (hedged)	0.76%	75,884.050	11.28	–	–
<b>Franklin Global Equity Strategies Fund – USD**</b>					
A (acc) USD	2.17%	1,046,944.081	12.24	10.38	8.96
A (acc) EUR	2.17%	4,578,438.171	8.94	7.97	7.08
A (acc) EUR-H1 (hedged)	2.16%	1,010,212.467	7.32	6.23	5.43
A (Ydis) EUR	2.16%	354,310.459	8.92	7.96	7.07
W (acc) EUR*	1.01%	366.851	10.08	–	–
<b>Franklin Global Fundamental Strategies Fund – USD**</b>					
A (acc) USD	1.84%	11,943,382.327	13.78	11.86	10.17
A (acc) EUR	1.84%	43,174,032.085	10.07	9.12	8.05
A (acc) EUR-H1 (hedged)	1.84%	22,467,654.826	9.31	8.04	6.95
A (Ydis) EUR	1.85%	25,364,906.888	9.37	8.57	7.67
I (acc) EUR	0.99%	3,407,281.774	10.65	9.57	8.37
N (acc) USD*	2.62%	552,480.226	11.19	–	–
N (acc) EUR*	2.62%	530,915.401	10.68	–	–
N (acc) EUR-H1 (hedged)	2.61%	20,548,686.874	8.48	7.38	6.43
N (acc) PLN-H1 (hedged)	2.61%	14,334,183.855	15.72	13.42	11.25
N (Ydis) EUR	2.62%	1,599,413.074	11.19	10.24	–
<b>Franklin Global Government Bond Fund – USD*</b>					
A (acc) USD	1.20%	48,486.197	10.72	–	–
A (Mdis) USD	1.20%	3,648.514	10.62	–	–
A (Mdis) EUR	1.20%	10,104.396	10.23	–	–
I (acc) USD	0.65%	498,750.000	10.76	–	–
I (acc) EUR	0.66%	471,153.614	10.36	–	–
N (acc) USD	1.90%	22,618.703	10.65	–	–
N (Mdis) USD	1.90%	33,317.238	10.62	–	–
<b>Franklin Global Growth Fund – USD</b>					
A (acc) USD	1.83%	2,459,843.804	14.20	11.88	10.86
A (acc) EUR	1.83%	391,211.467	13.18	11.61	10.91
A (acc) EUR-H1 (hedged)	1.83%	109,173.394	14.19	11.91	10.98
A (acc) GBP	1.85%	32,638.321	12.40	11.68	10.36
A (acc) SGD	1.84%	52,825.716	12.45	10.59	9.68
I (acc) USD	0.96%	4,606,208.974	12.26	10.17	9.22
I (acc) EUR	0.97%	2,832,405.017	13.68	11.94	11.12
I (acc) EUR-H1 (hedged)	0.95%	405,186.386	14.73	12.25	11.20
I (acc) GBP	1.23%	418.470	11.44	10.70	9.59
N (acc) USD	2.59%	1,409,253.613	12.81	10.80	9.95
N (acc) EUR	2.59%	280,542.421	12.79	11.35	10.75
W (acc) USD*	1.04%	500.000	10.54	–	–
W (acc) EUR*	1.06%	33,403.973	11.06	–	–
Z (acc) USD	1.38%	73,551.959	13.20	10.98	9.99
<b>Franklin Global Growth and Value Fund – USD**</b>					
A (acc) USD	1.86%	2,221,710.595	25.57	20.94	17.93
B (acc) USD	3.18%	114,576.411	21.94	18.21	15.79
C (acc) USD	2.45%	194,357.755	23.62	19.46	16.75
I (acc) USD	1.07%	16,761.713	28.02	22.77	19.35
N (acc) USD	2.61%	282,120.266	23.35	19.27	16.62
X (acc) SGD <sup>2</sup>	–	–	–	11.95	10.06
<b>Franklin Global High Income Bond Fund – USD**</b>					
A (acc) USD	1.53%	505,285.931	13.01	11.26	–
A (acc) EUR	1.53%	1,009,692.976	11.63	10.59	–
A (acc) HKD	1.52%	224,299.107	13.00	11.25	–

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Franklin Global High Income Bond Fund – USD** (continued)</b>					
A (Mdis) USD	1.53%	2,008,916.758	11.73	10.69	–
A (Mdis) HKD	1.52%	77,569.000	11.71	10.68	–
A (Mdis) SGD	1.52%	15,642.000	11.56	10.71	–
A (Mdis) SGD-H1 (hedged)	1.51%	127,103.610	11.67	10.66	–
I (acc) USD	0.84%	315,000.000	13.18	11.33	–
I (acc) EUR	0.86%	364,400.755	11.78	10.66	–
N (acc) EUR	2.14%	1,468,676.199	11.50	10.53	–
W (acc) EUR*	0.95%	366.851	10.12	–	–
<b>Franklin Global Listed Infrastructure Fund – USD</b>					
A (acc) USD	1.85%	88,457.678	12.28	9.37	–
A (acc) EUR	1.85%	55,584.216	11.69	9.38	–
A (Mdis) SGD-H1 (hedged)	1.84%	123,850.747	11.86	9.33	–
A (Qdis) USD	1.85%	30,810.639	11.94	9.37	–
A (Ydis) EUR	1.85%	24,935.892	11.60	9.39	–
I (acc) USD	0.94%	148,000.000	12.41	9.39	–
I (acc) EUR	0.94%	113,575.318	11.81	9.40	–
I (acc) GBP-H1 (hedged)	0.94%	64,593.220	12.37	9.39	–
N (acc) EUR	2.60%	76,477.338	11.58	9.37	–
W (acc) GBP	1.07%	322.966	11.21	9.56	–
W (Qdis) GBP	1.07%	322.966	10.90	9.56	–
<b>Franklin Global Real Estate Fund – USD</b>					
A (acc) USD	1.85%	10,383,588.763	11.25	10.08	9.04
A (acc) EUR-H1 (hedged)	1.85%	862,841.175	14.78	13.24	11.94
A (Qdis) USD	1.85%	4,684,262.981	9.82	9.02	8.14
A (Qdis) SGD	1.84%	203,527.172	7.27	6.78	6.12
A (Ydis) EUR-H1 (hedged)	1.85%	375,374.294	14.23	13.02	11.83
B (Qdis) USD	3.15%	1,318,767.744	9.58	8.85	8.04
C (Qdis) USD	2.42%	4,293,052.035	9.75	9.00	8.13
I (acc) USD	0.97%	9,487,020.907	12.14	10.78	9.58
N (acc) USD	2.60%	6,478,308.968	10.56	9.53	8.61
N (acc) EUR-H1 (hedged)	2.60%	543,182.230	14.36	12.97	11.78
W (Qdis) USD*	1.07%	3,434.526	10.50	–	–
<b>Franklin Global Small-Mid Cap Growth Fund – USD</b>					
A (acc) USD	1.83%	8,892,827.218	32.80	26.33	19.86
B (acc) USD	3.15%	93,476.451	27.88	22.67	17.33
I (acc) USD	0.99%	4,593,023.912	17.93	14.27	10.68
N (acc) USD	2.59%	1,633,945.432	29.67	23.99	18.23
W (acc) USD*	1.07%	1,003,782.152	10.59	–	–
X (acc) USD*	0.23%	500.000	10.77	–	–
<b>Franklin Gold and Precious Metals Fund – USD</b>					
A (acc) USD	1.88%	5,553,163.654	5.48	4.19	7.69
A (acc) CHF-H1 (hedged)	1.88%	1,952,550.164	4.57	3.51	6.52
A (acc) EUR	1.89%	2,699,373.944	5.33	4.29	8.09
A (acc) EUR-H1 (hedged)	1.89%	1,156,573.229	5.28	4.05	7.56
A (acc) HKD	1.87%	1,936,347.384	5.48	4.19	7.69
A (acc) SEK-H1 (hedged)	1.89%	7,241,960.110	4.29	3.27	6.00
A (acc) SGD	1.88%	1,436,299.599	4.99	3.88	7.11
A (Ydis) EUR	1.89%	74,597.576	5.34	4.29	8.10
A (Ydis) EUR-H1 (hedged)	1.88%	111,422.314	5.30	4.06	7.58
I (acc) USD	1.04%	427,969.416	5.70	4.31	7.84
I (Ydis) USD	1.02%	41,324.605	5.69	4.32	7.85
N (acc) USD	2.65%	566,781.854	5.31	4.10	7.57
N (acc) EUR	2.65%	2,805,759.117	5.17	4.19	7.96
<b>Franklin High Yield Fund – USD</b>					
A (acc) USD	1.53%	18,333,659.217	17.51	15.70	14.54
A (Mdis) USD	1.53%	436,170,247.791	7.39	6.99	6.85
A (Mdis) AUD-H1 (hedged)	1.54%	2,191,653.968	10.64	9.86	–
A (Mdis) SGD-H1 (hedged)	1.52%	7,236,438.706	9.28	8.79	8.64
B (Mdis) USD	2.94%	97,195,362.803	7.43	7.03	6.90
C (acc) USD	2.21%	3,333,356.866	22.87	20.64	19.24
I (acc) USD	0.86%	16,310,150.349	17.96	15.99	14.71
I (acc) EUR-H1 (hedged)	0.86%	3,325,830.882	12.53	11.20	10.35
I (Mdis) USD	0.87%	12,084,275.251	11.61	10.98	10.76
N (acc) USD	2.13%	10,055,249.051	18.46	16.64	15.50
N (Mdis) USD	2.12%	2,527,838.552	10.32	9.77	–
X (acc) USD*	0.13%	500.000	10.63	–	–
Z (Mdis) USD	1.13%	990,390.025	10.90	10.31	10.11
<b>Franklin Income Fund – USD</b>					
A (Mdis) USD	1.67%	175,601,689.019	13.52	11.86	11.36
A (Mdis) EUR-H1 (hedged)*	1.65%	78,523.891	10.79	–	–
A (Mdis) SGD-H1 (hedged)	1.67%	4,204,008.638	9.66	8.50	8.16

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Franklin Income Fund – USD (continued)</b>					
B (Mdis) USD	2.98%	17,990,240.825	12.95	11.37	10.89
C (acc) USD	2.25%	9,020,311.060	24.08	20.62	19.07
C (Mdis) USD	2.25%	8,909,015.217	17.38	15.25	14.61
I (acc) USD	0.86%	6,229,476.655	20.35	17.18	15.68
I (Ydis) EUR-H1 (hedged)*	0.84%	36,673.025	10.91	–	–
N (acc) USD	2.18%	19,388,470.822	22.35	19.12	17.67
N (Mdis) EUR-H1 (hedged)*	2.18%	676,755.168	10.77	–	–
Z (acc) USD	1.17%	1,628,004.685	15.66	13.27	12.14
Z (Mdis) USD	1.17%	1,817,980.079	12.21	10.72	10.28
<b>Franklin India Fund – USD</b>					
A (acc) USD	1.88%	18,813,021.419	28.43	21.08	20.79
A (acc) EUR	1.88%	4,785,751.282	25.11	19.59	19.87
A (acc) HKD	1.96%	88,114.974	13.03	9.67	9.54
A (acc) SEK	1.88%	9,278,706.217	11.64	8.66	8.81
A (acc) SGD	1.90%	151,610.127	9.64	7.27	7.16
A (Ydis) EUR	1.88%	269,576.491	37.03	28.89	29.30
A (Ydis) GBP	1.88%	424,122.214	29.63	24.73	23.67
B (acc) USD	3.19%	692,242.592	25.43	19.11	19.09
C (acc) USD	2.46%	299,022.756	27.02	20.16	19.99
I (acc) USD	1.04%	29,354,656.336	30.80	22.65	22.13
I (acc) EUR	1.01%	410,403.957	27.17	21.02	21.13
I (Ydis) EUR	1.13%	1,761.550	26.89	20.90	21.05
N (acc) USD	2.64%	1,699,679.714	26.65	19.91	19.78
N (acc) EUR	2.63%	1,707,626.002	23.62	18.57	18.98
N (acc) PLN-H1 (hedged)	2.65%	3,072,050.475	13.70	10.07	9.75
S (acc) USD*	0.88%	1,969,570.000	14.33	–	–
W (acc) USD	1.13%	279,496.436	14.56	10.71	10.49
W (acc) EUR*	1.15%	24,631.974	13.37	–	–
W (acc) GBP	1.14%	203,284.772	13.32	11.03	10.48
X (acc) USD*	0.20%	500.000	13.24	–	–
Z (acc) USD	1.39%	359,282.947	11.40	8.41	8.25
Z (acc) GBP	1.39%	46,466.196	13.25	11.00	10.48
<b>Franklin Japan Fund – JPY**</b>					
A (acc) JPY	1.86%	4,371,267.010	710.67	644.98	434.19
A (acc) EUR	1.87%	1,052,541.231	5.11	4.99	4.28
A (acc) SGD	1.86%	241,327.427	5.97	5.63	4.70
A (acc) USD	1.86%	8,002,113.674	7.02	6.51	5.43
A (Ydis) EUR	1.87%	54,306.936	5.09	4.96	4.23
A (Ydis) GBP	1.86%	12,952.135	4.10	4.28	3.47
C (acc) USD	2.44%	298,951.206	7.82	7.29	6.12
I (acc) EUR	0.97%	1,771,302.553	7.86	7.60	6.46
I (acc) USD	0.97%	11,058,856.566	8.91	8.18	6.77
N (acc) EUR	2.61%	1,998,783.686	4.59	4.51	3.90
N (acc) USD	2.62%	2,259,401.677	9.62	8.99	7.55
W (acc) EUR*	1.01%	364.961	10.68	–	–
<b>Franklin MENA Fund – USD</b>					
A (acc) USD	2.47%	18,070,317.810	6.96	4.97	4.29
A (acc) EUR	2.47%	5,637,269.202	5.04	3.79	3.36
A (acc) EUR-H1 (hedged)	2.47%	3,925,556.219	4.17	2.98	2.59
A (Ydis) USD	2.44%	185,546.078	7.59	5.49	4.76
A (Ydis) GBP	2.47%	118,207.120	8.48	6.82	5.70
B (acc) USD	3.84%	956,003.164	6.42	4.65	4.06
I (acc) USD	1.39%	1,568,020.483	7.43	5.25	4.47
I (acc) EUR	1.39%	1,930,731.835	5.43	4.04	3.54
I (Ydis) USD	1.56%	7,461.057	7.94	5.74	5.00
N (acc) USD	2.98%	3,428,365.594	6.75	4.85	4.20
N (acc) EUR-H1 (hedged)	2.99%	5,552,360.282	4.04	2.91	2.53
W (acc) EUR*	1.46%	366.851	9.55	–	–
X (Acc) USD	0.30%	290,467.114	17.10	11.96	10.07
<b>Franklin Multi-Asset Income Fund – EUR</b>					
A (acc) EUR	1.40%	82,357.921	10.38	9.63	–
A (Qdis) EUR	1.40%	470,188.354	10.09	9.64	–
A (Ydis) EUR	1.39%	31,667.088	10.33	9.63	–
I (acc) EUR	0.66%	1,080,007.832	10.47	9.65	–
I (Qdis) EUR	0.66%	1,078,448.382	10.15	9.65	–
N (acc) EUR	1.92%	339,631.084	10.32	9.63	–
<b>Franklin Natural Resources Fund – USD</b>					
A (acc) USD	1.83%	12,307,618.433	11.12	8.57	8.32
A (acc) CHF-H1 (hedged)	1.83%	146,916.277	9.55	7.38	7.24
A (acc) EUR	1.84%	2,862,580.438	8.13	6.59	6.59
A (Ydis) USD	1.83%	568,095.486	11.12	8.57	8.33

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Franklin Natural Resources Fund – USD (continued)</b>					
A (Ydis) EUR-H1 (hedged)	1.83%	164,301.360	9.47	7.29	7.17
B (acc) USD	3.14%	437,644.201	12.21	9.53	9.38
C (acc) USD	2.41%	854,329.117	10.25	7.94	7.76
I (acc) USD	0.97%	1,983,435.110	11.84	9.05	8.71
I (acc) EUR	0.98%	2,782,324.974	8.66	6.96	6.90
N (acc) EUR	2.59%	1,858,098.794	7.70	6.29	6.33
N (acc) PLN-H1 (hedged)	2.56%	2,335,126.139	12.31	9.40	8.97
<b>Franklin Real Return Fund – USD</b>					
A (acc) USD	1.35%	421,106.433	11.09	10.53	10.37
A (Ydis) EUR-H1 (hedged)	1.34%	215,864.710	10.74	10.21	10.20
N (acc) USD	1.85%	125,504.219	10.39	9.92	9.82
<b>Franklin Strategic Income Fund – USD</b>					
A (acc) USD	1.35%	21,604,701.034	15.03	14.07	13.35
A (acc) EUR	1.35%	2,547,464.437	11.00	10.83	10.57
A (acc) EUR-H1 (hedged)	1.35%	2,487,638.475	11.81	11.07	10.57
A (Mdis) USD	1.35%	26,035,717.457	11.49	11.07	10.82
A (Mdis) AUD-H1 (hedged)	1.35%	238,522.779	10.51	9.92	–
A (Mdis) EUR	1.35%	3,860,555.020	8.39	8.51	8.55
A (Mdis) EUR-H1 (hedged)	1.35%	1,136,461.673	10.14	9.80	–
B (Mdis) USD	2.88%	2,891,511.772	11.47	11.06	10.80
C (Mdis) USD	1.95%	16,333,315.355	11.47	11.06	10.81
I (acc) USD	0.83%	1,630,360.736	15.57	14.50	13.68
I (acc) EUR-H1 (hedged)	0.82%	13,743,304.460	11.51	10.74	10.20
I (Ydis) USD*	0.85%	63,286.796	10.35	–	–
N (acc) USD	2.08%	16,713,914.421	11.82	11.14	10.64
N (acc) EUR-H1 (hedged)	2.10%	2,083,314.648	11.55	10.92	10.49
N (Mdis) EUR-H1 (hedged)*	2.10%	307,255.649	10.21	–	–
Z (acc) USD	1.07%	2,671,724.579	13.26	12.37	11.70
<b>Franklin Technology Fund – USD</b>					
A (acc) USD	1.81%	49,667,396.219	10.05	7.82	7.11
A (acc) EUR	1.81%	7,621,737.963	7.36	6.02	5.63
A (acc) HKD	1.82%	34,925.022	13.11	10.20	–
B (acc) USD	3.15%	1,773,732.143	8.34	6.58	6.06
C (acc) USD	2.40%	950,253.683	20.00	15.65	14.32
I (acc) USD	0.95%	4,689,101.085	13.43	10.36	9.34
I (acc) EUR	0.97%	2,610,979.687	13.21	10.72	9.94
I (acc) GBP	0.95%	324.549	13.30	11.54	10.10
N (acc) USD	2.57%	6,266,502.073	8.73	6.84	6.27
N (acc) EUR	2.56%	3,971,995.285	6.38	5.26	4.96
W (acc) USD*	1.04%	605,368.614	11.43	–	–
W (acc) EUR	1.02%	66,970.301	11.69	9.50	–
X (acc) USD*	0.21%	500.002	11.40	–	–
Z (acc) USD	1.32%	240,999.456	14.23	11.01	9.96
<b>Franklin U.S. Dollar Liquid Reserve Fund – USD</b>					
A (acc) USD	0.25%	13,161,744.983	11.57	11.59	11.61
A (Mdis) USD	0.25%	6,796,363.999	9.68	9.70	9.72
B (Mdis) USD	1.32%	1,238,666.937	9.18	9.30	9.42
C (acc) USD	1.23%	799,361.769	10.11	10.23	10.34
I (acc) USD	0.25%	57,964.268	10.02	10.04	10.06
N (acc) USD	1.15%	4,034,366.837	10.65	10.76	10.87
<b>Franklin U.S. Equity Fund – USD</b>					
A (acc) USD	1.83%	15,357,261.811	22.97	18.94	16.13
A (acc) EUR	1.82%	651,132.993	16.77	14.54	12.73
A (acc) EUR-H1 (hedged)	1.82%	512,182.372	16.15	13.32	11.43
A (acc) HKD	1.84%	605,036.649	15.03	12.39	10.55
A (acc) SGD	1.81%	1,745.021	13.68	11.46	9.76
B (acc) USD	3.13%	449,806.900	18.85	15.75	13.58
C (acc) USD	2.41%	2,169,703.644	19.97	16.56	14.18
I (acc) USD	0.97%	1,998,710.411	18.80	15.37	12.97
I (acc) EUR	0.96%	665,986.046	12.72	10.94	9.49
I (acc) EUR-H1 (hedged)	0.96%	91,078.020	11.30	9.24	7.86
N (acc) USD	2.57%	3,654,431.654	20.53	17.05	14.63
N (acc) EUR	2.57%	916,212.418	14.97	13.08	11.54
W (acc) EUR*	1.04%	5,938.313	11.52	–	–
X (acc) USD*	0.13%	500.000	11.28	–	–
<b>Franklin U.S. Focus Fund – USD</b>					
A (acc) USD	1.84%	687,612.528	15.69	12.11	9.99
A (acc) EUR-H1 (hedged)	1.81%	1,416,451.670	9.31	7.18	5.97
I (acc) USD	0.97%	113,086.316	16.51	12.64	10.36
I (acc) EUR-H1 (hedged)	0.95%	151,356.287	9.80	7.51	6.20
N (acc) EUR-H1 (hedged)	2.58%	558,616.535	8.87	6.91	5.79

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Franklin U.S. Government Fund – USD</b>					
A (acc) USD	1.27%	4,271,355.508	10.82	10.51	10.75
A (acc) HKD	1.27%	65,590.862	11.11	10.80	11.05
A (Mdis) USD	1.27%	47,767,243.211	9.47	9.41	9.80
A (Mdis) HKD	1.27%	535,469.327	10.04	9.98	10.40
A (Mdis) SGD-H1 (hedged)	1.27%	750,303.340	10.10	10.05	10.48
AX (acc) USD	1.47%	5,799,492.734	15.27	14.86	15.23
B (acc) USD	2.52%	363,099.848	12.55	12.35	12.79
B (Mdis) USD	2.52%	2,782,333.556	9.48	9.42	9.81
C (acc) USD	2.05%	2,725,608.875	13.47	13.19	13.60
I (acc) USD	0.60%	2,469,102.821	13.39	12.92	13.12
I (acc) EUR-H1 (hedged)	0.59%	2,884,201.961	10.25	9.91	10.12
I (Mdis) USD	0.60%	8,720,476.249	9.92	9.85	10.26
I (Mdis) JPY-H1 (hedged)	0.60%	79,230.000	965.91	961.38	–
N (acc) USD	1.96%	3,356,340.277	14.13	13.83	14.24
N (Mdis) USD	1.96%	2,760,582.408	9.51	9.45	9.84
W (acc) USD	0.83%	1,745.000	10.14	9.81	–
W (Mdis) USD	0.80%	5,491.699	9.82	9.75	–
X (acc) USD*	0.14%	500.000	10.32	–	–
Z (acc) USD	0.96%	558,320.317	11.37	11.01	11.23
Z (Mdis) USD	0.97%	307,919.446	9.97	9.91	10.31
<b>Franklin U.S. Low Duration Fund – USD</b>					
A (acc) USD	1.15%	13,455,654.715	10.54	10.35	10.21
A (Mdis) USD	1.15%	127,665,079.858	9.90	9.78	9.68
AX (acc) USD	1.35%	3,991,512.504	12.05	11.86	11.73
B (Mdis) USD	2.40%	240,006.407	9.65	9.60	9.59
C (Mdis) USD	2.03%	2,837,074.933	9.76	9.67	9.63
I (acc) USD	0.67%	3,298,497.747	12.64	12.36	12.14
I (acc) EUR-H1 (hedged)	0.65%	3,750,236.388	10.41	10.20	10.07
N (Mdis) USD	1.85%	7,529,835.126	9.81	9.70	9.64
<b>Franklin U.S. Opportunities Fund – USD</b>					
A (acc) USD	1.81%	184,505,396.544	11.22	8.85	7.53
A (acc) CHF-H1 (hedged)	1.81%	693,950.560	16.67	13.20	11.32
A (acc) EUR	1.81%	11,572,635.816	8.20	6.80	5.96
A (acc) EUR-H1 (hedged)	1.81%	16,438,302.095	7.82	6.18	5.30
A (acc) HKD	1.82%	6,037,538.714	15.13	11.93	10.17
A (acc) NOK-H1 (hedged)*	1.77%	951,565.646	10.89	–	–
A (acc) SEK-H1 (hedged)	1.81%	2,477,084.981	15.61	12.20	10.34
A (acc) SGD	1.82%	6,643,535.613	12.44	9.97	8.49
A (acc) SGD-H1 (hedged)	1.82%	3,136,238.030	17.13	13.53	11.55
A (Ydis) EUR	1.81%	8,711,336.700	8.35	6.93	6.07
A (Ydis) GBP	1.81%	971,236.072	6.55	5.81	4.80
B (acc) USD	3.12%	4,146,822.564	9.31	7.44	6.41
C (acc) USD	2.40%	8,318,540.938	18.42	14.60	12.51
I (acc) USD	0.96%	30,056,180.851	27.86	21.78	18.38
I (acc) EUR	0.96%	8,997,226.110	20.34	16.73	14.52
I (acc) EUR-H1 (hedged)	0.95%	764,579.364	19.15	14.99	12.76
I (acc) GBP	1.00%	211.167	13.84	12.18	9.98
N (acc) USD	2.57%	13,101,688.231	23.10	18.35	15.74
N (acc) EUR	2.56%	4,245,821.512	16.84	14.07	12.42
N (acc) EUR-H1 (hedged)	2.57%	394,627.084	14.41	11.45	9.92
N (acc) PLN-H1 (hedged)	2.57%	4,988,020.129	20.05	15.63	13.03
W (acc) USD	1.05%	11,148,563.979	15.29	11.96	10.09
W (acc) EUR*	1.03%	4,046,453.949	11.30	–	–
X (Acc) USD*	0.13%	500.000	10.88	–	–
X (Ydis) USD	0.24%	2,732,569.320	15.13	11.77	9.88
Z (acc) USD	1.31%	1,395,500.894	19.06	14.95	12.67
<b>Franklin U.S. Small-Mid Cap Growth Fund – USD</b>					
A (acc) USD	1.83%	9,619,305.455	19.03	15.27	12.83
B (acc) USD	3.14%	289,320.210	26.38	21.44	18.26
C (acc) USD	2.42%	1,520,969.949	17.82	14.38	12.15
I (acc) USD	0.97%	1,302,267.912	18.62	14.81	12.34
N (acc) USD	2.59%	1,714,451.367	17.12	13.84	11.72
<b>Franklin U.S. Total Return Fund – USD</b>					
A (acc) USD	1.20%	2,575,297.598	15.86	15.01	14.91
A (Mdis) USD	1.20%	2,858,216.152	11.34	10.94	11.01
C (Mdis) USD	1.98%	1,039,379.502	11.33	10.93	11.00
I (acc) USD	0.85%	287,188.078	15.68	14.80	14.63
I (Mdis) USD	0.82%	1,214,379.381	11.96	11.53	11.61
N (Mdis) USD	1.90%	2,828,433.378	11.33	10.93	11.00



## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Franklin World Perspectives Fund – USD</b>					
A (acc) USD	1.86%	4,151,656.760	19.55	15.78	13.75
A (acc) EUR	1.86%	1,750,218.425	19.48	16.55	14.82
A (Ydis) GBP	1.84%	13,635.421	19.90	18.08	15.29
I (acc) USD	0.97%	2,131,549.026	20.53	16.43	14.19
I (acc) EUR	0.98%	4,239,115.486	20.46	17.23	15.30
N (acc) USD	2.62%	2,894,651.132	18.73	15.24	13.37
W (acc) GBP	1.05%	2,298.884	13.44	12.12	10.17
Z (acc) GBP	1.35%	1,680.083	13.37	12.09	10.17
<b>Franklin Mutual Beacon Fund – USD</b>					
A (acc) USD	1.82%	7,564,776.951	71.19	58.18	48.50
A (acc) EUR	1.82%	628,442.980	52.04	44.74	38.36
A (acc) EUR-H1 (hedged)	1.82%	234,606.835	48.54	39.66	33.31
A (acc) SGD	1.82%	511,358.487	10.60	8.81	7.34
A (Ydis) USD	1.82%	189,373.321	68.38	56.02	46.78
B (acc) USD	3.12%	369,882.897	32.79	27.15	22.93
C (acc) USD	2.40%	2,093,083.483	20.33	16.71	14.01
I (acc) USD	0.98%	11,288,299.164	19.47	15.78	13.04
I (acc) EUR	0.96%	5,916,424.625	14.22	12.12	10.30
I (acc) EUR-H1 (hedged)	0.95%	58,413.629	13.40	10.87	9.03
N (acc) USD	2.58%	2,397,811.878	35.67	29.37	24.66
N (acc) EUR	2.56%	1,549,940.506	26.01	22.53	19.46
N (acc) EUR-H1 (hedged)	2.57%	452,153.835	24.55	20.22	17.10
Z (acc) USD	1.33%	360,426.205	17.16	13.95	11.57
<b>Franklin Mutual Euroland Fund – EUR</b>					
A (acc) EUR	1.83%	834,432.126	17.19	13.31	11.13
N (acc) EUR	2.60%	518,021.694	16.46	12.84	10.82
<b>Franklin Mutual European Fund – EUR</b>					
A (acc) EUR	1.82%	59,983,795.163	23.11	19.17	16.26
A (acc) CHF-H1 (hedged)	1.82%	243,338.334	15.18	12.62	10.70
A (acc) CZK-H1 (hedged)	1.82%	1,412,442.922	142.73	118.47	100.44
A (acc) SEK	1.83%	35,543,980.273	13.64	10.80	9.19
A (acc) SGD	1.82%	94,800.129	9.15	7.34	6.05
A (acc) USD	1.83%	29,655,613.759	31.65	24.95	20.58
A (Ydis) EUR	1.82%	2,543,651.370	20.80	17.50	15.12
A (Ydis) GBP	1.83%	432,556.037	16.74	15.06	12.27
B (acc) USD	3.15%	1,858,508.250	26.38	21.08	17.62
B (Ydis) EUR	3.15%	34,999.045	19.03	15.99	13.75
C (acc) EUR	2.40%	70,642.802	21.07	17.58	15.00
C (acc) USD	2.42%	2,186,113.849	28.86	22.89	18.99
I (acc) EUR	0.97%	48,662,863.627	21.03	17.30	14.55
I (Ydis) EUR	0.97%	16,898.000	18.27	15.37	13.28
N (acc) EUR	2.56%	15,553,911.157	19.47	16.27	13.91
N (acc) USD	2.58%	2,761,267.085	26.55	21.09	17.53
W (acc) EUR	1.05%	2,464,876.985	12.51	10.30	–
W (Ydis) EUR*	1.05%	563,237.445	11.14	–	–
X (acc) EUR*	0.26%	3,520,432.901	10.73	–	–
Z (acc) EUR	1.34%	53,021.587	14.09	11.63	9.83
Z (acc) USD	1.33%	1,771,288.312	15.90	12.47	10.24
<b>Franklin Mutual Global Discovery Fund – USD</b>					
A (acc) USD	1.83%	37,124,663.016	18.72	15.49	12.89
A (acc) CHF-H1 (hedged)	1.81%	378,975.641	15.01	12.50	10.47
A (acc) EUR	1.82%	11,636,261.351	16.53	14.39	12.32
A (acc) EUR-H2 (hedged)	1.82%	7,843,949.829	12.56	10.79	9.07
A (Ydis) EUR	1.83%	1,756,831.067	23.15	20.26	17.48
A (Ydis) GBP	1.82%	162,694.400	18.68	17.48	14.24
B (acc) USD	3.13%	837,707.101	16.73	14.03	11.83
C (acc) USD	2.40%	4,514,898.855	17.78	14.80	12.39
I (acc) USD	0.97%	10,706,978.196	20.21	16.58	13.68
I (acc) EUR	0.97%	3,596,603.298	17.86	15.41	13.07
I (acc) EUR-H2 (hedged)	0.97%	4,315,593.339	17.44	14.85	12.38
N (acc) USD	2.58%	3,521,738.474	17.53	14.61	12.25
N (acc) EUR	2.57%	4,815,225.786	15.46	13.56	11.69
N (acc) EUR-H2 (hedged)	2.58%	5,097,181.631	12.17	10.54	8.92
W (acc) EUR*	1.06%	68,849.302	10.78	–	–
X (acc) EUR*	0.14%	363.928	10.89	–	–
Z (acc) USD	1.33%	1,381,939.454	16.00	13.18	10.91
<b>Templeton Africa Fund – USD</b>					
A (acc) USD	2.40%	2,396,878.029	12.61	11.63	9.69
A (acc) CHF-H1 (hedged)	2.39%	116,000.197	12.41	11.54	9.68
A (acc) EUR	2.40%	1,809,829.452	12.05	11.69	10.02

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Templeton Africa Fund – USD (continued)</b>					
A (acc) EUR-H1 (hedged)	2.40%	1,088,555.550	12.44	11.53	9.68
A (acc) GBP	2.40%	80,325.947	11.91	12.36	10.00
A (acc) SGD	2.40%	30,843.615	12.63	11.84	9.87
A (Ydis) EUR	2.40%	245,656.701	11.85	11.63	10.02
A (Ydis) EUR-H1 (hedged)	2.39%	167,177.903	12.24	11.48	9.68
I (acc) USD	1.40%	219,752.276	12.89	11.77	9.70
I (acc) EUR	1.40%	1,387,652.914	12.31	11.83	10.04
N (acc) EUR-H1 (hedged)	2.90%	1,355,176.412	12.30	11.45	9.67
W (acc) EUR*	1.60%	366.851	10.08	–	–
W (acc) GBP	1.60%	74,609.800	11.95	12.30	9.87
<b>Templeton Asian Bond Fund – USD</b>					
A (acc) USD	1.40%	33,853,584.732	18.67	17.74	17.12
A (acc) CHF-H1 (hedged)	1.40%	5,978,580.946	11.26	10.75	10.43
A (acc) EUR	1.40%	8,301,587.387	16.48	16.48	16.36
A (acc) EUR-H1 (hedged)	1.40%	10,649,583.995	13.29	12.65	12.28
A (Mdis) USD	1.40%	15,892,919.579	14.11	13.79	13.63
A (Mdis) AUD-H1 (hedged)	1.41%	187,859.493	10.07	9.67	–
A (Mdis) EUR	1.40%	3,576,789.541	10.32	10.62	10.79
A (Mdis) SGD	1.40%	848,882.638	9.87	9.80	9.69
A (Mdis) SGD-H1 (hedged)	1.40%	1,463,062.054	10.10	9.90	9.81
B (Mdis) USD	2.90%	1,083,375.020	14.08	13.76	13.60
C (Mdis) USD	2.18%	3,284,194.417	14.08	13.76	13.60
I (acc) USD	0.85%	11,659,033.668	19.58	18.50	17.75
I (acc) CHF-H1 (hedged)	0.85%	1,534,919.191	11.52	10.95	10.56
I (acc) EUR	0.85%	4,536,455.776	14.28	14.20	14.01
I (acc) EUR-H1 (hedged)	0.85%	2,645,775.042	12.21	11.58	11.18
I (Mdis) EUR	0.86%	1,671,022.301	10.73	11.04	11.21
N (acc) USD	2.10%	2,358,752.880	17.57	16.81	16.34
N (acc) EUR	2.10%	1,573,944.014	15.51	15.62	15.61
N (Mdis) USD	2.10%	2,199,473.464	14.09	13.77	13.61
S (acc) USD*	0.74%	500.000	10.64	–	–
S (acc) CHF-H1 (hedged)*	0.72%	83,617.500	10.62	–	–
W (acc) EUR-H1 (hedged)	1.00%	94,751.775	11.04	10.48	10.14
W (Mdis) USD	1.00%	5,137,473.952	10.53	10.29	10.14
X (Ydis) USD	0.29%	213,585.386	10.47	10.18	9.96
Z (acc) USD	1.10%	1,337,229.333	12.34	11.69	11.25
<b>Templeton Asian Dividend Fund – USD</b>					
A (acc) USD	2.25%	9,032.470	9.85	9.60	–
A (acc) EUR	2.22%	2,999.394	9.37	9.61	–
A (Mdis) USD	2.23%	18,474.776	9.49	9.52	–
A (Mdis) SGD-H1 (hedged)	2.22%	124,430.595	9.41	9.50	–
A (Qdis) EUR	2.22%	6,358.015	9.09	9.61	–
A (Ydis) EUR	2.22%	2,273.035	9.24	9.61	–
I (acc) USD	1.19%	198,000.000	9.96	9.61	–
I (acc) EUR	1.19%	151,945.358	9.48	9.62	–
N (acc) EUR	2.73%	24,577.751	9.31	9.60	–
W (acc) GBP	1.37%	3,064.194	8.99	9.78	–
W (Qdis) GBP	1.38%	322.966	8.68	9.78	–
<b>Templeton Asian Growth Fund – USD</b>					
A (acc) USD	2.22%	80,983,638.319	36.34	32.73	31.10
A (acc) CHF-H1 (hedged)	2.22%	3,624,248.807	13.02	11.77	11.28
A (acc) CZK-H1 (hedged)	2.24%	964,232.614	112.80	102.28	97.91
A (acc) EUR	2.22%	22,450,397.087	26.49	25.10	24.53
A (acc) EUR-H1 (hedged)	2.22%	11,359,028.629	24.65	22.24	21.34
A (acc) HKD	2.23%	28,187,893.800	10.86	9.79	9.30
A (acc) RMB-H1 (hedged)	2.22%	157,212.729	122.36	108.69	–
A (acc) SGD	2.22%	12,673,185.567	8.60	7.87	7.48
A (acc) SGD-H1 (hedged)	2.22%	630,474.611	12.44	11.24	10.72
A (Ydis) USD	2.22%	77,157,203.409	33.61	30.37	28.91
A (Ydis) EUR	2.22%	6,180,553.720	24.55	23.36	22.86
A (Ydis) GBP	2.22%	1,081,743.321	19.65	19.98	18.46
B (acc) USD	3.52%	3,761,927.308	15.57	14.21	13.68
C (acc) USD	2.80%	2,907,001.279	31.04	28.12	26.88
I (acc) USD	1.22%	109,658,911.118	36.74	32.76	30.82
I (acc) CHF-H1 (hedged)	1.22%	649,322.640	10.98	9.83	9.32
I (acc) EUR	1.22%	10,639,731.227	26.82	25.16	24.34
I (acc) EUR-H1 (hedged)	1.21%	707,460.357	21.70	19.38	18.42
I (acc) GBP <sup>2</sup>	–	–	–	11.06	10.10
I (Ydis) EUR-H2 (hedged)	1.23%	10,212,041.584	10.87	11.66	11.48
N (acc) USD	2.72%	7,047,315.946	49.89	45.16	43.13
N (acc) EUR	2.72%	2,925,801.001	36.43	34.70	34.08
N (acc) EUR-H1 (hedged)	2.71%	1,881,591.201	33.85	30.68	29.57
N (acc) HUF	2.72%	1,311,479.523	126.40	114.66	109.19

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Templeton Asian Growth Fund – USD (continued)</b>					
N (acc) PLN-H1 (hedged)	2.72%	6,347,733.995	14.48	12.88	12.00
W (acc) USD	1.35%	2,026,181.068	12.09	10.80	10.17
W (acc) EUR	1.35%	2,234,724.719	9.89	9.28	–
W (acc) GBP	1.34%	112,895.130	11.00	11.05	10.10
W (Ydis) EUR*	1.35%	2,719.967	10.80	–	–
X (acc) USD*	0.33%	4,688,199.000	11.35	–	–
X (acc) SGD <sup>2</sup>	–	–	–	9.95	9.27
X (Ydis) USD*	0.31%	500.000	10.63	–	–
Z (acc) USD	1.72%	2,130,145.982	14.00	12.54	11.86
Z (acc) GBP	1.69%	8,240.422	10.93	11.02	10.10
Z (Ydis) USD	1.72%	180,516.777	10.56	9.54	9.11
Z (Ydis) EUR-H1 (hedged)	1.71%	69,554.093	12.13	10.98	10.56
<b>Templeton Asian Smaller Companies Fund – USD</b>					
A (acc) USD	2.24%	7,560,621.811	38.18	31.51	26.56
A (acc) EUR	2.24%	3,843,820.530	38.04	33.03	28.64
A (acc) SGD	2.24%	192,402.864	32.54	27.30	23.01
A (Ydis) USD	2.25%	1,549,453.372	37.82	31.24	26.42
B (acc) USD	3.55%	143,014.637	36.77	30.75	26.26
I (acc) USD	1.21%	4,449,327.450	40.53	33.11	27.62
I (acc) EUR	1.21%	3,656,659.154	40.37	34.70	29.77
N (acc) USD	2.76%	1,011,395.299	14.16	11.74	9.95
N (acc) EUR	2.74%	205,642.683	14.69	12.82	11.16
W (acc) USD	1.32%	36,877.259	11.25	9.20	–
W (acc) EUR*	1.32%	955,241.061	11.27	–	–
X (Ydis) USD*	0.29%	500.000	10.81	–	–
<b>Templeton BRIC Fund – USD</b>					
A (acc) USD	2.48%	59,689,473.546	15.12	13.06	14.05
A (acc) EUR	2.48%	7,588,173.794	13.36	12.14	13.43
A (acc) EUR-H1 (hedged)	2.47%	1,709,883.016	9.90	8.58	9.32
A (acc) HKD	2.49%	68,253.052	8.22	7.10	7.64
A (acc) SGD	2.47%	151,466.867	5.18	4.55	4.89
A (Ydis) EUR	2.48%	90,122.346	19.40	17.63	19.50
A (Ydis) GBP	2.47%	143,487.879	15.55	15.11	15.79
B (acc) USD	3.77%	1,744,370.030	13.54	11.85	12.92
C (acc) USD	3.05%	1,673,714.503	14.37	12.48	13.51
I (acc) USD	1.41%	333,872.261	16.60	14.19	15.11
I (acc) EUR	1.41%	128,445.774	12.14	10.91	11.94
N (acc) USD	2.97%	1,747,971.462	14.48	12.57	13.59
N (acc) EUR	2.97%	3,274,686.653	12.79	11.68	12.99
N (acc) PLN-H1 (hedged)	2.97%	1,217,331.685	8.69	7.42	7.84
W (acc) GBP	1.60%	11,126.645	10.09	9.72	10.07
Z (acc) USD	1.98%	156,017.503	9.14	7.86	8.41
<b>Templeton China Fund – USD</b>					
A (acc) USD	2.45%	31,505,724.778	22.56	20.83	20.94
A (acc) HKD	2.46%	147,520.638	10.21	9.43	9.48
A (acc) SGD	2.45%	2,156,410.832	6.93	6.50	6.53
A (Ydis) EUR	2.44%	1,154,629.910	15.98	15.59	16.12
A (Ydis) GBP	2.44%	274,516.769	12.69	13.26	12.98
B (acc) USD	3.76%	1,076,731.360	9.98	9.34	9.51
C (acc) USD	3.02%	861,536.164	16.05	14.90	15.07
I (acc) USD	1.36%	2,506,807.016	26.91	24.57	24.44
I (Ydis) GBP	1.36%	365,781.569	7.97	8.32	8.16
N (acc) USD	2.94%	2,326,560.338	22.28	20.67	20.88
W (acc) USD	1.53%	273,812.873	9.71	8.88	–
W (acc) EUR	1.54%	5,348.000	9.26	8.91	–
W (acc) GBP	1.55%	69,253.176	9.76	10.05	9.72
W (Ydis) EUR	1.55%	151,121.010	9.07	8.87	–
X (acc) USD*	0.17%	500.000	9.80	–	–
X (acc) HKD	0.27%	18,176,967.553	9.63	8.70	8.56
Z (acc) USD	1.95%	626,918.501	9.17	8.42	8.42
Z (acc) GBP <sup>2</sup>	–	–	–	10.00	9.72
Z (Ydis) EUR	1.94%	1,126.247	9.97	9.72	9.99
<b>Templeton Constrained Bond Fund – USD*</b>					
A (acc) USD	1.20%	500.000	10.21	–	–
A (Mdis) USD	1.20%	500.000	10.18	–	–
A (Mdis) EUR	1.20%	8,656.821	10.06	–	–
I (acc) USD	0.66%	498,750.000	10.25	–	–
I (acc) EUR	0.66%	368,897.944	10.12	–	–
N (acc) USD	1.90%	8,070.392	10.16	–	–
N (Mdis) USD	1.90%	1,855.476	10.15	–	–
<b>Templeton Eastern Europe Fund – EUR</b>					
A (acc) EUR	2.54%	10,165,995.109	21.41	20.40	20.22
A (acc) SGD	2.56%	21,808.410	4.53	4.17	4.02

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Templeton Eastern Europe Fund – EUR (continued)</b>					
A (acc) USD	2.54%	3,346,380.368	29.30	26.55	25.58
A (Ydis) EUR	2.54%	38,174.654	21.17	20.18	20.00
A (Ydis) GBP	2.54%	43,749.973	16.90	17.22	16.11
B (acc) USD	3.85%	1,281,917.364	6.65	6.10	5.96
B (Ydis) EUR	3.84%	181,162.291	4.85	4.69	4.71
C (acc) USD	3.12%	153,652.572	9.55	8.70	8.43
I (acc) EUR	1.39%	2,415,851.995	15.38	14.49	14.19
N (acc) EUR	3.04%	861,253.465	19.83	19.00	18.92
W (acc) EUR*	1.63%	35,092.692	9.71	–	–
X (acc) EUR	0.29%	898,103.537	7.94	7.40	7.17
Z (acc) USD	2.05%	39,636.952	8.59	7.74	7.44
<b>Templeton Emerging Markets Fund – USD</b>					
A (acc) USD	2.51%	10,111,830.181	36.80	34.33	33.28
A (acc) EUR-H1 (hedged)	2.50%	602,661.272	9.15	8.55	8.38
A (acc) HKD	2.49%	16,609.711	10.63	9.92	9.62
A (acc) SGD	2.52%	3,974,896.784	7.14	6.77	6.56
A (Ydis) USD	2.51%	8,346,717.081	35.22	32.97	32.09
B (acc) USD	3.81%	771,308.500	17.64	16.68	16.38
C (acc) USD	3.09%	1,046,690.024	31.28	29.35	28.62
I (acc) USD	1.39%	2,943,561.768	24.07	22.21	21.29
I (acc) EUR-H1 (hedged)	1.42%	156,646.755	9.50	8.75	8.48
N (acc) USD	3.01%	1,985,855.162	19.81	18.57	18.09
N (acc) EUR	3.01%	1,328,419.034	14.48	14.28	14.31
W (acc) USD*	1.61%	413,309.738	10.59	–	–
Z (acc) USD*	2.01%	4,400.774	10.06	–	–
<b>Templeton Emerging Markets Balanced Fund – USD</b>					
A (acc) USD	2.05%	1,495,011.791	9.25	8.56	8.86
A (acc) CHF-H1 (hedged)	2.05%	102,983.992	9.02	8.38	8.75
A (acc) EUR	2.05%	847,587.287	10.00	9.74	10.37
A (acc) EUR-H1 (hedged)	2.05%	347,140.065	9.12	8.46	8.83
A (Qdis) USD	2.04%	601,991.953	8.61	8.22	8.74
A (Qdis) GBP	2.05%	2,332.110	8.41	9.03	9.32
A (Qdis) GBP-H1 (hedged)	2.03%	51,915.357	8.59	8.21	8.74
A (Qdis) SGD-H1 (hedged)	2.03%	127,453.882	8.45	8.11	8.64
A (Ydis) EUR	2.05%	821,428.227	9.48	9.52	10.35
A (Ydis) EUR-H1 (hedged)	2.05%	655,634.071	8.63	8.23	8.81
B (Mdis) USD	3.49%	8.882	8.69	8.28	8.82
C (acc) USD	2.84%	311,278.918	9.19	8.57	8.94
I (acc) USD	1.19%	569.476	9.46	8.70	8.94
I (acc) EUR	1.23%	190,507.496	10.27	9.91	10.46
I (acc) EUR-H1 (hedged)	1.24%	53,772.278	9.36	8.60	8.92
I (Ydis) EUR-H1 (hedged)	1.21%	47,242.928	8.69	8.31	8.89
N (acc) USD	2.55%	652,094.632	9.12	8.48	8.82
N (acc) EUR-H1 (hedged)	2.55%	603,692.355	8.99	8.38	8.79
W (Qdis) GBP	1.40%	3,284.980	9.30	9.99	10.22
X (acc) USD	0.30%	38,642.493	9.77	8.88	9.04
Z (acc) USD	1.77%	206,175.936	9.33	8.60	8.88
Z (Qdis) GBP	1.60%	324.549	9.30	9.99	10.22
<b>Templeton Emerging Markets Bond Fund – USD</b>					
A (acc) USD	1.91%	25,848,543.984	13.47	12.70	11.65
A (acc) CHF-H1 (hedged)	1.90%	1,649,946.519	12.68	12.02	11.11
A (acc) EUR-H1 (hedged)	1.91%	1,334,817.671	11.19	10.58	9.76
A (acc) NOK-H1 (hedged)	1.91%	2,444,147.944	12.48	11.62	10.55
A (acc) SEK-H1 (hedged)	1.90%	9,850,617.443	12.33	11.55	10.54
A (Mdis) USD	1.91%	96,652,020.355	11.35	11.37	11.08
A (Mdis) AUD-H1 (hedged)	1.91%	1,445,508.342	9.69	9.54	–
A (Mdis) HKD	1.89%	1,362,545.963	10.31	10.34	10.08
A (Mdis) SGD-H1 (hedged)	1.91%	711,261.950	9.40	9.44	–
A (Qdis) USD	1.91%	66,431,314.944	19.66	19.68	19.19
A (Qdis) EUR	1.91%	24,831,325.886	14.45	15.21	15.27
A (Qdis) GBP	1.91%	660,467.095	9.97	11.22	10.62
A (Ydis) EUR-H1 (hedged)	1.91%	17,446,466.685	10.42	10.50	10.27
B (Mdis) USD	3.22%	29,245,580.689	11.34	11.36	11.08
B (Qdis) USD	3.21%	12,617,159.620	17.77	17.79	17.35
C (acc) USD	2.49%	2,064,685.746	28.40	26.93	24.84
I (acc) USD	1.04%	58,634,384.525	25.53	23.86	21.70
I (acc) CHF-H1 (hedged)	1.06%	2,023,649.852	11.41	10.71	9.82
I (acc) EUR-H1 (hedged)	1.05%	10,680,314.851	12.98	12.16	11.13
I (Qdis) USD	1.05%	31,742,442.766	15.41	15.42	15.04
I (Qdis) GBP-H1 (hedged)	1.05%	4,230,325.051	10.29	10.31	10.05
I (Ydis) EUR-H1 (hedged)	1.02%	1,667,697.584	10.48	10.56	9.78
N (acc) USD	2.41%	7,961,072.345	34.38	32.57	30.02
W (acc) USD*	1.12%	406,485.974	10.35	–	–

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Templeton Emerging Markets Bond Fund – USD (continued)</b>					
W (acc) EUR-H1 (hedged)	1.12%	321,951.367	10.21	9.58	–
W (Qdis) USD	1.12%	1,845,810.304	9.50	9.52	–
W (Qdis) EUR*	1.12%	2,006,604.011	10.10	–	–
W (Qdis) GBP*	1.12%	331.126	8.91	–	–
W (Qdis) GBP-H1 (hedged)	1.12%	101,368.477	10.70	10.72	10.33
Z (acc) USD	1.41%	1,951,781.880	13.54	12.70	11.59
Z (Mdis) USD	1.42%	725,553.223	9.86	9.88	9.63
Z (Qdis) GBP-H1 (hedged)	1.38%	43,301.772	10.68	10.70	10.33
<b>Templeton Emerging Markets Smaller Companies Fund – USD</b>					
A (acc) USD	2.51%	15,368,733.635	9.87	8.02	7.24
A (acc) EUR	2.51%	3,740,145.845	10.30	8.80	8.18
A (Ydis) USD	2.50%	618,661.763	9.51	7.81	7.09
A (Ydis) GBP	2.51%	410,638.018	11.34	10.47	9.23
C (acc) USD	3.08%	752,175.435	10.55	8.62	7.84
I (acc) USD	1.43%	1,566,712.756	10.61	8.53	7.62
I (acc) EUR	1.43%	732,978.353	11.07	9.36	8.60
N (acc) USD	3.01%	3,029,560.225	9.55	7.80	7.08
W (acc) USD*	1.65%	305,259.614	11.43	–	–
W (acc) GBP	1.67%	333,307.159	12.77	11.57	10.06
<b>Templeton Euro Liquid Reserve Fund – EUR</b>					
A (acc) EUR	0.60%	5,321,944.569	5.60	5.63	5.63
A (Ydis) EUR	0.60%	3,780,253.738	4.38	4.40	4.43
I (acc) EUR	0.36%	709,689.222	10.41	10.42	10.40
N (acc) EUR	1.50%	1,324,422.460	10.45	10.59	10.68
<b>Templeton Euro Short-Term Money Market Fund – EUR</b>					
A (acc) EUR	0.22%	24,184.807	1,012.50	1,012.65	1,012.85
I (acc) EUR	0.22%	44,695.066	1,015.17	1,015.32	1,015.08
<b>Templeton Euroland Fund – EUR</b>					
A (acc) EUR	1.84%	8,133,379.498	18.59	14.75	11.61
A (Ydis) EUR	1.86%	315,389.436	16.54	13.26	10.69
B (acc) USD	3.18%	700,465.267	10.35	7.91	6.13
B (Ydis) EUR	3.18%	93,517.348	7.41	5.99	4.78
I (acc) EUR	0.97%	2,696,543.812	17.03	13.39	10.45
N (acc) EUR	2.60%	2,893,222.862	11.08	8.86	7.03
X (acc) EUR*	0.14%	362.897	10.96	–	–
<b>Templeton European Fund – EUR</b>					
A (acc) EUR	1.83%	4,188,161.541	20.41	16.60	13.35
A (acc) SGD	1.84%	5,002,099.306	8.39	6.59	5.15
A (acc) USD	1.83%	6,074,638.105	27.91	21.57	16.87
A (Ydis) USD	1.83%	10,294,135.636	23.82	18.69	14.87
I (acc) EUR	0.97%	1,397,426.947	17.52	14.13	11.26
N (acc) EUR	2.59%	695,655.565	18.69	15.31	12.41
W (acc) EUR*	1.01%	364.618	9.92	–	–
Z (acc) EUR*	1.24%	364.617	9.92	–	–
<b>Templeton European Total Return Fund – EUR</b>					
A (acc) EUR	1.10%	3,571,262.723	13.83	12.61	11.64
A (acc) NOK-H1 (hedged)*	1.33%	303,260.577	10.43	–	–
A (acc) SEK-H1 (hedged)*	1.33%	325,859.323	10.43	–	–
A (Mdis) EUR	1.10%	2,959,288.319	9.76	9.08	8.62
A (Mdis) USD	1.10%	355,130.153	13.39	11.84	10.93
I (acc) EUR	0.85%	1,186,638.124	13.45	12.24	11.25
N (acc) EUR	1.80%	2,619,175.510	12.82	11.77	10.94
N (Mdis) EUR	1.80%	4,662,803.214	11.05	10.28	9.76
W (acc) EUR*	0.82%	364.618	10.15	–	–
<b>Templeton Frontier Markets Fund – USD</b>					
A (acc) USD	2.59%	17,951,380.079	20.39	17.40	14.24
A (acc) EUR	2.59%	11,811,929.602	20.32	18.25	15.36
A (acc) EUR-H1 (hedged)	2.58%	7,841,791.619	12.31	10.53	8.69
A (acc) SGD	2.59%	313,889.693	17.39	15.09	12.35
A (Ydis) USD	2.58%	1,763,314.442	19.43	16.85	13.99
A (Ydis) GBP	2.58%	1,055,540.659	19.81	19.29	15.55
B (acc) USD	3.87%	59,292.514	17.91	15.49	12.84
C (acc) USD	3.17%	339,962.058	18.65	16.02	13.18
I (acc) USD	1.52%	11,107,981.130	21.69	18.31	14.83
I (acc) EUR	1.52%	14,176,708.899	21.61	19.20	15.99
I (Ydis) GBP	1.53%	3,521,929.565	20.24	19.70	15.88
N (acc) EUR	3.09%	2,804,047.231	19.75	17.82	15.08
N (acc) EUR-H1 (hedged)	3.08%	6,313,538.975	18.82	16.18	13.42
N (acc) PLN-H1 (hedged)	3.08%	4,085,178.197	13.28	11.20	8.95
W (acc) USD	1.75%	1,018,437.795	14.68	12.42	10.08

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Templeton Frontier Markets Fund – USD (continued)</b>					
W (acc) EUR*	1.69%	3,077,462.228	11.00	–	–
W (acc) GBP	1.70%	392,116.182	12.87	12.25	9.65
X (acc) USD	0.30%	500.000	13.89	11.59	9.28
Z (acc) GBP	2.08%	42,841.977	12.78	12.21	9.64
Z (Ydis) EUR-H1 (hedged)	2.09%	146,172.382	11.88	10.31	8.64
<b>Templeton Global Fund – USD</b>					
A (acc) USD	1.83%	10,353,512.130	40.90	32.10	24.50
A (acc) HKD	1.83%	1,649,575.740	16.61	13.04	9.95
A (acc) SGD	1.84%	15,626,358.610	9.58	7.65	5.83
A (Ydis) USD	1.83%	24,789,268.182	37.05	29.24	22.54
B (acc) USD	3.14%	950,196.095	24.69	19.63	15.18
C (acc) USD	2.41%	862,734.765	23.51	18.56	14.25
I (acc) USD	0.97%	12,081,923.297	23.28	18.12	13.71
N (acc) USD	2.58%	1,882,968.462	26.66	21.08	16.21
W (Ydis) USD*	1.07%	399,072.667	11.83	–	–
X (Ydis) USD*	0.25%	500.000	10.19	–	–
<b>Templeton Global (Euro) Fund – EUR</b>					
A (acc) EUR	1.84%	2,529,200.734	18.22	15.08	12.06
A (Ydis) EUR	1.83%	37,638,725.099	16.73	13.93	11.24
B (acc) USD	3.17%	75,082.871	11.45	9.13	7.20
I (acc) EUR	0.97%	544,013.151	17.54	14.39	11.41
I (acc) EUR-H2 (hedged)	0.97%	622,042.984	17.56	14.18	11.11
N (acc) EUR	2.59%	564,609.276	15.17	12.65	10.19
W (acc) EUR*	1.05%	1,803.891	11.02	–	–
Z (acc) EUR*	1.34%	4,637.818	10.14	–	–
<b>Templeton Global Balanced Fund – USD</b>					
A (acc) USD	1.65%	11,503,893.227	29.57	25.15	21.17
A (acc) EUR	1.65%	1,974,629.965	21.60	19.33	16.73
A (acc) EUR-H1 (hedged)	1.65%	2,141,771.129	20.12	17.16	14.59
A (acc) SGD	1.65%	29,424,088.676	10.48	9.06	7.63
A (Qdis) USD	1.65%	16,317,272.249	24.49	21.00	17.94
B (acc) USD	2.96%	2,590,039.264	19.01	16.38	13.97
C (Qdis) USD	2.23%	4,683,875.654	14.38	12.36	10.55
I (Ydis) USD	0.88%	1,538,847.705	13.61	11.71	9.85
N (acc) EUR	2.15%	3,950,904.938	15.35	13.80	12.01
N (acc) EUR-H1 (hedged)	2.16%	4,004,511.381	10.57	9.06	7.73
W (acc) USD*	0.98%	14,767.599	10.75	–	–
X (Ydis) USD*	0.25%	500.000	10.28	–	–
Z (acc) USD*	1.05%	500.000	10.09	–	–
<b>Templeton Global Bond Fund – USD</b>					
A (acc) USD	1.40%	168,809,637.554	29.56	27.87	25.88
A (acc) CHF-H1 (hedged)	1.39%	19,382,946.915	13.20	12.50	11.70
A (acc) CZK-H1 (hedged)	1.40%	8,651,705.601	113.99	107.79	100.50
A (acc) EUR	1.40%	75,158,197.792	21.58	21.41	20.45
A (acc) EUR-H1 (hedged)	1.40%	129,688,398.476	21.41	20.22	18.87
A (acc) HKD	1.40%	4,499,271.539	13.08	12.34	11.47
A (acc) NOK-H1 (hedged)	1.40%	8,905,844.045	13.66	12.70	11.66
A (acc) SEK-H1 (hedged)	1.38%	29,901,969.287	13.34	12.48	11.53
A (Mdis) USD	1.40%	275,066,570.548	21.47	20.72	19.70
A (Mdis) AUD-H1 (hedged)	1.40%	3,080,312.498	12.01	11.36	10.49
A (Mdis) CAD-H1 (hedged)	1.41%	1,431,996.991	11.31	10.83	10.23
A (Mdis) EUR	1.40%	37,602,973.538	15.69	15.93	15.58
A (Mdis) EUR-H1 (hedged)	1.39%	78,836,841.126	13.81	13.36	12.77
A (Mdis) GBP	1.39%	5,598,076.445	12.58	13.65	12.60
A (Mdis) GBP-H1 (hedged)	1.39%	9,092,653.293	11.00	10.62	10.07
A (Mdis) HKD	1.39%	31,946,856.667	11.64	11.23	10.69
A (Mdis) RMB-H1 (hedged)	1.40%	287,435.623	110.75	105.33	–
A (Mdis) SGD	1.40%	10,570,939.613	11.59	11.37	10.81
A (Mdis) SGD-H1 (hedged)	1.40%	38,671,223.933	13.18	12.75	12.16
A (Ydis) CHF-H1 (hedged)	1.40%	2,699,890.788	11.51	11.17	10.65
A (Ydis) EUR	1.40%	37,458,916.748	16.11	16.36	16.04
A (Ydis) EUR-H1 (hedged)	1.40%	120,360,726.173	11.15	10.78	10.35
AX (acc) USD	1.60%	28,683,025.559	22.37	21.13	19.67
B (Mdis) USD	2.90%	17,557,886.980	22.37	21.58	20.52
C (Mdis) USD	2.18%	66,828,389.279	16.47	15.89	15.11
I (acc) USD	0.85%	84,654,160.831	24.39	22.86	21.12
I (acc) CHF-H1 (hedged)	0.85%	16,286,478.465	12.68	11.96	11.13
I (acc) EUR	0.85%	24,310,927.180	17.69	17.45	16.58
I (acc) EUR-H1 (hedged)	0.85%	45,844,499.208	17.74	16.68	15.50
I (acc) NOK-H1 (hedged)	0.86%	102,374,104.087	10.29	9.53	–
I (acc) NZD-H1 (hedged)*	0.83%	2,528,752.591	10.34	–	–

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Templeton Global Bond Fund – USD (continued)</b>					
I (Mdis) EUR	0.85%	7,221,564.554	13.13	13.33	13.03
I (Mdis) GBP	0.85%	8,076,687.763	11.74	12.74	11.76
I (Mdis) GBP-H1 (hedged)	0.85%	69,266,001.684	12.08	11.68	11.09
I (Mdis) JPY	0.85%	6,003,483.100	1,311.67	1,239.04	950.33
I (Mdis) JPY-H1 (hedged)	0.85%	3,257,383.073	1,087.90	1,050.01	993.01
I (Ydis) EUR	0.86%	890,810.133	14.16	14.38	14.11
I (Ydis) EUR-H1 (hedged)	0.85%	30,812,683.928	11.31	10.95	10.52
N (acc) USD	2.10%	42,721,857.538	29.03	27.56	25.78
N (acc) EUR	2.09%	16,601,328.265	21.20	21.17	20.37
N (acc) EUR-H1 (hedged)	2.08%	60,458,375.689	21.07	20.06	18.85
N (acc) HUF	2.10%	2,736,054.390	124.95	118.87	110.87
N (acc) PLN-H1 (hedged)	2.08%	17,812,326.151	14.14	13.18	11.95
N (Mdis) USD	2.11%	4,065,761.063	11.50	11.09	10.55
N (Mdis) EUR-H1 (hedged)	2.09%	93,195,326.683	16.16	15.64	14.96
N (Ydis) EUR-H1 (hedged)	2.09%	15,983,265.119	11.13	10.78	10.35
S (acc) USD*	0.73%	63,900.000	10.54	–	–
W (acc) USD	1.00%	3,001,774.308	11.71	11.00	10.17
W (acc) CHF-H1 (hedged)*	0.96%	44,067.500	10.30	–	–
W (acc) EUR	0.99%	3,556,935.572	9.93	9.82	–
W (acc) EUR-H1 (hedged)	1.00%	3,263,350.293	11.62	10.94	10.17
W (Mdis) USD	1.00%	2,230,587.576	10.08	9.72	–
W (Mdis) EUR*	0.99%	248,810.355	10.22	–	–
W (Mdis) GBP	1.00%	2,437,175.033	10.31	11.20	10.33
W (Mdis) GBP-H1 (hedged)	0.96%	9,097,302.108	11.42	11.04	10.49
W (Ydis) EUR*	0.97%	797,283.022	10.40	–	–
W (Ydis) EUR-H1 (hedged)	0.98%	949,784.764	10.28	9.77	–
X (acc) EUR*	0.30%	8,937,010.930	10.47	–	–
Z (acc) USD	1.10%	14,208,597.133	13.02	12.24	11.34
Z (acc) EUR	1.10%	155,360.590	12.26	12.12	11.54
Z (Mdis) USD	1.10%	11,425,625.855	10.88	10.49	9.98
Z (Mdis) GBP-H1 (hedged)	1.09%	133,910.535	11.43	11.03	10.49
Z (Ydis) EUR-H1 (hedged)	1.10%	426,133.892	11.20	10.84	10.41
<b>Templeton Global Bond (Euro) Fund – EUR</b>					
A (acc) EUR	1.39%	13,510,107.604	15.37	14.69	14.16
A (acc) USD	1.39%	114,039.200	11.93	10.84	10.16
A (Ydis) EUR	1.39%	10,863,829.347	10.77	10.56	10.43
I (acc) EUR	0.84%	7,942,620.400	15.60	14.82	14.22
N (acc) EUR	2.09%	10,276,370.871	14.25	13.72	13.32
W (acc) EUR*	0.98%	85,422.383	10.41	–	–
<b>Templeton Global Equity Income Fund – USD</b>					
A (acc) USD	1.60%	3,330,486.260	14.46	11.72	9.71
A (acc) EUR	1.60%	357,722.940	13.28	11.32	9.65
A (Qdis) USD	1.60%	17,055,525.127	11.32	9.55	8.13
A (Qdis) SGD	1.84%	16,436,293.253	6.86	5.90	5.02
B (Qdis) USD	2.91%	2,127,276.615	11.10	9.48	8.09
I (Ydis) USD*	0.95%	500.000	10.88	–	–
<b>Templeton Global High Yield Fund – USD</b>					
A (acc) USD	1.69%	1,154,843.274	15.12	13.87	12.79
A (acc) EUR	1.69%	2,435,577.812	11.05	10.66	10.11
A (Mdis) USD	1.69%	1,474,975.688	10.39	10.01	9.70
A (Mdis) EUR	1.69%	13,708,494.565	7.60	7.70	7.68
I (acc) USD	0.90%	48,941.927	15.94	14.50	13.28
I (acc) EUR	0.89%	773,965.245	11.61	11.11	10.46
N (acc) EUR	2.19%	3,758,671.979	10.65	10.33	9.85
<b>Templeton Global Income Fund – USD</b>					
A (acc) USD	1.69%	22,934,376.061	19.65	16.82	14.39
A (acc) EUR	1.69%	9,075,203.734	18.05	16.26	14.30
A (acc) EUR-H1 (hedged)*	1.66%	66,061.902	10.72	–	–
A (acc) HKD	1.70%	1,679,604.128	14.04	12.04	10.30
A (Mdis) SGD-H1 (hedged)*	1.64%	61,770.000	10.49	–	–
A (Qdis) USD	1.69%	17,628,591.833	15.08	13.10	11.45
A (Qdis) EUR-H1 (hedged)*	1.66%	440,022.329	10.69	–	–
A (Qdis) HKD	1.70%	6,765,975.849	13.01	11.31	9.89
A (Qdis) SGD	1.69%	216,571.872	11.87	10.48	9.15
B (Qdis) USD	3.00%	2,722,071.905	14.98	13.03	11.40
C (Qdis) USD	2.27%	12,099,525.664	15.02	13.04	11.40
I (acc) USD	0.88%	8,368,652.642	20.84	17.69	15.03
I (acc) EUR-H1 (hedged)*	0.86%	41,165.948	10.75	–	–
N (acc) USD	2.20%	20,069,699.446	18.78	16.16	13.88
N (Qdis) EUR-H1 (hedged)*	2.20%	411,493.548	10.67	–	–
Z (acc) USD	1.00%	2,496,899.133	15.37	13.07	11.11

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Templeton Global Smaller Companies Fund – USD</b>					
A (acc) USD	1.84%	1,635,810.372	39.36	33.78	26.77
A (Ydis) USD	1.84%	2,452,864.892	37.16	32.03	25.46
B (acc) USD	3.15%	181,247.083	10.51	9.14	7.34
C (acc) EUR	2.41%	8,654.982	11.24	10.21	8.36
I (acc) USD	0.98%	33,549.023	17.72	15.10	11.86
N (acc) USD	2.59%	247,034.434	26.35	22.79	18.19
<b>Templeton Global Total Return Fund – USD</b>					
A (acc) USD	1.41%	209,792,004.235	30.04	28.20	25.28
A (acc) CHF-H1 (hedged)	1.41%	24,276,942.726	14.93	14.09	12.72
A (acc) EUR	1.41%	40,348,825.695	21.92	21.65	19.96
A (acc) EUR-H1 (hedged)	1.40%	104,584,850.624	21.51	20.26	18.28
A (acc) HKD	1.41%	16,196,045.862	14.41	13.53	12.14
A (acc) NOK-H1 (hedged)	1.42%	8,177,987.327	10.63	9.86	–
A (acc) PLN-H1 (hedged)	1.40%	12,507,909.838	85.92	79.28	68.92
A (acc) SEK-H1 (hedged)	1.42%	90,533,894.766	13.05	12.15	10.82
A (Mdis) USD	1.41%	223,040,013.624	18.49	17.98	16.79
A (Mdis) AUD-H1 (hedged)	1.42%	12,693,136.439	12.27	11.68	10.60
A (Mdis) EUR	1.41%	37,709,944.726	13.55	13.86	13.31
A (Mdis) EUR-H1 (hedged)	1.41%	116,518,648.325	11.89	11.58	10.87
A (Mdis) GBP	1.41%	4,341,640.076	10.85	11.87	10.76
A (Mdis) GBP-H1 (hedged)	1.41%	14,518,550.111	9.14	8.89	8.29
A (Mdis) HKD	1.41%	240,298,269.708	12.10	11.77	11.00
A (Mdis) RMB-H1 (hedged)	1.41%	978,770.446	111.85	107.17	–
A (Mdis) SGD	1.41%	11,000,362.812	11.71	11.58	10.81
A (Mdis) SGD-H1 (hedged)	1.41%	66,938,521.281	12.11	11.80	11.04
A (Ydis) CHF-H1 (hedged)	1.41%	3,626,926.134	11.75	11.56	10.78
A (Ydis) EUR	1.41%	27,272,956.397	14.04	14.45	13.89
A (Ydis) EUR-H1 (hedged)	1.41%	48,170,200.523	11.69	11.47	10.83
B (acc) USD	2.91%	2,814,841.167	25.62	24.42	22.22
B (Mdis) USD	2.92%	11,415,184.373	18.43	17.92	16.73
C (Mdis) USD	2.19%	46,034,843.706	16.46	16.00	14.95
I (acc) USD	0.87%	80,040,020.941	28.29	26.41	23.55
I (acc) CHF-H1 (hedged)	0.87%	7,465,458.155	13.20	12.39	11.13
I (acc) EUR	0.86%	8,866,803.834	20.68	20.31	18.62
I (acc) EUR-H1 (hedged)	0.86%	50,351,004.555	19.64	18.39	16.49
I (acc) NOK-H1 (hedged)	0.86%	5,440,633.932	10.32	9.51	–
I (Mdis) EUR	0.87%	812,037.796	13.27	13.57	13.04
I (Mdis) GBP	0.87%	1,506,041.663	12.63	13.81	12.52
I (Mdis) GBP-H1 (hedged)	0.86%	19,524,418.285	12.93	12.59	11.76
I (Mdis) JPY	0.85%	14,738,224.471	1,337.56	1,273.03	959.12
I (Mdis) JPY-H1 (hedged)	0.85%	6,250,443.793	1,061.62	1,032.34	959.76
I (Ydis) EUR	0.87%	14,377,281.401	14.09	14.50	13.94
I (Ydis) EUR-H1 (hedged)	0.87%	8,096,805.729	11.83	11.56	10.91
N (acc) USD	2.11%	52,276,800.803	27.85	26.32	23.76
N (acc) EUR	2.11%	25,258,229.101	20.32	20.20	18.76
N (acc) EUR-H1 (hedged)	2.11%	80,204,039.329	19.92	18.86	17.13
N (acc) HUF	2.12%	9,848,022.913	134.98	127.85	115.10
N (Mdis) USD	2.11%	289,583.454	9.73	9.46	–
N (Mdis) EUR-H1 (hedged)	2.11%	140,950,121.266	14.10	13.75	12.92
N (Ydis) EUR-H1 (hedged)	2.11%	19,537,955.863	11.67	11.45	10.78
S (acc) USD*	0.74%	222,297.000	10.60	–	–
S (acc) EUR-H1 (hedged)*	0.73%	131,003.995	10.58	–	–
S (Ydis) USD*	0.74%	1,610,500.000	10.08	–	–
W (acc) USD	1.00%	7,586,760.985	12.17	11.37	10.18
W (acc) CHF-H1 (hedged)*	0.96%	44,067.500	10.27	–	–
W (acc) EUR*	0.99%	2,134,656.867	10.34	–	–
W (acc) EUR-H1 (hedged)	1.00%	3,809,565.176	12.11	11.35	10.18
W (acc) GBP-H1 (hedged)*	0.97%	37,120.594	10.27	–	–
W (Mdis) USD	1.00%	2,855,743.173	10.00	9.72	–
W (Mdis) EUR*	1.00%	931,315.693	10.20	–	–
W (Mdis) GBP	1.01%	1,077,550.317	10.42	11.39	10.33
W (Mdis) GBP-H1 (hedged)	1.00%	3,536,247.758	10.01	9.74	–
W (Ydis) EUR*	0.99%	40,254.146	10.34	–	–
X (Ydis) USD	0.30%	1,612,324.538	11.63	11.38	10.46
Z (acc) USD	1.11%	11,059,061.136	14.31	13.39	11.97
Z (Mdis) USD	1.11%	4,701,523.284	11.09	10.78	10.07
Z (Mdis) GBP-H1 (hedged)	1.10%	611,917.479	11.54	11.24	10.48
Z (Ydis) EUR-H1 (hedged)	1.11%	720,192.406	11.66	11.42	10.78
<b>Templeton Growth (Euro) Fund – EUR</b>					
A (acc) EUR	1.83%	398,533,069.842	14.43	12.15	9.99
A (acc) USD	1.83%	17,739,798.543	19.78	15.83	12.65
A (Ydis) EUR	1.83%	15,937,732.640	14.93	12.61	10.47



## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2014 (see note 25)	Shares Outstanding June 30, 2014	Net Asset Value per Share		
			June 30, 2014	June 30, 2013	June 30, 2012
<b>Templeton Growth (Euro) Fund – EUR (continued)</b>					
A (Ydis) USD	1.83%	1,657,331.878	20.40	16.38	13.21
B (Ydis) EUR	3.12%	27,770.472	10.17	8.68	7.23
I (acc) EUR	0.97%	6,001,919.008	16.08	13.43	10.94
I (Ydis) EUR	0.97%	854,854.012	14.10	11.91	9.88
I (Ydis) USD	0.97%	559,398.907	19.42	15.59	12.57
N (acc) EUR	2.58%	2,371,400.710	12.93	10.97	9.09
<b>Templeton Korea Fund – USD</b>					
A (acc) USD	2.50%	9,693,746.407	6.27	5.12	5.20
A (acc) SGD	2.51%	3,664,731.247	6.72	5.58	5.67
C (acc) USD	3.07%	10,889.873	10.68	8.77	8.96
I (acc) USD	1.41%	725,361.989	12.25	9.89	9.94
N (acc) USD	3.01%	327,302.616	16.88	13.85	14.14
<b>Templeton Latin America Fund – USD</b>					
A (acc) USD	2.28%	3,457,375.841	72.26	69.21	75.58
A (acc) EUR	2.28%	1,011,574.163	8.22	8.28	9.30
A (acc) SGD	2.28%	2,817,213.707	7.35	7.15	7.81
A (Ydis) USD	2.28%	19,050,225.412	66.14	63.65	70.04
A (Ydis) EUR	2.28%	309,724.079	48.37	48.96	55.41
A (Ydis) GBP	2.28%	81,048.975	38.83	42.02	44.89
B (acc) USD	3.58%	1,876,714.328	13.36	12.97	14.35
C (acc) USD	2.85%	436,753.926	14.12	13.61	14.95
I (acc) USD	1.30%	5,480,497.525	22.72	21.55	23.31
I (Ydis) EUR-H2 (hedged)	1.31%	7,349,272.532	9.00	9.08	9.80
N (acc) USD	2.77%	1,254,663.293	37.54	36.14	39.66
N (acc) EUR	2.78%	16,375.648	8.08	8.18	9.23
N (acc) PLN-H1 (hedged)	2.77%	2,068,765.370	9.16	8.70	9.34
W (acc) GBP	1.41%	75,887.445	8.90	9.51	9.99
W (Ydis) USD*	1.41%	291,080.642	9.74	–	–
X (acc) USD*	0.19%	500.000	10.62	–	–
X (Ydis) USD	0.30%	663.130	8.01	7.72	8.49
Z (acc) USD	1.78%	127,212.005	9.17	8.74	9.50
Z (acc) GBP	1.77%	24,154.426	8.86	9.50	9.99
<b>Templeton Thailand Fund – USD</b>					
A (acc) USD	2.49%	8,334,150.387	19.90	20.00	16.88
A (acc) SGD	2.49%	894,313.279	13.95	14.26	12.03
B (acc) USD	3.79%	309,273.552	19.42	19.78	16.91
I (acc) USD	1.39%	17,608.267	18.77	18.67	15.59
N (acc) USD	2.98%	564,304.186	24.99	25.25	21.41
W (acc) USD*	1.61%	16,180.428	10.09	–	–

\* This Fund / share class was launched during the year

† This Fund / share class was closed during the year

\*\* These Funds had their names changed on March 31, 2014 (refer to Note 1)

# NOTES TO THE FINANCIAL STATEMENTS

## AT JUNE 30, 2014

### Note 1 — The Company

Franklin Templeton Investment Funds (“FTIF” or the “Company”) is a collective investment undertaking pursuant to Part I of the amended Luxembourg law of December 17, 2010 on undertakings for collective investment and qualifies as a société d’investissement à capital variable. The Company was incorporated in Luxembourg on November 6, 1990, for an undetermined period. At the date of this report, it offers shares in 84 sub-funds of the Company (the “Funds”). The Board of Directors of the Company may authorise the creation of additional Funds in future with different investment objectives.

The Company aims to provide investors with a choice of Funds investing in a wide range of transferable securities and other eligible assets on a worldwide basis and featuring a diverse array of investment objectives, including capital growth and income. The overall objective of the Company is to seek to minimise investment exposure through diversification and to provide Shareholders with the benefit of a portfolio managed by Franklin Templeton Investments, according to its successful time-tested investment selection methods.

#### Management Company

With effect as of January 1, 2014, the Company has appointed Franklin Templeton International Services S.à r.l. (formerly known as Franklin Templeton International Services S.A.) as its management company. With effect as of the same date, Franklin Templeton International Services has been converted from a Société Anonyme (S.A.) into a Société à responsabilité limitée (S.à r.l.).

#### Changes to the Investment Manager structure of the Company

With effect from July 15, 2013, Franklin Templeton Investimentos (Brasil) Ltda. has been appointed as Investment Manager of Franklin Brazil Opportunities Fund in replacement of Franklin Advisers, Inc.

With effect from August 1, 2013, the management structure of the Franklin Asian Flex Cap Fund and Franklin India Fund has changed from a single management structure with Franklin Advisers, Inc. to a co-management structure composed of Templeton Asset Management Ltd. and Franklin Advisers, Inc.

With effect from August 1, 2013, Templeton Asset Management Limited has been appointed as additional co-Investment Manager of Franklin World Perspectives Fund.

With effect from August 1, 2013, the management structure of the Franklin Templeton Global Growth and Value Fund has changed from a single management structure with Franklin Templeton Institutional, LLC to a co-management structure composed of Franklin Advisers, Inc., Franklin Templeton Institutional, LLC and Franklin Templeton Investment Management Limited. Then, with effect from December 2, 2013, the management structure has changed from a co-management structure to a lead management structure with Franklin Advisers, Inc. as lead Investment Manager and Franklin Templeton Institutional, LLC as well as Templeton Global Advisors Limited as co-Investment Managers.

With effect from August 30, 2013, Franklin Templeton Investments (ME) Limited has been appointed as Investment Manager of Franklin GCC Fund in replacement of Franklin Advisers, Inc.

With effect from October 1, 2013, Templeton Investment Counsel, LLC is no longer co-investment Manager of Franklin Templeton Global Allocation Fund.

With effect from December 2, 2013, Templeton Global Advisors Limited has been appointed as Investment Manager of Templeton Euroland Fund, Templeton European Fund and Templeton Global Fund in replacement of Franklin Templeton Investment Management Limited.

With effect from April 1, 2014, Franklin Alternative Strategies Advisers, LLC has been appointed as Lead Investment Manager in replacement of Franklin Advisers, Inc. and Franklin Advisers, Inc. has been appointed as additional co-Investment Manager of Franklin Global Allocation Fund.

#### Changes to the Principal Distributor structure of the Company

With effect from January 1, 2014, Franklin Templeton International Services S.à r.l. has been appointed as Principal Distributor of the Funds in replacement of Templeton Global Advisors Limited.

#### Fund launches

Franklin GCC Bond Fund launched on August 30, 2013.

The following Funds launched on September 6, 2013:

- Franklin Global Corporate High Yield Fund
- Franklin Global Government Bond Fund.

Templeton Constrained Bond Fund launched on September 20, 2013.

Franklin Euro Short Duration Bond Fund launched on February 21, 2014.

#### Fund name changes

From March 31, 2014:

- Franklin Templeton Global Allocation Fund is renamed Franklin Global Allocation Fund
- Franklin Templeton Global Equity Strategies Fund is renamed Franklin Global Equity Strategies Fund
- Franklin Templeton Global Fundamental Strategies Fund is renamed Franklin Global Fundamental Strategies Fund
- Franklin Templeton Global Growth and Value Fund is renamed Franklin Global Growth and Value Fund
- Franklin Templeton Japan Fund is renamed Franklin Japan Fund
- Templeton Euro Government Bond Fund is renamed Franklin Euro Government Bond Fund
- Templeton Euro High Yield Fund is renamed Franklin Euro High Yield Fund
- Templeton European Corporate Bond Fund is renamed Franklin European Corporate Bond Fund
- Templeton Global Aggregate Bond Fund is renamed Franklin Global Aggregate Bond Fund
- Templeton Global Aggregate Investment Grade Bond Fund is renamed Franklin Global Aggregate Investment Grade Bond Fund
- Templeton Global High Income Bond Fund is renamed Franklin Global High Income Bond Fund.

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 2 — Significant accounting policies

#### (a) General

The financial statements are prepared in accordance with the regulations of the Grand Duchy of Luxembourg relating to investment funds.

#### (b) Investment in securities

Securities which are listed on a stock exchange or traded on any other organised market are valued at the last available price on such exchange or market which is normally the principal market for each security, and those securities dealt in on an over-the-counter market are valued in a manner as near as possible to that for quoted securities.

Securities not listed on any stock exchange nor traded on any organised market are valued at the last available price, or if such price is not representative of their fair value, they are valued prudently and in good faith on the basis of their reasonably foreseeable sales prices.

The Company has procedures to determine the fair value of individual securities and other assets for which market prices are not readily available or which may not be reliably priced. In such circumstances, the price of such investment shall be adjusted in accordance with the procedures adopted, as determined by or under the direction of the Board of Directors.

During the accounting year under review, gains and losses on investment securities sold were computed on the average cost basis for all Funds with the exception of the Franklin High Yield Fund, the Franklin Income Fund, the Franklin U.S. Government Fund, the Templeton Asian Bond Fund and the Templeton BRIC Fund which were computed on the first-in, first-out basis.

During the accounting year under review, discounts and premiums were amortised to income over the period to maturity.

For mortgage-backed and other similar holdings with scheduled debt paydowns, the Funds record accruals, based on their historical experience, for anticipated paydowns. Such accruals are recorded as a reduction or increase to the related holdings as disclosed on the Schedule of Investments and are included in the related unrealised appreciation/depreciation on investments shown on the “Statement of Operations and Changes in Net Assets”.

Money market instruments are valued at market value with the exception of Templeton Euro Short-Term Money Market Fund, where all securities are valued at amortised cost. Under this method, the cost of investments is adjusted to income for the amortisation of premiums and discounts over the life of the investments. Where the amortised cost basis does not reflect a prudent approach to the valuation of the security, the latest available price prevailing on the valuation day is used.

#### (c) Forward foreign exchange contracts

Forward foreign exchange contracts are valued at the forward rate applicable at the “Statement of Net Assets” date for the remaining period, until maturity. Gains or losses resulting from forward exchange contracts are recognised in the “Statement of Operations and Changes in Net Assets”.

#### (d) Financial future contracts

The Company may enter into financial future contracts to gain exposure to market changes. A financial future contract is an agreement between two parties to buy or sell a security for a set price on a future date. Required initial margin deposits of cash or securities are maintained by a broker in a segregated account. Subsequent payments, known as variation margin, are made or received by the Company depending on the fluctuations in the value of the underlying securities. Such variation margin is accounted for as unrealised gains or losses until the contract is closed, at which time the gains or losses are reclassified to realised gains or losses. Realised and unrealised gains and losses are included in the “Statement of Operations and Changes in Net Assets”.

#### (e) Interest rate swap contracts

Interest rate swap contracts are used to hedge the risk of changes in interest rates and are agreements between two parties to exchange cash flows based on a notional principal amount. The net interest received or paid on interest rate swap contract agreements is accrued daily as interest income/expense.

Interest rate swap contracts are marked to market daily based upon quotations from the market makers and the change, if any, is recorded as an unrealised gain or loss in the “Statement of Operations and Changes in Net Assets”. When the swap contract is terminated early, the Fund records a realised gain or loss equal to the difference between the current net present value and the executed net present value. Any outstanding interest accrual is recorded as either a net receivable or net payable.

The risks of interest rate swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

#### (f) Inflation swap contracts

An inflation swap contract is a bilateral agreement in which each of the parties agree to exchange a series of interest payments for another series of interest payments based on a notional amount that serves as a computation basis and that is usually not exchanged.

Inflation swap contracts are marked to market daily based upon quotations from the market makers and the change, if any, is recorded as an unrealised gain or loss in the “Statement of Operations and Changes in Net Assets”. When the swap contract is terminated early, the Fund records a realised gain or loss equal to the difference between the current net present value and the executed net present value. Any outstanding interest accrual is recorded as either a net receivable or net payable.

The risks of inflation swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

#### (g) Cross currency swap contracts

A cross currency swap is an agreement between two parties to exchange interest payments and principals denominated in two different currencies.

Cross currency swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded as an unrealised gain or loss in the “Statement of Operations and Changes in Net Assets”.

When the swap contract is terminated early, the Fund records a realised gain or loss equal to the difference between the current net present value and the executed net present value. Any outstanding interest accrual is recorded as either a net receivable or net payable.

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 2 — Significant accounting policies (continued)

The risks of cross currency swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

#### (h) Total return swap contracts

A total return swap is an agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains.

Total return swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded as an unrealised gain or loss in the “Statement of Operations and Changes in Net Assets”.

When the swap contract is terminated early, the Fund records a realised gain or loss equal to the difference between the current net present value and the executed net present value. Any outstanding interest accrual is recorded as either a net receivable or net payable.

The risks of total return swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

#### (i) Credit default swap contracts

A credit default swap contract is a credit derivative transaction in which two parties enter into an agreement, whereby one party pays the other a fixed periodic payment for the specified life of the agreement. The other party makes no payments unless a credit event, relating to a predetermined reference asset, occurs. If such an event occurs, the party will then make a payment to the first party, and the swap will terminate. The value of the underlying securities shall be taken into account for the calculation of the investment and borrowing powers applicable to individual users.

Credit default swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded as an unrealised gain or loss in the “Statement of Operations and Changes in Net Assets”. Any payment received or paid to initiate a contract is recorded as a liability or asset in the “Statement of Net Assets”. When the swap contract is terminated early, the Fund records a realised gain or loss for any payments received or paid.

The risks of credit default swap contracts include unfavourable changes in interest rates, an illiquid secondary market and the possible inability of the counterparty to fulfill its obligations under the agreement, which may be in excess of the amount reflected in the “Statement of Net Assets”.

#### (j) Option contracts

Options are contracts entitling the holder to purchase or sell a specified number of shares or units of a particular security at a specified price at any time until the contract-stated expiration date. Options purchased are recorded as investments; options written (sold) are recorded as liabilities. When the exercise of an option results in a cash settlement, the difference between the premium (original option value) and the settlement proceeds is accounted for as a realised gain or loss. When securities are acquired or delivered upon exercise of an option, the acquisition cost or sale proceeds are adjusted by the amount of the premium. When an option is closed, the difference between the premium and the cost to close the position is accounted for as a realised gain or loss. When an option expires, the premium is accounted for as a realised gain for options written or as a realised loss for options purchased.

The risks include price movements in the underlying securities, the possibility there may be an illiquid options market, or the inability of the counterparties to fulfill their obligations under the contract.

The Company writes options on securities, futures and interest rate swaps (“swaptions”). These options are settled in cash and subject the Company to unlimited risk of loss. The Company, however, is not subject to credit risk on written options as the counterparty has already performed its obligation by paying the premium at the inception of the contract.

The market values are recorded under “Option Contracts at Market Value” in the Statement of Net Assets.

#### (k) Foreign exchange transactions

Transactions expressed in currencies other than each Fund’s currency are translated into each Fund’s currency at the exchange rates applicable on the transaction dates.

Assets and liabilities designated in currencies other than each Fund’s currency are translated into each Fund’s currency at the appropriate exchange rates ruling at the period-end. Gains and losses on foreign exchange transactions are recognised in the “Statement of Operations and Changes in Net Assets” in determining the results for the accounting year.

The reference currency of the Company as reflected in the financial statements is U.S. Dollar. The principal exchange rates applied as at June 30, 2014 are as follows:

AUD	1.0600519	CNH	6.2065000	GBP	0.5843852	JPY	101.3050000	PLN	3.0366000
CAD	1.0664500	CZK	20.0425000	HKD	7.7504500	NOK	6.1325000	SEK	6.6811000
CHF	0.8868500	EUR	0.7302202	HUF	226.1500000	NZD	1.1417480	SGD	1.2466500

The list of the currency abbreviations is available in Note 28.

#### (l) Mortgage dollar rolls

In a mortgage dollar roll, a Fund sells mortgage-backed securities for delivery in the current month and simultaneously contracts to repurchase substantially similar (name, type, coupon, and maturity) securities on a specified future date. During the period between the sale and repurchase, the Fund foregoes principal and interest paid on the mortgage-backed securities. The Fund is compensated by the difference between the current sales price and the lower forward price for the future purchase, as well as by the interest earned on the cash proceeds of the initial sale.

The difference between the current sales price and the lower forward price is treated as realised gain.

#### (m) Income

Dividends are credited to income on their ex-dividend date. Interest income is accrued on a daily basis.

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 2 — Significant accounting policies (continued)

#### (n) Securities lending

A Fund may utilise up to 100% of its assets for securities lending transactions. Each Fund may lend selected Funds' portfolio securities to specialised banks, credit institutions and other financial institutions of high standing, or through recognised clearing institutions such as Clearstream or Euroclear. The volume of the securities lending transactions of each Fund shall be kept at an appropriate level and the Fund shall be entitled to request the return of the securities lent to enable the Fund to meet, at all times, its redemption obligations. Each fund shall ensure that these transactions do not jeopardise the management of its assets in accordance with its investment policy. Loans will be secured continuously by collateral which must at least equal the value of the securities lent. Securities lending income is disclosed under the caption "Securities lending" in the "Statement of Operations and Changes in Net Assets". Any transaction expenses in connection with the loans are charged to the concerned Fund.

#### (o) Formation expenses

Formation expenses associated with the launch of the new Funds are expensed as incurred.

#### (p) Swing pricing

A Fund may suffer dilution of the net asset value per share due to investors buying or selling shares in a Fund at a price that does not reflect dealing and other costs that arise when security trades are undertaken by the Investment Manager to accommodate cash inflows or outflows.

In order to counter this impact, a swing pricing mechanism may be adopted to protect the interests of Shareholders of the Fund. If on any valuation date, the aggregate net capital activity of a Fund exceeds a pre-determined threshold, as determined and reviewed for each Fund on a periodic basis, the net asset value per share will be adjusted upwards or downwards to reflect net capital inflows or net capital outflows respectively.

The net capital inflows and net capital outflows will be determined based on the latest available information at the time of calculation of the net asset value per share. The swing pricing mechanism may be applied across all Funds. The extent of the price adjustment is set to reflect dealing and other costs. Such adjustment may vary from Fund to Fund and will not exceed 2% of the original net asset value per share.

In the case of a swing pricing event on the last day of the annual/semi-annual period, the net assets as disclosed in the Statement of Net Assets, exclude the swing pricing adjustment, however, the net asset value per share as at year/semi-annual period end, as disclosed in the Statistical Information, would include the swing pricing adjustment.

There was no swing pricing adjustment affecting the Funds' net asset value per share on the last day of the year.

### Note 3 — Cross Funds investments

Some Funds may invest into shares of UCITS and other open and closed end UCIs which may include other Funds of Franklin Templeton Investment Funds.

As at June 30, 2014, the following Funds held shares issued by another Fund of the Company.

	Currency	Investment in securities at market value as per Statement of Net Assets	Market value of Cross Funds investments	Investment in securities at market value after deduction of Cross Funds investments
<b>Franklin Multi-Asset Income Fund</b>	EUR	29,829,525	6,968,271	22,861,254

### Note 4 — Time deposits ("TDs") and cash repurchase agreements ("repos")

As at June 30, 2014, the Company had the following TDs and repos outstanding:

Fund Counterparty		Value of TDs in Fund currency	Fund Counterparty		Value of TDs in Fund currency
<b>Franklin GCC Bond Fund</b>			<b>Templeton Asian Smaller Companies Fund</b>		
Royal Bank of Canada	USD	1,000,000	Royal Bank of Canada	USD	33,000,000
<b>Franklin Global Equity Strategies Fund</b>			Scotia Capital Markets	USD	15,000,000
Royal Bank of Canada	USD	1,000,000			48,000,000
<b>Franklin Global Growth Fund</b>			<b>Templeton BRIC Fund</b>		
Royal Bank of Canada	USD	3,000,000	Royal Bank of Canada	USD	25,000,000
<b>Franklin Global Growth and Value Fund</b>			<b>Templeton China Fund</b>		
Royal Bank of Canada	USD	1,000,000	Royal Bank of Canada	USD	6,000,000
<b>Franklin Global Real Estate Fund</b>			<b>Templeton Emerging Markets Fund</b>		
Royal Bank of Canada	USD	4,000,000	Scotia Capital Markets	USD	72,000,000
<b>Franklin Global Small-Mid Cap Growth Fund</b>			<b>Templeton Frontier Markets Fund</b>		
Royal Bank of Canada	USD	9,000,000	Bank of Montreal	USD	46,000,000
<b>Franklin India Fund</b>			Scotia Capital Markets	USD	50,000,000
Bank of Montreal	USD	33,000,000			96,000,000
<b>Franklin MENA Fund</b>			<b>Templeton Global Fund</b>		
Royal Bank of Canada	USD	1,000,000	Royal Bank of Canada	USD	47,000,000
<b>Franklin World Perspectives Fund</b>			<b>Templeton Global Equity Income Fund</b>		
Royal Bank of Canada	USD	9,000,000	Royal Bank of Canada	USD	15,000,000
<b>Templeton Africa Fund</b>			<b>Templeton Global Smaller Companies Fund</b>		
Royal Bank of Canada	USD	15,000,000	Royal Bank of Canada	USD	7,000,000
<b>Templeton Asian Growth Fund</b>			<b>Templeton Growth (Euro) Fund</b>		
Bank of Montreal	USD	130,000,000	Royal Bank of Canada	EUR	41,027,146
Royal Bank of Canada	USD	120,000,000	<b>Templeton Korea Fund</b>		
Scotia Capital Markets	USD	133,000,000	Royal Bank of Canada	USD	6,000,000
		383,000,000	<b>Templeton Latin America Fund</b>		
			Scotia Capital Markets	USD	60,000,000

As at June 30, 2014, the Company had no outstanding repos.

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Biotechnology Discovery Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
CHF	2,672,804	USD	2,992,638	10-Jul-14	21,449
EUR	6,977,755	USD	9,509,135	10-Jul-14	46,941
USD	96,917	CHF	86,534	10-Jul-14	(666)
USD	1,126,165	EUR	828,912	10-Jul-14	(9,036)
					58,688
					58,688

The above contracts were opened with the following counterparties:

Bank of America	(1,610)
Barclays Bank	9,698
Citibank	12,883
Credit Suisse	1,072
Deutsche Bank	1,276
Goldman Sachs	4,753
HSBC Bank	8,752
JPMorgan Chase Bank	3,775
Morgan Stanley	2,692
Royal Bank of Scotland	605
The Bank of New York Mellon	148
UBS	14,644
58,688	
58,688	

#### Franklin Brazil Opportunities Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
EUR	9,573,161	USD	13,003,258	21-Jul-14	107,829
USD	189,184	EUR	139,257	21-Jul-14	(1,538)
					106,291
					106,291

The above contracts were opened with the following counterparties:

Bank of America	6,303
Barclays Bank	590
Citibank	2,286
Credit Suisse	33,193
Deutsche Bank	481
Goldman Sachs	1,907
HSBC Bank	13,377
JPMorgan Chase Bank	4,465
Morgan Stanley	3,250
Royal Bank of Scotland	20,318
The Bank of New York Mellon	1,782
UBS	18,339
106,291	
106,291	

#### Franklin Euro High Yield Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management					
EUR	4,892,657	CHF	5,960,000	14-Jul-14	(15,059)
EUR	167,437,432	GBP	138,000,000	14-Jul-14	(4,970,727)
EUR	165,901,297	USD	230,000,000	9-Mar-15	(1,858,999)
USD	2,000,000	EUR	1,471,021	9-Mar-15	(12,236)
					(6,857,021)
					(6,857,021)

The above contracts were opened with the following counterparties:

Citibank	(15,059)
Deutsche Bank	(1,871,235)
Morgan Stanley	(4,970,727)
(6,857,021)	
(6,857,021)	

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin European Corporate Bond Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD		
Forward foreign exchange contracts used for efficient portfolio management					
EUR	738,261	GBP	600,000	10-Sep-14	(10,824)
EUR	301,249	USD	410,000	10-Sep-14	1,938
					(8,886)

The above contracts were opened with the following counterparties:

Citibank	1,938	
Morgan Stanley	(10,824)	
		(8,886)

#### Franklin European Dividend Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD		
Forward foreign exchange contracts used for share class hedging					
PLN	4,922,870	EUR	1,192,937	15-Jul-14	(10,458)

The above contracts were opened with the following counterparties:

Barclays Bank	(741)	
Citibank	(279)	
HSBC Bank	(9,516)	
UBS	78	
		(10,458)

#### Franklin European Growth Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD		
Forward foreign exchange contracts used for share class hedging					
EUR	3,162,405	SGD	5,362,773	10-Jul-14	21,304
NOK	21,706,389	EUR	2,659,081	10-Jul-14	(75,570)
SGD	56,730,530	EUR	33,224,446	10-Jul-14	3,945
USD	90,512,158	EUR	66,475,248	10-Jul-14	(384,137)
					(434,458)

The above contracts were opened with the following counterparties:

Bank of America	(34,799)	
Barclays Bank	(107,135)	
Citibank	(79,635)	
Credit Suisse	(11,066)	
Deutsche Bank	(39,999)	
Goldman Sachs	(57,075)	
HSBC Bank	(42,312)	
JPMorgan Chase Bank	(20,680)	
Morgan Stanley	(35,249)	
Royal Bank of Scotland	(2,176)	
The Bank of New York Mellon	(38)	
UBS	(4,294)	
		(434,458)

#### Franklin Global Aggregate Bond Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD		
Forward foreign exchange contracts used for share class hedging					
CHF	1,029,631	USD	1,147,176	21-Jul-14	14,040
EUR	5,620,834	USD	7,629,227	21-Jul-14	68,883
GBP	1,411,061	USD	2,390,673	21-Jul-14	23,509
					106,432

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Global Aggregate Bond Fund (continued)

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management			
MXN	7,300,000	USD	556,318
MYR	2,200,000	USD	678,489
SGD	500,000	USD	400,218
USD	768,422	AUD	825,000
USD	1,102,629	EUR	800,000
USD	334,448	GBP	200,000
			2,942
			109,374

The above contracts were opened with the following counterparties:

Bank of America	1,649
Barclays Bank	44,218
Citibank	15,266
Credit Suisse	2,325
Deutsche Bank	1,601
Goldman Sachs	18,427
HSBC Bank	5,733
JPMorgan Chase Bank	2,998
Morgan Stanley	9,105
Northern Trust Corporation	(7,752)
RBC Capital Markets	6,159
Royal Bank of Scotland	2,734
The Bank of New York Mellon	782
UBS	6,129
109,374	

#### Franklin Global Aggregate Investment Grade Bond Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management			
MXN	2,200,000	USD	167,657
MYR	700,000	USD	215,883
SGD	250,000	USD	200,109
USD	512,281	AUD	550,000
USD	509,966	EUR	370,000
			3,240
			1,353

The above contracts were opened with the following counterparties:

Barclays Bank	(5,974)
Citibank	3,241
Morgan Stanley	2,126
RBC Capital Markets	1,960
1,353	

#### Franklin Global Allocation Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
CHF	2,647,188	USD	2,949,544
EUR	11,315,665	USD	15,357,014
SEK	20,910,493	USD	3,152,103
USD	530,460	EUR	390,338
			35,949
			140,548
			(23,172)
			(4,133)
			149,192



## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Global Allocation Fund (continued)

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management			
MYR	127,500	USD 39,123	2-Jul-14 580
MYR	12,890	USD 4,001	3-Jul-14 12
MYR	106,000	USD 32,858	7-Jul-14 142
EUR	238,135	USD 327,710	17-Jul-14 (1,573)
USD	391,400	EUR 285,953	17-Jul-14 (226)
USD	132,043	JPY 13,148,000	24-Jul-14 2,231
PLN	480,000	USD 157,068	25-Jul-14 722
USD	21,172	EUR 16,000	25-Jul-14 (741)
USD	28,247	JPY 2,800,000	25-Jul-14 602
USD	27,918	EUR 21,000	31-Jul-14 (844)
USD	27,949	EUR 21,000	1-Aug-14 (813)
USD	27,834	EUR 21,000	4-Aug-14 (928)
USD	14,589	EUR 11,000	5-Aug-14 (477)
PHP	11,115,000	USD 254,057	7-Aug-14 625
CLP	154,112,000	USD 289,114	11-Aug-14 (11,677)
EUR	267,000	USD 366,356	11-Aug-14 (655)
SGD	169,400	USD 133,533	11-Aug-14 2,353
USD	972,714	EUR 730,000	11-Aug-14 (27,142)
USD	719,710	JPY 69,644,550	11-Aug-14 32,010
CHF	3,145	USD 3,513	12-Aug-14 35
KRW	23,192,044	USD 22,199	12-Aug-14 680
SEK	3,073,521	EUR 350,199	12-Aug-14 (19,859)
USD	21,001	CHF 18,487	12-Aug-14 148
USD	93,554	KRW 100,399,044	12-Aug-14 (5,488)
INR	11,148,000	USD 184,743	13-Aug-14 (495)
USD	7,298	EUR 5,500	15-Aug-14 (235)
GBP	138,613	USD 232,528	19-Aug-14 4,568
USD	26,503	EUR 20,000	19-Aug-14 (891)
USD	748,202	GBP 447,354	19-Aug-14 (16,995)
USD	44,084	EUR 33,000	20-Aug-14 (1,116)
NOK	5,770,000	USD 960,309	17-Sep-14 (22,312)
NZD	700,000	USD 602,287	17-Sep-14 6,187
SEK	3,817,000	USD 575,434	17-Sep-14 (4,587)
USD	2,072,759	AUD 2,220,000	17-Sep-14 (9,521)
USD	1,223,450	CHF 1,097,000	17-Sep-14 (14,357)
USD	2,162,689	EUR 1,593,000	17-Sep-14 (19,488)
USD	2,715,568	GBP 1,600,000	17-Sep-14 (20,538)
USD	3,667,993	JPY 373,500,000	17-Sep-14 (21,027)
MYR	4,787	USD 1,444	18-Sep-14 41
USD	1,453,114	EUR 1,070,000	18-Sep-14 (12,636)
USD	12,402	EUR 9,009	26-Sep-14 61
USD	20,264	EUR 15,000	29-Sep-14 (285)
USD	94,546	EUR 70,000	30-Sep-14 (1,350)
USD	62,440	EUR 46,000	3-Oct-14 (577)
USD	177,918	JPY 18,471,420	7-Oct-14 (4,552)
MXN	657,000	USD 48,523	14-Oct-14 1,738
USD	16,646	JPY 1,730,000	17-Oct-14 (446)
USD	33,313	JPY 3,270,000	20-Oct-14 1,006
USD	84,785	EUR 62,000	21-Oct-14 (159)
USD	22,149	JPY 2,160,000	22-Oct-14 809
USD	241,140	EUR 179,000	7-Nov-14 (4,120)
USD	300,000	JPY 29,484,300	7-Nov-14 8,653
USD	21,690	EUR 16,266	12-Nov-14 (598)
USD	211,061	EUR 154,568	17-Nov-14 (732)
USD	6,821	EUR 5,064	19-Nov-14 (118)
USD	230,944	EUR 170,643	20-Nov-14 (2,879)
USD	11,078	EUR 8,122	7-Jan-15 (54)
USD	15,013	EUR 11,000	15-Jan-15 (64)
USD	18,381	JPY 1,900,000	16-Jan-15 (406)
USD	16,664	JPY 1,730,000	20-Jan-15 (443)
USD	123,070	EUR 90,000	30-Jan-15 (296)
USD	59,614	JPY 6,020,000	6-Feb-15 78
USD	52,755	EUR 39,000	9-Feb-15 (706)
USD	59,830	JPY 6,050,000	9-Feb-15 (5)
USD	58,274	JPY 5,936,000	12-Feb-15 (434)
USD	57,846	JPY 5,900,000	13-Feb-15 (507)
USD	19,208	JPY 1,960,000	17-Feb-15 (178)
MYR	6,132	USD 1,815	18-Feb-15 70
USD	38,808	JPY 3,940,000	18-Feb-15 (162)
USD	23,359	EUR 17,000	20-Feb-15 54
USD	178,698	EUR 130,000	23-Feb-15 481
USD	9,568	JPY 980,000	25-Feb-15 (126)
USD	19,263	JPY 1,970,000	26-Feb-15 (223)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Global Allocation Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
USD	89,171	EUR	65,055	27-Feb-15	(15)
USD	6,289	JPY	641,000	27-Feb-15	(52)
USD	80,473	EUR	58,600	9-Mar-15	132
USD	35,391	JPY	3,619,000	9-Mar-15	(410)
MYR	18,455	USD	5,561	11-Mar-15	103
USD	8,790	EUR	6,302	17-Mar-15	150
USD	29,305	EUR	21,100	18-Mar-15	375
USD	24,043	EUR	17,300	19-Mar-15	324
USD	31,129	JPY	3,160,000	19-Mar-15	(134)
USD	36,937	EUR	26,538	23-Mar-15	550
USD	15,384	JPY	1,571,000	24-Mar-15	(159)
USD	11,037	EUR	8,000	25-Mar-15	68
USD	15,663	JPY	1,600,000	25-Mar-15	(167)
USD	20,715	EUR	15,000	27-Mar-15	148
USD	6,285	EUR	4,566	31-Mar-15	24
MYR	77,500	USD	23,252	2-Apr-15	499
USD	3,703	EUR	2,686	2-Apr-15	19
USD	2,453	EUR	1,777	7-Apr-15	17
USD	4,928	EUR	3,570	13-Apr-15	32
USD	3,740	EUR	2,693	16-Apr-15	47
USD	31,789	JPY	3,230,000	17-Apr-15	(178)
USD	19,027	JPY	1,940,000	21-Apr-15	(174)
USD	194,163	EUR	140,430	22-Apr-15	1,577
USD	22,169	JPY	2,260,000	22-Apr-15	(199)
USD	32,836	EUR	23,723	30-Apr-15	301
USD	14,460	EUR	10,434	5-May-15	149
USD	5,026	EUR	3,621	7-May-15	60
USD	38,405	EUR	27,872	13-May-15	176
USD	82,646	EUR	60,000	14-May-15	349
USD	29,750	EUR	21,672	18-May-15	23
USD	22,577	EUR	16,466	22-May-15	(10)
USD	13,551	EUR	9,913	26-May-15	(47)
USD	4,832	EUR	3,549	29-May-15	(36)
USD	12,180	EUR	8,943	5-Jun-15	(89)
USD	70,492	JPY	7,200,000	9-Jun-15	(816)
USD	131,166	JPY	13,400,000	10-Jun-15	(1,548)
USD	49,140	JPY	5,020,000	11-Jun-15	(578)
USD	15,729	JPY	1,600,000	17-Jun-15	(119)
USD	2,624	EUR	1,929	22-Jun-15	(22)
					(169,785)
					(20,593)

The above contracts were opened with the following counterparties:

Bank of America	(3,240)
Barclays Bank	(5,691)
Citibank	(11,499)
Credit Suisse	4,594
Deutsche Bank	(103,628)
Goldman Sachs	7,516
Greenwich Capital Market	(11,914)
HSBC Bank	7,121
JPMorgan Chase Bank	16,308
Morgan Stanley	12,649
Royal Bank of Scotland	10,045
State Street Bank	734
The Bank of New York Mellon	4,397
UBS	51,720
Standard Chartered Bank	295
(20,593)	

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Global Convertible Securities Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
CHF	783,397	USD	872,550	21-Jul-14	10,963
EUR	19,806,999	USD	26,884,153	21-Jul-14	242,863
USD	459,086	EUR	337,441	21-Jul-14	(3,063)
					250,763

The above contracts were opened with the following counterparties:

Bank of America	3,153
Barclays Bank	8,277
Citibank	4,703
Credit Suisse	22,897
Deutsche Bank	2,372
Goldman Sachs	12,917
HSBC Bank	96,007
JPMorgan Chase Bank	34,946
Morgan Stanley	4,556
Royal Bank of Scotland	30,956
The Bank of New York Mellon	8,535
UBS	21,444
250,763	

#### Franklin Global Corporate High Yield Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
EUR	2,464,476	USD	3,333,984	15-Jul-14	41,199
GBP	1,288,114	USD	2,175,649	15-Jul-14	28,294
					69,493

Forward foreign exchange contracts used for efficient portfolio management

EUR	100,000	USD	137,670	30-Oct-14	(658)
USD	138,114	EUR	100,000	30-Oct-14	1,102
EUR	100,000	USD	137,469	4-Dec-14	(436)
USD	135,510	EUR	100,000	4-Dec-14	(1,524)
EUR	221,204	USD	302,844	11-Dec-14	290
GBP	111,000	USD	180,408	11-Dec-14	9,226
USD	303,393	EUR	221,204	11-Dec-14	259
EUR	110,381	USD	153,571	9-Jan-15	(2,286)
EUR	494,184	USD	679,602	9-Feb-15	(2,174)
USD	138,770	EUR	100,000	9-Feb-15	1,690
EUR	111,828	USD	152,924	9-Mar-15	393
USD	686,951	EUR	500,000	9-Mar-15	1,449

					7,331
					76,824

The above contracts were opened with the following counterparties:

Barclays Bank	2,102
Citibank	417
Deutsche Bank	7,331
Goldman Sachs	7,768
JPMorgan Chase Bank	1,319
Morgan Stanley	1,314
The Bank of New York Mellon	1,137
UBS	55,436
76,824	

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Global Equity Strategies Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
EUR	7,132,443	USD 10-Jul-14	45,534
The above contracts were opened with the following counterparties:			
Bank of America			13,618
Barclays Bank			1,397
Citibank			2,792
Credit Suisse			1,144
Deutsche Bank			1,108
Goldman Sachs			3,943
HSBC Bank			1,636
JPMorgan Chase Bank			11,539
Morgan Stanley			1,875
Royal Bank of Scotland			2,326
The Bank of New York Mellon			185
UBS			3,971
			45,534

#### Franklin Global Fundamental Strategies Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
EUR	367,435,627	USD 21-Jul-14	4,417,401
PLN	220,050,080	USD 21-Jul-14	396,479
			4,813,880
Forward foreign exchange contracts used for efficient portfolio management			
MYR	4,541,000	USD 2-Jul-14	20,667
INR	19,314,750	USD 3-Jul-14	(4,653)
MYR	405,910	USD 3-Jul-14	392
INR	25,658,000	USD 7-Jul-14	7,303
MYR	3,855,100	USD 7-Jul-14	5,181
MYR	950,304	USD 14-Jul-14	2,814
INR	16,318,000	USD 15-Jul-14	5,237
MYR	1,070,000	USD 15-Jul-14	228
USD	2,995,097	EUR 16-Jul-14	(146,626)
INR	34,991,000	USD 17-Jul-14	11,637
MYR	619,000	EUR 18-Jul-14	(7,583)
MYR	1,373,000	USD 18-Jul-14	2,511
USD	399,836	EUR 18-Jul-14	(16,507)
INR	23,071,000	USD 21-Jul-14	6,917
INR	23,676,000	USD 22-Jul-14	8,263
MYR	699,000	EUR 22-Jul-14	(6,837)
MYR	2,165,000	USD 22-Jul-14	6,871
USD	1,449,108	EUR 22-Jul-14	(65,640)
USD	199,731	EUR 23-Jul-14	(8,445)
SGD	530,000	USD 24-Jul-14	10,282
USD	5,914,665	JPY 24-Jul-14	99,958
MYR	899,000	EUR 25-Jul-14	(9,430)
MYR	2,633,000	USD 25-Jul-14	1,407
USD	1,185,629	EUR 25-Jul-14	(41,523)
USD	1,254,981	JPY 25-Jul-14	26,755
CLP	206,000,000	USD 28-Jul-14	(391)
USD	211,276	EUR 28-Jul-14	(7,224)
USD	1,004,554	JPY 29-Jul-14	20,064
CLP	137,250,000	USD 30-Jul-14	2,245
INR	50,654,000	USD 30-Jul-14	26,467
MYR	899,000	EUR 30-Jul-14	(6,128)
MYR	2,768,000	USD 30-Jul-14	11,174
SEK	13,135,000	EUR 30-Jul-14	(103,495)
CLP	92,480,000	USD 31-Jul-14	(7,147)
INR	24,185,500	USD 31-Jul-14	4,997
MYR	1,115,000	USD 31-Jul-14	16,374
PLN	4,150,000	EUR 31-Jul-14	47,097
SEK	13,135,000	EUR 31-Jul-14	(110,536)
SGD	3,002,000	USD 31-Jul-14	29,682
USD	1,066,191	EUR 31-Jul-14	(32,246)
CLP	133,100,000	USD 1-Aug-14	1,271
SGD	2,406,440	USD 1-Aug-14	32,515
USD	1,066,051	EUR 1-Aug-14	(31,019)
USD	1,192,582	EUR 4-Aug-14	(39,533)
USD	698,928	EUR 5-Aug-14	(22,873)
MYR	90,000	USD 6-Aug-14	1,324

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Global Fundamental Strategies Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
SGD	1,860,951	USD	1,459,970	6-Aug-14	32,804
USD	673,785	EUR	509,400	6-Aug-14	(23,913)
INR	25,721,000	USD	421,138	7-Aug-14	4,373
MYR	90,000	USD	26,838	7-Aug-14	1,136
SGD	1,102,000	USD	868,941	7-Aug-14	15,036
USD	147,938	EUR	111,123	8-Aug-14	(4,262)
MYR	40,000	USD	11,951	11-Aug-14	479
USD	1,418,711	EUR	1,064,800	11-Aug-14	(39,710)
USD	526,506	JPY	50,950,000	11-Aug-14	23,406
CLP	53,900,000	USD	95,491	12-Aug-14	1,531
INR	8,408,000	USD	137,924	12-Aug-14	1,062
SGD	3,111,049	USD	2,452,401	12-Aug-14	43,154
USD	267,768	EUR	200,000	12-Aug-14	(6,166)
USD	265,070	JPY	25,470,000	12-Aug-14	13,567
INR	11,020,000	USD	180,674	13-Aug-14	1,459
USD	130,709	EUR	98,500	15-Aug-14	(4,205)
CLP	163,980,000	USD	291,209	18-Aug-14	3,782
SGD	444,000	USD	349,606	18-Aug-14	6,553
INR	34,586,000	USD	573,306	19-Aug-14	(2,234)
SGD	666,000	USD	525,361	19-Aug-14	8,878
USD	470,428	EUR	355,000	19-Aug-14	(15,815)
USD	861,681	JPY	84,580,000	19-Aug-14	26,461
CLP	95,920,000	USD	175,976	20-Aug-14	(3,456)
USD	792,172	EUR	593,000	20-Aug-14	(20,061)
USD	2,844,077	JPY	276,126,000	20-Aug-14	117,340
INR	10,096,000	USD	170,264	21-Aug-14	(3,616)
USD	391,512	JPY	37,961,000	22-Aug-14	16,643
USD	331,238	EUR	247,084	25-Aug-14	(7,198)
USD	1,939,860	JPY	188,651,000	25-Aug-14	76,875
USD	1,869,703	JPY	183,793,000	26-Aug-14	54,681
CLP	113,480,000	USD	201,348	27-Aug-14	2,610
INR	12,351,000	USD	208,331	27-Aug-14	(4,656)
SGD	1,411,000	USD	1,111,093	27-Aug-14	20,760
USD	4,743,309	EUR	3,547,678	27-Aug-14	(116,054)
USD	2,531,483	JPY	249,758,000	27-Aug-14	65,016
INR	49,835,500	USD	833,123	28-Aug-14	(11,437)
MYR	5,970,924	USD	1,753,421	29-Aug-14	100,328
USD	131,386	EUR	98,387	29-Aug-14	(3,379)
USD	386,973	JPY	37,600,000	29-Aug-14	15,652
INR	44,290,750	USD	740,802	3-Sep-14	(11,295)
USD	211,888	EUR	160,000	3-Sep-14	(7,275)
CLP	258,950,000	USD	454,534	5-Sep-14	10,454
USD	895,344	EUR	678,450	5-Sep-14	(33,984)
CLP	138,210,000	USD	242,559	8-Sep-14	5,544
INR	4,135,000	USD	68,771	9-Sep-14	(736)
SEK	11,194,245	EUR	1,235,813	10-Sep-14	(18,592)
SGD	938,800	USD	740,028	15-Sep-14	13,053
CLP	272,210,000	USD	467,313	17-Sep-14	20,889
MYR	1,046,049	USD	315,493	18-Sep-14	8,897
USD	271,924	JPY	26,768,234	18-Sep-14	7,535
SGD	836,000	USD	660,348	19-Sep-14	10,272
USD	82,777	EUR	61,959	19-Sep-14	(2,098)
INR	6,186,000	USD	101,598	23-Sep-14	(66)
USD	978,267	EUR	721,000	23-Sep-14	(9,423)
USD	205,647	EUR	151,908	24-Sep-14	(2,451)
PHP	9,270,000	USD	211,191	25-Sep-14	1,166
INR	12,351,000	USD	202,642	26-Sep-14	(29)
USD	780,108	EUR	573,300	26-Sep-14	(5,260)
SEK	33,492,452	USD	4,972,231	29-Sep-14	36,190
USD	272,869	JPY	26,810,756	29-Sep-14	8,039
CLP	131,150,000	USD	250,525	30-Sep-14	(15,617)
INR	20,077,500	USD	329,103	30-Sep-14	26
SEK	10,722,000	EUR	1,165,207	30-Sep-14	7,089
USD	167,714	JPY	16,537,000	30-Sep-14	4,364
SEK	10,738,000	EUR	1,165,793	1-Oct-14	8,659
CLP	139,330,000	USD	248,360	6-Oct-14	1,063
USD	2,159,821	EUR	1,585,000	7-Oct-14	(11,590)
USD	10,984,080	JPY	1,140,367,140	7-Oct-14	(281,053)
CLP	542,840,000	USD	975,016	10-Oct-14	(3,600)
USD	8,438,881	EUR	6,230,000	15-Oct-14	(96,376)
USD	59,992	JPY	6,235,000	17-Oct-14	(1,607)
MYR	776,000	USD	239,869	20-Oct-14	321
USD	1,294,203	EUR	953,000	20-Oct-14	(11,461)
USD	120,008	JPY	11,780,000	20-Oct-14	3,625
MYR	1,398,000	USD	435,894	22-Oct-14	(3,233)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Global Fundamental Strategies Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
USD	884,537	JPY	86,260,000	22-Oct-14	32,295
CLP	496,765,000	USD	953,484	24-Oct-14	(65,656)
MYR	1,743,725	USD	540,275	24-Oct-14	(681)
USD	1,157,270	EUR	838,000	24-Oct-14	9,142
USD	637,799	EUR	461,267	27-Oct-14	5,817
MYR	746,000	USD	233,271	31-Oct-14	(2,519)
USD	10,710,202	JPY	1,049,000,000	5-Nov-14	344,786
USD	14,453,240	EUR	10,720,000	7-Nov-14	(234,962)
USD	200,803	JPY	19,740,980	10-Nov-14	5,729
USD	198,665	EUR	148,987	12-Nov-14	(5,477)
USD	385,000	JPY	37,961,000	12-Nov-14	9,874
USD	196,097	JPY	19,392,000	13-Nov-14	4,465
USD	300,914	JPY	29,900,000	14-Nov-14	5,440
USD	4,018,801	EUR	2,988,500	17-Nov-14	(76,133)
USD	494,105	JPY	48,945,700	17-Nov-14	10,406
MYR	716,680	USD	219,928	19-Nov-14	1,501
USD	1,691,417	JPY	169,016,000	19-Nov-14	21,108
MYR	447,000	USD	137,285	20-Nov-14	814
USD	1,030,866	EUR	761,608	20-Nov-14	(12,728)
USD	1,931,638	JPY	192,565,000	20-Nov-14	28,588
CLP	173,800,000	USD	305,394	28-Nov-14	4,234
SGD	271,000	USD	215,802	28-Nov-14	1,608
CLP	37,200,000	USD	65,252	1-Dec-14	1,003
USD	4,108,075	EUR	3,032,000	4-Dec-14	(46,784)
USD	1,865,278	EUR	1,365,437	9-Dec-14	(5,872)
PLN	1,675,000	EUR	391,410	15-Dec-14	9,667
MYR	475,981	USD	144,578	17-Dec-14	2,236
SGD	518,000	USD	413,672	19-Dec-14	1,905
SGD	629,000	USD	501,995	22-Dec-14	2,636
USD	6,091,152	JPY	625,240,000	22-Dec-14	(89,747)
SGD	787,600	USD	630,478	23-Dec-14	1,395
USD	3,524,752	JPY	365,500,000	26-Dec-14	(88,588)
PHP	1,340,000	USD	30,486	29-Dec-14	190
USD	701,220	JPY	73,025,000	7-Jan-15	(20,785)
MYR	1,387,200	USD	413,646	8-Jan-15	13,660
USD	984,524	JPY	102,106,000	8-Jan-15	(25,015)
MYR	283,000	USD	84,518	9-Jan-15	2,651
CLP	106,000,000	USD	192,186	12-Jan-15	(4,109)
MYR	85,000	USD	25,411	12-Jan-15	765
USD	538,421	EUR	396,186	13-Jan-15	(4,593)
USD	87,963	JPY	9,200,000	13-Jan-15	(3,004)
USD	8,322,885	EUR	6,092,125	14-Jan-15	(27,043)
USD	264,165	JPY	27,600,000	14-Jan-15	(8,735)
MYR	30,000	USD	9,000	15-Jan-15	238
USD	90,075	EUR	66,000	15-Jan-15	(386)
USD	6,162,624	JPY	639,230,000	15-Jan-15	(157,947)
MYR	178,000	USD	53,632	16-Jan-15	1,171
USD	684,100	EUR	500,000	16-Jan-15	(1,212)
USD	709,749	JPY	73,340,000	16-Jan-15	(15,428)
USD	60,056	JPY	6,235,000	20-Jan-15	(1,597)
USD	310,764	EUR	228,000	21-Jan-15	(1,747)
USD	212,085	EUR	156,074	22-Jan-15	(1,841)
CLP	233,240,000	USD	421,391	23-Jan-15	(7,955)
CLP	330,830,000	USD	586,007	26-Jan-15	260
USD	377,852	EUR	276,130	27-Jan-15	(641)
USD	843,821	JPY	87,230,000	27-Jan-15	(18,783)
USD	1,861,727	JPY	190,330,031	28-Jan-15	(20,434)
USD	704,232	EUR	515,100	29-Jan-15	(1,826)
USD	9,813,624	EUR	7,180,000	30-Jan-15	(28,194)
USD	8,444,454	EUR	6,230,000	3-Feb-15	(95,356)
CLP	124,200,000	USD	219,125	4-Feb-15	795
MYR	1,183,000	USD	349,597	4-Feb-15	14,207
USD	8,434,386	JPY	851,730,000	6-Feb-15	11,005
USD	541,080	EUR	400,000	9-Feb-15	(7,240)
USD	8,434,508	JPY	852,900,000	9-Feb-15	(669)
CLP	53,800,000	USD	92,551	10-Feb-15	2,662
KRW	1,136,628,900	USD	1,040,488	10-Feb-15	72,498
PLN	1,499,000	EUR	350,684	10-Feb-15	6,572
USD	1,184,661	EUR	871,000	10-Feb-15	(9,312)
USD	258,116	JPY	26,206,000	10-Feb-15	(1,064)
PLN	1,499,000	EUR	350,479	11-Feb-15	6,827
USD	698,886	EUR	514,000	11-Feb-15	(5,713)
CLP	122,000,000	USD	211,953	12-Feb-15	3,919
USD	916,151	JPY	93,379,000	12-Feb-15	(7,391)
USD	291,431	EUR	213,000	13-Feb-15	(556)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Global Fundamental Strategies Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
USD	671,800	JPY	68,520,000	13-Feb-15	(5,887)
CLP	284,640,000	USD	497,483	17-Feb-15	5,949
PLN	1,499,000	EUR	352,043	17-Feb-15	4,528
USD	223,442	JPY	22,800,000	17-Feb-15	(2,066)
MYR	1,339,798	USD	396,484	18-Feb-15	15,187
SGD	333,000	USD	263,449	18-Feb-15	3,735
USD	768,805	JPY	78,061,490	18-Feb-15	(3,285)
MYR	175,000	USD	52,114	19-Feb-15	1,653
USD	869,477	EUR	634,000	19-Feb-15	344
USD	432,832	EUR	315,000	20-Feb-15	1,005
CLP	59,980,000	USD	105,007	23-Feb-15	1,021
MYR	1,750,000	USD	520,833	23-Feb-15	16,713
USD	2,023,926	EUR	1,472,000	23-Feb-15	5,959
CLP	84,400,000	USD	147,863	24-Feb-15	1,320
USD	307,385	JPY	31,360,000	24-Feb-15	(2,807)
CLP	71,800,000	USD	125,229	25-Feb-15	1,671
USD	564,892	EUR	410,980	25-Feb-15	1,473
USD	418,150	JPY	42,840,000	25-Feb-15	(5,598)
CLP	98,200,000	USD	170,961	26-Feb-15	2,583
USD	2,811,719	EUR	2,047,418	26-Feb-15	4,865
USD	1,989,586	JPY	203,390,000	26-Feb-15	(22,245)
USD	3,938,584	EUR	2,874,026	27-Feb-15	(1,507)
USD	75,434	JPY	7,689,000	27-Feb-15	(622)
CLP	119,900,000	USD	206,938	3-Mar-15	4,862
USD	184,739	EUR	134,000	5-Mar-15	1,029
USD	553,864	EUR	402,967	9-Mar-15	1,394
USD	1,067,191	JPY	109,129,300	9-Mar-15	(12,368)
USD	1,535,337	EUR	1,109,000	10-Mar-15	14,886
MYR	3,155,884	USD	950,882	11-Mar-15	17,561
SGD	1,078,141	USD	853,702	11-Mar-15	11,381
MYR	796,380	USD	238,138	12-Mar-15	6,232
PLN	6,340,038	EUR	1,480,003	12-Mar-15	28,928
CLP	134,470,000	USD	228,539	13-Mar-15	8,789
USD	69,292	EUR	50,000	16-Mar-15	739
USD	262,576	JPY	26,867,256	17-Mar-15	(3,227)
USD	663,870	EUR	478,000	18-Mar-15	8,499
USD	531,456	EUR	382,400	19-Mar-15	7,156
USD	1,997,821	JPY	202,503,000	19-Mar-15	(5,613)
CLP	50,200,000	USD	85,157	20-Mar-15	3,387
USD	665,237	EUR	478,000	23-Mar-15	9,849
USD	516,990	JPY	52,793,000	24-Mar-15	(5,333)
USD	263,515	EUR	191,000	25-Mar-15	1,631
USD	773,364	JPY	78,972,120	25-Mar-15	(7,977)
USD	336,025	EUR	244,000	26-Mar-15	1,469
MYR	440,000	USD	131,038	31-Mar-15	3,822
USD	81,712	EUR	59,362	31-Mar-15	316
MYR	2,763,000	USD	828,958	2-Apr-15	17,807
USD	404,980	EUR	293,794	2-Apr-15	2,131
USD	1,031,251	EUR	747,440	7-Apr-15	6,326
MYR	300,000	USD	90,077	10-Apr-15	1,822
USD	1,340,072	EUR	972,000	10-Apr-15	7,190
USD	2,195,382	EUR	1,589,855	13-Apr-15	15,200
USD	1,088,049	EUR	785,000	14-Apr-15	11,564
USD	221,286	JPY	22,400,000	15-Apr-15	(397)
CLP	486,390,000	USD	857,831	16-Apr-15	(2,079)
MYR	1,361,160	USD	410,978	16-Apr-15	5,841
USD	1,288,827	EUR	928,142	16-Apr-15	16,030
USD	904,456	JPY	91,900,000	17-Apr-15	(5,064)
MYR	559,964	USD	169,352	21-Apr-15	2,073
USD	541,569	JPY	55,220,000	21-Apr-15	(4,964)
USD	511,025	EUR	370,090	22-Apr-15	3,484
USD	657,233	JPY	67,000,000	22-Apr-15	(5,900)
CLP	308,187,000	USD	532,965	28-Apr-15	8,641
USD	1,648,484	EUR	1,190,492	30-Apr-15	15,745
USD	732,926	EUR	528,860	5-May-15	7,577
CLP	54,100,000	USD	92,337	11-May-15	2,622
USD	7,886,436	EUR	5,695,000	12-May-15	75,144
USD	258,778	JPY	26,207,000	12-May-15	(675)
USD	124,020	EUR	90,000	13-May-15	575
USD	603,490	JPY	61,237,000	13-May-15	(2,775)
USD	399,458	EUR	290,000	14-May-15	1,686
USD	257,691	JPY	26,194,000	14-May-15	(1,641)
USD	432,407	EUR	315,000	18-May-15	332
USD	4,285,000	JPY	435,056,050	18-May-15	(22,475)
SGD	1,064,600	USD	852,123	19-May-15	2,261

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Global Fundamental Strategies Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
USD	17,160,000	JPY	1,740,394,650	19-May-15	(71,817)
USD	98,181	EUR	71,821	26-May-15	(340)
SGD	1,367,339	USD	1,089,679	29-May-15	7,699
USD	2,107,213	JPY	213,802,000	3-Jun-15	(10,088)
CLP	141,800,000	USD	249,516	4-Jun-15	(1,188)
USD	899,022	JPY	91,761,397	4-Jun-15	(9,711)
CLP	25,300,000	USD	44,328	5-Jun-15	(25)
USD	2,135,334	JPY	218,100,000	9-Jun-15	(24,704)
USD	926,966	EUR	678,450	10-Jun-15	(3,801)
USD	4,302,522	JPY	439,540,000	10-Jun-15	(50,691)
PLN	629,000	EUR	150,349	11-Jun-15	(2,956)
USD	1,654,917	JPY	169,060,000	11-Jun-15	(19,480)
PLN	3,226,000	EUR	770,186	12-Jun-15	(13,955)
USD	1,895,715	EUR	1,398,670	15-Jun-15	(23,194)
USD	4,681,816	EUR	3,455,215	17-Jun-15	(58,647)
USD	805,626	JPY	81,952,000	17-Jun-15	(6,105)
MYR	2,760,000	USD	835,806	22-Jun-15	6,184
USD	8,213,192	EUR	6,040,000	22-Jun-15	(73,838)
USD	3,072,965	JPY	312,920,000	22-Jun-15	(26,701)
PHP	18,790,000	USD	426,483	25-Jun-15	2,659
PHP	52,679,210	USD	1,193,836	26-Jun-15	9,281
PHP	11,900,000	USD	270,399	29-Jun-15	1,368
USD	1,021,163	EUR	750,000	30-Jun-15	(7,917)
					(803,478)
					4,010,402

The above contracts were opened with the following counterparties:

Bank of America	90,204
Barclays Bank	603,186
Citibank	384,915
Credit Suisse	472,576
Deutsche Bank	(509,052)
Goldman Sachs	266,139
HSBC Bank	995,876
JPMorgan Chase Bank	875,218
Morgan Stanley	409,373
Royal Bank of Scotland	265,111
The Bank of New York Mellon	99,769
UBS	71,487
Standard Chartered Bank	(14,400)
4,010,402	

#### Franklin Global Government Bond Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management					
USD	654,996	AUD	710,000	10-Sep-14	(11,283)
USD	1,429,049	EUR	1,050,000	10-Sep-14	(9,253)
					(20,536)

The above contracts were opened with the following counterparties:

Barclays Bank	(11,283)
Citibank	(9,253)
(20,536)	

#### Franklin Global Growth Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
EUR	7,278,138	USD	9,847,494	15-Jul-14	120,161
USD	43,037	EUR	31,785	15-Jul-14	(494)
					119,667



## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Global Growth Fund (continued)

Unrealised Profit/(Loss)  
USD

The above contracts were opened with the following counterparties:

Bank of America				6,898
Barclays Bank				3,453
Citibank				453
Credit Suisse				11,218
Deutsche Bank				1,759
Goldman Sachs				8,118
HSBC Bank				1,884
JPMorgan Chase Bank				7,869
Morgan Stanley				8,491
Royal Bank of Scotland				53,770
The Bank of New York Mellon				7,112
UBS				8,642

119,667

#### Franklin Global High Income Bond Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
SGD	1,423,356	USD	1,136,093
			10-Jul-14
			5,654
Forward foreign exchange contracts used for efficient portfolio management			
EUR	252,300	USD	337,672
EUR	1,294,681	USD	1,778,648
GBP	300,000	USD	497,610
EUR	3,143,161	USD	4,304,709
USD	855,700	EUR	620,100
			9-Mar-15
			5,541
			28,564
			34,218

The above contracts were opened with the following counterparties:

Bank of America				77
Citibank				127
Credit Suisse				4,492
Deutsche Bank				28,564
Goldman Sachs				117
JPMorgan Chase Bank				320
Royal Bank of Scotland				188
The Bank of New York Mellon				107
UBS				226

34,218

#### Franklin Global Listed Infrastructure Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
GBP	763,618	USD	1,284,052
SGD	1,416,919	USD	1,131,330
			10-Jul-14
			10-Jul-14
			22,542
			5,253
			27,795

The above contracts were opened with the following counterparties:

Barclays Bank				1,537
Citibank				129
Credit Suisse				104
Deutsche Bank				3,939
Goldman Sachs				17,324
HSBC Bank				551
JPMorgan Chase Bank				1,110
Morgan Stanley				971
Royal Bank of Scotland				539
UBS				1,591

27,795

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Global Real Estate Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
EUR	25,003,806	USD	33,926,699
		21-Jul-14	317,693

The above contracts were opened with the following counterparties:

Bank of America	1,939
Barclays Bank	24,262
Citibank	10,834
Credit Suisse	28,560
Deutsche Bank	6,293
Goldman Sachs	21,680
HSBC Bank	28,348
JPMorgan Chase Bank	15,654
Morgan Stanley	29,997
Royal Bank of Scotland	129,713
The Bank of New York Mellon	4,260
UBS	16,153
	317,693

#### Franklin Gold and Precious Metals Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
CHF	8,482,080	USD	9,448,936
EUR	6,453,327	USD	8,757,799
SEK	30,180,086	USD	4,542,416
USD	97,305	SEK	653,926
			(545)
			170,622

The above contracts were opened with the following counterparties:

Bank of America	722
Barclays Bank	19,942
Citibank	6,477
Credit Suisse	6,000
Deutsche Bank	2,016
Goldman Sachs	27,274
HSBC Bank	343
JPMorgan Chase Bank	11,795
Morgan Stanley	18,795
Royal Bank of Scotland	44,606
The Bank of New York Mellon	4,876
UBS	27,776
	170,622

#### Franklin High Yield Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
AUD	25,597,824	USD	23,885,744
EUR	39,788,407	USD	54,236,894
SGD	65,688,939	USD	52,446,178
USD	2,766,875	AUD	2,950,750
			(14,462)
			727,809

Forward foreign exchange contracts used for efficient portfolio management

USD	11,774,042	EUR	8,691,896	(138,841)
USD	4,413,312	EUR	3,200,000	26,753
				(112,088)
				615,721

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin High Yield Fund (continued)

Purchases	Unrealised Profit/(Loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	61,505
Barclays Bank	11,098
Citibank	16,433
Credit Suisse	52,516
Deutsche Bank	(92,227)
Goldman Sachs	84,066
HSBC Bank	154,492
JPMorgan Chase Bank	28,302
Morgan Stanley	55,855
Royal Bank of Scotland	99,474
UBS	144,207
	615,721

#### Franklin Income Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
EUR	8,538,830	USD	11,596,304
SGD	39,662,148	USD	31,666,014
USD	690,459	EUR	507,484
			98,197
			149,104
			(4,574)
			242,727

The above contracts were opened with the following counterparties:

Bank of America	66,065
Barclays Bank	7,296
Citibank	14,928
Credit Suisse	24,151
Deutsche Bank	11,981
Goldman Sachs	14,363
HSBC Bank	40,722
JPMorgan Chase Bank	33,557
Morgan Stanley	5,894
Royal Bank of Scotland	4,306
UBS	19,464
	242,727

#### Franklin India Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
PLN	40,925,859	USD	13,509,144
USD	240,220	PLN	734,160
			(41,227)
			(1,378)
			(42,605)

The above contracts were opened with the following counterparties:

Bank of America	(547)
Barclays Bank	(4,623)
Citibank	(682)
Credit Suisse	(1,949)
Deutsche Bank	(3,217)
Goldman Sachs	(7,587)
HSBC Bank	(1,961)
JPMorgan Chase Bank	(10,159)
Morgan Stanley	(3,110)
Royal Bank of Scotland	(5,518)
The Bank of New York Mellon	(343)
UBS	(2,909)
	(42,605)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin MENA Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
EUR	46,113,936	USD	62,388,535	15-Jul-14	766,053
USD	10,518,733	EUR	7,741,849	15-Jul-14	(83,990)
					682,063

The above contracts were opened with the following counterparties:

Bank of America	18,873
Barclays Bank	15,725
Citibank	93,493
Credit Suisse	62,560
Deutsche Bank	38,391
Goldman Sachs	73,996
HSBC Bank	213,211
JPMorgan Chase Bank	75,855
Morgan Stanley	32,400
Royal Bank of Scotland	41,531
The Bank of New York Mellon	1,363
UBS	14,665

682,063

#### Franklin Multi-Asset Income Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) EUR
Forward foreign exchange contracts used for efficient portfolio management					
CAD	265,000	USD	242,230	14-Jul-14	4,500
GBP	120,000	EUR	146,252	14-Jul-14	3,668
MXN	2,100,000	USD	160,229	14-Jul-14	1,042
PLN	460,000	EUR	109,821	14-Jul-14	680
USD	300,967	EUR	220,000	14-Jul-14	(240)
					9,650

The above contracts were opened with the following counterparties:

Barclays Bank	4,500
Citibank	802
Morgan Stanley	680
Northern Trust Corporation	3,668

9,650

#### Franklin Natural Resources Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
CHF	1,360,059	USD	1,515,381	21-Jul-14	18,490
EUR	1,517,736	USD	2,059,621	21-Jul-14	19,019
PLN	27,154,694	USD	8,877,300	21-Jul-14	51,788
USD	45,987	EUR	33,740	21-Jul-14	(223)
					89,074

The above contracts were opened with the following counterparties:

Bank of America	342
Barclays Bank	4,787
Citibank	10,072
Credit Suisse	3,694
Deutsche Bank	2,268
Goldman Sachs	17,245
HSBC Bank	13,460
JPMorgan Chase Bank	10,345
Morgan Stanley	6,211
Royal Bank of Scotland	5,894
The Bank of New York Mellon	1,252
UBS	13,504

89,074

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Real Return Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
EUR	2,259,545	USD	3,066,338	21-Jul-14	28,261
Forward foreign exchange contracts used for efficient portfolio management					
USD	132,861	EUR	100,000	1-Aug-14	(4,102)
CLP	24,955,000	USD	47,670	30-Sep-14	(2,972)
USD	45,667	CLP	24,955,000	30-Sep-14	969
USD	13,037	EUR	9,700	13-Nov-14	(254)
SEK	913,360	USD	140,115	9-Feb-15	(3,673)
USD	43,223	EUR	31,100	9-Feb-15	591
USD	126,629	EUR	92,000	9-Mar-15	496
					(8,945)
					19,316

The above contracts were opened with the following counterparties:

Bank of America	167
Barclays Bank	109
Citibank	724
Credit Suisse	1,979
Deutsche Bank	5,179
Goldman Sachs	3,475
HSBC Bank	766
JPMorgan Chase Bank	522
Morgan Stanley	560
Royal Bank of Scotland	1,322
UBS	4,513
19,316	

#### Franklin Strategic Income Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
AUD	2,407,667	USD	2,244,754	21-Jul-14	22,661
EUR	219,147,849	USD	297,509,749	21-Jul-14	2,627,949
					2,650,610
Forward foreign exchange contracts used for efficient portfolio management					
JPY	195,858,000	USD	1,920,741	1-Jul-14	12,624
USD	2,000,000	JPY	195,858,000	1-Jul-14	66,634
GBP	100,483	USD	170,369	7-Jul-14	1,567
USD	149,750	GBP	100,483	7-Jul-14	(22,187)
EUR	291,451	USD	396,358	9-Jul-14	2,785
USD	376,059	EUR	291,451	9-Jul-14	(23,083)
EUR	208,656	USD	283,981	10-Jul-14	1,775
USD	269,396	EUR	208,656	10-Jul-14	(16,360)
EUR	806,936	USD	1,096,149	11-Jul-14	8,959
USD	1,040,705	EUR	806,936	11-Jul-14	(64,403)
USD	611,297	EUR	468,104	15-Jul-14	(29,787)
USD	251,621	EUR	191,489	23-Jul-14	(10,639)
USD	819,147	EUR	618,515	25-Jul-14	(27,964)
GBP	105,108	USD	178,190	28-Jul-14	1,629
USD	1,530,055	EUR	1,155,292	28-Jul-14	(52,240)
USD	298,735	GBP	195,251	28-Jul-14	(35,301)
CLP	37,165,000	USD	70,235	29-Jul-14	(3,241)
USD	198,803	EUR	150,000	29-Jul-14	(6,639)
USD	128,762	GBP	84,567	30-Jul-14	(15,913)
EUR	894,700	USD	1,214,913	1-Aug-14	10,491
USD	4,866,732	EUR	3,665,250	1-Aug-14	(153,288)
USD	1,389,821	EUR	1,046,670	4-Aug-14	(43,738)
USD	419,076	EUR	316,833	6-Aug-14	(14,873)
USD	1,009,079	EUR	757,965	8-Aug-14	(29,071)
CLP	98,100,000	USD	182,998	11-Aug-14	(6,396)
USD	40,679	EUR	30,529	11-Aug-14	(1,135)
USD	29,860	JPY	2,931,000	19-Aug-14	917
CLP	102,617,200	USD	193,144	20-Aug-14	(8,578)
USD	97,786	JPY	9,494,000	20-Aug-14	4,033
USD	374,303	EUR	280,000	21-Aug-14	(9,215)
USD	13,665	JPY	1,325,000	22-Aug-14	581
USD	315,072	EUR	235,025	25-Aug-14	(6,847)
USD	67,681	JPY	6,582,000	25-Aug-14	2,682

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Strategic Income Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
CLP	103,140,000	USD	191,710	26-Aug-14	(6,317)
USD	422,639	EUR	316,347	26-Aug-14	(10,669)
USD	64,303	JPY	6,321,000	26-Aug-14	1,881
SGD	201,500	USD	157,631	27-Aug-14	4,005
USD	718,248	EUR	536,798	27-Aug-14	(17,021)
USD	970,006	JPY	95,737,200	27-Aug-14	24,560
USD	918,041	EUR	688,554	28-Aug-14	(25,096)
USD	124,484	GBP	79,900	28-Aug-14	(12,175)
USD	1,815,783	EUR	1,359,729	29-Aug-14	(46,692)
USD	13,503	JPY	1,312,000	29-Aug-14	546
USD	496,643	EUR	376,333	5-Sep-14	(18,851)
USD	79,075	EUR	59,188	19-Sep-14	(2,004)
USD	650,745	EUR	486,866	22-Sep-14	(16,205)
USD	2,546,444	JPY	251,385,000	22-Sep-14	63,453
USD	1,568,994	EUR	1,156,376	23-Sep-14	(15,113)
USD	195,878	EUR	144,692	24-Sep-14	(2,335)
USD	338,507	JPY	33,260,000	29-Sep-14	9,973
CLP	104,300,000	USD	199,236	30-Sep-14	(12,420)
USD	6,237,359	EUR	4,619,000	30-Sep-14	(90,357)
USD	3,178,101	JPY	313,683,750	30-Sep-14	79,578
USD	5,001,577	EUR	3,690,000	1-Oct-14	(53,494)
USD	340,941	EUR	250,000	7-Oct-14	(1,553)
USD	251,914	EUR	185,654	8-Oct-14	(2,429)
USD	362,529	EUR	268,000	14-Oct-14	(4,636)
CLP	147,105,000	USD	282,156	15-Oct-14	(19,031)
USD	434,801	EUR	321,555	15-Oct-14	(5,738)
USD	389,616	EUR	287,826	17-Oct-14	(4,717)
MYR	61,000	USD	18,856	20-Oct-14	25
USD	121,734	EUR	88,861	22-Oct-14	(12)
USD	1,082,913	JPY	105,549,500	22-Oct-14	40,092
CLP	66,092,000	USD	126,856	24-Oct-14	(8,735)
MYR	1,703,220	USD	527,723	24-Oct-14	(664)
USD	1,179,240	JPY	115,634,500	24-Oct-14	36,759
USD	86,375	EUR	62,735	27-Oct-14	422
USD	369,786	EUR	268,000	29-Oct-14	2,596
USD	142,431	EUR	105,493	30-Oct-14	(2,107)
CLP	27,658,200	USD	52,465	31-Oct-14	(3,066)
USD	548,721	EUR	397,333	31-Oct-14	4,325
USD	206,732	EUR	152,863	5-Nov-14	(2,714)
USD	275,902	JPY	27,027,000	5-Nov-14	8,842
USD	1,496,558	EUR	1,110,000	7-Nov-14	(24,329)
USD	5,000,000	JPY	491,405,000	7-Nov-14	144,221
USD	121,864	EUR	91,391	12-Nov-14	(3,359)
USD	181,247	JPY	17,871,000	12-Nov-14	4,648
USD	1,137,724	EUR	845,314	14-Nov-14	(20,534)
USD	10,064	JPY	1,000,000	14-Nov-14	182
USD	89,313	EUR	66,442	17-Nov-14	(1,728)
MYR	62,320	USD	19,124	19-Nov-14	131
USD	25,063	EUR	18,608	19-Nov-14	(434)
MYR	17,000	USD	5,221	20-Nov-14	31
USD	221,434	EUR	163,589	20-Nov-14	(2,724)
USD	2,097,540	EUR	1,548,000	28-Nov-14	(23,682)
USD	1,214,683	EUR	889,217	9-Dec-14	(3,871)
USD	1,646,700	EUR	1,200,000	11-Dec-14	2,245
USD	140,675	EUR	102,135	12-Dec-14	710
USD	257,661	JPY	26,382,000	12-Dec-14	(3,118)
USD	631,603	EUR	460,000	17-Dec-14	1,211
USD	339,569	EUR	246,939	18-Dec-14	1,159
USD	1,502,890	JPY	154,700,000	22-Dec-14	(26,419)
MYR	76,200	USD	22,746	7-Jan-15	727
USD	398,149	JPY	41,515,000	7-Jan-15	(12,313)
CLP	1,100,880,000	USD	1,935,397	9-Jan-15	18,424
EUR	1,304,447	USD	1,786,447	9-Jan-15	1,394
INR	457,251,000	USD	6,834,659	9-Jan-15	524,946
SGD	356,500	USD	282,922	9-Jan-15	3,098
USD	26,772,936	EUR	19,554,200	9-Jan-15	(27,537)
USD	525,677	GBP	321,751	9-Jan-15	(23,783)
USD	16,228,047	JPY	1,659,752,000	9-Jan-15	(182,352)
CLP	146,940,000	USD	267,237	12-Jan-15	(6,520)
CLP	76,687,500	USD	129,649	9-Feb-15	6,081
INR	213,197,000	USD	3,244,552	9-Feb-15	166,002
MYR	745,303	USD	223,546	9-Feb-15	5,584
SEK	143,528,000	USD	22,018,056	9-Feb-15	(577,252)
SGD	665,600	USD	525,594	9-Feb-15	8,445
USD	26,922,125	EUR	19,479,768	9-Feb-15	219,267
USD	6,920,074	JPY	705,216,600	9-Feb-15	(54,515)
CLP	3,365,428,000	USD	5,875,886	9-Mar-15	65,900
GBP	205,349	USD	345,643	9-Mar-15	4,689

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Strategic Income Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
SGD	5,146,640	USD	4,105,180	9-Mar-15	24,392
USD	43,572,532	EUR	31,610,357	9-Mar-15	234,616
USD	1,647,796	GBP	982,871	9-Mar-15	(29,014)
USD	30,426,335	JPY	3,099,897,500	9-Mar-15	(239,304)
					(398,000)
					2,252,610

The above contracts were opened with the following counterparties:

Bank of America	48,428
Barclays Bank	(79,724)
Citibank	291,330
Credit Suisse	217,915
Deutsche Bank	(479,476)
Goldman Sachs	83,428
HSBC Bank	617,024
JPMorgan Chase Bank	528,818
Morgan Stanley	158,716
Royal Bank of Scotland	166,271
The Bank of New York Mellon	19,384
UBS	680,496
2,252,610	

#### Franklin U.S. Equity Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
EUR	17,369,808	USD	23,579,283	21-Jul-14	209,836
USD	11,321,056	EUR	8,341,000	21-Jul-14	(102,504)
					107,332
					107,332

The above contracts were opened with the following counterparties:

Bank of America	4,539
Barclays Bank	3,195
Citibank	1,212
Credit Suisse	46,653
Deutsche Bank	2,766
Goldman Sachs	14,211
HSBC Bank	24,515
JPMorgan Chase Bank	2,676
Morgan Stanley	(36,245)
Royal Bank of Scotland	30,743
The Bank of New York Mellon	320
UBS	12,747
107,332	

#### Franklin U.S. Focus Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
EUR	19,403,210	USD	26,252,856	15-Jul-14	320,493
USD	436,371	EUR	322,283	15-Jul-14	(5,006)
					315,487
					315,487

The above contracts were opened with the following counterparties:

Bank of America	11,975
Barclays Bank	7,317
Citibank	10,879
Credit Suisse	6,214
Deutsche Bank	3,377
Goldman Sachs	18,817
HSBC Bank	147,478
JPMorgan Chase Bank	47,447
Morgan Stanley	5,375
Royal Bank of Scotland	35,812
The Bank of New York Mellon	246
UBS	20,550
315,487	

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin U.S. Government Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
EUR	31,562,250	USD	43,020,129	10-Jul-14	204,554
JPY	73,590,694	USD	719,186	10-Jul-14	7,301
SGD	7,307,592	USD	5,834,707	10-Jul-14	27,088
USD	4,081,752	EUR	3,007,258	10-Jul-14	(36,706)
					202,237

The above contracts were opened with the following counterparties:

Bank of America	11,214
Barclays Bank	(2,907)
Citibank	36,480
Credit Suisse	20,558
Deutsche Bank	52,955
Goldman Sachs	19,206
HSBC Bank	5,643
Morgan Stanley	44,264
Royal Bank of Scotland	14,472
UBS	352
202,237	

#### Franklin U.S. Low Duration Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
EUR	38,500,193	USD	52,480,585	10-Jul-14	245,651
Forward foreign exchange contracts used for efficient portfolio management					
USD	2,090,601	EUR	1,587,758	17-Jul-14	(83,905)
EUR	5,308,000	USD	7,268,536	28-Jul-14	1,334
USD	7,029,915	EUR	5,308,000	28-Jul-14	(239,955)
USD	437,366	EUR	330,000	29-Jul-14	(14,606)
USD	1,600,000	EUR	1,193,050	27-Aug-14	(34,158)
USD	708,398	EUR	530,000	22-Sep-14	(17,640)
USD	3,989,357	JPY	395,824,000	25-Sep-14	79,622
USD	298,197	EUR	220,000	1-Oct-14	(3,189)
USD	1,019,507	EUR	744,204	22-Oct-14	(103)
USD	2,943,270	EUR	2,174,000	10-Nov-14	(35,516)
USD	1,783,180	EUR	1,316,000	28-Nov-14	(20,133)
EUR	3,192,000	USD	4,372,561	4-Dec-14	1,551
USD	4,585,863	EUR	3,385,000	4-Dec-14	(52,725)
CAD	2,833,000	USD	2,552,780	9-Jan-15	90,745
SGD	6,136,000	USD	4,803,507	9-Jan-15	119,405
USD	27,768,841	EUR	20,465,802	9-Jan-15	(281,049)
USD	46,603,559	JPY	4,827,245,000	9-Jan-15	(1,124,663)
USD	209,234	DKK	1,200,000	15-Jan-15	(11,464)
USD	2,945,696	EUR	2,258,000	6-Feb-15	(149,520)
CAD	619,000	USD	553,959	9-Feb-15	23,198
CLP	1,215,543,000	USD	2,117,456	9-Feb-15	33,948
USD	3,634,481	EUR	2,620,885	9-Feb-15	41,772
USD	3,374,798	GBP	2,050,240	9-Feb-15	(124,619)
USD	5,447,936	EUR	4,160,000	6-Mar-15	(255,349)
CAD	354,080	USD	322,771	9-Mar-15	7,145
CLP	540,200,000	USD	942,145	9-Mar-15	11,598
SEK	30,668,200	EUR	3,362,446	9-Mar-15	(29,573)
SGD	2,511,500	USD	2,003,430	9-Mar-15	11,753
USD	22,131,272	EUR	16,192,186	9-Mar-15	(68,275)
USD	9,690,470	JPY	990,199,500	9-Mar-15	(105,048)
CHF	2,829,063	USD	3,129,494	16-Apr-15	70,446
USD	3,184,805	CHF	2,829,063	16-Apr-15	(15,135)
USD	7,498,698	DKK	43,200,000	15-Oct-15	(467,242)
USD	7,205,777	DKK	41,200,000	15-Jan-16	(398,178)
USD	2,956,194	EUR	2,258,000	5-Feb-16	(147,115)
USD	3,021,510	EUR	2,300,000	7-Apr-16	(140,988)
USD	5,937,800	EUR	4,400,000	5-Aug-16	(117,628)
USD	7,090,720	DKK	40,800,000	14-Oct-16	(459,488)
					(3,904,747)
					(3,659,096)



## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin U.S. Low Duration Fund (continued)

The above contracts were opened with the following counterparties:

Bank of America	22,349
Barclays Bank	(202,839)
Citibank	5,050
Credit Suisse	64,915
Deutsche Bank	(3,579,429)
Goldman Sachs	(10,999)
HSBC Bank	22,977
JPMorgan Chase Bank	(38,553)
Morgan Stanley	32,070
Royal Bank of Scotland	8,887
UBS	16,476
	(3,659,096)

#### Franklin U.S. Opportunities Fund

Purchases	Sales		Maturity Date	Unrealised Profit/(Loss) USD	
Forward foreign exchange contracts used for share class hedging					
CHF	10,998,919	USD	12,252,923	21-Jul-14	151,634
EUR	147,521,980	USD	200,264,142	21-Jul-14	1,777,118
NOK	9,942,677	USD	1,649,944	21-Jul-14	(30,013)
PLN	98,170,605	USD	32,093,651	21-Jul-14	187,100
SEK	36,927,481	USD	5,564,217	21-Jul-14	(38,592)
SGD	52,082,850	USD	41,594,480	21-Jul-14	183,941
USD	4,640,378	EUR	3,418,082	21-Jul-14	(40,915)
USD	729,835	PLN	2,220,851	21-Jul-14	(432)
					2,189,841

The above contracts were opened with the following counterparties:

Bank of America	41,053
Barclays Bank	30,980
Citibank	139,993
Credit Suisse	98,625
Deutsche Bank	10,808
Goldman Sachs	178,166
HSBC Bank	279,669
JPMorgan Chase Bank	283,261
Morgan Stanley	514,776
Royal Bank of Scotland	237,421
The Bank of New York Mellon	54,476
UBS	320,613
	2,189,841

#### Franklin U.S. Total Return Fund

Purchases	Sales		Maturity Date	Unrealised Profit/(Loss) USD	
Forward foreign exchange contracts used for efficient portfolio management					
EUR	207,900	USD	282,848	3-Jul-14	1,864
USD	271,601	EUR	207,900	3-Jul-14	(13,112)
MYR	79,225	USD	24,421	14-Jul-14	235
MYR	90,000	USD	27,988	15-Jul-14	19
USD	280,085	EUR	212,717	17-Jul-14	(11,241)
USD	125,810	EUR	95,745	23-Jul-14	(5,319)
USD	318,495	EUR	240,483	28-Jul-14	(10,872)
CLP	85,765,000	USD	162,081	29-Jul-14	(7,479)
USD	53,014	EUR	40,000	29-Jul-14	(1,770)
CLP	102,350,000	USD	194,952	30-Jul-14	(10,475)
USD	98,605	CLP	53,000,000	30-Jul-14	3,076
USD	185,315	EUR	139,560	4-Aug-14	(5,832)
USD	21,413	EUR	16,084	8-Aug-14	(617)
USD	5,904	EUR	4,431	11-Aug-14	(165)
USD	100,953	EUR	76,055	15-Aug-14	(3,218)
USD	6,411	EUR	4,800	20-Aug-14	(164)
USD	47,225	EUR	35,227	25-Aug-14	(1,026)
USD	110,749	EUR	82,604	27-Aug-14	(2,396)
USD	100,000	JPY	9,830,000	27-Aug-14	2,925
USD	217,193	EUR	162,000	28-Aug-14	(4,704)
PHP	11,625,000	USD	261,942	29-Aug-14	4,198
USD	257,933	EUR	193,150	29-Aug-14	(6,633)
USD	12,287	EUR	9,197	19-Sep-14	(311)
USD	29,274	EUR	21,624	24-Sep-14	(349)
USD	100,303	EUR	74,000	1-Oct-14	(1,073)
USD	328,559	GBP	210,750	1-Oct-14	(31,789)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin U.S. Total Return Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
USD	234,897	JPY	22,980,000	3-Oct-14	7,898
USD	97,956	EUR	72,000	7-Oct-14	(682)
MYR	29,000	USD	8,964	20-Oct-14	12
USD	9,506	EUR	7,000	20-Oct-14	(84)
CLP	10,575,000	USD	20,298	24-Oct-14	(1,398)
USD	4,544	EUR	3,300	27-Oct-14	22
CLP	63,827,000	USD	121,075	31-Oct-14	(7,075)
USD	75,338	EUR	54,553	31-Oct-14	594
USD	9,728	EUR	7,193	5-Nov-14	(128)
USD	2,176	EUR	1,632	12-Nov-14	(60)
SGD	376,902	USD	302,405	17-Nov-14	(40)
USD	31,034	EUR	23,060	17-Nov-14	(564)
MYR	31,160	USD	9,562	19-Nov-14	65
MYR	6,000	USD	1,843	20-Nov-14	11
USD	5,413	EUR	4,000	20-Nov-14	(68)
MYR	35,600	USD	10,627	7-Jan-15	340
CAD	566,000	USD	510,021	9-Jan-15	18,124
CLP	44,400,000	USD	76,618	9-Jan-15	2,182
EUR	137,534	USD	191,392	9-Jan-15	(2,892)
SGD	631,300	USD	500,436	9-Jan-15	6,056
USD	105,623	CAD	117,400	9-Jan-15	(3,925)
USD	1,611,073	EUR	1,182,453	9-Jan-15	(9,567)
USD	5,287,182	JPY	544,756,000	9-Jan-15	(98,960)
USD	27,875	DKK	160,000	15-Jan-15	(1,551)
USD	263,447	EUR	202,000	6-Feb-15	(13,450)
CAD	125,000	USD	111,866	9-Feb-15	4,684
SEK	5,219,200	USD	800,657	9-Feb-15	(20,991)
SGD	165,300	USD	130,530	9-Feb-15	2,097
USD	525,824	EUR	379,999	9-Feb-15	4,921
USD	68,560	JPY	7,024,000	9-Feb-15	(907)
CLP	20,510,000	USD	36,117	9-Mar-15	95
MYR	113,216	USD	33,978	9-Mar-15	768
SGD	174,550	USD	139,369	9-Mar-15	687
USD	3,477,055	EUR	2,542,215	9-Mar-15	(8,330)
USD	3,518,535	JPY	358,760,750	9-Mar-15	(30,495)
CHF	308,625	USD	341,399	16-Apr-15	7,685
USD	347,551	CHF	308,625	16-Apr-15	(1,534)
USD	606,142	EUR	460,000	5-Jun-15	(24,909)
USD	72,474	EUR	56,383	22-Jun-15	(4,884)
USD	901,573	DKK	5,160,000	15-Jan-16	(50,767)
USD	264,388	EUR	202,000	5-Feb-16	(13,233)
USD	364,144	EUR	275,000	5-Aug-16	(14,320)
					(360,801)

The above contracts were opened with the following counterparties:

Barclays Bank	(8,993)
Citibank	(3,440)
Deutsche Bank	(342,053)
Goldman Sachs	(1,337)
HSBC Bank	2,790
JPMorgan Chase Bank	1,347
Morgan Stanley	(9,115)
	(360,801)

#### Franklin World Perspectives Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management					
USD	12,904,465	JPY	1,316,707,062	24-Dec-14	(112,278)

The above contract was opened with the following counterparty:

Deutsche Bank	(112,278)
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#### Franklin Mutual Beacon Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
EUR	22,627,505	USD	30,612,740	15-Jul-14	376,389
USD	86,068	EUR	63,336	15-Jul-14	(672)
					375,717

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Mutual Beacon Fund (continued)

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD		
Forward foreign exchange contracts used for efficient portfolio management					
EUR	6,623,934	USD	9,115,876	17-Jul-14	(44,102)
USD	9,105,168	EUR	6,694,898	17-Jul-14	(63,795)
USD	18,980,341	GBP	11,487,989	21-Jul-14	(674,438)
CHF	177,444	USD	198,737	12-Aug-14	1,421
KRW	1,488,196,570	USD	1,418,500	12-Aug-14	49,587
USD	2,312,874	CHF	2,042,397	12-Aug-14	9,034
USD	10,982,810	KRW	11,763,958,370	12-Aug-14	(622,179)
GBP	2,403,245	USD	4,043,285	19-Aug-14	67,457
USD	21,185,159	GBP	12,647,865	19-Aug-14	(448,966)
EUR	916,634	USD	1,259,088	29-Aug-14	(3,538)
USD	3,406,407	EUR	2,490,728	29-Aug-14	(5,240)
USD	18,506,893	GBP	11,028,545	22-Oct-14	(345,454)
EUR	4,729,930	USD	6,484,902	17-Nov-14	(3,809)
USD	21,132,286	EUR	15,432,853	17-Nov-14	(14,277)
USD	13,392,859	GBP	7,967,197	21-Nov-14	(221,583)
					(2,319,882)
					(1,944,165)

The above contracts were opened with the following counterparties:

Bank of America	(787,171)	
Barclays Bank	(503,440)	
Citibank	11,480	
Credit Suisse	(189,847)	
Deutsche Bank	9,117	
Goldman Sachs	63,005	
HSBC Bank	(411,817)	
JPMorgan Chase Bank	32,426	
Morgan Stanley	20,027	
Royal Bank of Scotland	34,132	
Standard Chartered	1,744	
State Street Bank	(291,776)	
The Bank of New York Mellon	13,038	
UBS	54,917	
		(1,944,165)

#### Franklin Mutual European Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD		
Forward foreign exchange contracts used for share class hedging					
CHF	3,640,346	EUR	2,988,818	21-Jul-14	8,899
CZK	196,148,439	EUR	7,137,378	21-Jul-14	10,654
					19,553

The above contracts were opened with the following counterparties:

Bank of America	716	
Barclays Bank	614	
Citibank	1,315	
Credit Suisse	1,380	
Deutsche Bank	1,188	
Goldman Sachs	1,708	
HSBC Bank	3,130	
JPMorgan Chase Bank	3,718	
Morgan Stanley	754	
Royal Bank of Scotland	2,128	
The Bank of New York Mellon	166	
UBS	2,736	
		19,553

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Mutual Global Discovery Fund

Purchases	Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging				
CHF	5,501,972	USD	6,161,751	10-Jul-14 42,752
EUR	47,485,116	GBP	37,917,500	25-Jul-14 164,323
EUR	16,585,419	HKD	174,790,100	25-Jul-14 171,569
EUR	110,853,341	USD	150,749,500	25-Jul-14 1,074,073
GBP	1,336,800	EUR	1,669,494	25-Jul-14 531
HKD	961,400	EUR	91,076	25-Jul-14 (740)
				1,452,508

The above contracts were opened with the following counterparties:

Bank of America	1,362,574
Barclays Bank	4,283
Citibank	2,099
Credit Suisse	4,870
Deutsche Bank	48,748
Goldman Sachs	2,217
HSBC Bank	3,186
JPMorgan Chase Bank	9,220
Morgan Stanley	9,571
Royal Bank of Scotland	3,180
The Bank of New York Mellon	593
UBS	1,967

1,452,508

#### Templeton Africa Fund

Purchases	Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging				
CHF	1,373,585	USD	1,538,236	10-Jul-14 10,739
EUR	31,836,834	USD	43,398,468	10-Jul-14 202,260
USD	777,373	EUR	571,647	10-Jul-14 (5,501)
				207,498

The above contracts were opened with the following counterparties:

Bank of America	11,817
Barclays Bank	1,370
Citibank	19,702
Credit Suisse	10,263
Deutsche Bank	17,759
Goldman Sachs	36,540
HSBC Bank	29,863
JPMorgan Chase Bank	22,254
Morgan Stanley	10,303
Royal Bank of Scotland	20,439
The Bank of New York Mellon	1,781
UBS	25,407

207,498



## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

**Note 5 — Forward foreign exchange contracts (continued)**

As at June 30, 2014, the Company had entered into the following outstanding contracts:

**Templeton Asian Bond Fund (continued)**

	Unrealised Profit/(Loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	303,155
Barclays Bank	616,929
Citibank	2,971,862
Credit Suisse	452,015
Deutsche Bank	127,521
Goldman Sachs	34,467
HSBC Bank	4,379,287
JPMorgan Chase Bank	1,159,004
Morgan Stanley	2,400,656
Royal Bank of Scotland	658,025
The Bank of New York Mellon	50,640
UBS	487,813
Standard Chartered Bank	(461,623)
	13,179,751

**Templeton Asian Dividend Fund**

Purchases	Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging				
SGD	1,125,131	USD	898,266	10-Jul-14
				4,259
The above contracts were opened with the following counterparties:				
Barclays Bank				154
Citibank				75
Credit Suisse				58
Deutsche Bank				3,192
Goldman Sachs				143
JPMorgan Chase Bank				131
Morgan Stanley				199
Royal Bank of Scotland				90
UBS				217
				4,259

**Templeton Asian Growth Fund**

Purchases	Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging				
EUR	8,145,063	PKR	1,136,806,400	2-Jul-14
PKR	1,136,806,400	EUR	8,450,207	2-Jul-14
EUR	8,153,241	PKR	1,136,806,400	8-Jul-14
CHF	52,208,754	USD	58,053,665	15-Jul-14
CNH	18,410,667	USD	2,955,516	15-Jul-14
CZK	103,094,328	USD	5,087,336	15-Jul-14
EUR	347,067,442	USD	469,574,290	15-Jul-14
PLN	87,901,716	USD	28,912,523	15-Jul-14
SGD	7,409,891	USD	5,939,003	15-Jul-14
USD	1,033,023	CHF	923,801	15-Jul-14
USD	1,684,595	EUR	1,238,263	15-Jul-14
EUR	25,535,330	HKD	269,060,500	25-Jul-14
EUR	11,831,986	IDR	193,709,415,000	25-Jul-14
EUR	21,715,970	INR	1,791,937,200	25-Jul-14
EUR	27,914,717	THB	1,235,403,800	25-Jul-14
EUR	6,845,528	USD	9,305,400	25-Jul-14
IDR	4,246,411,200	EUR	259,402	25-Jul-14
INR	36,997,100	EUR	450,306	25-Jul-14
				6,341,340

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Asian Growth Fund (continued)

	Unrealised Profit/(Loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	460,731
Barclays Bank	261,203
Citibank	90,172
Credit Suisse	1,679,718
Deutsche Bank	448,651
Goldman Sachs	772,024
HSBC Bank	(453,523)
JPMorgan Chase Bank	176,906
Morgan Stanley	116,905
Royal Bank of Scotland	1,305,384
The Bank of New York Mellon	925,915
UBS	557,254
	6,341,340

#### Templeton BRIC Fund

Purchases	Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging				
EUR	16,389,519	USD	22,344,951	100,590
PLN	10,199,516	USD	3,370,800	(14,335)
				86,255

The above contracts were opened with the following counterparties:

Bank of America	(50)
Barclays Bank	11,774
Citibank	1,726
Credit Suisse	3,334
Deutsche Bank	355
Goldman Sachs	(466)
HSBC Bank	39,043
JPMorgan Chase Bank	(88)
Morgan Stanley	17,505
Royal Bank of Scotland	5,738
The Bank of New York Mellon	354
UBS	7,030
	86,255

#### Templeton Constrained Bond Fund

Purchases	Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management				
USD	471,968	NZD	560,000	(18,165)
MYR	180,000	USD	53,301	2,649
MYR	180,000	USD	53,675	2,272
USD	1,336,180	EUR	978,797	(4,517)
SEK	577,000	EUR	65,235	(3,075)
CLP	91,760,400	USD	160,252	4,218
INR	8,714,250	USD	143,121	(92)
KRW	135,606,400	USD	124,000	9,534
MXN	2,684,948	USD	202,500	3,152
MYR	587,160	USD	180,000	2,001
USD	419,741	EUR	311,000	(6,300)
USD	450,000	JPY	44,248,950	12,930
USD	94,589	EUR	70,000	(1,306)
USD	962,491	EUR	712,887	(14,116)
GBP	282,759	USD	469,702	13,729
USD	453,178	GBP	282,759	(30,253)
USD	451,994	NOK	2,731,850	8,243
USD	45,593	JPY	4,680,000	(672)
USD	25,652	JPY	2,660,000	(645)
USD	4,898	JPY	508,000	(124)
USD	27,192	JPY	2,820,000	(692)
USD	47,236	JPY	4,770,000	62
USD	46,974	JPY	4,750,000	(4)
USD	96,222	EUR	70,000	259
USD	704,228	EUR	509,864	5,135
USD	20,000	JPY	2,030,600	(105)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Constrained Bond Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
USD	80,000	JPY	8,113,700	19-May-15	(335)
USD	518,114	EUR	381,000	22-Jun-15	(4,627)
USD	22,979	JPY	2,340,000	22-Jun-15	(200)
USD	436,095	JPY	44,316,000	26-Jun-15	(2,906)
USD	696,665	EUR	509,864	29-Jun-15	(2,918)
					(26,868)

The above contracts were opened with the following counterparties:

Bank of America	(150)
Barclays Bank	(17,544)
Citibank	(6,309)
Deutsche Bank	(8,540)
Goldman Sachs	(18,262)
HSBC Bank	19,139
JPMorgan Chase Bank	4,771
Standard Chartered Bank	27
(26,868)	

#### Templeton Emerging Markets Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
EUR	6,764,283	USD	9,151,684	15-Jul-14	112,230

The above contracts were opened with the following counterparties:

Bank of America	86
Barclays Bank	12,487
Citibank	771
Credit Suisse	8,042
Deutsche Bank	4,558
Goldman Sachs	4,014
HSBC Bank	10,623
JPMorgan Chase Bank	16,905
Morgan Stanley	8,258
Royal Bank of Scotland	17,191
The Bank of New York Mellon	8,529
UBS	20,766
112,230	

#### Templeton Emerging Markets Balanced Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
CHF	892,912	USD	994,628	21-Jul-14	12,397
EUR	14,534,965	USD	19,730,521	21-Jul-14	176,090
GBP	430,735	USD	729,808	21-Jul-14	7,135
SGD	1,044,300	USD	833,859	21-Jul-14	3,829
					199,451



## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Emerging Markets Balanced Fund (continued)

Purchases	Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management				
PHP	3,552,000	USD	81,994	1-Jul-14 (574)
MYR	523,500	USD	160,634	2-Jul-14 2,382
MYR	48,320	USD	14,999	3-Jul-14 47
MYR	442,400	USD	137,131	7-Jul-14 595
USD	213,106	EUR	163,000	16-Jul-14 (10,129)
USD	102,590	EUR	78,000	18-Jul-14 (4,235)
PLN	3,060,000	USD	939,832	25-Jul-14 66,079
USD	63,773	EUR	48,000	1-Aug-14 (1,969)
USD	27,909	EUR	21,100	6-Aug-14 (991)
USD	62,245	EUR	46,700	11-Aug-14 (1,718)
INR	7,462,500	USD	122,414	12-Aug-14 942
INR	10,425,800	USD	172,775	13-Aug-14 (463)
USD	16,534	EUR	12,460	15-Aug-14 (532)
USD	109,813	EUR	81,914	25-Aug-14 (2,386)
USD	360,558	EUR	270,000	29-Aug-14 (9,272)
USD	693,933	EUR	524,000	3-Sep-14 (23,826)
PHP	10,554,200	USD	240,985	30-Sep-14 802
USD	132,619	EUR	98,000	20-Oct-14 (1,647)
USD	138,114	EUR	100,000	30-Oct-14 1,102
USD	12,185	EUR	9,000	10-Nov-14 (147)
USD	134,470	EUR	100,000	14-Nov-14 (2,551)
USD	16,768	EUR	12,460	17-Nov-14 (305)
MYR	1,300,000	USD	399,447	18-Nov-14 2,232
BRL	570,000	USD	231,331	21-Nov-14 16,346
USD	267,073	EUR	197,000	8-Dec-14 (2,888)
PHP	10,554,200	USD	240,875	29-Dec-14 744
USD	89,734	EUR	65,791	7-Jan-15 (436)
MYR	397,600	USD	118,658	8-Jan-15 3,816
MYR	214,000	USD	63,911	9-Jan-15 2,004
MYR	64,000	USD	19,133	12-Jan-15 576
USD	5,452	EUR	4,000	21-Jan-15 (31)
USD	273,360	EUR	200,000	30-Jan-15 (785)
MXN	25,844,100	USD	1,864,923	5-Feb-15 96,962
USD	473,872	EUR	340,000	9-Feb-15 7,800
USD	956,285	EUR	695,000	23-Feb-15 3,509
USD	27,414	EUR	20,000	27-Feb-15 (5)
USD	195,828	EUR	141,000	18-Mar-15 2,507
USD	156,073	EUR	112,300	19-Mar-15 2,102
CLP	121,320,000	USD	205,802	20-Mar-15 8,186
USD	360,905	EUR	259,300	23-Mar-15 5,377
USD	77,261	EUR	56,000	25-Mar-15 478
MYR	318,500	USD	95,557	2-Apr-15 2,053
USD	181,955	EUR	132,000	2-Apr-15 957
GHS	38,646	USD	11,729	7-Apr-15 (1,529)
KRW	267,000,000	USD	248,386	7-Apr-15 12,491
MXN	10,163,000	USD	752,146	7-Apr-15 16,156
CLP	105,800,000	USD	180,577	11-May-15 5,127
CLP	73,042,500	USD	124,593	12-May-15 3,602
USD	249,384	EUR	181,000	13-May-15 1,121
USD	55,098	EUR	40,000	14-May-15 233
USD	271,882	EUR	198,900	20-May-15 (946)
USD	366,843	EUR	269,000	8-Jun-15 (2,193)
PHP	3,581,720	USD	81,429	30-Jun-15 368
				197,138
				396,589

The above contracts were opened with the following counterparties:

Bank of America	4,539
Barclays Bank	(16,418)
Citibank	117,507
Credit Suisse	18,512
Deutsche Bank	41,007
Goldman Sachs	16,191
HSBC Bank	30,052
JPMorgan Chase Bank	60,604
Morgan Stanley	36,761
Royal Bank of Scotland	32,130
The Bank of New York Mellon	6,044
UBS	49,660
396,589	

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Emerging Markets Bond Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
AUD	13,602,720	USD	12,766,102	15-Jul-14	50,451
CHF	42,955,413	USD	47,826,827	15-Jul-14	615,599
EUR	343,169,304	USD	464,272,845	15-Jul-14	5,709,069
GBP	43,288,146	USD	72,817,264	15-Jul-14	1,248,075
NOK	30,226,300	USD	5,034,605	15-Jul-14	(108,726)
SEK	117,791,764	USD	17,568,639	15-Jul-14	58,466
SGD	6,466,153	USD	5,181,162	15-Jul-14	5,677
USD	435,208	CHF	391,457	15-Jul-14	(6,252)
USD	103,274	NOK	634,022	15-Jul-14	(50)
					7,572,309
Forward foreign exchange contracts used for efficient portfolio management					
PHP	1,029,890,000	USD	23,774,007	1-Jul-14	(166,286)
MYR	139,924,000	USD	42,935,165	2-Jul-14	636,768
USD	14,767,223	EUR	11,269,377	2-Jul-14	(665,751)
INR	199,816,250	USD	3,373,366	3-Jul-14	(48,138)
MYR	346,336,660	USD	106,222,324	3-Jul-14	1,620,323
INR	57,160,000	USD	934,300	7-Jul-14	16,270
MYR	117,400,000	USD	36,390,819	7-Jul-14	157,721
INR	36,352,000	USD	592,038	15-Jul-14	11,666
USD	73,618,387	EUR	56,309,000	16-Jul-14	(3,498,999)
INR	1,611,352,000	USD	26,208,826	17-Jul-14	541,970
USD	43,132,309	EUR	32,794,000	18-Jul-14	(1,780,728)
INR	51,396,000	USD	837,255	21-Jul-14	15,408
INR	109,601,000	USD	1,780,440	22-Jul-14	37,538
MYR	258,000	USD	79,438	22-Jul-14	819
USD	8,747,216	EUR	6,668,000	22-Jul-14	(385,095)
USD	54,621,183	EUR	41,568,000	23-Jul-14	(2,309,449)
MYR	314,000	USD	97,494	25-Jul-14	168
CLP	1,048,800,000	USD	1,892,799	28-Jul-14	(1,988)
CLP	909,106,000	USD	1,718,050	29-Jul-14	(79,272)
EUR	66,200,000	USD	90,968,730	29-Jul-14	(300,426)
USD	126,366,704	EUR	95,342,728	29-Jul-14	(4,215,826)
CLP	2,682,320,000	USD	4,796,419	30-Jul-14	38,245
MYR	330,000	USD	101,280	30-Jul-14	1,332
PHP	1,496,250,000	USD	34,571,396	30-Jul-14	(276,546)
CLP	5,150,620,000	USD	9,500,466	31-Jul-14	(217,833)
INR	528,168,833	USD	8,796,772	31-Jul-14	(49,310)
MYR	14,658,000	USD	4,342,339	31-Jul-14	215,260
CLP	1,591,690,000	USD	2,853,105	1-Aug-14	15,205
USD	16,388,404	EUR	12,335,000	1-Aug-14	(505,926)
USD	803,056	EUR	604,779	4-Aug-14	(25,272)
CLP	1,216,600,000	USD	2,127,369	6-Aug-14	63,896
MYR	9,550,000	USD	2,827,912	6-Aug-14	140,539
USD	24,197,793	EUR	18,294,200	6-Aug-14	(858,781)
INR	119,245,000	USD	1,953,225	7-Aug-14	19,484
MYR	9,550,000	USD	2,847,771	7-Aug-14	120,526
CLP	2,921,900,000	USD	5,450,591	11-Aug-14	(190,513)
USD	37,156,442	EUR	27,882,687	11-Aug-14	(1,033,527)
CLP	1,791,200,000	USD	3,173,355	12-Aug-14	50,882
INR	276,852,250	USD	4,541,443	12-Aug-14	34,955
INR	712,840,000	USD	11,808,747	13-Aug-14	(27,306)
USD	12,335,046	EUR	9,293,380	15-Aug-14	(393,932)
CLP	2,332,740,000	USD	4,142,674	18-Aug-14	53,804
USD	23,717,791	EUR	17,882,000	18-Aug-14	(775,085)
INR	77,051,000	USD	1,277,216	19-Aug-14	(4,977)
CLP	3,047,900,000	USD	5,591,673	20-Aug-14	(109,770)
USD	23,692,480	EUR	17,740,000	20-Aug-14	(606,043)
INR	22,491,000	USD	379,300	21-Aug-14	(8,056)
USD	23,714,743	EUR	17,740,000	21-Aug-14	(583,851)
USD	6,818,733	EUR	5,086,367	25-Aug-14	(148,180)
CLP	1,380,780,000	USD	2,449,929	27-Aug-14	31,759
INR	602,446,000	USD	10,161,776	27-Aug-14	(227,090)
KRW	61,000,000,000	USD	56,486,712	27-Aug-14	3,654,867
CLP	1,388,100,000	USD	2,460,734	28-Aug-14	33,858
INR	730,478,833	USD	12,214,722	28-Aug-14	(170,620)
CLP	5,913,030,000	USD	11,035,066	29-Aug-14	(409,676)
USD	32,569,990	EUR	24,389,689	29-Aug-14	(837,517)
INR	454,736,250	USD	7,605,471	3-Sep-14	(115,580)
CLP	1,541,000,000	USD	2,706,427	5-Sep-14	60,693
CLP	703,690,000	USD	1,234,977	8-Sep-14	28,229
INR	326,876,000	USD	5,438,311	9-Sep-14	(60,056)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Emerging Markets Bond Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
CLP	4,271,940,000	USD	7,325,312	17-Sep-14	336,307
USD	19,149,970	JPY	1,885,123,056	18-Sep-14	530,674
USD	2,435,961	EUR	1,823,324	19-Sep-14	(61,747)
INR	395,776,000	USD	6,500,140	23-Sep-14	(4,200)
INR	1,948,800,000	USD	31,896,037	24-Sep-14	84,358
INR	602,446,000	USD	9,884,266	26-Sep-14	(1,405)
USD	1,620,956	EUR	1,201,220	26-Sep-14	(24,604)
USD	19,216,505	JPY	1,888,117,650	29-Sep-14	566,124
CLP	667,720,000	USD	1,275,492	30-Sep-14	(79,509)
INR	356,208,833	USD	5,838,838	30-Sep-14	459
PHP	3,081,456,480	USD	70,359,313	30-Sep-14	234,259
CLP	709,400,000	USD	1,264,528	6-Oct-14	5,413
USD	16,598,100	EUR	12,200,000	7-Oct-14	(115,600)
CLP	1,547,690,000	USD	2,779,865	10-Oct-14	(10,264)
CLP	1,853,504,007	USD	3,562,376	20-Oct-14	(248,549)
MYR	21,609,000	USD	6,679,546	20-Oct-14	8,936
MYR	18,273,000	USD	5,697,493	22-Oct-14	(42,260)
CLP	1,416,312,000	USD	2,718,449	24-Oct-14	(187,191)
MYR	22,411,991	USD	6,944,120	24-Oct-14	(8,763)
CLP	401,046,000	USD	767,258	27-Oct-14	(50,698)
CLP	801,696,000	USD	1,526,458	29-Oct-14	(94,307)
USD	3,590,964	EUR	2,600,000	30-Oct-14	28,656
CLP	676,569,200	USD	1,283,399	31-Oct-14	(74,995)
MYR	8,454,000	USD	2,643,527	31-Oct-14	(28,551)
PLN	24,457,000	EUR	5,747,286	31-Oct-14	119,179
USD	3,227,578	EUR	2,384,000	10-Nov-14	(38,947)
USD	55,307,511	EUR	41,130,000	14-Nov-14	(1,049,293)
USD	5,469,782	EUR	4,064,380	17-Nov-14	(99,355)
MYR	13,772,720	USD	4,226,446	19-Nov-14	28,844
USD	5,441,476	EUR	4,040,000	19-Nov-14	(94,305)
MYR	8,284,000	USD	2,544,226	20-Nov-14	15,087
UYU	37,100,000	USD	1,580,068	20-Nov-14	(29,094)
BRL	164,000,000	USD	66,558,442	21-Nov-14	4,703,199
UYU	37,100,000	USD	1,577,381	25-Nov-14	(28,852)
CLP	1,877,560,000	USD	3,299,174	28-Nov-14	45,740
USD	29,522,740	EUR	21,788,000	28-Nov-14	(333,327)
CLP	1,182,050,000	USD	2,073,408	1-Dec-14	31,865
UYU	55,370,000	USD	2,367,251	1-Dec-14	(60,509)
PLN	94,800,000	EUR	22,625,298	2-Dec-14	(75,751)
KRW	186,977,352,500	USD	175,088,822	19-Dec-14	8,391,000
MXN	1,120,708,015	USD	83,976,473	19-Dec-14	1,378,693
PHP	3,081,456,480	USD	70,327,197	29-Dec-14	217,173
MYR	35,047,100	USD	10,452,797	8-Jan-15	342,929
MYR	10,078,000	USD	3,009,796	9-Jan-15	94,389
CLP	3,527,100,000	USD	6,394,887	12-Jan-15	(136,725)
MYR	3,020,000	USD	902,840	12-Jan-15	27,197
USD	15,018,936	EUR	11,051,380	13-Jan-15	(128,117)
USD	14,531,504	JPY	1,519,850,000	13-Jan-15	(496,183)
USD	43,634,667	JPY	4,558,950,000	14-Jan-15	(1,442,865)
USD	41,872,212	JPY	4,354,710,000	15-Jan-15	(1,186,241)
MYR	4,948,000	USD	1,490,855	16-Jan-15	32,554
USD	63,530,728	JPY	6,564,810,000	16-Jan-15	(1,381,305)
USD	12,389,670	EUR	9,090,000	21-Jan-15	(69,640)
CLP	1,187,490,000	USD	2,145,420	23-Jan-15	(40,501)
CLP	1,684,390,000	USD	2,983,598	26-Jan-15	1,322
USD	35,187,208	EUR	25,926,325	26-Jan-15	(349,943)
USD	25,282,699	EUR	18,504,027	27-Jan-15	(80,860)
CLP	1,485,310,000	USD	2,620,519	4-Feb-15	9,512
MYR	5,510,000	USD	1,628,299	4-Feb-15	66,170
CLP	2,509,300,000	USD	4,421,440	5-Feb-15	21,371
USD	118,239,249	JPY	11,940,160,000	6-Feb-15	154,280
CLP	3,498,700,000	USD	6,044,182	9-Feb-15	148,208
USD	118,239,661	JPY	11,956,430,000	9-Feb-15	(9,381)
CLP	2,246,200,000	USD	3,864,098	10-Feb-15	111,126
KRW	81,205,820,300	USD	74,337,075	10-Feb-15	5,179,612
CLP	3,875,400,000	USD	6,732,801	12-Feb-15	124,494
CLP	2,660,660,000	USD	4,641,208	17-Feb-15	64,593
MXN	1,899,503,821	USD	138,710,663	17-Feb-15	5,366,387
USD	24,376,002	EUR	17,740,000	20-Feb-15	56,594
CLP	1,905,000,000	USD	3,335,084	23-Feb-15	32,425
KRW	4,304,000,000	USD	3,995,173	23-Feb-15	217,105
USD	3,994,383	EUR	2,903,000	23-Feb-15	14,655
CLP	2,681,100,000	USD	4,697,092	24-Feb-15	41,927
CLP	2,153,200,000	USD	3,755,472	25-Feb-15	50,113

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Emerging Markets Bond Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
CLP	1,681,480,000	USD	2,927,368	26-Feb-15	44,233
USD	5,132,378	EUR	3,738,384	26-Feb-15	7,340
USD	2,616,859	EUR	1,913,888	27-Feb-15	(6,949)
CLP	3,605,540,000	USD	6,199,464	3-Mar-15	169,623
GHS	17,690,000	USD	5,706,452	10-Mar-15	(998,488)
CLP	2,772,500,000	USD	4,783,884	11-Mar-15	110,202
CLP	16,829,400,000	USD	29,028,719	12-Mar-15	676,338
CLP	684,630,000	USD	1,163,565	13-Mar-15	44,748
USD	18,491,592	JPY	1,892,096,627	17-Mar-15	(227,253)
USD	51,086,347	EUR	36,783,200	18-Mar-15	654,029
USD	17,093,027	EUR	12,299,000	19-Mar-15	230,156
CLP	1,593,400,000	USD	2,702,969	20-Mar-15	107,508
USD	34,105,110	EUR	24,504,000	23-Mar-15	507,533
USD	8,483,529	EUR	6,149,000	25-Mar-15	52,510
KRW	70,000,000,000	USD	64,137,805	30-Mar-15	4,275,653
MYR	210,000	USD	62,541	31-Mar-15	1,824
PLN	12,296,000	EUR	2,875,585	31-Mar-15	44,882
MYR	85,130,000	USD	25,540,788	2-Apr-15	548,647
MYR	200,000,000	USD	60,210,133	3-Apr-15	1,079,565
GHS	12,460,284	USD	3,781,573	7-Apr-15	(492,990)
MYR	160,000	USD	48,041	10-Apr-15	972
USD	9,001,369	EUR	6,529,000	10-Apr-15	48,294
USD	6,221,511	EUR	4,502,823	13-Apr-15	46,750
USD	4,411,296	EUR	3,180,000	15-Apr-15	50,469
USD	156,306,022	JPY	15,833,800,000	15-Apr-15	(394,467)
CLP	1,386,730,000	USD	2,445,732	16-Apr-15	(5,929)
MYR	9,535,724	USD	2,879,144	16-Apr-15	40,919
CLP	878,663,000	USD	1,519,521	28-Apr-15	24,636
CLP	1,799,400,000	USD	3,071,173	11-May-15	87,193
USD	69,640,213	EUR	50,536,559	13-May-15	323,484
USD	46,583,643	EUR	33,819,000	14-May-15	196,632
KRW	36,381,918,900	USD	35,002,808	15-May-15	498,391
KRW	6,946,790,000	USD	6,671,907	18-May-15	106,020
KRW	29,444,126,400	USD	28,238,349	20-May-15	488,076
USD	32,998,237	EUR	24,140,400	20-May-15	(114,839)
KRW	36,368,136,000	USD	34,986,182	21-May-15	494,263
MYR	107,190,000	USD	32,612,743	29-May-15	131,826
USD	16,371,762	EUR	12,032,000	1-Jun-15	(133,855)
CLP	2,918,979,000	USD	5,140,586	2-Jun-15	(27,738)
MYR	17,125,000	USD	5,207,858	2-Jun-15	22,335
CLP	4,312,170,000	USD	7,598,537	3-Jun-15	(46,106)
CLP	4,548,400,000	USD	8,003,519	4-Jun-15	(38,101)
CLP	4,580,380,000	USD	8,034,197	5-Jun-15	(13,530)
PLN	30,900,000	EUR	7,296,685	8-Jun-15	(21,086)
USD	17,937,141	EUR	13,153,000	8-Jun-15	(107,217)
PLN	4,217,000	EUR	1,007,984	11-Jun-15	(19,819)
PLN	21,615,000	EUR	5,160,435	12-Jun-15	(93,502)
USD	54,235,009	EUR	40,014,910	15-Jun-15	(663,573)
KRW	101,747,200,000	USD	98,411,065	17-Jun-15	760,775
USD	54,220,190	EUR	40,014,900	17-Jun-15	(679,197)
MYR	252,000,000	USD	76,688,984	24-Jun-15	179,761
PHP	1,045,735,760	USD	23,774,286	30-Jun-15	107,472
					15,312,292
					22,884,601

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Emerging Markets Bond Fund (continued)

	Unrealised Profit/(Loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	1,212,149
Barclays Bank	(7,920,510)
Citibank	12,092,989
Credit Suisse	2,065,551
Deutsche Bank	(10,488,233)
Goldman Sachs	1,067,612
HSBC Bank	9,648,666
JPMorgan Chase Bank	15,663,411
Morgan Stanley	(107,894)
Royal Bank of Scotland	901,134
The Bank of New York Mellon	84,764
UBS	1,184,617
Standard Chartered Bank	(2,519,655)
	22,884,601

#### Templeton European Total Return Fund

Purchases	Sales		Maturity Date	Unrealised Profit/(Loss) EUR
Forward foreign exchange contracts used for share class hedging				
NOK	3,081,854	EUR	379,293	15-Jul-14 (12,571)
SEK	3,308,570	EUR	364,617	15-Jul-14 (3,096)
				(15,667)
Forward foreign exchange contracts used for efficient portfolio management				
NOK	44,000,000	EUR	5,375,418	10-Sep-14 (152,216)
SEK	49,000,000	EUR	5,413,232	10-Sep-14 (63,178)
				(215,394)
				(231,061)

The above contracts were opened with the following counterparties:

Bank of America	(14,946)
Barclays Bank	(369)
Citibank	(215,746)
	(231,061)

#### Templeton Frontier Markets Fund

Purchases	Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging				
EUR	215,548,329	USD	291,627,376	15-Jul-14 3,573,318
PLN	53,519,645	USD	17,609,395	15-Jul-14 (3,380)
USD	7,953,885	EUR	5,866,481	15-Jul-14 (80,457)
USD	442,877	PLN	1,357,463	15-Jul-14 (3,679)
				3,485,802

The above contracts were opened with the following counterparties:

Bank of America	346,872
Barclays Bank	69,384
Citibank	225,942
Credit Suisse	683,047
Deutsche Bank	52,154
Goldman Sachs	235,443
HSBC Bank	363,155
JPMorgan Chase Bank	100,103
Morgan Stanley	191,691
Royal Bank of Scotland	909,702
The Bank of New York Mellon	162,123
UBS	146,186
	3,485,802

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global (Euro) Fund

Purchases	Sales		Maturity Date	Unrealised Profit/(Loss) EUR	
Forward foreign exchange contracts used for share class hedging					
CHF	23,900	EUR	19,649	25-Jul-14	32
EUR	599,713	CHF	730,600	25-Jul-14	(1,926)
EUR	1,001,227	GBP	799,500	25-Jul-14	2,521
EUR	653,177	HKD	6,883,700	25-Jul-14	4,932
EUR	4,252,603	USD	5,783,200	25-Jul-14	30,025
35,584					

The above contracts were opened with the following counterparty:

Bank of America	35,584
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#### Templeton Global Balanced Fund

Purchases	Sales		Maturity Date	Unrealised Profit/(Loss) USD	
Forward foreign exchange contracts used for share class hedging					
EUR	82,222,530	USD	111,237,497	15-Jul-14	1,369,026
Forward foreign exchange contracts used for efficient portfolio management					
INR	8,859,000	USD	149,561	3-Jul-14	(2,134)
INR	46,309,000	USD	756,937	7-Jul-14	13,182
INR	52,977,000	USD	862,797	15-Jul-14	17,001
INR	75,041,000	USD	1,220,834	17-Jul-14	24,956
INR	41,639,000	USD	678,311	21-Jul-14	12,483
INR	35,440,000	USD	575,390	22-Jul-14	12,462
CLP	344,000,000	USD	620,827	28-Jul-14	(652)
CLP	229,200,000	USD	409,365	30-Jul-14	3,749
INR	17,068,000	USD	283,282	31-Jul-14	(604)
USD	3,331,514	EUR	2,506,000	31-Jul-14	(100,757)
CLP	222,270,000	USD	398,419	1-Aug-14	2,123
USD	3,333,905	EUR	2,505,000	1-Aug-14	(97,007)
USD	3,320,202	EUR	2,505,000	4-Aug-14	(110,740)
USD	1,659,126	EUR	1,251,000	5-Aug-14	(54,296)
INR	46,427,000	USD	760,164	7-Aug-14	7,893
INR	15,174,000	USD	248,912	12-Aug-14	1,916
INR	19,890,000	USD	326,098	13-Aug-14	2,634
CLP	185,000,000	USD	328,538	18-Aug-14	4,267
INR	100,263,000	USD	1,662,117	19-Aug-14	(6,610)
INR	18,221,000	USD	307,289	21-Aug-14	(6,526)
CLP	139,200,000	USD	246,984	27-Aug-14	3,202
INR	14,789,000	USD	249,454	27-Aug-14	(5,575)
INR	40,865,000	USD	683,197	28-Aug-14	(9,417)
INR	38,025,000	USD	636,018	3-Sep-14	(9,714)
CLP	417,480,000	USD	732,699	5-Sep-14	16,956
CLP	230,800,000	USD	405,054	8-Sep-14	9,259
INR	7,464,000	USD	124,137	9-Sep-14	(1,328)
CLP	454,570,000	USD	780,378	17-Sep-14	34,882
INR	34,579,000	USD	567,918	23-Sep-14	(367)
INR	14,789,000	USD	242,642	26-Sep-14	(35)
CLP	219,010,000	USD	418,357	30-Sep-14	(26,079)
INR	5,906,000	USD	96,809	30-Sep-14	8
CLP	232,680,000	USD	414,759	6-Oct-14	1,775
CLP	618,680,000	USD	1,111,235	10-Oct-14	(4,103)
CLP	566,164,000	USD	1,086,687	24-Oct-14	(74,829)
CLP	228,120,000	USD	400,843	28-Nov-14	5,557
USD	134,392	EUR	98,456	9-Dec-14	(528)
MYR	10,640,000	USD	3,221,607	19-Dec-14	59,868
USD	314,132	EUR	231,434	22-Jan-15	(3,087)
CLP	389,480,000	USD	703,668	23-Jan-15	(13,284)
CLP	552,460,000	USD	978,585	26-Jan-15	434
USD	522,522	EUR	385,000	26-Jan-15	(5,197)
CLP	207,410,000	USD	365,932	4-Feb-15	1,328
CLP	399,480,000	USD	698,758	17-Feb-15	7,786
CLP	90,050,000	USD	156,772	26-Feb-15	2,369
CLP	185,280,000	USD	319,779	3-Mar-15	7,513
CLP	224,550,000	USD	381,635	13-Mar-15	14,677
CLP	554,340,000	USD	977,672	16-Apr-15	(2,370)
CLP	351,241,000	USD	607,421	28-Apr-15	9,848
USD	3,467,803	EUR	2,506,000	30-Apr-15	30,867
USD	1,740,737	EUR	1,256,070	5-May-15	17,995

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Balanced Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
CLP	596,040,000	USD	1,048,628	22-May-15	(3,526)
CLP	170,980,000	USD	301,286	3-Jun-15	(1,828)
CLP	244,133,000	USD	428,454	5-Jun-15	(955)
					(214,558)
					1,154,468

The above contracts were opened with the following counterparties:

Bank of America	18,822
Barclays Bank	107,484
Citibank	33,762
Credit Suisse	136,326
Deutsche Bank	205,202
Goldman Sachs	154,083
HSBC Bank	128,203
JPMorgan Chase Bank	182,710
Morgan Stanley	75,834
Royal Bank of Scotland	77,101
The Bank of New York Mellon	20,256
UBS	14,685
1,154,468	

#### Templeton Global Bond Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
CHF	198,881,252	USD	222,708,435	10-Jul-14	1,567,381
CZK	938,808,904	USD	46,633,674	10-Jul-14	214,263
EUR	2,861,305,754	USD	3,900,371,953	10-Jul-14	18,202,741
JPY	3,415,227,763	USD	33,380,457	10-Jul-14	334,637
PLN	244,621,251	USD	80,882,993	10-Jul-14	(382,817)
SGD	500,944,717	USD	399,959,855	10-Jul-14	1,873,635
USD	42,467,177	EUR	31,357,058	10-Jul-14	(476,494)
AUD	35,939,302	USD	33,733,726	15-Jul-14	128,469
CHF	251,288,354	USD	279,347,561	15-Jul-14	4,039,716
EUR	2,303,103,017	USD	3,116,062,587	15-Jul-14	38,114,539
GBP	102,400,234	USD	172,181,829	15-Jul-14	3,023,363
NOK	1,138,325,014	USD	189,334,112	15-Jul-14	(3,825,104)
NZD	25,353,582	USD	21,941,421	15-Jul-14	231,295
SEK	387,170,937	USD	57,736,701	15-Jul-14	202,009
USD	46,369,369	EUR	34,137,844	15-Jul-14	(383,558)
USD	65,913	GBP	38,699	15-Jul-14	(301)
CAD	15,669,604	USD	14,409,677	21-Jul-14	275,099
CHF	30,021,874	USD	33,450,659	21-Jul-14	407,945
CNH	31,255,359	USD	5,001,304	21-Jul-14	26,041
EUR	4,024,286,315	USD	5,463,380,692	21-Jul-14	48,149,720
GBP	911,068,007	USD	1,543,518,439	21-Jul-14	15,225,991
USD	8,228,021	GBP	4,842,059	21-Jul-14	(56,248)
					126,892,322
Forward foreign exchange contracts used for efficient portfolio management					
EUR	169,792,294	SEK	1,561,443,896	1-Jul-14	(1,184,524)
JPY	18,819,500,000	USD	185,633,261	1-Jul-14	138,954
SEK	1,561,443,896	EUR	176,487,726	1-Jul-14	(7,984,571)
USD	191,943,660	JPY	18,819,500,000	1-Jul-14	6,171,445
USD	191,394,833	EUR	146,060,000	2-Jul-14	(8,628,654)
INR	7,813,266,530	USD	129,531,599	3-Jul-14	492,307
PHP	2,484,113,800	USD	57,506,628	3-Jul-14	(564,713)
INR	1,789,208,000	USD	29,245,221	7-Jul-14	509,287
PHP	1,554,682,000	USD	35,690,844	7-Jul-14	(54,197)
PHP	1,662,833,380	USD	38,349,478	8-Jul-14	(233,886)
CLP	14,989,447,000	USD	27,655,806	9-Jul-14	(573,280)
USD	13,725,977	JPY	1,382,000,000	10-Jul-14	82,887
SGD	119,523,000	USD	93,725,152	14-Jul-14	2,150,463
INR	1,706,172,000	USD	27,787,139	15-Jul-14	547,529
USD	301,404,429	EUR	230,648,000	16-Jul-14	(14,477,060)
INR	2,727,160,000	USD	44,367,872	17-Jul-14	906,965
USD	260,793,256	EUR	198,205,000	18-Jul-14	(10,658,485)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Bond Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
INR	1,608,784,000	USD	26,207,541	21-Jul-14	482,307
INR	1,649,040,000	USD	26,777,456	22-Jul-14	575,553
MYR	148,782,600	USD	45,810,272	22-Jul-14	472,163
USD	205,473,774	EUR	156,758,000	22-Jul-14	(9,217,712)
USD	97,570,093	EUR	74,253,126	23-Jul-14	(4,125,380)
SEK	654,560,000	EUR	72,106,371	24-Jul-14	(814,854)
SGD	104,180,000	USD	81,547,349	24-Jul-14	2,021,016
MYR	39,470,000	USD	12,255,100	25-Jul-14	21,091
SEK	710,870,000	EUR	77,953,537	25-Jul-14	(399,294)
USD	83,375,076	EUR	63,004,840	25-Jul-14	(2,915,692)
CLP	14,725,720,000	USD	26,575,925	28-Jul-14	(27,917)
USD	142,568,870	EUR	107,651,563	28-Jul-14	(4,871,383)
CLP	6,423,776,000	USD	12,139,802	29-Jul-14	(560,138)
EUR	9,837,840	USD	13,632,935	29-Jul-14	(158,912)
USD	16,612,085	EUR	12,531,959	29-Jul-14	(551,835)
USD	110,318,866	JPY	10,950,030,000	29-Jul-14	2,203,449
CLP	23,558,240,000	USD	42,115,479	30-Jul-14	346,337
INR	1,406,927,000	USD	22,569,947	30-Jul-14	735,122
MYR	41,499,000	USD	12,736,396	30-Jul-14	167,522
SEK	1,534,348,000	EUR	175,503,174	30-Jul-14	(10,808,091)
CLP	30,245,460,000	USD	55,597,880	31-Jul-14	(1,088,428)
INR	6,227,697,181	USD	103,571,808	31-Jul-14	(429,516)
MYR	42,140,000	USD	12,850,303	31-Jul-14	252,251
PLN	293,300,000	EUR	67,936,831	31-Jul-14	3,328,536
SEK	929,050,000	EUR	107,196,428	31-Jul-14	(7,818,329)
USD	221,019,232	EUR	166,253,000	31-Jul-14	(6,684,447)
CLP	15,849,470,000	USD	28,410,178	1-Aug-14	151,406
USD	290,987,317	EUR	219,154,000	1-Aug-14	(9,171,596)
USD	242,743,114	EUR	183,112,135	4-Aug-14	(8,054,166)
USD	208,047,116	EUR	156,878,110	5-Aug-14	(6,819,690)
CLP	8,607,100,000	USD	15,050,535	6-Aug-14	452,046
EUR	170,250,000	USD	231,814,954	6-Aug-14	1,367,241
INR	4,235,800,000	USD	69,144,462	6-Aug-14	940,971
MYR	71,770,000	USD	21,252,276	6-Aug-14	1,056,173
USD	307,803,437	EUR	232,707,900	6-Aug-14	(10,923,957)
USD	93,814,548	JPY	9,283,700,000	6-Aug-14	2,146,710
INR	4,771,825,000	USD	78,143,007	7-Aug-14	798,854
MYR	71,770,000	USD	21,401,521	7-Aug-14	905,773
SGD	218,027,000	USD	171,917,115	7-Aug-14	2,974,805
USD	121,099,496	EUR	90,963,341	8-Aug-14	(3,488,798)
CLP	20,830,600,000	USD	38,857,967	11-Aug-14	(1,358,192)
MXN	2,404,613,000	USD	181,433,489	11-Aug-14	3,303,121
MYR	357,147,132	USD	106,801,537	11-Aug-14	4,182,656
SEK	313,190,000	EUR	35,515,110	11-Aug-14	(1,790,287)
SGD	150,199,100	USD	118,397,525	11-Aug-14	2,085,952
USD	607,655,844	EUR	456,069,510	11-Aug-14	(17,007,088)
USD	56,000,620	JPY	5,419,180,000	11-Aug-14	2,489,535
CLP	7,937,100,000	USD	14,061,653	12-Aug-14	225,467
INR	7,005,838,975	USD	114,922,729	12-Aug-14	884,557
MXN	759,289,000	USD	58,165,237	12-Aug-14	164,129
MYR	346,013,000	USD	105,136,248	12-Aug-14	2,382,422
SEK	855,929,030	EUR	97,525,099	12-Aug-14	(5,530,446)
SGD	247,652,915	USD	195,592,934	12-Aug-14	3,064,024
USD	278,881,258	EUR	208,312,000	12-Aug-14	(6,437,459)
USD	28,195,404	JPY	2,709,240,000	12-Aug-14	1,443,141
INR	768,470,000	USD	12,599,108	13-Aug-14	101,756
MYR	276,640,798	USD	83,413,478	13-Aug-14	2,544,305
SGD	42,830,000	USD	33,790,927	13-Aug-14	565,547
SGD	74,950,000	USD	59,237,305	14-Aug-14	884,543
MXN	557,889,000	USD	42,353,196	15-Aug-14	496,234
USD	171,696,916	EUR	129,388,251	15-Aug-14	(5,523,876)
CLP	15,756,740,000	USD	27,982,135	18-Aug-14	363,427
SGD	86,977,000	USD	68,485,827	18-Aug-14	1,283,704
USD	185,410,732	EUR	139,790,200	18-Aug-14	(6,059,124)
INR	3,325,832,000	USD	55,133,008	19-Aug-14	(218,065)
SGD	130,547,500	USD	102,979,806	19-Aug-14	1,740,310
USD	188,111,668	EUR	141,955,000	19-Aug-14	(6,323,877)
USD	62,316,574	JPY	6,116,808,000	19-Aug-14	1,913,658
CLP	15,467,920,000	USD	28,377,424	20-Aug-14	(557,074)
MXN	1,815,150,000	USD	136,895,075	20-Aug-14	2,475,674
USD	375,219,951	EUR	280,890,940	20-Aug-14	(9,517,076)
USD	209,601,114	JPY	20,349,416,000	20-Aug-14	8,651,181
INR	703,998,000	USD	11,872,605	21-Aug-14	(252,153)
MXN	429,910,048	USD	32,034,310	22-Aug-14	970,822



## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Bond Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
PLN	251,713,250	EUR	58,170,006	22-Aug-14	2,927,609
USD	28,293,234	JPY	2,743,312,000	22-Aug-14	1,202,746
USD	148,494,753	EUR	110,768,209	25-Aug-14	(3,226,985)
USD	140,185,009	JPY	13,632,962,000	25-Aug-14	5,555,446
SEK	425,000,000	EUR	48,410,981	26-Aug-14	(2,737,694)
USD	250,588,733	EUR	187,723,790	26-Aug-14	(6,541,579)
USD	137,786,374	JPY	13,544,484,000	26-Aug-14	4,029,677
CLP	10,812,660,000	USD	19,184,989	27-Aug-14	248,703
INR	2,747,098,000	USD	46,336,760	27-Aug-14	(1,035,510)
MXN	431,241,395	USD	32,035,167	27-Aug-14	1,061,652
SGD	279,657,000	USD	220,216,160	27-Aug-14	4,114,505
USD	70,826,861	EUR	52,972,542	27-Aug-14	(1,731,266)
USD	214,673,727	JPY	21,177,992,000	27-Aug-14	5,531,991
CLP	8,722,900,000	USD	15,463,393	28-Aug-14	212,767
INR	8,679,387,181	USD	145,130,216	28-Aug-14	(2,024,866)
CLP	41,087,290,000	USD	76,678,281	29-Aug-14	(2,846,673)
MXN	3,324,328,140	USD	244,002,035	29-Aug-14	11,100,325
PHP	1,002,000,000	USD	22,567,568	29-Aug-14	371,993
PLN	164,098,532	EUR	37,736,813	29-Aug-14	2,139,687
SEK	806,838,500	EUR	89,689,269	29-Aug-14	(2,165,957)
USD	63,365,866	EUR	47,450,851	29-Aug-14	(1,629,414)
USD	112,821,751	JPY	10,962,269,000	29-Aug-14	4,563,226
INR	6,658,713,750	USD	111,355,274	3-Sep-14	(1,680,621)
MXN	414,997,500	USD	30,285,157	3-Sep-14	1,550,262
USD	110,974,089	EUR	83,798,300	3-Sep-14	(3,810,231)
CLP	20,026,830,000	USD	35,163,324	5-Sep-14	798,159
PLN	128,780,000	EUR	29,494,755	5-Sep-14	1,825,400
USD	120,472,850	EUR	91,288,750	5-Sep-14	(4,572,754)
CLP	9,880,090,000	USD	17,339,575	8-Sep-14	396,345
INR	2,532,000,000	USD	42,124,159	9-Sep-14	(463,891)
SEK	747,200,000	EUR	82,488,795	10-Sep-14	(1,240,957)
SGD	74,240,000	USD	58,764,396	10-Sep-14	788,802
SEK	350,771,000	EUR	38,584,742	11-Sep-14	(392,288)
SEK	1,135,948,500	EUR	125,050,061	12-Sep-14	(1,404,000)
SEK	1,731,521,400	EUR	191,107,498	15-Sep-14	(2,827,075)
SGD	186,696,600	USD	147,167,429	15-Sep-14	2,595,780
SEK	572,086,800	EUR	63,044,731	16-Sep-14	(803,208)
CLP	39,511,150,000	USD	67,771,305	17-Sep-14	3,090,968
SEK	268,134,000	EUR	29,739,796	17-Sep-14	(638,711)
SEK	464,409,900	EUR	51,937,233	18-Sep-14	(1,693,040)
USD	51,769,101	JPY	5,096,150,292	18-Sep-14	1,434,598
SGD	165,648,000	USD	130,843,602	19-Sep-14	2,035,352
USD	60,976,751	EUR	45,641,281	19-Sep-14	(1,545,658)
USD	91,158,303	EUR	68,201,633	22-Sep-14	(2,269,982)
INR	4,982,330,000	USD	81,828,723	23-Sep-14	(52,872)
USD	211,309,790	EUR	155,739,000	23-Sep-14	(2,035,417)
SEK	1,637,702,650	EUR	183,408,466	24-Sep-14	(6,340,197)
USD	93,232,835	EUR	68,869,545	24-Sep-14	(1,111,240)
SEK	766,330,000	EUR	83,907,807	25-Sep-14	(345,576)
INR	2,747,098,000	USD	45,071,337	26-Sep-14	(6,408)
KRW	20,073,000,000	USD	18,365,050	26-Sep-14	1,401,243
MXN	993,142,200	USD	74,979,027	26-Sep-14	1,089,996
MYR	326,776,000	USD	99,946,236	26-Sep-14	1,344,060
SEK	892,500,000	EUR	100,359,834	26-Sep-14	(4,017,020)
USD	356,839,599	EUR	259,350,337	26-Sep-14	1,553,637
SEK	892,500,000	EUR	97,135,139	29-Sep-14	395,462
USD	150,853,832	EUR	111,665,000	29-Sep-14	(2,118,923)
USD	51,948,967	JPY	5,104,245,733	29-Sep-14	1,530,434
CLP	9,375,110,000	USD	17,908,520	30-Sep-14	(1,116,342)
INR	4,472,489,914	USD	73,311,334	30-Sep-14	5,769
SEK	679,639,000	EUR	73,859,354	30-Sep-14	449,325
USD	603,229,601	EUR	446,660,000	30-Sep-14	(8,664,193)
USD	13,420,532	JPY	1,323,298,000	30-Sep-14	349,183
SEK	1,561,443,896	EUR	169,587,599	1-Oct-14	1,168,288
CLP	9,960,270,000	USD	17,754,492	6-Oct-14	75,998
USD	276,601,933	EUR	203,115,000	7-Oct-14	(1,660,626)
USD	83,054,954	EUR	61,135,000	9-Oct-14	(699,253)
CLP	9,273,450,000	USD	16,656,399	10-Oct-14	(61,501)
USD	82,738,188	EUR	61,132,000	14-Oct-14	(1,013,809)
CLP	28,236,500,000	USD	54,159,314	15-Oct-14	(3,653,016)
USD	82,156,864	JPY	8,538,645,000	17-Oct-14	(2,200,261)
CLP	14,202,352,790	USD	27,296,469	20-Oct-14	(1,904,493)
MYR	120,549,401	USD	37,268,094	20-Oct-14	44,717
USD	138,183,627	EUR	101,753,000	20-Oct-14	(1,223,704)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Bond Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
USD	164,297,372	JPY	16,127,430,000	20-Oct-14	4,962,681
MYR	115,570,000	USD	36,034,547	22-Oct-14	(267,281)
USD	181,039,582	JPY	17,654,980,000	22-Oct-14	6,609,795
CLP	8,486,265,000	USD	16,288,417	24-Oct-14	(1,121,612)
MYR	140,150,080	USD	43,424,023	24-Oct-14	(54,792)
USD	121,324,114	EUR	87,853,000	24-Oct-14	958,381
CLP	13,103,326,000	USD	25,068,540	27-Oct-14	(1,656,458)
KRW	35,535,450,000	USD	33,068,537	27-Oct-14	1,878,941
USD	259,408,862	EUR	187,608,760	27-Oct-14	2,366,151
CLP	25,868,259,000	USD	49,254,111	29-Oct-14	(3,043,004)
USD	295,311,510	EUR	214,011,000	29-Oct-14	2,092,438
CLP	4,780,664,800	USD	9,068,545	31-Oct-14	(529,915)
MYR	72,564,000	USD	22,690,432	31-Oct-14	(245,065)
USD	176,175,877	EUR	127,570,312	31-Oct-14	1,388,655
USD	10,354,915	EUR	7,525,101	3-Nov-14	44,449
USD	155,153,387	EUR	114,726,994	5-Nov-14	(2,040,454)
USD	342,546,837	JPY	33,545,030,000	5-Nov-14	11,080,592
USD	64,152,182	EUR	47,385,000	10-Nov-14	(774,117)
USD	53,867,982	JPY	5,295,761,344	10-Nov-14	1,536,849
MXN	342,599,000	USD	25,330,795	12-Nov-14	827,242
USD	45,796,153	EUR	34,344,367	12-Nov-14	(1,262,471)
USD	40,888,509	JPY	4,031,607,000	12-Nov-14	1,048,616
USD	52,605,885	JPY	5,202,196,000	13-Nov-14	1,197,873
MXN	711,409,000	USD	52,324,875	14-Nov-14	1,985,133
USD	22,140,816	JPY	2,200,000,000	14-Nov-14	400,247
USD	209,312,106	EUR	155,562,046	17-Nov-14	(3,843,717)
USD	126,151,746	JPY	12,496,760,600	17-Nov-14	2,654,281
MYR	48,796,560	USD	14,974,241	19-Nov-14	102,195
USD	9,873,626	EUR	7,330,630	19-Nov-14	(171,117)
USD	148,052,008	JPY	14,794,200,000	19-Nov-14	1,847,649
MYR	97,280,000	USD	29,877,150	20-Nov-14	177,173
USD	197,999,773	EUR	146,299,204	20-Nov-14	(2,466,552)
USD	169,080,256	JPY	16,855,611,000	20-Nov-14	2,502,327
BRL	314,340,000	USD	127,573,052	21-Nov-14	9,014,656
CLP	15,764,090,000	USD	27,700,035	28-Nov-14	384,039
SGD	100,007,500	USD	79,637,755	28-Nov-14	593,216
USD	182,336,930	EUR	134,566,000	28-Nov-14	(2,058,678)
CLP	5,998,900,000	USD	10,522,540	1-Dec-14	161,714
CLP	5,325,220,000	USD	9,666,400	4-Dec-14	(184,584)
USD	66,337,700	EUR	48,970,000	4-Dec-14	(767,652)
CLP	10,137,280,000	USD	18,291,736	9-Dec-14	(250,019)
USD	78,566,921	EUR	57,526,607	9-Dec-14	(265,646)
USD	138,427,235	EUR	99,730,000	12-Dec-14	1,758,669
MYR	120,700,000	USD	36,987,666	15-Dec-14	246,267
SGD	127,080,000	USD	101,896,324	15-Dec-14	55,943
USD	97,695,539	EUR	70,828,000	15-Dec-14	632,540
MYR	147,197,242	USD	44,710,905	17-Dec-14	691,538
USD	35,208,628	EUR	25,610,000	17-Dec-14	112,254
MYR	228,891,134	USD	69,304,246	19-Dec-14	1,287,907
SGD	103,357,000	USD	82,540,329	19-Dec-14	380,183
SGD	124,673,000	USD	99,499,601	22-Dec-14	522,573
MYR	66,577,867	USD	20,126,320	23-Dec-14	401,989
SGD	156,018,000	USD	124,893,333	23-Dec-14	276,360
CLP	7,651,200,000	USD	13,942,961	7-Jan-15	(361,351)
USD	61,378,903	JPY	6,391,999,000	7-Jan-15	(1,819,319)
MYR	148,644,500	USD	44,333,963	8-Jan-15	1,453,713
MYR	43,743,000	USD	13,063,851	9-Jan-15	409,689
CLP	26,379,780,000	USD	47,888,711	12-Jan-15	(1,082,856)
MYR	13,109,000	USD	3,918,984	12-Jan-15	118,055
USD	126,662,466	EUR	93,202,012	13-Jan-15	(1,080,476)
USD	21,622,909	JPY	2,261,540,000	13-Jan-15	(738,322)
USD	37,777,995	EUR	27,635,695	14-Jan-15	(99,768)
USD	64,928,407	JPY	6,783,720,000	14-Jan-15	(2,146,984)
MYR	24,570,000	USD	7,370,631	15-Jan-15	194,539
USD	14,123,101	EUR	10,348,300	15-Jan-15	(60,459)
USD	80,247,500	JPY	8,345,740,000	15-Jan-15	(2,273,414)
MYR	15,303,000	USD	4,610,865	16-Jan-15	100,682
USD	234,512,377	JPY	24,235,430,000	16-Jan-15	(5,124,573)
USD	142,334,147	JPY	14,799,882,600	20-Jan-15	(4,010,497)
USD	150,678,287	EUR	110,549,000	21-Jan-15	(846,931)
USD	29,345,514	EUR	21,595,448	22-Jan-15	(254,684)
CLP	16,672,850,000	USD	30,122,584	23-Jan-15	(568,653)
MYR	90,200,904	USD	26,674,820	23-Jan-15	1,084,685
CLP	23,649,380,000	USD	41,890,674	26-Jan-15	18,559

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Bond Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
USD	220,555,758	EUR	161,421,436	27-Jan-15	(705,389)
USD	92,674,148	JPY	9,580,190,000	27-Jan-15	(2,062,895)
USD	192,081,669	JPY	19,636,841,981	28-Jan-15	(2,105,810)
USD	1,500,000,000	JPY	153,214,950,000	29-Jan-15	(15,146,401)
USD	700,000,000	JPY	71,403,500,000	30-Jan-15	(6,117,268)
CLP	14,790,190,000	USD	26,094,195	4-Feb-15	94,720
CLP	17,752,300,000	USD	31,279,932	5-Feb-15	151,194
MYR	98,824,800	USD	28,976,631	5-Feb-15	1,412,714
USD	336,556,072	JPY	33,986,480,000	6-Feb-15	438,931
CLP	32,670,420,000	USD	56,447,981	9-Feb-15	1,375,772
USD	140,677,147	EUR	100,935,000	9-Feb-15	2,315,488
USD	335,072,088	JPY	33,882,590,000	9-Feb-15	(26,584)
CLP	11,180,100,000	USD	19,232,926	10-Feb-15	553,110
MXN	885,113,000	USD	65,029,241	10-Feb-15	2,138,629
SEK	625,900,000	EUR	70,420,792	10-Feb-15	(3,034,503)
USD	165,400,257	EUR	121,608,000	10-Feb-15	(1,300,828)
USD	128,354,838	JPY	13,031,610,000	10-Feb-15	(528,881)
USD	275,695,491	EUR	202,762,000	11-Feb-15	(2,253,535)
CLP	19,667,740,000	USD	34,169,110	12-Feb-15	631,810
MXN	1,680,384,000	USD	122,880,000	12-Feb-15	4,620,501
MYR	378,450,000	USD	111,675,052	12-Feb-15	4,651,276
USD	333,233,933	JPY	33,956,047,000	12-Feb-15	(2,600,224)
MXN	907,808,000	USD	66,311,760	13-Feb-15	2,564,191
USD	95,633,105	EUR	69,896,000	13-Feb-15	(182,342)
USD	281,388,827	JPY	28,700,150,000	13-Feb-15	(2,465,673)
CLP	24,422,470,000	USD	42,654,396	17-Feb-15	540,634
MXN	430,512,800	USD	31,470,234	17-Feb-15	1,184,091
USD	93,596,923	JPY	9,550,630,000	17-Feb-15	(865,515)
SGD	65,272,500	USD	51,639,636	18-Feb-15	732,120
USD	222,616,756	JPY	22,602,220,300	18-Feb-15	(937,071)
MYR	53,977,000	USD	16,074,151	19-Feb-15	509,969
USD	182,041,627	EUR	132,740,000	19-Feb-15	72,011
USD	173,387,023	EUR	126,185,000	20-Feb-15	402,556
CLP	9,667,790,000	USD	16,925,403	23-Feb-15	164,557
USD	91,669,480	EUR	66,613,000	23-Feb-15	349,608
CLP	13,606,600,000	USD	23,837,772	24-Feb-15	212,781
USD	55,405,011	JPY	5,652,530,000	24-Feb-15	(505,975)
CLP	17,311,300,000	USD	30,193,250	25-Feb-15	402,897
MYR	161,430,000	USD	47,990,368	25-Feb-15	1,589,885
USD	101,969,856	JPY	10,446,250,000	25-Feb-15	(1,358,273)
CLP	10,995,100,000	USD	19,141,887	26-Feb-15	289,234
USD	515,511,732	EUR	375,398,130	26-Feb-15	869,602
USD	228,362,794	JPY	23,347,631,000	26-Feb-15	(2,580,231)
MXN	216,962,600	USD	15,899,355	27-Feb-15	545,961
USD	154,298,848	EUR	112,849,300	27-Feb-15	(409,736)
USD	94,284,215	JPY	9,610,390,000	27-Feb-15	(777,779)
SEK	314,864,000	EUR	35,133,229	2-Mar-15	(1,137,923)
USD	183,791,894	EUR	133,871,290	2-Mar-15	260,689
CLP	29,351,800,000	USD	50,496,206	3-Mar-15	1,352,938
PLN	225,188,000	EUR	52,842,426	3-Mar-15	685,286
USD	160,740,712	JPY	16,367,800,000	3-Mar-15	(1,168,564)
USD	75,787,359	JPY	7,734,100,000	4-Mar-15	(718,568)
SGD	59,864,000	USD	47,222,529	5-Mar-15	810,940
USD	38,161,032	EUR	27,680,000	5-Mar-15	212,456
USD	239,346,478	EUR	174,230,356	9-Mar-15	476,010
USD	40,263,792	JPY	4,116,972,690	9-Mar-15	(463,233)
USD	171,824,854	EUR	124,112,000	10-Mar-15	1,665,935
CLP	19,265,000,000	USD	33,241,308	11-Mar-15	765,753
CLP	9,612,440,000	USD	16,336,851	13-Mar-15	628,274
MXN	695,625,000	USD	51,167,709	13-Mar-15	1,508,763
MYR	333,500,000	USD	102,250,429	16-Mar-15	59,216
USD	332,168,869	EUR	239,623,000	16-Mar-15	3,632,613
USD	216,772,850	EUR	155,380,000	17-Mar-15	3,737,228
USD	49,989,272	JPY	5,115,002,306	17-Mar-15	(614,344)
MXN	200,095,000	USD	14,700,977	18-Mar-15	446,116
SGD	92,640,000	USD	73,197,037	18-Mar-15	1,136,805
USD	178,322,785	EUR	128,396,000	18-Mar-15	2,282,965
USD	195,370,932	JPY	19,770,548,000	19-Mar-15	(226,067)
CLP	8,086,500,000	USD	13,717,557	20-Mar-15	545,605
MYR	46,410,000	USD	13,929,408	20-Mar-15	304,572
USD	65,277,840	EUR	46,895,000	23-Mar-15	979,833
SEK	918,230,000	EUR	103,096,615	24-Mar-15	(4,233,578)
USD	80,743,414	JPY	8,239,057,930	25-Mar-15	(772,858)
MYR	226,531,000	USD	67,246,163	26-Mar-15	2,205,633

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Bond Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
USD	32,946,937	EUR	23,924,000	26-Mar-15	144,078
USD	154,209,365	EUR	111,665,000	27-Mar-15	1,101,578
MYR	108,095,500	USD	32,113,933	30-Mar-15	1,019,261
USD	7,863,242	EUR	5,712,490	31-Mar-15	30,414
USD	38,893,375	EUR	28,215,296	2-Apr-15	204,665
USD	103,415,271	EUR	74,954,962	7-Apr-15	633,473
MYR	63,230,000	USD	18,985,137	10-Apr-15	383,937
USD	133,368,883	EUR	96,737,000	10-Apr-15	715,555
USD	216,987,253	EUR	157,137,703	13-Apr-15	1,502,945
USD	214,749,043	EUR	154,936,000	14-Apr-15	2,282,366
USD	63,054,635	JPY	6,382,800,000	15-Apr-15	(113,264)
CLP	8,309,050,000	USD	14,654,409	16-Apr-15	(35,523)
MYR	216,409,761	USD	65,341,111	16-Apr-15	928,639
USD	152,498,292	EUR	109,820,822	16-Apr-15	1,896,669
USD	146,419,869	JPY	14,877,430,000	17-Apr-15	(819,777)
USD	87,668,468	JPY	8,938,940,000	21-Apr-15	(803,600)
USD	48,984,237	EUR	35,474,935	22-Apr-15	333,884
USD	115,974,299	JPY	11,822,710,000	22-Apr-15	(1,041,100)
KRW	35,535,450,000	USD	33,670,125	27-Apr-15	1,026,528
CLP	5,264,779,000	USD	9,104,676	28-Apr-15	147,614
USD	42,459,751	EUR	30,624,577	30-Apr-15	458,677
USD	290,979,601	EUR	209,634,000	7-May-15	3,455,215
CLP	7,973,100,000	USD	13,608,295	11-May-15	386,352
USD	128,679,201	JPY	13,031,600,000	12-May-15	(335,819)
USD	399,748,464	EUR	290,171,000	13-May-15	1,745,414
USD	300,091,021	JPY	30,450,681,000	13-May-15	(1,379,860)
SGD	74,950,000	USD	60,121,125	14-May-15	28,306
USD	416,767,888	EUR	302,567,000	14-May-15	1,759,197
USD	128,139,096	JPY	13,025,211,000	14-May-15	(816,132)
USD	161,408,536	EUR	117,583,000	18-May-15	123,853
SGD	210,184,100	USD	168,234,762	19-May-15	446,375
USD	203,785,408	EUR	148,444,000	21-May-15	165,165
CLP	7,553,200,000	USD	13,288,529	22-May-15	(44,685)
USD	82,807,723	EUR	60,394,000	22-May-15	(35,185)
MXN	420,229,710	USD	31,605,724	26-May-15	60,136
PLN	247,495,000	EUR	57,988,519	27-May-15	506,820
SGD	92,580,000	USD	74,026,395	27-May-15	274,609
MXN	375,703,412	USD	28,399,556	29-May-15	(94,516)
MYR	298,519,000	USD	90,824,778	29-May-15	367,273
SGD	100,007,500	USD	79,671,380	29-May-15	591,139
USD	286,444,303	EUR	210,514,780	1-Jun-15	(2,341,955)
CLP	20,282,734,000	USD	35,719,730	2-Jun-15	(192,739)
MYR	46,185,000	USD	14,045,251	2-Jun-15	60,235
CLP	3,079,320,000	USD	5,426,115	3-Jun-15	(32,924)
CLP	22,434,400,000	USD	39,476,333	4-Jun-15	(187,927)
CLP	14,955,979,000	USD	26,216,924	5-Jun-15	(27,629)
USD	38,584,561	EUR	28,330,380	5-Jun-15	(280,494)
MYR	17,087,000	USD	5,170,828	8-Jun-15	45,996
PLN	219,800,000	EUR	51,903,278	8-Jun-15	(149,992)
USD	64,163,497	EUR	47,050,000	8-Jun-15	(383,529)
SGD	201,390,000	USD	160,316,876	9-Jun-15	1,317,238
USD	100,042,625	EUR	73,353,100	9-Jun-15	(589,887)
PLN	42,829,000	EUR	10,237,355	11-Jun-15	(201,284)
PLN	219,520,500	EUR	52,409,039	12-Jun-15	(949,603)
USD	123,851,447	EUR	91,288,750	12-Jun-15	(1,389,638)
USD	87,482,357	EUR	64,545,000	15-Jun-15	(1,070,359)
USD	186,816,287	EUR	137,739,650	16-Jun-15	(2,157,468)
USD	86,367,158	EUR	63,739,600	17-Jun-15	(1,081,891)
USD	25,341,053	JPY	2,577,996,000	17-Jun-15	(193,875)
KRW	11,816,100,000	USD	11,419,832	24-Jun-15	94,424
USD	15,530,677	EUR	11,366,960	29-Jun-15	(65,888)
MYR	174,589,000	USD	53,169,996	30-Jun-15	67,735
USD	172,856,174	JPY	17,515,084,000	30-Jun-15	(660,190)
USD	186,222,899	JPY	18,819,500,000	1-Jul-15	(218,403)
					(109,859,530)
					17,032,792

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

**Note 5 — Forward foreign exchange contracts (continued)**

As at June 30, 2014, the Company had entered into the following outstanding contracts:

**Templeton Global Bond Fund (continued)**

Unrealised Profit/(Loss)  
USD

The above contracts were opened with the following counterparties:

Bank of America	5,058,780
Barclays Bank	(25,038,957)
Citibank	26,892,795
Credit Suisse	15,544,201
Deutsche Bank	(11,997,489)
Goldman Sachs	(29,547,738)
HSBC Bank	44,848,497
JPMorgan Chase Bank	(17,432,451)
Morgan Stanley	(5,513,955)
Royal Bank of Scotland	22,049,005
The Bank of New York Mellon	1,642,607
UBS	(2,041,784)
Standard Chartered Bank	(7,430,719)

17,032,792

**Templeton Global Bond (Euro) Fund**

Purchases	Sales		Maturity Date	Unrealised Profit/(Loss) EUR	
Forward foreign exchange contracts used for efficient portfolio management					
EUR	1,892,318	PLN	8,400,000	14-Jul-14	(125,524)
EUR	17,606,784	USD	22,630,000	14-Jul-14	1,082,844
EUR	5,634,802	BRL	17,901,765	23-Jul-14	(237,161)
EUR	23,180,838	USD	30,630,000	24-Jul-14	816,381
EUR	3,836,535	MXN	65,900,165	28-Jul-14	136,575
EUR	2,202,570	KRW	3,300,000,000	31-Jul-14	(175,375)
EUR	193,550	MXN	3,367,579	31-Jul-14	4,521
EUR	999,394	BRL	3,300,000	15-Aug-14	(75,879)
EUR	7,296,562	IDR	120,787,279,006	27-Aug-14	(90,246)
EUR	6,544,305	KRW	9,711,224,920	27-Aug-14	(445,801)
EUR	1,453,430	IDR	25,300,000,000	29-Aug-14	(93,398)
EUR	34,122,442	KRW	49,714,350,000	29-Aug-14	(1,658,858)
EUR	15,874,809	MYR	69,603,100	29-Aug-14	98,695
EUR	5,488,153	KRW	7,967,700,000	3-Sep-14	(245,199)
SEK	24,284,109	EUR	2,638,344	30-Sep-14	12,436
EUR	1,587,219	MXN	29,039,469	3-Oct-14	(35,619)
EUR	2,312,887	PLN	10,000,000	3-Oct-14	(76,776)
EUR	2,196,434	USD	3,000,000	21-Oct-14	6,753
EUR	6,241,847	MXN	112,028,667	21-Nov-14	3,304
EUR	4,934,270	IDR	80,028,923,000	24-Nov-14	110,463
EUR	22,171,952	MXN	393,041,480	1-Dec-14	300,367
EUR	10,390,143	USD	14,200,000	9-Dec-14	27,956
EUR	41,159,554	MYR	184,933,170	15-Dec-14	(469,602)
EUR	2,391,880	MXN	42,611,339	16-Dec-14	23,239
EUR	211,248	PLN	900,000	21-Jan-15	(2,409)
EUR	3,447,717	PLN	14,900,000	30-Jan-15	(87,792)
EUR	339,762	PLN	1,448,888	17-Feb-15	(3,704)
EUR	1,470,449	MXN	27,429,763	19-Feb-15	(47,020)
EUR	23,836,446	KRW	35,744,658,000	24-Feb-15	(1,680,563)
EUR	1,794,480	KRW	2,687,360,000	25-Feb-15	(123,856)
EUR	10,691,893	MXN	200,526,446	25-Feb-15	(396,720)
EUR	4,965,739	PLN	21,111,840	25-Feb-15	(36,804)
EUR	18,173,227	USD	25,000,000	25-Feb-15	(62,751)
EUR	1,465,983	BRL	5,150,000	27-Feb-15	(125,133)
EUR	492,935	PLN	2,100,000	27-Feb-15	(4,617)
CLP	575,000,000	EUR	701,049	23-Mar-15	38,450
EUR	747,627	CLP	575,000,000	23-Mar-15	8,129
EUR	4,591,396	KRW	6,724,100,000	15-Apr-15	(198,179)
EUR	423,847	MXN	7,935,270	15-Apr-15	(13,372)
EUR	1,105,391	IDR	18,700,000,000	17-Apr-15	11,507
EUR	5,040,192	MXN	94,443,113	30-Apr-15	(157,724)
EUR	10,848,770	PLN	46,500,000	26-May-15	(116,265)
EUR	14,547,100	HUF	4,500,000,000	29-May-15	201,494
EUR	32,759,436	PLN	138,736,210	5-Jun-15	62,164
EUR	3,210,659	KRW	4,540,000,000	11-Jun-15	(15,492)
EUR	781,021	IDR	13,300,000,000	18-Jun-15	10,825
EUR	10,495,798	USD	14,300,000	26-Jun-15	73,557

(3,772,179)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Bond (Euro) Fund (continued)

Unrealised Profit/(Loss)  
EUR

The above contracts were opened with the following counterparties:

Barclays Bank	828,231
Citibank	(52,696)
Deutsche Bank	130,318
HSBC Bank	(752,003)
JPMorgan Chase Bank	(3,926,029)

(3,772,179)

#### Templeton Global High Yield Fund

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management			
USD	117,935	EUR 90,000	(5,317)
INR	40,915,000	USD 690,741	(9,857)
PHP	13,436,450	USD 311,051	(3,055)
PHP	2,874,000	USD 66,252	(373)
PHP	8,994,140	USD 207,429	(1,265)
USD	801,282	EUR 621,005	(49,184)
EUR	104,328	USD 141,764	1,114
USD	134,698	EUR 104,328	(8,180)
EUR	1,000,000	USD 1,379,720	(10,186)
USD	1,309,900	EUR 1,000,000	(59,632)
USD	125,810	EUR 95,745	(5,319)
USD	407,326	EUR 307,560	(13,905)
USD	67,602	EUR 51,007	(2,258)
USD	137,218	JPY 13,620,000	2,741
USD	128,762	GBP 84,567	(15,913)
EUR	802,100	USD 1,106,649	(8,073)
USD	1,730,285	EUR 1,304,100	(55,844)
EUR	336,500	USD 456,937	3,948
USD	647,523	EUR 486,347	(18,599)
USD	209,538	EUR 158,417	(7,437)
USD	345,338	EUR 259,000	(9,406)
USD	80,604	JPY 7,800,000	3,583
USD	40,588	JPY 3,900,000	2,077
USD	76,795	JPY 7,538,000	2,358
USD	276,655	JPY 26,858,000	11,433
USD	35,056	JPY 3,399,000	1,490
USD	173,687	JPY 16,891,000	6,883
USD	140,880	EUR 105,449	(3,556)
USD	181,850	JPY 17,876,000	5,318
USD	262,898	EUR 196,202	(5,846)
USD	278,057	JPY 27,435,000	7,125
INR	73,170,000	USD 1,223,026	(16,603)
USD	132,707	EUR 100,331	(4,719)
USD	34,642	JPY 3,366,000	1,401
INR	40,915,000	USD 684,214	(10,310)
USD	206,202	EUR 156,250	(7,827)
USD	403,358	EUR 297,282	(3,885)
USD	748,570	EUR 554,344	(10,844)
USD	17,099	JPY 1,686,000	445
USD	134,168	EUR 99,224	(1,771)
USD	1,202,884	EUR 888,623	(14,562)
USD	96,420	EUR 71,000	(854)
USD	136,415	EUR 98,855	973
USD	276,228	EUR 200,000	2,204
USD	105,781	EUR 76,597	834
USD	616,059	EUR 455,396	(7,898)
USD	182,770	EUR 135,000	(2,205)
USD	77,154	JPY 7,585,026	2,201
USD	58,651	JPY 5,783,000	1,504
USD	75,346	JPY 7,451,000	1,716
USD	534,163	EUR 396,876	(9,641)
USD	27,173	JPY 2,700,000	491
USD	156,630	JPY 15,517,000	3,286
USD	184,937	JPY 18,480,000	2,308
USD	66,798	EUR 49,348	(821)
USD	211,215	JPY 21,056,000	3,126
EUR	111,942	USD 152,006	1,392
USD	948,570	EUR 700,000	(10,665)
USD	107,666	EUR 79,417	(1,164)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global High Yield Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
USD	688,550	EUR	500,000	12-Dec-14	3,357
USD	237,840	EUR	173,000	17-Dec-14	758
USD	76,676	JPY	7,985,000	7-Jan-15	(2,273)
EUR	2,151,218	USD	2,996,545	9-Jan-15	(48,142)
USD	2,997,538	EUR	2,193,539	9-Jan-15	(8,869)
USD	465,628	GBP	285,261	9-Jan-15	(21,518)
USD	54,690	JPY	5,720,000	13-Jan-15	(1,867)
USD	164,146	JPY	17,150,000	14-Jan-15	(5,428)
USD	155,192	JPY	16,140,000	15-Jan-15	(4,397)
USD	737,124	EUR	538,754	16-Jan-15	(1,306)
USD	234,775	JPY	24,260,000	16-Jan-15	(5,105)
USD	115,308	JPY	11,920,000	27-Jan-15	(2,567)
USD	254,375	JPY	26,005,524	28-Jan-15	(2,792)
USD	702,937	EUR	514,053	30-Jan-15	(1,690)
EUR	600,847	USD	822,762	9-Feb-15	879
USD	1,877,214	EUR	1,359,082	9-Feb-15	14,185
USD	1,822,215	GBP	1,100,000	9-Feb-15	(55,301)
USD	226,254	JPY	23,101,000	12-Feb-15	(2,221)
USD	48,814	JPY	4,957,070	18-Feb-15	(216)
USD	141,636	JPY	14,450,000	24-Feb-15	(1,293)
USD	141,517	JPY	14,500,000	25-Feb-15	(1,908)
USD	83,697	EUR	60,941	26-Feb-15	151
USD	197,312	JPY	20,168,000	26-Feb-15	(2,180)
USD	142,553	EUR	104,000	27-Feb-15	(24)
USD	422,284	JPY	43,000,000	3-Mar-15	(3,070)
USD	198,922	JPY	20,300,000	4-Mar-15	(1,886)
USD	413,595	EUR	300,000	5-Mar-15	2,302
USD	6,896,911	EUR	5,011,491	9-Mar-15	26,139
USD	1,037,011	GBP	618,946	9-Mar-15	(18,931)
GHS	80,000	USD	25,806	10-Mar-15	(4,515)
USD	582,345	EUR	419,300	18-Mar-15	7,455
USD	466,691	EUR	335,800	19-Mar-15	6,284
USD	408,776	JPY	41,366,000	19-Mar-15	(473)
USD	584,518	EUR	420,000	23-Mar-15	8,654
USD	231,783	EUR	168,000	25-Mar-15	1,435
USD	159,894	JPY	16,315,550	25-Mar-15	(1,530)
USD	305,685	EUR	221,969	26-Mar-15	1,337
USD	1,077,411	EUR	782,718	31-Mar-15	4,167
GHS	327,474	USD	99,385	7-Apr-15	(12,956)
USD	153,556	EUR	111,228	7-Apr-15	1,035
USD	3,814,800	EUR	2,750,000	15-Apr-15	43,645
USD	3,446,253	EUR	2,490,319	30-Apr-15	30,824
USD	724,249	EUR	525,561	13-May-15	3,382
USD	333,471	EUR	243,125	20-May-15	(21)
USD	3,105,219	EUR	2,266,749	5-Jun-15	(4,422)
USD	760,004	EUR	556,250	10-Jun-15	(3,116)
USD	31,652	JPY	3,220,000	17-Jun-15	(242)
USD	1,628,687	EUR	1,192,042	29-Jun-15	(6,910)
USD	215,933	JPY	21,880,000	30-Jun-15	(825)

(399,028)

The above contracts were opened with the following counterparties:

Barclays Bank	(11,393)
Citibank	8,769
Deutsche Bank	(396,583)
Goldman Sachs	(4,864)
HSBC Bank	(31,838)
JPMorgan Chase Bank	14,196
Morgan Stanley	747
Standard Chartered Bank	21,938

(399,028)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Income Fund

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
EUR	9,914,945	USD	13,444,253	15-Jul-14	134,598
SGD	623,064	USD	499,500	15-Jul-14	292
					134,890
Forward foreign exchange contracts used for efficient portfolio management					
PHP	8,577,000	USD	197,992	1-Jul-14	(1,385)
MYR	3,232,500	USD	991,882	2-Jul-14	14,710
INR	62,294,125	USD	1,051,671	3-Jul-14	(15,007)
MYR	289,940	USD	90,002	3-Jul-14	280
INR	7,308,000	USD	119,452	7-Jul-14	2,080
MYR	2,745,100	USD	850,908	7-Jul-14	3,686
INR	5,806,000	USD	94,558	15-Jul-14	1,863
INR	10,551,000	USD	171,653	17-Jul-14	3,509
INR	6,571,000	USD	107,043	21-Jul-14	1,970
INR	5,592,000	USD	90,789	22-Jul-14	1,966
USD	125,810	EUR	95,745	23-Jul-14	(5,319)
CLP	101,150,000	USD	182,548	28-Jul-14	(192)
SEK	66,856,000	EUR	7,689,990	29-Jul-14	(529,393)
USD	399,867	JPY	39,690,000	29-Jul-14	7,987
CLP	67,400,000	USD	120,380	30-Jul-14	1,103
INR	43,483,850	USD	705,500	31-Jul-14	14,674
USD	1,970,193	EUR	1,482,000	31-Jul-14	(59,586)
CLP	65,350,000	USD	117,140	1-Aug-14	624
USD	1,972,394	EUR	1,482,000	1-Aug-14	(57,391)
USD	1,962,962	EUR	1,481,000	4-Aug-14	(65,472)
USD	981,418	EUR	740,000	5-Aug-14	(32,117)
INR	8,960,000	USD	146,226	6-Aug-14	2,026
MYR	10,790,000	USD	3,195,096	6-Aug-14	158,787
INR	7,329,000	USD	120,000	7-Aug-14	1,246
MYR	10,790,000	USD	3,217,534	7-Aug-14	136,175
INR	2,394,000	USD	39,271	12-Aug-14	302
INR	3,140,000	USD	51,480	13-Aug-14	416
SEK	40,301,067	EUR	4,473,423	15-Aug-14	(98,296)
CLP	54,400,000	USD	96,608	18-Aug-14	1,255
INR	11,714,000	USD	194,181	19-Aug-14	(763)
USD	364,192	JPY	35,748,000	19-Aug-14	11,184
USD	1,259,125	JPY	122,241,000	20-Aug-14	51,999
INR	2,875,000	USD	48,486	21-Aug-14	(1,030)
USD	165,408	JPY	16,038,000	22-Aug-14	7,032
USD	819,539	JPY	79,700,000	25-Aug-14	32,478
USD	827,676	JPY	81,361,000	26-Aug-14	24,206
CLP	40,930,000	USD	72,622	27-Aug-14	941
INR	3,501,000	USD	59,053	27-Aug-14	(1,320)
USD	1,455,770	JPY	143,607,000	27-Aug-14	37,590
INR	44,654,850	USD	746,559	28-Aug-14	(10,292)
USD	132,707	EUR	100,331	28-Aug-14	(4,719)
USD	40,275	EUR	30,160	29-Aug-14	(1,036)
USD	1,065,049	JPY	103,485,000	29-Aug-14	43,077
INR	66,899,125	USD	1,118,763	3-Sep-14	(16,878)
CLP	122,760,000	USD	215,450	5-Sep-14	4,986
CLP	67,860,000	USD	119,094	8-Sep-14	2,722
INR	1,178,000	USD	19,592	9-Sep-14	(210)
CLP	133,660,000	USD	229,459	17-Sep-14	10,257
INR	2,913,000	USD	47,842	23-Sep-14	(31)
USD	134,453	EUR	99,094	23-Sep-14	(1,295)
INR	3,501,000	USD	57,441	26-Sep-14	(8)
CLP	64,400,000	USD	123,018	30-Sep-14	(7,668)
INR	42,307,150	USD	693,483	30-Sep-14	55
PHP	25,552,280	USD	583,439	30-Sep-14	1,943
USD	87,838	JPY	8,661,000	30-Sep-14	2,285
CLP	68,410,000	USD	121,943	6-Oct-14	522
USD	24,065,716	JPY	2,498,502,600	7-Oct-14	(615,778)
CLP	96,720,000	USD	173,723	10-Oct-14	(641)
USD	22,438,212	EUR	16,565,000	15-Oct-14	(256,254)
MYR	658,000	USD	205,163	22-Oct-14	(1,522)
CLP	88,509,000	USD	169,883	24-Oct-14	(11,698)
MYR	341,110	USD	105,346	24-Oct-14	210
USD	1,657,368	EUR	1,200,000	30-Oct-14	13,226
USD	5,292,354	EUR	3,842,597	31-Oct-14	27,517
USD	2,541,193	EUR	1,883,000	5-Nov-14	(38,810)
USD	14,212,203	JPY	1,392,000,000	5-Nov-14	457,527
USD	4,196,935	EUR	3,100,000	10-Nov-14	(50,644)



## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Income Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
USD	2,151,520	EUR	1,600,000	14-Nov-14	(40,819)
USD	126,806	JPY	12,600,000	14-Nov-14	2,292
USD	433,372	JPY	43,305,000	19-Nov-14	5,408
MYR	166,000	USD	50,983	20-Nov-14	302
USD	133,596	EUR	98,696	20-Nov-14	(1,642)
USD	494,914	JPY	49,338,000	20-Nov-14	7,325
UYU	3,700,000	USD	157,581	20-Nov-14	(2,902)
UYU	3,700,000	USD	157,313	25-Nov-14	(2,877)
CLP	67,070,000	USD	117,853	28-Nov-14	1,634
UYU	5,480,000	USD	234,288	1-Dec-14	(5,989)
USD	3,807,020	EUR	2,800,000	5-Dec-14	(29,938)
USD	248,930	EUR	183,617	8-Dec-14	(2,692)
CLP	2,806,402,500	USD	5,063,880	9-Dec-14	(69,215)
MYR	15,378,480	USD	4,692,280	10-Dec-14	53,147
USD	7,115,437	JPY	730,380,000	22-Dec-14	(104,839)
USD	4,245,132	JPY	440,200,000	26-Dec-14	(106,693)
PHP	25,552,280	USD	583,172	29-Dec-14	1,801
USD	179,662	JPY	18,710,000	7-Jan-15	(5,325)
MYR	188,400	USD	56,225	8-Jan-15	1,808
USD	1,030,383	JPY	106,862,000	8-Jan-15	(26,180)
MYR	101,000	USD	30,164	9-Jan-15	946
USD	251,441	EUR	184,250	9-Jan-15	(1,087)
MYR	30,000	USD	8,969	12-Jan-15	270
USD	89,779	JPY	9,390,000	13-Jan-15	(3,066)
USD	269,717	JPY	28,180,000	14-Jan-15	(8,919)
USD	268,942	JPY	27,970,000	15-Jan-15	(7,619)
USD	410,810	JPY	42,450,000	16-Jan-15	(8,930)
CLP	114,520,000	USD	206,902	23-Jan-15	(3,906)
CLP	162,440,000	USD	287,734	26-Jan-15	127
USD	335,865	JPY	34,720,000	27-Jan-15	(7,476)
USD	740,968	JPY	75,751,350	28-Jan-15	(8,133)
USD	8,917,575	EUR	6,524,000	30-Jan-15	(25,046)
USD	3,307,298	EUR	2,440,000	3-Feb-15	(37,346)
CLP	60,980,000	USD	107,586	4-Feb-15	391
USD	4,158,124	JPY	419,900,000	6-Feb-15	5,426
USD	4,158,611	JPY	420,520,000	9-Feb-15	(330)
CLP	117,460,000	USD	205,457	17-Feb-15	2,289
USD	12,096,480	EUR	8,800,000	23-Feb-15	32,545
CLP	26,480,000	USD	46,100	26-Feb-15	697
USD	847,696	JPY	86,649,000	26-Feb-15	(9,392)
CLP	54,480,000	USD	94,028	3-Mar-15	2,209
USD	555,757	EUR	402,108	9-Mar-15	4,466
CLP	66,030,000	USD	112,221	13-Mar-15	4,316
MYR	1,966,500	USD	589,991	2-Apr-15	12,674
CLP	86,660,000	USD	152,840	16-Apr-15	(370)
CLP	54,910,000	USD	94,959	28-Apr-15	1,540
USD	2,050,881	EUR	1,482,000	30-Apr-15	18,343
USD	1,029,230	EUR	742,665	5-May-15	10,640
USD	2,694,461	EUR	1,964,000	15-May-15	568
USD	2,139,618	EUR	1,560,000	18-May-15	(182)
USD	4,365,000	JPY	443,178,450	18-May-15	(22,894)
USD	17,460,000	JPY	1,770,821,125	19-May-15	(73,073)
USD	2,392,948	EUR	1,750,600	20-May-15	(8,328)
USD	7,712,128	EUR	5,617,768	21-May-15	6,251
SGD	12,847,790	USD	10,224,655	9-Jun-15	86,886
PLN	4,855,146	EUR	1,161,518	10-Jun-15	(24,104)
USD	5,131,155	JPY	524,060,000	10-Jun-15	(59,147)
USD	2,465,146	JPY	251,830,000	11-Jun-15	(29,017)
USD	842,949	JPY	85,746,000	17-Jun-15	(6,362)
USD	3,589,708	JPY	365,540,000	22-Jun-15	(31,191)
USD	8,195,205	EUR	6,025,000	24-Jun-15	(71,368)
USD	9,600,398	JPY	975,400,400	26-Jun-15	(62,065)
PHP	8,671,520	USD	197,143	30-Jun-15	891
					(1,443,609)
					(1,308,719)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

**Note 5 — Forward foreign exchange contracts (continued)**

As at June 30, 2014, the Company had entered into the following outstanding contracts:

**Templeton Global Income Fund (continued)**Unrealised Profit/(Loss)  
USD

The above contracts were opened with the following counterparties:

Bank of America	(30,159)
Barclays Bank	353,665
Citibank	(371,680)
Credit Suisse	2,406
Deutsche Bank	(1,492,102)
Goldman Sachs	(3,476)
HSBC Bank	239,802
JPMorgan Chase Bank	43,089
Morgan Stanley	1,874
Royal Bank of Scotland	1,522
UBS	(53,492)
Standard Chartered Bank	(168)

(1,308,719)**Templeton Global Total Return Fund**

Purchases	Sales	Maturity Date	Unrealised Profit/(Loss) USD
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## Forward foreign exchange contracts used for share class hedging

EUR	3,331,180,344	USD	4,540,939,729	10-Jul-14	21,130,921
GBP	244,094,178	USD	410,440,663	10-Jul-14	7,218,197
JPY	6,435,634,740	USD	62,902,614	10-Jul-14	629,907
PLN	1,041,844,930	USD	344,439,241	10-Jul-14	(1,587,998)
CHF	486,496,070	USD	540,801,446	15-Jul-14	7,838,370
EUR	2,625,516,128	USD	3,552,052,074	15-Jul-14	43,680,662
GBP	369,915	USD	623,442	15-Jul-14	9,477
NOK	54,244,019	USD	8,876,017	15-Jul-14	(36,052)
SGD	800,459,122	USD	641,581,809	15-Jul-14	508,215
USD	63,553,977	EUR	46,924,538	15-Jul-14	(710,758)
AUD	155,665,074	USD	145,132,462	21-Jul-14	1,464,803
CHF	437,268	USD	486,915	21-Jul-14	6,235
CNH	107,718,292	USD	17,237,139	21-Jul-14	89,076
EUR	2,975,948,095	USD	4,041,232,765	21-Jul-14	34,528,041
GBP	170,527,354	USD	288,866,693	21-Jul-14	2,888,216
NOK	84,498,085	USD	14,022,950	21-Jul-14	(255,923)
SEK	1,135,123,216	USD	171,132,902	21-Jul-14	(1,279,325)
USD	3,165,720	AUD	3,374,687	21-Jul-14	(12,385)

116,109,679

## Forward foreign exchange contracts used for efficient portfolio management

JPY	7,590,800,000	USD	74,874,729	1-Jul-14	56,047
MYR	1,121,016,382	USD	345,800,000	1-Jul-14	3,299,408
PHP	865,534,000	USD	19,980,009	1-Jul-14	(139,749)
USD	77,420,013	JPY	7,590,800,000	1-Jul-14	2,489,238
USD	348,965,379	MYR	1,121,016,382	1-Jul-14	(134,029)
MYR	659,660,000	USD	202,414,237	2-Jul-14	3,001,997
INR	609,212,250	USD	10,284,927	3-Jul-14	(146,766)
MYR	58,914,800	USD	18,288,002	3-Jul-14	56,945
INR	433,345,000	USD	7,083,173	7-Jul-14	123,349
MYR	552,087,100	USD	171,131,976	7-Jul-14	741,765
PHP	1,060,000,000	USD	24,278,516	7-Jul-14	18,959
USD	2,460,718	GBP	1,651,156	7-Jul-14	(364,574)
CLP	4,810,463,000	USD	8,875,393	9-Jul-14	(183,979)
USD	7,074,197	EUR	5,482,599	9-Jul-14	(434,223)
USD	9,295,013	GBP	6,228,232	9-Jul-14	(1,361,931)
USD	84,390,000	EUR	65,679,285	10-Jul-14	(5,558,159)
USD	6,406,118	JPY	645,000,000	10-Jul-14	38,685
SGD	74,291,000	USD	58,256,028	14-Jul-14	1,336,647
USD	4,933,040	EUR	3,819,917	14-Jul-14	(298,443)
INR	462,213,000	USD	7,527,715	15-Jul-14	148,329
USD	255,356,377	EUR	194,690,000	15-Jul-14	(11,278,133)
SEK	845,329,316	EUR	96,044,298	16-Jul-14	(5,037,676)
USD	391,636,467	EUR	299,619,000	16-Jul-14	(18,703,522)
INR	685,264,000	USD	11,148,486	17-Jul-14	227,897
USD	250,617,898	EUR	190,501,016	18-Jul-14	(10,282,849)
USD	1,982,109	GBP	1,315,443	18-Jul-14	(268,536)
INR	389,647,000	USD	6,347,459	21-Jul-14	116,815
USD	104,840,968	EUR	79,487,000	21-Jul-14	(4,021,817)
EUR	40,301,000	USD	55,800,765	22-Jul-14	(605,613)
INR	404,974,000	USD	6,576,123	22-Jul-14	141,275
MYR	32,116,300	USD	9,888,632	22-Jul-14	101,921

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Total Return Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
SEK	568,331,930	EUR	65,304,492	22-Jul-14	(4,398,319)
USD	135,585,129	EUR	103,447,000	22-Jul-14	(6,093,063)
USD	151,561,674	EUR	115,341,984	23-Jul-14	(6,408,209)
SEK	312,190,000	EUR	34,390,870	24-Jul-14	(388,642)
SGD	46,570,000	USD	36,452,870	24-Jul-14	903,424
USD	208,107,275	JPY	20,721,946,000	24-Jul-14	3,516,965
SEK	75,100,000	EUR	8,235,417	25-Jul-14	(42,183)
USD	197,708,950	EUR	149,402,856	25-Jul-14	(6,911,633)
USD	44,143,253	JPY	4,375,700,000	25-Jul-14	941,077
CLP	3,659,520,000	USD	6,604,440	28-Jul-14	(6,938)
CLP	1,809,635,000	USD	3,419,890	29-Jul-14	(157,796)
EUR	18,040,000	USD	24,999,201	29-Jul-14	(291,403)
SEK	100,147,500	EUR	11,519,019	29-Jul-14	(792,646)
USD	348,655,140	EUR	263,033,812	29-Jul-14	(11,599,082)
USD	28,730,480	JPY	2,851,730,000	29-Jul-14	573,847
CLP	10,148,460,000	USD	18,147,660	30-Jul-14	144,115
INR	387,151,000	USD	6,210,683	30-Jul-14	202,287
SEK	855,976,700	EUR	96,872,837	30-Jul-14	(4,610,299)
USD	3,224,195	GBP	2,117,559	30-Jul-14	(398,458)
CLP	12,955,750,000	USD	23,650,022	31-Jul-14	(300,705)
INR	2,637,873,537	USD	43,283,397	31-Jul-14	404,714
USD	18,629,092	EUR	14,013,000	31-Jul-14	(563,413)
CLP	5,917,450,000	USD	10,607,030	1-Aug-14	56,528
EUR	9,420,050	USD	12,785,549	1-Aug-14	116,392
MXN	808,084,380	USD	61,390,593	1-Aug-14	730,766
USD	93,725,904	EUR	70,594,000	1-Aug-14	(2,961,440)
USD	538,873,580	EUR	405,849,675	4-Aug-14	(16,993,428)
USD	199,128,744	EUR	150,309,039	5-Aug-14	(6,740,789)
CLP	2,423,700,000	USD	4,238,127	6-Aug-14	127,293
INR	1,276,120,000	USD	20,830,849	6-Aug-14	283,798
MXN	1,532,684,580	USD	116,909,579	6-Aug-14	877,805
MYR	166,855,200	USD	49,408,567	6-Aug-14	2,455,454
PLN	590,955,350	EUR	136,186,793	6-Aug-14	7,587,139
SEK	269,764,816	EUR	30,476,046	6-Aug-14	(1,382,527)
SGD	96,674,500	USD	75,843,957	6-Aug-14	1,704,154
USD	151,999,739	EUR	114,624,652	6-Aug-14	(4,995,432)
USD	42,812,102	JPY	4,236,600,000	6-Aug-14	979,647
INR	1,313,919,000	USD	21,517,198	7-Aug-14	219,393
MYR	166,827,500	USD	49,747,279	7-Aug-14	2,105,446
SGD	85,261,000	USD	67,229,403	7-Aug-14	1,163,318
MXN	762,418,900	USD	58,342,432	8-Aug-14	242,287
SEK	101,740,785	EUR	11,214,195	8-Aug-14	(138,639)
CLP	5,925,300,000	USD	11,053,215	11-Aug-14	(386,340)
MXN	1,210,789,000	USD	91,358,991	11-Aug-14	1,660,990
MYR	59,410,000	USD	17,749,747	11-Aug-14	712,031
SEK	263,600,000	EUR	29,891,705	11-Aug-14	(1,506,816)
SGD	75,483,900	USD	59,501,734	11-Aug-14	1,048,314
USD	40,807,685	EUR	30,605,976	11-Aug-14	(1,112,281)
USD	16,048,672	JPY	1,553,030,000	11-Aug-14	713,451
CLP	2,313,700,000	USD	4,099,034	12-Aug-14	65,725
INR	1,281,494,500	USD	21,021,443	12-Aug-14	161,801
MXN	381,618,000	USD	29,233,798	12-Aug-14	82,491
MYR	46,060,000	USD	14,002,554	12-Aug-14	309,943
SEK	720,414,695	EUR	82,084,509	12-Aug-14	(4,654,842)
SGD	193,528,907	USD	152,603,951	12-Aug-14	2,636,959
USD	8,080,405	JPY	776,430,000	12-Aug-14	413,584
AUD	81,580,696	USD	73,153,410	13-Aug-14	3,548,451
INR	12,989,122,245	USD	214,086,427	13-Aug-14	590,883
SGD	21,600,000	USD	17,041,420	13-Aug-14	285,216
USD	75,312,036	AUD	81,580,696	13-Aug-14	(1,389,826)
USD	175,974,293	JPY	16,924,063,700	13-Aug-14	8,857,323
SGD	37,800,000	USD	29,875,519	14-Aug-14	446,107
MXN	281,362,000	USD	21,360,127	15-Aug-14	250,267
USD	97,865,296	EUR	73,749,469	15-Aug-14	(3,148,044)
CLP	4,252,650,000	USD	7,552,211	18-Aug-14	98,087
EUR	161,720,000	USD	220,203,612	18-Aug-14	1,303,368
KRW	5,354,000,000	USD	4,730,518	18-Aug-14	549,934
SGD	34,476,000	USD	27,146,457	18-Aug-14	508,836
USD	279,728,541	EUR	210,901,000	18-Aug-14	(9,141,379)
INR	13,443,393,552	USD	222,748,194	19-Aug-14	(775,710)
PLN	114,567,000	EUR	26,520,139	19-Aug-14	1,279,043
SGD	51,746,500	USD	40,819,200	19-Aug-14	689,825
USD	117,326,131	EUR	88,538,000	19-Aug-14	(3,944,232)
USD	16,631,478	JPY	1,632,496,000	19-Aug-14	510,730

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Total Return Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
CLP	6,919,463,000	USD	12,808,733	20-Aug-14	(363,499)
USD	230,290,533	EUR	172,395,694	20-Aug-14	(5,840,283)
USD	56,200,220	JPY	5,456,256,000	20-Aug-14	2,319,840
INR	170,508,000	USD	2,875,540	21-Aug-14	(61,071)
SEK	518,376,500	EUR	57,234,522	21-Aug-14	(851,598)
MXN	217,213,862	USD	16,185,470	22-Aug-14	490,512
PLN	127,179,180	EUR	29,390,641	22-Aug-14	1,479,187
USD	7,554,022	JPY	732,438,000	22-Aug-14	321,122
USD	37,428,052	JPY	3,639,870,000	25-Aug-14	1,483,251
SEK	10,000,000	EUR	1,137,941	26-Aug-14	(62,854)
USD	141,736,790	EUR	106,179,424	26-Aug-14	(3,700,016)
USD	36,944,260	JPY	3,631,643,000	26-Aug-14	1,080,467
CLP	2,898,320,000	USD	5,142,512	27-Aug-14	66,664
INR	727,633,000	USD	12,273,372	27-Aug-14	(274,279)
KRW	221,653,800,000	USD	205,254,005	27-Aug-14	13,280,578
MXN	217,886,531	USD	16,185,903	27-Aug-14	536,404
PLN	312,052,975	EUR	74,342,579	27-Aug-14	545,557
SGD	112,701,000	USD	88,746,505	27-Aug-14	1,658,134
USD	14,698,851	EUR	10,992,014	27-Aug-14	(357,250)
USD	59,343,214	JPY	5,854,218,000	27-Aug-14	1,530,305
CLP	2,986,400,000	USD	5,294,097	28-Aug-14	72,844
INR	3,528,627,537	USD	58,996,455	28-Aug-14	(816,601)
USD	5,654,603	EUR	4,275,046	28-Aug-14	(201,077)
USD	6,224,210	GBP	3,995,000	28-Aug-14	(608,733)
MXN	1,317,507,070	USD	96,483,199	29-Aug-14	4,619,685
PHP	1,063,000,000	USD	23,941,441	29-Aug-14	394,639
PLN	82,911,475	EUR	19,066,684	29-Aug-14	1,081,086
SEK	172,633,500	EUR	19,320,825	29-Aug-14	(642,390)
USD	17,756,108	EUR	13,296,472	29-Aug-14	(456,587)
USD	49,771,861	JPY	4,836,058,000	29-Aug-14	2,013,089
INR	1,553,513,250	USD	25,979,475	3-Sep-14	(391,797)
MXN	145,905,300	USD	10,647,690	3-Sep-14	545,043
KRW	84,965,430,000	USD	78,997,192	4-Sep-14	4,745,593
CLP	5,119,795,000	USD	8,990,292	5-Sep-14	203,146
PLN	65,930,000	EUR	15,100,087	5-Sep-14	934,529
USD	119,582,192	EUR	90,613,850	5-Sep-14	(4,538,948)
CLP	2,455,320,000	USD	4,309,091	8-Sep-14	98,496
INR	686,987,000	USD	11,429,256	9-Sep-14	(125,914)
MXN	1,179,814,300	USD	88,441,852	10-Sep-14	2,022,010
SEK	453,100,000	EUR	50,020,975	10-Sep-14	(752,513)
SGD	47,385,000	USD	37,507,421	10-Sep-14	503,467
SEK	212,734,000	EUR	23,400,699	11-Sep-14	(237,913)
PLN	102,742,980	EUR	24,173,681	12-Sep-14	562,064
SEK	688,923,400	EUR	75,839,629	12-Sep-14	(851,490)
SEK	992,236,300	EUR	109,512,286	15-Sep-14	(1,619,300)
SGD	73,665,600	USD	58,068,422	15-Sep-14	1,024,227
SEK	340,196,600	EUR	37,490,120	16-Sep-14	(477,635)
CLP	4,835,830,000	USD	8,301,854	17-Sep-14	371,088
SEK	74,252,000	EUR	8,235,581	17-Sep-14	(176,873)
MYR	160,426,035	USD	48,385,220	18-Sep-14	1,364,429
SEK	167,861,700	EUR	18,735,361	18-Sep-14	(560,672)
USD	21,514,009	JPY	2,117,839,063	18-Sep-14	596,185
KRW	192,445,190,000	USD	178,537,146	19-Sep-14	11,022,006
SGD	74,047,000	USD	58,488,942	19-Sep-14	909,831
INR	1,091,268,000	USD	17,922,752	23-Sep-14	(11,580)
MYR	89,690,000	USD	27,867,019	23-Sep-14	(61,196)
USD	67,711,288	EUR	49,904,400	23-Sep-14	(652,221)
INR	88,255,000	USD	1,444,471	24-Sep-14	3,820
SEK	232,612,080	EUR	25,566,824	24-Sep-14	(237,905)
PHP	1,065,040,000	USD	24,263,909	25-Sep-14	133,956
SEK	80,960,000	EUR	8,864,557	25-Sep-14	(36,509)
INR	727,633,000	USD	11,938,195	26-Sep-14	(1,697)
KRW	25,520,000,000	USD	23,348,582	26-Sep-14	1,781,483
MYR	129,935,500	USD	39,741,487	26-Sep-14	534,437
PLN	42,873,500	EUR	10,112,152	26-Sep-14	188,521
USD	149,843,891	EUR	109,216,013	26-Sep-14	228,060
USD	21,588,757	JPY	2,121,203,336	29-Sep-14	636,012
CLP	2,329,830,000	USD	4,450,487	30-Sep-14	(277,425)
INR	2,503,207,937	USD	41,031,622	30-Sep-14	3,229
PHP	2,590,038,060	USD	59,138,690	30-Sep-14	196,900
SEK	365,958,000	EUR	39,770,262	30-Sep-14	241,943
SGD	244,105,000	USD	194,723,197	30-Sep-14	1,093,965
USD	7,974,941	EUR	5,905,745	30-Sep-14	(115,528)
USD	3,739,388	JPY	368,713,000	30-Sep-14	97,294

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Total Return Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
CLP	2,475,250,000	USD	4,412,210	6-Oct-14	18,886
USD	68,710,035	EUR	50,450,000	7-Oct-14	(405,226)
CLP	2,306,070,000	USD	4,142,021	10-Oct-14	(15,294)
KRW	173,889,235,500	USD	159,253,810	14-Oct-14	11,850,606
CLP	23,463,680,000	USD	45,004,757	15-Oct-14	(3,035,546)
USD	2,549,200	EUR	1,885,252	15-Oct-14	(33,643)
USD	105,410,850	JPY	10,955,455,000	17-Oct-14	(2,823,031)
MYR	87,234,183	USD	26,970,360	20-Oct-14	30,625
USD	90,765,415	EUR	66,953,000	20-Oct-14	(963,959)
USD	210,800,632	JPY	20,692,190,000	20-Oct-14	6,367,334
MYR	31,824,000	USD	9,922,674	22-Oct-14	(73,600)
USD	162,406,583	JPY	15,837,890,000	22-Oct-14	5,929,501
CLP	2,110,322,000	USD	4,050,522	24-Oct-14	(278,917)
MYR	38,695,192	USD	11,989,296	24-Oct-14	(15,127)
USD	91,829,704	EUR	66,495,561	24-Oct-14	725,395
CLP	8,334,910,000	USD	15,945,877	27-Oct-14	(1,053,659)
CLP	16,391,145,000	USD	31,209,339	29-Oct-14	(1,928,167)
USD	2,742,375	EUR	1,987,300	29-Oct-14	19,551
CLP	1,346,756,200	USD	2,554,691	31-Oct-14	(149,282)
MYR	25,873,000	USD	8,090,369	31-Oct-14	(87,379)
PLN	75,302,000	EUR	17,695,634	31-Oct-14	366,947
USD	5,394,833	EUR	3,906,440	31-Oct-14	42,523
USD	3,127,731	EUR	2,272,978	3-Nov-14	13,426
USD	184,532,457	JPY	18,070,950,000	5-Nov-14	5,969,197
USD	12,421,574	EUR	9,175,000	10-Nov-14	(149,890)
USD	15,763,442	JPY	1,549,704,004	10-Nov-14	449,730
MXN	172,193,000	USD	12,731,460	12-Nov-14	415,778
USD	1,462,009	EUR	1,096,419	12-Nov-14	(40,303)
USD	355,423,460	JPY	35,121,115,500	12-Nov-14	8,360,488
USD	151,396,542	JPY	14,971,604,000	13-Nov-14	3,447,406
USD	43,305,543	EUR	32,193,000	14-Nov-14	(805,679)
USD	176,109,782	JPY	17,496,248,000	14-Nov-14	3,210,516
USD	98,037,006	EUR	72,847,450	17-Nov-14	(1,780,775)
USD	36,649,847	JPY	3,630,593,800	17-Nov-14	771,018
USD	94,931,743	EUR	70,444,000	18-Nov-14	(1,593,195)
MYR	39,448,560	USD	12,105,613	19-Nov-14	82,617
USD	16,081,986	EUR	11,940,000	19-Nov-14	(278,712)
USD	40,803,589	JPY	4,077,327,000	19-Nov-14	509,218
MYR	95,838,000	USD	29,434,275	20-Nov-14	174,547
USD	99,829,300	EUR	73,764,352	20-Nov-14	(1,246,224)
USD	46,599,026	JPY	4,645,457,000	20-Nov-14	689,649
UYU	305,900,000	USD	13,028,109	20-Nov-14	(239,885)
BRL	432,190,000	USD	175,401,786	21-Nov-14	12,394,363
UYU	306,500,000	USD	13,031,463	25-Nov-14	(238,360)
CLP	4,178,620,000	USD	7,342,506	28-Nov-14	101,798
SGD	50,409,500	USD	40,141,983	28-Nov-14	299,015
USD	131,808,506	EUR	97,275,650	28-Nov-14	(1,488,186)
CLP	1,751,850,000	USD	3,072,882	1-Dec-14	47,225
UYU	457,340,000	USD	19,552,800	1-Dec-14	(499,790)
CLP	1,960,370,000	USD	3,558,486	4-Dec-14	(67,951)
PLN	166,240,000	EUR	38,759,618	4-Dec-14	1,115,412
USD	58,102,585	EUR	42,880,000	4-Dec-14	(657,420)
USD	11,005,613	EUR	8,118,030	8-Dec-14	(119,017)
CLP	3,731,820,000	USD	6,733,706	9-Dec-14	(92,039)
USD	43,959,748	EUR	32,179,383	9-Dec-14	(137,819)
USD	28,779,207	EUR	20,734,000	12-Dec-14	365,630
MYR	101,500,000	USD	31,103,961	15-Dec-14	207,093
PLN	158,437,000	EUR	37,023,181	15-Dec-14	914,430
SGD	81,110,000	USD	65,036,283	15-Dec-14	35,706
USD	9,793,279	EUR	7,100,000	15-Dec-14	63,408
USD	2,728,588	EUR	1,984,716	17-Dec-14	8,699
SGD	46,202,000	USD	36,896,662	19-Dec-14	169,947
SGD	55,731,000	USD	44,478,053	22-Dec-14	233,599
USD	195,860,970	JPY	20,104,590,000	22-Dec-14	(2,885,821)
MYR	70,678,790	USD	21,366,019	23-Dec-14	426,749
SGD	69,742,200	USD	55,829,044	23-Dec-14	123,537
USD	134,728,552	JPY	13,970,710,000	26-Dec-14	(3,386,140)
PHP	2,744,578,060	USD	62,627,644	29-Dec-14	204,504
CLP	2,816,620,000	USD	5,132,793	7-Jan-15	(133,023)
USD	16,916,209	JPY	1,761,654,000	7-Jan-15	(501,410)
MYR	266,012,500	USD	79,375,308	8-Jan-15	2,565,794
USD	26,225,222	JPY	2,719,844,000	8-Jan-15	(666,340)
EUR	5,237,300	USD	7,120,109	9-Jan-15	57,996
MYR	126,317,000	USD	37,724,585	9-Jan-15	1,183,061

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Total Return Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
USD	89,405,241	EUR	65,525,294	9-Jan-15	(402,004)
CLP	8,513,570,000	USD	15,457,903	12-Jan-15	(352,207)
MYR	37,856,000	USD	11,317,190	12-Jan-15	340,918
USD	6,854,504	EUR	5,043,748	13-Jan-15	(58,471)
USD	4,741,945	JPY	495,960,000	13-Jan-15	(161,915)
USD	14,238,993	JPY	1,487,690,000	14-Jan-15	(470,840)
MYR	40,586,500	USD	12,175,341	15-Jan-15	321,353
USD	29,303,084	EUR	21,471,000	15-Jan-15	(125,442)
USD	127,722,723	JPY	13,251,910,000	15-Jan-15	(3,309,363)
MYR	6,919,000	USD	2,084,727	16-Jan-15	45,522
USD	1,151,208	EUR	841,403	16-Jan-15	(2,040)
USD	150,009,162	JPY	15,504,730,000	16-Jan-15	(3,299,701)
USD	121,991,503	JPY	12,671,309,800	20-Jan-15	(3,305,323)
USD	87,981,650	EUR	64,550,000	21-Jan-15	(494,526)
CLP	4,143,410,000	USD	7,485,836	23-Jan-15	(141,317)
MYR	24,830,235	USD	7,342,965	23-Jan-15	298,589
CLP	5,877,160,000	USD	10,410,345	26-Jan-15	4,612
USD	87,948,426	EUR	64,368,128	27-Jan-15	(281,280)
USD	24,135,236	JPY	2,494,980,000	27-Jan-15	(537,242)
USD	53,240,077	JPY	5,442,893,887	28-Jan-15	(584,353)
USD	43,828,939	EUR	32,069,984	30-Jan-15	(130,245)
CLP	5,521,970,000	USD	9,742,361	4-Feb-15	35,364
CLP	4,998,900,000	USD	8,808,169	5-Feb-15	42,575
MYR	51,862,800	USD	15,206,803	5-Feb-15	741,386
USD	283,254,170	JPY	28,603,870,000	6-Feb-15	369,594
CLP	9,939,870,000	USD	17,174,638	9-Feb-15	418,052
USD	150,699,739	EUR	108,643,558	9-Feb-15	1,771,191
USD	283,253,907	JPY	28,642,720,000	9-Feb-15	(22,473)
CLP	3,226,100,000	USD	5,549,802	10-Feb-15	159,604
MXN	444,843,000	USD	32,682,610	10-Feb-15	1,074,839
MYR	304,668,846	USD	90,261,553	10-Feb-15	3,397,694
PLN	505,157,841	EUR	118,179,399	10-Feb-15	2,214,688
SEK	526,800,000	EUR	59,270,927	10-Feb-15	(2,554,044)
USD	17,458,456	EUR	12,836,000	10-Feb-15	(137,221)
USD	63,015,050	JPY	6,397,792,000	10-Feb-15	(259,651)
USD	14,619,494	EUR	10,752,000	11-Feb-15	(119,500)
CLP	5,743,610,000	USD	9,978,475	12-Feb-15	184,509
KRW	43,810,000,000	USD	40,288,762	12-Feb-15	2,606,522
MXN	847,478,000	USD	61,972,797	12-Feb-15	2,330,285
MYR	190,865,000	USD	56,321,466	12-Feb-15	2,345,794
USD	361,352,573	JPY	36,813,958,000	12-Feb-15	(2,747,069)
KRW	58,889,000,000	USD	54,101,057	13-Feb-15	3,556,080
MXN	457,839,000	USD	33,443,316	13-Feb-15	1,293,210
MYR	333,400,848	USD	97,923,708	13-Feb-15	4,549,341
USD	59,569,562	EUR	43,538,000	13-Feb-15	(113,580)
USD	335,582,071	JPY	34,227,570,000	13-Feb-15	(2,940,542)
CLP	6,387,910,000	USD	11,154,659	17-Feb-15	143,377
MXN	217,518,410	USD	15,900,469	17-Feb-15	598,267
USD	111,622,795	JPY	11,389,990,000	17-Feb-15	(1,032,205)
MYR	205,476,618	USD	60,806,291	18-Feb-15	2,329,067
SGD	25,873,000	USD	20,469,146	18-Feb-15	290,201
USD	234,913,969	JPY	23,850,112,260	18-Feb-15	(982,496)
MYR	16,919,000	USD	5,038,416	19-Feb-15	159,849
USD	17,811,938	EUR	12,988,000	19-Feb-15	7,046
USD	108,139,309	EUR	78,700,000	20-Feb-15	251,069
CLP	2,823,310,000	USD	4,942,770	23-Feb-15	48,056
KRW	29,344,000,000	USD	27,238,467	23-Feb-15	1,480,191
MYR	357,140,000	USD	106,291,667	23-Feb-15	3,410,714
USD	8,369,744	EUR	6,082,000	23-Feb-15	31,920
CLP	3,973,600,000	USD	6,961,458	24-Feb-15	62,139
USD	19,823,764	JPY	2,022,460,000	24-Feb-15	(181,037)
CLP	5,449,300,000	USD	9,504,317	25-Feb-15	126,825
MYR	46,388,000	USD	13,790,356	25-Feb-15	456,864
USD	75,521,492	JPY	7,736,000,000	25-Feb-15	(998,446)
CLP	3,043,220,000	USD	5,298,085	26-Feb-15	80,054
USD	39,569,185	EUR	28,811,066	26-Feb-15	71,417
USD	148,004,741	JPY	15,134,269,000	26-Feb-15	(1,695,838)
UYU	309,300,000	USD	12,322,709	26-Feb-15	198,769
MXN	109,621,300	USD	8,033,219	27-Feb-15	275,849
PLN	283,680,660	EUR	66,412,422	27-Feb-15	1,096,522
USD	167,122,142	EUR	121,764,748	27-Feb-15	191,096
USD	100,335,927	JPY	10,227,241,000	27-Feb-15	(827,702)
SEK	172,633,500	EUR	19,262,832	2-Mar-15	(623,900)
CLP	2,649,575,000	USD	4,572,963	3-Mar-15	107,438

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Total Return Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
PLN	113,777,000	EUR	26,698,815	3-Mar-15	346,243
USD	60,154,765	JPY	6,125,400,000	3-Mar-15	(437,317)
UYU	270,100,000	USD	10,743,835	3-Mar-15	172,531
MYR	62,200,000	USD	18,626,101	4-Mar-15	469,320
USD	28,362,567	JPY	2,894,400,000	4-Mar-15	(268,916)
MYR	55,200,000	USD	16,506,190	5-Mar-15	439,193
PLN	149,713,020	EUR	34,894,073	5-Mar-15	775,986
SGD	37,209,000	USD	29,351,582	5-Mar-15	504,047
USD	28,487,045	EUR	20,663,000	5-Mar-15	158,598
UYU	309,600,000	USD	12,285,714	6-Mar-15	214,622
GBP	4,829,338	USD	8,155,880	9-Mar-15	83,133
USD	365,683,758	EUR	266,129,214	9-Mar-15	819,614
USD	27,170,640	GBP	16,200,000	9-Mar-15	(467,103)
USD	171,950,572	JPY	17,583,306,860	9-Mar-15	(1,991,744)
GHS	12,750,000	USD	4,112,903	10-Mar-15	(719,657)
USD	49,643,701	EUR	35,858,000	10-Mar-15	481,988
MYR	484,446,597	USD	145,966,012	11-Mar-15	2,695,710
SGD	87,626,630	USD	69,385,248	11-Mar-15	925,037
KRW	85,991,310,000	USD	79,415,691	12-Mar-15	4,685,789
MYR	123,193,860	USD	36,838,066	12-Mar-15	964,024
PLN	157,248,740	EUR	36,707,769	12-Mar-15	717,482
CLP	2,388,810,000	USD	4,059,909	13-Mar-15	156,134
PLN	66,094,300	EUR	15,345,786	13-Mar-15	414,376
UYU	381,120,000	USD	15,087,886	13-Mar-15	264,449
MYR	280,600,000	USD	86,031,396	16-Mar-15	49,823
USD	51,677,601	EUR	37,290,000	16-Mar-15	550,969
PLN	239,207,608	EUR	55,391,179	17-Mar-15	1,686,262
USD	33,726,235	EUR	24,179,210	17-Mar-15	575,038
USD	20,774,355	JPY	2,125,673,513	17-Mar-15	(255,307)
SGD	59,130,000	USD	46,720,000	18-Mar-15	725,597
USD	250,141,193	EUR	180,106,702	18-Mar-15	3,202,415
MYR	874,546,000	USD	261,387,958	19-Mar-15	6,852,270
PLN	71,468,215	EUR	16,560,435	19-Mar-15	486,022
USD	68,046,342	EUR	48,961,600	19-Mar-15	916,236
USD	284,533,922	JPY	28,853,102,000	19-Mar-15	(919,984)
CLP	2,361,500,000	USD	4,005,937	20-Mar-15	159,333
MYR	49,275,000	USD	14,789,303	20-Mar-15	323,374
MYR	88,549,500	USD	26,476,155	23-Mar-15	677,069
PLN	82,575,900	EUR	19,210,399	23-Mar-15	451,510
USD	196,391,318	EUR	141,095,220	23-Mar-15	2,934,842
USD	92,498,551	JPY	9,445,582,000	24-Mar-15	(954,094)
USD	33,775,456	EUR	24,481,000	25-Mar-15	209,058
USD	133,843,982	JPY	13,667,830,850	25-Mar-15	(1,383,932)
MYR	90,074,500	USD	26,738,788	26-Mar-15	877,016
USD	3,387,789	EUR	2,460,000	26-Mar-15	14,815
UYU	407,900,000	USD	16,128,905	26-Mar-15	231,742
MYR	33,196,000	USD	9,862,151	30-Mar-15	313,014
MYR	217,390,000	USD	64,741,795	31-Mar-15	1,888,341
PLN	37,860,000	EUR	8,854,069	31-Mar-15	138,194
SEK	713,961,444	USD	109,571,351	31-Mar-15	(2,957,278)
USD	2,988,266	EUR	2,170,916	31-Mar-15	11,558
MYR	660,295,762	USD	202,519,863	1-Apr-15	(150,345)
MYR	401,340,000	USD	120,410,429	2-Apr-15	2,586,562
USD	31,837,011	EUR	23,096,239	2-Apr-15	167,533
SGD	32,500,000	USD	25,806,964	6-Apr-15	272,085
PLN	115,206,600	EUR	26,970,994	7-Apr-15	367,406
USD	38,254,551	EUR	27,720,188	7-Apr-15	243,315
PLN	64,139,769	EUR	15,045,688	9-Apr-15	161,236
MYR	73,540,000	USD	22,080,769	10-Apr-15	446,540
USD	45,084,051	EUR	32,701,000	10-Apr-15	241,887
USD	151,295,123	EUR	109,589,482	13-Apr-15	1,014,106
USD	74,918,775	EUR	54,052,000	14-Apr-15	796,241
KRW	86,129,982,260	USD	81,748,275	15-Apr-15	2,383,316
USD	13,594,560	EUR	9,800,000	15-Apr-15	155,534
USD	30,925,696	JPY	3,130,500,000	15-Apr-15	(55,551)
CLP	2,066,250,000	USD	3,644,180	16-Apr-15	(8,834)
USD	71,098,215	EUR	51,200,996	16-Apr-15	884,271
USD	169,125,659	JPY	17,184,520,000	17-Apr-15	(946,903)
USD	101,263,498	JPY	10,325,130,000	21-Apr-15	(928,216)
SEK	387,456,422	EUR	42,333,398	22-Apr-15	(206,017)
USD	40,097,487	EUR	29,039,052	22-Apr-15	273,309
USD	130,762,342	JPY	13,330,240,000	22-Apr-15	(1,173,852)
CLP	1,309,218,000	USD	2,264,104	28-Apr-15	36,708
USD	45,812,780	EUR	33,042,987	30-Apr-15	494,899

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Total Return Fund (continued)

Purchases		Sales		Maturity Date	Unrealised Profit/(Loss) USD
USD	219,783,055	EUR	158,341,000	7-May-15	2,609,797
CLP	2,324,300,000	USD	3,967,059	11-May-15	112,628
USD	63,174,323	JPY	6,397,790,000	12-May-15	(164,869)
USD	291,349,288	EUR	211,436,305	13-May-15	1,339,969
USD	147,327,954	JPY	14,949,586,000	13-May-15	(677,434)
SGD	37,800,000	USD	30,321,261	14-May-15	14,276
USD	98,320,290	EUR	71,379,000	14-May-15	415,015
USD	62,909,148	JPY	6,394,652,000	14-May-15	(400,676)
USD	210,967,767	EUR	153,775,000	15-May-15	44,443
USD	308,982,391	EUR	225,220,000	18-May-15	55,623
SGD	90,649,800	USD	72,557,570	19-May-15	192,516
USD	155,437,433	EUR	113,225,744	21-May-15	125,979
CLP	1,091,910,000	USD	1,921,024	22-May-15	(6,460)
USD	59,339,548	EUR	43,278,000	22-May-15	(25,213)
MXN	212,322,831	USD	15,968,925	26-May-15	30,384
PLN	81,674,000	EUR	19,136,364	27-May-15	167,252
RSD	1,199,000,000	EUR	9,700,647	27-May-15	(41,631)
SGD	57,544,000	USD	46,011,826	27-May-15	170,686
KRW	145,733,050,000	USD	140,235,806	29-May-15	1,901,109
MXN	189,825,730	USD	14,348,995	29-May-15	(47,755)
MYR	303,597,000	USD	92,484,877	29-May-15	258,408
SGD	139,500,292	USD	111,164,585	29-May-15	793,467
UYU	308,850,000	USD	12,083,333	29-May-15	65,115
USD	95,788,142	EUR	70,397,000	1-Jun-15	(783,159)
MYR	14,696,000	USD	4,469,179	2-Jun-15	19,167
CLP	312,770,000	USD	551,137	3-Jun-15	(3,344)
USD	549,177,362	JPY	55,720,633,500	3-Jun-15	(2,629,148)
CLP	6,549,300,000	USD	11,524,371	4-Jun-15	(54,862)
USD	233,943,357	JPY	23,878,130,560	4-Jun-15	(2,527,120)
CLP	4,398,585,000	USD	7,707,980	5-Jun-15	(5,653)
USD	31,232,632	EUR	22,932,290	5-Jun-15	(227,048)
MYR	14,772,000	USD	4,470,268	8-Jun-15	39,765
PLN	61,000,000	EUR	14,404,458	8-Jun-15	(41,627)
USD	5,182,174	EUR	3,800,000	8-Jun-15	(30,976)
SGD	128,545,000	USD	102,328,480	9-Jun-15	840,779
USD	94,482,618	EUR	69,276,400	9-Jun-15	(557,103)
USD	320,366,653	JPY	32,721,800,000	9-Jun-15	(3,706,416)
USD	653,994,705	JPY	66,811,010,000	10-Jun-15	(7,702,993)
PLN	10,997,000	EUR	2,628,597	11-Jun-15	(51,683)
USD	252,406,495	JPY	25,784,890,000	11-Jun-15	(2,971,046)
PLN	56,366,000	EUR	13,457,002	12-Jun-15	(243,828)
USD	122,935,810	EUR	90,613,850	12-Jun-15	(1,379,364)
PLN	233,691,030	EUR	55,561,348	15-Jun-15	(706,545)
USD	176,244,241	EUR	129,944,880	16-Jun-15	(2,035,376)
KRW	42,321,600,000	USD	40,933,939	17-Jun-15	316,443
USD	80,784,965	EUR	59,619,900	17-Jun-15	(1,011,965)
USD	85,734,180	JPY	8,721,004,000	17-Jun-15	(646,951)
MYR	175,700,000	USD	53,396,140	18-Jun-15	216,554
MYR	317,491,850	USD	96,145,554	22-Jun-15	711,375
USD	98,811,450	JPY	10,061,970,000	22-Jun-15	(858,577)
MYR	163,692,200	USD	49,810,486	23-Jun-15	124,124
PHP	2,160,520,000	USD	49,038,086	25-Jun-15	305,753
KRW	115,970,868,000	USD	112,363,984	26-Jun-15	636,644
MYR	326,124,500	USD	99,422,139	26-Jun-15	45,957
PHP	6,865,851,820	USD	155,596,515	26-Jun-15	1,209,606
KRW	25,437,000,000	USD	24,567,317	29-Jun-15	215,644
PHP	2,430,300,000	USD	55,222,795	29-Jun-15	279,416
USD	17,121,819	EUR	12,531,522	29-Jun-15	(72,638)
MYR	53,615,000	USD	16,328,115	30-Jun-15	20,801
PHP	878,965,960	USD	19,982,857	30-Jun-15	90,333
USD	47,639,683	JPY	4,827,210,000	30-Jun-15	(181,950)
MYR	460,720,620	USD	140,596,484	1-Jul-15	(116,035)
USD	75,112,558	JPY	7,590,800,000	1-Jul-15	(88,092)
					11,908,473
					128,018,152



## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 5 — Forward foreign exchange contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Total Return Fund (continued)

Unrealised Profit/(Loss)  
USD

The above contracts were opened with the following counterparties:

Bank of America	7,106,676
Barclays Bank	(53,019,472)
Citibank	31,623,981
Credit Suisse	19,561,479
Deutsche Bank	(886,254)
Goldman Sachs	(7,134,003)
HSBC Bank	63,225,906
JPMorgan Chase Bank	39,170,409
Morgan Stanley	(2,287,969)
Royal Bank of Scotland	18,557,568
The Bank of New York Mellon	2,172,841
UBS	7,870,937
Standard Chartered Bank	2,056,053

128,018,152

#### Templeton Latin America Fund

Purchases			Sales	Maturity Date	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
PLN	18,873,396	USD	6,209,279	15-Jul-14	(619)
EUR	26,751,570	BRL	81,994,700	25-Jul-14	(173,635)
EUR	7,046,668	MXN	124,544,300	25-Jul-14	71,817
EUR	25,949,340	USD	35,275,100	25-Jul-14	264,843
MXN	2,667,700	EUR	150,386	25-Jul-14	(783)

161,623

The above contracts were opened with the following counterparties:

Bank of America	164
Barclays Bank	20,726
Citibank	(392)
Credit Suisse	(232)
Deutsche Bank	141,477
Goldman Sachs	(95)
HSBC Bank	(708)
JPMorgan Chase Bank	16
Morgan Stanley	(104)
Royal Bank of Scotland	463
The Bank of New York Mellon	(11)
UBS	319

161,623

The list of the currency abbreviations is available in Note 28.

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 6 — Open positions on future contracts

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Brazil Opportunities Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Bond Future (55)	U.S. Treasury Note 10 years, Sep. 2014	JPMorgan Chase Bank	USD	(6,884,453)	(56,171)
Currency Future 691	USD/BRL, Aug. 2014	CM Capital Markets CCTVM	BRL	34,913,828	84,833
Deposit Future 428	BM&F One-Day Interbank Deposits Future, Jan. 15	CM Capital Markets CCTVM	BRL	18,353,254	22,468
1	BM&F One-Day Interbank Deposits Future, Aug. 14	CM Capital Markets CCTVM	BRL	44,804	1,094
(107)	BM&F One-Day Interbank Deposits Future, Jan. 16	CM Capital Markets CCTVM	BRL	(4,123,168)	(1,797)
455	BM&F One-Day Interbank Deposits Future, Jan. 21	CM Capital Markets CCTVM	BRL	9,829,546	(122,732)
					(100,967)
Equity Future (150)	Bovespa Index Future, Aug. 2014	CM Capital Markets CCTVM	BRL	(3,643,434)	11,130
					(61,175)

#### Franklin Global Allocation Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Bond Future 32	Australian 10 Yr. Bond Future, Sep. 2014	JPMorgan Chase Bank	AUD	3,636,722	82,144
34	Euro-BTP Futures, Sep. 2014	JPMorgan Chase Bank	EUR	5,875,105	109,381
(39)	Euro-Bund Future, Sep. 2014	JPMorgan Chase Bank	EUR	(7,851,591)	(110,556)
(38)	Long Gilt Futures, Sep. 2014	JPMorgan Chase Bank	GBP	(7,147,614)	22,057
(34)	mini-10 year JGB Future, Sep. 2014	JPMorgan Chase Bank	JPY	(4,887,972)	(15,364)
9	Ten-Year Government of Canada Bond Futures, Sep. 2014	JPMorgan Chase Bank	CAD	1,147,564	9,958
36	U.S. Treasury Note 10 years, Sep. 2014	JPMorgan Chase Bank	USD	4,506,188	5,802
(23)	U.S. Treasury Note 5 years, Sep. 2014	JPMorgan Chase Bank	USD	(2,747,602)	1,391
					104,813
Equity Future (1)	Amsterdam Index Future, Jul. 2014	JPMorgan Chase Bank	EUR	(113,185)	424
12	DAX Futures, Sep. 2014	JPMorgan Chase Bank	EUR	4,050,627	(34,510)
(7)	FTSE 100 Index Future, Sep. 2014	JPMorgan Chase Bank	GBP	(803,870)	2,455
4	FTSE/MIB Index Future, Sep. 2014	JPMorgan Chase Bank	EUR	583,468	(17,036)
16	IBEX 35 Index Futures, Jul. 2014	JPMorgan Chase Bank	EUR	2,378,570	(20,158)
(63)	mini MSCI Emerging Markets Index Futures, Sep. 2014	JPMorgan Chase Bank	USD	(3,278,205)	(21,075)
40	OMX Stockholm 30 Index, Jul. 2014	JPMorgan Chase Bank	SEK	825,912	(2,544)
12	S&P 500 E-Mini Index Futures, Sep. 2014	JPMorgan Chase Bank	USD	1,171,440	11,160
(1)	S&P/TSX 60 Index Futures, Sep. 2014	JPMorgan Chase Bank	CAD	(161,977)	(1,588)
(2)	SPI 200 Index Futures, Sep. 2014	JPMorgan Chase Bank	AUD	(252,535)	(1,226)
7	Swiss Market Index Future, Sep. 2014	JPMorgan Chase Bank	CHF	674,703	(8,051)
12	Topix Index Future, Sep. 2014	JPMorgan Chase Bank	JPY	1,495,484	38,251
					(53,898)
					50,915

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 6 — Open positions on future contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin U.S. Low Duration Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Bond Future					
(10)	CME Ultra Long Term U.S. Treasury Bond Futures, Sep. 2014	JPMorgan Chase Bank	USD	(1,499,375)	7,032
(463)	U.S. Treasury Note 10 years, Sep. 2014	JPMorgan Chase Bank	USD	(57,954,578)	217,031
(483)	U.S. Treasury Note 5 years, Sep. 2014	JPMorgan Chase Bank	USD	(57,699,633)	198,406
					422,469

#### Franklin U.S. Total Return Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Bond Future					
(52)	U.S. Treasury Note 2 years, Sep. 2014	JPMorgan Chase Bank	USD	(11,418,875)	(5,250)
(96)	U.S. Treasury Note 5 years, Sep. 2014	JPMorgan Chase Bank	USD	(11,468,250)	(24,215)
					(29,465)

#### Franklin Mutual Beacon Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Currency Future					
(2)	CHF/USD, Sep 2014	JPMorgan Chase Bank	USD	(282,175)	(2,050)
(84)	EUR/USD, Sep 2014	JPMorgan Chase Bank	USD	(14,382,900)	(155,725)
(111)	GBP/USD, Sep 2014	JPMorgan Chase Bank	USD	(11,859,656)	(219,449)
					(377,224)

### Note 7 — Open positions on interest rate swap contracts

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Brazil Opportunities Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
1,710,859	Receiving floating rate CDI Paying fixed rate 9.13%	Barclays Bank PLC	02-Jan-17	BRL	33,107

#### Franklin GCC Bond Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
100,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.72625%	Barclays Bank PLC	12-Nov-43	USD	(7,874)
250,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.655%	Barclays Bank PLC	27-Sep-43	USD	(16,182)
250,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.485%	JPMorgan Chase Bank	24-Apr-44	USD	(10,955)
					(35,011)

#### Franklin Global Allocation Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
220,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.018%	JPMorgan Chase Bank	22-Aug-23	USD	(9,044)
130,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.848%	JPMorgan Chase Bank	22-Aug-43	USD	(14,781)
					(23,825)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 7 — Open positions on interest rate swap contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Global Fundamental Strategies Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
1,010,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.34675%	Citigroup	25-Feb-41	USD	(195,759)
600,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.523%	Deutsche Bank	28-Mar-21	USD	(53,768)
430,000	Receiving floating rate USD-LIBOR Paying fixed rate 2.795%	Deutsche Bank	04-Oct-23	USD	(9,488)
430,000	Receiving floating rate USD-LIBOR Paying fixed rate 2.775%	Deutsche Bank	04-Oct-23	USD	(8,756)
210,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.668%	Deutsche Bank	04-Oct-43	USD	(14,128)
210,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.68655%	Deutsche Bank	04-Oct-43	USD	(14,896)
210,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.675%	HSBC Bank	07-Oct-43	USD	(14,418)
430,000	Receiving floating rate USD-LIBOR Paying fixed rate 2.765%	HSBC Bank	07-Oct-23	USD	(8,326)
1,280,000	Receiving floating rate EURIBOR Paying fixed rate 2.701%	HSBC Bank	14-Jun-16	EUR	(80,782)
830,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.215%	JPMorgan Chase Bank	11-Jan-41	USD	(140,308)
1,010,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.3494%	JPMorgan Chase Bank	25-Feb-41	USD	(196,258)
760,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.3201%	JPMorgan Chase Bank	28-Feb-41	USD	(144,803)
250,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.299%	JPMorgan Chase Bank	01-Mar-41	USD	(46,270)
330,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.5575%	JPMorgan Chase Bank	04-Mar-21	USD	(30,301)
					(958,261)

#### Templeton Asian Bond Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
11,430,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.668%	Deutsche Bank	04-Oct-43	USD	(768,940)
11,430,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.68655%	Deutsche Bank	04-Oct-43	USD	(810,746)
23,500,000	Receiving floating rate USD-LIBOR Paying fixed rate 2.795%	Deutsche Bank	04-Oct-23	USD	(518,554)
23,500,000	Receiving floating rate USD-LIBOR Paying fixed rate 2.775%	Deutsche Bank	04-Oct-23	USD	(478,523)
11,430,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.675%	HSBC Bank	07-Oct-43	USD	(784,776)
23,500,000	Receiving floating rate USD-LIBOR Paying fixed rate 2.765%	HSBC Bank	07-Oct-23	USD	(455,028)
151,580,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.391%	JPMorgan Chase Bank	04-May-21	USD	(12,247,350)
					(16,063,917)

#### Templeton Constrained Bond Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
214,000	Receiving floating rate USD-LIBOR Paying fixed rate 2.695%	Citigroup	09-May-24	USD	(1,628)
102,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.3875%	Citigroup	09-May-44	USD	(1,166)
					(2,794)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 7 — Open positions on interest rate swap contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Emerging Markets Balanced Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
340,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.018%	JPMorgan Chase Bank	22-Aug-23	USD	(13,977)
200,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.848%	JPMorgan Chase Bank	22-Aug-43	USD	(22,740)
					(36,717)

#### Templeton Emerging Markets Bond Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
62,460,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.44%	Citigroup	21-Apr-21	USD	(5,250,514)
10,460,000	Receiving floating rate USD-LIBOR Paying fixed rate 2.795%	Deutsche Bank	04-Oct-23	USD	(230,812)
10,460,000	Receiving floating rate USD-LIBOR Paying fixed rate 2.775%	Deutsche Bank	04-Oct-23	USD	(212,994)
5,090,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.68655%	Deutsche Bank	04-Oct-43	USD	(361,041)
5,090,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.668%	Deutsche Bank	04-Oct-43	USD	(342,424)
9,230,000	Receiving floating rate EURIBOR Paying fixed rate 3.276%	HSBC Bank	09-May-18	EUR	(1,345,756)
76,860,000	Receiving floating rate EURIBOR Paying fixed rate 2.701%	HSBC Bank	14-Jun-16	EUR	(4,850,704)
5,090,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.675%	HSBC Bank	07-Oct-43	USD	(349,476)
10,460,000	Receiving floating rate USD-LIBOR Paying fixed rate 2.765%	HSBC Bank	07-Oct-23	USD	(202,536)
53,310,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.391%	JPMorgan Chase Bank	04-May-21	USD	(4,307,337)
					(17,453,594)

#### Templeton Global Bond Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
34,400,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.3675%	Citigroup	20-Dec-40	USD	(6,787,945)
186,490,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.34675%	Citigroup	25-Feb-41	USD	(36,145,570)
365,200,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.523%	Deutsche Bank	28-Mar-21	USD	(32,726,918)
264,590,000	Receiving floating rate EURIBOR Paying fixed rate 2.701%	HSBC Bank	14-Jun-16	EUR	(16,698,515)
263,000,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.9625%	JPMorgan Chase Bank	23-Nov-40	USD	(32,055,770)
31,200,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.153%	JPMorgan Chase Bank	10-Dec-40	USD	(4,909,285)
194,540,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.215%	JPMorgan Chase Bank	11-Jan-41	USD	(32,886,274)
186,490,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.3494%	JPMorgan Chase Bank	25-Feb-41	USD	(36,237,827)
139,860,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.3201%	JPMorgan Chase Bank	28-Feb-41	USD	(26,647,618)
46,620,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.299%	JPMorgan Chase Bank	01-Mar-41	USD	(8,628,335)
94,430,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.5575%	JPMorgan Chase Bank	04-Mar-21	USD	(8,670,655)
					(242,394,712)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 7 — Open positions on interest rate swap contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Templeton Global Bond (Euro) Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) EUR
42,260,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.018%	JPMorgan Chase Bank	22-Aug-23	USD	(1,268,613)
24,150,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.848%	JPMorgan Chase Bank	22-Aug-43	USD	(2,005,067)
					(3,273,680)

#### Templeton Global High Yield Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
1,330,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.44%	Citigroup	21-Apr-21	USD	(111,803)

#### Templeton Global Income Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
820,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.848%	JPMorgan Chase Bank	22-Aug-43	USD	(93,234)
1,430,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.018%	JPMorgan Chase Bank	22-Aug-23	USD	(58,787)
					(152,021)

#### Templeton Global Total Return Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
45,640,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.34675%	Citigroup	25-Feb-41	USD	(8,845,964)
225,640,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.44%	Citigroup	21-Apr-21	USD	(18,967,756)
88,240,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.523%	Deutsche Bank	28-Mar-21	USD	(7,907,511)
234,540,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.668%	Deutsche Bank	04-Oct-43	USD	(15,778,404)
234,540,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.68655%	Deutsche Bank	04-Oct-43	USD	(16,636,258)
482,230,000	Receiving floating rate USD-LIBOR Paying fixed rate 2.795%	Deutsche Bank	04-Oct-23	USD	(10,640,944)
482,230,000	Receiving floating rate USD-LIBOR Paying fixed rate 2.775%	Deutsche Bank	04-Oct-23	USD	(9,819,495)
84,580,000	Receiving floating rate EURIBOR Paying fixed rate 3.276%	HSBC Bank	09-May-18	EUR	(12,331,968)
249,610,000	Receiving floating rate EURIBOR Paying fixed rate 2.701%	HSBC Bank	14-Jun-16	EUR	(15,753,113)
234,540,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.675%	HSBC Bank	07-Oct-43	USD	(16,103,369)
482,230,000	Receiving floating rate USD-LIBOR Paying fixed rate 2.765%	HSBC Bank	07-Oct-23	USD	(9,337,363)
83,070,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.0755%	JPMorgan Chase Bank	14-Jun-21	USD	(4,957,150)
45,640,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.3494%	JPMorgan Chase Bank	25-Feb-41	USD	(8,868,542)
34,230,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.3201%	JPMorgan Chase Bank	28-Feb-41	USD	(6,521,865)
11,410,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.299%	JPMorgan Chase Bank	01-Mar-41	USD	(2,111,740)
156,000,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.391%	JPMorgan Chase Bank	04-May-21	USD	(12,604,477)
403,420,000	Receiving floating rate USD-LIBOR Paying fixed rate 1.8115%	JPMorgan Chase Bank	14-Jun-16	USD	(9,817,915)
					(187,003,834)

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 8 — Open positions on inflation swap contracts

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Brazil Opportunities Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
17,108,000	Receiving floating rate CDI				
	Paying floating rate IGPM	BM&F BOVESPA SA	1-Aug-14	BRL	189,588
6,980,000	Receiving floating rate CDI				
	Paying floating rate IGPM	BM&F BOVESPA SA	1-Aug-14	BRL	76,306
6,452,000	Receiving floating rate CDI				
	Paying floating rate IGPM	BM&F BOVESPA SA	1-Aug-14	BRL	72,416
4,230,000	Receiving floating rate CDI				
	Paying floating rate IGPM	BM&F BOVESPA SA	1-Aug-14	BRL	45,656
2,908,000	Receiving floating rate IGPM				
	Paying floating rate CDI	BM&F BOVESPA SA	1-Aug-14	BRL	(34,742)
48,400,000	Receiving floating rate IPCA				
	Paying floating rate CDI	BM&F BOVESPA SA	15-Aug-14	BRL	44,877
40,000,000	Receiving floating rate IPCA				
	Paying floating rate CDI	BM&F BOVESPA SA	15-Aug-14	BRL	35,394
29,200,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-Aug-14	BRL	(42,998)
28,700,000	Receiving floating rate IPCA				
	Paying floating rate CDI	BM&F BOVESPA SA	15-Aug-14	BRL	26,921
28,700,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-Aug-14	BRL	(3,749)
26,100,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-Aug-14	BRL	(24,623)
10,000,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-Aug-14	BRL	(2,408)
10,000,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-Aug-14	BRL	(6,870)
7,400,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-Aug-14	BRL	(7,198)
5,925,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-Aug-14	BRL	(11,666)
5,925,000	Receiving floating rate IPCA				
	Paying floating rate CDI	BM&F BOVESPA SA	15-Aug-14	BRL	7,490
5,700,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-Aug-14	BRL	(11,574)
40,900,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-Jan-15	BRL	112,740
20,800,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-Jan-15	BRL	(33,414)
20,670,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-Jan-15	BRL	43,309
17,600,000	Receiving floating rate IPCA				
	Paying floating rate CDI	BM&F BOVESPA SA	15-May-15	BRL	56,951
12,973,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-May-15	BRL	(30,443)
10,000,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-May-15	BRL	30,737
10,000,000	Receiving floating rate IPCA				
	Paying floating rate CDI	BM&F BOVESPA SA	15-May-15	BRL	56,448
7,784,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-May-15	BRL	(22,090)
9,050,000	Receiving floating rate IPCA				
	Paying floating rate CDI	BM&F BOVESPA SA	15-Aug-16	BRL	88,294
7,000,000	Receiving floating rate IPCA				
	Paying floating rate CDI	BM&F BOVESPA SA	17-Aug-20	BRL	(449,683)
7,000,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	17-Aug-20	BRL	352,931
6,040,000	Receiving floating rate IPCA				
	Paying floating rate CDI	BM&F BOVESPA SA	15-Aug-22	BRL	(392,253)
6,040,000	Receiving floating rate IPCA				
	Paying floating rate CDI	BM&F BOVESPA SA	15-Aug-22	BRL	384,470
5,000,000	Receiving floating rate CDI				
	Paying floating rate IPCA	BM&F BOVESPA SA	15-Dec-27	BRL	731,324
5,000,000	Receiving floating rate IPCA				
	Paying floating rate CDI	BM&F BOVESPA SA	15-Dec-27	BRL	(534,235)
					747,906

CDI: Brazilian Interbank Certificate Index  
 IGPM: Brazilian General Market Price Index  
 IPCA: Brazilian National Consumer Price Index

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 9 — Open positions on cross currency swap contracts

As at June 30, 2014, the Company had no open cross currency swap contracts.

### Note 10 — Open positions on total return swap contracts

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Multi-Asset Income Fund

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) EUR
USD	2,000,000	Performance of the Dow-Jones-UBS Commodity Index	0.15% per annum of the Notional Amount	JPMorgan Chase Bank	08-May-15	(20,929)

### Note 11 — Open positions on credit default swap contracts

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Brazil Opportunities Fund

Nominal	Description	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
200,000	Government of Brazil, Sep. 2017	Barclays Bank	Sell	USD	601	3,828
1,660,000	Government of Brazil, Sep. 2019	Deutsche Bank	Sell	USD	(35,636)	113
					(35,035)	3,941

#### Franklin Real Return Fund

Nominal	Description	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
332,500	LCDX.NA.19, Dec. 2017	Barclays Bank	Sell	USD	13,739	9,050
194,000	LCDX.NA.20, Jun. 2018	Credit Suisse International	Sell	USD	8,060	2,483
					21,799	11,533

#### Franklin Strategic Income Fund

Nominal	Description	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
10,000,000	Government of China, Mar. 2019	Barclays Bank	Sell	USD	147,135	126,879
29,070,000	LCDX.NA.19, Dec. 2017	Barclays Bank	Sell	USD	1,201,164	1,036,705
4,850,000	LCDX.NA.20, Jun. 2018	Barclays Bank	Sell	USD	201,502	19,627
24,000,000	MCDX.NA.21, Dec. 2018	Citigroup	Sell	USD	(59,930)	394,266
4,963,917	CMBX.NA.AJ, Mar. 2049	Credit Suisse International	Sell	USD	(367,145)	361,248
5,000,000	Government of Brazil, Mar. 2019	Credit Suisse International	Sell	USD	(70,667)	179,282
9,500,000	LCDX.NA.19, Dec. 2017	Credit Suisse International	Sell	USD	392,537	143,162
58,103,000	LCDX.NA.20, Jun. 2018	Credit Suisse International	Sell	USD	2,413,988	447,919
92,070,000	LCDX.NA.21, Dec. 2018	Credit Suisse International	Sell	USD	4,159,686	(150,527)
15,675,000	LCDX.NA.19, Dec. 2017	Deutsche Bank	Sell	USD	647,686	559,008
3,500,000	Government of China, Mar. 2019	Goldman Sachs International	Sell	USD	51,497	39,591
39,600,000	LCDX.NA.21, Dec. 2018	Goldman Sachs International	Sell	USD	1,789,112	(129,013)
					10,506,565	3,028,147



## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2014 (CONTINUED)

#### Note 11 — Open positions on credit default swap contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin U.S. Low Duration Fund

Nominal	Description	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
3,200,000	Berkshire Hathaway Inc., Sep. 2015	Bank of America	Sell	USD	37,117	1,978
7,000,000	Hospitality Properties Trust, Mar. 2017	Bank of America	Buy	USD	(816,240)	113,217
3,000,000	DISH DBS Corp., 5.00%, Mar. 2016	Barclays Bank	Buy	USD	(232,610)	39,634
3,460,000	First Data Corp., Mar. 2015	Barclays Bank	Buy	USD	(110,561)	59,014
3,700,000	First Data Corp., Mar. 2016	Barclays Bank	Sell	USD	255,793	196,068
3,000,000	Ford Motor Credit Co. LLC, Mar. 2019	Barclays Bank	Sell	USD	580,116	(16,280)
15,105,000	LCDX.NA.19, Dec. 2017	Barclays Bank	Sell	USD	624,134	563,554
11,688,500	LCDX.NA.20, Jun. 2018	Barclays Bank	Sell	USD	485,619	18,079
3,500,000	PACTIV LLC, Jun. 2017	Barclays Bank	Buy	USD	(367,447)	(136,440)
4,900,000	Tenet Healthcare Corp., Dec. 2016	Barclays Bank	Buy	USD	(456,186)	(5,223)
3,500,000	Tenet Healthcare Corp., Dec. 2018	Barclays Bank	Sell	USD	367,812	131,120
8,250,000	MCDX.NA.21, Dec. 2018	Citigroup	Sell	USD	(20,601)	141,534
3,000,000	Bank of America Corp., Sep. 2017	Credit Suisse International	Sell	USD	47,009	53,755
3,000,000	Bank of America Corp., Sep. 2017	Credit Suisse International	Buy	USD	(47,981)	(54,727)
5,000,000	Centex Corp., Jun. 2016	Credit Suisse International	Buy	USD	(486,338)	(132,828)
1,886,289	CMBX.NA.AJ, Mar. 2049	Credit Suisse International	Sell	USD	(139,515)	140,636
6,460,000	CMBX.NA.AM, Mar. 2049	Credit Suisse International	Sell	USD	(71,421)	20,685
4,465,000	LCDX.NA.19, Dec. 2017	Credit Suisse International	Sell	USD	184,492	(16,433)
12,610,000	LCDX.NA.20, Jun. 2018	Credit Suisse International	Sell	USD	523,904	129,841
31,284,000	LCDX.NA.21, Dec. 2018	Credit Suisse International	Sell	USD	1,413,399	113,158
4,000,000	PSEG POWER LLC, Jun. 2019	Credit Suisse International	Sell	USD	5,796	9,652
800,000	Constellation Brands Inc., Jun. 2017	Deutsche Bank	Buy	USD	(106,027)	(435)
1,040,000	First Data Corp., Mar. 2015	Deutsche Bank	Buy	USD	(33,232)	19,257
800,000	First Data Corp., Mar. 2016	Deutsche Bank	Sell	USD	55,307	59,667
7,000,000	International Lease Finance Corp. 20, Sep. 2015	Deutsche Bank	Buy	USD	(389,798)	61,293
10,877,500	LCDX.NA.19, Dec. 2017	Deutsche Bank	Sell	USD	449,455	405,830
3,000,000	Lennar Corp., Jun. 2016	Deutsche Bank	Buy	USD	(261,428)	82,390
6,000,000	Government of Hungary, Mar. 2015	Deutsche Bank	Buy	USD	(212,728)	182,310
8,000,000	Springleaf Finance Corp., Dec. 2015	Goldman Sachs International	Buy	USD	(489,663)	(6,350)
7,800,000	Berkshire Hathaway Inc., Sep. 2017	Goldman Sachs International	Sell	USD	191,610	194,781
3,122,000	CNA Financial Corp., Dec. 2014	Goldman Sachs International	Buy	USD	(73,254)	236,913
2,000,000	Constellation Brands Inc., Dec. 2014	Goldman Sachs International	Buy	USD	(46,082)	80,342
10,000,000	Constellation Brands Inc., Sep. 2016	Goldman Sachs International	Buy	USD	(1,035,832)	290,271
5,000,000	Ford Motor Credit Co. LLC, Jun. 2015	Goldman Sachs International	Buy	USD	(238,466)	185,985
7,326,000	LCDX.NA.21, Dec. 2018	Goldman Sachs International	Sell	USD	330,986	28,788
3,619,000	The New York Times Co., Dec. 2016	Goldman Sachs International	Buy	USD	(409,461)	(233,232)
3,045,000	Toll Brothers Inc., Jun. 2015	Goldman Sachs International	Buy	USD	(143,839)	194,743
3,000,000	USG Corp., Dec. 2016	Goldman Sachs International	Buy	USD	(309,552)	(69,851)
					(945,713)	3,082,696

#### Franklin U.S. Total Return Fund

Nominal	Description	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
270,000	First Data Corp., Mar. 2015	Barclays Bank	Buy	USD	(8,628)	3,852
300,000	First Data Corp., Mar. 2016	Barclays Bank	Sell	USD	20,740	16,759
2,755,000	LCDX.NA.19, Dec. 2017	Barclays Bank	Sell	USD	113,836	74,990
2,667,500	LCDX.NA.20, Jun. 2018	Barclays Bank	Sell	USD	110,826	3,399
280,000	Tenet Healthcare Corp., Dec. 2016	Barclays Bank	Buy	USD	(26,068)	(298)
200,000	Tenet Healthcare Corp., Dec. 2018	Barclays Bank	Sell	USD	21,018	7,493
500,000	Bank of America Corp., Sep. 2017	Credit Suisse International	Buy	USD	(7,997)	(13,377)
500,000	Bank of America Corp., Sep. 2017	Credit Suisse International	Sell	USD	7,835	13,215
300,000	Berkshire Hathaway Inc., Mar. 2018	Credit Suisse International	Sell	USD	7,894	9,742
500,000	CITIGROUP Inc., Sep. 2020	Credit Suisse International	Sell	USD	5,932	3,204
134,026	CMBX.NA.AJ, Mar. 2049	Credit Suisse International	Sell	USD	(9,913)	10,275
480,000	CMBX.NA.AM, Mar. 2049	Credit Suisse International	Sell	USD	(5,306)	1,538
194,000	LCDX.NA.20, Jun. 2018	Credit Suisse International	Sell	USD	8,060	2,967
1,881,000	LCDX.NA.21, Dec. 2018	Credit Suisse International	Sell	USD	84,983	(157)
300,000	PSEG Power LLC, Jun. 2019	Credit Suisse International	Sell	USD	435	724

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 11 — Open positions on credit default swap contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin U.S. Total Return Fund (continued)

Nominal	Description	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
300,000	Berkshire Hathaway Inc., Sep. 2017	Deutsche Bank	Sell	USD	7,370	10,383
800,000	Constellation Brands Inc., Jun. 2017	Deutsche Bank	Buy	USD	(106,027)	(435)
130,000	First Data Corp., Mar. 2015	Deutsche Bank	Buy	USD	(4,154)	2,407
100,000	First Data Corp., Mar. 2016	Deutsche Bank	Sell	USD	6,913	7,458
500,000	Freeport-McMoRan Copper & Gold Inc., Mar. 2023	Deutsche Bank	Sell	USD	(30,306)	2,898
1,000,000	CIT GROUP Inc., Jun. 2017	Goldman Sachs International	Buy	USD	(117,658)	8,604
600,000	MCDX.NA.22, Jun. 2024	Goldman Sachs International	Sell	USD	(11,151)	3,928
					68,634	169,569

### Note 12 — Open positions on options contracts

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin Brazil Opportunities Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Market value USD	Unrealised profit/(loss) USD
Currency option						
Purchase	U.S. Dollar Spot Option, Call Option, Strike Price 2350, Jul. 2014	Banco Itau	BRL	79	2	(13,234)
Purchase	U.S. Dollar Spot Option, Put Option, Strike Price 2175, Jul. 2014	Unibanco	BRL	74	208	(2,168)
Sale	U.S. Dollar Spot Option, Call Option, Strike Price 2350, Jul. 2014*	Banco Itau	BRL	(79)	(2)	13,390
Sale	U.S. Dollar Spot Option, Put Option, Strike Price 2150, Jul. 2014**	Unibanco	BRL	(74)	(4)	6,679
					204	4,667

\* The total base commitment for this written option is USD 4,192,069.73

\*\* The total base commitment for this written option is USD 3,592,557.47

#### Franklin U.S. Low Duration Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Market value USD	Unrealised profit/(loss) USD
Currency option						
Purchase	EUR/PLN, Put Option, Strike Price 4.13, Oct. 2014	Barclays Bank	EUR	3,411,986	29,110	(2,430)
Purchase	USD/KRW, Call Option, Strike Price 1040, Oct. 2014	Barclays Bank	USD	3,500,000	17,623	(75,449)
Purchase	USD/KRW, Call Option, Strike Price 1068, Dec. 2014	Barclays Bank	USD	1,700,000	8,403	(5,962)
Purchase	USD/MXN, Call Option, Strike Price 13.80, Dec. 2014	Citigroup	USD	1,200,000	9,415	(2,849)
Purchase	USD/MYR, Call Option, Strike Price 3.37, Dec. 2014	Citigroup	USD	1,200,000	6,836	(2,427)
Sale	USD/KRW, Call Option, Strike Price 1100, Oct. 2014*	Barclays Bank	USD	(3,500,000)	(1,148)	34,002
					70,239	(55,115)
Swaption						
Purchase	CDX.NA.HY.22, Put Option, Strike Price 103, Sep. 2014	Citigroup	USD	8,100,000	9,535	(28,957)
Purchase	CDX.NA.IG.22, Put Option, Strike Price 90, Sep. 2014	Bank of America	USD	25,000,000	8,650	(27,600)
					18,185	(56,557)
					88,424	(111,672)

\* The total base commitment for this written option is USD 3,804,949.40

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 12 — Open positions on options contracts (continued)

As at June 30, 2014, the Company had entered into the following outstanding contracts:

#### Franklin U.S. Total Return Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Market value USD	Unrealised profit/(loss) USD
Swaption Purchase	CDX.NA.IG.22, Put Option, Strike Price 90, Sep. 2014	Bank of America	USD	2,000,000	692	(2,208)
Purchase	CDX.NA.HY.22, Put Option, Strike Price 103, Sep. 2014	Citigroup	USD	600,000	706	(2,145)
Purchase	IRS, Put Option, Strike Price 3.1, Dec. 2014	HSBC Bank	USD	7,000,000	58,842	(3,983)
					60,240	(8,336)

#### Templeton Global Equity Income Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Market value USD	Unrealised profit/(loss) USD
Equity Option Sale	Hewlett-Packard Co., Call Option, Strike Price 34, Jul. 2014*	Bank of America	USD	(529)	(22,848)	10,479

\* The total base commitment for this written option is USD 1,781,672

### Note 13 — Securities lending

During the year, the Company participated in a securities lending programme with MS Equity Finance Services I (Cayman) Ltd.

As at June 30, 2014, the market value of the securities on loan and the corresponding collateral received were as follows:

	Fund currency	Market value of securities on loan in Fund currency	Market value of sovereign bonds received as collateral in Fund currency
Templeton European Fund	EUR	2,036,605	2,377,289
Templeton Global Fund	USD	2,245,059	2,620,613

During the year, the securities lending programme generated the following revenues and expenses:

	Fund currency	Gross earnings in Fund currency	Direct and indirect operational costs and fees in Fund currency	Net earnings in Fund currency
Franklin Euroland Core Fund	EUR	20,289	1,623	18,666
Franklin Global Growth and Value Fund	USD	10,838	868	9,970
Franklin Mutual Beacon Fund	USD	47	4	43
Franklin Mutual Euroland Fund	EUR	7,358	589	6,769
Franklin Mutual European Fund	EUR	1,060,640	84,851	975,789
Franklin Mutual Global Discovery Fund	USD	65,670	5,254	60,416
Templeton Euroland Fund	EUR	112,105	8,969	103,136
Templeton European Fund	EUR	165,167	13,214	151,953
Templeton Global Fund	USD	299,250	23,940	275,310
Templeton Global (Euro) Fund	EUR	97,635	7,811	89,824
Templeton Global Balanced Fund	USD	144,058	11,525	132,533
Templeton Global Equity Income Fund	USD	61,835	4,947	56,888
Templeton Growth (Euro) Fund	EUR	992,172	79,374	912,798

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2014 (CONTINUED)

#### Note 14 — Investment management fees

The Investment Managers, as noted on pages 4 to 6, receive from the Company a monthly fee equivalent to a certain percentage per annum (as detailed below) of each Fund's average daily net assets during the accounting year. When Funds invest in other Franklin Templeton funds, a management fee is not applied to the amounts invested. The following percentages apply in respect of the different Funds as at June 30, 2014. No management fee is payable by an investor on the acquisition of Class X shares, instead a fee is paid to the Investment Manager or affiliates under a separate agreement.

	Class I	Class S	Class W	Other Classes except Class X
Franklin Asian Flex Cap Fund	0.700%			1.000%
Franklin Biotechnology Discovery Fund	0.700%		0.750%	1.000%
Franklin Brazil Opportunities Fund	0.700%			1.000%
Franklin Euro Government Bond Fund	0.350%			0.500%
Franklin Euro High Yield Fund	0.600%		0.700%	0.800%
Franklin Euro Short Duration Bond Fund	0.300%		0.350%	0.450%
Franklin Euroland Core Fund	0.700%			1.000%
Franklin European Core Fund	0.700%			1.000%
Franklin European Corporate Bond Fund	0.400%		0.500%	0.650%
Franklin European Dividend Fund	0.700%			1.000%
Franklin European Growth Fund	0.700%		0.750%	1.000%
Franklin European Small-Mid Cap Growth Fund	0.700%		0.750%	1.000%
Franklin GCC Bond Fund	0.550%			0.750%
Franklin Global Aggregate Bond Fund	0.400%		0.500%	0.650%
Franklin Global Aggregate Investment Grade Bond Fund	0.400%			0.650%
Franklin Global Allocation Fund	0.700%			1.000%
Franklin Global Convertible Securities Fund	0.600%		0.650%	0.750%
Franklin Global Corporate High Yield Fund	0.600%			
Franklin Global Equity Strategies Fund			0.750%	1.250%
Franklin Global Fundamental Strategies Fund	0.700%			1.000%
Franklin Global Government Bond Fund	0.400%			0.600%
Franklin Global Growth Fund	0.700%		0.750%	1.000%
Franklin Global Growth and Value Fund	0.700%			1.000%
Franklin Global High Income Bond Fund	0.600%		0.700%	0.800%
Franklin Global Listed Infrastructure Fund	0.700%		0.750%	1.000%
Franklin Global Real Estate Fund	0.700%		0.750%	1.000%
Franklin Global Small-Mid Cap Growth Fund	0.700%		0.750%	1.000%
Franklin Gold and Precious Metals Fund	0.700%			1.000%
Franklin High Yield Fund	0.600%			0.800%
Franklin Income Fund	0.600%			0.850%
Franklin India Fund	0.700%	0.625%	0.750%	1.000%
Franklin Japan Fund	0.700%		0.750%	1.000%
Franklin MENA Fund	1.050%		1.150%	1.500%
Franklin Multi-Asset Income Fund	0.600%			0.850%
Franklin Natural Resources Fund	0.700%			1.000%
Franklin Real Return Fund				0.750%
Franklin Strategic Income Fund	0.550%			0.750%
Franklin Technology Fund	0.700%		0.750%	1.000%
Franklin U.S. Dollar Liquid Reserve Fund	0.200%			0.300%
Franklin U.S. Equity Fund	0.700%		0.750%	1.000%
Franklin U.S. Focus Fund	0.700%			1.000%
Franklin U.S. Government Fund	0.400%		0.500%	0.650%
Franklin U.S. Low Duration Fund	0.400%			0.650%
Franklin U.S. Opportunities Fund	0.700%		0.750%	1.000%
Franklin U.S. Small-Mid Cap Growth Fund	0.700%			1.000%
Franklin U.S. Total Return Fund	0.550%			0.750%
Franklin World Perspectives Fund	0.700%		0.750%	1.000%
Franklin Mutual Beacon Fund	0.700%			1.000%
Franklin Mutual Euroland Fund				1.000%
Franklin Mutual European Fund	0.700%		0.750%	1.000%
Franklin Mutual Global Discovery Fund	0.700%		0.750%	1.000%
Templeton Africa Fund	1.100%		1.250%	1.600%
Templeton Asian Bond Fund	0.550%	0.475%	0.650%	0.750%
Templeton Asian Dividend Fund	0.900%		1.000%	1.350%
Templeton Asian Growth Fund	0.900%		1.000%	1.350%
Templeton Asian Smaller Companies Fund	0.900%		1.000%	1.350%
Templeton BRIC Fund	1.100%		1.250%	1.600%
Templeton China Fund	1.100%		1.250%	1.600%
Templeton Constrained Bond Fund	0.400%			0.600%
Templeton Eastern Europe Fund	1.100%		1.250%	1.600%
Templeton Emerging Markets Fund	1.100%		1.250%	1.600%
Templeton Emerging Markets Balanced Fund	0.900%		1.000%	1.300%
Templeton Emerging Markets Bond Fund	0.700%		0.800%	1.000%
Templeton Emerging Markets Smaller Companies Fund	1.100%		1.250%	1.600%
Templeton Euro Liquid Reserve Fund	0.200%			0.300%
Templeton Euro Short-Term Money Market Fund	0.200%			0.250%
Templeton Euroland Fund	0.700%			1.000%
Templeton European Fund	0.700%		0.750%	1.000%
Templeton European Total Return Fund	0.550%		0.550%	0.750%
Templeton Frontier Markets Fund	1.100%		1.250%	1.600%
Templeton Global Fund	0.700%		0.750%	1.000%
Templeton Global (Euro) Fund	0.700%		0.750%	1.000%
Templeton Global Balanced Fund	0.600%		0.700%	0.800%
Templeton Global Bond Fund	0.550%	0.475%	0.650%	0.750%
Templeton Global Bond (Euro) Fund	0.550%		0.650%	0.750%
Templeton Global Equity Income Fund	0.700%			1.000%
Templeton Global High Yield Fund	0.600%			0.850%
Templeton Global Income Fund	0.600%			0.850%
Templeton Global Smaller Companies Fund	0.700%			1.000%
Templeton Global Total Return Fund	0.550%	0.475% / 0.550%	0.650%	0.750%
Templeton Growth (Euro) Fund	0.700%			1.000%
Templeton Korea Fund	1.100%			1.600%
Templeton Latin America Fund	1.000%		1.100%	1.400%
Templeton Thailand Fund	1.100%		1.250%	1.600%

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 15 — Soft commission

Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by the Investment Managers to broker-dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker-dealers.

The receipt of investment research and information and related services permits the Investment Managers to supplement their own research and analysis and makes available to them the views and information of individuals and research staffs of other firms.

Such related services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment.

### Note 16 — Connected party transactions

Certain Directors of the Company are or may also be Officers and/or Directors of one or more of the various Investment Managers of the Funds, among others, Franklin Templeton Investment Management Limited, Templeton Asset Management Limited and Templeton Global Advisors Limited and the Registrar and Transfer, Corporate, Domiciliary and Administrative Agent, Franklin Templeton International Services S.à r.l., and the Commission Payer, Lightning Finance Limited/SG Constellation One Inc. All transactions with connected parties were entered into in the ordinary course of business and under normal commercial terms.

The investment management fees that are accrued by the Company in respect of the Management Company are detailed in note 14 to the financial statements.

There are no connected brokers in Franklin Templeton Investments, and no transactions were entered into with connected brokers during the year ended June 30, 2014.

The Company accrued fees in respect of:

- ▶ Franklin Templeton International Services S.A. as the Registrar and Transfer, Corporate, Domiciliary and Administrative Agent until December 31, 2013, and Franklin Templeton International Services S.à r.l. as Management Company from January 1, 2014 to June 30, 2014.
- ▶ Templeton Global Advisors Limited as the Principal Distributor of the Funds for the period until December 31, 2013 and Franklin Templeton International Services S.à r.l. from January 1, 2014 to June 30, 2014.

### Note 17 — Taxation

Under current tax laws and practice, the Company is not liable in the Grand Duchy of Luxembourg to any taxes on income or on realised or unrealised capital gains.

The Company is liable in the Grand Duchy of Luxembourg to a tax of 0.05% per annum, such tax being paid quarterly, and calculated on the net asset value of each Fund at the end of each relevant quarter (except the Templeton Euro Liquid Reserve Fund, the Templeton Euro Short-Term Money Market Fund and the Franklin U.S. Dollar Liquid Reserve Fund for which the rate is 0.01%). This tax is not applicable for the portion of the assets of a Fund invested in other undertakings for collective investment that have already been subject to such tax. Class I shares and Class X shares may benefit from a reduced rate of 0.01% per annum if all shareholders of these share classes are institutional investors.

Investment income received or capital gains realised by the Company may be subject to tax in the countries of origin. All liabilities in respect of taxes payable on unrealised capital gains on investments are provided for as soon as there is a reasonable certainty that a liability will crystallise.

No stamp duty or other tax is payable in the Grand Duchy of Luxembourg on the issue of shares in the Company.

The Company is registered for Value Added Tax in the Grand Duchy of Luxembourg and subject to account for Value Added Tax in accordance with current laws.

The Company has obtained U.K. Reporting Fund status for certain share classes of the Funds. Details of all share classes holding U.K. Reporting Fund status can be found on our U.K. website: [www.franklintempleton.co.uk](http://www.franklintempleton.co.uk).

### Note 18 — Share classes

**Class A (acc) shares:** No distribution of dividends is made in respect of Class A (acc) shares but the net income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as those which apply for Class A (dis) shares.

**Class A (dis) shares:** are offered at the applicable net asset value, plus an initial charge of up to 5.75% of the total amount invested varying per asset class. In addition, a maintenance charge of up to 0.50% per annum of the applicable average net asset value is deducted and paid to the Principal Distributor. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor. A contingent deferred sales charge of up to 1%, retained by the Principal Distributor, applies to certain redemptions on qualified investments of USD 1 million or more within 18 months after repurchase.

**Class AX (acc) shares:** are offered at the applicable net asset value, plus an initial charge of up to 5.75% of the total amount invested varying per asset class. In addition, a maintenance charge of up to 0.50% per annum of the applicable average net asset value is deducted and paid to the Principal Distributor. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor. No distribution of dividends is made in respect of Class AX (acc) shares but the net income attributable is reflected in the increased value of the shares. A contingent deferred sales charge of up to 1% applies to certain redemptions on qualified investments of USD 1 million or more within 18 months after repurchase.

**Class B (acc) shares:** No distribution of dividends is made in respect of Class B (acc) shares but the net income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as those which apply for Class B (dis) shares.

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 18 — Share classes (continued)

**Class B (dis) shares:** are not subject to an initial charge but are subject to a contingent deferred sales charge up to 4% if an investor sells shares within 4 years of purchase. In addition, a maintenance charge of up to 0.75% per annum of the applicable average net asset value and a servicing charge of 1.06% per annum of the applicable average net asset value are applied. These charges are accrued daily and are deducted and paid monthly to the Principal Distributor and/or other parties. Starting from 2011, shares will be automatically converted into Class A shares of the same Fund 7 years after their purchase as more fully disclosed in the prospectus.

**Class C (acc) shares:** No distribution of dividends is made but the net income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as the those which apply for Class C (dis) shares.

**Class C (dis) shares:** are not subject to an initial charge but are subject to a contingent deferred sales charge of 1.00% if an investor redeems shares within one year of purchase. In addition, a servicing charge (during the first year of investment) and a maintenance charge (from the second and subsequent years of investment) of 1.08% per annum of the applicable average net asset value is deducted. These charges are accrued daily and are deducted and paid monthly to the Principal Distributor and/or other party.

**Class I (acc) shares:** No distribution of dividends is made but the net income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as those which apply for Class I (dis) shares.

**Class I (dis) shares:** are offered to institutional investors as more fully described in the current prospectus and addendum of the Company. Purchases of Class I (dis) shares are not subject to an initial sales charge, nor a contingent deferred sales charge or any maintenance or servicing charges. Class I (dis) shares benefit from a reduced Investment Management fee (note 14).

**Class N (acc) shares:** No distribution of dividends is made but the net income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as these which apply for Class N (dis) shares.

**Class N (dis) shares:** are subject to an initial charge of up to 3% of the total amount invested. In addition, a maintenance charge of up to 1.25% per annum of the applicable average net asset value is accrued daily and is deducted and paid monthly to the Principal Distributor. Class N (dis) shares may be offered in certain limited circumstances as more fully described in the current prospectus and addendum of the Company.

**Class S (acc) shares:** No distribution of dividends is made but the net income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as these which apply for Class S (dis) shares.

**Class S (dis) shares:** are not subject to an entry charge, contingent deferred sales charge nor any maintenance or servicing charge. Class S (dis) shares may be offered in certain limited circumstances as more fully described in the current prospectus and addendum of the Company.

**Class W (acc) shares:** No distribution of dividends is made but the net income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as these which apply for Class W (dis) shares.

**Class W (dis) shares:** are not subject to an entry charge, contingent deferred sales charge nor any maintenance or servicing charge. Class W (dis) shares may be offered in certain limited circumstances as more fully described in the current prospectus and addendum of the Company.

**Class X (acc) shares:** No distribution of dividends is made but the net income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as these which apply for Class X (dis) shares.

**Class X (dis) shares:** are not subject to an initial charge and no management fees will be payable by an investor on the acquisition of Class X shares (instead a fee is paid to the Investment Manager or affiliates under an agreement between the Investment Manager and the investor). Class X shares are offered to institutional investors in certain limited circumstances as more fully described in the current prospectus and addendum of the Company.

**Class Z (acc) shares:** No distribution of dividends is made but the net income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as these which apply for Class Z (dis) shares.

**Class Z (dis) shares:** are not subject to an initial charge, contingent deferred sales charge nor any maintenance or servicing charge. Class Z (dis) shares may be offered in certain limited circumstances as more fully described in the current prospectus and addendum of the Company.

**Alternative currency hedged share classes:** In respect of hedged share classes, either the base currency exposure of the hedged share class may be hedged into the Fund hedged share class' alternative currency to reduce exchange rate fluctuations and to reduce return fluctuations (H1), or a hedging strategy may be applied in order to reduce the risk of currency movements between the currency of the hedged share class and other material currencies of the securities held by said Fund (H2). Hedged share classes using the first methodology contain the abbreviation H1 in their denomination whereas hedged share classes using the second methodology contain the abbreviation H2.

The above mentioned distributing share classes may have different frequencies: Mdis share classes distribute monthly, Qdis share classes distribute quarterly and Ydis share classes distribute annually.

### Note 19 — Expenses reimbursement

On a daily basis, for share classes where the expenses are capped, the level of expenses is calculated and compared to the cap and where the level of expenses is higher than the cap, this difference is booked as a decrease of expense (the "waiver fees"). On a monthly basis the waiver fees are deducted from the fees received by Franklin Templeton International Services S.à r.l.

The amount of waiver fees is disclosed as "Expenses reimbursement" in the "Statement of Operations and Changes in Net Assets".

### Note 20 — Statement of changes in the investment portfolio

A list, specifying for each Fund total purchases and sales transacted during the year under review, may be obtained, upon request, at the registered office of the Company.

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 21 — Transaction costs

Transaction costs are costs incurred to acquire and dispose of financial assets or liabilities. They include fees and commissions paid to agents, brokers and dealers. No transaction costs are charged by the Custodian. During the year ended June 30, 2014 the Company incurred the following transaction costs:

Fund	Currency	Amount	Fund	Currency	Amount
Franklin Asian Flex Cap Fund	USD	11,160	Franklin U.S. Low Duration Fund	USD	39,630
Franklin Biotechnology Discovery Fund	USD	3,012,963	Franklin U.S. Opportunities Fund	USD	2,439,359
Franklin Brazil Opportunities Fund	USD	172,854	Franklin U.S. Small-Mid Cap Growth Fund	USD	164,450
Franklin Euro Government Bond Fund	EUR	—*	Franklin U.S. Total Return Fund	USD	437
Franklin Euro High Yield Fund	EUR	25,155	Franklin World Perspectives Fund	USD	352,882
Franklin Euro Short Duration Bond Fund	EUR	—*	Franklin Mutual Beacon Fund	USD	330,574
Franklin Euroland Core Fund	EUR	41,217	Franklin Mutual Euroland Fund	EUR	20,914
Franklin European Core Fund	EUR	8,547	Franklin Mutual European Fund	EUR	3,437,569
Franklin European Corporate Bond Fund	EUR	—*	Franklin Mutual Global Discovery Fund	USD	1,427,052
Franklin European Dividend Fund	EUR	62,442	Templeton Africa Fund	USD	362,821
Franklin European Growth Fund	EUR	4,557,882	Templeton Asian Bond Fund	USD	—*
Franklin European Small-Mid Cap Growth Fund	EUR	775,335	Templeton Asian Dividend Fund	USD	11,221
Franklin GCC Bond Fund	USD	—*	Templeton Asian Growth Fund	USD	9,554,735
Franklin Global Aggregate Bond Fund	USD	—*	Templeton Asian Smaller Companies Fund	USD	877,976
Franklin Global Aggregate Investment Grade Bond Fund	USD	—*	Templeton BRIC Fund	USD	1,686,059
Franklin Global Allocation Fund	USD	43,093	Templeton China Fund	USD	1,151,793
Franklin Global Convertible Securities Fund	USD	11,165	Templeton Constrained Bond Fund	USD	—*
Franklin Global Corporate High Yield Fund	USD	40	Templeton Eastern Europe Fund	EUR	719,598
Franklin Global Equity Strategies Fund	USD	71,079	Templeton Emerging Markets Fund	USD	3,189,642
Franklin Global Fundamental Strategies Fund	USD	701,180	Templeton Emerging Markets Balanced Fund	USD	192,937
Franklin Global Government Bond Fund	USD	—*	Templeton Emerging Markets Bond Fund	USD	—*
Franklin Global Growth Fund	USD	155,165	Templeton Emerging Markets Smaller Companies Fund	USD	328,087
Franklin Global Growth and Value Fund	USD	83,469	Templeton Euro Liquid Reserve Fund	EUR	—*
Franklin Global High Income Bond Fund	USD	—*	Templeton Euro Short-Term Money Market Fund	EUR	—*
Franklin Global Listed Infrastructure Fund	USD	5,072	Templeton Euroland Fund	EUR	153,190
Franklin Global Real Estate Fund	USD	268,118	Templeton European Fund	EUR	372,737
Franklin Global Small-Mid Cap Growth Fund	USD	342,201	Templeton European Total Return Fund	EUR	—*
Franklin Gold and Precious Metals Fund	USD	174,456	Templeton Frontier Markets Fund	USD	3,441,747
Franklin High Yield Fund	USD	229,596	Templeton Global Fund	USD	1,145,309
Franklin Income Fund	USD	667,289	Templeton Global (Euro) Fund	EUR	284,560
Franklin India Fund	USD	2,811,487	Templeton Global Balanced Fund	USD	520,549
Franklin Japan Fund	JPY	80,357,693	Templeton Global Bond Fund	USD	—*
Franklin MENA Fund	USD	1,437,359	Templeton Global Bond (Euro) Fund	EUR	—*
Franklin Multi-Asset Income Fund	EUR	13,476	Templeton Global Equity Income Fund	USD	318,964
Franklin Natural Resources Fund	USD	166,289	Templeton Global High Yield Fund	USD	—*
Franklin Real Return Fund	USD	987	Templeton Global Income Fund	USD	954,907
Franklin Strategic Income Fund	USD	7,504	Templeton Global Smaller Companies Fund	USD	209,910
Franklin Technology Fund	USD	583,814	Templeton Global Total Return Fund	USD	—*
Franklin U.S. Dollar Liquid Reserve Fund	USD	—*	Templeton Growth (Euro) Fund	EUR	2,512,076
Franklin U.S. Equity Fund	USD	479,409	Templeton Korea Fund	USD	210,125
Franklin U.S. Focus Fund	USD	25,696	Templeton Latin America Fund	USD	1,618,763
Franklin U.S. Government Fund	USD	—*	Templeton Thailand Fund	USD	321,734

\*For debt securities and derivatives, transaction costs are not separately identifiable from the purchase price of the security and therefore cannot be disclosed separately.

### Note 22 — Equalisation

The Funds use an accounting practice known as equalisation, by which a portion of the proceeds from issue and costs of redemption of shares, equivalent on a per share basis to the amount of undistributed net investment income on the date of the transaction, is credited or charged to undistributed income which is disclosed as equalisation in the "Statement of Operations and Changes in Net Assets". As a result, undistributed net investment income per share is unaffected by issue or redemptions of shares.

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 23 — Dividends distributed

For the year ended June 30, 2014, the following amounts per share were paid out to distributing share class shareholders. Accumulated dividends have not been paid out and are reflected as an increase in the “Issue of shares” account in the “Statement of Operations and Changes in Net Assets”.

	Annual Distribution Jul-2013	Jul- 2013	Aug- 2013	Sep- 2013	Oct- 2013	Nov- 2013	Dec- 2013	Jan- 2014	Feb- 2014	Mar- 2014	Apr- 2014	May- 2014	Jun- 2014
<b>Franklin Asian Flex Cap Fund</b>													
A (Ydis) USD		–											
<b>Franklin Brazil Opportunities Fund</b>													
A (Qdis) USD		–			0.245			0.099			–		
A (Qdis) HKD		–			0.245			0.073			–		
N (Qdis) USD		–			0.245			–			–		
<b>Franklin Euro Government Bond Fund</b>													
A (Ydis) EUR	0.191												
I (Qdis) EUR		0.022			0.042			0.040			0.036		
<b>Franklin Euro High Yield Fund</b>													
A (Mdis) EUR		0.025	0.027	0.026	0.027	0.024	0.026	0.025	0.023	0.031	0.022	0.021	0.022
A (Mdis) USD		0.042	0.045	0.044	0.045	0.043	0.044	0.043	0.040	0.054	0.038	0.037	0.038
A (Ydis) EUR	0.341												
B (Mdis) EUR		0.033	0.036	0.035	0.036	0.031	0.035	0.031	0.030	0.044	0.026	0.025	0.026
B (Mdis) USD		0.031	0.034	0.033	0.034	0.031	0.033	0.031	0.029	0.044	0.025	0.026	0.025
I (Ydis) EUR	0.580												
<b>Franklin Euro Short Duration Bond Fund</b>													
A (Ydis) EUR*													
<b>Franklin European Core Fund</b>													
A (Ydis) EUR	0.127												
<b>Franklin European Corporate Bond Fund</b>													
A (Ydis) EUR	0.219												
I (Ydis) EUR	0.273												
N (Ydis) EUR	0.131												
<b>Franklin European Dividend Fund</b>													
A (Ydis) EUR	0.425												
<b>Franklin European Growth Fund</b>													
A (Ydis) GBP	0.132												
<b>Franklin GCC Bond Fund</b>													
A (Mdis) USD*					0.017	0.023	0.028	0.030	0.029	0.031	0.030	0.031	0.027
B (Mdis) USD*					0.005	0.011	0.015	0.018	0.016	0.017	0.015	0.015	0.014
<b>Franklin Global Aggregate Bond Fund</b>													
A (Mdis) USD		0.011	0.018	0.014	0.012	0.013	0.011	0.012	0.012	0.013	0.012	–	0.013
A (Mdis) EUR		0.012	0.013	0.012	0.012	0.013	0.013	0.011	0.012	0.013	0.012	0.013	0.014
A (Qdis) GBP-H1		0.058			0.035			0.035			0.037		
A (Ydis) EUR-H1	0.171												
I (Qdis) EUR-H1		0.074			0.050			0.050			0.053		
I (Qdis) GBP-H1		0.074			0.051			0.052			0.053		
<b>Franklin Global Allocation Fund</b>													
A (Qdis) GBP		–			–			–			–		
A (Ydis) EUR	0.001												
A (Ydis) EUR-H1	0.001												
I (Ydis) EUR-H1	0.081												
<b>Franklin Global Convertible Securities Fund</b>													
A (Ydis) EUR	0.123												
A (Ydis) EUR-H1	0.117												
<b>Franklin Global Corporate High Yield Fund</b>													
I (Ydis) EUR*													
I (Ydis) EUR-H1*													
<b>Franklin Global Equity Strategies Fund</b>													
A (Ydis) EUR	0.001												
<b>Franklin Global Fundamental Strategies Fund</b>													
A (Ydis) EUR	0.083												
N (Ydis) EUR	0.029												
<b>Franklin Global Government Bond Fund</b>													
A (Mdis) USD*					0.001	0.010	0.010	0.001	0.009	0.009	0.011	0.015	0.015
A (Mdis) EUR*					0.001	0.010	0.009	0.001	0.010	0.008	0.012	0.015	0.015
N (Mdis) USD*					–	–	0.004	–	–	0.001	0.006	0.010	0.009



## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 23 — Dividends distributed (continued)

	Annual Distribution Jul-2013	Jul- 2013	Aug- 2013	Sep- 2013	Oct- 2013	Nov- 2013	Dec- 2013	Jan- 2014	Feb- 2014	Mar- 2014	Apr- 2014	May- 2014	Jun- 2014
<b>Franklin Global High Income Bond Fund</b>													
A (Mdis) USD		0.047	0.047	0.047	0.047	0.047	0.047	0.050	0.050	0.050	0.050	0.050	0.048
A (Mdis) HKD		0.047	0.047	0.047	0.047	0.047	0.047	0.050	0.050	0.050	0.050	0.050	0.048
A (Mdis) SGD		0.047	0.047	0.047	0.047	0.046	0.047	0.050	0.050	0.050	0.050	0.050	0.048
A (Mdis) SGD-H1		0.047	0.047	0.047	0.047	0.047	0.047	0.050	0.050	0.050	0.050	0.050	0.048
<b>Franklin Global Listed Infrastructure Fund</b>													
A (Mdis) SGD-H1		0.014	0.023	0.023	0.024	0.022	0.023	0.024	0.023	0.024	0.024	0.024	0.025
A (Qdis) USD		0.042			0.099			0.097			0.040		
A (Ydis) EUR	0.071												
W (Qdis) GBP		0.043			0.095			0.092			0.037		
<b>Franklin Global Real Estate Fund</b>													
A (Qdis) USD		0.063			0.050			0.052			0.054		
A (Qdis) SGD		0.043			0.038			0.038			0.041		
A (Ydis) EUR-H1	0.240												
B (Qdis) USD		—			0.050			0.050			0.053		
C (Qdis) USD		0.064			0.050			0.051			0.054		
W (Qdis) USD*								0.049			0.058		
<b>Franklin Gold and Precious Metals Fund</b>													
A (Ydis) EUR	—												
A (Ydis) EUR-H1	—												
I (Ydis) USD	—												
<b>Franklin High Yield Fund</b>													
A (Mdis) USD		0.035	0.033	0.034	0.032	0.032	0.034	0.033	0.033	0.034	0.032	0.028	0.030
A (Mdis) AUD-H1		0.053	0.050	0.048	0.045	0.045	0.049	0.049	0.048	0.048	0.044	0.041	0.041
A (Mdis) SGD-H1		0.044	0.041	0.043	0.041	0.039	0.043	0.042	0.041	0.043	0.040	0.036	0.036
B (Mdis) USD		0.027	0.025	0.025	0.025	0.023	0.026	0.025	0.024	0.026	0.024	0.020	0.020
I (Mdis) USD		0.060	0.058	0.059	0.058	0.056	0.060	0.058	0.058	0.059	0.057	0.051	0.052
N (Mdis) USD		0.044	0.042	0.042	0.041	0.041	0.042	0.041	0.041	0.043	0.040	0.035	0.036
Z (Mdis) USD		0.055	0.052	0.053	0.052	0.051	0.054	0.052	0.051	0.054	0.051	0.046	0.046
<b>Franklin Income Fund</b>													
A (Mdis) USD		0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032
A (Mdis) EUR-H1*						—	0.026	0.026	0.026	0.026	0.026	0.026	0.026
A (Mdis) SGD-H1		0.023	0.023	0.023	0.023	0.023	0.023	0.023	0.023	0.023	0.023	0.023	0.023
B (Mdis) USD		0.018	0.018	0.018	0.018	0.018	0.018	0.017	0.018	0.017	0.017	0.017	0.017
C (Mdis) USD		0.034	0.034	0.034	0.034	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033
I (Ydis) EUR-H1*													
N (Mdis) EUR-H1*										0.021	0.021	0.021	0.021
Z (Mdis) USD		0.033	0.033	0.033	0.034	0.034	0.034	0.034	0.034	0.034	0.034	0.034	0.034
<b>Franklin India Fund</b>													
A (Ydis) EUR	—												
A (Ydis) GBP	—												
I (Ydis) EUR	0.082												
<b>Franklin Japan Fund</b>													
A (Ydis) EUR	0.004												
A (Ydis) GBP	—												
<b>Franklin MENA Fund</b>													
A (Ydis) USD	0.068												
A (Ydis) GBP	—												
I (Ydis) USD	0.117												
<b>Franklin Multi-Asset Income Fund</b>													
A (Qdis) EUR		0.035			0.083			0.055			0.103		
A (Ydis) EUR	0.047												
I (Qdis) EUR		0.063			0.086			0.056			0.103		
<b>Franklin Natural Resources Fund</b>													
A (Ydis) USD	—												
A (Ydis) EUR-H1	—												
<b>Franklin Real Return Fund</b>													
A (Ydis) EUR-H1	0.001												
<b>Franklin Strategic Income Fund</b>													
A (Mdis) USD		0.024	0.026	0.027	0.027	0.029	0.029	0.028	0.028	0.031	0.029	0.032	0.025
A (Mdis) AUD-H1		0.023	0.025	0.025	0.023	0.026	0.027	0.026	0.026	0.027	0.026	0.028	0.024
A (Mdis) EUR		0.019	0.020	0.020	0.020	0.021	0.021	0.021	0.021	0.022	0.021	0.023	0.019
A (Mdis) EUR-H1		0.022	0.023	0.024	0.024	0.025	0.025	0.025	0.025	0.027	0.026	0.028	0.022
B (Mdis) USD		0.011	0.012	0.012	0.014	0.014	0.014	0.013	0.014	0.018	0.014	0.017	0.011
C (Mdis) USD		0.018	0.021	0.021	0.022	0.023	0.023	0.022	0.022	0.026	0.024	0.026	0.019
I (Ydis) USD*													
N (Mdis) EUR-H1*										0.018	0.020	0.022	0.017

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 23 — Dividends distributed (continued)

	Annual Distribution Jul-2013	Jul- 2013	Aug- 2013	Sep- 2013	Oct- 2013	Nov- 2013	Dec- 2013	Jan- 2014	Feb- 2014	Mar- 2014	Apr- 2014	May- 2014	Jun- 2014
<b>Franklin U.S. Dollar Liquid Reserve Fund</b>													
A (Mdis) USD		-	-	-	-	-	-	-	-	-	-	-	-
B (Mdis) USD		-	-	-	-	-	-	-	-	-	-	-	-
<b>Franklin U.S. Government Fund</b>													
A (Mdis) USD		0.014	0.013	0.015	0.018	0.017	0.018	0.019	0.018	0.021	0.021	0.021	0.019
A (Mdis) HKD		0.015	0.014	0.016	0.019	0.018	0.019	0.020	0.019	0.022	0.022	0.022	0.020
A (Mdis) SGD-H1		0.015	0.014	0.016	0.019	0.018	0.019	0.020	0.019	0.022	0.022	0.022	0.020
B (Mdis) USD		0.004	0.003	0.005	0.008	0.007	0.008	0.009	0.008	0.011	0.011	0.011	0.009
I (Mdis) USD		0.019	0.018	0.020	0.024	0.023	0.024	0.025	0.024	0.027	0.027	0.027	0.025
I (Mdis) JPY-H1		1.903	1.797	1.999	2.311	2.210	2.312	2.410	2.312	2.618	2.616	2.617	2.414
N (Mdis) USD		0.009	0.008	0.010	0.013	0.012	0.013	0.014	0.013	0.016	0.016	0.016	0.014
W (Mdis) USD		0.018	0.017	0.019	0.022	0.021	0.022	0.023	0.022	0.025	0.025	0.025	0.023
Z (Mdis) USD		0.017	0.016	0.018	0.021	0.020	0.021	0.022	0.021	0.025	0.025	0.025	0.022
<b>Franklin U.S. Low Duration Fund</b>													
A (Mdis) USD		0.001	0.002	0.004	0.006	0.005	0.007	0.004	0.005	0.006	0.006	0.005	0.005
B (Mdis) USD		-	-	-	-	-	-	-	-	-	-	-	-
C (Mdis) USD		-	-	-	-	-	-	-	-	-	-	-	-
N (Mdis) USD		-	-	-	-	-	-	-	-	-	-	-	-
<b>Franklin U.S. Opportunities Fund</b>													
A (Ydis) EUR		-											
A (Ydis) GBP		-											
X (Ydis) USD		0.026											
<b>Franklin U.S. Total Return Fund</b>													
A (Mdis) USD		0.014	0.016	0.015	0.018	0.018	0.018	0.018	0.017	0.018	0.020	0.017	0.017
C (Mdis) USD		0.007	0.009	0.008	0.011	0.010	0.011	0.011	0.009	0.012	0.013	0.010	0.009
I (Mdis) USD		0.019	0.020	0.020	0.022	0.023	0.023	0.023	0.021	0.023	0.025	0.021	0.022
N (Mdis) USD		0.008	0.009	0.009	0.011	0.011	0.012	0.012	0.010	0.013	0.013	0.011	0.010
<b>Franklin World Perspectives Fund</b>													
A (Ydis) GBP		-											
<b>Franklin Mutual Beacon Fund</b>													
A (Ydis) USD		0.143											
<b>Franklin Mutual European Fund</b>													
A (Ydis) EUR		0.243											
A (Ydis) GBP		0.209											
B (Ydis) EUR		-											
I (Ydis) EUR		0.331											
W (Ydis) EUR*													
<b>Franklin Mutual Global Discovery Fund</b>													
A (Ydis) EUR		0.106											
A (Ydis) GBP		0.091											
<b>Templeton Africa Fund</b>													
A (Ydis) EUR		0.139											
A (Ydis) EUR-H1		0.142											
<b>Templeton Asian Bond Fund</b>													
A (Mdis) USD		0.028	0.025	0.030	0.031	0.031	0.033	0.035	0.029	0.033	0.040	0.036	0.040
A (Mdis) AUD-H1		0.021	0.019	0.021	0.021	0.022	0.024	0.025	0.022	0.023	0.027	0.025	0.028
A (Mdis) EUR		0.021	0.019	0.023	0.023	0.023	0.024	0.025	0.022	0.024	0.029	0.026	0.029
A (Mdis) SGD		0.020	0.017	0.022	0.022	0.021	0.023	0.025	0.021	0.024	0.028	0.025	0.028
A (Mdis) SGD-H1		0.020	0.018	0.022	0.022	0.022	0.023	0.025	0.022	0.024	0.028	0.026	0.028
B (Mdis) USD		0.011	0.007	0.013	0.015	0.013	0.015	0.017	0.012	0.018	0.022	0.018	0.022
C (Mdis) USD		0.019	0.015	0.021	0.023	0.022	0.024	0.025	0.020	0.026	0.031	0.026	0.031
I (Mdis) EUR		0.027	0.025	0.028	0.029	0.029	0.030	0.031	0.028	0.029	0.035	0.032	0.035
N (Mdis) USD		0.020	0.016	0.022	0.024	0.023	0.024	0.027	0.021	0.026	0.032	0.027	0.032
W (Mdis) USD		0.025	0.023	0.025	0.027	0.027	0.028	0.029	0.026	0.028	0.034	0.030	0.033
X (Ydis) USD		0.346											
<b>Templeton Asian Dividend Fund</b>													
A (Mdis) USD		0.016	0.022	0.022	0.022	0.020	0.021	0.019	0.020	0.023	0.025	0.029	0.029
A (Mdis) SGD-H1		0.027	0.024	0.024	0.022	0.023	0.022	0.020	0.022	0.024	0.026	0.030	0.030
A (Qdis) EUR		0.096			0.065			0.049			0.067		
A (Ydis) EUR		0.126											
W (Qdis) GBP		0.128			0.080			0.061			0.066		

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 23 — Dividends distributed (continued)

	Annual Distribution Jul-2013	Jul- 2013	Aug- 2013	Sep- 2013	Oct- 2013	Nov- 2013	Dec- 2013	Jan- 2014	Feb- 2014	Mar- 2014	Apr- 2014	May- 2014	Jun- 2014
<b>Templeton Asian Growth Fund</b>													
A (Ydis) USD	0.102												
A (Ydis) EUR	0.092												
A (Ydis) GBP	0.067												
I (Ydis) EUR-H2	0.160												
W (Ydis) EUR*													
X (Ydis) USD*													
Z (Ydis) USD	0.075												
Z (Ydis) EUR-H1	0.094												
<b>Templeton Asian Smaller Companies Fund</b>													
A (Ydis) USD	0.031												
X (Ydis) USD*													
<b>Templeton BRIC Fund</b>													
A (Ydis) EUR	—												
A (Ydis) GBP	—												
<b>Templeton China Fund</b>													
A (Ydis) EUR	0.068												
A (Ydis) GBP	0.087												
I (Ydis) GBP	0.146												
W (Ydis) EUR	0.134												
Z (Ydis) EUR	0.103												
<b>Templeton Constrained Bond Fund</b>													
A (Mdis) USD*						— 0.002	0.004	0.002	0.005	0.004	0.005	0.005	0.004
A (Mdis) EUR*						— 0.002	0.004	0.002	0.005	0.004	0.005	0.005	0.004
N (Mdis) USD*						—	—	—	—	—	—	—	—
<b>Templeton Eastern Europe Fund</b>													
A (Ydis) EUR	—												
A (Ydis) GBP	—												
B (Ydis) EUR	—												
<b>Templeton Emerging Markets Fund</b>													
A (Ydis) USD	0.113												
<b>Templeton Emerging Markets Balanced Fund</b>													
A (Qdis) USD		0.091			0.070			0.045			0.059		
A (Qdis) GBP		0.099			0.073			0.046			0.060		
A (Qdis) GBP-H1		0.091			0.068			0.045			0.058		
A (Qdis) SGD-H1		0.091			0.069			0.045			0.058		
A (Ydis) EUR	0.291												
A (Ydis) EUR-H1	0.248												
B (Mdis) USD		0.003	0.008	0.024	0.006	0.017	—	—	—	0.008	0.019	0.010	0.010
I (Ydis) EUR-H1	0.327												
W (Qdis) GBP		0.127			0.097			0.066			0.082		
Z (Qdis) GBP		0.121			0.091			0.061			0.074		
<b>Templeton Emerging Markets Bond Fund</b>													
A (Mdis) USD		0.049	0.051	0.052	0.054	0.058	0.069	0.055	0.051	0.068	0.071	0.057	0.049
A (Mdis) AUD-H1		0.044	0.046	0.045	0.043	0.049	0.059	0.048	0.046	0.057	0.057	0.049	0.041
A (Mdis) HKD		0.043	0.048	0.047	0.050	0.053	0.062	0.050	0.047	0.062	0.064	0.053	0.044
A (Mdis) SGD-H1		0.041	0.044	0.043	0.045	0.048	0.057	0.046	0.044	0.056	0.058	0.048	0.040
A (Qdis) USD		0.251			0.272			0.313			0.329		
A (Qdis) EUR		0.191			0.205			0.228			0.243		
A (Qdis) GBP		0.142			0.148			0.165			0.172		
A (Ydis) EUR-H1	0.644												
B (Mdis) USD		0.036	0.039	0.039	0.042	0.045	0.057	0.043	0.038	0.058	0.058	0.045	0.037
B (Qdis) USD		0.167			0.188			0.225			0.242		
I (Qdis) USD		0.232			0.245			0.279			0.289		
I (Qdis) GBP-H1		0.154			0.160			0.181			0.193		
I (Ydis) EUR-H1	0.739												
W (Qdis) USD		0.141			0.150			0.171			0.176		
W (Qdis) EUR*								0.130			0.188		
W (Qdis) GBP*					0.122			0.164			0.167		
W (Qdis) GBP-H1		0.158			0.164			0.187			0.199		
Z (Mdis) USD		0.046	0.049	0.049	0.051	0.054	0.064	0.053	0.048	0.063	0.066	0.053	0.047
Z (Qdis) GBP-H1		0.150			0.158			0.179			0.191		
<b>Templeton Emerging Markets Smaller Companies Fund</b>													
A (Ydis) USD	0.078												
A (Ydis) GBP	0.104												

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 23 — Dividends distributed (continued)

	Annual Distribution Jul-2013	Jul- 2013	Aug- 2013	Sep- 2013	Oct- 2013	Nov- 2013	Dec- 2013	Jan- 2014	Feb- 2014	Mar- 2014	Apr- 2014	May- 2014	Jun- 2014
<b>Templeton Euro Liquid Reserve Fund</b>													
A (Ydis) EUR	–												
<b>Templeton Euroland Fund</b>													
A (Ydis) EUR	0.139												
B (Ydis) EUR	0.030												
<b>Templeton European Fund</b>													
A (Ydis) USD	0.283												
<b>Templeton European Total Return Fund</b>													
A (Mdis) EUR		0.016	0.015	0.016	0.018	0.016	0.017	0.016	0.016	0.014	0.014	0.013	0.014
A (Mdis) USD		0.021	0.021	0.021	0.023	0.023	0.022	0.023	0.022	0.019	0.019	0.019	0.018
N (Mdis) EUR		0.012	0.012	0.012	0.013	0.013	0.012	0.013	0.012	0.010	0.009	0.009	0.009
<b>Templeton Frontier Markets Fund</b>													
A (Ydis) USD	0.264												
A (Ydis) GBP	0.272												
I (Ydis) GBP	0.467												
Z (Ydis) EUR-H1	0.192												
<b>Templeton Global Fund</b>													
A (Ydis) USD	0.163												
W (Ydis) USD*													
X (Ydis) USD*													
<b>Templeton Global (Euro) Fund</b>													
A (Ydis) EUR	0.091												
<b>Templeton Global Balanced Fund</b>													
A (Qdis) USD		0.122			0.026			0.004			0.031		
C (Qdis) USD		0.054			–			–			–		
I (Ydis) USD	0.223												
X (Ydis) USD*													
<b>Templeton Global Bond Fund</b>													
A (Mdis) USD		0.032	0.035	0.036	0.040	0.042	0.040	0.043	0.040	0.041	0.047	0.046	0.045
A (Mdis) AUD-H1		0.019	0.020	0.020	0.022	0.022	0.023	0.024	0.023	0.022	0.026	0.025	0.025
A (Mdis) CAD-H1		0.016	0.018	0.020	0.021	0.022	0.021	0.023	0.022	0.022	0.025	0.024	0.023
A (Mdis) EUR		0.025	0.026	0.027	0.030	0.031	0.030	0.031	0.030	0.029	0.034	0.033	0.033
A (Mdis) EUR-H1		0.021	0.021	0.024	0.025	0.026	0.027	0.027	0.026	0.025	0.031	0.029	0.029
A (Mdis) GBP		0.021	0.023	0.023	0.025	0.026	0.024	0.026	0.025	0.024	0.029	0.027	0.027
A (Mdis) GBP-H1		0.016	0.019	0.018	0.019	0.022	0.022	0.020	0.022	0.021	0.024	0.023	0.023
A (Mdis) HKD		0.018	0.018	0.019	0.022	0.022	0.022	0.024	0.021	0.022	0.026	0.025	0.024
A (Mdis) RMB-H1		0.160	0.184	0.179	0.200	0.221	0.201	0.216	0.213	0.206	0.244	0.248	0.223
A (Mdis) SGD		0.018	0.019	0.020	0.022	0.022	0.022	0.023	0.022	0.023	0.025	0.025	0.024
A (Mdis) SGD-H1		0.020	0.021	0.023	0.024	0.025	0.025	0.027	0.024	0.025	0.030	0.028	0.027
A (Ydis) CHF-H1	0.260												
A (Ydis) EUR	0.380												
A (Ydis) EUR-H1	0.249												
B (Mdis) USD		0.006	0.008	0.010	0.015	0.015	0.015	0.017	0.013	0.018	0.022	0.020	0.018
C (Mdis) USD		0.014	0.016	0.017	0.021	0.021	0.021	0.022	0.020	0.022	0.025	0.025	0.024
I (Mdis) EUR		0.026	0.028	0.029	0.030	0.032	0.031	0.031	0.032	0.030	0.034	0.034	0.033
I (Mdis) GBP		0.024	0.028	0.027	0.028	0.031	0.028	0.029	0.029	0.028	0.031	0.032	0.030
I (Mdis) GBP-H1		0.023	0.026	0.025	0.027	0.029	0.028	0.028	0.029	0.027	0.032	0.031	0.031
I (Mdis) JPY		2.357	2.747	2.634	2.915	3.102	3.032	3.312	3.141	2.995	3.532	3.510	3.281
I (Mdis) JPY-H1		1.987	2.295	2.266	2.483	2.662	2.605	2.764	2.543	2.459	2.923	2.882	2.704
I (Ydis) EUR	0.410												
I (Ydis) EUR-H1	0.311												
N (Mdis) USD		0.011	0.012	0.013	0.015	0.015	0.015	0.017	0.014	0.016	0.019	0.018	0.017
N (Mdis) EUR-H1		0.015	0.017	0.018	0.021	0.021	0.022	0.022	0.021	0.022	0.027	0.025	0.025
N (Ydis) EUR-H1	0.174												
W (Mdis) USD		0.018	0.020	0.020	0.023	0.024	0.021	0.024	0.022	0.022	0.026	0.025	0.024
W (Mdis) EUR*						0.004	0.023	0.023	0.024	0.022	0.026	0.026	0.024
W (Mdis) GBP		0.021	0.023	0.022	0.024	0.026	0.023	0.025	0.024	0.023	0.026	0.027	0.025
W (Mdis) GBP-H1		0.020	0.024	0.022	0.025	0.027	0.025	0.026	0.026	0.025	0.029	0.029	0.027
W (Ydis) EUR*													
W (Ydis) EUR-H1	0.086												
Z (Mdis) USD		0.019	0.020	0.021	0.023	0.023	0.024	0.024	0.023	0.023	0.027	0.025	0.026
Z (Mdis) GBP-H1		0.020	0.022	0.021	0.023	0.026	0.023	0.025	0.025	0.023	0.027	0.028	0.026
Z (Ydis) EUR-H1	0.282												
<b>Templeton Global Bond (Euro) Fund</b>													
A (Ydis) EUR	0.265												
<b>Templeton Global Equity Income Fund</b>													
A (Qdis) USD		0.178			0.080			0.080			0.080		
A (Qdis) SGD		0.106			0.052			0.049			0.049		
B (Qdis) USD		0.176			0.070			0.079			0.079		
I (Ydis) USD*													

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 23 — Dividends distributed (continued)

	Annual Distribution Jul-2013	Jul- 2013	Aug- 2013	Sep- 2013	Oct- 2013	Nov- 2013	Dec- 2013	Jan- 2014	Feb- 2014	Mar- 2014	Apr- 2014	May- 2014	Jun- 2014
<b>Templeton Global High Yield Fund</b>													
A (Mdis) USD		0.043	0.041	0.043	0.043	0.041	0.044	0.043	0.040	0.044	0.043	0.038	0.035
A (Mdis) EUR		0.033	0.031	0.032	0.033	0.029	0.034	0.030	0.030	0.032	0.031	0.028	0.026
<b>Templeton Global Income Fund</b>													
A (Mdis) SGD-H1*						–	0.013	0.006	0.006	0.016	0.014	0.011	0.055
A (Qdis) USD		0.084			0.032			0.037			0.049		
A (Qdis) EUR-H1*											0.029		
A (Qdis) HKD		0.073			0.030			0.033			0.042		
A (Qdis) SGD		0.067			0.026			0.030			0.039		
B (Qdis) USD		0.041			–			–			–		
C (Qdis) USD		0.065			0.012			0.016			0.029		
N (Qdis) EUR-H1*											0.022		
<b>Templeton Global Smaller Companies Fund</b>													
A (Ydis) USD	0.138												
<b>Templeton Global Total Return Fund</b>													
A (Mdis) USD		0.046	0.047	0.050	0.055	0.055	0.062	0.050	0.041	0.060	0.066	0.054	0.049
A (Mdis) AUD-H1		0.032	0.032	0.033	0.035	0.035	0.043	0.034	0.027	0.039	0.042	0.035	0.033
A (Mdis) EUR		0.035	0.036	0.038	0.041	0.040	0.046	0.036	0.031	0.044	0.047	0.039	0.037
A (Mdis) EUR-H1		0.029	0.031	0.032	0.035	0.035	0.040	0.031	0.028	0.038	0.042	0.035	0.032
A (Mdis) GBP		0.030	0.032	0.031	0.035	0.034	0.038	0.030	0.025	0.036	0.040	0.032	0.030
A (Mdis) GBP-H1		0.022	0.025	0.023	0.027	0.027	0.030	0.024	0.021	0.029	0.032	0.027	0.024
A (Mdis) HKD		0.030	0.031	0.033	0.036	0.035	0.041	0.033	0.027	0.039	0.043	0.035	0.033
A (Mdis) RMB-H1		0.276	0.291	0.292	0.329	0.334	0.365	0.294	0.256	0.361	0.402	0.336	0.293
A (Mdis) SGD		0.029	0.031	0.032	0.036	0.034	0.039	0.032	0.027	0.039	0.042	0.034	0.032
A (Mdis) SGD-H1		0.030	0.032	0.033	0.036	0.035	0.041	0.033	0.027	0.039	0.043	0.036	0.032
A (Ydis) CHF-H1	0.469												
A (Ydis) EUR	0.582												
A (Ydis) EUR-H1	0.459												
B (Mdis) USD		0.024	0.024	0.027	0.033	0.031	0.039	0.026	0.018	0.039	0.043	0.031	0.026
C (Mdis) USD		0.031	0.031	0.034	0.040	0.037	0.045	0.034	0.026	0.043	0.049	0.037	0.033
I (Mdis) EUR		0.040	0.042	0.043	0.046	0.046	0.051	0.041	0.037	0.047	0.052	0.045	0.042
I (Mdis) GBP		0.041	0.044	0.042	0.046	0.046	0.050	0.041	0.036	0.047	0.052	0.044	0.039
I (Mdis) GBP-H1		0.037	0.040	0.039	0.042	0.045	0.047	0.040	0.036	0.046	0.051	0.044	0.040
I (Mdis) JPY		3.701	4.063	3.971	4.478	4.467	5.060	4.394	3.722	4.882	5.529	4.650	4.156
I (Mdis) JPY-H1		2.996	3.255	3.265	3.657	3.664	4.167	3.508	2.889	3.842	4.345	3.648	3.279
I (Ydis) EUR	0.660												
I (Ydis) EUR-H1	0.486												
N (Mdis) USD		0.019	0.020	0.021	0.023	0.024	0.027	0.020	0.017	0.027	0.029	0.024	0.020
N (Mdis) EUR-H1		0.027	0.028	0.030	0.034	0.033	0.039	0.029	0.024	0.038	0.042	0.033	0.030
N (Ydis) EUR-H1	0.381												
S (Ydis) USD*													
W (Mdis) USD		0.028	0.029	0.030	0.033	0.034	0.037	0.030	0.026	0.036	0.038	0.034	0.029
W (Mdis) EUR*						0.005	0.038	0.031	0.027	0.036	0.039	0.034	0.030
W (Mdis) GBP		0.033	0.035	0.033	0.037	0.037	0.039	0.032	0.029	0.037	0.042	0.035	0.031
W (Mdis) GBP-H1		0.027	0.031	0.029	0.032	0.034	0.036	0.029	0.027	0.035	0.039	0.033	0.029
W (Ydis) EUR*													
X (Ydis) USD	0.579												
Z (Mdis) USD		0.030	0.031	0.033	0.036	0.035	0.040	0.033	0.027	0.039	0.042	0.035	0.033
Z (Mdis) GBP-H1		0.031	0.035	0.032	0.036	0.038	0.040	0.033	0.030	0.039	0.044	0.037	0.033
Z (Ydis) EUR-H1	0.492												
<b>Templeton Growth (Euro) Fund</b>													
A (Ydis) EUR	0.042												
A (Ydis) USD	0.055												
B (Ydis) EUR	–												
I (Ydis) EUR	0.137												
I (Ydis) USD	0.179												
<b>Templeton Latin America Fund</b>													
A (Ydis) USD	0.299												
A (Ydis) EUR	0.227												
A (Ydis) GBP	0.176												
I (Ydis) EUR-H2	0.137												
W (Ydis) USD*													
X (Ydis) USD	0.210												

\*These share classes were launched during the year under review

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 24 — Portfolio Turnover Ratio

The portfolio turnover ratio, expressed as a percentage, is equal to the total of purchases and sales of securities netted against the absolute value of subscriptions and redemptions, over average net assets of the Fund for a year. It is effectively a measure of how frequently a Fund buys or sells securities.

The portfolio turnover ratio calculation is not applicable to Liquid Reserve and Money Market Funds, as such a ratio is not relevant to such Funds due to the short-term nature of the investments.

### Note 25 — Total Expense Ratio

The Total Expense Ratio (“TER”), expressed as a percentage, represents how the total expenses of the Funds relate to the average net assets of the Funds for the year ended June 30, 2014. The total expenses comprise the investment management fees, the administration and transfer agency fees, the custodian fees and other expenses as summarised in the “Statement of Operations and Changes in Net Assets”.

### Note 26 — Audited annual reports and unaudited semi-annual reports

The audited annual reports and unaudited semi-annual reports are available on the following Franklin Templeton Investments website, [www.franklintempleton.lu](http://www.franklintempleton.lu), or may be obtained, free of charge, on request at the registered office of the Company. They are only distributed to registered Shareholders in those countries where local regulation so requires.

### Note 27 — Global Credit Facility

Effective February 14, 2014, the Company, together with other European and U.S. registered investment funds managed by Franklin Templeton Investments (individually, “Borrower”; collectively “Borrowers”), entered into a joint syndicated senior unsecured credit facility totaling USD 1,500 million (Global Credit Facility) to provide a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Company will, in addition to interest charged on any borrowings made by the Company and other costs incurred by the Company, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee based upon the unused portion of the Global Credit Facility.

The “Global Line of Credit Committee” met and authorized a drawdown of USD 200 million on January 31, 2014 to cover an expected liquidity shortfall in the Templeton Asian Growth Fund due to the Chinese New Year closure of the market.

This USD 200 million drawdown was paid back within 7 business days i.e., on Thursday February 6, 2014. The interest due on the drawdown was USD 44,989.44.

### Note 28 — Abbreviations

#### Countries

ARE United Arab Emirates	EST Estonia	LTU Lithuania	RWA Rwanda
ARG Argentina	FIN Finland	LUX Luxembourg	SAU Saudi Arabia
ARM Armenia	FJI Fiji	LVA Latvia	SEN Senegal
AUS Australia	FRA France	MAC Macao	SGP Singapore
AUT Austria	GBR United Kingdom	MAR Morocco	SLE Sierra Leone
AZE Azerbaijan	GE Georgia	MEX Mexico	SLV El Salvador
BEL Belgium	GHA Ghana	MHL Marshall Islands	SP Supranational
BGD Bangladesh	GRC Greece	MKD Macedonia	SRB Serbia
BGR Bulgaria	HKG Hong Kong	MNE Montenegro	SVK Slovakia
BHR Bahrain	HND Honduras	MNG Mongolia	SVN Slovenia
BHS Bahamas	HRV Croatia	MOZ Mozambique	SWE Sweden
BIH Bosnia and Herzegovina	HUN Hungary	MUS Mauritius	SYC Seychelles
BMU Bermuda	IDN Indonesia	MWI Malawi	THA Thailand
BRA Brazil	IND India	MYS Malaysia	TKM Turkmenistan
BWA Botswana	IOM Isle of Man	NGA Nigeria	TTO Trinidad and Tobago
CAN Canada	IRL Ireland	NLD Netherlands	TUN Tunisia
CHE Switzerland	IRQ Iraq	NOR Norway	TUR Turkey
CHL Chile	ISL Iceland	NZL New Zealand	TWN Taiwan
CHN China	ISR Israel	OMN Oman	TZA Tanzania
CIV Ivory Coast	ITA Italy	PAK Pakistan	UGA Uganda
COL Colombia	JER Jersey	PAN Panama	UKR Ukraine
CRI Costa Rica	JOR Jordan	PER Peru	URY Uruguay
CYM Cayman Islands	JPN Japan	PHL Philippines	USA United States
CYP Cyprus	KAZ Kazakstan	POL Poland	VND Vietnam
CZE Czech Republic	KEN Kenya	PRI Puerto Rico	ZAF South Africa
DEU Germany	KHM Cambodia	PRT Portugal	ZMB Zambia
DNK Denmark	KOR South Korea	PRY Paraguay	ZWE Zimbabwe
ECU Ecuador	KWT Kuwait	QAT Qatar	
EGY Egypt	LBN Lebanon	ROM Romania	
ESP Spain	LKA Sri Lanka	RUS Russia	

#### Currencies

AED United Arab Emirates Dirham	CNY Chinese Yuan Renminbi	GHS Ghanaian Cedi	KWD Kuwaiti Dinar
AUD Australian Dollar	COP Colombian Peso	HKD Hong Kong Dollar	LKR Sri Lanka Rupee
BDT Bangladeshi Taka	CRC Costa Rican Colon	HUF Hungarian Forint	MAD Moroccan Dirham
BRL Brazilian Real	CZK Czech Koruna	IDR Indonesian Rupiah	MUR Mauritius Rupee
BWP Botswanan Pula	DEM Deutsche Mark	INR Indian Rupee	MXN Mexican Peso
CAD Canadian Dollar	DKK Danish Krone	JOD Jordanian Dinar	MYR Malaysian Ringgit
CHF Swiss Franc	EGP Egyptian Pound	JPY Japanese Yen	NGN Nigerian Naira
CLP Chilean Peso	EUR Euro	KES Kenyan Shilling	NOK Norwegian Krone
CNH Chinese Renminbi – Offshore	GBP British Pound Sterling	KRW South Korean Won	NZD New Zealand Dollar

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2014 (CONTINUED)

### Note 28 — Abbreviations (continued)

#### Currencies (continued)

OMR	Omani Rial	RON	New Romanian Leu	TND	Tunisian Dinar	USD	US Dollar
PEN	Peruvian Nuevo Sol	RSD	Serbian Dinar	TRY	Turkish Lira	UYU	Uruguayan Peso
PHP	Philippine Peso	RUB	Russian Ruble	TWD	New Taiwan Dollar	VND	Vietnamese Dong
PKR	Pakistan Rupee	SEK	Swedish Krona	TZS	Tanzanian Shilling	XOF	CFA Franc BCEAO
PLN	Polish Zloty	SGD	Singapore Dollar	UAH	Ukrainian Hryvnia	ZAR	South African Rand
QAR	Qatari Rial	THB	Thai Baht	UGX	Ugandan Shilling		

## ADDITIONAL INFORMATION – UNAUDITED

### Calculation Method of the Risk Exposure

#### Global exposure using the VaR approach

Fund	Market Risk	Limit	Regulatory VaR limit utilisation			Reference portfolio	Model type	Confidence Interval	Holding period	Observation period	Leverage*
			Lowest	Highest	Average						
Franklin Brazil Opportunities Fund	Relative VaR	200%	14%	94%	46%	MSCI Brazil Index (20%), J.P. Morgan EMBI Brazil Plus Index (40%) and the IRF-M Índice de Renda Fixa de Mercado (40%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2013 to 30 Jun 2014	390.15%
Franklin Global Aggregate Bond Fund	Relative VaR	200%	95%	133%	110%	Barclays Capital Global Aggregate Index (100%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2013 to 30 Jun 2014	24.80%
Franklin Global Allocation Fund	Relative VaR	200%	71%	166%	124%	MSCI All Country World Index (50%), Citigroup World Government Bond Index (35%), Payden & Rygel 90-day US T-Bill Index (10%) and the Dow Jones-UBS Commodity Index (5%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2013 to 30 Jun 2014	119.96%
Franklin Global Corporate High Yield Fund**	Relative VaR	200%	76%	100%	94%	Bank of America Merrill Lynch Global High Yield Constrained Bond Index (100%)	Monte Carlo Simulation	99th Percentile	20-Day	6 Sep 2013 to 30 Jun 2014	1.81%
Franklin Global Government Bond Fund**	Relative VaR	200%	76%	113%	97%	Citigroup World Government Bond ex-Japan Index (100%)	Monte Carlo Simulation	99th Percentile	20-Day	13 Sep 2013 to 30 Jun 2014	10.23%
Franklin Multi-Asset Income Fund	Relative VaR	200%	75%	101%	94%	Barclays Capital Multiverse (55%), MSCI World (40%) and DJ UBS Commodity Total Return Index (5%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2013 to 30 Jun 2014	7.29%
Franklin Strategic Income Fund	Relative VaR	200%	76%	92%	84%	US High Yield (10%), US Mortgage-Backed (10%), US Government (10%), US Credit Corporates (10%), US Commercial Mortgage-Backed (5%), Global Treasury ex-US (10%), US Dollar Emerging Markets Sovereign (10%), Emerging Market Local Currency Government (10%) and Global High Yield (25%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2013 to 30 Jun 2014	32.90%
Franklin U.S. Low Duration Fund	Relative VaR	200%	120%	153%	135%	Barclays Capital US Treasury 1-3Yr Index (100%)	Monte Carlo Simulation	99th Percentile	20-Day	2 Jan 2014 to 30 Jun 2014	44.37%
Franklin U.S. Total Return Fund	Relative VaR	200%	67%	113%	99%	Barclays Capital US Aggregate Index (100%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2013 to 30 Jun 2014	27.64%
Templeton Asian Bond Fund	Relative VaR	200%	103%	124%	113%	HSBC Asian Local Bond Index (ALBI) (100%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2013 to 30 Jun 2014	44.46%
Templeton Constrained Bond Fund**	Relative VaR	200%	71%	115%	109%	J.P. Morgan Gov't Bond Index (Broad) (25%), J.P. Morgan EMBI Global (EMBIG) (12.5%), J.P. Morgan Gov't Bond Index - Emerging Markets (GBI-EM) (12.5%) and Citigroup World Government Bond 1-3 Year Index (Hedged to USD) (50%)	Monte Carlo Simulation	99th Percentile	20-Day	24 Sep 2013 to 30 Jun 2014	75.86%
Templeton Emerging Markets Bond Fund	Relative VaR	200%	70%	93%	80%	J.P. Morgan Emerging Markets Bond Index Global (EMBIG) (50%) and J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (50%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2013 to 30 Jun 2014	54.55%
Templeton Global Bond Fund	Relative VaR	200%	107%	121%	116%	J.P. Morgan Government Bond Index Broad (JGBI Broad) (50%), J.P. Morgan Emerging Markets Bond Index Global (EMBIG) (25%) and J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (25%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2013 to 30 Jun 2014	97.86%



## ADDITIONAL INFORMATION – UNAUDITED (CONTINUED)

### Calculation Method of the Risk Exposure (continued)

#### Global exposure using the VaR approach (continued)

Fund	Market Risk	Limit	Regulatory VaR limit utilisation			Reference portfolio	Model type	Confidence Interval	Holding period	Observation period	Leverage*
			Lowest	Highest	Average						
Templeton Global High Yield Fund	Relative VaR	200%	48%	100%	81%	J.P. Morgan Global High Yield Index (50%), J.P. Morgan Emerging Markets Bond Index Global (EMBIG) (25%) and J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (25%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2013 to 30 Jun 2014	18.85%
Templeton Global Income Fund	Relative VaR	200%	116%	134%	126%	MSCI All Country World Index (50%), Barclays Capital Multiverse Index (25%), Barclays Capital Global High-Yield Index (12.5%), J.P. Morgan Emerging Markets Bond Index Global (EMBIG) (6.25%) and J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (6.25%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2013 to 30 Jun 2014	20.26%
Templeton Global Total Return Fund	Relative VaR	200%	108%	132%	120%	Barclays Capital Multiverse Index (50%), Barclays Capital Global High-Yield Index (25%), J.P. Morgan Emerging Markets Bond Index Global (EMBIG) (12.5%) and J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (12.5%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2013 to 30 Jun 2014	93.55%

\* The leverage calculation method used is the sum of notionals approach. This figure represents the average level of leverage during the year.

\*\* This Fund was launched during the year under review.

#### Global exposure using the commitment approach

Franklin Asian Flex Cap Fund	Franklin U.S. Government Fund
Franklin Biotechnology Discovery Fund	Franklin U.S. Low Duration Fund
Franklin Euro Government Bond Fund	Franklin U.S. Opportunities Fund
Franklin Euro High Yield Fund	Franklin U.S. Small-Mid Cap Growth Fund
Franklin Euro Short Duration Bond Fund	Franklin World Perspectives Fund
Franklin Euroland Core Fund	Franklin Mutual Beacon Fund
Franklin European Core Fund	Franklin Mutual Euroland Fund
Franklin European Corporate Bond Fund	Franklin Mutual European Fund
Franklin European Dividend Fund	Franklin Mutual Global Discovery Fund
Franklin European Growth Fund	Templeton Africa Fund
Franklin European Small-Mid Cap Growth Fund	Templeton Asian Dividend Fund
Franklin GCC Bond Fund	Templeton Asian Growth Fund
Franklin Global Aggregate Investment Grade Bond Fund	Templeton Asian Smaller Companies Fund
Franklin Global Convertible Securities Fund	Templeton BRIC Fund
Franklin Global Equity Strategies Fund	Templeton China Fund
Franklin Global Fundamental Strategies Fund	Templeton Eastern Europe Fund
Franklin Global Growth Fund	Templeton Emerging Markets Fund
Franklin Global Growth and Value Fund	Templeton Emerging Markets Balanced Fund
Franklin Global High Income Bond Fund	Templeton Emerging Markets Smaller Companies Fund
Franklin Global Listed Infrastructure Fund	Templeton Euro Liquid Reserve Fund
Franklin Global Real Estate Fund	Templeton Euro Short-Term Money Market Fund
Franklin Global Small-Mid Cap Growth Fund	Templeton Euroland Fund
Franklin Gold and Precious Metals Fund	Templeton European Fund
Franklin High Yield Fund	Templeton European Total Return Fund
Franklin Income Fund	Templeton Frontier Markets Fund
Franklin India Fund	Templeton Global Fund
Franklin Japan Fund	Templeton Global (Euro) Fund
Franklin MENA Fund	Templeton Global Balanced Fund
Franklin Multi-Asset Income Fund	Templeton Global Bond (Euro) Fund
Franklin Natural Resources Fund	Templeton Global Equity Income Fund
Franklin Real Return Fund	Templeton Global Smaller Companies Fund
Franklin Technology Fund	Templeton Growth (Euro) Fund
Franklin U.S. Dollar Liquid Reserve Fund	Templeton Korea Fund
Franklin U.S. Equity Fund	Templeton Latin America Fund
Franklin U.S. Focus Fund	Templeton Thailand Fund

## ADDITIONAL INFORMATION – UNAUDITED (CONTINUED)

### Collateral

The following table reports the collateral held to reduce counterparty exposure on OTC derivatives.

Fund	Counterparty		Cash held as collateral		Sovereign Bonds held as collateral
Franklin Global Aggregate Bond Fund	Morgan Stanley	USD	145,000		–
Franklin Global Fundamental Strategies Fund	Barclays Bank	USD	580,000		–
	Goldman Sachs	USD	130,000		–
	HSBC Bank		–	GBP	177,322
	HSBC Bank		–	USD	415,258
	Morgan Stanley	USD	63,000		–
Franklin Global Real Estate Fund	Morgan Stanley	USD	78,000		–
Franklin Gold and Precious Metals Fund	Morgan Stanley	USD	56,000		–
Franklin High Yield Fund	Morgan Stanley	USD	66,000		–
Franklin MENA Fund	Morgan Stanley	USD	78,000		–
Franklin Strategic Income Fund	Barclays Bank	USD	1,640,000		–
	Credit Suisse	USD	7,220,000		–
	Deutsche Bank	USD	570,000		–
	Goldman Sachs	USD	1,030,000		–
	HSBC Bank		–	GBP	183,347
	JPMorgan Chase Bank		–	USD	606,302
	UBS	USD	300,000		–
Franklin U.S. Equity Fund	Morgan Stanley	USD	166,000		–
Franklin U.S. Focus Fund	Morgan Stanley	USD	67,000		–
Franklin U.S. Low Duration Fund	Barclays Bank	USD	1,010,000		–
	Credit Suisse	USD	1,670,000		–
	JPMorgan Chase Bank		–	USD	24,967
Franklin U.S. Opportunities Fund	Morgan Stanley	USD	288,000		–
Franklin U.S. Total Return Fund	Barclays Bank	USD	300,000		–
Franklin Mutual Beacon Fund	Morgan Stanley	USD	67,000		–
Franklin Mutual Global Discovery Fund	Bank of America		–	USD	700,413
	Morgan Stanley	USD	56,000		–
Templeton Africa Fund	Morgan Stanley	USD	100,000		–
Templeton Asian Bond Fund	Barclays Bank	USD	930,000		–
	Citibank	USD	3,725,000		–
	HSBC Bank	USD	310,000	GBP	1,213,329
	Morgan Stanley	USD	1,979,000		–
	Royal Bank of Scotland		–	EUR	253,170
	UBS		–	USD	268,157
Templeton Asian Growth Fund	Bank of America	USD	100,000	USD	169,987
	Credit Suisse	USD	1,000,000		–
	Deutsche Bank	USD	110,000		–
	Goldman Sachs	USD	470,000		–
	Royal Bank of Scotland		–	EUR	618,019
	UBS		–	USD	326,907
Templeton BRIC Fund	Morgan Stanley	USD	156,000		–
Templeton Emerging Markets Fund	Morgan Stanley	USD	56,000		–
Templeton Emerging Markets Balanced Fund	Morgan Stanley	USD	78,000		–
Templeton Emerging Markets Bond Fund	Bank of America	USD	120,000	USD	465,553
	Citibank	USD	5,120,000		–
	Credit Suisse	USD	960,000		–
	Goldman Sachs	USD	1,320,000		–
	HSBC Bank		–	GBP	1,679,808
	JPMorgan Chase Bank		–	USD	8,628,331
	Royal Bank of Scotland		–	EUR	239,619
	UBS	USD	400,000	USD	402,835

## ADDITIONAL INFORMATION – UNAUDITED (CONTINUED)

### Collateral (continued)

The following table reports the collateral held to reduce counterparty exposure on OTC derivatives.

Fund	Counterparty		Cash held as collateral		Sovereign Bonds held as collateral
Templeton Frontier Markets Fund	Bank of America		–	USD	149,514
	Credit Suisse	USD	310,000		–
	Goldman Sachs	USD	140,000		–
	Royal Bank of Scotland		–	EUR	308,680
Templeton Global Balanced Fund	Deutsche Bank	USD	190,000		–
Templeton Global Bond (Euro) Fund	Barclays Bank	USD	440,000		–
Templeton Global Bond Fund	Bank of America		–	USD	1,120,728
	Barclays Bank	USD	3,860,000		–
	Credit Suisse	USD	7,280,000		–
	HSBC Bank		–	GBP	12,730,286
	HSBC Bank		–	USD	3,633,555
	Royal Bank of Scotland		–	EUR	6,903,982
	Standard Chartered	USD	4,360,000		–
	The Bank of New York Mellon		–	USD	692,843
Templeton Global High Yield Fund	Morgan Stanley	USD	56,000		–
Templeton Global Income Fund	Barclays Bank	USD	510,000		–
	HSBC Bank		–	GBP	193,359
	Morgan Stanley	USD	56,000		–
Templeton Global Total Return Fund	Bank of America		–	USD	962,179
	Citibank	USD	9,440,000		–
	Credit Suisse	USD	8,100,000		–
	HSBC Bank		–	USD	3,855,969
	JPMorgan Chase Bank		–	USD	12,425,317
	Royal Bank of Scotland		–	EUR	6,549,120
	Standard Chartered	USD	5,100,000		–
	The Bank of New York Mellon		–	USD	1,021,779

## FRANKLIN TEMPLETON INVESTMENTS OFFICE DIRECTORY

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\*Master agent appointed in Taiwan for FTIF to be offered and sold to the public in Taiwan.

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