

AUDITED  
ANNUAL REPORT

JUNE 30, 2013

R.C.S. B35177



# FRANKLIN TEMPLETON INVESTMENT FUNDS

SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE



FRANKLIN TEMPLETON  
INVESTMENTS



# FRANKLIN TEMPLETON INVESTMENT FUNDS

## société d'investissement à capital variable

### AUDITED ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

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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.  
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, 2013)

## BOARD OF DIRECTORS:

## Chairman

*The Honorable Nicholas F. Brady*  
Chairman and Chief Executive Officer  
CHOPTANK PARTNERS, INC.  
16 North Washington Street  
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  
HOLOWESKO PARTNERS LTD  
Shipston House  
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*  
Chairman, 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

## CONDUCTING OFFICERS:

*William Lockwood*  
FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.A.  
8A, rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg

*Denise Voss*  
FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.A.  
8A, rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg

## 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

## INVESTMENT MANAGERS:

FRANKLIN ADVISERS, INC.  
One Franklin Parkway  
San Mateo, CA 94403-1906, 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  
5 Morrison Street  
Edinburgh EH3 8BH, Scotland, 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

SUMITOMO MITSUI ASSET MANAGEMENT COMPANY LIMITED  
2-5 Atago Minato-ku  
Tokyo 105-6228, Japan

TEMPLETON ASSET MANAGEMENT LIMITED  
7 Temasek Boulevard  
# 38-03 Suntec Tower One  
Singapore 038987

TEMPLETON GLOBAL ADVISORS LIMITED  
P.O. Box N-7759  
Lyford Cay, Nassau, Bahamas

TEMPLETON INVESTMENT COUNSEL, LLC  
300 Southeast 2<sup>nd</sup> Street  
Ft. Lauderdale, FL 33301, U.S.A.

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

REGISTRAR AND TRANSFER, CORPORATE,  
DOMICILIARY AND ADMINISTRATIVE AGENT:  
FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.A.  
8A, rue Albert Borschette, L-1246 Luxembourg  
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, 2013) (CONTINUED)

## INVESTMENT MANAGERS PER FUND:

Franklin Asian Flex Cap Fund  
FRANKLIN ADVISERS, INC.

Franklin Biotechnology Discovery Fund  
FRANKLIN ADVISERS, INC.

Franklin Brazil Opportunities Fund  
FRANKLIN ADVISERS, INC.

Franklin Euroland Core Fund  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Franklin European Core Fund  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Franklin European Dividend Fund  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Franklin European Growth Fund  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Franklin European Small-Mid Cap Growth Fund  
FRANKLIN TEMPLETON INSTITUTIONAL LLC

Franklin Global Convertible Securities Fund  
FRANKLIN ADVISERS, INC.

Franklin Global Growth Fund  
FRANKLIN TEMPLETON INSTITUTIONAL LLC

Franklin Global Listed Infrastructure Fund  
FRANKLIN TEMPLETON INSTITUTIONAL LLC

Franklin Global Real Estate Fund  
FRANKLIN TEMPLETON INSTITUTIONAL LLC

Franklin Global Small-Mid Cap Growth Fund  
FRANKLIN TEMPLETON INSTITUTIONAL LLC

Franklin Gold and Precious Metals Fund  
FRANKLIN ADVISERS, INC.

Franklin High Yield Fund  
FRANKLIN ADVISERS, INC.

Franklin Income Fund  
FRANKLIN ADVISERS, INC.

Franklin India Fund  
FRANKLIN ADVISERS, INC.

Franklin MENA Fund  
FRANKLIN ADVISERS, INC.

Franklin Multi-Asset Income Fund  
Lead Investment Manager  
FRANKLIN ADVISERS, INC.

Co-Investment Managers  
FRANKLIN TEMPLETON INSTITUTIONAL LLC  
TEMPLETON ASSET MANAGEMENT LIMITED  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Franklin Natural Resources Fund  
FRANKLIN ADVISERS, INC.

Franklin Real Return Fund  
FRANKLIN ADVISERS, INC.

Franklin Strategic Income Fund  
FRANKLIN ADVISERS, INC.

Franklin Technology Fund  
FRANKLIN ADVISERS, INC.

Franklin U.S. Dollar Liquid Reserve Fund  
FRANKLIN ADVISERS, INC.

Franklin U.S. Equity Fund  
FRANKLIN ADVISERS, INC.

Franklin U.S. Focus Fund  
FRANKLIN ADVISERS, INC.

Franklin U.S. Government Fund  
FRANKLIN ADVISERS, INC.

Franklin U.S. Low Duration Fund  
FRANKLIN ADVISERS, INC.

Franklin U.S. Opportunities Fund  
FRANKLIN ADVISERS, INC.

Franklin U.S. Small-Mid Cap Growth Fund  
FRANKLIN ADVISERS, INC.

Franklin U.S. Total Return Fund  
FRANKLIN ADVISERS, INC.

Franklin World Perspectives Fund  
Lead Investment Manager  
FRANKLIN ADVISERS, INC.

Co-Investment Managers  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED  
FRANKLIN TEMPLETON INVESTMENTS CORP.  
FRANKLIN TEMPLETON INVESTIMENTOS (Brasil) Ltda.  
FRANKLIN TEMPLETON INVESTMENT TRUST MANAGEMENT CO. LIMITED

Franklin Mutual Beacon Fund  
FRANKLIN MUTUAL ADVISERS, LLC

Franklin Mutual Euroland Fund  
FRANKLIN MUTUAL ADVISERS, LLC

Franklin Mutual European Fund  
FRANKLIN MUTUAL ADVISERS, LLC

Franklin Mutual Global Discovery Fund  
FRANKLIN MUTUAL ADVISERS, LLC

## Franklin Templeton Global Allocation Fund

Lead Investment Manager  
FRANKLIN ADVISERS, INC.

Co-Investment Managers  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED  
TEMPLETON ASSET MANAGEMENT LIMITED  
FRANKLIN TEMPLETON INSTITUTIONAL LLC  
TEMPLETON GLOBAL ADVISORS LIMITED  
FRANKLIN MUTUAL ADVISERS, LLC  
TEMPLETON INVESTMENT COUNSEL, LLC

Franklin Templeton Global Equity Strategies Fund  
Co-Investment Managers  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED  
TEMPLETON ASSET MANAGEMENT LIMITED  
FRANKLIN ADVISERS, INC.  
TEMPLETON GLOBAL ADVISORS LIMITED  
FRANKLIN MUTUAL ADVISERS, LLC

Franklin Templeton Global Fundamental Strategies Fund  
Co-Investment Managers  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED  
FRANKLIN ADVISERS, INC.  
TEMPLETON GLOBAL ADVISORS LIMITED  
FRANKLIN MUTUAL ADVISERS, LLC

Franklin Templeton Global Growth and Value Fund  
FRANKLIN TEMPLETON INSTITUTIONAL LLC

Franklin Templeton Japan Fund  
Lead Investment Manager  
FRANKLIN ADVISERS, INC.

Sub-Investment Manager  
SUMITOMO MITSUI ASSET MANAGEMENT COMPANY LIMITED

Templeton Africa Fund  
TEMPLETON ASSET MANAGEMENT LIMITED

Templeton Asian Bond Fund  
FRANKLIN ADVISERS, INC.

Templeton Asian Dividend Fund  
TEMPLETON ASSET MANAGEMENT LIMITED

Templeton Asian Growth Fund  
TEMPLETON ASSET MANAGEMENT LIMITED

Templeton Asian Smaller Companies Fund  
TEMPLETON ASSET MANAGEMENT LIMITED

Templeton BRIC Fund  
TEMPLETON ASSET MANAGEMENT LIMITED

Templeton China Fund  
TEMPLETON ASSET MANAGEMENT LIMITED

Templeton Eastern Europe Fund  
TEMPLETON ASSET MANAGEMENT LIMITED

Templeton Emerging Markets Fund  
TEMPLETON ASSET MANAGEMENT LIMITED

Templeton Emerging Markets Balanced Fund  
Co-Investment Managers  
TEMPLETON ASSET MANAGEMENT LIMITED  
FRANKLIN ADVISERS, INC.

Templeton Emerging Markets Bond Fund  
FRANKLIN ADVISERS, INC.

Templeton Emerging Markets Smaller Companies Fund  
TEMPLETON ASSET MANAGEMENT LIMITED

Templeton Euro Government Bond Fund  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Templeton Euro High Yield Fund  
Co-Investment Managers  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED  
FRANKLIN ADVISERS, INC.

Templeton Euro Liquid Reserve Fund  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Templeton Euro Short-Term Money Market Fund  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Templeton Euroland Fund  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Templeton European Fund  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Templeton European Corporate Bond Fund  
Co-Investment Managers  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED  
FRANKLIN ADVISERS, INC.  
FRANKLIN TEMPLETON INSTITUTIONAL LLC

Templeton European Total Return Fund  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Templeton Frontier Markets Fund  
TEMPLETON ASSET MANAGEMENT LIMITED

Templeton Global Fund  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Templeton Global (Euro) Fund  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Templeton Global Aggregate Bond Fund  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Templeton Global Aggregate Investment Grade Bond Fund  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

## GENERAL INFORMATION (AS AT JUNE 30, 2013) (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 Income Bond Fund

FRANKLIN ADVISERS, INC.

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 LIMITED

Templeton Latin America Fund

TEMPLETON ASSET MANAGEMENT LIMITED

Templeton Thailand Fund

TEMPLETON ASSET MANAGEMENT LIMITED



## THE BOARD OF DIRECTORS

### Report of the Board of Directors

At June 30, 2013, Franklin Templeton Investment Funds (“FTIF”, or the “Company”) had assets under management of USD 163.86 billion, an increase of 20.49% from a year earlier (when they stood at USD 135.99 billion).

The financial year was marked by the Company’s continued growth. The Company’s offer was expanded and modified as detailed below.

#### Fund Launches

The following FTIF Funds were launched during the financial year:

- FTIF Templeton Global High Income Bond Fund on July 13, 2012
- FTIF Franklin Brazil Opportunities Fund on July 27, 2012
- FTIF Franklin Global Listed Infrastructure Fund on April 26, 2013
- FTIF Franklin Multi-Asset Income Fund on April 26, 2013
- FTIF Templeton Asian Dividend Fund on April 26, 2013

#### Soft Closures

The following Funds were closed to new investors during the course of the year:

- FTIF Franklin European Small-Mid Cap Growth Fund on June 3, 2013
- FTIF Templeton Frontier Markets Fund on June 28, 2013

These Funds remain open for subscriptions for existing shareholders at the date of the soft closure.

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, 2013, 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, 2013.

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 2013

## THE BOARD OF DIRECTORS (CONTINUED)

### The Board

#### Chairman

##### The Honorable Nicholas F. Brady

The Honorable Nicholas Brady (83) 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 (79) 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 Lagside 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 (52) 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 (72) 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 (53) 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 (66) 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 (52) 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 (77) 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 (65) 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. (77) 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 (52) 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 (69) 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, 2013

The year under review was a good one for investors in many different risk assets, although performance varied and volatility increased as the year drew to a close. Developed-market equities fared much better than emerging-market equivalents, with Chinese equities a notable laggard during the year. In addition, many commodities were hurt by sluggish economic conditions in Asia and Europe, while as the year progressed, gold prices were hurt by increasing signs of a low-inflation rebound in the U.S. By helping keep Treasury bond yields low, the September 2012 launch of the U.S. Federal Reserve's (Fed's) third "quantitative easing" (QE3) program, which consisted of buying up to USD 85 billion of Treasuries and mortgage bonds per month, was decisive in boosting risk markets. QE3 and similar monetary easing initiatives by central banks in other countries meant that credit-market investments (investment and noninvestment-grade bonds, emerging-market debt, etc.) all fared well, at least until the very end of the year under review, when hints that the Fed intended to taper QE3 at some stage as the US economy continued to improve caused some upheaval.

Before the launch of QE3, intervention by the European Central Bank (ECB) to calm the sovereign debt market was a major catalyst for the general improvement in financial markets in the year under review. At the end of July 2012, ECB president Mario Draghi announced the bank stood "ready to do whatever it takes" to preserve the integrity of the eurozone. The following month saw the creation of the ECB's Outright Monetary Transactions (OMT) program, designed to rake up the sovereign bonds of countries facing financing difficulties on the open market. These initiatives resulted in a consistent lessening of pressure on the sovereign bonds of a number of weak southern European countries and provided investors with a dollop of confidence in spite of a persistently weak economic picture. This confidence largely withstood yet another banking crisis in Cyprus in March 2013. Significantly, that country's rescue involved a "bail in" of bank depositors and bondholders and forced the Cypriot government to introduce capital controls.

However, one of the notable features of the past year has been the growing divergence in fortunes between the U.S. and the eurozone taken as a whole. This divergence can be seen in growth and employment trends. While the U.S. economy has managed to achieve some growth thanks to expansionary monetary policy and in spite of fiscal tightening, Europe has continued to flounder, with major countries such as France, Spain, and Italy stuck in recession or simply stagnating. Likewise, while U.S. unemployment has fallen steadily during the 12 months under review, eurozone joblessness has surged, with the unemployment crisis concentrated in southern Europe.

The election of Shinzo Abe as prime minister of Japan in early December 2012 heralded perhaps the largest experiment in policy activism seen in the past year. The promise of large-scale fiscal reform and aggressive monetary easing under new leadership of the Bank of Japan (BOJ) led to a sharp decline in the yen, which triggered a rise in Japanese exports. Reflation and increasing consumer and business confidence meant that Japanese stocks outperformed substantially during most of the second half of the year under review before an inevitable snap back. The BOJ's ambitious bond-buying plans also managed to keep bond yields low so that Japanese bonds became an oasis of calm as bond yields in other countries rose sharply at the end of the period under review.

Elsewhere, for much of the year, emerging-market assets continued to benefit from the huge capital inflows unleashed by quantitative easing in developed markets, which helped boost their currencies and bring down bond yields. But economic news out of the so-called "BRIC" countries (Brazil, Russia, India, and China) was somewhat disappointing in the past year, helping to explain why emerging-market equities have tended to underperform. Countries dependent on various kinds of commodities and energy exports have had to deal with a drop in demand and a surge in supply (not least from the shale gas revolution in the U.S.). Policy mishaps in some countries and a pullback in capital inflows toward the end of the reporting period also ensured that emerging markets underperformed. November 2012 saw the appointment of a new, technocratic, seemingly reform-minded Politburo that will govern China for the next 10 years, holding out the promise that the Chinese economy could successfully transition to a path of slower but more sustainable growth. This transition to slower growth has hit expectations of demand for commodities, and hence prospects for commodity-dependent countries like Russia and Brazil. Yet growth remains robust across emerging markets – the International Monetary Fund (IMF), for example, estimates that the world's emerging and developing economies will grow by 5.3% in 2013 – and with imported inflation currently tame, the authorities have ample room to introduce stimulus measures to counter slowdowns in export-driven growth.

The slowdown in China and the progressive rebound in the U.S. indicates that a rebalancing of global growth may be underway. This rebalancing is to be welcomed, to the extent that the slowdown in China is a consequence of the new leadership's willingness to rein in the excesses caused by loose money and to reform the banking system, provided the authorities manage to improve the long-term sustainability of China's economic model. The pace of growth in the U.S. has been slower than that following previous economic downturns. However, as the Fed's willingness to contemplate winding down QE3 shows, growth is on a surer footing than it was a year ago, in spite of some fiscal tightening at a federal level. The resumption of stand-alone growth in the U.S. is good news for the rest of the world, including Europe and emerging markets.

The possibility that the Fed may progressively wind down its bond purchases is likely to cause increased volatility in financial markets in the short term, particularly in markets in Asia and Latin America that have attracted a lot of foreign capital. Yet, while emerging economies' growth prospects have dimmed, they are still very likely to outperform most developed economies. This growth, along with the promise of high yields, could lure back foreign capital to countries with strong fundamentals even if the Fed begins to reduce its asset purchases. These same markets could receive an extra leg up from the BOJ's newly aggressive monetary policies, which will likely benefit a number of emerging markets by providing a new source of capital inflows. The weakening of the Japanese yen following aggressive BOJ monetary policies has caused some currency tension in emerging markets, but emerging-market exporters may also benefit from the weakening of their own currencies against the U.S. dollar.

## REPORT OF THE INVESTMENT MANAGERS – YEAR TO JUNE 30, 2013 (CONTINUED)

However, one needs to be alert to the threat presented by a disorderly rise in yields on government bonds as the Fed withdraws from its quantitative easing program. Some sectors such as corporate debt and high-dividend-paying stocks could be vulnerable if investors overreact to a turn in the interest rate cycle. While significant moves toward establishing a banking union may help restore confidence in the European financial system, there also remains the possibility of a further chapter in the European sovereign debt saga. Reform fatigue is evident in a number of countries and the eurozone's cohesion continues to fray at the edge, while doubts remain about the viability of certain countries in the absence of some sort of debt restructuring.

THE INVESTMENT MANAGERS  
July, 2013



## Audit report

To the Shareholders of  
**Franklin Templeton Investment Funds**

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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, 2013 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, 2013, 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 16, 2013

John Parkhouse

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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, 2013

	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	(5.8)	7.2	11.1	15.4	–	28.7
Franklin Biotechnology Discovery Fund	A (acc) USD	3 Apr 00	28.2	29.1	119.7	118.4	181.6	81.9
Franklin Brazil Opportunities Fund	A (acc) USD	27 Jul 12	(1.1)	–	–	–	–	1.7
Franklin Euroland Core Fund	A (acc) EUR	28 Nov 08	1.0	20.1	16.9	–	–	41.5
Franklin European Core Fund	A (acc) EUR	29 Jul 11	4.4	18.9	–	–	–	17.6
Franklin European Dividend Fund	A (acc) EUR	29 Jul 11	7.5	18.3	–	–	–	19.5
Franklin European Growth Fund	A (acc) EUR	29 Dec 00	10.6	26.5	48.0	70.9	153.9	28.5
Franklin European Small-Mid Cap Growth Fund	A (acc) EUR	3 Dec 01	10.2	37.6	37.0	53.5	242.5	154.5
Franklin Global Convertible Securities Fund	A (acc) USD	24 Feb 12	6.5	13.4	–	–	–	6.7
Franklin Global Growth Fund	A (acc) USD	29 Dec 00	(0.6)	9.4	30.8	4.0	94.4	18.8
Franklin Global Listed Infrastructure Fund	A (acc) USD	26 Apr 13	–	–	–	–	–	(6.3)
Franklin Global Real Estate Fund	A (acc) USD	29 Dec 05	0.4	11.5	43.8	10.2	–	0.8
Franklin Global Small-Mid Cap Growth Fund	A (acc) USD	15 Apr 02	8.0	32.6	48.1	39.2	186.5	163.3
Franklin Gold and Precious Metals Fund	A (acc) USD	30 Apr 10	(49.2)	(45.5)	(57.0)	–	–	(58.1)
Franklin High Yield Fund	A (Mdis) USD	1 Mar 96	0.4	8.0	30.1	41.8	84.9	147.3
Franklin Income Fund	A (Mdis) USD	1 Jul 99	2.5	8.7	30.7	29.3	84.7	125.9
Franklin India Fund	A (acc) USD	25 Oct 05	(10.9)	1.4	(9.8)	24.1	–	110.8
Franklin MENA Fund	A (acc) USD	16 Jun 08	9.7	15.9	17.5	(49.4)	–	(50.3)
Franklin Multi-Asset Income Fund	A (acc) EUR	26 Apr 13	–	–	–	–	–	(3.7)
Franklin Natural Resources Fund	A (acc) USD	12 Jul 07	(4.1)	3.0	13.8	(32.5)	–	(14.3)
Franklin Real Return Fund	A (acc) USD	30 Apr 10	(1.8)	1.5	8.9	–	–	5.3
Franklin Strategic Income Fund	A (acc) USD	12 Jul 07	(0.6)	5.4	20.4	37.5	–	40.7
Franklin Technology Fund	A (acc) USD	3 Apr 00	5.1	10.0	41.2	43.7	128.6	(21.8)
Franklin U.S. Dollar Liquid Reserve Fund	A (Mdis) USD	1 Jun 94	(0.1)	(0.2)	(0.6)	(0.3)	12.7	58.7
Franklin U.S. Equity Fund	A (acc) USD	1 Jul 99	12.3	17.4	41.9	26.4	64.0	89.4
Franklin U.S. Focus Fund	A (acc) USD	15 May 08	14.6	21.2	43.7	34.1	–	21.1
Franklin U.S. Government Fund	A (Mdis) USD	28 Feb 91	(2.5)	(2.2)	5.8	20.7	40.3	157.4
Franklin U.S. Low Duration Fund	A (Mdis) USD	29 Aug 03	(0.3)	1.3	3.9	6.0	–	20.9
Franklin U.S. Opportunities Fund	A (acc) USD	3 Apr 00	12.7	17.5	55.3	29.8	133.5	(11.5)
Franklin U.S. Small-Mid Cap Growth Fund	A (acc) USD	29 Dec 00	14.7	19.0	58.1	38.7	110.6	52.7
Franklin U.S. Total Return Fund	A (acc) USD	29 Aug 03	(2.7)	0.7	13.8	28.1	–	50.1
Franklin World Perspectives Fund	A (acc) USD	14 Oct 08	6.2	14.8	37.0	–	–	57.8
Franklin Mutual Beacon Fund	A (acc) USD	7 Jul 97	12.2	20.0	44.1	24.1	69.3	146.1
Franklin Mutual Euroland Fund	A (acc) EUR	14 Oct 08	5.1	19.6	13.6	–	–	33.1
Franklin Mutual European Fund	A (acc) EUR	3 Apr 00*	4.6	17.9	22.9	15.0	94.1	70.9
Franklin Mutual Global Discovery Fund	A (acc) USD	25 Oct 05	8.6	20.2	39.1	24.6	–	54.9
Franklin Templeton Global Allocation Fund	A (acc) USD	29 Jul 11	(0.5)	6.9	–	–	–	1.1
Franklin Templeton Global Equity Strategies Fund	A (acc) USD	15 May 08	2.9	15.8	25.8	13.4	–	3.8
Franklin Templeton Global Fundamental Strategies Fund	A (acc) USD	25 Oct 07	4.4	16.6	34.2	29.2	–	18.6
Franklin Templeton Global Growth and Value Fund	A (acc) USD	9 Sep 02	3.8	16.8	35.0	9.9	104.9	109.4
Franklin Templeton Japan Fund	A (acc) JPY	1 Sep 00	31.1	48.5	40.5	(22.7)	11.6	(35.5)
Templeton Africa Fund	A (acc) USD	4 May 12	1.8	20.0	–	–	–	16.3
Templeton Asian Bond Fund	A (acc) USD	25 Oct 05	(3.9)	3.6	13.9	39.7	–	77.4
Templeton Asian Dividend Fund	A (acc) USD	26 Apr 13	–	–	–	–	–	(4.0)
Templeton Asian Growth Fund	A (Ydis) USD	30 Jun 91	(7.3)	5.2	18.4	34.8	299.5	250.8
Templeton Asian Smaller Companies Fund	A (acc) USD	14 Oct 08	(6.0)	18.6	44.4	–	–	215.1



## FUND PERFORMANCE

### PERCENTAGE CHANGE TO JUNE 30, 2013 (CONTINUED)

	Reference Share Class	Launch Date	6 Months %	1 Year %	3 Years %	5 Years %	10 Years %	Since Launch %
Templeton BRIC Fund	A (acc) USD	25 Oct 05	(16.6)	(7.0)	(16.9)	(37.5)	–	30.6
Templeton China Fund	A (acc) USD	1 Sep 94	(13.4)	(0.5)	(0.7)	2.6	217.0	127.0
Templeton Eastern Europe Fund	A (acc) EUR	10 Nov 97	(8.0)	0.9	(22.5)	(26.0)	87.7	137.4
Templeton Emerging Markets Fund	A (Ydis) USD	28 Feb 91	(7.8)	3.2	10.8	(3.3)	171.2	220.1
Templeton Emerging Markets Balanced Fund	A (acc) USD	29 Apr 11	(12.7)	(3.4)	–	–	–	(14.4)
Templeton Emerging Markets Bond Fund	A (Qdis) USD	5 Jul 91	(3.2)	9.0	22.3	52.1	142.8	711.6
Templeton Emerging Markets Smaller Companies Fund	A (acc) USD	18 Oct 07	(3.5)	10.8	11.9	5.7	–	(19.8)
Templeton Euro Government Bond Fund	A (Ydis) EUR	8 Jan 99	0.6	7.0	10.5	21.6	31.3	49.0
Templeton Euro High Yield Fund	A (Ydis) EUR	17 Apr 00	1.1	12.7	31.6	41.5	75.6	56.9
Templeton Euro Liquid Reserve Fund	A (Ydis) EUR	1 Jun 94	(0.0)	0.0	1.5	3.0	12.2	40.3
Templeton Euro Short-Term Money Market Fund	A (acc) EUR	23 Oct 09	(0.0)	(0.0)	1.0	–	–	1.3
Templeton Euroland Fund	A (acc) EUR	8 Jan 99	6.1	27.0	27.4	2.7	55.1	48.5
Templeton European Fund	A (acc) EUR	17 Apr 91*	7.2	24.3	29.8	13.8	65.8	19.4
Templeton European Corporate Bond Fund	A (acc) EUR	30 Apr 10	(0.5)	7.7	15.1	–	–	13.5
Templeton European Total Return Fund	A (acc) EUR	29 Aug 03	(0.5)	8.3	15.8	15.6	–	26.1
Templeton Frontier Markets Fund	A (acc) USD	14 Oct 08	5.8	22.2	17.6	–	–	74.0
Templeton Global Fund	A (Ydis) USD	28 Feb 91	10.1	31.0	43.8	6.9	92.2	252.9
Templeton Global (Euro) Fund	A (Ydis) EUR	26 Apr 91	11.6	24.9	31.6	22.6	57.7	221.6
Templeton Global Aggregate Bond Fund	A (acc) USD	29 Oct 10	(4.3)	2.1	–	–	–	1.8
Templeton Global Aggregate Investment Grade Bond Fund	A (acc) USD	22 Jun 12	(4.6)	0.4	–	–	–	1.0
Templeton Global Balanced Fund	A (Qdis) USD	1 Jun 94	4.4	18.7	36.4	16.7	85.5	192.6
Templeton Global Bond Fund	A (Mdis) USD	28 Feb 91	(1.7)	7.7	19.8	55.8	130.2	421.0
Templeton Global Bond (Euro) Fund	A (acc) EUR	29 Aug 03	(1.2)	3.7	11.6	37.9	–	46.9
Templeton Global Equity Income Fund	A (acc) USD	27 May 05	6.4	20.7	34.9	2.3	–	17.2
Templeton Global High Income Bond Fund	A (acc) USD	13 Jul 12	2.3	–	–	–	–	12.6
Templeton Global High Yield Fund	A (acc) USD	27 Sep 07	(0.2)	8.4	24.2	40.0	–	38.7
Templeton Global Income Fund	A (acc) USD	27 May 05	4.2	16.9	31.4	35.0	–	68.2
Templeton Global Smaller Companies Fund	A (Ydis) USD	8 Jul 91	10.3	26.2	22.8	6.6	90.9	265.3
Templeton Global Total Return Fund	A (acc) USD	29 Aug 03	(0.6)	11.6	30.0	76.4	–	182.0
Templeton Growth (Euro) Fund	A (acc) EUR	9 Aug 00	10.2	21.6	39.3	35.6	51.1	21.5
Templeton Korea Fund	A (acc) USD	8 May 95	(11.7)	(1.5)	12.5	(13.4)	85.5	(40.1)
Templeton Latin America Fund †	A (Ydis) USD	28 Feb 91	(18.4)	(8.4)	(9.2)	(23.1)	398.2	280.4
Templeton Thailand Fund	A (acc) USD	20 Jun 97	(0.8)	18.5	77.0	81.3	293.7	100.0

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.

This report does not constitute or form part of any offer of shares or an invitation to apply for 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 audited 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, 2013

	TOTAL	Franklin Asian Flex Cap Fund	Franklin Biotechnology Discovery Fund	Franklin Brazil Opportunities Fund*
	(USD)	(USD)	(USD)	(USD)
<b>ASSETS</b>				
Investment in securities at market value (note 2(b))	155,565,052,519	11,000,413	852,586,720	83,294,052
Cash	5,170,728,726	83,767	62,713,747	2,694,060
Time deposits and repurchase agreements (note 3)	373,934,216	–	–	–
Amounts receivable on sale of investments	3,151,111,592	170,720	–	274,247
Amounts receivable on subscriptions	894,876,623	26,002	19,734,083	112,510
Interest and dividends receivable, net	1,459,085,606	45,334	–	1,012,807
Unrealised profit on forward foreign exchange contracts (notes 2(c), 4)	39,134,533	–	–	1,291,397
Unrealised profit on financial future contracts (notes 2(d), 5)	2,266,628	–	–	1,639,123
Unrealised profit on interest rate swap contracts (notes 2(e), 6)	27,198	–	–	27,198
Unrealised profit on inflation swap contracts (notes 2(f), 7)	168,840	–	–	168,840
Unrealised profit on cross currency swap contracts (notes 2(g), 8)	50,022	–	–	–
Credit default swap contracts at market value (notes 2(i), 10)	4,981,532	–	–	–
Option contracts at market value (notes 2(j), 11)	869,719	–	–	2,705
Other receivables	13,662,233	211	–	–
<b>TOTAL ASSETS</b>	<b>166,675,949,987</b>	<b>11,326,447</b>	<b>935,034,550</b>	<b>90,516,939</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	439,057,642	95,092	17,084,862	589,245
Amounts payable on redemptions	1,379,337,925	17,678	15,216,911	1,902,913
Investment management fees payable (note 13)	118,153,080	9,081	722,911	75,372
Bank overdraft	122,276,727	–	–	–
Unrealised loss on forward foreign exchange contracts (notes 2(c), 4)	200,407,707	–	8,197	–
Unrealised loss on financial future contracts (notes 2(d), 5)	39,531	–	–	–
Unrealised loss on interest rate swap contracts (notes 2(e), 6)	358,038,026	–	–	–
Credit default swap contracts at market value (notes 2(i), 10)	3,602,221	–	–	5,421
Taxes and expense payable	192,703,954	25,014	620,482	84,804
<b>TOTAL LIABILITIES</b>	<b>2,813,616,813</b>	<b>146,865</b>	<b>33,653,363</b>	<b>2,657,755</b>
<b>TOTAL NET ASSETS</b>	<b>163,862,333,174</b>	<b>11,179,582</b>	<b>901,381,187</b>	<b>87,859,184</b>
<b>THREE YEAR ASSET SUMMARY</b>				
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	–
June 30, 2010	88,411,687,219	29,920,224	74,572,597	–

\*This Fund was launched on July 27, 2012

The accompanying notes form an integral

# STATEMENT OF NET ASSETS

## AT JUNE 30, 2013 (CONTINUED)

Franklin Euroland Core Fund (EUR)	Franklin European Core Fund (EUR)	Franklin European Dividend Fund (EUR)	Franklin European Growth Fund (EUR)	Franklin European Small-Mid Cap Growth Fund (EUR)	Franklin Global Convertible Securities Fund (USD)	Franklin Global Growth Fund (USD)
24,179,932	4,283,196	23,002,735	683,366,084	427,698,094	18,299,256	150,188,100
432,223	125,697	334,994	41,133,432	37,885,480	504,996	901,004
-	-	-	-	-	-	5,000,000
-	-	-	-	898,066	-	6,749,129
4,220	-	25,219	14,569,316	3,138,929	447,801	1,436,512
15,983	8,002	71,694	1,259,905	1,115,974	70,732	183,737
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,104	4,203	31,930	435,797	204,701	-	74,922
24,643,462	4,421,098	23,466,572	740,764,534	470,941,244	19,322,785	164,533,404
-	-	156,387	1,373,697	2,436,443	24	2,795,169
10,638	-	-	1,463,104	1,049,535	31,415	5,497,236
17,104	3,278	14,565	514,171	322,606	10,057	109,737
-	-	-	-	-	-	-
-	-	-	8,087	-	189,714	182,467
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
16,232	4,459	9,523	403,438	233,577	14,510	88,916
43,974	7,737	180,475	3,762,497	4,042,161	245,720	8,673,525
24,599,488	4,413,361	23,286,097	737,002,037	466,899,083	19,077,065	155,859,879
19,806,420	3,586,121	13,919,723	320,512,865	199,790,227	4,537,572	108,725,800
29,083,141	-	-	391,908,724	362,431,476	-	125,272,812
20,658,937	-	-	249,493,564	252,497,144	-	57,266,803

# STATEMENT OF NET ASSETS

## AT JUNE 30, 2013 (CONTINUED)

	Franklin Global Listed Infrastructure Fund* (USD)	Franklin Global Real Estate Fund (USD)	Franklin Global Small-Mid Cap Growth Fund (USD)	Franklin Gold and Precious Metals Fund (USD)
<b>ASSETS</b>				
Investment in securities at market value (note 2(b))	4,638,057	451,525,857	189,246,287	41,437,147
Cash	28,372	670,672	951,406	1,337,022
Time deposits and repurchase agreements (note 3)	–	5,000,000	17,000,000	–
Amounts receivable on sale of investments	–	949,474	39,155	216
Amounts receivable on subscriptions	23,502	7,270,664	1,762,087	993,340
Interest and dividends receivable, net	17,899	1,467,936	395,374	41,658
Unrealised profit on forward foreign exchange contracts (notes 2(c), 4)	–	–	–	–
Unrealised profit on financial future contracts (notes 2(d), 5)	–	–	–	–
Unrealised profit on interest rate swap contracts (notes 2(e), 6)	–	–	–	–
Unrealised profit on inflation swap contracts (notes 2(f), 7)	–	–	–	–
Unrealised profit on cross currency swap contracts (notes 2(g), 8)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 10)	–	–	–	–
Option contracts at market value (notes 2(j), 11)	–	–	–	–
Other receivables	1,125	78,963	54,613	–
<b>TOTAL ASSETS</b>	<b>4,708,955</b>	<b>466,963,566</b>	<b>209,448,922</b>	<b>43,809,383</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	–	1,108,751	1,272,430	–
Amounts payable on redemptions	–	1,425,856	319,198	392,490
Investment management fees payable (note 13)	2,955	355,825	159,988	39,336
Bank overdraft	–	–	–	–
Unrealised loss on forward foreign exchange contracts (notes 2(c), 4)	26,888	935,714	–	347,708
Unrealised loss on financial future contracts (notes 2(d), 5)	–	–	–	–
Unrealised loss on interest rate swap contracts (notes 2(e), 6)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 10)	–	–	–	–
Taxes and expense payable	1,838	494,241	140,706	53,439
<b>TOTAL LIABILITIES</b>	<b>31,681</b>	<b>4,320,387</b>	<b>1,892,322</b>	<b>832,973</b>
<b>TOTAL NET ASSETS</b>	<b>4,677,274</b>	<b>462,643,179</b>	<b>207,556,600</b>	<b>42,976,410</b>
<b>THREE YEAR ASSET SUMMARY</b>				
June 30, 2012	–	121,399,470	57,058,308	139,752,055
June 30, 2011	–	159,982,185	80,420,038	81,271,337
June 30, 2010	–	64,793,655	36,904,320	5,565,752

\*This Fund was launched on April 26, 2013

The accompanying notes form an integral

# STATEMENT OF NET ASSETS

## AT JUNE 30, 2013 (CONTINUED)

Franklin High Yield Fund (USD)	Franklin Income Fund (USD)	Franklin India Fund (USD)	Franklin MENA Fund (USD)	Franklin Multi-Asset Income Fund* (EUR)	Franklin Natural Resources Fund (USD)	Franklin Real Return Fund (USD)
3,774,233,725	1,611,067,146	943,039,207	54,645,206	21,227,761	241,722,821	11,412,001
77,606,945	43,079,549	1,415,153	—	2,395,162	4,539,553	948,838
—	—	10,000,000	—	—	—	—
125,000,000	40,000,000	1,178,762	2,854,085	464,917	7,123,444	849,389
22,436,547	34,290,340	5,233,339	313,931	127,903	1,025,931	—
70,219,676	13,858,184	1,610,610	54,381	109,454	458,987	73,787
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	19,531
—	—	—	—	—	—	—
57	8,499	—	64	2,008	7,082	2,045
4,069,496,950	1,742,303,718	962,477,071	57,867,667	24,327,205	254,877,818	13,305,591
2,874,850	13,279,272	—	26,190	1,234,608	792,644	—
65,058,993	16,611,417	7,286,727	230,513	—	1,786,728	49,575
2,757,742	1,157,165	781,299	65,082	7,883	208,623	8,199
—	—	—	2,186,791	—	—	—
1,451,369	143,635	77,538	196,077	21,316	167,321	169,090
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
3,711,002	1,392,006	1,084,110	75,329	5,983	212,472	14,665
75,853,956	32,583,495	9,229,674	2,779,982	1,269,790	3,167,788	241,529
3,993,642,994	1,709,720,223	953,247,397	55,087,685	23,057,415	251,710,030	13,064,062
4,037,075,396	1,298,369,835	1,189,022,902	51,733,543	—	333,504,877	15,525,782
3,732,281,743	1,280,943,588	1,796,873,179	82,585,108	—	490,921,697	19,811,267
2,681,403,357	653,230,165	1,024,275,135	95,002,312	—	104,946,439	4,638,420

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# STATEMENT OF NET ASSETS

## AT JUNE 30, 2013 (CONTINUED)

	Franklin Strategic Income Fund (USD)	Franklin Technology Fund (USD)	Franklin U.S. Dollar Liquid Reserve Fund (USD)	Franklin U.S. Equity Fund (USD)
<b>ASSETS</b>				
Investment in securities at market value (note 2(b))	860,647,326	674,985,000	348,505,533	476,124,017
Cash	106,115,406	38,911,331	4,468	12,736,761
Time deposits and repurchase agreements (note 3)	—	—	—	—
Amounts receivable on sale of investments	206,014,094	1,909,906	79,190,000	10,000,810
Amounts receivable on subscriptions	5,084,182	4,638,473	6,122,384	2,697,752
Interest and dividends receivable, net	10,417,454	204,365	14,375	673,401
Unrealised profit on forward foreign exchange contracts (notes 2(c), 4)	—	—	—	—
Unrealised profit on financial future contracts (notes 2(d), 5)	—	—	—	—
Unrealised profit on interest rate swap contracts (notes 2(e), 6)	—	—	—	—
Unrealised profit on inflation swap contracts (notes 2(f), 7)	—	—	—	—
Unrealised profit on cross currency swap contracts (notes 2(g), 8)	—	—	—	—
Credit default swap contracts at market value (notes 2(i), 10)	4,751,478	—	—	—
Option contracts at market value (notes 2(j), 11)	—	—	—	—
Other receivables	245,267	152,292	84,781	—
<b>TOTAL ASSETS</b>	<b>1,193,275,207</b>	<b>720,801,367</b>	<b>433,921,541</b>	<b>502,232,741</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	29,876,441	887	—	967,460
Amounts payable on redemptions	5,025,009	2,342,113	6,286,108	2,677,366
Investment management fees payable (note 13)	660,165	560,482	85,669	392,525
Bank overdraft	—	—	—	—
Unrealised loss on forward foreign exchange contracts (notes 2(c), 4)	4,007,785	—	—	420,688
Unrealised loss on financial future contracts (notes 2(d), 5)	—	—	—	—
Unrealised loss on interest rate swap contracts (notes 2(e), 6)	—	—	—	—
Credit default swap contracts at market value (notes 2(i), 10)	—	—	—	—
Taxes and expense payable	978,386	496,207	187,870	430,693
<b>TOTAL LIABILITIES</b>	<b>40,547,786</b>	<b>3,399,689</b>	<b>6,559,647</b>	<b>4,888,732</b>
<b>TOTAL NET ASSETS</b>	<b>1,152,727,421</b>	<b>717,401,678</b>	<b>427,361,894</b>	<b>497,344,009</b>
<b>THREE YEAR ASSET SUMMARY</b>				
June 30, 2012	609,417,442	671,591,332	369,675,762	714,115,815
June 30, 2011	404,005,632	702,719,617	365,836,976	886,610,311
June 30, 2010	191,900,788	264,049,900	267,260,935	665,871,864

The accompanying notes form an integral

# STATEMENT OF NET ASSETS

## AT JUNE 30, 2013 (CONTINUED)

Franklin U.S. Focus Fund (USD)	Franklin U.S. Government Fund (USD)	Franklin U.S. Low Duration Fund (USD)	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)
10,808,558	1,553,991,064	1,537,729,092	2,679,275,981	119,667,280	155,401,862	120,562,226
555,017	19,111,634	28,340,600	54,588,559	2,504,887	5,197,059	1,114,139
-	-	-	-	-	-	4,000,000
-	15,000,001	20,697,838	-	5,322,978	4,201,364	1,658,345
1,738	1,922,546	2,531,742	29,909,456	1,692,074	610,489	650,282
8,429	5,478,516	9,477,693	672,590	42,404	1,333,242	198,109
-	-	49,903	-	-	-	88,853
-	-	208,906	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	40,493	-	-	9,529	-
-	-	-	-	-	-	-
-	-	828,377	-	-	38,637	-
-	13,496	66,275	13,706	1,858	14,068	18,281
11,373,742	1,595,517,257	1,599,970,919	2,764,460,292	129,231,481	166,806,250	128,290,235
55,391	-	20,658,588	5,347,443	59,520	29,317,964	1,294,998
7,362	14,402,504	4,640,085	10,233,293	1,612,333	577,361	416,881
9,323	787,050	782,674	2,063,170	96,912	84,396	91,830
-	-	-	-	-	-	-
186,756	1,463,766	-	5,193,174	-	123,550	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	3,294,619	-	-	243,180	-
15,862	1,197,415	747,117	1,836,803	107,807	108,257	82,620
274,694	17,850,735	30,123,083	24,673,883	1,876,572	30,454,708	1,886,329
11,099,048	1,577,666,522	1,569,847,836	2,739,786,409	127,354,909	136,351,542	126,403,906
15,009,101	2,532,288,020	725,285,036	2,911,650,277	123,984,678	117,736,168	61,153,384
21,838,086	1,979,331,386	305,940,938	2,707,293,531	125,613,097	71,795,236	51,187,415
8,945,646	2,498,161,733	156,448,721	879,151,288	37,277,528	56,575,483	32,889,202

# STATEMENT OF NET ASSETS

## AT JUNE 30, 2013 (CONTINUED)

	Franklin Mutual Beacon Fund (USD)	Franklin Mutual Euroland Fund (EUR)	Franklin Mutual European Fund (EUR)	Franklin Mutual Global Discovery Fund (USD)
<b>ASSETS</b>				
Investment in securities at market value (note 2(b))	812,717,787	7,058,704	2,150,261,134	1,044,216,882
Cash	14,207,434	461,344	89,973,442	50,630,505
Time deposits and repurchase agreements (note 3)	–	–	–	–
Amounts receivable on sale of investments	–	4,255	38,714,448	106,945
Amounts receivable on subscriptions	1,449,332	1,172	9,570,245	8,780,496
Interest and dividends receivable, net	1,576,783	9,590	4,168,900	1,610,666
Unrealised profit on forward foreign exchange contracts (notes 2(c), 4)	–	–	–	–
Unrealised profit on financial future contracts (notes 2(d), 5)	418,599	–	–	–
Unrealised profit on interest rate swap contracts (notes 2(e), 6)	–	–	–	–
Unrealised profit on inflation swap contracts (notes 2(f), 7)	–	–	–	–
Unrealised profit on cross currency swap contracts (notes 2(g), 8)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 10)	–	–	–	–
Option contracts at market value (notes 2(j), 11)	–	–	–	–
Other receivables	608,428	2,847	2,251,490	366,769
<b>TOTAL ASSETS</b>	<b>830,978,363</b>	<b>7,537,912</b>	<b>2,294,939,659</b>	<b>1,105,712,263</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	962,482	7,546	4,619,582	1,655,987
Amounts payable on redemptions	6,496,982	67,345	32,398,829	4,920,324
Investment management fees payable (note 13)	662,007	6,233	1,739,693	829,376
Bank overdraft	–	–	–	–
Unrealised loss on forward foreign exchange contracts (notes 2(c), 4)	290,852	–	30,626	1,273,518
Unrealised loss on financial future contracts (notes 2(d), 5)	–	–	–	–
Unrealised loss on interest rate swap contracts (notes 2(e), 6)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 10)	–	–	–	–
Taxes and expense payable	1,168,498	7,460	2,403,503	901,308
<b>TOTAL LIABILITIES</b>	<b>9,580,821</b>	<b>88,584</b>	<b>41,192,233</b>	<b>9,580,513</b>
<b>TOTAL NET ASSETS</b>	<b>821,397,542</b>	<b>7,449,328</b>	<b>2,253,747,426</b>	<b>1,096,131,750</b>
<b>THREE YEAR ASSET SUMMARY</b>				
June 30, 2012	769,414,521	7,997,211	2,130,655,041	892,257,616
June 30, 2011	1,209,141,565	8,667,182	3,077,629,369	1,535,091,327
June 30, 2010	1,208,336,071	9,222,542	2,591,062,545	860,956,429

The accompanying notes form an integral



# STATEMENT OF NET ASSETS

## AT JUNE 30, 2013 (CONTINUED)

Franklin Templeton Global Allocation Fund (USD)	Franklin Templeton Global Equity Strategies Fund (USD)	Franklin Templeton Global Fundamental Strategies Fund (USD)	Franklin Templeton Global Growth and Value Fund (USD)	Franklin Templeton Japan Fund (JPY)	Templeton Africa Fund (USD)	Templeton Asian Bond Fund (USD)
38,271,302	66,992,523	745,191,501	85,252,312	25,278,584,200	85,907,411	3,583,998,258
4,088,478	1,352,883	13,625,156	528,291	277,086,491	95,733	110,220,188
–	1,000,000	–	2,000,000	–	–	–
3,277,993	16,516	80,356,474	1,052,498	475,402,955	248,311	11,026,075
73,341	40,350	6,916,049	372,961	492,717,145	942,082	4,784,116
121,974	184,594	3,502,796	167,917	61,877,564	348,005	42,193,777
–	–	–	–	–	–	22,679,046
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
6,636	27,150	293,481	92,623	–	11,683	35,103
45,839,724	69,614,016	849,885,457	89,466,602	26,585,668,355	87,553,225	3,774,936,563
377,839	107,549	1,561,563	1,094,255	884,458,340	192,692	6,713,148
47,257	21,237	1,825,694	66,915	236,291,529	208,297	70,106,603
34,457	72,561	689,599	39,350	16,422,881	110,499	2,232,222
–	–	–	–	–	–	–
275,028	55,871	2,993,527	–	–	193,949	–
39,531	–	–	–	–	–	–
–	–	817,547	–	–	–	11,929,145
–	–	–	–	–	–	–
38,620	53,573	1,059,560	65,898	18,320,326	74,826	7,052,561
812,732	310,791	8,947,490	1,266,418	1,155,493,076	780,263	98,033,679
45,026,992	69,303,225	840,937,967	88,200,184	25,430,175,279	86,772,962	3,676,902,884
26,567,300	60,943,727	592,985,661	79,523,418	12,730,289,900	5,433,869	4,162,546,959
–	72,485,262	675,413,199	111,341,009	7,525,055,818	–	4,220,249,357
–	55,677,687	458,235,313	64,486,472	7,225,256,114	–	2,279,041,816

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# STATEMENT OF NET ASSETS

## AT JUNE 30, 2013 (CONTINUED)

	Templeton Asian Dividend Fund* (USD)	Templeton Asian Growth Fund (USD)	Templeton Asian Smaller Companies Fund (USD)	Templeton BRIC Fund (USD)
<b>ASSETS</b>				
Investment in securities at market value (note 2(b))	4,784,263	15,820,883,898	880,280,754	1,280,149,474
Cash	98,127	–	2,617,142	717,031
Time deposits and repurchase agreements (note 3)	–	–	58,000,000	65,000,000
Amounts receivable on sale of investments	–	118,803,027	3,461,734	2,301,685
Amounts receivable on subscriptions	36,514	53,704,808	13,145,801	3,131,565
Interest and dividends receivable, net	11,941	84,345,080	3,064,382	13,674,914
Unrealised profit on forward foreign exchange contracts (notes 2(c), 4)	–	–	–	–
Unrealised profit on financial future contracts (notes 2(d), 5)	–	–	–	–
Unrealised profit on interest rate swap contracts (notes 2(e), 6)	–	–	–	–
Unrealised profit on inflation swap contracts (notes 2(f), 7)	–	–	–	–
Unrealised profit on cross currency swap contracts (notes 2(g), 8)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 10)	–	–	–	–
Option contracts at market value (notes 2(j), 11)	–	–	–	–
Other receivables	–	–	–	–
<b>TOTAL ASSETS</b>	<b>4,930,845</b>	<b>16,077,736,813</b>	<b>960,569,813</b>	<b>1,364,974,669</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	–	–	6,859,509	11,551,142
Amounts payable on redemptions	–	89,994,939	10,116,484	6,243,791
Investment management fees payable (note 13)	4,005	15,607,369	980,993	1,827,816
Bank overdraft	–	120,089,936	–	–
Unrealised loss on forward foreign exchange contracts (notes 2(c), 4)	13,501	23,589,536	–	166,085
Unrealised loss on financial future contracts (notes 2(d), 5)	–	–	–	–
Unrealised loss on interest rate swap contracts (notes 2(e), 6)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 10)	–	–	–	–
Taxes and expense payable	1,651	12,344,364	575,220	1,840,773
<b>TOTAL LIABILITIES</b>	<b>19,157</b>	<b>261,626,144</b>	<b>18,532,206</b>	<b>21,629,607</b>
<b>TOTAL NET ASSETS</b>	<b>4,911,688</b>	<b>15,816,110,669</b>	<b>942,037,607</b>	<b>1,343,345,062</b>
<b>THREE YEAR ASSET SUMMARY</b>				
June 30, 2012	–	16,112,820,817	228,044,710	1,853,961,008
June 30, 2011	–	17,848,692,584	206,440,565	2,971,841,661
June 30, 2010	–	10,393,185,887	37,740,758	2,611,189,819

\*This Fund was launched on April 26, 2013

The accompanying notes form an integral

# STATEMENT OF NET ASSETS

## AT JUNE 30, 2013 (CONTINUED)

Templeton China 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 Government Bond Fund (EUR)
1,608,284,312	387,116,312	1,104,568,498	76,994,362	8,123,457,927	226,133,499	30,080,921
2,091,341	4,049,606	999,691	778,332	250,962,652	721,945	2,892,820
3,000,000	—	7,000,000	—	—	—	—
9,343,181	9,183,921	12,592,259	311,740	40,011,213	7,355,600	—
4,329,364	1,239,426	3,463,431	342,593	35,380,520	1,923,981	548,323
19,785,907	4,581,948	3,968,416	745,085	131,391,766	1,230,405	416,712
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
110	118,210	15,875	7,458	—	—	—
1,646,834,215	406,289,423	1,132,608,170	79,179,570	8,581,204,078	237,365,430	33,938,776
—	1,162,016	6,399,376	220,030	854,712	29,264	1,533,847
13,906,377	2,376,798	8,316,899	373,093	138,581,736	1,929,029	85,951
1,965,672	523,730	1,447,597	83,465	6,642,351	316,639	12,621
—	—	—	—	—	—	—
—	—	590,525	777,802	42,165,836	—	—
—	—	—	—	—	—	—
—	—	—	—	16,155,382	—	—
—	—	—	—	—	—	—
1,261,928	711,752	1,307,952	85,830	11,521,421	292,175	28,573
17,133,977	4,774,296	18,062,349	1,540,220	215,921,438	2,567,107	1,660,992
1,629,700,238	401,515,127	1,114,545,821	77,639,350	8,365,282,640	234,798,323	32,277,784
2,284,778,429	467,205,560	1,143,809,086	55,726,679	6,610,440,114	219,607,218	35,752,731
2,414,132,792	805,406,537	1,319,323,235	25,318,344	6,783,106,769	445,033,992	17,918,215
936,951,071	711,325,555	1,007,586,053	—	4,111,146,203	295,588,749	18,498,000

# STATEMENT OF NET ASSETS

## AT JUNE 30, 2013 (CONTINUED)

	Templeton Euro High Yield Fund (EUR)	Templeton Euro Liquid Reserve Fund (EUR)	Templeton Euro Short-Term Money Market Fund (EUR)	Templeton Euroland Fund (EUR)
<b>ASSETS</b>				
Investment in securities at market value (note 2(b))	719,721,078	95,548,326	83,541,936	117,879,620
Cash	53,213,035	20,349,187	16,459,163	2,957,273
Time deposits and repurchase agreements (note 3)	–	–	–	–
Amounts receivable on sale of investments	5,857,029	2,000,000	–	–
Amounts receivable on subscriptions	25,547,135	4,074,714	332,002	722,978
Interest and dividends receivable, net	16,008,686	36,160	25,875	50,301
Unrealised profit on forward foreign exchange contracts (notes 2(c), 4)	264,767	–	–	–
Unrealised profit on financial future contracts (notes 2(d), 5)	–	–	–	–
Unrealised profit on interest rate swap contracts (notes 2(e), 6)	–	–	–	–
Unrealised profit on inflation swap contracts (notes 2(f), 7)	–	–	–	–
Unrealised profit on cross currency swap contracts (notes 2(g), 8)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 10)	46,996	–	–	–
Option contracts at market value (notes 2(j), 11)	–	–	–	–
Other receivables	–	–	11,524	195,508
<b>TOTAL ASSETS</b>	<b>820,658,726</b>	<b>122,008,387</b>	<b>100,370,500</b>	<b>121,805,680</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	6,986,292	7,996,797	4,997,052	106,653
Amounts payable on redemptions	10,884,639	1,551,949	991,998	261,879
Investment management fees payable (note 13)	521,886	22,799	16,035	95,214
Bank overdraft	–	–	–	–
Unrealised loss on forward foreign exchange contracts (notes 2(c), 4)	–	–	–	–
Unrealised loss on financial future contracts (notes 2(d), 5)	–	–	–	–
Unrealised loss on interest rate swap contracts (notes 2(e), 6)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 10)	–	–	–	–
Taxes and expense payable	563,421	78,306	20,038	161,778
<b>TOTAL LIABILITIES</b>	<b>18,956,238</b>	<b>9,649,851</b>	<b>6,025,123</b>	<b>625,524</b>
<b>TOTAL NET ASSETS</b>	<b>801,702,488</b>	<b>112,358,536</b>	<b>94,345,377</b>	<b>121,180,156</b>
<b>THREE YEAR ASSET SUMMARY</b>				
June 30, 2012	541,078,975	136,184,651	101,016,087	101,562,854
June 30, 2011	600,780,057	107,876,410	41,550,098	130,959,835
June 30, 2010	400,893,844	107,927,433	24,421,190	132,622,294

The accompanying notes form an integral

# STATEMENT OF NET ASSETS

## AT JUNE 30, 2013 (CONTINUED)

Templeton European Fund (EUR)	Templeton European Corporate Bond Fund (EUR)	Templeton European Total Return Fund (EUR)	Templeton Frontier Markets Fund (USD)	Templeton Global Fund (USD)	Templeton Global (Euro) Fund (EUR)	Templeton Global Aggregate Bond Fund (USD)
121,291,317	41,272,859	79,227,862	2,077,803,651	959,870,476	596,783,668	15,705,084
3,163,588	1,443,799	1,644,101	9,010,288	1,189,519	8,691,221	2,022,426
-	-	-	57,000,000	13,000,000	-	-
-	438,242	2,669,878	105,741	18	-	12
242,049	66,409	5,241,750	24,058,968	5,382,704	499,509	5,666
202,422	693,791	1,440,274	17,921,486	2,107,190	1,641,208	159,201
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
279,233	315	15,208	9,337	633,789	630,917	186
125,178,609	43,915,415	90,239,073	2,185,909,471	982,183,696	608,246,523	17,892,575
90,882	399,212	5,277,155	21,578,011	9,026,627	5,590,580	1,501,972
362,143	78,678	288,170	35,913,998	3,694,511	530,164	3,037
100,124	18,555	49,999	2,556,843	784,986	493,292	6,877
-	-	-	-	-	-	-
-	1,877	45,577	7,590,359	-	29,555	254,379
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
87,927	23,144	138,383	1,938,681	1,009,981	549,251	16,687
641,076	521,466	5,799,284	69,577,892	14,516,105	7,192,842	1,782,952
124,537,533	43,393,949	84,439,789	2,116,331,579	967,667,591	601,053,681	16,109,623
105,757,279	23,570,368	64,970,960	890,205,145	803,180,357	516,299,182	33,185,762
125,715,499	14,348,471	58,152,467	1,094,274,372	1,114,814,642	557,576,009	17,891,005
117,182,884	10,850,259	70,690,229	355,478,066	925,156,864	542,441,391	-

# STATEMENT OF NET ASSETS

## AT JUNE 30, 2013 (CONTINUED)

	Templeton Global Aggregate Investment Grade Bond Fund (USD)	Templeton Global Balanced Fund (USD)	Templeton Global Bond Fund (USD)	Templeton Global Bond (Euro) Fund (EUR)
<b>ASSETS</b>				
Investment in securities at market value (note 2(b))	10,939,938	631,277,506	43,333,024,811	738,685,040
Cash	407,281	73,174,565	2,037,465,313	83,624,897
Time deposits and repurchase agreements (note 3)	–	–	–	–
Amounts receivable on sale of investments	–	–	1,320,040,684	–
Amounts receivable on subscriptions	–	4,358,544	194,511,826	2,534,121
Interest and dividends receivable, net	93,672	3,420,207	481,715,082	10,659,431
Unrealised profit on forward foreign exchange contracts (notes 2(c), 4)	29,909	–	–	10,333,467
Unrealised profit on financial future contracts (notes 2(d), 5)	–	–	–	–
Unrealised profit on interest rate swap contracts (notes 2(e), 6)	–	–	–	–
Unrealised profit on inflation swap contracts (notes 2(f), 7)	–	–	–	–
Unrealised profit on cross currency swap contracts (notes 2(g), 8)	–	–	–	–
Credit default swap contracts at market value (notes 2(i), 10)	–	–	–	–
Option contracts at market value (notes 2(j), 11)	–	–	–	–
Other receivables	372	544,683	1,037,268	42,499
<b>TOTAL ASSETS</b>	<b>11,471,172</b>	<b>712,775,505</b>	<b>47,367,794,984</b>	<b>845,879,455</b>
<b>LIABILITIES</b>				
Amounts payable on purchases of investments	1,124,259	7,300,824	20,574,366	–
Amounts payable on redemptions	–	2,514,154	369,680,860	5,622,599
Investment management fees payable (note 13)	3,513	459,827	28,445,951	494,202
Bank overdraft	–	–	–	–
Unrealised loss on forward foreign exchange contracts (notes 2(c), 4)	–	2,506,371	42,429,779	–
Unrealised loss on financial future contracts (notes 2(d), 5)	–	–	–	–
Unrealised loss on interest rate swap contracts (notes 2(e), 6)	–	–	221,198,874	–
Credit default swap contracts at market value (notes 2(i), 10)	–	–	–	–
Taxes and expense payable	7,984	846,051	72,897,447	1,174,287
<b>TOTAL LIABILITIES</b>	<b>1,135,756</b>	<b>13,627,227</b>	<b>755,227,277</b>	<b>7,291,088</b>
<b>TOTAL NET ASSETS</b>	<b>10,335,416</b>	<b>699,148,278</b>	<b>46,612,567,707</b>	<b>838,588,367</b>
<b>THREE YEAR ASSET SUMMARY</b>				
June 30, 2012	10,062,164	595,171,716	41,237,011,127	562,372,898
June 30, 2011	–	737,827,793	46,361,614,603	428,415,072
June 30, 2010	–	658,907,869	26,724,456,688	347,872,646

\*This Fund was launched on July 13, 2012

The accompanying notes form an integral

# STATEMENT OF NET ASSETS

## AT JUNE 30, 2013 (CONTINUED)

Templeton Global Equity Income Fund (USD)	Templeton Global High Income Bond Fund* (USD)	Templeton Global High Yield Fund (USD)	Templeton Global Income Fund (USD)	Templeton Global Smaller Companies Fund (USD)	Templeton Global Total Return Fund (USD)	Templeton Growth (Euro) Fund (EUR)
72,761,642	18,720,848	299,161,362	543,756,787	131,864,121	37,044,519,331	5,275,837,283
772,037	1,285,139	10,030,827	48,791,801	221,900	1,357,843,223	168,152,139
—	—	—	—	16,000,000	—	25,301,899
264,507	54	10,485,282	50,000,000	3,899,633	857,917,263	—
483,192	1,170,877	644,123	7,455,039	482,073	248,704,075	8,629,798
302,611	350,467	4,916,772	3,434,914	119,597	441,242,218	10,643,720
—	—	726,798	473,436	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	149,351	—	—	—	—
—	—	—	—	—	—	—
114,627	51	71,264	237,211	44,077	293,667	2,053,378
74,698,616	21,527,436	326,185,779	654,149,188	152,631,401	39,950,519,777	5,490,618,217
60	365,729	4,350,278	1,645,636	1,939,209	115,778,079	11,124,500
276,151	28,307	1,951,479	4,334,822	1,790,545	324,400,213	4,971,490
62,277	11,620	221,204	430,137	123,413	23,925,751	4,494,173
—	—	—	—	—	—	—
—	22,842	—	—	—	58,233,872	—
—	—	—	—	—	—	—
—	—	109,781	—	—	107,827,297	—
—	59,001	—	—	—	—	—
94,694	10,119	335,957	619,498	161,443	42,984,473	4,797,497
433,182	497,618	6,968,699	7,030,093	4,014,610	673,149,685	25,387,660
74,265,434	21,029,818	319,217,080	647,119,095	148,616,791	39,277,370,092	5,465,230,557
69,775,789	—	176,395,245	408,785,475	131,439,485	24,045,237,813	4,715,345,864
95,190,839	—	141,925,489	522,353,073	272,029,353	22,403,862,469	4,766,968,040
90,904,876	—	57,991,912	186,043,619	237,574,862	9,247,942,075	4,490,061,960

# STATEMENT OF NET ASSETS

## AT JUNE 30, 2013 (CONTINUED)

	Templeton Korea Fund  (USD)	Templeton Latin America Fund  (USD)	Templeton Thailand Fund  (USD)
<b>ASSETS</b>			
Investment in securities at market value (note 2(b))	105,537,067	2,133,607,342	231,864,685
Cash	702,578	1,782,347	758,773
Time deposits and repurchase agreements (note 3)	10,000,000	66,000,000	2,000,000
Amounts receivable on sale of investments	14	5,756,963	–
Amounts receivable on subscriptions	209,221	9,365,743	2,915,133
Interest and dividends receivable, net	–	7,492,048	34,474
Unrealised profit on forward foreign exchange contracts (notes 2(c), 4)	–	–	–
Unrealised profit on financial future contracts (notes 2(d), 5)	–	–	–
Unrealised profit on interest rate swap contracts (notes 2(e), 6)	–	–	–
Unrealised profit on inflation swap contracts (notes 2(f), 7)	–	–	–
Unrealised profit on cross currency swap contracts (notes 2(g), 8)	–	–	–
Credit default swap contracts at market value (notes 2(i), 10)	–	–	–
Option contracts at market value (notes 2(j), 11)	–	–	–
Other receivables	1,522	182,745	–
<b>TOTAL ASSETS</b>	<b>116,450,402</b>	<b>2,224,187,188</b>	<b>237,573,065</b>
<b>LIABILITIES</b>			
Amounts payable on purchases of investments	1,428,212	4,470,800	1,267,876
Amounts payable on redemptions	414,413	30,289,956	2,460,923
Investment management fees payable (note 13)	145,410	2,550,511	311,410
Bank overdraft	–	–	–
Unrealised loss on forward foreign exchange contracts (notes 2(c), 4)	–	1,514,262	–
Unrealised loss on financial future contracts (notes 2(d), 5)	–	–	–
Unrealised loss on interest rate swap contracts (notes 2(e), 6)	–	–	–
Credit default swap contracts at market value (notes 2(i), 10)	–	–	–
Taxes and expense payable	121,629	2,513,060	249,900
<b>TOTAL LIABILITIES</b>	<b>2,109,664</b>	<b>41,338,589</b>	<b>4,290,109</b>
<b>TOTAL NET ASSETS</b>	<b>114,340,738</b>	<b>2,182,848,599</b>	<b>233,282,956</b>
<b>THREE YEAR ASSET SUMMARY</b>			
June 30, 2012	98,223,872	2,799,797,107	182,794,364
June 30, 2011	141,639,288	4,013,788,231	180,851,751
June 30, 2010	82,332,757	3,000,450,731	149,863,578

The accompanying notes form an integral part of these financial statements



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# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

## FOR THE YEAR ENDED JUNE 30, 2013

	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>	135,991,665,339	13,188,230	289,307,603	–
Currency translation adjustment	332,123,364	–	–	–
	136,323,788,703	13,188,230	289,307,603	–
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	1,259,819,258	266,828	515,335	212,875
Interest on bonds (net of withholding taxes)	4,837,266,245	–	13,310	400,642
Bank interest	4,201,746	13	363	311
Securities lending (notes 2(n), 12)	8,146,344	–	–	–
Net interest income on swaps	7,616,611	–	–	1,839
Sundry income	36,808,651	–	2,398	–
<b>TOTAL INCOME</b>	6,153,858,855	266,841	531,406	615,667
<b>EXPENSES</b>				
Investment management fees (note 13)	1,332,037,644	122,569	4,834,208	570,884
Administration and transfer agency fees	350,561,160	43,971	1,197,855	147,158
Subscription tax (note 16)	63,438,775	5,850	193,885	21,454
Custodian fees	67,360,146	6,571	10,730	8,021
Audit, printing and publishing expenses	9,341,092	799	26,587	3,247
Bank charges	239,442	550	2,264	1,024
Net interest expenses on swaps	112,567,461	–	–	–
Class A(dis) and Class A(acc) shares' maintenance charges (note 17)	375,913,862	31,754	2,057,366	104,321
Class AX(acc) shares' maintenance charges (note 17)	4,947,891	–	–	–
Class B(dis) and Class B(acc) shares' maintenance and service charges (note 17)	63,535,111	66,406	163,212	–
Class C(dis) and Class C(acc) shares' maintenance and service charges (note 17)	40,386,386	–	103,025	–
Class N(dis) and Class N(acc) shares' maintenance charges (note 17)	197,551,126	13,816	537,046	335,378
Other charges	36,153,755	2,918	94,376	10,816
<b>TOTAL EXPENSES</b>	2,654,033,851	295,204	9,220,554	1,202,303
Expenses reimbursement (note 18)	(5,107,882)	(2,390)	–	(2,219)
<b>NET EXPENSES</b>	2,648,925,969	292,814	9,220,554	1,200,084
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	3,504,932,886	(25,973)	(8,689,148)	(584,417)
Net realised profit/(loss) on sale of investments	996,657,782	293,395	18,768,046	(2,175,208)
Net realised profit/(loss) on forward foreign exchange contracts	4,865,820,590	–	3,596	127,469
Net realised profit/(loss) on financial future contracts	3,215,937	–	–	4,226,143
Net realised profit/(loss) on interest rate swap contracts	(1,460,344)	–	–	(1,460,344)
Net realised profit/(loss) on inflation swap contracts	(28,461)	–	–	(28,461)
Net realised profit/(loss) on credit default swap contracts	17,997,055	–	–	–
Net realised profit/(loss) on option contracts	2,229,152	–	–	331,039
Net realised profit/(loss) on foreign exchange transactions	(107,080,203)	(5,832)	19,804	(215,342)
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	9,282,284,394	261,590	10,102,298	220,879
Change in net unrealised appreciation/(depreciation) on:				
Investments	5,302,881,381	608,541	116,000,293	(3,739,925)
Forward foreign exchange contracts	(2,147,319,223)	–	(8,197)	1,291,397
Financial future contracts	2,435,295	–	–	1,639,123
Interest rate swap contracts	358,542,565	–	–	27,198
Inflation swap contracts	168,840	–	–	168,840
Cross currency swap contracts	50,022	–	–	–
Credit default swap contracts	3,376,330	–	–	(2,194)
Option contracts	(4,076,593)	–	–	(43,286)
Foreign exchange transactions	(947,869,463)	(3,679)	(11,547)	(631,803)
Provision for capital gains tax	(2,618,468)	–	–	–
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	11,847,855,080	866,452	126,082,847	(1,069,771)
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	88,708,294,516	1,770,947	1,128,534,455	114,718,262
Redemption of shares	(69,571,204,074)	(4,635,032)	(642,543,718)	(25,249,234)
Equalisation (note 21)	101,469,732	1,205	–	–
	19,238,560,174	(2,862,880)	485,990,737	89,469,028
Dividends paid/accumulated (note 22)	(3,547,870,783)	(12,220)	–	(540,073)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	15,690,689,391	(2,875,100)	485,990,737	88,928,955
<b>NET ASSETS AT THE END OF THE YEAR</b>	163,862,333,174	11,179,582	901,381,187	87,859,184
Portfolio Turnover Ratio (note 23)		73.99%	(1.72)%	(32.49)

\*This Fund was launched on July 27, 2012

The accompanying notes form an integral

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2013 (CONTINUED)

Franklin Euroland Core Fund (EUR)	Franklin European Core Fund (EUR)	Franklin European Dividend Fund (EUR)	Franklin European Growth Fund (EUR)	Franklin European Small-Mid Cap Growth Fund (EUR)	Franklin Global Convertible Securities Fund (USD)	Franklin Global Growth Fund (USD)
19,806,420	3,586,121	13,919,723	320,512,865	199,790,227	4,537,572	108,725,800
-	-	-	-	-	-	-
19,806,420	3,586,121	13,919,723	320,512,865	199,790,227	4,537,572	108,725,800
700,369	122,727	847,274	13,465,341	7,879,244	81,915	2,259,041
-	-	-	-	-	121,746	-
-	-	15	629	308	33	5,378
27,151	-	-	-	-	-	-
-	-	-	-	-	-	-
8,703	-	-	136,803	250,078	669	40,846
736,223	122,727	847,289	13,602,773	8,129,630	204,363	2,305,265
191,722	36,174	139,828	4,156,268	2,626,760	56,683	1,128,043
51,945	8,872	41,636	1,063,318	702,442	17,882	316,624
5,896	1,359	2,891	140,013	87,021	2,542	35,071
4,487	565	2,472	61,199	59,454	386	14,759
1,416	259	1,037	26,729	17,341	585	8,180
57	-	-	-	-	17	56
-	-	-	-	-	-	-
42,401	8,353	10,738	937,334	685,293	25,483	251,970
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
15,533	10,631	13,304	1,033,982	299,297	10,742	109,088
5,027	870	3,762	96,771	62,286	1,629	28,993
318,484	67,083	215,668	7,515,614	4,539,894	115,949	1,892,784
-	-	-	(10)	-	-	-
318,484	67,083	215,668	7,515,604	4,539,894	115,949	1,892,784
417,739	55,644	631,621	6,087,169	3,589,736	88,414	412,481
248,673	61,917	353,733	7,551,534	202,377	57,872	3,927,929
-	-	-	(14,046)	-	168,901	591,401
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
177	23	2,075	145,489	35,064	(3,593)	98,405
666,589	117,584	987,429	13,770,146	3,827,177	311,594	5,030,216
3,347,252	559,132	2,049,512	85,752,233	80,900,706	806,894	6,730,545
-	-	-	(8,087)	-	(192,525)	(290,515)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(74)	(2,158)	(23,804)	1,824	(192,494)	(292,011)
-	-	-	-	-	-	-
4,013,841	676,642	3,034,783	99,490,488	84,729,707	733,469	11,178,235
5,983,297	372,699	10,392,982	506,511,208	320,655,221	16,849,753	93,690,211
(4,716,433)	(158,159)	(3,573,103)	(186,122,864)	(136,037,318)	(3,148,936)	(57,162,889)
-	275	48,793	1,153,909	704,524	135,597	45,753
1,266,864	214,815	6,868,672	321,542,253	185,322,427	13,836,414	36,573,075
(487,637)	(64,217)	(537,081)	(4,543,569)	(2,943,278)	(30,390)	(617,231)
779,227	150,598	6,331,591	316,998,684	182,379,149	13,806,024	35,955,844
24,599,488	4,413,361	23,286,097	737,002,037	466,899,083	19,077,065	155,859,879
37.25%	43.09%	14.32%	(5.81)%	(18.37)%	15.42%	43.39%

part of these financial statements

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

## FOR THE YEAR ENDED JUNE 30, 2013 (CONTINUED)

	Franklin Global Listed Infrastructure Fund* (USD)	Franklin Global Real Estate Fund (USD)	Franklin Global Small-Mid Cap Growth Fund (USD)	Franklin Gold and Precious Metals Fund (USD)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	–	121,399,470	57,058,308	139,752,055
Currency translation adjustment	–	–	–	–
	–	121,399,470	57,058,308	139,752,055
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	48,015	7,495,247	2,823,195	1,151,057
Interest on bonds (net of withholding taxes)	–	–	–	635
Bank interest	–	6,157	9,157	25
Securities lending (notes 2(n), 12)	–	–	–	–
Net interest income on swaps	–	–	–	–
Sundry income	–	70,389	25,104	–
<b>TOTAL INCOME</b>	48,015	7,571,793	2,857,456	1,151,717
<b>EXPENSES</b>				
Investment management fees (note 13)	–	–	–	–
Administration and transfer agency fees	6,605	2,716,799	1,087,378	1,159,176
Subscription tax (note 16)	1,829	736,529	267,890	332,440
Custodian fees	–	100,253	44,034	43,593
Audit, printing and publishing expenses	367	28,807	19,157	15,116
Bank charges	42	16,700	6,300	8,990
Net interest expenses on swaps	–	310	59	696
Class A(dis) and Class A(acc) shares' maintenance charges (note 17)	–	–	–	–
Class AX(acc) shares' maintenance charges (note 17)	886	664,432	448,561	289,433
Class B(dis) and Class B(acc) shares' maintenance and service charges (note 17)	–	–	–	–
Class C(dis) and Class C(acc) shares' maintenance and service charges (note 17)	–	203,963	19,910	–
Class N(dis) and Class N(acc) shares' maintenance charges (note 17)	–	360,013	–	–
Other charges	15	624,502	135,593	111,402
	325	56,494	21,521	37,847
<b>TOTAL EXPENSES</b>	10,069	5,508,802	2,050,403	1,998,693
Expenses reimbursement (note 18)	–	–	–	–
<b>NET EXPENSES</b>	10,069	5,508,802	2,050,403	1,998,693
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	37,946	2,062,991	807,053	(846,976)
Net realised profit/(loss) on sale of investments	(10,370)	2,592,558	2,621,553	(63,105,111)
Net realised profit/(loss) on forward foreign exchange contracts	(13,438)	1,325,856	–	612,905
Net realised profit/(loss) on financial future contracts	–	–	–	–
Net realised profit/(loss) on interest rate swap contracts	–	–	–	–
Net realised profit/(loss) on inflation 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	(14,235)	126,928	147,980	(92,705)
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	(97)	6,108,333	3,576,586	(63,431,887)
Change in net unrealised appreciation/(depreciation) on:				
Investments	(293,553)	8,512,821	20,304,239	2,668,862
Forward foreign exchange contracts	(26,888)	(938,433)	–	(352,245)
Financial future contracts	–	–	–	–
Interest rate swap contracts	–	–	–	–
Inflation swap contracts	–	–	–	–
Cross currency swap contracts	–	–	–	–
Credit default swap contracts	–	–	–	–
Option contracts	–	–	–	–
Foreign exchange transactions	(26,869)	(945,580)	(1,242)	(353,193)
Provision for capital gains tax	–	–	–	–
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	(347,407)	12,737,141	23,879,583	(61,468,463)
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	5,027,773	428,679,185	188,347,230	94,526,723
Redemption of shares	–	(98,796,682)	(61,538,004)	(129,833,905)
Equalisation (note 21)	177	323,232	162,465	–
	5,027,950	330,205,735	126,971,691	(35,307,182)
Dividends paid/accumulated (note 22)	(3,269)	(1,699,167)	(352,982)	–
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	5,024,681	328,506,568	126,618,709	(35,307,182)
<b>NET ASSETS AT THE END OF THE YEAR</b>	4,677,274	462,643,179	207,556,600	42,976,410
Portfolio Turnover Ratio (note 23)	10.88%	22.67%	(4.28)%	(21.99)%

\*This Fund was launched on April 26, 2013

The accompanying notes form an integral

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2013 (CONTINUED)

Franklin High Yield Fund (USD)	Franklin Income Fund (USD)	Franklin India Fund (USD)	Franklin MENA Fund (USD)	Franklin Multi-Asset Income Fund* (EUR)	Franklin Natural Resources Fund (USD)	Franklin Real Return Fund (USD)
4,037,075,396	1,298,369,835	1,189,022,902	51,733,543	–	333,504,877	15,525,782
–	–	–	–	–	–	–
4,037,075,396	1,298,369,835	1,189,022,902	51,733,543	–	333,504,877	15,525,782
468,813	26,202,305	16,450,871	2,105,003	124,371	3,748,281	28,132
322,404,656	51,215,050	–	304	22,400	83,379	117,542
1,306	–	22,371	280	–	89	102
–	–	–	–	–	–	–
2,228,403	–	–	–	–	–	15,839
419,878	26,103	–	–	–	215	50
325,523,056	77,443,458	16,473,242	2,105,587	146,771	3,831,964	161,665
35,068,086	11,830,239	11,170,757	711,220	17,798	3,211,564	96,809
11,038,300	3,360,979	2,805,894	177,538	8,252	814,488	32,346
2,027,516	665,309	530,489	19,058	–	153,777	6,554
134,442	50,790	979,651	67,524	783	13,370	1,469
277,331	84,010	72,724	3,318	193	21,042	799
2,845	3,520	5,169	1,428	–	294	278
–	–	–	–	21,814	–	–
12,359,077	4,727,252	4,185,705	143,930	207	1,243,402	52,432
–	–	–	–	–	–	–
13,109,058	2,375,557	480,489	5,758	–	134,895	–
634,422	1,721,053	143,890	–	–	104,899	–
1,415,618	1,116,238	1,537,558	59,068	66	286,434	24,214
995,128	331,840	264,075	12,297	1,145	83,757	2,962
77,061,823	26,266,787	22,176,401	1,201,139	50,258	6,067,922	217,863
(58)	–	(47,555)	(1,160)	–	(770)	(31,210)
77,061,765	26,266,787	22,128,846	1,199,979	50,258	6,067,152	186,653
248,461,291	51,176,671	(5,655,604)	905,608	96,513	(2,235,188)	(24,988)
67,606,326	(35,488,901)	8,423,905	1,071,866	(2,764)	(11,952,261)	(85,692)
1,744,165	74,577	475,602	441,998	–	327,665	219,486
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
6,185,112	–	–	–	–	–	54,115
–	–	–	–	–	–	–
9,285	197,557	(406,787)	(78,848)	3,194	(39,168)	5,875
324,006,179	15,959,904	2,837,116	2,340,624	96,943	(13,898,952)	168,796
18,285,758	87,080,764	35,789,444	6,568,448	(879,893)	29,020,438	410,858
(2,793,578)	(198,657)	(260,294)	(278,450)	(21,316)	(171,665)	(193,585)
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	(24,224)
–	–	–	–	–	–	–
(2,591,372)	(209,175)	(602,673)	(282,263)	(138)	(172,818)	(143,444)
–	–	–	–	–	–	–
336,906,987	102,632,836	37,763,593	8,348,359	(804,404)	14,777,003	218,401
2,738,451,755	1,723,560,878	354,973,282	24,046,727	23,860,172	207,830,389	5,758,863
(2,870,598,433)	(1,362,170,188)	(628,027,916)	(28,348,282)	–	(304,402,239)	(8,335,021)
329,206	717,842	(128,196)	(72,815)	1,647	–	(712)
(131,817,472)	362,108,532	(273,182,830)	(4,374,370)	23,861,819	(96,571,850)	(2,576,870)
(248,521,917)	(53,390,980)	(356,268)	(619,847)	–	–	(103,251)
(380,339,389)	308,717,552	(273,539,098)	(4,994,217)	23,861,819	(96,571,850)	(2,680,121)
3,993,642,994	1,709,720,223	953,247,397	55,087,685	23,057,415	251,710,030	13,064,062
27.04%	29.97%	16.29%	142.04%	(0.02)%	10.68%	(2.71)%

part of these financial statements

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

## FOR THE YEAR ENDED JUNE 30, 2013 (CONTINUED)

	Franklin Strategic Income Fund (USD)	Franklin Technology Fund (USD)	Franklin U.S. Dollar Liquid Reserve Fund (USD)	Franklin U.S. Equity Fund (USD)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	609,417,442	671,591,332	369,675,762	714,115,815
Currency translation adjustment	–	–	–	–
	609,417,442	671,591,332	369,675,762	714,115,815
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	1,585,862	2,531,745	–	8,581,836
Interest on bonds (net of withholding taxes)	30,046,281	11,176	308,600	2,374
Bank interest	3,999	781	–	108
Securities lending (notes 2(n), 12)	–	–	–	–
Net interest income on swaps	3,987,687	–	–	–
Sundry income	74,104	65,629	–	532,038
<b>TOTAL INCOME</b>	35,697,933	2,609,331	308,600	9,116,356
<b>EXPENSES</b>				
Investment management fees (note 13)	5,882,525	6,241,249	910,608	5,062,066
Administration and transfer agency fees	2,051,332	1,484,010	409,780	1,287,455
Subscription tax (note 16)	332,687	291,605	31,566	239,683
Custodian fees	120,438	18,128	9,226	15,275
Audit, printing and publishing expenses	50,438	39,441	18,416	33,993
Bank charges	7,158	1,233	8,124	1,094
Net interest expenses on swaps	–	–	–	–
Class A(dis) and Class A(acc) shares' maintenance charges (note 17)	2,279,355	2,477,533	228,896	1,506,378
Class AX(acc) shares' maintenance charges (note 17)	–	–	–	–
Class B(dis) and Class B(acc) shares' maintenance and service charges (note 17)	822,213	83,708	210,026	134,837
Class C(dis) and Class C(acc) shares' maintenance and service charges (note 17)	1,431,505	122,773	178,470	283,289
Class N(dis) and Class N(acc) shares' maintenance charges (note 17)	919,353	694,971	388,110	1,116,391
Other charges	177,848	145,372	68,880	139,215
<b>TOTAL EXPENSES</b>	14,074,852	11,600,023	2,462,102	9,819,676
Expenses reimbursement (note 18)	(1,170,418)	–	(985,173)	–
<b>NET EXPENSES</b>	12,904,434	11,600,023	1,476,929	9,819,676
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	22,793,499	(8,990,692)	(1,168,329)	(703,320)
Net realised profit/(loss) on sale of investments	3,910,954	2,177,843	–	50,165,245
Net realised profit/(loss) on forward foreign exchange contracts	11,845,579	–	–	828,307
Net realised profit/(loss) on financial future contracts	–	–	–	–
Net realised profit/(loss) on interest rate swap contracts	–	–	–	–
Net realised profit/(loss) on inflation swap contracts	–	–	–	–
Net realised profit/(loss) on credit default swap contracts	5,386,577	–	–	–
Net realised profit/(loss) on option contracts	–	–	–	–
Net realised profit/(loss) on foreign exchange transactions	(203,937)	(44,738)	–	77,706
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	43,732,672	(6,857,587)	(1,168,329)	50,367,938
Change in net unrealised appreciation/(depreciation) on:				
Investments	(4,212,471)	65,032,300	5,909	36,847,472
Forward foreign exchange contracts	(6,915,674)	–	–	(406,912)
Financial future contracts	–	–	–	–
Interest rate swap contracts	–	–	–	–
Inflation swap contracts	–	–	–	–
Cross currency swap contracts	–	–	–	–
Credit default swap contracts	562,789	–	–	–
Option contracts	–	–	–	–
Foreign exchange transactions	(5,571,328)	(9,022)	–	(406,561)
Provision for capital gains tax	(1,061)	–	–	–
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	27,594,927	58,165,691	(1,162,420)	86,401,937
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	861,415,992	363,378,709	432,380,257	192,135,782
Redemption of shares	(323,744,668)	(375,734,054)	(373,531,705)	(494,303,064)
Equalisation (note 21)	875,901	–	–	(313,800)
	538,547,225	(12,355,345)	58,848,552	(302,481,082)
Dividends paid/accumulated (note 22)	(22,832,173)	–	–	(692,661)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	515,715,052	(12,355,345)	58,848,552	(303,173,743)
<b>NET ASSETS AT THE END OF THE YEAR</b>	1,152,727,421	717,401,678	427,361,894	497,344,009
Portfolio Turnover Ratio (note 23)	17.15%	17.19%	N/A	21.28%

The accompanying notes form an integral

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2013 (CONTINUED)

Franklin U.S. Focus Fund (USD)	Franklin U.S. Government Fund (USD)	Franklin U.S. Low Duration Fund (USD)	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)
15,009,101	2,532,288,020	725,285,036	2,911,650,277	123,984,678	117,736,168	61,153,384
-	-	-	-	-	-	-
15,009,101	2,532,288,020	725,285,036	2,911,650,277	123,984,678	117,736,168	61,153,384
248,040	-	-	12,822,370	645,748	18,425	1,643,722
206	64,214,969	18,322,111	17,902	1,123	3,380,851	19
-	451	3,191	115	-	255	3,441
-	-	-	-	-	-	-
-	-	-	-	-	126,470	-
-	-	1,481	194,996	5,035	-	6,573
248,246	64,215,420	18,326,783	13,035,383	651,906	3,526,001	1,653,755
172,154	12,563,382	8,209,925	24,583,350	1,229,997	1,009,681	880,750
43,042	4,867,883	2,929,669	6,018,383	345,939	339,175	241,569
9,718	917,538	548,894	1,060,130	49,154	58,238	30,905
600	64,060	97,948	70,640	4,242	12,789	17,133
1,212	132,621	78,888	164,490	8,492	8,454	5,923
1,045	6,143	1,982	15,607	1,352	273	78
-	-	482,101	-	-	-	-
50,666	3,156,212	3,113,881	8,462,573	327,727	221,371	192,739
-	967,445	127,590	-	-	-	-
-	1,698,769	49,150	490,436	56,421	-	-
-	991,618	279,071	815,120	83,285	139,311	-
68,276	2,012,135	611,436	2,452,259	157,818	316,847	251,796
4,072	492,042	276,056	600,348	30,584	31,125	20,913
350,785	27,869,848	16,806,591	44,733,336	2,295,011	2,137,264	1,641,806
-	(268,159)	(1,133,847)	(461)	-	(198,128)	(3,519)
350,785	27,601,689	15,672,744	44,732,875	2,295,011	1,939,136	1,638,287
(102,539)	36,613,731	2,654,039	(31,697,492)	(1,643,105)	1,586,865	15,468
1,208,561	15,627,408	3,253,844	205,599,312	16,215,338	1,010,226	3,327,927
191,068	7,689,505	7,297,792	8,228,478	-	469,595	(111,986)
-	-	(10,614)	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	3,969,021	-	-	614,078	-
-	-	1,274,237	-	-	47,256	-
5,022	20,320	188,957	53,399	(488)	(23,630)	(55,943)
1,302,112	59,950,964	18,627,276	182,183,697	14,571,745	3,704,390	3,175,466
3,099,183	(88,361,134)	2,905,576	253,853,561	11,142,995	(2,970,231)	9,754,851
(303,991)	(2,289,152)	(3,300,291)	(5,367,926)	-	(360,275)	88,853
-	-	248,187	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	40,493	-	-	9,529	-
-	-	2,829,616	-	-	45,201	-
-	-	(4,044,344)	-	-	11,037	-
(303,994)	(2,289,157)	(2,335,605)	(5,366,945)	90	14,261	(12,108)
-	-	-	-	-	-	-
3,793,310	(32,988,479)	14,970,908	425,302,387	25,714,830	453,912	13,007,062
21,202,528	925,137,839	1,028,063,787	1,363,000,234	120,154,425	125,982,830	98,661,515
(28,901,568)	(1,808,199,458)	(195,226,137)	(1,960,172,835)	(142,499,024)	(106,253,381)	(46,232,827)
(882)	(1,068,982)	172,684	6,346	-	6,434	16,965
(7,699,922)	(884,130,601)	833,010,334	(597,166,255)	(22,344,599)	19,735,883	52,445,653
(3,441)	(37,502,418)	(3,418,442)	-	-	(1,574,421)	(202,193)
(7,703,363)	(921,633,019)	829,591,892	(597,166,255)	(22,344,599)	18,161,462	52,243,460
11,099,048	1,577,666,522	1,569,847,836	2,739,786,409	127,354,909	136,351,542	126,403,906
64.76%	6.95%	76.02%	83.22%	51.36%	771.01%	97.02%

part of these financial statements

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

## FOR THE YEAR ENDED JUNE 30, 2013 (CONTINUED)

	Franklin Mutual Beacon Fund (USD)	Franklin Mutual Euroland Fund (EUR)	Franklin Mutual European Fund (EUR)	Franklin Mutual Global Discovery Fund (USD)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	769,414,521	7,997,211	2,130,655,041	892,257,616
Currency translation adjustment	–	–	–	–
	769,414,521	7,997,211	2,130,655,041	892,257,616
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	13,768,198	218,231	64,332,354	21,440,289
Interest on bonds (net of withholding taxes)	943,060	–	319,780	976,175
Bank interest	145	–	247,663	18,351
Securities lending (notes 2(n), 12)	35,593	9,916	1,691,059	209,707
Net interest income on swaps	–	–	–	–
Sundry income	1,811,276	1,126	7,043,941	112,208
<b>TOTAL INCOME</b>	16,558,272	229,273	73,634,797	22,756,730
<b>EXPENSES</b>				
Investment management fees (note 13)	7,583,338	90,903	20,502,688	8,699,061
Administration and transfer agency fees	1,879,142	21,152	5,128,526	2,264,827
Subscription tax (note 16)	353,570	4,644	843,874	356,099
Custodian fees	36,377	1,692	289,125	78,645
Audit, printing and publishing expenses	55,992	566	132,678	57,866
Bank charges	245	118	37	71
Net interest expenses on swaps	–	–	–	–
Class A(dis) and Class A(acc) shares' maintenance charges (note 17)	2,545,479	38,123	6,519,109	2,293,763
Class AX(acc) shares' maintenance charges (note 17)	–	–	–	–
Class B(dis) and Class B(acc) shares' maintenance and service charges (note 17)	382,996	–	292,553	299,448
Class C(dis) and Class C(acc) shares' maintenance and service charges (note 17)	360,833	–	151,267	568,143
Class N(dis) and Class N(acc) shares' maintenance charges (note 17)	1,628,923	18,321	3,171,588	1,908,478
Other charges	196,243	2,063	495,418	209,850
<b>TOTAL EXPENSES</b>	15,023,138	177,582	37,526,863	16,736,251
Expenses reimbursement (note 18)	–	–	–	–
<b>NET EXPENSES</b>	15,023,138	177,582	37,526,863	16,736,251
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	1,535,134	51,691	36,107,934	6,020,479
Net realised profit/(loss) on sale of investments	34,310,972	681,001	177,695,687	46,421,857
Net realised profit/(loss) on forward foreign exchange contracts	4,635,706	–	(38,747)	4,303,105
Net realised profit/(loss) on financial future contracts	(783,822)	–	–	–
Net realised profit/(loss) on interest rate swap contracts	–	–	–	–
Net realised profit/(loss) on inflation swap contracts	–	–	–	–
Net realised profit/(loss) on credit default swap contracts	–	–	–	–
Net realised profit/(loss) on option contracts	165,675	–	66,782	147,128
Net realised profit/(loss) on foreign exchange transactions	380,661	7,926	(552,207)	578,005
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	40,244,326	740,618	213,279,449	57,470,574
Change in net unrealised appreciation/(depreciation) on:				
Investments	104,883,498	946,868	151,422,914	116,375,021
Forward foreign exchange contracts	(2,023,724)	–	(26,248)	(1,235,933)
Financial future contracts	584,161	–	–	–
Interest rate swap contracts	–	–	–	–
Inflation swap contracts	–	–	–	–
Cross currency swap contracts	–	–	–	–
Credit default swap contracts	–	–	–	–
Option contracts	–	–	–	–
Foreign exchange transactions	(2,071,310)	(10,095)	197,945	(2,304,766)
Provision for capital gains tax	–	–	–	–
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	141,616,951	1,677,391	364,874,060	170,304,896
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	273,925,655	3,626,520	769,502,727	419,241,825
Redemption of shares	(361,974,039)	(5,768,366)	(968,873,673)	(377,997,556)
Equalisation (note 21)	(4,151)	(1,114)	(1,307,692)	258,485
	(88,052,535)	(2,142,960)	(200,678,638)	41,502,754
	(1,581,395)	(82,314)	(41,103,037)	(7,933,516)
Dividends paid/accumulated (note 22)				
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	(89,633,930)	(2,225,274)	(241,781,675)	33,569,238
<b>NET ASSETS AT THE END OF THE YEAR</b>	821,397,542	7,449,328	2,253,747,426	1,096,131,750
Portfolio Turnover Ratio (note 23)	24.25%	56.69%	54.91%	23.11%

The accompanying notes form an integral



# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2013 (CONTINUED)

Franklin Templeton Global Allocation Fund (USD)	Franklin Templeton Global Equity Strategies Fund (USD)	Franklin Templeton Global Fundamental Strategies Fund (USD)	Franklin Templeton Global Growth and Value Fund (USD)	Franklin Templeton Japan Fund (JPY)	Templeton Africa Fund (USD)	Templeton Asian Bond Fund (USD)
26,567,300	60,943,727	592,985,661	79,523,418	12,730,289,900	5,433,869	4,162,546,959
–	–	–	–	–	–	–
26,567,300	60,943,727	592,985,661	79,523,418	12,730,289,900	5,433,869	4,162,546,959
432,904	1,595,196	9,715,465	1,645,600	293,383,963	1,676,211	–
233,784	20,065	10,433,619	–	–	–	157,818,816
–	1,746	3,046	1,673	–	3,392	72,658
–	–	–	18,844	–	–	–
–	–	–	–	–	–	–
–	12,129	176,454	90,635	–	–	–
666,688	1,629,136	20,328,584	1,756,752	293,383,963	1,679,603	157,891,474
331,824	847,383	6,952,131	449,057	130,827,231	503,280	28,529,423
80,827	217,204	1,783,105	196,187	39,453,472	90,607	9,076,885
12,796	33,220	331,223	25,650	3,958,643	9,873	1,654,413
6,293	20,449	144,892	10,096	1,816,184	40,303	1,871,068
2,163	4,133	41,403	5,042	911,501	2,091	254,377
2,403	39	1,815	120	60,634	118	7,041
–	–	216,575	–	–	–	4,613,503
79,341	338,953	3,235,648	176,858	27,888,325	116,853	7,987,323
–	–	–	–	–	–	–
–	–	–	29,964	–	–	584,756
–	–	–	32,288	1,400,898	–	1,009,830
111,060	–	597,648	56,004	15,920,308	40,098	2,032,784
9,789	19,397	157,592	19,154	3,232,253	6,402	934,329
636,496	1,480,778	13,462,032	1,000,420	225,469,449	809,625	58,555,732
(5,546)	–	–	–	–	(46,975)	(108)
630,950	1,480,778	13,462,032	1,000,420	225,469,449	762,650	58,555,624
35,738	148,358	6,866,552	756,332	67,914,514	916,953	99,335,850
(52,296)	2,514,543	14,005,162	2,491,101	1,930,939,415	12,354	82,600,226
1,240,342	187,097	17,776,925	–	–	88,747	73,613,554
(306,651)	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
602	2,494	26,707	–	–	–	–
(10,607)	(89,058)	(356,024)	1,775	(13,409,504)	199,910	(8,461,330)
907,128	2,763,434	38,319,322	3,249,208	1,985,444,425	1,217,964	247,088,300
2,184,342	6,945,060	74,241,720	9,334,942	3,782,560,527	(2,049,778)	(115,149,719)
(433,189)	(103,828)	(6,856,500)	–	–	(220,753)	26,205,658
(36,176)	–	–	–	–	–	–
–	–	908,726	–	–	–	10,431,003
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
(631,955)	(8,648)	(6,139,517)	2,165	3,706,322	(227,246)	(14,348,415)
–	–	(16,782)	–	–	–	(65,297)
1,990,150	9,596,018	100,456,969	12,586,315	5,771,711,274	(1,279,813)	154,161,530
20,420,337	7,908,318	243,727,892	15,879,638	22,405,224,862	96,729,208	2,031,253,597
(3,870,072)	(9,011,929)	(88,616,323)	(18,917,128)	(15,440,318,029)	(14,361,381)	(2,570,617,022)
2,140	(816)	817,514	28,901	35,007,920	278,257	(385,382)
16,552,405	(1,104,427)	155,929,083	(3,008,589)	6,999,914,753	82,646,084	(539,748,807)
(82,863)	(132,093)	(8,433,746)	(900,960)	(71,740,648)	(27,178)	(100,056,798)
16,469,542	(1,236,520)	147,495,337	(3,909,549)	6,928,174,105	82,618,906	(639,805,605)
45,026,992	69,303,225	840,937,967	88,200,184	25,430,175,279	86,772,962	3,676,902,884
47.80%	26.80%	32.99%	60.56%	186.23%	(24.61)%	35.33%

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# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

## FOR THE YEAR ENDED JUNE 30, 2013 (CONTINUED)

	Templeton Asian Dividend Fund* (USD)	Templeton Asian Growth Fund (USD)	Templeton Asian Smaller Companies Fund (USD)	Templeton BRIC Fund (USD)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	–	16,112,820,817	228,044,710	1,853,961,008
Currency translation adjustment	–	–	–	–
	–	16,112,820,817	228,044,710	1,853,961,008
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	63,590	443,394,224	12,012,768	54,645,301
Interest on bonds (net of withholding taxes)	–	–	14,167	–
Bank interest	–	415,565	51,955	73,578
Securities lending (notes 2(n), 12)	–	–	–	–
Net interest income on swaps	–	–	–	–
Sundry income	–	–	84	10,029
<b>TOTAL INCOME</b>	63,590	443,809,789	12,078,974	54,728,908
<b>EXPENSES</b>				
Investment management fees (note 13)	8,896	201,353,055	7,492,636	28,056,338
Administration and transfer agency fees	1,894	38,637,601	1,498,032	4,472,385
Subscription tax (note 16)	–	5,827,722	189,103	898,300
Custodian fees	111	10,421,782	296,525	674,081
Audit, printing and publishing expenses	42	1,079,187	36,698	111,401
Bank charges	–	2,934	3,565	2,582
Net interest expenses on swaps	–	–	–	–
Class A(dis) and Class A(acc) shares' maintenance charges (note 17)	938	45,510,300	2,006,237	7,388,067
Class AX(acc) shares' maintenance charges (note 17)	–	–	–	–
Class B(dis) and Class B(acc) shares' maintenance and service charges (note 17)	–	1,731,002	61,376	1,076,057
Class C(dis) and Class C(acc) shares' maintenance and service charges (note 17)	–	1,462,501	–	556,719
Class N(dis) and Class N(acc) shares' maintenance charges (note 17)	15	8,496,868	42,311	1,409,499
Other charges	245	3,837,241	120,441	1,106,138
<b>TOTAL EXPENSES</b>	12,141	318,360,193	11,746,924	45,751,567
Expenses reimbursement (note 18)	–	(1,134)	–	–
<b>NET EXPENSES</b>	12,141	318,359,059	11,746,924	45,751,567
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	51,449	125,450,730	332,050	8,977,341
Net realised profit/(loss) on sale of investments	6,762	116,760,127	(60,382)	(187,962,280)
Net realised profit/(loss) on forward foreign exchange contracts	(10,671)	40,646,859	–	1,106,461
Net realised profit/(loss) on financial future contracts	–	–	–	–
Net realised profit/(loss) on interest rate swap contracts	–	–	–	–
Net realised profit/(loss) on inflation 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	(6,700)	(960,551)	(556,122)	156,625
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	40,840	281,897,165	(284,454)	(177,721,853)
Change in net unrealised appreciation/(depreciation) on:				
Investments	(235,770)	639,698,469	3,778,120	99,484,105
Forward foreign exchange contracts	(13,501)	(29,746,755)	–	(390,150)
Financial future contracts	–	–	–	–
Interest rate swap contracts	–	–	–	–
Inflation swap contracts	–	–	–	–
Cross currency swap contracts	–	–	–	–
Credit default swap contracts	–	–	–	–
Option contracts	–	–	–	–
Foreign exchange transactions	(13,613)	(29,949,804)	5,480	(495,843)
Provision for capital gains tax	–	–	–	–
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	(222,044)	861,899,075	3,499,146	(79,123,741)
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	5,141,805	5,906,804,220	1,262,425,557	262,550,049
Redemption of shares	–	(6,968,106,828)	(554,813,506)	(692,856,442)
Equalisation (note 21)	910	(5,476,512)	4,741,800	(335,127)
	5,142,715	(1,066,779,120)	712,353,851	(430,641,520)
Dividends paid/accumulated (note 22)	(8,983)	(91,830,103)	(1,860,100)	(850,685)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	5,133,732	(1,158,609,223)	710,493,751	(431,492,205)
<b>NET ASSETS AT THE END OF THE YEAR</b>	4,911,688	15,816,110,669	942,037,607	1,343,345,062
Portfolio Turnover Ratio (note 23)	2.21%	(19.52)%	(65.25)%	57.52%

\*This Fund was launched on April 26, 2013

The accompanying notes form an integral

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

## FOR THE YEAR ENDED JUNE 30, 2013 (CONTINUED)

Templeton China 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 Government Bond Fund (EUR)
2,284,778,429	467,205,560	1,143,809,086	55,726,679	6,610,440,114	219,607,218	35,752,731
–	–	–	–	–	–	–
2,284,778,429	467,205,560	1,143,809,086	55,726,679	6,610,440,114	219,607,218	35,752,731
63,196,452	17,716,542	34,956,745	1,613,993	–	8,446,533	–
–	163,028	–	2,086,645	617,008,389	934	958,303
22,980	1,127	97,672	21	220,815	35	13
–	–	–	–	–	–	–
–	–	–	–	–	–	–
45	2,874,685	393,624	1,891	919,042	–	–
63,219,477	20,755,382	35,448,041	3,702,550	618,148,246	8,447,502	958,316
30,659,116	7,364,190	18,905,464	884,252	70,959,918	3,745,172	157,090
5,112,776	1,298,858	3,072,509	218,374	18,207,687	608,893	78,264
722,689	220,733	536,374	30,388	2,867,358	112,671	15,159
724,622	322,529	770,310	49,424	5,495,298	147,414	2,887
145,051	29,101	77,714	4,572	471,915	14,525	1,935
27,040	7,648	404	413	–	139	–
–	–	–	–	5,956,066	–	–
5,552,745	1,912,710	4,284,723	261,349	21,405,377	948,799	27,204
–	–	–	–	–	–	–
172,100	249,910	560,277	756	14,483,170	–	–
266,533	18,791	492,510	13,269	1,101,366	136,928	–
748,561	288,790	950,541	84,046	3,526,563	210,670	117,032
516,260	376,397	488,355	46,162	1,661,350	85,227	7,489
44,647,493	12,089,657	30,139,181	1,593,005	146,136,068	6,010,438	407,060
(2,517)	(9,675)	(46,125)	(123,309)	(2,563)	(13,258)	–
44,644,976	12,079,982	30,093,056	1,469,696	146,133,505	5,997,180	407,060
18,574,501	8,675,400	5,354,985	2,232,854	472,014,741	2,450,322	551,256
(120,325,267)	(40,410,209)	65,092,155	(74,716)	(14,022,080)	(7,137,294)	1,508,972
–	–	848,046	1,367,033	207,327,089	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
45,839	86,236	(591,227)	(3,836)	(3,628,912)	10,894	–
(101,704,927)	(31,648,573)	70,703,959	3,521,335	661,690,838	(4,676,078)	2,060,228
129,603,453	42,184,594	(32,381,565)	(6,276,246)	(33,977,418)	26,328,265	100,496
–	–	(692,896)	(846,507)	(114,904,787)	–	–
–	–	–	–	–	–	–
–	–	–	–	8,196,316	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
(2,199)	(145,077)	(786,054)	(656,245)	(24,250,187)	25,331	–
–	–	–	–	(51,921)	–	–
27,896,327	10,390,944	36,843,444	(4,257,663)	496,702,841	21,677,518	2,160,724
1,121,738,232	134,298,003	399,015,955	78,298,261	6,417,234,517	87,344,192	22,240,015
(1,780,625,291)	(209,879,019)	(458,468,053)	(50,801,719)	(4,706,585,345)	(92,864,340)	(27,334,099)
(2,618,338)	(194,390)	(510,838)	128,558	12,929,581	95,543	(39,077)
(661,505,397)	(75,775,406)	(59,962,936)	27,625,100	1,723,578,753	(5,424,605)	(5,133,161)
(21,469,121)	(305,971)	(6,143,773)	(1,454,766)	(465,439,068)	(1,061,808)	(502,510)
(682,974,518)	(76,081,377)	(66,106,709)	26,170,334	1,258,139,685	(6,486,413)	(5,635,671)
1,629,700,238	401,515,127	1,114,545,821	77,639,350	8,365,282,640	234,798,323	32,277,784
(29.80)%	49.78%	74.22%	(58.56)%	(8.39)%	13.26%	37.80%

part of these financial statements

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2013 (CONTINUED)

	Templeton Euro High Yield Fund (EUR)	Templeton Euro Liquid Reserve Fund (EUR)	Templeton Euro Short-Term Money Market Fund (EUR)	Templeton Euroland Fund (EUR)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	541,078,975	136,184,651	101,016,087	101,562,854
Currency translation adjustment	–	–	–	–
	541,078,975	136,184,651	101,016,087	101,562,854
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	91,313	–	–	2,996,390
Interest on bonds (net of withholding taxes)	46,662,332	586,134	205,020	–
Bank interest	1,263	476	99	80
Securities lending (notes 2(n), 12)	–	–	–	110,875
Net interest income on swaps	706,250	–	–	–
Sundry income	121,523	–	–	332,315
<b>TOTAL INCOME</b>	47,582,681	586,610	205,119	3,439,660
<b>EXPENSES</b>				
Investment management fees (note 13)	5,449,796	313,469	182,163	1,102,832
Administration and transfer agency fees	1,562,308	163,510	104,114	295,533
Subscription tax (note 16)	309,441	11,564	8,676	48,738
Custodian fees	43,387	7,777	5,915	18,472
Audit, printing and publishing expenses	40,161	6,574	4,930	6,828
Bank charges	450	–	–	–
Net interest expenses on swaps	–	–	–	–
Class A(dis) and Class A(acc) shares' maintenance charges (note 17)	2,195,211	64,539	25,051	435,334
Class AX(acc) shares' maintenance charges (note 17)	–	–	–	–
Class B(dis) and Class B(acc) shares' maintenance and service charges (note 17)	208,799	–	–	3,467
Class C(dis) and Class C(acc) shares' maintenance and service charges (note 17)	–	–	–	–
Class N(dis) and Class N(acc) shares' maintenance charges (note 17)	921,218	247,836	–	112,081
Other charges	147,274	26,226	18,831	25,344
<b>TOTAL EXPENSES</b>	10,878,045	841,495	349,680	2,048,629
Expenses reimbursement (note 18)	–	–	(150,010)	–
<b>NET EXPENSES</b>	10,878,045	841,495	199,670	2,048,629
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	36,704,636	(254,885)	5,449	1,391,031
Net realised profit/(loss) on sale of investments	14,808,155	26,416	5,663	13,108
Net realised profit/(loss) on forward foreign exchange contracts	6,509,993	–	–	–
Net realised profit/(loss) on financial future contracts	–	–	–	–
Net realised profit/(loss) on interest rate swap contracts	–	–	–	–
Net realised profit/(loss) on inflation swap contracts	–	–	–	–
Net realised profit/(loss) on credit default swap contracts	816,040	–	–	–
Net realised profit/(loss) on option contracts	–	–	–	–
Net realised profit/(loss) on foreign exchange transactions	(504,427)	–	–	(8,240)
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	58,334,397	(228,469)	11,112	1,395,899
Change in net unrealised appreciation/(depreciation) on:				
Investments	12,791,548	100,556	–	25,617,419
Forward foreign exchange contracts	(457,082)	–	–	–
Financial future contracts	–	–	–	–
Interest rate swap contracts	–	–	–	–
Inflation swap contracts	–	–	–	–
Cross currency swap contracts	–	–	–	–
Credit default swap contracts	(5,894)	–	–	–
Option contracts	–	–	–	–
Foreign exchange transactions	(296,066)	–	–	90
Provision for capital gains tax	–	–	–	–
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	70,366,903	(127,913)	11,112	27,013,408
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	607,116,285	152,521,986	74,386,817	34,876,283
Redemption of shares	(385,506,662)	(175,462,183)	(80,421,849)	(39,770,616)
Equalisation (note 21)	2,772,508	(19,811)	(1,309)	(31,989)
	224,382,131	(22,960,008)	(6,036,341)	(4,926,322)
Dividends paid/accumulated (note 22)	(34,125,521)	(738,194)	(645,481)	(2,469,784)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	190,256,610	(23,698,202)	(6,681,822)	(7,396,106)
<b>NET ASSETS AT THE END OF THE YEAR</b>	801,702,488	112,358,536	94,345,377	121,180,156
Portfolio Turnover Ratio (note 23)	44.08%	N/A	N/A	4.32%

The accompanying notes form an integral

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2013 (CONTINUED)

Templeton European Fund (EUR)	Templeton European Corporate Bond Fund (EUR)	Templeton European Total Return Fund (EUR)	Templeton Frontier Markets Fund (USD)	Templeton Global Fund (USD)	Templeton Global (Euro) Fund (EUR)	Templeton Global Aggregate Bond Fund (USD)
105,757,279	23,570,368	64,970,960	890,205,145	803,180,357	516,299,182	33,185,762
-	-	-	-	-	-	-
105,757,279	23,570,368	64,970,960	890,205,145	803,180,357	516,299,182	33,185,762
3,285,289	-	-	67,167,628	19,135,402	12,314,478	55,386
-	1,039,846	2,836,998	14,678	-	-	869,961
73	27	90	34,686	11,437	106	27
70,907	-	-	-	641,752	404,082	-
-	1,111	-	-	-	-	-
718,591	-	-	66,084	2,171,807	1,777,614	255
4,074,860	1,040,984	2,837,088	67,283,076	21,960,398	14,496,280	925,629
1,142,710	175,280	551,389	20,350,444	8,681,110	5,664,043	149,404
293,839	75,254	174,842	3,376,620	2,186,435	1,434,792	74,867
52,495	9,670	35,663	454,787	394,669	273,778	7,338
20,693	2,261	11,837	1,905,796	125,647	73,610	5,043
6,912	1,822	4,303	83,208	54,909	33,307	2,086
-	-	-	3,327	2,892	-	1,182
-	-	-	-	-	-	-
508,002	16,868	115,252	3,519,221	3,724,240	2,778,869	16,500
-	-	-	-	-	-	-
-	-	-	17,290	322,332	94	-
-	-	-	37,879	108,802	-	-
47,358	121,354	346,709	1,929,137	310,018	45,636	44,415
28,567	6,569	16,014	460,203	230,903	153,976	7,610
2,100,576	409,078	1,256,009	32,137,912	16,141,957	10,458,105	308,445
-	(8,190)	(204,395)	(176)	-	-	(17,764)
2,100,576	400,888	1,051,614	32,137,736	16,141,957	10,458,105	290,681
1,974,284	640,096	1,785,474	35,145,340	5,818,441	4,038,175	634,948
3,757,266	671,904	2,969,350	10,545,247	26,954,842	16,137,884	1,349,015
-	14,848	67,328	12,559,571	-	48,431	1,386,458
-	69,820	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	9,631	-	-	-	-	-
-	-	-	-	-	-	-
(27,436)	1,857	(3,483)	(524,484)	145,518	(54,323)	11,912
5,704,114	1,408,156	4,818,669	57,725,674	32,918,801	20,170,167	3,382,333
19,377,383	303,705	350,331	177,763,039	203,320,422	105,374,565	(93,718)
-	(9,983)	(105,736)	(9,400,753)	-	(27,941)	(289,597)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(3,767)	(15)	(10,024)	(9,691,580)	208,470	(63,394)	(206,870)
-	-	-	-	-	-	-
25,077,730	1,701,863	5,053,240	216,396,380	236,447,693	125,453,397	2,792,148
28,467,465	44,962,049	58,158,243	1,624,631,181	210,376,348	39,779,852	14,636,762
(32,812,872)	(26,431,943)	(41,906,265)	(603,304,715)	(273,608,256)	(76,360,179)	(33,431,148)
(7,690)	258,180	13,453	2,810,155	(79,711)	12,763	(350,235)
(4,353,097)	18,788,286	16,265,431	1,024,136,621	(63,311,619)	(36,567,564)	(19,144,621)
(1,944,379)	(666,568)	(1,849,842)	(14,406,567)	(8,648,840)	(4,131,334)	(723,666)
(6,297,476)	18,121,718	14,415,589	1,009,730,054	(71,960,459)	(40,698,898)	(19,868,287)
124,537,533	43,393,949	84,439,789	2,116,331,579	967,667,591	601,053,681	16,109,623
32.02%	8.99%	99.18%	(5.15)%	39.63%	31.21%	259.01%

part of these financial statements

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

## FOR THE YEAR ENDED JUNE 30, 2013 (CONTINUED)

	Templeton Global Aggregate Investment Grade Bond Fund (USD)	Templeton Global Balanced Fund (USD)	Templeton Global Bond Fund (USD)	Templeton Global Bond (Euro) Fund (EUR)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	10,062,164	595,171,716	41,237,011,127	562,372,898
Currency translation adjustment	–	–	–	–
	10,062,164	595,171,716	41,237,011,127	562,372,898
<b>INCOME</b>				
Dividends (net of withholding taxes) (note 2(m))	–	10,273,255	–	–
Interest on bonds (net of withholding taxes)	234,514	7,145,821	1,727,460,961	28,523,813
Bank interest	173	1,331	1,545,260	13,857
Securities lending (notes 2(n), 12)	–	133,831	–	–
Net interest income on swaps	–	–	–	–
Sundry income	–	688,073	–	–
<b>TOTAL INCOME</b>	234,687	18,242,311	1,729,006,221	28,537,670
<b>EXPENSES</b>				
Investment management fees (note 13)	42,291	5,066,777	326,223,057	5,190,579
Administration and transfer agency fees	21,056	1,725,096	100,419,399	1,621,192
Subscription tax (note 16)	1,090	309,395	19,707,766	294,256
Custodian fees	1,936	134,087	21,469,544	200,801
Audit, printing and publishing expenses	2,524	38,559	2,760,445	42,065
Bank charges	–	–	88,872	177
Net interest expenses on swaps	–	–	63,505,157	–
Class A(dis) and Class A(acc) shares' maintenance charges (note 17)	442	2,691,944	84,276,107	1,193,505
Class AX(acc) shares' maintenance charges (note 17)	–	–	3,852,856	–
Class B(dis) and Class B(acc) shares' maintenance and service charges (note 17)	–	700,087	14,010,459	–
Class C(dis) and Class C(acc) shares' maintenance and service charges (note 17)	–	294,935	15,509,072	–
Class N(dis) and Class N(acc) shares' maintenance charges (note 17)	–	261,323	76,172,948	1,910,198
Other charges	2,313	183,886	10,103,171	157,161
<b>TOTAL EXPENSES</b>	71,652	11,406,089	738,098,853	10,609,934
Expenses reimbursement (note 18)	(7,797)	–	(4,688)	–
<b>NET EXPENSES</b>	63,855	11,406,089	738,094,165	10,609,934
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	170,832	6,836,222	990,912,056	17,927,736
Net realised profit/(loss) on sale of investments	201,736	9,429,879	(511,045)	1,303,355
Net realised profit/(loss) on forward foreign exchange contracts	42,989	1,520,344	2,875,356,519	(11,454,602)
Net realised profit/(loss) on financial future contracts	–	–	–	–
Net realised profit/(loss) on interest rate swap contracts	–	–	–	–
Net realised profit/(loss) on inflation 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	(561)	(168,360)	(62,652,117)	(1,872,142)
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	414,996	17,618,085	3,803,105,413	5,904,347
Change in net unrealised appreciation/(depreciation) on:				
Investments	(335,230)	88,724,644	948,611,926	(4,064,542)
Forward foreign exchange contracts	26,419	(1,976,219)	(1,373,816,464)	17,321,625
Financial future contracts	–	–	–	–
Interest rate swap contracts	–	–	265,965,431	–
Inflation swap contracts	–	–	–	–
Cross currency swap contracts	–	–	–	–
Credit default swap contracts	–	–	–	–
Option contracts	–	–	–	–
Foreign exchange transactions	(3,011)	(659,285)	(461,725,882)	(556,560)
Provision for capital gains tax	–	–	(1,919,082)	(948)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	103,174	103,707,225	3,180,221,342	18,603,922
<b>MOVEMENT OF CAPITAL</b>				
Issue of shares	168,861	195,535,428	21,526,999,679	559,589,687
Redemption of shares	–	(187,747,545)	(18,348,978,030)	(292,081,707)
Equalisation (note 21)	1,217	335,889	19,409,824	2,865,651
	170,078	8,123,772	3,197,431,473	270,373,631
Dividends paid/accumulated (note 22)	–	(7,854,435)	(1,002,096,235)	(12,762,084)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	170,078	269,337	2,195,335,238	257,611,547
<b>NET ASSETS AT THE END OF THE YEAR</b>	10,335,416	699,148,278	46,612,567,707	838,588,367
Portfolio Turnover Ratio (note 23)	369.50%	25.43%	50.05%	8.37%

\*This Fund was launched on July 13, 2012

The accompanying notes form an integral

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2013 (CONTINUED)

Templeton Global Equity Income Fund (USD)	Templeton Global High Income Bond Fund* (USD)	Templeton Global High Yield Fund (USD)	Templeton Global Income Fund (USD)	Templeton Global Smaller Companies Fund (USD)	Templeton Global Total Return Fund (USD)	Templeton Growth (Euro) Fund (EUR)
69,775,789	–	176,395,245	408,785,475	131,439,485	24,045,237,813	4,715,345,864
–	–	–	–	–	–	–
69,775,789	–	176,395,245	408,785,475	131,439,485	24,045,237,813	4,715,345,864
2,614,058	7,109	180,376	9,202,759	2,745,496	530,466	108,141,587
–	771,135	16,621,898	7,309,393	–	1,690,792,233	–
1,252	–	2,068	139	8,004	1,099,706	30,909
40,292	–	–	–	–	–	3,114,754
–	9,715	325,922	–	–	–	–
179,483	4,150	51,683	208,920	572,227	6,657,243	2,998,679
2,835,085	792,109	17,181,947	16,721,211	3,325,727	1,699,079,648	114,285,929
736,318	72,052	2,120,702	3,893,398	1,412,389	223,958,407	51,616,013
186,638	23,111	587,387	1,104,646	362,907	68,478,629	12,989,908
36,279	1,577	111,829	202,754	68,099	12,976,251	2,500,594
10,916	490	78,130	123,889	24,420	16,909,951	671,280
4,530	569	15,150	28,144	8,794	1,836,699	304,385
78	13	592	1,302	82	10,795	154
–	–	–	–	–	37,765,665	–
350,951	12,365	945,156	1,201,746	648,752	57,031,843	25,657,213
–	–	–	–	–	–	–
62,293	–	–	276,413	37,453	6,448,362	2,259
–	–	–	1,015,758	1,174	9,598,805	–
–	8,657	550,185	660,685	68,828	67,061,845	278,043
23,626	2,164	54,048	109,314	31,352	6,604,761	1,311,511
1,411,629	120,998	4,463,179	8,618,049	2,664,250	508,682,013	95,331,360
(158,198)	(157)	–	(343,256)	–	(4,412)	–
1,253,431	120,841	4,463,179	8,274,793	2,664,250	508,677,601	95,331,360
1,581,654	671,268	12,718,768	8,446,418	661,477	1,190,402,047	18,954,569
511,563	189,105	535,080	6,569,459	4,215,503	18,304,942	201,255,889
–	8,133	755,163	4,882,499	–	1,574,709,913	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	12,099	701,318	–	–	–	–
147,087	–	–	–	–	–	–
(10,816)	4,792	(19,112)	(410,263)	(47,306)	(23,619,813)	(1,724,812)
2,229,488	885,397	14,691,217	19,488,113	4,829,674	2,759,797,089	218,485,646
11,215,416	(52,737)	(72,354)	43,895,074	28,029,597	645,472,400	784,060,632
–	(22,842)	403,857	(1,002,415)	–	(627,175,594)	–
–	–	–	–	–	–	–
–	–	91,749	–	–	72,922,142	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	(1,188)	(25,998)	–	–	–	–
–	–	–	–	–	–	–
(6,934)	(17,155)	(5,365)	(23,743)	(7,298)	(368,631,536)	213,562
–	–	(1,176)	(8,336)	–	(553,579)	–
13,437,970	791,475	15,081,930	62,348,693	32,851,973	2,481,830,922	1,002,759,840
22,395,687	21,150,624	241,041,894	328,805,720	33,427,700	26,799,105,204	350,056,851
(29,478,849)	(350,670)	(101,214,393)	(144,649,897)	(48,640,106)	(12,927,035,055)	(559,298,028)
(20,592)	47,420	423,902	607,713	(30,993)	60,326,493	(78,495)
(7,103,754)	20,847,374	140,251,403	184,763,536	(15,243,399)	13,932,396,642	(209,319,672)
(1,844,571)	(609,031)	(12,511,498)	(8,778,609)	(431,268)	(1,182,095,285)	(43,555,475)
(8,948,325)	20,238,343	127,739,905	175,984,927	(15,674,667)	12,750,301,357	(252,875,147)
74,265,434	21,029,818	319,217,080	647,119,095	148,616,791	39,277,370,092	5,465,230,557
(0.47)%	53.18%	18.62%	28.51%	72.91%	17.58%	24.83%

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# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

## FOR THE YEAR ENDED JUNE 30, 2013 (CONTINUED)

	Templeton Korea Fund (USD)	Templeton Latin America Fund (USD)	Templeton Thailand Fund (USD)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	98,223,872	2,799,797,107	182,794,364
Currency translation adjustment	–	–	–
	98,223,872	2,799,797,107	182,794,364
<b>INCOME</b>			
Dividends (net of withholding taxes) (note 2(m))	801,405	74,955,971	6,364,678
Interest on bonds (net of withholding taxes)	–	–	–
Bank interest	7,336	55,905	6,619
Securities lending (notes 2(n), 12)	–	–	–
Net interest income on swaps	–	–	–
Sundry income	317	45,374	–
<b>TOTAL INCOME</b>	809,058	75,057,250	6,371,297
<b>EXPENSES</b>			
Investment management fees (note 13)	1,662,668	37,409,989	3,613,424
Administration and transfer agency fees	288,147	6,728,525	572,177
Subscription tax (note 16)	49,941	1,252,607	109,097
Custodian fees	60,395	1,468,474	109,223
Audit, printing and publishing expenses	6,509	175,996	14,189
Bank charges	1,496	1,058	4,366
Net interest expenses on swaps	–	–	–
Class A(dis) and Class A(acc) shares' maintenance charges (note 17)	459,005	10,830,649	993,751
Class AX(acc) shares' maintenance charges (note 17)	–	–	–
Class B(dis) and Class B(acc) shares' maintenance and service charges (note 17)	–	1,070,900	117,356
Class C(dis) and Class C(acc) shares' maintenance and service charges (note 17)	2,804	189,014	–
Class N(dis) and Class N(acc) shares' maintenance charges (note 17)	58,549	1,234,299	166,043
Other charges	23,293	1,059,656	48,894
<b>TOTAL EXPENSES</b>	2,612,807	61,421,167	5,748,520
Expenses reimbursement (note 18)	–	(254)	–
<b>NET EXPENSES</b>	2,612,807	61,420,913	5,748,520
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	(1,803,749)	13,636,337	622,777
Net realised profit/(loss) on sale of investments	10,323,927	31,110,249	21,704,240
Net realised profit/(loss) on forward foreign exchange contracts	–	5,265,051	–
Net realised profit/(loss) on financial future contracts	–	–	–
Net realised profit/(loss) on interest rate swap contracts	–	–	–
Net realised profit/(loss) on inflation 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	(193,327)	366,689	(491,194)
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	8,326,851	50,378,326	21,835,823
Change in net unrealised appreciation/(depreciation) on:			
Investments	(10,582,116)	(222,087,746)	6,753,365
Forward foreign exchange contracts	–	(1,226,046)	–
Financial future contracts	–	–	–
Interest rate swap contracts	–	–	–
Inflation swap contracts	–	–	–
Cross currency swap contracts	–	–	–
Credit default swap contracts	–	–	–
Option contracts	–	–	–
Foreign exchange transactions	(10,439)	(1,631,030)	6,415
Provision for capital gains tax	–	–	–
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	(2,265,704)	(174,566,496)	28,595,603
<b>MOVEMENT OF CAPITAL</b>			
Issue of shares	108,982,500	817,139,179	352,347,412
Redemption of shares	(90,599,930)	(1,233,400,496)	(329,388,296)
Equalisation (note 21)	–	(1,403,666)	(124,891)
	18,382,570	(417,664,983)	22,834,225
Dividends paid/accumulated (note 22)	–	(24,717,029)	(941,236)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	18,382,570	(442,382,012)	21,892,989
<b>NET ASSETS AT THE END OF THE YEAR</b>	114,340,738	2,182,848,599	233,282,956
Portfolio Turnover Ratio (note 23)	(46.19)%	12.30%	(10.11)%

The accompanying notes form an integral part of these financial statements



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## STATISTICAL INFORMATION

	Total Expense Ratio June 30, 2013 (see note 24)	Shares Outstanding June 30, 2013	Net Asset Value per Share		
			June 30, 2013	June 30, 2012	June 30, 2011
<b>Franklin Asian Flex Cap Fund – USD</b>					
A (acc) USD	1.99%	373,074.068	12.87	12.01	14.03
A (acc) SGD	2.00%	761.117	7.26	6.78	7.68
A (Ydis) USD	1.99%	70,364.649	12.77	11.92	13.92
B (acc) USD	3.24%	229,888.455	11.84	11.19	13.24
I (acc) USD	0.99%	125,496.710	13.79	12.75	14.74
N (acc) USD	2.74%	83,835.467	12.22	11.50	13.53
<b>Franklin Biotechnology Discovery Fund – USD</b>					
A (acc) USD	1.83%	40,788,127.635	18.19	14.09	11.44
A (acc) HKD*	1.79%	3,879.400	11.76	–	–
A (acc) SGD	1.83%	1,229,696.050	16.79	13.01	10.24
B (acc) USD	3.17%	1,492,305.391	15.39	12.08	9.93
C (acc) USD	2.41%	591,489.508	22.13	17.24	14.08
I (acc) USD	0.97%	832,764.086	26.36	20.24	16.28
I (acc) EUR-H1 (hedged)*	0.93%	76,572.610	11.78	–	–
N (acc) USD	2.59%	5,015,382.444	16.34	12.75	10.43
Z (acc) GBP	1.33%	87,241.441	15.30	11.45	–
<b>Franklin Brazil Opportunities Fund – USD*</b>					
A (acc) USD	1.84%	1,380,396.607	10.17	–	–
A (acc) EUR-H1 (hedged)	1.84%	652,073.652	10.11	–	–
A (Qdis) USD	1.84%	1,142,926.166	10.10	–	–
A (Qdis) HKD	1.84%	155,136.000	10.10	–	–
I (acc) USD	0.96%	346,655.854	10.25	–	–
N (acc) USD	2.34%	2,238,054.421	10.12	–	–
N (acc) EUR-H1 (hedged)	2.35%	1,095,517.648	10.08	–	–
N (Qdis) USD	2.34%	1,284,391.490	10.06	–	–
<b>Franklin Euroland Core Fund – EUR</b>					
A (acc) EUR	1.84%	486,627.027	14.15	11.78	13.74
A (acc) USD	1.84%	202,295.923	14.49	11.74	15.68
I (acc) EUR	0.97%	485,760.497	14.73	12.16	14.06
I (acc) USD	0.97%	599,242.815	15.10	12.12	16.06
N (acc) EUR	2.58%	99,444.356	13.67	11.47	13.47
<b>Franklin European Core Fund – EUR</b>					
A (acc) EUR	1.82%	80,495.524	11.76	9.89	–
A (Ydis) EUR	1.82%	71,737.139	11.57	9.89	–
I (acc) EUR	0.95%	137,561.043	11.95	9.97	–
N (acc) EUR	2.57%	85,555.803	11.60	9.83	–
<b>Franklin European Dividend Fund – EUR</b>					
A (acc) EUR	1.84%	134,445.252	11.95	10.10	–
A (Ydis) EUR	1.84%	107,906.292	11.55	10.10	–
I (acc) EUR	0.97%	1,534,309.111	12.14	10.17	–
N (acc) EUR	2.60%	154,000.321	11.77	10.03	–
<b>Franklin European Growth Fund – EUR</b>					
A (acc) EUR	1.82%	20,513,177.866	12.85	10.16	9.68
A (acc) SGD-H1 (hedged)*	1.79%	159,713.888	10.70	–	–
A (acc) USD*	1.81%	542,699.769	10.66	–	–
A (Ydis) GBP	1.83%	65,043.600	14.95	11.29	12.16
I (acc) EUR	0.97%	13,733,143.642	24.66	19.33	18.27
N (acc) EUR	2.58%	10,843,508.747	11.67	9.29	8.92
N (acc) USD*	2.57%	206,960.557	10.63	–	–
<b>Franklin European Small-Mid Cap Growth Fund – EUR</b>					
A (acc) EUR	1.84%	6,911,898.536	25.45	18.49	19.91
A (acc) USD	1.84%	316,284.042	33.14	23.41	28.89
I (acc) EUR	0.98%	6,882,161.681	29.64	21.35	22.80
I (acc) USD	0.97%	1,657,839.875	38.53	27.01	33.05
N (acc) EUR	2.59%	1,236,441.791	24.17	17.69	19.20
W (acc) EUR*	1.03%	379.248	10.53	–	–
<b>Franklin Global Convertible Securities Fund – USD</b>					
A (acc) USD	1.59%	74,546.058	10.67	9.41	–
A (acc) CHF-H1 (hedged)	1.56%	92,730.000	10.56	9.39	–
A (acc) EUR	1.57%	75,298.861	11.02	10.00	–
A (acc) EUR-H1 (hedged)	1.57%	285,861.162	10.57	9.39	–
A (acc) HKD	1.56%	23,261.550	10.66	9.41	–
A (Ydis) EUR	1.59%	51,731.415	10.96	10.00	–
A (Ydis) EUR-H1 (hedged)	1.57%	203,929.835	10.51	9.39	–
I (acc) USD	0.86%	198,353.590	10.76	9.43	–
I (acc) EUR	0.85%	209,644.598	11.13	10.02	–
N (acc) USD	2.37%	65,292.518	10.56	9.38	–
N (acc) EUR	2.37%	197,673.460	10.92	9.98	–

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2013 (see note 24)	Shares Outstanding June 30, 2013	Net Asset Value per Share		
			June 30, 2013	June 30, 2012	June 30, 2011
<b>Franklin Global Growth Fund – USD</b>					
A (acc) USD	1.84%	2,974,460.789	11.88	10.86	11.80
A (acc) EUR	1.85%	1,409,167.221	11.61	10.91	10.35
A (acc) EUR-H1 (hedged)	1.83%	110,285.186	11.91	10.98	12.01
A (acc) GBP	1.84%	13,201.269	11.68	10.36	10.99
A (acc) SGD	1.85%	28,935.810	10.59	9.68	10.20
I (acc) USD	0.97%	5,721,290.297	10.17	9.22	9.93
I (acc) EUR	1.00%	1,395,444.753	11.94	11.12	10.46
I (acc) EUR-H1 (hedged)	0.96%	405,186.386	12.25	11.20	12.13
I (acc) GBP	0.96%	407.024	10.70	9.59	10.11
N (acc) USD	2.59%	729,557.903	10.80	9.95	10.89
N (acc) EUR	2.62%	188,597.307	11.35	10.75	10.27
Z (acc) USD	1.35%	500.000	10.98	9.99	10.80
<b>Franklin Global Listed Infrastructure Fund – USD*</b>					
A (acc) USD	1.83%	1,066.296	9.37	–	–
A (acc) EUR	1.85%	383.700	9.38	–	–
A (Mdis) SGD-H1 (hedged)	1.84%	123,675.000	9.33	–	–
A (Qdis) USD	1.85%	500.000	9.37	–	–
A (Ydis) EUR	1.85%	2,309.289	9.39	–	–
I (acc) USD	0.97%	148,000.000	9.39	–	–
I (acc) EUR	0.97%	113,575.318	9.40	–	–
I (acc) GBP-H1 (hedged)	0.98%	64,593.220	9.39	–	–
N (acc) EUR	2.60%	690.483	9.37	–	–
W (acc) GBP	1.10%	322.966	9.56	–	–
W (Qdis) GBP	1.10%	322.966	9.56	–	–
<b>Franklin Global Real Estate Fund – USD</b>					
A (acc) USD	1.86%	13,494,172.888	10.08	9.04	9.04
A (acc) EUR-H1 (hedged)	1.85%	897,018.747	13.24	11.94	12.00
A (Qdis) USD	1.86%	5,844,757.542	9.02	8.14	8.22
A (Qdis) SGD	1.85%	414,915.776	6.78	6.12	5.98
A (Ydis) EUR-H1 (hedged)	1.86%	399,640.004	13.02	11.83	11.99
B (Qdis) USD	3.17%	1,756,598.425	8.85	8.04	8.15
C (Qdis) USD	2.44%	5,971,176.141	9.00	8.13	8.20
I (acc) USD	0.98%	7,438,789.237	10.78	9.58	9.50
N (acc) USD	2.62%	9,089,527.492	9.53	8.61	8.68
N (acc) EUR-H1 (hedged)	2.61%	790,153.465	12.97	11.78	11.92
<b>Franklin Global Small-Mid Cap Growth Fund – USD</b>					
A (acc) USD	1.84%	6,732,197.304	26.33	19.86	22.28
B (acc) USD	3.15%	54,910.194	22.67	17.33	19.70
I (acc) USD	0.99%	816,358.196	14.27	10.68	11.89
N (acc) USD	2.60%	725,956.206	23.99	18.23	20.61
<b>Franklin Gold and Precious Metals Fund – USD</b>					
A (acc) USD	1.86%	3,437,507.082	4.19	7.69	11.38
A (acc) CHF-H1 (hedged)	1.86%	1,785,677.226	3.51	6.52	9.83
A (acc) EUR	1.86%	825,515.276	4.29	8.09	10.45
A (acc) EUR-H1 (hedged)	1.86%	737,288.314	4.05	7.56	11.30
A (acc) HKD	1.86%	2,327,695.065	4.19	7.69	11.41
A (acc) SEK-H1 (hedged)	1.86%	2,149,607.001	3.27	6.00	8.93
A (acc) SGD	1.86%	1,463,849.465	3.88	7.11	10.20
A (Ydis) EUR	1.87%	15,291.566	4.29	8.10	10.46
A (Ydis) EUR-H1 (hedged)	1.86%	91,090.871	4.06	7.58	11.32
I (acc) USD	0.97%	87,640.296	4.31	7.84	11.50
I (Ydis) USD	0.97%	45,334.584	4.32	7.85	11.50
N (acc) USD	2.60%	252,591.330	4.10	7.57	11.28
N (acc) EUR	2.61%	820,224.560	4.19	7.96	10.36
<b>Franklin High Yield Fund – USD</b>					
A (acc) USD	1.53%	17,184,666.638	15.70	14.54	13.74
A (Mdis) USD	1.53%	355,545,431.101	6.99	6.85	6.91
A (Mdis) AUD-H1 (hedged)*	1.52%	194,081.751	9.86	–	–
A (Mdis) SGD-H1 (hedged)	1.53%	9,742,913.175	8.79	8.64	8.77
B (Mdis) USD	2.94%	92,364,420.661	7.03	6.90	6.96
C (acc) USD	2.21%	2,750,972.960	20.64	19.24	18.31
I (acc) USD	0.86%	11,361,096.964	15.99	14.71	13.81
I (acc) EUR-H1 (hedged)	0.87%	4,086,343.203	11.20	10.35	–
I (Mdis) USD	0.86%	7,159,523.779	10.98	10.76	10.86
N (acc) USD	2.13%	8,381,693.770	16.64	15.50	14.74
N (Mdis) USD*	2.12%	83,948.303	9.77	–	–
Z (Mdis) USD	1.13%	177,866.316	10.31	10.11	10.20
<b>Franklin Income Fund – USD</b>					
A (Mdis) USD	1.67%	83,179,785.635	11.86	11.36	11.74
A (Mdis) SGD-H1 (hedged)	1.67%	4,391,943.821	8.50	8.16	8.48
B (Mdis) USD	2.98%	13,528,332.656	11.37	10.89	11.28

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2013 (see note 24)	Shares Outstanding June 30, 2013	Net Asset Value per Share		
			June 30, 2013	June 30, 2012	June 30, 2011
<b>Franklin Income Fund – USD (continued)</b>					
C (acc) USD	2.26%	6,349,634.119	20.62	19.07	18.95
C (Mdis) USD	2.26%	5,218,009.481	15.25	14.61	15.15
I (acc) USD	0.88%	8,004,466.936	17.18	15.68	15.37
N (acc) USD	2.18%	8,908,832.437	19.12	17.67	17.54
Z (acc) USD	1.17%	741,828.239	13.27	12.14	11.93
Z (Mdis) USD	1.18%	1,072,409.311	10.72	10.28	10.63
<b>Franklin India Fund – USD</b>					
A (acc) USD	1.90%	23,047,186.368	21.08	20.79	27.05
A (acc) EUR	1.90%	6,362,082.423	19.59	19.87	22.56
A (acc) HKD	1.91%	4,290.459	9.67	9.54	–
A (acc) SEK	1.91%	17,391,039.317	8.66	8.81	10.48
A (acc) SGD	1.90%	84,749.226	7.27	7.16	9.04
A (Ydis) EUR	1.91%	480,245.713	28.89	29.30	33.27
A (Ydis) GBP	1.91%	614,123.545	24.73	23.67	30.06
B (acc) USD	3.21%	1,017,432.941	19.11	19.09	25.16
C (acc) USD	2.48%	438,129.444	20.16	19.99	26.16
I (acc) USD	1.01%	4,292,730.057	22.65	22.13	28.54
I (acc) EUR	1.01%	398,529.967	21.02	21.13	23.77
I (Ydis) EUR	1.05%	2,766.550	20.90	21.05	23.68
N (acc) USD	2.65%	1,810,237.204	19.91	19.78	25.92
N (acc) EUR	2.65%	2,437,406.657	18.57	18.98	21.71
N (acc) PLN-H1 (hedged)	2.64%	1,613,925.830	10.07	9.75	12.64
W (acc) USD	1.17%	47,066.550	10.71	10.49	–
W (acc) GBP	1.13%	76,118.338	11.03	10.48	–
Z (acc) USD	1.41%	266,312.960	8.41	8.25	10.69
Z (acc) GBP	1.43%	35,500.000	11.00	10.48	–
<b>Franklin MENA Fund – USD</b>					
A (acc) USD	2.59%	2,973,732.319	4.97	4.29	4.58
A (acc) EUR	2.58%	1,706,355.110	3.79	3.36	3.14
A (acc) EUR-H1 (hedged)	2.58%	1,126,603.715	2.98	2.59	2.77
A (Ydis) USD	2.59%	9,079.515	5.49	4.76	5.13
A (Ydis) GBP	2.59%	45,406.968	6.82	5.70	5.95
B (acc) USD	3.90%	72,571.635	4.65	4.06	4.40
I (acc) USD	1.43%	2,114,419.939	5.25	4.47	4.73
I (acc) EUR	1.43%	1,396,377.282	4.04	3.54	3.27
I (Ydis) USD	1.64%	8,087.914	5.74	5.00	5.33
N (acc) USD	3.09%	573,301.686	4.85	4.20	4.51
N (acc) EUR-H1 (hedged)	3.08%	1,044,323.285	2.91	2.53	2.73
X (acc) USD	0.30%	118,584.802	11.96	10.07	10.52
<b>Franklin Multi-Asset Income Fund – EUR*</b>					
A (acc) EUR	1.75%	1,202.024	9.63	–	–
A (Qdis) EUR	1.43%	70,142.306	9.64	–	–
A (Ydis) EUR	1.75%	644.134	9.63	–	–
I (acc) EUR	0.68%	1,152,633.602	9.65	–	–
I (Qdis) EUR	0.68%	1,152,633.602	9.65	–	–
N (acc) EUR	2.09%	11,233.191	9.63	–	–
<b>Franklin Natural Resources Fund – USD</b>					
A (acc) USD	1.83%	17,063,853.777	8.57	8.32	11.30
A (acc) CHF-H1 (hedged)	1.83%	202,611.416	7.38	7.24	9.90
A (acc) EUR	1.83%	3,548,702.366	6.59	6.59	7.81
A (Ydis) USD	1.83%	857,314.554	8.57	8.33	11.31
A (Ydis) EUR-H1 (hedged)	1.83%	181,303.488	7.29	7.17	9.84
B (acc) USD	3.13%	520,482.093	9.53	9.38	12.91
C (acc) USD	2.41%	1,021,938.991	7.94	7.76	10.60
I (acc) USD	0.96%	2,482,386.990	9.05	8.71	11.73
I (acc) EUR	0.96%	1,148,902.114	6.96	6.90	8.11
N (acc) EUR	2.58%	2,037,070.789	6.29	6.33	7.56
N (acc) PLN-H1 (hedged)	2.55%	629,126.540	9.40	8.97	–
<b>Franklin Real Return Fund – USD</b>					
A (acc) USD	1.35%	565,979.188	10.53	10.37	10.58
A (Ydis) EUR-H1 (hedged)	1.35%	403,825.816	10.21	10.20	10.51
N (acc) USD	1.84%	175,287.235	9.92	9.82	10.07
<b>Franklin Strategic Income Fund – USD</b>					
A (acc) USD	1.35%	14,816,777.133	14.07	13.35	12.91
A (acc) EUR	1.35%	2,098,368.737	10.83	10.57	8.92
A (acc) EUR-H1 (hedged)	1.35%	2,223,794.199	11.07	10.57	10.21
A (Mdis) USD	1.35%	25,148,723.865	11.07	10.82	10.86
A (Mdis) AUD-H1 (hedged)*	1.33%	99,964.040	9.92	–	–
A (Mdis) EUR	1.35%	3,655,762.227	8.51	8.55	7.49
A (Mdis) EUR-H1 (hedged)*	1.35%	229,089.164	9.80	–	–
B (Mdis) USD	2.69%	3,958,904.527	11.06	10.80	10.85

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2013 (see note 24)	Shares Outstanding June 30, 2013	Net Asset Value per Share		
			June 30, 2013	June 30, 2012	June 30, 2011
<b>Franklin Strategic Income Fund – USD (continued)</b>					
C (Mdis) USD	1.95%	14,619,660.800	11.06	10.81	10.85
I (acc) USD	0.81%	1,040,656.577	14.50	13.68	13.18
I (acc) EUR-H1 (hedged)	0.79%	11,842,731.585	10.74	10.20	–
N (acc) USD	2.05%	13,235,404.173	11.14	10.64	10.36
N (acc) EUR-H1 (hedged)	2.06%	649,578.888	10.92	10.49	10.19
Z (acc) USD	1.05%	1,373,854.938	12.37	11.70	11.28
<b>Franklin Technology Fund – USD</b>					
A (acc) USD	1.81%	47,176,805.107	7.82	7.11	7.61
A (acc) EUR	1.81%	20,216,752.267	6.02	5.63	5.27
A (acc) HKD*	1.78%	3,879.400	10.20	–	–
B (acc) USD	3.12%	626,616.201	6.58	6.06	6.57
C (acc) USD	2.39%	747,448.941	15.65	14.32	15.41
I (acc) USD	0.97%	9,127,925.751	10.36	9.34	9.92
I (acc) EUR	0.96%	1,623,486.504	10.72	9.94	9.21
I (acc) GBP	0.95%	324.549	11.54	10.10	–
N (acc) USD	2.56%	4,082,690.545	6.84	6.27	6.76
N (acc) EUR	2.56%	3,863,872.418	5.26	4.96	4.67
W (acc) EUR*	0.99%	389.772	9.50	–	–
Z (acc) USD	1.32%	222,793.557	11.01	9.96	10.61
<b>Franklin U.S. Dollar Liquid Reserve Fund – USD</b>					
A (acc) USD	0.25%	14,631,194.634	11.59	11.61	11.63
A (Mdis) USD	0.25%	16,689,500.003	9.70	9.72	9.73
B (Mdis) USD	1.33%	3,561,721.319	9.30	9.42	9.53
C (acc) USD	1.24%	2,133,536.636	10.23	10.34	10.46
I (acc) USD	0.25%	170,118.686	10.04	10.06	10.07
N (acc) USD	1.15%	3,644,090.736	10.76	10.87	10.99
<b>Franklin U.S. Equity Fund – USD</b>					
A (acc) USD	1.82%	13,458,793.518	18.94	16.13	16.26
A (acc) EUR	1.82%	1,020,558.998	14.54	12.73	11.20
A (acc) EUR-H1 (hedged)	1.82%	726,362.551	13.32	11.43	11.55
A (acc) HKD	1.85%	84,865.980	12.39	10.55	–
A (acc) SGD	1.84%	363.754	11.46	9.76	9.54
B (acc) USD	3.13%	488,685.186	15.75	13.58	13.88
C (acc) USD	2.41%	1,857,020.445	16.56	14.18	14.39
I (acc) USD	0.96%	4,091,706.331	15.37	12.97	12.97
I (acc) EUR	0.96%	1,089,020.595	10.94	9.49	8.28
I (acc) EUR-H1 (hedged)	0.96%	259,873.020	9.24	7.86	7.88
N (acc) USD	2.58%	4,232,652.725	17.05	14.63	14.86
N (acc) EUR	2.57%	1,070,270.946	13.08	11.54	10.23
<b>Franklin U.S. Focus Fund – USD</b>					
A (acc) USD	1.83%	224,459.111	12.11	9.99	10.71
A (acc) EUR-H1 (hedged)	1.84%	257,000.619	7.18	5.97	6.42
I (acc) USD	0.98%	84,043.316	12.64	10.36	11.01
I (acc) EUR-H1 (hedged)	0.95%	125,819.037	7.51	6.20	6.60
N (acc) EUR-H1 (hedged)	2.56%	409,767.184	6.91	5.79	6.28
<b>Franklin U.S. Government Fund – USD</b>					
A (acc) USD	1.26%	2,384,391.844	10.51	10.75	10.31
A (acc) HKD	1.27%	64,470.202	10.80	11.05	10.63
A (Mdis) USD	1.27%	76,080,735.787	9.41	9.80	9.64
A (Mdis) HKD	1.26%	1,053,901.021	9.98	10.40	10.27
A (Mdis) SGD-H1 (hedged)	1.27%	809,329.862	10.05	10.48	10.33
AX (acc) USD	1.47%	9,824,951.494	14.86	15.23	14.63
B (acc) USD	2.52%	564,277.827	12.35	12.79	12.42
B (Mdis) USD	2.52%	6,775,204.608	9.42	9.81	9.66
C (acc) USD	2.04%	4,412,488.945	13.19	13.60	13.14
I (acc) USD	0.60%	3,002,409.025	12.92	13.12	12.50
I (acc) EUR-H1 (hedged)	0.60%	14,219,604.961	9.91	10.12	–
I (Mdis) USD	0.60%	18,235,599.161	9.85	10.26	10.09
I (Mdis) JPY-H1 (hedged)*	0.60%	79,230.000	961.38	–	–
N (acc) USD	1.96%	6,377,414.540	13.83	14.24	13.75
N (Mdis) USD	1.96%	5,244,980.325	9.45	9.84	9.68
W (acc) USD*	0.79%	500.000	9.81	–	–
W (Mdis) USD*	0.80%	3,090.475	9.75	–	–
Z (acc) USD	0.97%	754,120.800	11.01	11.23	10.73
Z (Mdis) USD	0.97%	497,071.186	9.91	10.31	10.19
<b>Franklin U.S. Low Duration Fund – USD</b>					
A (acc) USD	1.15%	5,585,741.561	10.35	10.21	10.04
A (Mdis) USD	1.15%	112,657,409.914	9.78	9.68	9.57
AX (acc) USD	1.35%	2,635,181.692	11.86	11.73	11.56
B (Mdis) USD	2.38%	455,522.183	9.60	9.59	9.55
C (Mdis) USD	2.04%	3,412,089.855	9.67	9.63	9.56

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2013 (see note 24)	Shares Outstanding June 30, 2013	Net Asset Value per Share		
			June 30, 2013	June 30, 2012	June 30, 2011
<b>Franklin U.S. Low Duration Fund – USD (continued)</b>					
I (acc) USD	0.67%	3,236,900.786	12.36	12.14	11.88
I (acc) EUR-H1 (hedged)	0.66%	17,044,820.341	10.20	10.07	–
N (Mdis) USD	1.85%	7,771,685.765	9.70	9.64	9.55
<b>Franklin U.S. Opportunities Fund – USD</b>					
A (acc) USD	1.81%	145,631,620.402	8.85	7.53	7.86
A (acc) CHF-H1 (hedged)	1.81%	625,961.100	13.20	11.32	11.77
A (acc) EUR	1.81%	11,421,970.012	6.80	5.96	5.43
A (acc) EUR-H1 (hedged)	1.81%	16,034,445.094	6.18	5.30	5.54
A (acc) HKD	1.82%	497,960.724	11.93	10.17	–
A (acc) SEK-H1 (hedged)	1.82%	4,918,341.483	12.20	10.34	10.62
A (acc) SGD	1.81%	3,828,206.325	9.97	8.49	8.59
A (acc) SGD-H1 (hedged)	1.83%	1,271,119.387	13.53	11.55	–
A (Ydis) EUR	1.81%	7,957,511.128	6.93	6.07	5.52
A (Ydis) GBP	1.81%	935,165.095	5.81	4.80	4.89
B (acc) USD	3.12%	3,704,694.450	7.44	6.41	6.78
C (acc) USD	2.39%	5,585,258.900	14.60	12.51	13.13
I (acc) USD	0.96%	24,886,081.791	21.78	18.38	19.03
I (acc) EUR	0.96%	6,649,695.030	16.73	14.52	13.12
I (acc) EUR-H1 (hedged)	0.95%	1,228,190.489	14.99	12.76	13.24
I (acc) GBP	0.94%	324.549	12.18	9.98	–
N (acc) USD	2.56%	8,706,596.808	18.35	15.74	16.55
N (acc) EUR	2.56%	3,506,619.288	14.07	12.42	11.40
N (acc) EUR-H1 (hedged)	2.56%	404,206.173	11.45	9.92	10.48
N (acc) PLN-H1 (hedged)	2.57%	2,139,880.508	15.63	13.03	13.52
W (acc) USD	1.05%	425,353.662	11.96	10.09	–
X (Ydis) USD	0.26%	241,486.952	11.77	9.88	–
Z (acc) USD	1.31%	765,695.389	14.95	12.67	13.15
<b>Franklin U.S. Small-Mid Cap Growth Fund – USD</b>					
A (acc) USD	1.85%	5,196,502.266	15.27	12.83	13.74
B (acc) USD	3.17%	236,172.960	21.44	18.26	19.80
C (acc) USD	2.43%	696,390.707	14.38	12.15	13.09
I (acc) USD	0.96%	930,274.500	14.81	12.34	13.10
N (acc) USD	2.61%	1,384,975.682	13.84	11.72	12.64
<b>Franklin U.S. Total Return Fund – USD</b>					
A (acc) USD	1.20%	3,622,565.542	15.01	14.91	14.25
A (Mdis) USD	1.20%	2,557,779.652	10.94	11.01	10.75
C (Mdis) USD	1.98%	1,279,776.704	10.93	11.00	10.74
I (acc) USD	0.81%	17,702.365	14.80	14.63	13.93
I (Mdis) USD	0.82%	1,087,360.774	11.53	11.61	11.33
N (Mdis) USD	1.90%	2,487,560.846	10.93	11.00	10.73
<b>Franklin World Perspectives Fund – USD</b>					
A (acc) USD	1.86%	2,157,788.694	15.78	13.75	14.82
A (acc) EUR	1.85%	898,239.303	16.55	14.82	13.95
A (Ydis) GBP	1.83%	75,222.327	18.08	15.29	16.09
I (acc) USD	0.97%	1,536,987.035	16.43	14.19	15.17
I (acc) EUR	0.98%	1,061,406.583	17.23	15.30	14.27
N (acc) USD	2.59%	1,433,456.265	15.24	13.37	14.52
W (acc) GBP	1.05%	328.790	12.12	10.17	–
Z (acc) GBP	1.36%	2,062.645	12.09	10.17	–
<b>Franklin Mutual Beacon Fund – USD</b>					
A (acc) USD	1.82%	7,946,145.240	58.18	48.50	49.47
A (acc) EUR	1.82%	682,048.185	44.74	38.36	34.15
A (acc) EUR-H1 (hedged)	1.82%	247,057.516	39.66	33.31	34.01
A (acc) SGD	1.83%	688,599.854	8.81	7.34	7.26
A (Ydis) USD	1.83%	183,049.718	56.02	46.78	48.31
B (acc) USD	3.13%	669,032.933	27.15	22.93	23.70
C (acc) USD	2.40%	2,035,789.473	16.71	14.01	14.37
I (acc) USD	0.96%	2,036,166.683	15.78	13.04	13.19
I (acc) EUR	0.97%	4,481,704.559	12.12	10.30	9.09
I (acc) EUR-H1 (hedged)	0.95%	263,859.971	10.87	9.03	9.14
N (acc) USD	2.57%	2,241,043.675	29.37	24.66	25.35
N (acc) EUR	2.57%	1,870,733.314	22.53	19.46	17.45
N (acc) EUR-H1 (hedged)	2.57%	437,450.612	20.22	17.10	17.57
Z (acc) USD	1.32%	49,226.776	13.95	11.57	11.75
<b>Franklin Mutual Euroland Fund – EUR</b>					
A (acc) EUR	1.83%	462,339.844	13.31	11.13	13.03
N (acc) EUR	2.58%	101,053.043	12.84	10.82	12.76
<b>Franklin Mutual European Fund – EUR</b>					
A (acc) EUR	1.82%	53,281,757.710	19.17	16.26	17.11
A (acc) CHF-H1 (hedged)	1.83%	159,050.516	12.62	10.70	11.31

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2013 (see note 24)	Shares Outstanding June 30, 2013	Net Asset Value per Share		
			June 30, 2013	June 30, 2012	June 30, 2011
<b>Franklin Mutual European Fund – EUR (continued)</b>					
A (acc) CZK-H1 (hedged)	1.82%	549,039.500	118.47	100.44	–
A (acc) SEK	1.82%	16,255,645.229	10.80	9.19	10.14
A (acc) SGD	1.86%	47,402.704	7.34	6.05	7.07
A (acc) USD	1.82%	10,646,173.509	24.95	20.58	24.81
A (Ydis) EUR	1.83%	2,267,277.171	17.50	15.12	16.06
A (Ydis) GBP	1.83%	143,932.663	15.06	12.27	14.56
B (acc) USD	3.13%	885,046.914	21.08	17.62	21.51
B (Ydis) EUR	3.12%	11,201.078	15.99	13.75	14.65
C (acc) EUR	2.40%	81,017.714	17.58	15.00	15.88
C (acc) USD	2.41%	815,692.970	22.89	18.99	23.03
I (acc) EUR	0.96%	38,272,240.614	17.30	14.55	15.18
I (Ydis) EUR	0.97%	15,409.000	15.37	13.28	14.09
N (acc) EUR	2.57%	15,085,254.062	16.27	13.91	14.74
N (acc) USD	2.58%	1,216,068.587	21.09	17.53	21.29
W (acc) EUR*	1.05%	9,722.828	10.30	–	–
Z (acc) EUR	1.33%	892.061	11.63	9.83	10.29
Z (acc) USD	1.33%	387,912.885	12.47	10.24	12.28
<b>Franklin Mutual Global Discovery Fund – USD</b>					
A (acc) USD	1.83%	14,762,444.274	15.49	12.89	14.38
A (acc) CHF-H1 (hedged)	1.83%	399,782.414	12.50	10.47	11.74
A (acc) EUR	1.84%	12,093,321.712	14.39	12.32	11.99
A (acc) EUR-H2 (hedged)	1.83%	5,636,523.850	10.79	9.07	9.64
A (Ydis) EUR	1.84%	1,043,657.025	20.26	17.48	17.13
A (Ydis) GBP	1.83%	265,666.738	17.48	14.24	15.55
B (acc) USD	3.14%	1,093,321.966	14.03	11.83	13.37
C (acc) USD	2.41%	3,823,954.701	14.80	12.39	13.90
I (acc) USD	0.97%	9,705,045.606	16.58	13.68	15.13
I (acc) EUR	0.96%	1,720,790.110	15.41	13.07	12.62
I (acc) EUR-H2 (hedged)	0.96%	4,206,693.192	14.85	12.38	13.04
N (acc) USD	2.58%	2,656,742.557	14.61	12.25	13.77
N (acc) EUR	2.58%	4,068,422.119	13.56	11.69	11.47
N (acc) EUR-H2 (hedged)	2.58%	4,076,301.638	10.54	8.92	9.56
Z (acc) USD	1.33%	503,083.674	13.18	10.91	12.11
<b>Franklin Templeton Global Allocation Fund – USD</b>					
A (acc) USD	1.80%	281,495.319	10.11	9.46	–
A (acc) CHF-H1 (hedged)	1.80%	259,685.847	9.98	9.39	–
A (acc) EUR	1.80%	231,925.668	11.17	10.74	–
A (acc) EUR-H1 (hedged)	1.80%	438,197.213	9.99	9.41	–
A (Qdis) GBP	1.80%	60,919.890	10.91	9.91	–
A (Ydis) EUR	1.80%	103,798.101	11.16	10.74	–
A (Ydis) EUR-H1 (hedged)	1.80%	318,776.943	9.99	9.41	–
I (acc) USD	0.96%	312,275.598	10.27	9.53	–
I (acc) EUR	0.96%	147,706.604	11.35	10.82	–
I (acc) EUR-H1 (hedged)	0.95%	208,717.440	10.15	9.48	–
I (Ydis) EUR-H1 (hedged)	0.95%	208,717.440	10.08	9.48	–
N (acc) USD	2.55%	247,430.515	9.97	9.39	–
N (acc) EUR	2.55%	452,229.346	11.01	10.67	–
N (acc) SEK-H1 (hedged)	2.54%	1,895,071.666	10.07	9.43	–
Z (acc) USD	1.30%	100,000.000	10.21	9.50	–
<b>Franklin Templeton Global Equity Strategies Fund – USD</b>					
A (acc) USD	2.18%	1,160,093.160	10.38	8.96	10.52
A (acc) EUR	2.18%	4,400,761.289	7.97	7.08	7.26
A (acc) EUR-H1 (hedged)	2.17%	1,013,534.361	6.23	5.43	6.42
A (Ydis) EUR	2.18%	324,760.958	7.96	7.07	7.25
<b>Franklin Templeton Global Fundamental Strategies Fund – USD</b>					
A (acc) USD	1.86%	7,502,383.631	11.86	10.17	10.92
A (acc) EUR	1.86%	34,575,961.225	9.12	8.05	7.54
A (acc) EUR-H1 (hedged)	1.85%	15,414,161.904	8.04	6.95	7.48
A (Ydis) EUR	1.86%	9,004,907.802	8.57	7.67	7.30
I (acc) EUR	1.07%	312,538.940	9.57	8.37	7.78
N (acc) EUR-H1 (hedged)	2.61%	6,670,921.066	7.38	6.43	6.98
N (acc) PLN-H1 (hedged)	2.64%	2,390,770.906	13.42	11.25	11.96
N (Ydis) EUR*	2.62%	144,254.503	10.24	–	–
<b>Franklin Templeton Global Growth and Value Fund – USD</b>					
A (acc) USD	1.86%	1,763,426.334	20.94	17.93	19.85
B (acc) USD	3.17%	93,989.362	18.21	15.79	17.72
C (acc) USD	2.44%	147,131.345	19.46	16.75	18.66
I (acc) USD	1.04%	24,525.208	22.77	19.35	21.28
N (acc) USD	2.61%	267,539.351	19.27	16.62	18.54
X (acc) SGD	0.25%	4,347,979.550	11.95	10.06	10.63



## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2013 (see note 24)	Shares Outstanding June 30, 2013	Net Asset Value per Share		
			June 30, 2013	June 30, 2012	June 30, 2011
<b>Franklin Templeton Japan Fund – JPY</b>					
A (acc) JPY	1.88%	4,738,157.842	644.98	434.19	477.38
A (acc) EUR	1.89%	1,543,409.986	4.99	4.28	4.09
A (acc) SGD	1.88%	227,674.663	5.63	4.70	4.97
A (acc) USD	1.89%	7,495,095.841	6.51	5.43	5.93
A (Ydis) EUR	1.83%	58,350.905	4.96	4.23	4.04
A (Ydis) GBP	1.89%	16,550.830	4.28	3.47	3.70
C (acc) USD	2.46%	234,244.586	7.29	6.12	6.73
I (acc) EUR	0.98%	2,022,807.837	7.60	6.46	6.10
I (acc) USD	0.97%	15,096,392.049	8.18	6.77	7.33
N (acc) EUR	2.64%	2,142,642.043	4.51	3.90	3.75
N (acc) USD	2.64%	830,089.238	8.99	7.55	8.31
<b>Templeton Africa Fund – USD</b>					
A (acc) USD	2.40%	1,632,173.373	11.63	9.69	–
A (acc) CHF-H1 (hedged)	2.40%	130,836.017	11.54	9.68	–
A (acc) EUR	2.40%	1,366,176.849	11.69	10.02	–
A (acc) EUR-H1 (hedged)	2.40%	639,246.449	11.53	9.68	–
A (acc) GBP	2.40%	85,622.880	12.36	10.00	–
A (acc) SGD	2.40%	8,315.759	11.84	9.87	–
A (Ydis) EUR	2.40%	186,098.824	11.63	10.02	–
A (Ydis) EUR-H1 (hedged)	2.40%	276,639.143	11.48	9.68	–
I (acc) USD	1.40%	208,213.582	11.77	9.70	–
I (acc) EUR	1.40%	782,126.803	11.83	10.04	–
N (acc) EUR-H1 (hedged)	2.90%	812,390.696	11.45	9.67	–
W (acc) GBP	1.60%	30,043.744	12.30	9.87	–
<b>Templeton Asian Bond Fund – USD</b>					
A (acc) USD	1.40%	65,141,011.073	17.74	17.12	17.63
A (acc) CHF-H1 (hedged)	1.40%	8,992,949.776	10.75	10.43	10.86
A (acc) EUR	1.40%	15,800,082.343	16.48	16.36	14.70
A (acc) EUR-H1 (hedged)	1.39%	18,103,596.186	12.65	12.28	12.65
A (Mdis) USD	1.40%	26,702,606.494	13.79	13.63	14.38
A (Mdis) AUD-H1 (hedged)*	1.37%	109,891.903	9.67	–	–
A (Mdis) EUR	1.40%	5,575,060.097	10.62	10.79	9.93
A (Mdis) SGD	1.40%	1,410,943.736	9.80	9.69	9.91
A (Mdis) SGD-H1 (hedged)	1.39%	2,718,676.265	9.90	9.81	10.40
B (Mdis) USD	2.90%	1,836,585.225	13.76	13.60	14.35
C (Mdis) USD	2.17%	5,556,173.755	13.76	13.60	14.35
I (acc) USD	0.85%	32,700,250.701	18.50	17.75	18.18
I (acc) CHF-H1 (hedged)	0.85%	3,885,110.000	10.95	10.56	10.92
I (acc) EUR	0.86%	11,806,180.250	14.20	14.01	12.53
I (acc) EUR-H1 (hedged)	0.84%	4,841,657.057	11.58	11.18	11.42
I (Mdis) EUR	0.85%	1,756,735.117	11.04	11.21	10.33
N (acc) USD	2.09%	4,508,775.373	16.81	16.34	16.94
N (acc) EUR	2.10%	2,571,308.649	15.62	15.61	14.12
N (Mdis) USD	2.10%	3,674,806.550	13.77	13.61	14.36
W (acc) EUR-H1 (hedged)	0.99%	105,074.574	10.48	10.14	–
W (Mdis) USD	0.99%	865,568.099	10.29	10.14	–
X (Ydis) USD	0.29%	962,145.447	10.18	9.96	–
Z (acc) USD	1.10%	3,180,290.857	11.69	11.25	11.55
<b>Templeton Asian Dividend Fund – USD*</b>					
A (acc) USD	2.21%	1,068.776	9.60	–	–
A (acc) EUR	2.24%	2,057.647	9.61	–	–
A (Mdis) USD	2.25%	8,533.832	9.52	–	–
A (Mdis) SGD-H1 (hedged)	2.17%	123,675.000	9.50	–	–
A (Qdis) EUR	2.25%	2,646.378	9.61	–	–
A (Ydis) EUR	2.18%	383.700	9.61	–	–
I (acc) USD	1.14%	198,000.000	9.61	–	–
I (acc) EUR	1.14%	151,945.358	9.62	–	–
N (acc) EUR	2.72%	1,062.620	9.60	–	–
W (acc) GBP	1.32%	322.966	9.78	–	–
W (Qdis) GBP	1.33%	322.966	9.78	–	–
<b>Templeton Asian Growth Fund – USD</b>					
A (acc) USD	2.22%	106,751,348.149	32.73	31.10	36.18
A (acc) CHF-H1 (hedged)	2.22%	5,181,772.332	11.77	11.28	13.26
A (acc) CZK-H1 (hedged)	2.22%	467,977.599	102.28	97.91	–
A (acc) EUR	2.21%	31,526,992.530	25.10	24.53	24.90
A (acc) EUR-H1 (hedged)	2.21%	16,215,132.030	22.24	21.34	24.95
A (acc) HKD	2.22%	26,162,773.261	9.79	9.30	10.86
A (acc) RMB-H1 (hedged)*	2.22%	192,310.542	108.69	–	–
A (acc) SGD	2.21%	15,530,095.870	7.87	7.48	8.44
A (acc) SGD-H1 (hedged)	2.23%	912,728.040	11.24	10.72	–
A (Ydis) USD	2.21%	89,708,254.320	30.37	28.91	33.65
A (Ydis) EUR	2.22%	7,353,554.700	23.36	22.86	23.25



## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2013 (see note 24)	Shares Outstanding June 30, 2013	Net Asset Value per Share		
			June 30, 2013	June 30, 2012	June 30, 2011
<b>Templeton Asian Growth Fund – USD (continued)</b>					
A (Ydis) GBP	2.22%	1,577,966.302	19.98	18.46	20.98
B (acc) USD	3.52%	5,762,384.398	14.21	13.68	16.13
C (acc) USD	2.79%	3,903,415.059	28.12	26.88	31.45
I (acc) USD	1.22%	177,485,853.756	32.76	30.82	35.50
I (acc) CHF-H1 (hedged)	1.22%	1,682,810.913	9.83	9.32	10.80
I (acc) EUR	1.21%	15,966,841.788	25.16	24.34	24.47
I (acc) EUR-H1 (hedged)	1.21%	1,944,521.531	19.38	18.42	21.29
I (acc) GBP	1.20%	2,900.000	11.06	10.10	–
I (Ydis) EUR-H2 (hedged)	1.21%	10,213,691.584	11.66	11.48	13.09
N (acc) USD	2.71%	9,631,603.184	45.16	43.13	50.43
N (acc) EUR	2.71%	4,224,580.319	34.70	34.08	34.78
N (acc) EUR-H1 (hedged)	2.71%	3,462,827.620	30.68	29.57	34.71
N (acc) HUF	2.72%	1,692,168.562	114.66	109.19	103.53
N (acc) PLN-H1 (hedged)	2.73%	5,782,839.084	12.88	12.00	13.76
W (acc) USD	1.35%	397,060.386	10.80	10.17	–
W (acc) EUR*	1.35%	6,784.349	9.28	–	–
W (acc) GBP	1.35%	338,128.104	11.05	10.10	–
X (acc) SGD	0.30%	3,055,855.554	9.95	9.27	10.26
Z (acc) USD	1.72%	3,299,567.018	12.54	11.86	13.73
Z (acc) GBP	1.71%	22,378.903	11.02	10.10	–
Z (Ydis) USD	1.73%	298,694.805	9.54	9.11	10.61
Z (Ydis) EUR-H1 (hedged)	1.72%	145,189.086	10.98	10.56	12.33
<b>Templeton Asian Smaller Companies Fund – USD</b>					
A (acc) USD	2.23%	8,896,959.711	31.51	26.56	28.86
A (acc) EUR	2.23%	5,552,378.180	33.03	28.64	27.16
A (acc) SGD	2.23%	232,211.617	27.30	23.01	24.24
A (Ydis) USD	2.24%	1,277,975.101	31.24	26.42	28.72
B (acc) USD	3.57%	211,080.248	30.75	26.26	28.91
I (acc) USD	1.21%	4,803,540.276	33.11	27.62	29.71
I (acc) EUR	1.21%	4,510,473.335	34.70	29.77	27.95
N (acc) USD	2.75%	393,281.069	11.74	9.95	10.87
N (acc) EUR	2.75%	250,499.977	12.82	11.16	10.62
W (acc) USD*	1.32%	500.000	9.20	–	–
<b>Templeton BRIC Fund – USD</b>					
A (acc) USD	2.47%	75,516,273.631	13.06	14.05	19.63
A (acc) EUR	2.47%	8,806,566.385	12.14	13.43	16.38
A (acc) EUR-H1 (hedged)	2.46%	1,987,958.693	8.58	9.32	13.18
A (acc) HKD	2.47%	51,654.983	7.10	7.64	10.71
A (acc) SGD	2.47%	241,117.850	4.55	4.89	6.63
A (Ydis) EUR	2.47%	116,704.762	17.63	19.50	23.78
A (Ydis) GBP	2.47%	214,796.430	15.11	15.79	21.53
B (acc) USD	3.77%	3,271,331.105	11.85	12.92	18.28
C (acc) USD	3.04%	2,771,435.979	12.48	13.51	18.98
I (acc) USD	1.39%	634,610.241	14.19	15.11	20.88
I (acc) EUR	1.39%	148,640.237	10.91	11.94	14.41
N (acc) USD	2.96%	2,585,631.108	12.57	13.59	19.08
N (acc) EUR	2.96%	4,458,772.757	11.68	12.99	15.92
N (acc) PLN-H1 (hedged)	2.95%	637,740.357	7.42	7.84	11.05
W (acc) GBP	1.60%	351.067	9.72	10.07	–
Z (acc) USD	1.97%	124,538.492	7.86	8.41	11.69
<b>Templeton China Fund – USD</b>					
A (acc) USD	2.44%	39,289,179.820	20.83	20.94	26.70
A (acc) HKD	2.46%	97,650.245	9.43	9.48	–
A (acc) SGD	2.44%	2,464,229.919	6.50	6.53	8.07
A (Ydis) EUR	2.44%	2,115,317.458	15.59	16.12	17.94
A (Ydis) GBP	2.44%	566,937.889	13.26	12.98	16.16
B (acc) USD	3.76%	1,055,690.439	9.34	9.51	12.29
C (acc) USD	3.02%	1,169,659.570	14.90	15.07	19.32
I (acc) USD	1.38%	20,670,659.824	24.57	24.44	30.84
I (Ydis) GBP	1.39%	7,375,410.839	8.32	8.16	10.11
N (acc) USD	2.94%	3,242,033.213	20.67	20.88	26.76
W (acc) USD*	1.55%	500.000	8.88	–	–
W (acc) EUR*	1.55%	1,325,257.000	8.91	–	–
W (acc) GBP	1.55%	59,338.663	10.05	9.72	–
W (Ydis) EUR*	1.52%	389.772	8.87	–	–
X (acc) HKD	0.27%	23,376,219.972	8.70	8.56	10.72
Z (acc) USD	1.95%	721,814.033	8.42	8.42	10.69
Z (acc) GBP	1.93%	19,886.914	10.00	9.72	–
Z (Ydis) EUR	1.91%	1,213.787	9.72	9.99	–
<b>Templeton Eastern Europe Fund – EUR</b>					
A (acc) EUR	2.52%	12,256,809.180	20.40	20.22	28.25
A (acc) SGD	2.52%	9,823.022	4.17	4.02	6.24

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2013 (see note 24)	Shares Outstanding June 30, 2013	Net Asset Value per Share		
			June 30, 2013	June 30, 2012	June 30, 2011
<b>Templeton Eastern Europe Fund – EUR (continued)</b>					
A (acc) USD	2.52%	3,385,326.398	26.55	25.58	40.95
A (Ydis) EUR	2.52%	62,510.589	20.18	20.00	27.94
A (Ydis) GBP	2.52%	52,349.089	17.22	16.11	25.18
B (acc) USD	3.82%	1,738,970.656	6.10	5.96	9.66
B (Ydis) EUR	3.82%	253,922.183	4.69	4.71	6.66
C (acc) USD	3.09%	205,639.759	8.70	8.43	13.58
I (acc) EUR	1.40%	2,518,188.304	14.49	14.19	19.60
N (acc) EUR	3.01%	1,268,222.685	19.00	18.92	26.57
X (acc) EUR	0.30%	1,169,098.875	7.40	7.17	9.80
Z (acc) USD	2.04%	17,897.571	7.74	7.44	11.85
<b>Templeton Emerging Markets Fund – USD</b>					
A (acc) USD	2.49%	12,415,805.426	34.33	33.28	40.00
A (acc) EUR-H1 (hedged)	2.51%	1,673,530.605	8.55	8.38	10.13
A (acc) HKD	2.49%	17,262.821	9.92	9.62	–
A (acc) SGD	2.49%	3,576,541.775	6.77	6.56	7.64
A (Ydis) USD	2.49%	9,843,956.486	32.97	32.09	38.57
B (acc) USD	3.79%	1,328,589.675	16.68	16.38	19.95
C (acc) USD	3.07%	1,235,294.092	29.35	28.62	34.60
I (acc) USD	1.40%	7,744,185.355	22.21	21.29	25.31
I (acc) EUR-H1 (hedged)	1.41%	633,224.978	8.75	8.48	10.14
N (acc) USD	2.99%	3,018,694.551	18.57	18.09	21.85
N (acc) EUR	2.99%	1,738,181.114	14.28	14.31	15.08
<b>Templeton Emerging Markets Balanced Fund – USD</b>					
A (acc) USD	2.05%	777,083.711	8.56	8.86	9.94
A (acc) CHF-H1 (hedged)	2.04%	128,523.359	8.38	8.75	9.92
A (acc) EUR	2.05%	900,701.583	9.74	10.37	10.15
A (acc) EUR-H1 (hedged)	2.05%	425,828.272	8.46	8.83	9.95
A (Qdis) USD	2.05%	942,406.347	8.22	8.74	9.93
A (Qdis) GBP	2.05%	1,749.013	9.03	9.32	10.34
A (Qdis) GBP-H1 (hedged)	2.05%	96,171.796	8.21	8.74	9.94
A (Qdis) SGD-H1 (hedged)	2.04%	344,904.555	8.11	8.64	9.93
A (Ydis) EUR	2.05%	814,011.983	9.52	10.35	10.14
A (Ydis) EUR-H1 (hedged)	2.05%	815,629.559	8.23	8.81	9.94
B (Mdis) USD	3.56%	4,016.106	8.28	8.82	10.10
C (acc) USD	2.86%	301,665.002	8.57	8.94	10.11
I (acc) USD	1.22%	474,415.281	8.70	8.94	9.94
I (acc) EUR	1.24%	180,136.192	9.91	10.46	10.15
I (acc) EUR-H1 (hedged)	1.22%	109,899.436	8.60	8.92	9.95
I (Ydis) EUR-H1 (hedged)	1.20%	95,777.389	8.31	8.89	9.95
N (acc) USD	2.53%	501,568.257	8.48	8.82	9.93
N (acc) EUR-H1 (hedged)	2.51%	663,512.138	8.38	8.79	9.94
W (Qdis) GBP	1.40%	557.810	9.99	10.22	–
X (acc) USD	0.29%	38,642.493	8.88	9.04	9.96
Z (acc) USD	1.76%	66,266.341	8.60	8.88	9.93
Z (Qdis) GBP	1.60%	324.550	9.99	10.22	–
<b>Templeton Emerging Markets Bond Fund – USD</b>					
A (acc) USD	1.89%	37,797,859.756	12.70	11.65	11.89
A (acc) CHF-H1 (hedged)	1.89%	3,011,228.263	12.02	11.11	11.46
A (acc) EUR-H1 (hedged)	1.91%	1,296,278.239	10.58	9.76	–
A (acc) NOK-H1 (hedged)	1.90%	9,065,695.687	11.62	10.55	10.65
A (acc) SEK-H1 (hedged)	1.89%	25,504,562.454	11.55	10.54	10.63
A (Mdis) USD	1.90%	121,004,138.278	11.37	11.08	11.93
A (Mdis) AUD-H1 (hedged)*	1.91%	853,128.072	9.54	–	–
A (Mdis) HKD	1.90%	2,564,388.515	10.34	10.08	–
A (Mdis) SGD-H1 (hedged)*	1.89%	631,747.255	9.44	–	–
A (Qdis) USD	1.89%	90,363,341.124	19.68	19.19	20.66
A (Qdis) EUR	1.89%	32,964,978.126	15.21	15.27	14.34
A (Qdis) GBP	1.89%	1,116,806.008	11.22	10.62	11.16
A (Ydis) EUR-H1 (hedged)	1.89%	21,717,880.560	10.50	10.27	10.98
B (Mdis) USD	3.21%	37,667,959.890	11.36	11.08	11.93
B (Qdis) USD	3.20%	21,990,635.696	17.79	17.35	18.67
C (acc) USD	2.47%	3,312,031.244	26.93	24.84	25.50
I (acc) USD	1.02%	64,975,966.137	23.86	21.70	21.95
I (acc) CHF-H1 (hedged)	1.03%	398,280.511	10.71	9.82	10.05
I (acc) EUR-H1 (hedged)	1.02%	12,405,632.334	12.16	11.13	11.25
I (Qdis) USD	1.03%	38,430,486.481	15.42	15.04	16.19
I (Qdis) GBP-H1 (hedged)	1.03%	1,754,349.586	10.31	10.05	10.83
I (Ydis) EUR-H1 (hedged)	1.02%	1,751,471.580	10.56	9.78	–
N (acc) USD	2.39%	9,067,046.683	32.57	30.02	30.80
W (acc) EUR-H1 (hedged)*	1.10%	76,572.610	9.58	–	–
W (Qdis) USD*	1.12%	19,146.999	9.52	–	–
W (Qdis) GBP-H1 (hedged)	1.12%	85,583.893	10.72	10.33	–
Z (acc) USD	1.40%	1,662,051.754	12.70	11.59	11.77

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2013 (see note 24)	Shares Outstanding June 30, 2013	Net Asset Value per Share		
			June 30, 2013	June 30, 2012	June 30, 2011
<b>Templeton Emerging Markets Bond Fund – USD (continued)</b>					
Z (Mdis) USD	1.39%	543,934.191	9.88	9.63	10.38
Z (Qdis) GBP-H1 (hedged)	1.39%	69,583.789	10.70	10.33	–
<b>Templeton Emerging Markets Smaller Companies Fund – USD</b>					
A (acc) USD	2.49%	14,805,771.393	8.02	7.24	9.10
A (acc) EUR	2.49%	3,438,350.002	8.80	8.18	8.97
A (Ydis) USD	2.49%	871,670.912	7.81	7.09	8.92
A (Ydis) GBP	2.49%	401,695.493	10.47	9.23	11.35
C (acc) USD	3.07%	1,040,846.297	8.62	7.84	9.90
I (acc) USD	1.43%	2,607,521.367	8.53	7.62	9.48
I (acc) EUR	1.44%	776,071.396	9.36	8.60	9.33
N (acc) USD	2.99%	2,880,152.956	7.80	7.08	8.94
W (acc) GBP	1.66%	20,986.583	11.57	10.06	–
<b>Templeton Euro Government Bond Fund – EUR</b>					
A (Ydis) EUR	1.03%	1,288,345.952	10.21	9.70	9.40
I (acc) EUR	0.61%	111,878.276	13.33	12.40	11.75
I (Qdis) EUR*	0.61%	47,992.241	9.76	–	–
N (acc) EUR	1.58%	1,416,675.132	12.12	11.40	10.90
<b>Templeton Euro High Yield Fund – EUR</b>					
A (acc) EUR	1.51%	9,428,559.814	15.52	13.79	13.29
A (Mdis) EUR	1.51%	71,416,804.830	6.22	5.84	6.00
A (Mdis) USD	1.51%	1,179,040.521	10.24	9.35	11.00
A (Ydis) EUR	1.51%	8,583,044.980	6.54	6.18	6.33
B (Mdis) EUR	2.92%	855,288.412	11.59	10.88	11.18
B (Mdis) USD	2.94%	202,106.511	10.75	9.82	11.56
I (acc) EUR	0.86%	1,912,746.867	16.56	14.62	14.00
I (Ydis) EUR	0.86%	177,905.260	9.94	9.41	9.64
N (acc) EUR	2.11%	7,035,839.654	14.37	12.84	12.46
<b>Templeton Euro Liquid Reserve Fund – EUR</b>					
A (acc) EUR	0.60%	8,191,904.176	5.63	5.63	5.59
A (Ydis) EUR	0.60%	5,089,575.188	4.40	4.43	4.44
I (acc) EUR	0.36%	1,524,597.274	10.42	10.40	10.32
N (acc) EUR	1.49%	2,644,145.488	10.59	10.68	10.72
<b>Templeton Euro Short-Term Money Market Fund – EUR</b>					
A (acc) EUR	0.22%	25,312.703	1,012.65	1,012.85	1,007.01
I (acc) EUR	0.22%	67,675.347	1,015.32	1,015.08	1,008.22
<b>Templeton Euroland Fund – EUR</b>					
A (acc) EUR	1.86%	5,974,501.993	14.75	11.61	13.15
A (Ydis) EUR	1.85%	38,575.513	13.26	10.69	12.32
B (acc) USD	3.20%	30,446.264	7.91	6.13	8.07
B (Ydis) EUR	3.20%	27,791.260	5.99	4.78	5.48
I (acc) EUR	0.97%	1,542,537.643	13.39	10.45	11.73
N (acc) EUR	2.61%	1,299,843.893	8.86	7.03	8.02
<b>Templeton European Fund – EUR</b>					
A (acc) EUR	1.85%	2,123,965.754	16.60	13.35	14.63
A (acc) SGD	1.85%	150,848.385	6.59	5.15	6.27
A (acc) USD	1.85%	1,103,583.207	21.57	16.87	21.18
A (Ydis) USD	1.85%	3,668,209.199	18.69	14.87	18.94
I (acc) EUR	0.97%	971,342.000	14.13	11.26	12.24
N (acc) EUR	2.60%	261,649.155	15.31	12.41	13.70
<b>Templeton European Corporate Bond Fund – EUR</b>					
A (acc) EUR	1.15%	299,923.671	11.35	10.54	10.07
A (Ydis) EUR	1.15%	365,223.264	10.67	10.20	10.03
I (acc) EUR	0.65%	1,776,075.219	11.54	10.66	10.13
I (Ydis) EUR	0.65%	233,258.462	10.72	10.25	10.08
N (acc) EUR	1.98%	523,913.786	11.05	10.34	9.97
N (Ydis) EUR	1.98%	691,275.284	10.58	10.11	9.94
<b>Templeton European Total Return Fund – EUR</b>					
A (acc) EUR	1.10%	2,075,842.783	12.61	11.64	11.16
A (Mdis) EUR	1.10%	1,632,825.094	9.08	8.62	8.52
A (Mdis) USD	1.10%	316,491.161	11.84	10.93	12.38
I (acc) EUR	0.83%	31,654.543	12.24	11.25	10.77
N (acc) EUR	1.80%	1,245,545.474	11.77	10.94	10.57
N (Mdis) EUR	1.80%	2,479,437.797	10.28	9.76	9.64
<b>Templeton Frontier Markets Fund – USD</b>					
A (acc) USD	2.56%	23,273,821.038	17.40	14.24	16.63
A (acc) EUR	2.56%	15,366,089.797	18.25	15.36	15.65
A (acc) EUR-H1 (hedged)	2.56%	9,726,983.143	10.53	8.69	10.19
A (acc) SGD	2.58%	373,069.861	15.09	12.35	13.98

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2013 (see note 24)	Shares Outstanding June 30, 2013	Net Asset Value per Share		
			June 30, 2013	June 30, 2012	June 30, 2011
<b>Templeton Frontier Markets Fund – USD (continued)</b>					
A (Ydis) USD	2.57%	2,238,097.810	16.85	13.99	16.48
A (Ydis) GBP	2.56%	1,603,311.548	19.29	15.55	17.90
B (acc) USD	3.94%	177,978.774	15.49	12.84	15.19
C (acc) USD	3.14%	284,888.125	16.02	13.18	15.48
I (acc) USD	1.50%	18,209,581.070	18.31	14.83	17.14
I (acc) EUR	1.50%	16,410,272.501	19.20	15.99	16.12
I (Ydis) GBP	1.50%	3,533,505.186	19.70	15.88	18.21
N (acc) EUR	3.07%	3,503,706.439	17.82	15.08	15.44
N (acc) EUR-H1 (hedged)	3.05%	7,686,383.523	16.18	13.42	15.82
N (acc) PLN-H1 (hedged)	3.13%	3,974,071.281	11.20	8.95	–
W (acc) USD	1.73%	184,544.039	12.42	10.08	–
W (acc) GBP	1.70%	286,350.137	12.25	9.65	–
X (acc) USD	0.30%	500.000	11.59	9.28	10.59
Z (acc) GBP	2.07%	45,769.778	12.21	9.64	–
Z (Ydis) EUR-H1 (hedged)	2.06%	151,177.616	10.31	8.64	10.19
<b>Templeton Global Fund – USD</b>					
A (acc) USD	1.84%	5,369,684.961	32.10	24.50	29.62
A (acc) HKD	1.85%	38,141.676	13.04	9.95	–
A (acc) SGD	1.84%	3,434,278.937	7.65	5.83	6.84
A (Ydis) USD	1.84%	21,248,680.235	29.24	22.54	27.38
B (acc) USD	3.14%	835,838.736	19.63	15.18	18.59
C (acc) USD	2.42%	576,982.143	18.56	14.25	17.33
I (acc) USD	0.97%	5,526,028.044	18.12	13.71	16.43
N (acc) USD	2.59%	1,231,447.152	21.08	16.21	19.75
<b>Templeton Global (Euro) Fund – EUR</b>					
A (acc) EUR	1.84%	2,192,891.202	15.08	12.06	12.39
A (Ydis) EUR	1.84%	39,380,588.241	13.93	11.24	11.57
B (acc) USD	3.27%	3,120.658	9.13	7.20	8.59
I (acc) EUR	0.97%	521,983.535	14.39	11.41	11.62
I (acc) EUR-H2 (hedged)	0.96%	522,032.000	14.18	11.11	12.32
N (acc) EUR	2.60%	338,208.556	12.65	10.19	10.55
<b>Templeton Global Aggregate Bond Fund – USD</b>					
A (acc) USD	1.25%	955.110	10.18	9.97	10.14
A (acc) EUR	1.25%	18,060.946	10.91	10.97	9.74
A (acc) EUR-H1 (hedged)	1.25%	135,506.258	10.11	9.95	10.12
A (Mdis) USD	1.25%	681.608	9.76	9.73	10.06
A (Mdis) EUR	1.25%	162,771.628	10.45	10.69	9.65
A (Qdis) GBP-H1 (hedged)	1.25%	79,438.834	9.82	9.76	10.10
A (Ydis) EUR-H1 (hedged)	1.25%	71,844.240	9.85	9.87	10.13
I (acc) USD	0.60%	335,020.748	10.38	10.08	10.19
I (acc) CHF-H1 (hedged)	0.60%	98,415.000	10.09	9.88	10.10
I (acc) EUR	0.60%	718.442	11.09	11.08	9.78
I (acc) EUR-H1 (hedged)**	–	–	–	10.06	10.16
I (Qdis) EUR-H1 (hedged)	0.60%	71,844.240	9.75	9.76	10.10
I (Qdis) GBP-H1 (hedged)	0.60%	62,410.290	9.84	9.78	10.12
N (acc) USD	1.95%	33,310.705	10.01	9.85	10.10
N (acc) EUR	1.95%	99,499.046	10.72	10.86	9.69
N (acc) EUR-H1 (hedged)	1.95%	125,664.469	9.94	9.87	10.08
<b>Templeton Global Aggregate Investment Grade Bond Fund – USD</b>					
A (acc) USD	1.25%	26,165.825	10.10	10.06	–
I (acc) USD	0.60%	990,000.000	10.17	10.06	–
<b>Templeton Global Balanced Fund – USD</b>					
A (acc) USD	1.67%	4,672,926.913	25.15	21.17	23.22
A (acc) EUR	1.67%	547,632.518	19.33	16.73	16.01
A (acc) EUR-H1 (hedged)	1.67%	412,776.115	17.16	14.59	16.05
A (acc) SGD	1.67%	25,885,702.137	9.06	7.63	8.11
A (Qdis) USD	1.67%	11,653,201.845	21.00	17.94	19.99
B (acc) USD	2.98%	2,043,778.696	16.38	13.97	15.52
C (Qdis) USD	2.25%	2,457,388.563	12.36	10.55	11.76
I (Ydis) USD	0.90%	1,573,655.154	11.71	9.85	–
N (acc) EUR	2.18%	1,656,291.029	13.80	12.01	11.55
N (acc) EUR-H1 (hedged)	2.18%	1,417,892.480	9.06	7.73	8.56
<b>Templeton Global Bond Fund – USD</b>					
A (acc) USD	1.40%	224,215,520.913	27.87	25.88	26.20
A (acc) CHF-H1 (hedged)	1.40%	22,168,827.076	12.50	11.70	11.93
A (acc) CZK-H1 (hedged)	1.41%	8,243,066.549	107.79	100.50	–
A (acc) EUR	1.40%	105,189,621.675	21.41	20.45	18.07
A (acc) EUR-H1 (hedged)	1.40%	187,409,547.313	20.22	18.87	19.14
A (acc) HKD	1.40%	8,630,769.401	12.34	11.47	11.64
A (acc) NOK-H1 (hedged)	1.40%	14,164,582.253	12.70	11.66	11.71
A (acc) SEK-H1 (hedged)	1.40%	105,621,729.509	12.48	11.53	11.56

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2013 (see note 24)	Shares Outstanding June 30, 2013	Net Asset Value per Share		
			June 30, 2013	June 30, 2012	June 30, 2011
<b>Templeton Global Bond Fund – USD (continued)</b>					
A (Mdis) USD	1.40%	366,978,738.925	20.72	19.70	20.49
A (Mdis) AUD-H1 (hedged)	1.41%	4,089,049.256	11.36	10.49	10.57
A (Mdis) CAD-H1 (hedged)	1.40%	1,684,861.255	10.83	10.23	–
A (Mdis) EUR	1.40%	45,654,370.637	15.93	15.58	14.14
A (Mdis) EUR-H1 (hedged)	1.39%	117,543,916.321	13.36	12.77	13.31
A (Mdis) GBP	1.40%	9,128,010.699	13.65	12.60	12.80
A (Mdis) GBP-H1 (hedged)	1.40%	23,359,375.507	10.62	10.07	10.48
A (Mdis) HKD	1.40%	67,531,838.103	11.23	10.69	11.15
A (Mdis) RMB-H1 (hedged)*	1.40%	316,932.021	105.33	–	–
A (Mdis) SGD	1.40%	14,147,444.174	11.37	10.81	10.90
A (Mdis) SGD-H1 (hedged)	1.40%	45,886,798.510	12.75	12.16	12.75
A (Ydis) CHF-H1 (hedged)	1.40%	2,547,134.244	11.17	10.65	–
A (Ydis) EUR	1.40%	41,188,129.910	16.36	16.04	14.63
A (Ydis) EUR-H1 (hedged)	1.40%	129,932,206.683	10.78	10.35	10.82
AX (acc) USD	1.60%	34,818,364.625	21.13	19.67	19.95
B (Mdis) USD	2.90%	30,129,666.007	21.58	20.52	21.35
C (Mdis) USD	2.18%	84,877,052.330	15.89	15.11	15.72
I (acc) USD	0.85%	96,451,454.159	22.86	21.12	21.27
I (acc) CHF-H1 (hedged)	0.86%	12,447,558.318	11.96	11.13	11.26
I (acc) EUR	0.85%	27,598,581.942	17.45	16.58	14.57
I (acc) EUR-H1 (hedged)	0.85%	80,072,737.728	16.68	15.50	15.59
I (acc) NOK-H1 (hedged)*	0.83%	586,265.000	9.53	–	–
I (Mdis) EUR	0.86%	8,279,334.350	13.33	13.03	11.83
I (Mdis) GBP	0.85%	10,276,194.514	12.74	11.76	11.94
I (Mdis) GBP-H1 (hedged)	0.86%	55,350,144.750	11.68	11.09	11.54
I (Mdis) JPY	0.85%	5,765,157.575	1,239.04	950.33	994.72
I (Mdis) JPY-H1 (hedged)	0.85%	3,222,986.446	1,050.01	993.01	1,036.39
I (Ydis) EUR	0.86%	266,333.956	14.38	14.11	12.78
I (Ydis) EUR-H1 (hedged)	0.85%	20,810,290.735	10.95	10.52	10.99
N (acc) USD	2.10%	56,808,522.740	27.56	25.78	26.28
N (acc) EUR	2.10%	22,188,309.467	21.17	20.37	18.12
N (acc) EUR-H1 (hedged)	2.09%	93,543,693.821	20.06	18.85	19.23
N (acc) HUF	2.11%	3,600,546.651	118.87	110.87	91.67
N (acc) PLN-H1 (hedged)	2.10%	27,999,661.199	13.18	11.95	11.85
N (Mdis) USD	2.13%	1,655,872.970	11.09	10.55	–
N (Mdis) EUR-H1 (hedged)	2.09%	134,734,980.417	15.64	14.96	15.58
N (Ydis) EUR-H1 (hedged)	2.10%	16,759,249.721	10.78	10.35	10.83
W (acc) USD	1.00%	2,165,991.705	11.00	10.17	–
W (acc) EUR*	1.04%	16,761.651	9.82	–	–
W (acc) EUR-H1 (hedged)	1.00%	1,181,136.845	10.94	10.17	–
W (Mdis) USD*	0.99%	70,155.655	9.72	–	–
W (Mdis) GBP	1.00%	764,290.289	11.20	10.33	–
W (Mdis) GBP-H1 (hedged)	0.96%	1,653,861.274	11.04	10.49	–
W (Ydis) EUR-H1 (hedged)*	0.96%	76,572.610	9.77	–	–
Z (acc) USD	1.10%	13,014,992.753	12.24	11.34	11.44
Z (acc) EUR	1.10%	275,202.469	12.12	11.54	10.20
Z (Mdis) USD	1.10%	9,231,675.533	10.49	9.98	10.38
Z (Mdis) GBP-H1 (hedged)	1.10%	130,290.337	11.03	10.49	–
Z (Ydis) EUR-H1 (hedged)	1.09%	445,420.398	10.84	10.41	10.86
<b>Templeton Global Bond (Euro) Fund – EUR</b>					
A (acc) EUR	1.38%	19,530,858.705	14.69	14.16	13.44
A (acc) USD	1.39%	209,774.262	10.84	10.16	11.05
A (Ydis) EUR	1.38%	12,681,198.911	10.56	10.43	10.13
I (acc) EUR	0.84%	13,169,567.208	14.82	14.22	13.42
N (acc) EUR	2.08%	16,095,497.080	13.72	13.32	12.72
<b>Templeton Global Equity Income Fund – USD</b>					
A (acc) USD	1.60%	1,534,241.511	11.72	9.71	11.07
A (acc) EUR	1.60%	160,911.745	11.32	9.65	9.60
A (Qdis) USD	1.60%	4,098,593.581	9.55	8.13	9.57
A (Qdis) SGD	1.85%	2,512,053.907	5.90	5.02	5.73
B (Qdis) USD	2.80%	323,889.062	9.48	8.09	9.50
<b>Templeton Global High Income Bond Fund – USD*</b>					
A (acc) USD	1.54%	68,910.415	11.26	–	–
A (acc) EUR	1.53%	88,680.522	10.59	–	–
A (acc) HKD	1.51%	77,569.000	11.25	–	–
A (Mdis) USD	1.55%	547,329.468	10.69	–	–
A (Mdis) HKD	1.51%	77,569.000	10.68	–	–
A (Mdis) SGD	1.51%	12,642.000	10.71	–	–
A (Mdis) SGD-H1 (hedged)	1.51%	135,435.540	10.66	–	–
I (acc) USD	0.84%	315,000.000	11.33	–	–
I (acc) EUR	0.84%	300,323.443	10.66	–	–
N (acc) EUR	2.15%	290,539.115	10.53	–	–

## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2013 (see note 24)	Shares Outstanding June 30, 2013	Net Asset Value per Share		
			June 30, 2013	June 30, 2012	June 30, 2011
<b>Templeton Global High Yield Fund – USD</b>					
A (acc) USD	1.67%	1,378,226.603	13.87	12.79	12.64
A (acc) EUR	1.67%	3,231,895.129	10.66	10.11	8.72
A (Mdis) USD	1.67%	1,124,319.330	10.01	9.70	10.13
A (Mdis) EUR	1.67%	15,886,415.762	7.70	7.68	7.00
I (acc) USD	0.88%	181,094.654	14.50	13.28	13.02
I (acc) EUR	0.88%	1,201,579.937	11.11	10.46	8.95
N (acc) EUR	2.17%	4,818,219.838	10.33	9.85	8.54
<b>Templeton Global Income Fund – USD</b>					
A (acc) USD	1.64%	10,116,067.151	16.82	14.39	15.49
A (acc) EUR	1.64%	4,255,263.778	16.26	14.30	13.43
A (acc) HKD	1.63%	100,185.700	12.04	10.30	11.12
A (Qdis) USD	1.63%	6,272,845.359	13.10	11.45	12.57
A (Qdis) HKD	1.63%	194,309.450	11.31	9.89	10.89
A (Qdis) SGD	1.67%	4,541.158	10.48	9.15	9.73
B (Qdis) USD	2.83%	1,354,488.943	13.03	11.40	12.51
C (Qdis) USD	2.16%	8,046,005.461	13.04	11.40	12.52
I (acc) USD	0.89%	4,741,380.538	17.69	15.03	16.05
N (acc) USD	2.08%	5,609,351.336	16.16	13.88	15.00
Z (acc) USD	1.00%	550,766.645	13.07	11.11	11.89
<b>Templeton Global Smaller Companies Fund – USD</b>					
A (acc) USD	1.85%	1,561,167.207	33.78	26.77	36.09
A (Ydis) USD	1.85%	2,610,225.682	32.03	25.46	34.38
B (acc) USD	3.16%	235,700.483	9.14	7.34	10.02
C (acc) EUR	2.45%	12,186.982	10.21	8.36	9.88
I (acc) USD	0.98%	273,127.917	15.10	11.86	15.85
N (acc) USD	2.60%	255,992.433	22.79	18.19	24.71
<b>Templeton Global Total Return Fund – USD</b>					
A (acc) USD	1.41%	253,238,609.053	28.20	25.28	25.30
A (acc) CHF-H1 (hedged)	1.41%	26,559,710.480	14.09	12.72	12.86
A (acc) EUR	1.41%	47,878,689.365	21.65	19.96	17.43
A (acc) EUR-H1 (hedged)	1.40%	138,056,397.352	20.26	18.28	18.33
A (acc) HKD	1.41%	25,999,491.057	13.53	12.14	12.18
A (acc) NOK-H1 (hedged)*	1.40%	2,472,726.870	9.86	–	–
A (acc) PLN-H1 (hedged)	1.40%	16,482,162.280	79.28	68.92	67.31
A (acc) SEK-H1 (hedged)	1.40%	87,891,546.143	12.15	10.82	10.75
A (Mdis) USD	1.41%	275,045,972.445	17.98	16.79	17.53
A (Mdis) AUD-H1 (hedged)	1.43%	24,670,525.139	11.68	10.60	10.73
A (Mdis) EUR	1.41%	46,045,883.351	13.86	13.31	12.13
A (Mdis) EUR-H1 (hedged)	1.40%	146,681,594.187	11.58	10.87	11.38
A (Mdis) GBP	1.41%	6,168,347.695	11.87	10.76	10.97
A (Mdis) GBP-H1 (hedged)	1.41%	22,719,108.134	8.89	8.29	8.66
A (Mdis) HKD	1.40%	391,839,619.395	11.77	11.00	11.51
A (Mdis) RMB-H1 (hedged)*	1.41%	1,054,677.341	107.17	–	–
A (Mdis) SGD	1.40%	12,407,353.736	11.58	10.81	10.94
A (Mdis) SGD-H1 (hedged)	1.41%	87,542,209.569	11.80	11.04	11.60
A (Ydis) CHF-H1 (hedged)	1.41%	3,667,692.448	11.56	10.78	–
A (Ydis) EUR	1.41%	25,861,694.668	14.45	13.89	12.64
A (Ydis) EUR-H1 (hedged)	1.41%	43,028,220.306	11.47	10.83	11.29
B (acc) USD	2.91%	4,611,175.594	24.42	22.22	22.58
B (Mdis) USD	2.92%	15,432,441.523	17.92	16.73	17.47
C (Mdis) USD	2.18%	57,947,829.046	16.00	14.95	15.60
I (acc) USD	0.86%	75,743,049.050	26.41	23.55	23.44
I (acc) CHF-H1 (hedged)	0.86%	3,768,398.486	12.39	11.13	11.19
I (acc) EUR	0.86%	10,828,464.868	20.31	18.62	16.18
I (acc) EUR-H1 (hedged)	0.86%	65,542,914.026	18.39	16.49	16.45
I (acc) NOK-H1 (hedged)*	0.83%	586,265.000	9.51	–	–
I (Mdis) EUR	0.86%	935,005.745	13.57	13.04	11.88
I (Mdis) GBP	0.86%	1,344,559.922	13.81	12.52	12.76
I (Mdis) GBP-H1 (hedged)	0.86%	18,845,898.670	12.59	11.76	12.31
I (Mdis) JPY	0.85%	6,760,879.908	1,273.03	959.12	1,006.52
I (Mdis) JPY-H1 (hedged)	0.85%	4,106,423.896	1,032.34	959.76	1,003.90
I (Ydis) EUR	0.86%	3,740,987.243	14.50	13.94	12.68
I (Ydis) EUR-H1 (hedged)	0.87%	7,351,151.487	11.56	10.91	11.36
N (acc) USD	2.11%	66,079,288.020	26.32	23.76	23.95
N (acc) EUR	2.11%	33,814,763.076	20.20	18.76	16.50
N (acc) EUR-H1 (hedged)	2.11%	107,355,819.224	18.86	17.13	17.30
N (acc) HUF	2.12%	8,289,340.905	127.85	115.10	94.08
N (Mdis) USD*	2.11%	3,125.000	9.46	–	–
N (Mdis) EUR-H1 (hedged)	2.10%	163,674,772.981	13.75	12.92	13.50
N (Ydis) EUR-H1 (hedged)	2.11%	17,363,501.375	11.45	10.78	11.23
W (acc) USD	1.00%	2,380,223.270	11.37	10.18	–
W (acc) EUR-H1 (hedged)	1.00%	572,712.238	11.35	10.18	–
W (Mdis) USD*	0.97%	382,785.723	9.72	–	–



## STATISTICAL INFORMATION (CONTINUED)

	Total Expense Ratio June 30, 2013 (see note 24)	Shares Outstanding June 30, 2013	Net Asset Value per Share		
			June 30, 2013	June 30, 2012	June 30, 2011
Templeton Global Total Return Fund – USD (continued)					
W (Mdis) GBP	1.01%	946,995.271	11.39	10.33	–
W (Mdis) GBP-H1 (hedged)*	1.00%	2,722,018.269	9.74	–	–
X (Ydis) USD	0.29%	3,528,810.809	11.38	10.46	–
Z (acc) USD	1.10%	13,012,759.967	13.39	11.97	11.94
Z (Mdis) USD	1.11%	2,852,110.234	10.78	10.07	10.52
Z (Mdis) GBP-H1 (hedged)	1.11%	717,470.623	11.24	10.48	–
Z (Ydis) EUR-H1 (hedged)	1.10%	1,093,886.136	11.42	10.78	11.21
Templeton Growth (Euro) Fund – EUR					
A (acc) EUR	1.84%	409,058,575.861	12.15	9.99	9.67
A (acc) USD	1.84%	15,651,293.814	15.83	12.65	14.04
A (Ydis) EUR	1.84%	16,178,033.890	12.61	10.47	10.19
A (Ydis) USD	1.83%	1,611,066.785	16.38	13.21	14.74
B (Ydis) EUR	3.24%	45,521.463	8.68	7.23	7.09
I (acc) EUR	0.97%	3,746,365.245	13.43	10.94	10.50
I (Ydis) EUR	0.95%	108,416.086	11.91	9.88	9.63
I (Ydis) USD	0.97%	501,951.960	15.59	12.57	14.02
N (acc) EUR	2.59%	2,163,774.924	10.97	9.09	8.87
Templeton Korea Fund – USD					
A (acc) USD	2.51%	15,316,107.996	5.12	5.20	6.65
A (acc) SGD	2.51%	4,305,009.946	5.58	5.67	7.03
C (acc) USD	3.08%	18,489.160	8.77	8.96	11.53
I (acc) USD	1.42%	1,258,751.723	9.89	9.94	12.57
N (acc) USD	3.00%	314,005.045	13.85	14.14	18.17
Templeton Latin America Fund – USD					
A (acc) USD	2.27%	5,121,517.487	69.21	75.58	93.95
A (acc) EUR	2.28%	902,513.593	8.28	9.30	10.10
A (acc) SGD	2.27%	4,212,248.550	7.15	7.81	9.41
A (Ydis) USD	2.27%	20,886,697.552	63.65	70.04	87.33
A (Ydis) EUR	2.27%	386,047.663	48.96	55.41	60.23
A (Ydis) GBP	2.27%	132,688.684	42.02	44.89	54.70
B (acc) USD	3.58%	3,168,383.313	12.97	14.35	18.07
C (acc) USD	2.85%	742,849.494	13.61	14.95	18.69
I (acc) USD	1.31%	9,418,525.224	21.55	23.31	28.70
I (Ydis) EUR-H2 (hedged)	1.31%	7,397,692.117	9.08	9.80	11.18
N (acc) USD	2.77%	2,301,369.080	36.14	39.66	49.55
N (acc) EUR	2.81%	15,277.969	8.18	9.23	10.07
N (acc) PLN-H1 (hedged)	2.78%	1,894,927.507	8.70	9.34	11.53
W (acc) GBP	1.41%	48,490.893	9.51	9.99	–
X (Ydis) USD	0.30%	1,500.000	7.72	8.49	–
Z (acc) USD	1.78%	191,601.922	8.74	9.50	11.75
Z (acc) GBP	1.77%	3,377.614	9.50	9.99	–
Templeton Thailand Fund – USD					
A (acc) USD	2.48%	9,513,328.493	20.00	16.88	15.86
A (acc) SGD	2.48%	813,363.858	14.26	12.03	10.95
B (acc) USD	3.79%	407,663.973	19.78	16.91	16.09
I (acc) USD	1.41%	301,670.609	18.67	15.59	14.49
N (acc) USD	2.98%	797,482.725	25.25	21.41	20.21

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013

#### Note 1 — The Company

Franklin Templeton Investment Funds (“FTIF” or the “Company”) is a collective investment undertaking pursuant to Part 1 of the 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 79 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.

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

With effect from November 5, 2012, Franklin Advisers Inc. has been appointed as lead Investment Manager of Franklin Templeton Japan Fund in replacement of Franklin Templeton Investments Japan Limited.

With effect from November 5, 2012 Sumitomo Mitsui Asset Management Company Limited has been appointed as Sub-Investment Manager of Franklin Templeton Japan Fund.

With effect from November 26, 2012, Franklin Templeton Investments Japan Limited is no longer co-Investment Manager of Franklin World Perspective Fund.

With effect from April 30, 2013, Franklin Templeton Investment Management Limited has been appointed as sole investment manager of Templeton European Total Return Fund in replacement of the previous co-management structure with Franklin Advisers, Inc.

#### Fund launches

Templeton Global High Income Bond Fund launched on July 13, 2012.

Franklin Brazil Opportunities Fund launched on July 27, 2012.

The following Funds launched on April 26, 2013:

- Franklin Global Listed Infrastructure Fund
- Franklin Multi-Asset Income Fund
- Templeton Asian Dividend Fund.

#### 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 amortised cost, which approximates market value. For the Templeton Euro Short-Term Money Market Fund, 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”.



## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

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

##### (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.

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”.

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

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

##### (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, 2013 are as follows:

Exchange Rate	U.S. dollar	Exchange Rate	U.S. dollar
Australian dollar	1.0931	Hungarian forint	226.6150
British pound	0.6575	Japanese yen	99.1900
Canadian dollar	1.0514	Norwegian krone	6.0735
Chinese renminbi	6.1348	Polish zloty	3.3235
Czech koruna	19.9800	Singapore dollar	1.2673
Euro	0.7683	Swedish krona	6.7067
Hong Kong dollar	7.7560	Swiss franc	0.9449

##### (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.

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2013 (CONTINUED)

### Note 3 — Time deposits (“TDs”) and cash repurchase agreements (“repos”)

As at June 30, 2013, the Company had the following cash on time deposits:

Fund Counterparty		Value of TDs in Fund currency	Fund Counterparty		Value of TDs in Fund currency
<b>Franklin Global Growth Fund</b>			<b>Templeton China Fund</b>		
Royal Bank of Canada	USD	5,000,000	Bank of Montreal	USD	3,000,000
<b>Franklin Global Real Estate Fund</b>			<b>Templeton Emerging Markets Fund</b>		
Royal Bank of Canada	USD	5,000,000	Scotia Capital Markets	USD	7,000,000
<b>Franklin Global Small-Mid Cap Growth Fund</b>			<b>Templeton Frontier Markets Fund</b>		
Royal Bank of Canada	USD	17,000,000	Bank of Montreal	USD	50,000,000
<b>Franklin India Fund</b>			Scotia Capital Markets	USD	7,000,000
Royal Bank of Canada	USD	10,000,000			57,000,000
<b>Franklin World Perspectives Fund</b>			<b>Templeton Global Fund</b>		
Royal Bank of Canada	USD	4,000,000	Royal Bank of Canada	USD	13,000,000
<b>Franklin Templeton Global Equity Strategies Fund</b>			<b>Templeton Global Smaller Companies Fund</b>		
Royal Bank of Canada	USD	1,000,000	Royal Bank of Canada	USD	16,000,000
<b>Franklin Templeton Global Growth and Value Fund</b>			<b>Templeton Growth (Euro) Fund</b>		
Royal Bank of Canada	USD	2,000,000	Royal Bank of Canada	EUR	25,301,899
<b>Templeton Asian Smaller Companies Fund</b>			<b>Templeton Korea Fund</b>		
Bank of Montreal	USD	50,000,000	Royal Bank of Canada	USD	10,000,000
Royal Bank of Canada	USD	8,000,000	<b>Templeton Latin America Fund</b>		
		58,000,000	Bank of Montreal	USD	50,000,000
<b>Templeton BRIC Fund</b>			Royal Bank of Canada	USD	16,000,000
Royal Bank of Canada	USD	65,000,000			66,000,000
			<b>Templeton Thailand Fund</b>		
			Royal Bank of Canada	USD	2,000,000

As at June 30, 2013, the Company had no outstanding cash repos.

### Note 4 — Forward foreign exchange contracts

As at June 30, 2013, the Company had entered into the following outstanding contracts:

#### Franklin Biotechnology Discovery Fund

Number of contracts	Purchases		Sales		Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
8	EUR	932,687	USD	1,223,277	(9,186)
3	USD	82,996	EUR	63,000	989
					(8,197)

The above contracts were opened with the following counterparties:

Bank of America	(438)
Barclays Bank	12
Citibank	(7,076)
Credit Suisse	29
Goldman Sachs	(311)
Morgan Stanley	(413)
	(8,197)

#### Franklin Brazil Opportunities Fund

Number of contracts	Purchases		Sales		Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
21	EUR	17,573,505	USD	23,503,199	(626,406)
2	USD	720,638	EUR	549,000	5,963
					(620,443)
Forward foreign exchange contracts used for efficient portfolio management					
3	USD	59,400,000	BRL	127,385,800	2,498,374
2	BRL	63,167,500	USD	28,900,000	(586,534)
					1,911,840
					1,291,397

# NOTES TO THE FINANCIAL STATEMENTS

## AT JUNE 30, 2013 (CONTINUED)

### Note 4 — Forward foreign exchange contracts (continued)

As at June 30, 2013, the Company had entered into the following outstanding contracts:

#### Franklin Brazil Opportunities Fund (continued)

	Unrealised Profit/(Loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	(106,653)
Barclays Bank	1,895,009
Citibank	(35,849)
Credit Suisse	(82,597)
Deutsche Bank	(32,620)
Goldman Sachs	(55,810)
HSBC Bank	(74,054)
Morgan Stanley	(16,168)
Royal Bank of Scotland	(53,688)
The Bank of New York Mellon	(4,933)
UBS	(141,240)
	1,291,397

#### Franklin European Growth Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) EUR
Forward foreign exchange contracts used for share class hedging			
6	SGD 1,718,210	EUR 1,049,272	(7,650)
2	EUR 55,337	SGD 92,000	(437)
			(8,087)

The above contracts were opened with the following counterparties:

Barclays Bank	(144)
Citibank	(6,194)
Goldman Sachs	(1,407)
HSBC Bank	(162)
Morgan Stanley	(149)
UBS	(31)
	(8,087)

#### Franklin Global Convertible Securities Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
30	EUR 4,944,368	USD 6,599,953	(163,490)
8	CHF 953,947	USD 1,036,736	(26,890)
1	USD 23,470	CHF 22,000	181
1	USD 69,478	EUR 53,000	485
			(189,714)

The above contracts were opened with the following counterparties:

Bank of America	(6,125)
Barclays Bank	(2,579)
Citibank	(14,102)
Credit Suisse	(20,622)
Deutsche Bank	(6,658)
Goldman Sachs	(12,952)
HSBC Bank	(8,715)
JPMorgan Chase Bank	(6,775)
Morgan Stanley	(3,700)
Royal Bank of Scotland	(81,386)
The Bank of New York Mellon	(2,286)
UBS	(23,814)
	(189,714)

#### Franklin Global Growth Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
24	EUR 7,447,442	USD 9,923,179	(228,543)
6	USD 1,977,858	EUR 1,484,000	46,076
			(182,467)

# NOTES TO THE FINANCIAL STATEMENTS

## AT JUNE 30, 2013 (CONTINUED)

### Note 4 — Forward foreign exchange contracts (continued)

As at June 30, 2013, 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	(17,900)
Barclays Bank	(4,255)
Citibank	(4,405)
Credit Suisse	(17,613)
Deutsche Bank	(16,267)
Goldman Sachs	(4,691)
HSBC Bank	(4,692)
JPMorgan Chase Bank	(382)
Morgan Stanley	(3,315)
Royal Bank of Scotland	(87,102)
The Bank of New York Mellon	(12,447)
UBS	(9,398)

(182,467)

#### Franklin Global Listed Infrastructure Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
1	GBP 599,526	USD 925,790	(14,078)
1	SGD 1,145,143	USD 916,833	(13,165)
1	USD 35,511	GBP 23,000	534
1	USD 37,699	SGD 48,000	(179)
			(26,888)

The above contracts were opened with the following counterparties:

Deutsche Bank	(13,344)
Goldman Sachs	(13,544)

(26,888)

#### Franklin Global Real Estate Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
36	EUR 27,320,807	USD 36,525,094	(959,482)
5	USD 2,210,754	EUR 1,680,000	23,768
			(935,714)

The above contracts were opened with the following counterparties:

Bank of America	(34,754)
Barclays Bank	(38,261)
Citibank	(59,820)
Credit Suisse	(79,719)
Deutsche Bank	(72,029)
Goldman Sachs	(44,914)
HSBC Bank	(96,294)
JPMorgan Chase Bank	(23,577)
Morgan Stanley	(69,985)
Royal Bank of Scotland	(301,193)
The Bank of New York Mellon	(27,775)
UBS	(87,393)

(935,714)

#### Franklin Gold and Precious Metals Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
23	EUR 3,782,082	USD 5,058,230	(134,800)
11	CHF 7,664,991	USD 8,331,245	(217,125)
11	SEK 7,970,896	USD 1,227,996	(40,176)
10	USD 990,853	EUR 752,000	11,916
6	USD 2,159,853	CHF 2,013,000	28,901
6	USD 256,611	SEK 1,698,000	3,576
			(347,708)

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

**Note 4 — Forward foreign exchange contracts (continued)**

As at June 30, 2013, the Company had entered into the following outstanding contracts:

**Franklin Gold and Precious Metals Fund (continued)**

	Unrealised Profit/(Loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	(18,132)
Barclays Bank	(8,620)
Citibank	(3,880)
Credit Suisse	(22,211)
Deutsche Bank	(22,199)
Goldman Sachs	(59,727)
HSBC Bank	(42,038)
JPMorgan Chase Bank	(7,389)
Morgan Stanley	(6,813)
Royal Bank of Scotland	(82,381)
The Bank of New York Mellon	(5,189)
UBS	(69,129)
	(347,708)

**Franklin High Yield Fund**

Number of contracts	Purchases	Sales		Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging				
13	AUD 1,843,489	USD 1,741,308		(56,416)
11	EUR 52,835,756	USD 69,577,108		(800,080)
10	SGD 99,141,457	USD 79,388,919		(1,153,340)
5	USD 13,391,967	SGD 16,914,000		44,608
2	USD 11,615,502	EUR 8,865,000		75,810
				(1,889,418)
Forward foreign exchange contracts used for efficient portfolio management				
2	USD 18,958,220	EUR 14,200,000		452,073
1	EUR 2,308,104	USD 3,021,770		(14,024)
				438,049
				(1,451,369)

The above contracts were opened with the following counterparties:

Bank of America	(55,787)
Barclays Bank	(259,416)
Citibank	(71,503)
Credit Suisse	(153,468)
Deutsche Bank	409,676
Goldman Sachs	(12,175)
HSBC Bank	(94,707)
JPMorgan Chase Bank	(36,578)
Morgan Stanley	(172,005)
Royal Bank of Scotland	(207,921)
UBS	(797,485)
	(1,451,369)

**Franklin Income Fund**

Number of contracts	Purchases	Sales		Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging				
11	SGD 36,768,572	USD 29,155,549		(139,580)
1	USD 731,434	SGD 932,000		(4,055)
				(143,635)

The above contracts were opened with the following counterparties:

Bank of America	(63,334)
Barclays Bank	(11,776)
Citibank	(10,110)
Credit Suisse	(16,616)
Deutsche Bank	(17,907)
Goldman Sachs	(3,066)
HSBC Bank	(8,236)
JPMorgan Chase Bank	(1,341)
Morgan Stanley	(6,144)
Royal Bank of Scotland	(3,427)
UBS	(1,678)
	(143,635)

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

**Note 4 — Forward foreign exchange contracts (continued)**

As at June 30, 2013, the Company had entered into the following outstanding contracts:

**Franklin India Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
12	PLN 17,282,912	USD 5,288,880	(92,732)
4	USD 657,386	PLN 2,136,000	15,194
			(77,538)

The above contracts were opened with the following counterparties:

Bank of America	(2,290)
Barclays Bank	1,493
Citibank	(4,677)
Credit Suisse	(753)
Deutsche Bank	(824)
Goldman Sachs	(8,940)
HSBC Bank	(10,606)
Morgan Stanley	(9,568)
Royal Bank of Scotland	(22,568)
The Bank of New York Mellon	(11,301)
UBS	(7,504)

(77,538)

**Franklin MENA Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
21	EUR 6,891,963	USD 9,186,463	(214,917)
4	USD 913,136	EUR 687,000	18,840
			(196,077)

The above contracts were opened with the following counterparties:

Bank of America	(4,801)
Barclays Bank	(4,715)
Citibank	(9,724)
Credit Suisse	(14,361)
Deutsche Bank	(29,901)
Goldman Sachs	(3,926)
HSBC Bank	(15,228)
JPMorgan Chase Bank	(2,140)
Morgan Stanley	(53,386)
Royal Bank of Scotland	(51,394)
UBS	(6,501)

(196,077)

**Franklin Multi-Asset Income Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) EUR
Forward foreign exchange contracts used for efficient portfolio management			
2	CAD 235,000	USD 231,397	(6,150)
1	GBP 120,000	EUR 142,138	(1,967)
1	KRW 210,000,000	USD 189,479	(4,527)
1	MYR 470,000	USD 154,427	(4,550)
1	PLN 430,000	EUR 103,355	(4,122)
			(21,316)

The above contracts were opened with the following counterparties:

Barclays Bank	(6,149)
Morgan Stanley	(4,122)
Northern Trust Corporation	(1,967)
RBC Capital Markets	(9,078)
	(21,316)

# NOTES TO THE FINANCIAL STATEMENTS

## AT JUNE 30, 2013 (CONTINUED)

### Note 4 — Forward foreign exchange contracts (continued)

As at June 30, 2013, the Company had entered into the following outstanding contracts:

#### Franklin Natural Resources Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
13	EUR 1,391,343	USD 1,861,946	(50,727)
12	PLN 5,919,771	USD 1,856,384	(77,982)
10	CHF 1,497,321	USD 1,627,282	(42,226)
3	USD 166,908	EUR 127,000	1,582
2	USD 79,446	CHF 74,000	1,110
2	USD 87,442	PLN 288,000	922
			(167,321)

The above contracts were opened with the following counterparties:

Bank of America	(1,866)
Barclays Bank	(17,002)
Citibank	(10,348)
Credit Suisse	(17,970)
Deutsche Bank	(3,834)
Goldman Sachs	(16,660)
HSBC Bank	(20,236)
JPMorgan Chase Bank	(4,042)
Morgan Stanley	(16,288)
Royal Bank of Scotland	(10,095)
The Bank of New York Mellon	(3,381)
UBS	(45,599)
	(167,321)

#### Franklin Real Return Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
9	EUR 4,114,335	USD 5,496,254	(140,306)
1	USD 170,640	EUR 130,000	1,409
			(138,897)
Forward foreign exchange contracts used for efficient portfolio management			
11	USD 492,005	EUR 382,464	(6,367)
3	CLP 74,742,500	USD 151,342	(7,317)
3	INR 1,895,700	USD 31,296	193
1	AUD 135,776	USD 138,600	(16,702)
			(30,193)
			(169,090)

The above contracts were opened with the following counterparties:

Bank of America	(15,414)
Barclays Bank	2,664
Credit Suisse	(8,346)
Deutsche Bank	(103,679)
Goldman Sachs	(10,129)
HSBC Bank	(2,343)
JPMorgan Chase Bank	(127)
Morgan Stanley	(3,698)
Royal Bank of Scotland	(16,784)
UBS	(11,234)
	(169,090)

#### Franklin Strategic Income Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
42	EUR 157,796,796	USD 211,068,332	(5,652,013)
3	USD 5,770,663	EUR 4,381,000	67,576
2	AUD 970,525	USD 915,678	(29,452)
			(5,613,889)



## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

**Note 4 — Forward foreign exchange contracts (continued)**

As at June 30, 2013, the Company had entered into the following outstanding contracts:

**Franklin Strategic Income Fund (continued)**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management			
160	USD 115,797,070	EUR 89,050,136	(248,712)
73	USD 45,669,090	JPY 4,208,565,050	3,138,055
36	INR 770,808,000	USD 13,623,728	(779,066)
28	CLP 5,669,587,900	USD 11,288,248	(472,146)
14	SGD 6,540,240	USD 5,258,177	(95,395)
8	MYR 2,679,043	USD 858,581	(18,745)
7	PHP 20,828,000	USD 497,432	(14,851)
7	USD 3,696,059	GBP 2,371,523	94,228
3	USD 1,954,030	CLP 1,007,925,000	16,444
1	EUR 2,310,000	USD 3,009,122	(1,928)
1	GBP 82,979	USD 133,903	(7,718)
1	JPY 26,584,000	USD 272,077	(4,062)
			1,606,104
			(4,007,785)

The above contracts were opened with the following counterparties:

Bank of America	(238,523)
Barclays Bank	(78,105)
Citibank	(298,313)
Credit Suisse	(666,520)
Deutsche Bank	222,084
Goldman Sachs	5,796
HSBC Bank	(947,485)
JPMorgan Chase Bank	498,409
Morgan Stanley	(346,934)
Royal Bank of Scotland	(312,133)
The Bank of New York Mellon	(51,500)
UBS	(1,794,561)
	(4,007,785)

**Franklin U.S. Equity Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
24	EUR 20,265,699	USD 27,092,913	(711,480)
3	USD 11,555,074	EUR 8,653,000	290,792
			(420,688)

The above contracts were opened with the following counterparties:

Bank of America	(91,838)
Barclays Bank	(11,048)
Citibank	(18,114)
Credit Suisse	(177,815)
Deutsche Bank	(10,450)
Goldman Sachs	(9,924)
HSBC Bank	(85,243)
JPMorgan Chase Bank	(1,681)
Morgan Stanley	96,904
Royal Bank of Scotland	(72,558)
The Bank of New York Mellon	(804)
UBS	(38,117)
	(420,688)

**Franklin U.S. Focus Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
34	EUR 6,466,084	USD 8,617,925	(200,761)
5	USD 1,418,585	EUR 1,079,000	14,005
			(186,756)

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

**Note 4 — Forward foreign exchange contracts (continued)**

As at June 30, 2013, the Company had entered into the following outstanding contracts:

**Franklin U.S. Focus Fund (continued)**

	Unrealised Profit/(Loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	(14,878)
Barclays Bank	(18,740)
Citibank	(1,866)
Credit Suisse	(3,990)
Deutsche Bank	(8,183)
Goldman Sachs	(9,573)
HSBC Bank	(31,344)
JPMorgan Chase Bank	(4,274)
Morgan Stanley	(26,157)
Royal Bank of Scotland	(52,686)
The Bank of New York Mellon	(465)
UBS	(14,600)
	<u>(186,756)</u>

**Franklin U.S. Government Fund**

Number of contracts	Purchases	Sales		Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging				
10	EUR	137,751,911	USD	180,684,704
8	SGD	8,186,463	USD	6,555,700
2	USD	165,900	JPY	16,185,000
2	USD	286,911	SGD	362,000
1	JPY	89,775,694	USD	906,203
				<u>(1,073)</u>
				<u>(1,463,766)</u>

The above contracts were opened with the following counterparties:

Bank of America	(249,602)
Barclays Bank	(73,922)
Citibank	(105,972)
Credit Suisse	(160,324)
Deutsche Bank	(76,747)
Goldman Sachs	(29,098)
HSBC Bank	(110,907)
Morgan Stanley	(84,777)
Royal Bank of Scotland	(361,277)
UBS	(211,140)
	<u>(1,463,766)</u>

**Franklin U.S. Low Duration Fund**

Number of contracts	Purchases	Sales		Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging				
9	EUR	170,732,861	USD	223,962,782
				<u>(1,717,472)</u>
Forward foreign exchange contracts used for efficient portfolio management				
43	USD	99,273,457	EUR	75,508,587
19	USD	29,263,608	JPY	2,693,718,500
14	CAD	4,911,080	USD	4,769,650
10	USD	40,562,307	DKK	232,400,000
5	INR	92,791,000	USD	1,548,984
4	CLP	2,605,743,000	USD	5,166,467
3	USD	7,178,550	CHF	6,356,625
2	CHF	2,908,125	USD	3,215,760
1	AUD	6,395,376	USD	6,528,400
1	EUR	2,320,000	USD	3,002,544
				<u>18,489</u>
				<u>1,767,375</u>
				<u>49,903</u>

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

**Note 4 — Forward foreign exchange contracts (continued)**

As at June 30, 2013, the Company had entered into the following outstanding contracts:

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

	Unrealised Profit/(Loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	(458,648)
Barclays Bank	(37,437)
Citibank	54,290
Credit Suisse	(94,710)
Deutsche Bank	1,008,342
Goldman Sachs	62,773
HSBC Bank	(106,726)
JPMorgan Chase Bank	267,693
Morgan Stanley	(190,733)
Royal Bank of Scotland	(298,176)
UBS	(156,765)
	<u>49,903</u>

**Franklin U.S. Opportunities Fund**

	Number of contracts	Purchases	Sales		Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
	36	EUR 123,876,399	USD	165,640,460	(4,380,950)
	14	PLN 33,189,499	USD	10,392,835	(422,126)
	13	SGD 16,169,132	USD	12,813,882	(53,988)
	12	SEK 63,451,331	USD	9,780,391	(324,903)
	11	CHF 8,093,987	USD	8,793,552	(225,299)
	6	USD 9,759,410	EUR	7,361,636	176,197
	2	USD 953,127	SEK	6,184,000	31,590
	1	USD 218,028	CHF	203,000	3,133
	1	USD 273,248	PLN	899,000	3,172
					<u>(5,193,174)</u>

The above contracts were opened with the following counterparties:

Bank of America	(923,500)
Barclays Bank	(111,265)
Citibank	(65,517)
Credit Suisse	(379,714)
Deutsche Bank	(159,682)
Goldman Sachs	(405,832)
HSBC Bank	(194,535)
JPMorgan Chase Bank	(69,354)
Morgan Stanley	(1,079,567)
Royal Bank of Scotland	(657,669)
The Bank of New York Mellon	(25,545)
UBS	(1,120,994)
	<u>(5,193,174)</u>

**Franklin U.S. Total Return Fund**

	Number of contracts	Purchases	Sales		Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management					
	69	USD 10,173,462	EUR	7,876,812	(97,790)
	22	INR 31,802,750	USD	570,618	(38,752)
	21	USD 3,876,198	JPY	364,160,750	194,416
	14	CAD 795,220	USD	774,490	(22,765)
	10	MYR 470,287	USD	149,137	(1,205)
	9	CLP 378,037,000	USD	763,887	(31,885)
	7	PHP 15,015,000	USD	355,301	(7,303)
	7	SGD 692,902	USD	556,295	(9,385)
	6	USD 957,213	DKK	5,480,000	(8,885)
	2	CHF 317,250	USD	350,810	(11,534)
	2	EUR 916,000	USD	1,200,724	(7,544)
	2	USD 357,139	CHF	317,250	17,863
	2	USD 345,405	GBP	221,500	9,327
	1	AUD 882,837	USD	901,200	(108,597)
	1	USD 100,441	AUD	110,000	1,684
	1	USD 96,973	CLP	50,610,000	742
	1	USD 100,000	INR	6,100,000	(1,937)
					<u>(123,550)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

**Note 4 — Forward foreign exchange contracts (continued)**

As at June 30, 2013, the Company had entered into the following outstanding contracts:

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

	Unrealised Profit/(Loss) USD
The above contracts were opened with the following counterparties:	
Barclays Bank	(12,287)
Citibank	16,154
Deutsche Bank	(118,737)
Goldman Sachs	7,629
HSBC Bank	7,837
JPMorgan Chase Bank	599
Morgan Stanley	(25,290)
UBS	545
	(123,550)

**Franklin World Perspectives Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management			
1	USD	JPY	88,853
	5,100,000	496,408,500	
The above contract was opened with the following counterparties:			
Deutsche Bank			88,853

**Franklin Mutual Beacon Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
34	EUR	USD	(769,192)
9	USD	EUR	44,751
	25,107,869	33,453,117	
	3,352,473	2,541,000	
			(724,441)
Forward foreign exchange contracts used for efficient portfolio management			
29	USD	EUR	163,996
25	USD	GBP	272,877
22	USD	KRW	62,551
6	GBP	USD	(70,815)
5	USD	CHF	3,534
4	CHF	USD	1,446
	20,922,927	15,942,923	
	70,657,648	46,307,041	
	3,778,343	4,254,766,722	
	2,463,682	3,814,392	
	129,557	119,024	
	119,024	124,578	
			433,589
			(290,852)

The above contracts were opened with the following counterparties:

Bank of America	102,147
Barclays Bank	79,976
Citibank	(13,350)
Credit Suisse	(164,478)
Deutsche Bank	35,396
Goldman Sachs	(33,088)
HSBC Bank	(76,265)
JPMorgan Chase Bank	(57,868)
Morgan Stanley	(41,149)
Royal Bank of Scotland	(85,510)
Standard Chartered	79,247
State Street Bank	16,148
Svenska Handelsbanken	4,471
The Bank of New York Mellon	(14,183)
UBS	(122,346)
	(290,852)

**Franklin Mutual European Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) EUR
Forward foreign exchange contracts used for share class hedging			
14	CZK	EUR	(33,429)
13	CHF	EUR	2,106
2	EUR	CHF	223
1	EUR	CZK	474
	64,612,952	2,517,903	
	2,042,063	1,658,483	
	84,795	104,000	
	72,879	1,883,000	
			(30,626)

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

**Note 4 — Forward foreign exchange contracts (continued)**

As at June 30, 2013, the Company had entered into the following outstanding contracts:

**Franklin Mutual European Fund (continued)**

	Unrealised Profit/(Loss) EUR
The above contracts were opened with the following counterparties:	
Bank of America	(784)
Barclays Bank	(122)
Citibank	(4,001)
Credit Suisse	(10,012)
Deutsche Bank	(397)
Goldman Sachs	(3,686)
HSBC Bank	(3,166)
JPMorgan Chase Bank	(586)
Morgan Stanley	(2,802)
Royal Bank of Scotland	(684)
The Bank of New York Mellon	(255)
UBS	(4,131)
	(30,626)

**Franklin Mutual Global Discovery Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
14	CHF 5,142,692	USD 5,466,556	(23,109)
6	USD 6,346,200	EUR 4,839,918	45,627
5	EUR 25,571,618	GBP 21,816,100	116,231
5	EUR 90,815,072	USD 119,633,800	(1,411,335)
3	GBP 706,700	EUR 829,662	(5,468)
3	USD 434,279	CHF 406,000	4,536
			(1,273,518)

The above contracts were opened with the following counterparties:

Bank of America	(1,232,509)
Barclays Bank	(379)
Citibank	(887)
Credit Suisse	(1,604)
Deutsche Bank	(25,676)
Goldman Sachs	(383)
HSBC Bank	(761)
JPMorgan Chase Bank	(3,958)
Morgan Stanley	(4,200)
Royal Bank of Scotland	(468)
The Bank of New York Mellon	(299)
UBS	(2,394)
	(1,273,518)

**Franklin Templeton Global Allocation Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
44	EUR 11,680,048	USD 15,627,403	(422,578)
8	CHF 2,600,684	USD 2,826,865	(73,794)
8	SEK 18,850,912	USD 2,906,841	(97,689)
4	USD 374,573	EUR 285,000	3,566
1	USD 90,238	CHF 84,000	1,316
1	USD 75,872	SEK 508,000	170
			(589,009)

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

**Note 4 — Forward foreign exchange contracts (continued)**

As at June 30, 2013, the Company had entered into the following outstanding contracts:

**Franklin Templeton Global Allocation Fund (continued)**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management			
95	USD 4,972,153	EUR 3,813,033	6,395
33	USD 3,085,670	JPY 277,361,550	286,735
27	USD 3,336,941	GBP 2,134,398	92,545
5	GBP 12,581	USD 19,329	(203)
3	MYR 29,374	USD 9,303	(110)
1	CLP 154,112,000	USD 308,070	(6,943)
1	EUR 200,000	USD 260,070	295
1	INR 11,148,000	USD 203,332	(17,640)
1	MXN 657,000	USD 49,423	796
1	NOK 4,450,000	USD 775,815	(45,308)
1	NZD 550,000	USD 442,266	(18,600)
1	PHP 11,115,000	USD 264,479	(6,758)
1	PLN 360,000	USD 111,266	(3,172)
1	SEK 3,073,521	EUR 355,066	(4,472)
1	SEK 2,920,000	USD 452,625	(18,048)
1	SGD 451,400	USD 363,721	(7,472)
1	USD 191,210	AUD 200,000	9,365
1	USD 461,132	CAD 470,000	14,995
1	USD 912,974	CHF 840,000	23,275
1	USD 230,864	SGD 282,000	8,306
			313,981
			(275,028)

The above contracts were opened with the following counterparties:

Bank of America	(23,773)
Barclays Bank	(17,511)
Citibank	51,519
Credit Suisse	(28,578)
Deutsche Bank	175,196
Goldman Sachs	(9,834)
Greenwich Capital Market	(2,877)
HSBC Bank	(28,469)
JPMorgan Chase Bank	67,253
Morgan Stanley	(25,480)
Royal Bank of Scotland	(31,199)
State Street Bank	68
The Bank of New York Mellon	(10,927)
UBS	(390,416)
	(275,028)

**Franklin Templeton Global Equity Strategies Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
12	EUR 6,391,707	USD 8,384,761	(64,588)
3	USD 623,126	EUR 472,000	8,717
			(55,871)

The above contracts were opened with the following counterparties:

Bank of America	(27,217)
Barclays Bank	3,616
Citibank	(4,459)
Credit Suisse	(1,794)
Deutsche Bank	(157)
Goldman Sachs	(2,702)
HSBC Bank	(1,611)
JPMorgan Chase Bank	(14,444)
Morgan Stanley	(3,088)
Royal Bank of Scotland	(306)
The Bank of New York Mellon	(293)
UBS	(3,416)
	(55,871)

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

#### Note 4 — Forward foreign exchange contracts (continued)

As at June 30, 2013, the Company had entered into the following outstanding contracts:

##### Franklin Templeton Global Fundamental Strategies Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
23	EUR 169,355,132	USD 226,386,289	(5,923,586)
14	PLN 34,401,816	USD 10,769,904	(434,993)
2	USD 4,997,073	EUR 3,808,000	39,904
1	USD 1,099,832	PLN 3,509,000	45,666
			(6,273,009)
Forward foreign exchange contracts used for efficient portfolio management			
121	USD 74,641,483	EUR 57,713,112	(552,033)
96	USD 56,779,303	JPY 5,043,714,264	5,835,660
40	CLP 6,076,002,000	USD 12,345,895	(736,068)
32	INR 456,924,000	USD 8,052,785	(438,392)
28	MYR 35,005,349	USD 11,071,614	(63,598)
25	SGD 22,356,920	USD 17,974,344	(329,677)
15	PHP 308,326,210	USD 7,148,913	(31,812)
9	PLN 20,517,038	EUR 4,774,026	(126,952)
5	SEK 58,924,245	EUR 6,754,485	(49,405)
4	MYR 3,116,000	EUR 791,108	(45,450)
3	NOK 22,310,600	EUR 2,939,801	(169,654)
1	KRW 1,136,628,900	USD 994,774	(1,990)
1	SEK 33,492,452	USD 4,965,523	(11,147)
			3,279,482
			(2,993,527)

The above contracts were opened with the following counterparties:

Bank of America	(897,840)
Barclays Bank	333,242
Citibank	927,779
Credit Suisse	(1,035,075)
Deutsche Bank	(376,850)
Goldman Sachs	(105,764)
HSBC Bank	(220,508)
JPMorgan Chase Bank	111,976
Morgan Stanley	(1,217,354)
Royal Bank of Scotland	(414,583)
The Bank of New York Mellon	(183,709)
UBS	85,159

(2,993,527)

##### Templeton Africa Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
37	EUR 20,296,673	USD 26,633,807	(213,347)
9	CHF 1,551,834	USD 1,647,604	(5,016)
7	USD 2,256,295	EUR 1,716,000	22,554
4	USD 138,405	CHF 129,000	1,860
			(193,949)

The above contracts were opened with the following counterparties:

Bank of America	(26,676)
Barclays Bank	(4,382)
Citibank	(26,970)
Credit Suisse	(9,908)
Deutsche Bank	2,334
Goldman Sachs	(32,942)
HSBC Bank	(23,835)
JPMorgan Chase Bank	(6,351)
Morgan Stanley	(14,537)
Royal Bank of Scotland	(18,541)
The Bank of New York Mellon	(220)
UBS	(31,921)

(193,949)

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

#### Note 4 — Forward foreign exchange contracts (continued)

As at June 30, 2013, the Company had entered into the following outstanding contracts:

##### Templeton Asian Bond Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
28	EUR 333,221,982	USD 445,293,462	(11,512,575)
18	CHF 139,900,281	USD 151,944,723	(3,846,996)
11	USD 77,841,272	EUR 58,859,093	1,219,829
8	SGD 28,309,092	USD 22,443,198	(103,040)
3	AUD 1,292,919	USD 1,219,866	(39,251)
3	USD 5,624,078	CHF 5,241,000	75,980
2	USD 258,067	AUD 281,000	1,475
2	USD 1,655,765	SGD 2,111,000	(10,135)
			(14,214,713)
Forward foreign exchange contracts used for efficient portfolio management			
51	USD 360,331,236	JPY 30,108,256,719	56,427,294
17	INR 13,543,392,800	USD 238,010,903	(12,593,224)
17	MYR 797,823,356	USD 252,523,211	(3,317,725)
7	PHP 396,944,000	USD 9,525,728	(329,958)
3	SGD 315,996,400	USD 252,415,562	(2,992,978)
2	JPY 3,542,047,000	USD 36,009,918	(299,650)
			36,893,759
			22,679,046

The above contracts were opened with the following counterparties:

Bank of America	(2,683,384)
Barclays Bank	1,809,996
Citibank	22,848,952
Credit Suisse	(1,807,255)
Deutsche Bank	(5,874,988)
Goldman Sachs	(201,938)
HSBC Bank	(2,430,900)
JPMorgan Chase Bank	1,615,072
Morgan Stanley	7,088,727
Royal Bank of Scotland	(2,313,166)
The Bank of New York Mellon	(235,761)
UBS	4,863,691

22,679,046

##### Templeton Asian Dividend Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
4	SGD 1,214,418	USD 972,047	(13,712)
3	USD 84,648	SGD 107,000	211
			(13,501)

The above contracts were opened with the following counterparties:

Deutsche Bank	(12,712)
Goldman Sachs	(433)
Royal Bank of Scotland	(290)
UBS	(66)

(13,501)



# NOTES TO THE FINANCIAL STATEMENTS

## AT JUNE 30, 2013 (CONTINUED)

### Note 4 — Forward foreign exchange contracts (continued)

As at June 30, 2013, the Company had entered into the following outstanding contracts:

#### Templeton Asian Growth Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
48	EUR 557,114,600	USD 742,473,328	(17,254,797)
24	CHF 78,594,312	USD 85,254,021	(2,059,661)
13	CZK 63,833,132	USD 3,307,881	(112,785)
13	PLN 74,208,355	USD 23,155,258	(851,601)
12	CNH 20,651,388	USD 3,354,022	6,415
12	SGD 10,585,090	USD 8,461,093	(107,981)
12	USD 118,980,279	EUR 90,474,000	1,206,627
4	HKD 61,958,900	EUR 6,093,755	56,634
4	IDR 39,160,894,100	EUR 2,913,106	140,759
4	KRW 1,895,974,800	EUR 1,250,330	29,555
4	USD 6,691,451	CHF 6,244,000	81,996
3	INR 197,732,300	EUR 2,502,570	47,073
3	PKR 161,897,100	EUR 1,241,794	8,565
3	THB 188,446,200	EUR 4,618,617	26,441
3	USD 789,748	SGD 1,005,000	(3,337)
2	EUR 15,869,567	IDR 223,125,757,200	(1,750,148)
2	EUR 34,463,013	THB 1,425,592,700	(820,662)
2	USD 174,466	CNH 1,074,000	(298)
2	USD 1,027,292	CZK 20,065,000	22,961
2	USD 1,415,447	PLN 4,661,000	14,562
1	EUR 36,095,540	HKD 370,325,800	(763,643)
1	EUR 19,627,991	INR 1,571,220,700	(709,830)
1	EUR 8,083,633	KRW 12,335,623,800	(259,055)
1	EUR 7,743,272	PKR 1,057,731,000	(537,326)
			(23,589,536)

The above contracts were opened with the following counterparties:

Bank of America	(1,200,207)
Barclays Bank	(190,690)
Citibank	(1,384,267)
Credit Suisse	(3,004,788)
Deutsche Bank	(6,513,991)
Goldman Sachs	(815,270)
HSBC Bank	(1,314,216)
JPMorgan Chase Bank	(1,128,282)
Morgan Stanley	(2,435,422)
Royal Bank of Scotland	(3,782,057)
The Bank of New York Mellon	(598,981)
UBS	(1,221,365)
	(23,589,536)

#### Templeton BRIC Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
11	EUR 18,109,338	USD 23,755,650	(182,476)
11	PLN 4,940,419	USD 1,512,007	(26,658)
5	USD 2,915,073	EUR 2,209,000	39,587
4	USD 177,540	PLN 579,000	3,462
			(166,085)

The above contracts were opened with the following counterparties:

Bank of America	(4,617)
Barclays Bank	(1,911)
Citibank	(5,158)
Credit Suisse	3,880
Deutsche Bank	(763)
HSBC Bank	(96,375)
JPMorgan Chase Bank	(4,547)
Morgan Stanley	(25,332)
Royal Bank of Scotland	(24,307)
The Bank of New York Mellon	(1,190)
UBS	(5,765)
	(166,085)

# NOTES TO THE FINANCIAL STATEMENTS

## AT JUNE 30, 2013 (CONTINUED)

### Note 4 — Forward foreign exchange contracts (continued)

As at June 30, 2013, the Company had entered into the following outstanding contracts:

#### Templeton Emerging Markets Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
23	EUR 21,355,818	USD 28,441,357	(641,628)
8	USD 3,852,185	EUR 2,920,000	51,103
			(590,525)

The above contracts were opened with the following counterparties:

Bank of America	(30,286)
Barclays Bank	(148,362)
Citibank	(89,076)
Credit Suisse	(31,673)
Deutsche Bank	(29,626)
Goldman Sachs	(7,355)
HSBC Bank	(30,795)
JPMorgan Chase Bank	(14,313)
Morgan Stanley	(38,665)
Royal Bank of Scotland	(34,935)
The Bank of New York Mellon	(11,760)
UBS	(123,679)

(590,525)

#### Templeton Emerging Markets Balanced Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
57	EUR 17,822,773	USD 23,828,587	(627,300)
12	GBP 788,080	USD 1,228,255	(29,904)
12	USD 1,460,783	EUR 1,110,000	15,810
10	CHF 1,093,982	USD 1,188,450	(30,368)
10	SGD 2,789,356	USD 2,210,541	(9,318)
2	USD 58,001	CHF 54,000	836
2	USD 63,328	GBP 41,000	983
2	USD 110,861	SGD 141,000	(410)

(679,671)

Forward foreign exchange contracts used for efficient portfolio management

31	USD 5,022,584	EUR 3,877,025	(28,646)
3	CLP 300,162,500	USD 608,570	(38,749)
2	GHS 58,646	USD 26,162	1,725
2	INR 17,888,300	USD 326,862	(28,786)
1	PHP 24,690,120	USD 570,000	(3,675)

(98,131)

(777,802)

The above contracts were opened with the following counterparties:

Bank of America	(55,587)
Barclays Bank	(28,634)
Citibank	(43,728)
Credit Suisse	(57,167)
Deutsche Bank	(141,613)
Goldman Sachs	(16,353)
HSBC Bank	(12,989)
JPMorgan Chase Bank	(58,516)
Morgan Stanley	(86,256)
Royal Bank of Scotland	(79,487)
The Bank of New York Mellon	(15,684)
UBS	(181,788)

(777,802)

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

#### Note 4 — Forward foreign exchange contracts (continued)

As at June 30, 2013, the Company had entered into the following outstanding contracts:

##### Templeton Emerging Markets Bond Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
40	EUR 424,542,204	USD 565,534,384	(12,890,682)
27	GBP 21,086,284	USD 33,032,953	(967,701)
20	CHF 45,901,888	USD 49,824,935	(1,236,453)
11	NOK 119,720,977	USD 20,741,736	(1,041,476)
11	USD 42,180,105	EUR 32,121,000	366,904
10	SEK 310,284,910	USD 47,600,726	(1,354,418)
9	AUD 8,059,972	USD 7,700,322	(336,550)
8	SGD 5,961,107	USD 4,767,074	(62,930)
5	USD 2,961,079	GBP 1,903,000	67,246
4	USD 7,613,533	CHF 7,126,000	70,454
4	USD 3,126,060	NOK 18,611,000	63,593
3	USD 3,536,956	SEK 23,075,000	97,751
1	USD 197,332	AUD 214,000	1,816
1	USD 107,013	SGD 137,000	(1,099)
			(17,223,545)
Forward foreign exchange contracts used for efficient portfolio management			
67	USD 1,190,097,981	EUR 931,485,525	(23,315,972)
61	CLP 126,030,485,207	USD 254,901,112	(12,759,859)
39	INR 9,220,091,250	USD 160,658,298	(7,252,760)
17	MYR 442,193,435	USD 138,543,034	(776,609)
11	USD 419,439,191	JPY 38,497,457,333	30,547,671
10	KRW 614,375,344,100	USD 539,253,361	(5,655,218)
10	PHP 11,515,927,720	USD 269,116,628	(4,167,590)
6	PLN 188,285,000	EUR 43,990,211	(1,653,591)
3	GHS 37,605,284	USD 17,350,058	527,920
1	RSD 1,657,056,500	EUR 14,742,496	(436,283)
			(24,942,291)
			(42,165,836)

The above contracts were opened with the following counterparties:

Bank of America	(2,665,515)
Barclays Bank	(6,092,537)
Citibank	(833,917)
Credit Suisse	(3,840,921)
Deutsche Bank	(18,344,670)
Goldman Sachs	(638,845)
HSBC Bank	1,491,162
JPMorgan Chase Bank	(11,772,572)
Morgan Stanley	(4,289,711)
Royal Bank of Scotland	(2,320,311)
The Bank of New York Mellon	(192,405)
UBS	7,334,406
	(42,165,836)

##### Templeton Euro High Yield Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) EUR
Forward foreign exchange contracts used for efficient portfolio management			
9	EUR 100,253,566	GBP 85,850,000	(27,010)
3	EUR 87,805,604	USD 114,000,000	243,211
3	GBP 4,300,000	EUR 5,041,089	(18,299)
2	CHF 800,000	EUR 650,343	210
1	EUR 5,563,832	CHF 6,760,000	66,655
			264,767

The above contracts were opened with the following counterparties:

Citibank	66,865
Deutsche Bank	243,211
Morgan Stanley	(45,309)
	264,767

# NOTES TO THE FINANCIAL STATEMENTS

## AT JUNE 30, 2013 (CONTINUED)

### Note 4 — Forward foreign exchange contracts (continued)

As at June 30, 2013, the Company had entered into the following outstanding contracts:

#### Templeton European Corporate Bond Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) EUR
Forward foreign exchange contracts used for efficient portfolio management			
1	EUR 339,879	GBP 290,000	1,381
1	EUR 150,331	USD 200,000	(3,258)
			(1,877)

The above contracts were opened with the following counterparties:

Citibank	(3,258)
Morgan Stanley	1,381
	(1,877)

#### Templeton European Total Return Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) EUR
Forward foreign exchange contracts used for efficient portfolio management			
1	NOK 15,000,000	EUR 1,936,081	(45,577)

The above contract was opened with the following counterparties:

Citibank	(45,577)
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#### Templeton Frontier Markets Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
34	EUR 233,372,338	USD 310,983,844	(7,193,667)
15	PLN 46,349,013	USD 14,466,775	(536,370)
5	USD 13,495,970	EUR 10,269,000	128,400
2	USD 1,303,962	PLN 4,301,000	11,278
			(7,590,359)

The above contracts were opened with the following counterparties:

Bank of America	(716,417)
Barclays Bank	(591,979)
Citibank	(333,251)
Credit Suisse	(1,206,072)
Deutsche Bank	(1,194,874)
Goldman Sachs	(543,799)
HSBC Bank	(171,682)
JPMorgan Chase Bank	(67,245)
Morgan Stanley	(478,324)
Royal Bank of Scotland	(1,724,713)
The Bank of New York Mellon	(155,902)
UBS	(406,101)
	(7,590,359)

#### Templeton Global (Euro) Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) EUR
Forward foreign exchange contracts used for share class hedging			
4	EUR 472,347	CHF 580,100	608
3	EUR 716,314	GBP 611,100	2,517
2	EUR 2,751,979	USD 3,624,800	(32,487)
1	CHF 20,800	EUR 16,959	(44)
1	GBP 15,300	EUR 18,020	(149)
			(29,555)

The above contracts were opened with the following counterparty:

Bank of America	(29,555)
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# NOTES TO THE FINANCIAL STATEMENTS

## AT JUNE 30, 2013 (CONTINUED)

### Note 4 — Forward foreign exchange contracts (continued)

As at June 30, 2013, the Company had entered into the following outstanding contracts:

#### Templeton Global Aggregate Bond Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
32	EUR 4,039,292	USD 5,404,599	(146,338)
14	GBP 1,380,155	USD 2,155,985	(57,330)
6	CHF 988,330	USD 1,074,129	(27,888)
4	USD 152,828	EUR 116,000	1,823
2	USD 50,980	GBP 33,000	800
1	USD 22,559	CHF 21,000	328
			(228,605)
Forward foreign exchange contracts used for efficient portfolio management			
3	AUD 1,475,000	USD 1,464,309	(117,429)
2	USD 1,063,918	MXN 13,400,000	32,248
1	EUR 167,102	PLN 700,000	7,237
1	KRW 1,700,000,000	USD 1,512,052	(25,882)
1	MXN 20,700,000	USD 1,687,330	(93,631)
1	MYR 3,300,000	USD 1,084,813	(42,126)
1	PLN 700,000	EUR 168,878	(9,549)
1	SGD 750,000	USD 607,511	(15,648)
1	USD 1,692,169	AUD 1,650,000	185,490
1	USD 1,044,200	EUR 800,000	2,778
1	USD 305,226	GBP 200,000	1,107
1	USD 543,232	KRW 600,000,000	18,702
1	USD 359,536	MYR 1,100,000	11,974
1	USD 203,004	SGD 250,000	5,716
1	ZAR 3,370,000	EUR 250,840	13,239
			(25,774)
			(254,379)

The above contracts were opened with the following counterparties:

Bank of America	(3,692)
Barclays Bank	(76,245)
Citibank	(2,431)
Credit Suisse	(5,130)
Deutsche Bank	(5,038)
Goldman Sachs	(2,868)
HSBC Bank	(12,922)
JPMorgan Chase Bank	(1,632)
Morgan Stanley	(83,809)
Northern Trust Corporation	1,107
RBC Capital Markets	(37,332)
Royal Bank of Scotland	(7,221)
The Bank of New York Mellon	(1,444)
UBS	(15,722)

(254,379)

#### Templeton Global Aggregate Investment Grade Bond Fund

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management			
1	AUD 330,000	USD 306,488	(5,152)
1	KRW 300,000,000	USD 266,833	(4,567)
1	MXN 4,000,000	USD 326,054	(18,093)
1	MYR 700,000	USD 230,112	(8,936)
1	SGD 250,000	USD 202,504	(5,216)
1	USD 574,312	AUD 560,000	62,955
1	USD 482,943	EUR 370,000	1,285
1	USD 137,966	MXN 1,800,000	(617)
1	ZAR 2,100,000	EUR 156,310	8,250
			29,909

The above contracts were opened with the following counterparties:

Barclays Bank	66,053
Citibank	1,285
Morgan Stanley	(23,926)
RBC Capital Markets	(13,503)

29,909

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

**Note 4 — Forward foreign exchange contracts (continued)**

As at June 30, 2013, the Company had entered into the following outstanding contracts:

**Templeton Global Balanced Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
30	EUR 19,310,894	USD 25,728,426	(590,656)
2	USD 563,635	EUR 429,000	5,188
			(585,468)
Forward foreign exchange contracts used for efficient portfolio management			
27	CLP 8,052,618,000	USD 16,301,401	(938,073)
25	INR 633,724,000	USD 11,099,628	(537,750)
8	USD 16,766,922	EUR 13,243,960	(475,420)
1	MYR 10,640,000	USD 3,300,043	30,340
			(1,920,903)
			(2,506,371)

The above contracts were opened with the following counterparties:

Bank of America	(11,462)
Barclays Bank	58,557
Citibank	(156,809)
Credit Suisse	(126,955)
Deutsche Bank	(958,001)
Goldman Sachs	(11,536)
HSBC Bank	(279,504)
JPMorgan Chase Bank	(427,951)
Morgan Stanley	(246,641)
Royal Bank of Scotland	(94,516)
The Bank of New York Mellon	(5,340)
UBS	(246,213)

(2,506,371)

**Templeton Global Bond Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
112	EUR 12,680,797,539	USD 16,840,414,929	(333,217,463)
42	GBP 907,080,670	USD 1,414,897,898	(35,594,989)
32	CHF 449,000,325	USD 483,836,075	(8,561,384)
22	USD 865,265,768	EUR 654,253,000	13,593,896
13	NOK 176,313,025	USD 30,543,513	(1,530,949)
13	PLN 369,464,182	USD 113,027,732	(1,947,435)
12	AUD 47,593,650	USD 45,454,920	(1,972,277)
12	CAD 18,133,121	USD 17,755,773	(518,357)
12	JPY 3,219,871,565	USD 32,503,418	(40,265)
11	CZK 859,045,147	USD 43,749,112	(751,527)
10	CNH 32,532,767	USD 5,286,490	3,527
10	SGD 627,637,329	USD 502,560,930	(7,272,963)
9	SEK 1,280,277,998	USD 196,437,515	(5,618,914)
6	USD 47,146,803	GBP 30,459,000	830,990
4	USD 16,739,282	CHF 15,585,000	242,423
4	USD 50,396,570	SGD 63,589,000	216,530
3	USD 2,886,964	AUD 3,102,000	52,907
2	USD 6,150,260	PLN 19,826,000	189,525
1	USD 604,786	CAD 628,000	7,807
1	USD 110,732	CNH 682,000	(165)
1	USD 21,005	NOK 128,000	(58)
1	USD 4,084,255	SEK 27,398,000	729
			(381,888,412)

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

#### Note 4 — Forward foreign exchange contracts (continued)

As at June 30, 2013, the Company had entered into the following outstanding contracts:

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

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management			
164	USD 16,903,078,603	EUR 13,151,008,461	(228,294,430)
98	USD 8,389,332,073	JPY 740,203,657,776	914,698,860
69	CLP 867,529,702,590	USD 1,757,046,165	(91,559,560)
47	INR 78,559,135,265	USD 1,380,887,278	(71,405,930)
40	MYR 4,709,071,978	USD 1,496,105,632	(19,899,598)
32	SGD 3,389,151,715	USD 2,722,564,098	(47,634,998)
31	SEK 21,350,410,572	EUR 2,452,320,634	(27,444,283)
28	MXN 17,997,001,805	USD 1,355,388,789	20,643,893
18	PHP 29,287,019,980	USD 694,697,836	(16,354,530)
10	PLN 1,792,724,282	EUR 417,806,909	(9,393,654)
7	NOK 3,376,421,875	EUR 445,996,048	(28,224,674)
4	KRW 102,960,000,000	USD 90,704,440	(1,246,645)
2	AUD 454,649,970	USD 462,721,700	(50,867,263)
2	JPY 25,948,115,000	USD 264,173,002	(2,568,865)
1	EUR 178,084,991	SEK 1,561,443,896	(989,690)
			339,458,633
			(42,429,779)

The above contracts were opened with the following counterparties:

Bank of America	(40,330,367)
Barclays Bank	44,246,869
Citibank	109,588,443
Credit Suisse	(35,825,974)
Deutsche Bank	(171,743,459)
Goldman Sachs	(9,132,521)
HSBC Bank	43,844,335
JPMorgan Chase Bank	43,787,584
Morgan Stanley	(14,124,435)
Royal Bank of Scotland	(44,767,219)
The Bank of New York Mellon	(3,601,043)
UBS	35,628,008
	(42,429,779)

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

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) EUR
Forward foreign exchange contracts used for efficient portfolio management			
10	EUR 57,996,236	MXN 976,323,291	1,107,387
10	EUR 108,169,123	USD 138,783,659	1,648,485
9	EUR 56,909,488	PLN 244,096,938	1,204,027
8	EUR 83,133,727	KRW 120,389,392,920	2,684,293
6	EUR 23,111,967	IDR 300,742,941,136	349,474
3	EUR 9,991,295	BRL 26,351,765	1,049,388
2	EUR 798,092	AUD 1,033,977	81,840
2	EUR 63,081,477	MYR 254,536,270	1,850,135
1	CLP 575,000,000	EUR 895,290	(55,395)
1	EUR 15,424,165	HUF 4,500,000,000	405,910
1	SEK 24,284,109	EUR 2,745,518	7,923
			10,333,467

The above contracts were opened with the following counterparties:

Barclays Bank	1,512,471
Citibank	(29,005)
Deutsche Bank	3,375,397
HSBC Bank	1,911,998
JPMorgan Chase Bank	3,689,276
UBS	(126,670)
	10,333,467

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

**Note 4 — Forward foreign exchange contracts (continued)**

As at June 30, 2013, the Company had entered into the following outstanding contracts:

**Templeton Global High Income Bond Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging			
7	SGD 1,443,920	USD 1,156,123	(16,681)
1	USD 29,035	SGD 37,000	(163)
			(16,844)
Forward foreign exchange contracts used for efficient portfolio management			
8	USD 309,375	EUR 238,600	(1,650)
4	EUR 287,000	USD 378,170	(4,348)
			(5,998)
			(22,842)

The above contracts were opened with the following counterparties:

Bank of America	(232)
Credit Suisse	(14,304)
Deutsche Bank	(5,871)
Goldman Sachs	(354)
JPMorgan Chase Bank	(464)
Royal Bank of Scotland	(603)
The Bank of New York Mellon	(339)
UBS	(675)
	(22,842)

**Templeton Global High Yield Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management			
82	USD 40,063,482	EUR 30,813,667	(97,346)
60	USD 6,366,811	JPY 550,284,170	811,070
8	USD 2,508,583	GBP 1,617,109	53,168
4	PHP 69,348,240	USD 1,628,414	(19,527)
3	GHS 602,474	USD 271,144	15,599
2	INR 155,000,000	USD 2,650,555	(81,156)
2	MYR 6,888,778	USD 2,178,668	(25,394)
2	USD 2,234,290	MYR 6,888,778	81,015
1	GBP 257,000	USD 399,429	(9,270)
1	JPY 8,905,000	USD 91,139	(1,361)
			726,798

The above contracts were opened with the following counterparties:

Barclays Bank	114,765
Citibank	131,648
Deutsche Bank	73,972
Goldman Sachs	16,632
HSBC Bank	131,193
JPMorgan Chase Bank	94,144
Morgan Stanley	15,307
UBS	149,137
	726,798

**Templeton Global Income Fund**

Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for efficient portfolio management			
46	USD 31,939,200	JPY 2,896,630,750	2,656,836
30	INR 342,971,400	USD 6,120,777	(407,200)
25	CLP 4,588,981,500	USD 9,229,818	(424,127)
23	USD 36,014,458	EUR 27,741,030	(141,167)
12	MYR 27,635,130	USD 8,864,917	(189,709)
8	PHP 115,425,080	USD 2,714,828	(54,452)
8	USD 3,524,757	MYR 11,091,540	34,686
3	SEK 109,057,067	EUR 12,669,611	(293,327)
2	AUD 2,919,000	USD 3,015,792	(367,203)
2	KRW 4,340,200,000	USD 3,823,343	(40,887)
2	USD 3,928,724	KRW 4,340,200,000	146,268
1	EUR 218,677	SEK 1,900,000	1,818
1	PLN 4,855,146	EUR 1,140,000	(39,024)
1	SGD 12,847,790	USD 10,550,000	(409,076)
			473,436



## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

**Note 4 — Forward foreign exchange contracts (continued)**

As at June 30, 2013, 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:	
Barclays Bank	341,251
Citibank	186,949
Deutsche Bank	(1,063,786)
Goldman Sachs	(52,630)
HSBC Bank	156,825
JPMorgan Chase Bank	657,944
Morgan Stanley	6,686
UBS	240,197
	<u>473,436</u>

**Templeton Global Total Return Fund**

	Number of contracts	Purchases	Sales	Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging				
	117	EUR 10,910,874,132	USD 14,465,559,234	(262,411,680)
	40	GBP 481,907,494	USD 747,852,433	(15,036,290)
	36	CHF 464,518,198	USD 504,195,988	(12,489,988)
	15	USD 696,093,438	EUR 526,350,000	10,925,335
	12	CNH 109,964,982	USD 17,868,984	11,968
	12	PLN 1,347,530,772	USD 412,194,046	(7,055,665)
	12	SEK 1,033,743,956	USD 159,356,106	(5,308,070)
	11	AUD 274,198,426	USD 258,899,574	(8,518,328)
	11	JPY 4,162,174,512	USD 42,009,215	(45,644)
	11	NOK 28,448,718	USD 4,937,335	(256,988)
	10	SGD 1,035,007,067	USD 827,568,658	(10,803,810)
	7	USD 46,816,451	GBP 30,241,000	830,750
	4	USD 22,919,372	CHF 21,353,000	316,602
	3	USD 27,704,041	PLN 89,200,000	885,845
	2	USD 33,790,457	SGD 42,870,000	(39,948)
	1	USD 888,940	JPY 87,367,000	8,095
	1	USD 21,990	NOK 134,000	(60)
				<u>(308,987,876)</u>
Forward foreign exchange contracts used for efficient portfolio management				
	174	USD 8,653,998,050	EUR 6,766,537,723	(161,699,349)
	118	USD 8,553,703,826	JPY 782,252,401,633	649,673,329
	63	CLP 247,723,147,200	USD 501,218,359	(25,744,069)
	48	INR 47,391,362,208	USD 818,707,814	(31,361,461)
	47	MYR 6,301,000,164	USD 1,982,660,042	(16,842,535)
	38	SGD 2,268,907,828	USD 1,823,771,894	(33,019,385)
	31	SEK 9,509,329,744	EUR 1,094,348,576	(13,963,868)
	30	PLN 4,169,049,143	EUR 975,928,206	(30,077,264)
	26	MXN 10,706,925,194	USD 800,464,261	18,145,902
	21	PHP 41,728,359,900	USD 961,905,969	(322,697)
	16	KRW 1,337,454,465,760	USD 1,178,129,715	(15,735,417)
	12	NOK 2,496,691,636	EUR 329,839,230	(20,725,330)
	6	AUD 501,542,383	USD 514,685,229	(59,185,510)
	6	USD 65,021,816	GBP 41,815,653	1,477,507
	6	UYU 1,986,870,000	USD 96,423,183	(4,543,844)
	3	GBP 10,308,263	USD 16,636,703	(961,130)
	2	JPY 9,555,468,000	USD 97,233,464	(896,988)
	1	GHS 12,750,000	USD 6,109,248	(58,765)
	1	RSD 1,199,000,000	EUR 10,000,000	(94,470)
	1	SEK 713,961,444	USD 109,121,698	(3,310,652)
				<u>250,754,004</u>
				<u>(58,233,872)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

#### Note 4 — Forward foreign exchange contracts (continued)

As at June 30, 2013, 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	(29,737,803)
Barclays Bank	(45,819,324)
Citibank	171,411,268
Credit Suisse	(48,205,993)
Deutsche Bank	(83,168,910)
Goldman Sachs	(13,416,297)
HSBC Bank	(13,407,416)
JPMorgan Chase Bank	122,199,987
Morgan Stanley	(69,455,602)
Royal Bank of Scotland	(41,848,896)
The Bank of New York Mellon	(4,018,620)
UBS	(2,766,266)
	(58,233,872)

##### Templeton Latin America Fund

	Number of contracts	Purchases	Sales		Unrealised Profit/(Loss) USD
Forward foreign exchange contracts used for share class hedging					
	15	PLN 16,631,409	USD 5,178,704		(180,058)
	3	USD 2,800,200	EUR 2,133,329		23,046
	2	EUR 3,691,081	MXN 65,207,000		(213,901)
	2	USD 299,845	PLN 984,000		4,099
	1	BRL 2,780,900	EUR 954,160		(2,369)
	1	EUR 29,219,939	BRL 86,754,000		(637,400)
	1	EUR 24,956,213	USD 33,000,100		(512,265)
	1	MXN 1,429,000	EUR 80,968		4,586
					(1,514,262)

The above contracts were opened with the following counterparties:

Bank of America	(162)
Barclays Bank	(886)
Citibank	(975)
Credit Suisse	(4,282)
Deutsche Bank	(1,340,313)
Goldman Sachs	(3,398)
HSBC Bank	(10,484)
JPMorgan Chase Bank	(4,599)
Morgan Stanley	(51,644)
Royal Bank of Scotland	(87,039)
The Bank of New York Mellon	(3,254)
UBS	(7,226)
	(1,514,262)

#### CURRENCY ABBREVIATIONS

AUD Australian dollar	EUR Euro	KRW Korean won	RSD Serbian dinar
BRL Brazilian real	GBP British pound	MXN Mexican peso	SEK Swedish krona
CAD Canadian dollar	GHS Ghanaian cedi	MYR Malaysian ringgit	SGD Singapore dollar
CHF Swiss franc	HKD Hong Kong dollar	NOK Norwegian krone	THB Thai baht
CLP Chilean peso	HUF Hungarian forint	NZD New Zealand dollar	USD U.S. dollar
CNH Chinese renminbi	IDR Indonesian rupiah	PHP Philippine peso	UYU Uruguayan peso
CZK Czech koruna	INR Indian rupee	PLN Polish zloty	ZAR South African rand
DKK Danish krone	JPY Japanese yen	PKR Pakistani rupee	

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2013 (CONTINUED)

### Note 5 — Open positions on future contracts

As at June 30, 2013, 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					
(127)	U.S. Treasury Note 10 years, Sep. 2013	JPMorgan Chase Bank	USD	(16,073,438)	384,969
(97)	U.S. Treasury Note 2 years, Sep. 2013	JPMorgan Chase Bank	USD	(21,340,000)	21,219
					<u>406,188</u>
Currency Future					
150	USD/BRL, Aug. 2013	CM Capital Markets CCTVM	BRL	7,548,458	112,929
(50)	USD/BRL, Jul. 2013	CM Capital Markets CCTVM	BRL	(2,485,082)	(22,624)
					<u>90,305</u>
Deposit Future					
600	BM&F One-Day Interbank Deposits Future, Jan. 2014	CM Capital Markets CCTVM	BRL	25,748,377	67,717
1,722	BM&F One-Day Interbank Deposits Future, Jan. 2015	CM Capital Markets CCTVM	BRL	66,934,583	487,863
(23)	BM&F One-Day Interbank Deposits Future, Jan. 2016	CM Capital Markets CCTVM	BRL	(799,583)	(6,967)
					<u>548,613</u>
Equity Future					
(385)	Bovespa Index Future, Aug. 2013	CM Capital Markets CCTVM	BRL	(8,137,700)	594,017
					<u>1,639,123</u>

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

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Bond Future					
(29)	U.S. Treasury Note 10 years, Sep. 2013	JPMorgan Chase Bank	USD	(3,670,313)	68,875
385	U.S. Treasury Note 2 years, Sep. 2013	JPMorgan Chase Bank	USD	84,700,000	(66,172)
(166)	U.S. Treasury Note 5 years, Sep. 2013	JPMorgan Chase Bank	USD	(20,093,781)	206,203
					<u>208,906</u>

#### Franklin Mutual Beacon Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Currency Future					
(82)	EUR/USD, Sep. 2013	JPMorgan Chase Bank	USD	(13,348,575)	287,193
(49)	GBP/USD, Sep. 2013	JPMorgan Chase Bank	USD	(4,656,225)	131,406
					<u>418,599</u>

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

#### Note 5 — Open positions on future contracts (continued)

As at June 30, 2013, the Company had entered into the following outstanding contracts:

##### Franklin Templeton Global Allocation Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
<b>Bond Future</b>					
(4)	10-Year U.S. Treasury Note Futures, Sep 2013	JPMorgan Chase Bank	USD	(506,250)	(1,953)
12	Australian 10 Yr. Bond, Sep 2013	JPMorgan Chase Bank	AUD	1,299,638	(30,587)
3	Ten-Year Government of Canada Bond Futures, Sep. 2013	JPMorgan Chase Bank	CAD	374,975	(13,440)
(15)	Euro-Bund Future, Sep 2013	JPMorgan Chase Bank	EUR	(2,763,143)	42,880
(19)	Long Gilt Futures, Sep. 2013	JPMorgan Chase Bank	GBP	(3,233,479)	129,455
					126,355
<b>Equity Future</b>					
(4)	DAX Futures, Sep. 2013	JPMorgan Chase Bank	EUR	(1,036,959)	(23,510)
14	FTSE 100 Index Future, Sep. 2013	JPMorgan Chase Bank	GBP	1,311,900	(35,664)
9	FTSE MIB Index Future, Sep. 2013	JPMorgan Chase Bank	EUR	893,960	(46,467)
(28)	Mini MSCI Emerging Markets Index Future Sep 2013	JPMorgan Chase Bank	USD	(1,307,180)	12,597
(40)	S&P 500 E-Mini Index Futures, Sep. 2013	JPMorgan Chase Bank	USD	(3,198,600)	35,400
(3)	S&P/TSX 60 Index Futures, Sep. 2013	JPMorgan Chase Bank	CAD	(395,377)	4,491
(3)	ASX SPI 200 Index Futures, Sep. 2013	JPMorgan Chase Bank	AUD	(327,201)	2,882
(17)	Swiss Market Index Future, Sep 2013	JPMorgan Chase Bank	CHF	(1,378,388)	9,176
(23)	Topix Index Future Sep 2013	JPMorgan Chase Bank	JPY	(2,622,543)	(124,791)
					(165,886)
					(39,531)

#### Note 6 — Open positions on interest rate swap contracts

As at June 30, 2013 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	27,198

##### Franklin Templeton 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	(174,136)
600,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.523%	Deutsche Bank	28-Mar-21	USD	(53,452)
1,280,000	Receiving floating rate EURIBOR Paying fixed rate 2.701%	HSBC Bank	14-Jun-16	EUR	(93,539)
330,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.5575%	JPMorgan Chase Bank	04-Mar-21	USD	(30,304)
830,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.215%	JPMorgan Chase Bank	11-Jan-41	USD	(122,193)
1,010,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.3494%	JPMorgan Chase Bank	25-Feb-41	USD	(174,645)
760,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.3201%	JPMorgan Chase Bank	28-Feb-41	USD	(128,408)
250,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.299%	JPMorgan Chase Bank	01-Mar-41	USD	(40,870)
					(817,547)

##### Templeton Asian Bond Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
151,580,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.391%	JPMorgan Chase Bank	04-May-21	USD	(11,929,145)

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

**Note 6 — Open positions on interest rate swap contracts (continued)**

As at June 30, 2013, the Company had entered into the following outstanding contracts:

**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	(5,155,602)
76,860,000	Receiving floating rate EURIBOR Paying fixed rate 2.701%	HSBC Bank	14-Jun-16	EUR	(5,616,738)
9,230,000	Receiving floating rate EURIBOR Paying fixed rate 3.276%	HSBC Bank	09-May-18	EUR	(1,187,616)
53,310,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.391%	JPMorgan Chase Bank	04-May-21	USD	(4,195,426)
					(16,155,382)

**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	(6,057,470)
186,490,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.34675%	Citigroup	25-Feb-41	USD	(32,153,024)
365,200,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.523%	Deutsche Bank	28-Mar-21	USD	(32,534,197)
264,590,000	Receiving floating rate EURIBOR Paying fixed rate 2.701%	HSBC Bank	14-Jun-16	EUR	(19,335,581)
94,430,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.5575%	JPMorgan Chase Bank	04-Mar-21	USD	(8,671,640)
263,000,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.9625%	JPMorgan Chase Bank	23-Nov-40	USD	(26,085,390)
31,200,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.153%	JPMorgan Chase Bank	10-Dec-40	USD	(4,222,357)
194,540,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.215%	JPMorgan Chase Bank	11-Jan-41	USD	(28,640,253)
186,490,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.3494%	JPMorgan Chase Bank	25-Feb-41	USD	(32,247,087)
139,860,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.3201%	JPMorgan Chase Bank	28-Feb-41	USD	(23,630,412)
46,620,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.299%	JPMorgan Chase Bank	01-Mar-41	USD	(7,621,463)
					(221,198,874)

**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	(109,781)

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

#### Note 6 — Open positions on interest rate swap contracts (continued)

As at June 30, 2013, the Company had entered into the following outstanding contracts:

##### Templeton Global Total Return Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
225,640,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.44%	Citigroup	21-Apr-21	USD	(18,624,881)
45,640,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.34675%				
88,240,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.523%	Deutsche Bank	28-Mar-21	USD	(7,860,946)
249,610,000	Receiving floating rate EURIBOR Paying fixed rate 2.701%				
84,580,000	Receiving floating rate EURIBOR Paying fixed rate 3.276%	HSBC Bank	14-Jun-16	EUR	(18,240,880)
403,420,000	Receiving floating rate USD-LIBOR Paying fixed rate 1.8115%				
156,000,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.391%	JPMorgan Chase Bank	14-Jun-16	USD	(12,022,063)
83,070,000	Receiving floating rate USD-LIBOR Paying fixed rate 3.0755%				
45,640,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.3494%	JPMorgan Chase Bank	25-Feb-41	USD	(7,891,882)
34,230,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.3201%				
11,410,000	Receiving floating rate USD-LIBOR Paying fixed rate 4.299%	JPMorgan Chase Bank	01-Mar-41	USD	(1,865,313)
					(107,827,297)

#### Note 7 — Open positions on inflation swap contracts

As at June 30, 2013 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
10,000,000	Receiving floating rate IPCA	BM&F BOVESPA SA	15-May-15	BRL	59,867
(10,000,000)	Paying floating rate CDI				
	Receiving floating rate CDI	BM&F BOVESPA SA	15-May-15	BRL	19,226
	Paying floating rate IPCA				
5,000,000	Receiving floating rate IPCA	BM&F BOVESPA SA	15-Dec-27	BRL	(288,994)
	Paying floating rate CDI				
7,000,000	Receiving floating rate IPCA	BM&F BOVESPA SA	17-Aug-20	BRL	(343,789)
	Paying floating rate CDI				
(5,000,000)	Receiving floating rate CDI	BM&F BOVESPA SA	15-Dec-27	BRL	490,276
	Paying floating rate IPCA				
(7,000,000)	Receiving floating rate CDI	BM&F BOVESPA SA	17-Aug-20	BRL	255,863
	Paying floating rate IPCA				
6,040,000	Receiving floating rate IPCA	BM&F BOVESPA SA	15-Aug-22	BRL	(257,141)
	Paying floating rate CDI				
(6,040,000)	Receiving floating rate CDI	BM&F BOVESPA SA	15-Aug-22	BRL	249,689
	Paying floating rate IPCA				
6,693,892	Receiving floating rate IGP-M	BM&F BOVESPA SA	10-Jul-13	BRL	(16,157)
	Paying floating rate CDI				
					168,840

#### Note 8 — Open positions on cross currency swap contracts

As at June 30, 2013 the Company had entered into the following outstanding contracts:

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

Description	Notional amount	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
Receiving USD-LIBOR-BBA 3M + 2.28% Paying fixed rate 2.75%	4,716,000 3,600,000	Barclays Bank PLC	23-Mar-18	EUR	85,760
Receiving USD-LIBOR-BBA 3M + 2.2525% Paying fixed rate 2.75%	5,100,000 4,000,000				
		Citigroup	23-Mar-18	EUR	(45,267)
					40,493

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2013 (CONTINUED)

### Note 8 — Open positions on cross currency swap contracts (continued)

As at June 30, 2013 the Company had entered into the following outstanding contracts:

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

Description	Notional amount	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
Receiving USD-LIBOR-BBA 3M + 2.2525%	524,000			USD	
Paying fixed rate 2.75%	400,000	Barclays Bank PLC	23-Mar-18	EUR	9,529

### Note 9 — Open positions on total return swap contracts

As at June 30, 2013 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	1,500,000	Performance of the Dow Jones-UBS Commodity Index	0.15% per annum of the notional amount	JPMorgan Chase Bank	05-May-14	–

### Note 10 — Open positions on credit default swap contracts

As at June 30, 2013 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	(5,421)	(2,194)

#### Franklin Real Return Fund

Nominal	Description	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
490,000	LCDX.NA.19, Dec. 2017	Barclays Bank	Sell	USD	16,829	9,919
100,000	LCDX.NA.20, Jun. 2018	Credit Suisse International	Sell	USD	2,702	78
					19,531	9,997

#### Franklin Strategic Income Fund

Nominal	Description	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
15,000,000	CDX.NA.HY.20, Jun. 2018	Credit Suisse International	Sell	USD	448,052	26,177
10,000,000	CDX.NA.HY.20, Jun. 2018	Citigroup	Sell	USD	298,702	11,202
15,000,000	CDX.NA.HY.20, Jun. 2018	Deutsche Bank	Sell	USD	448,053	1,303
8,000,000	CMBX.NA.AJ.2, Mar. 2049	Credit Suisse International	Sell	USD	(1,180,014)	(29,826)
58,800,000	LCDX.NA.19, Dec. 2017	Barclays Bank	Sell	USD	2,019,421	1,223,276
9,800,000	LCDX.NA.19, Dec. 2017	Credit Suisse International	Sell	USD	336,570	203,879
16,170,000	LCDX.NA.19, Dec. 2017	Deutsche Bank	Sell	USD	555,340	423,669
11,760,000	LCDX.NA.19, Dec. 2017	Goldman Sachs International	Sell	USD	403,884	291,184
5,000,000	LCDX.NA.20, Jun. 2018	Barclays Bank	Sell	USD	135,140	(52,360)
46,500,000	LCDX.NA.20, Jun. 2018	Credit Suisse International	Sell	USD	1,256,799	(413,826)
10,000,000	LCDX.NA.20, Jun. 2018	Goldman Sachs International	Sell	USD	270,279	(67,221)
15,000,000	MCDX.NA.20, Jun. 2018	Citigroup	Sell	USD	(240,748)	(109,856)
					4,751,478	1,507,601

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

#### Note 10 — Open positions on credit default swap contracts (continued)

As at June 30, 2013 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
700,000	American Axle & Manufacturing Inc., Jun. 2018	Barclays Bank	Buy	USD	(45,497)	2,246
3,300,000	American Axle & Manufacturing Inc., Jun. 2018	Deutsche Bank	Buy	USD	(214,486)	(10,895)
5,000,000	Centex Corp., Jun. 2016	Credit Suisse International	Buy	USD	(687,543)	(334,033)
3,122,000	CNA Financial Corp., Dec. 2014	Goldman Sachs International	Buy	USD	(221,662)	88,505
800,000	Constellation Brands Inc., Jun. 2017	Deutsche Bank	Buy	USD	(128,148)	(22,556)
10,000,000	Constellation Brands Inc., Sep. 2016	Goldman Sachs International	Buy	USD	(1,391,859)	(65,756)
5,260,000	First Data Corp., Mar. 2015	Barclays Bank	Buy	USD	(224,949)	56,787
1,040,000	First Data Corp., Mar. 2015	Deutsche Bank	Buy	USD	(44,478)	8,013
7,000,000	HCA Inc., Sep. 2013	Goldman Sachs International	Buy	USD	(76,245)	193,978
3,000,000	Hilton Worldwide Inc., Dec. 2013	Credit Suisse International	Buy	USD	(65,561)	36,354
7,000,000	Intelsat Investments SA, Dec. 2013	Goldman Sachs International	Buy	USD	(163,768)	230,079
3,000,000	Lennar Corp., Jun. 2016	Deutsche Bank	Buy	USD	(298,270)	45,547
3,000,000	Merrill Lynch & Co Inc., Sep. 2017	Credit Suisse International	Buy	USD	1,668	(5,079)
5,217,000	Merrill Lynch & Co Inc., Sep. 2014	Credit Suisse International	Buy	USD	(298,194)	107,378
13,000,000	Morgan Stanley, Jun. 2014	Credit Suisse International	Buy	USD	(547,519)	289,653
3,619,000	The New York Times Co., Dec. 2016	Goldman Sachs International	Buy	USD	(447,393)	(271,165)
6,000,000	Republic of Hungary, Mar. 2015	Deutsche Bank	Buy	USD	(290,843)	104,195
2,000,000	Republic of Indonesia, Mar. 2014	Deutsche Bank	Buy	USD	(7,662)	4,639
5,000,000	Springleaf Finance Corp., Dec. 2015	Deutsche Bank	Buy	USD	(183,268)	176,304
3,045,000	Toll Brothers Inc., Jun. 2015	Goldman Sachs International	Buy	USD	(252,409)	86,172
10,000,000	Windstream Corp., Sep. 2013	Goldman Sachs International	Buy	USD	(106,892)	293,851
3,000,000	Bank Of America Corp., Sep. 2017	Credit Suisse International	Sell	USD	(22,794)	(16,048)
7,800,000	Berkshire Hathaway Inc., Sep. 2017	Goldman Sachs International	Sell	USD	10,017	13,188
3,100,000	CMBX.NA.AJ.2, Mar. 2049	Credit Suisse International	Sell	USD	(457,256)	(6,318)
3,700,000	First Data Corp., Mar. 2016	Barclays Bank	Sell	USD	49,151	(10,574)
800,000	First Data Corp., Mar. 2016	Deutsche Bank	Sell	USD	10,627	14,987
56,840,000	LCDX.NA.19, Dec. 2017	Barclays Bank	Sell	USD	1,952,105	1,366,283
11,221,000	LCDX.NA.19, Dec. 2017	Deutsche Bank	Sell	USD	385,373	269,723
12,050,000	LCDX.NA.20, Jun. 2018	Barclays Bank	Sell	USD	325,687	(156,313)
11,200,000	LCDX.NA.20, Jun. 2018	Credit Suisse International	Sell	USD	302,713	1,588
17,350,000	MCDX.NA.20, Jun. 2018	Citigroup	Sell	USD	(278,465)	(154,982)
1,500,000	PSEG Power, Jun. 2017	Credit Suisse International	Sell	USD	9,989	81,447
700,000	The Goodyear Tire & Rubber Co., Jun. 2018	Barclays Bank	Sell	USD	19,812	3,540
3,300,000	The Goodyear Tire & Rubber Co., Jun. 2018	Credit Suisse International	Sell	USD	93,400	26,150
					(3,294,619)	2,446,888



# NOTES TO THE FINANCIAL STATEMENTS

## AT JUNE 30, 2013 (CONTINUED)

### Note 10 — Open positions on credit default swap contracts (continued)

As at June 30, 2013 the Company had entered into the following outstanding contracts:

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

Nominal	Description	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
100,000	American Axle & Manufacturing Inc., Jun. 2018	Barclays Bank	Buy	USD	(6,500)	321
300,000	American Axle & Manufacturing Inc., Jun. 2018	Deutsche Bank	Buy	USD	(19,498)	(990)
1,000,000	CIT Group Inc., Jun. 2017	Goldman Sachs International	Buy	USD	(128,990)	(2,729)
800,000	Constellation Brands Inc., Jun. 2017	Deutsche Bank	Buy	USD	(128,148)	(22,556)
430,000	First Data Corp., Mar. 2015	Barclays Bank	Buy	USD	(18,388)	4,059
130,000	First Data Corp., Mar. 2015	Deutsche Bank	Buy	USD	(5,560)	1,002
1,895,000	GenOn Energy Inc., Jun. 2014	Credit Suisse International	Buy	USD	(81,425)	20,825
1,500,000	HCA Inc., Sep. 2013	Goldman Sachs International	Buy	USD	(16,338)	41,567
500,000	Merrill Lynch & Co. Inc., Sep. 2017	Credit Suisse International	Buy	USD	278	(5,103)
1,500,000	Windstream Corp., Sep. 2013	Goldman Sachs International	Buy	USD	(16,034)	44,078
500,000	Bank Of America Corp., Sep. 2017	Credit Suisse International	Sell	USD	(3,798)	1,581
300,000	Berkshire Hathaway Inc., Mar. 2018	Credit Suisse International	Sell	USD	(999)	850
300,000	Berkshire Hathaway Inc., Sep. 2017	Deutsche Bank	Sell	USD	385	3,399
600,000	CDX.NA.HY.20, Jun. 2018	Citigroup	Sell	USD	17,922	(7,953)
245,000	CMBX.NA.AJ.2, Mar. 2049	Credit Suisse International	Sell	USD	(36,138)	(235)
300,000	First Data Corp., Mar. 2016	Barclays Bank	Sell	USD	3,985	4
100,000	First Data Corp., Mar. 2016	Deutsche Bank	Sell	USD	1,328	1,873
4,900,000	LCDX.NA.19, Dec. 2017	Barclays Bank	Sell	USD	168,285	99,055
2,750,000	LCDX.NA.20, Jun. 2018	Barclays Bank	Sell	USD	74,326	(36,424)
200,000	LCDX.NA.20, Jun. 2018	Credit Suisse International	Sell	USD	5,406	156
850,000	MCDX.NA.20, Jun. 2013	Citigroup	Sell	USD	(42,990)	(7,917)
200,000	PSEG Power, Jun. 2017	Credit Suisse International	Sell	USD	1,332	10,860
900,000	Republic of Indonesia, Jun. 2017	Deutsche Bank	Sell	USD	(18,893)	7,589
150,000	Safeway Inc., Sep. 2017	Citigroup	Sell	USD	(4,049)	13,965
100,000	The Goodyear Tire & Rubber Co., Jun. 2018	Barclays Bank	Sell	USD	2,830	506
300,000	The Goodyear Tire & Rubber Co., Jun. 2018	Credit Suisse International	Sell	USD	8,491	2,377
					(243,180)	170,160

#### Templeton Euro High Yield Fund

Nominal	Description	Counterparty	Buy/Sell Protection	Trading currency	Market value EUR	Unrealised profit/(loss) EUR
10,000,000	ITRX.EUR.XOVER.19, Jun. 2018	Bank Of America Na	Buy	EUR	(93,992)	11,788
10,000,000	ITRX.EUR.XOVER.19, Jun. 2018	Barclays Bank	Buy	EUR	(93,992)	11,788
5,000,000	ITRX.EUR.XOVER.19, Jun. 2018	Credit Suisse International	Buy	EUR	(46,996)	5,894
5,000,000	ITRX.EUR.XOVER.19, Jun. 2018	Deutsche Bank	Buy	EUR	(46,996)	5,894
35,000,000	ITRX.EUR.XOVER.19, Jun. 2018	Citigroup	Sell	EUR	328,972	(41,258)
					46,996	(5,894)

#### Templeton Global High Income Bond Fund

Nominal	Description	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
400,000	CMBX.NA.AJ.2, Mar.2049	Barclays Bank	Sell	USD	(59,001)	(1,188)

#### Templeton Global High Yield Fund

Nominal	Description	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
2,000,000	CDX.NA.HY.20, Jun. 2018	Credit Suisse International	Sell	USD	59,740	3,490
3,000,000	CDX.NA.HY.20, Jun. 2018	Deutsche Bank	Sell	USD	89,611	23,985
					149,351	27,475

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2013 (CONTINUED)

### Note 11 — Open positions on options contracts

As at June 30, 2013, 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	BRL/USD, Call Option, Strike Price 2,300, Aug. 2013	Banco Itau	BRL	1,206	622,235	305,707
Sale	BRL/USD, Call Option, Strike Price 2,350, Aug. 2013	Banco Itau	BRL	(1,206)	(378,752)	(146,090)
Sale	BRL/USD, Call Option, Strike Price 2,400, Aug. 2013	Banco Itau	BRL	(1,206)	(240,778)	(202,903)
					2,705	(43,286)

#### 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	AUD/USD, Call Option, Strike Price 1.05, Jul. 2013	Deutsche Bank	AUD	11,100,000	–	(3,833,241)
Purchase	EUR/USD, Put Option, Strike Price 1.28, Nov. 2013	Barclays Bank	EUR	28,000,000	557,918	(288,362)
					557,918	(4,121,603)
Swaption						
Purchase	CDX.NA.HY.20, Call, Strike Price 100, Sep. 2013	Citigroup	USD	21,000,000	270,459	77,259
					828,377	(4,044,344)

#### 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.HY.20, Call, Strike Price 100, Sep. 2013	Citigroup	USD	3,000,000	38,637	11,037

### Note 12 — Securities lending

During the year, the Company participated in a securities lending programme with MSDW Equity Finance Services.

As at June 30, 2013, 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 equities* received as collateral in Fund currency	Market value of sovereign bonds received as collateral in Fund currency
Templeton Global Fund	USD	65,443,839	70,605,368	1,586,682
Templeton Global (Euro) Fund	EUR	25,432,169	27,437,997	616,601
Templeton Growth (Euro) Fund	EUR	236,064,203	254,682,520	5,723,363

\* Listed and traded on an official stock exchange

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	29,512	2,361	27,151
Franklin Mutual Beacon Fund	USD	38,688	3,095	35,593
Franklin Mutual Euroland Fund	EUR	10,778	862	9,916
Franklin Mutual European Fund	EUR	1,838,108	147,049	1,691,059
Franklin Mutual Global Discovery Fund	USD	227,942	18,235	209,707
Franklin Templeton Global Growth and Value Fund	USD	20,482	1,638	18,844
Templeton Euroland Fund	EUR	120,516	9,641	110,875
Templeton European Fund	EUR	77,073	6,166	70,907
Templeton Global Fund	USD	697,557	55,805	641,752
Templeton Global (Euro) Fund	EUR	439,220	35,138	404,082
Templeton Global Balanced Fund	USD	145,469	11,638	133,831
Templeton Global Equity Income Fund	USD	43,796	3,504	40,292
Templeton Growth (Euro) Fund	EUR	3,385,602	270,848	3,114,754

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

#### Note 13 — 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, 2013.

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.

	All classes except Class I, Class W and Class X	Class I	Class W
Franklin Asian Flex Cap Fund	1.00%	0.70%	
Franklin Biotechnology Discovery Fund	1.00%	0.70%	
Franklin Brazil Opportunities Fund	1.00%	0.70%	
Franklin Euroland Core Fund	1.00%	0.70%	
Franklin European Core Fund	1.00%	0.70%	
Franklin European Dividend Fund	1.00%	0.70%	
Franklin European Growth Fund	1.00%	0.70%	
Franklin European Small-Mid Cap Growth Fund	1.00%	0.70%	0.75%
Franklin Global Convertible Securities Fund	0.75%	0.60%	
Franklin Global Growth Fund	1.00%	0.70%	
Franklin Global Listed Infrastructure Fund	1.00%	0.70%	0.75%
Franklin Global Real Estate Fund	1.00%	0.70%	
Franklin Global Small-Mid Cap Growth Fund	1.00%	0.70%	
Franklin Gold and Precious Metals Fund	1.00%	0.70%	
Franklin High Yield Fund	0.80%	0.60%	
Franklin Income Fund	0.85%	0.60%	
Franklin India Fund	1.00%	0.70%	0.75%
Franklin MENA Fund	1.50%	1.05%	
Franklin Multi-Asset Income Fund	0.85%	0.60%	
Franklin Natural Resources Fund	1.00%	0.70%	
Franklin Real Return Fund	0.75%		
Franklin Strategic Income Fund	0.75%	0.55%	
Franklin Technology Fund	1.00%	0.70%	0.75%
Franklin U.S. Dollar Liquid Reserve Fund	0.30%	0.20%	
Franklin U.S. Equity Fund	1.00%	0.70%	
Franklin U.S. Focus Fund	1.00%	0.70%	
Franklin U.S. Government Fund	0.65%	0.40%	0.50%
Franklin U.S. Low Duration Fund	0.65%	0.40%	
Franklin U.S. Opportunities Fund	1.00%	0.70%	0.75%
Franklin U.S. Small-Mid Cap Growth Fund	1.00%	0.70%	
Franklin U.S. Total Return Fund	0.75%	0.55%	
Franklin World Perspectives Fund	1.00%	0.70%	0.75%
Franklin Mutual Beacon Fund	1.00%	0.70%	
Franklin Mutual Euroland Fund	1.00%		
Franklin Mutual European Fund	1.00%	0.70%	0.75%
Franklin Mutual Global Discovery Fund	1.00%	0.70%	
Franklin Templeton Global Allocation Fund	1.00%	0.70%	
Franklin Templeton Global Equity Strategies Fund	1.25%		
Franklin Templeton Global Fundamental Strategies Fund	1.00%	0.70%	
Franklin Templeton Global Growth and Value Fund	1.00%	0.70%	
Franklin Templeton Japan Fund	1.00%	0.70%	
Templeton Africa Fund	1.60%	1.10%	1.25%
Templeton Asian Bond Fund	0.75%	0.55%	0.65%
Templeton Asian Dividend Fund	1.35%	0.90%	1.00%
Templeton Asian Growth Fund	1.35%	0.90%	1.00%
Templeton Asian Smaller Companies Fund	1.35%	0.90%	1.00%
Templeton BRIC Fund	1.60%	1.10%	1.25%
Templeton China Fund	1.60%	1.10%	1.25%
Templeton Eastern Europe Fund	1.60%	1.10%	
Templeton Emerging Markets Fund	1.60%	1.10%	
Templeton Emerging Markets Balanced Fund	1.30%	0.90%	1.00%
Templeton Emerging Markets Bond Fund	1.00%	0.70%	0.80%
Templeton Emerging Markets Smaller Companies Fund	1.60%	1.10%	1.25%
Templeton Euro Government Bond Fund	0.50%	0.35%	
Templeton Euro High Yield Fund	0.80%	0.60%	
Templeton Euro Liquid Reserve Fund	0.30%	0.20%	
Templeton Euro Short-Term Money Market Fund	0.25%	0.20%	
Templeton Euroland Fund	1.00%	0.70%	
Templeton European Fund	1.00%	0.70%	
Templeton European Corporate Bond Fund	0.65%	0.40%	
Templeton European Total Return Fund	0.75%	0.55%	
Templeton Frontier Markets Fund	1.60%	1.10%	1.25%
Templeton Global Fund	1.00%	0.70%	
Templeton Global (Euro) Fund	1.00%	0.70%	
Templeton Global Aggregate Bond Fund	0.65%	0.40%	
Templeton Global Aggregate Investment Grade Bond Fund	0.65%	0.40%	
Templeton Global Balanced Fund	0.80%	0.60%	
Templeton Global Bond Fund	0.75%	0.55%	0.65%
Templeton Global Bond (Euro) Fund	0.75%	0.55%	
Templeton Global Equity Income Fund	1.00%		
Templeton Global High Income Bond Fund	0.80%	0.60%	
Templeton Global High Yield Fund	0.85%	0.60%	
Templeton Global Income Fund	0.85%	0.60%	
Templeton Global Smaller Companies Fund	1.00%	0.70%	
Templeton Global Total Return Fund	0.75%	0.55%	0.65%
Templeton Growth (Euro) Fund	1.00%	0.70%	
Templeton Korea Fund	1.60%	1.10%	
Templeton Latin America Fund	1.40%	1.00%	1.10%
Templeton Thailand Fund	1.60%	1.10%	

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

#### Note 14 — 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 15 — 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.A., 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 paid by the Company to the Investment Managers are detailed in note 13 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, 2013.

The Company paid the following fees to Franklin Templeton International Services S.A. as the Registrar and Transfer, Corporate, Domiciliary and Administrative Agent for the year ended June 30, 2013:

- Administration and Transfer Agency Fees USD 340,195,157

The Company paid the following fees to Templeton Global Advisors Limited as the Principal Distributor of the Funds for the year ended June 30, 2013:

- Maintenance and Distribution charge USD 623,585,800

The Company paid the following fees to Lightning Finance Limited/SG Constellation One, Inc. as the Commission Payer to the Funds for the year ended June 30, 2013:

- Servicing charge USD 46,508,884

#### Note 16 — 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 accrued monthly and 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 17 — 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, 2013 (CONTINUED)

### Note 17 — 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 13).

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 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 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 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 18 — 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 in the first instance from the Administration fees, in the event that the waiver fees exceed the Administration fees they are deducted from the Investment Management fees.

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

### Note 19 — 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, 2013 (CONTINUED)

#### Note 20 — 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. During the year ended June 30, 2013 the Company incurred the following transaction costs:

Fund	Currency	Amount	Fund	Currency	Amount
Franklin Asian Flex Cap Fund	USD	19,768	Franklin Templeton Japan Fund	JPY	57,116,802
Franklin Biotechnology Discovery Fund	USD	890,543	Templeton Africa Fund	USD	430,280
Franklin Brazil Opportunities Fund	USD	92,235	Templeton Asian Bond Fund	USD	—*
Franklin Euroland Core Fund	EUR	20,244	Templeton Asian Dividend Fund	USD	3,130
Franklin European Core Fund	EUR	2,642	Templeton Asian Growth Fund	USD	683,662
Franklin European Dividend Fund	EUR	18,774	Templeton Asian Smaller Companies Fund	USD	1,518,290
Franklin European Growth Fund	EUR	420,820	Templeton BRIC Fund	USD	2,752,713
Franklin European Small-Mid Cap Growth Fund	EUR	325,552	Templeton China Fund	USD	1,674,385
Franklin Global Convertible Securities Fund	USD	472	Templeton Eastern Europe Fund	EUR	780,965
Franklin Global Growth Fund	USD	158,922	Templeton Emerging Markets Fund	USD	2,782,747
Franklin Global Listed Infrastructure Fund	USD	2,847	Templeton Emerging Markets Balanced Fund	USD	37,430
Franklin Global Real Estate Fund	USD	331,588	Templeton Emerging Markets Bond Fund	USD	—*
Franklin Global Small-Mid Cap Growth Fund	USD	200,215	Templeton Emerging Markets Smaller Companies Fund	USD	251,900
Franklin Gold and Precious Metals Fund	USD	256,093	Templeton Euro Government Bond Fund	EUR	—*
Franklin High Yield Fund	USD	—*	Templeton Euro High Yield Fund	EUR	—*
Franklin Income Fund	USD	439,924	Templeton Euro Liquid Reserve Fund	EUR	—*
Franklin India Fund	USD	1,050,992	Templeton Euro Short-Term Money Market Fund	EUR	—*
Franklin MENA Fund	USD	247,563	Templeton Euroland Fund	EUR	62,869
Franklin Multi-Asset Income Fund	EUR	5,850	Templeton European Fund	EUR	80,469
Franklin Natural Resources Fund	USD	222,343	Templeton European Corporate Bond Fund	EUR	290
Franklin Real Return Fund	USD	344	Templeton European Total Return Fund	EUR	—*
Franklin Strategic Income Fund	USD	—*	Templeton Frontier Markets Fund	USD	4,011,955
Franklin Technology Fund	USD	307,731	Templeton Global Fund	USD	737,381
Franklin U.S. Dollar Liquid Reserve Fund	USD	—*	Templeton Global (Euro) Fund	EUR	313,308
Franklin U.S. Equity Fund	USD	479,945	Templeton Global Aggregate Bond Fund	USD	—*
Franklin U.S. Focus Fund	USD	25,911	Templeton Global Aggregate Investment Grade Bond Fund	USD	—*
Franklin U.S. Government Fund	USD	—*	Templeton Global Balanced Fund	USD	212,502
Franklin U.S. Low Duration Fund	USD	10,669	Templeton Global Bond Fund	USD	—*
Franklin U.S. Opportunities Fund	USD	2,247,795	Templeton Global Bond (Euro) Fund	EUR	—*
Franklin U.S. Small-Mid Cap Growth Fund	USD	151,516	Templeton Global Equity Income Fund	USD	25,828
Franklin U.S. Total Return Fund	USD	—*	Templeton Global High Income Bond Fund	USD	140
Franklin World Perspectives Fund	USD	144,495	Templeton Global High Yield Fund	USD	—*
Franklin Mutual Beacon Fund	USD	299,018	Templeton Global Income Fund	USD	277,735
Franklin Mutual Euroland Fund	EUR	12,866	Templeton Global Smaller Companies Fund	USD	219,892
Franklin Mutual European Fund	EUR	2,271,412	Templeton Global Total Return Fund	USD	—*
Franklin Mutual Global Discovery Fund	USD	545,718	Templeton Growth (Euro) Fund	EUR	2,524,718
Franklin Templeton Global Allocation Fund	USD	24,949	Templeton Korea Fund	USD	126,894
Franklin Templeton Global Equity Strategies Fund	USD	39,331	Templeton Latin America Fund	USD	1,958,390
Franklin Templeton Global Fundamental Strategies Fund	USD	268,565	Templeton Thailand Fund	USD	564,034
Franklin Templeton Global Growth and Value Fund	USD	79,803			

\*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 21 — 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 sales or redemptions of shares.

## NOTES TO THE FINANCIAL STATEMENTS

### AT JUNE 30, 2013 (CONTINUED)

#### Note 22 — Annual and interim dividends distributed for the year ended June 30, 2013

For the year ended June 30, 2013, the following amounts per share were paid out to distribution 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-2012	Jul- 2012	Aug- 2012	Sep- 2012	Oct- 2012	Nov- 2012	Dec- 2012	Jan- 2013	Feb- 2013	Mar- 2013	Apr- 2013	May- 2013	Jun- 2013
<b>Franklin Asian Flex Cap Fund</b>													
A (Ydis) USD	—												
<b>Franklin Brazil Opportunities Fund</b>													
A (Qdis) USD*					—			—	0.064		—		
A (Qdis) HKD*					—			—	0.064		—		
N (Qdis) USD*					—			—	0.064		—		
<b>Franklin European Core Fund</b>													
A (Ydis) EUR	0.163												
<b>Franklin European Dividend Fund</b>													
A (Ydis) EUR	0.334												
<b>Franklin European Growth Fund</b>													
A (Ydis) GBP	0.135												
<b>Franklin Global Convertible Securities Fund</b>													
A (Ydis) EUR	0.057												
A (Ydis) EUR-H1	0.056												
<b>Franklin Global Listed Infrastructure Fund</b>													
A (Mdis) SGD-H1*												—	0.033
<b>Franklin Global Real Estate Fund</b>													
A (Qdis) USD		0.028			0.011			0.011			0.013		
A (Qdis) SGD		0.022			0.007			0.008			0.007		
A (Ydis) EUR-H1	0.106												
B (Qdis) USD		—			—			—			—		
C (Qdis) USD		0.017			—			—			0.001		
<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	0.034	0.033	0.033	0.033	0.035	0.035	0.033	0.036	0.034	0.031	0.032
A (Mdis) AUD-H1*										0.007	0.046	0.045	0.050
A (Mdis) SGD-H1		0.043	0.043	0.041	0.041	0.041	0.044	0.044	0.043	0.044	0.043	0.039	0.042
B (Mdis) USD		0.027	0.026	0.025	0.025	0.025	0.027	0.026	0.025	0.028	0.026	0.022	0.024
I (Mdis) USD		0.059	0.061	0.057	0.058	0.060	0.060	0.060	0.061	0.061	0.059	0.056	0.057
N (Mdis) USD*										0.007	0.042	0.040	0.040
Z (Mdis) USD		0.054	0.054	0.053	0.052	0.053	0.054	0.054	0.054	0.055	0.054	0.050	0.051
<b>Franklin Income Fund</b>													
A (Mdis) USD		0.045	0.040	0.040	0.040	0.040	0.040	0.045	0.040	0.040	0.040	0.035	0.035
A (Mdis) SGD-H1		0.035	0.029	0.029	0.029	0.029	0.029	0.032	0.029	0.029	0.029	0.025	0.025
B (Mdis) USD		0.035	0.026	0.026	0.026	0.026	0.026	0.031	0.026	0.026	0.026	0.021	0.021
C (Mdis) USD		0.055	0.044	0.044	0.044	0.044	0.044	0.051	0.044	0.044	0.044	0.037	0.037
Z (Mdis) USD		0.060	0.040	0.040	0.041	0.041	0.041	0.045	0.041	0.041	0.041	0.036	0.036
<b>Franklin India Fund</b>													
A (Ydis) EUR	—												
A (Ydis) GBP	—												
I (Ydis) EUR	0.027												
<b>Franklin MENA Fund</b>													
A (Ydis) USD	0.037												
A (Ydis) GBP	—												
I (Ydis) USD	0.100												
<b>Franklin Natural Resources Fund</b>													
A (Ydis) USD	—												
A (Ydis) EUR-H1	—												
<b>Franklin Real Return Fund</b>													
A (Ydis) EUR-H1	0.084												
<b>Franklin Strategic Income Fund</b>													
A (Mdis) USD		0.029	0.030	0.028	0.029	0.027	0.027	0.027	0.027	0.026	0.026	0.025	0.024
A (Mdis) AUD-H1*										0.004	0.022	0.022	0.023
A (Mdis) EUR		0.022	0.025	0.023	0.022	0.020	0.021	0.021	0.019	0.021	0.020	0.019	0.018
A (Mdis) EUR-H1*										0.004	0.023	0.021	0.021
B (Mdis) USD		0.017	0.019	0.017	0.017	0.016	0.015	0.015	0.014	0.016	0.012	0.011	0.008
C (Mdis) USD		0.024	0.024	0.023	0.023	0.022	0.021	0.022	0.020	0.021	0.020	0.020	0.018



# NOTES TO THE FINANCIAL STATEMENTS

## AT JUNE 30, 2013 (CONTINUED)

### Note 22 — Annual and interim dividends distributed for the year ended June 30, 2013 (continued)

	Annual Distribution Jul-2012	Jul- 2012	Aug- 2012	Sep- 2012	Oct- 2012	Nov- 2012	Dec- 2012	Jan- 2013	Feb- 2013	Mar- 2013	Apr- 2013	May- 2013	Jun- 2013
<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		0.016	0.016	0.016	0.015	0.014	0.014	0.014	0.014	0.014	0.014	0.014	0.013
A (Mdis) HKD		0.017	0.017	0.017	0.016	0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.014
A (Mdis) SGD-H1		0.018	0.018	0.018	0.016	0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.014
B (Mdis) USD		0.007	0.006	0.006	0.005	0.004	0.004	0.004	0.004	0.004	0.004	0.003	0.003
I (Mdis) USD		0.023	0.023	0.023	0.021	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.018
I (Mdis) JPY-H1*			1.653	1.653	2.020	1.916	1.914	1.914	1.913	1.913	1.912	1.914	1.804
N (Mdis) USD		0.011	0.011	0.011	0.009	0.008	0.008	0.008	0.008	0.008	0.008	0.008	0.007
W (Mdis) USD*										0.018	0.018	0.018	0.017
Z (Mdis) USD		0.019	0.019	0.019	0.018	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.016
<b>Franklin U.S. Low Duration Fund</b>													
A (Mdis) USD		0.003	0.003	0.002	0.002	0.002	0.003	0.001	0.001	0.001	0.001	0.001	0.002
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		0.015											
<b>Franklin U.S. Total Return Fund</b>													
A (Mdis) USD		0.014	0.012	0.010	0.013	0.012	0.012	0.013	0.012	0.013	0.012	0.012	0.013
C (Mdis) USD		0.005	0.003	0.001	0.005	0.002	0.003	0.005	0.002	0.004	0.005	0.005	0.005
I (Mdis) USD		0.018	0.016	0.015	0.018	0.016	0.016	0.019	0.016	0.017	0.017	0.016	0.017
N (Mdis) USD		0.007	0.006	0.003	0.007	0.005	0.005	0.007	0.006	0.006	0.006	0.005	0.006
<b>Franklin World Perspectives Fund</b>													
A (Ydis) GBP		—											
<b>Franklin Mutual Beacon Fund</b>													
A (Ydis) USD		0.079											
<b>Franklin Mutual European Fund</b>													
A (Ydis) EUR		0.269											
A (Ydis) GBP		0.218											
B (Ydis) EUR		—											
I (Ydis) EUR		0.344											
<b>Franklin Mutual Global Discovery Fund</b>													
A (Ydis) EUR		0.148											
A (Ydis) GBP		0.124											
<b>Franklin Templeton Global Allocation Fund</b>													
A (Qdis) GBP		0.002			—			—			—		
A (Ydis) EUR		0.003											
A (Ydis) EUR-H1		0.002											
I (Ydis) EUR-H1		0.075											
<b>Franklin Templeton Global Equity Strategies Fund</b>													
A (Ydis) EUR		—											
<b>Franklin Templeton Global Fundamental Strategies Fund</b>													
A (Ydis) EUR		0.111											
<b>Franklin Templeton Japan Fund</b>													
A (Ydis) EUR		—											
A (Ydis) GBP		—											
<b>Templeton Africa Fund</b>													
A (Ydis) EUR		0.047											
A (Ydis) EUR-H1		0.048											
<b>Templeton Asian Bond Fund</b>													
A (Mdis) USD		0.031	0.029	0.029	0.030	0.028	0.029	0.027	0.024	0.026	0.029	0.026	0.029
A (Mdis) AUD-H1*										0.002	0.019	0.020	0.021
A (Mdis) EUR		0.024	0.023	0.023	0.024	0.021	0.023	0.020	0.018	0.020	0.023	0.019	0.023
A (Mdis) SGD		0.022	0.020	0.020	0.021	0.019	0.020	0.018	0.018	0.017	0.021	0.018	0.021
A (Mdis) SGD-H1		0.022	0.020	0.021	0.021	0.021	0.021	0.019	0.017	0.019	0.021	0.019	0.021
B (Mdis) USD		0.015	0.011	0.011	0.013	0.010	0.011	0.008	0.006	0.009	0.010	0.008	0.010
C (Mdis) USD		0.022	0.020	0.020	0.021	0.019	0.020	0.016	0.015	0.017	0.019	0.017	0.020
I (Mdis) EUR		0.028	0.031	0.029	0.029	0.028	0.029	0.026	0.025	0.025	0.028	0.027	0.028
N (Mdis) USD		0.022	0.021	0.021	0.022	0.020	0.021	0.017	0.016	0.018	0.020	0.018	0.021
W (Mdis) USD		0.007	0.026	0.024	0.026	0.025	0.025	0.024	0.023	0.022	0.025	0.025	0.024
X (Ydis) USD		0.241											



# NOTES TO THE FINANCIAL STATEMENTS

## AT JUNE 30, 2013 (CONTINUED)

### Note 22 — Annual and interim dividends distributed for the year ended June 30, 2013 (continued)

	Annual Distribution Jul-2012	Jul- 2012	Aug- 2012	Sep- 2012	Oct- 2012	Nov- 2012	Dec- 2012	Jan- 2013	Feb- 2013	Mar- 2013	Apr- 2013	May- 2013	Jun- 2013
<b>Templeton Asian Dividend Fund</b>													
A (Mdis) USD*													– 0.084
A (Mdis) SGD-H1*													– 0.087
<b>Templeton Asian Growth Fund</b>													
A (Ydis) USD	0.046												
A (Ydis) EUR	0.033												
A (Ydis) GBP	0.026												
I (Ydis) EUR-H2	0.142												
Z (Ydis) USD	0.061												
Z (Ydis) EUR-H1	0.075												
<b>Templeton Asian Smaller Companies Fund</b>													
A (Ydis) USD	0.087												
<b>Templeton BRIC Fund</b>													
A (Ydis) EUR	–												
A (Ydis) GBP	–												
<b>Templeton China Fund</b>													
A (Ydis) EUR	0.008												
A (Ydis) GBP	0.038												
I (Ydis) GBP	0.124												
Z (Ydis) EUR	–												
<b>Templeton Eastern Europe Fund</b>													
A (Ydis) EUR	–												
A (Ydis) GBP	–												
B (Ydis) EUR	–												
<b>Templeton Emerging Markets Fund</b>													
A (Ydis) USD	0.133												
<b>Templeton Emerging Markets Balanced Fund</b>													
A (Qdis) USD		0.069			0.076			0.050			0.036		
A (Qdis) GBP		0.073			0.079			0.051			0.040		
A (Qdis) GBP-H1		0.071			0.074			0.050			0.037		
A (Qdis) SGD-H1		0.069			0.073			0.050			0.036		
A (Ydis) EUR	0.213												
A (Ydis) EUR-H1	0.193												
B (Mdis) USD		–	0.008	0.034	–	0.010	–	0.003	–	–	–	0.030	0.026
I (Ydis) EUR-H1	0.272												
W (Qdis) GBP		0.013			0.103			0.073			0.063		
Z (Qdis) GBP		0.012			0.097			0.068			0.057		
<b>Templeton Emerging Markets Bond Fund</b>													
A (Mdis) USD		0.046	0.049	0.056	0.054	0.057	0.062	0.139	0.055	0.049	0.056	0.049	0.048
A (Mdis) AUD-H1*										0.004	0.046	0.042	0.044
A (Mdis) HKD		0.041	0.047	0.050	0.049	0.053	0.057	0.126	0.050	0.044	0.051	0.046	0.043
A (Mdis) SGD-H1*										0.004	0.047	0.041	0.041
A (Qdis) USD		0.255			0.274			0.443			0.275		
A (Qdis) EUR		0.207			0.221			0.337			0.220		
A (Qdis) GBP		0.142			0.150			0.237			0.160		
A (Ydis) EUR-H1	0.577												
B (Mdis) USD		0.034	0.037	0.043	0.042	0.044	0.048	0.126	0.041	0.036	0.043	0.036	0.035
B (Qdis) USD		0.174			0.190			0.340			0.188		
I (Qdis) USD		0.232			0.249			0.383			0.251		
I (Qdis) GBP-H1		0.158			0.163			0.251			0.176		
I (Ydis) EUR-H1	0.094												
W (Qdis) USD*											0.098		
W (Qdis) GBP-H1		0.048			0.165			0.261			0.180		
Z (Mdis) USD		0.043	0.047	0.053	0.051	0.054	0.058	0.125	0.051	0.047	0.053	0.047	0.047
Z (Qdis) GBP-H1		0.046			0.158			0.253			0.173		
<b>Templeton Emerging Markets Smaller Companies Fund</b>													
A (Ydis) USD	0.034												
A (Ydis) GBP	0.052												
<b>Templeton Euro Government Bond Fund</b>													
A (Ydis) EUR	0.155												
<b>Templeton Euro High Yield Fund</b>													
A (Mdis) EUR		0.036	0.031	0.029	0.033	0.028	0.027	0.028	0.026	0.024	0.027	0.027	0.028
A (Mdis) USD		0.059	0.045	0.046	0.054	0.047	0.044	0.046	0.045	0.040	0.043	0.046	0.045
A (Ydis) EUR	0.377												
B (Mdis) EUR		0.055	0.044	0.042	0.047	0.040	0.037	0.038	0.034	0.033	0.036	0.037	0.037
B (Mdis) USD		0.050	0.037	0.036	0.046	0.038	0.034	0.036	0.032	0.030	0.033	0.035	0.034
I (Ydis) EUR	0.631												

# NOTES TO THE FINANCIAL STATEMENTS

## AT JUNE 30, 2013 (CONTINUED)

### Note 22 — Annual and interim dividends distributed for the year ended June 30, 2013 (continued)

	Annual Distribution Jul-2012	Jul- 2012	Aug- 2012	Sep- 2012	Oct- 2012	Nov- 2012	Dec- 2012	Jan- 2013	Feb- 2013	Mar- 2013	Apr- 2013	May- 2013	Jun- 2013
<b>Templeton Euro Liquid Reserve Fund</b>													
A (Ydis) EUR	0.031												
<b>Templeton Euroland Fund</b>													
A (Ydis) EUR	0.248												
B (Ydis) EUR	—												
<b>Templeton European Fund</b>													
A (Ydis) USD	0.265												
<b>Templeton European Corporate Bond Fund</b>													
A (Ydis) EUR	0.293												
I (Ydis) EUR	0.343												
N (Ydis) EUR	0.207												
<b>Templeton European Total Return Fund</b>													
A (Mdis) EUR		0.024	0.026	0.021	0.022	0.023	0.021	0.021	0.022	0.020	0.022	0.020	0.019
A (Mdis) USD		0.031	0.031	0.027	0.029	0.030	0.027	0.027	0.030	0.026	0.028	0.026	0.025
N (Mdis) EUR		0.023	0.023	0.018	0.020	0.019	0.018	0.017	0.019	0.017	0.018	0.017	0.015
<b>Templeton Frontier Markets Fund</b>													
A (Ydis) USD	0.200												
A (Ydis) GBP	0.221												
I (Ydis) GBP	0.390												
Z (Ydis) EUR-H1	0.160												
<b>Templeton Global Fund</b>													
A (Ydis) USD	0.227												
<b>Templeton Global (Euro) Fund</b>													
A (Ydis) EUR	0.089												
<b>Templeton Global Aggregate Bond Fund</b>													
A (Mdis) USD		0.013	0.015	0.009	0.012	0.012	0.019	0.012	0.011	0.012	0.012	0.014	0.041
A (Mdis) EUR		0.013	0.018	0.011	0.012	0.012	0.020	0.012	0.012	0.013	0.013	0.015	0.034
A (Qdis) GBP-H1		0.048			0.036			0.042			0.037		
A (Ydis) EUR-H1	0.168												
I (Qdis) EUR-H1		0.065			0.053			0.057			0.053		
I (Qdis) GBP-H1		0.063			0.052			0.059			0.054		
<b>Templeton Global Balanced Fund</b>													
A (Qdis) USD		0.147			0.050			0.033			0.037		
C (Qdis) USD		0.071			0.013			0.003			0.004		
I (Ydis) USD	0.070												
<b>Templeton Global Bond Fund</b>													
A (Mdis) USD		0.039	0.039	0.042	0.045	0.044	0.043	0.045	0.040	0.039	0.042	0.037	0.038
A (Mdis) AUD-H1		0.020	0.020	0.023	0.024	0.024	0.023	0.024	0.022	0.022	0.022	0.020	0.023
A (Mdis) CAD-H1		0.021	0.020	0.022	0.023	0.023	0.023	0.023	0.021	0.020	0.022	0.019	0.021
A (Mdis) EUR		0.030	0.033	0.034	0.034	0.033	0.034	0.034	0.030	0.030	0.033	0.028	0.029
A (Mdis) EUR-H1		0.025	0.026	0.027	0.028	0.028	0.027	0.029	0.025	0.026	0.028	0.023	0.025
A (Mdis) GBP		0.024	0.026	0.027	0.027	0.028	0.026	0.028	0.026	0.026	0.028	0.024	0.025
A (Mdis) GBP-H1		0.020	0.020	0.022	0.022	0.023	0.022	0.022	0.021	0.021	0.022	0.019	0.019
A (Mdis) HKD		0.020	0.022	0.023	0.024	0.024	0.023	0.024	0.022	0.021	0.023	0.020	0.021
A (Mdis) RMB-H1*				0.238	0.226	0.229	0.206	0.222	0.211	0.195	0.210	0.199	0.186
A (Mdis) SGD		0.021	0.021	0.023	0.024	0.023	0.023	0.024	0.021	0.021	0.023	0.020	0.020
A (Mdis) SGD-H1		0.023	0.024	0.026	0.027	0.027	0.026	0.028	0.025	0.025	0.025	0.023	0.024
A (Ydis) CHF-H1	0.214												
A (Ydis) EUR	0.419												
A (Ydis) EUR-H1	0.287												
B (Mdis) USD		0.016	0.014	0.017	0.020	0.019	0.017	0.019	0.013	0.015	0.014	0.011	0.011
C (Mdis) USD		0.020	0.020	0.023	0.024	0.023	0.023	0.024	0.020	0.020	0.021	0.018	0.018
I (Mdis) EUR		0.031	0.034	0.034	0.034	0.036	0.033	0.035	0.032	0.030	0.033	0.031	0.031
I (Mdis) GBP		0.027	0.030	0.030	0.031	0.032	0.030	0.032	0.030	0.030	0.031	0.029	0.030
I (Mdis) GBP-H1		0.027	0.027	0.029	0.030	0.031	0.029	0.030	0.030	0.028	0.029	0.026	0.027
I (Mdis) JPY		2.277	2.293	2.462	2.530	2.702	2.525	2.831	2.877	2.684	2.946	2.982	2.918
I (Mdis) JPY-H1		2.421	2.414	2.618	2.706	2.878	2.670	2.897	2.808	2.488	2.652	2.577	2.479
I (Ydis) EUR	0.446												
I (Ydis) EUR-H1	0.350												
N (Mdis) USD		0.016	0.015	0.017	0.017	0.017	0.017	0.017	0.016	0.014	0.016	0.013	0.014
N (Mdis) EUR-H1		0.021	0.021	0.023	0.024	0.024	0.023	0.024	0.020	0.022	0.022	0.019	0.019
N (Ydis) EUR-H1	0.212												
W (Mdis) USD*										0.022	0.023	0.023	0.022
W (Mdis) GBP		0.025	0.026	0.027	0.026	0.027	0.025	0.026	0.026	0.025	0.027	0.024	0.024
W (Mdis) GBP-H1		0.025	0.026	0.026	0.026	0.029	0.021	0.028	0.027	0.026	0.026	0.024	0.025
Z (Mdis) USD		0.023	0.022	0.025	0.025	0.025	0.024	0.026	0.023	0.022	0.024	0.022	0.022
Z (Mdis) GBP-H1		0.024	0.025	0.024	0.026	0.027	0.025	0.026	0.026	0.024	0.025	0.023	0.023
Z (Ydis) EUR-H1	0.324												

# NOTES TO THE FINANCIAL STATEMENTS

## AT JUNE 30, 2013 (CONTINUED)

### Note 22 — Annual and interim dividends distributed for the year ended June 30, 2013 (continued)

	Annual Distribution Jul-2012	Jul- 2012	Aug- 2012	Sep- 2012	Oct- 2012	Nov- 2012	Dec- 2012	Jan- 2013	Feb- 2013	Mar- 2013	Apr- 2013	May- 2013	Jun- 2013
<b>Templeton Global Bond (Euro) Fund</b>													
A (Ydis) EUR	0.249												
<b>Templeton Global Equity Income Fund</b>													
A (Qdis) USD		0.098			0.035			0.013			0.076		
A (Qdis) SGD		0.056			0.018			0.005			0.047		
B (Qdis) USD		0.066			0.010			—			0.065		
<b>Templeton Global High Income Bond Fund</b>													
A (Mdis) USD*				0.068	0.059	0.055	0.057	0.056	0.056	0.056	0.056	0.056	0.047
A (Mdis) HKD*				0.068	0.059	0.055	0.057	0.056	0.056	0.056	0.056	0.056	0.047
A (Mdis) SGD*				0.067	0.057	0.053	0.055	0.054	0.055	0.055	0.055	0.055	0.047
A (Mdis) SGD-H1*				0.067	0.058	0.055	0.057	0.056	0.056	0.056	0.056	0.056	0.047
<b>Templeton Global High Yield Fund</b>													
A (Mdis) USD		0.042	0.040	0.041	0.042	0.040	0.045	0.047	0.042	0.044	0.044	0.041	0.039
A (Mdis) EUR		0.033	0.033	0.032	0.032	0.031	0.036	0.035	0.032	0.034	0.034	0.031	0.030
<b>Templeton Global Income Fund</b>													
A (Qdis) USD		0.110			0.054			0.045			0.049		
A (Qdis) HKD		0.095			0.046			0.044			0.044		
A (Qdis) SGD		0.085			0.040			0.035			0.038		
B (Qdis) USD		0.078			0.019			0.010			0.009		
C (Qdis) USD		0.096			0.038			0.030			0.031		
<b>Templeton Global Smaller Companies Fund</b>													
A (Ydis) USD	0.085												
<b>Templeton Global Total Return Fund</b>													
A (Mdis) USD		0.050	0.053	0.056	0.057	0.064	0.065	0.129	0.057	0.050	0.061	0.052	0.050
A (Mdis) AUD-H1		0.030	0.032	0.036	0.036	0.045	0.041	0.082	0.036	0.033	0.039	0.033	0.035
A (Mdis) EUR		0.039	0.044	0.045	0.043	0.049	0.051	0.099	0.043	0.039	0.047	0.039	0.039
A (Mdis) EUR-H1		0.032	0.036	0.036	0.035	0.041	0.043	0.081	0.037	0.033	0.040	0.032	0.033
A (Mdis) GBP		0.032	0.034	0.036	0.035	0.040	0.041	0.080	0.037	0.033	0.041	0.033	0.033
A (Mdis) GBP-H1		0.025	0.026	0.028	0.027	0.032	0.032	0.063	0.029	0.026	0.030	0.025	0.025
A (Mdis) HKD		0.033	0.034	0.038	0.036	0.042	0.043	0.084	0.038	0.032	0.040	0.034	0.033
A (Mdis) RMB-H1*				0.377	0.332	0.380	0.377	0.762	0.345	0.292	0.359	0.315	0.292
A (Mdis) SGD		0.032	0.033	0.036	0.035	0.039	0.041	0.080	0.037	0.031	0.039	0.032	0.032
A (Mdis) SGD-H1		0.033	0.034	0.037	0.036	0.042	0.043	0.085	0.038	0.033	0.040	0.033	0.034
A (Ydis) CHF-H1	0.346												
A (Ydis) EUR	0.565												
A (Ydis) EUR-H1	0.468												
B (Mdis) USD		0.030	0.031	0.034	0.034	0.041	0.043	0.105	0.033	0.029	0.036	0.028	0.026
C (Mdis) USD		0.036	0.037	0.040	0.040	0.046	0.048	0.104	0.040	0.035	0.043	0.035	0.033
I (Mdis) EUR		0.043	0.050	0.050	0.049	0.054	0.056	0.103	0.049	0.043	0.053	0.045	0.044
I (Mdis) GBP		0.043	0.045	0.048	0.046	0.053	0.053	0.099	0.050	0.045	0.053	0.045	0.045
I (Mdis) GBP-H1		0.040	0.042	0.045	0.043	0.051	0.051	0.095	0.049	0.042	0.049	0.041	0.042
I (Mdis) JPY		3.301	3.383	3.624	3.581	4.232	4.262	8.500	4.437	3.868	4.729	4.449	4.239
I (Mdis) JPY-H1		3.292	3.396	3.679	3.643	4.348	4.322	8.301	4.142	3.414	4.039	3.693	3.445
I (Ydis) EUR	0.638												
I (Ydis) EUR-H1	0.529												
N (Mdis) USD*													0.008
N (Mdis) EUR-H1		0.031	0.034	0.034	0.034	0.040	0.043	0.088	0.035	0.031	0.040	0.030	0.030
N (Ydis) EUR-H1	0.388												
W (Mdis) USD*										0.030	0.037	0.032	0.031
W (Mdis) GBP		0.035	0.037	0.037	0.037	0.043	0.043	0.080	0.041	0.035	0.043	0.037	0.035
W (Mdis) GBP-H1*										0.031	0.037	0.031	0.031
X (Ydis) USD	0.368												
Z (Mdis) USD		0.033	0.034	0.037	0.036	0.041	0.042	0.080	0.037	0.033	0.039	0.034	0.033
Z (Mdis) GBP-H1		0.034	0.037	0.037	0.037	0.044	0.043	0.082	0.041	0.035	0.041	0.035	0.035
Z (Ydis) EUR-H1	0.498												
<b>Templeton Growth (Euro) Fund</b>													
A (Ydis) EUR	0.097												
A (Ydis) USD	0.122												
B (Ydis) EUR	—												
I (Ydis) EUR	0.175												
I (Ydis) USD	0.218												
<b>Templeton Latin America Fund</b>													
A (Ydis) USD	0.535												
A (Ydis) EUR	0.425												
A (Ydis) GBP	0.344												
I (Ydis) EUR-H2	0.179												
X (Ydis) USD	0.229												

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

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2013 (CONTINUED)

### **Note 23 — 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 the 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 24 — 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, 2013. 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 25 — Audited 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 26 — Global Credit Facility**

Effective January 18, 2013, 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.

During the financial year ended June 30, 2013, the Company did not utilise the Global Credit Facility.

## — Franklin Asian Flex Cap Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
33,000	Singapore Technologies Engineering Ltd.	SGP	SGD	109,110	0.98
<b>Auto Components</b>					
17,000	Cheng Shin Rubber Industry Co. Ltd.	TWN	TWD	53,660	0.48
<b>Automobiles</b>					
282,930	Dongfeng Motor Group Co. Ltd., H	CHN	HKD	377,923	3.38
1,266	Hyundai Motor Co.	KOR	KRW	249,898	2.23
125,500	PT Astra International Tbk	IDN	IDR	88,514	0.79
3,838	Mahindra & Mahindra Ltd.	IND	INR	62,312	0.56
11,334	Tata Motors Ltd.	IND	INR	53,583	0.48
				832,230	7.44
<b>Capital Markets</b>					
76,632	Motilal Oswal Financial Services Ltd.	IND	INR	104,973	0.94
<b>Chemicals</b>					
33,090	Formosa Plastics Corp.	TWN	TWD	80,048	0.72
<b>Commercial Banks</b>					
32,600	Kasikornbank PCL, fgn.	THA	THB	205,189	1.84
18,680	Woori Finance Holdings Co. Ltd.	KOR	KRW	172,509	1.54
124,000	PT Bank Central Asia Tbk	IDN	IDR	124,937	1.12
201,375	CTBC Financial Holding Co. Ltd.	TWN	TWD	124,641	1.11
22,260	Siam Commercial Bank PCL, fgn.	THA	THB	122,952	1.10
48,580	China Merchants Bank Co. Ltd., H	CHN	HKD	81,051	0.73
79,000	China Construction Bank Corp., H	CHN	HKD	55,920	0.50
1,689	State Bank of India	IND	INR	55,425	0.50
3,079	ICICI Bank Ltd.	IND	INR	55,327	0.49
				997,951	8.93
<b>Consumer Finance</b>					
15,980	Mahindra & Mahindra Financial Services Ltd.	IND	INR	69,750	0.62
<b>Containers &amp; Packaging</b>					
1,630	Lock & Lock Co. Ltd.	KOR	KRW	28,394	0.25
<b>Diversified Financial Services</b>					
83,220	Singapore Exchange Ltd.	SGP	SGD	461,658	4.13
29,657	Hong Kong Exchanges & Clearing Ltd.	HKG	HKD	447,764	4.00
26,000	First Pacific Co. Ltd.	HKG	HKD	27,824	0.25
				937,246	8.38
<b>Diversified Telecommunication Services</b>					
86,000	Singapore Telecommunications Ltd.	SGP	SGD	255,845	2.29
<b>Electronic Equipment, Instruments &amp; Components</b>					
1,833	Sapphire Technology Co. Ltd.	KOR	KRW	63,218	0.56
11,000	FLEXium Interconnect Inc.	TWN	TWD	37,804	0.34
				101,022	0.90
<b>Energy Equipment &amp; Services</b>					
54,000	Ezion Holdings Ltd.	SGP	SGD	90,337	0.81
<b>Food &amp; Staples Retailing</b>					
36,945	Dairy Farm International Holdings Ltd.	HKG	USD	443,710	3.97
20,900	CP ALL PCL, fgn.	THA	THB	26,175	0.23
				469,885	4.20
<b>Food Products</b>					
12,400	Nestle (Malaysia) Bhd.	MYS	MYR	262,953	2.35
5,658	Nestle Lanka PLC	LKA	LKR	84,042	0.75
				346,995	3.10
<b>Insurance</b>					
53,400	AIA Group Ltd.	HKG	HKD	226,174	2.02
20,158	Meritz Fire & Marine Insurance Co. Ltd.	KOR	KRW	224,095	2.01
				450,269	4.03
<b>Internet &amp; Catalog Retail</b>					
484	CJ O Shopping Co. Ltd.	KOR	KRW	146,166	1.31
<b>Internet Software &amp; Services</b>					
2,360	Baidu Inc., ADR	CHN	USD	223,091	1.99
1,504	Daum Communication Corp.	KOR	KRW	103,874	0.93
				326,965	2.92

The accompanying notes form an integral part of these financial statements

## — Franklin Asian Flex Cap Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>IT Services</b>				
30,468	Polaris Financial Technology Ltd.	IND	INR	58,420	0.52
420	Cognizant Technology Solutions Corp., A	USA	USD	26,296	0.24
				<u>84,716</u>	<u>0.76</u>
	<b>Leisure Equipment &amp; Products</b>				
41,000	Giant Manufacturing Co. Ltd.	TWN	TWD	281,815	2.52
	<b>Media</b>				
828,775	PT Surya Citra Media Tbk	IDN	IDR	227,548	2.03
113,435	Jagran Prakashan Ltd.	IND	INR	155,101	1.39
33,200	BEC World PCL, fgn.	THA	THB	62,636	0.56
				<u>445,285</u>	<u>3.98</u>
	<b>Multiline Retail</b>				
48,000	Parkson Retail Asia Ltd.	SGP	SGD	62,498	0.56
	<b>Oil, Gas &amp; Consumable Fuels</b>				
38,300	PTT PCL, fgn.	THA	THB	412,026	3.69
224,510	PetroChina Co. Ltd., H	CHN	HKD	238,811	2.14
63,540	CNOOC Ltd.	CHN	HKD	107,812	0.96
42,340	China Shenhua Energy Co. Ltd., H	CHN	HKD	107,543	0.96
4,198	Reliance Industries Ltd.	IND	INR	60,774	0.54
426	SK Innovation Co. Ltd.	KOR	KRW	50,528	0.45
				<u>977,494</u>	<u>8.74</u>
	<b>Personal Products</b>				
13,000	Hengan International Group Co. Ltd.	CHN	HKD	140,795	1.26
	<b>Pharmaceuticals</b>				
994,000	PT Kalbe Farma Tbk	IDN	IDR	144,218	1.29
	<b>Real Estate Management &amp; Development</b>				
178,720	China Overseas Land & Investment Ltd.	CHN	HKD	466,620	4.18
36,000	China Resources Land Ltd.	CHN	HKD	98,634	0.88
				<u>565,254</u>	<u>5.06</u>
	<b>Semiconductors &amp; Semiconductor Equipment</b>				
245,445	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	909,055	8.13
643	Samsung Electronics Co. Ltd.	KOR	KRW	755,345	6.76
35,000	Epistar Corp.	TWN	TWD	61,662	0.55
7,484	Simm Tech Co. Ltd.	KOR	KRW	58,305	0.52
1,584	Seoul Semiconductor Co. Ltd.	KOR	KRW	46,796	0.42
				<u>1,831,163</u>	<u>16.38</u>
	<b>Specialty Retail</b>				
75,950	L'Occitane International SA	LUX	HKD	204,173	1.83
58,000	Sa Sa International Holdings Ltd.	HKG	HKD	57,208	0.51
26,000	OSIM International Ltd.	SGP	SGD	40,316	0.36
				<u>301,697</u>	<u>2.70</u>
	<b>Textiles, Apparel &amp; Luxury Goods</b>				
75,000	Samsonite International SA	HKG	HKD	181,216	1.62
12,611	Titan Industries Ltd.	IND	INR	47,514	0.43
				<u>228,730</u>	<u>2.05</u>
	<b>Trading Companies &amp; Distributors</b>				
1,325	Samsung C&T Corp.	KOR	KRW	62,515	0.56
	<b>Transportation Infrastructure</b>				
52,000	SATS Ltd.	SGP	SGD	135,001	1.21
	<b>Wireless Telecommunication Services</b>				
69,120	Bharti Airtel Ltd.	IND	INR	338,326	3.03
	<b>TOTAL SHARES</b>			<u>11,000,353</u>	<u>98.40</u>
	<b>RIGHTS</b>				
	<b>Diversified Financial Services</b>				
3,250	First Pacific Co. Ltd., rts., 07/03/13	HKG	HKD	60	0.00
	<b>TOTAL RIGHTS</b>			<u>60</u>	<u>0.00</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>11,000,413</u>	<u>98.40</u>
	<b>TOTAL INVESTMENTS</b>			<u>11,000,413</u>	<u>98.40</u>

The accompanying notes form an integral

## — Franklin Biotechnology Discovery Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Biotechnology</b>					
1,596,000	Gilead Sciences Inc.	USA	USD	81,731,160	9.07
614,800	Celgene Corp.	USA	USD	71,876,268	7.97
251,340	Biogen Idec Inc.	USA	USD	54,088,368	6.00
447,000	Amgen Inc.	USA	USD	44,101,020	4.89
477,000	Vertex Pharmaceuticals Inc.	USA	USD	38,097,990	4.23
633,311	Medivation Inc.	USA	USD	31,158,901	3.46
328,200	Alexion Pharmaceuticals Inc.	USA	USD	30,273,168	3.36
1,590,700	ARIAD Pharmaceuticals Inc.	USA	USD	27,821,343	3.09
1,388,639	Celldex Therapeutics Inc.	USA	USD	21,676,655	2.41
240,000	Onyx Pharmaceuticals Inc.	USA	USD	20,836,800	2.31
88,700	Regeneron Pharmaceuticals Inc.	USA	USD	19,946,856	2.21
342,409	BioMarin Pharmaceutical Inc.	USA	USD	19,102,998	2.12
225,100	Pharmacyclics Inc.	USA	USD	17,888,697	1.99
573,600	Incyte Corp.	USA	USD	12,619,200	1.40
172,600	Clovis Oncology Inc.	USA	USD	11,560,748	1.28
406,300	Isis Pharmaceuticals Inc.	USA	USD	10,917,281	1.21
789,500	Neurocrine Biosciences Inc.	USA	USD	10,563,510	1.17
525,900	Acadia Pharmaceuticals Inc.	USA	USD	9,545,085	1.06
1,217,000	Keryx Biopharmaceuticals Inc.	USA	USD	9,090,990	1.01
191,800	Puma Biotechnology Inc.	USA	USD	8,510,166	0.94
1,027,300	Halozyne Therapeutics Inc.	USA	USD	8,156,762	0.91
180,400	Quintiles Transnational Holdings Inc.	USA	USD	7,677,824	0.85
105,500	United Therapeutics Corp.	USA	USD	6,944,010	0.77
253,101	Portola Pharmaceuticals Inc.	USA	USD	6,218,692	0.69
213,000	Alkermes PLC	USA	USD	6,108,840	0.68
291,428	Receptos Inc.	USA	USD	5,796,503	0.64
191,100	Epizyme Inc.	USA	USD	5,375,643	0.60
373,389	ChemoCentryx Inc.	USA	USD	5,279,720	0.59
163,900	Seattle Genetics Inc.	USA	USD	5,156,294	0.57
341,100	NPS Pharmaceuticals Inc.	USA	USD	5,150,610	0.57
879,400	Amarin Corp. PLC, ADR	GBR	USD	5,100,520	0.57
154,900	Tesaro Inc.	USA	USD	5,071,426	0.56
526,400	InterMune Inc.	USA	USD	5,063,968	0.56
850,300	Orexigen Therapeutics Inc.	USA	USD	4,974,255	0.55
588,800	Achillion Pharmaceuticals Inc.	USA	USD	4,816,384	0.53
261,300	Enanta Pharmaceuticals Inc.	USA	USD	4,627,623	0.51
147,700	Alnylam Pharmaceuticals Inc.	USA	USD	4,580,177	0.51
877,200	Astex Pharmaceuticals	USA	USD	3,605,292	0.40
141,600	Stemline Therapeutics Inc.	USA	USD	3,375,744	0.37
129,998	Bluebird Bio Inc.	USA	USD	3,246,050	0.36
1,241,774	Lexicon Pharmaceuticals Inc.	USA	USD	2,694,650	0.30
5,983,379	Mast Therapeutics Inc.	USA	USD	2,568,066	0.29
156,700	Infinity Pharmaceuticals Inc.	USA	USD	2,546,375	0.28
473,300	Threshold Pharmaceuticals Inc.	USA	USD	2,489,558	0.28
514,361	Targacept Inc.	USA	USD	2,196,321	0.24
97,713	Hyperion Therapeutics Inc.	USA	USD	2,149,686	0.24
122,500	PTC Therapeutics Inc.	USA	USD	1,837,500	0.20
244,802	MEI Pharma Inc.	USA	USD	1,745,438	0.19
68,000	Chimerix Inc.	USA	USD	1,648,320	0.18
1,278,900	Dynavax Technologies Corp.	USA	USD	1,406,790	0.16
308,315	Progenics Pharmaceuticals Inc.	USA	USD	1,375,085	0.15
283,000	Lpath Inc., A	USA	USD	1,245,200	0.14
305,200	Curis Inc.	USA	USD	973,588	0.11
119,917	Gentium SpA, ADR	ITA	USD	929,357	0.10
58,200	Biospecifics Technologies Corp.	USA	USD	907,920	0.10
58,200	Verastem Inc.	USA	USD	807,816	0.09
138,972	KaloBios Pharmaceuticals Inc.	USA	USD	786,582	0.09
1,532,400	Anthera Pharmaceuticals Inc.	USA	USD	709,654	0.08
1	Prothena Corp. PLC	IRL	USD	13	0.00
				<u>686,751,460</u>	<u>76.19</u>
<b>Health Care Equipment &amp; Supplies</b>					
630,300	Cerus Corp.	USA	USD	<u>2,785,926</u>	<u>0.31</u>
<b>Life Sciences Tools &amp; Services</b>					
246,500	Illumina Inc.	USA	USD	<u>18,448,060</u>	<u>2.05</u>

## — Franklin Biotechnology Discovery Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Pharmaceuticals</b>					
295,631	Jazz Pharmaceuticals PLC	USA	USD	20,318,719	2.25
167,800	Shire PLC, ADR	GBR	USD	15,959,458	1.77
505,125	Pacira Pharmaceuticals Inc.	USA	USD	14,648,625	1.63
167,500	Salix Pharmaceuticals Ltd.	USA	USD	11,080,125	1.23
241,500	Questcor Pharmaceuticals Inc.	USA	USD	10,978,590	1.22
583,100	Repro Therapeutics Inc.	USA	USD	10,758,195	1.19
1,857,700	SciClone Pharmaceuticals Inc.	USA	USD	9,214,192	1.02
677,700	Nektar Therapeutics	USA	USD	7,827,435	0.87
1,228,800	TherapeuticsMD Inc.	USA	USD	3,723,264	0.41
129,819	Transcept Pharmaceuticals Inc.	USA	USD	392,053	0.04
49,116	Nuvo Research Inc.	CAN	CAD	70,076	0.01
				<u>104,970,732</u>	<u>11.64</u>
	<b>TOTAL SHARES</b>			<u>812,956,178</u>	<u>90.19</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>812,956,178</u>	<u>90.19</u>
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Biotechnology</b>				
18,477,105	AP Pharma Inc.	USA	USD	6,633,280	0.74
138,900	OvaScience Inc., 144A	USA	USD	1,907,097	0.21
				<u>8,540,377</u>	<u>0.95</u>
	<b>TOTAL SHARES</b>			<u>8,540,377</u>	<u>0.95</u>
	<b>BONDS</b>				
	<b>Securities Maturing Within One Year</b>				
20,000,000	U.S. Treasury Bill, 0.00%, 08/08/13	USA	USD	19,999,640	2.22
10,000,000	U.S. Treasury Bill, 0.00%, 07/11/13	USA	USD	9,999,960	1.11
				<u>29,999,600</u>	<u>3.33</u>
	<b>TOTAL BONDS</b>			<u>29,999,600</u>	<u>3.33</u>
	<b>WARRANTS</b>				
	<b>Biotechnology</b>				
7,308,748	AP Pharma Inc., wts., 06/01/16	USA	USD	654,133	0.07
5,455,400	Mast Therapeutics Inc., wts., 06/14/18	USA	USD	436,432	0.05
				<u>1,090,565</u>	<u>0.12</u>
	<b>TOTAL WARRANTS</b>			<u>1,090,565</u>	<u>0.12</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>39,630,542</u>	<u>4.40</u>
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Biotechnology</b>				
18,800	Ablynx NV **	BEL	EUR	0	0.00
	<b>TOTAL SHARES</b>			<u>0</u>	<u>0.00</u>
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				
				<u>0</u>	<u>0.00</u>
	<b>TOTAL INVESTMENTS</b>			<u>852,586,720</u>	<u>94.59</u>

\*\* These securities are submitted to a Fair Valuation



## — Franklin Brazil Opportunities Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Consumer Discretionary</b>					
127,350	Estacio Participacoes SA	BRA	BRL	929,600	1.06
117,140	Alpargatas SA, pfd.	BRA	BRL	748,384	0.85
82,600	Cyrela Brazil Realty SA Empreendimentos e Participacoes	BRA	BRL	569,591	0.65
105,200	Magazine Luiza SA	BRA	BRL	257,702	0.29
33,100	T4F Entretenimento SA	BRA	BRL	111,081	0.13
				<u>2,616,358</u>	<u>2.98</u>
<b>Consumer Staples</b>					
10,000	Companhia Brasileira de Distribuicao, pfd., A	BRA	BRL	448,652	0.51
11,100	Companhia de Bebidas das Americas (AmBev), pfd.	BRA	BRL	415,135	0.47
51,600	Marfrig Alimentos SA	BRA	BRL	172,471	0.20
				<u>1,036,258</u>	<u>1.18</u>
<b>Financials</b>					
210,440	Itausa – Investimentos Itau SA, pfd.	BRA	BRL	779,862	0.89
108,700	BM&F BOVESPA SA	BRA	BRL	598,876	0.68
58,400	Aliansce Shopping Centers SA	BRA	BRL	498,872	0.57
37,700	CETIP SA Mercados Organizados	BRA	BRL	385,643	0.44
124,500	Banco Industrial e Comercial SA, pfd.	BRA	BRL	240,186	0.27
				<u>2,503,439</u>	<u>2.85</u>
<b>Industrials</b>					
68,200	Arteris SA	BRA	BRL	610,431	0.69
60,300	Embraer SA	BRA	BRL	551,354	0.63
45,900	Ecorodovias Infraestrutura e Logistica SA	BRA	BRL	321,047	0.37
370,500	LLX Logistica SA	BRA	BRL	167,888	0.19
				<u>1,650,720</u>	<u>1.88</u>
<b>Materials</b>					
115,800	Suzano Papel e Celulose SA, pfd., A	BRA	BRL	426,022	0.48
72,900	Klabin SA, pfd.	BRA	BRL	359,774	0.41
88,200	Usinas Siderurgicas de Minas Gerais SA, pfd., A	BRA	BRL	295,200	0.34
				<u>1,080,996</u>	<u>1.23</u>
<b>Utilities</b>					
35,500	Companhia de Saneamento Basico do Estado de Sao Paulo	BRA	BRL	364,891	0.41
40,000	Light SA	BRA	BRL	279,600	0.32
				<u>644,491</u>	<u>0.73</u>
<b>TOTAL SHARES</b>				<u>9,532,262</u>	<u>10.85</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>9,532,262</u>	<u>10.85</u>
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Corporate Bonds</b>					
3,500,000	Centrais Eletricas Brasileiras SA, senior note, Reg S, 5.75%, 10/27/21	BRA	USD	3,406,970	3.88
<b>Government and Municipal Bonds</b>					
10,100,000	Government of Brazil, senior note, 7.875%, 03/07/15	BRA	USD	11,159,540	12.70
10,000,000	Government of Brazil, senior bond, 10.50%, 07/14/14	BRA	USD	10,963,400	12.48
30,000	Letra Tesouro Nacional, Strip, 01/01/16	BRA	BRL	10,407,540	11.85
7,500,000	Government of Brazil, senior bond, 8.875%, 10/14/19	BRA	USD	9,879,600	11.24
1,000,000	Government of Brazil, senior note, 12.75%, 01/15/20	BRA	USD	1,556,135	1.77
590	Letras Financeiras Do Tesouro, Strip, 09/01/18	BRA	BRL	1,497,039	1.70
285	Letras Financeiras Do Tesouro, Strip, 03/07/15	BRA	BRL	721,440	0.82
100,000	Government of Brazil, 10.125%, 05/15/27	BRA	USD	155,555	0.18
100,000	Government of Brazil, senior bond, 8.875%, 04/15/24	BRA	USD	138,025	0.16
				<u>46,478,274</u>	<u>52.90</u>
<b>Securities Maturing Within One Year</b>					
20,000,000	U.S. Treasury Bill, 0.00%, 07/25/13	USA	USD	19,999,840	22.76
7,000	Letra Tesouro Nacional, Strip, 01/01/14	BRA	BRL	3,003,966	3.42
345	Letras Financeiras Do Tesouro, Strip, 03/07/14	BRA	BRL	872,740	0.99
				<u>23,876,546</u>	<u>27.17</u>
<b>TOTAL BONDS</b>				<u>73,761,790</u>	<u>83.95</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>73,761,790</u>	<u>83.95</u>
<b>TOTAL INVESTMENTS</b>				<u>83,294,052</u>	<u>94.80</u>

## — Franklin Euroland Core Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
	<b>Auto Components</b>				
7,479	Continental AG	DEU	EUR	767,345	3.12
	<b>Automobiles</b>				
6,515	Volkswagen AG, pfd.	DEU	EUR	1,013,408	4.12
	<b>Beverages</b>				
11,436	Anheuser-Busch InBev NV	BEL	EUR	782,108	3.18
	<b>Capital Markets</b>				
33,150	Banca Generali	ITA	EUR	548,964	2.23
	<b>Chemicals</b>				
12,770	BASF SE	DEU	EUR	876,405	3.56
5,281	Solvay SA	BEL	EUR	531,797	2.16
7,530	Arkema	FRA	EUR	531,091	2.16
				1,939,293	7.88
	<b>Commercial Banks</b>				
23,403	BNP Paribas SA	FRA	EUR	982,341	3.99
603,597	Intesa Sanpaolo SpA	ITA	EUR	743,028	3.02
35,019	Banco Bilbao Vizcaya Argentaria SA	ESP	EUR	225,697	0.92
				1,951,066	7.93
	<b>Construction &amp; Engineering</b>				
9,268	Vinci SA	FRA	EUR	357,328	1.45
	<b>Construction Materials</b>				
31,950	CRH PLC	IRL	EUR	496,823	2.02
	<b>Diversified Financial Services</b>				
116,095	ING Groep NV, IDR	NLD	EUR	812,665	3.31
13,772	Bolsas Y Mercados Espanoles	ESP	EUR	259,120	1.05
				1,071,785	4.36
	<b>Diversified Telecommunication Services</b>				
55,431	Telefonica SA	ESP	EUR	545,718	2.22
32,611	Deutsche Telekom AG	DEU	EUR	292,325	1.19
				838,043	3.41
	<b>Electrical Equipment</b>				
11,006	Legrand SA	FRA	EUR	392,254	1.59
25,858	Prysmian SpA	ITA	EUR	371,062	1.51
				763,316	3.10
	<b>Energy Equipment &amp; Services</b>				
15,308	Fugro NV, IDR	NLD	EUR	637,578	2.59
11,928	Saipem SpA	ITA	EUR	148,981	0.61
				786,559	3.20
	<b>Food Products</b>				
12,552	Unilever NV, IDR	NLD	EUR	379,761	1.54
	<b>Health Care Providers &amp; Services</b>				
4,311	Fresenius Medical Care AG & Co. KGaA	DEU	EUR	235,079	0.96
	<b>Household Durables</b>				
8,938	Nexity	FRA	EUR	254,644	1.04
	<b>Industrial Conglomerates</b>				
10,593	Siemens AG	DEU	EUR	822,546	3.34
	<b>Insurance</b>				
9,146	Allianz SE	DEU	EUR	1,026,638	4.17
8,475	Euler Hermes SA	FRA	EUR	656,389	2.67
182,454	Corporacion Mapfre SA	ESP	EUR	456,500	1.86
8,914	Vienna Insurance Group	AUT	EUR	318,096	1.29
				2,457,623	9.99
	<b>Internet &amp; Catalog Retail</b>				
40,010	Takkt AG	DEU	EUR	464,116	1.89
	<b>IT Services</b>				
6,594	Cap Gemini	FRA	EUR	246,286	1.00
	<b>Machinery</b>				
10,659	GEA Group AG	DEU	EUR	290,245	1.18

The accompanying notes form an integral

## — Franklin Euroland Core Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Media</b>				
37,929	Reed Elsevier NV	NLD	EUR	485,491	1.97
54,856	Mediaset Espana Comunicacion SA	ESP	EUR	366,987	1.49
9,112	GFK AG	DEU	EUR	355,322	1.45
				<u>1,207,800</u>	<u>4.91</u>
	<b>Metals &amp; Mining</b>				
35,686	ArcelorMittal	LUX	EUR	<u>305,972</u>	<u>1.24</u>
	<b>Multi-Utilities</b>				
38,364	GDF Suez	FRA	EUR	<u>577,186</u>	<u>2.35</u>
	<b>Oil, Gas &amp; Consumable Fuels</b>				
18,350	Total SA, B	FRA	EUR	688,217	2.79
39,248	Eni SpA	ITA	EUR	619,333	2.52
6,204	Royal Dutch Shell PLC, A	GBR	EUR	<u>152,277</u>	<u>0.62</u>
				<u>1,459,827</u>	<u>5.93</u>
	<b>Pharmaceuticals</b>				
16,885	Sanofi	FRA	EUR	<u>1,344,384</u>	<u>5.47</u>
	<b>Semiconductors &amp; Semiconductor Equipment</b>				
67,412	Infineon Technologies AG	DEU	EUR	433,459	1.76
6,421	ASML Holding NV	NLD	EUR	<u>389,241</u>	<u>1.58</u>
				<u>822,700</u>	<u>3.34</u>
	<b>Software</b>				
18,435	SAP AG	DEU	EUR	<u>1,037,153</u>	<u>4.22</u>
	<b>Textiles, Apparel &amp; Luxury Goods</b>				
4,493	LVMH Moet Hennessy Louis Vuitton	FRA	EUR	<u>559,379</u>	<u>2.27</u>
	<b>Transportation Infrastructure</b>				
31,859	Atlantia SpA	ITA	EUR	<u>399,193</u>	<u>1.62</u>
	<b>TOTAL SHARES</b>			<u>24,179,932</u>	<u>98.29</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>24,179,932</u>	<u>98.29</u>
	<b>TOTAL INVESTMENTS</b>			<u>24,179,932</u>	<u>98.29</u>

## — Franklin European Core Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
10,131	Chemring Group PLC	GBR	GBP	33,647	0.76
7,470	BAE Systems PLC	GBR	GBP	33,450	0.76
8,040	Cobham PLC	GBR	GBP	24,650	0.56
				<u>91,747</u>	<u>2.08</u>
<b>Auto Components</b>					
692	Continental AG	DEU	EUR	70,999	1.61
<b>Automobiles</b>					
766	Volkswagen AG, pfd.	DEU	EUR	119,151	2.70
<b>Beverages</b>					
1,204	Anheuser-Busch InBev NV	BEL	EUR	82,342	1.87
<b>Capital Markets</b>					
4,464	Banca Generali	ITA	EUR	73,924	1.68
<b>Chemicals</b>					
1,216	BASF SE	DEU	EUR	83,454	1.89
1,037	Arkema	FRA	EUR	73,140	1.66
653	Solvay SA	BEL	EUR	65,757	1.49
				<u>222,351</u>	<u>5.04</u>
<b>Commercial Banks</b>					
17,715	HSBC Holdings PLC	GBR	GBP	141,152	3.20
80,497	Intesa Sanpaolo SpA	ITA	EUR	99,092	2.24
6,951	DNB ASA	NOR	NOK	77,330	1.75
100,987	Lloyds Banking Group PLC	GBR	GBP	74,495	1.69
1,205	BNP Paribas SA	FRA	EUR	50,580	1.15
				<u>442,649</u>	<u>10.03</u>
<b>Construction &amp; Engineering</b>					
930	Vinci SA	FRA	EUR	35,856	0.81
<b>Consumer Finance</b>					
16,779	International Personal Finance PLC	GBR	GBP	98,219	2.23
<b>Diversified Financial Services</b>					
11,292	ING Groep NV, IDR	NLD	EUR	79,044	1.79
2,049	Bolsas Y Mercados Espanoles	ESP	EUR	38,552	0.87
				<u>117,596</u>	<u>2.66</u>
<b>Diversified Telecommunication Services</b>					
5,103	Telefonica SA	ESP	EUR	50,239	1.14
3,210	Deutsche Telekom AG	DEU	EUR	28,775	0.65
				<u>79,014</u>	<u>1.79</u>
<b>Electrical Equipment</b>					
3,760	Prysmian SpA	ITA	EUR	53,956	1.22
1,510	Legrand SA	FRA	EUR	53,816	1.22
				<u>107,772</u>	<u>2.44</u>
<b>Energy Equipment &amp; Services</b>					
2,198	Fugro NV, IDR	NLD	EUR	91,547	2.07
1,716	Saipem SpA	ITA	EUR	21,433	0.49
				<u>112,980</u>	<u>2.56</u>
<b>Food Products</b>					
2,107	Unilever NV, IDR	NLD	EUR	63,747	1.44
<b>Health Care Providers &amp; Services</b>					
340	Fresenius Medical Care AG & Co. KGaA	DEU	EUR	18,540	0.42
<b>Household Durables</b>					
3,310	JM AB	SWE	SEK	53,652	1.21
1,300	Nexity	FRA	EUR	37,037	0.84
				<u>90,689</u>	<u>2.05</u>
<b>Household Products</b>					
1,280	Reckitt Benckiser Group PLC	GBR	GBP	69,521	1.58
<b>Industrial Conglomerates</b>					
1,031	Siemens AG	DEU	EUR	80,057	1.81

The accompanying notes form an integral

## — Franklin European Core Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Insurance</b>				
1,170	Euler Hermes SA	FRA	EUR	90,616	2.05
730	Allianz SE	DEU	EUR	81,942	1.86
26,065	Corporacion Mapfre SA	ESP	EUR	65,215	1.48
240	Zurich Insurance Group AG	CHE	CHF	47,810	1.08
688	Trygvesta AS	DNK	DKK	43,567	0.99
6,185	Hiscox Ltd.	GBR	GBP	41,101	0.93
556	Vienna Insurance Group	AUT	EUR	19,841	0.45
				<u>390,092</u>	<u>8.84</u>
	<b>Internet &amp; Catalog Retail</b>				
4,860	Takkt AG	DEU	EUR	56,376	1.28
	<b>IT Services</b>				
950	Cap Gemini	FRA	EUR	35,483	0.80
	<b>Machinery</b>				
1,666	GEA Group AG	DEU	EUR	45,365	1.03
	<b>Media</b>				
9,520	Reed Elsevier PLC	GBR	GBP	83,118	1.88
7,883	Mediaset Espana Comunicacion SA	ESP	EUR	52,737	1.20
12,947	Cineworld Group PLC	GBR	GBP	50,903	1.15
833	GfK AG	DEU	EUR	32,483	0.74
				<u>219,241</u>	<u>4.97</u>
	<b>Metals &amp; Mining</b>				
1,110	Rio Tinto PLC	GBR	GBP	34,800	0.79
1,710	BHP Billiton PLC	GBR	GBP	33,601	0.76
3,835	ArcelorMittal	LUX	EUR	32,881	0.74
9,695	Glencore Xstrata PLC	CHE	GBP	30,825	0.70
				<u>132,107</u>	<u>2.99</u>
	<b>Oil, Gas &amp; Consumable Fuels</b>				
7,608	Royal Dutch Shell PLC, A	GBR	GBP	186,651	4.23
27,180	BP PLC	GBR	GBP	144,614	3.28
2,280	BG Group PLC	GBR	GBP	29,803	0.67
				<u>361,068</u>	<u>8.18</u>
	<b>Pharmaceuticals</b>				
1,046	Roche Holding AG	CHE	CHF	199,868	4.53
1,710	Sanofi	FRA	EUR	136,150	3.08
2,420	Novartis AG	CHE	CHF	132,032	2.99
3,500	GlaxoSmithKline PLC	GBR	GBP	67,404	1.53
				<u>535,454</u>	<u>12.13</u>
	<b>Semiconductors &amp; Semiconductor Equipment</b>				
969	ASML Holding NV	NLD	EUR	58,741	1.33
7,246	Infineon Technologies AG	DEU	EUR	46,592	1.06
				<u>105,333</u>	<u>2.39</u>
	<b>Software</b>				
1,430	SAP AG	DEU	EUR	80,452	1.82
	<b>Specialty Retail</b>				
404	Dufry AG	CHE	CHF	37,645	0.85
	<b>Textiles, Apparel &amp; Luxury Goods</b>				
331	LVMH Moet Hennessy Louis Vuitton	FRA	EUR	41,210	0.93
488	Swatch Group AG	CHE	CHF	35,314	0.80
				<u>76,524</u>	<u>1.73</u>
	<b>Tobacco</b>				
2,765	British American Tobacco PLC	GBR	GBP	108,848	2.47
	<b>Transportation Infrastructure</b>				
3,612	Atlantia SpA	ITA	EUR	45,258	1.03
	<b>Wireless Telecommunication Services</b>				
34,980	Vodafone Group PLC	GBR	GBP	76,796	1.74
	<b>TOTAL SHARES</b>			<u>4,283,196</u>	<u>97.05</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>4,283,196</u>	<u>97.05</u>
	<b>TOTAL INVESTMENTS</b>			<u>4,283,196</u>	<u>97.05</u>

## — Franklin European Dividend Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
105,800	Chemring Group PLC	GBR	GBP	351,381	1.51
76,285	BAE Systems PLC	GBR	GBP	341,597	1.47
				692,978	2.98
<b>Automobiles</b>					
9,334	Daimler AG	DEU	EUR	433,891	1.86
<b>Capital Markets</b>					
35,572	Banca Generali	ITA	EUR	589,072	2.53
<b>Chemicals</b>					
9,683	BASF SE	DEU	EUR	664,544	2.85
<b>Commercial Banks</b>					
58,432	HSBC Holdings PLC	GBR	GBP	465,581	2.00
338,376	Intesa Sanpaolo SpA	ITA	EUR	416,541	1.79
				882,122	3.79
<b>Construction &amp; Engineering</b>					
52,506	Veidekke ASA	NOR	NOK	308,837	1.32
6,260	Vinci SA	FRA	EUR	241,354	1.04
				550,191	2.36
<b>Construction Materials</b>					
26,330	CRH PLC	IRL	EUR	409,432	1.76
<b>Diversified Financial Services</b>					
17,846	Bolsas Y Mercados Espanoles	ESP	EUR	335,773	1.44
<b>Diversified Telecommunication Services</b>					
102,064	TDC AS	DNK	DKK	635,495	2.73
42,975	Deutsche Telekom AG	DEU	EUR	385,228	1.66
44,883	Orange SA	FRA	EUR	326,210	1.40
20,018	Vivendi SA	FRA	EUR	291,262	1.25
				1,638,195	7.04
<b>Electric Utilities</b>					
18,117	SSE PLC	GBR	GBP	322,494	1.38
<b>Gas Utilities</b>					
117,647	Snam SpA	ITA	EUR	411,765	1.77
<b>Household Durables</b>					
20,851	Nexity	FRA	EUR	594,045	2.55
35,014	JM AB	SWE	SEK	567,542	2.44
				1,161,587	4.99
<b>Household Products</b>					
9,476	Reckitt Benckiser Group PLC	GBR	GBP	514,671	2.21
<b>Industrial Conglomerates</b>					
5,039	Siemens AG	DEU	EUR	391,278	1.68
<b>Insurance</b>					
6,069	Allianz SE	DEU	EUR	681,245	2.93
8,160	Euler Hermes SA	FRA	EUR	631,992	2.71
2,378	Zurich Insurance Group AG	CHE	CHF	473,719	2.04
167,928	Corporacion Mapfre SA	ESP	EUR	420,156	1.80
54,271	Hiscox Ltd.	GBR	GBP	360,646	1.55
3,533	Hannover Rueckversicherung SE	DEU	EUR	195,446	0.84
				2,763,204	11.87
<b>Internet &amp; Catalog Retail</b>					
32,121	Takkt AG	DEU	EUR	372,604	1.60
<b>Media</b>					
132,750	Cineworld Group PLC	GBR	GBP	521,929	2.24
51,406	Reed Elsevier PLC	GBR	GBP	448,820	1.93
				970,749	4.17
<b>Metals &amp; Mining</b>					
20,273	BHP Billiton PLC	GBR	GBP	398,356	1.71

The accompanying notes form an integral

## — Franklin European Dividend Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Multi-Utilities</b>				
34,400	GDF Suez	FRA	EUR	517,548	2.22
54,535	National Grid PLC	GBR	GBP	475,183	2.04
99,281	Centrica PLC	GBR	GBP	417,774	1.80
				<u>1,410,505</u>	<u>6.06</u>
	<b>Office Electronics</b>				
8,965	Neopost SA	FRA	EUR	457,215	1.96
	<b>Oil, Gas &amp; Consumable Fuels</b>				
36,939	Royal Dutch Shell PLC, A	GBR	GBP	906,243	3.89
41,391	Eni SpA	ITA	EUR	653,150	2.81
109,459	BP PLC	GBR	GBP	582,389	2.50
12,544	Total SA, B	FRA	EUR	470,463	2.02
				<u>2,612,245</u>	<u>11.22</u>
	<b>Pharmaceuticals</b>				
14,233	Sanofi	FRA	EUR	1,133,231	4.86
5,421	Roche Holding AG	CHE	CHF	1,035,834	4.45
36,983	GlaxoSmithKline PLC	GBR	GBP	712,225	3.06
12,365	Novartis AG	CHE	CHF	674,621	2.90
				<u>3,555,911</u>	<u>15.27</u>
	<b>Tobacco</b>				
14,215	British American Tobacco PLC	GBR	GBP	559,593	2.40
	<b>Transportation Infrastructure</b>				
25,536	Atlantia SpA	ITA	EUR	319,966	1.37
	<b>Wireless Telecommunication Services</b>				
266,187	Vodafone Group PLC	GBR	GBP	584,394	2.51
	<b>TOTAL SHARES</b>			<u>23,002,735</u>	<u>98.78</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>23,002,735</u>	<u>98.78</u>
	<b>TOTAL INVESTMENTS</b>			<u>23,002,735</u>	<u>98.78</u>

## — Franklin European Growth Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Beverages</b>					
322,502	Anheuser-Busch InBev NV	BEL	EUR	22,055,912	2.99
268,525	Diageo PLC	GBR	GBP	5,897,623	0.80
				<u>27,953,535</u>	<u>3.79</u>
<b>Commercial Services &amp; Supplies</b>					
1,208,508	De La Rue PLC	GBR	GBP	13,650,731	1.85
<b>Consumer Finance</b>					
6,532,378	International Personal Finance PLC	GBR	GBP	38,238,534	5.19
<b>Diversified Consumer Services</b>					
2,043,436	Dignity PLC	GBR	GBP	32,506,550	4.41
<b>Electrical Equipment</b>					
780,357	Legrand SA	FRA	EUR	27,811,924	3.77
1,841,566	Prysmian SpA	ITA	EUR	26,426,472	3.59
185,223	Nexans SA	FRA	EUR	6,750,452	0.92
				<u>60,988,848</u>	<u>8.28</u>
<b>Energy Equipment &amp; Services</b>					
843,116	Fugro NV, IDR	NLD	EUR	35,115,782	4.76
724,678	TGS Nopec Geophysical Co. ASA	NOR	NOK	16,179,181	2.20
				<u>51,294,963</u>	<u>6.96</u>
<b>Household Durables</b>					
1,250,802	The Berkeley Group Holdings PLC	GBR	GBP	31,157,885	4.23
1,501,686	JM AB	SWE	SEK	24,340,849	3.30
				<u>55,498,734</u>	<u>7.53</u>
<b>Household Products</b>					
389,495	Reckitt Benckiser Group PLC	GBR	GBP	21,154,702	2.87
<b>Industrial Conglomerates</b>					
672,394	DCC PLC	IRL	GBP	20,167,028	2.74
<b>Insurance</b>					
465,802	Euler Hermes SA	FRA	EUR	36,076,365	4.90
3,873,134	Hiscox Ltd.	GBR	GBP	25,738,079	3.49
				<u>61,814,444</u>	<u>8.39</u>
<b>Marine</b>					
1,238,126	Clarkson PLC	GBR	GBP	24,578,220	3.33
<b>Media</b>					
786,495	GFK AG	DEU	EUR	30,669,373	4.16
2,320,659	Reed Elsevier NV	NLD	EUR	29,704,435	4.03
6,435,852	Cineworld Group PLC	GBR	GBP	25,303,658	3.44
3,505,287	Mediaset Espana Comunicacion SA	ESP	EUR	23,450,370	3.18
				<u>109,127,836</u>	<u>14.81</u>
<b>Office Electronics</b>					
484,534	Neopost SA	FRA	EUR	24,711,234	3.35
<b>Pharmaceuticals</b>					
138,646	Roche Holding AG	CHE	CHF	26,492,206	3.59
<b>Professional Services</b>					
713,777	Experian PLC	GBR	GBP	9,544,882	1.29
<b>Real Estate Management &amp; Development</b>					
5,670,796	Savills PLC	GBR	GBP	37,849,700	5.14
<b>Specialty Retail</b>					
208,515	Dufry AG	CHE	CHF	19,429,644	2.64
1,734,023	Carpetright PLC	GBR	GBP	11,811,787	1.60
				<u>31,241,431</u>	<u>4.24</u>
<b>Tobacco</b>					
1,054,097	Imperial Tobacco Group PLC	GBR	GBP	28,086,838	3.81
<b>Transportation Infrastructure</b>					
192,752	Flughafen Wien AG	AUT	EUR	8,465,668	1.15
<b>TOTAL SHARES</b>				<u>683,366,084</u>	<u>92.72</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>683,366,084</u>	<u>92.72</u>
<b>TOTAL INVESTMENTS</b>				<u>683,366,084</u>	<u>92.72</u>

The accompanying notes form an integral



## — Franklin European Small-Mid Cap Growth Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	<b>SHARES</b>				
	<b>Air Freight &amp; Logistics</b>				
13,400	Panalpina Welttransport Holding AG	CHE	CHF	1,110,253	0.24
	<b>Beverages</b>				
4,107,526	C&C Group PLC	IRL	EUR	17,087,308	3.66
	<b>Building Products</b>				
1,397,984	Uponor OYJ	FIN	EUR	16,076,816	3.44
	<b>Chemicals</b>				
4,036,200	Alent PLC	GBR	GBP	15,482,310	3.32
	<b>Construction &amp; Engineering</b>				
1,625,760	Keller Group PLC	GBR	GBP	18,819,701	4.03
1,559,796	Morgan Sindall PLC	GBR	GBP	10,998,597	2.36
				29,818,298	6.39
	<b>Distributors</b>				
2,949,000	Headlam Group PLC	GBR	GBP	12,386,992	2.65
	<b>Diversified Consumer Services</b>				
1,028,970	Dignity PLC	GBR	GBP	16,368,639	3.51
	<b>Diversified Financial Services</b>				
2,571,283	Hellenic Exchanges SA Holding Clearing Settlement and Registry	GRC	EUR	15,376,272	3.30
2,621,000	RHJ International	BEL	EUR	9,488,020	2.03
				24,864,292	5.33
	<b>Electrical Equipment</b>				
1,218,600	Prysmian SpA	ITA	EUR	17,486,910	3.74
	<b>Food &amp; Staples Retailing</b>				
693,738	Sligro Food Group NV	NLD	EUR	17,846,410	3.82
	<b>Household Products</b>				
4,851,600	McBride PLC	GBR	GBP	6,320,509	1.35
	<b>Industrial Conglomerates</b>				
504,000	DCC PLC	IRL	GBP	15,116,408	3.24
	<b>Insurance</b>				
267,358	Euler Hermes SA	FRA	EUR	20,706,877	4.43
	<b>IT Services</b>				
7,773,667	Optimal Payments PLC	GBR	GBP	15,860,780	3.40
	<b>Leisure Equipment &amp; Products</b>				
1,336,623	Beneteau	FRA	EUR	11,347,929	2.43
	<b>Machinery</b>				
1,260,390	Zardoya Otis SA	ESP	EUR	13,725,647	2.94
3,136,400	Vesuvius PLC	GBR	GBP	13,474,643	2.89
				27,200,290	5.83
	<b>Marine</b>				
675,942	Irish Continental Group PLC	IRL	EUR	15,005,912	3.21
	<b>Office Electronics</b>				
181,314	Neopost SA	FRA	EUR	9,247,014	1.98
	<b>Professional Services</b>				
3,889,700	Michael Page International PLC	GBR	GBP	16,867,774	3.61
832,600	Experian PLC	GBR	GBP	11,133,825	2.38
2,350,000	Sthree PLC	GBR	GBP	9,095,278	1.95
				37,096,877	7.94
	<b>Real Estate Management &amp; Development</b>				
2,671,602	Savills PLC	GBR	GBP	17,831,594	3.82
2,513,000	Countrywide PLC	GBR	GBP	14,791,076	3.17
				32,622,670	6.99
	<b>Specialty Retail</b>				
2,463,069	JUMBO SA	GRC	EUR	18,719,324	4.01
1,806,467	Carpetright PLC	GBR	GBP	12,305,260	2.63
				31,024,584	6.64

## — Franklin European Small-Mid Cap Growth Fund —

# SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Trading Companies &amp; Distributors</b>				
4,301,671	Grafton Group PLC	IRL	EUR	23,095,672	4.95
	<b>Transportation Infrastructure</b>				
330,700	Flughafen Wien AG	AUT	EUR	14,524,344	3.11
	<b>TOTAL SHARES</b>			427,698,094	91.60
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			427,698,094	91.60
	<b>TOTAL INVESTMENTS</b>			427,698,094	91.60

## — Franklin Global Convertible Securities Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Advertising</b>					
3,623	Nielsen Holdings NV	USA	USD	121,697	0.64
<b>Automobile Manufacturers</b>					
5,000	General Motors Co., 4.75%, cvt. pfd., B	USA	USD	240,800	1.26
<b>Computer Storage &amp; Peripherals</b>					
308	NetApp Inc.	USA	USD	11,636	0.06
<b>Diversified Financial Services</b>					
3,071	Citigroup Inc.	USA	USD	147,316	0.77
<b>Diversified Metals &amp; Mining</b>					
6,270	AngloGold Ashanti Holdings Finance PLC, 6.00%, cvt. pfd.	ZAF	USD	107,907	0.57
1,530	Anglo American PLC	GBR	GBP	29,470	0.15
				137,377	0.72
<b>Electric Utilities</b>					
3,000	Dominion Resources Inc., 6.125%, cvt. pfd., A	USA	USD	150,600	0.79
3,000	Dominion Resources Inc., 6.00%, cvt. pfd., B	USA	USD	150,150	0.79
2,000	PPL Corp., 9.50%, cvt. pfd.	USA	USD	104,820	0.55
				405,570	2.13
<b>Household Appliances</b>					
2,800	Stanley Black & Decker Inc., 4.75%, cvt. pfd.	USA	USD	361,592	1.90
<b>Industrial Machinery</b>					
18,000	Hitachi Ltd.	JPN	JPY	115,596	0.61
<b>Life &amp; Health Insurance</b>					
1,500	MetLife Inc., 5.00%, cvt. pfd.	USA	USD	82,185	0.43
<b>Oil &amp; Gas Drilling</b>					
1,800	Apache Corp., 6.00%, cvt. pfd.	USA	USD	85,932	0.45
<b>Packaged Foods</b>					
3,186	Danone	FRA	EUR	239,119	1.25
<b>Steel</b>					
8,000	Cliffs Natural Resources Inc., 7.00%, cvt. pfd.	USA	USD	141,920	0.74
<b>Wireless Telecommunication Services</b>					
3,050	Intelsat SA, 5.75%, cvt. pfd., A	LUX	USD	167,750	0.88
<b>TOTAL SHARES</b>				2,258,490	11.84
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				2,258,490	11.84
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Capital Markets</b>					
2,300	Affiliated Managers Group Inc., 5.10%, cvt. pfd.	USA	USD	141,306	0.74
<b>Electric Utilities</b>					
4,000	NextEra Energy Inc., 5.599%, cvt. pfd.	USA	USD	226,868	1.19
<b>Metals &amp; Mining</b>					
5,000	ArcelorMittal, 6.00%, cvt. pfd.	LUX	USD	97,430	0.51
<b>Oil, Gas &amp; Consumable Fuels</b>					
4,000	Sanchez Energy Corp., 6.50%, cvt. pfd., B, 144A	USA	USD	237,720	1.24
120	Chesapeake Energy Corp., 5.75%, cvt. pfd., Reg S	USA	USD	123,852	0.65
				361,572	1.89
<b>Road &amp; Rail</b>					
18,000	Swift Transportation Co., 6.00%, cvt. pfd., 144A	USA	USD	251,685	1.32
<b>TOTAL SHARES</b>				1,078,861	5.65

## — Franklin Global Convertible Securities Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>BONDS</b>					
<b>Corporate Bonds</b>					
400,000	Adidas AG, cvt., senior note, Reg S, 0.25%, 06/14/19	DEU	EUR	643,197	3.37
30,000,000	KDDI Corp., cvt., senior bond, Reg S, zero cpn., 12/14/15	JPN	JPY	546,149	2.86
400,000	Volkswagen International Finance, cvt., Reg S, 5.50%, 11/09/15	DEU	EUR	535,829	2.81
41,000,000	Asahi Group Holdings Ltd., cvt., senior bond, zero cpn., 05/26/28	JPN	JPY	523,195	2.74
410,000	Cemex SAB de CV, cvt., sub. note, 3.75%, 03/15/18	MEX	USD	508,164	2.66
500,000	Billion Express Investments Ltd., cvt., senior bond, Reg S, 0.75%, 10/18/15	CHN	USD	506,215	2.65
300,000	Industrivarden AB, cvt., Reg S, 2.50%, 02/27/15	SWE	EUR	478,542	2.51
3,200	Technip SA, cvt., senior bond, Reg S, 0.25%, 01/01/17	FRA	EUR	445,430	2.34
30,000,000	Unicharm Corp., cvt., zero cpn., 09/24/15	JPN	JPY	439,082	2.30
400,000	Glencore Finance Europe SA, cvt., Reg S, 5.00%, 12/31/14	CHE	USD	438,546	2.30
300,000	Micron Technology Inc., cvt., senior bond, F, 144A, 2.125%, 02/15/33	USA	USD	437,421	2.29
300,000	Xilinx Inc., cvt., senior note, 2.625%, 06/15/17	USA	USD	430,125	2.26
404,000	Commonwealth Property Office Fund, cvt., senior bond, 5.25%, 12/11/16	AUS	AUD	420,027	2.20
400,000	Netsuite Inc., cvt., senior note, 144A, 0.25%, 06/01/18	USA	USD	409,000	2.14
500,000	Temasek Financial III Pte Ltd., cvt., senior bond, Reg S, zero cpn., 10/24/14	SGP	SGD	407,852	2.14
300,000	Steinhoff Finance Holding, cvt., senior note, Reg S, 6.375%, 05/26/17	ZAF	EUR	397,688	2.09
280,000	Novellus Systems Inc., cvt., senior note, 2.625%, 05/15/41	USA	USD	397,519	2.08
350,000	Liberty Interactive LLC, cvt., senior note, 144A, 0.75%, 03/30/43	USA	USD	386,613	2.03
350,000	Shutterfly Inc., cvt. senior note, 144A, 0.25%, 05/15/18	USA	USD	386,078	2.02
320,000	Brookdale Senior Living Inc., cvt., senior note, 2.75%, 06/15/18	USA	USD	378,400	1.98
350,000	Corsicanto Ltd., cvt., senior bond, 3.50%, 01/15/32	USA	USD	374,062	1.96
300,000	Qiagen Euro Finance SA, cvt., senior note, 3.25%, 05/16/26	LUX	USD	367,197	1.93
310,000	Forest City Enterprises Inc., cvt., senior note, 4.25%, 08/15/18	USA	USD	348,169	1.83
300,000	Jarden Corp., cvt., senior sub. note, 144A, 1.875%, 09/15/18	USA	USD	338,357	1.77
300,000	Concur Technologies Inc., cvt., senior note, 144A, 0.50%, 06/15/18	USA	USD	300,000	1.57
190,000	Salix Pharmaceuticals Ltd., cvt., senior note, 2.75%, 05/15/15	USA	USD	288,524	1.51
250,000	Iconix Brand Group Inc., cvt., senior sub. note, 2.50%, 06/01/16	USA	USD	283,125	1.48
200,000	HeartWare International Inc., cvt., senior note, 3.50%, 12/15/17	USA	USD	249,125	1.31
185,000	Intel Corp., cvt., junior sub., 3.25%, 08/01/39	USA	USD	236,107	1.24
210,000	Cobalt International Energy Inc., cvt., senior note, 2.625%, 12/01/19	USA	USD	222,947	1.17
185,000	Nuance Communications Inc., cvt., senior bond, 2.75%, 08/15/27	USA	USD	214,484	1.13
190,000	Bottomline Technologies Inc., cvt., senior note, 1.50%, 12/01/17	USA	USD	208,288	1.09
120,000	Pacira Pharmaceuticals Inc., cvt., senior note, 144A, 3.25%, 02/01/19	USA	USD	167,270	0.88
140,000	Molycorp Inc., cvt., senior note, 5.50%, 02/01/18	USA	USD	137,550	0.72
100,000	Abengoa SA, cvt., senior note, 6.875%, 07/24/14	ESP	EUR	131,402	0.69
100,000	Peabody Energy Corp., cvt., junior sub. bond, 4.75%, 12/15/66	USA	USD	69,938	0.37
				<u>13,051,617</u>	<u>68.42</u>
<b>Securities Maturing Within One Year</b>					
450,000	Shire PLC, cvt., 2.75%, 05/09/14	IRL	USD	495,538	2.60
352,000	SK Telecom Co. Ltd., cvt., 1.75%, 04/07/14	KOR	USD	469,118	2.46
400,000	Subsea 7 SA, cvt., senior bond, 2.25%, 10/11/13	GBR	USD	401,186	2.10
230,000	International Game Technology, cvt., senior note, 3.25%, 05/01/14	USA	USD	245,525	1.29
70,000	Alliance Data Systems Corp., cvt., senior note, 1.75%, 08/01/13	USA	USD	159,119	0.83
7,000,000	ORIX Corp., cvt., senior bond, 1.00%, 03/31/14	JPN	JPY	139,802	0.73
				<u>1,910,288</u>	<u>10.01</u>
<b>TOTAL BONDS</b>				<u>14,961,905</u>	<u>78.43</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>16,040,766</u>	<u>84.08</u>
<b>TOTAL INVESTMENTS</b>				<u>18,299,256</u>	<u>95.92</u>

The accompanying notes form an integral

## — Franklin Global Growth Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
39,000	MTU Aero Engines AG	DEU	EUR	3,761,638	2.41
<b>Biotechnology</b>					
76,000	CSL Ltd.	AUS	AUD	4,281,337	2.75
<b>Capital Markets</b>					
700,000	Aberdeen Asset Management PLC	GBR	GBP	4,075,802	2.61
11,100	Partners Group Holding AG	CHE	CHF	3,004,525	1.93
				7,080,327	4.54
<b>Chemicals</b>					
108,000	Symrise AG	DEU	EUR	4,373,388	2.81
36,000	Praxair Inc.	USA	USD	4,145,760	2.66
10,500	Syngenta AG	CHE	CHF	4,107,319	2.63
96,000	Umicore SA	BEL	EUR	3,989,921	2.56
				16,616,388	10.66
<b>Commercial Banks</b>					
270,000	United Overseas Bank Ltd.	SGP	SGD	4,231,367	2.72
115,000	U.S. Bancorp	USA	USD	4,157,250	2.67
75,000	Bank of Nova Scotia	CAN	CAD	4,010,558	2.57
				12,399,175	7.96
<b>Computers &amp; Peripherals</b>					
9,700	Apple Inc.	USA	USD	3,841,976	2.47
<b>Diversified Financial Services</b>					
23,000	IntercontinentalExchange Inc.	USA	USD	4,088,480	2.62
<b>Electronic Equipment, Instruments &amp; Component</b>					
34,000	YASKAWA Electric Corp.	JPN	JPY	413,731	0.27
<b>Energy Equipment &amp; Services</b>					
63,000	Schlumberger Ltd.	USA	USD	4,514,580	2.90
223,000	WorleyParsons Ltd.	AUS	AUD	3,975,968	2.55
45,000	FMC Technologies Inc.	USA	USD	2,505,600	1.61
60,000	Saipem SpA	ITA	EUR	975,456	0.62
				11,971,604	7.68
<b>Health Care Equipment &amp; Supplies</b>					
260,000	Elekta AB, B	SWE	SEK	3,954,284	2.54
68,000	Cochlear Ltd.	AUS	AUD	3,838,757	2.46
				7,793,041	5.00
<b>Health Care Technology</b>					
46,000	athenahealth Inc.	USA	USD	3,897,120	2.50
<b>Household Products</b>					
56,000	Reckitt Benckiser Group PLC	GBR	GBP	3,959,016	2.54
<b>Industrial Conglomerates</b>					
62,000	Danaher Corp.	USA	USD	3,924,600	2.52
<b>Insurance</b>					
215,000	Admiral Group PLC	GBR	GBP	4,340,696	2.78
<b>Internet &amp; Catalog Retail</b>					
5,100	Priceline.com Inc.	USA	USD	4,218,363	2.71
14,000	Amazon.com Inc.	USA	USD	3,887,660	2.49
				8,106,023	5.20
<b>Internet Software &amp; Services</b>					
32,000	MercadoLibre Inc.	ARG	USD	3,448,320	2.21
<b>IT Services</b>					
21,000	Visa Inc., A	USA	USD	3,837,750	2.46
<b>Personal Products</b>					
400,000	Hengan International Group Co. Ltd.	CHN	HKD	4,332,158	2.78
<b>Pharmaceuticals</b>					
28,000	Novo Nordisk AS, B	DNK	DKK	4,363,662	2.80
16,000	Roche Holding AG	CHE	CHF	3,979,468	2.55
				8,343,130	5.35
<b>Professional Services</b>					
1,300	SGS SA	CHE	CHF	2,791,660	1.79
<b>Real Estate Investment Trust (REIT)</b>					
49,000	American Tower Corp.	USA	USD	3,585,330	2.30

part of these financial statements

## — Franklin Global Growth Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Semiconductors &amp; Semiconductor Equipment</b>				
51,000	ASML Holding NV	NLD	EUR	4,024,207	2.58
280,000	ARM Holdings PLC	GBR	GBP	3,384,348	2.17
				<u>7,408,555</u>	<u>4.75</u>
	<b>Software</b>				
33,000	Dassault Systemes SA	FRA	EUR	4,036,859	2.59
113,000	Informatica Corp.	USA	USD	3,952,740	2.54
				<u>7,989,599</u>	<u>5.13</u>
	<b>Textiles, Apparel &amp; Luxury Goods</b>				
200,000	Burberry Group PLC	GBR	GBP	4,104,774	2.63
80,000	Luxottica Group SpA	ITA	EUR	4,044,487	2.60
				<u>8,149,261</u>	<u>5.23</u>
	<b>Trading Companies &amp; Distributors</b>				
5,000,000	Noble Group Ltd.	HKG	SGD	3,827,185	2.46
	<b>TOTAL SHARES</b>			<u>150,188,100</u>	<u>96.36</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>150,188,100</u>	<u>96.36</u>
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET <b>SHARES</b>				
	<b>Commercial Banks</b>				
83,500	Irish Bank Resolution Corp. Ltd. **	IRL	EUR	0	0.00
	<b>TOTAL SHARES</b>			<u>0</u>	<u>0.00</u>
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>0</u>	<u>0.00</u>
	<b>TOTAL INVESTMENTS</b>			<u>150,188,100</u>	<u>96.36</u>

\*\* These securities are submitted to a Fair Valuation

## — Franklin Global Listed Infrastructure Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Airport Services</b>					
1,260	Aéroports de Paris (ADP)	FRA	EUR	122,530	2.62
15,900	BBA Aviation PLC	GBR	GBP	67,877	1.45
28,609	Auckland International Airport Ltd.	NZL	NZD	65,842	1.41
560	Grupo Aeroportuario del Sureste SAB de CV, ADR	MEX	USD	62,294	1.33
100	Unique Zurich Airport	CHE	CHF	50,220	1.07
16,073	Sydney Airport	AUS	AUD	49,698	1.06
790	Fraport AG	DEU	EUR	47,796	1.02
16,000	SATS Ltd.	SGP	SGD	41,539	0.89
2,600	Japan Airport Terminal Co. Ltd.	JPN	JPY	41,258	0.88
810	Grupo Aeroportuario del Pacifico SAB de CV, ADR	MEX	USD	41,172	0.88
6,000	SIA Engineering Co.	SGP	SGD	23,863	0.51
12,128	Gemina SpA	ITA	EUR	21,754	0.47
				<u>635,843</u>	<u>13.59</u>
<b>Electric Utilities</b>					
2,470	Duke Energy Corp.	USA	USD	166,725	3.56
1,750	NextEra Energy Inc.	USA	USD	142,590	3.05
2,660	The Southern Co.	USA	USD	117,386	2.51
2,720	Exelon Corp.	USA	USD	83,993	1.80
1,830	American Electric Power Co. Inc.	USA	USD	81,947	1.75
13,454	Iberdrola SA	ESP	EUR	71,030	1.52
1,960	PPL Corp.	USA	USD	59,310	1.27
2,520	SSE PLC	GBR	GBP	58,389	1.25
16,795	Enel SpA	ITA	EUR	52,685	1.13
1,010	FirstEnergy Corp.	USA	USD	37,713	0.81
370	Entergy Corp.	USA	USD	25,782	0.55
1,560	Enersis SA, ADR	CHL	USD	25,522	0.54
1,839	Companhia Energetica de Minas Gerais, ADR, pfd.	BRA	USD	16,496	0.35
				<u>939,568</u>	<u>20.09</u>
<b>Highways &amp; Railtracks</b>					
36,553	Transurban Group	AUS	AUD	226,046	4.83
10,028	Abertis Infraestructuras SA	ESP	EUR	174,909	3.74
7,596	Atlantia SpA	ITA	EUR	123,888	2.65
15,640	Groupe Eurotunnel SA	FRA	EUR	118,971	2.55
3,879	Ansaldo STS SpA	ITA	EUR	37,540	0.80
15,072	Qube Logistics Holdings Ltd.	AUS	AUD	22,957	0.49
1,761	Sias	ITA	EUR	14,407	0.31
				<u>718,718</u>	<u>15.37</u>
<b>Independent Power Producers &amp; Energy Traders</b>					
820	Huaneng Power International Inc., ADR	CHN	USD	31,529	0.67
370	Empresa Nacional de Electricidad SA, ADR	CHL	USD	16,343	0.35
10,000	China Longyuan Power Group Corp.	CHN	HKD	10,366	0.22
				<u>58,238</u>	<u>1.24</u>
<b>Marine Ports &amp; Services</b>					
125,000	Hutchison Port Holdings Trust	HKG	USD	91,875	1.97
1,390	Koninklijke Vopak NV	NLD	EUR	82,006	1.75
24,000	China Merchants Holdings International Co. Ltd.	CHN	HKD	74,730	1.60
5,000	Mitsubishi Logistics Corp.	JPN	JPY	69,816	1.49
8,000	Kamigumi Co. Ltd.	JPN	JPY	64,442	1.38
50,000	COSCO Pacific Ltd.	CHN	HKD	64,402	1.38
6,000	Sumitomo Warehouse Co. Ltd.	JPN	JPY	34,298	0.73
1,200	Westshore Terminals Investment Corp.	CAN	CAD	32,792	0.70
				<u>514,361</u>	<u>11.00</u>
<b>Multi-Utilities</b>					
11,730	National Grid PLC	GBR	GBP	133,039	2.84
2,070	Dominion Resources Inc.	USA	USD	117,617	2.52
6,240	E.ON SE	DEU	EUR	102,422	2.19
17,080	Centrica PLC	GBR	GBP	93,553	2.00
4,300	GDF Suez	FRA	EUR	84,208	1.80
2,460	Public Service Enterprise Group Inc.	USA	USD	80,344	1.72
750	Sempra Energy	USA	USD	61,320	1.31
1,160	PG&E Corp.	USA	USD	53,047	1.13
1,330	RWE AG	DEU	EUR	42,449	0.91
				<u>767,999</u>	<u>16.42</u>

## — Franklin Global Listed Infrastructure Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Oil &amp; Gas Storage &amp; Transportation</b>					
4,500	Enbridge Inc.	CAN	CAD	189,228	4.04
3,730	Kinder Morgan Inc.	USA	USD	142,299	3.04
3,300	TransCanada Corp.	CAN	CAD	142,126	3.04
3,890	Spectra Energy Corp.	USA	USD	134,049	2.87
3,350	The Williams Cos. Inc.	USA	USD	108,775	2.32
2,830	Ultrapar Participacoes SA, ADR	BRA	USD	67,750	1.45
1,750	Cheniere Energy Inc.	USA	USD	48,580	1.04
1,500	Pembina Pipeline Corp.	CAN	CAD	45,912	0.98
660	SemGroup Corp., A	USA	USD	35,548	0.76
790	Teekay Corp.	CAN	USD	32,098	0.69
600	Altogas Ltd.	CAN	CAD	21,036	0.45
600	Gibson Energy Inc.	CAN	CAD	14,068	0.30
				<u>981,469</u>	<u>20.98</u>
<b>Water Utilities</b>					
2,100	Companhia de Saneamento Basico do Estado de Sao Paulo, ADR	BRA	USD	21,861	0.47
	<b>TOTAL SHARES</b>			<u>4,638,057</u>	<u>99.16</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>4,638,057</u>	<u>99.16</u>
	<b>TOTAL INVESTMENTS</b>			<u>4,638,057</u>	<u>99.16</u>

The accompanying notes form an integral



## — Franklin Global Real Estate Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Hotels, Resorts &amp; Cruiselines</b>					
57,364	Starwood Hotels & Resorts Worldwide Inc.	USA	USD	3,624,831	0.78
<b>Real Estate Investment Trusts</b>					
146,262	Simon Property Group Inc.	USA	USD	23,097,695	4.99
1,307,453	Westfield Group	AUS	AUD	13,682,904	2.96
284,272	Prologis Inc.	USA	USD	10,722,740	2.32
153,199	Ventas Inc.	USA	USD	10,641,203	2.30
147,861	Health Care REIT Inc.	USA	USD	9,911,123	2.14
196,833	HCP Inc.	USA	USD	8,944,092	1.93
76,662	Boston Properties Inc.	USA	USD	8,085,541	1.75
134,310	Equity Residential	USA	USD	7,798,039	1.69
91,309	Vornado Realty Trust	USA	USD	7,564,951	1.64
425,204	Host Hotels & Resorts Inc.	USA	USD	7,173,191	1.55
45,096	Public Storage	USA	USD	6,914,570	1.49
46,841	AvalonBay Communities Inc.	USA	USD	6,319,319	1.37
1,270,254	The Link REIT	HKG	HKD	6,256,320	1.35
287,116	Kimco Realty Corp.	USA	USD	6,152,896	1.33
437,242	Land Securities Group PLC	GBR	GBP	5,881,744	1.27
100,934	Kilroy Realty Corp.	USA	USD	5,350,511	1.16
59,314	SL Green Realty Corp.	USA	USD	5,230,902	1.13
296,877	DDR Corp.	USA	USD	4,943,002	1.07
243,392	General Growth Properties Inc.	USA	USD	4,836,199	1.05
602,820	Hammerson PLC	GBR	GBP	4,468,019	0.97
1,258,130	GPT Group	AUS	AUD	4,419,599	0.96
63,376	Camden Property Trust	USA	USD	4,381,817	0.95
502,923	British Land Co. PLC	GBR	GBP	4,334,904	0.94
26,022	Essex Property Trust Inc.	USA	USD	4,135,416	0.89
502,620	Great Portland Estates PLC	GBR	GBP	4,064,748	0.88
341	Japan Real Estate Investment Corp.	JPN	JPY	3,805,696	0.82
142,184	Pebblebrook Hotel Trust	USA	USD	3,675,456	0.79
118,207	Apartment Investment & Management Co., A	USA	USD	3,550,938	0.77
95,013	Highwoods Properties Inc.	USA	USD	3,383,413	0.73
235,702	Brandywine Realty Trust	USA	USD	3,186,691	0.69
132,113	RioCan REIT	CAN	CAD	3,175,437	0.69
73,884	Canadian REIT	CAN	CAD	3,060,492	0.66
140,790	Canadian Apartment Properties REIT	CAN	CAD	3,033,142	0.66
53,509	Boardwalk REIT	CAN	CAD	2,966,700	0.64
79,144	Liberty Property Trust	USA	USD	2,925,162	0.63
69,582	Extra Space Storage Inc.	USA	USD	2,917,573	0.63
91,361	American Assets Trust Inc.	USA	USD	2,819,400	0.61
1,348	Japan Retail Fund Investment Corp.	JPN	JPY	2,815,864	0.61
37,385	Taubman Centers Inc.	USA	USD	2,809,483	0.61
43,940	The Macerich Co.	USA	USD	2,679,022	0.58
106,580	Douglas Emmett Inc.	USA	USD	2,659,171	0.57
665	Kenedix Realty Investment Corp.	JPN	JPY	2,648,200	0.57
127,159	STAG Industrial Inc.	USA	USD	2,536,822	0.55
113,731	CBL & Associates Properties Inc.	USA	USD	2,436,118	0.53
1,920,293	Suntec REIT	SGP	SGD	2,386,634	0.52
1,617,553	Mirvac Group	AUS	AUD	2,374,979	0.51
76,804	Weingarten Realty Investors	USA	USD	2,363,259	0.51
2,371,006	Dexus Property Group	AUS	AUD	2,320,826	0.50
28,972	Equity Lifestyle Properties Inc.	USA	USD	2,276,909	0.49
259	Nippon Prologis REIT Inc.	JPN	JPY	2,253,423	0.49
136,823	CubeSmart	USA	USD	2,186,432	0.47
64,292	Tanger Factory Outlet Centers Inc.	USA	USD	2,151,210	0.46
2,105,126	Commonwealth Property Office Fund	AUS	AUD	2,118,346	0.46
40,487	Regency Centers Corp.	USA	USD	2,057,144	0.44
223	Frontier Real Estate Investment Corp.	JPN	JPY	2,045,872	0.44
1,156,144	Ascendas REIT	SGP	SGD	2,034,485	0.44
39,369	BRE Properties Inc.	USA	USD	1,969,237	0.43
31,942	Digital Realty Trust Inc.	USA	USD	1,948,462	0.42
18,789	Federal Realty Investment Trust	USA	USD	1,948,044	0.42
2,194,602	Mapletree Logistics Trust	SGP	SGD	1,904,961	0.41
74,066	UDR Inc.	USA	USD	1,887,942	0.41
154,727	Sunstone Hotel Investors Inc.	USA	USD	1,869,102	0.40
117,596	Ramco-Gershenson Properties Trust	USA	USD	1,826,266	0.39
49,602	Eurocommercial Properties NV	NLD	EUR	1,820,717	0.39
517,662	Charter Hall Retail REIT	AUS	AUD	1,804,253	0.39
615,410	Westfield Retail Trust	AUS	AUD	1,745,229	0.38
41,581	Realty Income Corp.	USA	USD	1,743,076	0.38
53,509	Sabra Health Care REIT Inc.	USA	USD	1,397,120	0.30
121,054	Campus Crest Communities Inc.	USA	USD	1,396,963	0.30
1,002	United Urban Investment Corp.	JPN	JPY	1,354,655	0.29
19,745	Alexandria Real Estate Equities Inc.	USA	USD	1,297,641	0.28
47,303	Senior Housing Properties Trust	USA	USD	1,226,567	0.27

## — Franklin Global Real Estate Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Real Estate Investment Trusts</b> (continued)					
909,495	CDL Hospitality Trusts	SGP	SGD	1,220,076	0.26
22,075	Post Properties Inc.	USA	USD	1,092,492	0.24
112,948	Shaftesbury PLC	GBR	GBP	1,020,355	0.22
539,155	CapitaMall Trust	SGP	SGD	848,778	0.18
92	Nippon Prologis REIT Inc., Reg S	JPN	JPY	800,444	0.17
24,008	Coresite Realty Corp.	USA	USD	763,694	0.17
				<u>301,851,818</u>	<u>65.25</u>
<b>Real Estate Ownership, Management &amp; Development</b>					
856,567	Mitsubishi Estate Co. Ltd.	JPN	JPY	22,806,669	4.93
679,744	Mitsui Fudosan Co. Ltd.	JPN	JPY	19,990,052	4.32
60,065	Unibail-Rodamco SE	FRA	EUR	13,994,865	3.03
1,125,495	The Wharf Holdings Ltd.	HKG	HKD	9,454,161	2.04
1,055,932	Hongkong Land Holdings Ltd.	HKG	USD	7,254,253	1.57
489,401	Sun Hung Kai Properties Ltd.	HKG	HKD	6,316,317	1.37
1,282,880	Goodman Group	AUS	AUD	5,727,064	1.24
1,359,010	Hang Lung Properties Ltd.	HKG	HKD	4,739,744	1.02
1,964,779	Global Logistic Properties Ltd.	SGP	SGD	4,263,675	0.92
1,661,110	CapitaLand Ltd.	SGP	SGD	4,037,261	0.87
321,357	Hufvudstaden AB, A	SWE	SEK	3,842,877	0.83
92,877	Klepierre	FRA	EUR	3,660,650	0.79
724,015	Hysan Development Co. Ltd.	HKG	HKD	3,127,212	0.68
1,431,332	Federation Centres	AUS	AUD	3,103,237	0.67
1,075,120	Keppel Land Ltd.	SGP	SGD	2,842,101	0.61
339,769	Tokyo Tatemono Co. Ltd.	JPN	JPY	2,829,410	0.61
169,121	Brookfield Office Properties Inc.	CAN	CAD	2,813,455	0.61
1,951,137	Sino Land Co. Ltd.	HKG	HKD	2,732,012	0.59
31,190	PSP Swiss Property AG	CHE	CHF	2,700,261	0.58
72,033	Derwent London PLC	GBR	GBP	2,519,134	0.54
674,454	Swire Properties Ltd.	HKG	HKD	2,008,766	0.43
47,889	GSW Immobilien AG	DEU	EUR	1,852,899	0.40
693,588	China Overseas Land & Investment Ltd.	CHN	HKD	1,810,888	0.39
2,716,126	Sunac China Holdings Ltd.	CHN	HKD	1,793,019	0.39
376,758	Sponda OYJ	FIN	EUR	1,775,274	0.38
43,937	Deutsche Euroshop AG	DEU	EUR	1,748,602	0.38
169,885	Tokyu Land Corp.	JPN	JPY	1,558,578	0.34
1,173,601	Norwegian Property ASA	NOR	NOK	1,487,895	0.32
11,983	Leg Immobilien AG	DEU	EUR	623,907	0.14
6,500	Deutsche Euroshop AG, Reg S	DEU	EUR	258,687	0.06
				<u>143,672,925</u>	<u>31.05</u>
<b>TOTAL SHARES</b>				<u>449,149,574</u>	<u>97.08</u>
<b>INVESTMENTS FUNDS</b>					
<b>Diversified Financial Services</b>					
80,771	SPDR S&P Homebuilders ETF	USA	USD	2,376,283	0.52
<b>TOTAL INVESTMENTS FUNDS</b>				<u>2,376,283</u>	<u>0.52</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>451,525,857</u>	<u>97.60</u>
<b>TOTAL INVESTMENTS</b>				<u>451,525,857</u>	<u>97.60</u>

## — Franklin Global Small-Mid Cap Growth Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Air Freight &amp; Logistics</b>					
4,534	Panalpina Welttransport Holding AG	CHE	CHF	488,982	0.24
<b>Beverages</b>					
1,270,500	C&C Group PLC	IRL	EUR	6,879,585	3.31
<b>Building Products</b>					
408,258	Uponor OYJ	FIN	EUR	6,111,204	2.94
<b>Capital Markets</b>					
3,559,547	ARA Asset Management Ltd., 144A	SGP	SGD	4,887,443	2.36
<b>Chemicals</b>					
1,348,800	Alent PLC	GBR	GBP	6,734,492	3.24
<b>Construction &amp; Engineering</b>					
347,445	Keller Group PLC	GBR	GBP	5,235,239	2.52
466,134	Morgan Sindall PLC	GBR	GBP	4,278,332	2.06
				9,513,571	4.58
<b>Distributors</b>					
526,557	Headlam Group PLC	GBR	GBP	2,878,927	1.39
<b>Diversified Financial Services</b>					
902,500	Hellenic Exchanges SA Holding Clearing Settlement and Registry	GRC	EUR	7,024,940	3.38
721,119	RHJ International	BEL	EUR	3,397,893	1.64
				10,422,833	5.02
<b>Electrical Equipment</b>					
404,800	Prysmian SpA	ITA	EUR	7,561,128	3.64
<b>Food &amp; Staples Retailing</b>					
208,765	Sligro Food Group NV	NLD	EUR	6,990,485	3.37
<b>Hotels, Restaurants &amp; Leisure</b>					
457,700	ClubLink Enterprises Ltd.	CAN	CAD	4,063,946	1.96
<b>Industrial Conglomerates</b>					
154,580	DCC PLC	IRL	GBP	6,034,838	2.91
<b>Insurance</b>					
83,014	Euler Hermes SA	FRA	EUR	8,368,873	4.03
139,000	ProAssurance Corp.	USA	USD	7,250,240	3.49
139,500	Arch Capital Group Ltd.	USA	USD	7,171,695	3.46
17,600	Fairfax Financial Holdings Ltd.	CAN	CAD	6,923,319	3.34
				29,714,127	14.32
<b>IT Services</b>					
193,200	Broadridge Financial Solutions Inc.	USA	USD	5,135,256	2.47
<b>Leisure Equipment &amp; Products</b>					
383,776	Beneteau	FRA	EUR	4,241,112	2.04
76,400	Sankyo Co. Ltd.	JPN	JPY	3,608,569	1.74
				7,849,681	3.78
<b>Machinery</b>					
423,039	Zardoya Otis SA	ESP	EUR	5,996,564	2.89
1,031,300	Vesuvius PLC	GBR	GBP	5,767,201	2.78
				11,763,765	5.67
<b>Marine</b>					
99,516	Irish Continental Group PLC	IRL	EUR	2,875,677	1.39
<b>Media</b>					
181,300	ASATSU-DK Inc.	JPN	JPY	4,222,230	2.03
<b>Personal Products</b>					
470,900	Aderans Co. Ltd.	JPN	JPY	6,541,992	3.15
<b>Professional Services</b>					
1,290,600	Michael Page International PLC	GBR	GBP	7,284,966	3.51
284,700	Experian PLC	GBR	GBP	4,955,525	2.39
792,500	Sthree PLC	GBR	GBP	3,992,469	1.92
				16,232,960	7.82

## — Franklin Global Small-Mid Cap Growth Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Real Estate Management &amp; Development</b>				
807,200	Countrywide PLC	GBR	GBP	6,184,187	2.98
272,000	Daibiru Corp.	JPN	JPY	3,030,144	1.46
				<u>9,214,331</u>	<u>4.44</u>
	<b>Specialty Retail</b>				
563,156	JUMBO SA	GRC	EUR	5,571,043	2.68
380,654	Carpetright PLC	GBR	GBP	3,375,090	1.63
				<u>8,946,133</u>	<u>4.31</u>
	<b>Thriffs &amp; Mortgage Finance</b>				
501,100	SI Financial Group Inc.	USA	USD	5,537,155	2.67
	<b>Trading Companies &amp; Distributors</b>				
1,237,100	Grafton Group PLC	IRL	EUR	8,645,546	4.17
	<b>TOTAL SHARES</b>			<u>189,246,287</u>	<u>91.18</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>189,246,287</u>	<u>91.18</u>
	<b>TOTAL INVESTMENTS</b>			<u>189,246,287</u>	<u>91.18</u>

## — Franklin Gold and Precious Metals Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Gold and Diversified Resources</b>					
244,040	PanAust Ltd.	AUS	AUD	407,427	0.95
<b>Gold Exploration and Development</b>					
87,500	Imperial Metals Corp.	CAN	CAD	873,876	2.03
1,785,100	Romarco Minerals Inc.	CAN	CAD	798,019	1.86
629,500	Torex Gold Resources Inc.	CAN	CAD	796,343	1.85
520,300	Guyana Goldfields Inc.	CAN	CAD	668,098	1.55
852,400	Banro Corp.	CAN	CAD	664,829	1.55
107,412	Sandfire Resources NL	AUS	AUD	503,094	1.17
11,062,840	G-Resources Group Ltd.	HKG	HKD	385,119	0.90
65,000	MAG Silver Corp.	CAN	CAD	380,225	0.88
803,826	Beadell Resources Ltd.	AUS	AUD	367,670	0.86
250,000	Lydian International Ltd.	CAN	CAD	285,347	0.66
280,500	Midway Gold Corp.	CAN	USD	264,512	0.62
1,436,474	Inova Resources Ltd.	AUS	AUD	262,817	0.61
42,000	Turquoise Hill Resources Ltd.	CAN	USD	249,060	0.58
213,000	Colossus Minerals Inc.	CAN	CAD	247,168	0.57
540,000	Belo Sun Mining Corp.	CAN	CAD	241,404	0.56
1,238,400	St. Augustine Gold and Copper Ltd.	CAN	CAD	235,583	0.55
155,000	Ivanplats Ltd., A	CAN	CAD	225,567	0.52
951,348	Nautilus Minerals Inc.	CAN	CAD	199,074	0.46
1,843,433	RTG Mining Inc.	AUS	CAD	192,874	0.45
152,500	Midas Gold Corp.	CAN	CAD	105,888	0.25
180,000	Evolution Mining Ltd.	AUS	AUD	93,859	0.22
223,300	Lion One Metals Ltd.	CAN	CAD	88,143	0.21
483,500	Volta Resources Inc.	CAN	CAD	75,881	0.18
30,700	International Minerals Corp.	CAN	CAD	58,693	0.14
2,350,000	INV Metals Inc.	CAN	CAD	55,881	0.13
735,000	Kula Gold Ltd.	AUS	AUD	53,790	0.13
25,068	Gran Colombia Gold Corp.	CAN	CAD	44,349	0.10
441,200	San Gold Corp.	CAN	CAD	44,063	0.10
1,785,700	Great Basin Gold Ltd.	ZAF	CAD	5,893	0.01
35,000	Chalice Gold Mines Ltd.	AUS	AUD	4,963	0.01
				8,472,082	19.71
<b>Long Life Gold Mines</b>					
109,000	Goldcorp Inc.	CAN	USD	2,695,570	6.27
241,224	Newcrest Mining Ltd.	AUS	AUD	2,178,030	5.07
33,500	Randgold Resources Ltd., ADR	GBR	USD	2,145,675	4.99
1,000,200	B2Gold Corp.	CAN	CAD	2,131,020	4.96
126,700	AngloGold Ashanti Ltd.	ZAF	ZAR	1,794,634	4.18
404,400	Osisko Mining Corp.	CAN	CAD	1,338,576	3.11
207,950	Eldorado Gold Corp.	CAN	CAD	1,287,634	3.00
76,500	Barrick Gold Corp.	CAN	USD	1,204,110	2.80
317,200	Centerra Gold Inc.	CAN	CAD	1,001,668	2.33
81,700	Alamos Gold Inc.	CAN	CAD	990,020	2.30
169,256	Kinross Gold Corp.	CAN	CAD	867,732	2.02
1,634,400	Centamin PLC	EGY	CAD	769,513	1.79
205,100	Alacer Gold Corp.	CAN	CAD	433,083	1.01
280,636	African Barrick Gold Ltd.	GBR	GBP	408,453	0.95
17,120	AngloGold Ashanti Ltd., ADR	ZAF	USD	244,816	0.57
72,000	Continental Gold Ltd.	CAN	CAD	225,995	0.53
430,000	Centamin PLC	EGY	GBP	206,457	0.48
5,000	Agnico Eagle Mines Ltd.	CAN	USD	137,700	0.32
42,800	China Gold International Resources Corp. Ltd.	CAN	CAD	113,987	0.27
3,700	Newmont Mining Corp.	USA	USD	110,815	0.26
20,000	Gold Fields Ltd., ADR	ZAF	USD	105,000	0.24
47,700	SEMAFO Inc.	CAN	CAD	70,324	0.16
23,900	China Gold International Resources Corp. Ltd.	CAN	HKD	58,549	0.14
14,750	Sibanye Gold Ltd., ADR	ZAF	USD	43,365	0.10
				20,562,726	47.85
<b>Medium Life Gold Mines</b>					
662,100	Nevsun Resources Ltd.	CAN	CAD	1,958,559	4.56
213,400	Primero Mining Corp.	CAN	CAD	953,992	2.22
132,050	IAMGOLD Corp.	CAN	USD	571,777	1.33
1,366,316	St. Barbara Ltd.	AUS	AUD	562,458	1.31
75,000	New Gold Inc.	CAN	CAD	485,804	1.13
43,400	Yamana Gold Inc.	CAN	CAD	414,041	0.96
46,000	AuRico Gold Inc.	CAN	CAD	201,703	0.47
245,800	Silver Lake Resources Ltd.	AUS	AUD	133,790	0.31
141,000	Teranga Gold Corp.	CAN	CAD	80,468	0.19
133,010	Teranga Gold Corp., CDI	CAN	AUD	76,657	0.18
				5,439,249	12.66

## — Franklin Gold and Precious Metals Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Platinum &amp; Palladium</b>					
173,000	Impala Platinum Holdings Ltd.	ZAF	ZAR	1,628,029	3.79
1,671,000	Platinum Group Metals Ltd.	CAN	CAD	1,462,234	3.40
19,000	Anglo American Platinum Ltd.	ZAF	ZAR	567,164	1.32
3,003,800	Eastern Platinum Ltd.	CAN	CAD	228,567	0.53
45,700	Royal Bafokeng Platinum Ltd.	ZAF	ZAR	203,471	0.47
190,000	North American Palladium Ltd.	CAN	USD	188,100	0.44
51,564	Northam Platinum Ltd.	ZAF	ZAR	166,967	0.39
				<u>4,444,532</u>	<u>10.34</u>
<b>Silver Mines</b>					
64,700	Tahoe Resources Inc.	CAN	CAD	917,560	2.14
53,000	Fresnillo PLC	GBR	GBP	710,131	1.65
111,000	Hochschild Mining PLC	GBR	GBP	263,350	0.61
				<u>1,891,041</u>	<u>4.40</u>
<b>TOTAL SHARES</b>				<u>41,217,057</u>	<u>95.91</u>
<b>WARRANTS</b>					
<b>Gold Exploration and Development</b>					
105,000	Torex Gold Resources Inc., wts., 10/23/13	CAN	CAD	1,998	0.00
<b>TOTAL WARRANTS</b>				<u>1,998</u>	<u>0.00</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>41,219,055</u>	<u>95.91</u>
TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Metals &amp; Mining</b>					
699,134	Red 5 Ltd. **	AUS	AUD	218,092	0.51
<b>TOTAL SHARES</b>				<u>218,092</u>	<u>0.51</u>
<b>WARRANTS</b>					
<b>Gold Exploration and Development</b>					
12,500	Barisan Gold Corp., wts., 09/26/13	CAN	CAD	0	0.00
44,900	Midway Gold Corp., wts., 02/20/49	CAN	USD	0	0.00
325,000	St. Augustine Gold and Copper Ltd., wts., Reg S, 07/15/13	CAN	CAD	0	0.00
				<u>0</u>	<u>0.00</u>
<b>Metals &amp; Mining</b>					
407,150	Great Basin Gold Ltd., Reg S, wts., 03/30/14 **	ZAF	CAD	0	0.00
<b>TOTAL WARRANTS</b>				<u>0</u>	<u>0.00</u>
<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>218,092</u>	<u>0.51</u>
<b>TOTAL INVESTMENTS</b>				<u>41,437,147</u>	<u>96.42</u>

\*\* These securities are submitted to a Fair Valuation

## — Franklin High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
	<b>Consumer Finance</b>				
230,800	GMAC Capital Trust I, 8.125%, pfd.	USA	USD	6,012,340	0.15
	<b>TOTAL SHARES</b>			6,012,340	0.15
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			6,012,340	0.15
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
	<b>Paper &amp; Forest Products</b>				
112,000	NewPage Holdings Inc.	USA	USD	9,800,000	0.25
	<b>TOTAL SHARES</b>			9,800,000	0.25
<b>BONDS</b>					
	<b>Corporate Bonds</b>				
38,900,000	Chesapeake Energy Corp., senior note, 6.625%, 08/15/20	USA	USD	42,012,000	1.05
40,000,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 8.50%, 05/15/18	USA	USD	41,400,000	1.04
40,000,000	CHC Helicopter SA, senior secured note, first lien, 9.25%, 10/15/20	CAN	USD	41,075,000	1.03
36,400,000	Inmet Mining Corp., senior note, 144A, 8.75%, 06/01/20	CAN	USD	37,401,000	0.94
38,000,000	Peabody Energy Corp., senior note, 6.25%, 11/15/21	USA	USD	36,860,000	0.92
38,000,000	Cricket Communications Inc., senior note, 7.75%, 10/15/20	USA	USD	36,670,000	0.92
32,000,000	Bank of America Corp., pfd., sub. bond, M, 8.125% to 05/15/18, FRN thereafter, Perpetual	USA	USD	36,160,000	0.91
35,000,000	Del Monte Corp., senior note, 7.625%, 02/15/19	USA	USD	36,137,500	0.90
38,000,000	Visant Corp., senior note, 10.00%, 10/01/17	USA	USD	35,245,000	0.88
33,000,000	Samson Investment Co., senior note, 144A, 9.75%, 02/15/20	USA	USD	34,938,750	0.87
32,400,000	W&T Offshore Inc., senior note, 8.50%, 06/15/19	USA	USD	33,615,000	0.84
31,200,000	PBF Holding Co. LLC, first lien, 8.25%, 02/15/20	USA	USD	32,838,000	0.82
30,675,000	Expro Finance Luxembourg, senior secured note, 144A, 8.50%, 12/15/16	GBR	USD	32,362,125	0.81
32,400,000	VPI Escrow Corp., senior note, 144A, 6.375%, 10/15/20	CAN	USD	32,197,500	0.81
29,300,000	ClubCorp Club Operations Inc., senior note, 10.00%, 12/01/18	USA	USD	31,790,500	0.80
31,000,000	Eagle Rock Energy Partners LP/Finance Corp., senior note, 8.375%, 06/01/19	USA	USD	31,697,500	0.79
31,600,000	Algeco Scotsman Global Finance PLC, secured note, 144A, 8.50%, 10/15/18	GBR	USD	31,600,000	0.79
28,900,000	Alere Inc., senior note, 144A, 7.25%, 07/01/18	USA	USD	30,778,500	0.77
31,500,000	Sabine Pass Liquefaction LLC, secured note, 144A, 5.625%, 02/01/21	USA	USD	30,633,750	0.77
30,000,000	WPX Energy Inc., senior note, 6.00%, 01/15/22	USA	USD	30,600,000	0.77
27,000,000	KB Home, senior bond, 7.50%, 09/15/22	USA	USD	29,092,500	0.73
27,500,000	Wind Acquisition Finance SA, senior secured note, 144A, 11.75%, 07/15/17	ITA	USD	28,737,500	0.72
30,000,000	Clear Channel Communications Inc., senior note, 9.00%, 03/01/21	USA	USD	28,650,000	0.72
30,000,000	Abengoa Finance SAU, senior note, 144A, 8.875%, 11/01/17	ESP	USD	28,293,750	0.71
25,000,000	Sprint Nextel Corp., senior note, 8.375%, 08/15/17	USA	USD	28,187,500	0.71
27,000,000	Harrah's Operating Co. Inc., senior secured note, 11.25%, 06/01/17	USA	USD	28,181,250	0.71
25,000,000	DISH DBS Corp., senior note, 7.125%, 02/01/16	USA	USD	27,187,500	0.68
25,000,000	CSC Holdings LLC, senior note, 6.75%, 11/15/21	USA	USD	27,062,500	0.68
27,395,000	Navistar International Corp., senior note, 8.25%, 11/01/21	USA	USD	27,052,562	0.68
26,200,000	Vanguard Natural Resources LLC/Finance Corp., senior note, 7.875%, 04/01/20	USA	USD	26,986,000	0.68
25,000,000	HCA Inc., senior secured note, 7.875%, 02/15/20	USA	USD	26,984,375	0.68
24,900,000	CDW LLC/Finance Corp., senior note, 8.50%, 04/01/19	USA	USD	26,892,000	0.67
25,500,000	West Corp., senior note, 7.875%, 01/15/19	USA	USD	26,615,625	0.67
26,000,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.875%, 02/01/18	AUS	USD	25,772,500	0.65
24,200,000	Offshore Group Investment Ltd., senior secured note, first lien, 7.50%, 11/01/19	USA	USD	25,319,250	0.63
25,000,000	Clayton Williams Energy Inc., senior note, 7.75%, 04/01/19	USA	USD	25,000,000	0.63
25,700,000	Royal Bank of Scotland Group PLC, sub. note, 6.125%, 12/15/22	GBR	USD	24,527,437	0.61
25,000,000	Access Midstream Partner LP/ACMP Finance Corp., senior note, 4.875%, 05/15/23	USA	USD	23,312,500	0.58
22,500,000	QR Energy LP/QRE Finance, senior note, 9.25%, 08/01/20	USA	USD	23,231,250	0.58
22,600,000	Freescale Semiconductor Inc., senior note, 8.05%, 02/01/20	USA	USD	22,995,500	0.58
23,000,000	Goodrich Petroleum Corp., senior note, 8.875%, 03/15/19	USA	USD	22,770,000	0.57
21,200,000	CHS/Community Health Systems Inc., senior note, 8.00%, 11/15/19	USA	USD	22,657,500	0.57
21,700,000	BreitBurn Energy Partners LP/Finance Corp., senior bond, 7.875%, 04/15/22	USA	USD	22,242,500	0.56
20,800,000	Digicel Group Ltd., senior note, 144A, 8.25%, 09/30/20	BMU	USD	21,593,000	0.54
21,900,000	Equinix Inc., senior bond, 5.375%, 04/01/23	USA	USD	21,571,500	0.54
19,800,000	Calpine Corp., senior secured note, 144A, 7.50%, 02/15/21	USA	USD	21,235,500	0.53
20,000,000	Intelsat Jackson Holdings SA, senior note, 7.50%, 04/01/21	LUX	USD	21,100,000	0.53
19,850,000	Intelsat Jackson Holdings SA, senior note, 7.25%, 10/15/20	LUX	USD	20,941,750	0.52
20,800,000	Nuveen Investments Inc., senior note, 144A, 9.50%, 10/15/20	USA	USD	20,800,000	0.52
20,000,000	UPCB Finance III Ltd., senior secured note, 144A, 6.625%, 07/01/20	NLD	USD	20,800,000	0.52
19,300,000	Carrizo Oil & Gas Inc., senior note, 8.625%, 10/15/18	USA	USD	20,747,500	0.52
19,000,000	Meritor Inc., senior note, 10.625%, 03/15/18	USA	USD	20,662,500	0.52
20,500,000	HCA Inc., senior note, 5.875%, 05/01/23	USA	USD	20,551,250	0.51

part of these financial statements



## — Franklin High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
20,000,000	DISH DBS Corp., senior note, 5.875%, 07/15/22	USA	USD	20,400,000	0.51
20,000,000	Drill Rigs Holdings Inc., secured note, 144A, 6.50%, 10/01/17	USA	USD	20,050,000	0.50
18,900,000	Jaguar Holding Co. I, senior note, 144A, PIK, 9.375%, 10/15/17 ‡	USA	USD	19,845,000	0.50
18,500,000	Shea Homes LP/Funding Corp., senior secured note, 8.625%, 05/15/19	USA	USD	19,841,250	0.50
18,700,000	Linn Energy LLC/Finance Corp., senior note, 8.625%, 04/15/20	USA	USD	19,728,500	0.49
20,000,000	Sprint Nextel Corp., senior note, 6.00%, 11/15/22	USA	USD	19,700,000	0.49
19,000,000	EPL Oil & Gas Inc., senior note, 8.25%, 02/15/18	USA	USD	19,665,000	0.49
20,000,000	InterGen NV, secured bond, 144A, 7.00%, 06/30/23	NLD	USD	19,512,500	0.49
18,900,000	The Goodyear Tire & Rubber Co., senior note, 6.50%, 03/01/21	USA	USD	19,301,625	0.48
18,600,000	Par Pharmaceutical Cos. Inc., senior note, 144A, 7.375%, 10/15/20	USA	USD	19,158,000	0.48
18,000,000	First Data Corp., senior bond, 12.625%, 01/15/21	USA	USD	19,125,000	0.48
18,900,000	Reynolds Group Issuer Inc./LLC/SA, first lien, 5.75%, 10/15/20	USA	USD	19,089,000	0.48
18,700,000	Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note, 144A, 7.25%, 02/15/21	USA	USD	18,840,250	0.47
16,800,000	eAccess Ltd., senior note, 144A, 8.25%, 04/01/18	JPN	USD	18,627,000	0.47
18,900,000	Eldorado Gold Corp., senior note, 144A, 6.125%, 12/15/20	CAN	USD	18,333,000	0.46
17,900,000	E*TRADE Financial Corp., senior note, 6.375%, 11/15/19	USA	USD	18,258,000	0.46
17,000,000	Emergency Medical Services Corp., senior note, 8.125%, 06/01/19	USA	USD	18,147,500	0.45
20,000,000	Quicksilver Resources Inc., secured note, second lien, 144A, FRN, 7.00%, 06/21/19 †	USA	USD	18,100,000	0.45
17,400,000	Zachry Holdings Inc., senior note, 144A, 7.50%, 02/01/20	USA	USD	18,009,000	0.45
16,500,000	M/I Homes Inc., senior note, 8.625%, 11/15/18	USA	USD	17,985,000	0.45
17,300,000	CIT Group Inc., senior note, 5.375%, 05/15/20	USA	USD	17,797,375	0.45
19,100,000	Barmingo Finance Pty. Ltd., senior note, 144A, 9.00%, 06/01/18	AUS	USD	17,643,625	0.44
16,000,000	The Goodyear Tire & Rubber Co., senior note, 8.25%, 08/15/20	USA	USD	17,600,000	0.44
15,000,000	Sprint Nextel Corp., senior note, 144A, 9.00%, 11/15/18	USA	USD	17,587,500	0.44
16,575,000	JBS USA LLC/Finance Inc., senior note, 144A, 8.25%, 02/01/20	USA	USD	17,445,187	0.44
16,000,000	Kodiak Oil & Gas Corp., senior note, 8.125%, 12/01/19	USA	USD	17,440,000	0.44
17,000,000	CGG, senior note, 7.75%, 05/15/17	FRA	USD	17,340,000	0.43
17,000,000	Exopack Holding Corp., senior note, 10.00%, 06/01/18	USA	USD	17,297,500	0.43
15,200,000	Chaparral Energy Inc., senior note, 9.875%, 10/01/20	USA	USD	16,948,000	0.42
15,900,000	Univision Communications Inc., senior secured bond, 144A, 6.75%, 09/15/22	USA	USD	16,774,500	0.42
16,400,000	Crosstex Energy LP/Crosstex Energy Finance Corp., senior note, 7.125%, 06/01/22	USA	USD	16,646,000	0.42
15,700,000	Penn Virginia Resource Partners LP/Finance Corp. II, senior note, 8.375%, 06/01/20	USA	USD	16,642,000	0.42
16,400,000	QEP Resources Inc., senior note, 5.375%, 10/01/22	USA	USD	16,318,000	0.41
15,928,934	Radio One Inc., senior sub. note, PIK, 12.50%, 05/24/16 ‡	USA	USD	16,128,046	0.40
15,000,000	Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp., senior note, 7.75%, 02/15/19	USA	USD	16,087,500	0.40
15,413,000	Viridian Group FundCo II, senior note, 144A, 11.125%, 04/01/17	GBR	USD	15,942,822	0.40
15,000,000	Hertz Corp., senior note, 6.75%, 04/15/19	USA	USD	15,937,500	0.40
11,600,000	Kerling PLC, senior secured note, Reg S, 10.625%, 02/01/17	GBR	EUR	15,859,155	0.40
15,600,000	Terex Corp., senior note, 6.00%, 05/15/21	USA	USD	15,639,000	0.39
15,423,413	Wind Acquisition Holdings Finance SA, senior secured note, 144A, PIK, 12.25%, 07/15/17 ‡	ITA	USD	15,616,206	0.39
15,800,000	Albea Beauty Holdings SA, first lien, 144A, 8.375%, 11/01/19	USA	USD	15,563,000	0.39
14,300,000	International Lease Finance Corp., senior secured note, 144A, 6.75%, 09/01/16	USA	USD	15,515,500	0.39
15,800,000	Penn Virginia Corp., senior note, 144A, 8.50%, 05/01/20	USA	USD	15,365,500	0.38
14,600,000	inVentiv Health Inc., senior note, 144A, 9.00%, 01/15/18	USA	USD	15,293,500	0.38
14,000,000	ExamWorks Group Inc., senior note, 9.00%, 07/15/19	USA	USD	15,155,000	0.38
15,000,000	Halcon Resources Corp., senior note, 9.75%, 07/15/20	USA	USD	15,037,500	0.38
13,500,000	HCA Inc., senior note, 7.50%, 02/15/22	USA	USD	14,985,000	0.38
14,900,000	Intelsat Jackson Holdings SA, senior note, 144A, 6.625%, 12/15/22	LUX	USD	14,527,500	0.36
13,221,000	Orion Engineered Carbons Bondco GmbH, senior secured note, 144A, 9.625%, 06/15/18	DEU	USD	14,427,416	0.36
15,000,000	Caesars Entertainment Operating Co. Inc., secured note, 144A, 9.00%, 02/15/20	USA	USD	14,362,500	0.36
15,000,000	Ineos Group Holdings SA, senior note, 144A, 6.125%, 08/15/18	GBR	USD	14,362,500	0.36
13,300,000	Novelis Inc., senior note, 8.75%, 12/15/20	CAN	USD	14,330,750	0.36
15,000,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior note, 5.125%, 02/15/23	USA	USD	14,137,500	0.35
13,000,000	DISH DBS Corp., senior note, 6.75%, 06/01/21	USA	USD	13,877,500	0.35
13,900,000	ArcelorMittal, senior note, 6.00%, 03/01/21	LUX	USD	13,864,486	0.35
12,600,000	Sprint Nextel Corp., senior note, 144A, 7.00%, 03/01/20	USA	USD	13,639,500	0.34
14,100,000	Euramax International Inc., senior secured note, 9.50%, 04/01/16	USA	USD	13,571,250	0.34
11,800,000	Case New Holland Inc., senior note, 7.875%, 12/01/17	USA	USD	13,422,500	0.34
13,000,000	Linn Energy LLC/Finance Corp., senior note, 7.75%, 02/01/21	USA	USD	13,097,500	0.33
12,100,000	BreitBurn Energy Partners LP/Finance Corp., senior note, 8.625%, 10/15/20	USA	USD	12,886,500	0.32
12,700,000	NXP BV/NXP Funding LLC, senior bond, 144A, 5.75%, 03/15/23	NLD	USD	12,827,000	0.32
11,500,000	AMC Networks Inc., senior note, 7.75%, 07/15/21	USA	USD	12,621,250	0.32
13,000,000	Digicel Group Ltd., senior note, 144A, 6.00%, 04/15/21	BMU	USD	12,480,000	0.31
11,900,000	CIT Group Inc., senior note, 5.25%, 03/15/18	USA	USD	12,286,750	0.31
11,000,000	Ceridian Corp., secured note, 144A, 8.875%, 07/15/19	USA	USD	12,278,750	0.31
12,800,000	CB Richard Ellis Services Inc., senior bond, 5.00%, 03/15/23	USA	USD	12,192,000	0.31
12,400,000	Halcon Resources Corp., senior note, 8.875%, 05/15/21	USA	USD	12,090,000	0.30

The accompanying notes form an integral



## — Franklin High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds</b> (continued)					
11,200,000	Marquette Transportation Co. Inc./Finance Corp., senior secured note, 10.875%, 01/15/17	USA	USD	12,040,000	0.30
11,700,000	CHS/Community Health Systems Inc., senior secured note, 5.125%, 08/15/18	USA	USD	11,904,750	0.30
10,900,000	Zayo Group LLC/Zayo Capital Inc., senior secured note, first lien, 8.125%, 01/01/20	USA	USD	11,881,000	0.30
10,000,000	MGM Resorts International, senior note, 10.00%, 11/01/16	USA	USD	11,775,000	0.29
11,300,000	SESI LLC, senior note, 6.375%, 05/01/19	USA	USD	11,723,750	0.29
11,400,000	Memorial Production Partners LP/Memorial Production Finance Corp., senior note, 144A, 7.625%, 05/01/21	USA	USD	11,286,000	0.28
11,500,000	New Look Bondco I PLC, secured note, 144A, 8.375%, 05/14/18	GBR	USD	11,212,500	0.28
10,000,000	Frontier Communications Corp., senior note, 8.50%, 04/15/20	USA	USD	11,075,000	0.28
10,000,000	Jarden Corp., senior sub. note, 7.50%, 05/01/17	USA	USD	11,075,000	0.28
10,100,000	United Surgical Partners International Inc., senior note, 9.00%, 04/01/20	USA	USD	10,958,500	0.27
10,000,000	Freescall Semiconductor Inc., senior secured note, 144A, 9.25%, 04/15/18	USA	USD	10,825,000	0.27
11,500,000	Midstates Petroleum Co. Inc./LLC, senior note, 144A, 9.25%, 06/01/21	USA	USD	10,824,375	0.27
10,000,000	Hertz Corp., senior note, 7.50%, 10/15/18	USA	USD	10,775,000	0.27
10,000,000	MGM Resorts International, senior note, 6.875%, 04/01/16	USA	USD	10,750,000	0.27
10,000,000	Ineos Finance PLC, senior secured note, 144A, 7.50%, 05/01/20	GBR	USD	10,675,000	0.27
10,800,000	QEP Resources Inc., senior note, 5.25%, 05/01/23	USA	USD	10,584,000	0.26
10,000,000	Chesapeake Energy Corp., senior note, 6.125%, 02/15/21	USA	USD	10,550,000	0.26
10,000,000	CONSOL Energy Inc., senior note, 8.25%, 04/01/20	USA	USD	10,525,000	0.26
10,000,000	CGG, senior note, 9.50%, 05/15/16	FRA	USD	10,487,500	0.26
10,500,000	Offshore Group Investment Ltd., first lien, 144A, 7.125%, 04/01/23	USA	USD	10,368,750	0.26
10,000,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 8.25%, 11/01/19	AUS	USD	10,350,000	0.26
10,700,000	DigitalGlobe Inc., senior note, 144A, 5.25%, 02/01/21	USA	USD	10,325,500	0.26
9,900,000	Sterling International Inc., senior note, 11.00%, 10/01/19	USA	USD	10,296,000	0.26
9,800,000	Clear Channel Worldwide Holdings Inc., senior note, 144A, 6.50%, 11/15/22	USA	USD	10,143,000	0.25
10,700,000	Sabine Pass Liquefaction LLC, 144A, 5.625%, 04/15/23	USA	USD	10,138,250	0.25
9,400,000	Calumet Specialty Products Partners LP/Finance Corp., senior note, 9.375%, 05/01/19	USA	USD	10,105,000	0.25
10,600,000	Taylor Morrison Communities Inc./Monarch Communities Inc., senior note, 144A, 5.25%, 04/15/21	USA	USD	10,096,500	0.25
10,500,000	Freescall Semiconductor Inc., secured note, 144A, 5.00%, 05/15/21	USA	USD	10,001,250	0.25
10,000,000	CIT Group Inc., senior note, 5.00%, 08/15/22	USA	USD	9,969,480	0.25
9,100,000	Calumet Specialty Products Partners LP/Finance Corp., senior note, 144A, 9.625%, 08/01/20	USA	USD	9,941,750	0.25
10,000,000	Ashland Inc., senior note, 144A, 4.75%, 08/15/22	USA	USD	9,925,000	0.25
10,000,000	CenturyLink Inc., senior note, 5.80%, 03/15/22	USA	USD	9,925,000	0.25
10,200,000	Crown Castle International Corp., senior bond, 5.25%, 01/15/23	USA	USD	9,830,250	0.25
9,700,000	Lynx I Corp., first lien, 144A, 5.375%, 04/15/21	GBR	USD	9,797,000	0.25
9,500,000	U.S. Coatings Acquisition Inc./Flash Dutch 2 BV, senior note, 144A, 7.375%, 05/01/21	USA	USD	9,785,000	0.24
8,900,000	DJO Finance LLC/DJO Finance Corp., second lien, 8.75%, 03/15/18	USA	USD	9,656,500	0.24
10,000,000	Linn Energy LLC/Finance Corp., senior note, 144A, 6.25%, 11/01/19	USA	USD	9,575,000	0.24
9,500,000	Orion Engineered Carbons Finance & Co. SCA, senior note, 144A, PIK, 9.25%, 08/01/19 ‡	LUX	USD	9,547,500	0.24
8,500,000	Sealed Air Corp., senior note, 144A, 8.125%, 09/15/19	USA	USD	9,520,000	0.24
9,200,000	Rain CII Carbon LLC/Corp., second lien, 144A, 8.25%, 01/15/21	USA	USD	9,246,000	0.23
8,900,000	Needle Merger Sub Corp., senior note, 144A, 8.125%, 03/15/19	USA	USD	9,122,500	0.23
8,486,000	Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note, 8.875%, 04/01/18	USA	USD	8,973,945	0.22
8,100,000	Frontier Communications Corp., senior note, 8.75%, 04/15/22	USA	USD	8,869,500	0.22
8,700,000	Murray Energy Corp., senior secured note, 144A, 8.625%, 06/15/21	USA	USD	8,743,500	0.22
9,000,000	Penn Virginia Resource Partners LP/Finance Corp. II, senior note, 144A, 6.50%, 05/15/21	USA	USD	8,685,000	0.22
8,200,000	Carrizo Oil & Gas Inc., senior note, 7.50%, 09/15/20	USA	USD	8,569,000	0.21
8,900,000	CommScope Holdings Inc., senior note, 144A, PIK, 6.625%, 06/01/20 ‡	USA	USD	8,544,000	0.21
8,185,000	First Data Corp., senior secured bond, Reg S, 8.25%, 01/15/21	USA	USD	8,389,625	0.21
8,000,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	8,320,000	0.21
8,000,000	CHS/Community Health Systems Inc., senior note, 7.125%, 07/15/20	USA	USD	8,260,000	0.21
8,000,000	Oasis Petroleum Inc., senior note, 6.50%, 11/01/21	USA	USD	8,240,000	0.21
8,000,000	Ashland Inc., senior note, 144A, 3.875%, 04/15/18	USA	USD	7,950,000	0.20
7,400,000	Agrokro DD, senior note, 144A, 8.875%, 02/01/20	HRV	USD	7,830,125	0.20
7,800,000	Provident Fund Associates LP/Finance Corp., senior note, 144A, 6.75%, 06/15/21	USA	USD	7,819,500	0.20
7,100,000	Cemex Finance LLC, senior secured note, 144A, 9.375%, 10/12/22	MEX	USD	7,774,500	0.19
8,300,000	General Motors Financial Co. Inc., senior bond, 144A, 4.25%, 05/15/23	USA	USD	7,750,125	0.19
8,000,000	Inmet Mining Corp., senior note, 144A, 7.50%, 06/01/21	CAN	USD	7,700,000	0.19
7,500,000	Igloo Holdings Corp., senior note, 144A, PIK, 8.25%, 12/15/17 ‡	USA	USD	7,687,500	0.19
8,000,000	Algeco Scotsman Global Finance PLC, senior note, 144A, 10.75%, 10/15/19	GBR	USD	7,680,000	0.19
7,100,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 9.875%, 08/15/19	USA	USD	7,632,500	0.19
7,300,000	MGM Resorts International, senior note, 6.75%, 10/01/20	USA	USD	7,573,750	0.19
6,900,000	Calumet Specialty Products Partners LP/Finance Corp., senior note, 9.375%, 05/01/19	USA	USD	7,417,500	0.19

part of these financial statements

## — Franklin High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
6,600,000	TransUnion LLC/TransUnion FICO, senior note, 11.375%, 06/15/18	USA	USD	7,342,500	0.18
7,000,000	Oasis Petroleum Inc., senior note, 6.875%, 01/15/23	USA	USD	7,245,000	0.18
7,400,000	Kodiak Oil & Gas Corp., senior note, 144A, 5.50%, 01/15/21	USA	USD	7,224,250	0.18
7,300,000	Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., senior note, 144A, 7.00%, 11/15/20	LUX	USD	7,058,188	0.18
7,000,000	First Data Corp., senior note, 144A, 11.25%, 01/15/21	USA	USD	7,017,500	0.18
6,600,000	Sealed Air Corp., senior note, 144A, 6.50%, 12/01/20	USA	USD	6,996,000	0.18
6,000,000	GMAC Inc., sub. note, 8.00%, 12/31/18	USA	USD	6,825,000	0.17
6,900,000	SIWF Merger Sub Inc./Springs Industries Inc., senior secured note, 144A, 6.25%, 06/01/21	USA	USD	6,779,250	0.17
5,900,000	Frontier Communications Corp., senior note, 9.25%, 07/01/21	USA	USD	6,770,250	0.17
6,500,000	CHC Helicopter SA, senior note, 144A, 9.375%, 06/01/21	CAN	USD	6,467,500	0.16
6,200,000	Clear Channel Worldwide Holdings Inc., senior note, 144A, 6.50%, 11/15/22	USA	USD	6,386,000	0.16
6,400,000	DJO Finance LLC/DJO Finance Corp., senior note, 7.75%, 04/15/18	USA	USD	6,352,000	0.16
6,400,000	Seminole Hard Rock Entertainment Inc./International, LLC, 144A, 5.875%, 05/15/21	USA	USD	6,220,000	0.16
6,100,000	Frontier Communications Corp., senior bond, 7.625%, 04/15/24	USA	USD	6,145,750	0.15
5,800,000	Chaparral Energy Inc., senior note, 8.25%, 09/01/21	USA	USD	6,133,500	0.15
5,700,000	Crosstex Energy LP/Crosstex Energy Finance Corp., senior note, 8.875%, 02/15/18	USA	USD	6,070,500	0.15
5,700,000	Neuberger Berman Group LLC/Finance Corp., senior note, 144A, 5.625%, 03/15/20	USA	USD	5,928,000	0.15
6,000,000	Equinix Inc., senior note, 4.875%, 04/01/20	USA	USD	5,910,000	0.15
5,200,000	MGM Resorts International, senior note, 8.625%, 02/01/19	USA	USD	5,902,000	0.15
5,000,000	MGM Resorts International, senior note, 7.75%, 03/15/22	USA	USD	5,456,250	0.14
5,000,000	HCA Inc., senior note, 6.50%, 02/15/16	USA	USD	5,400,000	0.14
5,000,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior note, 6.50%, 04/30/21	USA	USD	5,237,500	0.13
4,800,000	United Rentals North America Inc., senior sub. note, 8.375%, 09/15/20	USA	USD	5,220,000	0.13
5,400,000	Caesars Operating Escrow LLC/Corp., senior secured note, 8.50%, 02/15/20	USA	USD	5,106,375	0.13
4,800,000	Oasis Petroleum Inc., senior note, 7.25%, 02/01/19	USA	USD	5,028,000	0.13
4,900,000	Chaparral Energy Inc., senior note, 7.625%, 11/15/22	USA	USD	5,022,500	0.13
5,000,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.875%, 04/01/22	AUS	USD	4,868,750	0.12
4,600,000	CONSOL Energy Inc., senior note, 8.00%, 04/01/17	USA	USD	4,864,500	0.12
5,000,000	Intelsat Jackson Holdings SA, senior bond, 144A, 5.50%, 08/01/23	LUX	USD	4,709,375	0.12
4,300,000	HCA Inc., senior secured bond, 7.25%, 09/15/20	USA	USD	4,627,875	0.12
4,600,000	SandRidge Energy Inc., senior note, 8.125%, 10/15/22	USA	USD	4,577,000	0.11
4,300,000	MGM Resorts International, senior note, 6.625%, 12/15/21	USA	USD	4,439,750	0.11
4,200,000	Antero Resources Finance Corp., senior note, 7.25%, 08/01/19	USA	USD	4,399,500	0.11
4,500,000	General Motors Financial Co. Inc., senior note, 144A, 3.25%, 05/15/18	USA	USD	4,387,500	0.11
5,000,000	Quicksilver Resources Inc., senior note, 9.125%, 08/15/19	USA	USD	4,275,000	0.11
4,200,000	Chesapeake Energy Corp., senior note, 5.75%, 03/15/23	USA	USD	4,263,000	0.11
4,200,000	Alere Inc., senior sub. note, 144A, 6.50%, 06/15/20	USA	USD	4,089,750	0.10
3,700,000	Ardagh Packaging Finance PLC, senior secured note, 144A, 7.375%, 10/15/17	LUX	USD	3,959,000	0.10
3,600,000	Pinnacle Entertainment Inc., senior sub. note, 7.75%, 04/01/22	USA	USD	3,780,000	0.09
3,400,000	Jarden Corp., senior note, 6.125%, 11/15/22	USA	USD	3,582,750	0.09
3,300,000	SandRidge Energy Inc., senior note, 8.75%, 01/15/20	USA	USD	3,382,500	0.08
3,000,000	MetroPCS Wireless Inc., senior note, 7.875%, 09/01/18	USA	USD	3,210,000	0.08
3,000,000	CONSOL Energy Inc., senior note, 6.375%, 03/01/21	USA	USD	3,000,000	0.08
2,800,000	MedAssets Inc., senior note, 8.00%, 11/15/18	USA	USD	2,982,000	0.07
3,000,000	Linn Energy LLC/Finance Corp., senior note, 6.50%, 05/15/19	USA	USD	2,940,000	0.07
2,700,000	SandRidge Energy Inc., senior note, 7.50%, 03/15/21	USA	USD	2,592,000	0.06
2,400,000	Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., secured note, 144A, 4.875%, 11/15/22	LUX	USD	2,238,000	0.06
2,100,000	LBC Tank Terminal Holding Netherlands BV, senior bond, 144A, 6.875%, 05/15/23	BEL	USD	2,115,750	0.05
2,200,000	SandRidge Energy Inc., senior note, 7.50%, 02/15/23	USA	USD	2,101,000	0.05
1,800,000	HDTFS Inc., senior note, 5.875%, 10/15/20	USA	USD	1,863,000	0.05
1,600,000	Crown Castle International Corp., senior bond, 7.125%, 11/01/19	USA	USD	1,716,000	0.04
1,700,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 8.25%, 02/15/21	USA	USD	1,689,375	0.04
1,600,000	Cemex SAB de CV, secured note, 144A, 5.875%, 03/25/19	MEX	USD	1,559,000	0.04
1,400,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	1,449,000	0.04
1,300,000	Nara Cable Funding Ltd., senior note, 144A, 8.875%, 12/01/18	ESP	USD	1,348,750	0.03
1,100,000	Lynx II Corp., senior bond, 144A, 6.375%, 04/15/23	GBR	USD	1,113,750	0.03
400,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 9.00%, 04/15/19	USA	USD	415,000	0.01
123,000	Freescale Semiconductor Inc., senior note, 10.75%, 08/01/20	USA	USD	135,915	0.00
				<u>3,451,291,595</u>	<u>86.42</u>

The accompanying notes form an integral

## — Franklin High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b>					
17,000,000	JBS USA LLC/Finance Inc., senior note, 11.625%, 05/01/14	USA	USD	17,977,500	0.45
7,900,000	International Lease Finance Corp., senior note, 5.65%, 06/01/14	USA	USD	8,067,875	0.20
				26,045,375	0.65
	<b>TOTAL BONDS</b>			3,477,336,970	87.07
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			3,487,136,970	87.32
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Air Freight &amp; Couriers</b>				
141	CEVA Holdings LLC, cvt. pfd., A-1 **	GBR	USD	169,200	0.00
	<b>Diversified Commercial Services</b>				
7,720	CEVA Holdings LLC, cvt. pfd., A-2 **	GBR	USD	6,947,622	0.18
3,566	CEVA Holdings LLC **	GBR	USD	3,209,463	0.08
				10,157,085	0.26
	<b>TOTAL SHARES</b>			10,326,285	0.26
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
64,125,000	Texas Competitive Electric Holdings Co. LLC/Texas Competitive Electric Holdings Finance Inc., senior secured note, 144A, 11.50%, 10/01/20	USA	USD	48,254,062	1.21
36,000,000	Cemex SAB de CV, senior secured note, 144A, 9.00%, 01/11/18	MEX	USD	37,980,000	0.95
21,825,000	Univision Communications Inc., senior secured note, 144A, 6.875%, 05/15/19	USA	USD	23,025,375	0.58
20,000,000	CommScope Inc., senior note, 144A, 8.25%, 01/15/19	USA	USD	21,450,000	0.54
20,675,000	First Data Corp., senior secured bond, 144A, 8.25%, 01/15/21	USA	USD	21,191,875	0.53
12,211,000	Taylor Morrison Communities Inc./Monarch Communities Inc., senior note, 144A, 7.75%, 04/15/20	USA	USD	13,218,408	0.33
12,800,000	CEVA Group PLC, senior note, first lien, 144A, 4.00%, 05/01/18 **	GBR	USD	10,496,000	0.26
9,180,000	Calpine Corp., senior secured note, 144A, 7.875%, 07/31/20	USA	USD	10,006,200	0.25
9,300,000	Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., senior note, 144A, 9.125%, 10/15/20	LUX	USD	9,916,125	0.25
8,000,000	Jaguar Holding Co. II/Merger Sub Inc., senior note, 144A, 9.50%, 12/01/19	USA	USD	8,880,000	0.22
7,900,000	Univision Communications Inc., senior secured note, 144A, 7.875%, 11/01/20	USA	USD	8,591,250	0.21
8,000,000	Shingle Springs Tribal Gaming Authority, senior note, 144A, 9.375%, 06/15/15	USA	USD	7,940,000	0.20
8,600,000	inVentiv Health Inc., senior note, 144A, 10.00%, 08/15/18	USA	USD	7,224,000	0.18
6,700,000	Neuberger Berman Group LLC/Finance Corp., senior note, 144A, 5.875%, 03/15/22	USA	USD	6,867,500	0.17
7,700,000	inVentiv Health Inc., senior note, 144A, 10.00%, 08/15/18	USA	USD	6,468,000	0.16
5,500,000	Sealed Air Corp., senior note, 144A, 8.375%, 09/15/21	USA	USD	6,242,500	0.16
4,800,000	Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., senior secured note, first lien, 144A, 7.375%, 10/15/17	LUX	USD	5,142,000	0.13
4,700,000	Ardagh Packaging Finance PLC, senior note, 144A, 9.125%, 10/15/20	LUX	USD	5,017,250	0.13
4,315,000	Taylor Morrison Communities Inc./Monarch Communities Inc., senior note, 144A, 7.75%, 04/15/20	USA	USD	4,670,988	0.12
3,400,000	Ineos Finance PLC, senior secured note, 144A, 8.375%, 02/15/19	GBR	USD	3,706,000	0.09
2,000,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.00%, 04/01/17	AUS	USD	1,955,000	0.05
20,000,000	Fontainebleau Las Vegas, 144A, 11.00%, 06/15/15 *	USA	USD	12,600	0.00
1,733,089	Goss Graphic Systems Inc., senior sub. note, 12.25%, 02/20/49 **,†	USA	USD	173	0.00
28,000,000	NewPage Corp., Escrow Account, 11.375%, 12/31/14 **	USA	USD	0	0.00
				268,255,306	6.72
	<b>Securities Maturing Within One Year</b>				
2,200,000	CEVA Group PLC, 4% Unfunded Commitment, zero cpn., 12/01/13 **	GBR	EUR	2,348,176	0.06
	<b>TOTAL BONDS</b>			270,603,482	6.78
	<b>WARRANTS</b>				
	<b>Casinos &amp; Gaming</b>				
97,263	Station Casinos Inc., wts., 06/17/18 **	USA	USD	154,648	0.00
	<b>TOTAL WARRANTS</b>			154,648	0.00
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				
				281,084,415	7.04
	<b>TOTAL INVESTMENTS</b>			3,774,233,725	94.51

\* These Corporate Bonds are currently in default

† Floating Rates are indicated as at June 30, 2013

\*\* These securities are submitted to a Fair Valuation

‡ Income may be received in additional securities and/or cash

## — Franklin Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Consumer Discretionary</b>					
90,000	General Motors Co., 4.75%, cvt. pfd., B	USA	USD	4,334,400	0.25
50,000	Target Corp.	USA	USD	3,443,000	0.20
23,014	Dex Media Inc.	USA	USD	404,356	0.03
				<u>8,181,756</u>	<u>0.48</u>
<b>Consumer Staples</b>					
108,900	PepsiCo Inc.	USA	USD	8,906,931	0.52
<b>Energy</b>					
650,908	BP PLC, ADR	GBR	USD	27,168,900	1.59
350,000	Royal Dutch Shell PLC, A, ADR	GBR	USD	22,330,000	1.31
175,000	Exxon Mobil Corp.	USA	USD	15,811,250	0.93
130,000	Chevron Corp.	USA	USD	15,384,200	0.90
250,000	Transocean Ltd.	USA	USD	11,987,500	0.70
318,400	Spectra Energy Corp.	USA	USD	10,972,064	0.64
500,000	Chesapeake Energy Corp.	USA	USD	10,190,000	0.60
500,000	Canadian Oil Sands Ltd.	CAN	CAD	9,259,523	0.54
182,000	Total SA, B, ADR	FRA	USD	8,863,400	0.52
100,000	Schlumberger Ltd.	USA	USD	7,166,000	0.42
100,000	Diamond Offshore Drilling Inc.	USA	USD	6,879,000	0.40
100,000	Devon Energy Corp.	USA	USD	5,188,000	0.30
250,000	Weatherford International Ltd.	USA	USD	3,425,000	0.20
63,900	Baker Hughes Inc.	USA	USD	2,947,707	0.17
				<u>157,572,544</u>	<u>9.22</u>
<b>Financials</b>					
771,300	Wells Fargo & Co.	USA	USD	31,831,551	1.86
400,000	JPMorgan Chase & Co.	USA	USD	21,116,000	1.24
15,000	Bank of America Corp., 7.25%, cvt. pfd., L	USA	USD	16,657,500	0.98
40,200	BlackRock Inc.	USA	USD	10,325,370	0.60
173,100	MetLife Inc., 5.00%, cvt. pfd.	USA	USD	9,484,149	0.56
150,000	Digital Realty Trust Inc.	USA	USD	9,150,000	0.54
600,000	Bank of America Corp.	USA	USD	7,716,000	0.45
103,900	Royal Bank of Canada	CAN	CAD	6,056,016	0.35
550,000	HSBC Holdings PLC	GBR	GBP	5,704,290	0.33
300,000	QBE Insurance Group Ltd.	AUS	AUD	4,141,300	0.24
120,000	GMAC Capital Trust I, 8.125%, pfd.	USA	USD	3,126,000	0.18
405,298	Banco Santander SA	ESP	EUR	2,586,080	0.15
600,000	Barclays PLC	GBR	GBP	2,540,656	0.15
75,000	Ally Financial Inc., 8.50%, pfd., A	USA	USD	1,939,500	0.11
533,400	Westfield Retail Trust	AUS	AUD	1,512,658	0.09
45,000	FelCor Lodging Trust Inc., 7.80%, cvt. pfd., A	USA	USD	1,107,000	0.07
				<u>134,994,070</u>	<u>7.90</u>
<b>Health Care</b>					
728,600	Merck & Co. Inc.	USA	USD	33,843,470	1.98
82,400	Roche Holding AG	CHE	CHF	20,494,258	1.20
650,000	Pfizer Inc.	USA	USD	18,206,500	1.07
180,000	Johnson & Johnson	USA	USD	15,454,800	0.90
200,000	Sanofi, ADR	FRA	USD	10,302,000	0.60
				<u>98,301,028</u>	<u>5.75</u>
<b>Industrials</b>					
1,124,700	General Electric Co.	USA	USD	26,081,793	1.53
250,000	Waste Management Inc.	USA	USD	10,082,500	0.59
250,000	Republic Services Inc.	USA	USD	8,485,000	0.50
100,000	Deere & Co.	USA	USD	8,125,000	0.47
70,000	Lockheed Martin Corp.	USA	USD	7,592,200	0.44
50,300	Raytheon Co.	USA	USD	3,325,836	0.19
				<u>63,692,329</u>	<u>3.72</u>
<b>Information Technology</b>					
770,000	Intel Corp.	USA	USD	18,649,400	1.09
500,000	Microsoft Corp.	USA	USD	17,265,000	1.01
276,200	Cisco Systems Inc.	USA	USD	6,714,422	0.39
151,200	Broadcom Corp., A	USA	USD	5,104,512	0.30
10,000	Apple Inc.	USA	USD	3,960,800	0.23
				<u>51,694,134</u>	<u>3.02</u>

The accompanying notes form an integral

## — Franklin Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Materials</b>					
300,000	LyondellBasell Industries NV, A	USA	USD	19,878,000	1.16
400,000	Rio Tinto PLC, ADR	GBR	USD	16,432,000	0.96
500,000	The Dow Chemical Co.	USA	USD	16,085,000	0.94
300,000	E. I. du Pont de Nemours and Co.	USA	USD	15,750,000	0.92
175,000	Agrium Inc.	CAN	USD	15,218,000	0.89
500,000	Freeport-McMoRan Copper & Gold Inc., B	USA	USD	13,805,000	0.81
400,000	BHP Billiton PLC	GBR	GBP	10,230,759	0.60
200,000	Goldcorp Inc.	CAN	USD	4,946,000	0.29
150,000	Newmont Mining Corp.	USA	USD	4,492,500	0.26
150,000	AngloGold Ashanti Ltd., ADR	ZAF	USD	2,145,000	0.13
70,000	AngloGold Ashanti Holdings Finance PLC, 6.00%, cvt. pfd.	ZAF	USD	1,204,700	0.07
				<u>120,186,959</u>	<u>7.03</u>
<b>Telecommunication Services</b>					
1,644,400	Telstra Corp. Ltd.	AUS	AUD	7,175,498	0.42
2,500,000	Vodafone Group PLC	GBR	GBP	7,144,193	0.42
200,000	CenturyLink Inc.	USA	USD	7,070,000	0.41
182,800	AT&T Inc.	USA	USD	6,471,120	0.38
500,000	Orange SA	FRA	EUR	4,730,196	0.27
155,000	Vivendi SA	FRA	EUR	2,935,546	0.17
200,000	Frontier Communications Corp.	USA	USD	810,000	0.05
				<u>36,336,553</u>	<u>2.12</u>
<b>Utilities</b>					
300,000	Duke Energy Corp.	USA	USD	20,250,000	1.18
425,687	PG&E Corp.	USA	USD	19,466,667	1.14
350,000	American Electric Power Co. Inc.	USA	USD	15,673,000	0.92
500,000	Exelon Corp.	USA	USD	15,440,000	0.90
337,500	The Southern Co.	USA	USD	14,893,875	0.87
200,000	Entergy Corp.	USA	USD	13,936,000	0.82
150,000	Sempra Energy	USA	USD	12,264,000	0.72
141,315	NextEra Energy Inc.	USA	USD	11,514,346	0.67
200,000	Dominion Resources Inc.	USA	USD	11,364,000	0.66
250,000	FirstEnergy Corp.	USA	USD	9,335,000	0.55
300,000	PPL Corp.	USA	USD	9,078,000	0.53
300,000	Xcel Energy Inc.	USA	USD	8,502,000	0.50
350,000	Dynegy Inc.	USA	USD	7,892,500	0.46
130,000	Pinnacle West Capital Corp.	USA	USD	7,211,100	0.42
100,000	DTE Energy Co.	USA	USD	6,701,000	0.39
200,000	Public Service Enterprise Group Inc.	USA	USD	6,532,000	0.38
150,000	TECO Energy Inc.	USA	USD	2,578,500	0.15
33,000	Dominion Resources Inc., 6.125%, cvt. pfd., A	USA	USD	1,656,600	0.10
33,000	Dominion Resources Inc., 6.00%, cvt. pfd., B	USA	USD	1,651,650	0.10
				<u>195,940,238</u>	<u>11.46</u>
<b>TOTAL SHARES</b>				<u>875,806,542</u>	<u>51.22</u>
<b>WARRANTS</b>					
<b>Consumer Discretionary</b>					
9,265	General Motors Co., wts., 07/10/16	USA	USD	222,360	0.01
9,265	General Motors Co., wts., 07/10/19	USA	USD	151,483	0.01
				<u>373,843</u>	<u>0.02</u>
<b>Utilities</b>					
31,757	Dynegy Inc., wts., 10/02/17	USA	USD	58,750	0.01
<b>TOTAL WARRANTS</b>				<u>432,593</u>	<u>0.03</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>876,239,135</u>	<u>51.25</u>
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Consumer Staples</b>					
261,000	Barclays Bank PLC into Safeway Inc., 8.00%, cvt. pfd., 144A	USA	USD	6,261,077	0.37
<b>Energy</b>					
175,000	JPMorgan Chase & Co. into Anadarko Petroleum Corp., 5.00%, cvt. pfd., 144A	USA	USD	14,952,910	0.88
333,000	Royal Bank of Canada into Halliburton Co., 7.00%, cvt. pfd., 144A	USA	USD	13,896,623	0.81
105,000	Bank of America Corp. into Schlumberger Ltd., 6.00%, cvt. pfd., 144A	USA	USD	7,618,443	0.45
475,000	Deutsche Bank AG into Peabody Energy Corp., 12.50%, cvt. pfd., 144A	USA	USD	7,407,387	0.43
150,000	Wells Fargo & Co. into Baker Hughes Inc., 6.50%, cvt. pfd., 144A	USA	USD	6,895,035	0.40
112,000	Deutsche Bank AG into Devon Energy Corp., 6.00%, cvt. pfd., 144A	USA	USD	5,965,456	0.35
100,000	Sanchez Energy Corp., 6.50%, cvt. pfd., B, 144A	USA	USD	5,943,000	0.35
5,000	Halcon Resources Corp., cvt. pfd., A	USA	USD	5,150,000	0.30
245,000	Bank of America Corp. into Peabody Energy Corp., 10.00%, cvt. pfd., 144A	USA	USD	3,983,504	0.23
3,500	Chesapeake Energy Corp., 5.75%, cvt. pfd., 144A	USA	USD	3,612,350	0.21
40,000	SandRidge Energy Inc., 7.00%, cvt. pfd.	USA	USD	3,438,664	0.20

part of these financial statements

## — Franklin Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Energy (continued)</b>					
500,000	Barclays Bank PLC into Alpha Natural Resources Inc., 12.50%, cvt. pfd., 144A	USA	USD	3,141,320	0.18
40,000	Sanchez Energy Corp., 4.875%, cvt. pfd., 144A	USA	USD	2,381,712	0.14
				<u>84,386,404</u>	<u>4.93</u>
<b>Financials</b>					
983,000	JPMorgan Chase & Co. into Bank of America Corp., 6.50%, cvt. pfd., 144A	USA	USD	12,515,851	0.73
5,000	Wells Fargo & Co., 7.50%, cvt. pfd., A	USA	USD	5,990,000	0.35
400,000	Citigroup Inc. into Bank of America Corp., 7.00%, cvt. pfd., 144A	USA	USD	5,127,320	0.30
3,261	Ally Financial Inc., 7.00%, pfd., 144A	USA	USD	3,099,683	0.18
124,300	Freddie Mac, 8.375%, pfd., Z	USA	USD	577,995	0.04
121,700	Fannie Mae, 8.25%, pfd.	USA	USD	553,735	0.03
				<u>27,864,584</u>	<u>1.63</u>
<b>Information Technology</b>					
231,000	Citigroup Inc. into Intel Corp., 7.50%, cvt. pfd., 144A	USA	USD	5,621,662	0.33
250,000	Credit Suisse New York into Corning Inc., 9.00%, cvt. pfd.	USA	USD	3,546,175	0.21
				<u>9,167,837</u>	<u>0.54</u>
<b>Materials</b>					
397,000	JPMorgan Chase & Co. into Freeport-McMoRan Copper & Gold Inc., 9.00%, cvt. pfd., 144A	USA	USD	11,596,251	0.68
500,000	Morgan Stanley into Barrick Gold Corp., 9.00%, cvt. pfd., 144A, 4/15/14	CAN	USD	8,814,350	0.51
118,000	Deutsche Bank AG into LyondellBasell Industries NV, 9.00%, cvt. pfd., 144A	USA	USD	7,107,801	0.42
157,500	Wells Fargo & Co. into Nucor Corp., 7.00%, cvt. pfd., 144A	USA	USD	6,929,118	0.40
225,000	The Goldman Sachs Group Inc. into Freeport-McMoRan Copper & Gold Inc., 9.00%, cvt. pfd., 144A	USA	USD	6,561,540	0.38
210,000	Bank of America Corp. into Newmont Mining Corp., 8.00%, cvt. pfd., 144A	USA	USD	6,445,320	0.38
150,000	Deutsche Bank AG into Freeport-McMoRan Copper & Gold Inc., 10.00%, cvt. pfd., 144A	USA	USD	4,373,910	0.26
100,000	JPMorgan Chase & Co. into Nucor Corp., 7.50%, cvt. pfd., 144A	USA	USD	4,239,830	0.25
				<u>56,068,120</u>	<u>3.28</u>
<b>Utilities</b>					
50,000	NextEra Energy Inc., 5.599%, cvt. pfd.	USA	USD	2,835,850	0.16
	<b>TOTAL SHARES</b>			<u>186,583,872</u>	<u>10.91</u>
<b>BONDS</b>					
<b>Corporate Bonds</b>					
18,263,000	First Data Corp., senior bond, 12.625%, 01/15/21	USA	USD	19,404,437	1.14
16,500,000	Freescale Semiconductor Inc., senior note, 8.05%, 02/01/20	USA	USD	16,788,750	0.98
14,800,000	Clear Channel Communications Inc., senior note, 9.00%, 03/01/21	USA	USD	14,134,000	0.83
10,000,000	InterGen NV, secured bond, 144A, 7.00%, 06/30/23	NLD	USD	9,756,250	0.57
8,860,000	First Data Corp., senior sub. note, 11.25%, 03/31/16	USA	USD	8,704,950	0.51
7,700,000	Reynolds Group Issuer Inc./LLC/SA, senior secured note, 7.875%, 08/15/19	USA	USD	8,431,500	0.49
8,100,000	W&T Offshore Inc., senior note, 8.50%, 06/15/19	USA	USD	8,403,750	0.49
7,800,000	Shea Homes LP/Funding Corp., senior secured note, 8.625%, 05/15/19	USA	USD	8,365,500	0.49
7,500,000	Vanguard Health Holding Co. II LLC/Inc., senior note, 8.00%, 02/01/18	USA	USD	7,987,500	0.47
6,800,000	JPMorgan Chase & Co., junior sub. note, 1, 7.90% to 04/30/19, FRN thereafter, Perpetual	USA	USD	7,691,800	0.45
7,500,000	Chesapeake Energy Corp., senior note, 5.375%, 06/15/21	USA	USD	7,481,250	0.44
9,000,000	Arch Coal Inc., senior note, 7.25%, 06/15/21	USA	USD	7,470,000	0.44
5,000,000	Volkswagen International Finance, cvt., sub. note, 144A, 5.50%, 11/09/15	DEU	EUR	6,697,868	0.39
6,000,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior note, 6.50%, 04/30/21	USA	USD	6,285,000	0.37
5,800,000	KB Home, senior bond, 7.50%, 09/15/22	USA	USD	6,249,500	0.37
5,700,000	CDW LLC/Finance Corp., senior note, 8.50%, 04/01/19	USA	USD	6,156,000	0.36
5,450,000	HCA Inc., senior note, 7.50%, 02/15/22	USA	USD	6,049,500	0.35
5,500,000	RBS Global & Rexnord Corp., senior note, 8.50%, 05/01/18	USA	USD	5,871,250	0.34
5,500,000	Aviation Capital Group, 144A, 6.75%, 04/06/21	USA	USD	5,798,512	0.34
6,000,000	Cricket Communications Inc., senior note, 7.75%, 10/15/20	USA	USD	5,790,000	0.34
5,600,000	Sanchez Energy Corp., senior note, 144A, 7.75%, 06/15/21	USA	USD	5,544,000	0.32
5,000,000	Chrysler Group LLC/CG Co-Issuer Inc., senior secured note, 8.00%, 06/15/19	USA	USD	5,481,250	0.32
5,000,000	Dynacast International LLC/Finance Inc., 9.25%, 07/15/19	USA	USD	5,475,000	0.32
5,000,000	El Paso Corp., senior note, MTN, 7.75%, 01/15/32	USA	USD	5,340,940	0.31
5,000,000	Sprint Nextel Corp., senior note, 7.00%, 08/15/20	USA	USD	5,300,000	0.31
5,000,000	MetroPCS Wireless Inc., senior bond, 144A, 6.625%, 04/01/23	USA	USD	5,106,250	0.30
5,000,000	First Data Corp., senior note, 144A, 11.25%, 01/15/21	USA	USD	5,012,500	0.29
5,000,000	Halcon Resources Corp., senior note, 9.75%, 07/15/20	USA	USD	5,012,500	0.29
5,000,000	Ahern Rentals Inc., secured note, second lien, 144A, 9.50%, 06/15/18	USA	USD	5,006,250	0.29
5,000,000	First Data Corp., senior note, 144A, 10.625%, 06/15/21	USA	USD	4,962,500	0.29
5,000,000	Molycorp Inc., first lien, 10.00%, 06/01/20	USA	USD	4,875,000	0.29
5,000,000	Peabody Energy Corp., senior note, 6.25%, 11/15/21	USA	USD	4,850,000	0.28
5,000,000	DISH DBS Corp., senior bond, 5.00%, 03/15/23	USA	USD	4,837,500	0.28
4,500,000	Calpine Corp., senior secured note, 144A, 7.50%, 02/15/21	USA	USD	4,826,250	0.28
5,000,000	Caesars Operating Escrow LLC/Corp., first lien, 144A, 9.00%, 02/15/20	USA	USD	4,800,000	0.28

The accompanying notes form an integral



## — Franklin Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Corporate Bonds</b> (continued)				
5,000,000	Caesars Entertainment Operating Co. Inc., secured note, 144A, 9.00%, 02/15/20	USA	USD	4,787,500	0.28
5,000,000	Freescale Semiconductor Inc., secured note, 144A, 5.00%, 05/15/21	USA	USD	4,762,500	0.28
5,000,000	Univision Communications Inc., senior secured note, 144A, 5.125%, 05/15/23	USA	USD	4,750,000	0.28
4,500,000	CHC Helicopter SA, senior secured note, first lien, 9.25%, 10/15/20	CAN	USD	4,620,937	0.27
4,600,000	Offshore Group Investment Ltd., first lien, 144A, 7.125%, 04/01/23	USA	USD	4,542,500	0.27
4,500,000	Nuveen Investments Inc., senior note, 144A, 9.50%, 10/15/20	USA	USD	4,500,000	0.26
5,000,000	Quicksilver Resources Inc., senior note, 144A, 11.00%, 07/01/21	USA	USD	4,450,000	0.26
4,200,000	Reynolds Group Issuer Inc./LLC/SA, senior secured note, 6.875%, 02/15/21	USA	USD	4,420,500	0.26
3,970,000	Orion Engineered Carbons Bondco GmbH, senior secured note, 144A, 9.625%, 06/15/18	DEU	USD	4,332,262	0.25
4,000,000	Freescale Semiconductor Inc., senior secured note, 144A, 9.25%, 04/15/18	USA	USD	4,330,000	0.25
4,000,000	SUPERVALU Inc., senior note, 8.00%, 05/01/16	USA	USD	4,325,000	0.25
4,500,000	CommScope Holdings Inc., senior note, 144A, PIK, 6.625%, 06/01/20 ‡	USA	USD	4,320,000	0.25
4,400,000	Alere Inc., senior sub. note, 144A, 6.50%, 06/15/20	USA	USD	4,284,500	0.25
3,900,000	Cablevision Systems Corp., senior note, 7.75%, 04/15/18	USA	USD	4,212,000	0.25
4,000,000	Niska Gas Storage U.S./Canada, senior note, 8.875%, 03/15/18	USA	USD	4,170,000	0.24
2,500,000	Boparan Finance PLC, senior note, 144A, 9.875%, 04/30/18	GBR	GBP	4,137,188	0.24
3,900,000	Antero Resources Finance Corp., senior note, 7.25%, 08/01/19	USA	USD	4,085,250	0.24
3,850,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 7.00%, 11/01/15	AUS	USD	3,876,238	0.23
3,613,000	Expro Finance Luxembourg, senior secured note, 144A, 8.50%, 12/15/16	GBR	USD	3,811,715	0.22
3,500,000	Samson Investment Co., senior note, 144A, 9.75%, 02/15/20	USA	USD	3,705,625	0.22
3,600,000	Inmet Mining Corp., senior note, 144A, 8.75%, 06/01/20	CAN	USD	3,699,000	0.22
3,600,000	VPI Escrow Corp., senior note, 144A, 6.375%, 10/15/20	CAN	USD	3,577,500	0.21
3,800,000	Visant Corp., senior note, 10.00%, 10/01/17	USA	USD	3,524,500	0.21
3,300,000	Linn Energy LLC/Finance Corp., senior note, 8.625%, 04/15/20	USA	USD	3,481,500	0.20
3,500,000	Navistar International Corp., senior note, 8.25%, 11/01/21	USA	USD	3,456,250	0.20
3,000,000	Frontier Communications Corp., senior note, 9.25%, 07/01/21	USA	USD	3,442,500	0.20
2,700,000	Cemex SAB de CV, cvt., sub. note, 3.75%, 03/15/18	MEX	USD	3,346,448	0.20
2,500,000	Sprint Nextel Corp., 11.50%, 11/15/21	USA	USD	3,337,500	0.20
3,100,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 9.875%, 08/15/19	USA	USD	3,332,500	0.19
3,200,000	The Goodyear Tire & Rubber Co., senior note, 6.50%, 03/01/21	USA	USD	3,268,000	0.19
3,000,000	ClubCorp Club Operations Inc., senior note, 10.00%, 12/01/18	USA	USD	3,255,000	0.19
3,100,000	Jaguar Holding Co. I, senior note, 144A, PIK, 9.375%, 10/15/17 ‡	USA	USD	3,255,000	0.19
3,000,000	Chesapeake Energy Corp., senior note, 6.50%, 08/15/17	USA	USD	3,232,500	0.19
3,000,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 8.25%, 02/15/21	USA	USD	2,981,250	0.17
3,000,000	Cumulus Media Holdings Inc., senior note, 7.75%, 05/01/19	USA	USD	2,947,500	0.17
3,000,000	Hudbay Minerals Inc., senior note, 144A, 9.50%, 10/01/20	CAN	USD	2,940,000	0.17
2,500,000	Sprint Nextel Corp., senior note, 144A, 9.00%, 11/15/18	USA	USD	2,931,250	0.17
3,000,000	Halcon Resources Corp., senior note, 8.875%, 05/15/21	USA	USD	2,925,000	0.17
2,500,000	EP Energy LLC/Finance Inc., senior note, 9.375%, 05/01/20	USA	USD	2,831,250	0.17
2,800,000	Reynolds Group Issuer Inc./LLC/SA, first lien, 5.75%, 10/15/20	USA	USD	2,828,000	0.17
3,200,000	Clear Channel Communications Inc., senior note, 10.75%, 08/01/16	USA	USD	2,792,000	0.16
2,500,000	HD Supply Inc., first lien, 8.125%, 04/15/19	USA	USD	2,750,000	0.16
2,500,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior note, 7.375%, 06/01/20	USA	USD	2,731,250	0.16
2,634,000	First Data Corp., senior secured note, Reg S, PIK, 8.75%, 01/15/22 ‡	USA	USD	2,719,605	0.16
2,500,000	Sabine Pass LNG LP, senior secured note, 7.50%, 11/30/16	USA	USD	2,703,125	0.16
2,627,000	First Data Corp., senior secured bond, Reg S, 8.25%, 01/15/21	USA	USD	2,692,675	0.16
2,800,000	Abengoa Finance SAU, senior note, 144A, 8.875%, 11/01/17	ESP	USD	2,640,750	0.15
2,500,000	U.S. Foods Inc., 8.50%, 06/30/19	USA	USD	2,625,000	0.15
2,100,000	Cemex SAB de CV, cvt., sub. note, 3.25%, 03/15/16	MEX	USD	2,552,737	0.15
2,453,000	Tenet Healthcare Corp., senior note, 8.00%, 08/01/20	USA	USD	2,541,921	0.15
2,500,000	Algeco Scotsman Global Finance PLC, secured note, 144A, 8.50%, 10/15/18	GBR	USD	2,500,000	0.15
2,200,000	MGM Resorts International, senior note, 8.625%, 02/01/19	USA	USD	2,497,000	0.15
2,500,000	Penn Virginia Corp., senior note, 144A, 8.50%, 05/01/20	USA	USD	2,431,250	0.14
2,000,000	MGM Resorts International, senior note, 10.00%, 11/01/16	USA	USD	2,355,000	0.14
2,200,000	Sterling International Inc., senior note, 11.00%, 10/01/19	USA	USD	2,288,000	0.13
2,000,000	International Lease Finance Corp., senior note, 8.75%, 03/15/17	USA	USD	2,237,500	0.13
2,000,000	Frontier Communications Corp., senior note, 8.50%, 04/15/20	USA	USD	2,215,000	0.13
2,500,000	Arch Coal Inc., senior note, 7.00%, 06/15/19	USA	USD	2,093,750	0.12
2,000,000	Harrah's Operating Co. Inc., senior secured note, 11.25%, 06/01/17	USA	USD	2,087,500	0.12
2,000,000	SandRidge Energy Inc., senior note, 8.75%, 01/15/20	USA	USD	2,050,000	0.12
1,800,000	Cemex Finance LLC, senior secured note, 144A, 9.375%, 10/12/22	MEX	USD	1,971,000	0.12
2,500,000	NII Capital Corp., senior bond, 7.625%, 04/01/21	USA	USD	1,968,750	0.12
1,700,000	JBS USA LLC/Finance Inc., senior note, 144A, 8.25%, 02/01/20	USA	USD	1,789,250	0.10
1,800,000	SandRidge Energy Inc., senior note, 7.50%, 02/15/23	USA	USD	1,719,000	0.10
1,800,000	EXCO Resources Inc., senior note, 7.50%, 09/15/18	USA	USD	1,692,000	0.10
1,500,000	Energy XXI Gulf Coast Inc., senior note, 9.25%, 12/15/17	USA	USD	1,653,750	0.10
5,000,000	OGX Petroleo e Gas Participacoes SA, senior note, 144A, 8.50%, 06/01/18	BRA	USD	1,643,750	0.10
1,500,000	Del Monte Corp., senior note, 7.625%, 02/15/19	USA	USD	1,548,750	0.09
1,500,000	Midstates Petroleum Co. Inc./LLC, senior note, 144A, 10.75%, 10/01/20	USA	USD	1,515,000	0.09
1,500,000	Bill Barrett Corp., senior note, 7.00%, 10/15/22	USA	USD	1,507,500	0.09
1,500,000	Edgen Murray Corp., secured note, 144A, 8.75%, 11/01/20	USA	USD	1,500,000	0.09

## — Franklin Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
1,300,000	CSC Holdings LLC, senior note, 6.75%, 11/15/21	USA	USD	1,407,250	0.08
1,200,000	Dean Foods Co., senior note, 9.75%, 12/15/18	USA	USD	1,362,000	0.08
1,100,000	The Goodyear Tire & Rubber Co., senior note, 8.25%, 08/15/20	USA	USD	1,210,000	0.07
1,100,000	HCA Inc., senior note, 6.50%, 02/15/16	USA	USD	1,188,000	0.07
1,132,000	Freescale Semiconductor Inc., senior note, 10.125%, 12/15/16	USA	USD	1,164,545	0.07
1,100,000	MGM Resorts International, senior note, 6.75%, 10/01/20	USA	USD	1,141,250	0.07
1,000,000	Cablevision Systems Corp., senior note, 8.625%, 09/15/17	USA	USD	1,140,000	0.07
1,000,000	The Manitowoc Co. Inc., senior note, 9.50%, 02/15/18	USA	USD	1,080,000	0.06
900,000	Antero Resources Finance Corp., senior note, 9.375%, 12/01/17	USA	USD	958,500	0.06
800,000	Infor U.S. Inc., senior note, 9.375%, 04/01/19	USA	USD	871,000	0.05
792,000	CDW LLC/Finance Corp., senior sub. note, 12.535%, 10/12/17	USA	USD	839,520	0.05
1,000,000	Alpha Natural Resources Inc., senior note, 6.25%, 06/01/21	USA	USD	802,500	0.05
600,000	Grifols Inc., senior note, 8.25%, 02/01/18	ESP	USD	648,000	0.04
500,000	Vanguard Health Holding Co. II LLC/Inc., senior note, 7.75%, 02/01/19	USA	USD	532,500	0.03
500,000	Ladder Capital Finance Holdings LLC/Corp., senior note, 144A, 7.375%, 10/01/17	USA	USD	512,500	0.03
336,000	Hertz Corp., senior note, 6.75%, 04/15/19	USA	USD	357,000	0.02
57,000	Freescale Semiconductor Inc., senior note, 10.75%, 08/01/20	USA	USD	62,985	0.00
100,000	Motors Liquidation Co., Escrow Account, 6.25%, cvt. pfd., C	USA	USD	1,000	0.00
				<u>484,254,783</u>	<u>28.33</u>
<b>Securities Maturing Within One Year</b>					
1,000,000	JBS USA LLC/Finance Inc., senior note, 11.625%, 05/01/14	USA	USD	1,057,500	0.06
	<b>TOTAL BONDS</b>			<u>485,312,283</u>	<u>28.39</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>671,896,155</u>	<u>39.30</u>
TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Industrials</b>					
1,479	CEVA Holdings LLC **	GBR	USD	1,331,361	0.08
1,408	CEVA Holdings LLC, cvt. pfd., A-2 **	GBR	USD	1,267,173	0.07
44	CEVA Holdings LLC, cvt. pfd., A-1 **	GBR	USD	52,800	0.00
				<u>2,651,334</u>	<u>0.15</u>
	<b>TOTAL SHARES</b>			<u>2,651,334</u>	<u>0.15</u>
<b>BONDS</b>					
<b>Corporate Bonds</b>					
13,400,000	First Data Corp., senior secured bond, 144A, 8.25%, 01/15/21	USA	USD	13,735,000	0.80
5,000,000	Jaguar Land Rover PLC, senior bond, 144A, 8.125%, 05/15/18	GBR	GBP	8,307,644	0.48
6,300,000	Cemex SAB de CV, senior secured note, 144A, 9.00%, 01/11/18	MEX	USD	6,646,500	0.39
4,500,000	Orion Engineered Carbons Bondco GmbH, senior secured bond, 144A, 10.00%, 06/15/18	DEU	EUR	6,435,846	0.38
5,000,000	Sanmina Corp., senior note, 144A, 7.00%, 05/15/19	USA	USD	5,175,000	0.30
5,000,000	JBS USA LLC/Finance Inc., senior note, 144A, 7.25%, 06/01/21	USA	USD	5,025,000	0.29
4,000,000	Landry's Inc., senior note, 144A, 9.375%, 05/01/20	USA	USD	4,240,000	0.25
2,500,000	Magnum Hunter Resources Corp., senior note, 144A, 9.75%, 05/15/20	USA	USD	2,550,000	0.15
2,070,000	Calpine Corp., senior secured note, 144A, 7.875%, 07/31/20	USA	USD	2,256,300	0.13
1,400,000	Kerling PLC, senior secured note, 144A, 10.625%, 02/01/17	GBR	EUR	1,914,036	0.11
2,000,000	CEVA Group PLC, senior note, first lien, 144A, 4.00%, 05/01/18 **	GBR	USD	1,640,000	0.10
725,000	Academy Ltd./Finance Corp., senior note, 144A, 9.25%, 08/01/19	USA	USD	806,562	0.05
737,000	Freescale Semiconductor Inc., senior secured note, 144A, 10.125%, 03/15/18	USA	USD	801,487	0.05
1,250,000	Dynegy Holdings Inc., Escrow Account, 7.50%, 06/01/15 **	USA	USD	0	0.00
650,000	Dynegy Holdings Inc., Escrow Account, 7.50%, 06/01/15 **	USA	USD	0	0.00
12,000,000	Dynegy Holdings Inc., Escrow Account, 7.75%, 06/01/19 **	USA	USD	0	0.00
5,000,000	Dynegy Holdings Inc., Escrow Account, 8.375%, 05/01/16 **	USA	USD	0	0.00
				<u>59,533,375</u>	<u>3.48</u>
<b>Securities Maturing Within One Year</b>					
700,000	CEVA Group PLC, 4% Unfunded Commitment, zero cpn., 12/01/13 **	GBR	EUR	747,147	0.05
	<b>TOTAL BONDS</b>			<u>60,280,522</u>	<u>3.53</u>
<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>62,931,856</u>	<u>3.68</u>
	<b>TOTAL INVESTMENTS</b>			<u>1,611,067,146</u>	<u>94.23</u>

‡ Income may be received in additional securities and/or cash

\*\* These securities are submitted to a Fair Valuation

The accompanying notes form an integral



## — Franklin India Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Auto Components</b>					
129,500	Bosch Ltd.	IND	INR	19,463,720	2.04
6,400,000	Exide Industries Ltd.	IND	INR	13,050,913	1.37
1,500,000	Balkrishna Industries Ltd.	IND	INR	5,168,982	0.54
				<u>37,683,615</u>	<u>3.95</u>
<b>Automobiles</b>					
1,100,000	Mahindra & Mahindra Ltd.	IND	INR	17,859,086	1.87
440,000	Bajaj Auto Ltd.	IND	INR	14,171,602	1.49
4,900,000	Tata Motors Ltd., A	IND	INR	11,588,867	1.22
				<u>43,619,555</u>	<u>4.58</u>
<b>Chemicals</b>					
305,000	Asian Paints Ltd.	IND	INR	23,720,458	2.49
<b>Commercial Banks</b>					
3,589,810	ICICI Bank Ltd.	IND	INR	64,505,388	6.76
5,320,000	HDFC Bank Ltd.	IND	INR	59,738,633	6.27
2,480,000	IndusInd Bank Ltd.	IND	INR	19,422,841	2.04
850,000	Axis Bank Ltd.	IND	INR	18,890,237	1.98
1,600,000	Yes Bank Ltd.	IND	INR	12,389,767	1.30
				<u>174,946,866</u>	<u>18.35</u>
<b>Construction &amp; Engineering</b>					
800,000	Larsen & Toubro Ltd.	IND	INR	18,868,863	1.98
2,900,000	Voltas Ltd.	IND	INR	3,943,275	0.41
				<u>22,812,138</u>	<u>2.39</u>
<b>Construction Materials</b>					
260,000	Grasim Industries Ltd.	IND	INR	12,062,117	1.27
<b>Diversified Financial Services</b>					
1,330,000	Crisil Ltd.	IND	INR	24,822,586	2.61
1,450,000	Kotak Mahindra Bank Ltd.	IND	INR	17,566,938	1.84
568,000	Credit Analysis and Research Ltd.	IND	INR	5,718,354	0.60
				<u>48,107,878</u>	<u>5.05</u>
<b>Electric Utilities</b>					
12,400,000	Power Grid Corp. of India Ltd.	IND	INR	23,109,536	2.42
<b>Food Products</b>					
150,000	Nestle India Ltd.	IND	INR	12,262,947	1.29
<b>Gas Utilities</b>					
3,306,457	GAIL India Ltd.	IND	INR	17,383,989	1.82
<b>Independent Power Producers &amp; Energy Traders</b>					
9,750,000	NTPC Ltd.	IND	INR	23,534,426	2.47
<b>IT Services</b>					
1,200,000	Infosys Ltd.	IND	INR	50,256,161	5.27
340,000	Cognizant Technology Solutions Corp., A	USA	USD	21,287,400	2.23
2,466,666	Wipro Ltd.	IND	INR	14,493,470	1.52
500,000	Tata Consultancy Services Ltd.	IND	INR	12,752,591	1.34
				<u>98,789,622</u>	<u>10.36</u>
<b>Machinery</b>					
3,300,000	Cummins India Ltd.	IND	INR	25,249,021	2.65
310,000	Thermax Ltd.	IND	INR	3,106,353	0.33
				<u>28,355,374</u>	<u>2.98</u>
<b>Media</b>					
35,000,000	TV18 Broadcast Ltd.	IND	INR	14,139,217	1.48
7,718,789	Jagran Prakashan Ltd.	IND	INR	10,553,969	1.11
				<u>24,693,186</u>	<u>2.59</u>
<b>Metals &amp; Mining</b>					
6,250,000	Gujarat Mineral Development Corp. Ltd.	IND	INR	13,464,171	1.41
2,800,000	Hindalco Industries Ltd.	IND	INR	4,691,516	0.49
				<u>18,155,687</u>	<u>1.90</u>

## — Franklin India Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Oil, Gas &amp; Consumable Fuels</b>				
3,231,720	Reliance Industries Ltd.	IND	INR	46,785,109	4.91
6,000,000	Oil & Natural Gas Corp. Ltd.	IND	INR	33,268,943	3.49
4,200,000	Coal India Ltd.	IND	INR	21,372,852	2.24
1,800,000	Bharat Petroleum Corp. Ltd.	IND	INR	11,054,037	1.16
2,600,000	Great Eastern Shipping Co. Ltd.	IND	INR	9,291,486	0.97
				<u>121,772,427</u>	<u>12.77</u>
	<b>Personal Products</b>				
6,000,000	Marico Ltd.	IND	INR	21,033,712	2.21
	<b>Pharmaceuticals</b>				
925,000	Dr. Reddy's Laboratories Ltd.	IND	INR	34,422,001	3.61
1,784,385	Cadila Healthcare Ltd.	IND	INR	23,182,648	2.43
1,225,000	Torrent Pharmaceuticals Ltd.	IND	INR	16,910,033	1.77
150,000	GlaxoSmithKline Pharmaceuticals Ltd.	IND	INR	5,892,866	0.62
302,200	Pfizer Ltd.	IND	INR	5,477,194	0.58
744,980	Cipla Ltd.	IND	INR	4,898,500	0.51
355,438	Lupin Ltd.	IND	INR	4,654,553	0.49
				<u>95,437,795</u>	<u>10.01</u>
	<b>Textiles, Apparel &amp; Luxury Goods</b>				
758,000	Titan Industries Ltd.	IND	INR	2,855,885	0.30
	<b>Transportation Infrastructure</b>				
12,074,572	Gujarat Pipavav Port Ltd.	IND	INR	9,410,917	0.99
	<b>Wireless Telecommunication Services</b>				
14,066,080	Bharti Airtel Ltd.	IND	INR	68,850,145	7.22
6,080,000	Idea Cellular Ltd.	IND	INR	14,440,932	1.52
				<u>83,291,077</u>	<u>8.74</u>
	<b>TOTAL SHARES</b>			<u>943,039,207</u>	<u>98.93</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>943,039,207</u>	<u>98.93</u>
	<b>TOTAL INVESTMENTS</b>			<u>943,039,207</u>	<u>98.93</u>

## — Franklin MENA Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Air Freight &amp; Logistics</b>					
589,722	Agility Public Warehousing Co. KSC	KWD	KWD	1,302,545	2.36
<b>Building Products</b>					
2,323,070	Ras Al Khaimah Ceramics	ARE	AED	1,151,099	2.09
<b>Chemicals</b>					
103,740	Credit Suisse Nassau (CRTP Saudi Basic Industries Corp.)	SAU	USD	2,531,189	4.60
30,800	Morgan Stanley BV (CRTP Saudi Basic Industries Corp.)	SAU	USD	751,500	1.37
24,000	Merrill Lynch Capital Markets AG (CRTP Saudi Basic Industries Corp.)	SAU	USD	585,584	1.06
10,000	HSBC Bank PLC (CRTP Saudi Basic Industries Corp., 144A)	SAU	USD	243,993	0.44
				4,112,266	7.47
<b>Commercial Banks</b>					
656,790	First Gulf Bank PJSC	ARE	AED	2,852,110	5.18
1,710,776	Bank Muscat SAOG	OMN	OMR	2,594,912	4.71
1,212,400	Burgan Bank SAK	KWD	KWD	2,550,363	4.63
55,841	Qatar National Bank	QAT	QAR	2,438,840	4.43
208,048	HSBC Bank PLC (CRTP Banque Saudi Fransi)	SAU	USD	1,803,035	3.27
105,950	Merrill Lynch Capital Markets AG (CRTP Samba Financial Group)	SAU	USD	1,395,678	2.53
60,419	Deutsche Bank AG/London (CRTP Al Rajhi Bank, 144A)	SAU	USD	1,151,958	2.09
86,000	Doha Bank QSC	QAT	QAR	1,113,815	2.02
330,750	National Bank of Kuwait	KWD	KWD	1,090,015	1.98
250,133	Commercial International Bank Egypt SAE	EGY	EGP	1,024,144	1.86
53,000	Morgan Stanley & Co. International PLC (CRTP Al Rajhi Bank)	SAU	USD	1,010,506	1.84
44,580	Merrill Lynch Capital Markets AG (CRTP Al Rajhi Bank)	SAU	USD	849,969	1.54
58,630	Deutsche Bank AG/London (CRTP Samba Financial Group, 144A)	SAU	USD	772,332	1.40
14,966	Credit Suisse Nassau (CRTP Al Rajhi Bank)	SAU	USD	285,344	0.52
7,096	HSBC Bank PLC (CRTP Al Rajhi Bank)	SAU	USD	135,294	0.25
				21,068,315	38.25
<b>Commercial Services &amp; Supplies</b>					
14,999	Credit Suisse Nassau (CRTP Jarir Marketing Co.)	SAU	USD	771,928	1.40
1,285,523	Depa Ltd.	ARE	USD	514,209	0.93
				1,286,137	2.33
<b>Construction &amp; Engineering</b>					
65,550	OCI NV	EGY	USD	1,769,850	3.21
<b>Diversified Financial Services</b>					
1,252,500	Kuwait Projects Co. Holding KSC	KWD	KWD	2,195,597	3.99
<b>Diversified Telecommunication Services</b>					
33,000	Qatar Telecom QSC	QAT	QAR	1,092,280	1.98
<b>Energy Equipment &amp; Services</b>					
189,428	Gulf International Services QSC	QAT	QAR	2,167,166	3.93
<b>Hotels, Restaurants &amp; Leisure</b>					
100,000	Merrill Lynch International & Co. CV (CRTP Al Tayyar Travel Group)	SAU	USD	1,719,954	3.12
<b>Industrial Conglomerates</b>					
47,133	Industries Qatar QSC	QAT	QAR	2,052,047	3.73
262,510	Deutsche Bank AG/London (CRTP National Industrialization Co., 144A)	SAU	USD	1,841,021	3.34
54,000	Merrill Lynch International & Co. CV (CRTP National Industrialization Co.)	SAU	USD	378,710	0.69
7,160	Credit Suisse Nassau (CRTP National Industrialization Co.)	SAU	USD	50,214	0.09
				4,321,992	7.85
<b>Metals &amp; Mining</b>					
2,165,500	Centamin PLC	EGY	GBP	1,039,727	1.89
<b>Real Estate Management &amp; Development</b>					
1,915,938	Emaar Properties PJSC	ARE	AED	2,712,463	4.92
579,970	Morgan Stanley BV (CRTP Dar Al Arkan Real Estate Development Co.)	SAU	USD	1,623,873	2.95
2,563,541	Talaat Moustafa Group	EGY	EGP	1,475,451	2.68
				5,811,787	10.55
<b>Specialty Retail</b>					
19,900	Deutsche Bank AG/London (CRTP Fawaz Abdulaziz Alhokair & Co., 144A)	SAU	USD	833,124	1.51

## — Franklin MENA Fund —

# SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Wireless Telecommunication Services</b>				
91,944	HSBC Bank PLC (CRTP Etihad Etisalat Co., 144A)	SAU	USD	1,949,161	3.54
602,000	Orascom Telecom Holding SAE, GDR, Reg S	EGY	USD	1,679,580	3.05
487,286	Mobile Telecommunications Co.	KWD	KWD	1,144,626	2.08
				<u>4,773,367</u>	<u>8.67</u>
	<b>TOTAL SHARES</b>			<u>54,645,206</u>	<u>99.20</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>54,645,206</u>	<u>99.20</u>
	<b>TOTAL INVESTMENTS</b>			<u>54,645,206</u>	<u>99.20</u>

## — Franklin Multi-Asset Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>INVESTMENTS FUNDS</b>					
<b>Financials</b>					
13,300	iShares MSCI Japan EUR Hedged UCITS ETF	JPN	EUR	448,609	1.94
14,600	iShares MSCI World UCITS ETF Inc.	IRL	EUR	343,611	1.49
2,500	iShares J.P. Morgan \$ Emerging Markets Bond Fund	IRL	EUR	206,500	0.90
				<u>998,720</u>	<u>4.33</u>
<b>TOTAL INVESTMENTS FUNDS</b>				<u>998,720</u>	<u>4.33</u>
<b>SHARES</b>					
<b>Consumer Discretionary</b>					
50,400	MGM China Holdings Ltd.	HKG	HKD	103,341	0.45
156,000	NagaCorp Ltd.	KH	HKD	93,641	0.41
26,000	UMW Holdings Bhd.	MYS	MYR	92,303	0.40
5,303	JM AB	SWE	SEK	85,956	0.37
21,561	Cineworld Group PLC	GBR	GBP	84,771	0.37
118,000	Giordano International Ltd.	HKG	HKD	79,364	0.34
2,705	Nexity	FRA	EUR	77,065	0.33
2,980	Grand Korea Leisure Co. Ltd.	KOR	KRW	70,943	0.31
7,952	Reed Elsevier PLC	GBR	GBP	69,428	0.30
1,423	Daimler AG	DEU	EUR	66,148	0.29
5,361	Takkt AG	DEU	EUR	62,188	0.27
23,000	SJM Holdings Ltd.	HKG	HKD	42,557	0.18
				<u>927,705</u>	<u>4.02</u>
<b>Consumer Staples</b>					
1,659	Reckitt Benckiser Group PLC	GBR	GBP	90,106	0.39
251,000	Thai Beverage PCL	THA	SGD	89,778	0.39
2,148	British American Tobacco PLC	GBR	GBP	84,559	0.37
5,600	British American Tobacco Malaysia Bhd.	MYS	MYR	81,156	0.35
				<u>345,599</u>	<u>1.50</u>
<b>Energy</b>					
5,841	Royal Dutch Shell PLC, A	GBR	GBP	143,300	0.62
6,432	Eni SpA	ITA	EUR	101,497	0.44
17,307	BP PLC	GBR	GBP	92,084	0.40
1,983	Total SA, B	FRA	EUR	74,372	0.32
1,400	Enbridge Inc.	CAN	CAD	45,228	0.20
1,180	Kinder Morgan Inc.	USA	USD	34,585	0.15
1,000	TransCanada Corp.	CAN	CAD	33,088	0.14
1,240	Spectra Energy Corp.	USA	USD	32,828	0.14
1,070	The Williams Cos. Inc.	USA	USD	26,691	0.12
900	Ultrapar Participacoes SA, ADR	BRA	USD	16,553	0.07
500	Pembina Pipeline Corp.	CAN	CAD	11,757	0.05
550	Cheniere Energy Inc.	USA	USD	11,730	0.05
210	SemGroup Corp., A	USA	USD	8,689	0.04
260	Teekay Corp.	CAN	USD	8,116	0.04
200	Altagas Ltd.	CAN	CAD	5,387	0.02
200	Gibson Energy Inc.	CAN	CAD	3,602	0.02
				<u>649,507</u>	<u>2.82</u>
<b>Financials</b>					
987	Allianz SE	DEU	EUR	110,791	0.48
1,334	Euler Hermes SA	FRA	EUR	103,318	0.45
11,171	HSBC Holdings PLC	GBR	GBP	89,010	0.38
21,000	Public Bank Bhd.	MYS	MYR	86,501	0.37
227,700	Sunway Real Estate Investment Trust	MYS	MYR	85,265	0.37
9,000	DBS Group Holdings Ltd.	SGP	SGD	84,570	0.37
5,026	Banca Generali	ITA	EUR	83,231	0.36
35,000	BOC Hong Kong (Holdings) Ltd.	HKG	HKD	82,685	0.36
13,000	Oversea-Chinese Banking Corp. Ltd.	SGP	SGD	78,811	0.34
64,000	CapitaMall Trust	SGP	SGD	77,404	0.33
368	Zurich Insurance Group AG	CHE	CHF	73,309	0.32
26,865	Corporacion Mapfre SA	ESP	EUR	67,216	0.29
53,985	Intesa Sanpaolo SpA	ITA	EUR	66,456	0.29
49,400	Kiatnakin Bank PCL, fgn.	THA	THB	64,594	0.28
8,212	Hiscox Ltd.	GBR	GBP	54,571	0.24
2,524	Bolsas Y Mercados Espanoles	ESP	EUR	47,489	0.21
584	Hannover Rueckversicherung SE	DEU	EUR	32,307	0.14
32,000	K-REIT Asia	SGP	SGD	25,122	0.11
				<u>1,312,650</u>	<u>5.69</u>

## — Franklin Multi-Asset Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Health Care</b>					
965	Roche Holding AG	CHE	CHF	184,390	0.80
2,217	Sanofi	FRA	EUR	176,518	0.76
1,945	Novartis AG	CHE	CHF	106,117	0.46
5,502	GlaxoSmithKline PLC	GBR	GBP	105,958	0.46
				<u>572,983</u>	<u>2.48</u>
<b>Industrials</b>					
6,544	Atlantia SpA	ITA	EUR	81,996	0.36
32,000	Singapore Technologies Engineering Ltd.	SGP	SGD	81,284	0.35
919	Siemens AG	DEU	EUR	71,360	0.31
16,942	Chemring Group PLC	GBR	GBP	56,268	0.24
11,586	Transurban Group	AUS	AUD	55,044	0.24
12,093	BAE Systems PLC	GBR	GBP	54,151	0.23
9,177	Veidekke ASA	NOR	NOK	53,978	0.23
3,177	Abertis Infraestructuras SA	ESP	EUR	42,572	0.18
1,033	Vinci SA	FRA	EUR	39,827	0.17
400	Aéroports de Paris (ADP)	FRA	EUR	29,884	0.13
4,960	Groupe Eurotunnel SA	FRA	EUR	28,986	0.13
40,000	Hutchison Port Holdings Trust	HKG	USD	22,587	0.10
440	Koninklijke Vopak NV	NLD	EUR	19,943	0.09
8,000	China Merchants Holdings International Co. Ltd.	CHN	HKD	19,137	0.08
3,000	Kamigumi Co. Ltd.	JPN	JPY	18,565	0.08
5,050	BBA Aviation PLC	GBR	GBP	16,563	0.07
16,000	COSCO Pacific Ltd.	CHN	HKD	15,833	0.07
178	Grupo Aeroportuario del Sureste SAB de CV, ADR	MEX	USD	15,212	0.07
8,582	Auckland International Airport Ltd.	NZL	NZD	15,174	0.07
5,097	Sydney Airport	AUS	AUD	12,108	0.05
250	Fraport AG	DEU	EUR	11,620	0.05
30	Unique Zurich Airport	CHE	CHF	11,574	0.05
900	Japan Airport Terminal Co. Ltd.	JPN	JPY	10,972	0.05
1,000	Mitsubishi Logistics Corp.	JPN	JPY	10,727	0.05
257	Grupo Aeroportuario del Pacifico SAB de CV, ADR	MEX	USD	10,036	0.04
5,000	SATS Ltd.	SGP	SGD	9,973	0.04
1,236	Ansaldo STS SpA	ITA	EUR	9,190	0.04
2,000	Sumitomo Warehouse Co. Ltd.	JPN	JPY	8,783	0.04
400	Westshore Terminals Investment Corp.	CAN	CAD	8,398	0.04
2,000	SIA Engineering Co.	SGP	SGD	6,111	0.03
4,799	Qube Logistics Holdings Ltd.	AUS	AUD	5,616	0.02
3,822	Gemina SpA	ITA	EUR	5,267	0.02
552	Sias	ITA	EUR	3,469	0.02
				<u>862,208</u>	<u>3.74</u>
<b>Information Technology</b>					
9,000	VTech Holdings Ltd.	HKG	HKD	104,571	0.45
97,800	Delta Electronics (Thailand) PCL, fgn.	THA	THB	96,513	0.42
1,439	Neopost SA	FRA	EUR	73,389	0.32
				<u>274,473</u>	<u>1.19</u>
<b>Materials</b>					
1,571	BASF SE	DEU	EUR	107,818	0.47
4,389	CRH PLC	IRL	EUR	68,249	0.30
3,348	BHP Billiton PLC	GBR	GBP	65,787	0.28
				<u>241,854</u>	<u>1.05</u>
<b>Telecommunication Services</b>					
16,340	TDC AS	DNK	DKK	101,740	0.44
40,861	Vodafone Group PLC	GBR	GBP	89,707	0.39
53,100	Maxis Bhd.	MYS	MYR	88,703	0.38
12,700	Advanced Info Service PCL, fgn.	THA	THB	88,357	0.38
38,000	Singapore Telecommunications Ltd.	SGP	SGD	86,850	0.38
40,400	Shin Corp. PCL, NVDR	THA	THB	86,714	0.38
97,000	PT Telekomunikasi Indonesia Persero Tbk, B	IDN	IDR	84,469	0.37
6,089	Deutsche Telekom AG	DEU	EUR	54,582	0.24
3,215	Vivendi SA	FRA	EUR	46,778	0.20
				<u>727,900</u>	<u>3.16</u>

The accompanying notes form an integral

## — Franklin Multi-Asset Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Utilities</b>					
21,849	Centrica PLC	GBR	GBP	91,941	0.40
5,895	GDF Suez	FRA	EUR	88,690	0.38
186,500	PT Perusahaan Gas Negara Persero Tbk	IDN	IDR	83,008	0.36
9,505	National Grid PLC	GBR	GBP	82,821	0.36
16,000	Cheung Kong Infrastructure Holdings Ltd.	HKG	HKD	82,254	0.36
12,000	Power Assets Holdings Ltd.	HKG	HKD	79,580	0.34
19,708	Snam SpA	ITA	EUR	68,978	0.30
3,781	SSE PLC	GBR	GBP	67,304	0.29
780	Duke Energy Corp.	USA	USD	40,449	0.18
550	NextEra Energy Inc.	USA	USD	34,429	0.15
850	The Southern Co.	USA	USD	28,818	0.12
650	Dominion Resources Inc.	USA	USD	28,374	0.12
1,980	E.ON SE	DEU	EUR	24,968	0.11
860	Exelon Corp.	USA	USD	20,402	0.09
580	American Electric Power Co. Inc.	USA	USD	19,954	0.09
780	Public Service Enterprise Group Inc.	USA	USD	19,571	0.08
4,273	Iberdrola SA	ESP	EUR	17,331	0.07
240	Sempra Energy	USA	USD	15,075	0.07
620	PPL Corp.	USA	USD	14,413	0.06
370	PG&E Corp.	USA	USD	12,999	0.06
5,308	Enel SpA	ITA	EUR	12,792	0.06
420	RWE AG	DEU	EUR	10,298	0.04
320	FirstEnergy Corp.	USA	USD	9,180	0.04
250	Huaneng Power International Inc., ADR	CHN	USD	7,385	0.03
120	Entergy Corp.	USA	USD	6,424	0.03
492	Enersis SA, ADR	CHL	USD	6,184	0.03
662	Companhia de Saneamento Basico do Estado de Sao Paulo, ADR	BRA	USD	5,294	0.02
579	Companhia Energetica de Minas Gerais, ADR, pfd.	BRA	USD	3,990	0.02
116	Empresa Nacional de Electricidad SA, ADR	CHL	USD	3,936	0.02
3,000	China Longyuan Power Group Corp.	CHN	HKD	2,389	0.01
				989,231	4.29
<b>TOTAL SHARES</b>				6,904,110	29.94
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				7,902,830	34.27
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Corporate Bonds</b>					
175,000	Merrill Lynch & Co. Inc., senior note, 6.875%, 04/25/18	USA	USD	154,843	0.67
100,000	Svenska Handelsbanken AB, senior note, Reg S, 4.00%, 01/18/19	SWE	GBP	125,016	0.54
100,000	Rabobank Nederland, senior note, Reg S, 4.125%, 01/12/21	NLD	EUR	111,818	0.48
100,000	Standard Chartered PLC, senior note, Reg S, 4.125%, 01/18/19	GBR	EUR	109,637	0.48
125,000	General Electric Capital Corp., senior note, 5.625%, 09/15/17	USA	USD	108,841	0.47
100,000	Sampo OYJ, senior note, Reg S, 4.25%, 02/27/17	FIN	EUR	108,537	0.47
100,000	Danske Bank AS, senior note, 3.875%, 02/28/17	DNK	EUR	107,488	0.47
100,000	ABB Finance BV, senior note, Reg S, 2.625%, 03/26/19	NLD	EUR	104,099	0.45
120,000	Express Scripts Holding Co., senior note, 3.50%, 11/15/16	USA	USD	97,925	0.42
100,000	DONG Energy AS, senior note, Reg S, 2.625%, 09/19/22	DNK	EUR	97,785	0.42
100,000	Ford Motor Credit Co. LLC, senior note, 8.125%, 01/15/20	USA	USD	92,794	0.40
100,000	KfW Bankengruppe, 4.00%, 01/27/20	DEU	USD	85,382	0.37
120,000	Verizon Communications Inc., senior note, 2.45%, 11/01/22	USA	USD	83,709	0.36
100,000	Morgan Stanley, senior note, 6.00%, 04/28/15	USA	USD	82,397	0.36
100,000	HSBC USA Inc., sub. note, 5.00%, 09/27/20	USA	USD	80,568	0.35
100,000	Telefonica Emisiones SAU, senior note, 4.949%, 01/15/15	ESP	USD	80,293	0.35
75,000	Citigroup Inc., senior note, 8.125%, 07/15/39	USA	USD	76,408	0.33
100,000	Anheuser-Busch InBev Worldwide Inc., senior note, 1.375%, 07/15/17	BEL	USD	75,661	0.33
100,000	GDF Suez, senior note, 144A, 1.625%, 10/10/17	FRA	USD	75,628	0.33
100,000	EDF SA, sub. note, 144A, 5.25% to 01/29/23, FRN thereafter, Perpetual	FRA	USD	73,581	0.32
100,000	General Electric Capital Corp., C, junior sub. bond, 5.25% to 06/15/23, FRN thereafter, Perpetual	USA	USD	73,560	0.32
100,000	NBCUniversal Media LLC, senior bond, 2.875%, 01/15/23	USA	USD	73,077	0.32
50,000	Imperial Tobacco Finance PLC, Reg S, 7.75%, 06/24/19	GBR	GBP	72,947	0.32
100,000	Apache Corp., senior bond, 2.625%, 01/15/23	USA	USD	70,939	0.31
90,000	Safeway Inc., senior note, 4.75%, 12/01/21	USA	USD	70,531	0.31
90,000	BNP Paribas SA, 2.375%, 09/14/17	FRA	USD	68,923	0.30
70,000	Time Warner Inc., 7.625%, 04/15/31	USA	USD	68,021	0.30
50,000	Tesco PLC, senior note, 6.125%, 02/24/22	GBR	GBP	67,407	0.29
50,000	HSBC Holdings PLC, 6.75%, 09/11/28	GBR	GBP	67,172	0.29
90,000	Apple Inc., senior note, 2.40%, 05/03/23	USA	USD	64,225	0.28
80,000	Williams Partners LP, senior note, 3.80%, 02/15/15	USA	USD	64,098	0.28
85,000	WellPoint Inc., senior note, 3.30%, 01/15/23	USA	USD	62,252	0.27
50,000	Wolters Kluwer NV, senior note, 6.375%, 04/10/18	NLD	EUR	60,048	0.26
50,000	Siemens Financieringsmaatschappij NV, senior note, 5.625%, 06/11/18	DEU	EUR	59,844	0.26
70,000	Duke Realty LP, senior note, 7.375%, 02/15/15	USA	USD	58,710	0.25
50,000	BAT Holdings BV, 4.875%, 02/24/21	GBR	EUR	58,675	0.25
80,000	Total Capital International SA, senior bond, 2.70%, 01/25/23	FRA	USD	57,656	0.25

part of these financial statements

## — Franklin Multi-Asset Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
50,000	Credit Suisse London, senior note, 4.75%, 08/05/19	CHE	EUR	57,610	0.25
50,000	Experian Finance PLC, senior note, 4.75%, 02/04/20	GBR	EUR	57,311	0.25
50,000	Royal Bank of Scotland PLC, senior note, Reg S, 5.375%, 09/30/19	GBR	EUR	56,412	0.24
70,000	Juniper Networks Inc., senior note, 3.10%, 03/15/16	USA	USD	55,735	0.24
80,000	Glencore Funding LLC, senior note, 144A, 2.50%, 01/15/19	USA	USD	55,651	0.24
75,000	Sydney Airport Finance Co. Pty. Ltd., 144A, 3.90%, 03/22/23	AUS	USD	55,410	0.24
65,000	The Goldman Sachs Group Inc., senior note, 5.75%, 01/24/22	USA	USD	55,147	0.24
50,000	Lloyds TSB Bank PLC, sub. note, 6.50%, 03/24/20	GBR	EUR	54,948	0.24
50,000	Barclays Bank PLC, senior note, 4.00%, 01/20/17	GBR	EUR	54,403	0.24
50,000	Casino Guichard Perrachon SA, senior note, 4.379%, 02/08/17	FRA	EUR	54,378	0.24
50,000	France Telecom SA, senior note, 3.875%, 04/09/20	FRA	EUR	54,347	0.24
50,000	Carrefour SA, senior note, 4.00%, 04/09/20	FRA	EUR	54,115	0.23
50,000	Smiths Group PLC, senior note, Reg S, 4.125%, 05/05/17	GBR	EUR	54,097	0.23
50,000	Linde Finance BV, senior note, 3.125%, 12/12/18	DEU	EUR	54,096	0.23
50,000	Nordea Bank AB, sub. note, Reg S, 4.50%, 03/26/20	SWE	EUR	53,872	0.23
70,000	AbbVie Inc., senior note, 144A, 1.20%, 11/06/15	USA	USD	53,860	0.23
50,000	British Telecommunications PLC, senior note, 6.125%, 07/11/14	GBR	EUR	52,824	0.23
50,000	Heineken NV, senior note, Reg S, 3.50%, 03/19/24	NLD	EUR	52,553	0.23
70,000	Rio Tinto Finance USA PLC, senior note, 1.625%, 08/21/17	GBR	USD	52,259	0.23
65,000	JPMorgan Chase & Co., senior note, 4.25%, 10/15/20	USA	USD	51,963	0.23
60,000	Kinder Morgan Energy Partners LP, senior note, 6.50%, 09/01/39	USA	USD	51,787	0.22
50,000	AXA SA, sub. note, 5.25%, 04/16/40	FRA	EUR	51,052	0.22
50,000	Allianz Finance II BV, junior sub. bond, 4.375% to 02/17/17, FRN thereafter, Perpetual	DEU	EUR	50,403	0.22
60,000	JPMorgan Chase & Co., 5.15%, 10/01/15	USA	USD	49,822	0.22
60,000	Weatherford International Ltd/Bermuda, 7.00%, 03/15/38	USA	USD	49,470	0.21
60,000	Hyundai Capital America, senior note, 144A, 1.625%, 10/02/15	KOR	USD	45,742	0.20
50,000	Valero Energy Corp., 6.125%, 06/15/17	USA	USD	44,156	0.19
50,000	SLM Corp., senior note, 8.45%, 06/15/18	USA	USD	42,830	0.19
50,000	Actavis Inc., senior note, 1.875%, 10/01/17	USA	USD	37,472	0.16
50,000	Constellation Brands Inc., senior note, 4.25%, 05/01/23	USA	USD	36,348	0.16
40,000	Ally Financial Inc., senior note, 7.50%, 09/15/20	USA	USD	35,532	0.15
40,000	Health Care REIT Inc., senior note, 6.50%, 03/15/41	USA	USD	34,247	0.15
40,000	Chesapeake Energy Corp., senior note, 6.625%, 08/15/20	USA	USD	33,189	0.14
40,000	Gilead Sciences Inc., senior note, 4.40%, 12/01/21	USA	USD	33,039	0.14
40,000	Aviation Capital Group, 144A, 6.75%, 04/06/21	USA	USD	32,398	0.14
40,000	HCA Inc., senior secured note, 5.875%, 03/15/22	USA	USD	31,614	0.14
35,000	Sprint Nextel Corp., senior note, 144A, 9.00%, 11/15/18	USA	USD	31,527	0.14
38,000	Morgan Stanley, senior note, 5.50%, 07/28/21	USA	USD	31,210	0.14
40,000	Linn Energy LLC/Finance Corp., senior note, 7.75%, 02/01/21	USA	USD	30,961	0.13
40,000	QEP Resources Inc., senior note, 5.375%, 10/01/22	USA	USD	30,577	0.13
40,000	Ashland Inc., senior note, 144A, 4.75%, 08/15/22	USA	USD	30,500	0.13
40,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.875%, 02/01/18	AUS	USD	30,461	0.13
40,000	Peabody Energy Corp., senior note, 6.25%, 11/15/21	USA	USD	29,808	0.13
35,000	DISH DBS Corp., senior note, 7.125%, 02/01/16	USA	USD	29,242	0.13
40,000	ArcelorMittal, senior note, 6.75%, 03/01/41	LUX	USD	29,039	0.13
35,000	Sealed Air Corp., senior note, 144A, 6.50%, 12/01/20	USA	USD	28,502	0.12
30,000	General Electric Capital Corp., 6.75%, 03/15/32	USA	USD	27,735	0.12
30,000	CSC Holdings LLC, senior note, 6.75%, 11/15/21	USA	USD	24,949	0.11
30,000	Intelsat Jackson Holdings SA, senior note, 7.50%, 04/01/21	LUX	USD	24,315	0.11
30,000	MetLife Inc., junior sub. note, 6.40% to 12/15/36, FRN thereafter, 12/15/66	USA	USD	23,710	0.10
				5,203,123	22.56
<b>Government and Municipal Bonds</b>					
100,000	The Export-Import Bank of Korea, senior note, 5.875%, 01/14/15	KOR	USD	81,829	0.36
80,000	Province of Ontario, 4.40%, 04/14/20	CAN	USD	68,494	0.30
60,000	California State GO, Build America Bonds, Various Purpose, 7.55%, 04/01/39	USA	USD	61,770	0.27
75,000	Florida Hurricane Catastrophe Fund Finance Corp. Revenue, Series A, 2.995%, 07/01/20	USA	USD	54,049	0.23
75,000	Illinois State GO, 5.10%, 06/01/33	USA	USD	53,526	0.23
50,000	Government of Slovenia, senior note, 5.125%, 03/30/26	SVN	EUR	43,557	0.19
50,000	Government of Poland, senior note, 3.875%, 07/16/15	POL	USD	40,300	0.17
40,000	Puerto Rico Commonwealth Government Development Bank Revenue, senior note, Series A, 3.448%, 02/01/15	USA	USD	30,092	0.13
				433,617	1.88
<b>Securities Maturing Within One Year</b>					
70,000	CRH America Inc., senior note, 5.30%, 10/15/13	USA	USD	54,462	0.24
				5,691,202	24.68

The accompanying notes form an integral



## — Franklin Multi-Asset Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>INVESTMENTS FUNDS</b>					
<b>Financials</b>					
292,596	FTIF Franklin Income Fund, Class Z (Mdis) USD	LUX	USD	2,409,732	10.45
206,903	FTSIIF Franklin Templeton Emerging Market Corporate Debt Fund, Class I (acc) EUR	LUX	EUR	2,267,657	9.83
123,971	FTIF Templeton Global Bond Fund, Class I (Mdis) EUR	LUX	EUR	1,652,535	7.17
47,992	FTIF Templeton Euro Government Bond Fund, Class I (Qdis) EUR	LUX	EUR	468,404	2.03
29,797	FTIF Franklin U.S. Government Fund, Class I (Mdis) USD	LUX	USD	225,484	0.98
				<u>7,023,812</u>	<u>30.46</u>
<b>TOTAL INVESTMENTS FUNDS</b>				<u>7,023,812</u>	<u>30.46</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>12,715,014</u>	<u>55.14</u>
TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Corporate Bonds</b>					
200,000	SABMiller Holdings Inc., senior note, 144A, 1.85%, 01/15/15	GBR	USD	155,932	0.68
100,000	Heathrow Funding Ltd., senior secured bond, 144A, 4.875%, 07/15/23	GBR	USD	81,636	0.35
100,000	Australia and New Zealand Banking Group Ltd., senior note, 144A, 3.70%, 01/13/15	AUS	USD	80,220	0.35
100,000	Royal Bank of Scotland PLC, senior note, 144A, 4.875%, 08/25/14	GBR	USD	79,715	0.35
80,000	Commonwealth Bank of Australia, senior note, 144A, 3.50%, 03/19/15	AUS	USD	64,169	0.28
50,000	Mitsui Sumitomo Insurance Co. Ltd., junior sub. note, 144A, 7.00% to 03/15/22, FRN thereafter, 03/15/72	JPN	USD	42,033	0.18
50,000	Telstra Corp. Ltd., 144A, 4.80%, 10/12/21	AUS	USD	41,837	0.18
40,000	Asciano Finance Ltd., senior note, 144A, 5.00%, 04/07/18	AUS	USD	32,877	0.14
40,000	Neuberger Berman Group LLC/Finance Corp., senior note, 144A, 5.875%, 03/15/22	USA	USD	31,498	0.14
				<u>609,917</u>	<u>2.65</u>
<b>TOTAL BONDS</b>				<u>609,917</u>	<u>2.65</u>
<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>609,917</u>	<u>2.65</u>
<b>TOTAL INVESTMENTS</b>				<u>21,227,761</u>	<u>92.06</u>

## — Franklin Natural Resources Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Agricultural Products</b>					
14,930	Bunge Ltd.	USA	USD	1,056,596	0.42
<b>Coal &amp; Consumable Fuels</b>					
203,590	Peabody Energy Corp.	USA	USD	2,980,557	1.18
498,430	Uranium One Inc.	CAN	CAD	1,298,995	0.52
208,300	Alpha Natural Resources Inc.	USA	USD	1,091,492	0.43
				5,371,044	2.13
<b>Commodity Chemicals</b>					
29,000	LyondellBasell Industries NV, A	USA	USD	1,921,540	0.76
<b>Diversified Metals &amp; Mining</b>					
162,000	Freeport-McMoRan Copper & Gold Inc., B	USA	USD	4,472,820	1.78
78,510	BHP Billiton PLC, ADR	GBR	USD	4,025,208	1.60
157,000	Teck Resources Ltd., B	CAN	USD	3,355,090	1.33
698,432	Glencore Xstrata PLC	CHE	GBP	2,890,540	1.15
69,500	Rio Tinto PLC, ADR	GBR	USD	2,855,060	1.13
226,600	MolyCorp Inc.	USA	USD	1,404,920	0.56
135,400	Imperial Metals Corp.	CAN	CAD	1,352,261	0.54
273,212	Sandfire Resources NL	AUS	AUD	1,279,664	0.51
3,755,400	MMG Ltd.	CHN	HKD	978,076	0.39
531,581	PanAust Ltd.	AUS	AUD	887,480	0.35
139,525	Turquoise Hill Resources Ltd.	CAN	USD	827,383	0.33
66,100	Iluka Resources Ltd.	AUS	AUD	604,078	0.24
39,150	Walter Energy Inc.	USA	USD	407,160	0.16
1,565,476	Inova Resources Ltd.	AUS	AUD	286,420	0.11
385,900	Nautilus Minerals Inc.	CAN	CAD	80,751	0.03
				25,706,911	10.21
<b>Fertilizers &amp; Agricultural Chemicals</b>					
45,000	Potash Corp. of Saskatchewan Inc.	CAN	USD	1,715,850	0.68
<b>Gold</b>					
100,000	Goldcorp Inc.	CAN	USD	2,473,000	0.98
29,200	Randgold Resources Ltd., ADR	GBR	USD	1,870,260	0.74
430,220	Osisko Mining Corp.	CAN	CAD	1,424,041	0.57
89,150	Barrick Gold Corp.	CAN	USD	1,403,221	0.56
75,860	AngloGold Ashanti Ltd., ADR	ZAF	USD	1,084,798	0.43
105,397	Newcrest Mining Ltd.	AUS	AUD	951,637	0.38
345,582	B2Gold Corp.	CAN	CAD	736,295	0.29
1,352,400	Romarco Minerals Inc.	CAN	CAD	604,583	0.24
15,519,160	G-Resources Group Ltd.	HKG	HKD	540,253	0.22
852,640	St. Barbara Ltd.	AUS	AUD	350,998	0.14
344,500	Silver Lake Resources Ltd.	AUS	AUD	187,513	0.07
				11,626,599	4.62
<b>Independent Power Producers &amp; Energy Traders</b>					
961,300	Alterra Power Corp.	CAN	CAD	288,020	0.12
<b>Integrated Oil &amp; Gas</b>					
99,180	Occidental Petroleum Corp.	USA	USD	8,849,832	3.52
79,400	Exxon Mobil Corp.	USA	USD	7,173,790	2.85
57,000	Chevron Corp.	USA	USD	6,745,380	2.68
89,390	Total SA, B, ADR	FRA	USD	4,353,293	1.73
58,500	BP PLC, ADR	GBR	USD	2,441,790	0.97
33,860	Hess Corp.	USA	USD	2,251,351	0.89
132,000	Petroleo Brasileiro SA, ADR	BRA	USD	1,771,440	0.70
				33,586,876	13.34
<b>Oil &amp; Gas Drilling</b>					
72,233	EnSCO PLC, A	USA	USD	4,198,182	1.67
67,180	Rowan Cos. PLC	USA	USD	2,288,823	0.91
232,300	Pioneer Energy Services Corp.	USA	USD	1,537,826	0.61
40,600	Noble Corp.	USA	USD	1,525,748	0.61
				9,550,579	3.80

The accompanying notes form an integral

## — Franklin Natural Resources Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Oil &amp; Gas Equipment &amp; Services</b>					
145,261	Schlumberger Ltd.	USA	USD	10,409,403	4.13
202,310	Halliburton Co.	USA	USD	8,440,373	3.35
69,290	National Oilwell Varco Inc.	USA	USD	4,774,081	1.90
66,000	Cameron International Corp.	USA	USD	4,036,560	1.60
67,640	FMC Technologies Inc.	USA	USD	3,766,195	1.50
131,480	Superior Energy Services Inc.	USA	USD	3,410,591	1.35
450,900	Key Energy Services Inc.	USA	USD	2,682,855	1.07
191,200	Weatherford International Ltd.	USA	USD	2,619,440	1.04
44,500	Hornbeck Offshore Services Inc.	USA	USD	2,380,750	0.95
31,820	Oceanenergy International Inc.	USA	USD	2,297,404	0.91
49,648	Baker Hughes Inc.	USA	USD	2,290,262	0.91
22,560	Dril-Quip Inc.	USA	USD	2,036,943	0.81
21,960	Oil States International Inc.	USA	USD	2,034,375	0.81
30,690	Dresser-Rand Group Inc.	USA	USD	1,840,786	0.73
89,000	C&J Energy Services Inc.	USA	USD	1,723,930	0.68
30,000	Tidewater Inc.	USA	USD	1,709,100	0.68
48,500	Forum Energy Technologies Inc.	USA	USD	1,475,855	0.59
40,800	PHI Inc.	USA	USD	1,399,440	0.56
49,800	RigNet Inc.	USA	USD	1,268,904	0.50
				<u>60,597,247</u>	<u>24.07</u>
<b>Oil &amp; Gas Exploration &amp; Production</b>					
121,066	Anadarko Petroleum Corp.	USA	USD	10,403,201	4.13
122,000	Devon Energy Corp.	USA	USD	6,329,360	2.52
168,140	Southwestern Energy Co.	USA	USD	6,142,154	2.44
89,800	Noble Energy Inc.	USA	USD	5,391,592	2.14
49,900	Apache Corp.	USA	USD	4,183,117	1.66
81,200	Whiting Petroleum Corp.	USA	USD	3,742,508	1.49
51,000	Cabot Oil & Gas Corp., A	USA	USD	3,622,020	1.44
213,000	EnCana Corp.	CAN	USD	3,608,220	1.44
103,670	Marathon Oil Corp.	USA	USD	3,584,909	1.43
121,418	Canadian Natural Resources Ltd.	CAN	CAD	3,424,210	1.36
55,100	SM Energy Co.	USA	USD	3,304,898	1.31
123,270	Cobalt International Energy Inc.	USA	USD	3,275,284	1.30
172,100	Tullow Oil PLC	GBR	GBP	2,621,309	1.04
344,900	Triangle Petroleum Corp.	USA	USD	2,417,749	0.96
377,920	Gran Tierra Energy Inc.	CAN	USD	2,271,299	0.90
117,000	Rex Energy Corp.	USA	USD	2,056,860	0.82
63,200	QEP Resources Inc.	USA	USD	1,755,696	0.70
26,400	Cimarex Energy Co.	USA	USD	1,715,736	0.68
58,800	MEG Energy Corp.	CAN	CAD	1,612,407	0.64
29,800	PDC Energy Inc.	USA	USD	1,534,104	0.61
15,920	Concho Resources Inc.	USA	USD	1,332,822	0.53
124,730	Kosmos Energy Ltd.	USA	USD	1,267,257	0.50
93,000	Synergy Resources Corp.	USA	USD	680,760	0.27
37,581	Pacific Rubiales Energy Corp.	COL	CAD	660,219	0.26
18,401	Chariot Oil & Gas Ltd.	GBR	GBP	4,723	0.00
				<u>76,942,414</u>	<u>30.57</u>
<b>Oil &amp; Gas Refining &amp; Marketing</b>					
41,605	Phillips 66	USA	USD	2,450,950	0.98
35,000	Valero Energy Corp.	USA	USD	1,216,950	0.48
				<u>3,667,900</u>	<u>1.46</u>
<b>Precious Metals &amp; Minerals</b>					
83,600	Tahoe Resources Inc.	CAN	CAD	1,185,596	0.47
65,800	MAG Silver Corp.	CAN	CAD	384,905	0.15
370,400	North American Palladium Ltd.	CAN	USD	366,696	0.15
				<u>1,937,197</u>	<u>0.77</u>
<b>Specialty Chemicals</b>					
35,400	Celanese Corp., A	USA	USD	1,585,920	0.63
<b>Steel</b>					
76,000	Cliffs Natural Resources Inc.	USA	USD	1,235,000	0.49
<b>TOTAL SHARES</b>				<u>236,789,693</u>	<u>94.07</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>236,789,693</u>	<u>94.07</u>

## — Franklin Natural Resources Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Gold</b>					
30,200	Osisko Mining Corp., 144A	CAN	CAD	99,963	0.04
<b>Oil &amp; Gas Exploration &amp; Production</b>					
45,000	Sanchez Energy Corp., 4.875%, cvt. pfd., 144A	USA	USD	2,679,426	1.07
20,000	Sanchez Energy Corp., 6.50%, cvt. pfd., B, 144A	USA	USD	1,188,600	0.47
				3,868,026	1.54
<b>TOTAL SHARES</b>				3,967,989	1.58
<b>BONDS</b>					
<b>Corporate Bonds</b>					
1,289,000	Molycorp Inc., senior note, cvt., 6.00%, 09/01/17	USA	USD	965,139	0.38
<b>TOTAL BONDS</b>				965,139	0.38
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				4,933,128	1.96
<b>TOTAL INVESTMENTS</b>				241,722,821	96.03

## — Franklin Real Return Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Energy</b>					
1,000	Anadarko Petroleum Corp.	USA	USD	85,930	0.66
1,000	Noble Energy Inc.	USA	USD	60,040	0.46
500	Chevron Corp.	USA	USD	59,170	0.45
600	Exxon Mobil Corp.	USA	USD	54,210	0.41
850	Devon Energy Corp.	USA	USD	44,098	0.34
600	Schlumberger Ltd.	USA	USD	42,996	0.33
1,000	Halliburton Co.	USA	USD	41,720	0.32
2,800	Weatherford International Ltd.	USA	USD	38,360	0.29
400	National Oilwell Varco Inc.	USA	USD	27,560	0.21
300	Occidental Petroleum Corp.	USA	USD	26,769	0.20
500	Southwestern Energy Co.	USA	USD	18,265	0.14
200	Marathon Petroleum Corp.	USA	USD	14,212	0.11
2,200	Alpha Natural Resources Inc.	USA	USD	11,528	0.09
				<u>524,858</u>	<u>4.01</u>
<b>Materials</b>					
1,600	Freeport-McMoRan Copper & Gold Inc., B	USA	USD	44,176	0.34
900	Potash Corp. of Saskatchewan Inc.	CAN	USD	34,317	0.26
1,600	Barrick Gold Corp.	CAN	USD	25,184	0.19
500	Nucor Corp.	USA	USD	21,660	0.17
2,700	Alcoa Inc.	USA	USD	21,114	0.16
800	United States Steel Corp.	USA	USD	14,024	0.11
				<u>160,475</u>	<u>1.23</u>
				<u>685,333</u>	<u>5.24</u>
<b>TOTAL SHARES</b>					
<b>INVESTMENTS FUNDS</b>					
<b>Diversified Financial Services</b>					
10,700	SPDR Dow Jones REIT ETF	USA	USD	812,665	6.22
				<u>812,665</u>	<u>6.22</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>					
				<u>1,497,998</u>	<u>11.46</u>
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Corporate Bonds</b>					
50,000	Ally Financial Inc., senior note, 7.50%, 09/15/20	USA	USD	57,812	0.44
50,000	Chesapeake Energy Corp., senior note, 6.625%, 08/15/20	USA	USD	54,000	0.41
50,000	HCA Inc., senior secured note, 5.875%, 03/15/22	USA	USD	51,437	0.40
50,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.875%, 02/01/18	AUS	USD	49,563	0.38
				<u>212,812</u>	<u>1.63</u>
<b>Government and Municipal Bonds</b>					
<b>US – Issued</b>					
1,278,812	U.S. Treasury Note, Index Linked, 1.625%, 01/15/15	USA	USD	1,330,264	10.19
1,076,037	U.S. Treasury Note, Index Linked, 1.875%, 07/15/15	USA	USD	1,144,593	8.76
703,018	U.S. Treasury Note, Index Linked, 2.00%, 01/15/16	USA	USD	755,359	5.78
429,242	U.S. Treasury Note, Index Linked, 0.50%, 04/15/15	USA	USD	440,175	3.37
264,854	U.S. Treasury Note, Index Linked, 2.50%, 07/15/16	USA	USD	292,912	2.24
				<u>3,963,303</u>	<u>30.34</u>
<b>Non US – Issued</b>					
321,800,000	Korea Monetary Stabilization Bond, senior note, 2.78%, 10/02/14	KOR	KRW	281,588	2.15
22,827	Mexican Udibonos, Index Linked, 5.00%, 06/16/16	MEX	MXN	195,782	1.50
640,000	Government of Poland, FRN, 3.98%, 01/25/17 †	POL	PLN	191,413	1.46
648,000	Government of Poland, FRN, 3.98%, 01/25/21 †	POL	PLN	189,321	1.45
21,820	Government of Mexico, 8.00%, 12/17/15	MEX	MXN	182,463	1.40
116,550,000	Korea Monetary Stabilization Bond, senior note, 2.84%, 12/02/14	KOR	KRW	102,026	0.78
110,000,000	Korea Monetary Stabilization Bond, senior bond, 2.47%, 04/02/15	KOR	KRW	95,616	0.73
80,700,000	Korea Monetary Stabilization Bond, senior note, 2.82%, 08/02/14	KOR	KRW	70,708	0.54
50	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/15	BRA	BRL	53,288	0.41
26,900,000	Korea Treasury Bond, senior note, 3.25%, 12/10/14	KOR	KRW	23,709	0.18
20	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/18	BRA	BRL	21,663	0.17
60,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	19,200	0.15
16	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/16	BRA	BRL	17,067	0.13
45,000	Government of Malaysia, 3.741%, 02/27/15	MYS	MYR	14,370	0.11
30,000	Government of Malaysia, 3.197%, 10/15/15	MYS	MYR	9,475	0.07
20,000	Government of Malaysia, 3.434%, 08/15/14	MYS	MYR	6,353	0.05
580,000	Government of Hungary, 5.50%, 12/22/16	HUN	HUF	2,594	0.02
370,000	Government of Hungary, A, 8.00%, 02/12/15	HUN	HUF	1,720	0.01
				<u>1,478,356</u>	<u>11.31</u>
				<u>5,441,659</u>	<u>41.65</u>

part of these financial statements

## — Franklin Real Return Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b>					
2,115,307	U.S. Treasury Note, Index Linked, 1.25%, 04/15/14	USA	USD	2,145,384	16.42
755,155	U.S. Treasury Note, Index Linked, 2.00%, 01/15/14	USA	USD	766,069	5.86
2,080,000	Government of Sweden, 6.75%, 05/05/14	SWE	SEK	325,290	2.49
250,000	Singapore Treasury Bill, 0.00%, 05/02/14	SGP	SGD	196,816	1.51
120,000	Singapore Treasury Bill, 0.00%, 08/22/13	SGP	SGD	94,664	0.73
120,000	Singapore Treasury Bill, 0.00%, 11/01/13	SGP	SGD	94,619	0.73
370,000	Sweden Treasury Bill, 0.00%, 09/18/13	SWE	SEK	55,064	0.42
150,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	48,278	0.37
280,000	Government of Sweden, 1.50%, 08/30/13	SWE	SEK	41,790	0.32
120,000	Bank of Negara Monetary Note, 0.00%, 06/05/14	MYS	MYR	36,980	0.28
100,000	Bank of Negara Monetary Note, 0.00%, 03/20/14	MYS	MYR	30,981	0.24
95,000	Bank of Negara Monetary Note, 0.00%, 02/18/14	MYS	MYR	29,505	0.23
6,530,000	Hungary Treasury Bill, 0.00%, 03/05/14	HUN	HUF	28,005	0.22
80,000	Bank of Negara Monetary Note, 0.00%, 02/25/14	MYS	MYR	24,832	0.19
75,000	Bank of Negara Monetary Note, 0.00%, 02/20/14	MYS	MYR	23,289	0.18
150,000	Sweden Treasury Bill, 0.00%, 12/18/13	SWE	SEK	22,272	0.17
70,000	Bank of Negara Monetary Note, 0.00%, 06/03/14	MYS	MYR	21,575	0.17
50,000	Bank of Negara Monetary Note, 0.00%, 06/17/14	MYS	MYR	15,394	0.12
40,000	Bank of Negara Monetary Note, 0.00%, 06/19/14	MYS	MYR	12,313	0.10
2,280,000	Hungary Treasury Bill, 0.00%, 01/08/14	HUN	HUF	9,840	0.08
30,000	Bank of Negara Monetary Note, 0.00%, 01/16/14	MYS	MYR	9,340	0.07
30,000	Bank of Negara Monetary Note, 0.00%, 04/24/14	MYS	MYR	9,268	0.07
25,000	Bank of Negara Monetary Note, 0.00%, 05/27/14	MYS	MYR	7,702	0.06
20,000	Government of Malaysia, senior bond, 3.461%, 07/31/13	MYS	MYR	6,332	0.05
20,000	Bank of Negara Monetary Note, 0.00%, 12/19/13	MYS	MYR	6,242	0.05
20,000	Bank of Negara Monetary Note, 0.00%, 01/09/14	MYS	MYR	6,230	0.05
20,000	Bank of Negara Monetary Note, 0.00%, 03/27/14	MYS	MYR	6,193	0.05
1,290,000	Government of Hungary, E, 7.50%, 10/24/13	HUN	HUF	5,748	0.04
10,000	Bank of Negara Monetary Note, 0.00%, 09/05/13	MYS	MYR	3,148	0.03
10,000	Bank of Negara Monetary Note, 0.00%, 09/26/13	MYS	MYR	3,143	0.02
10,000	Bank of Negara Monetary Note, 0.00%, 10/10/13	MYS	MYR	3,140	0.02
10,000	Bank of Negara Monetary Note, 0.00%, 11/19/13	MYS	MYR	3,129	0.02
10,000	Bank of Negara Monetary Note, 0.00%, 12/05/13	MYS	MYR	3,125	0.02
10,000	Bank of Negara Monetary Note, 0.00%, 12/10/13	MYS	MYR	3,124	0.02
10,000	Bank of Negara Monetary Note, 0.00%, 12/26/13	MYS	MYR	3,119	0.02
10,000	Bank of Negara Monetary Note, 0.00%, 04/03/14	MYS	MYR	3,095	0.02
10,000	Bank of Negara Monetary Note, 0.00%, 05/15/14	MYS	MYR	3,084	0.02
10,000	Bank of Negara Monetary Note, 0.00%, 05/20/14	MYS	MYR	3,083	0.02
5,000	Bank of Negara Monetary Note, 0.00%, 12/31/13	MYS	MYR	1,560	0.01
5,000	Bank of Negara Monetary Note, 0.00%, 02/06/14	MYS	MYR	1,554	0.01
120,000	Hungary Treasury Bill, 0.00%, 09/18/13	HUN	HUF	525	0.00
				<u>4,114,844</u>	<u>31.50</u>
	<b>TOTAL BONDS</b>			<u>9,769,315</u>	<u>74.78</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>9,769,315</u>	<u>74.78</u>
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
50,000	Sprint Nextel Corp., senior note, 144A, 7.00%, 03/01/20	USA	USD	54,125	0.41
50,000	Samson Investment Co., senior note, 144A, 9.75%, 02/15/20	USA	USD	52,938	0.41
50,000	Texas Competitive Electric Holdings Co. LLC/Texas Competitive Electric Holdings Finance Inc., senior secured note, 144A, 11.50%, 10/01/20	USA	USD	37,625	0.29
				<u>144,688</u>	<u>1.11</u>
	<b>TOTAL BONDS</b>			<u>144,688</u>	<u>1.11</u>
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>144,688</u>	<u>1.11</u>
	<b>TOTAL INVESTMENTS</b>			<u>11,412,001</u>	<u>87.35</u>

† Floating Rates are indicated as at June 30, 2013

## — Franklin Strategic Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	<b>SHARES</b>				
	<b>Consumer Finance</b>				
15,400	GMAC Capital Trust I, 8.125%, pfd.	USA	USD	401,170	0.03
	<b>TOTAL SHARES</b>			401,170	0.03
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			401,170	0.03
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>INVESTMENTS FUNDS</b>				
	<b>Diversified Financial Services</b>				
4,529,934	FTSIF Franklin Floating Rate II Fund, Class I (Mdis)	LUX	USD	41,539,499	3.60
	<b>TOTAL INVESTMENTS FUNDS</b>			41,539,499	3.60
	<b>SHARES</b>				
	<b>Paper &amp; Forest Products</b>				
6,000	NewPage Holdings Inc.	USA	USD	525,000	0.05
	<b>TOTAL SHARES</b>			525,000	0.05
	<b>BONDS</b>				
	<b>Asset-Backed Securities</b>				
3,290,000	Greenwich Capital Commercial Funding Corp., 2006-GG7, AJ, FRN, 5.867%, 07/10/38 †	USA	USD	3,190,584	0.28
2,387,080	Talisman 6 Finance, Reg S, FRN, 0.391%, 10/22/16 †	IRL	EUR	2,796,429	0.24
2,420,000	Bear Stearns Commercial Mortgage Securities Inc., 2006-PW13, AJ, 5.611%, 09/11/41	USA	USD	2,363,464	0.21
2,000,000	Bear Stearns Commercial Mortgage Securities Inc., 2006-PW11, AJ, FRN, 5.452%, 03/11/39 †	USA	USD	2,042,071	0.18
1,860,000	Atrium CDO Corp., 10A, C, 144A, FRN, 2.876%, 07/16/25 †	CYM	USD	1,819,406	0.16
1,400,000	Citigroup Commercial Mortgage Trust, 2008-C7, A4, FRN, 6.072%, 12/10/49 †	USA	USD	1,605,517	0.14
1,433,000	Banc of America Commercial Mortgage Inc., 2006-4, AJ, 5.695%, 07/10/46	USA	USD	1,433,800	0.12
1,500,000	Catamaran CLO Ltd., 2013-1A, C, 144A, FRN, 3.071%, 01/27/25 †	CYM	USD	1,428,000	0.12
1,430,000	ING Investment Management CLO Ltd., 2013-2A, B, 144A, FRN, 2.956%, 04/25/25 †	USA	USD	1,402,018	0.12
1,081,000	Citigroup Commercial Mortgage Trust, 2007-C6, AM, FRN, 5.885%, 06/10/17 †	USA	USD	1,188,843	0.10
1,176,471	Cent CLO LP, 2013-17A, D, 144A, FRN, 3.288%, 01/30/25 †	CYM	USD	1,173,906	0.10
1,200,000	Citigroup Commercial Mortgage Trust, 2006-C5, AJ, 5.482%, 10/15/49	USA	USD	1,119,856	0.10
835,229	German Residential Asset Note Distributor PLC, 1, C, Reg S, FRN, 2.095%, 01/20/21 †	DEU	EUR	1,081,196	0.09
1,210,000	Citigroup/Deutsche Bank Commercial Mortgage Trust, 2006-CD3, AJ, FRN, 5.688%, 10/15/48 †	USA	USD	1,075,109	0.09
1,000,000	Bear Stearns Commercial Mortgage Securities Inc., 2006-PW12, AJ, FRN, 5.932%, 09/11/38 †	USA	USD	999,814	0.09
750,000	Bear Stearns Commercial Mortgage Securities Inc., 2007-PW16, AM, FRN, 5.712%, 06/11/40 †	USA	USD	836,225	0.07
800,000	Merrill Lynch Mortgage Trust, 2005-CKI1, AJ, FRN, 5.391%, 11/12/37 †	USA	USD	826,560	0.07
670,000	ING Investment Management CLO Ltd., 2013-1A, C, 144A, FRN, 3.784%, 04/15/24 †	CYM	USD	636,149	0.06
565,000	Greenwich Capital Commercial Funding Corp., 2006-GG7, A4, FRN, 5.883%, 07/10/38 †	USA	USD	627,834	0.06
550,000	Greenwich Capital Commercial Funding Corp., 2005-GG5, A5, 5.224%, 04/10/37	USA	USD	590,220	0.05
500,000	GS Mortgage Securities Corp. II, 2006-GG8, A4, 5.56%, 11/10/39	USA	USD	555,396	0.05
375,000	JPMorgan Chase Commercial Mortgage Securities Corp., 2006-CB14, AM, FRN, 5.446%, 12/12/44 †	USA	USD	406,907	0.04
350,000	LB-UBS Commercial Mortgage Trust, 2006-C1, A4, 5.156%, 02/15/31	USA	USD	378,782	0.03
380,000	ING Investment Management CLO Ltd., 2013-1A, B, 144A, FRN, 3.184%, 04/15/24 †	CYM	USD	376,859	0.03
375,000	JPMorgan Chase Commercial Mortgage Securities Corp., 2006-CB17, AM, 5.464%, 12/12/43	USA	USD	372,787	0.03
203,302	Wells Fargo Mortgage Backed Securities Trust, 2004-W, A9, FRN, 2.762%, 11/25/34 †	USA	USD	209,625	0.02
140,001	Wells Fargo Mortgage Backed Securities Trust, 2007-3, 3A1, 5.50%, 04/25/37	USA	USD	144,712	0.01
110,000	Morgan Stanley Capital I Trust, 2006-HQ8, AJ, FRN, 5.68%, 03/12/44 †	USA	USD	112,218	0.01
				30,794,287	2.67



## — Franklin Strategic Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds</b>					
4,000,000	CSC Holdings LLC, senior note, 6.75%, 11/15/21	USA	USD	4,330,000	0.38
4,500,000	Deutsche Bank AG, sub. bond, 4.296% to 05/24/23, FRN thereafter, 05/24/28	DEU	USD	4,175,775	0.36
3,800,000	Energy Transfer Equity LP, senior note, 7.50%, 10/15/20	USA	USD	4,170,500	0.36
4,000,000	Clear Channel Communications Inc., senior note, 9.00%, 03/01/21	USA	USD	3,820,000	0.33
3,500,000	Kinder Morgan Finance Co. LLC, senior secured note, 144A, 6.00%, 01/15/18	USA	USD	3,690,935	0.32
3,000,000	Bank of America Corp., pfd., sub. bond, M, 8.125% to 05/15/18, FRN thereafter, Perpetual	USA	USD	3,390,000	0.29
3,500,000	EDF SA, sub. note, 144A, 5.25% to 01/29/23, FRN thereafter, Perpetual	FRA	USD	3,352,177	0.29
3,500,000	LUKOIL International Finance BV, senior note, 144A, 4.563%, 04/24/23	RUS	USD	3,258,272	0.28
3,000,000	Chesapeake Energy Corp., senior note, 6.625%, 08/15/20	USA	USD	3,240,000	0.28
3,500,000	Apache Corp., senior bond, 2.625%, 01/15/23	USA	USD	3,231,823	0.28
3,000,000	Samson Investment Co., senior note, 144A, 9.75%, 02/15/20	USA	USD	3,176,250	0.28
3,000,000	HSBC USA Inc., sub. note, 5.00%, 09/27/20	USA	USD	3,146,151	0.27
3,000,000	Wind Acquisition Finance SA, senior secured note, 144A, 11.75%, 07/15/17	ITA	USD	3,135,000	0.27
3,000,000	CIT Group Inc., senior note, 5.00%, 08/15/22	USA	USD	2,990,844	0.26
2,900,000	Inmet Mining Corp., senior note, 144A, 8.75%, 06/01/20	CAN	USD	2,979,750	0.26
3,000,000	Kraft Foods Group Inc., senior bond, 3.50%, 06/06/22	USA	USD	2,974,800	0.26
3,000,000	Sprint Nextel Corp., senior note, 6.00%, 11/15/22	USA	USD	2,955,000	0.26
3,000,000	The Goldman Sachs Group Inc., senior note, 2.375%, 01/22/18	USA	USD	2,947,599	0.26
3,000,000	Safeway Inc., senior bond, 3.95%, 08/15/20	USA	USD	2,944,992	0.26
3,000,000	Cencosud SA, senior note, 144A, 4.875%, 01/20/23	CHL	USD	2,940,045	0.25
2,500,000	Ally Financial Inc., senior note, 7.50%, 09/15/20	USA	USD	2,890,625	0.25
2,700,000	ArcelorMittal, senior note, 6.25%, 02/25/22	LUX	USD	2,774,412	0.24
2,000,000	Kerling PLC, senior secured note, Reg S, 10.625%, 02/01/17	GBR	EUR	2,734,337	0.24
2,500,000	W&T Offshore Inc., senior note, 8.50%, 06/15/19	USA	USD	2,593,750	0.22
2,500,000	Del Monte Corp., senior note, 7.625%, 02/15/19	USA	USD	2,581,250	0.22
2,500,000	Intergen NV, senior secured note, 144A, 9.00%, 06/30/17	NLD	USD	2,581,250	0.22
2,500,000	MetLife Inc., junior sub. note, 6.40% to 12/15/36, FRN thereafter, 12/15/66	USA	USD	2,571,875	0.22
2,500,000	The Goodyear Tire & Rubber Co., senior note, 6.50%, 03/01/21	USA	USD	2,553,125	0.22
2,500,000	ArcelorMittal, senior note, 6.00%, 03/01/21	LUX	USD	2,493,612	0.22
2,000,000	Edcon Pty. Ltd., secured note, Reg S, 9.50%, 03/01/18	ZAF	EUR	2,427,577	0.21
2,500,000	Zoetis Inc., senior bond, 144A, 3.25%, 02/01/23	USA	USD	2,378,677	0.21
2,500,000	JPMorgan Chase & Co., senior note, 3.25%, 09/23/22	USA	USD	2,376,780	0.21
2,200,000	CDW LLC/Finance Corp., senior note, 8.50%, 04/01/19	USA	USD	2,376,000	0.21
2,300,000	CHC Helicopter SA, senior secured note, first lien, 9.25%, 10/15/20	CAN	USD	2,361,812	0.20
2,500,000	Abengoa Finance SAU, senior note, 144A, 8.875%, 11/01/17	ESP	USD	2,357,812	0.20
1,700,000	Royal Bank of Scotland PLC, sub. note, 6.934%, 04/09/18	GBR	EUR	2,320,679	0.20
1,500,000	Matalan Finance Ltd., senior secured note, Reg S, 8.875%, 04/29/16	GBR	GBP	2,306,392	0.20
2,300,000	VPI Escrow Corp., senior note, 144A, 6.375%, 10/15/20	CAN	USD	2,285,625	0.20
2,300,000	Peabody Energy Corp., senior note, 6.25%, 11/15/21	USA	USD	2,231,000	0.19
2,000,000	Citigroup Inc., senior note, 5.375%, 08/09/20	USA	USD	2,213,912	0.19
2,000,000	General Electric Capital Corp., sub. note, 5.30%, 02/11/21	USA	USD	2,196,374	0.19
2,200,000	Ashland Inc., senior note, 144A, 4.75%, 08/15/22	USA	USD	2,183,500	0.19
2,200,000	Equinix Inc., senior bond, 5.375%, 04/01/23	USA	USD	2,167,000	0.19
2,000,000	Morgan Stanley, senior note, 5.50%, 07/24/20	USA	USD	2,155,990	0.19
2,200,000	Cricket Communications Inc., senior note, 7.75%, 10/15/20	USA	USD	2,123,000	0.18
2,000,000	Expro Finance Luxembourg, senior secured note, 144A, 8.50%, 12/15/16	GBR	USD	2,110,000	0.18
2,000,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 8.25%, 11/01/19	AUS	USD	2,070,000	0.18
2,000,000	QR Energy LP/QRE Finance, senior note, 9.25%, 08/01/20	USA	USD	2,065,000	0.18
1,500,000	Nokia Siemens Networks Finance BV, senior note, Reg S, 7.125%, 04/15/20	NLD	EUR	1,996,406	0.17
1,350,000	Orion Engineered Carbons Bondco GmbH, senior secured bond, Reg S, 10.00%, 06/15/18	DEU	EUR	1,930,754	0.17
2,000,000	Telefonica Emisiones SAU, senior note, 4.57%, 04/27/23	ESP	USD	1,918,200	0.17
2,000,000	Linn Energy LLC/Finance Corp., senior note, 144A, 6.25%, 11/01/19	USA	USD	1,915,000	0.17
2,000,000	Royal Bank of Scotland Group PLC, sub. note, 6.125%, 12/15/22	GBR	USD	1,908,750	0.17
1,900,000	Algeco Scotsman Global Finance PLC, secured note, 144A, 8.50%, 10/15/18	GBR	USD	1,900,000	0.16
1,800,000	Jaguar Holding Co. I, senior note, 144A, PIK, 9.375%, 10/15/17 ‡	USA	USD	1,890,000	0.16
1,300,000	Capsugel Financeco SCA, senior note, Reg S, 9.875%, 08/01/19	USA	EUR	1,880,396	0.16
1,800,000	Telefonica Emisiones SAU, senior note, 5.462%, 02/16/21	ESP	USD	1,857,573	0.16
1,700,000	Meritor Inc., senior note, 10.625%, 03/15/18	USA	USD	1,848,750	0.16
1,700,000	ClubCorp Club Operations Inc., senior note, 10.00%, 12/01/18	USA	USD	1,844,500	0.16
1,300,000	Boparan Finance PLC, senior note, Reg S, 9.75%, 04/30/18	GBR	EUR	1,842,323	0.16
1,800,000	Freescale Semiconductor Inc., senior note, 8.05%, 02/01/20	USA	USD	1,831,500	0.16
1,700,000	JBS USA LLC/Finance Inc., senior note, 144A, 8.25%, 02/01/20	USA	USD	1,789,250	0.16
1,700,000	PBF Holding Co. LLC, first lien, 8.25%, 02/15/20	USA	USD	1,789,250	0.16
1,700,000	Harrah's Operating Co. Inc., senior secured note, 11.25%, 06/01/17	USA	USD	1,774,375	0.15
1,200,000	New Look Bondco I PLC, secured note, Reg S, 8.75%, 05/14/18	GBR	GBP	1,765,707	0.15
1,500,000	Regions Bank, sub. note, 7.50%, 05/15/18	USA	USD	1,753,360	0.15
1,800,000	Sabine Pass Liquefaction LLC, secured note, 144A, 5.625%, 02/01/21	USA	USD	1,750,500	0.15
1,300,000	KM Germany Holdings GmbH, senior secured note, first lien, Reg S, 8.75%, 12/15/20	DEU	EUR	1,748,197	0.15

The accompanying notes form an integral



## — Franklin Strategic Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
1,600,000	DISH DBS Corp., senior note, 7.125%, 02/01/16	USA	USD	1,740,000	0.15
1,700,000	Chesapeake Energy Corp., senior note, 5.75%, 03/15/23	USA	USD	1,725,500	0.15
1,700,000	HCA Inc., senior note, 5.875%, 05/01/23	USA	USD	1,704,250	0.15
1,500,000	Merrill Lynch & Co. Inc., senior note, 6.40%, 08/28/17	USA	USD	1,694,788	0.15
1,200,000	Ziggo Bond Co., senior unsecured note, Reg S, 8.00%, 05/15/18	NLD	EUR	1,673,271	0.15
1,500,000	Bank of America Corp., senior note, 5.65%, 05/01/18	USA	USD	1,667,656	0.14
1,600,000	JPMorgan Chase & Co., senior note, 4.25%, 10/15/20	USA	USD	1,664,926	0.14
1,500,000	Energy XXI Gulf Coast Inc., senior note, 9.25%, 12/15/17	USA	USD	1,653,750	0.14
1,500,000	Grifols Inc., senior note, 8.25%, 02/01/18	ESP	USD	1,620,000	0.14
1,600,000	Radio One Inc., senior sub. note, PIK, 12.50%, 05/24/16 ‡	USA	USD	1,620,000	0.14
1,500,000	CHS/Community Health Systems Inc., senior note, 8.00%, 11/15/19	USA	USD	1,603,125	0.14
1,700,000	AbbVie Inc., senior note, 144A, 2.90%, 11/06/22	USA	USD	1,591,989	0.14
1,500,000	Energy Transfer Partners LP, senior note, 5.20%, 02/01/22	USA	USD	1,589,301	0.14
1,500,000	Chaparral Energy Inc., senior note, 8.25%, 09/01/21	USA	USD	1,586,250	0.14
1,500,000	CONSOL Energy Inc., senior note, 8.25%, 04/01/20	USA	USD	1,578,750	0.14
1,200,000	Avis Budget Finance PLC, senior note, Reg S, 6.00%, 03/01/21	USA	EUR	1,575,647	0.14
1,500,000	West Corp., senior note, 7.875%, 01/15/19	USA	USD	1,565,625	0.14
1,500,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	1,560,000	0.14
1,500,000	Digicel Group Ltd., senior note, 144A, 8.25%, 09/30/20	BMU	USD	1,557,188	0.13
1,200,000	Loxam SAS, senior sub. note, Reg S, 7.375%, 01/24/20	FRA	EUR	1,555,146	0.13
1,500,000	E*TRADE Financial Corp., senior note, 6.375%, 11/15/19	USA	USD	1,530,000	0.13
1,500,000	CGG, senior note, 6.50%, 06/01/21	FRA	USD	1,522,500	0.13
1,500,000	DaVita HealthCare Partners Inc., senior note, 5.75%, 08/15/22	USA	USD	1,503,750	0.13
1,500,000	Terex Corp., senior note, 6.00%, 05/15/21	USA	USD	1,503,750	0.13
1,400,000	MGM Resorts International, senior note, 6.625%, 07/15/15	USA	USD	1,499,750	0.13
1,500,000	Offshore Group Investment Ltd., first lien, 144A, 7.125%, 04/01/23	USA	USD	1,481,250	0.13
1,400,000	Intelsat Jackson Holdings SA, senior note, 7.25%, 10/15/20	LUX	USD	1,477,000	0.13
1,500,000	InterGen NV, secured bond, 144A, 7.00%, 06/30/23	NLD	USD	1,463,438	0.13
1,500,000	Halcon Resources Corp., senior note, 8.875%, 05/15/21	USA	USD	1,462,500	0.13
1,500,000	Intelsat Jackson Holdings SA, senior note, 144A, 6.625%, 12/15/22	LUX	USD	1,462,500	0.13
1,500,000	Penn Virginia Corp., senior note, 144A, 8.50%, 05/01/20	USA	USD	1,458,750	0.13
1,500,000	Time Warner Inc., senior bond, 3.40%, 06/15/22	USA	USD	1,455,852	0.13
1,500,000	Meritor Inc., senior note, 6.75%, 06/15/21	USA	USD	1,440,000	0.12
1,500,000	CC Holdings GS V LLC / Crown Castle GS III Corp., senior secured bond, 3.849%, 04/15/23	USA	USD	1,416,423	0.12
1,200,000	Sprint Nextel Corp., senior note, 144A, 9.00%, 11/15/18	USA	USD	1,407,000	0.12
1,500,000	JPMorgan Chase & Co., sub. note, 3.375%, 05/01/23	USA	USD	1,398,756	0.12
1,000,000	Central European Media Enterprises Ltd., senior secured note, Reg S, 11.625%, 09/15/16	CZE	EUR	1,392,063	0.12
1,500,000	Visant Corp., senior note, 10.00%, 10/01/17	USA	USD	1,391,250	0.12
1,300,000	Gaz Capital SA, (OJSC Gazprom), loan participation, senior bond, Reg S, 6.51%, 03/07/22	RUS	USD	1,390,227	0.12
1,300,000	Crosstex Energy LP/Crosstex Energy Finance Corp., senior note, 8.875%, 02/15/18	USA	USD	1,384,500	0.12
1,300,000	Novelis Inc., senior note, 8.375%, 12/15/17	CAN	USD	1,384,500	0.12
1,400,000	Navistar International Corp., senior note, 8.25%, 11/01/21	USA	USD	1,382,500	0.12
1,200,000	Sprint Nextel Corp., senior note, 8.375%, 08/15/17	USA	USD	1,353,000	0.12
1,200,000	Enterprise Products Operating LLC, junior sub. note, 7.034% to 01/15/18, FRN thereafter, 01/15/68	USA	USD	1,347,000	0.12
1,300,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 8.50%, 05/15/18	USA	USD	1,345,500	0.12
1,300,000	MGM Resorts International, senior note, 6.625%, 12/15/21	USA	USD	1,342,250	0.12
1,000,000	U.S. Coatings Acquisition Inc./Flash Dutch 2 BV, secured note, Reg S, 5.75%, 02/01/21	USA	EUR	1,316,294	0.11
1,200,000	Ford Motor Credit Co. LLC, senior note, 5.875%, 08/02/21	USA	USD	1,309,789	0.11
1,300,000	Sanchez Energy Corp., senior note, 144A, 7.75%, 06/15/21	USA	USD	1,287,000	0.11
1,200,000	Hertz Corp., senior note, 6.75%, 04/15/19	USA	USD	1,275,000	0.11
1,200,000	Penn Virginia Resource Partners LP/Finance Corp. II, senior note, 8.375%, 06/01/20	USA	USD	1,272,000	0.11
1,000,000	Cegedim SA, senior note, Reg S, 6.75%, 04/01/20	FRA	EUR	1,261,787	0.11
1,200,000	HDTFS Inc., 6.25%, 10/15/22	USA	USD	1,258,500	0.11
1,200,000	Offshore Group Investment Ltd., senior secured note, first lien, 7.50%, 11/01/19	USA	USD	1,255,500	0.11
1,100,000	Rite Aid Corp., senior secured note, 8.00%, 08/15/20	USA	USD	1,223,750	0.11
1,100,000	Frontier Communications Corp., senior note, 8.50%, 04/15/20	USA	USD	1,218,250	0.11
1,400,000	Quicksilver Resources Inc., senior note, 9.125%, 08/15/19	USA	USD	1,197,000	0.10
1,100,000	International Lease Finance Corp., senior secured note, 144A, 6.75%, 09/01/16	USA	USD	1,193,500	0.10
1,100,000	Gilead Sciences Inc., senior note, 4.40%, 12/01/21	USA	USD	1,182,647	0.10
1,100,000	General Electric Capital Corp., senior note, 4.65%, 10/17/21	USA	USD	1,168,251	0.10
1,000,000	Ceridian Corp., secured note, 144A, 8.875%, 07/15/19	USA	USD	1,116,250	0.10
1,200,000	Barmingo Finance Pty. Ltd., senior note, 144A, 9.00%, 06/01/18	AUS	USD	1,108,500	0.10
1,000,000	Jarden Corp., senior sub. note, 7.50%, 05/01/17	USA	USD	1,107,500	0.10
1,000,000	M/I Homes Inc., senior note, 8.625%, 11/15/18	USA	USD	1,090,000	0.09
1,000,000	Gilead Sciences Inc., senior note, 4.50%, 04/01/21	USA	USD	1,084,885	0.09
1,000,000	Novelis Inc., senior note, 8.75%, 12/15/20	CAN	USD	1,077,500	0.09
1,000,000	Ally Financial Inc., senior note, 6.25%, 12/01/17	USA	USD	1,073,177	0.09
1,200,000	Glencore Funding LLC, senior note, 144A, 4.125%, 05/30/23	USA	USD	1,071,746	0.09
1,000,000	Morgan Stanley, senior note, 5.50%, 07/28/21	USA	USD	1,069,054	0.09

part of these financial statements

## — Franklin Strategic Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Corporate Bonds (continued)</b>				
1,000,000	Gaz Capital SA, (OJSC Gazprom), loan participation, senior note, Reg S, 5.092%, 11/29/15	RUS	USD	1,057,415	0.09
1,000,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 9.00%, 04/15/19	USA	USD	1,037,500	0.09
1,100,000	Midstates Petroleum Co. Inc./LLC, senior note, 144A, 9.25%, 06/01/21	USA	USD	1,035,375	0.09
1,000,000	CHS/Community Health Systems Inc., senior note, 7.125%, 07/15/20	USA	USD	1,032,500	0.09
1,000,000	Crosstex Energy LP/Crosstex Energy Finance Corp., senior note, 7.125%, 06/01/22	USA	USD	1,015,000	0.09
700,000	Unitymedia Hessen GmbH & Co.KG/Unitymedia NRW GmbH, senior secured note, Reg S, 9.50%, 03/15/21	DEU	EUR	1,014,799	0.09
800,000	Time Warner Inc., 7.625%, 04/15/31	USA	USD	1,011,886	0.09
1,000,000	Nuveen Investments Inc., senior note, 144A, 9.125%, 10/15/17	USA	USD	1,007,500	0.09
1,000,000	First Data Corp., senior note, 144A, 11.25%, 01/15/21	USA	USD	1,002,500	0.09
900,000	HCA Inc., senior note, 7.50%, 02/15/22	USA	USD	999,000	0.09
1,000,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 8.25%, 02/15/21	USA	USD	993,750	0.09
1,000,000	CenturyLink Inc., senior note, 5.80%, 03/15/22	USA	USD	992,500	0.09
1,000,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.875%, 02/01/18	AUS	USD	991,250	0.09
900,000	Frontier Communications Corp., senior note, 8.75%, 04/15/22	USA	USD	985,500	0.09
900,000	Shea Homes LP/Funding Corp., senior secured note, 8.625%, 05/15/19	USA	USD	965,250	0.08
1,000,000	Penn Virginia Resource Partners LP/Finance Corp. II, senior note, 144A, 6.50%, 05/15/21	USA	USD	965,000	0.08
1,000,000	Crown Castle International Corp., senior bond, 5.25%, 01/15/23	USA	USD	963,750	0.08
1,000,000	Citigroup Inc., sub. note, 4.05%, 07/30/22	USA	USD	962,369	0.08
1,000,000	Caesars Operating Escrow LLC/Corp., first lien, 144A, 9.00%, 02/15/20	USA	USD	960,000	0.08
900,000	Antero Resources Finance Corp., senior note, 9.375%, 12/01/17	USA	USD	958,500	0.08
900,000	inVentiv Health Inc., senior note, 144A, 9.00%, 01/15/18	USA	USD	942,750	0.08
1,000,000	Intelsat Jackson Holdings SA, senior bond, 144A, 5.50%, 08/01/23	LUX	USD	941,875	0.08
900,000	DISH DBS Corp., senior note, 5.875%, 07/15/22	USA	USD	918,000	0.08
900,000	Nuveen Investments Inc., senior note, 144A, 9.50%, 10/15/20	USA	USD	900,000	0.08
700,000	Unitymedia Hessen/NRW, senior secured note, Reg S, 5.75%, 01/15/23	DEU	EUR	890,654	0.08
900,000	Cemex SAB de CV, secured note, 144A, 5.875%, 03/25/19	MEX	USD	876,938	0.08
700,000	Ineos Group Holdings SA, senior note, Reg S, 6.50%, 08/15/18	GBR	EUR	873,620	0.08
800,000	MGM Resorts International, senior note, 7.75%, 03/15/22	USA	USD	873,000	0.08
900,000	DISH DBS Corp., senior bond, 5.00%, 03/15/23	USA	USD	870,750	0.08
800,000	CenturyLink Inc., senior note, 6.00%, 04/01/17	USA	USD	866,000	0.07
800,000	Ford Motor Credit Co. LLC, senior note, 5.00%, 05/15/18	USA	USD	854,832	0.07
900,000	Sabine Pass Liquefaction LLC, 144A, 5.625%, 04/15/23	USA	USD	852,750	0.07
800,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior note, 7.25%, 10/30/17	USA	USD	851,000	0.07
800,000	Sealed Air Corp., senior note, 144A, 6.50%, 12/01/20	USA	USD	848,000	0.07
700,000	Ford Motor Credit Co. LLC, senior note, 8.125%, 01/15/20	USA	USD	845,499	0.07
800,000	CIT Group Inc., senior note, 5.375%, 05/15/20	USA	USD	823,000	0.07
800,000	Access Midstream Partner LP/ACMP Finance Corp., senior note, 6.125%, 07/15/22	USA	USD	814,000	0.07
800,000	Orion Engineered Carbons Finance & Co. SCA, senior note, 144A, PIK, 9.25%, 08/01/19 ‡	LUX	USD	804,000	0.07
600,000	UPCB Finance II Ltd., senior secured note, Reg S, 6.375%, 07/01/20	NLD	EUR	799,800	0.07
700,000	Case New Holland Inc., senior note, 7.875%, 12/01/17	USA	USD	796,250	0.07
800,000	General Motors Financial Co. Inc., senior note, 144A, 3.25%, 05/15/18	USA	USD	780,000	0.07
800,000	Euramax International Inc., senior secured note, 9.50%, 04/01/16	USA	USD	770,000	0.07
800,000	Digicel Group Ltd., senior note, 144A, 6.00%, 04/15/21	BMU	USD	768,000	0.07
700,000	Cemex Finance LLC, senior secured note, 144A, 9.375%, 10/12/22	MEX	USD	766,500	0.07
800,000	Univision Communications Inc., senior secured note, 144A, 5.125%, 05/15/23	USA	USD	760,000	0.07
700,000	Sprint Nextel Corp., senior note, 144A, 7.00%, 03/01/20	USA	USD	757,750	0.07
700,000	Plains Exploration & Production Co., senior note, 6.875%, 02/15/23	USA	USD	749,714	0.06
700,000	Emergency Medical Services Corp., senior note, 8.125%, 06/01/19	USA	USD	747,250	0.06
700,000	Plains Exploration & Production Co., senior note, 6.625%, 05/01/21	USA	USD	741,598	0.06
700,000	Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note, 8.875%, 04/01/18	USA	USD	740,250	0.06
700,000	HCA Inc., senior secured note, 5.875%, 03/15/22	USA	USD	720,125	0.06
700,000	Barry Callebaut Services SA, senior note, 144A, 5.50%, 06/15/23	BEL	USD	713,125	0.06
660,000	Calpine Corp., senior secured note, 144A, 7.50%, 02/15/21	USA	USD	707,850	0.06
700,000	Reynolds Group Issuer Inc./LLC/SA, first lien, 5.75%, 10/15/20	USA	USD	707,000	0.06
700,000	Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note, 144A, 7.25%, 02/15/21	USA	USD	705,250	0.06
700,000	Alere Inc., senior sub. note, 144A, 6.50%, 06/15/20	USA	USD	681,625	0.06
700,000	Caesars Entertainment Operating Co. Inc., secured note, 144A, 9.00%, 02/15/20	USA	USD	670,250	0.06
700,000	Gaz Capital SA, (OJSC Gazprom), loan participation, senior note, Reg S, 3.85%, 02/06/20	RUS	USD	669,802	0.06
600,000	eAccess Ltd., senior note, 144A, 8.25%, 04/01/18	JPN	USD	665,250	0.06
600,000	El Paso Corp., senior note, 7.00%, 06/15/17	USA	USD	655,107	0.06
600,000	HCA Holdings Inc., senior note, 7.75%, 05/15/21	USA	USD	649,500	0.06
600,000	Ineos Finance PLC, senior secured note, 144A, 7.50%, 05/01/20	GBR	USD	640,500	0.06
500,000	Mobile Challenger Intermediate Group SA, senior secured note, Reg S, PIK, 8.75%, 03/15/19 ‡	CHE	EUR	634,554	0.05
700,000	Quicksilver Resources Inc., secured note, second lien, 144A, FRN, 7.00%, 06/21/19 †	USA	USD	633,500	0.05

The accompanying notes form an integral

## — Franklin Strategic Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Corporate Bonds (continued)</b>				
600,000	Univision Communications Inc., senior secured bond, 144A, 6.75%, 09/15/22	USA	USD	633,000	0.05
600,000	CenturyLink Inc., senior note, 6.45%, 06/15/21	USA	USD	628,500	0.05
600,000	Sterling International Inc., senior note, 11.00%, 10/01/19	USA	USD	624,000	0.05
600,000	CGG, senior note, 7.75%, 05/15/17	FRA	USD	612,000	0.05
600,000	Peabody Energy Corp., senior note, 6.00%, 11/15/18	USA	USD	603,750	0.05
600,000	Avon Products Inc., senior bond, 5.00%, 03/15/23	USA	USD	597,189	0.05
600,000	CHC Helicopter SA, senior note, 144A, 9.375%, 06/01/21	CAN	USD	597,000	0.05
539,000	Freescale Semiconductor Inc., senior note, 10.75%, 08/01/20	USA	USD	595,595	0.05
600,000	Constellation Brands Inc., senior note, 4.25%, 05/01/23	USA	USD	567,750	0.05
500,000	International Lease Finance Corp., senior note, 8.25%, 12/15/20	USA	USD	563,125	0.05
500,000	Peabody Energy Corp., senior note, 7.375%, 11/01/16	USA	USD	557,500	0.05
500,000	Petrohawk Energy Corp., senior note, 7.25%, 08/15/18	USA	USD	546,750	0.05
500,000	Zayo Group LLC/Zayo Capital Inc., senior secured note, first lien, 8.125%, 01/01/20	USA	USD	545,000	0.05
500,000	Freescale Semiconductor Inc., senior secured note, 144A, 9.25%, 04/15/18	USA	USD	541,250	0.05
500,000	Intelsat Jackson Holdings SA, senior note, 7.50%, 04/01/21	LUX	USD	527,500	0.05
500,000	Linn Energy LLC/Finance Corp., senior note, 8.625%, 04/15/20	USA	USD	527,500	0.05
500,000	Pinnacle Entertainment Inc., senior sub. note, 7.75%, 04/01/22	USA	USD	525,000	0.05
500,000	Clear Channel Communications Inc., first lien, 144A, 11.25%, 03/01/21	USA	USD	523,750	0.05
500,000	Clear Channel Worldwide Holdings Inc., senior note, 144A, 6.50%, 11/15/22	USA	USD	517,500	0.04
400,000	UPC Holding BV, senior note, Reg S, 6.75%, 03/15/23	NLD	EUR	507,860	0.04
500,000	Lynx II Corp., senior bond, 144A, 6.375%, 04/15/23	GBR	USD	506,250	0.04
500,000	Linn Energy LLC/Finance Corp., senior note, 7.75%, 02/01/21	USA	USD	503,750	0.04
400,000	UPC Holding BV, senior note, Reg S, 6.375%, 09/15/22	NLD	EUR	501,786	0.04
500,000	Halcon Resources Corp., senior note, 9.75%, 07/15/20	USA	USD	501,250	0.04
500,000	Frontier Communications Corp., senior note, 7.125%, 01/15/23	USA	USD	499,375	0.04
500,000	Clear Channel Communications Inc., senior secured note, first lien, 144A, 9.00%, 12/15/19	USA	USD	487,500	0.04
500,000	Inmet Mining Corp., senior note, 144A, 7.50%, 06/01/21	CAN	USD	481,250	0.04
500,000	SandRidge Energy Inc., senior note, 7.50%, 03/15/21	USA	USD	480,000	0.04
400,000	JPMorgan Chase & Co., 6.00%, 01/15/18	USA	USD	456,771	0.04
400,000	Cablevision Systems Corp., senior note, 8.625%, 09/15/17	USA	USD	456,000	0.04
400,000	Citigroup Inc., senior note, 6.125%, 11/21/17	USA	USD	454,915	0.04
400,000	Chaparral Energy Inc., senior note, 9.875%, 10/01/20	USA	USD	446,000	0.04
400,000	Media General Inc., senior secured note, 11.75%, 02/15/17	USA	USD	444,000	0.04
336,828	Ineos Group Holdings SA, second lien, Reg S, 7.875%, 02/15/16	CHE	EUR	440,423	0.04
400,000	Plains Exploration & Production Co., senior note, 8.625%, 10/15/19	USA	USD	440,295	0.04
400,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior note, 8.125%, 04/30/20	USA	USD	439,000	0.04
400,000	Ford Motor Credit Co. LLC, senior note, 7.00%, 04/15/15	USA	USD	434,644	0.04
400,000	Regions Financial Corp., senior note, 5.75%, 06/15/15	USA	USD	431,701	0.04
400,000	Crown Castle International Corp., senior bond, 7.125%, 11/01/19	USA	USD	429,000	0.04
400,000	CONSOL Energy Inc., senior note, 8.00%, 04/01/17	USA	USD	423,000	0.04
400,000	Hologic Inc., senior note, 6.25%, 08/01/20	USA	USD	416,750	0.04
400,000	Neuberger Berman Group LLC/Finance Corp., senior note, 144A, 5.625%, 03/15/20	USA	USD	416,000	0.04
400,000	CHS/Community Health Systems Inc., senior secured note, 5.125%, 08/15/18	USA	USD	407,000	0.04
400,000	Frontier Communications Corp., senior bond, 7.625%, 04/15/24	USA	USD	403,000	0.03
350,000	Morgan Stanley, senior note, 6.625%, 04/01/18	USA	USD	396,982	0.03
300,000	Algeco Scotsman Global Finance PLC, secured note, Reg S, 9.00%, 10/15/18	GBR	EUR	395,132	0.03
400,000	Freescale Semiconductor Inc., secured note, 144A, 5.00%, 05/15/21	USA	USD	381,000	0.03
300,000	Unitymedia Hessen GmbH & Co. KG/NRW GmbH, senior secured note, Reg S, 5.625%, 04/15/23	DEU	EUR	376,828	0.03
350,000	Morgan Stanley, senior note, 6.00%, 04/28/15	USA	USD	375,380	0.03
300,000	GMAC Inc., sub. note, 8.00%, 12/31/18	USA	USD	341,250	0.03
300,000	CSC Holdings Inc., senior deb., 7.625%, 07/15/18	USA	USD	339,750	0.03
300,000	Sealed Air Corp., senior note, 144A, 8.125%, 09/15/19	USA	USD	336,000	0.03
300,000	AMC Networks Inc., senior note, 7.75%, 07/15/21	USA	USD	329,250	0.03
300,000	United Rentals North America Inc., senior sub. note, 8.375%, 09/15/20	USA	USD	326,250	0.03
300,000	MetroPCS Wireless Inc., senior note, 7.875%, 09/01/18	USA	USD	321,000	0.03
300,000	CGG, senior note, 9.50%, 05/15/16	FRA	USD	314,625	0.03
300,000	Chaparral Energy Inc., senior note, 7.625%, 11/15/22	USA	USD	307,500	0.03
300,000	Petrohawk Energy Corp., senior note, 7.875%, 06/01/15	USA	USD	306,525	0.03
300,000	Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., senior note, 144A, 7.00%, 11/15/20	LUX	USD	290,063	0.03
200,000	eAccess Ltd., senior note, Reg S, 8.375%, 04/01/18	JPN	EUR	289,129	0.02
300,000	Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., secured note, 144A, 4.875%, 11/15/22	LUX	USD	279,750	0.02
250,000	DISH DBS Corp., senior note, 7.75%, 05/31/15	USA	USD	271,875	0.02
250,000	Pinnacle Entertainment Inc., senior note, 8.625%, 08/01/17	USA	USD	261,563	0.02
200,000	CSC Holdings LLC, senior note, 8.625%, 02/15/19	USA	USD	232,000	0.02
200,000	SLM Corp., senior note, 8.45%, 06/15/18	USA	USD	223,000	0.02
200,000	Time Warner Inc., 6.10%, 07/15/40	USA	USD	219,330	0.02
200,000	HCA Inc., senior secured note, 7.875%, 02/15/20	USA	USD	215,875	0.02
200,000	El Paso Corp., senior bond, 6.50%, 09/15/20	USA	USD	214,136	0.02

part of these financial statements

## — Franklin Strategic Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
200,000	First Data Corp., senior bond, 12.625%, 01/15/21	USA	USD	212,500	0.02
200,000	Reynolds Group Issuer Inc./LLC/SA, senior secured note, 7.125%, 04/15/19	USA	USD	212,250	0.02
200,000	Petrohawk Energy Corp., senior note, 10.50%, 08/01/14	USA	USD	210,700	0.02
200,000	UPCB Finance III Ltd., senior secured note, 144A, 6.625%, 07/01/20	NLD	USD	208,000	0.02
200,000	MGM Resorts International, senior note, 6.75%, 10/01/20	USA	USD	207,500	0.02
200,000	Peabody Energy Corp., senior note, 6.50%, 09/15/20	USA	USD	201,500	0.02
200,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 7.00%, 11/01/15	AUS	USD	201,363	0.02
200,000	CONSOL Energy Inc., senior note, 6.375%, 03/01/21	USA	USD	200,000	0.02
200,000	Linn Energy LLC/Finance Corp., senior note, 6.50%, 05/15/19	USA	USD	196,000	0.02
150,000	Abengoa SA, senior note, 8.50%, 03/31/16	ESP	EUR	194,835	0.02
144,229	Wind Acquisition Holdings Finance SA, senior secured note, Reg S, PIK, 12.25%, 07/15/17 ‡	ITA	EUR	192,626	0.02
200,000	CommScope Holdings Inc., senior note, 144A, PIK, 6.625%, 06/01/20 ‡	USA	USD	192,000	0.02
200,000	Caesars Operating Escrow LLC/Corp., first lien, 144A, 9.00%, 02/15/20	USA	USD	191,500	0.02
141,000	Regions Financial Corp., senior note, 7.75%, 11/10/14	USA	USD	152,411	0.01
100,000	CET 21 Spol SRO, senior secured note, Reg S, 9.00%, 11/01/17	CZE	EUR	142,775	0.01
100,000	Petrohawk Energy Corp., senior note, 6.25%, 06/01/19	USA	USD	110,000	0.01
100,000	Reynolds Group Issuer Inc./LLC/SA, senior secured note, 7.875%, 08/15/19	USA	USD	109,500	0.01
100,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 9.875%, 08/15/19	USA	USD	107,500	0.01
100,000	Plains Exploration & Production Co., senior note, 6.125%, 06/15/19	USA	USD	106,108	0.01
100,000	Plains Exploration & Production Co., senior note, 6.75%, 02/01/22	USA	USD	106,077	0.01
100,000	Antero Resources Finance Corp., senior note, 7.25%, 08/01/19	USA	USD	104,750	0.01
100,000	Nara Cable Funding Ltd., senior note, 144A, 8.875%, 12/01/18	ESP	USD	103,750	0.01
100,000	CIT Group Inc., senior note, 5.25%, 03/15/18	USA	USD	103,250	0.01
100,000	SandRidge Energy Inc., senior note, 8.125%, 10/15/22	USA	USD	99,500	0.01
100,000	SandRidge Energy Inc., senior note, 7.50%, 02/15/23	USA	USD	95,500	0.01
175,000	Seat Pagine Gialle SpA, Reg S, 10.50%, 01/31/17 *	ITA	EUR	59,225	0.01
50,000	Chesapeake Energy Corp., senior note, 7.25%, 12/15/18	USA	USD	56,000	0.00
50,000	Chesapeake Energy Corp., senior note, 9.50%, 02/15/15	USA	USD	55,500	0.00
50,000	HCA Inc., senior note, 6.50%, 02/15/16	USA	USD	54,000	0.00
32,000	Freescale Semiconductor Inc., senior note, 8.875%, 12/15/14	USA	USD	32,160	0.00
				<b>355,239,835</b>	<b>30.82</b>
<b>Government and Municipal Bonds</b>					
1,317,180	Government of Mexico, 8.00%, 12/17/15	MEX	MXN	11,014,520	0.96
9,168,156	FNMA, 3.00%, 05/01/43	USA	USD	8,972,992	0.78
7,000,000	U.S. Treasury Note, 3.75%, 11/15/18	USA	USD	7,823,592	0.68
6,905,360	FNMA, 3.50%, 05/01/43	USA	USD	7,027,130	0.61
17,475,000	Government of Malaysia, 3.434%, 08/15/14	MYR	MYR	5,551,137	0.48
6,345,220,000	Korea Treasury Bond, senior note, 2.75%, 12/10/15	KOR	KRW	5,526,852	0.48
3,714,000	Government of Ireland, 5.00%, 10/18/20	IRL	EUR	5,187,234	0.45
4,400,000	U.S. Treasury Note, 3.875%, 05/15/18	USA	USD	4,928,686	0.43
84,213,985	Government of Uruguay, senior note, Index Linked, 4.375%, 12/15/28	URY	UYU	4,834,333	0.42
5,080,000	Government of Canada, 1.00%, 05/01/15	CAN	CAD	4,813,377	0.42
3,039,740	Government of Ireland, senior bond, 5.40%, 03/13/25	IRL	EUR	4,302,115	0.37
4,712,700,000	Korea Monetary Stabilization Bond, senior bond, 2.47%, 04/02/15	KOR	KRW	4,096,452	0.36
485,340	Government of Mexico, 9.50%, 12/18/14	MEX	MXN	4,031,340	0.35
4,000,000	Florida Hurricane Catastrophe Fund Finance Corp. Revenue, Series A, 2.995%, 07/01/20	USA	USD	3,752,160	0.33
3,796,888	FNMA, 3.00%, 01/01/43	USA	USD	3,716,185	0.32
75,490,000	Uruguay Notas del Tesoro, 10.25%, 08/22/15	URY	UYU	3,682,663	0.32
4,076,800,000	Korea Monetary Stabilization Bond, senior note, 2.76%, 06/02/15	KOR	KRW	3,559,110	0.31
3,891,040,000	Korea Monetary Stabilization Bond, senior note, 2.74%, 02/02/15	KOR	KRW	3,399,134	0.29
3,750,000	Government of Ukraine, senior note, Reg S, 7.80%, 11/28/22	UKR	USD	3,357,094	0.29
3,200,003	GNMA II, SF, 3.50%, 05/20/42	USA	USD	3,290,751	0.29
2,910,000	Government of Iceland, Reg S, 5.875%, 05/11/22	ISL	USD	3,098,175	0.27
2,860,000	Government of Hungary, senior note, 6.375%, 03/29/21	HUN	USD	2,992,275	0.26
2,115,000	Government of Serbia, senior note, Reg S, 4.875%, 02/25/20	SER	USD	2,884,443	0.25
2,630,000	Illinois State GO, 5.877%, 03/01/19	USA	USD	2,877,720	0.25
8,885,000	Government of Poland, 6.25%, 10/24/15	POL	PLN	2,855,310	0.25
2,075,000	Government of Ireland, senior bond, 4.40%, 06/18/19	IRL	EUR	2,837,334	0.25
2,655,000	California State GO, Various Purpose, Refunding, 5.25%, 03/01/38	USA	USD	2,767,174	0.24
2,876,000	Government of Canada, 1.00%, 02/01/15	CAN	CAD	2,727,269	0.24
600,300,000	Government of Hungary, 5.50%, 02/12/16	HUN	HUF	2,691,173	0.23
2,475,650	FNMA, 2.50%, 05/01/28	USA	USD	2,493,902	0.22
2,841,900,000	Korea Monetary Stabilization Bond, senior note, 2.78%, 10/02/14	KOR	KRW	2,486,775	0.22
7,300,000	Government of Poland, 5.50%, 04/25/15	POL	PLN	2,291,972	0.20
2,071,246	FNMA, 3.50%, 05/01/26	USA	USD	2,162,292	0.19
1,984,691	FNMA, 3.50%, 02/01/26	USA	USD	2,071,722	0.18
1,959,126	FNMA, 4.00%, 02/01/20	USA	USD	2,065,501	0.18
1,500,000	Government of Ireland, 4.50%, 04/18/20	IRL	EUR	2,045,462	0.18
1,900,000	U.S. Treasury Note, 2.375%, 03/31/16	USA	USD	1,992,773	0.17
7,175,000	Government of Poland, Strip, 01/25/16	POL	PLN	1,992,582	0.17
1,943,885	FNMA, 2.50%, 12/01/27	USA	USD	1,961,249	0.17
1,793,546	FNMA, 5.00%, 09/01/34	USA	USD	1,937,185	0.17
1,957,485	FNMA, 3.00%, 12/01/42	USA	USD	1,915,878	0.17
1,950,000	Government of Hungary, 5.375%, 02/21/23	HUN	USD	1,879,508	0.16

The accompanying notes form an integral



## — Franklin Strategic Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds (continued)</b>					
1,882,596	FHLMC, 3.00%, 04/01/43	USA	USD	1,838,416	0.16
1,980,000	Government of Ukraine, senior note, Reg S, 7.95%, 02/23/21	UKR	USD	1,822,679	0.16
1,787,327	FNMA, 2.50%, 06/01/27	USA	USD	1,803,992	0.16
1,700,000	Government of Hungary, senior note, 6.25%, 01/29/20	HUN	USD	1,783,938	0.15
1,611,265	FNMA, 5.00%, 06/01/40	USA	USD	1,753,922	0.15
1,900,000	Government of Ukraine, Reg S, 7.75%, 09/23/20	UKR	USD	1,744,713	0.15
1,485,530	Government of Russia, senior bond, Reg S, 7.50%, 03/31/30	RUS	USD	1,742,118	0.15
1,602,304	FNMA, 5.00%, 08/01/40	USA	USD	1,739,332	0.15
1,245,000	California State GO, Various Purpose, 7.60%, 11/01/40	USA	USD	1,687,274	0.15
16,920,000,000	Government of Indonesia, FR61, 7.00%, 05/15/22	IDN	IDR	1,683,647	0.15
1,779,250,000	Korea Treasury Bond, senior note, 3.25%, 12/10/14	KOR	KRW	1,568,155	0.14
1,492,904	FNMA, 4.00%, 01/01/41	USA	USD	1,556,503	0.13
1,369,583	FNMA, 3.00%, 02/01/27	USA	USD	1,412,891	0.12
4,667,000	Government of Poland, Strip, 07/25/15	POL	PLN	1,319,826	0.11
3,850,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	1,232,032	0.11
1,100,000	Illinois State GO, Build America Bonds, 7.35%, 07/01/35	USA	USD	1,213,201	0.11
1,160,932	FNMA, 3.50%, 11/01/25	USA	USD	1,213,199	0.11
1,200,000	FNMA, 2.50%, 12/01/27	USA	USD	1,208,844	0.10
1,371,770,000	Korea Monetary Stabilization Bond, senior note, 2.84%, 12/02/14	KOR	KRW	1,200,825	0.10
1,120,000	Government of Serbia, Reg S, 7.25%, 09/28/21	SER	USD	1,153,337	0.10
1,288,280,000	Korea Treasury Bond, senior note, 3.25%, 06/10/15	KOR	KRW	1,136,457	0.10
763,000	Government of Ireland, 5.90%, 10/18/19	IRL	EUR	1,120,234	0.10
1,052,994	FNMA, 3.00%, 03/01/22	USA	USD	1,099,489	0.10
3,715,000	Government of Poland, Strip, 07/25/14	POL	PLN	1,085,918	0.09
1,000,000	U.S. Treasury Note, 3.125%, 05/15/19	USA	USD	1,084,883	0.09
1,010	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/15	BRA	BRL	1,076,422	0.09
122,800	Government of Mexico, 7.75%, 12/14/17	MEX	MXN	1,047,221	0.09
1,021,470	FHLMC, 3.50%, 04/01/42	USA	USD	1,036,412	0.09
1,065,000	Government of Canada, 2.00%, 12/01/14	CAN	CAD	1,024,501	0.09
1,050,000	Government of Hungary, 4.125%, 02/19/18	HUN	USD	1,023,750	0.09
964,863	FNMA, 4.50%, 05/01/41	USA	USD	1,023,350	0.09
985,399	FNMA, 2.50%, 02/01/28	USA	USD	992,661	0.09
971,425	FNMA, 2.50%, 09/01/27	USA	USD	980,497	0.08
998,046	FNMA, 3.00%, 04/01/43	USA	USD	976,801	0.08
966,193	FHLMC, 3.00%, 11/01/42	USA	USD	943,518	0.08
1,150,000	Government of Singapore, senior note, 3.625%, 07/01/14	SGP	SGD	938,183	0.08
17,907,626	Uruguay Notas del Tesoro, Index Linked, 4.00%, 06/14/15	URY	UYU	903,006	0.08
846,820	FNMA, 3.50%, 12/01/20	USA	USD	885,754	0.08
6,470,000,000	Government of Indonesia, FR34, 12.80%, 06/15/21	IDN	IDR	877,107	0.08
828,970	FNMA, 3.50%, 10/01/25	USA	USD	866,393	0.08
2,660,000	Government of Malaysia, 3.741%, 02/27/15	MYS	MYR	849,425	0.07
825,343	FNMA, 2.50%, 10/01/27	USA	USD	832,716	0.07
600,000	California State GO, Build America Bonds, Various Purpose, 7.625%, 03/01/40	USA	USD	806,502	0.07
779,645	U.S. Treasury Note, Index Linked, 0.125%, 04/15/16	USA	USD	799,989	0.07
765,313	FNMA, 2.50%, 12/01/27	USA	USD	772,149	0.07
719,504	FNMA, 4.50%, 05/01/41	USA	USD	763,118	0.07
772,820	FHLMC, 3.00%, 11/01/42	USA	USD	754,683	0.07
700,000	Government of Vietnam, Reg S, 6.75%, 01/29/20	VND	USD	749,000	0.06
722,273	U.S. Treasury Note, Index Linked, 0.625%, 07/15/21	USA	USD	745,662	0.06
5,381,000,000	Government of Indonesia, FR40, 11.00%, 09/15/25	IDN	IDR	690,866	0.06
598,378	FNMA, 4.50%, 07/01/41	USA	USD	634,650	0.06
712,500,000	Korea Monetary Stabilization Bond, senior note, 2.82%, 08/02/14	KOR	KRW	624,279	0.05
76,680	Government of Mexico, 6.25%, 06/16/16	MEX	MXN	620,650	0.05
12,610,000	Uruguay Notas del Tesoro, 10.50%, 03/21/15	URY	UYU	616,878	0.05
544,253	FNMA, 5.50%, 07/01/38	USA	USD	599,728	0.05
4,800,000,000	Government of Indonesia, FR36, 11.50%, 09/15/19	IDN	IDR	595,471	0.05
1,880,000	Government of Malaysia, 3.197%, 10/15/15	MYS	MYR	593,772	0.05
539,098	FNMA, 5.00%, 10/01/35	USA	USD	582,029	0.05
640,000	Government of Ukraine, senior note, Reg S, 7.50%, 04/17/23	UKR	USD	565,600	0.05
116,000,000	Government of Hungary, 7.50%, 11/12/20	HUN	HUF	562,942	0.05
513	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/16	BRA	BRL	547,195	0.05
490	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/18	BRA	BRL	530,749	0.05
1,200	Nota Do Tesouro Nacional, 10.00%, 01/01/17	BRA	BRL	525,103	0.05
399,865	FNMA, 5.50%, 02/01/38	USA	USD	433,739	0.04
400,000	U.S. Treasury Note, 4.125%, 05/15/15	USA	USD	428,234	0.04
406,247	FHLMC, 4.00%, 09/01/40	USA	USD	422,827	0.04
444,000	Government of Canada, 1.00%, 11/01/14	CAN	CAD	421,313	0.04
300,000	U.S. Treasury Bond, 9.00%, 11/15/18	USA	USD	417,422	0.04
85,000,000	Government of Hungary, D, 6.75%, 08/22/14	HUN	HUF	385,854	0.03
1,160,000	Government of Poland, 5.75%, 09/23/22	POL	PLN	385,704	0.03
337,414	FNMA, 4.00%, 11/01/40	USA	USD	351,788	0.03
318,587	FNMA, 4.50%, 07/01/41	USA	USD	337,898	0.03
2,776,000,000	Government of Indonesia, FR47, 10.00%, 02/15/28	IDN	IDR	335,862	0.03
250,000	U.S. Treasury Bond, 6.25%, 08/15/23	USA	USD	335,352	0.03
6,910,000	Uruguay Notas del Tesoro, 9.50%, 01/27/16	URY	UYU	333,632	0.03
311,250	FHLMC, 4.50%, 09/01/40	USA	USD	328,127	0.03
300,000	U.S. Treasury Note, 3.125%, 10/31/16	USA	USD	322,688	0.03
282,233	FNMA, 6.00%, 02/01/37	USA	USD	313,381	0.03

part of these financial statements

## — Franklin Strategic Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds</b> (continued)					
290,051	FHLMC, 5.00%, 05/01/41	USA	USD	312,397	0.03
224,000	Government of Ireland, senior bond, 4.50%, 10/18/18	IRL	EUR	311,555	0.03
300,000	California State GO, Various Purpose, Refunding, 5.00%, 06/01/37	USA	USD	307,692	0.03
284,607	FHLMC, 4.50%, 10/01/40	USA	USD	300,040	0.03
271,435	FNMA, 6.00%, 05/01/38	USA	USD	295,174	0.03
290,000	Government of Ukraine, Reg S, 9.25%, 07/24/17	UKR	USD	291,450	0.03
291,000	Government of Canada, 2.25%, 08/01/14	CAN	CAD	280,017	0.02
200,000	U.S. Treasury Bond, 8.125%, 08/15/19	USA	USD	275,680	0.02
57,560,000	Government of Hungary, 5.50%, 12/22/16	HUN	HUF	257,453	0.02
2,126,000,000	Government of Indonesia, FR44, 10.00%, 09/15/24	IDN	IDR	255,252	0.02
225,000	California State GO, Various Purpose, 5.25%, 11/01/40	USA	USD	237,287	0.02
217,662	FHLMC, 5.00%, 03/01/28	USA	USD	232,355	0.02
200	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/17	BRA	BRL	214,079	0.02
691,000	Government of Poland, FRN, 3.98%, 01/25/17 †	POL	PLN	206,666	0.02
700,000	Government of Poland, FRN, 3.98%, 01/25/21 †	POL	PLN	204,513	0.02
40,800,000	Government of Hungary, 6.50%, 06/24/19	HUN	HUF	189,188	0.02
163,709	FNMA, 5.50%, 09/01/23	USA	USD	176,949	0.02
36,740,000	Government of Hungary, A, 8.00%, 02/12/15	HUN	HUF	170,795	0.01
151,623	FNMA, 5.00%, 02/01/40	USA	USD	167,234	0.01
1,278,000,000	Government of Indonesia, FR31, 11.00%, 11/15/20	IDN	IDR	158,325	0.01
1,132,000,000	Government of Indonesia, FR35, 12.90%, 06/15/22	IDN	IDR	156,668	0.01
130,000	U.S. Treasury Note, 4.75%, 08/15/17	USA	USD	149,200	0.01
1,000,000,000	Government of Indonesia, FR37, 12.00%, 09/15/26	IDN	IDR	137,695	0.01
420,000	Government of Malaysia, 4.72%, 09/30/15	MYS	MYR	137,338	0.01
1,100,000,000	Government of Indonesia, FR46, 9.50%, 07/15/23	IDN	IDR	128,540	0.01
120,000	California State GO, Various Purpose, Refunding, NATL Insured, 4.50%, 12/01/32	USA	USD	124,332	0.01
113,677	FNMA, 4.50%, 04/01/41	USA	USD	120,567	0.01
115,000	California State GO, Various Purpose, Refunding, Series 1, AGMC Insured, 4.75%, 09/01/31	USA	USD	119,897	0.01
109,232	FNMA, 5.50%, 02/01/38	USA	USD	118,486	0.01
105,880	FNMA, 6.00%, 11/01/36	USA	USD	115,234	0.01
15,000,000	Government of Sri Lanka, A, 11.00%, 08/01/15	LKA	LKR	115,047	0.01
80,000	U.S. Treasury Bond, 7.25%, 08/15/22	USA	USD	112,894	0.01
4,440,000	Government of the Philippines, senior bond, 7.00%, 01/27/16	PHL	PHP	111,830	0.01
97,285	FNMA, 6.00%, 11/01/37	USA	USD	105,739	0.01
13,200,000	Government of Sri Lanka, A, 11.25%, 07/15/14	LKA	LKR	101,598	0.01
89,388	FNMA, 3.00%, 07/01/27	USA	USD	92,217	0.01
83,777	FNMA, 6.00%, 12/01/37	USA	USD	91,057	0.01
81,175	FHLMC, 6.00%, 11/01/37	USA	USD	88,061	0.01
79,332	FNMA, 5.50%, 12/01/37	USA	USD	86,052	0.01
10,190	Government of Mexico, 6.00%, 06/18/15	MEX	MXN	81,075	0.01
65,000	California State GO, Various Purpose, 6.00%, 11/01/39	USA	USD	74,347	0.01
61,090	FNMA, 5.50%, 03/01/34	USA	USD	66,989	0.01
61,757	FNMA, 4.50%, 05/01/24	USA	USD	65,675	0.01
55,221	FNMA, 6.00%, 12/01/36	USA	USD	60,251	0.01
55,578	FHLMC, 5.50%, 11/01/37	USA	USD	59,716	0.01
11,600,000	Government of Hungary, 7.75%, 08/24/15	HUN	HUF	54,401	0.00
48,676	FNMA, 5.00%, 07/01/40	USA	USD	53,256	0.00
45,850	GNMA, SF, 5.50%, 06/15/38	USA	USD	52,277	0.00
5,500	Government of Mexico, 7.25%, 12/15/16	MEX	MXN	45,806	0.00
41,473	FNMA, 5.50%, 07/01/37	USA	USD	44,986	0.00
44,284	FNMA, 2.50%, 09/01/27	USA	USD	44,679	0.00
1,540,000	Government of the Philippines, senior bond, 9.125%, 09/04/16	PHL	PHP	41,123	0.00
35,614	FNMA, 6.00%, 05/01/36	USA	USD	38,760	0.00
33,632	FNMA, 6.50%, 08/01/36	USA	USD	37,286	0.00
5,530,000	Government of Sri Lanka, A, 9.00%, 05/01/21	LKA	LKR	36,887	0.00
28,757	FNMA, 5.00%, 05/01/28	USA	USD	30,940	0.00
230,000,000	Government of Indonesia, FR39, 11.75%, 08/15/23	IDN	IDR	30,447	0.00
27,918	FHLMC, 6.00%, 01/01/38	USA	USD	30,287	0.00
27,414	FNMA, 5.50%, 06/01/38	USA	USD	29,737	0.00
27,339	FNMA, 5.50%, 06/01/37	USA	USD	29,655	0.00
25,866	FHLMC, 6.00%, 08/01/37	USA	USD	28,598	0.00
25,659	FNMA, 6.50%, 10/01/37	USA	USD	27,910	0.00
20,932	FNMA, 4.50%, 09/01/24	USA	USD	22,248	0.00
20,630	FNMA, 5.00%, 02/01/27	USA	USD	22,195	0.00
19,574	FNMA, 5.00%, 07/01/23	USA	USD	21,028	0.00
18,881	FHLMC, 5.50%, 05/01/22	USA	USD	20,456	0.00
18,508	FHLMC, 5.50%, 03/01/23	USA	USD	20,041	0.00
16,725	FNMA, 6.50%, 11/01/36	USA	USD	18,667	0.00
17,171	FHLMC, 5.50%, 05/01/37	USA	USD	18,497	0.00
16,304	FHLMC, 6.00%, 12/01/37	USA	USD	17,692	0.00
15,767	FNMA, 6.00%, 05/01/38	USA	USD	17,164	0.00
15,789	FHLMC, 5.50%, 11/01/38	USA	USD	16,965	0.00
2,370,000	Government of Sri Lanka, A, 6.50%, 07/15/15	LKA	LKR	16,733	0.00
15,411	FNMA, 5.50%, 04/01/38	USA	USD	16,717	0.00
2,210,000	Government of Sri Lanka, D, 8.50%, 06/01/18	LKA	LKR	15,174	0.00
13,684	FNMA, 4.50%, 07/01/23	USA	USD	14,538	0.00
2,100,000	Government of Sri Lanka, A, 6.40%, 08/01/16	LKA	LKR	14,143	0.00

The accompanying notes form an integral

## — Franklin Strategic Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds (continued)</b>					
12,234	FNMA, 5.50%, 11/01/36	USA	USD	13,275	0.00
11,235	FNMA, 6.50%, 11/01/35	USA	USD	12,946	0.00
11,695	FHLMC, 5.00%, 02/01/23	USA	USD	12,527	0.00
10,529	FNMA, 5.50%, 07/01/37	USA	USD	11,420	0.00
9,824	FNMA, 5.00%, 01/01/24	USA	USD	10,487	0.00
9,631	FHLMC, 6.00%, 02/01/39	USA	USD	10,443	0.00
9,494	GNMA, SF, 5.00%, 06/15/37	USA	USD	10,253	0.00
8,230	FHLMC, 6.00%, 11/01/37	USA	USD	8,928	0.00
6,677	FNMA, 5.00%, 12/01/23	USA	USD	7,171	0.00
5,889	FNMA, 6.50%, 10/01/37	USA	USD	6,495	0.00
6,103	FNMA, 5.50%, 10/01/17	USA	USD	6,453	0.00
600,000	Government of Sri Lanka, C, 8.50%, 04/01/18	LKA	LKR	4,132	0.00
2,916	FNMA, 5.00%, 11/01/22	USA	USD	3,133	0.00
2,918	FNMA, 5.50%, 09/01/23	USA	USD	3,083	0.00
90,000	Government of Sri Lanka, A, 11.75%, 03/15/15	LKA	LKR	698	0.00
				<u>236,128,252</u>	<u>20.48</u>
<b>Securities Maturing Within One Year</b>					
107,420,000	Government of Sweden, 6.75%, 05/05/14	SWE	SEK	16,799,366	1.46
31,165,000	Government of Poland, 5.75%, 04/25/14	POL	PLN	9,597,995	0.83
10,751,900,000	Korea Treasury Bond, senior bond, 3.00%, 12/10/13	KOR	KRW	9,426,727	0.82
240,320,000	Government of the Philippines, senior note, 6.25%, 01/27/14	PHL	PHP	5,687,866	0.49
36,830,000	Government of Sweden, 1.50%, 08/30/13	SWE	SEK	5,496,836	0.48
6,547,000	Singapore Treasury Bill, 0.00%, 05/02/14	SGP	SGD	5,154,226	0.45
12,315,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	3,963,664	0.34
72,200,000	Uruguay Treasury Bill, Strip, 09/09/13	URY	UYU	3,452,741	0.30
424,500	Government of Mexico, 7.00%, 06/19/14	MEX	MXN	3,368,326	0.29
3,730,000	Government of Singapore, senior bond, 0.25%, 02/01/14	SGP	SGD	2,943,490	0.26
3,100,000	Government of Canada, 0.75%, 05/01/14	CAN	CAD	2,940,344	0.26
3,640,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 07/26/13	SGP	SGD	2,871,939	0.25
649,170,000	Hungary Treasury Bill, 0.00%, 03/05/14	HUN	HUF	2,784,070	0.24
3,410,000	Singapore Treasury Bill, 0.00%, 08/12/13	SGP	SGD	2,690,201	0.23
340,000	Government of Mexico, 8.00%, 12/19/13	MEX	MXN	2,672,649	0.23
8,290,000	Government of Poland, 5.00%, 10/24/13	POL	PLN	2,511,320	0.22
7,950,000	Bank of Negara Monetary Note, 0.00%, 02/25/14	MYS	MYR	2,467,643	0.21
2,602,000	New South Wales Treasury Corp., 5.50%, 08/01/13	AUS	AUD	2,385,558	0.21
3,020,000	Singapore Treasury Bill, 0.00%, 08/22/13	SGP	SGD	2,382,384	0.21
7,460,000	Bank of Negara Monetary Note, 0.00%, 05/20/14	MYS	MYR	2,299,675	0.20
15,405,000	Sweden Treasury Bill, 0.00%, 09/18/13	SWE	SEK	2,292,598	0.20
2,386,870,000	Korea Treasury Bond, senior bond, 3.50%, 06/10/14	KOR	KRW	2,105,146	0.18
20,335,000,000	Indonesia Retail Bond, senior bond, ORI7, 7.95%, 08/15/13	IDN	IDR	2,059,460	0.18
2,345,650,000	Korea Monetary Stabilization Bond, senior bond, 3.90%, 08/02/13	KOR	KRW	2,055,533	0.18
2,087,000	Government of Australia, 6.25%, 06/15/14	AUS	AUD	1,977,491	0.17
2,500,000	Singapore Treasury Bill, 0.00%, 11/01/13	SGP	SGD	1,971,221	0.17
13,240,000	Sweden Treasury Bill, 0.00%, 12/18/13	SWE	SEK	1,965,898	0.17
6,195,000	Government of Malaysia, senior bond, 3.461%, 07/31/13	MYS	MYR	1,961,320	0.17
2,480,000	Singapore Treasury Bill, 0.00%, 08/22/13	SGP	SGD	1,956,395	0.17
6,240,000	Bank of Negara Monetary Note, 0.00%, 03/06/14	MYS	MYR	1,935,435	0.17
5,720,000	Government of Poland, Strip, 01/25/14	POL	PLN	1,694,745	0.15
9,750,000	Sweden Treasury Bill, 0.00%, 07/17/13	SWE	SEK	1,453,236	0.13
290,300,000	Government of Hungary, 5.50%, 02/12/14	HUN	HUF	1,291,552	0.11
52,620,000	Philippine Treasury Bill, 0.00%, 04/02/14	PHL	PHP	1,206,805	0.10
1,280,000	Queensland Treasury Corp., senior note, 6.00%, 08/21/13	AUS	AUD	1,176,029	0.10
1,191,000	Government of Canada, 1.00%, 02/01/14	CAN	CAD	1,132,319	0.10
1,470,200	Mexico Treasury Bill, 0.00%, 09/19/13	MEX	MXN	1,124,597	0.10
4,020,000	Government of Israel, 3.50%, 09/30/13	ISR	ILS	1,111,644	0.10
1,330,000	Singapore Treasury Bill, 0.00%, 10/04/13	SGP	SGD	1,048,915	0.09
227,820,000	Hungary Treasury Bill, 0.00%, 01/08/14	HUN	HUF	983,210	0.09
2,930,000	Bank of Negara Monetary Note, 0.00%, 12/26/13	MYS	MYR	914,005	0.08
1,220,600	Mexico Treasury Bill, 0.00%, 04/30/14	MEX	MXN	910,785	0.08
2,805,000	Bank of Negara Monetary Note, 0.00%, 08/15/13	MYS	MYR	884,538	0.08
1,096,490	Mexico Treasury Bill, 0.00%, 01/09/14	MEX	MXN	828,498	0.07
2,620,000	Bank of Negara Monetary Note, 0.00%, 05/27/14	MYS	MYR	807,205	0.07
34,380,000	Philippine Treasury Bill, 0.00%, 10/02/13	PHL	PHP	794,808	0.07
2,430,000	Bank of Negara Monetary Note, 0.00%, 06/03/14	MYS	MYR	748,970	0.07
819,000,000	Korea Monetary Stabilization Bond, senior note, 2.57%, 06/09/14	KOR	KRW	715,911	0.06
2,260,000	Bank of Negara Monetary Note, 0.00%, 08/06/13	MYS	MYR	713,200	0.06
809,900,000	Korea Monetary Stabilization Bond, 0.00%, 09/10/13	KOR	KRW	705,355	0.06
2,090,000	Bank of Negara Monetary Note, 0.00%, 02/20/14	MYS	MYR	648,993	0.06
27,670,000	Philippine Treasury Bill, 0.00%, 03/05/14	PHL	PHP	635,468	0.06
2,005,000	Bank of Negara Monetary Note, 0.00%, 02/18/14	MYS	MYR	622,701	0.05
132,700,000	Government of Hungary, E, 7.50%, 10/24/13	HUN	HUF	591,236	0.05
1,890,000	Bank of Negara Monetary Note, 0.00%, 06/17/14	MYS	MYR	581,904	0.05
635,020,000	Korea Monetary Stabilization Bond, senior note, 3.28%, 06/02/14	KOR	KRW	558,608	0.05
1,760,000	Bank of Negara Monetary Note, 0.00%, 12/31/13	MYS	MYR	549,031	0.05
500,000	JBS USA LLC/Finance Inc., senior note, 11.625%, 05/01/14	USA	USD	528,750	0.05
657,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 07/05/13	SGP	SGD	518,433	0.05
21,580,000	Philippine Treasury Bill, 0.00%, 09/04/13	PHL	PHP	499,390	0.04

part of these financial statements

## — Franklin Strategic Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b> (continued)					
21,240,000	Philippine Treasury Bill, 0.00%, 10/30/13	PHL	PHP	490,483	0.04
535,600,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 04/02/14	KOR	KRW	471,795	0.04
495,000	Queensland Treasury Corp., senior note, 6.00%, 08/14/13	AUS	AUD	454,559	0.04
439,000	Government of Canada, 2.00%, 03/01/14	CAN	CAD	420,035	0.04
1,230,000	Bank of Negara Monetary Note, 0.00%, 11/19/13	MYS	MYR	384,853	0.03
1,220,000	Bank of Negara Monetary Note, 0.00%, 08/27/13	MYS	MYR	384,413	0.03
1,170,000	Bank of Negara Monetary Note, 0.00%, 12/10/13	MYS	MYR	365,454	0.03
376,000	Government of Canada, 2.50%, 09/01/13	CAN	CAD	358,523	0.03
430,000	Singapore Treasury Bill, 0.00%, 07/25/13	SGP	SGD	339,270	0.03
364,430,000	Korea Monetary Stabilization Bond, senior bond, 3.47%, 02/02/14	KOR	KRW	320,420	0.03
1,000,000	Bank of Negara Monetary Note, 0.00%, 11/26/13	MYS	MYR	312,711	0.03
13,350,000	Philippine Treasury Bill, 0.00%, 02/05/14	PHL	PHP	307,005	0.03
915,000	Bank of Negara Monetary Note, 0.00%, 12/05/13	MYS	MYR	285,921	0.02
5,680,000	Uruguay Notas del Tesoro, 9.00%, 01/27/14	URY	UYU	275,432	0.02
292,300,000	Korea Monetary Stabilization Bond, 0.00%, 08/13/13	KOR	KRW	255,080	0.02
10,720,000	Philippine Treasury Bill, 0.00%, 12/11/13	PHL	PHP	247,128	0.02
780,000	Bank of Negara Monetary Note, 0.00%, 09/26/13	MYS	MYR	245,128	0.02
321,800	Mexico Treasury Bill, 0.00%, 10/31/13	MEX	MXN	245,036	0.02
750,000	Bank of Negara Monetary Note, 0.00%, 07/11/13	MYS	MYR	237,185	0.02
265,040,000	Korea Monetary Stabilization Bond, senior bond, 3.48%, 12/02/13	KOR	KRW	232,804	0.02
740,000	Bank of Negara Monetary Note, 0.00%, 11/12/13	MYS	MYR	231,670	0.02
261,100,000	Korea Monetary Stabilization Bond, senior bond, 2.55%, 05/09/14	KOR	KRW	228,237	0.02
730,000	Bank of Negara Monetary Note, 0.00%, 01/16/14	MYS	MYR	227,262	0.02
237,000	Canada Treasury Bill, 0.00%, 08/15/13	CAN	CAD	225,086	0.02
690,000	Bank of Negara Monetary Note, 0.00%, 07/25/13	MYS	MYR	217,961	0.02
9,330,000	Philippine Treasury Bill, 0.00%, 01/08/14	PHL	PHP	214,835	0.02
200,000	General Electric Capital Corp., 5.90%, 05/13/14	USA	USD	209,478	0.02
254,000	Singapore Treasury Bill, 0.00%, 07/11/13	SGP	SGD	200,424	0.02
645,000	Bank of Negara Monetary Note, 0.00%, 05/15/14	MYS	MYR	198,913	0.02
4,300,000	Uruguay Treasury Bill, 0.00%, 05/16/14	URY	UYU	193,150	0.02
580,000	Bank of Negara Monetary Note, 0.00%, 06/19/14	MYS	MYR	178,544	0.02
565,000	Bank of Negara Monetary Note, 0.00%, 04/03/14	MYS	MYR	174,872	0.02
214,500	Mexico Treasury Bill, 0.00%, 04/03/14	MEX	MXN	160,535	0.01
510,000	Bank of Negara Monetary Note, 0.00%, 01/09/14	MYS	MYR	158,866	0.01
200,000	Singapore Treasury Bill, 0.00%, 11/01/13	SGP	SGD	157,698	0.01
520,000	Government of Poland, Strip, 07/25/13	POL	PLN	156,196	0.01
32,000,000	Hungary Treasury Bill, 0.00%, 07/24/13	HUN	HUF	140,851	0.01
154,600,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 10/02/13	KOR	KRW	135,624	0.01
430,000	Bank of Negara Monetary Note, 0.00%, 06/05/14	MYS	MYR	132,512	0.01
28,700,000	Hungary Treasury Bill, 0.00%, 07/17/13	HUN	HUF	126,426	0.01
160,000	Singapore Treasury Bill, 0.00%, 09/05/13	SGP	SGD	126,208	0.01
375,000	Bank of Negara Monetary Note, 0.00%, 03/13/14	MYS	MYR	116,245	0.01
100,000	Case New Holland Inc., senior note, 7.75%, 09/01/13	USA	USD	100,875	0.01
270,000	Bank of Negara Monetary Note, 0.00%, 04/24/14	MYS	MYR	83,408	0.01
3,370,000	Philippine Treasury Bill, 0.00%, 07/10/13	PHL	PHP	78,142	0.01
3,150,000	Philippine Treasury Bill, 0.00%, 08/22/13	PHL	PHP	72,931	0.01
210,000	Bank of Negara Monetary Note, 0.00%, 03/20/14	MYS	MYR	65,060	0.01
205,000	Bank of Negara Monetary Note, 0.00%, 10/10/13	MYS	MYR	64,365	0.01
2,360,000	Philippine Treasury Bill, 0.00%, 07/24/13	PHL	PHP	54,687	0.00
12,250,000	Hungary Treasury Bill, 0.00%, 09/18/13	HUN	HUF	53,548	0.00
170,000	Bank of Negara Monetary Note, 0.00%, 03/27/14	MYS	MYR	52,643	0.00
160,000	Bank of Negara Monetary Note, 0.00%, 12/19/13	MYS	MYR	49,940	0.00
140,000	Bank of Negara Monetary Note, 0.00%, 02/06/14	MYS	MYR	43,523	0.00
105,000	Bank of Negara Monetary Note, 0.00%, 10/08/13	MYS	MYR	32,966	0.00
100,000	Bank of Negara Monetary Note, 0.00%, 06/10/14	MYS	MYR	30,799	0.00
3,750,000	Government of Sri Lanka, A, 7.50%, 08/01/13	LKA	LKR	28,655	0.00
90,000	Bank of Negara Monetary Note, 0.00%, 09/05/13	MYS	MYR	28,332	0.00
740,000	Philippine Treasury Bill, 0.00%, 11/13/13	PHL	PHP	17,079	0.00
40,000	Bank of Negara Monetary Note, 0.00%, 12/12/13	MYS	MYR	12,493	0.00
30,000	Bank of Negara Monetary Note, 0.00%, 10/31/13	MYS	MYR	9,401	0.00
20,000	Bank of Negara Monetary Note, 0.00%, 10/22/13	MYS	MYR	6,273	0.00
530,000	Government of Sri Lanka, A, 7.00%, 03/01/14	LKA	LKR	3,968	0.00
510,000	Government of Sri Lanka, B, 11.75%, 04/01/14	LKA	LKR	3,934	0.00
510,000	Sri Lanka Treasury Bill, 0.00%, 10/11/13	LKA	LKR	3,812	0.00
500,000	Government of Sri Lanka, B, 6.60%, 06/01/14	LKA	LKR	3,695	0.00
10,000	Government of Malaysia, senior bond, 8.00%, 10/30/13	MYS	MYR	3,218	0.00
10,000	Bank of Negara Monetary Note, 0.00%, 07/04/13	MYS	MYR	3,164	0.00
10,000	Bank of Negara Monetary Note, 0.00%, 07/18/13	MYS	MYR	3,161	0.00
				<b>149,613,258</b>	<b>12.98</b>
<b>TOTAL BONDS</b>				<b>771,775,632</b>	<b>66.95</b>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<b>813,840,131</b>	<b>70.60</b>

The accompanying notes form an integral



## — Franklin Strategic Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Diversified Commercial Services</b>				
97	CEVA Holdings LLC, cvt. pfd., A-2 **	GBR	USD	87,390	0.01
45	CEVA Holdings LLC **	GBR	USD	40,374	0.00
				<u>127,764</u>	<u>0.01</u>
	<b>TOTAL SHARES</b>			<u>127,764</u>	<u>0.01</u>
	<b>BONDS</b>				
	<b>Asset-Backed Securities</b>				
2,129,440	CT CDO IV Ltd., 2006-4A, A1, 144A, FRN, 0.502%, 10/20/43 †	CYM	USD	1,994,806	0.17
1,300,000	Gleneagles CLO Ltd., 2005-1A, A2, 144A, FRN, 0.674%, 11/01/17 †	CYM	USD	1,244,853	0.11
1,300,000	G-Force 2005-RR LLC, 2005-RRA, C, 144A, 5.20%, 08/22/36	USA	USD	1,208,753	0.11
1,001,808	Newcastle CDO IV Ltd., 2004-5A, 1, 144A, FRN, 0.613%, 12/24/39 †	CYM	USD	954,919	0.08
640,000	CIFC Funding Ltd., 2007-3A, A1J, 144A, FRN, 0.676%, 07/26/21 †	CYM	USD	610,947	0.05
398,915	Westchester CLO Ltd., 2007-1A, A1A, 144A, FRN, 0.499%, 08/01/22 †	CYM	USD	387,305	0.03
130,000	ARES CLO Funds, 2007-12A, B, 144A, FRN, 1.273%, 11/25/20 †	CYM	USD	130,000	0.01
88,014	Cent CDO Ltd., 2007-15A, A2B, 144A, FRN, 0.621%, 03/11/21 †	CYM	USD	81,640	0.01
60,000	Columbus Nova CLO Ltd., 2007-2A, A2, 144A, FRN, 1.277%, 10/15/21 †	CYM	USD	58,353	0.01
				<u>6,671,576</u>	<u>0.58</u>
	<b>Corporate Bonds</b>				
4,500,000	Banco do Brasil SA, sub. note, 144A, 5.875%, 01/26/22	BRA	USD	4,410,000	0.38
4,000,000	First Data Corp., senior secured bond, 144A, 8.25%, 01/15/21	USA	USD	4,100,000	0.36
3,500,000	Xstrata Finance Canada Ltd., senior note, 144A, 4.95%, 11/15/21	CAN	USD	3,392,420	0.29
3,000,000	Mitsui Sumitomo Insurance Co. Ltd., junior sub. note, 144A, 7.00% to 03/15/22, FRN thereafter, 03/15/72	JPN	USD	3,282,735	0.28
4,000,000	Texas Competitive Electric Holdings Co. LLC/Texas Competitive Electric Holdings Finance Inc., senior secured note, 144A, 11.50%, 10/01/20	USA	USD	3,010,000	0.26
2,500,000	KKR Group Finance Co., senior note, 144A, 6.375%, 09/29/20	USA	USD	2,844,435	0.25
2,500,000	CommScope Inc., senior note, 144A, 8.25%, 01/15/19	USA	USD	2,681,250	0.23
2,200,000	Cemex SAB de CV, senior secured note, 144A, 9.00%, 01/11/18	MEX	USD	2,321,000	0.20
1,500,000	Calpine Corp., senior secured note, 144A, 7.875%, 01/15/23	USA	USD	1,620,000	0.14
1,500,000	Neuberger Berman Group LLC/Finance Corp., senior note, 144A, 5.875%, 03/15/22	USA	USD	1,537,500	0.13
1,200,000	Academy Ltd./Finance Corp., senior note, 144A, 9.25%, 08/01/19	USA	USD	1,335,000	0.12
1,000,000	CIT Group Inc., senior note, 144A, 6.625%, 04/01/18	USA	USD	1,085,000	0.09
900,000	Univision Communications Inc., senior secured note, 144A, 7.875%, 11/01/20	USA	USD	978,750	0.09
900,000	Ardagh Packaging Finance PLC, senior note, 144A, 9.125%, 10/15/20	LUX	USD	960,750	0.08
800,000	Shingle Springs Tribal Gaming Authority, senior note, 144A, 9.375%, 06/15/15	USA	USD	794,000	0.07
700,000	Univision Communications Inc., senior secured note, 144A, 6.875%, 05/15/19	USA	USD	738,500	0.06
600,000	Sitel LLC/Finance Corp., senior secured note, 144A, 11.00%, 08/01/17	USA	USD	642,000	0.06
700,000	CEVA Group PLC, senior note, first lien, 144A, 4.00%, 05/01/18 **	GBR	USD	574,000	0.05
500,000	Calpine Corp., senior secured note, 144A, 7.875%, 07/31/20	USA	USD	545,000	0.05
400,000	MetLife Capital Trust X, secured bond, 144A, 9.25% to 04/08/38, FRN thereafter, 04/08/68	USA	USD	530,000	0.05
500,000	UPCB Finance VI Ltd., senior secured note, 144A, 6.875%, 01/15/22	NLD	USD	518,750	0.05
500,000	inVentiv Health Inc., senior note, 144A, 10.00%, 08/15/18	USA	USD	420,000	0.04
400,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.00%, 04/01/17	AUS	USD	391,000	0.03
300,000	Sealed Air Corp., senior note, 144A, 8.375%, 09/15/21	USA	USD	340,500	0.03
400,000	inVentiv Health Inc., senior note, 144A, 10.00%, 08/15/18	USA	USD	336,000	0.03
200,000	Ineos Finance PLC, senior secured note, 144A, 8.375%, 02/15/19	GBR	USD	218,000	0.02
150,000	Fontainebleau Las Vegas, 144A, 11.00%, 06/15/15 *	USA	USD	95	0.00
1,500,000	NewPage Corp., Escrow Account, 11.375%, 12/31/14 **	USA	USD	0	0.00
				<u>39,606,685</u>	<u>3.44</u>
	<b>TOTAL BONDS</b>			<u>46,278,261</u>	<u>4.02</u>
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>46,406,025</u>	<u>4.03</u>
	<b>TOTAL INVESTMENTS</b>			<u>860,647,326</u>	<u>74.66</u>

\* These Corporate Bonds are currently in default

† Floating Rates are indicated as at June 30, 2013

‡ Income may be received in additional securities and/or cash

\*\* These securities are submitted to a Fair Valuation

## — Franklin Technology Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
150,000	DigitalGlobe Inc.	USA	USD	4,651,500	0.65
<b>Auto Components</b>					
90,000	BorgWarner Inc.	USA	USD	7,753,500	1.08
<b>Communications Equipment</b>					
357,000	QUALCOMM Inc.	USA	USD	21,805,560	3.04
500,000	Cisco Systems Inc.	USA	USD	12,155,000	1.69
130,000	F5 Networks Inc.	USA	USD	8,944,000	1.25
500,000	Shoretel Inc.	USA	USD	2,015,000	0.28
				44,919,560	6.26
<b>Computers &amp; Peripherals</b>					
700,000	EMC Corp.	USA	USD	16,534,000	2.30
29,000	Apple Inc.	USA	USD	11,486,320	1.60
185,000	SanDisk Corp.	USA	USD	11,303,500	1.58
120,000	Western Digital Corp.	USA	USD	7,450,800	1.04
65,000	Stratasys Ltd.	USA	USD	5,443,100	0.76
				52,217,720	7.28
<b>Diversified Financial Services</b>					
66,000	IntercontinentalExchange Inc.	USA	USD	11,732,160	1.64
<b>Electronic Equipment, Instruments &amp; Components</b>					
345,000	Trimble Navigation Ltd.	USA	USD	8,973,450	1.25
98,839	FARO Technologies Inc.	USA	USD	3,342,735	0.47
65,000	Universal Display Corp.	USA	USD	1,827,150	0.25
				14,143,335	1.97
<b>Health Care Equipment &amp; Supplies</b>					
325,000	DexCom Inc.	USA	USD	7,296,250	1.02
<b>Internet &amp; Catalog Retail</b>					
77,000	Amazon.com Inc.	USA	USD	21,382,130	2.98
14,000	Priceline.com Inc.	USA	USD	11,579,820	1.61
151,106	Shutterfly Inc.	USA	USD	8,430,204	1.18
241,000	HomeAway Inc.	USA	USD	7,793,940	1.09
				49,186,094	6.86
<b>Internet Software &amp; Services</b>					
21,000	Google Inc., A	USA	USD	18,487,770	2.58
230,000	eBay Inc.	USA	USD	11,895,600	1.66
64,000	LinkedIn Corp., A	USA	USD	11,411,200	1.59
47,000	Equinix Inc.	USA	USD	8,681,840	1.21
285,000	Yahoo! Inc.	USA	USD	7,156,350	1.00
130,000	Akamai Technologies Inc.	USA	USD	5,531,500	0.77
170,000	Facebook Inc., A	USA	USD	4,226,200	0.59
87,180	VeriSign Inc.	USA	USD	3,893,459	0.54
75,000	Yelp Inc.	USA	USD	2,607,750	0.36
				73,891,669	10.30
<b>IT Services</b>					
71,000	International Business Machines Corp.	USA	USD	13,568,810	1.89
72,000	Visa Inc., A	USA	USD	13,158,000	1.84
140,000	Teradata Corp.	USA	USD	7,032,200	0.98
250,000	InterXion Holding NV	NLD	USD	6,532,500	0.91
100,000	Cognizant Technology Solutions Corp., A	USA	USD	6,261,000	0.87
25,000	Alliance Data Systems Corp.	USA	USD	4,525,750	0.63
				51,078,260	7.12
<b>Life Sciences Tools &amp; Services</b>					
100,000	Waters Corp.	USA	USD	10,005,000	1.39
<b>Real Estate Investment Trust (REIT)</b>					
175,000	American Tower Corp.	USA	USD	12,804,750	1.78
<b>Semiconductors &amp; Semiconductor Equipment</b>					
545,000	Semtech Corp.	USA	USD	19,091,350	2.66
425,000	Avago Technologies Ltd.	SGP	USD	15,886,500	2.21
465,000	Broadcom Corp., A	USA	USD	15,698,400	2.19
350,000	Silicon Laboratories Inc.	USA	USD	14,493,500	2.02
340,000	Xilinx Inc.	USA	USD	13,467,400	1.88
425,000	NXP Semiconductors NV	NLD	USD	13,166,500	1.83
135,000	ASML Holding NV, N.Y. shs	NLD	USD	10,678,500	1.49
174,976	Hittite Microwave Corp.	USA	USD	10,148,608	1.41
200,000	Lam Research Corp.	USA	USD	8,868,000	1.24
215,000	Power Integrations Inc.	USA	USD	8,720,400	1.22

The accompanying notes form an integral

## — Franklin Technology Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Semiconductors &amp; Semiconductor Equipment</b> (continued)					
250,000	Texas Instruments Inc.	USA	USD	8,717,500	1.21
7,200	Samsung Electronics Co. Ltd.	KOR	KRW	8,457,983	1.18
1,370,000	Lattice Semiconductor Corp.	USA	USD	6,945,900	0.97
124,000	Cavium Inc.	USA	USD	4,385,880	0.61
266,000	Volterra Semiconductor Corp.	USA	USD	3,755,920	0.52
210,000	Applied Materials Inc.	USA	USD	3,131,100	0.44
31,000	Cree Inc.	USA	USD	1,979,660	0.28
50,000	ARM Holdings PLC, ADR	GBR	USD	1,809,000	0.25
120,900	RDA Microelectronics Inc., ADR	CHN	USD	1,339,572	0.19
				<u>170,741,673</u>	<u>23.80</u>
<b>Software</b>					
241,000	Check Point Software Technologies Ltd.	ISR	USD	11,972,880	1.67
310,000	Salesforce.com Inc.	USA	USD	11,835,800	1.65
500,000	Electronic Arts Inc.	USA	USD	11,485,000	1.60
149,000	ANSYS Inc.	USA	USD	10,891,900	1.52
589,300	Nuance Communications Inc.	USA	USD	10,831,334	1.51
168,000	Citrix Systems Inc.	USA	USD	10,135,440	1.41
191,000	Red Hat Inc.	USA	USD	9,133,620	1.27
120,000	CommVault Systems Inc.	USA	USD	9,106,800	1.27
97,000	NetSuite Inc.	USA	USD	8,898,780	1.24
305,829	Bottomline Technologies Inc.	USA	USD	7,734,415	1.08
390,000	Fortinet Inc.	USA	USD	6,825,000	0.95
185,000	Oracle Corp.	USA	USD	5,683,200	0.79
195,000	BroadSoft Inc.	USA	USD	5,382,000	0.75
93,000	ServiceNow Inc.	USA	USD	3,756,270	0.52
55,000	Splunk Inc.	USA	USD	2,549,800	0.36
				<u>126,222,239</u>	<u>17.59</u>
<b>Wireless Telecommunication Services</b>					
180,000	SBA Communications Corp.	USA	USD	13,341,600	1.86
	<b>TOTAL SHARES</b>			<u>649,985,310</u>	<u>90.60</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>649,985,310</u>	<u>90.60</u>
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>BONDS</b>				
	<b>Securities Maturing Within One Year</b>				
15,000,000	U.S. Treasury Bill, 0.00%, 08/08/13	USA	USD	14,999,730	2.09
10,000,000	U.S. Treasury Bill, 0.00%, 07/11/13	USA	USD	9,999,960	1.40
				<u>24,999,690</u>	<u>3.49</u>
	<b>TOTAL BONDS</b>			<u>24,999,690</u>	<u>3.49</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>24,999,690</u>	<u>3.49</u>
	<b>TOTAL INVESTMENTS</b>			<u>674,985,000</u>	<u>94.09</u>

## — Franklin U.S. Dollar Liquid Reserve Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Securities Maturing Within One Year</b>					
30,000,000	FNMA, 0.00%, 09/03/13	USA	USD	29,998,410	7.02
20,000,000	Pfizer Inc., zero cpn., 07/02/13	USA	USD	19,999,940	4.68
20,000,000	FHLB, 0.00%, 07/17/13	USA	USD	19,999,920	4.68
20,000,000	International Finance Corp., zero cpn., 07/10/13	SP	USD	19,999,250	4.68
20,000,000	Exxon Mobil Corp., zero cpn., 08/01/13	USA	USD	19,997,260	4.68
15,000,000	Export Development Canada, zero cpn., 07/08/13	CAN	USD	14,999,880	3.51
15,000,000	Procter & Gamble Co., zero cpn., 08/06/13	USA	USD	14,999,130	3.51
15,000,000	Chevron Corp., zero cpn., 08/05/13	USA	USD	14,997,615	3.51
13,250,000	Johnson & Johnson, zero cpn., 07/15/13	USA	USD	13,249,814	3.10
12,000,000	Queensland Treasury Corp., zero cpn., 09/12/13	AUS	USD	11,995,944	2.80
11,500,000	Coca-Cola Co., zero cpn., 07/11/13	USA	USD	11,499,873	2.69
11,000,000	Province of British Columbia, zero cpn., 07/11/13	CAN	USD	10,999,879	2.57
10,207,000	Province of Ontario, zero cpn., 07/22/13	USA	USD	10,206,092	2.39
10,000,000	JPMorgan Chase Bank NA, 0.20%, 07/01/13	USA	USD	10,000,050	2.34
10,000,000	Total Capital Canada Ltd., zero cpn., 07/03/13	CAN	USD	9,999,880	2.34
10,000,000	Wal-Mart Stores Inc., zero cpn., 07/16/13	USA	USD	9,999,850	2.34
10,000,000	International Finance Corp., zero cpn., 07/08/13	SP	USD	9,999,800	2.34
10,000,000	Wal-Mart Stores Inc., zero cpn., 07/29/13	USA	USD	9,999,720	2.34
10,000,000	Province of Ontario, zero cpn., 09/04/13	USA	USD	9,996,390	2.34
10,000,000	General Electric Capital Corp., zero cpn., 10/10/13	USA	USD	9,995,840	2.34
10,000,000	Toyota Motor Credit Corp., zero cpn., 10/21/13	USA	USD	9,994,410	2.34
10,000,000	Bank of Nova Scotia, zero cpn., 11/01/13	CAN	USD	9,992,860	2.34
7,855,000	FHLB, 0.00%, 07/03/13	USA	USD	7,854,992	1.84
7,600,000	Merck & Co. Inc., zero cpn., 07/24/13	USA	USD	7,599,833	1.78
7,000,000	Chevron Corp., zero cpn., 08/06/13	USA	USD	6,998,845	1.64
6,330,000	U.S. Treasury Bill, 0.00%, 07/11/13	USA	USD	6,329,975	1.48
5,000,000	International Finance Corp., zero cpn., 07/02/13	SP	USD	4,999,979	1.17
4,500,000	Coca-Cola Co., zero cpn., 08/20/13	USA	USD	4,499,537	1.05
3,900,000	FHLMC, 0.00%, 07/08/13	USA	USD	3,899,992	0.91
2,900,000	Export Development Canada, zero cpn., 07/02/13	CAN	USD	2,899,991	0.68
500,000	FNMA, 3.875%, 07/12/13	USA	USD	500,582	0.12
				<u>348,505,533</u>	<u>81.55</u>
<b>TOTAL BONDS</b>				<u>348,505,533</u>	<u>81.55</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>348,505,533</u>	<u>81.55</u>
<b>TOTAL INVESTMENTS</b>				<u>348,505,533</u>	<u>81.55</u>

The accompanying notes form an integral

## — Franklin U.S. Equity Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Consumer Discretionary</b>					
109,010	BorgWarner Inc.	USA	USD	9,391,211	1.89
141,372	The Walt Disney Co.	USA	USD	8,927,642	1.79
117,000	NIKE Inc., B	USA	USD	7,450,560	1.50
157,500	Comcast Corp., A	USA	USD	6,596,100	1.33
62,200	McDonald's Corp.	USA	USD	6,157,800	1.24
51,400	Target Corp.	USA	USD	3,539,404	0.71
66,800	Dollar General Corp.	USA	USD	3,383,420	0.68
10,800	Amazon.com Inc.	USA	USD	2,999,052	0.60
72,400	Lowe's Cos. Inc.	USA	USD	2,961,160	0.60
				<u>51,406,349</u>	<u>10.34</u>
<b>Consumer Staples</b>					
101,500	PepsiCo Inc.	USA	USD	8,301,685	1.67
80,650	The Procter & Gamble Co.	USA	USD	6,209,244	1.25
104,634	CVS Caremark Corp.	USA	USD	5,982,972	1.20
61,700	Philip Morris International Inc.	USA	USD	5,344,454	1.08
120,500	The Coca-Cola Co.	USA	USD	4,833,255	0.97
44,900	Mead Johnson Nutrition Co., A	USA	USD	3,557,427	0.72
94,300	Altria Group Inc.	USA	USD	3,299,557	0.66
46,600	Whole Foods Market Inc.	USA	USD	2,398,968	0.48
				<u>39,927,562</u>	<u>8.03</u>
<b>Energy</b>					
125,300	Anadarko Petroleum Corp.	USA	USD	10,767,029	2.17
157,480	Devon Energy Corp.	USA	USD	8,170,063	1.64
70,700	Exxon Mobil Corp.	USA	USD	6,387,745	1.28
87,850	Schlumberger Ltd.	USA	USD	6,295,331	1.27
141,000	Halliburton Co.	USA	USD	5,882,520	1.18
48,900	Chevron Corp.	USA	USD	5,786,826	1.16
56,500	ConocoPhillips	USA	USD	3,418,250	0.69
340,502	McDermott International Inc.	USA	USD	2,785,306	0.56
				<u>49,493,070</u>	<u>9.95</u>
<b>Financials</b>					
410,300	Wells Fargo & Co.	USA	USD	16,933,081	3.40
209,870	JPMorgan Chase & Co.	USA	USD	11,079,037	2.23
128,800	CME Group Inc.	USA	USD	9,786,224	1.97
170,100	U.S. Bancorp	USA	USD	6,149,115	1.24
22,951	BlackRock Inc.	USA	USD	5,894,964	1.18
93,710	Citigroup Inc.	USA	USD	4,495,269	0.90
133,700	Invesco Ltd.	USA	USD	4,251,660	0.85
301,900	Bank of America Corp.	USA	USD	3,882,434	0.78
97,100	Comerica Inc.	USA	USD	3,867,493	0.78
50,800	Prudential Financial Inc.	USA	USD	3,709,924	0.75
71,400	MetLife Inc.	USA	USD	3,267,264	0.66
35,000	American Express Co.	USA	USD	2,616,600	0.53
6,300	IntercontinentalExchange Inc.	USA	USD	1,119,888	0.22
				<u>77,052,953</u>	<u>15.49</u>
<b>Health Care</b>					
158,100	Aetna Inc.	USA	USD	10,045,674	2.02
121,000	Express Scripts Holding Co.	USA	USD	7,464,490	1.50
137,960	Gilead Sciences Inc.	USA	USD	7,064,932	1.42
151,634	Merck & Co. Inc.	USA	USD	7,043,399	1.41
49,511	Actavis Inc.	USA	USD	6,249,278	1.26
70,470	Johnson & Johnson	USA	USD	6,050,554	1.22
123,200	Teva Pharmaceutical Industries Ltd., ADR	ISR	USD	4,829,440	0.97
113,800	Thoratec Corp.	USA	USD	3,563,078	0.72
122,100	HMS Holdings Corp.	USA	USD	2,844,930	0.57
86,543	Pfizer Inc.	USA	USD	2,424,070	0.49
27,275	Zoetis Inc.	USA	USD	842,525	0.17
				<u>58,422,370</u>	<u>11.75</u>
<b>Industrials</b>					
471,855	General Electric Co.	USA	USD	10,942,317	2.20
79,800	FedEx Corp.	USA	USD	7,866,684	1.58
73,520	United Technologies Corp.	USA	USD	6,832,949	1.37
39,500	Union Pacific Corp.	USA	USD	6,094,060	1.23
51,300	Honeywell International Inc.	USA	USD	4,070,142	0.82
26,900	The Boeing Co.	USA	USD	2,755,636	0.55
32,800	Caterpillar Inc.	USA	USD	2,705,672	0.54
22,900	Norfolk Southern Corp.	USA	USD	1,663,685	0.34
				<u>42,931,145</u>	<u>8.63</u>

## — Franklin U.S. Equity Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Information Technology</b>					
32,550	Apple Inc.	USA	USD	12,892,404	2.59
12,180	Google Inc., A	USA	USD	10,722,907	2.16
53,000	International Business Machines Corp.	USA	USD	10,128,830	2.04
162,492	QUALCOMM Inc.	USA	USD	9,925,011	2.00
200,995	Microsoft Corp.	USA	USD	6,940,357	1.39
274,670	Intel Corp.	USA	USD	6,652,507	1.34
36,260	Visa Inc., A	USA	USD	6,626,515	1.33
213,200	EMC Corp.	USA	USD	5,035,784	1.01
8,380	MasterCard Inc., A	USA	USD	4,814,310	0.97
139,900	Oracle Corp.	USA	USD	4,297,728	0.86
201,900	Nuance Communications Inc.	USA	USD	3,710,922	0.75
125,970	Cisco Systems Inc.	USA	USD	3,062,331	0.62
210,620	Corning Inc.	USA	USD	2,997,123	0.60
48,500	eBay Inc.	USA	USD	2,508,420	0.50
99,600	Hewlett-Packard Co.	USA	USD	2,470,080	0.50
57,800	Xilinx Inc.	USA	USD	2,289,458	0.46
63,100	Broadcom Corp., A	USA	USD	2,130,256	0.43
111,000	VeriFone Systems Inc.	USA	USD	1,865,910	0.37
19,200	Yahoo! Inc.	USA	USD	482,112	0.10
				<u>99,552,965</u>	<u>20.02</u>
<b>Materials</b>					
84,900	E. I. du Pont de Nemours and Co.	USA	USD	4,457,250	0.90
80,446	Celanese Corp., A	USA	USD	3,603,981	0.72
100,130	Freeport-McMoRan Copper & Gold Inc., B	USA	USD	2,764,589	0.56
42,080	Randgold Resources Ltd., ADR	GBR	USD	2,695,224	0.54
32,600	LyondellBasell Industries NV, A	USA	USD	2,160,076	0.43
21,600	Carpenter Technology Corp.	USA	USD	973,512	0.20
				<u>16,654,632</u>	<u>3.35</u>
<b>Telecommunication Services</b>					
333,405	AT&T Inc.	USA	USD	11,802,537	2.37
126,300	Vodafone Group PLC, ADR	GBR	USD	3,629,862	0.73
				<u>15,432,399</u>	<u>3.10</u>
<b>Utilities</b>					
159,300	PG&E Corp.	USA	USD	7,284,789	1.46
127,400	Exelon Corp.	USA	USD	3,934,112	0.79
30,200	Duke Energy Corp.	USA	USD	2,038,500	0.41
41,400	FirstEnergy Corp.	USA	USD	1,545,876	0.31
34,700	The Southern Co.	USA	USD	1,531,311	0.31
				<u>16,334,588</u>	<u>3.28</u>
<b>TOTAL SHARES</b>				<u>467,208,033</u>	<u>93.94</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>467,208,033</u>	<u>93.94</u>
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET <b>SHARES</b>					
144,120	Health Care Roche Holding AG, ADR	CHE	USD	8,915,984	1.79
<b>TOTAL SHARES</b>				<u>8,915,984</u>	<u>1.79</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>8,915,984</u>	<u>1.79</u>
<b>TOTAL INVESTMENTS</b>				<u>476,124,017</u>	<u>95.73</u>

The accompanying notes form an integral

## — Franklin U.S. Focus Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Consumer Discretionary</b>					
4,090	BorgWarner Inc.	USA	USD	352,353	3.18
5,180	NIKE Inc., B	USA	USD	329,862	2.97
7,230	Guess? Inc.	USA	USD	224,347	2.02
2,530	The Walt Disney Co.	USA	USD	159,770	1.44
				<u>1,066,332</u>	<u>9.61</u>
<b>Consumer Staples</b>					
4,280	Mead Johnson Nutrition Co., A	USA	USD	339,104	3.06
5,360	CVS Caremark Corp.	USA	USD	306,485	2.76
				<u>645,589</u>	<u>5.82</u>
<b>Energy</b>					
4,420	Anadarko Petroleum Corp.	USA	USD	379,810	3.42
10,040	Marathon Oil Corp.	USA	USD	347,183	3.13
4,060	Schlumberger Ltd.	USA	USD	290,940	2.62
				<u>1,017,933</u>	<u>9.17</u>
<b>Financials</b>					
14,680	The Hartford Financial Services Group Inc.	USA	USD	453,906	4.09
7,470	Citigroup Inc.	USA	USD	358,336	3.23
7,250	MetLife Inc.	USA	USD	331,760	2.99
6,070	JPMorgan Chase & Co.	USA	USD	320,435	2.89
1,160	BlackRock Inc.	USA	USD	297,946	2.68
3,570	Capital One Financial Corp.	USA	USD	224,232	2.02
				<u>1,986,615</u>	<u>17.90</u>
<b>Health Care</b>					
4,300	Valeant Pharmaceuticals International Inc.	CAN	USD	370,144	3.33
1,410	Roche Holding AG	CHE	CHF	350,691	3.16
7,635	Teva Pharmaceutical Industries Ltd., ADR	ISR	USD	299,292	2.70
4,060	Aetna Inc.	USA	USD	257,972	2.32
1,830	Actavis Inc.	USA	USD	230,983	2.08
				<u>1,509,082</u>	<u>13.59</u>
<b>Industrials</b>					
3,760	Norfolk Southern Corp.	USA	USD	273,164	2.46
2,660	FedEx Corp.	USA	USD	262,223	2.36
2,310	Genesee & Wyoming Inc.	USA	USD	195,980	1.77
				<u>731,367</u>	<u>6.59</u>
<b>Information Technology</b>					
2,040	Visa Inc., A	USA	USD	372,810	3.36
10,310	Microsoft Corp.	USA	USD	356,004	3.21
390	Google Inc., A	USA	USD	343,344	3.09
13,160	Cisco Systems Inc.	USA	USD	319,920	2.88
20,090	Corning Inc.	USA	USD	285,881	2.58
4,290	QUALCOMM Inc.	USA	USD	262,033	2.36
9,190	Maxim Integrated Products Inc.	USA	USD	255,298	2.30
1,270	International Business Machines Corp.	USA	USD	242,710	2.19
9,370	EMC Corp.	USA	USD	221,319	1.99
4,380	Adobe Systems Inc.	USA	USD	199,553	1.80
				<u>2,858,872</u>	<u>25.76</u>
<b>Materials</b>					
6,840	LyondellBasell Industries NV, A	USA	USD	453,218	4.08
5,070	Celanese Corp., A	USA	USD	227,136	2.05
4,772	Axiall Corp.	USA	USD	203,192	1.83
746	PPG Industries Inc.	USA	USD	109,222	0.98
				<u>992,768</u>	<u>8.94</u>
<b>TOTAL SHARES</b>				<u>10,808,558</u>	<u>97.38</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>10,808,558</u>	<u>97.38</u>
<b>TOTAL INVESTMENTS</b>				<u>10,808,558</u>	<u>97.38</u>

## — Franklin U.S. Government Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Government and Municipal Bonds</b>					
224,399,220	GNMA, SF, 5.00%, 07/15/33 – 06/15/40	USA	USD	246,011,391	15.60
234,690,027	GNMA, II, SF, 3.50%, 08/20/42 – 06/20/43	USA	USD	241,356,209	15.31
222,024,984	GNMA, II, SF, 4.50%, 05/20/33 – 10/20/41	USA	USD	238,543,038	15.12
149,264,456	GNMA, SF, 4.50%, 03/15/39 – 04/15/41	USA	USD	160,205,978	10.16
147,055,986	GNMA, II, SF, 4.00%, 05/20/40 – 11/20/41	USA	USD	154,987,216	9.82
82,133,401	GNMA, SF, 5.50%, 11/15/28 – 02/15/40	USA	USD	90,225,290	5.72
78,011,773	GNMA, SF, 6.00%, 10/15/23 – 02/15/38	USA	USD	87,408,165	5.54
74,954,954	GNMA, II, SF, 5.00%, 10/20/32 – 09/20/41	USA	USD	82,078,619	5.20
53,724,696	GNMA, II, SF, 5.50%, 05/20/34 – 06/20/38	USA	USD	59,260,656	3.76
50,483,424	GNMA, II, SF, 6.00%, 06/20/34 – 07/20/39	USA	USD	56,231,436	3.56
45,465,560	GNMA, SF, 4.00%, 11/15/40 – 09/15/41	USA	USD	48,209,846	3.06
27,174,927	GNMA, SF, 6.50%, 07/15/23 – 07/15/38	USA	USD	30,772,284	1.95
13,400,211	GNMA, II, SF, 6.50%, 09/20/26 – 10/20/38	USA	USD	15,253,040	0.97
8,920,671	GNMA, SF, 7.00%, 03/15/22 – 09/15/32	USA	USD	10,135,074	0.64
5,242,618	GNMA, II, SF, 7.00%, 05/20/26 – 03/20/33	USA	USD	6,148,187	0.39
5,746,098	GNMA, II, SF, 3.00%, 01/20/43	USA	USD	5,695,410	0.36
4,140,335	GNMA, SF, 7.50%, 02/15/17 – 08/15/33	USA	USD	4,918,970	0.31
3,307,164	GNMA, SF, 8.00%, 11/15/16 – 12/15/30	USA	USD	3,620,873	0.23
2,894,297	GNMA, 6.00%, 11/15/28 – 05/20/34	USA	USD	3,211,419	0.20
2,373,059	GNMA, II, SF, 7.50%, 12/20/17 – 09/20/32	USA	USD	2,851,194	0.18
1,428,248	GNMA, SF, 8.50%, 06/15/16 – 06/15/28	USA	USD	1,491,903	0.09
1,220,128	GNMA, II, SF, 8.00%, 06/20/22 – 07/20/31	USA	USD	1,452,153	0.09
1,141,184	GNMA, 6.50%, 04/20/34	USA	USD	1,263,156	0.08
755,213	GNMA, SF, 9.00%, 08/15/16 – 03/15/25	USA	USD	839,975	0.05
394,548	GNMA, SF, 10.00%, 02/15/16 – 03/15/25	USA	USD	424,566	0.03
329,485	GNMA, 7.50%, 04/15/31	USA	USD	369,773	0.02
244,632	GNMA, II, SF, 8.50%, 11/20/21 – 05/20/29	USA	USD	270,833	0.02
130,360	GNMA, SF, 9.50%, 08/15/16 – 06/15/25	USA	USD	135,189	0.01
101,090	GNMA, II, SF, 9.50%, 12/20/15 – 07/20/25	USA	USD	112,616	0.01
100,017	GNMA, 8.00%, 05/20/17 – 01/15/31	USA	USD	108,733	0.01
91,287	GNMA, II, 8.00%, 03/20/17 – 03/20/27	USA	USD	101,528	0.01
51,794	GNMA, SF, 8.625%, 10/15/18	USA	USD	57,101	0.00
52,242	GNMA, 9.00%, 05/20/16 – 06/20/17	USA	USD	52,782	0.00
37,552	GNMA, 9.50%, 10/15/18 – 11/15/21	USA	USD	41,277	0.00
29,199	GNMA, SF, 10.50%, 12/15/17 – 04/15/25	USA	USD	31,224	0.00
22,692	GNMA, SF, 7.80%, 02/15/20	USA	USD	22,839	0.00
22,603	GNMA, SF, 7.95%, 01/15/21	USA	USD	22,752	0.00
21,632	GNMA, SF, 8.25%, 04/15/17	USA	USD	21,778	0.00
15,918	GNMA, II, SF, 9.00%, 10/20/16	USA	USD	17,188	0.00
10,243	GNMA, SF, 8.30%, 07/15/17	USA	USD	10,667	0.00
8,653	GNMA, SF, 11.00%, 08/15/17 – 04/15/21	USA	USD	9,216	0.00
7,502	GNMA, SF, 7.75%, 03/15/27	USA	USD	7,751	0.00
1,754	GNMA, SF, 11.50%, 07/15/15	USA	USD	1,769	0.00
				<u>1,553,991,064</u>	<u>98.50</u>
	<b>TOTAL BONDS</b>			<u>1,553,991,064</u>	<u>98.50</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>1,553,991,064</u>	<u>98.50</u>
	<b>TOTAL INVESTMENTS</b>			<u>1,553,991,064</u>	<u>98.50</u>



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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Asset-Backed Securities</b>					
4,923,353	Talisman 6 Finance, Reg S, FRN, 0.391%, 10/22/16 †	IRL	EUR	5,767,634	0.37
5,200,000	JPMorgan Chase Commercial Mortgage Securities Corp., 2006-CB14, AM, FRN, 5.446%, 12/12/44 †	USA	USD	5,642,439	0.36
5,000,000	Permanent Master Issuer PLC, 2011-2X, 1A1, Reg S, FRN, 1.777%, 07/15/42 †	GBR	USD	5,021,255	0.32
4,965,000	Banc of America Commercial Mortgage Inc., 2006-4, AJ, 5.695%, 07/10/46	USA	USD	4,967,773	0.32
4,960,000	Greenwich Capital Commercial Funding Corp., 2006-GG7, AJ, FRN, 5.867%, 07/10/38 †	USA	USD	4,810,121	0.31
4,274,285	ML-CFC Commercial Mortgage Trust, 2006-3, A1A, FRN, 5.409%, 07/12/46 †	USA	USD	4,739,490	0.30
4,600,000	Morgan Stanley Capital I Trust, 2006-HQ8, AJ, FRN, 5.68%, 03/12/44 †	USA	USD	4,692,770	0.30
4,900,000	Citigroup Commercial Mortgage Trust, 2006-C5, AJ, 5.482%, 10/15/49	USA	USD	4,572,744	0.29
4,534,161	Specialty Underwriting & Residential Finance, 2005-BC3, M1, FRN, 0.643%, 06/25/36 †	USA	USD	4,509,260	0.29
3,458,424	German Residential Asset Note Distributor PLC, 1, A, Reg S, FRN, 1.615%, 01/20/21 †	DEU	EUR	4,490,403	0.29
4,261,552	FHLMC Multifamily Structured Pass Through Certificates, K011, A1, 2.917%, 08/25/20	USA	USD	4,477,038	0.29
3,168,110	German Residential Asset Note Distributor PLC, 1, C, Reg S, FRN, 2.095%, 01/20/21 †	DEU	EUR	4,101,090	0.26
3,875,017	CS First Boston Mortgage Securities Corp., 2004-AR3, 5A1, FRN, 0.267%, 04/25/34 †	USA	USD	3,969,025	0.25
4,000,000	Ace Securities Corp., 2005-HE1, M4, FRN, 1.273%, 02/25/35 †	USA	USD	3,863,178	0.25
3,400,000	Wachovia Bank Commercial Mortgage Trust, 2006-C27, AM, FRN, 5.795%, 07/17/45 †	USA	USD	3,717,806	0.24
3,650,000	JPMorgan Chase Commercial Mortgage Securities Corp., 2006-CB17, AM, 5.464%, 12/12/43	USA	USD	3,628,463	0.23
3,457,000	Bear Stearns Commercial Mortgage Securities Inc., 2006-PW11, AJ, FRN, 5.452%, 03/11/39 †	USA	USD	3,529,720	0.22
3,000,000	Bear Stearns Commercial Mortgage Securities Inc., 2007-PW16, AM, FRN, 5.712%, 06/11/40 †	USA	USD	3,344,898	0.21
3,200,559	FHLMC Multifamily Structured Pass Through Certificates, K703, A1, 1.873%, 01/25/18	USA	USD	3,262,362	0.21
3,383,844	GSAMP Trust, 2005-HE3, M2, FRN, 0.863%, 06/25/35 †	USA	USD	3,114,318	0.20
3,120,000	Bear Stearns Commercial Mortgage Securities Inc., 2006-PW13, AJ, 5.611%, 09/11/41	USA	USD	3,047,111	0.19
3,000,000	Bear Stearns Commercial Mortgage Securities Inc., 2006-PW12, AJ, FRN, 5.932%, 09/11/38 †	USA	USD	2,999,443	0.19
3,025,936	HSBC Home Equity Loan Trust, 2005-2, A1, FRN, 0.462%, 01/20/35 †	USA	USD	2,987,727	0.19
2,878,709	Residential Asset Securities Corp., 2006-KS7, A3, FRN, 0.343%, 09/25/36 †	USA	USD	2,796,360	0.18
2,711,203	Merrill Lynch Mortgage Investors Trust Inc., 2003-G, A2, FRN, 1.097%, 01/25/29 †	USA	USD	2,635,576	0.17
2,429,096	Springleaf Mortgage Loan Trust, 2012-2A, A, 144A, 2.22%, 10/25/57	USA	USD	2,463,944	0.16
2,430,000	Apidos CDO, 2013-14A, C2, 144A, 4.85%, 04/15/25	CYM	USD	2,430,000	0.15
2,300,000	First Franklin Mortgage Loan Asset-Backed Certificates, 2005-FF6, M1, FRN, 0.613%, 05/25/36 †	USA	USD	2,256,752	0.14
2,000,000	Banc of America Commercial Mortgage Inc., 2006-4, AM, 5.675%, 07/10/46	USA	USD	2,221,944	0.14
2,000,000	Citigroup Commercial Mortgage Trust, 2007-C6, AM, FRN, 5.885%, 06/10/17 †	USA	USD	2,199,525	0.14
2,232,940	Wells Fargo Mortgage Backed Securities Trust, 2005-AR10, 2A3, FRN, 2.616%, 06/25/35 †	USA	USD	2,186,082	0.14
2,000,000	LB-UBS Commercial Mortgage Trust, 2006-C1, A4, 5.156%, 02/15/31	USA	USD	2,164,467	0.14
2,216,614	Granite Master Issuer PLC, 2006-2, A4, FRN, 0.272%, 12/20/54 †	GBR	USD	2,150,115	0.14
2,154,771	Citigroup Mortgage Loan Trust Inc., 2006-WFH3, A3, FRN, 0.343%, 10/25/36 †	USA	USD	2,131,911	0.14
2,109,022	FHLMC Multifamily Structured Pass Through Certificates, K017, A1, 1.891%, 12/25/20	USA	USD	2,129,313	0.14
2,025,000	Merrill Lynch Mortgage Trust, 2005-CK11, AJ, FRN, 5.391%, 11/12/37 †	USA	USD	2,092,231	0.13
1,980,000	JPMorgan Chase Commercial Mortgage Securities Corp., 2006-LDP7, AJ, FRN, 5.871%, 04/15/45 †	USA	USD	1,987,923	0.13
1,800,000	Commercial Mortgage Trust, 2005-GG5, AM, FRN, 5.277%, 04/10/37 †	USA	USD	1,916,382	0.12
1,933,709	Structured Asset Securities Corp., 2006-WF1, A5, FRN, 0.493%, 02/25/36 †	USA	USD	1,884,248	0.12
1,915,608	Master Adjustable Rate Mortgage Trust, 2007-3, 12A2, FRN, 0.393%, 05/25/47 †	USA	USD	1,863,841	0.12
1,797,459	Countrywide Asset-Backed Certificates, 2004-7, MV3, FRN, 0.893%, 12/25/34 †	USA	USD	1,781,709	0.11
1,834,989	Granite Master Issuer PLC, 2006-3, A3, FRN, 0.272%, 12/20/54 †	GBR	USD	1,779,940	0.11
1,803,617	Ameriquest Mortgage Securities Inc., 2004-R4, M1, FRN, 1.018%, 06/25/34 †	USA	USD	1,748,059	0.11
1,653,523	Countrywide Asset-Backed Certificates, 2004-14, M1, FRN, 0.703%, 06/25/35 †	USA	USD	1,624,349	0.10
1,610,431	Long Beach Mortgage Loan Trust, 2005-WL2, M1, FRN, 0.663%, 08/25/35 †	USA	USD	1,560,472	0.10

part of these financial statements

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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Asset-Backed Securities</b> (continued)					
1,544,858	Banc of America Funding Corp., 2006-G, 2A3, FRN, 0.362%, 07/20/36 †	USA	USD	1,491,651	0.10
1,448,128	Greenpoint Mortgage Funding Trust, 2005-HE4, 2A4C, FRN, 0.913%, 07/25/30 †	USA	USD	1,433,336	0.09
1,249,882	Residential Funding Mortgage Securities II, 2004-HI3, A5, FRN, 5.48%, 06/25/34 †	USA	USD	1,299,002	0.08
1,300,000	LB-UBS Commercial Mortgage Trust, 2006-C1, AJ, FRN, 5.276%, 02/15/41 †	USA	USD	1,272,530	0.08
1,000,000	Citigroup/Deutsche Bank Commercial Mortgage Trust, 2006-CD3, A5, 5.617%, 10/15/48	USA	USD	1,107,200	0.07
1,083,726	Bayview Financial Acquisition Trust, 2004-D, M1, FRN, 0.823%, 08/28/44 †	USA	USD	1,065,216	0.07
987,007	Green Tree Financial Corp., 1999-3, A7, 6.74%, 02/01/31	USA	USD	1,001,318	0.06
1,090,641	GSAA Home Equity Trust, FRN, 0.563%, 06/25/35 †	USA	USD	992,254	0.06
970,000	Argent Securities Inc., 2005-W2, A2C, FRN, 0.553%, 10/25/35 †	USA	USD	847,560	0.05
845,910	JPMorgan Mortgage Acquisition Corp., 2005-FLD1, M2, FRN, 0.683%, 07/25/35 †	USA	USD	842,646	0.05
837,370	FNMA, 2005-122, FN, FRN, 0.543%, 01/25/36 †	USA	USD	835,244	0.05
773,544	Structured Asset Investment Loan Trust, 2005-4, M1, FRN, 0.593%, 05/25/35 †	USA	USD	769,454	0.05
771,643	Park Place Securities Inc., 2005-WHQ3, M1, FRN, 0.613%, 06/25/35 †	USA	USD	766,845	0.05
765,088	MLCC Mortgage Investors Inc., 2005-1, 2A2, FRN, 2.297%, 04/25/35 †	USA	USD	753,675	0.05
769,751	WAMU Mortgage Pass-Through Certificates, 2005-AR8, 2A1A, FRN, 0.483%, 07/25/45 †	USA	USD	715,272	0.05
719,367	Countrywide Asset-Backed Certificates, 2005-14, 3A2, FRN, 0.433%, 04/25/36 †	USA	USD	714,937	0.05
625,000	Greenwich Capital Commercial Funding Corp., 2006-GG7, AM, FRN, 5.874%, 07/10/38 †	USA	USD	684,589	0.04
690,000	Park Place Securities Inc., 2005-WCW1, M1, FRN, 0.643%, 09/25/35 †	USA	USD	639,694	0.04
616,576	Ames Mortgage Investment Trust, 2005-4, M1, FRN, 0.898%, 10/25/35 †	USA	USD	615,255	0.04
600,000	Master Asset-Backed Securities Trust, 2004-HE1, M2, FRN, 0.923%, 09/25/34 †	USA	USD	582,665	0.04
547,174	Banc of America Commercial Mortgage Inc., 2003-2, A4, FRN, 5.061%, 03/11/41 †	USA	USD	549,011	0.04
517,789	FNMA, 2005-58, FC, FRN, 0.443%, 07/25/35 †	USA	USD	519,089	0.03
528,000	Countrywide Asset-Backed Certificates, 2004-1, M1, FRN, 0.943%, 03/25/34 †	USA	USD	490,158	0.03
405,011	JPMorgan Mortgage Acquisition Corp., 2006-ACC1, A4, FRN, 0.343%, 05/25/36 †	USA	USD	392,175	0.02
386,338	CS First Boston Mortgage Securities Corp., 2001-HE8, M1, FRN, 1.243%, 02/25/31 †	USA	USD	311,089	0.02
297,579	Countrywide Asset-Backed Certificates, 2005-12, 1A3, 4.947%, 04/25/33	USA	USD	299,754	0.02
292,403	First Franklin Mortgage Loan Asset-Backed Certificates, 2001-FF2, A1, FRN, 0.813%, 11/25/31 †	USA	USD	252,188	0.02
204,909	Structured Asset Investment Loan Trust, 2003-BC12, 3A, FRN, 0.933%, 11/25/33 †	USA	USD	194,828	0.01
133,336	Chase Funding Mortgage Loan Asset-Backed Certificates, 2004-2, 2A2, FRN, 0.693%, 02/25/35 †	USA	USD	114,369	0.01
109,319	Accredited Mortgage Loan Trust, 2005-3, A1, FRN, 0.43%, 09/25/35 †	USA	USD	107,398	0.01
121,987	Amortizing Residential Collateral Trust, 2002-BC1, M1, FRN, 1.468%, 01/25/32 †	USA	USD	76,626	0.00
63,072	Residential Asset Securities Corp., 2005-AHL2, A2, FRN, 0.453%, 10/25/35 †	USA	USD	62,782	0.00
65,756	Morgan Stanley ABS Capital I Inc. Trust, 2004-HE6, A2, FRN, 0.533%, 08/25/34 †	USA	USD	61,255	0.00
18,082	Argent Securities Inc., 2004-W1, AV2, FRN, 0.833%, 03/25/34 †	USA	USD	15,475	0.00
5,812	Ameriquest Mortgage Securities Inc., 2005-R9, A2B, FRN, 0.423%, 11/25/35 †	USA	USD	5,812	0.00
4,679	Asset-Backed Securities Corp. Home Equity Loan Trust, 2004-HE7, A4, FRN, 1.193%, 10/25/34 †	USA	USD	4,295	0.00
3,454	Countrywide Asset-Backed Certificates, 2003-BC3, A2, FRN, 0.813%, 09/25/33 †	USA	USD	3,176	0.00
1,348	Asset-Backed Securities Corp. Home Equity Loan Trust, 2004-HE7, A2, FRN, 0.953%, 10/25/34 †	USA	USD	1,190	0.00
10,459	Structured Asset Investment Loan Trust, 2003-BC2, M3, FRN, 5.068%, 04/25/33 †	USA	USD	1,068	0.00
				<u>163,153,292</u>	<u>10.39</u>
<b>Corporate Bonds</b>					
10,000,000	Constellation Brands Inc., senior note, A, 7.25%, 09/01/16	USA	USD	11,412,500	0.73
11,000,000	Morgan Stanley, senior note, FRN, 1.556%, 04/25/18 †	USA	USD	10,840,886	0.69
10,000,000	Apple Inc., FRN, 0.523%, 05/03/18 †	USA	USD	9,969,010	0.63
10,000,000	Wal-Mart Stores Inc., senior note, 0.60%, 04/11/16	USA	USD	9,938,540	0.63
7,600,000	Bank of Ireland Mortgage Bank, secured note, 2.75%, 03/22/18	IRL	EUR	9,792,081	0.62
9,000,000	Chevron Corp., senior note, 1.104%, 12/05/17	USA	USD	8,800,299	0.56
8,000,000	Bank of Montreal, 0.80%, 11/06/15	CAN	USD	7,992,896	0.51
7,500,000	Costco Wholesale Corp., senior note, 0.65%, 12/07/15	USA	USD	7,488,585	0.48
40,000,000	Nykredit Realkredit AS, secured note, 2.00%, 10/01/16	DNK	DKK	7,222,206	0.46

The accompanying notes form an integral

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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
40,000,000	Nykredit Realkredit AS, secured note, 2.00%, 10/01/15	DNK	DKK	7,200,461	0.46
7,000,000	BP Capital Markets PLC, senior note, 0.70%, 11/06/15	GBR	USD	6,967,415	0.44
6,500,000	AbbVie Inc., senior note, 144A, FRN, 1.033%, 11/06/15 †	USA	USD	6,565,923	0.42
6,125,000	Heineken NV, senior note, 144A, 0.80%, 10/01/15	NLD	USD	6,107,513	0.39
6,000,000	Hewlett-Packard Co., senior note, FRN, 1.823%, 09/19/14 †	USA	USD	6,059,484	0.39
6,000,000	The Walt Disney Co., FRN, 0.265%, 02/11/15 †	USA	USD	5,997,708	0.38
6,000,000	Georgia Power Co., senior note, 12D, 0.625%, 11/15/15	USA	USD	5,951,214	0.38
5,000,000	Centex Corp., senior note, 6.50%, 05/01/16	USA	USD	5,600,000	0.36
5,400,000	Capital One Financial Corp., senior note, 2.15%, 03/23/15	USA	USD	5,486,837	0.35
4,000,000	The Goldman Sachs Group Inc., senior note, 5.125%, 10/16/14	USA	EUR	5,481,899	0.35
5,217,000	Merrill Lynch & Co. Inc., 5.45%, 07/15/14	USA	USD	5,441,607	0.35
4,000,000	GE Capital European Funding, senior bond, 4.625%, 07/04/14	USA	EUR	5,419,029	0.35
4,000,000	GE Capital European Funding, senior note, Reg S, 2.00%, 02/27/15	USA	EUR	5,314,012	0.34
4,000,000	AIB Mortgage Bank, secured note, 2.625%, 07/29/16	IRL	EUR	5,270,511	0.34
5,200,000	Enterprise Products Operating LLC, senior note, 1.25%, 08/13/15	USA	USD	5,219,115	0.33
5,000,000	Bank of America Corp., senior note, FRN, 1.828%, 07/11/14 †	USA	USD	5,054,650	0.32
5,000,000	Springleaf Finance Corp., senior note, 1, 5.40%, 12/01/15	USA	USD	5,012,500	0.32
5,000,000	John Deere Capital Corp., FRN, 0.38%, 10/08/14 †	USA	USD	5,005,440	0.32
5,000,000	Xstrata Finance Canada Ltd., secured note, 144A, 1.80%, 10/23/15	CAN	USD	5,003,700	0.32
5,000,000	Wachovia Corp., sub. note, FRN, 0.647%, 10/15/16 †	USA	USD	4,914,020	0.31
5,000,000	American Honda Finance Corp., senior note, 144A, 1.60%, 02/16/18	JPN	USD	4,902,250	0.31
5,000,000	Bank of America NA, sub. note, FRN, 0.553%, 06/15/16 †	USA	USD	4,824,410	0.31
5,000,000	Korea Exchange Bank, senior note, Reg S, 2.00%, 04/02/18	KOR	USD	4,673,700	0.30
4,400,000	ING Bank NV, senior note, 144A, FRN, 1.913%, 09/25/15 †	NLD	USD	4,481,356	0.29
4,443,000	Wachovia Corp., sub. note, FRN, 0.616%, 10/28/15 †	USA	USD	4,393,723	0.28
4,000,000	Avon Products Inc., senior note, 2.375%, 03/15/16	USA	USD	4,034,480	0.26
4,000,000	DIRECTV Holdings LLC/Financing Co. Inc., senior note, 2.40%, 03/15/17	USA	USD	4,021,692	0.26
4,000,000	Royal Bank of Canada, senior note, FRN, 0.644%, 03/08/16 †	CAN	USD	4,009,084	0.26
3,619,000	The New York Times Co., senior note, 6.625%, 12/15/16	USA	USD	3,996,733	0.25
4,000,000	Verizon Communications Inc., senior note, 0.70%, 11/02/15	USA	USD	3,974,860	0.25
4,000,000	Baxter International Inc., senior note, 1.85%, 06/15/18	USA	USD	3,970,716	0.25
4,000,000	CNOOC Finance 2013 Ltd., senior note, 1.75%, 05/09/18	CHN	USD	3,836,640	0.24
3,500,000	U.S. Bank NA, sub. note, 3.778% to 04/29/18, FRN thereafter, 04/29/20	USA	USD	3,666,530	0.23
3,500,000	Time Warner Inc., 3.15%, 07/15/15	USA	USD	3,657,346	0.23
20,000,000	Nykredit Realkredit AS, secured note, 2.00%, 01/01/16	DNK	DKK	3,604,366	0.23
3,500,000	Kraft Foods Group Inc., senior note, 2.25%, 06/05/17	USA	USD	3,526,754	0.22
3,000,000	Sprint Nextel Corp., senior note, 144A, 9.00%, 11/15/18	USA	USD	3,517,500	0.22
3,500,000	JPMorgan Chase Bank NA, sub. note, FRN, 0.602%, 06/13/16 †	USA	USD	3,440,881	0.22
3,500,000	AIA Group Ltd., senior note, Reg S, 1.75%, 03/13/18	HKG	USD	3,381,070	0.22
3,000,000	Peabody Energy Corp., senior note, 7.375%, 11/01/16	USA	USD	3,345,000	0.21
3,000,000	Chesapeake Energy Corp., senior note, 9.50%, 02/15/15	USA	USD	3,330,000	0.21
3,400,000	LUKOIL International Finance BV, senior note, 144A, 3.416%, 04/24/18	RUS	USD	3,323,840	0.21
3,122,000	CNA Financial Corp., senior note, 5.85%, 12/15/14	USA	USD	3,321,945	0.21
3,400,000	Telefonica Emisiones SAU, senior note, 3.192%, 04/27/18	ESP	USD	3,308,098	0.21
3,000,000	Lennar Corp., senior note, B, 6.50%, 04/15/16	USA	USD	3,255,000	0.21
3,045,000	Toll Brothers Finance Corp., senior note, 5.15%, 05/15/15	USA	USD	3,182,025	0.20
3,000,000	Gilead Sciences Inc., senior note, 3.05%, 12/01/16	USA	USD	3,173,085	0.20
3,000,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 8.50%, 05/15/18	USA	USD	3,105,000	0.20
3,000,000	General Electric Capital Corp., FRN, 1.314%, 07/02/15 †	USA	USD	3,047,361	0.19
3,000,000	Royal Bank of Canada, senior note, FRN, 0.976%, 10/30/14 †	CAN	USD	3,025,947	0.19
3,000,000	Amgen Inc., senior note, 2.125%, 05/15/17	USA	USD	3,014,304	0.19
3,000,000	CBS Corp., 1.95%, 07/01/17	USA	USD	2,982,162	0.19
3,000,000	Laboratory Corp. of America Holdings, 2.20%, 08/23/17	USA	USD	2,980,437	0.19
3,000,000	Lorillard Tobacco Co., senior note, 2.30%, 08/21/17	USA	USD	2,964,207	0.19
3,000,000	Actavis Inc., senior note, 1.875%, 10/01/17	USA	USD	2,926,554	0.19
3,000,000	Aetna Inc., senior note, 1.50%, 11/15/17	USA	USD	2,914,713	0.19
3,000,000	McKesson Corp., senior note, 1.40%, 03/15/18	USA	USD	2,897,805	0.18
3,000,000	State Grid Overseas Investment 2013 Ltd., senior note, 144A, 1.75%, 05/22/18	CHN	USD	2,876,640	0.18
2,800,000	Gilead Sciences Inc., senior note, 2.40%, 12/01/14	USA	USD	2,862,994	0.18
3,000,000	ONGC Videsh Ltd., senior note, Reg S, 2.50%, 05/07/18	IND	USD	2,768,595	0.18
2,000,000	Royal Bank of Scotland PLC, sub. note, 6.934%, 04/09/18	GBR	EUR	2,730,211	0.17
2,800,000	Colgate-Palmolive Co., senior note, 0.90%, 05/01/18	USA	USD	2,695,829	0.17
2,700,000	Rio Tinto Finance USA PLC, senior note, 1.625%, 08/21/17	GBR	USD	2,623,725	0.17
2,500,000	Harrah's Operating Co. Inc., senior secured note, 11.25%, 06/01/17	USA	USD	2,609,375	0.17
2,700,000	Dollar General Corp., senior note, 1.875%, 04/15/18	USA	USD	2,607,001	0.17
2,500,000	Express Scripts Holding Co., senior note, 2.75%, 11/21/14	USA	USD	2,555,650	0.16
2,500,000	Symantec Corp., senior note, 2.75%, 06/15/17	USA	USD	2,518,677	0.16
2,500,000	Eastman Chemical Co., 2.40%, 06/01/17	USA	USD	2,505,922	0.16
2,500,000	WellPoint Inc., senior note, 1.25%, 09/10/15	USA	USD	2,505,193	0.16
2,400,000	Zoetis Inc., senior note, 144A, 1.15%, 02/01/16	USA	USD	2,393,038	0.15
2,100,000	Freescale Semiconductor Inc., senior secured note, 144A, 9.25%, 04/15/18	USA	USD	2,273,250	0.14
1,597,000	AIB Mortgage Bank, secured note, 4.875%, 06/29/17	IRL	EUR	2,244,098	0.14
2,000,000	NBCUniversal Media LLC, senior note, 2.875%, 04/01/16	USA	USD	2,091,558	0.13
2,000,000	CIT Group Inc., senior note, 5.25%, 03/15/18	USA	USD	2,065,000	0.13
2,000,000	ArcelorMittal, senior note, 3.75%, 03/01/16	LUX	USD	2,015,000	0.13
2,000,000	Nuveen Investments Inc., senior note, 144A, 9.125%, 10/15/17	USA	USD	2,015,000	0.13
2,000,000	The Goldman Sachs Group Inc., 1.60%, 11/23/15	USA	USD	2,005,448	0.13

part of these financial statements

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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
2,000,000	Experian Finance PLC, 144A, 2.375%, 06/15/17	GBR	USD	2,004,490	0.13
2,000,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.875%, 02/01/18	AUS	USD	1,982,500	0.13
2,000,000	DISH DBS Corp., senior note, 144A, 4.25%, 04/01/18	USA	USD	1,970,000	0.13
1,900,000	Phillips 66, senior note, 1.95%, 03/05/15	USA	USD	1,930,062	0.12
2,000,000	CNPC General Capital Ltd., senior note, 144A, 1.95%, 04/16/18	CHN	USD	1,928,440	0.12
2,000,000	Ford Motor Credit Co. LLC, senior note, 2.375%, 01/16/18	USA	USD	1,927,058	0.12
1,900,000	Canadian Natural Resources Ltd., senior note, 1.45%, 11/14/14	CAN	USD	1,915,852	0.12
2,000,000	The Boeing Co., senior note, 0.95%, 05/15/18	USA	USD	1,915,138	0.12
10,000,000	Nykredit Realkredit AS, secured note, 4.00%, 01/01/16	DNK	DKK	1,888,823	0.12
10,000,000	Realkredit Danmark AS, secured note, 10S, 4.00%, 01/01/16	DNK	DKK	1,888,666	0.12
1,800,000	PNC Funding Corp., senior note, 2.70%, 09/19/16	USA	USD	1,874,471	0.12
1,800,000	Phillips 66, senior note, 2.95%, 05/01/17	USA	USD	1,856,230	0.12
1,500,000	Edcon Pty. Ltd., secured note, Reg S, 9.50%, 03/01/18	ZAF	EUR	1,820,683	0.12
1,700,000	Safeway Inc., senior note, 3.40%, 12/01/16	USA	USD	1,773,238	0.11
1,700,000	Kraft Foods Group Inc., senior note, 1.625%, 06/04/15	USA	USD	1,718,739	0.11
1,600,000	Ally Financial Inc., senior note, 5.50%, 02/15/17	USA	USD	1,678,069	0.11
1,500,000	Ford Motor Credit Co. LLC, senior note, 7.00%, 04/15/15	USA	USD	1,629,917	0.10
1,500,000	MGM Resorts International, senior note, 6.625%, 07/15/15	USA	USD	1,606,875	0.10
1,500,000	Kinder Morgan Finance Co. LLC, senior secured note, 144A, 6.00%, 01/15/18	USA	USD	1,581,830	0.10
1,500,000	Wind Acquisition Finance SA, senior secured note, 144A, 11.75%, 07/15/17	ITA	USD	1,567,500	0.10
1,600,000	Zoetis Inc., senior note, 144A, 1.875%, 02/01/18	USA	USD	1,567,459	0.10
1,500,000	Hyundai Capital America, senior note, Reg S, 4.00%, 06/08/17	KOR	USD	1,555,028	0.10
1,500,000	Amgen Inc., senior note, 1.875%, 11/15/14	USA	USD	1,523,034	0.10
1,400,000	DISH DBS Corp., senior note, 7.125%, 02/01/16	USA	USD	1,522,500	0.10
1,500,000	Drill Rigs Holdings Inc., secured note, 144A, 6.50%, 10/01/17	USA	USD	1,503,750	0.10
1,500,000	WellPoint Inc., senior note, 1.875%, 01/15/18	USA	USD	1,469,772	0.09
1,100,000	Ineos Group Holdings SA, senior note, Reg S, 6.50%, 08/15/18	GBR	EUR	1,372,831	0.09
1,300,000	CGG, senior note, 9.50%, 05/15/16	FRA	USD	1,363,375	0.09
1,300,000	Reynolds American Inc., senior note, 1.05%, 10/30/15	USA	USD	1,300,195	0.08
1,300,000	GDF Suez, senior note, 144A, 1.625%, 10/10/17	FRA	USD	1,279,740	0.08
1,000,000	BB&T Corp., sub. note, 5.20%, 12/23/15	USA	USD	1,092,699	0.07
1,000,000	Express Scripts Holding Co., senior note, 3.50%, 11/15/16	USA	USD	1,062,201	0.07
1,000,000	The Dow Chemical Co., senior note, 2.50%, 02/15/16	USA	USD	1,031,822	0.07
1,000,000	Teva Pharmaceutical Finance Co. BV, senior note, 2.40%, 11/10/16	ISR	USD	1,031,380	0.07
1,100,000	Bright Food Hong Kong Ltd., senior note, Reg S, 3.00%, 05/21/18	CHN	USD	1,022,841	0.07
1,000,000	ArcelorMittal, senior note, 4.50%, 02/25/17	LUX	USD	1,017,500	0.06
1,000,000	Ford Motor Credit Co. LLC, 2.50%, 01/15/16	USA	USD	1,009,206	0.06
1,000,000	Duke Energy Corp., senior note, 2.10%, 06/15/18	USA	USD	994,585	0.06
1,000,000	BB&T Corp., senior note, 2.05%, 06/19/18	USA	USD	986,210	0.06
1,000,000	Morgan Stanley, senior note, FRN, 0.757%, 10/15/15 †	USA	USD	981,092	0.06
700,000	Kerling PLC, senior secured note, Reg S, 10.625%, 02/01/17	GBR	EUR	957,018	0.06
1,000,000	Abengoa Finance SAU, senior note, 144A, 8.875%, 11/01/17	ESP	USD	943,125	0.06
800,000	Constellation Brands Inc., senior note, 7.25%, 05/15/17	USA	USD	916,000	0.06
900,000	CNH Capital LLC, senior note, 3.875%, 11/01/15	USA	USD	909,000	0.06
1,000,000	Quicksilver Resources Inc., secured note, second lien, 144A, FRN, 7.00%, 06/21/19 †	USA	USD	905,000	0.06
800,000	inVentiv Health Inc., senior note, 144A, 9.00%, 01/15/18	USA	USD	838,000	0.05
600,000	CIT Group Inc., 4.25%, 08/15/17	USA	USD	605,250	0.04
400,000	CIT Group Inc., senior note, 5.00%, 05/15/17	USA	USD	410,500	0.03
300,000	Dollar General Corp., senior note, 4.125%, 07/15/17	USA	USD	316,631	0.02
300,000	Euramax International Inc., senior secured note, 9.50%, 04/01/16	USA	USD	288,750	0.02
141,000	Regions Financial Corp., senior note, 7.75%, 11/10/14	USA	USD	152,411	0.01
100,000	SLM Corp., senior note, 8.45%, 06/15/18	USA	USD	111,500	0.01
				<b>446,002,805</b>	<b>28.41</b>
<b>Government and Municipal Bonds</b>					
70,000,000	U.S. Treasury Note, 0.375%, 04/15/15	USA	USD	70,057,400	4.46
40,000,000	U.S. Treasury Note, 2.375%, 08/31/14	USA	USD	41,006,240	2.61
38,000,000	U.S. Treasury Note, 2.375%, 10/31/14	USA	USD	39,085,812	2.49
36,700,000	U.S. Treasury Note, 4.00%, 02/15/15	USA	USD	38,899,137	2.48
37,000,000	U.S. Treasury Note, 2.50%, 03/31/15	USA	USD	38,408,442	2.45
36,100,000	U.S. Treasury Note, 2.375%, 02/28/15	USA	USD	37,347,291	2.38
30,000,000	U.S. Treasury Note, 4.25%, 08/15/14	USA	USD	31,358,790	2.00
28,000,000	U.S. Treasury Note, 0.375%, 03/15/15	USA	USD	28,031,724	1.79
20,500,000	U.S. Treasury Note, 2.50%, 04/30/15	USA	USD	21,307,987	1.36
18,000,000	U.S. Treasury Note, 2.125%, 11/30/14	USA	USD	18,479,880	1.18
16,000,000	U.S. Treasury Note, 4.25%, 11/15/14	USA	USD	16,881,248	1.08
12,000,000	U.S. Treasury Note, 2.625%, 07/31/14	USA	USD	12,314,532	0.78
10,000,000	U.S. Treasury Note, 4.125%, 05/15/15	USA	USD	10,705,860	0.68
10,600,000	FNMA, 0.50%, 07/02/15	USA	USD	10,619,334	0.68
9,274,178	FNMA, ARM, 2.605%, 09/01/39	USA	USD	9,872,531	0.63
6,321,445	U.S. Treasury Note, Index Linked, 0.125%, 04/15/16	USA	USD	6,486,396	0.41
6,000,000	Government of Hungary, 4.75%, 02/03/15	HUN	USD	6,110,700	0.39
21,905,000	Government of Poland, Strip, 01/25/16	POL	PLN	6,083,276	0.39
4,523,408	FHLMC, ARM, 2.772%, 11/01/37	USA	USD	4,816,513	0.31

The accompanying notes form an integral

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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds</b> (continued)					
4,430,223	FHLMC, ARM, 2.631%, 05/01/37	USA	USD	4,731,760	0.30
4,370,982	FNMA, 3.50%, 10/01/25	USA	USD	4,567,913	0.29
547,700	Government of Mexico, 9.50%, 12/18/14	MEX	MXN	4,549,316	0.29
534,690	Government of Mexico, 8.00%, 12/17/15	MEX	MXN	4,471,183	0.29
4,000,000	Florida Hurricane Carastrophe Fund Finance Corp. Revenue, Series A, 2.107%, 07/01/18	USA	USD	3,873,440	0.25
3,441,308	FNMA, 4.00%, 04/01/25	USA	USD	3,634,773	0.23
8,300,000	Government of Malaysia, 3.434%, 08/15/14	MYS	MYR	2,636,592	0.17
2,332,489	FNMA, ARM, 2.504%, 12/01/36	USA	USD	2,469,098	0.16
2,750,000,000	Korea Monetary Stabilization Bond, senior bond, 2.47%, 04/02/15	KOR	KRW	2,390,401	0.15
2,124,820	FNMA, 5.00%, 04/01/38	USA	USD	2,283,849	0.15
2,033,083	FNMA, 5.00%, 01/01/39	USA	USD	2,185,246	0.14
2,063,960	FNMA, 4.00%, 07/01/19	USA	USD	2,183,805	0.14
2,000,000	Acalanes UHSD, GO, Refunding, 1.427%, 08/01/18	USA	USD	1,938,300	0.12
1,757,544	U.S. Treasury Note, Index Linked, 2.00%, 01/15/16	USA	USD	1,888,398	0.12
1,695,000	California State Public Works Board Lease Revenue, Various Capital Projects, Series E, 3.183%, 12/01/14	USA	USD	1,729,646	0.11
1,367,442	FHLMC, ARM, 2.753%, 10/01/36	USA	USD	1,463,299	0.09
4,510,000	Government of Malaysia, 3.741%, 02/27/15	MYS	MYR	1,440,191	0.09
1,300,213	FNMA, 3.00%, 03/01/27	USA	USD	1,341,489	0.09
1,217,916	U.S. Treasury Note, Index Linked, 1.625%, 01/15/15	USA	USD	1,266,918	0.08
1,210,000	California State GO, 5.10%, 08/01/14	USA	USD	1,233,583	0.08
1,151,126	FNMA, 4.00%, 07/01/25	USA	USD	1,215,753	0.08
1,000,220	FNMA, ARM, 2.351%, 03/01/37	USA	USD	1,065,945	0.07
979,406	FNMA, 5.00%, 05/01/35	USA	USD	1,054,666	0.07
3,230,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	1,033,627	0.07
1,152,180,000	Korea Treasury Bond, senior note, 3.25%, 12/10/14	KOR	KRW	1,015,482	0.06
3,462,000	Government of Poland, Strip, 07/25/15	POL	PLN	979,053	0.06
822,492	FNMA, 3.00%, 12/01/27	USA	USD	849,374	0.05
720,944	FHLMC, ARM, 2.534%, 06/01/35	USA	USD	771,702	0.05
716,522	FHLMC, ARM, 2.765%, 06/01/34	USA	USD	766,865	0.05
719,235	FHLMC, ARM, 2.434%, 02/01/36	USA	USD	765,973	0.05
698,395	FNMA, 5.00%, 07/01/35	USA	USD	752,062	0.05
714,804	FNMA, ARM, 2.07%, 11/01/35	USA	USD	748,835	0.05
655,501	FNMA, ARM, 2.601%, 06/01/36	USA	USD	697,203	0.04
651,014	FNMA, ARM, 2.695%, 04/01/36	USA	USD	685,973	0.04
647,972	FHLMC, ARM, 2.249%, 07/01/24	USA	USD	680,268	0.04
637,358	FHLMC, ARM, 2.62%, 05/01/36	USA	USD	675,290	0.04
583,453	FNMA, ARM, 2.686%, 10/01/36	USA	USD	621,198	0.04
570,828	FHLMC, ARM, 5.817%, 04/01/37	USA	USD	613,885	0.04
574,578	FNMA, ARM, 2.507%, 02/01/33	USA	USD	613,369	0.04
579,243	FHLMC, ARM, 2.917%, 08/01/34	USA	USD	613,353	0.04
575,205	FHLMC, ARM, 2.634%, 09/01/35	USA	USD	612,770	0.04
564,064	FNMA, 5.00%, 06/01/38	USA	USD	606,281	0.04
1,905,000	Government of Malaysia, 3.197%, 10/15/15	MYS	MYR	601,668	0.04
558,686	FNMA, ARM, 2.709%, 08/01/33	USA	USD	592,507	0.04
558,572	FNMA, ARM, 2.012%, 03/01/36	USA	USD	585,938	0.04
534,854	FNMA, ARM, 2.616%, 06/01/35	USA	USD	571,372	0.04
517,059	FNMA, ARM, 2.607%, 03/01/36	USA	USD	552,698	0.04
513,116	FNMA, ARM, 2.383%, 08/01/35	USA	USD	540,481	0.03
505,514	FNMA, ARM, 2.231%, 05/01/35	USA	USD	535,141	0.03
496,006	FNMA, ARM, 2.935%, 09/01/34	USA	USD	528,497	0.03
490,175	FNMA, ARM, 2.364%, 03/01/35	USA	USD	520,030	0.03
488,837	FHLMC, ARM, 5.252%, 02/01/38	USA	USD	518,919	0.03
481,386	FNMA, ARM, 2.487%, 01/01/27	USA	USD	514,319	0.03
462,663	FHLMC, ARM, 2.249%, 04/01/25	USA	USD	485,678	0.03
461,328	FNMA, ARM, 2.234%, 01/01/36	USA	USD	485,372	0.03
59,470	Government of Mexico, 6.25%, 06/16/16	MEX	MXN	481,352	0.03
450,215	FNMA, ARM, 2.677%, 02/01/37	USA	USD	480,258	0.03
448,597	FNMA, ARM, 2.469%, 03/01/33	USA	USD	475,984	0.03
1,427,000	Government of Poland, 6.25%, 10/24/15	POL	PLN	458,585	0.03
427,837	FNMA, ARM, 2.653%, 11/01/39	USA	USD	456,738	0.03
421,902	FNMA, ARM, 2.616%, 12/01/35	USA	USD	448,953	0.03
1,427,000	Government of Poland, 5.50%, 04/25/15	POL	PLN	448,033	0.03
408,342	FHLMC, ARM, 2.861%, 11/01/35	USA	USD	435,564	0.03
404,449	FHLMC, ARM, 5.081%, 03/01/38	USA	USD	434,342	0.03
403,989	FNMA, ARM, 2.403%, 05/01/37	USA	USD	429,476	0.03
401,237	FNMA, ARM, 2.894%, 10/01/33	USA	USD	429,314	0.03
397,441	FNMA, ARM, 2.421%, 02/01/33	USA	USD	423,976	0.03
396,955	FHLMC, ARM, 2.357%, 03/01/33	USA	USD	421,536	0.03
390,100	FNMA, ARM, 1.96%, 01/01/33	USA	USD	409,632	0.03
385,589	FNMA, ARM, 2.355%, 07/01/35	USA	USD	399,066	0.03
364,884	FHLMC, ARM, 2.64%, 03/01/39	USA	USD	389,691	0.03
359,429	FNMA, ARM, 2.314%, 01/01/36	USA	USD	383,357	0.02
351,137	FHLMC, ARM, 2.375%, 07/01/36	USA	USD	375,875	0.02
327,004	FHLMC, ARM, 5.971%, 05/01/37	USA	USD	352,236	0.02
330,944	FNMA, ARM, 2.329%, 12/01/34	USA	USD	351,214	0.02



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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds</b> (continued)					
313,743	FNMA, ARM, 1.766%, 01/01/35	USA	USD	326,703	0.02
293,295	FNMA, ARM, 2.353%, 11/01/35	USA	USD	312,084	0.02
284,715	FHLMC, ARM, 2.827%, 07/01/36	USA	USD	302,171	0.02
280,154	FHLMC, ARM, 2.76%, 02/01/36	USA	USD	298,545	0.02
273,159	FHLMC, ARM, 2.551%, 05/01/35	USA	USD	292,062	0.02
266,556	FHLMC, ARM, 2.59%, 12/01/36	USA	USD	283,711	0.02
264,901	FHLMC, ARM, 2.322%, 10/01/35	USA	USD	280,128	0.02
262,238	FHLMC, ARM, 2.37%, 05/01/36	USA	USD	279,262	0.02
259,269	FNMA, ARM, 2.374%, 06/01/33	USA	USD	276,743	0.02
200,000	Government of Hungary, Reg S, 6.75%, 07/28/14	HUN	EUR	272,696	0.02
250,182	FHLMC, ARM, 2.419%, 02/01/33	USA	USD	266,324	0.02
253,509	FNMA, ARM, 2.249%, 11/01/32	USA	USD	265,854	0.02
239,981	FHLMC, ARM, 2.125%, 08/01/36	USA	USD	253,418	0.02
281,070,000	Korea Treasury Bond, senior note, 3.25%, 06/10/15	KOR	KRW	247,946	0.02
226,139	FNMA, ARM, 5.428%, 02/01/38	USA	USD	245,885	0.02
228,526	FHLMC, ARM, 2.843%, 02/01/37	USA	USD	243,730	0.02
221,945	FHLMC, ARM, 2.461%, 04/01/32	USA	USD	237,252	0.02
218,032	FHLMC, ARM, 2.874%, 09/01/37	USA	USD	232,250	0.02
218,041	FHLMC, ARM, 2.378%, 03/01/36	USA	USD	231,521	0.01
214,975	FNMA, ARM, 2.54%, 01/01/33	USA	USD	228,716	0.01
213,255	FHLMC, ARM, 3.83%, 06/01/25	USA	USD	228,078	0.01
211,369	FNMA, ARM, 2.144%, 04/01/36	USA	USD	224,196	0.01
209,534	FHLMC, ARM, 3.005%, 06/01/37	USA	USD	223,007	0.01
207,136	FNMA, ARM, 2.507%, 10/01/35	USA	USD	218,978	0.01
204,481	FNMA, ARM, 2.482%, 10/01/33	USA	USD	217,922	0.01
201,325	FHLMC, ARM, 2.699%, 12/01/35	USA	USD	215,093	0.01
204,010	FHLMC, ARM, 2.103%, 09/01/33	USA	USD	214,053	0.01
200,778	FHLMC, ARM, 2.535%, 12/01/37	USA	USD	213,970	0.01
199,028	FHLMC, ARM, 2.667%, 03/01/36	USA	USD	212,212	0.01
201,199	FNMA, ARM, 2.438%, 08/01/35	USA	USD	212,004	0.01
204,691	FNMA, ARM, 1.997%, 05/01/24	USA	USD	210,550	0.01
196,475	FNMA, ARM, 2.648%, 06/01/36	USA	USD	210,490	0.01
202,730	FHLMC, ARM, 2.25%, 08/01/29	USA	USD	205,470	0.01
192,442	FNMA, ARM, 2.576%, 02/01/35	USA	USD	205,293	0.01
223,990,000	Korea Treasury Bond, senior note, 2.75%, 12/10/15	KOR	KRW	195,101	0.01
179,045	FNMA, ARM, 5.411%, 02/01/38	USA	USD	194,748	0.01
181,379	FNMA, ARM, 1.867%, 06/01/35	USA	USD	188,805	0.01
175,991	FHLMC, ARM, 2.712%, 03/01/35	USA	USD	188,733	0.01
179,596	FNMA, ARM, 3.125%, 08/01/37	USA	USD	188,048	0.01
174,352	FHLMC, ARM, 2.478%, 12/01/23	USA	USD	185,708	0.01
174,226	FHLMC, ARM, 2.327%, 02/01/34	USA	USD	185,403	0.01
174,191	FHLMC, ARM, 2.066%, 11/01/21	USA	USD	183,887	0.01
166,903	FNMA, ARM, 2.50%, 07/01/33	USA	USD	177,213	0.01
159,341	FNMA, ARM, 2.348%, 07/01/35	USA	USD	170,952	0.01
162,182	FNMA, ARM, 1.94%, 07/01/33	USA	USD	170,659	0.01
154,142	FNMA, ARM, 5.995%, 04/01/47	USA	USD	165,951	0.01
155,637	FNMA, ARM, 2.371%, 12/01/28	USA	USD	164,478	0.01
153,054	FHLMC, ARM, 2.213%, 10/01/23	USA	USD	162,867	0.01
148,998	FHLMC, ARM, 5.865%, 08/01/37	USA	USD	160,608	0.01
148,580	FNMA, ARM, 3.014%, 03/01/39	USA	USD	157,447	0.01
146,791	FNMA, ARM, 2.498%, 02/01/34	USA	USD	156,552	0.01
147,239	FNMA, ARM, 2.053%, 11/01/35	USA	USD	154,736	0.01
142,673	FNMA, ARM, 2.67%, 03/01/36	USA	USD	153,069	0.01
142,003	FHLMC, ARM, 4.851%, 04/01/38	USA	USD	151,471	0.01
169,560,000	Korea Monetary Stabilization Bond, senior note, 2.74%, 02/02/15	KOR	KRW	148,124	0.01
136,003	FNMA, ARM, 2.116%, 11/01/33	USA	USD	144,082	0.01
140,922	FHLMC, ARM, 4.241%, 06/01/23	USA	USD	143,706	0.01
136,358	FNMA, ARM, 4.339%, 09/01/33	USA	USD	143,619	0.01
134,043	FHLMC, ARM, 2.564%, 04/01/30	USA	USD	143,078	0.01
133,557	FNMA, ARM, 2.153%, 02/01/33	USA	USD	141,954	0.01
139,332	FHLMC, ARM, 4.023%, 08/01/23	USA	USD	141,391	0.01
140,061	FHLMC, ARM, 2.389%, 10/01/29	USA	USD	141,094	0.01
130,893	FHLMC, ARM, 2.51%, 01/01/32	USA	USD	134,544	0.01
124,519	FHLMC, ARM, 2.517%, 12/01/30	USA	USD	133,365	0.01
122,518	FHLMC, ARM, 3.015%, 02/01/37	USA	USD	131,136	0.01
121,125	FHLMC, ARM, 2.348%, 12/01/32	USA	USD	128,595	0.01
116,477	FNMA, ARM, 4.614%, 01/01/38	USA	USD	125,639	0.01
116,132	FNMA, ARM, 2.598%, 07/01/34	USA	USD	125,636	0.01
115,830	FNMA, ARM, 2.619%, 02/01/36	USA	USD	123,214	0.01
121,810	FNMA, ARM, 2.52%, 03/01/31	USA	USD	123,079	0.01
121,476	FHLMC, ARM, 1.956%, 03/01/24	USA	USD	122,941	0.01
116,915	FNMA, ARM, 2.249%, 10/01/32	USA	USD	122,103	0.01
111,775	GNMA, ARM, 1.75%, 08/20/29	USA	USD	116,826	0.01
25,900,000	Government of Hungary, 5.50%, 12/22/16	HUN	HUF	115,845	0.01
110,987	FNMA, ARM, 1.975%, 07/01/34	USA	USD	112,737	0.01
109,093	FHLMC, ARM, 2.936%, 11/01/20	USA	USD	112,270	0.01
105,935	FNMA, ARM, 2.343%, 09/01/33	USA	USD	111,323	0.01

The accompanying notes form an integral

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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds</b> (continued)					
107,551	FNMA, ARM, 2.677%, 03/01/18	USA	USD	110,323	0.01
105,481	FNMA, ARM, 1.569%, 09/01/40	USA	USD	109,692	0.01
106,597	FNMA, ARM, 1.46%, 04/01/32	USA	USD	109,486	0.01
105,862	FNMA, ARM, 2.26%, 10/01/43	USA	USD	108,463	0.01
103,220	GNMA, ARM, 1.625%, 12/20/23	USA	USD	107,724	0.01
101,468	FHLMC, ARM, 2.375%, 07/01/34	USA	USD	106,281	0.01
102,629	FNMA, ARM, 1.964%, 07/01/20	USA	USD	105,755	0.01
99,798	FNMA, ARM, 2.307%, 03/01/19	USA	USD	104,063	0.01
98,390	GNMA, ARM, 1.625%, 11/20/24	USA	USD	102,686	0.01
90,124	FNMA, ARM, 2.312%, 02/01/34	USA	USD	95,819	0.01
88,385	FNMA, ARM, 2.491%, 11/01/36	USA	USD	93,932	0.01
88,168	FNMA, ARM, 2.303%, 04/01/37	USA	USD	93,382	0.01
92,684	FHLMC, ARM, 2.388%, 09/01/29	USA	USD	93,021	0.01
86,460	FHLMC, ARM, 5.00%, 12/01/30	USA	USD	88,266	0.01
80,370	FNMA, ARM, 4.338%, 02/01/30	USA	USD	86,477	0.01
81,389	GNMA, ARM, 1.75%, 07/20/32	USA	USD	85,091	0.01
79,694	FHLMC, ARM, 2.53%, 11/01/35	USA	USD	84,941	0.01
80,814	GNMA, ARM, 1.625%, 11/20/29	USA	USD	84,343	0.01
79,293	GNMA, ARM, 1.75%, 04/20/28	USA	USD	82,774	0.01
93,960,000	Korea Monetary Stabilization Bond, senior note, 2.84%, 12/02/14	KOR	KRW	82,251	0.01
76,720	FHLMC, ARM, 2.321%, 09/01/24	USA	USD	80,481	0.01
74,400	FNMA, ARM, 2.60%, 11/01/36	USA	USD	79,674	0.01
16,530,000	Government of Hungary, A, 8.00%, 02/12/15	HUN	HUF	76,844	0.01
72,463	FNMA, ARM, 2.166%, 02/01/31	USA	USD	76,810	0.01
71,890	FNMA, ARM, 2.705%, 02/01/36	USA	USD	76,509	0.01
71,734	FHLMC, ARM, 2.375%, 11/01/31	USA	USD	76,251	0.01
71,238	FNMA, ARM, 2.755%, 04/01/33	USA	USD	75,692	0.01
69,818	FHLMC, ARM, 5.51%, 05/01/37	USA	USD	75,553	0.01
70,077	FNMA, ARM, 2.32%, 07/01/37	USA	USD	75,270	0.00
73,121	FHLMC, ARM, 3.885%, 07/01/21	USA	USD	75,245	0.00
70,800	FNMA, ARM, 2.617%, 07/01/35	USA	USD	74,608	0.00
67,470	FNMA, ARM, 2.336%, 05/01/36	USA	USD	70,062	0.00
64,078	FNMA, ARM, 5.546%, 08/01/34	USA	USD	69,417	0.00
67,470	FNMA, ARM, 1.369%, 08/01/42	USA	USD	68,919	0.00
64,359	FHLMC, ARM, 2.07%, 04/01/37	USA	USD	68,016	0.00
7,900	Government of Mexico, 6.00%, 06/18/15	MEX	MXN	62,855	0.00
58,348	FNMA, ARM, 2.517%, 04/01/36	USA	USD	62,105	0.00
58,521	FNMA, ARM, 2.575%, 04/01/38	USA	USD	61,519	0.00
56,231	FNMA, ARM, 1.785%, 04/01/27	USA	USD	59,197	0.00
53,863	FNMA, ARM, 2.322%, 01/01/21	USA	USD	57,527	0.00
54,272	GNMA, ARM, 3.50%, 02/20/21	USA	USD	57,039	0.00
53,467	FNMA, ARM, 2.34%, 07/01/33	USA	USD	56,751	0.00
52,857	FNMA, ARM, 2.813%, 10/01/25	USA	USD	56,690	0.00
53,625	FNMA, ARM, 2.323%, 09/01/34	USA	USD	56,382	0.00
54,994	FHLMC, ARM, 2.21%, 04/01/24	USA	USD	55,547	0.00
51,064	FNMA, ARM, 4.421%, 09/01/25	USA	USD	55,241	0.00
52,945	GNMA, ARM, 1.625%, 12/20/24	USA	USD	54,809	0.00
53,870	FNMA, ARM, 2.288%, 07/01/31	USA	USD	54,511	0.00
48,728	FHLMC, ARM, 2.358%, 06/01/31	USA	USD	50,078	0.00
47,184	FNMA, ARM, 2.393%, 05/01/33	USA	USD	48,488	0.00
45,315	FHLMC, ARM, 2.358%, 10/01/23	USA	USD	48,344	0.00
44,676	FHLMC, ARM, 2.64%, 01/01/37	USA	USD	47,682	0.00
43,352	FNMA, ARM, 2.125%, 12/01/31	USA	USD	46,017	0.00
42,843	FNMA, ARM, 2.546%, 12/01/39	USA	USD	45,518	0.00
42,861	FHLMC, ARM, 2.22%, 07/01/37	USA	USD	45,310	0.00
42,529	FNMA, ARM, 2.401%, 09/01/32	USA	USD	45,278	0.00
43,594	FHLMC, ARM, 5.595%, 02/01/28	USA	USD	43,796	0.00
41,217	FNMA, ARM, 2.75%, 10/01/28	USA	USD	43,504	0.00
40,177	FNMA, ARM, 2.449%, 08/01/37	USA	USD	42,810	0.00
36,265	FNMA, ARM, 2.394%, 07/01/27	USA	USD	38,898	0.00
37,446	FHLMC, ARM, 2.60%, 12/01/31	USA	USD	38,201	0.00
37,978	FNMA, ARM, 2.60%, 06/01/32	USA	USD	38,080	0.00
34,621	FNMA, ARM, 2.361%, 02/01/30	USA	USD	35,357	0.00
33,770	FNMA, ARM, 2.398%, 02/01/33	USA	USD	35,048	0.00
28,866	FHLMC, ARM, 2.327%, 08/01/31	USA	USD	30,819	0.00
28,204	FHLMC, ARM, 2.638%, 02/01/36	USA	USD	30,002	0.00
27,452	FNMA, ARM, 2.393%, 01/01/36	USA	USD	29,207	0.00
27,481	FNMA, ARM, 2.20%, 09/01/31	USA	USD	28,595	0.00
27,574	FHLMC, ARM, 3.033%, 07/01/31	USA	USD	27,912	0.00
27,283	FNMA, ARM, 2.005%, 08/01/31	USA	USD	27,819	0.00
26,300	FNMA, ARM, 1.843%, 10/01/32	USA	USD	27,506	0.00
23,913	FNMA, ARM, 2.416%, 04/01/24	USA	USD	25,558	0.00
23,798	FNMA, ARM, 5.144%, 09/01/35	USA	USD	25,543	0.00
23,488	FNMA, ARM, 2.086%, 06/01/35	USA	USD	24,990	0.00
5,200,000	Government of Hungary, 7.75%, 08/24/15	HUN	HUF	24,387	0.00
22,866	FNMA, ARM, 2.527%, 06/01/34	USA	USD	24,235	0.00
22,740	FNMA, ARM, 1.569%, 08/01/40	USA	USD	23,345	0.00

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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds</b> (continued)					
18,960	FNMA, ARM, 2.574%, 05/01/36	USA	USD	20,215	0.00
18,942	FNMA, ARM, 2.415%, 08/01/32	USA	USD	19,950	0.00
18,789	FNMA, ARM, 2.382%, 12/01/29	USA	USD	19,880	0.00
17,665	FNMA, ARM, 2.401%, 05/01/27	USA	USD	18,911	0.00
16,768	FNMA, ARM, 6.13%, 03/01/37	USA	USD	18,100	0.00
15,399	FNMA, ARM, 2.813%, 10/01/27	USA	USD	16,512	0.00
14,740	FNMA, ARM, 2.261%, 04/01/33	USA	USD	15,713	0.00
14,232	FHLMC, ARM, 3.495%, 02/01/21	USA	USD	14,381	0.00
40,000	Government of Malaysia, 4.72%, 09/30/15	MYS	MYR	13,080	0.00
12,557	FNMA, ARM, 2.122%, 11/01/32	USA	USD	12,685	0.00
11,247	FNMA, ARM, 2.935%, 08/01/33	USA	USD	12,026	0.00
10,466	FHLMC, ARM, 4.816%, 02/01/35	USA	USD	11,215	0.00
8,756	FHLMC, ARM, 2.348%, 04/01/33	USA	USD	9,333	0.00
7,698	FNMA, ARM, 2.333%, 03/01/35	USA	USD	8,150	0.00
7,622	FNMA, ARM, 1.483%, 04/01/37	USA	USD	7,910	0.00
6,332	FNMA, ARM, 2.249%, 09/01/27	USA	USD	6,757	0.00
6,455	FNMA, ARM, 2.50%, 01/01/17	USA	USD	6,523	0.00
6,098	FHLMC, ARM, 2.357%, 07/01/31	USA	USD	6,157	0.00
5,479	FNMA, ARM, 2.517%, 06/01/36	USA	USD	5,834	0.00
3,096	FNMA, ARM, 2.608%, 05/01/36	USA	USD	3,308	0.00
				<b>553,033,337</b>	<b>35.23</b>
<b>Securities Maturing Within One Year</b>					
27,300,000	U.S. Treasury Note, 2.00%, 11/30/13	USA	USD	27,514,878	1.75
17,800,000	U.S. Treasury Note, 2.75%, 10/31/13	USA	USD	17,957,494	1.14
20,405,000,000	Korea Treasury Bond, senior bond, 3.00%, 12/10/13	KOR	KRW	17,890,082	1.14
15,000,000	U.S. Treasury Note, 1.875%, 02/28/14	USA	USD	15,172,560	0.97
13,000,000	Morgan Stanley, senior note, 6.00%, 05/13/14	USA	USD	13,522,808	0.86
13,000,000	U.S. Treasury Note, 1.75%, 01/31/14	USA	USD	13,123,656	0.84
11,000,000	U.S. Treasury Note, 0.50%, 11/15/13	USA	USD	11,016,544	0.70
60,000,000	Nykredit Realkredit AS, secured note, 2.00%, 04/01/14	DNK	DKK	10,607,918	0.68
10,000,000	Windstream Corp., senior note, 8.125%, 08/01/13	USA	USD	10,040,000	0.64
62,010,000	Government of Sweden, 6.75%, 05/05/14	SWE	SEK	9,697,716	0.62
8,100,000	U.S. Treasury Note, 4.25%, 11/15/13	USA	USD	8,225,137	0.52
52,290,000	Government of Sweden, 1.50%, 08/30/13	SWE	SEK	7,804,224	0.50
40,000,000	Nykredit Realkredit AS, secured note, 2.00%, 10/01/13	DNK	DKK	7,012,993	0.45
7,000,000	HCA Inc., senior note, 6.75%, 07/15/13	USA	USD	7,007,000	0.45
8,600,000	Government of Singapore, senior bond, 2.25%, 07/01/13	SGP	SGD	6,786,348	0.43
6,263,506	U.S. Treasury Note, Index Linked, 1.25%, 04/15/14	USA	USD	6,352,567	0.40
6,000,000	Citigroup Inc., senior note, FRN, 0.399%, 03/07/14 †	USA	USD	5,989,938	0.38
19,140,000	Government of Poland, 5.75%, 04/25/14	POL	PLN	5,894,613	0.38
3,700,000	JPMorgan Chase & Co., senior note, 4.375%, 01/30/14	USA	EUR	4,926,659	0.31
14,870,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	4,786,008	0.31
3,000,000	The Goldman Sachs Group Inc., senior note, 4.75%, 01/28/14	USA	EUR	3,998,317	0.25
3,300,000	Brandbrew SA, senior note, 4.50%, 06/11/14	BEL	CHF	3,632,934	0.23
450,000	Government of Mexico, 8.00%, 12/19/13	MEX	MXN	3,537,330	0.23
3,500,000	Morgan Stanley, senior note, FRN, 0.579%, 01/09/14 †	USA	USD	3,491,089	0.22
3,000,000	U.S. Treasury Note, 4.75%, 05/15/14	USA	USD	3,119,298	0.20
3,000,000	Verizon Communications Inc., senior note, FRN, 0.886%, 03/28/14 †	USA	USD	3,009,390	0.19
116,000,000	Government of the Philippines, senior note, 6.25%, 01/27/14	PHL	PHP	2,745,475	0.18
2,000,000	JPMorgan Chase & Co., senior note, 6.125%, 04/01/14	USA	EUR	2,713,420	0.17
2,532,391	U.S. Treasury Note, Index Linked, 1.875%, 07/15/13	USA	USD	2,536,149	0.16
2,500,000	NBCUniversal Media LLC, senior note, 2.10%, 04/01/14	USA	USD	2,530,578	0.16
2,500,000	BB&T Corp., senior note, 2.05%, 04/28/14	USA	USD	2,524,250	0.16
2,922,000	Singapore Treasury Bill, 0.00%, 05/02/14	SGP	SGD	2,300,389	0.15
2,850,000	Singapore Treasury Bill, 0.00%, 07/25/13	SGP	SGD	2,248,647	0.14
2,450,000,000	Korea Monetary Stabilization Bond, senior bond, 3.90%, 08/02/13	KOR	KRW	2,146,977	0.14
2,000,000	Illinois State GO, Series A, ETM, 3.50%, 09/01/13	USA	USD	2,010,420	0.13
2,000,000	John Deere Capital Corp., senior note, FRN, 0.495%, 03/03/14 †	USA	USD	2,003,246	0.13
4,820,000	Bank of Negara Monetary Note, 0.00%, 11/26/13	MYS	MYR	1,507,265	0.10
1,500,000	Xerox Corp., senior note, FRN, 1.094%, 05/16/14 †	USA	USD	1,499,259	0.10
1,400,000	Ally Financial Inc., senior note, 4.50%, 02/11/14	USA	USD	1,415,400	0.09
4,545,000	Bank of Negara Monetary Note, 0.00%, 02/20/14	MYS	MYR	1,411,326	0.09
292,080,000	Hungary Treasury Bill, 0.00%, 03/05/14	HUN	HUF	1,252,632	0.08
4,100,000	Government of Poland, 5.00%, 10/24/13	POL	PLN	1,242,028	0.08
11,766,000,000	Government of Indonesia, FR20, 14.275%, 12/15/13	IDN	IDR	1,232,661	0.08
3,580,000	Bank of Negara Monetary Note, 0.00%, 02/18/14	MYS	MYR	1,111,855	0.07
3,590,000	Bank of Negara Monetary Note, 0.00%, 05/20/14	MYS	MYR	1,106,680	0.07
1,250,000	Singapore Treasury Bill, 0.00%, 11/01/13	SGP	SGD	985,611	0.06
3,195,000	Government of Poland, Strip, 07/25/13	POL	PLN	959,702	0.06
2,865,000	Bank of Negara Monetary Note, 0.00%, 02/25/14	MYS	MYR	889,283	0.06
5,380,000	Sweden Treasury Bill, 0.00%, 09/18/13	SWE	SEK	800,661	0.05
2,500,000	Bank of Negara Monetary Note, 0.00%, 03/06/14	MYS	MYR	775,415	0.05
946,800	Mexico Treasury Bill, 0.00%, 04/30/14	MEX	MXN	706,481	0.05
2,155,000	Bank of Negara Monetary Note, 0.00%, 09/26/13	MYS	MYR	677,244	0.04
850,430	Mexico Treasury Bill, 0.00%, 01/09/14	MEX	MXN	642,577	0.04
2,035,000	Bank of Negara Monetary Note, 0.00%, 12/05/13	MYS	MYR	635,900	0.04
740,000	Government of Singapore, senior bond, 0.25%, 02/01/14	SGP	SGD	583,963	0.04

The accompanying notes form an integral



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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b> (continued)					
580,000	Wayne County GO, 5.00%, 09/15/13	USA	USD	582,975	0.04
500,000	Skagit County Public Hospital District No. 1 Revenue, Refunding and Improvement, Series B, 2.00%, 12/01/13	USA	USD	500,690	0.03
102,520,000	Hungary Treasury Bill, 0.00%, 01/08/14	HUN	HUF	442,449	0.03
1,230,000	Bank of Negara Monetary Note, 0.00%, 10/31/13	MYS	MYR	385,450	0.02
2,250,000	Sweden Treasury Bill, 0.00%, 12/18/13	SWE	SEK	334,084	0.02
59,770,000	Government of Hungary, E, 7.50%, 10/24/13	HUN	HUF	266,301	0.02
260,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 07/26/13	SGP	SGD	205,139	0.01
640,000	Bank of Negara Monetary Note, 0.00%, 12/12/13	MYS	MYR	199,884	0.01
249,600	Mexico Treasury Bill, 0.00%, 10/31/13	MEX	MXN	190,059	0.01
240,000	Singapore Treasury Bill, 0.00%, 08/12/13	SGP	SGD	189,340	0.01
555,000	Bank of Negara Monetary Note, 0.00%, 05/27/14	MYS	MYR	170,992	0.01
166,400	Mexico Treasury Bill, 0.00%, 04/03/14	MEX	MXN	124,536	0.01
350,000	Bank of Negara Monetary Note, 0.00%, 04/24/14	MYS	MYR	108,121	0.01
350,000	Bank of Negara Monetary Note, 0.00%, 05/15/14	MYS	MYR	107,937	0.01
280,000	Bank of Negara Monetary Note, 0.00%, 12/26/13	MYS	MYR	87,345	0.01
277,000	Bank of Negara Monetary Note, 0.00%, 06/05/14	MYS	MYR	85,362	0.01
250,000	Bank of Negara Monetary Note, 0.00%, 02/06/14	MYS	MYR	77,720	0.01
210,000	Bank of Negara Monetary Note, 0.00%, 12/19/13	MYS	MYR	65,546	0.00
14,400,000	Hungary Treasury Bill, 0.00%, 07/24/13	HUN	HUF	63,383	0.00
200,000	Bank of Negara Monetary Note, 0.00%, 11/19/13	MYS	MYR	62,578	0.00
12,900,000	Hungary Treasury Bill, 0.00%, 07/17/13	HUN	HUF	56,826	0.00
165,000	Bank of Negara Monetary Note, 0.00%, 12/31/13	MYS	MYR	51,472	0.00
120,000	Bank of Negara Monetary Note, 0.00%, 06/03/14	MYS	MYR	36,986	0.00
110,000	Bank of Negara Monetary Note, 0.00%, 07/04/13	MYS	MYR	34,807	0.00
110,000	Bank of Negara Monetary Note, 0.00%, 12/10/13	MYS	MYR	34,359	0.00
100,000	Bank of Negara Monetary Note, 0.00%, 07/18/13	MYS	MYR	31,607	0.00
90,000	Bank of Negara Monetary Note, 0.00%, 06/17/14	MYS	MYR	27,710	0.00
80,000	Bank of Negara Monetary Note, 0.00%, 03/27/14	MYS	MYR	24,773	0.00
5,510,000	Hungary Treasury Bill, 0.00%, 09/18/13	HUN	HUF	24,086	0.00
60,000	Bank of Negara Monetary Note, 0.00%, 11/12/13	MYS	MYR	18,784	0.00
40,000	Bank of Negara Monetary Note, 0.00%, 04/03/14	MYS	MYR	12,380	0.00
2,000,000	Government of Hungary, 5.50%, 02/12/14	HUN	HUF	8,898	0.00
				<u>279,925,574</u>	<u>17.83</u>
<b>TOTAL BONDS</b>				<u>1,442,115,008</u>	<u>91.86</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>1,442,115,008</u>	<u>91.86</u>
TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Asset-Backed Securities</b>					
4,903,507	CT CDO IV Ltd., 2006-4A, A1, 144A, FRN, 0.502%, 10/20/43 †	CYM	USD	4,593,482	0.29
4,608,654	Kildare Securities Ltd., 2007-1A, A2, 144A, FRN, 0.394%, 12/10/43 †	IRL	USD	4,428,709	0.28
3,400,000	CT CDO III Ltd., 2005-3A, C, 144A, 5.471%, 06/25/35	CYM	USD	3,425,738	0.22
3,025,639	Fosse Master Issuer PLC, 2011-1A, A2, 144A, FRN, 1.677%, 10/18/54 †	GBR	USD	3,058,285	0.20
2,974,976	Wachovia Bank Commercial Mortgage Trust, 2003-C7, A2, 144A, 5.077%, 10/15/35	USA	USD	2,987,108	0.19
2,500,000	Holmes Master Issuer PLC, 2011-3A, A2, 144A, FRN, 1.827%, 10/15/54 †	GBR	USD	2,534,868	0.16
2,587,932	Crest Ltd., 2004-1A, A, 144A, FRN, 0.606%, 01/28/20 †	CYM	USD	2,528,267	0.16
2,528,569	Terwin Mortgage Trust, 2005-8HE, A3, 144A, FRN, 0.563%, 07/25/35 †	USA	USD	2,523,992	0.16
2,350,000	Anthraxite CDO II Ltd., 2002-2A, D, 144A, 6.97%, 12/24/37	CYM	USD	2,371,197	0.15
2,315,000	G-Force LLC, 2005-RRA, B, 144A, 5.09%, 08/22/36	USA	USD	2,236,140	0.14
2,020,000	Arkle Master Issuer PLC, 2010-2A, 1A1, 144A, FRN, 1.674%, 05/17/60 †	GBR	USD	2,024,143	0.13
1,676,517	G-Force 2005-RR LLC, 2005-RRA, A2, 144A, 4.83%, 08/22/36	USA	USD	1,692,955	0.11
1,500,000	Newcastle CDO IV Ltd., 2004-4A, 3FL, 144A, FRN, 1.273%, 03/24/39 †	CYM	USD	1,500,000	0.10
1,543,527	Newcastle CDO IV Ltd., 2004-5A, 1, 144A, FRN, 0.613%, 12/24/39 †	CYM	USD	1,471,282	0.09
1,138,173	G-Star Ltd., 2002-2A, BFL, 144A, FRN, 2.193%, 10/25/37 †	CYM	USD	1,134,417	0.07
1,054,284	Holmes Master Issuer PLC, 2010-1A, A2, 144A, FRN, 1.677%, 10/15/54 †	GBR	USD	1,060,839	0.07
952,170	LNR CDO 2003-1 Ltd., 2003-1A, B, 144A, FRN, 1.493%, 07/23/36 †	CYM	USD	946,591	0.06
893,719	Banc of America Large Loan, 2010-HLTN, 144A, FRN, 2.493%, 11/15/15 †	USA	USD	896,600	0.06
600,000	Permanent Master Issuer PLC, 144A, FRN, 1.677%, 07/15/42 †	GBR	USD	603,815	0.04
487,733	FDIC Structured Sale Guaranteed Notes, 2010-S1, 1A, 144A, 0.745%, 02/25/48	USA	USD	487,348	0.03
172,295	Countryplace Manufactured Housing Contract Trust, 2005-A3, 144A, 4.80%, 12/15/35	USA	USD	177,876	0.01
44,766	JPMorgan Chase Commercial Mortgage Securities Corp., 2007-FL1A, A1, 144A, FRN, 0.568%, 07/15/19 †	USA	USD	43,590	0.00
30,928	First Plus Home Loan Trust, 1998-1, M1, 6.95%, 01/10/24 **,	USA	USD	0	0.00
67,770	First Plus Home Loan Trust, 1998-5, M1, FRN, 7.42%, 12/10/24 †*,**	USA	USD	0	0.00
				<u>42,727,242</u>	<u>2.72</u>

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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds</b>					
11,808,000	Prudential Covered Trust, secured note, 144A, 2.997%, 09/30/15	USA	USD	12,189,906	0.78
5,600,000	Metropolitan Life Global Funding I, senior note, 144A, 2.00%, 01/09/15	USA	USD	5,688,900	0.36
3,750,000	Schlumberger Norge AS, 144A, 1.95%, 09/14/16	USA	USD	3,823,148	0.24
3,000,000	Hutchison Whampoa International (9/16) Ltd., senior note, 144A, 4.625%, 09/11/15	HKG	USD	3,199,095	0.20
3,000,000	Korea Western Power Co. Ltd., senior note, 144A, 3.125%, 05/10/17	KOR	USD	3,006,375	0.19
2,800,000	Daimler Finance North America LLC, senior note, 144A, 1.875%, 09/15/14	DEU	USD	2,825,334	0.18
2,500,000	Tesco PLC, senior note, 144A, 2.00%, 12/05/14	GBR	USD	2,533,500	0.16
2,000,000	Cemex Finance LLC, senior secured note, 144A, 9.50%, 12/14/16	MEX	USD	2,125,000	0.14
2,000,000	BG Energy Capital PLC, senior note, 144A, 2.875%, 10/15/16	GBR	USD	2,093,580	0.13
2,000,000	SABMiller Holdings Inc., senior note, 144A, 1.85%, 01/15/15	GBR	USD	2,029,686	0.13
1,200,000	CNPC General Capital Ltd., 144A, 2.75%, 04/19/17	CHN	USD	1,202,297	0.08
1,200,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.00%, 04/01/17	AUS	USD	1,173,000	0.08
1,100,000	Sinopec Group Overseas Development 2012 Ltd., senior note, 144A, 2.75%, 05/17/17	CHN	USD	1,107,942	0.07
700,000	CNPC HK Overseas Capital Ltd., senior note, 144A, 3.125%, 04/28/16	CHN	USD	730,225	0.05
600,000	Hutchison Whampoa International 11 Ltd., senior note, 144A, 3.50%, 01/13/17	HKG	USD	620,208	0.04
500,000	Hyundai Capital America, senior note, 144A, 4.00%, 06/08/17	KOR	USD	517,410	0.03
				<u>44,865,606</u>	<u>2.86</u>
<b>Securities Maturing Within One Year</b>					
5,700,000	Korea Hydro & Nuclear Power Co. Ltd., senior note, 144A, 6.25%, 06/17/14	KOR	USD	5,953,736	0.38
2,000,000	Government of Indonesia, senior note, 144A, 6.75%, 03/10/14	IDN	USD	2,067,500	0.13
				<u>8,021,236</u>	<u>0.51</u>
<b>TOTAL BONDS</b>				<u>95,614,084</u>	<u>6.09</u>
<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>95,614,084</u>	<u>6.09</u>
<b>TOTAL INVESTMENTS</b>				<u>1,537,729,092</u>	<u>97.95</u>

† Floating Rates are indicated as at June 30, 2013

\* These Corporate Bonds are currently in default

\*\* These securities are submitted to a Fair Valuation

## — Franklin U.S. Opportunities Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Banks</b>					
306,300	Signature Bank/New York NY	USA	USD	25,429,026	0.93
<b>Capital Goods</b>					
273,710	Precision Castparts Corp.	USA	USD	61,861,197	2.26
166,400	TransDigm Group Inc.	USA	USD	26,086,528	0.95
425,100	Flowserve Corp.	USA	USD	22,959,651	0.84
383,600	United Rentals Inc.	USA	USD	19,145,476	0.70
174,900	Cummins Inc.	USA	USD	18,969,654	0.69
520,300	Hexcel Corp.	USA	USD	17,716,215	0.65
156,500	Rockwell Automation Inc.	USA	USD	13,011,410	0.47
280,100	Fastenal Co.	USA	USD	12,842,585	0.47
412,027	DigitalGlobe Inc.	USA	USD	12,776,957	0.47
291,500	HD Supply Holdings Inc.	USA	USD	5,477,285	0.20
				210,846,958	7.70
<b>Commercial &amp; Professional Services</b>					
415,500	Verisk Analytics Inc., A	USA	USD	24,805,350	0.91
121,100	IHS Inc., A	USA	USD	12,640,418	0.46
				37,445,768	1.37
<b>Consumer Durables &amp; Apparel</b>					
624,500	NIKE Inc., B	USA	USD	39,768,160	1.45
189,600	Ralph Lauren Corp.	USA	USD	32,941,104	1.20
417,200	Under Armour Inc., A	USA	USD	24,911,012	0.91
336,700	Michael Kors Holdings Ltd.	USA	USD	20,882,134	0.76
170,600	Lululemon Athletica Inc.	CAN	USD	11,177,712	0.41
				129,680,122	4.73
<b>Consumer Services</b>					
92,600	Chipotle Mexican Grill Inc.	USA	USD	33,738,810	1.23
617,200	Las Vegas Sands Corp.	USA	USD	32,668,396	1.19
434,700	Starbucks Corp.	USA	USD	28,468,503	1.04
222,129	Buffalo Wild Wings Inc.	USA	USD	21,804,183	0.80
				116,679,892	4.26
<b>Diversified Financials</b>					
192,800	BlackRock Inc.	USA	USD	49,520,680	1.81
734,000	JPMorgan Chase & Co.	USA	USD	38,747,860	1.41
519,900	Citigroup Inc.	USA	USD	24,939,603	0.91
1,525,600	Bank of America Corp.	USA	USD	19,619,216	0.72
115,000	Affiliated Managers Group Inc.	USA	USD	18,853,100	0.69
				151,680,459	5.54
<b>Energy</b>					
895,200	Cobalt International Energy Inc.	USA	USD	23,785,464	0.87
275,400	Anadarko Petroleum Corp.	USA	USD	23,665,122	0.86
338,200	Cameron International Corp.	USA	USD	20,684,312	0.75
356,980	FMC Technologies Inc.	USA	USD	19,876,646	0.73
184,450	Schlumberger Ltd.	USA	USD	13,217,687	0.48
200,800	SM Energy Co.	USA	USD	12,043,984	0.44
1,747,500	Key Energy Services Inc.	USA	USD	10,397,625	0.38
				123,670,840	4.51
<b>Food, Beverage &amp; Tobacco</b>					
650,600	Monster Beverage Corp.	USA	USD	39,536,962	1.45
325,500	Mead Johnson Nutrition Co., A	USA	USD	25,789,365	0.94
109,500	Boston Beer Inc., A	USA	USD	18,685,080	0.68
				84,011,407	3.07
<b>Health Care Equipment &amp; Services</b>					
405,500	Express Scripts Holding Co.	USA	USD	25,015,295	0.91
194,800	The Cooper Cos. Inc.	USA	USD	23,190,940	0.85
286,000	Catamaran Corp.	CAN	USD	13,933,920	0.51
127,700	HeartWare International Inc.	USA	USD	12,145,547	0.44
				74,285,702	2.71
<b>Materials</b>					
332,200	Airgas Inc.	USA	USD	31,711,812	1.16
433,000	LyondellBasell Industries NV, A	USA	USD	28,690,580	1.05
283,600	Monsanto Co.	USA	USD	28,019,680	1.02
135,700	The Sherwin-Williams Co.	USA	USD	23,964,620	0.87
422,803	Celanese Corp., A	USA	USD	18,941,575	0.69
281,500	Axiall Corp.	USA	USD	11,986,270	0.44
				143,314,537	5.23

part of these financial statements

## — Franklin U.S. Opportunities Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Media</b>					
426,600	Time Warner Inc.	USA	USD	24,666,012	0.90
354,800	AMC Networks Inc., A	USA	USD	23,207,468	0.85
166,800	Liberty Media Corp., A	USA	USD	21,143,568	0.77
199,000	The Walt Disney Co.	USA	USD	12,566,850	0.46
				<u>81,583,898</u>	<u>2.98</u>
<b>Pharmaceuticals, Biotechnology &amp; Life Sciences</b>					
1,732,180	Gilead Sciences Inc.	USA	USD	88,704,938	3.24
592,300	Celgene Corp.	USA	USD	69,245,793	2.53
392,700	Actavis Inc.	USA	USD	49,566,594	1.81
161,400	Biogen Idec Inc.	USA	USD	34,733,280	1.27
558,200	Medivation Inc.	USA	USD	27,463,440	1.00
397,500	Jazz Pharmaceuticals PLC	USA	USD	27,320,175	1.00
1,654,093	Celldex Therapeutics Inc.	USA	USD	25,820,392	0.94
250,300	Onyx Pharmaceuticals Inc.	USA	USD	21,731,046	0.79
118,751	Perrigo Co.	USA	USD	14,368,871	0.53
159,300	Allergan Inc.	USA	USD	13,419,432	0.49
311,100	Quintiles Transnational Holdings Inc.	USA	USD	13,240,416	0.48
1,330,797	Amarin Corp. PLC, ADR	GBR	USD	7,718,622	0.28
				<u>393,332,999</u>	<u>14.36</u>
<b>Real Estate</b>					
849,800	CBRE Group Inc.	USA	USD	19,851,328	0.72
346,800	Realogy Holdings Corp.	USA	USD	16,660,272	0.61
				<u>36,511,600</u>	<u>1.33</u>
<b>Retailing</b>					
134,500	Amazon.com Inc.	USA	USD	37,349,305	1.36
31,900	Priceline.com Inc.	USA	USD	26,385,447	0.96
500,500	Dollar General Corp.	USA	USD	25,350,325	0.93
224,200	Ulta Salon Cosmetics & Fragrance Inc.	USA	USD	22,455,872	0.82
355,400	Shutterfly Inc.	USA	USD	19,827,766	0.72
				<u>131,368,715</u>	<u>4.79</u>
<b>Semiconductors &amp; Semiconductor Equipment</b>					
591,400	Semtech Corp.	USA	USD	20,716,742	0.76
1,699,400	ARM Holdings PLC	GBR	GBP	20,540,573	0.75
486,800	Silicon Laboratories Inc.	USA	USD	20,158,388	0.73
				<u>61,415,703</u>	<u>2.24</u>
<b>Software &amp; Services</b>					
126,820	Google Inc., A	USA	USD	111,648,524	4.08
176,800	MasterCard Inc., A	USA	USD	101,571,600	3.71
225,800	Visa Inc., A	USA	USD	41,264,950	1.51
737,100	eBay Inc.	USA	USD	38,122,812	1.39
1,360,900	Yahoo! Inc.	USA	USD	34,172,199	1.25
774,300	Salesforce.com Inc.	USA	USD	29,562,774	1.08
150,800	LinkedIn Corp., A	USA	USD	26,887,640	0.98
490,000	Adobe Systems Inc.	USA	USD	22,324,400	0.81
110,200	Equinix Inc.	USA	USD	20,356,144	0.74
218,100	NetSuite Inc.	USA	USD	20,008,494	0.73
537,700	BroadSoft Inc.	USA	USD	14,840,520	0.54
209,400	Workday Inc.	USA	USD	13,420,446	0.49
307,600	ServiceNow Inc.	USA	USD	12,423,964	0.45
478,100	Facebook Inc., A	USA	USD	11,885,566	0.43
				<u>498,490,033</u>	<u>18.19</u>
<b>Technology Hardware &amp; Equipment</b>					
728,510	QUALCOMM Inc.	USA	USD	44,497,391	1.62
105,530	Apple Inc.	USA	USD	41,798,322	1.53
525,645	ViaSat Inc.	USA	USD	37,562,592	1.37
348,700	F5 Networks Inc.	USA	USD	23,990,560	0.88
843,840	Trimble Navigation Ltd.	USA	USD	21,948,278	0.80
				<u>169,797,143</u>	<u>6.20</u>
<b>Telecommunication Services</b>					
1,113,300	SBA Communications Corp.	USA	USD	82,517,796	3.01
208,800	Crown Castle International Corp.	USA	USD	15,115,032	0.55
				<u>97,632,828</u>	<u>3.56</u>

The accompanying notes form an integral

## — Franklin U.S. Opportunities Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Transportation</b>				
371,473	Kansas City Southern	USA	USD	39,361,279	1.43
286,227	Allegiant Travel Co.	USA	USD	30,337,200	1.11
				<u>69,698,479</u>	<u>2.54</u>
	<b>TOTAL SHARES</b>			<u>2,636,876,109</u>	<u>96.24</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>2,636,876,109</u>	<u>96.24</u>
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>BONDS</b>				
	<b>Securities Maturing Within One Year</b>				
37,400,000	U.S. Treasury Bill, 0.00%, 07/05/13	USA	USD	37,399,962	1.37
5,000,000	U.S. Treasury Bill, 0.00%, 08/08/13	USA	USD	4,999,910	0.18
				<u>42,399,872</u>	<u>1.55</u>
	<b>TOTAL BONDS</b>			<u>42,399,872</u>	<u>1.55</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>42,399,872</u>	<u>1.55</u>
	<b>TOTAL INVESTMENTS</b>			<u>2,679,275,981</u>	<u>97.79</u>

## — Franklin U.S. Small-Mid Cap Growth Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Consumer Discretionary</b>					
40,400	Wolverine World Wide Inc.	USA	USD	2,206,244	1.73
39,700	GNC Holdings Inc., A	USA	USD	1,755,137	1.38
9,100	Ralph Lauren Corp.	USA	USD	1,581,034	1.24
4,300	Chipotle Mexican Grill Inc.	USA	USD	1,566,705	1.23
13,700	Buffalo Wild Wings Inc.	USA	USD	1,344,792	1.06
11,000	Tractor Supply Co.	USA	USD	1,293,710	1.02
19,800	Ross Stores Inc.	USA	USD	1,283,238	1.01
28,850	Jarden Corp.	USA	USD	1,262,187	0.99
24,800	Dick's Sporting Goods Inc.	USA	USD	1,241,488	0.97
23,800	Dollar General Corp.	USA	USD	1,205,470	0.95
21,800	Delphi Automotive PLC	GBR	USD	1,105,042	0.87
16,700	Under Armour Inc., A	USA	USD	997,157	0.78
15,700	Starwood Hotels & Resorts Worldwide Inc.	USA	USD	992,083	0.78
7,700	Liberty Media Corp., A	USA	USD	976,052	0.77
21,400	Tenneco Inc.	USA	USD	968,992	0.76
14,400	AMC Networks Inc., A	USA	USD	941,904	0.74
10,900	BorgWarner Inc.	USA	USD	939,035	0.74
12,600	PetSmart Inc.	USA	USD	844,074	0.66
6,400	Wynn Resorts Ltd.	USA	USD	819,200	0.64
25,300	HomeAway Inc.	USA	USD	818,202	0.64
6,100	Charter Communications Inc., A	USA	USD	755,485	0.59
11,600	Michael Kors Holdings Ltd.	USA	USD	719,432	0.57
7,000	Ulta Salon Cosmetics & Fragrance Inc.	USA	USD	701,120	0.55
10,100	Lululemon Athletica Inc.	CAN	USD	661,752	0.52
21,000	Sinclair Broadcast Group Inc., A	USA	USD	616,980	0.48
9,000	Shutterfly Inc.	USA	USD	502,110	0.39
8,900	The Ryland Group Inc.	USA	USD	356,979	0.28
4,100	Discovery Communications Inc., A	USA	USD	316,561	0.25
13,500	BRP Inc.	CAN	CAD	314,596	0.25
300	NVR Inc.	USA	USD	276,600	0.22
				29,363,361	23.06
<b>Consumer Staples</b>					
21,000	Mead Johnson Nutrition Co., A	USA	USD	1,663,830	1.31
27,300	Whole Foods Market Inc.	USA	USD	1,405,404	1.10
5,800	Boston Beer Inc., A	USA	USD	989,712	0.78
13,506	TreeHouse Foods Inc.	USA	USD	885,183	0.69
12,000	Monster Beverage Corp.	USA	USD	729,240	0.57
				5,673,369	4.45
<b>Energy</b>					
13,900	Cameron International Corp.	USA	USD	850,124	0.67
31,300	Cobalt International Energy Inc.	USA	USD	831,641	0.65
10,600	Oceaneering International Inc.	USA	USD	765,320	0.60
13,100	FMC Technologies Inc.	USA	USD	729,408	0.57
27,600	Superior Energy Services Inc.	USA	USD	715,944	0.56
104,600	Pioneer Energy Services Corp.	USA	USD	692,452	0.54
18,400	Southwestern Energy Co.	USA	USD	672,152	0.53
9,600	SM Energy Co.	USA	USD	575,808	0.45
6,945	Cabot Oil & Gas Corp., A	USA	USD	493,234	0.39
38,600	McDermott International Inc.	USA	USD	315,748	0.25
3,900	Range Resources Corp.	USA	USD	301,548	0.24
				6,943,379	5.45
<b>Financials</b>					
14,100	Affiliated Managers Group Inc.	USA	USD	2,311,554	1.82
8,300	IntercontinentalExchange Inc.	USA	USD	1,475,408	1.16
13,800	Signature Bank/New York NY	USA	USD	1,145,676	0.90
28,600	Lazard Ltd., A	USA	USD	919,490	0.72
8,000	T. Rowe Price Group Inc.	USA	USD	585,200	0.46
5,500	Jones Lang LaSalle Inc.	USA	USD	501,270	0.39
7,100	Digital Realty Trust Inc.	USA	USD	433,100	0.34
				7,371,698	5.79

The accompanying notes form an integral

## — Franklin U.S. Small-Mid Cap Growth Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Health Care</b>					
13,000	Actavis Inc.	USA	USD	1,640,860	1.29
14,600	Laboratory Corp. of America Holdings	USA	USD	1,461,460	1.15
12,100	Cerner Corp.	USA	USD	1,162,689	0.91
9,100	DaVita HealthCare Partners Inc.	USA	USD	1,099,280	0.86
5,100	Mettler-Toledo International Inc.	USA	USD	1,026,120	0.81
9,700	Waters Corp.	USA	USD	970,485	0.76
18,600	Catamaran Corp.	CAN	USD	906,192	0.71
10,400	Vertex Pharmaceuticals Inc.	USA	USD	830,648	0.65
6,800	The Cooper Cos. Inc.	USA	USD	809,540	0.64
47,900	Cellidex Therapeutics Inc.	USA	USD	747,719	0.59
16,500	Agilent Technologies Inc.	USA	USD	705,540	0.55
7,300	Alexion Pharmaceuticals Inc.	USA	USD	673,352	0.53
13,500	Medivation Inc.	USA	USD	664,200	0.52
16,500	CareFusion Corp.	USA	USD	608,025	0.48
13,800	Quintiles Transnational Holdings Inc.	USA	USD	587,328	0.46
7,700	Illumina Inc.	USA	USD	576,268	0.45
12,500	St. Jude Medical Inc.	USA	USD	570,375	0.45
5,800	HeartWare International Inc.	USA	USD	551,638	0.43
28,500	ARIAD Pharmaceuticals Inc.	USA	USD	498,465	0.39
7,000	Jazz Pharmaceuticals PLC	USA	USD	481,110	0.38
6,100	Edwards Lifesciences Corp.	USA	USD	409,920	0.32
6,600	BioMarin Pharmaceutical Inc.	USA	USD	368,214	0.29
15,700	HMS Holdings Corp.	USA	USD	365,810	0.29
17,300	Hologic Inc.	USA	USD	333,890	0.26
3,600	Onyx Pharmaceuticals Inc.	USA	USD	312,552	0.25
3,800	Pharmacyclics Inc.	USA	USD	301,986	0.24
33,600	Amarin Corp. PLC, ADR	GBR	USD	194,880	0.15
12,198	Stereotaxis Inc., 144A	USA	USD	19,029	0.01
5,170	Stereotaxis Inc.	USA	USD	8,065	0.01
				<u>18,885,640</u>	<u>14.83</u>
<b>Industrials</b>					
49,200	AMETEK Inc.	USA	USD	2,081,160	1.63
15,500	Roper Industries Inc.	USA	USD	1,925,410	1.51
47,300	DigitalGlobe Inc.	USA	USD	1,466,773	1.15
23,250	Colfax Corp.	USA	USD	1,211,558	0.95
33,100	Robert Half International Inc.	USA	USD	1,099,913	0.86
22,800	Fastenal Co.	USA	USD	1,045,380	0.82
9,900	IHS Inc., A	USA	USD	1,033,362	0.81
9,593	Allegiant Travel Co.	USA	USD	1,016,762	0.80
56,100	The Manitowoc Co. Inc.	USA	USD	1,004,751	0.79
49,500	Delta Air Lines Inc.	USA	USD	926,145	0.73
10,500	Genesee & Wyoming Inc.	USA	USD	890,820	0.70
25,700	Hexcel Corp.	USA	USD	875,085	0.69
16,100	Flowserve Corp.	USA	USD	869,561	0.68
16,500	United Rentals Inc.	USA	USD	823,515	0.65
7,700	Kansas City Southern	USA	USD	815,892	0.64
10,300	Triumph Group Inc.	USA	USD	815,245	0.64
12,500	B/E Aerospace Inc.	USA	USD	788,500	0.62
11,800	Pall Corp.	USA	USD	783,874	0.62
9,300	Rockwell Automation Inc.	USA	USD	773,202	0.61
10,100	J.B. Hunt Transport Services Inc.	USA	USD	729,624	0.57
11,800	The Advisory Board Co.	USA	USD	644,870	0.51
36,600	Interface Inc.	USA	USD	621,102	0.49
2,400	W.W. Grainger Inc.	USA	USD	605,232	0.48
5,200	Hubbell Inc., B	USA	USD	514,800	0.40
8,000	Verisk Analytics Inc., A	USA	USD	477,600	0.37
11,410	Nielsen Holdings NV	USA	USD	383,262	0.30
12,200	Hertz Global Holdings Inc.	USA	USD	302,560	0.24
				<u>24,525,958</u>	<u>19.26</u>

## — Franklin U.S. Small-Mid Cap Growth Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Information Technology</b>					
77,900	Trimble Navigation Ltd.	USA	USD	2,026,179	1.59
39,800	Xilinx Inc.	USA	USD	1,576,478	1.24
75,400	Nuance Communications Inc.	USA	USD	1,385,852	1.09
43,500	NXP Semiconductors NV	NLD	USD	1,347,630	1.06
34,900	Avago Technologies Ltd.	SGP	USD	1,304,562	1.03
17,500	ANSYS Inc.	USA	USD	1,279,250	1.01
17,846	Hittite Microwave Corp.	USA	USD	1,035,068	0.81
5,800	LinkedIn Corp., A	USA	USD	1,034,140	0.81
12,702	FleetCor Technologies Inc.	USA	USD	1,032,673	0.81
5,600	Alliance Data Systems Corp.	USA	USD	1,013,768	0.80
13,200	ViaSat Inc.	USA	USD	943,272	0.74
21,340	Silicon Laboratories Inc.	USA	USD	883,689	0.69
29,500	Electronic Arts Inc.	USA	USD	677,615	0.53
7,100	NetSuite Inc.	USA	USD	651,354	0.51
18,100	Semtech Corp.	USA	USD	634,043	0.50
22,500	BroadSoft Inc.	USA	USD	621,000	0.49
12,900	Power Integrations Inc.	USA	USD	523,224	0.41
27,900	Pandora Media Inc.	USA	USD	513,360	0.40
16,700	National Instruments Corp.	USA	USD	466,598	0.37
16,800	Bottomline Technologies Inc.	USA	USD	424,872	0.33
8,600	Red Hat Inc.	USA	USD	411,252	0.32
1,764	Equinix Inc.	USA	USD	325,846	0.26
3,700	Stratasys Ltd.	USA	USD	309,838	0.24
5,414	VeriSign Inc.	USA	USD	241,789	0.19
4,300	Cognex Corp.	USA	USD	194,446	0.15
14,300	RDA Microelectronics Inc., ADR	CHN	USD	158,444	0.12
1,400	Workday Inc.	USA	USD	89,726	0.07
400	Tableau Software Inc.	USA	USD	22,168	0.02
				<u>21,128,136</u>	<u>16.59</u>
<b>Materials</b>					
16,900	Celanese Corp., A	USA	USD	757,120	0.59
19,600	H.B. Fuller Co.	USA	USD	741,076	0.58
7,700	Airgas Inc.	USA	USD	735,042	0.58
8,300	Cytec Industries Inc.	USA	USD	607,975	0.48
				<u>2,841,213</u>	<u>2.23</u>
<b>Telecommunication Services</b>					
20,800	SBA Communications Corp.	USA	USD	1,541,696	1.21
<b>Utilities</b>					
65,100	Calpine Corp.	USA	USD	1,382,073	1.08
<b>TOTAL SHARES</b>				<u>119,656,523</u>	<u>93.95</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>119,656,523</u>	<u>93.95</u>
TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET					
<b>WARRANTS</b>					
<b>Health Care</b>					
12,199	Stereotaxis Inc., wts., 144A, 05/07/18 **	USA	USD	10,757	0.01
<b>TOTAL WARRANTS</b>				<u>10,757</u>	<u>0.01</u>
<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>10,757</u>	<u>0.01</u>
<b>TOTAL INVESTMENTS</b>				<u>119,667,280</u>	<u>93.96</u>

\*\* These securities are submitted to a Fair Valuation



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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Automobile Manufacturers</b>					
223	General Motors Co.	USA	USD	7,428	0.01
<b>Banks</b>					
16,000	U.S. Bancorp, 6.00%, pfd., G	USA	USD	438,560	0.32
<b>Consumer Finance</b>					
800	GMAC Capital Trust I, 8.125%, pfd.	USA	USD	20,840	0.01
<b>TOTAL SHARES</b>				466,828	0.34
<b>WARRANTS</b>					
<b>Automobile Manufacturers</b>					
202	General Motors Co., wts., 07/10/19	USA	USD	4,848	0.01
202	General Motors Co., wts., 07/10/19	USA	USD	3,303	0.00
				8,151	0.01
<b>TOTAL WARRANTS</b>				8,151	0.01
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				474,979	0.35
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Paper &amp; Forest Products</b>					
200	NewPage Holdings Inc.	USA	USD	17,500	0.01
<b>TOTAL SHARES</b>				17,500	0.01
<b>BONDS</b>					
<b>Asset-Backed Securities</b>					
572,000	Banc of America Commercial Mortgage Inc., 2006-4, AJ, 5.695%, 07/10/46	USA	USD	572,319	0.42
553,000	Bear Stearns Commercial Mortgage Securities Inc., 2006-PW11, AJ, FRN, 5.452%, 03/11/39 †	USA	USD	564,633	0.41
558,246	FNMA, 2005-122, FN, FRN, 0.543%, 01/25/36 †	USA	USD	556,829	0.41
447,578	Talisman 6 Finance, Reg S, FRN, 0.391%, 10/22/16 †	IRL	EUR	524,330	0.38
501,196	Greenpoint Manufactured Housing, 1999-3, 1A7, 7.27%, 06/15/29	USA	USD	506,947	0.37
520,000	Greenwich Capital Commercial Funding Corp., 2006-GG7, AJ, FRN, 5.867%, 07/10/38 †	USA	USD	504,287	0.37
505,000	Bear Stearns Commercial Mortgage Securities Inc., 2006-PW13, AJ, 5.611%, 09/11/41	USA	USD	493,202	0.36
490,000	JPMorgan Chase Commercial Mortgage Securities Corp., 2006-LDP7, AJ, FRN, 5.871%, 04/15/45 †	USA	USD	491,961	0.36
410,000	JPMorgan Chase Commercial Mortgage Securities Corp., 2006-CB17, AM, 5.464%, 12/12/43	USA	USD	407,581	0.30
304,139	German Residential Asset Note Distributor PLC, 1, A, Reg S, FRN, 1.615%, 01/20/21 †	DEU	EUR	394,892	0.29
293,770	German Residential Asset Note Distributor PLC, 1, C, Reg S, FRN, 2.095%, 01/20/21 †	DEU	EUR	380,283	0.28
308,342	Structured Asset Securities Corp., 2006-WF1, A5, FRN, 0.493%, 02/25/36 †	USA	USD	300,455	0.22
325,000	Citigroup/Deutsche Bank Commercial Mortgage Trust, 2006-CD3, AJ, FRN, 5.688%, 10/15/48 †	USA	USD	288,769	0.21
280,000	LB-UBS Commercial Mortgage Trust, 2006-C4, AJ, FRN, 5.886%, 06/15/38 †	USA	USD	279,996	0.21
287,742	Ameriquest Mortgage Securities Inc., 2004-R4, M1, FRN, 1.018%, 06/25/34 †	USA	USD	278,878	0.20
262,085	Citigroup Mortgage Loan Trust Inc., 2013-A, A, 144A, FRN, 3.00%, 05/25/42 †	USA	USD	255,904	0.19
220,000	Morgan Stanley Capital I Trust, 2006-HQ8, AJ, FRN, 5.68%, 03/12/44 †	USA	USD	224,437	0.16
220,000	Apidos CDO, 2013-14A, C2, 144A, 4.85%, 04/15/25	CYM	USD	220,000	0.16
180,000	Citigroup Commercial Mortgage Trust, 2007-C6, AM, FRN, 5.885%, 06/10/17 †	USA	USD	197,957	0.15
260,000	JPMorgan Chase Commercial Mortgage Securities Trust, 2006-CIBC16, B, FRN, 5.672%, 05/12/45 †	USA	USD	185,385	0.14
173,177	Bayview Financial Acquisition Trust, 2004-D, M1, FRN, 0.823%, 08/28/44 †	USA	USD	170,219	0.13
176,000	Citigroup Commercial Mortgage Trust, 2006-C5, AJ, 5.482%, 10/15/49	USA	USD	164,245	0.12
300,000	GMAC Commercial Mortgage Securities Inc., 2005-C1, B, 4.936%, 05/10/43	USA	USD	139,500	0.10
155,000	Argent Securities Inc., 2005-W2, A2C, FRN, 0.553%, 10/25/35 †	USA	USD	135,435	0.10
110,000	Green Tree Financial Corp., 1996-9, M1, 7.63%, 08/15/27	USA	USD	126,966	0.09
133,336	Chase Funding Mortgage Loan Asset-Backed Certificates, 2004-2, 2A2, FRN, 0.693%, 02/25/35 †	USA	USD	114,369	0.08
100,000	Bear Stearns Commercial Mortgage Securities Inc., 2007-PW16, AM, FRN, 5.712%, 06/11/40 †	USA	USD	111,497	0.08
100,000	JPMorgan Chase Commercial Mortgage Securities Corp., 2006-CB14, AM, FRN, 5.446%, 12/12/44 †	USA	USD	108,508	0.08

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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Asset-Backed Securities</b> (continued)					
102,000	Bear Stearns Commercial Mortgage Securities Inc., 2006-PW12, AJ, FRN, 5.932%, 09/11/38 †	USA	USD	101,981	0.08
99,448	Aames Mortgage Investment Trust, 2005-4, M1, FRN, 0.898%, 10/25/35 †	USA	USD	99,235	0.07
104,561	Morgan Stanley ABS Capital I Inc. Trust, 2003-HE1, M1, FRN, 1.393%, 05/25/33 †	USA	USD	92,337	0.07
84,000	Countrywide Asset-Backed Certificates, 2004-1, M1, FRN, 0.943%, 03/25/34 †	USA	USD	77,980	0.06
77,220	Morgan Stanley ABS Capital I Inc. Trust, 2005-WMC, M2, FRN, 0.928%, 01/25/35 †	USA	USD	73,301	0.05
67,305	Wells Fargo Mortgage Backed Securities Trust, 2004-W, A9, FRN, 2.762%, 11/25/34 †	USA	USD	69,398	0.05
60,787	FNMA, G93-33, K, 7.00%, 09/25/23	USA	USD	68,971	0.05
67,860	Long Beach Mortgage Loan Trust, 2005-WL2, M1, FRN, 0.663%, 08/25/35 †	USA	USD	65,755	0.05
75,095	Home Equity Mortgage Trust, 2004-4, M3, FRN, 1.168%, 12/25/34 †	USA	USD	65,240	0.05
63,681	JPMorgan Mortgage Acquisition Corp., 2006-ACC1, A4, FRN, 0.343%, 05/25/36 †	USA	USD	61,663	0.05
63,271	Countrywide Asset-Backed Certificates, 2004-6, 1A2, FRN, 0.563%, 12/25/34 †	USA	USD	61,133	0.04
51,919	Countrywide Asset-Backed Certificates, 2005-14, 3A2, FRN, 0.433%, 04/25/36 †	USA	USD	51,599	0.04
100,000	Greenwich Capital Commercial Funding Corp., 2005-GG5, B, FRN, 5.358%, 04/10/37 †	USA	USD	47,541	0.04
37,648	Bear Stearns Alt-A Trust, 2004-13, A2, FRN, 1.073%, 11/25/34 †	USA	USD	32,424	0.02
30,876	Residential Asset Securities Corp., 2004-KS1, A14, 4.213%, 04/25/32	USA	USD	30,808	0.02
26,334	Wells Fargo Mortgage Backed Securities Trust, 2007-3, 3A1, 5.50%, 04/25/37	USA	USD	27,220	0.02
25,229	Residential Asset Securities Corp., 2005-AHL2, A2, FRN, 0.453%, 10/25/35 †	USA	USD	25,113	0.02
8,982	First Franklin Mortgage Loan Asset-Backed Certificates, 2004-FF11, 1A2, FRN, 0.893%, 01/25/35 †	USA	USD	8,949	0.01
2,153	Chase Funding Mortgage Loan Asset-Backed Certificates, 2003-5, 2A2, FRN, 0.793%, 07/25/33 †	USA	USD	2,033	0.00
				<u>9,762,465</u>	<u>7.16</u>
<b>Corporate Bonds</b>					
1,000,000	CIT Group Inc., senior note, 5.00%, 05/15/17	USA	USD	1,026,250	0.75
1,000,000	Wachovia Capital Trust III, junior sub. bond, FRN, 5.57%, Perpetual †	USA	USD	982,500	0.72
1,000,000	JPMorgan Chase & Co., senior note, 3.25%, 09/23/22	USA	USD	950,712	0.70
1,000,000	National Oilwell Varco Inc., senior bond, 2.60%, 12/01/22	USA	USD	939,047	0.69
800,000	Constellation Brands Inc., senior note, 7.25%, 05/15/17	USA	USD	916,000	0.67
400,000	AIB Mortgage Bank, secured note, 4.875%, 06/29/17	IRL	EUR	562,078	0.41
600,000	Sempra Energy, senior note, 2.875%, 10/01/22	USA	USD	561,493	0.41
600,000	News America Inc., 3.00%, 09/15/22	USA	USD	560,753	0.41
500,000	Coventry Health Care Inc., senior bond, 5.45%, 06/15/21	USA	USD	557,568	0.41
500,000	Citigroup Inc., senior note, 5.375%, 08/09/20	USA	USD	553,478	0.41
600,000	Heineken NV, senior bond, 144A, 2.75%, 04/01/23	NLD	USD	549,483	0.40
500,000	Gilead Sciences Inc., senior note, 4.50%, 04/01/21	USA	USD	542,442	0.40
600,000	Apache Corp., senior bond, 4.25%, 01/15/44	USA	USD	538,117	0.39
500,000	Reinsurance Group of America Inc., senior note, 5.00%, 06/01/21	USA	USD	536,386	0.39
400,000	Bank of Ireland Mortgage Bank, secured note, 2.75%, 03/22/18	IRL	EUR	515,373	0.38
500,000	ING Bank NV, senior note, 144A, FRN, 1.913%, 09/25/15 †	NLD	USD	509,245	0.37
500,000	DENTSPLY International Inc., senior note, 4.125%, 08/15/21	USA	USD	508,214	0.37
500,000	Experian Finance PLC, 144A, 2.375%, 06/15/17	GBR	USD	501,122	0.37
500,000	Chevron Corp., senior note, 3.191%, 06/24/23	USA	USD	498,317	0.37
500,000	Kraft Foods Group Inc., senior bond, 3.50%, 06/06/22	USA	USD	495,800	0.36
500,000	Cencosud SA, senior note, 144A, 4.875%, 01/20/23	CHL	USD	490,007	0.36
500,000	Aflac Inc., senior bond, 3.625%, 06/15/23	USA	USD	486,697	0.36
500,000	Allstate Corp., senior bond, 3.15%, 06/15/23	USA	USD	486,184	0.36
500,000	Alpek SA de CV, senior note, 144A, 4.50%, 11/20/22	MEX	USD	484,687	0.36
500,000	AIA Group Ltd., senior note, Reg S, 1.75%, 03/13/18	HKG	USD	483,010	0.35
500,000	DIRECTV Holdings LLC/DIRECTV Financing Co. Inc., senior note, 3.80%, 03/15/22	USA	USD	480,911	0.35
500,000	Sydney Airport Finance Co. Pty. Ltd., 144A, 3.90%, 03/22/23	AUS	USD	480,832	0.35
500,000	Telefonica Emisiones SAU, senior note, 4.57%, 04/27/23	ESP	USD	479,550	0.35
500,000	EDF SA, sub. note, 144A, 5.25% to 01/29/23, FRN thereafter, Perpetual	FRA	USD	478,882	0.35
500,000	WellPoint Inc., senior note, 3.30%, 01/15/23	USA	USD	476,651	0.35
500,000	Zoetis Inc., senior bond, 144A, 3.25%, 02/01/23	USA	USD	475,735	0.35
500,000	Maxim Integrated Products Inc., senior note, 3.375%, 03/15/23	USA	USD	469,651	0.34
500,000	AbbVie Inc., senior note, 144A, 2.90%, 11/06/22	USA	USD	468,232	0.34
500,000	CVS Caremark Corp., 2.75%, 12/01/22	USA	USD	467,818	0.34
500,000	Anheuser-Busch InBev Worldwide Inc., senior note, 2.50%, 07/15/22	BEL	USD	467,452	0.34
500,000	Korea Exchange Bank, senior note, Reg S, 2.00%, 04/02/18	KOR	USD	467,370	0.34
500,000	LUKOIL International Finance BV, senior note, 144A, 4.563%, 04/24/23	RUS	USD	465,468	0.34
500,000	Deutsche Bank AG, sub. bond, 4.296% to 05/24/23, FRN thereafter, 05/24/28	DEU	USD	463,975	0.34

The accompanying notes form an integral

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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Corporate Bonds (continued)</b>				
500,000	Georgia Power Co., senior note, 4.30%, 03/15/42	USA	USD	460,877	0.34
500,000	Colgate-Palmolive Co., senior note, 2.10%, 05/01/23	USA	USD	455,886	0.33
500,000	Freeport-McMoRan Copper & Gold Inc., senior bond, 144A, 3.875%, 03/15/23	USA	USD	453,173	0.33
500,000	Citigroup Inc., sub. note, 3.50%, 05/15/23	USA	USD	449,708	0.33
500,000	CNOOC Finance 2013 Ltd., senior note, 3.00%, 05/09/23	CHN	USD	449,030	0.33
500,000	Glencore Funding LLC, senior note, 144A, 4.125%, 05/30/23	USA	USD	446,561	0.33
500,000	Temasek Financial I Ltd., senior bond, 144A, 2.375%, 01/23/23	SGP	USD	445,805	0.33
400,000	PNC Funding Corp., sub. note, 5.625%, 02/01/17	USA	USD	444,025	0.33
400,000	Bank of America Corp., senior note, 5.625%, 10/14/16	USA	USD	442,787	0.32
400,000	Symantec Corp., senior note, 2.75%, 06/15/17	USA	USD	402,988	0.30
400,000	Lorillard Tobacco Co., senior note, 2.30%, 08/21/17	USA	USD	395,228	0.29
400,000	Pacific Gas & Electric Co., 4.45%, 04/15/42	USA	USD	382,770	0.28
400,000	NBCUniversal Media LLC, senior bond, 2.875%, 01/15/23	USA	USD	380,484	0.28
400,000	Apple Inc., senior note, 2.40%, 05/03/23	USA	USD	371,548	0.27
400,000	American Tower Corp., senior bond, 3.50%, 01/31/23	USA	USD	366,782	0.27
2,000,000	Nykredit Realkredit AS, secured note, 2.00%, 01/01/16	DNK	DKK	360,437	0.26
400,000	Korea Hydro & Nuclear Power Co. Ltd., senior note, 144A, 3.00%, 09/19/22	KOR	USD	358,552	0.26
344,000	United Technologies Corp., senior note, 3.10%, 06/01/22	USA	USD	340,274	0.25
300,000	Lyondellbasell Industries NV, senior note, 5.75%, 04/15/24	USA	USD	330,372	0.24
250,000	AIB Mortgage Bank, secured note, 2.625%, 07/29/16	IRL	EUR	329,407	0.24
300,000	Time Warner Inc., 6.10%, 07/15/40	USA	USD	328,994	0.24
200,000	American Express Credit Corp., senior note, 5.375%, 10/01/14	USA	GBP	319,652	0.23
300,000	Energy Transfer Partners LP, senior note, 5.20%, 02/01/22	USA	USD	317,860	0.23
300,000	Fifth Third Capital Trust IV, junior sub. note, 6.50% to 04/15/17, FRN thereafter, 04/15/67	USA	USD	300,000	0.22
300,000	Avon Products Inc., senior bond, 5.00%, 03/15/23	USA	USD	298,595	0.22
300,000	BB&T Corp., senior note, 2.05%, 06/19/18	USA	USD	295,863	0.22
300,000	Enterprise Products Operating LLC, senior note, 3.35%, 03/15/23	USA	USD	289,106	0.21
1,500,000	Nykredit Realkredit AS, secured note, 4.00%, 01/01/16	DNK	DKK	283,323	0.21
1,500,000	Realkredit Danmark AS, secured note, 10S, 4.00%, 01/01/16	DNK	DKK	283,300	0.21
250,000	ERP Operating LP, 5.75%, 06/15/17	USA	USD	282,938	0.21
300,000	State Grid Overseas Investment 2013 Ltd., senior note, 144A, 3.125%, 05/22/23	CHN	USD	278,723	0.20
300,000	ONGC Videsh Ltd., senior note, Reg S, 2.50%, 05/07/18	IND	USD	276,860	0.20
200,000	Valero Energy Corp., senior note, 9.375%, 03/15/19	USA	USD	262,450	0.19
250,000	ArcelorMittal, senior note, 6.00%, 03/01/21	LUX	USD	249,361	0.18
200,000	BB&T Corp., senior note, 6.85%, 04/30/19	USA	USD	243,175	0.18
200,000	Edcon Pty. Ltd., secured note, Reg S, 9.50%, 03/01/18	ZAF	EUR	242,758	0.18
200,000	Ford Motor Credit Co. LLC, senior note, 8.125%, 01/15/20	USA	USD	241,571	0.18
250,000	Clear Channel Communications Inc., senior note, 9.00%, 03/01/21	USA	USD	238,750	0.18
200,000	Merrill Lynch & Co. Inc., senior note, 6.875%, 04/25/18	USA	USD	230,344	0.17
200,000	Bank of America Corp., pfd., sub. bond, M, 8.125% to 05/15/18, FRN thereafter, Perpetual	USA	USD	226,000	0.17
200,000	Barclays Bank PLC, senior note, 5.125%, 01/08/20	GBR	USD	220,718	0.16
200,000	Energy Transfer Equity LP, senior note, 7.50%, 10/15/20	USA	USD	219,500	0.16
200,000	SVB Financial Group, senior note, 5.375%, 09/15/20	USA	USD	219,461	0.16
200,000	Morgan Stanley, senior note, 5.50%, 01/26/20	USA	USD	214,886	0.16
200,000	Corn Products International Inc., senior note, 4.625%, 11/01/20	USA	USD	211,761	0.16
200,000	Health Care REIT Inc., senior note, 4.125%, 04/01/19	USA	USD	209,371	0.15
200,000	PerkinElmer Inc., senior note, 5.00%, 11/15/21	USA	USD	208,383	0.15
200,000	Barry Callebaut Services SA, senior note, 144A, 5.50%, 06/15/23	BEL	USD	203,750	0.15
175,000	Ally Financial Inc., senior note, 7.50%, 09/15/20	USA	USD	202,344	0.15
200,000	Prudential Financial Inc., junior sub. note, 5.875%, 09/15/42	USA	USD	201,000	0.15
200,000	HCA Inc., senior note, 5.875%, 05/01/23	USA	USD	200,500	0.15
200,000	CIT Group Inc., senior note, 5.00%, 08/15/22	USA	USD	199,390	0.15
200,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 8.25%, 02/15/21	USA	USD	198,750	0.15
200,000	Sprint Nextel Corp., senior note, 6.00%, 11/15/22	USA	USD	197,000	0.14
200,000	GDF Suez, senior note, 144A, 1.625%, 10/10/17	FRA	USD	196,883	0.14
200,000	The Goldman Sachs Group Inc., senior note, 2.375%, 01/22/18	USA	USD	196,507	0.14
200,000	Pacific Gas & Electric Co., senior bond, 3.25%, 06/15/23	USA	USD	196,145	0.14
200,000	Korea East West Power Co., senior note, 144A, 2.50%, 07/16/17	KOR	USD	195,614	0.14
200,000	Baltimore Gas & Electric Co., senior bond, 3.35%, 07/01/23	USA	USD	194,833	0.14
200,000	Peabody Energy Corp., senior note, 6.25%, 11/15/21	USA	USD	194,000	0.14
200,000	Virginia Electric & Power Co., senior note, 1.20%, 01/15/18	USA	USD	193,980	0.14
200,000	PTT Global Chemical PCL, senior bond, 144A, 4.25%, 09/19/22	THA	USD	191,891	0.14
200,000	Reliance Steel & Aluminum Co., senior note, 4.50%, 04/15/23	USA	USD	189,934	0.14
200,000	Weatherford International Ltd., senior bond, 5.95%, 04/15/42	USA	USD	189,844	0.14
200,000	General Electric Co., senior note, 2.70%, 10/09/22	USA	USD	189,548	0.14
200,000	Shinhan Bank, senior note, 144A, 1.875%, 07/30/18	KOR	USD	186,653	0.14
200,000	Bright Food Hong Kong Ltd., senior note, Reg S, 3.00%, 05/21/18	CHN	USD	185,971	0.14
150,000	Chesapeake Energy Corp., senior note, 6.625%, 08/15/20	USA	USD	162,000	0.12
150,000	Sealed Air Corp., senior note, 144A, 6.50%, 12/01/20	USA	USD	159,000	0.12
150,000	Kinder Morgan Finance Co. LLC, senior secured note, 144A, 6.00%, 01/15/18	USA	USD	158,183	0.12
150,000	Aviation Capital Group, 144A, 6.75%, 04/06/21	USA	USD	158,141	0.12
150,000	Chesapeake Energy Corp., senior note, 5.75%, 03/15/23	USA	USD	152,250	0.11

part of these financial statements

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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
150,000	CenturyLink Inc., senior note, 5.80%, 03/15/22	USA	USD	148,875	0.11
150,000	Intelsat Jackson Holdings SA, senior note, 144A, 6.625%, 12/15/22	LUX	USD	146,250	0.11
150,000	Abengoa Finance SAU, senior note, 144A, 8.875%, 11/01/17	ESP	USD	141,469	0.10
125,000	Frontier Communications Corp., senior note, 8.50%, 04/15/20	USA	USD	138,438	0.10
100,000	Royal Bank of Scotland PLC, sub. note, 6.934%, 04/09/18	GBR	EUR	136,511	0.10
100,000	Nokia Siemens Networks Finance BV, senior note, Reg S, 7.125%, 04/15/20	NLD	EUR	133,094	0.10
100,000	Citigroup Inc., senior note, 8.125%, 07/15/39	USA	USD	132,609	0.10
100,000	Aflac Inc., senior note, 8.50%, 05/15/19	USA	USD	127,917	0.09
125,000	Frontier Communications Corp., senior note, 7.125%, 01/15/23	USA	USD	124,844	0.09
100,000	Express Scripts Holding Co., senior note, 7.25%, 06/15/19	USA	USD	123,515	0.09
100,000	Reynolds American Inc., senior secured note, 7.625%, 06/01/16	USA	USD	116,649	0.09
100,000	Boston Properties LP, senior note, 5.625%, 11/15/20	USA	USD	113,615	0.08
98,000	CVS Caremark Corp., senior note, 5.75%, 06/01/17	USA	USD	112,650	0.08
100,000	Healthcare Realty Trust Inc., senior note, 6.50%, 01/17/17	USA	USD	111,860	0.08
100,000	HSBC Holdings PLC, sub. note, 6.50%, 09/15/37	GBR	USD	111,625	0.08
100,000	SLM Corp., senior note, 8.45%, 06/15/18	USA	USD	111,500	0.08
100,000	Willis Group Holdings PLC, senior note, 5.75%, 03/15/21	USA	USD	108,385	0.08
100,000	Sprint Nextel Corp., senior note, 144A, 7.00%, 03/01/20	USA	USD	108,250	0.08
100,000	Morgan Stanley, senior note, 6.00%, 04/28/15	USA	USD	107,252	0.08
100,000	Plains Exploration & Production Co., senior note, 6.75%, 02/01/22	USA	USD	106,077	0.08
100,000	Samson Investment Co., senior note, 144A, 9.75%, 02/15/20	USA	USD	105,875	0.08
100,000	Coventry Health Care Inc., senior note, 6.30%, 08/15/14	USA	USD	105,727	0.08
100,000	Dollar General Corp., senior note, 4.125%, 07/15/17	USA	USD	105,544	0.08
100,000	Expro Finance Luxembourg, senior secured note, 144A, 8.50%, 12/15/16	GBR	USD	105,500	0.08
100,000	Intelsat Jackson Holdings SA, senior note, 7.50%, 04/01/21	LUX	USD	105,500	0.08
100,000	HSBK (Europe) BV, senior note, Reg S, 7.25%, 05/03/17	KAZ	USD	104,613	0.08
100,000	Wind Acquisition Finance SA, senior secured note, 144A, 11.75%, 07/15/17	ITA	USD	104,500	0.08
100,000	Harrah's Operating Co. Inc., senior secured note, 11.25%, 06/01/17	USA	USD	104,375	0.08
100,000	DP World Ltd., Reg S, 6.85%, 07/02/37	ARE	USD	104,024	0.08
100,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 9.00%, 04/15/19	USA	USD	103,750	0.08
100,000	CHC Helicopter SA, senior secured note, first lien, 9.25%, 10/15/20	CAN	USD	102,688	0.08
100,000	HCA Holdings Inc., senior note, 6.25%, 02/15/21	USA	USD	102,250	0.08
100,000	Freescale Semiconductor Inc., senior note, 8.05%, 02/01/20	USA	USD	101,750	0.07
100,000	Nuveen Investments Inc., senior note, 144A, 9.125%, 10/15/17	USA	USD	100,750	0.07
100,000	Teck Resources Ltd., senior note, 4.50%, 01/15/21	CAN	USD	100,566	0.07
100,000	Duke Energy Corp., senior note, 2.10%, 06/15/18	USA	USD	99,459	0.07
100,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.875%, 04/01/22	AUS	USD	97,375	0.07
100,000	DISH DBS Corp., senior bond, 5.00%, 03/15/23	USA	USD	96,750	0.07
72,112	Wind Acquisition Holdings Finance SA, senior secured note, Reg S, PIK, 12.25%, 07/15/17 ‡	ITA	EUR	96,310	0.07
100,000	Caesars Operating Escrow LLC/Corp., first lien, 144A, 9.00%, 02/15/20	USA	USD	95,750	0.07
100,000	Linn Energy LLC/Finance Corp., senior note, 144A, 6.25%, 11/01/19	USA	USD	95,750	0.07
100,000	Sabine Pass Liquefaction LLC, 144A, 5.625%, 04/15/23	USA	USD	94,750	0.07
100,000	Kinder Morgan Energy Partners LP, senior bond, 3.45%, 02/15/23	USA	USD	94,032	0.07
100,000	AbbVie Inc., senior bond, 144A, 4.40%, 11/06/42	USA	USD	93,362	0.07
100,000	Actavis Inc., senior note, 3.25%, 10/01/22	USA	USD	93,359	0.07
75,000	MGM Resorts International, senior note, 6.625%, 07/15/15	USA	USD	80,344	0.06
75,000	Ineos Finance PLC, senior secured note, 144A, 7.50%, 05/01/20	GBR	USD	80,063	0.06
50,000	Kerling PLC, senior secured note, Reg S, 10.625%, 02/01/17	GBR	EUR	68,358	0.05
50,000	Enterprise Products Operating LLC, junior sub. note, 7.034% to 01/15/18, FRN thereafter, 01/15/68	USA	USD	56,125	0.04
50,000	Embarq Corp., senior note, 7.082%, 06/01/16	USA	USD	56,056	0.04
50,000	DISH DBS Corp., senior note, 7.125%, 02/01/16	USA	USD	54,375	0.04
50,000	Freescale Semiconductor Inc., senior secured note, 144A, 9.25%, 04/15/18	USA	USD	54,125	0.04
50,000	DISH DBS Corp., senior note, 6.75%, 06/01/21	USA	USD	53,375	0.04
50,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	52,000	0.04
50,000	MGM Resorts International, senior note, 6.75%, 10/01/20	USA	USD	51,875	0.04
50,000	Clear Channel Worldwide Holdings Inc., senior note, 144A, 6.50%, 11/15/22	USA	USD	51,750	0.04
50,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 8.25%, 11/01/19	AUS	USD	51,750	0.04
50,000	The Goldman Sachs Group Inc., senior note, 3.30%, 05/03/15	USA	USD	51,553	0.04
50,000	CIT Group Inc., senior note, 5.375%, 05/15/20	USA	USD	51,438	0.04
50,000	SandRidge Energy Inc., senior note, 7.50%, 02/15/23	USA	USD	47,750	0.04
50,000	Royal Bank of Scotland Group PLC, sub. note, 6.125%, 12/15/22	GBR	USD	47,719	0.04
50,000	Visant Corp., senior note, 10.00%, 10/01/17	USA	USD	46,375	0.03
33,683	Ineos Group Holdings SA, second lien, Reg S, 7.875%, 02/15/16	CHE	EUR	44,042	0.03
29,000	Regions Financial Corp., senior note, 7.75%, 11/10/14	USA	USD	31,347	0.02
25,000	Ally Financial Inc., senior note, 6.25%, 12/01/17	USA	USD	26,829	0.02
15,000	GMAC Inc., sub. note, 8.00%, 12/31/18	USA	USD	17,063	0.01
56	Motors Liquidation Co., GUC Trust, Escrow Account	USA	USD	1,719	0.00
2,200	Motors Liquidation Co., Escrow Account, 6.25%, cvt. pfd., C, 6.25%	USA	USD	22	0.00
				<b>47,183,745</b>	<b>34.61</b>

The accompanying notes form an integral

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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds</b>					
<b>US – Issued</b>					
7,000,000	FNMA, 3.00%, 07/15/43	USA	USD	6,841,406	5.02
4,200,000	U.S. Treasury Note, 4.00%, 02/15/15	USA	USD	4,451,672	3.26
3,300,000	FNMA, 3.50%, 07/01/28	USA	USD	3,438,187	2.52
3,250,000	FNMA, 4.00%, 07/01/27	USA	USD	3,426,592	2.51
3,100,000	U.S. Treasury Note, 4.25%, 08/15/15	USA	USD	3,352,359	2.46
3,050,000	FNMA, 5.00%, 07/01/39	USA	USD	3,282,802	2.41
2,700,000	U.S. Treasury Note, 4.625%, 02/15/17	USA	USD	3,056,484	2.24
2,700,000	U.S. Treasury Note, 4.25%, 11/15/17	USA	USD	3,053,848	2.24
2,900,000	FNMA, 3.50%, 06/01/42	USA	USD	2,944,859	2.16
3,000,000	FHLMC, 3.00%, 07/01/43	USA	USD	2,925,000	2.15
2,250,000	FNMA, 5.50%, 07/01/39	USA	USD	2,444,063	1.79
1,700,000	U.S. Treasury Bond, 4.75%, 02/15/37	USA	USD	2,099,500	1.54
2,000,000	U.S. Treasury Note, 2.25%, 01/31/15	USA	USD	2,062,304	1.51
1,700,000	U.S. Treasury Note, 4.125%, 05/15/15	USA	USD	1,819,996	1.33
1,500,000	U.S. Treasury Note, 4.875%, 08/15/16	USA	USD	1,692,012	1.24
1,600,000	FNMA, 2.50%, 07/01/28	USA	USD	1,609,750	1.18
1,500,000	GNMA II, SF, 3.50%, 07/01/42	USA	USD	1,539,844	1.13
1,100,000	U.S. Treasury Note, 5.125%, 05/15/16	USA	USD	1,240,723	0.91
1,100,000	U.S. Treasury Note, 3.50%, 02/15/18	USA	USD	1,210,300	0.89
1,051,094	FHLMC, 5.00%, 02/01/39	USA	USD	1,120,754	0.82
1,053,574	U.S. Treasury Note, Index Linked, 0.125%, 04/15/16	USA	USD	1,081,066	0.79
850,000	U.S. Treasury Bond, 4.50%, 05/15/38	USA	USD	1,015,351	0.74
800,000	U.S. Treasury Note, 4.625%, 11/15/16	USA	USD	901,344	0.66
750,000	U.S. Treasury Bond, 4.375%, 05/15/41	USA	USD	880,781	0.65
750,000	U.S. Treasury Bond, 4.375%, 05/15/40	USA	USD	880,723	0.65
800,000	U.S. Treasury Note, 2.75%, 12/31/17	USA	USD	852,938	0.63
691,258	FNMA, 6.00%, 02/01/37	USA	USD	756,405	0.55
700,000	U.S. Treasury Note, 3.125%, 04/30/17	USA	USD	755,617	0.55
500,000	U.S. Treasury Bond, 3.875%, 08/15/40	USA	USD	541,133	0.40
500,000	FHLMC, 4.50%, 01/15/15	USA	USD	532,170	0.39
500,000	U.S. Treasury Bond, 3.125%, 02/15/43	USA	USD	467,422	0.34
400,000	U.S. Treasury Note, 2.375%, 08/31/14	USA	USD	410,062	0.30
336,881	FNMA, ARM, 2.217%, 09/01/34	USA	USD	355,655	0.26
334,658	FNMA, 4.50%, 12/01/40	USA	USD	354,678	0.26
300,000	Florida Hurricane Catastrophe Fund Finance Corp. Revenue, Series A, 2.995%, 07/01/20	USA	USD	281,412	0.21
200,000	U.S. Treasury Bond, 4.25%, 05/15/39	USA	USD	230,250	0.17
180,000	Illinois State GO, 5.877%, 03/01/19	USA	USD	196,954	0.14
159,952	FHLMC, 5.50%, 09/01/35	USA	USD	175,181	0.13
136,177	FNMA, ARM, 3.101%, 11/01/32	USA	USD	136,502	0.10
120,268	FNMA, 5.00%, 10/01/34	USA	USD	130,126	0.10
117,384	FNMA, 6.00%, 02/01/36	USA	USD	128,559	0.09
108,316	U.S. Treasury Note, Index Linked, 2.125%, 01/15/19	USA	USD	122,516	0.09
89,598	FNMA, 6.00%, 05/01/36	USA	USD	98,688	0.07
71,806	FNMA, ARM, 2.607%, 02/01/34	USA	USD	76,208	0.06
62,631	GNMA, SF, 5.00%, 05/15/34	USA	USD	68,133	0.05
58,594	FNMA, 5.50%, 04/01/35	USA	USD	63,913	0.05
58,567	FNMA, 5.50%, 04/01/36	USA	USD	63,549	0.05
55,000	California State GO, Various Purpose, 6.00%, 11/01/39	USA	USD	62,909	0.05
38,294	FNMA, 7.50%, 02/01/30	USA	USD	40,680	0.03
34,841	FHLMC, 6.50%, 03/01/38	USA	USD	39,186	0.03
40,000	California State Judgement Trust COP, FRN, 1.624%, 06/01/15 †	USA	USD	38,365	0.03
29,511	FNMA, 6.50%, 01/01/36	USA	USD	32,945	0.02
26,855	FNMA, 6.00%, 06/01/38	USA	USD	29,191	0.02
25,949	FHLMC, 4.50%, 04/01/20	USA	USD	27,921	0.02
23,739	GNMA, ARM, 1.75%, 09/20/29	USA	USD	24,815	0.02
21,681	FNMA, 6.00%, 10/01/34	USA	USD	23,938	0.02
22,374	GNMA, ARM, 3.50%, 08/20/20	USA	USD	23,543	0.02
20,253	FHLMC, 7.00%, 05/01/32	USA	USD	22,916	0.02
20,199	FHLMC, 5.50%, 08/01/33	USA	USD	21,894	0.02
20,409	FNMA, 5.00%, 05/01/18	USA	USD	21,830	0.02
20,105	FNMA, ARM, 2.334%, 12/01/34	USA	USD	21,365	0.02
17,922	FNMA, 5.00%, 01/01/20	USA	USD	19,202	0.01
17,842	FNMA, ARM, 2.30%, 12/01/34	USA	USD	18,516	0.01
16,699	FNMA, 5.00%, 04/01/20	USA	USD	17,867	0.01
15,914	FNMA, 4.50%, 04/01/19	USA	USD	16,944	0.01
15,084	FNMA, 5.50%, 09/01/19	USA	USD	16,009	0.01
14,623	FHLMC, 4.50%, 09/01/18	USA	USD	15,356	0.01
12,969	GNMA, SF, 5.50%, 06/15/34	USA	USD	14,284	0.01
11,001	GNMA, 6.50%, 09/15/32	USA	USD	12,302	0.01
9,768	FNMA, 5.00%, 01/01/20	USA	USD	10,426	0.01
8,904	FHLMC, ARM, 2.835%, 09/01/32	USA	USD	9,407	0.01
7,286	GNMA, SF, 6.50%, 11/15/32	USA	USD	8,427	0.01
7,337	GNMA, SF, 6.00%, 03/15/33	USA	USD	8,254	0.01
7,563	FHLMC, 4.50%, 03/01/20	USA	USD	7,970	0.01
5,687	FHLMC, 5.00%, 03/01/19	USA	USD	6,026	0.00
4,999	GNMA, SF, 5.00%, 03/15/34	USA	USD	5,512	0.00

part of these financial statements



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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds</b>					
<b>US – Issued (continued)</b>					
4,929	FHLMC, 5.50%, 06/01/18	USA	USD	5,266	0.00
4,774	FHLMC, 6.00%, 08/01/17	USA	USD	5,102	0.00
4,197	GNMA, SF, 5.50%, 07/15/33	USA	USD	4,625	0.00
3,076	FNMA, 4.50%, 04/01/19	USA	USD	3,268	0.00
<b>TOTAL US – ISSUED</b>				<b>65,806,052</b>	<b>48.26</b>
<b>Non US – Issued</b>					
1,241,500,000	Korea Monetary Stabilization Bond, senior note, 2.76%, 06/02/15	KOR	KRW	1,083,849	0.79
74,360	Government of Mexico, 8.00%, 12/17/15	MEX	MXN	621,813	0.46
72,440	Government of Mexico, 9.50%, 12/18/14	MEX	MXN	601,702	0.44
344,200,000	Korea Monetary Stabilization Bond, senior note, 2.78%, 10/02/14	KOR	KRW	301,189	0.22
610	Nota Do Tesouro Nacional, 10.00%, 01/01/17	BRA	BRL	266,927	0.20
249,200,000	Korea Monetary Stabilization Bond, senior bond, 2.47%, 04/02/15	KOR	KRW	216,614	0.16
620,000	Government of Malaysia, 3.434%, 08/15/14	MYS	MYR	196,950	0.14
149,000	Government of Russia, senior bond, Reg S, 7.50%, 03/31/30	RUS	USD	174,736	0.13
460,000	Government of Malaysia, 3.741%, 02/27/15	MYS	MYR	146,893	0.11
2,257,082	Government of Uruguay, senior note, Index Linked, 4.375%, 12/15/28	URY	UYU	129,569	0.09
134,481	Peru Enhanced Pass-Through Finance Ltd., senior secured bond, A-1, Reg S, zero cpn., 05/31/18	PER	USD	120,543	0.09
137,600,000	Korea Monetary Stabilization Bond, senior note, 2.84%, 12/02/14	KOR	KRW	120,453	0.09
100,000	Government of Lithuania, Reg S, 7.375%, 02/11/20	LTU	USD	119,168	0.09
83,070	Government of Ireland, senior bond, 5.40%, 03/13/25	IRL	EUR	117,568	0.09
83,000	Government of Ireland, 5.00%, 10/18/20	IRL	EUR	115,924	0.09
402,000	Government of Poland, Strip, 01/25/16	POL	PLN	111,640	0.08
13,720	Government of Mexico, 6.25%, 06/16/16	MEX	MXN	111,050	0.08
100,000	Government of Vietnam, Reg S, 6.75%, 01/29/20	VND	USD	107,000	0.08
100,000	Government of Lithuania, Reg S, 6.75%, 01/15/15	LTU	USD	106,696	0.08
100,000	Government of Iceland, Reg S, 5.875%, 05/11/22	ISL	USD	106,466	0.08
331,000	Government of Poland, 6.25%, 10/24/15	POL	PLN	106,371	0.08
248,000	Government of Peru, senior bond, 7.84%, 08/12/20	PER	PEN	102,819	0.08
69,000	Government of Ireland, 5.90%, 10/18/19	IRL	EUR	101,305	0.07
100,000	The Export-Import Bank of Korea, senior note, 4.00%, 01/29/21	KOR	USD	99,367	0.07
260,000	Government of Malaysia, 3.197%, 10/15/15	MYS	MYR	82,117	0.06
70,000	Government of Poland, senior note, 6.375%, 07/15/19	POL	USD	81,844	0.06
60,000	Government of Hungary, Reg S, 6.00%, 01/11/19	HUN	EUR	81,125	0.06
86,700,000	Korea Monetary Stabilization Bond, senior note, 2.82%, 08/02/14	KOR	KRW	75,965	0.06
85,250,000	Korea Treasury Bond, senior note, 3.25%, 12/10/14	KOR	KRW	75,136	0.06
52,000	Government of Ireland, 4.50%, 04/18/20	IRL	EUR	70,909	0.05
220,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	70,402	0.05
72,080,000	Korea Treasury Bond, senior note, 2.75%, 12/10/15	KOR	KRW	62,784	0.05
194,000	Government of Poland, 5.50%, 04/25/15	POL	PLN	60,910	0.04
45,560,000	Korea Treasury Bond, senior note, 3.25%, 06/10/15	KOR	KRW	40,191	0.03
27,000	Government of Ireland, senior bond, 4.40%, 06/18/19	IRL	EUR	36,919	0.03
103,000	Government of Poland, FRN, 3.98%, 01/25/17 †	POL	PLN	30,805	0.02
103,000	Government of Poland, FRN, 3.98%, 01/25/21 †	POL	PLN	30,093	0.02
90,000	Government of Malaysia, 4.72%, 09/30/15	MYS	MYR	29,430	0.02
15,000	Government of Ireland, senior bond, 4.50%, 10/18/18	IRL	EUR	20,863	0.02
15,000	Government of Hungary, senior note, 4.375%, 07/04/17	HUN	EUR	19,474	0.01
63,000	Government of Poland, Strip, 07/25/15	POL	PLN	17,816	0.01
3,460,000	Government of Hungary, 5.50%, 12/22/16	HUN	HUF	15,476	0.01
17,670,000	Korea Monetary Stabilization Bond, senior note, 2.74%, 02/02/15	KOR	KRW	15,436	0.01
1,820	Government of Mexico, 6.00%, 06/18/15	MEX	MXN	14,481	0.01
10,000	Government of Hungary, senior note, Reg S, 5.75%, 06/11/18	HUN	EUR	13,407	0.01
10,000	Government of Hungary, senior note, 3.50%, 07/18/16	HUN	EUR	12,872	0.01
1,400,000	Government of Sri Lanka, A, 11.00%, 08/01/15	LKA	LKR	10,738	0.01
2,210,000	Government of Hungary, A, 8.00%, 02/12/15	HUN	HUF	10,274	0.01
1,300,000	Government of Sri Lanka, A, 11.25%, 07/15/14	LKA	LKR	10,006	0.01
5,000	Government of Hungary, senior note, 3.875%, 02/24/20	HUN	EUR	6,063	0.00
690,000	Government of Sri Lanka, A, 9.00%, 05/01/21	LKA	LKR	4,603	0.00
280,000	Government of Sri Lanka, D, 8.50%, 06/01/18	LKA	LKR	1,923	0.00
270,000	Government of Sri Lanka, A, 6.50%, 07/15/15	LKA	LKR	1,906	0.00
70,000	Government of Sri Lanka, C, 8.50%, 04/01/18	LKA	LKR	482	0.00
10,000	Government of Sri Lanka, A, 11.75%, 03/15/15	LKA	LKR	78	0.00
<b>TOTAL NON US – ISSUED</b>				<b>6,291,140</b>	<b>4.62</b>
				<b>72,097,192</b>	<b>52.88</b>
<b>Securities Maturing Within One Year</b>					
3,200,000	U.S. Treasury Note, 2.00%, 11/30/13	USA	USD	3,225,187	2.37
11,590,000	Government of Sweden, 6.75%, 05/05/14	SWE	SEK	1,812,555	1.33
1,750,000	U.S. Treasury Note, 4.25%, 11/15/13	USA	USD	1,777,036	1.30
1,500,000	Windstream Corp., senior note, 8.125%, 08/01/13	USA	USD	1,506,000	1.10
1,500,000	HCA Inc., senior note, 6.75%, 07/15/13	USA	USD	1,501,500	1.10
2,815,000	Government of Poland, 5.00%, 10/24/13	POL	PLN	852,758	0.63
2,692,000	Government of Poland, 5.75%, 04/25/14	POL	PLN	829,065	0.61
800,000	U.S. Treasury Note, 2.75%, 10/31/13	USA	USD	807,078	0.59
595,000,000	Korea Treasury Bond, senior bond, 3.00%, 12/10/13	KOR	KRW	521,666	0.38

The accompanying notes form an integral

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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year (continued)</b>					
660,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 07/26/13	SGP	SGD	520,736	0.38
610,000	Singapore Treasury Bill, 0.00%, 08/12/13	SGP	SGD	481,238	0.35
400,000	U.S. Treasury Note, 1.75%, 03/31/14	USA	USD	404,766	0.30
2,630,000	Government of Sweden, 1.50%, 08/30/13	SWE	SEK	392,525	0.29
2,540,000	Sweden Treasury Bill, 0.00%, 09/18/13	SWE	SEK	378,007	0.28
890,000	Bank of Negara Monetary Note, 0.00%, 06/03/14	MYS	MYR	274,314	0.20
2,660,000,000	Indonesia Retail Bond, senior bond, ORI7, 7.95%, 08/15/13	IDN	IDR	269,396	0.20
690,000	Bank of Negara Monetary Note, 0.00%, 06/17/14	MYS	MYR	212,441	0.16
630,000	Bank of Negara Monetary Note, 0.00%, 12/26/13	MYS	MYR	196,527	0.14
595,000	Government of Malaysia, senior bond, 3.461%, 07/31/13	MYS	MYR	188,375	0.14
209,300,000	Korea Monetary Stabilization Bond, senior note, 3.28%, 06/02/14	KOR	KRW	184,115	0.14
400	Nota Do Tesouro Nacional, 10.00%, 01/01/14	BRA	BRL	180,012	0.13
21,800	Government of Mexico, 8.00%, 12/19/13	MEX	MXN	171,364	0.13
545,000	Bank of Negara Monetary Note, 0.00%, 05/27/14	MYS	MYR	167,911	0.12
38,960,000	Hungary Treasury Bill, 0.00%, 03/05/14	HUN	HUF	167,086	0.12
530,000	Bank of Negara Monetary Note, 0.00%, 05/20/14	MYS	MYR	163,382	0.12
218,200	Mexico Treasury Bill, 0.00%, 04/30/14	MEX	MXN	162,816	0.12
176,510,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 04/02/14	KOR	KRW	155,483	0.11
196,190	Mexico Treasury Bill, 0.00%, 01/09/14	MEX	MXN	148,239	0.11
380,000	Bank of Negara Monetary Note, 0.00%, 12/31/13	MYS	MYR	118,541	0.09
380,000	Government of Poland, Strip, 01/25/14	POL	PLN	112,588	0.08
120,090,000	Korea Monetary Stabilization Bond, senior bond, 3.47%, 02/02/14	KOR	KRW	105,587	0.08
100,000	RPM International Inc., 6.25%, 12/15/13	USA	USD	102,138	0.08
12,000	Government of Mexico, 7.00%, 06/19/14	MEX	MXN	95,218	0.07
120,000	Singapore Treasury Bill, 0.00%, 11/01/13	SGP	SGD	94,619	0.07
96,300,000	Korea Monetary Stabilization Bond, 0.00%, 08/13/13	KOR	KRW	84,038	0.06
250,000	Bank of Negara Monetary Note, 0.00%, 12/10/13	MYS	MYR	78,089	0.06
240,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	77,246	0.06
87,340,000	Korea Monetary Stabilization Bond, senior bond, 3.48%, 12/02/13	KOR	KRW	76,717	0.06
86,100,000	Korea Monetary Stabilization Bond, senior bond, 2.55%, 05/09/14	KOR	KRW	75,263	0.06
210,000	Bank of Negara Monetary Note, 0.00%, 11/19/13	MYS	MYR	65,707	0.05
80,000	Singapore Treasury Bill, 0.00%, 05/02/14	SGP	SGD	62,981	0.05
410,000	Sweden Treasury Bill, 0.00%, 12/18/13	SWE	SEK	60,877	0.04
190,000	Bank of Negara Monetary Note, 0.00%, 12/05/13	MYS	MYR	59,371	0.04
13,680,000	Hungary Treasury Bill, 0.00%, 01/08/14	HUN	HUF	59,039	0.04
165,000	Bank of Negara Monetary Note, 0.00%, 11/26/13	MYS	MYR	51,597	0.04
54,590,000	Korea Monetary Stabilization Bond, senior bond, 3.90%, 08/02/13	KOR	KRW	47,838	0.04
50,960,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 10/02/13	KOR	KRW	44,705	0.03
57,600	Mexico Treasury Bill, 0.00%, 10/31/13	MEX	MXN	43,860	0.03
130,000	Bank of Negara Monetary Note, 0.00%, 05/15/14	MYS	MYR	40,091	0.03
120,000	Bank of Negara Monetary Note, 0.00%, 11/12/13	MYS	MYR	37,568	0.03
7,920,000	Government of Hungary, E, 7.50%, 10/24/13	HUN	HUF	35,287	0.03
105,000	Bank of Negara Monetary Note, 0.00%, 08/15/13	MYS	MYR	33,111	0.02
40,000	Singapore Treasury Bill, 0.00%, 07/25/13	SGP	SGD	31,560	0.02
100,000	Bank of Negara Monetary Note, 0.00%, 08/06/13	MYS	MYR	31,558	0.02
100,000	Bank of Negara Monetary Note, 0.00%, 03/20/14	MYS	MYR	30,981	0.02
100,000	Bank of Negara Monetary Note, 0.00%, 06/05/14	MYS	MYR	30,817	0.02
30,000	Government of Venezuela, 10.75%, 09/19/13	VEN	USD	30,132	0.02
95,000	Bank of Negara Monetary Note, 0.00%, 02/18/14	MYS	MYR	29,505	0.02
95,000	Bank of Negara Monetary Note, 0.00%, 04/03/14	MYS	MYR	29,403	0.02
38,400	Mexico Treasury Bill, 0.00%, 04/03/14	MEX	MXN	28,739	0.02
90,000	Bank of Negara Monetary Note, 0.00%, 08/27/13	MYS	MYR	28,358	0.02
80,000	Bank of Negara Monetary Note, 0.00%, 02/25/14	MYS	MYR	24,832	0.02
27,000,000	Korea Monetary Stabilization Bond, senior note, 2.57%, 06/09/14	KOR	KRW	23,601	0.02
75,000	Bank of Negara Monetary Note, 0.00%, 02/20/14	MYS	MYR	23,289	0.02
26,700,000	Korea Monetary Stabilization Bond, 0.00%, 09/10/13	KOR	KRW	23,253	0.02
60,000	Bank of Negara Monetary Note, 0.00%, 09/17/13	MYS	MYR	18,870	0.01
60,000	Government of Poland, Strip, 07/25/13	POL	PLN	18,023	0.01
20,000	Singapore Treasury Bill, 0.00%, 08/22/13	SGP	SGD	15,777	0.01
680,000	Philippine Treasury Bill, 0.00%, 03/05/14	PHL	PHP	15,617	0.01
670,000	Philippine Treasury Bill, 0.00%, 09/04/13	PHL	PHP	15,505	0.01
630,000	Philippine Treasury Bill, 0.00%, 04/02/14	PHL	PHP	14,449	0.01
40,000	Bank of Negara Monetary Note, 0.00%, 01/09/14	MYS	MYR	12,460	0.01
510,000	Philippine Treasury Bill, 0.00%, 02/05/14	PHL	PHP	11,728	0.01
30,000	Bank of Negara Monetary Note, 0.00%, 09/05/13	MYS	MYR	9,444	0.01
30,000	Bank of Negara Monetary Note, 0.00%, 09/26/13	MYS	MYR	9,428	0.01
30,000	Bank of Negara Monetary Note, 0.00%, 04/24/14	MYS	MYR	9,268	0.01
390,000	Philippine Treasury Bill, 0.00%, 01/08/14	PHL	PHP	8,980	0.01
350,000	Philippine Treasury Bill, 0.00%, 11/13/13	PHL	PHP	8,078	0.01
340,000	Philippine Treasury Bill, 0.00%, 10/02/13	PHL	PHP	7,860	0.01
20,000	Bank of Negara Monetary Note, 0.00%, 12/19/13	MYS	MYR	6,242	0.00
20,000	Bank of Negara Monetary Note, 0.00%, 01/16/14	MYS	MYR	6,226	0.00
140,000	Philippine Treasury Bill, 0.00%, 07/10/13	PHL	PHP	3,246	0.00
740,000	Hungary Treasury Bill, 0.00%, 09/18/13	HUN	HUF	3,235	0.00
10,000	Government of Malaysia, senior bond, 8.00%, 10/30/13	MYS	MYR	3,218	0.00
10,000	Bank of Negara Monetary Note, 0.00%, 10/10/13	MYS	MYR	3,140	0.00
10,000	Bank of Negara Monetary Note, 0.00%, 12/12/13	MYS	MYR	3,123	0.00
10,000	Bank of Negara Monetary Note, 0.00%, 03/13/14	MYS	MYR	3,100	0.00

part of these financial statements

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

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year (continued)</b>					
10,000	Bank of Negara Monetary Note, 0.00%, 03/27/14	MYS	MYR	3,097	0.00
390,000	Government of Sri Lanka, A, 7.50%, 08/01/13	LKA	LKR	2,980	0.00
90,000	Philippine Treasury Bill, 0.00%, 07/24/13	PHL	PHP	2,086	0.00
5,000	Bank of Negara Monetary Note, 0.00%, 02/06/14	MYS	MYR	1,554	0.00
200,000	Sri Lanka Treasury Bill, 0.00%, 10/11/13	LKA	LKR	1,495	0.00
50,000	Government of Sri Lanka, A, 7.00%, 03/01/14	LKA	LKR	374	0.00
40,000	Government of Sri Lanka, B, 11.75%, 04/01/14	LKA	LKR	309	0.00
				<u>19,898,594</u>	<u>14.59</u>
<b>TOTAL BONDS</b>				<u>148,941,996</u>	<u>109.24</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>148,959,496</u>	<u>109.25</u>
TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Asset-Backed Securities</b>					
447,617	CT CDO IV Ltd., 2006-4A, A1, 144A, FRN, 0.502%, 10/20/43 †	CYM	USD	419,316	0.31
300,000	Veritas CLO Ltd., 2006-2A, A2, 144A, FRN, 0.608%, 07/11/21 †	CYM	USD	289,619	0.21
260,423	Credit Suisse Mortgage Capital Certificates, 2009-15R, 3A1, 144A, FRN, 5.371%, 03/26/36 †	USA	USD	273,665	0.20
327,000	Bear Stearns Commercial Mortgage Securities Inc., 2006-T24, B, 144A, FRN, 5.657%, 10/12/41 †	USA	USD	216,899	0.16
225,000	G-Force 2005-RR LLC, 2005-RRA, C, 144A, 5.20%, 08/22/36	USA	USD	209,207	0.15
161,667	Legacy Benefits Insurance Settlements LLC, 2004-1, A, 144A, 5.35%, 02/10/39	USA	USD	152,776	0.11
144,706	Newcastle CDO IV Ltd., 2004-5A, 1, 144A, FRN, 0.613%, 12/24/39 †	CYM	USD	137,933	0.10
139,888	Crest Ltd., 2004-1A, A, 144A, FRN, 0.606%, 01/28/20 †	CYM	USD	136,663	0.10
120,000	Morgan Stanley Capital I Trust, 2005-RR6, AJ, 144A, 5.233%, 05/24/43	USA	USD	117,112	0.09
100,652	LNR CDO 2003-1 Ltd., 2003-1A, B, 144A, FRN, 1.493%, 07/23/36 †	CYM	USD	100,063	0.07
81,364	G-Force 2005-RR LLC, 2005-RRA, A2, 144A, 4.83%, 08/22/36	USA	USD	82,161	0.06
55,000	Newcastle CDO IV Ltd., 2004-4A, 2FL, 144A, FRN, 0.923%, 03/24/39 †	CYM	USD	55,000	0.04
26,872	Countryplace Manufactured Housing Contract Trust, 2005-A3, 144A, 4.80%, 12/15/35	USA	USD	27,742	0.02
				<u>2,218,156</u>	<u>1.62</u>
<b>Corporate Bonds</b>					
600,000	Liberty Mutual Group Inc., senior note, 144A, 4.95%, 05/01/22	USA	USD	616,783	0.45
500,000	Banco do Brasil SA, sub. note, 144A, 5.875%, 01/26/22	BRA	USD	490,000	0.36
300,000	Gaz Capital SA, (OJSC Gazprom), loan participation, senior bond, 144A, 6.212%, 11/22/16	LUX	USD	325,350	0.24
300,000	Tesco PLC, senior note, 144A, 2.70%, 01/05/17	GBR	USD	306,825	0.23
270,000	Prudential Covered Trust, secured note, 144A, 2.997%, 09/30/15	USA	USD	278,733	0.20
200,000	KKR Group Finance Co., senior note, 144A, 6.375%, 09/29/20	USA	USD	227,555	0.17
200,000	Woodside Finance Ltd., 144A, 4.50%, 11/10/14	AUS	USD	208,763	0.15
200,000	Hutchison Whampoa International 11 Ltd., senior note, 144A, 3.50%, 01/13/17	HKG	USD	206,736	0.15
200,000	Xstrata Finance Canada Ltd., senior note, 144A, 4.95%, 11/15/21	CAN	USD	193,853	0.14
200,000	Texas Competitive Electric Holdings Co. LLC/Texas Competitive Electric Holdings Finance Inc., senior secured note, 144A, 11.50%, 10/01/20	USA	USD	150,500	0.11
100,000	Mitsui Sumitomo Insurance Co. Ltd., junior sub. note, 144A, 7.00% to 03/15/22, FRN thereafter, 03/15/72	JPN	USD	109,424	0.08
100,000	Enogex LLC, senior note, 144A, 6.25%, 03/15/20	USA	USD	109,048	0.08
100,000	CNPC HK Overseas Capital Ltd., senior note, 144A, 5.95%, 04/28/41	CHN	USD	108,549	0.08
100,000	Sigma Alimentos SA, senior note, 144A, 5.625%, 04/14/18	MEX	USD	107,863	0.08
100,000	Cemex SAB de CV, senior secured note, 144A, 9.00%, 01/11/18	MEX	USD	105,500	0.08
100,000	First Data Corp., senior secured bond, 144A, 8.25%, 01/15/21	USA	USD	102,500	0.08
100,000	HSBC Bank Brasil SA, senior note, 144A, 4.00%, 05/11/16	BRA	USD	101,249	0.07
50,000	NewPage Corp., Escrow Account, 11.375%, 12/31/14 **	USA	USD	0	0.00
				<u>3,749,231</u>	<u>2.75</u>
<b>TOTAL BONDS</b>				<u>5,967,387</u>	<u>4.37</u>
<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>5,967,387</u>	<u>4.37</u>
<b>TOTAL INVESTMENTS</b>				<u>155,401,862</u>	<u>113.97</u>

† Floating Rates are indicated as at June 30, 2013

‡ Income may be received in additional securities and/or cash

\*\* These securities are submitted to a Fair Valuation



## — Franklin World Perspectives Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
4,000	Precision Castparts Corp.	USA	USD	904,040	0.72
5,200	The Boeing Co.	USA	USD	532,688	0.42
2,700	TransDigm Group Inc.	USA	USD	423,279	0.33
4,000	Honeywell International Inc.	USA	USD	317,360	0.25
39,000	Singapore Technologies Engineering Ltd.	SGP	SGD	128,948	0.10
				<u>2,306,315</u>	<u>1.82</u>
<b>Air Freight &amp; Logistics</b>					
10,000	Hub Group Inc., A	USA	USD	364,200	0.29
<b>Auto Components</b>					
5,080	BorgWarner Inc.	USA	USD	437,642	0.35
10,758	Bridgestone Corp.	JPN	JPY	366,590	0.29
14,162	NGK Spark Plug Co. Ltd.	JPN	JPY	283,554	0.22
72,000	Cheng Shin Rubber Industry Co. Ltd.	TWN	TWD	227,267	0.18
17,935	Kyungchang Industrial Co. Ltd.	KOR	KRW	136,899	0.11
731	Hyundai Wia Corp.	KOR	KRW	108,780	0.09
2,260	Hankook Tire Co. Ltd.	KOR	KRW	104,454	0.08
7,510	S&T Dynamics Co. Ltd.	KOR	KRW	82,173	0.06
				<u>1,747,359</u>	<u>1.38</u>
<b>Automobiles</b>					
10,793	Toyota Motor Corp.	JPN	JPY	651,780	0.52
222,000	Dongfeng Motor Group Co. Ltd., H	CHN	HKD	296,536	0.23
1,099	Hyundai Motor Co.	KOR	KRW	216,933	0.17
3,792	Kia Motors Corp.	KOR	KRW	206,130	0.16
181,500	PT Astra International Tbk	IDN	IDR	128,010	0.10
1,244	Hyundai Motor Co., 2nd pfd.	KOR	KRW	108,894	0.09
18,610	Tata Motors Ltd.	IND	INR	87,981	0.07
2,720	Mahindra & Mahindra Ltd.	IND	INR	44,161	0.04
				<u>1,740,425</u>	<u>1.38</u>
<b>Beverages</b>					
9,826	Anheuser-Busch InBev NV	BEL	EUR	874,709	0.69
8,240	PepsiCo Inc.	USA	USD	673,950	0.53
13,050	The Coca-Cola Co.	USA	USD	523,435	0.42
9,500	Companhia de Bebidas das Americas (AmBev), pfd.	BRA	BRL	355,296	0.28
11,505	Diageo PLC	GBR	GBP	328,907	0.26
5,150	Coca-Cola Amatil Ltd.	AUS	AUD	59,880	0.05
				<u>2,816,177</u>	<u>2.23</u>
<b>Biotechnology</b>					
9,000	Celgene Corp.	USA	USD	1,052,190	0.83
19,600	Gilead Sciences Inc.	USA	USD	1,003,716	0.79
4,000	Biogen Idec Inc.	USA	USD	860,800	0.68
8,000	Quintiles Transnational Holdings Inc.	USA	USD	340,480	0.27
5,564	CSL Ltd.	AUS	AUD	313,439	0.25
				<u>3,570,625</u>	<u>2.82</u>
<b>Capital Markets</b>					
11,500	T. Rowe Price Group Inc.	USA	USD	841,225	0.67
3,375	IGM Financial Inc.	CAN	CAD	144,746	0.11
25,969	Motilal Oswal Financial Services Ltd.	IND	INR	35,573	0.03
				<u>1,021,544</u>	<u>0.81</u>
<b>Chemicals</b>					
15,000	Ecolab Inc.	USA	USD	1,277,850	1.01
5,500	Praxair Inc.	USA	USD	633,380	0.50
4,300	Airgas Inc.	USA	USD	410,478	0.33
4,479	Nitto Denko Corp.	JPN	JPY	288,094	0.23
4,450	Potash Corp. of Saskatchewan Inc.	CAN	CAD	169,814	0.13
4,279	HSBC Bank PLC (CRTP Saudi Basic Industries Corp., 144A)	SAU	USD	104,405	0.08
1,067	Asian Paints Ltd.	IND	INR	82,983	0.07
7,040	Songwon Industrial Co. Ltd.	KOR	KRW	76,722	0.06
750	Agrium Inc.	CAN	CAD	65,045	0.05
				<u>3,108,771</u>	<u>2.46</u>

## — Franklin World Perspectives Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Commercial Banks</b>					
10,000	Signature Bank/New York NY	USA	USD	830,200	0.66
18,500	Wells Fargo & Co.	USA	USD	763,495	0.60
9,913	Sumitomo Mitsui Financial Group Inc.	JPN	JPY	454,725	0.36
58,399	Mitsubishi UFJ Financial Group Inc.	JPN	JPY	360,321	0.29
82,841	Itaúsa – Investimentos Itaú SA, pfd.	BRA	BRL	306,997	0.24
5,350	Bank of Nova Scotia	CAN	CAD	286,086	0.23
400,000	China Construction Bank Corp., H	CHN	HKD	283,137	0.22
3,500	Canadian Imperial Bank of Commerce	CAN	CAD	248,481	0.20
2,725	The Toronto-Dominion Bank	CAN	CAD	218,938	0.17
3,725	Royal Bank of Canada	CAN	CAD	217,119	0.17
6,750	Hana Financial Group Inc.	KOR	KRW	196,461	0.16
110,500	China Merchants Bank Co. Ltd., H	CHN	HKD	184,358	0.15
39,009	First Gulf Bank PJSC	ARE	AED	169,397	0.13
2,632	Commonwealth Bank of Australia	AUS	AUD	166,568	0.13
3,482	Qatar National Bank	QAT	QAR	152,075	0.12
93,645	Bank Muscat SAOG	OMN	OMR	142,041	0.11
64,126	Burgan Bank SAK	KWD	KWD	134,893	0.11
133,000	PT Bank Central Asia Tbk	IDN	IDR	134,005	0.11
20,600	Kasikornbank PCL, fgn.	THA	THB	129,660	0.10
2,175	Bank of Montreal	CAN	CAD	126,340	0.10
63,300	Banco Industrial e Comercial SA, pfd.	BRA	BRL	122,119	0.10
15,449	Yes Bank Ltd.	IND	INR	119,631	0.09
21,340	Siam Commercial Bank PCL, fgn.	THA	THB	117,870	0.09
13,061	HSBC Bank PLC (CRTP Banque Saudi Fransi)	SAU	USD	113,192	0.09
5,821	HSBC Bank PLC (CRTP Al Rajhi Bank)	SAU	USD	110,984	0.09
8,138	HSBC Bank PLC (CRTP Samba Financial Group, 144A)	SAU	USD	107,202	0.08
14,180	Bangkok Bank PCL, fgn.	THA	THB	94,716	0.08
4,567	ICICI Bank Ltd.	IND	INR	82,065	0.07
12,200	Public Bank Bhd., fgn.	MYS	MYR	65,875	0.05
1,692	State Bank of India	IND	INR	55,524	0.04
63,500	PT Bank Rakyat Indonesia (Persero) Tbk	IDN	IDR	49,584	0.04
3,000	United Overseas Bank Ltd.	SGP	SGD	47,015	0.04
12,436	Malayan Banking Bhd.	MYS	MYR	40,935	0.03
				<u>6,632,009</u>	<u>5.25</u>
<b>Commercial Services &amp; Supplies</b>					
6,500	Stericycle Inc.	USA	USD	717,795	0.57
19,818	De La Rue PLC	GBR	GBP	291,380	0.23
31,646	Brambles Ltd.	AUS	AUD	270,391	0.21
16,000	Cleanaway Co. Ltd.	TWN	TWD	122,256	0.10
				<u>1,401,822</u>	<u>1.11</u>
<b>Communications Equipment</b>					
16,100	QUALCOMM Inc.	USA	USD	983,388	0.78
<b>Computers &amp; Peripherals</b>					
4,750	Apple Inc.	USA	USD	1,881,380	1.49
29,649	Toshiba Corp.	JPN	JPY	142,581	0.11
				<u>2,023,961</u>	<u>1.60</u>
<b>Construction &amp; Engineering</b>					
6,600	Jacobs Engineering Group Inc.	USA	USD	363,858	0.29
5,550	SNC-Lavalin Group Inc., A	CAN	CAD	234,543	0.18
9,068	Nippo Corp.	JPN	JPY	149,198	0.12
2,001	Hyundai Engineering & Construction Co. Ltd.	KOR	KRW	97,913	0.08
3,433	OCI NV	EGY	USD	92,691	0.07
				<u>938,203</u>	<u>0.74</u>
<b>Consumer Finance</b>					
215,116	International Personal Finance PLC	GBR	GBP	1,639,067	1.30
32,252	Mahindra & Mahindra Financial Services Ltd.	IND	INR	140,774	0.11
22,928	FlexiGroup Ltd.	AUS	AUD	91,449	0.07
				<u>1,871,290</u>	<u>1.48</u>
<b>Containers &amp; Packaging</b>					
43,184	Arcor Ltd.	AUS	AUD	400,578	0.32
<b>Diversified Consumer Services</b>					
68,481	Dignity PLC	GBR	GBP	1,417,993	1.12
39,900	Estacio Participacoes SA	BRA	BRL	291,253	0.23
				<u>1,709,246</u>	<u>1.35</u>

The accompanying notes form an integral

## — Franklin World Perspectives Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Diversified Financial Services</b>				
2,500	IntercontinentalExchange Inc.	USA	USD	444,400	0.35
2,740	Vanguard Energy ETF	USA	USD	308,031	0.24
21,504	ORIX Corp.	JPN	JPY	293,759	0.23
16,589	Hong Kong Exchanges & Clearing Ltd.	HKG	HKD	250,462	0.20
44,500	BM&F BOVESPA SA	BRA	BRL	245,170	0.19
42,000	Singapore Exchange Ltd.	SGP	SGD	232,993	0.19
69,880	Kuwait Projects Co. Holding KSC	KWD	KWD	122,497	0.10
46,000	First Pacific Co. Ltd.	HKG	HKD	49,227	0.04
1,825	Crisil Ltd.	IND	INR	34,061	0.03
159	Credit Analysis and Research Ltd.	IND	INR	1,601	0.00
				<u>1,982,201</u>	<u>1.57</u>
	<b>Diversified Telecommunication Services</b>				
80,000	Singapore Telecommunications Ltd.	SGP	SGD	237,996	0.19
	<b>Electric Utilities</b>				
4,340	Korea Electric Power Corp.	KOR	KRW	100,674	0.08
	<b>Electrical Equipment</b>				
69,381	Prysmian SpA	ITA	EUR	1,295,945	1.02
27,548	Legrand SA	FRA	EUR	1,277,974	1.01
5,400	Roper Industries Inc.	USA	USD	670,788	0.53
6,938	Nexans SA	FRA	EUR	329,129	0.26
2,700	Rockwell Automation Inc.	USA	USD	224,478	0.18
18,609	Nippon Signal Co. Ltd.	JPN	JPY	137,330	0.11
3,050	Kumho Electric Co. Ltd.	KOR	KRW	83,966	0.07
				<u>4,019,610</u>	<u>3.18</u>
	<b>Electronic Equipment, Instruments &amp; Components</b>				
49,991	Hitachi Ltd.	JPN	JPY	321,043	0.25
11,950	Trimble Navigation Ltd.	USA	USD	310,820	0.25
65,000	FLEXium Interconnect Inc.	TWN	TWD	223,390	0.18
6,357	Hitachi High-Technologies Corp.	JPN	JPY	153,237	0.12
9,286	YASKAWA Electric Corp.	JPN	JPY	112,997	0.09
				<u>1,121,487</u>	<u>0.89</u>
	<b>Energy Equipment &amp; Services</b>				
25,189	Fugro NV, IDR	NLD	EUR	1,365,590	1.08
9,300	Schlumberger Ltd.	USA	USD	666,438	0.53
7,000	National Oilwell Varco Inc.	USA	USD	482,300	0.38
12,839	TGS Nopec Geophysical Co. ASA	NOR	NOK	373,110	0.29
102,000	Ezion Holdings Ltd.	SGP	SGD	170,637	0.13
10,537	Gulf International Services QSC	QAT	QAR	120,549	0.10
18,325	Savanna Energy Services Corp.	CAN	CAD	118,175	0.09
6,395	WorleyParsons Ltd.	AUS	AUD	114,019	0.09
2,050	Calfrac Well Services Ltd.	CAN	CAD	59,101	0.05
				<u>3,469,919</u>	<u>2.74</u>
	<b>Food &amp; Staples Retailing</b>				
14,000	Whole Foods Market Inc.	USA	USD	720,720	0.57
35,100	Dairy Farm International Holdings Ltd.	HKG	USD	421,551	0.33
6,528	Sundrug Co. Ltd.	JPN	JPY	277,073	0.22
9,097	Woolworths Ltd.	AUS	AUD	273,043	0.22
3,175	Metro Inc., A	CAN	CAD	212,844	0.17
4,422	Companhia Brasileira de Distribuicao, pfd., A	BRA	BRL	198,394	0.16
538	E-Mart Co. Ltd.	KOR	KRW	94,659	0.07
1,475	Alimentation Couche-Tard Inc., B	CAN	CAD	87,544	0.07
20,300	CP ALL PCL, fgn.	THA	THB	25,424	0.02
				<u>2,311,252</u>	<u>1.83</u>
	<b>Food Products</b>				
6,000	Mead Johnson Nutrition Co., A	USA	USD	475,380	0.38
17,500	WhiteWave Foods Co., A	USA	USD	284,375	0.22
13,200	Nestle (Malaysia) Bhd.	MYS	MYR	279,917	0.22
1,675	Saputo Inc.	CAN	CAD	77,015	0.06
1,724	Nestle Lanka PLC	LKA	LKR	25,608	0.02
				<u>1,142,295</u>	<u>0.90</u>
	<b>Gas Utilities</b>				
40,000	China Resources Gas Group Ltd.	CHN	HKD	102,115	0.08
	<b>Health Care Equipment &amp; Supplies</b>				
19,000	Abbott Laboratories	USA	USD	662,720	0.53
3,603	Terumo Corp.	JPN	JPY	179,260	0.14
31,300	Resmed Inc., CDI	USA	AUD	143,166	0.11
				<u>985,146</u>	<u>0.78</u>

## — Franklin World Perspectives Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Health Care Providers &amp; Services</b>					
4,300	DaVita HealthCare Partners Inc.	USA	USD	519,440	0.41
3,500	McKesson Corp.	USA	USD	400,750	0.32
6,240	Express Scripts Holding Co.	USA	USD	384,946	0.30
				<u>1,305,136</u>	<u>1.03</u>
<b>Health Care Technology</b>					
7,000	Cerner Corp.	USA	USD	672,630	0.53
<b>Hotels, Restaurants &amp; Leisure</b>					
3,130	Wynn Resorts Ltd.	USA	USD	400,640	0.32
5,200	Starwood Hotels & Resorts Worldwide Inc.	USA	USD	328,588	0.26
900	Chipotle Mexican Grill Inc.	USA	USD	327,915	0.26
6,118	Merrill Lynch International & Co. CV (CRTP Al Tayyar Travel Group)	SAU	USD	105,227	0.08
				<u>1,162,370</u>	<u>0.92</u>
<b>Household Durables</b>					
39,472	The Berkeley Group Holdings PLC	GBR	GBP	1,279,861	1.01
53,707	JM AB	SWE	SEK	1,133,135	0.90
75,000	Even Construtora e Incorporadora SA	BRA	BRL	266,836	0.21
97,400	Gafisa SA	BRA	BRL	125,852	0.10
				<u>2,805,684</u>	<u>2.22</u>
<b>Household Products</b>					
13,227	Reckitt Benckiser Group PLC	GBR	GBP	935,105	0.74
<b>Industrial Conglomerates</b>					
26,883	DCC PLC	IRL	GBP	1,049,518	0.83
9,500	Danaher Corp.	USA	USD	601,350	0.48
2,707	Industries Qatar QSC	QAT	QAR	117,856	0.09
15,698	HSBC Bank PLC (CRTP National Industrialization Co.)	SAU	USD	110,092	0.09
				<u>1,878,816</u>	<u>1.49</u>
<b>Insurance</b>					
16,480	Euler Hermes SA	FRA	EUR	1,661,395	1.31
152,834	Hiscox Ltd.	GBR	GBP	1,321,989	1.05
9,000	ACE Ltd.	USA	USD	805,320	0.64
9,500	Aflac Inc.	USA	USD	552,140	0.44
66,800	AIA Group Ltd.	HKG	HKD	282,929	0.22
8,100	Power Corp. of Canada	CAN	CAD	217,418	0.17
5,525	Power Financial Corp.	CAN	CAD	160,702	0.13
8,050	Manulife Financial Corp.	CAN	CAD	128,864	0.10
3,570	Hyundai Marine & Fire Insurance Co. Ltd.	KOR	KRW	94,687	0.07
				<u>5,225,444</u>	<u>4.13</u>
<b>Internet &amp; Catalog Retail</b>					
3,200	Amazon.com Inc.	USA	USD	888,608	0.70
500	Priceline.com Inc.	USA	USD	413,565	0.33
				<u>1,302,173</u>	<u>1.03</u>
<b>Internet Software &amp; Services</b>					
2,040	Google Inc., A	USA	USD	1,795,955	1.42
13,000	eBay Inc.	USA	USD	672,360	0.53
2,800	LinkedIn Corp., A	USA	USD	499,240	0.40
17,000	Facebook Inc., A	USA	USD	422,620	0.33
11,000	Yahoo! Inc.	USA	USD	276,210	0.22
393	Yahoo Japan Corp.	JPN	JPY	193,746	0.15
1,990	Baidu Inc., ADR	CHN	USD	188,115	0.15
				<u>4,048,246</u>	<u>3.20</u>
<b>IT Services</b>					
7,000	Visa Inc., A	USA	USD	1,279,250	1.01
2,200	MasterCard Inc., A	USA	USD	1,263,900	1.00
3,000	International Business Machines Corp.	USA	USD	573,330	0.45
40,656	Computershare Ltd.	AUS	AUD	381,963	0.30
10,000	Vantiv Inc., A	USA	USD	276,000	0.22
11,298	IT Holdings Corp.	JPN	JPY	150,124	0.12
1,980	Cognizant Technology Solutions Corp., A	USA	USD	123,968	0.10
26,673	Polaris Financial Technology Ltd.	IND	INR	51,143	0.04
				<u>4,099,678</u>	<u>3.24</u>
<b>Leisure Equipment &amp; Products</b>					
20,763	Giant Manufacturing Co. Ltd.	TWN	TWD	142,715	0.11
6,437	Samchuly Bicycle Co. Ltd.	KOR	KRW	97,198	0.08
				<u>239,913</u>	<u>0.19</u>

The accompanying notes form an integral

## — Franklin World Perspectives Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Life Sciences Tools &amp; Services</b>				
6,300	Illumina Inc.	USA	USD	471,492	0.37
2,290	Waters Corp.	USA	USD	229,114	0.18
				<u>700,606</u>	<u>0.55</u>
	<b>Machinery</b>				
8,070	Pall Corp.	USA	USD	536,090	0.42
1,130	SMC Corp.	JPN	JPY	226,934	0.18
13,969	Kubota Corp.	JPN	JPY	203,923	0.16
51,773	IHI Corp.	JPN	JPY	196,256	0.16
65,000	Yungtay Engineering Co. Ltd.	TWN	TWD	129,696	0.10
11,322	Shinmaywa Industries, Ltd.	JPN	JPY	88,120	0.07
520	Hyundai Heavy Industries Co. Ltd.	KOR	KRW	83,526	0.07
				<u>1,464,545</u>	<u>1.16</u>
	<b>Marine</b>				
39,222	Clarkson PLC	GBR	GBP	1,013,467	0.80
	<b>Media</b>				
81,136	Reed Elsevier NV	NLD	EUR	1,351,817	1.07
24,106	GfK AG	DEU	EUR	1,223,568	0.97
204,789	Cineworld Group PLC	GBR	GBP	1,048,041	0.83
120,146	Mediaset Espana Comunicacion SA	ESP	EUR	1,046,236	0.83
14,000	The Walt Disney Co.	USA	USD	884,100	0.70
260,000	Sirius XM Radio Inc.	USA	USD	871,000	0.69
11,100	Discovery Communications Inc., C	USA	USD	773,226	0.61
4,900	Charter Communications Inc., A	USA	USD	606,865	0.48
8,000	DIRECTV	USA	USD	492,960	0.39
8,950	Thomson Reuters Corp.	CAN	CAD	292,162	0.23
712,495	PT Surya Citra Media Tbk	IDN	IDR	195,622	0.15
53,200	BEC World PCL, fgn.	THA	THB	100,369	0.08
64,382	Jagran Prakashan Ltd.	IND	INR	88,030	0.07
				<u>8,973,996</u>	<u>7.10</u>
	<b>Metals &amp; Mining</b>				
11,420	BHP Billiton Ltd.	AUS	AUD	327,723	0.26
31,978	Dowa Holdings Co. Ltd.	JPN	JPY	285,316	0.23
17,700	Vale SA, pfd., A	BRA	BRL	214,252	0.17
2,625	Franco-Nevada Corp.	CAN	CAD	94,004	0.07
43,085	Gujarat Mineral Development Corp. Ltd.	IND	INR	92,817	0.07
12,500	Major Drilling Group International Inc.	CAN	CAD	85,129	0.07
1,247	Rio Tinto Ltd.	AUS	AUD	59,741	0.05
				<u>1,158,982</u>	<u>0.92</u>
	<b>Multiline Retail</b>				
5,300	Dollar General Corp.	USA	USD	268,445	0.21
4,536	Don Quijote Co. Ltd.	JPN	JPY	220,649	0.17
31,000	Poya Co. Ltd.	TWN	TWD	110,677	0.09
702	Hyundai Department Store Co. Ltd.	KOR	KRW	92,175	0.07
141,500	Parkson Retail Group Ltd.	CHN	HKD	58,928	0.05
29,000	Parkson Retail Asia Ltd.	SGP	SGD	37,759	0.03
				<u>788,633</u>	<u>0.62</u>
	<b>Office Electronics</b>				
15,784	Neopost SA	FRA	EUR	1,047,807	0.83
	<b>Oil, Gas &amp; Consumable Fuels</b>				
13,000	Noble Energy Inc.	USA	USD	780,520	0.62
5,000	Chevron Corp.	USA	USD	591,700	0.47
30,000	PTT PCL, fgn.	THA	THB	322,736	0.25
37,700	Petroleo Brasileiro SA	BRA	BRL	249,653	0.20
5,350	TransCanada Corp.	CAN	CAD	230,416	0.18
7,600	Canadian Natural Resources Ltd.	CAN	CAD	214,334	0.17
25,050	Nuvista Energy Ltd.	CAN	CAD	171,075	0.13
5,225	Cenovus Energy Inc.	CAN	CAD	149,094	0.12
1,700	Anadarko Petroleum Corp.	USA	USD	146,081	0.12
3,375	Enbridge Inc.	CAN	CAD	141,921	0.11
47,000	China Shenhua Energy Co. Ltd., H	CHN	HKD	119,379	0.09
90,000	PetroChina Co. Ltd., H	CHN	HKD	95,733	0.08
6,400	Bonavista Energy Corp.	CAN	CAD	83,093	0.07
2,592	Suncor Energy Inc.	CAN	CAD	76,428	0.06
38,000	CNOOC Ltd.	CHN	HKD	64,477	0.05
4,205	Reliance Industries Ltd.	IND	INR	60,875	0.05
				<u>3,497,515</u>	<u>2.77</u>
	<b>Paper &amp; Forest Products</b>				
64,900	Suzano Papel e Celulose SA, pfd., A	BRA	BRL	238,763	0.19
	<b>Personal Products</b>				
15,000	Hengan International Group Co. Ltd.	CHN	HKD	162,456	0.13

part of these financial statements

## — Franklin World Perspectives Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Pharmaceuticals</b>					
5,293	Roche Holding AG	CHE	CHF	1,316,458	1.04
6,750	Actavis Inc.	USA	USD	851,985	0.67
19,000	Bristol-Myers Squibb Co.	USA	USD	849,110	0.67
4,210	Allergan Inc.	USA	USD	354,650	0.28
4,558	Astellas Pharma Inc.	JPN	JPY	247,683	0.20
905,500	PT Kalbe Farma Tbk	IDN	IDR	131,377	0.10
5,318	Cadila Healthcare Ltd.	IND	INR	69,091	0.06
				<u>3,820,354</u>	<u>3.02</u>
<b>Professional Services</b>					
10,200	Nielsen Holdings NV	USA	USD	342,618	0.27
24,799	SAI Global Ltd.	AUS	AUD	82,351	0.07
				<u>424,969</u>	<u>0.34</u>
<b>Real Estate Investment Trust (REIT)</b>					
7,700	American Tower Corp.	USA	USD	563,409	0.45
<b>Real Estate Management &amp; Development</b>					
193,108	Savills PLC	GBR	GBP	1,677,694	1.33
158,000	China Overseas Land & Investment Ltd.	CHN	HKD	412,522	0.33
9,986	Mitsui Fudosan Co. Ltd.	JPN	JPY	293,670	0.23
7,225	Brookfield Asset Management Inc., A	CAN	CAD	259,766	0.20
21,900	Aliansce Shopping Centers SA	BRA	BRL	187,077	0.15
103,082	Emaar Properties PJSC	ARE	AED	145,937	0.12
50,000	China Resources Land Ltd.	CHN	HKD	136,992	0.11
42,989	HSBC Bank PLC (CRTP Dar Al Arkan Real Estate Development Co.)	SAU	USD	120,366	0.09
				<u>3,234,024</u>	<u>2.56</u>
<b>Road &amp; Rail</b>					
4,500	Union Pacific Corp.	USA	USD	694,260	0.55
3,700	Kansas City Southern	USA	USD	392,052	0.31
3,275	Canadian National Railway Co.	CAN	CAD	318,980	0.25
1,733	East Japan Railway Co.	JPN	JPY	134,706	0.11
				<u>1,539,998</u>	<u>1.22</u>
<b>Semiconductors &amp; Semiconductor Equipment</b>					
654	Samsung Electronics Co. Ltd.	KOR	KRW	768,267	0.61
18,000	Xilinx Inc.	USA	USD	712,980	0.56
16,000	Microchip Technology Inc.	USA	USD	596,000	0.47
153,795	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	569,611	0.45
127,000	Epistar Corp.	TWN	TWD	223,744	0.18
187,000	Win Semiconductors Corp.	TWN	TWD	200,602	0.16
14,435	Sumco Corp.	JPN	JPY	158,772	0.13
5,450	SK Hynix Semiconductor Inc.	KOR	KRW	148,845	0.12
15,000	Giga Solar Materials Corp.	TWN	TWD	116,116	0.09
115	Samsung Electronics Co. Ltd., pfd.	KOR	KRW	88,988	0.07
				<u>3,583,925</u>	<u>2.84</u>
<b>Software</b>					
16,000	Salesforce.com Inc.	USA	USD	610,880	0.48
5,700	NetSuite Inc.	USA	USD	522,918	0.41
5,900	ANSYS Inc.	USA	USD	431,290	0.34
22,000	Nuance Communications Inc.	USA	USD	404,360	0.32
4,710	Check Point Software Technologies Ltd.	ISR	USD	233,993	0.19
2,208	MacDonald Dettwiler and Associates Ltd.	CAN	CAD	146,591	0.12
				<u>2,350,032</u>	<u>1.86</u>
<b>Specialty Retail</b>					
8,370	Dufry AG	CHE	CHF	1,015,190	0.80
45,340	Carpetright PLC	GBR	GBP	402,009	0.32
3,000	Tractor Supply Co.	USA	USD	352,830	0.28
6,780	Dick's Sporting Goods Inc.	USA	USD	339,407	0.27
73,000	L'Occitane International SA	LUX	HKD	196,243	0.16
5,296	JB Hi-Fi Ltd.	AUS	AUD	81,441	0.06
41,000	OSIM International Ltd.	SGP	SGD	63,575	0.05
62,000	Sa Sa International Holdings Ltd.	HKG	HKD	61,153	0.05
				<u>2,511,848</u>	<u>1.99</u>
<b>Textiles, Apparel &amp; Luxury Goods</b>					
3,500	Ralph Lauren Corp.	USA	USD	608,090	0.48
9,500	Under Armour Inc., A	USA	USD	567,245	0.45
98,100	Samsonite International SA	HKG	HKD	237,030	0.19
40,145	Titan Industries Ltd.	IND	INR	151,253	0.12
15,000	Eclat Textile Co. Ltd.	TWN	TWD	110,861	0.09
2,700	Gildan Activewear Inc.	CAN	CAD	109,530	0.08
				<u>1,784,009</u>	<u>1.41</u>

The accompanying notes form an integral

## — Franklin World Perspectives Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Thriffs &amp; Mortgage Finance</b>				
1,900	Home Capital Group Inc.	CAN	CAD	100,354	0.08
	<b>Tobacco</b>				
24,366	Imperial Tobacco Group PLC	GBR	GBP	845,086	0.67
7,364	Japan Tobacco Inc.	JPN	JPY	260,216	0.20
				1,105,302	0.87
	<b>Trading Companies &amp; Distributors</b>				
11,050	United Rentals Inc.	USA	USD	551,505	0.44
7,500	Fastenal Co.	USA	USD	343,875	0.27
1,720	Samsung C&T Corp.	KOR	KRW	81,152	0.06
				976,532	0.77
	<b>Transportation Infrastructure</b>				
5,659	Flughafen Wien AG	AUT	EUR	323,516	0.26
95,000	SATS Ltd.	SGP	SGD	246,637	0.19
				570,153	0.45
	<b>Water Utilities</b>				
15,300	Companhia de Saneamento Basico do Estado de Sao Paulo	BRA	BRL	157,263	0.12
30,600	Cia de Saneamento do Parana, pfd.	BRA	BRL	84,569	0.07
				241,832	0.19
	<b>Wireless Telecommunication Services</b>				
11,540	SBA Communications Corp.	USA	USD	855,345	0.68
63,446	Bharti Airtel Ltd.	IND	INR	310,553	0.25
4,446	KDDI Corp.	JPN	JPY	231,287	0.18
4,200	Rogers Communications Inc., B	CAN	CAD	164,588	0.13
15,000	China Mobile Ltd.	CHN	HKD	157,041	0.12
2,664	SOFTBANK Corp.	JPN	JPY	155,505	0.12
5,174	HSBC Bank PLC (CRTP Etihad Etisalat Co., 144A)	SAU	USD	109,686	0.09
32,442	Orascom Telecom Holding SAE, GDR, Reg S	EGY	USD	90,513	0.07
				2,074,518	1.64
	<b>TOTAL SHARES</b>			115,711,832	91.54
	<b>INVESTMENTS FUNDS</b>				
	<b>Diversified Financial Services</b>				
33,785	db x-trackers MSCI Russia Capped Index ETF	RUS	USD	898,512	0.71
11,135	iShares MSCI South Africa Index Fund	ZAF	USD	650,730	0.52
6,281	Vanguard Consumer Staples ETF	USA	USD	640,662	0.51
15,574	Vanguard Financials ETF	USA	USD	621,558	0.49
7,921	iShares MSCI Mexico Capped ETF	MEX	USD	516,449	0.41
11,422	SPDR S&P ASX 200 Fund	AUS	AUD	469,258	0.37
15,212	Lyxor ETF Eastern Europe (CECE EUR)	FRA	EUR	317,207	0.25
4,807	iShares MSCI Chile Capped Investable Market Index Fund	CHL	USD	258,569	0.20
6,437	iShares S&P Global Energy Sector Index Fund	USA	USD	246,408	0.20
2,173	CS ETF (IE)	ZAF	USD	230,990	0.18
				4,850,343	3.84
	<b>TOTAL INVESTMENTS FUNDS</b>			4,850,343	3.84
	<b>RIGHTS</b>				
	<b>Diversified Financial Services</b>				
2,750	First Pacific Co. Ltd., rts., 07/03/13	HKG	HKD	51	0.00
	<b>TOTAL RIGHTS</b>			51	0.00
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			120,562,226	95.38
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Beverages</b>				
60,104	Anheuser-Busch InBev NV, VVPR Strip **	BEL	EUR	0	0.00
	<b>TOTAL SHARES</b>			0	0.00
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			0	0.00
	<b>TOTAL INVESTMENTS</b>			120,562,226	95.38

\*\* These securities are submitted to a Fair Valuation

## — Franklin Mutual Beacon Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
124,905	Huntington Ingalls Industries Inc.	USA	USD	7,054,634	0.86
69,546	Raytheon Co.	USA	USD	4,598,382	0.56
				<u>11,653,016</u>	<u>1.42</u>
<b>Automobiles</b>					
280,230	General Motors Co.	USA	USD	9,334,461	1.14
<b>Beverages</b>					
125,095	Dr. Pepper Snapple Group Inc.	USA	USD	5,745,613	0.70
148,980	Coca-Cola Enterprises Inc.	GBR	USD	5,238,137	0.63
42,069	Pernod Ricard SA	FRA	EUR	4,664,929	0.57
				<u>15,648,679</u>	<u>1.90</u>
<b>Capital Markets</b>					
343,708	Morgan Stanley	USA	USD	8,396,786	1.02
<b>Chemicals</b>					
16,083	Linde AG	DEU	EUR	3,000,951	0.36
<b>Commercial Banks</b>					
210,274	PNC Financial Services Group Inc.	USA	USD	15,333,180	1.87
132,620	Wells Fargo & Co.	USA	USD	5,473,227	0.67
132,576	KB Financial Group Inc.	KOR	KRW	3,968,924	0.48
109,020	Societe Generale	FRA	EUR	3,746,315	0.45
105,413	SunTrust Banks Inc.	USA	USD	3,327,889	0.40
85,306	Guaranty Bancorp	USA	USD	968,223	0.12
27,545	Columbia Banking System Inc.	USA	USD	655,847	0.08
				<u>33,473,605</u>	<u>4.07</u>
<b>Communications Equipment</b>					
495,797	Cisco Systems Inc.	USA	USD	12,052,825	1.47
<b>Computers &amp; Peripherals</b>					
39,730	Apple Inc.	USA	USD	15,736,258	1.92
354,820	Hewlett-Packard Co.	USA	USD	8,799,536	1.07
557,202	Dell Inc.	USA	USD	7,438,647	0.90
				<u>31,974,441</u>	<u>3.89</u>
<b>Containers &amp; Packaging</b>					
176,381	MeadWestvaco Corp.	USA	USD	6,016,356	0.73
<b>Diversified Financial Services</b>					
191,674	Citigroup Inc.	USA	USD	9,194,602	1.12
129,210	JPMorgan Chase & Co.	USA	USD	6,820,996	0.83
129,463	NYSE Euronext	USA	USD	5,359,768	0.65
113,231	CIT Group Inc.	USA	USD	5,279,961	0.64
576,771	ING Groep NV, IDR	NLD	EUR	5,255,278	0.64
				<u>31,910,605</u>	<u>3.88</u>
<b>Electric Utilities</b>					
169,980	Exelon Corp.	USA	USD	5,248,982	0.64
49,370	Entergy Corp.	USA	USD	3,440,102	0.42
				<u>8,689,084</u>	<u>1.06</u>
<b>Electronic Equipment, Instruments &amp; Component</b>					
170,655	TE Connectivity Ltd.	USA	USD	7,771,629	0.95
<b>Energy Equipment &amp; Services</b>					
204,355	Baker Hughes Inc.	USA	USD	9,426,896	1.15
187,980	Transocean Ltd.	USA	USD	9,013,641	1.09
65,044	Ensco PLC, A	USA	USD	3,780,357	0.46
				<u>22,220,894</u>	<u>2.70</u>
<b>Food &amp; Staples Retailing</b>					
308,366	CVS Caremark Corp.	USA	USD	17,632,368	2.15
413,758	The Kroger Co.	USA	USD	14,291,201	1.74
189,770	Walgreen Co.	USA	USD	8,387,834	1.02
57,258	Wal-Mart Stores Inc.	USA	USD	4,265,149	0.52
				<u>44,576,552</u>	<u>5.43</u>
<b>Health Care Equipment &amp; Supplies</b>					
337,190	Medtronic Inc.	USA	USD	17,355,170	2.11
52,396	Stryker Corp.	USA	USD	3,388,973	0.41
				<u>20,744,143</u>	<u>2.52</u>

The accompanying notes form an integral



## — Franklin Mutual Beacon Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Health Care Providers &amp; Services</b>					
215,183	Cigna Corp.	USA	USD	15,598,615	1.90
93,370	WellPoint Inc.	USA	USD	7,641,401	0.93
9,741	UnitedHealth Group Inc.	USA	USD	637,841	0.08
				<u>23,877,857</u>	<u>2.91</u>
<b>Independent Power Producers &amp; Energy Traders</b>					
284,467	NRG Energy Inc.	USA	USD	7,595,269	0.92
<b>Insurance</b>					
39,689	White Mountains Insurance Group Ltd.	USA	USD	22,818,794	2.78
419,063	American International Group Inc.	USA	USD	18,732,116	2.28
143,008	ACE Ltd.	USA	USD	12,796,356	1.56
224,330	MetLife Inc.	USA	USD	10,265,341	1.25
23,575	Alleghany Corp.	USA	USD	9,036,533	1.10
20,575	Zurich Insurance Group AG	CHE	CHF	5,335,106	0.65
				<u>78,984,246</u>	<u>9.62</u>
<b>Internet Software &amp; Services</b>					
5,220	Google Inc., A	USA	USD	4,595,531	0.56
<b>Machinery</b>					
131,060	Oshkosh Corp.	USA	USD	4,976,348	0.61
57,780	Caterpillar Inc.	USA	USD	4,766,272	0.58
55,770	Stanley Black & Decker Inc.	USA	USD	4,311,021	0.52
321,415	Fiat Industrial SpA	ITA	EUR	3,583,338	0.44
				<u>17,636,979</u>	<u>2.15</u>
<b>Marine</b>					
1,119	A.P. Moller – Maersk AS, B	DNK	DKK	8,014,548	0.98
<b>Media</b>					
514,730	Twenty-First Century Fox Inc., B	USA	USD	16,893,439	2.06
962,850	Reed Elsevier PLC	GBR	GBP	10,942,359	1.33
92,082	Time Warner Cable Inc.	USA	USD	10,357,383	1.26
567,757	British Sky Broadcasting Group PLC	GBR	GBP	6,843,026	0.83
52,792	Comcast Corp., Special A	USA	USD	2,094,259	0.26
				<u>47,130,466</u>	<u>5.74</u>
<b>Metals &amp; Mining</b>					
415,163	Freeport-McMoRan Copper & Gold Inc., B	USA	USD	11,462,651	1.40
242,420	Anglo American PLC	GBR	GBP	4,669,389	0.57
234,796	ThyssenKrupp AG	DEU	EUR	4,613,367	0.56
				<u>20,745,407</u>	<u>2.53</u>
<b>Multi-Utilities</b>					
196,020	GDF Suez	FRA	EUR	3,838,723	0.47
<b>Multiline Retail</b>					
126,870	Kohl's Corp.	USA	USD	6,408,204	0.78
<b>Office Electronics</b>					
1,137,001	Xerox Corp.	USA	USD	10,312,599	1.26
<b>Oil, Gas &amp; Consumable Fuels</b>					
412,258	Marathon Oil Corp.	USA	USD	14,255,881	1.74
160,048	Apache Corp.	USA	USD	13,416,824	1.63
386,403	Royal Dutch Shell PLC, A	GBR	EUR	12,345,189	1.50
273,330	CONSOL Energy Inc.	USA	USD	7,407,243	0.90
899,333	BP PLC	GBR	GBP	6,228,395	0.76
346,280	BG Group PLC	GBR	GBP	5,891,785	0.72
93,550	Murphy Oil Corp.	USA	USD	5,696,259	0.69
250,950	Petroleo Brasileiro SA, ADR	BRA	USD	3,367,749	0.41
85,196	WPX Energy Inc.	USA	USD	1,613,612	0.20
				<u>70,222,937</u>	<u>8.55</u>
<b>Paper &amp; Forest Products</b>					
217,583	International Paper Co.	USA	USD	9,641,103	1.17
31,900	Domtar Corp.	USA	USD	2,121,350	0.26
				<u>11,762,453</u>	<u>1.43</u>
<b>Personal Products</b>					
330,600	Avon Products Inc.	USA	USD	6,952,518	0.85

## — Franklin Mutual Beacon Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
Pharmaceuticals					
559,450	Merck & Co. Inc.	USA	USD	25,986,453	3.16
212,850	Teva Pharmaceutical Industries Ltd., ADR	ISR	USD	8,343,720	1.02
268,225	Pfizer Inc.	USA	USD	7,512,982	0.91
102,736	Hospira Inc.	USA	USD	3,935,816	0.48
64,680	Eli Lilly & Co.	USA	USD	3,177,082	0.39
				48,956,053	5.96
Real Estate Management & Development					
81,574	Forestar Group Inc.	USA	USD	1,636,374	0.20
Software					
685,123	Microsoft Corp.	USA	USD	23,657,297	2.88
354,770	Symantec Corp.	USA	USD	7,971,682	0.97
				31,628,979	3.85
Tobacco					
272,475	British American Tobacco PLC	GBR	GBP	13,961,958	1.70
326,537	Imperial Tobacco Group PLC	GBR	GBP	11,325,278	1.38
246,804	Altria Group Inc.	USA	USD	8,635,672	1.05
193,921	Lorillard Inc.	USA	USD	8,470,469	1.03
58,750	Philip Morris International Inc.	USA	USD	5,088,925	0.62
				47,482,302	5.78
Wireless Telecommunication Services					
4,928,326	Vodafone Group PLC	GBR	GBP	14,083,565	1.71
TOTAL SHARES				729,329,037	88.79
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				729,329,037	88.79
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
SHARES					
Consumer Finance					
118	Comdisco Holding Co. Inc.	USA	USD	584	0.00
TOTAL SHARES				584	0.00
BONDS					
Corporate Bonds					
10,382,000	Clear Channel Communications Inc., Reg S, 9.00%, 12/15/19	USA	USD	10,122,450	1.23
4,186,000	Avaya Inc., senior note, 144A, 10.50%, 03/01/21	USA	USD	3,191,825	0.39
418,000	Wind Acquisition Finance SA, senior note, Reg S, 11.75%, 07/15/17	ITA	EUR	568,574	0.07
483,203	American Airlines Pass Through Trust, 2011-2A, 8.625%, 04/15/23	USA	USD	515,215	0.06
121,000	Wind Acquisition Finance SA, senior note, Reg S, 11.75%, 07/15/17	ITA	USD	126,445	0.02
115,256	American Airlines Pass Through Trust, 2009-1A, 10.375%, 07/02/19	USA	USD	122,820	0.01
44,880	American Airlines Inc., first lien, 13.00%, 08/01/16	USA	USD	47,797	0.01
13,876,106	Adelphia Recovery Trust, Escrow Account, ACC-1	USA	USD	19,427	0.00
1,106,158	Adelphia Recovery Trust, Escrow Account, Arahova	USA	USD	13,495	0.00
				14,728,048	1.79
Securities Maturing Within One Year					
6,000,000	U.S. Treasury Bill, 0.00%, 07/18/13	USA	USD	5,999,952	0.73
5,000,000	U.S. Treasury Bill, 0.00%, 07/05/13	USA	USD	4,999,995	0.61
5,000,000	U.S. Treasury Bill, 0.00%, 10/10/13	USA	USD	4,999,335	0.61
5,000,000	U.S. Treasury Bill, 0.00%, 10/24/13	USA	USD	4,999,240	0.61
4,700,000	U.S. Treasury Bill, 0.00%, 09/26/13	USA	USD	4,699,629	0.57
4,100,000	U.S. Treasury Bill, 0.00%, 10/03/13	USA	USD	4,099,557	0.50
4,000,000	U.S. Treasury Bill, 0.00%, 09/12/13	USA	USD	3,999,880	0.49
3,700,000	U.S. Treasury Bill, 0.00%, 08/15/13	USA	USD	3,699,907	0.45
3,000,000	U.S. Treasury Bill, 0.00%, 09/05/13	USA	USD	2,999,904	0.37
2,400,000	U.S. Treasury Bill, 0.00%, 09/19/13	USA	USD	2,399,853	0.29
2,000,000	U.S. Treasury Bill, 0.00%, 07/25/13	USA	USD	1,999,984	0.25
2,000,000	U.S. Treasury Bill, 0.00%, 08/01/13	USA	USD	1,999,970	0.24
2,000,000	U.S. Treasury Bill, 0.00%, 11/21/13	USA	USD	1,999,484	0.24
1,000,000	U.S. Treasury Bill, 0.00%, 10/17/13	USA	USD	999,861	0.12
400,000	U.S. Treasury Bill, 0.00%, 08/22/13	USA	USD	399,986	0.05
				50,296,537	6.13
TOTAL BONDS				65,024,585	7.92
TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				65,025,169	7.92

The accompanying notes form an integral

## — Franklin Mutual Beacon Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Auto Components</b>				
9,944,392	International Automotive Components Group North America LLC **	USA	USD	4,463,540	0.54
912,806	International Automotive Components Group Brazil LLC **	BRA	USD	200,407	0.03
				<u>4,663,947</u>	<u>0.57</u>
	<b>Consumer Finance</b>				
5,757,459	CB FIM Coinvestors LLC **	USA	USD	0	0.00
7,202,506	FIM Coinvestor Holdings I LLC **	USA	USD	0	0.00
				<u>0</u>	<u>0.00</u>
	<b>Electric Utilities</b>				
1,191,432	AET&D Holdings No. 1 Pty. Ltd. **	AUS	AUD	0	0.00
	<b>Insurance</b>				
2,600	Olympus Re Holdings Ltd. **	USA	USD	0	0.00
	<b>Real Estate Management &amp; Development</b>				
1,181,766	Canary Wharf Group PLC **	GBR	GBP	5,042,474	0.61
	<b>TOTAL SHARES</b>			<u>9,706,421</u>	<u>1.18</u>
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
5,262,000	American Airlines Inc., senior secured note, 144A, 7.50%, 03/15/16 *	USA	USD	6,143,385	0.75
2,770,000	Avaya Inc., senior secured note, 144A, 7.00%, 04/01/19	USA	USD	2,513,775	0.30
60,000	Century Communications Corp., Escrow Account, 8.375%, 12/15/07 **	USA	USD	0	0.00
584,000	Century Communications Corp., Escrow Account, 8.75%, 10/01/07 **	USA	USD	0	0.00
72,000	Century Communications Corp., Escrow Account, 8.875%, 02/20/49 **	USA	USD	0	0.00
142,000	Century Communications Corp., Escrow Account, 9.50%, 03/01/05 **	USA	USD	0	0.00
929,000	Century Communications Corp., Escrow Account, zero cpn., 01/15/08 **	USA	USD	0	0.00
1,302,000	Century Communications Corp., Escrow Account, zero cpn., 02/20/49 **	USA	USD	0	0.00
90,000	Global Crossing Holdings Ltd., Escrow Account, 6.00%, 02/20/49 **	USA	USD	0	0.00
80,000	Global Crossing Holdings Ltd., Escrow Account, 7.25%, 02/20/49 **	USA	USD	0	0.00
555,000	Global Crossing Holdings Ltd., Escrow Account, 9.125%, 11/16/06 **	USA	USD	0	0.00
470,000	Global Crossing Holdings Ltd., Escrow Account, 9.50%, 11/15/09 **	USA	USD	0	0.00
285,000	Global Crossing Holdings Ltd., Escrow Account, 9.625%, 05/15/08 **	USA	USD	0	0.00
2,365,399	Global Crossing Holdings Ltd., Escrow Account, zero cpn., 02/20/49 **	USA	USD	0	0.00
890,000	Marconi Corp., Escrow Account, 2.364%, 05/21/09 **	GBR	USD	0	0.00
70,000	Marconi Corp., Escrow Account, 5.625%, 03/30/05 **	GBR	USD	0	0.00
572,000	Marconi Corp., Escrow Account, 6.375%, 03/20/10 **	GBR	USD	0	0.00
1,015,000	Marconi Corp., Escrow Account, 8.375%, 09/15/30 **	GBR	USD	0	0.00
7,988,000	Tropicana Entertainment LLC/Tropicana Finance Corp., senior sub. note, 9.625%, 12/15/14 **, *	USA	USD	0	0.00
				<u>8,657,160</u>	<u>1.05</u>
	<b>TOTAL BONDS</b>			<u>8,657,160</u>	<u>1.05</u>
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				
				<u>18,363,581</u>	<u>2.23</u>
	<b>TOTAL INVESTMENTS</b>			<u>812,717,787</u>	<u>98.94</u>

\* These Corporate Bonds are currently in default

\*\* These securities are submitted to a Fair Valuation

## — Franklin Mutual Euroland Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
7,427	Safran SA	FRA	EUR	298,008	4.00
<b>Airlines</b>					
93,684	International Consolidated Airlines Group SA	GBR	EUR	289,109	3.88
<b>Auto Components</b>					
5,252	Valeo SA	FRA	EUR	253,593	3.41
23,353	Pirelli & C. SpA	ITA	EUR	207,725	2.79
830	Continental AG	DEU	EUR	85,158	1.14
				546,476	7.34
<b>Commercial Banks</b>					
5,186	BNP Paribas SA	FRA	EUR	217,682	2.92
1,250	Societe Generale	FRA	EUR	33,000	0.45
				250,682	3.37
<b>Construction &amp; Engineering</b>					
3,151	Vinci SA	FRA	EUR	121,487	1.63
<b>Construction Materials</b>					
5,516	SA des Ciments Vicat	FRA	EUR	262,562	3.52
<b>Diversified Financial Services</b>					
41,446	ING Groep NV, IDR	NLD	EUR	290,122	3.89
<b>Diversified Telecommunication Services</b>					
14,669	Vivendi SA	FRA	EUR	213,434	2.87
<b>Electrical Equipment</b>					
6,652	Alstom SA	FRA	EUR	167,364	2.25
<b>Energy Equipment &amp; Services</b>					
5,824	Fugro NV, IDR	NLD	EUR	242,570	3.26
<b>Food &amp; Staples Retailing</b>					
12,155	Metro AG	DEU	EUR	295,609	3.97
13,413	Koninklijke Ahold NV	NLD	EUR	153,378	2.06
				448,987	6.03
<b>Health Care Providers &amp; Services</b>					
19,720	Celesio AG	DEU	EUR	329,324	4.42
<b>Hotels, Restaurants &amp; Leisure</b>					
10,343	Accor SA	FRA	EUR	279,623	3.75
3,417	TUI AG	DEU	EUR	31,207	0.42
				310,830	4.17
<b>Insurance</b>					
19,147	Delta Lloyd NV	NLD	EUR	294,768	3.96
10,749	Ageas	BEL	EUR	289,954	3.89
22,491	Resolution Ltd.	GBR	GBP	74,907	1.00
				659,629	8.85
<b>Machinery</b>					
3,282	KUKA AG	DEU	EUR	106,616	1.43
6,782	Fiat Industrial SpA	ITA	EUR	58,088	0.78
				164,704	2.21
<b>Marine</b>					
43	A.P. Moller – Maersk AS, B	DNK	DKK	236,605	3.18
<b>Media</b>					
22,369	Reed Elsevier NV	NLD	EUR	286,323	3.84
<b>Metals &amp; Mining</b>					
15,620	ThyssenKrupp AG	DEU	EUR	235,784	3.16
2,130	Voestalpine AG	AUT	EUR	57,787	0.78
				293,571	3.94
<b>Multi-Utilities</b>					
13,771	GDF Suez	FRA	EUR	207,185	2.78
<b>Oil, Gas &amp; Consumable Fuels</b>					
9,954	Royal Dutch Shell PLC, A	GBR	EUR	244,321	3.28
43,529	BP PLC	GBR	GBP	231,601	3.11
10,211	Repsol SA	ESP	EUR	165,520	2.22
				641,442	8.61

The accompanying notes form an integral

## — Franklin Mutual Euroland Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
126,820	<b>Road &amp; Rail</b> FirstGroup PLC	GBR	GBP	142,731	1.92
1,735	<b>Software</b> SAP AG	DEU	EUR	97,611	1.31
59,316	<b>Specialty Retail</b> Kingfisher PLC	GBR	GBP	237,751	3.19
1,381	Dufry AG	CHE	CHF	128,683	1.73
				366,434	4.92
11,083	<b>Trading Companies &amp; Distributors</b> Rexel SA	FRA	EUR	191,514	2.57
	<b>TOTAL SHARES</b>			7,058,704	94.76
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			7,058,704	94.76
	<b>TOTAL INVESTMENTS</b>			7,058,704	94.76

## — Franklin Mutual European Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
1,604,436	Safran SA	FRA	EUR	64,377,995	2.86
<b>Airlines</b>					
15,269,883	International Consolidated Airlines Group SA	GBR	GBP	47,065,503	2.09
<b>Auto Components</b>					
4,482,615	Pirelli & C. SpA	ITA	EUR	39,872,860	1.77
655,529	Valeo SA	FRA	EUR	31,652,218	1.41
264,391	Continental AG	DEU	EUR	27,126,517	1.20
				98,651,595	4.38
<b>Automobiles</b>					
43,386	Audi AG	DEU	EUR	27,063,319	1.20
<b>Beverages</b>					
43,701	Pernod Ricard SA	FRA	EUR	3,722,888	0.16
<b>Capital Markets</b>					
2,317,381	UBS AG	CHE	CHF	30,298,869	1.34
<b>Commercial Banks</b>					
6,558,700	HSBC Holdings PLC	GBR	GBP	52,259,169	2.32
1,177,020	BNP Paribas SA	FRA	EUR	49,405,414	2.19
9,957,412	Barclays PLC	GBR	GBP	32,392,682	1.44
792,373	Danske Bank AS	DNK	DKK	10,411,256	0.46
389,300	Societe Generale	FRA	EUR	10,277,520	0.46
				154,746,041	6.87
<b>Construction &amp; Engineering</b>					
656,528	Vinci SA	FRA	EUR	25,312,437	1.12
<b>Construction Materials</b>					
883,089	SA des Ciments Vicat	FRA	EUR	42,035,036	1.86
<b>Containers &amp; Packaging</b>					
7,008,595	Rexam PLC	GBR	GBP	39,097,687	1.73
<b>Diversified Financial Services</b>					
7,896,237	ING Groep NV, IDR	NLD	EUR	55,273,659	2.45
622,000	Oslo Bors VPS Holding ASA	NOR	NOK	3,933,935	0.18
				59,207,594	2.63
<b>Diversified Telecommunication Services</b>					
2,302,428	Telenor ASA	NOR	NOK	35,065,440	1.56
2,082,860	Vivendi SA	FRA	EUR	30,305,613	1.34
4,578,210	TDC AS	DNK	DKK	28,505,936	1.27
				93,876,989	4.17
<b>Electrical Equipment</b>					
1,055,894	Alstom SA	FRA	EUR	26,566,293	1.18
<b>Electronic Equipment, Instruments &amp; Components</b>					
1,713,318	Premier Farnell PLC	GBR	GBP	4,042,724	0.18
<b>Energy Equipment &amp; Services</b>					
617,494	Fugro NV, IDR	NLD	EUR	25,718,625	1.14
<b>Food &amp; Staples Retailing</b>					
2,247,629	Metro AG	DEU	EUR	54,662,337	2.43
1,978,780	Koninklijke Ahold NV	NLD	EUR	22,627,350	1.00
				77,289,687	3.43
<b>Health Care Providers &amp; Services</b>					
2,763,703	Celesio AG	DEU	EUR	46,153,840	2.05
<b>Hotels, Restaurants &amp; Leisure</b>					
2,055,256	Accor SA	FRA	EUR	55,563,846	2.46
1,009,608	TUI AG	DEU	EUR	9,220,750	0.41
				64,784,596	2.87

The accompanying notes form an integral

## — Franklin Mutual European Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Insurance</b>				
2,483,481	Ageas	BEL	EUR	66,991,900	2.97
277,319	Zurich Insurance Group AG	CHE	CHF	55,244,447	2.45
3,464,469	Delta Lloyd NV	NLD	EUR	53,335,500	2.37
30,243,601	RSA Insurance Group PLC	GBR	GBP	42,068,313	1.87
7,488,049	Storebrand ASA	NOR	NOK	27,752,560	1.23
396,680	ACE Ltd.	USA	USD	27,269,180	1.21
8,930,635	Direct Line Insurance Group PLC	GBR	GBP	24,322,982	1.08
4,680,380	Resolution Ltd.	GBR	GBP	15,588,142	0.69
1,562,317	Lancashire Holdings Ltd.	GBR	GBP	14,434,461	0.64
				<u>327,007,485</u>	<u>14.51</u>
	<b>Machinery</b>				
688,865	KUKA AG	DEU	EUR	22,377,779	0.99
1,287,725	Fiat Industrial SpA	ITA	EUR	11,029,365	0.49
96,406	Schindler Holding AG	CHE	CHF	10,033,604	0.45
59,186	Schindler Holding AG, Participation Certificate	CHE	CHF	6,333,121	0.28
				<u>49,773,869</u>	<u>2.21</u>
	<b>Marine</b>				
11,892	A.P. Moller – Maersk AS, B	DNK	DKK	65,434,929	2.90
	<b>Media</b>				
5,827,050	Reed Elsevier PLC	GBR	GBP	50,875,287	2.26
306,657	RTL Group SA	LUX	EUR	19,365,389	0.86
332,263	Eutelsat Communications	FRA	EUR	7,246,656	0.32
				<u>77,487,332</u>	<u>3.44</u>
	<b>Metals &amp; Mining</b>				
3,040,418	ThyssenKrupp AG	DEU	EUR	45,895,110	2.04
1,220,773	Anglo American PLC	GBR	GBP	18,064,765	0.80
644,789	Voestalpine AG	AUT	EUR	17,493,125	0.77
				<u>81,453,000</u>	<u>3.61</u>
	<b>Multi-Utilities</b>				
1,726,840	GDF Suez	FRA	EUR	25,980,308	1.15
	<b>Multiline Retail</b>				
6,966,905	Marks & Spencer Group PLC	GBR	GBP	35,079,951	1.56
	<b>Oil, Gas &amp; Consumable Fuels</b>				
2,115,628	Royal Dutch Shell PLC, A	GBR	EUR	51,928,089	2.31
9,120,953	BP PLC	GBR	GBP	48,529,029	2.15
15,081,675	Cairn Energy PLC	GBR	GBP	44,591,093	1.98
1,808,375	Repsol SA	ESP	EUR	29,313,759	1.30
2,212,964	BG Group PLC	GBR	GBP	28,926,747	1.28
				<u>203,288,717</u>	<u>9.02</u>
	<b>Pharmaceuticals</b>				
1,043,311	Novartis AG	CHE	CHF	56,921,879	2.53
	<b>Road &amp; Rail</b>				
37,561,115	FirstGroup PLC	GBR	GBP	42,273,645	1.88
	<b>Software</b>				
386,221	SAP AG	DEU	EUR	21,728,793	0.96
	<b>Specialty Retail</b>				
14,372,456	Kingfisher PLC	GBR	GBP	57,607,710	2.56
386,030	Dufry AG	CHE	CHF	35,970,676	1.59
				<u>93,578,386</u>	<u>4.15</u>
	<b>Tobacco</b>				
751,594	British American Tobacco PLC	GBR	GBP	29,587,532	1.31
439,542	Imperial Tobacco Group PLC	GBR	GBP	11,711,773	0.52
				<u>41,299,305</u>	<u>1.83</u>

## — Franklin Mutual European Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Trading Companies &amp; Distributors</b>				
1,676,862	Rexel SA	FRA	EUR	28,976,175	1.29
	<b>Wireless Telecommunication Services</b>				
16,388,074	Vodafone Group PLC	GBR	GBP	35,978,818	1.60
	<b>TOTAL SHARES</b>			2,116,274,310	93.90
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			2,116,274,310	93.90
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Energy Equipment &amp; Services</b>				
1,439,424	DeepOcean Group Holding AS	NOR	USD	19,352,300	0.86
	<b>TOTAL SHARES</b>			19,352,300	0.86
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
1,369,000	Wind Acquisition Finance SA, senior note, Reg S, 11.75%, 07/15/17	ITA	EUR	1,430,605	0.06
501,000	Wind Acquisition Finance SA, senior note, Reg S, 11.75%, 07/15/17	ITA	USD	402,216	0.02
				1,832,821	0.08
	<b>TOTAL BONDS</b>			1,832,821	0.08
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			21,185,121	0.94
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Real Estate Management &amp; Development</b>				
2,100	Canary Wharf Group PLC **	GBR	GBP	6,884	0.00
	<b>Road &amp; Rail</b>				
18,431,027	Euro Wagon LP **	JER	EUR	12,794,819	0.57
	<b>TOTAL SHARES</b>			12,801,703	0.57
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
555,000	Marconi Corp., Escrow Account, 2.364%, 05/21/09 **	GBR	USD	0	0.00
45,000	Marconi Corp., Escrow Account, 5.625%, 03/30/05 **	GBR	USD	0	0.00
375,000	Marconi Corp., Escrow Account, 6.375%, 03/20/10 **	GBR	USD	0	0.00
690,000	Marconi Corp., Escrow Account, 8.375%, 09/15/30 **	GBR	USD	0	0.00
1,571,000	Marconi Corp., Escrow Account, zero cpn., 02/20/49 **	GBR	USD	0	0.00
423,900	Marconi Corp., Escrow Account, zero cpn., 02/20/49 **	GBR	GBP	0	0.00
				0	0.00
	<b>TOTAL BONDS</b>			0	0.00
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			12,801,703	0.57
	<b>TOTAL INVESTMENTS</b>			2,150,261,134	95.41

\*\* These securities are submitted to a Fair Valuation



## — Franklin Mutual Global Discovery Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
206,700	Safran SA	FRA	EUR	10,795,673	0.98
<b>Airlines</b>					
3,892,450	International Consolidated Airlines Group SA	GBR	GBP	15,616,519	1.42
<b>Auto Components</b>					
65,517	Continental AG	DEU	EUR	8,749,749	0.80
<b>Automobiles</b>					
330,490	General Motors Co.	USA	USD	11,008,622	1.00
<b>Beverages</b>					
260,098	Coca-Cola Enterprises Inc.	GBR	USD	9,145,046	0.83
<b>Capital Markets</b>					
544,770	Morgan Stanley	USA	USD	13,308,731	1.21
294,007	UBS AG	CHE	CHF	5,003,580	0.46
				18,312,311	1.67
<b>Commercial Banks</b>					
428,410	Wells Fargo & Co.	USA	USD	17,680,481	1.61
4,280,000	Aozora Bank Ltd.	JPN	JPY	13,376,348	1.22
439,697	KB Financial Group Inc.	KOR	KRW	13,163,198	1.20
1,175,620	HSBC Holdings PLC	GBR	GBP	12,192,869	1.11
152,290	PNC Financial Services Group Inc.	USA	USD	11,104,987	1.01
164,150	BNP Paribas SA	FRA	EUR	8,968,624	0.82
293,430	Hana Financial Group Inc.	KOR	KRW	8,540,395	0.78
135,970	Societe Generale	FRA	EUR	4,672,413	0.43
128,592	SunTrust Banks Inc.	USA	USD	4,059,649	0.37
933,306	Barclays PLC	GBR	GBP	3,952,016	0.36
				97,710,980	8.91
<b>Communications Equipment</b>					
572,060	Cisco Systems Inc.	USA	USD	13,906,779	1.27
<b>Computers &amp; Peripherals</b>					
46,620	Apple Inc.	USA	USD	18,465,249	1.68
364,870	Hewlett-Packard Co.	USA	USD	9,048,776	0.83
614,451	Dell Inc.	USA	USD	8,202,921	0.75
				35,716,946	3.26
<b>Construction &amp; Engineering</b>					
103,891	Vinci SA	FRA	EUR	5,213,782	0.48
<b>Containers &amp; Packaging</b>					
940,995	Rexam PLC	GBR	GBP	6,832,846	0.62
<b>Diversified Financial Services</b>					
1,445,520	ING Groep NV, IDR	NLD	EUR	13,170,927	1.20
218,210	Citigroup Inc.	USA	USD	10,467,534	0.96
139,870	JPMorgan Chase & Co.	USA	USD	7,383,737	0.67
121,459	CIT Group Inc.	USA	USD	5,663,633	0.52
63,521	NYSE Euronext	USA	USD	2,629,770	0.24
				39,315,601	3.59
<b>Diversified Telecommunication Services</b>					
591,784	Vivendi SA	FRA	EUR	11,207,801	1.02
1,281,260	TDC AS	DNK	DKK	10,384,153	0.95
				21,591,954	1.97
<b>Electric Utilities</b>					
278,660	Exelon Corp.	USA	USD	8,605,021	0.79
<b>Electrical Equipment</b>					
137,640	Alstom SA	FRA	EUR	4,507,643	0.41
<b>Electronic Equipment, Instruments &amp; Components</b>					
13,755	Hoya Corp.	JPN	JPY	284,141	0.03
<b>Energy Equipment &amp; Services</b>					
222,144	Transocean Ltd.	USA	USD	10,651,805	0.97
187,299	Fugro NV, IDR	NLD	EUR	10,154,175	0.93
206,322	Baker Hughes Inc.	USA	USD	9,517,634	0.87
132,858	Enesco PLC, A	USA	USD	7,721,707	0.70
				38,045,321	3.47

## — Franklin Mutual Global Discovery Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Food &amp; Staples Retailing</b>				
387,364	Metro AG	DEU	EUR	12,262,444	1.12
609,980	Koninklijke Ahold NV	NLD	EUR	9,079,166	0.83
170,860	Walgreen Co.	USA	USD	7,552,012	0.69
1,550,000	China Resources Enterprise Ltd.	CHN	HKD	4,856,272	0.44
				<u>33,749,894</u>	<u>3.08</u>
	<b>Health Care Equipment &amp; Supplies</b>				
353,140	Medtronic Inc.	USA	USD	18,176,116	1.66
55,885	Stryker Corp.	USA	USD	3,614,642	0.33
				<u>21,790,758</u>	<u>1.99</u>
	<b>Health Care Providers &amp; Services</b>				
151,346	Cigna Corp.	USA	USD	10,971,072	1.00
73,750	WellPoint Inc.	USA	USD	6,035,700	0.55
11,759	UnitedHealth Group Inc.	USA	USD	769,979	0.07
				<u>17,776,751</u>	<u>1.62</u>
	<b>Hotels, Restaurants &amp; Leisure</b>				
386,690	Accor SA	FRA	EUR	13,607,662	1.24
	<b>Independent Power Producers &amp; Energy Traders</b>				
387,707	NRG Energy Inc.	USA	USD	10,351,777	0.94
	<b>Industrial Conglomerates</b>				
301,740	Jardine Strategic Holdings Ltd.	HKG	USD	10,953,162	1.00
3,281,870	Shanghai Industrial Holdings Ltd.	CHN	HKD	10,176,571	0.93
132,989	Jardine Matheson Holdings Ltd.	HKG	USD	8,045,834	0.73
				<u>29,175,567</u>	<u>2.66</u>
	<b>Insurance</b>				
465,507	American International Group Inc.	USA	USD	20,808,163	1.90
217,630	ACE Ltd.	USA	USD	19,473,533	1.78
208,170	PartnerRe Ltd.	BMU	USD	18,851,875	1.72
3,792,962	Resolution Ltd.	GBR	GBP	16,443,185	1.50
7,764,736	RSA Insurance Group PLC	GBR	GBP	14,058,614	1.28
667,000	Delta Lloyd NV	NLD	EUR	13,365,947	1.22
291,770	MetLife Inc.	USA	USD	13,351,395	1.22
48,000	Zurich Insurance Group AG	CHE	CHF	12,446,420	1.13
1,288,810	Storebrand ASA	NOR	NOK	6,217,524	0.57
1,672,150	Direct Line Insurance Group PLC	GBR	GBP	5,927,942	0.54
1,587,419	China Pacific Insurance (Group) Co. Ltd., H	CHN	HKD	5,065,610	0.46
876,875	PICC Property and Casualty Co. Ltd., H	CHN	HKD	990,391	0.09
210	White Mountains Insurance Group Ltd.	USA	USD	120,737	0.01
				<u>147,121,336</u>	<u>13.42</u>
	<b>Machinery</b>				
36,596	Caterpillar Inc.	USA	USD	3,018,804	0.28
	<b>Marine</b>				
1,848	A.P. Moller – Maersk AS, B	DNK	DKK	13,235,822	1.21
	<b>Media</b>				
1,988,160	Reed Elsevier PLC	GBR	GBP	22,594,548	2.06
308,560	Twenty-First Century Fox Inc., B	USA	USD	10,126,939	0.92
54,659	Time Warner Cable Inc.	USA	USD	6,148,044	0.56
66,110	Daekyo Co. Ltd.	KOR	KRW	418,975	0.04
				<u>39,288,506</u>	<u>3.58</u>
	<b>Metals &amp; Mining</b>				
417,285	ThyssenKrupp AG	DEU	EUR	8,198,985	0.75
421,038	Anglo American PLC	GBR	GBP	8,109,851	0.74
171,868	Freeport-McMoRan Copper & Gold Inc., B	USA	USD	4,745,276	0.43
				<u>21,054,112</u>	<u>1.92</u>
	<b>Multi-Utilities</b>				
369,565	GDF Suez	FRA	EUR	7,237,311	0.66
	<b>Multiline Retail</b>				
1,060,017	Marks & Spencer Group PLC	GBR	GBP	6,947,461	0.63
119,010	Kohl's Corp.	USA	USD	6,011,195	0.55
				<u>12,958,656</u>	<u>1.18</u>
	<b>Office Electronics</b>				
1,104,344	Xerox Corp.	USA	USD	10,016,400	0.91

The accompanying notes form an integral

## — Franklin Mutual Global Discovery Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Oil, Gas &amp; Consumable Fuels</b>					
425,175	Royal Dutch Shell PLC, A	GBR	EUR	13,583,915	1.24
1,564,540	BP PLC	GBR	GBP	10,835,333	0.99
121,702	Apache Corp.	USA	USD	10,202,279	0.93
150,090	Murphy Oil Corp.	USA	USD	9,138,980	0.83
496,825	BG Group PLC	GBR	GBP	8,453,234	0.77
301,517	CONSOL Energy Inc.	USA	USD	8,171,111	0.75
199,480	Marathon Oil Corp.	USA	USD	6,898,018	0.63
489,110	Petroleo Brasileiro SA, ADR	BRA	USD	6,563,856	0.60
70,202	WPX Energy Inc.	USA	USD	1,329,626	0.12
				<u>75,176,352</u>	<u>6.86</u>
<b>Personal Products</b>					
343,920	Avon Products Inc.	USA	USD	7,232,638	0.66
<b>Pharmaceuticals</b>					
246,690	Merck & Co. Inc.	USA	USD	11,458,751	1.05
265,917	Teva Pharmaceutical Industries Ltd., ADR	ISR	USD	10,423,946	0.95
120,875	Novartis AG, ADR	CHE	USD	8,547,071	0.78
46,590	Novartis AG	CHE	CHF	3,308,662	0.30
				<u>33,738,430</u>	<u>3.08</u>
<b>Real Estate Management &amp; Development</b>					
1,208,696	Dolphin Capital Investors Ltd.	VGB	GBP	693,938	0.06
209,203	Swire Pacific Ltd., B	HKG	HKD	494,149	0.05
77,544	Great Eagle Holdings Ltd.	HKG	HKD	295,941	0.03
				<u>1,484,028</u>	<u>0.14</u>
<b>Software</b>					
658,040	Microsoft Corp.	USA	USD	22,722,122	2.07
247,262	Check Point Software Technologies Ltd.	ISR	USD	12,283,976	1.12
403,460	Symantec Corp.	USA	USD	9,065,746	0.83
				<u>44,071,844</u>	<u>4.02</u>
<b>Specialty Retail</b>					
1,931,554	Kingfisher PLC	GBR	GBP	10,077,451	0.92
81,840	Dufry AG	CHE	CHF	9,926,299	0.91
				<u>20,003,750</u>	<u>1.83</u>
<b>Tobacco</b>					
216,205	Imperial Tobacco Group PLC	GBR	GBP	7,498,635	0.68
139,560	British American Tobacco PLC	GBR	GBP	7,151,228	0.65
74,960	Philip Morris International Inc.	USA	USD	6,493,035	0.59
177,071	Altria Group Inc.	USA	USD	6,195,714	0.57
109,242	Lorillard Inc.	USA	USD	4,771,691	0.44
				<u>32,110,303</u>	<u>2.93</u>
<b>Wireless Telecommunication Services</b>					
4,829,450	Vodafone Group PLC	GBR	GBP	13,801,010	1.26
	<b>TOTAL SHARES</b>			<u>953,360,645</u>	<u>86.97</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>953,360,645</u>	<u>86.97</u>
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET SHARES				
41,680	<b>Paper &amp; Forest Products</b> NewPage Holdings Inc.	USA	USD	3,647,000	0.33
	<b>TOTAL SHARES</b>			<u>3,647,000</u>	<u>0.33</u>

## — Franklin Mutual Global Discovery Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>BONDS</b>					
<b>Corporate Bonds</b>					
11,450,000	Clear Channel Communications Inc., Reg S, 9.00%, 12/15/19	USA	USD	11,163,750	1.02
4,842,000	Avaya Inc., senior note, 144A, 10.50%, 03/01/21	USA	USD	3,692,025	0.34
455,000	Wind Acquisition Finance SA, senior note, Reg S, 11.75%, 07/15/17	ITA	EUR	618,902	0.06
562,372	American Airlines Pass Through Trust, 2011-2A, 8.625%, 04/15/23	USA	USD	599,629	0.05
231,000	Wind Acquisition Finance SA, senior note, Reg S, 11.75%, 07/15/17	ITA	USD	241,395	0.02
133,240	American Airlines Pass Through Trust, 2009-1A, 10.375%, 07/02/19	USA	USD	141,983	0.01
51,209	American Airlines Inc., first lien, 13.00%, 08/01/16	USA	USD	54,538	0.01
				<u>16,512,222</u>	<u>1.51</u>
<b>Securities Maturing Within One Year</b>					
6,700,000	U.S. Treasury Bill, 0.00%, 10/24/13	USA	USD	6,698,982	0.61
5,300,000	U.S. Treasury Bill, 0.00%, 11/07/13	USA	USD	5,299,072	0.48
5,300,000	U.S. Treasury Bill, 0.00%, 11/14/13	USA	USD	5,298,723	0.48
5,000,000	U.S. Treasury Bill, 0.00%, 07/05/13	USA	USD	4,999,995	0.46
5,000,000	U.S. Treasury Bill, 0.00%, 11/21/13	USA	USD	4,998,710	0.46
5,000,000	U.S. Treasury Bill, 0.00%, 11/29/13	USA	USD	4,998,480	0.46
4,000,000	U.S. Treasury Bill, 0.00%, 09/12/13	USA	USD	3,999,880	0.36
3,800,000	U.S. Treasury Bill, 0.00%, 10/10/13	USA	USD	3,799,495	0.35
3,000,000	U.S. Treasury Bill, 0.00%, 09/05/13	USA	USD	2,999,904	0.27
2,000,000	U.S. Treasury Bill, 0.00%, 08/01/13	USA	USD	1,999,970	0.18
2,000,000	U.S. Treasury Bill, 0.00%, 08/15/13	USA	USD	1,999,950	0.18
1,400,000	U.S. Treasury Bill, 0.00%, 08/08/13	USA	USD	1,399,975	0.13
				<u>48,493,136</u>	<u>4.42</u>
<b>TOTAL BONDS</b>				<u>65,005,358</u>	<u>5.93</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>68,652,358</u>	<u>6.26</u>
TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Auto Components</b>					
207,777	International Automotive Components Group North America LLC **	USA	USD	93,261	0.01
<b>Commercial Banks</b>					
100,000	The Bankshares Inc. **	USA	USD	479,721	0.05
<b>Consumer Finance</b>					
172,544	FIM Coinvestor Holdings I LLC **	USA	USD	0	0.00
<b>Diversified Financial Services</b>					
7,190,000	Hightower Holding LLC, pfd., A **	USA	USD	7,907,634	0.72
1,552,000	Hightower Holding LLC, pfd., A, 2 **	USA	USD	3,521,721	0.32
				<u>11,429,355</u>	<u>1.04</u>
<b>Electric Utilities</b>					
922,546	AET&D Holdings No. 1 Pty. Ltd. **	AUS	AUD	0	0.00
<b>TOTAL SHARES</b>				<u>12,002,337</u>	<u>1.10</u>
<b>BONDS</b>					
<b>Corporate Bonds</b>					
6,277,000	American Airlines Inc., senior secured note, 144A, 7.50%, 03/15/16 *	USA	USD	7,328,397	0.67
3,166,000	Avaya Inc., senior secured note, 144A, 7.00%, 04/01/19	USA	USD	2,873,145	0.26
10,420,000	NewPage Corp., Escrow Account, 11.375%, 12/31/14 **	USA	USD	0	0.00
				<u>10,201,542</u>	<u>0.93</u>
<b>TOTAL BONDS</b>				<u>10,201,542</u>	<u>0.93</u>
<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>22,203,879</u>	<u>2.03</u>
<b>TOTAL INVESTMENTS</b>				<u>1,044,216,882</u>	<u>95.26</u>
* These Corporate Bonds are currently in default					
** These securities are submitted to a Fair Valuation					

The accompanying notes form an integral

## — Franklin Templeton Global Allocation Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>INVESTMENTS FUNDS</b>					
<b>Financials</b>					
28,905	iPATH Dow Jones-UBS Commodity Index Total Return ETN	USA	USD	1,054,743	2.34
<b>TOTAL INVESTMENTS FUNDS</b>				<u>1,054,743</u>	<u>2.34</u>
<b>SHARES</b>					
<b>Consumer Discretionary</b>					
3,000	Luxottica Group SpA	ITA	EUR	151,668	0.34
7,200	Burberry Group PLC	GBR	GBP	147,772	0.33
1,200	Kabel Deutschland Holdings AG	DEU	EUR	131,800	0.29
104,000	Brilliance China Automotive Holdings Ltd.	CHN	HKD	116,793	0.26
3,360	Twenty-First Century Fox Inc., B	USA	USD	110,275	0.24
112,000	Guangzhou Automobile Group Co. Ltd., H	CHN	HKD	105,849	0.23
1,210	The Walt Disney Co.	USA	USD	76,411	0.17
22,500	Sirius XM Radio Inc.	USA	USD	75,375	0.17
270	Amazon.com Inc.	USA	USD	74,976	0.17
1,200	Toyota Motor Corp.	JPN	JPY	72,467	0.16
6,070	Reed Elsevier PLC	GBR	GBP	68,983	0.15
12,890	Kingfisher PLC	GBR	GBP	67,251	0.15
589	Time Warner Cable Inc.	USA	USD	66,251	0.15
940	Discovery Communications Inc., C	USA	USD	65,480	0.14
1,820	General Motors Co.	USA	USD	60,624	0.13
8,380	Marks & Spencer Group PLC	GBR	GBP	54,923	0.12
420	Charter Communications Inc., A	USA	USD	52,017	0.12
290	Ralph Lauren Corp.	USA	USD	50,385	0.11
830	Under Armour Inc., A	USA	USD	49,559	0.11
2,500	Start Today Co. Ltd.	JPN	JPY	48,896	0.11
3,710	British Sky Broadcasting Group PLC	GBR	GBP	44,716	0.10
700	DIRECTV	USA	USD	43,134	0.10
850	Kohl's Corp.	USA	USD	42,934	0.10
2,600	Namco Bandai Holdings Inc.	JPN	JPY	42,202	0.09
460	BorgWarner Inc.	USA	USD	39,629	0.09
400	Cie Generale des Etablissements Michelin, B	FRA	EUR	35,769	0.08
270	Wynn Resorts Ltd.	USA	USD	34,560	0.08
40	Priceline.com Inc.	USA	USD	33,085	0.07
270	Tractor Supply Co.	USA	USD	31,755	0.07
590	Dick's Sporting Goods Inc.	USA	USD	29,535	0.07
450	Starwood Hotels & Resorts Worldwide Inc.	USA	USD	28,436	0.06
70	Chipotle Mexican Grill Inc.	USA	USD	25,505	0.06
480	Dollar General Corp.	USA	USD	24,312	0.05
311	Comcast Corp., Special A	USA	USD	12,337	0.03
11,377	Billabong International Ltd.	AUS	AUD	1,561	0.00
				<u>2,117,225</u>	<u>4.70</u>
<b>Consumer Staples</b>					
15,000	Hengan International Group Co. Ltd.	CHN	HKD	162,456	0.36
1,900	Reckitt Benckiser Group PLC	GBR	GBP	134,324	0.30
25,630	Tesco PLC	GBR	GBP	129,226	0.29
326,000	Univanich Palm Oil PCL, fgn.	THA	THB	125,626	0.28
9,900	Dairy Farm International Holdings Ltd.	HKG	USD	118,899	0.27
3,800	Woolworths Ltd.	AUS	AUD	114,055	0.25
1,990	CVS Caremark Corp.	USA	USD	113,788	0.25
2,760	The Kroger Co.	USA	USD	95,330	0.21
1,754	British American Tobacco PLC	GBR	GBP	89,877	0.20
2,126	Imperial Tobacco Group PLC	GBR	GBP	73,736	0.16
2,200	Carrefour SA	FRA	EUR	60,509	0.14
730	PepsiCo Inc.	USA	USD	59,707	0.13
1,331	Walgreen Co.	USA	USD	58,830	0.13
1,140	Whole Foods Market Inc.	USA	USD	58,687	0.13
1,665	Altria Group Inc.	USA	USD	58,258	0.13
1,310	Lorillard Inc.	USA	USD	57,221	0.13
2,215	Avon Products Inc.	USA	USD	46,581	0.10
1,150	The Coca-Cola Co.	USA	USD	46,127	0.10
783	Dr. Pepper Snapple Group Inc.	USA	USD	35,963	0.08
980	Coca-Cola Enterprises Inc.	GBR	USD	34,457	0.08
420	Mead Johnson Nutrition Co., A	USA	USD	33,277	0.07
383	Philip Morris International Inc.	USA	USD	33,176	0.07
372	Wal-Mart Stores Inc.	USA	USD	27,710	0.06
1,630	WhiteWave Foods Co., A	USA	USD	26,488	0.06
214	Pernod Ricard SA	FRA	EUR	23,730	0.05
500	Metro AG	DEU	EUR	15,828	0.04
				<u>1,833,866</u>	<u>4.07</u>

## — Franklin Templeton Global Allocation Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Energy</b>					
2,800	Fugro NV, IDR	NLD	EUR	151,798	0.34
2,901	Baker Hughes Inc.	USA	USD	133,823	0.30
19,086	BP PLC	GBR	GBP	132,181	0.29
7,100	WorleyParsons Ltd.	AUS	AUD	126,589	0.28
63,000	CNOOC Ltd.	CHN	HKD	106,896	0.24
20,300	Inner Mongolia Yitai Coal Co. Ltd., B	CHN	USD	97,481	0.22
8,550	TMK OAO, GDR, Reg S	RUS	USD	97,384	0.22
2,764	Marathon Oil Corp.	USA	USD	95,579	0.21
1,070	Apache Corp.	USA	USD	89,698	0.20
1,830	Total SA, B	FRA	EUR	89,338	0.20
4,100	Statoil ASA	NOR	NOK	84,585	0.19
5,200	Ensign Energy Services Inc.	CAN	CAD	80,521	0.18
2,510	Royal Dutch Shell PLC, A	GBR	EUR	80,192	0.18
2,380	Royal Dutch Shell PLC, B	GBR	GBP	78,754	0.17
70,000	PetroChina Co. Ltd., H	CHN	HKD	74,459	0.16
5,400	Trican Well Service Ltd.	CAN	CAD	71,805	0.16
1,100	Noble Energy Inc.	USA	USD	66,044	0.15
2,100	Suncor Energy Inc.	CAN	CAD	61,920	0.14
1,288	Transocean Ltd.	USA	USD	61,760	0.14
3,700	Saipem SpA	ITA	EUR	60,153	0.13
800	Schlumberger Ltd.	USA	USD	57,328	0.13
1,510	Noble Corp.	USA	USD	56,746	0.13
4,940	Talisman Energy Inc.	CAN	CAD	56,385	0.12
3,058	SBM Offshore NV	NLD	EUR	51,447	0.11
1,817	CONSOL Energy Inc.	USA	USD	49,241	0.11
3,300	Petroleo Brasileiro SA, ADR, pfd.	BRA	USD	48,378	0.11
400	Chevron Corp.	USA	USD	47,336	0.10
560	National Oilwell Varco Inc.	USA	USD	38,584	0.09
2,267	BG Group PLC	GBR	GBP	38,572	0.09
629	Murphy Oil Corp.	USA	USD	38,300	0.08
15,000	China Shenhua Energy Co. Ltd., H	CHN	HKD	38,100	0.08
2,569	Reliance Industries Ltd.	IND	INR	37,191	0.08
430	EnSCO PLC, A	USA	USD	24,992	0.05
1,530	Petroleo Brasileiro SA, ADR	BRA	USD	20,533	0.05
38,000	China Coal Energy Co. Ltd., H	CHN	HKD	19,892	0.04
140	Anadarko Petroleum Corp.	USA	USD	12,030	0.03
436	WPX Energy Inc.	USA	USD	8,258	0.02
				<u>2,484,273</u>	<u>5.52</u>
<b>Financials</b>					
28,465	ING Groep NV, IDR	NLD	EUR	259,360	0.58
8,300	Admiral Group PLC	GBR	GBP	167,571	0.37
2,480	Deutsche Boerse AG	DEU	EUR	163,245	0.36
6,074	Credit Suisse Group AG	CHE	CHF	161,024	0.36
1,726	ACE Ltd.	USA	USD	154,443	0.34
138,500	United Bank Ltd.	PAK	PKR	149,018	0.33
9,500	United Overseas Bank Ltd.	SGP	SGD	148,881	0.33
393,400	Land and Houses PCL, fgn.	THA	THB	144,019	0.32
2,620	BNP Paribas SA	FRA	EUR	143,148	0.32
24,000	Aberdeen Asset Management PLC	GBR	GBP	139,742	0.31
2,600	Bank of Nova Scotia	CAN	CAD	139,033	0.31
24,610	Aviva PLC	GBR	GBP	127,162	0.28
2,764	American International Group Inc.	USA	USD	123,551	0.28
35,000	Hang Lung Properties Ltd.	HKG	HKD	122,068	0.27
6,180	AXA SA	FRA	EUR	121,427	0.27
3,810	KB Financial Group Inc.	KOR	KRW	114,060	0.25
1,379	PNC Financial Services Group Inc.	USA	USD	100,557	0.22
2,390	Wells Fargo & Co.	USA	USD	98,635	0.22
2,551	Societe Generale	FRA	EUR	87,661	0.20
143,165	PT Bank Danamon Indonesia Tbk	IDN	IDR	84,384	0.19
11,651	Aegon NV	NLD	EUR	77,936	0.17
16,424	UniCredit SpA	ITA	EUR	76,919	0.17
77,110	Lloyds Banking Group PLC	GBR	GBP	74,040	0.17
1,000	T. Rowe Price Group Inc.	USA	USD	73,150	0.16
5,500	Banco Bradesco SA, ADR, pfd.	BRA	USD	71,555	0.16
5,500	Itau Unibanco Holding SA, ADR	BRA	USD	71,060	0.16
1,510	MetLife Inc.	USA	USD	69,098	0.15
2,270	Hana Financial Group Inc.	KOR	KRW	66,069	0.15
1,351	Citigroup Inc.	USA	USD	64,808	0.14
780	Signature Bank/New York NY	USA	USD	64,756	0.14
2,234	Morgan Stanley	USA	USD	54,577	0.12
138	Alleghany Corp.	USA	USD	52,897	0.12
830	Aflac Inc.	USA	USD	48,240	0.11
840	JPMorgan Chase & Co.	USA	USD	44,344	0.10
33,290	Man Group PLC	GBR	GBP	42,111	0.09
1,099	KBC GROEP NV	BEL	EUR	40,920	0.09
550	American Tower Corp.	USA	USD	40,244	0.09
870	NYSE Euronext	USA	USD	36,018	0.08

The accompanying notes form an integral

## — Franklin Templeton Global Allocation Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Financials</b> (continued)				
732	CIT Group Inc.	USA	USD	34,133	0.08
190	IntercontinentalExchange Inc.	USA	USD	33,774	0.08
128	Zurich Insurance Group AG	CHE	CHF	33,190	0.07
140	Muenchener Rueckversicherungs-Gesellschaft AG	DEU	EUR	25,767	0.06
320	Swiss Re AG	CHE	CHF	23,809	0.05
406	KIWOOM Securities Co. Ltd.	KOR	KRW	19,653	0.04
611	SunTrust Banks Inc.	USA	USD	19,289	0.04
430	Korea Investment Holdings Co. Ltd.	KOR	KRW	15,639	0.04
1,200	AGF Management Ltd.	CAN	CAD	12,772	0.03
670	GAM Holding Ltd.	CHE	CHF	10,282	0.02
162	Columbia Banking System Inc.	USA	USD	3,857	0.01
				<u>4,049,896</u>	<u>9.00</u>
	<b>Health Care</b>				
1,020	Roche Holding AG	CHE	CHF	253,691	0.56
1,050	Novo Nordisk AS, B	DNK	DKK	163,637	0.36
3,504	Merck & Co. Inc.	USA	USD	162,761	0.36
10,500	Elektro AB, B	SWE	SEK	159,692	0.36
1,400	Essilor International SA	FRA	EUR	148,956	0.33
2,500	CSL Ltd.	AUS	AUD	140,833	0.31
5,430	GlaxoSmithKline PLC	GBR	GBP	136,116	0.30
2,400	Cochlear Ltd.	AUS	AUD	135,486	0.30
2,238	Medtronic Inc.	USA	USD	115,190	0.26
1,020	Sanofi	FRA	EUR	105,710	0.24
1,379	Cigna Corp.	USA	USD	99,964	0.22
1,700	Gilead Sciences Inc.	USA	USD	87,057	0.19
740	Celgene Corp.	USA	USD	86,513	0.19
590	Actavis Inc.	USA	USD	74,470	0.17
340	Biogen Idec Inc.	USA	USD	73,168	0.16
1,600	Bristol-Myers Squibb Co.	USA	USD	71,504	0.16
1,700	Abbott Laboratories	USA	USD	59,296	0.13
580	Cerner Corp.	USA	USD	55,732	0.12
1,404	Teva Pharmaceutical Industries Ltd., ADR	ISR	USD	55,037	0.12
680	Lonza Group AG	CHE	CHF	51,206	0.11
624	WellPoint Inc.	USA	USD	51,068	0.11
1,719	Pfizer Inc.	USA	USD	48,149	0.11
650	Novartis AG	CHE	CHF	46,161	0.10
370	DaVita HealthCare Partners Inc.	USA	USD	44,696	0.10
3,420	Nobel Biocare Holding AG	CHE	CHF	41,626	0.09
310	McKesson Corp.	USA	USD	35,495	0.08
570	Express Scripts Holding Co.	USA	USD	35,163	0.08
590	Gerresheimer AG	DEU	EUR	34,175	0.08
370	Allergan Inc.	USA	USD	31,169	0.07
400	Illumina Inc.	USA	USD	29,936	0.07
700	Quintiles Transnational Holdings Inc.	USA	USD	29,792	0.07
971	Getinge AB, B	SWE	SEK	29,507	0.07
720	Ipsen SA	FRA	EUR	26,569	0.06
675	Hospira Inc.	USA	USD	25,859	0.06
13,000	Shanghai Pharmaceuticals Holding Co. Ltd., H	CHN	HKD	24,371	0.05
353	Stryker Corp.	USA	USD	22,832	0.05
433	Eli Lilly & Co.	USA	USD	21,269	0.05
200	Waters Corp.	USA	USD	20,010	0.04
190	Basilea Pharmaceutica AG	CHE	CHF	14,076	0.03
57	UnitedHealth Group Inc.	USA	USD	3,732	0.01
				<u>2,851,674</u>	<u>6.33</u>
	<b>Industrials</b>				
6,400	DSV AS, B	DNK	DKK	156,034	0.35
1,600	MTU Aero Engines AG	DEU	EUR	154,324	0.34
8,800	Experian PLC	GBR	GBP	153,174	0.34
70	SGS SA	CHE	CHF	150,320	0.33
4,300	Weir Group PLC	GBR	GBP	140,701	0.31
180,000	Noble Group Ltd.	HKG	SGD	137,779	0.31
8,500	ITOCHU Corp.	JPN	JPY	98,120	0.22
26,000	SembCorp Marine Ltd.	SGP	SGD	88,633	0.20
300	Precision Castparts Corp.	USA	USD	67,803	0.15
460	Roper Industries Inc.	USA	USD	57,141	0.13
360	Union Pacific Corp.	USA	USD	55,541	0.12
2,710	Deutsche Lufthansa AG	DEU	EUR	55,011	0.12
490	Stericycle Inc.	USA	USD	54,111	0.12
9,260	BAE Systems PLC	GBR	GBP	53,973	0.12
530	Siemens AG	DEU	EUR	53,569	0.12
800	Danaher Corp.	USA	USD	50,640	0.11
7	A.P. Moller – Maersk AS, B	DNK	DKK	50,136	0.11
710	Pall Corp.	USA	USD	47,165	0.10
460	The Boeing Co.	USA	USD	47,122	0.10
18,180	SIG PLC	GBR	GBP	46,796	0.10
930	United Rentals Inc.	USA	USD	46,416	0.10

part of these financial statements



## — Franklin Templeton Global Allocation Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Industrials (continued)</b>				
1,010	Randstad Holding NV	NLD	EUR	41,412	0.09
1,416	Koninklijke Philips NV	NLD	EUR	38,605	0.09
220	TransDigm Group Inc.	USA	USD	34,489	0.08
310	Kansas City Southern	USA	USD	32,848	0.07
560	Huntington Ingalls Industries Inc.	USA	USD	31,629	0.07
570	Jacobs Engineering Group Inc.	USA	USD	31,424	0.07
7,480	Carillion PLC	GBR	GBP	31,420	0.07
860	Hub Group Inc., A	USA	USD	31,321	0.07
900	Nielsen Holdings NV	USA	USD	30,231	0.07
364	Caterpillar Inc.	USA	USD	30,026	0.07
650	Fastenal Co.	USA	USD	29,803	0.07
910	Alstom SA	FRA	EUR	29,802	0.07
373	Stanley Black & Decker Inc.	USA	USD	28,833	0.06
2,500	Kloeckner & Co. SE	DEU	EUR	26,703	0.06
74,000	Shanghai Electric Group Co. Ltd.	CHN	HKD	24,759	0.06
310	Honeywell International Inc.	USA	USD	24,595	0.05
595	Oshkosh Corp.	USA	USD	22,592	0.05
1,973	Fiat Industrial SpA	ITA	EUR	21,996	0.05
329	Raytheon Co.	USA	USD	21,754	0.05
470	Compagnie de Saint-Gobain	FRA	EUR	19,026	0.04
1,267	Vestas Wind Systems AS	DNK	DKK	17,999	0.04
5,040	G4S PLC	GBR	GBP	17,664	0.04
210	Rockwell Automation Inc.	USA	USD	17,459	0.04
				<u>2,400,899</u>	<u>5.33</u>
	<b>Information Technology</b>				
705	Apple Inc.	USA	USD	279,236	0.62
3,960	Check Point Software Technologies Ltd.	ISR	USD	196,733	0.44
7,538	Cisco Systems Inc.	USA	USD	183,249	0.41
204	Google Inc., A	USA	USD	179,596	0.40
1,500	MercadoLibre Inc.	ARG	USD	161,640	0.36
2,000	ASML Holding NV	NLD	EUR	157,812	0.35
1,250	Dassault Systemes SA	FRA	EUR	152,911	0.34
4,360	Microsoft Corp.	USA	USD	150,551	0.33
28,519	The Sage Group PLC	GBR	GBP	147,618	0.33
10,300	ARM Holdings PLC	GBR	GBP	124,496	0.28
2,900	Infosys Ltd., ADR	IND	USD	119,451	0.26
580	Visa Inc., A	USA	USD	105,995	0.24
4,100	Tata Consultancy Services Ltd.	IND	INR	104,571	0.23
180	MasterCard Inc., A	USA	USD	103,410	0.23
14,900	Siliconware Precision Industries Co., ADR	TWN	USD	93,423	0.21
1,480	QUALCOMM Inc.	USA	USD	90,398	0.20
6,500	YASKAWA Electric Corp.	JPN	JPY	79,096	0.18
67	Samsung Electronics Co. Ltd.	KOR	KRW	78,706	0.17
9,520	Flextronics International Ltd.	SGP	USD	73,685	0.16
1,530	Xilinx Inc.	USA	USD	60,603	0.13
6,590	Xerox Corp.	USA	USD	59,771	0.13
1,800	Trend Micro Inc.	JPN	JPY	57,163	0.13
1,100	eBay Inc.	USA	USD	56,892	0.13
2,250	Hewlett-Packard Co.	USA	USD	55,800	0.12
2,320	Symantec Corp.	USA	USD	52,130	0.12
1,360	Salesforce.com Inc.	USA	USD	51,925	0.11
24,600	Kingboard Chemical Holdings Ltd.	HKG	HKD	50,558	0.11
1,107	TE Connectivity Ltd.	USA	USD	50,413	0.11
260	International Business Machines Corp.	USA	USD	49,689	0.11
3,679	Dell Inc.	USA	USD	49,115	0.11
1,300	Microchip Technology Inc.	USA	USD	48,425	0.11
260	LinkedIn Corp., A	USA	USD	46,358	0.10
470	NetSuite Inc.	USA	USD	43,118	0.10
7,040	Trina Solar Ltd., ADR	CHN	USD	41,958	0.09
2,000	Nuance Communications Inc.	USA	USD	36,760	0.08
1,400	Facebook Inc., A	USA	USD	34,804	0.08
470	ANSYS Inc.	USA	USD	34,357	0.08
2,000	Capcom Co. Ltd.	JPN	JPY	32,362	0.07
2,800	Ericsson, B	SWE	SEK	31,709	0.07
1,160	Trimble Navigation Ltd.	USA	USD	30,172	0.07
930	Vantiv Inc., A	USA	USD	25,668	0.06
940	Yahoo! Inc.	USA	USD	23,603	0.05
				<u>3,605,930</u>	<u>8.01</u>

The accompanying notes form an integral



## — Franklin Templeton Global Allocation Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Materials</b>					
17,200	Vale SA, ADR, pfd., A	BRA	USD	209,152	0.46
3,900	Symrise AG	DEU	EUR	157,928	0.35
60	Sika AG	CHE	CHF	155,326	0.35
3,600	Umicore SA	BEL	EUR	149,622	0.33
380	Syngenta AG	CHE	CHF	148,646	0.33
12,350	Impala Platinum Holdings Ltd.	ZAF	ZAR	116,221	0.26
8,900	Antofagasta PLC	CHL	GBP	107,642	0.24
1,728	Arab Potash Co. PLC	JOR	JOD	106,156	0.24
1,230	Ecolab Inc.	USA	USD	104,784	0.23
21,380	Tata Steel Ltd., Reg S, GDR	IND	USD	99,556	0.22
4,165	Anglo American PLC	GBR	ZAR	80,856	0.18
300	POSCO	KOR	KRW	78,388	0.17
2,745	Freeport-McMoRan Copper & Gold Inc., B	USA	USD	75,789	0.17
1,477	International Paper Co.	USA	USD	65,446	0.15
970	Akzo Nobel NV	NLD	EUR	54,689	0.12
2,680	CRH PLC	IRL	EUR	54,245	0.12
460	Praxair Inc.	USA	USD	52,974	0.12
1,140	MeadWestvaco Corp.	USA	USD	38,885	0.09
1,000	Potash Corp. of Saskatchewan Inc.	CAN	CAD	38,160	0.09
370	Airgas Inc.	USA	USD	35,320	0.08
1,470	ThyssenKrupp AG	DEU	EUR	28,883	0.06
3,951	Rexam PLC	GBR	GBP	28,689	0.06
1,330	Anglo American PLC	GBR	GBP	25,618	0.06
3,700	HudBay Minerals Inc.	CAN	CAD	24,494	0.05
101	Linde AG	DEU	EUR	18,846	0.04
200	Domtar Corp.	USA	USD	13,300	0.03
				<u>2,069,615</u>	<u>4.60</u>
<b>Telecommunication Services</b>					
65,910	Vodafone Group PLC	GBR	GBP	188,350	0.42
970	SBA Communications Corp.	USA	USD	71,896	0.16
5,458	Telefonica SA	ESP	EUR	69,943	0.16
2,400	Telenor ASA	NOR	NOK	47,577	0.11
5,000	Orange SA	FRA	EUR	47,302	0.10
4,000	China Mobile Ltd.	CHN	HKD	41,878	0.09
66,000	China Telecom Corp. Ltd., H	CHN	HKD	31,485	0.07
1,492	Vivendi SA	FRA	EUR	28,257	0.06
				<u>526,688</u>	<u>1.17</u>
<b>Utilities</b>					
1,352	NRG Energy Inc.	USA	USD	36,098	0.08
1,142	Exelon Corp.	USA	USD	35,265	0.08
339	Entergy Corp.	USA	USD	23,622	0.05
1,110	GDF Suez	FRA	EUR	21,737	0.05
				<u>116,722</u>	<u>0.26</u>
<b>TOTAL SHARES</b>				<u>22,056,788</u>	<u>48.99</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>23,111,531</u>	<u>51.33</u>
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Energy</b>					
28,800	Gazprom, ADR	RUS	USD	189,432	0.42
1,000	LUKOIL Holdings, ADR	RUS	USD	57,375	0.13
				<u>246,807</u>	<u>0.55</u>
<b>TOTAL SHARES</b>				<u>246,807</u>	<u>0.55</u>
<b>BONDS</b>					
<b>Corporate Bonds</b>					
140,000	Chevron Corp., senior note, 0.889%, 06/24/16	USA	USD	140,264	0.31
120,000	Anheuser-Busch InBev Finance, senior note, 0.80%, 01/15/16	BEL	USD	119,387	0.27
115,000	Costco Wholesale Corp., senior note, 1.125%, 12/15/17	USA	USD	111,955	0.25
100,000	HSBC USA Inc., senior note, 2.375%, 02/13/15	GBR	USD	102,219	0.23
100,000	Bank of Montreal, senior note, 1.45%, 04/09/18	CAN	USD	96,596	0.21
85,000	The Walt Disney Co., senior note, 1.10%, 12/01/17	USA	USD	82,466	0.18
80,000	John Deere Capital Corp., 0.70%, 09/04/15	USA	USD	79,891	0.18
55,000	The Procter & Gamble Co., senior note, 1.45%, 08/15/16	USA	USD	55,716	0.12
50,000	Hewlett-Packard Co., senior note, 2.35%, 03/15/15	USA	USD	50,733	0.11
46,000	Clear Channel Communications Inc., Reg S, 9.00%, 12/15/19	USA	USD	44,850	0.10
24,000	Avaya Inc., senior note, 144A, 10.50%, 03/01/21	USA	USD	18,300	0.04
2,730	American Airlines Pass Through Trust, 2011-2A, 8.625%, 04/15/23	USA	USD	2,911	0.01
1,635	American Airlines Pass Through Trust, 2009-1A, 10.375%, 07/02/19	USA	USD	1,742	0.00
				<u>907,030</u>	<u>2.01</u>

## — Franklin Templeton Global Allocation Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds</b>					
1,275,000	U.S. Treasury Note, 1.00%, 08/31/16	USA	USD	1,284,712	2.85
1,275,000	U.S. Treasury Note, 0.625%, 07/15/14	USA	USD	1,280,653	2.84
50,649	Mexican Udibonos, Index Linked, 5.00%, 06/16/16	MEX	MXN	434,407	0.97
300,000	FHLB, 0.25%, 02/20/15	USA	USD	299,698	0.67
810,000	Government of Malaysia, 3.434%, 08/15/14	MYS	MYR	257,306	0.57
821,000	Government of Poland, Strip, 07/25/15	POL	PLN	232,179	0.52
200,000	Government of Slovenia, senior note, Reg S, 5.85%, 05/10/23	SVN	USD	186,637	0.41
208,100,000	Korea Monetary Stabilization Bond, senior bond, 2.47%, 04/02/15	KOR	KRW	180,888	0.40
180,000	FHLB, 0.375%, 06/24/16	USA	USD	178,058	0.40
120,000	Government of Ireland, 5.00%, 10/18/20	IRL	EUR	167,600	0.37
106,370	Government of Ireland, senior bond, 5.40%, 03/13/25	IRL	EUR	150,544	0.33
166,950,000	Korea Treasury Bond, senior note, 2.75%, 12/10/15	KOR	KRW	145,418	0.32
110,000	Government of Netherlands, zero cpn., 04/15/16	NLD	EUR	141,118	0.31
147,000,000	Korea Monetary Stabilization Bond, senior note, 2.78%, 10/02/14	KOR	KRW	128,631	0.29
15,100	Government of Mexico, 9.50%, 12/18/14	MEX	MXN	125,424	0.28
15,310	Government of Mexico, 6.00%, 06/18/15	MEX	MXN	121,811	0.27
118,000	Government of France, senior note, 144A, 1.375%, 01/29/18	FRA	USD	115,031	0.26
80,000	Government of Hungary, Reg S, 6.00%, 01/11/19	HUN	EUR	108,167	0.24
107,000	Government of Canada, 1.00%, 02/01/15	CAN	CAD	101,467	0.23
11,550	Government of Mexico, 8.00%, 12/17/15	MEX	MXN	96,583	0.21
61,500	Government of Ireland, Reg S, 5.50%, 10/18/17	IRL	EUR	88,608	0.20
226,000	Government of Poland, 5.50%, 04/25/15	POL	PLN	70,957	0.16
60,000	Government of Hungary, 5.375%, 02/21/23	HUN	USD	57,831	0.13
58,010,000	Korea Treasury Bond, senior note, 3.25%, 06/10/15	KOR	KRW	51,174	0.11
50,000	Government of Canada, 1.00%, 11/01/14	CAN	CAD	47,445	0.11
31,000	Government of Ireland, 4.50%, 04/18/20	IRL	EUR	42,273	0.09
29,000	Government of Ireland, senior bond, 4.40%, 06/18/19	IRL	EUR	39,654	0.09
40,000	Government of Hungary, 4.125%, 02/19/18	HUN	USD	39,000	0.09
40,000	Government of Canada, 2.00%, 12/01/14	CAN	CAD	38,479	0.09
23,000	Government of Ireland, 5.90%, 10/18/19	IRL	EUR	33,769	0.08
90,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	28,801	0.06
90,000	Government of Poland, Strip, 07/25/14	POL	PLN	26,308	0.06
22,000	Government of Hungary, senior note, 6.25%, 01/29/20	HUN	USD	23,086	0.05
75,000	Government of Poland, Strip, 01/25/16	POL	PLN	20,828	0.05
20,460,000	Korea Monetary Stabilization Bond, senior note, 2.74%, 02/02/15	KOR	KRW	17,873	0.04
16,000	Government of Canada, 2.25%, 08/01/14	CAN	CAD	15,396	0.03
11,000	Government of Ireland, senior bond, 4.50%, 10/18/18	IRL	EUR	15,300	0.03
1,687	Mexican Udibonos, Index Linked, 3.50%, 12/14/17	MEX	MXN	14,065	0.03
1,638	Mexican Udibonos, Index Linked, 4.00%, 06/13/19	MEX	MXN	14,051	0.03
10,000	Government of Hungary, senior note, 4.375%, 07/04/17	HUN	EUR	12,983	0.03
8,000	Government of Ireland, Reg S, 3.90%, 03/20/23	IRL	EUR	10,271	0.02
30,000	Government of Malaysia, 3.197%, 10/15/15	MYS	MYR	9,475	0.02
9,750,000	Korea Monetary Stabilization Bond, senior note, 2.84%, 12/02/14	KOR	KRW	8,535	0.02
9,430,000	Korea Treasury Bond, senior note, 3.25%, 12/10/14	KOR	KRW	8,311	0.02
6,000	Government of Hungary, senior note, 6.375%, 03/29/21	HUN	USD	6,277	0.01
1,010,000	Government of Hungary, 5.50%, 12/22/16	HUN	HUF	4,518	0.01
536	Mexican Udibonos, Index Linked, 4.50%, 12/18/14	MEX	MXN	4,386	0.01
10,000	Government of Malaysia, 3.741%, 02/27/15	MYS	MYR	3,193	0.01
650,000	Government of Hungary, A, 8.00%, 02/12/15	HUN	HUF	3,022	0.01
6,000	Government of Poland, 6.25%, 10/24/15	POL	PLN	1,928	0.00
149	Mexican Udibonos, Index Linked, 2.50%, 12/10/20	MEX	MXN	1,172	0.00
120	Government of Mexico, 6.25%, 06/16/16	MEX	MXN	971	0.00
				<u>6,496,272</u>	<u>14.43</u>
<b>Securities Maturing Within One Year</b>					
1,850,000	U.S. Treasury Note, 0.25%, 03/31/14	USA	USD	1,851,301	4.11
1,000,000	U.S. Treasury Bill, 0.00%, 09/19/13	USA	USD	999,939	2.22
450,000,000	Korea Treasury Bond, senior bond, 3.00%, 12/10/13	KOR	KRW	394,537	0.88
2,410,000	Government of Sweden, 6.75%, 05/05/14	SWE	SEK	376,899	0.84
42,500	Government of Mexico, 8.00%, 12/19/13	MEX	MXN	334,081	0.74
250,000	U.S. Treasury Bill, 0.00%, 10/03/13	USA	USD	249,973	0.56
770,000	Government of Poland, 5.75%, 04/25/14	POL	PLN	237,140	0.53
295,000	Government of Singapore, senior bond, 0.25%, 02/01/14	SGP	SGD	232,796	0.52
200,000	Government of Canada, 2.00%, 08/01/13	CAN	CAD	190,396	0.42
678,000	Government of Israel, 3.50%, 09/30/13	ISR	ILS	187,486	0.42
470,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	151,273	0.34
500,000	Government of Poland, Strip, 01/25/14	POL	PLN	148,142	0.33
147,000	Government of Australia, 6.25%, 06/15/14	AUS	AUD	139,287	0.31
425,000	Government of Poland, 5.00%, 10/24/13	POL	PLN	128,747	0.29
400,000	Bank of Negara Monetary Note, 0.00%, 10/31/13	MYS	MYR	125,349	0.28
150,000	Singapore Treasury Bill, 0.00%, 10/04/13	SGP	SGD	118,299	0.26
108,000,000	Korea Monetary Stabilization Bond, senior note, 2.57%, 06/09/14	KOR	KRW	94,406	0.21
106,800,000	Korea Monetary Stabilization Bond, 0.00%, 09/10/13	KOR	KRW	93,014	0.21
100,000	Government of Australia, senior bond, 5.50%, 12/15/13	AUS	AUD	92,710	0.21
74,000	Government of Canada, 1.00%, 02/01/14	CAN	CAD	70,354	0.16
220,000	Bank of Negara Monetary Note, 0.00%, 12/12/13	MYS	MYR	68,710	0.15
80,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 07/05/13	SGP	SGD	63,127	0.14
72,000,000	Korea Monetary Stabilization Bond, senior bond, 3.90%, 08/02/13	KOR	KRW	63,095	0.14

The accompanying notes form an integral

## — Franklin Templeton Global Allocation Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b> (continued)					
80,000	Singapore Treasury Bill, 0.00%, 12/27/13	SGP	SGD	63,046	0.14
11,450,000	Hungary Treasury Bill, 0.00%, 03/05/14	HUN	HUF	49,105	0.11
10,500,000	Government of Hungary, 5.50%, 02/12/14	HUN	HUF	46,715	0.10
300,000	Sweden Treasury Bill, 0.00%, 09/18/13	SWE	SEK	44,646	0.10
122,000	Bank of Negara Monetary Note, 0.00%, 06/05/14	MYS	MYR	37,596	0.08
120,000	Bank of Negara Monetary Note, 0.00%, 04/24/14	MYS	MYR	37,070	0.08
115,000	Bank of Negara Monetary Note, 0.00%, 05/20/14	MYS	MYR	35,451	0.08
42,300	Mexico Treasury Bill, 0.00%, 04/30/14	MEX	MXN	31,563	0.07
100,000	Bank of Negara Monetary Note, 0.00%, 05/27/14	MYS	MYR	30,809	0.07
100,000	Bank of Negara Monetary Note, 0.00%, 06/10/14	MYS	MYR	30,799	0.07
95,000	Bank of Negara Monetary Note, 0.00%, 05/15/14	MYS	MYR	29,297	0.06
36,200	Mexico Treasury Bill, 0.00%, 04/03/14	MEX	MXN	27,093	0.06
30,000	Singapore Treasury Bill, 0.00%, 07/11/13	SGP	SGD	23,672	0.05
70,000	Bank of Negara Monetary Note, 0.00%, 12/19/13	MYS	MYR	21,849	0.05
70,000	Bank of Negara Monetary Note, 0.00%, 06/19/14	MYS	MYR	21,548	0.05
26,500	Mexico Treasury Bill, 0.00%, 12/11/13	MEX	MXN	20,081	0.04
120,000	Sweden Treasury Bill, 0.00%, 12/18/13	SWE	SEK	17,818	0.04
4,020,000	Hungary Treasury Bill, 0.00%, 01/08/14	HUN	HUF	17,349	0.04
20,000	Singapore Treasury Bill, 0.00%, 09/05/13	SGP	SGD	15,776	0.03
50,000	Bank of Negara Monetary Note, 0.00%, 12/05/13	MYS	MYR	15,624	0.03
16,000	Government of Canada, 2.00%, 03/01/14	CAN	CAD	15,309	0.03
14,000	Government of Canada, 2.50%, 09/01/13	CAN	CAD	13,349	0.03
40,000	Bank of Negara Monetary Note, 0.00%, 07/04/13	MYS	MYR	12,657	0.03
40,000	Bank of Negara Monetary Note, 0.00%, 06/03/14	MYS	MYR	12,329	0.03
2,300,000	Government of Hungary, E, 7.50%, 10/24/13	HUN	HUF	10,247	0.02
30,000	Bank of Negara Monetary Note, 0.00%, 07/18/13	MYS	MYR	9,482	0.02
30,000	Bank of Negara Monetary Note, 0.00%, 11/19/13	MYS	MYR	9,387	0.02
30,000	Bank of Negara Monetary Note, 0.00%, 03/27/14	MYS	MYR	9,290	0.02
30,000	Bank of Negara Monetary Note, 0.00%, 06/17/14	MYS	MYR	9,237	0.02
9,000	Canada Treasury Bill, 0.00%, 08/15/13	CAN	CAD	8,548	0.02
10,000	Government of Poland, Strip, 07/25/13	POL	PLN	3,004	0.01
1,560	Mexico Treasury Bill, 0.00%, 01/09/14	MEX	MXN	1,179	0.00
220,000	Hungary Treasury Bill, 0.00%, 09/18/13	HUN	HUF	962	0.00
500	Mexico Treasury Bill, 0.00%, 10/31/13	MEX	MXN	381	0.00
				<u>7,143,329</u>	<u>15.87</u>
	<b>TOTAL BONDS</b>			<u>14,546,631</u>	<u>32.31</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>14,793,438</u>	<u>32.86</u>
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Energy</b>				
4,250	Reliance Industries Ltd., GDR, 144A	IND	USD	122,294	0.27
	<b>TOTAL SHARES</b>			<u>122,294</u>	<u>0.27</u>
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
22,000	American Airlines Inc., senior secured note, 144A, 7.50%, 03/15/16 *	USA	USD	25,685	0.06
18,000	Avaya Inc., senior secured note, 144A, 7.00%, 04/01/19	USA	USD	16,335	0.03
				<u>42,020</u>	<u>0.09</u>
	<b>Government and Municipal Bonds</b>				
220,000	Government of Ukraine, 144A, 7.75%, 09/23/20	UKR	USD	202,019	0.45
	<b>TOTAL BONDS</b>			<u>244,039</u>	<u>0.54</u>
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>366,333</u>	<u>0.81</u>
	<b>TOTAL INVESTMENTS</b>			<u>38,271,302</u>	<u>85.00</u>

\* These Corporate Bonds are currently in default

## — Franklin Templeton Global Equity Strategies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Automobiles &amp; Components</b>					
691,000	PT Astra International Tbk	IDN	IDR	487,355	0.70
298,000	Brilliance China Automotive Holdings Ltd.	CHN	HKD	334,657	0.48
5,300	Toyota Motor Corp.	JPN	JPY	320,062	0.46
3,397	Cie Generale des Etablissements Michelin, B	FRA	EUR	303,771	0.44
1,867	Continental AG	DEU	EUR	249,337	0.36
20,161	Pirelli & C. SpA	ITA	EUR	233,428	0.34
54,000	Mazda Motor Corp.	JPN	JPY	212,864	0.31
17,300	Nissan Motor Co. Ltd.	JPN	JPY	175,285	0.25
3,430	General Motors Co.	USA	USD	114,253	0.17
				<u>2,431,012</u>	<u>3.51</u>
<b>Banks</b>					
153,300	Kasikornbank PCL, fgn.	THA	THB	964,894	1.39
149,099	Akbank TAS	TUR	TRY	607,668	0.88
600,500	PT Bank Central Asia Tbk	IDN	IDR	605,038	0.87
9,875	BNP Paribas SA	FRA	EUR	539,538	0.78
13,545	KB Financial Group Inc.	KOR	KRW	405,496	0.58
8,900	Wells Fargo & Co.	USA	USD	367,303	0.53
5,006	PNC Financial Services Group Inc.	USA	USD	365,038	0.53
34,544	HSBC Holdings PLC	GBR	GBP	358,271	0.52
104,000	Aozora Bank Ltd.	JPN	JPY	325,033	0.47
24,508	Itau Unibanco Holding SA, ADR	BRA	USD	316,643	0.46
8,767	SunTrust Banks Inc.	USA	USD	276,774	0.40
56,802	UniCredit SpA	ITA	EUR	266,023	0.38
28,000	Credit Agricole SA	FRA	EUR	240,654	0.35
527,900	Kenya Commercial Bank Ltd.	KEN	KES	227,649	0.33
17,500	DBS Group Holdings Ltd.	SGP	SGD	214,046	0.31
321,335	Industrial and Commercial Bank of China Ltd., H	CHN	HKD	202,596	0.29
10,726	Nedbank Group Ltd.	ZAF	ZAR	190,512	0.27
18,079	HSBC Holdings PLC	GBR	HKD	189,393	0.27
115,165	Intesa Sanpaolo SpA	ITA	EUR	184,532	0.27
1,535,709	FBN Holdings PLC	NGA	NGN	169,133	0.24
2,780	CIT Group Inc.	USA	USD	129,631	0.19
3,030	ICICI Bank Ltd., ADR	IND	USD	115,898	0.17
3,140	Societe Generale	FRA	EUR	107,902	0.16
22,104	Barclays PLC	GBR	GBP	93,598	0.13
				<u>7,463,263</u>	<u>10.77</u>
<b>Capital Goods</b>					
11,300	Alstom SA	FRA	EUR	370,069	0.53
8,301	Industries Qatar QSC	QAT	QAR	361,404	0.52
10,390	Koninklijke Philips NV	NLD	EUR	283,263	0.41
4,719	Safran SA	FRA	EUR	246,467	0.36
4,668	Vinci SA	FRA	EUR	234,264	0.34
8,189	Navistar International Corp.	USA	USD	227,327	0.33
1,990	Siemens AG	DEU	EUR	201,136	0.29
4,600	Jardine Strategic Holdings Ltd.	HKG	USD	166,980	0.24
1,591	Caterpillar Inc.	USA	USD	131,242	0.19
18,028	BAE Systems PLC	GBR	GBP	105,079	0.15
1,200	Jardine Matheson Holdings Ltd.	HKG	USD	72,600	0.10
1,480	FLSmidth & Co. AS	DNK	DKK	67,387	0.10
23,493	Dongfang Electric Corp. Ltd., H	CHN	HKD	31,623	0.05
5,560	Carillion PLC	GBR	GBP	23,355	0.03
99	Schindler Holding AG, Participation Certificate	CHE	CHF	13,789	0.02
				<u>2,535,985</u>	<u>3.66</u>
<b>Commercial &amp; Professional Service</b>					
6,221	Randstad Holding NV	NLD	EUR	255,073	0.37
<b>Consumer Durables &amp; Apparel</b>					
25,000	Merida Industry Co. Ltd.	TWN	TWD	148,482	0.21
6,389	Persimmon PLC	GBR	GBP	114,706	0.17
				<u>263,188</u>	<u>0.38</u>
<b>Consumer Services</b>					
9,310	Accor SA	FRA	EUR	327,620	0.47
51,600	MGM China Holdings Ltd.	HKG	HKD	137,716	0.20
				<u>465,336</u>	<u>0.67</u>

The accompanying notes form an integral

## — Franklin Templeton Global Equity Strategies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Diversified Financials</b>					
75,523	ING Groep NV, IDR	NLD	EUR	688,132	0.99
14,052	Citigroup Inc.	USA	USD	674,074	0.97
34,900	Remgro Ltd.	ZAF	ZAR	670,807	0.97
19,450	Morgan Stanley	USA	USD	475,163	0.69
8,150	JPMorgan Chase & Co.	USA	USD	430,239	0.62
20,057	UBS AG	CHE	CHF	341,342	0.49
12,200	Credit Suisse Group AG	CHE	CHF	323,448	0.47
13,470	Bajaj Holdings and Investment Ltd.	IND	INR	180,636	0.26
4,380	The Bank of New York Mellon Corp.	USA	USD	122,859	0.18
				<u>3,906,700</u>	<u>5.64</u>
<b>Energy</b>					
12,153	Baker Hughes Inc.	USA	USD	560,618	0.81
294,000	CNOOC Ltd.	CHN	HKD	498,848	0.72
71,349	BP PLC	GBR	GBP	494,133	0.71
36,700	PTT PCL, fgn.	THA	THB	394,814	0.57
75,573	PTT Exploration and Production PCL, fgn.	THA	THB	384,660	0.56
32,700	Talisman Energy Inc.	CAN	CAD	373,234	0.54
3,145	SK Innovation Co. Ltd.	KOR	KRW	373,028	0.54
6,450	LUKOIL Holdings, ADR	RUS	USD	370,069	0.53
6,693	Fugro NV, IDR	NLD	EUR	362,852	0.52
10,865	Royal Dutch Shell PLC, A	GBR	EUR	347,126	0.50
7,810	Halliburton Co.	USA	USD	325,833	0.47
3,726	Apache Corp.	USA	USD	312,351	0.45
6,302	Transocean Ltd.	USA	USD	302,181	0.44
19,230	Galp Energia SGPS SA, B	PRT	EUR	284,725	0.41
5,020	Total SA, B	FRA	EUR	245,068	0.35
2,060	Chevron Corp.	USA	USD	243,780	0.35
6,937	Marathon Oil Corp.	USA	USD	239,882	0.35
7,212	Royal Dutch Shell PLC, B	GBR	GBP	238,644	0.35
12,999	BG Group PLC	GBR	GBP	221,172	0.32
9,000	Tupras-Turkiye Petrol Rafinerileri AS	TUR	TRY	219,802	0.32
5,590	Noble Corp.	USA	USD	210,072	0.30
6,650	CONSOL Energy Inc.	USA	USD	180,215	0.26
12,133	Petroleo Brasileiro SA, ADR, pfd.	BRA	USD	177,870	0.26
11,570	Petroleo Brasileiro SA, ADR	BRA	USD	155,269	0.22
6,958	Eni SpA	ITA	EUR	142,918	0.21
2,012	EnSCO PLC, A	USA	USD	116,937	0.17
1,610	Murphy Oil Corp.	USA	USD	98,033	0.14
110,000	Yanzhou Coal Mining Co. Ltd., H	CHN	HKD	78,714	0.11
5,100	KazMunaiGas Exploration Production, GDR	KAZ	USD	77,112	0.11
2,944	SBM Offshore NV	NLD	EUR	49,529	0.07
1,564	WPX Energy Inc.	USA	USD	29,622	0.04
1,215	Chesapeake Energy Corp.	USA	USD	24,762	0.04
				<u>8,133,873</u>	<u>11.74</u>
<b>Food &amp; Staples Retailing</b>					
11,977	CVS Caremark Corp.	USA	USD	684,845	0.99
83,024	President Chain Store Corp.	TWN	TWD	544,352	0.79
10,960	Metro AG	DEU	EUR	346,951	0.50
26,100	Dairy Farm International Holdings Ltd.	HKG	USD	313,461	0.45
4,980	Walgreen Co.	USA	USD	220,116	0.32
41,555	Tesco PLC	GBR	GBP	209,520	0.30
10,149	Koninklijke Ahold NV	NLD	EUR	151,061	0.22
38,000	China Resources Enterprise Ltd.	CHN	HKD	119,057	0.17
				<u>2,589,363</u>	<u>3.74</u>
<b>Food, Beverage &amp; Tobacco</b>					
21,728	Companhia de Bebidas das Americas (AmBev)	BRA	BRL	804,528	1.16
1,293,000	Thai Beverage PCL	THA	SGD	601,989	0.87
34,500	Souza Cruz SA	BRA	BRL	426,432	0.62
8,032	British American Tobacco PLC	GBR	GBP	411,570	0.59
86,100	Embotelladora Andina SA, pfd., A	CHL	CLP	380,464	0.55
6,837	Lorillard Inc.	USA	USD	298,640	0.43
177,891	Guinness Nigeria PLC	NGA	NGN	279,100	0.40
6,778	Imperial Tobacco Group PLC	GBR	GBP	235,081	0.34
6,381	Altria Group Inc.	USA	USD	223,271	0.32
4,626	Dr. Pepper Snapple Group Inc.	USA	USD	212,472	0.31
5,812	Coca-Cola Enterprises Inc.	GBR	USD	204,350	0.30
2,165	Philip Morris International Inc.	USA	USD	187,532	0.27
4,680	Tiger Brands Ltd.	ZAF	ZAR	140,128	0.20
24,479	Yantai Changyu Pioneer Wine Co. Ltd., B	CHN	HKD	112,359	0.16
506	Pernod Ricard SA	FRA	EUR	56,109	0.08
				<u>4,574,025</u>	<u>6.60</u>

## — Franklin Templeton Global Equity Strategies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Health Care Equipment &amp; Services</b>					
13,600	Medtronic Inc.	USA	USD	699,992	1.01
3,668	Cigna Corp.	USA	USD	265,893	0.38
1,750	WellPoint Inc.	USA	USD	143,220	0.21
1,375	Stryker Corp.	USA	USD	88,935	0.13
1,400	Getinge AB, B	SWE	SEK	42,543	0.06
280	UnitedHealth Group Inc.	USA	USD	18,335	0.03
				<u>1,258,918</u>	<u>1.82</u>
<b>Household &amp; Personal Products</b>					
209,000	Kimberly Clark de Mexico SAB de CV, A	MEX	MXN	685,376	0.99
18,800	Natura Cosmetics SA	BRA	BRL	409,671	0.59
8,430	Avon Products Inc.	USA	USD	177,283	0.26
				<u>1,272,330</u>	<u>1.84</u>
<b>Insurance</b>					
12,506	American International Group Inc.	USA	USD	559,018	0.81
4,687	ACE Ltd.	USA	USD	419,393	0.61
14,580	Delta Lloyd NV	NLD	EUR	292,167	0.42
14,765	AXA SA	FRA	EUR	290,109	0.42
1,470	Muenchener Rueckversicherungs-Gesellschaft AG	DEU	EUR	270,558	0.39
3,500	Swiss Re AG	CHE	CHF	260,412	0.38
131,780	RSA Insurance Group PLC	GBR	GBP	238,597	0.34
904	Zurich Insurance Group AG	CHE	CHF	234,408	0.34
4,850	MetLife Inc.	USA	USD	221,936	0.32
41,011	Aviva PLC	GBR	GBP	211,907	0.31
2,020	PartnerRe Ltd.	BMU	USD	182,931	0.26
40,090	Direct Line Insurance Group PLC	GBR	GBP	142,123	0.20
29,238	Storebrand ASA	NOR	NOK	141,051	0.20
37,315	China Pacific Insurance (Group) Co. Ltd., H	CHN	HKD	119,076	0.17
19,517	PICC Property and Casualty Co. Ltd., H	CHN	HKD	22,044	0.03
				<u>3,605,730</u>	<u>5.20</u>
<b>Materials</b>					
41,450	Vale SA, ADR, pfd., A	BRA	USD	504,032	0.73
17,345	CRH PLC	IRL	EUR	351,074	0.51
54,000	Tata Chemicals Ltd.	IND	INR	255,201	0.37
4,476	Akzo Nobel NV	NLD	EUR	252,361	0.36
91,000	Anhui Conch Cement Co. Ltd., H	CHN	HKD	245,805	0.35
103,000	PTT Global Chemical PCL, fgn.	THA	THB	228,227	0.33
11,185	ThyssenKrupp AG	DEU	EUR	219,767	0.32
26,944	Rexam PLC	GBR	GBP	195,649	0.28
15,000	Antofagasta PLC	CHL	GBP	181,418	0.26
3,692	Grasim Industries Ltd.	IND	INR	171,282	0.25
636	POSCO	KOR	KRW	166,182	0.24
7,841	Anglo American PLC	GBR	GBP	151,030	0.22
4,327	Freeport-McMoRan Copper & Gold Inc., B	USA	USD	119,469	0.17
				<u>3,041,497</u>	<u>4.39</u>
<b>Media</b>					
3,759	Time Warner Cable Inc.	USA	USD	422,812	0.61
30,300	Reed Elsevier PLC	GBR	GBP	344,346	0.50
8,120	Comcast Corp., Special A	USA	USD	322,120	0.46
7,120	Twenty-First Century Fox Inc.	USA	USD	232,112	0.34
2,700	The Walt Disney Co.	USA	USD	170,505	0.25
3,668	Twenty-First Century Fox Inc., B	USA	USD	120,384	0.17
2,981	Reed Elsevier NV	NLD	EUR	49,667	0.07
1,039	Eutelsat Communications	FRA	EUR	29,496	0.04
				<u>1,691,442</u>	<u>2.44</u>
<b>Pharmaceuticals, Biotechnology &amp; Life Sciences</b>					
18,300	Merck & Co. Inc.	USA	USD	850,035	1.23
1,870	Roche Holding AG	CHE	CHF	465,100	0.67
4,470	Sanofi	FRA	EUR	463,259	0.67
4,150	Amgen Inc.	USA	USD	409,439	0.59
16,249	GlaxoSmithKline PLC	GBR	GBP	407,320	0.59
13,280	Pfizer Inc.	USA	USD	371,973	0.54
6,000	Teva Pharmaceutical Industries Ltd., ADR	ISR	USD	235,200	0.34
1,410	Merck KGaA	DEU	EUR	214,825	0.31
14,820	Elan Corp. PLC, ADR	IRL	USD	209,555	0.30
2,642	Novartis AG, ADR	CHE	USD	186,816	0.27
3,290	Forest Laboratories Inc.	USA	USD	134,890	0.20
1,410	Lonza Group AG	CHE	CHF	106,177	0.15
2,160	Eli Lilly & Co.	USA	USD	106,099	0.15
2,573	Hospira Inc.	USA	USD	98,572	0.14
990	Novartis AG	CHE	CHF	70,306	0.10
52,710	Savient Pharmaceuticals Inc.	USA	USD	29,518	0.04
				<u>4,359,084</u>	<u>6.29</u>

The accompanying notes form an integral



## — Franklin Templeton Global Equity Strategies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Real Estate</b>					
380,976	Emaar Properties PJSC	ARE	AED	539,362	0.78
4,407,100	Sansiri PCL, fgn.	THA	THB	441,559	0.63
283,200	Land and Houses PCL, fgn.	THA	THB	103,676	0.15
1,000	Cheung Kong (Holdings) Ltd.	HKG	HKD	13,564	0.02
				<u>1,098,161</u>	<u>1.58</u>
<b>Retailing</b>					
116,199	Kingfisher PLC	GBR	GBP	606,242	0.87
288,000	Giordano International Ltd.	HKG	HKD	252,132	0.36
1,490	Dufry AG	CHE	CHF	180,721	0.26
2,990	Kohl's Corp.	USA	USD	151,025	0.22
457	Lotte Shopping Co. Ltd.	KOR	KRW	142,012	0.21
2,010	Target Corp.	USA	USD	138,409	0.20
17,427	Lewis Group Ltd.	ZAF	ZAR	111,095	0.16
13,736	Marks & Spencer Group PLC	GBR	GBP	90,027	0.13
36,000	Luk Fook Holdings (International) Ltd.	HKG	HKD	83,549	0.12
				<u>1,755,212</u>	<u>2.53</u>
<b>Semiconductors &amp; Semiconductor Equipment</b>					
733	Samsung Electronics Co. Ltd.	KOR	KRW	861,069	1.24
107,704	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	398,904	0.58
27,070	MediaTek Inc.	TWN	TWD	314,778	0.45
10,999	Taiwan Semiconductor Manufacturing Co. Ltd., ADR	TWN	USD	201,502	0.29
				<u>1,776,253</u>	<u>2.56</u>
<b>Software &amp; Services</b>					
27,660	Microsoft Corp.	USA	USD	955,100	1.38
32,410	Tata Consultancy Services Ltd.	IND	INR	826,623	1.19
5,882	Check Point Software Technologies Ltd.	ISR	USD	292,218	0.42
5,200	Tencent Holdings Ltd.	CHN	HKD	203,952	0.29
8,612	Symantec Corp.	USA	USD	193,512	0.28
4,400	Infosys Ltd.	IND	INR	184,273	0.27
1,042	Nintendo Co. Ltd.	JPN	JPY	122,909	0.18
3,890	Oracle Corp.	USA	USD	119,501	0.17
134	Google Inc., A	USA	USD	117,969	0.17
1,240	SAP AG	DEU	EUR	90,806	0.13
				<u>3,106,863</u>	<u>4.48</u>
<b>Technology Hardware &amp; Equipment</b>					
27,350	Cisco Systems Inc.	USA	USD	664,879	0.96
20,990	Hewlett-Packard Co.	USA	USD	520,552	0.75
1,142	Apple Inc.	USA	USD	452,323	0.65
14,100	VTech Holdings Ltd.	HKG	HKD	213,247	0.31
4,440	TE Connectivity Ltd.	USA	USD	202,198	0.29
35,030	Brocade Communications Systems Inc.	USA	USD	201,773	0.29
14,689	Dell Inc.	USA	USD	196,098	0.28
20,892	Xerox Corp.	USA	USD	189,490	0.27
13,554	Ericsson, B	SWE	SEK	153,493	0.22
51,700	Hon Hai Precision Industry Co. Ltd.	TWN	TWD	127,654	0.19
16,220	Flextronics International Ltd.	SGP	USD	125,543	0.18
8,000	Konica Minolta Inc.	JPN	JPY	60,409	0.09
642	Hoya Corp.	JPN	JPY	13,262	0.02
				<u>3,120,921</u>	<u>4.50</u>
<b>Telecommunication Services</b>					
279,700	Vodafone Group PLC	GBR	GBP	799,292	1.15
19,800	America Movil SAB de CV, L, ADR	MEX	USD	430,650	0.62
45,203	Sprint Nextel Corp.	USA	USD	317,325	0.46
98,000	Singapore Telecommunications Ltd.	SGP	SGD	291,545	0.42
30,350	TDC AS	DNK	DKK	245,976	0.36
12,340	Telenor ASA	NOR	NOK	244,626	0.35
16,689	Telefonica SA	ESP	EUR	213,865	0.31
36,287	Turkcell Iletisim Hizmetleri AS	TUR	TRY	210,736	0.30
8,328	Vivendi SA	FRA	EUR	157,724	0.23
12,500	China Mobile Ltd.	CHN	HKD	130,867	0.19
2,060	China Telecom Corp. Ltd., ADR	CHN	USD	97,850	0.14
10,330	Orange SA	FRA	EUR	97,726	0.14
				<u>3,238,182</u>	<u>4.67</u>
<b>Transportation</b>					
193,760	International Consolidated Airlines Group SA	GBR	GBP	777,366	1.12
19,040	Deutsche Lufthansa AG	DEU	EUR	386,497	0.56
3,230	United Parcel Service Inc., B	USA	USD	279,330	0.40
2,613	FedEx Corp.	USA	USD	257,590	0.37
35	A.P. Moller — Maersk AS, B	DNK	DKK	250,678	0.36

## — Franklin Templeton Global Equity Strategies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Transportation</b> (continued)				
161,899	COSCO Pacific Ltd.	CHN	HKD	208,533	0.30
12,977	Globaltrans Investment PLC, GDR, Reg S	RUS	USD	177,461	0.26
11,311	JSL SA	BRA	BRL	74,294	0.11
5,403	TNT Express NV	NLD	EUR	40,523	0.06
				<u>2,452,272</u>	<u>3.54</u>
	<b>Utilities</b>				
8,244	NRG Energy Inc.	USA	USD	220,115	0.32
9,804	GDF Suez	FRA	EUR	191,995	0.28
6,130	Exelon Corp.	USA	USD	189,294	0.27
				<u>601,404</u>	<u>0.87</u>
	<b>TOTAL SHARES</b>			<u>64,996,087</u>	<u>93.79</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>64,996,087</u>	<u>93.79</u>
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Banks</b>				
234,740	Sberbank of Russia	RUS	USD	669,879	0.96
	<b>Consumer Durables &amp; Apparel</b>				
6,389	Persimmon PLC	GBR	GBP	7,287	0.01
	<b>Energy</b>				
47,300	Gazprom, ADR	RUS	USD	311,116	0.45
	<b>Materials</b>				
704	NewPage Holdings Inc.	USA	USD	61,600	0.09
	<b>TOTAL SHARES</b>			<u>1,049,882</u>	<u>1.51</u>
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
281,000	Clear Channel Communications Inc., Reg S, 9.00%, 12/15/19	USA	USD	273,975	0.40
122,000	Avaya Inc., senior note, 144A, 10.50%, 03/01/21	USA	USD	93,025	0.13
13,650	American Airlines Pass Through Trust, 2011-2A, 8.625%, 04/15/23	USA	USD	14,554	0.02
3,270	American Airlines Pass Through Trust, 2009-1A, 10.375%, 07/02/19	USA	USD	3,484	0.01
1,151	American Airlines Inc., first lien, 13.00%, 08/01/16	USA	USD	1,226	0.00
				<u>386,264</u>	<u>0.56</u>
	<b>TOTAL BONDS</b>			<u>386,264</u>	<u>0.56</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>1,436,146</u>	<u>2.07</u>
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Commercial &amp; Professional Service</b>				
452,000	Fook Woo Group Holdings Ltd. **	CHN	HKD	7,926	0.01
	<b>Diversified Financials</b>				
28,000	Hightower Holding LLC, pfd., A, 2 **	USA	USD	63,536	0.09
	<b>Materials</b>				
1,640	Mining and Metallurgical Co. Norilsk Nickel	RUS	USD	237,601	0.35
	<b>TOTAL SHARES</b>			<u>309,063</u>	<u>0.45</u>
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
153,000	American Airlines Inc., senior secured note, 144A, 7.50%, 03/15/16 *	USA	USD	178,627	0.26
80,000	Avaya Inc., senior secured note, 144A, 7.00%, 04/01/19	USA	USD	72,600	0.10
176,000	NewPage Corp., Escrow Account, 11.375%, 12/31/14 **	USA	USD	0	0.00
				<u>251,227</u>	<u>0.36</u>
	<b>TOTAL BONDS</b>			<u>251,227</u>	<u>0.36</u>
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>560,290</u>	<u>0.81</u>
	<b>TOTAL INVESTMENTS</b>			<u>66,992,523</u>	<u>96.67</u>

\* These Corporate Bonds are currently in default

\*\* These securities are submitted to a Fair Valuation

The accompanying notes form an integral



## — Franklin Templeton Global Fundamental Strategies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
53,005	Safran SA	FRA	EUR	2,768,383	0.33
18,766	Raytheon Co.	USA	USD	1,240,808	0.15
160,513	BAE Systems PLC	GBR	GBP	935,575	0.11
				<u>4,944,766</u>	<u>0.59</u>
<b>Air Freight &amp; Logistics</b>					
32,050	FedEx Corp.	USA	USD	3,159,489	0.37
35,140	United Parcel Service Inc., B	USA	USD	3,038,907	0.36
176,494	TNT Express NV	NLD	EUR	1,323,724	0.16
				<u>7,522,120</u>	<u>0.89</u>
<b>Airlines</b>					
1,975,850	International Consolidated Airlines Group SA	GBR	GBP	7,927,115	0.94
196,690	Deutsche Lufthansa AG	DEU	EUR	3,992,656	0.48
				<u>11,919,771</u>	<u>1.42</u>
<b>Auto Components</b>					
51,114	Cie Generale des Etablissements Michelin, B	FRA	EUR	4,570,785	0.54
30,322	Continental AG	DEU	EUR	4,049,482	0.48
199,336	Pirelli & C. SpA	ITA	EUR	2,307,947	0.28
				<u>10,928,214</u>	<u>1.30</u>
<b>Automobiles</b>					
66,700	Toyota Motor Corp.	JPN	JPY	4,027,957	0.48
554,000	Mazda Motor Corp.	JPN	JPY	2,183,829	0.26
198,200	Nissan Motor Co. Ltd.	JPN	JPY	2,008,176	0.24
42,090	General Motors Co.	USA	USD	1,402,018	0.16
				<u>9,621,980</u>	<u>1.14</u>
<b>Beverages</b>					
46,740	Coca-Cola Enterprises Inc.	GBR	USD	1,643,378	0.20
28,093	Dr. Pepper Snapple Group Inc.	USA	USD	1,290,312	0.15
7,515	Pernod Ricard SA	FRA	EUR	833,320	0.10
				<u>3,767,010</u>	<u>0.45</u>
<b>Biotechnology</b>					
59,000	Amgen Inc.	USA	USD	5,820,940	0.69
163,210	Elan Corp. PLC, ADR	IRL	USD	2,307,789	0.28
				<u>8,128,729</u>	<u>0.97</u>
<b>Capital Markets</b>					
214,000	Morgan Stanley	USA	USD	5,228,020	0.62
202,156	UBS AG	CHE	CHF	3,440,407	0.41
128,786	Credit Suisse Group AG	CHE	CHF	3,414,393	0.41
36,450	The Bank of New York Mellon Corp.	USA	USD	1,022,422	0.12
				<u>13,105,242</u>	<u>1.56</u>
<b>Chemicals</b>					
58,855	Akzo Nobel NV	NLD	EUR	3,318,302	0.40
<b>Commercial Banks</b>					
98,511	BNP Paribas SA	FRA	EUR	5,382,322	0.64
160,886	KB Financial Group Inc.	KOR	KRW	4,816,440	0.57
1,034,000	Aozora Bank Ltd.	JPN	JPY	3,231,576	0.38
95,548	SunTrust Banks Inc.	USA	USD	3,016,450	0.36
68,920	Wells Fargo & Co.	USA	USD	2,844,328	0.34
601,457	UniCredit SpA	ITA	EUR	2,816,825	0.33
250,474	HSBC Holdings PLC	GBR	GBP	2,597,775	0.31
298,760	Credit Agricole SA	FRA	EUR	2,567,781	0.31
30,530	PNC Financial Services Group Inc.	USA	USD	2,226,248	0.26
177,500	DBS Group Holdings Ltd.	SGP	SGD	2,171,040	0.26
1,142,752	Intesa Sanpaolo SpA	ITA	EUR	1,831,067	0.22
165,208	HSBC Holdings PLC	GBR	HKD	1,730,691	0.21
35,130	Societe Generale	FRA	EUR	1,207,192	0.14
26,200	ICICI Bank Ltd., ADR	IND	USD	1,002,150	0.12
213,678	Barclays PLC	GBR	GBP	904,804	0.11
29,860	Hana Financial Group Inc.	KOR	KRW	869,087	0.10
				<u>39,215,776</u>	<u>4.66</u>
<b>Communications Equipment</b>					
302,810	Cisco Systems Inc.	USA	USD	7,361,311	0.88
420,290	Brocade Communications Systems Inc.	USA	USD	2,420,870	0.29
144,297	Ericsson, B	SWE	SEK	1,634,103	0.19
				<u>11,416,284</u>	<u>1.36</u>

## — Franklin Templeton Global Fundamental Strategies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Computers &amp; Peripherals</b>					
214,660	Hewlett-Packard Co.	USA	USD	5,323,568	0.63
11,410	Apple Inc.	USA	USD	4,519,273	0.54
159,666	Dell Inc.	USA	USD	2,131,541	0.25
				<u>11,974,382</u>	<u>1.42</u>
<b>Construction &amp; Engineering</b>					
48,390	Vinci SA	FRA	EUR	2,428,458	0.29
15,374	FLSmidth & Co. AS	DNK	DKK	700,007	0.08
52,290	Carillion PLC	GBR	GBP	219,649	0.03
				<u>3,348,114</u>	<u>0.40</u>
<b>Construction Materials</b>					
184,640	CRH PLC	IRL	EUR	3,737,235	0.44
<b>Containers &amp; Packaging</b>					
352,278	Rexam PLC	GBR	GBP	2,557,996	0.30
<b>Diversified Financial Services</b>					
153,494	Citigroup Inc.	USA	USD	7,363,107	0.88
783,065	ING Groep NV, IDR	NLD	EUR	7,134,936	0.85
82,730	JPMorgan Chase & Co.	USA	USD	4,367,317	0.52
26,919	CIT Group Inc.	USA	USD	1,255,233	0.15
6,603	NYSE Euronext	USA	USD	273,364	0.03
				<u>20,393,957</u>	<u>2.43</u>
<b>Diversified Telecommunication Services</b>					
214,817	Vivendi SA	FRA	EUR	4,068,421	0.49
242,800	Telefonica SA	ESP	EUR	3,111,420	0.37
969,000	Singapore Telecommunications Ltd.	SGP	SGD	2,882,722	0.34
312,710	TDC AS	DNK	DKK	2,534,402	0.30
110,070	Telenor ASA	NOR	NOK	2,182,008	0.26
20,910	China Telecom Corp. Ltd., ADR	CHN	USD	993,225	0.12
79,710	Orange SA	FRA	EUR	754,088	0.09
				<u>16,526,286</u>	<u>1.97</u>
<b>Electric Utilities</b>					
50,020	Exelon Corp.	USA	USD	1,544,618	0.18
<b>Electrical Equipment</b>					
130,780	Alstom SA	FRA	EUR	4,282,981	0.51
232,621	Dongfang Electric Corp. Ltd., H	CHN	HKD	313,123	0.04
				<u>4,596,104</u>	<u>0.55</u>
<b>Electronic Equipment, Instruments &amp; Components</b>					
35,630	TE Connectivity Ltd.	USA	USD	1,622,590	0.19
159,540	Flextronics International Ltd.	SGP	USD	1,234,839	0.15
7,661	Hoya Corp.	JPN	JPY	158,256	0.02
				<u>3,015,685</u>	<u>0.36</u>
<b>Energy Equipment &amp; Services</b>					
141,920	Baker Hughes Inc.	USA	USD	6,546,770	0.78
70,081	Fugro NV, IDR	NLD	EUR	3,799,352	0.45
82,210	Halliburton Co.	USA	USD	3,429,801	0.41
58,980	Noble Corp.	USA	USD	2,216,468	0.26
40,760	Transocean Ltd.	USA	USD	1,954,442	0.23
19,379	Enasco PLC, A	USA	USD	1,126,307	0.14
28,774	SBM Offshore NV	NLD	EUR	484,089	0.06
				<u>19,557,229</u>	<u>2.33</u>
<b>Food &amp; Staples Retailing</b>					
117,363	CVS Caremark Corp.	USA	USD	6,710,816	0.80
92,040	Walgreen Co.	USA	USD	4,068,168	0.48
704,854	Tesco PLC	GBR	GBP	3,553,873	0.42
105,631	Metro AG	DEU	EUR	3,343,868	0.40
133,960	Koninklijke Ahold NV	NLD	EUR	1,993,910	0.24
538,000	China Resources Enterprise Ltd.	CHN	HKD	1,685,596	0.20
				<u>21,356,231</u>	<u>2.54</u>
<b>Health Care Equipment &amp; Supplies</b>					
151,890	Medtronic Inc.	USA	USD	7,817,778	0.93
13,745	Stryker Corp.	USA	USD	889,027	0.11
18,040	Getinge AB, B	SWE	SEK	548,195	0.06
				<u>9,255,000</u>	<u>1.10</u>
<b>Health Care Providers &amp; Services</b>					
50,006	Cigna Corp.	USA	USD	3,624,935	0.43
21,965	WellPoint Inc.	USA	USD	1,797,616	0.22
26,800	Quest Diagnostics Inc.	USA	USD	1,624,884	0.19
2,859	UnitedHealth Group Inc.	USA	USD	187,207	0.02
				<u>7,234,642</u>	<u>0.86</u>

The accompanying notes form an integral

## — Franklin Templeton Global Fundamental Strategies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Hotels, Restaurants &amp; Leisure</b>				
93,800	Accor SA	FRA	EUR	3,300,832	0.39
	<b>Household Durables</b>				
34,691	Persimmon PLC	GBR	GBP	622,830	0.07
	<b>Independent Power Producers &amp; Energy Traders</b>				
66,267	NRG Energy Inc.	USA	USD	1,769,329	0.21
	<b>Industrial Conglomerates</b>				
122,330	Koninklijke Philips NV	NLD	EUR	3,335,090	0.40
61,088	Jardine Strategic Holdings Ltd.	HKG	USD	2,217,494	0.26
17,540	Siemens AG	DEU	EUR	1,772,823	0.21
471,370	Shanghai Industrial Holdings Ltd.	CHN	HKD	1,461,645	0.17
23,801	Jardine Matheson Holdings Ltd.	HKG	USD	1,439,961	0.17
55,870	General Electric Co.	USA	USD	1,295,625	0.16
				11,522,638	1.37
	<b>Insurance</b>				
118,262	American International Group Inc.	USA	USD	5,286,311	0.63
46,790	Swiss Re AG	CHE	CHF	3,481,333	0.41
170,051	Delta Lloyd NV	NLD	EUR	3,407,635	0.41
37,720	ACE Ltd.	USA	USD	3,375,186	0.40
1,819,955	RSA Insurance Group PLC	GBR	GBP	3,295,160	0.39
157,057	AXA SA	FRA	EUR	3,085,920	0.37
14,180	Muenchener Rueckversicherungs-Gesellschaft AG	DEU	EUR	2,609,876	0.31
481,604	Aviva PLC	GBR	GBP	2,488,490	0.30
50,270	MetLife Inc.	USA	USD	2,300,355	0.27
454,309	Storebrand ASA	NOR	NOK	2,191,694	0.26
6,980	Zurich Insurance Group AG	CHE	CHF	1,809,917	0.22
395,730	Resolution Ltd.	GBR	GBP	1,715,562	0.20
16,510	PartnerRe Ltd.	BMU	USD	1,495,146	0.18
406,270	Direct Line Insurance Group PLC	GBR	GBP	1,440,268	0.17
392,260	China Pacific Insurance (Group) Co. Ltd., H	CHN	HKD	1,251,740	0.15
228,179	PICC Property and Casualty Co. Ltd., H	CHN	HKD	257,718	0.03
166	White Mountains Insurance Group Ltd.	USA	USD	95,440	0.01
				39,587,751	4.71
	<b>Internet Software &amp; Services</b>				
1,513	Google Inc., A	USA	USD	1,332,000	0.16
	<b>Life Sciences Tools &amp; Services</b>				
13,580	Lonza Group AG	CHE	CHF	1,022,614	0.12
	<b>Machinery</b>				
78,000	Navistar International Corp.	USA	USD	2,165,280	0.26
17,306	Caterpillar Inc.	USA	USD	1,427,572	0.17
101,875	Fiat Industrial SpA	ITA	EUR	1,135,767	0.13
6,694	Schindler Holding AG, Participation Certificate	CHE	CHF	932,349	0.11
7,183	Stanley Black & Decker Inc.	USA	USD	555,246	0.07
				6,216,214	0.74
	<b>Marine</b>				
361	A.P. Moller – Maersk AS, B	DNK	DKK	2,585,569	0.31
	<b>Media</b>				
41,394	Time Warner Cable Inc.	USA	USD	4,655,997	0.55
94,411	Comcast Corp., Special A	USA	USD	3,745,284	0.44
90,490	Twenty-First Century Fox Inc.	USA	USD	2,949,974	0.35
256,620	Reed Elsevier PLC	GBR	GBP	2,916,371	0.35
37,410	The Walt Disney Co.	USA	USD	2,362,442	0.28
67,148	Twenty-First Century Fox Inc., B	USA	USD	2,203,797	0.26
24,433	Time Warner Inc.	USA	USD	1,412,716	0.17
116,465	British Sky Broadcasting Group PLC	GBR	GBP	1,403,722	0.17
80,430	Reed Elsevier NV	NLD	EUR	1,340,054	0.16
17,290	Eutelsat Communications	FRA	EUR	490,846	0.06
				23,481,203	2.79
	<b>Metals &amp; Mining</b>				
13,121	POSCO	KOR	KRW	3,428,413	0.41
111,909	ThyssenKrupp AG	DEU	EUR	2,198,833	0.26
85,812	Anglo American PLC	GBR	GBP	1,652,874	0.20
46,286	Freeport-McMoRan Copper & Gold Inc., B	USA	USD	1,277,956	0.15
45,350	Vale SA, ADR, pfd., A	BRA	USD	551,456	0.06
				9,109,532	1.08
	<b>Multi-Utilities</b>				
98,083	GDF Suez	FRA	EUR	1,920,791	0.23

## — Franklin Templeton Global Fundamental Strategies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Multiline Retail</b>				
449,504	Marks & Spencer Group PLC	GBR	GBP	2,946,096	0.35
30,060	Kohl's Corp.	USA	USD	1,518,331	0.18
21,990	Target Corp.	USA	USD	1,514,231	0.18
				<u>5,978,658</u>	<u>0.71</u>
	<b>Office Electronics</b>				
227,000	Konica Minolta Inc.	JPN	JPY	1,714,114	0.20
184,160	Xerox Corp.	USA	USD	1,670,331	0.20
				<u>3,384,445</u>	<u>0.40</u>
	<b>Oil, Gas &amp; Consumable Fuels</b>				
769,187	BP PLC	GBR	GBP	5,327,059	0.63
390,800	Talisman Energy Inc.	CAN	CAD	4,460,551	0.53
227,730	Galp Energia SGPS SA, B	PRT	EUR	3,371,832	0.40
103,851	Royal Dutch Shell PLC, A	GBR	EUR	3,317,936	0.39
61,540	Total SA, B	FRA	EUR	3,004,283	0.36
34,833	Apache Corp.	USA	USD	2,920,050	0.35
186,401	Petroleo Brasileiro SA, ADR, pfd.	BRA	USD	2,732,639	0.32
21,290	Chevron Corp.	USA	USD	2,519,459	0.30
180,258	Petroleo Brasileiro SA, ADR	BRA	USD	2,419,062	0.29
138,468	BG Group PLC	GBR	GBP	2,355,965	0.28
104,751	Eni SpA	ITA	EUR	2,151,589	0.26
61,961	Marathon Oil Corp.	USA	USD	2,142,611	0.25
63,890	Royal Dutch Shell PLC, B	GBR	GBP	2,114,114	0.25
64,040	CONSOL Energy Inc.	USA	USD	1,735,484	0.21
21,500	Murphy Oil Corp.	USA	USD	1,309,135	0.16
16,080	Chesapeake Energy Corp.	USA	USD	327,710	0.04
14,014	WPX Energy Inc.	USA	USD	265,425	0.03
960	Royal Dutch Shell PLC, A	GBR	GBP	30,657	0.00
				<u>42,505,561</u>	<u>5.05</u>
	<b>Personal Products</b>				
107,530	Avon Products Inc.	USA	USD	2,261,356	0.27
	<b>Pharmaceuticals</b>				
153,910	Merck & Co. Inc.	USA	USD	7,149,120	0.85
21,460	Roche Holding AG	CHE	CHF	5,337,461	0.63
45,840	Sanofi	FRA	EUR	4,750,737	0.56
140,686	Pfizer Inc.	USA	USD	3,940,615	0.47
152,838	GlaxoSmithKline PLC	GBR	GBP	3,831,253	0.46
19,170	Merck KGaA	DEU	EUR	2,920,705	0.35
57,950	Teva Pharmaceutical Industries Ltd., ADR	ISR	USD	2,271,640	0.27
22,248	Novartis AG, ADR	CHE	USD	1,573,156	0.19
37,440	Forest Laboratories Inc.	USA	USD	1,535,040	0.18
21,240	Eli Lilly & Co.	USA	USD	1,043,309	0.12
23,233	Hospira Inc.	USA	USD	890,056	0.11
9,530	Novartis AG	CHE	CHF	676,788	0.08
				<u>35,919,880</u>	<u>4.27</u>
	<b>Professional Services</b>				
61,638	Randstad Holding NV	NLD	EUR	2,527,280	0.30
	<b>Real Estate Management &amp; Development</b>				
82,000	Cheung Kong (Holdings) Ltd.	HKG	HKD	1,112,230	0.13
156,865	Dolphin Capital Investors Ltd.	VGB	GBP	90,059	0.01
1,173	Swire Pacific Ltd., B	HKG	HKD	2,771	0.00
				<u>1,205,060</u>	<u>0.14</u>
	<b>Semiconductors &amp; Semiconductor Equipment</b>				
4,206	Samsung Electronics Co. Ltd.	KOR	KRW	4,940,872	0.59
110,276	Taiwan Semiconductor Manufacturing Co. Ltd., ADR	TWN	USD	2,020,256	0.24
				<u>6,961,128</u>	<u>0.83</u>
	<b>Software</b>				
330,030	Microsoft Corp.	USA	USD	11,395,936	1.35
59,510	Check Point Software Technologies Ltd.	ISR	USD	2,956,457	0.35
29,170	SAP AG	DEU	EUR	2,136,143	0.25
69,340	Symantec Corp.	USA	USD	1,558,070	0.19
42,500	Oracle Corp.	USA	USD	1,305,600	0.16
10,100	Nintendo Co. Ltd.	JPN	JPY	1,191,350	0.14
				<u>20,543,556</u>	<u>2.44</u>
	<b>Specialty Retail</b>				
1,137,960	Kingfisher PLC	GBR	GBP	5,937,052	0.71
20,050	Dufry AG	CHE	CHF	2,431,846	0.29
				<u>8,368,898</u>	<u>1.00</u>

The accompanying notes form an integral

## — Franklin Templeton Global Fundamental Strategies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Tobacco</b>					
78,051	British American Tobacco PLC	GBR	GBP	3,999,430	0.48
71,553	Lorillard Inc.	USA	USD	3,125,435	0.37
84,762	Imperial Tobacco Group PLC	GBR	GBP	2,939,799	0.35
56,330	Altria Group Inc.	USA	USD	1,970,987	0.23
14,790	Philip Morris International Inc.	USA	USD	1,281,110	0.15
				<u>13,316,761</u>	<u>1.58</u>
<b>Trading Companies &amp; Distributors</b>					
91,421	Rexel SA	FRA	EUR	2,056,288	0.24
<b>Wireless Telecommunication Services</b>					
2,724,774	Vodafone Group PLC	GBR	GBP	7,786,525	0.93
433,260	Sprint Nextel Corp.	USA	USD	3,041,485	0.36
357,160	Turkcell İletişim Hizmetleri AS	TUR	TRY	2,074,196	0.25
131,500	China Mobile Ltd.	CHN	HKD	1,376,724	0.16
				<u>14,278,930</u>	<u>1.70</u>
<b>TOTAL SHARES</b>				<u>510,764,777</u>	<u>60.73</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>510,764,777</u>	<u>60.73</u>
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Household Durables</b>					
34,691	Persimmon PLC	GBR	GBP	39,570	0.00
<b>Oil, Gas &amp; Consumable Fuels</b>					
161,340	Gazprom, ADR	RUS	USD	1,061,214	0.13
<b>Paper &amp; Forest Products</b>					
6,404	NewPage Holdings Inc.	USA	USD	560,350	0.07
<b>TOTAL SHARES</b>				<u>1,661,134</u>	<u>0.20</u>
<b>BONDS</b>					
<b>Corporate Bonds</b>					
2,808,000	Clear Channel Communications Inc., Reg S, 9.00%, 12/15/19	USA	USD	2,737,800	0.33
1,334,000	Avaya Inc., senior note, 144A, 10.50%, 03/01/21	USA	USD	1,017,175	0.12
113,000	Wind Acquisition Finance SA, senior note, Reg S, 11.75%, 07/15/17	ITA	EUR	153,705	0.02
136,498	American Airlines Pass Through Trust, 2011-2A, 8.625%, 04/15/23	USA	USD	145,541	0.02
100,000	Wind Acquisition Finance SA, senior note, Reg S, 11.75%, 07/15/17	ITA	USD	104,500	0.01
31,879	American Airlines Pass Through Trust, 2009-1A, 10.375%, 07/02/19	USA	USD	33,972	0.00
12,659	American Airlines Inc., first lien, 13.00%, 08/01/16	USA	USD	13,481	0.00
				<u>4,206,174</u>	<u>0.50</u>
<b>Government and Municipal Bonds</b>					
4,613,420	Government of Ireland, senior bond, 5.40%, 03/13/25	IRL	EUR	6,529,330	0.78
731,110	Government of Mexico, 8.00%, 12/17/15	MEX	MXN	6,113,686	0.73
4,957,975	Government of Russia, senior bond, Reg S, 7.50%, 03/31/30	RUS	USD	5,814,341	0.69
4,059,000	Government of Ireland, 5.00%, 10/18/20	IRL	EUR	5,669,085	0.67
4,533	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/15	BRA	BRL	4,831,110	0.57
33,427,000,000	Government of Indonesia, FR34, 12.80%, 06/15/21	IDN	IDR	4,531,538	0.54
4,817,980,000	Korea Monetary Stabilization Bond, senior bond, 2.47%, 04/02/15	KOR	KRW	4,187,965	0.50
4,719,200,000	Korea Monetary Stabilization Bond, senior note, 2.76%, 06/02/15	KOR	KRW	4,119,935	0.49
4,561,130,000	Korea Treasury Bond, senior note, 2.75%, 12/10/15	KOR	KRW	3,972,863	0.47
33,290,000,000	Government of Indonesia, FR46, 9.50%, 07/15/23	IDN	IDR	3,890,083	0.46
4,067,100,000	Korea Monetary Stabilization Bond, senior note, 2.74%, 02/02/15	KOR	KRW	3,552,936	0.42
3,571,000	Government of Canada, 1.00%, 02/01/15	CAN	CAD	3,386,328	0.40
3,260,000	Government of Ukraine, Reg S, 9.25%, 07/24/17	UKR	USD	3,276,300	0.39
2,029,800	Government of Ireland, Reg S, 5.50%, 10/18/17	IRL	EUR	2,924,489	0.35
1,990,000	Government of Hungary, senior note, Reg S, 5.75%, 06/11/18	HUN	EUR	2,667,992	0.32
2,641,280,000	Korea Monetary Stabilization Bond, senior note, 2.82%, 08/02/14	KOR	KRW	2,314,241	0.28
271,200	Government of Mexico, 7.75%, 12/14/17	MEX	MXN	2,312,756	0.28
6,825,000	Government of Poland, 5.75%, 09/23/22	POL	PLN	2,269,336	0.27
7,021,000	Government of Poland, 6.25%, 10/24/15	POL	PLN	2,256,290	0.27
1,340,000	Government of Romania, senior note, Reg S, 5.25%, 06/17/16	ROM	EUR	1,860,157	0.22
1,600	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/16	BRA	BRL	1,706,652	0.20
1,515	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/18	BRA	BRL	1,640,989	0.20
1,525,000	Government of Vietnam, Reg S, 6.75%, 01/29/20	VND	USD	1,631,750	0.19
1,765,700,000	Korea Monetary Stabilization Bond, senior note, 2.78%, 10/02/14	KOR	KRW	1,545,058	0.18
1,511,000	Government of Canada, 1.00%, 11/01/14	CAN	CAD	1,433,794	0.17
5,031,000	Government of Poland, Strip, 01/25/16	POL	PLN	1,397,168	0.17
969,000	Government of Ireland, 4.50%, 04/18/20	IRL	EUR	1,321,368	0.16
1,301,000	Government of Canada, 2.00%, 12/01/14	CAN	CAD	1,251,526	0.15
4,065,000	Government of Poland, FRN, 3.98%, 01/25/17 †	POL	PLN	1,215,770	0.14
4,124,000	Government of Poland, FRN, 3.98%, 01/25/21 †	POL	PLN	1,204,876	0.14
1,316,210,000	Korea Monetary Stabilization Bond, senior note, 2.84%, 12/02/14	KOR	KRW	1,152,188	0.14
8,193,000,000	Government of Indonesia, FR35, 12.90%, 06/15/22	IDN	IDR	1,133,907	0.14

## — Franklin Templeton Global Fundamental Strategies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds (continued)</b>					
1,180,000	Government of Slovenia, senior note, Reg S, 5.50%, 10/26/22	SVN	USD	1,090,491	0.13
1,210,000	Government of Ukraine, senior note, Reg S, 7.80%, 11/28/22	UKR	USD	1,083,222	0.13
136,400,000	Government of Sri Lanka, A, 11.00%, 08/01/15	LKA	LKR	1,046,165	0.12
1,060,000	Government of Hungary, 5.375%, 02/21/23	HUN	USD	1,021,681	0.12
775,000	Government of Hungary, senior note, 4.375%, 07/04/17	HUN	EUR	1,006,156	0.12
3,090,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	988,825	0.12
1,050,000	Government of Slovenia, senior note, Reg S, 5.85%, 05/10/23	SVN	USD	979,844	0.12
760,000	Government of Lithuania, Reg S, 7.375%, 02/11/20	LTU	USD	905,681	0.11
3,010,000	Government of Poland, Strip, 07/25/14	POL	PLN	879,842	0.10
591,000	Government of Ireland, 5.90%, 10/18/19	IRL	EUR	867,704	0.10
900,000	Government of Ukraine, senior note, Reg S, 7.95%, 02/23/21	UKR	USD	828,490	0.10
6,812,000,000	Government of Indonesia, FR47, 10.00%, 02/15/28	IDN	IDR	824,170	0.10
101,920	Government of Mexico, 6.00%, 06/18/15	MEX	MXN	810,910	0.10
172,230,000	Government of Hungary, A, 6.75%, 11/24/17	HUN	HUF	792,191	0.09
680	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/45	BRA	BRL	774,777	0.09
168,930,000	Government of Hungary, D, 6.75%, 08/22/14	HUN	HUF	766,851	0.09
93,340	Government of Mexico, 6.25%, 06/16/16	MEX	MXN	755,497	0.09
610,000	Government of Hungary, senior note, 3.875%, 02/24/20	HUN	EUR	739,657	0.09
2,310,000	Government of Malaysia, 3.741%, 02/27/15	MYS	MYR	737,659	0.09
88,000	Government of Mexico, 7.25%, 12/15/16	MEX	MXN	732,893	0.09
700,000	Government of Serbia, Reg S, 7.25%, 09/28/21	SER	USD	720,835	0.09
2,166,000	Government of Poland, 5.50%, 04/25/15	POL	PLN	680,056	0.08
2,120,000	Government of Malaysia, 3.434%, 08/15/14	MYS	MYR	673,443	0.08
600,000	Government of Iceland, Reg S, 5.875%, 05/11/22	ISL	USD	638,799	0.08
610,000	Government of Hungary, senior note, 6.375%, 03/29/21	HUN	USD	638,212	0.08
77,900,000	Government of Sri Lanka, A, 11.25%, 07/15/14	LKA	LKR	599,582	0.07
4,868,000,000	Government of Indonesia, FR42, 10.25%, 07/15/27	IDN	IDR	597,800	0.07
640,000	Government of Serbia, senior note, Reg S, 4.875%, 02/25/20	SER	USD	592,630	0.07
87,490,000	Government of Sri Lanka, A, 9.00%, 05/01/21	LKA	LKR	583,594	0.07
570,000	Government of Hungary, 4.125%, 02/19/18	HUN	USD	555,750	0.07
376,000	Government of Ireland, senior bond, 4.40%, 06/18/19	IRL	EUR	514,139	0.06
1,806,000	Government of Poland, Strip, 07/25/15	POL	PLN	510,736	0.06
3,934,000,000	Government of Indonesia, FR43, 10.25%, 07/15/22	IDN	IDR	476,042	0.06
478,000	Government of Canada, 2.25%, 08/01/14	CAN	CAD	459,959	0.05
521,000,000	Korea Treasury Bond, senior note, 3.25%, 06/10/15	KOR	KRW	459,600	0.05
64,260,000	Government of Sri Lanka, D, 8.50%, 06/01/18	LKA	LKR	441,227	0.05
43,123	Mexican Udibonos, Index Linked, 5.00%, 06/16/16	MEX	MXN	369,858	0.04
330,000	Government of Lithuania, Reg S, 6.125%, 03/09/21	LTU	USD	369,217	0.04
1,120,000	Government of Malaysia, 3.197%, 10/15/15	MYS	MYR	353,737	0.04
340,000	Government of Serbia, senior note, Reg S, 5.25%, 11/21/17	SER	USD	335,112	0.04
231,000	Government of Ireland, senior bond, 4.50%, 10/18/18	IRL	EUR	321,291	0.04
333,240,000	Korea Treasury Bond, senior note, 3.25%, 12/10/14	KOR	KRW	293,704	0.04
33,148	Mexican Udibonos, Index Linked, 3.50%, 12/14/17	MEX	MXN	276,335	0.03
204,000	Government of Ireland, Reg S, 3.90%, 03/20/23	IRL	EUR	261,919	0.03
200,000	Government of Hungary, senior note, 3.50%, 07/18/16	HUN	EUR	257,434	0.03
48,730,000	Government of Hungary, 7.75%, 08/24/15	HUN	HUF	228,531	0.03
200,000	Government of Ukraine, senior note, Reg S, 6.25%, 06/17/16	UKR	USD	187,500	0.02
40,260,000	Government of Hungary, A, 8.00%, 02/12/15	HUN	HUF	187,158	0.02
40,400,000	Government of Hungary, 5.50%, 02/12/16	HUN	HUF	181,115	0.02
200,000	Financing of Infrastructure Projects State Enterprise, Reg S, 7.40%, 04/20/18	UKR	USD	177,380	0.02
200,000	Government of Ukraine, senior note, Reg S, 7.50%, 04/17/23	UKR	USD	176,750	0.02
400	Nota Do Tesouro Nacional, 10.00%, 01/01/17	BRA	BRL	175,034	0.02
24,240,000	Government of Sri Lanka, A, 6.50%, 07/15/15	LKA	LKR	171,144	0.02
24,470,000	Government of Sri Lanka, C, 8.50%, 04/01/18	LKA	LKR	168,498	0.02
36,000,000	Government of Hungary, B, 6.75%, 02/24/17	HUN	HUF	167,342	0.02
19,403	Mexican Udibonos, Index Linked, 4.00%, 06/13/19	MEX	MXN	166,488	0.02
35,280,000	Government of Hungary, A, 7.00%, 06/24/22	HUN	HUF	165,537	0.02
35,600,000	Government of Hungary, 6.50%, 06/24/19	HUN	HUF	165,076	0.02
17,095	Mexican Udibonos, Index Linked, 4.50%, 12/18/14	MEX	MXN	139,892	0.02
1,020,000,000	Government of Indonesia, FR39, 11.75%, 08/15/23	IDN	IDR	135,027	0.02
100,000	Government of Ukraine, senior bond, Reg S, 4.95%, 10/13/15	UKR	EUR	124,320	0.02
15,483	Mexican Udibonos, Index Linked, 2.50%, 12/10/20	MEX	MXN	121,933	0.01
100,000	Bexar County Revenue, Venue Project, Refunding, Series A, BHAC Insured, 5.25%, 08/15/47	USA	USD	106,346	0.01
22,970,000	Government of Hungary, 5.50%, 12/22/16	HUN	HUF	102,740	0.01
100,000	Government of Ukraine, Reg S, 7.75%, 09/23/20	UKR	USD	91,827	0.01
13,500,000	Government of Sri Lanka, A, 6.40%, 08/01/16	LKA	LKR	90,916	0.01
3,470,000	Government of the Philippines, senior bond, 7.00%, 01/27/16	PHL	PHP	87,398	0.01
12,260,000	Government of Sri Lanka, B, 8.50%, 07/15/18	LKA	LKR	84,170	0.01
12,100,000	Government of Sri Lanka, B, 6.40%, 10/01/16	LKA	LKR	80,973	0.01
12,400,000	Government of Sri Lanka, A, 5.80%, 01/15/17	LKA	LKR	80,434	0.01
16,560,000	Government of Hungary, 7.50%, 11/12/20	HUN	HUF	80,365	0.01
2,020,000	Government of the Philippines, senior bond, 9.125%, 09/04/16	PHL	PHP	53,940	0.01
35,000,000	Korea Treasury Bond, senior bond, 5.00%, 09/10/16	KOR	KRW	32,417	0.00
187,000,000	Government of Indonesia, FR44, 10.00%, 09/15/24	IDN	IDR	22,452	0.00
2,100	Government of Mexico, 9.50%, 12/18/14	MEX	MXN	17,443	0.00

The accompanying notes form an integral



## — Franklin Templeton Global Fundamental Strategies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds (continued)</b>					
50,000	Government of Malaysia, 4.72%, 09/30/15	MYS	MYR	16,350	0.00
860,000	Government of Sri Lanka, A, 11.75%, 03/15/15	LKA	LKR	6,668	0.00
				<u>126,522,688</u>	<u>15.04</u>
<b>Securities Maturing Within One Year</b>					
1,198,600	Government of Mexico, 8.00%, 12/19/13	MEX	MXN	9,421,875	1.12
8,118,520,000	Korea Treasury Bond, senior bond, 3.00%, 12/10/13	KOR	KRW	7,117,912	0.85
36,970,000	Government of Sweden, 6.75%, 05/05/14	SWE	SEK	5,781,722	0.69
4,800,000,000	Korea Treasury Bond, senior note, 5.75%, 09/10/13	KOR	KRW	4,226,553	0.50
4,320,000	New South Wales Treasury Corp., 5.50%, 08/01/13	AUS	AUD	3,960,650	0.47
11,535,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	3,712,616	0.44
21,650,000	Government of Sweden, 1.50%, 08/30/13	SWE	SEK	3,231,238	0.38
11,052,000	Government of Israel, 3.50%, 09/30/13	ISR	ILS	3,056,191	0.36
8,510,000	Government of Poland, 5.75%, 04/25/14	POL	PLN	2,620,855	0.31
3,497,400	Mexico Treasury Bill, 0.00%, 04/30/14	MEX	MXN	2,609,682	0.31
2,853,440,000	Korea Monetary Stabilization Bond, senior bond, 3.47%, 02/02/14	KOR	KRW	2,508,849	0.30
2,474,000	Government of Canada, 1.00%, 02/01/14	CAN	CAD	2,352,106	0.28
2,840,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 08/12/13	SGP	SGD	2,240,520	0.27
2,253,000	Government of Australia, 6.25%, 06/15/14	AUS	AUD	2,134,780	0.25
2,185,000	Queensland Treasury Corp., senior note, 6.00%, 08/14/13	AUS	AUD	2,006,490	0.24
6,545,000	Government of Poland, Strip, 01/25/14	POL	PLN	1,939,179	0.23
1,320,000	Government of Lithuania, senior note, 9.375%, 06/22/14	LTU	EUR	1,861,173	0.22
1,685,000	Government of Venezuela, 10.75%, 09/19/13	VEN	USD	1,692,414	0.20
2,030,000	Singapore Treasury Bill, 0.00%, 12/27/13	SGP	SGD	1,599,803	0.19
2,125,800	Mexico Treasury Bill, 0.00%, 04/03/14	MEX	MXN	1,590,981	0.19
9,420,000	Sweden Treasury Bill, 0.00%, 09/18/13	SWE	SEK	1,401,900	0.17
4,140,000	Government of Malaysia, senior bond, 3.461%, 07/31/13	MYS	MYR	1,310,713	0.16
3,720,000	Bank of Negara Monetary Note, 0.00%, 02/18/14	MYS	MYR	1,155,336	0.14
3,640,000	Bank of Negara Monetary Note, 0.00%, 04/03/14	MYS	MYR	1,126,610	0.13
259,070,000	Hungary Treasury Bill, 0.00%, 03/05/14	HUN	HUF	1,111,064	0.13
1,390,000	Singapore Treasury Bill, 0.00%, 11/15/13	SGP	SGD	1,095,886	0.13
1,215,000,000	Korea Monetary Stabilization Bond, senior note, 2.57%, 06/09/14	KOR	KRW	1,062,066	0.13
1,201,500,000	Korea Monetary Stabilization Bond, 0.00%, 09/10/13	KOR	KRW	1,046,406	0.12
3,265,000	Bank of Negara Monetary Note, 0.00%, 08/15/13	MYS	MYR	1,029,596	0.12
1,334,650	Mexico Treasury Bill, 0.00%, 01/09/14	MEX	MXN	1,008,450	0.12
3,135,000	Bank of Negara Monetary Note, 0.00%, 02/20/14	MYS	MYR	973,489	0.12
2,975,000	Bank of Negara Monetary Note, 0.00%, 02/25/14	MYS	MYR	923,426	0.11
2,995,000	Government of Poland, 5.00%, 10/24/13	POL	PLN	907,286	0.11
2,650,000	Bank of Negara Monetary Note, 0.00%, 08/06/13	MYS	MYR	836,274	0.10
875,490,000	Korea Monetary Stabilization Bond, senior note, 3.28%, 06/02/14	KOR	KRW	770,142	0.09
2,375,000	Bank of Negara Monetary Note, 0.00%, 05/15/14	MYS	MYR	732,430	0.09
909,900	Mexico Treasury Bill, 0.00%, 12/11/13	MEX	MXN	689,513	0.08
738,430,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 04/02/14	KOR	KRW	650,462	0.08
708,270,000	Korea Monetary Stabilization Bond, senior bond, 3.90%, 08/02/13	KOR	KRW	620,669	0.07
2,000,000	Bank of Negara Monetary Note, 0.00%, 06/19/14	MYS	MYR	615,670	0.07
1,920,000	Bank of Negara Monetary Note, 0.00%, 04/24/14	MYS	MYR	593,120	0.07
3,970,000	Sweden Treasury Bill, 0.00%, 12/18/13	SWE	SEK	589,472	0.07
1,780,000	Bank of Negara Monetary Note, 0.00%, 06/10/14	MYS	MYR	548,223	0.07
535,000	Government of Canada, 2.00%, 03/01/14	CAN	CAD	511,887	0.06
1,640,000	Bank of Negara Monetary Note, 0.00%, 01/16/14	MYS	MYR	510,561	0.06
107,910,000	Hungary Treasury Bill, 0.00%, 01/08/14	HUN	HUF	465,711	0.06
1,420,000	Bank of Negara Monetary Note, 0.00%, 08/27/13	MYS	MYR	447,431	0.05
459,000	Government of Canada, 2.50%, 09/01/13	CAN	CAD	437,665	0.05
1,310,000	Bank of Negara Monetary Note, 0.00%, 06/03/14	MYS	MYR	403,766	0.05
1,180,000	Bank of Negara Monetary Note, 0.00%, 03/20/14	MYS	MYR	365,574	0.04
403,000,000	Korea Monetary Stabilization Bond, 0.00%, 08/13/13	KOR	KRW	351,684	0.04
1,110,000	Bank of Negara Monetary Note, 0.00%, 07/25/13	MYS	MYR	350,632	0.04
1,121,000	Bank of Negara Monetary Note, 0.00%, 06/05/14	MYS	MYR	345,456	0.04
75,810,000	Government of Hungary, E, 7.50%, 10/24/13	HUN	HUF	337,766	0.04
365,400,000	Korea Monetary Stabilization Bond, senior bond, 3.48%, 12/02/13	KOR	KRW	320,958	0.04
360,000,000	Korea Monetary Stabilization Bond, senior bond, 2.55%, 05/09/14	KOR	KRW	314,690	0.04
1,020,000	Bank of Negara Monetary Note, 0.00%, 06/17/14	MYS	MYR	314,043	0.04
1,000,000	Bank of Negara Monetary Note, 0.00%, 11/26/13	MYS	MYR	312,711	0.04
391,600	Mexico Treasury Bill, 0.00%, 10/31/13	MEX	MXN	298,186	0.04
945,000	Bank of Negara Monetary Note, 0.00%, 12/05/13	MYS	MYR	295,295	0.04
920,000	Bank of Negara Monetary Note, 0.00%, 07/11/13	MYS	MYR	290,947	0.04
64,590,000	Hungary Treasury Bill, 0.00%, 09/18/13	HUN	HUF	282,342	0.03
289,000	Canada Treasury Bill, 0.00%, 08/15/13	CAN	CAD	274,471	0.03
11,820,000	Philippine Treasury Bill, 0.00%, 11/13/13	PHL	PHP	272,798	0.03
865,000	Bank of Negara Monetary Note, 0.00%, 10/10/13	MYS	MYR	271,589	0.03
35,540,000	Government of Sri Lanka, A, 7.50%, 08/01/13	LKA	LKR	271,572	0.03
855,000	Bank of Negara Monetary Note, 0.00%, 01/09/14	MYS	MYR	266,334	0.03
860,000	Bank of Negara Monetary Note, 0.00%, 03/27/14	MYS	MYR	266,311	0.03
57,700,000	Government of Hungary, 5.50%, 02/12/14	HUN	HUF	256,709	0.03
740,000	Bank of Negara Monetary Note, 0.00%, 03/06/14	MYS	MYR	229,523	0.03
725,000	Bank of Negara Monetary Note, 0.00%, 09/26/13	MYS	MYR	227,843	0.03
733,000	Government of Poland, Strip, 07/25/13	POL	PLN	220,176	0.03
230,840,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 10/02/13	KOR	KRW	202,506	0.02
570,000	Bank of Negara Monetary Note, 0.00%, 03/13/14	MYS	MYR	176,693	0.02

part of these financial statements

## — Franklin Templeton Global Fundamental Strategies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b> (continued)					
7,260,000	Philippine Treasury Bill, 0.00%, 09/04/13	PHL	PHP	168,006	0.02
7,180,000	Philippine Treasury Bill, 0.00%, 04/02/14	PHL	PHP	164,669	0.02
176,000,000	Korea Monetary Stabilization Bond, 0.00%, 07/09/13	KOR	KRW	153,974	0.02
475,000	Bank of Negara Monetary Note, 0.00%, 05/20/14	MYS	MYR	146,427	0.02
470,000	Bank of Negara Monetary Note, 0.00%, 05/27/14	MYS	MYR	144,804	0.02
460,000	Bank of Negara Monetary Note, 0.00%, 11/19/13	MYS	MYR	143,929	0.02
380,000	Bank of Negara Monetary Note, 0.00%, 12/26/13	MYS	MYR	118,540	0.01
24,900,000	Hungary Treasury Bill, 0.00%, 07/24/13	HUN	HUF	109,599	0.01
4,290,000	Philippine Treasury Bill, 0.00%, 03/05/14	PHL	PHP	98,524	0.01
300,000	Bank of Negara Monetary Note, 0.00%, 12/19/13	MYS	MYR	93,638	0.01
3,880,000	Philippine Treasury Bill, 0.00%, 10/02/13	PHL	PHP	89,699	0.01
270,000	Bank of Negara Monetary Note, 0.00%, 11/12/13	MYS	MYR	84,528	0.01
260,000	Bank of Negara Monetary Note, 0.00%, 02/06/14	MYS	MYR	80,829	0.01
230,000	Bank of Negara Monetary Note, 0.00%, 12/31/13	MYS	MYR	71,748	0.01
215,000	Bank of Negara Monetary Note, 0.00%, 10/08/13	MYS	MYR	67,501	0.01
2,400,000	Government of the Philippines, senior note, 6.25%, 01/27/14	PHL	PHP	56,803	0.01
11,500,000	Hungary Treasury Bill, 0.00%, 07/17/13	HUN	HUF	50,659	0.01
160,000	Bank of Negara Monetary Note, 0.00%, 12/12/13	MYS	MYR	49,971	0.01
150,000	Bank of Negara Monetary Note, 0.00%, 12/10/13	MYS	MYR	46,853	0.01
140,000	Bank of Negara Monetary Note, 0.00%, 09/05/13	MYS	MYR	44,073	0.01
5,800,000	Government of Sri Lanka, B, 6.60%, 06/01/14	LKA	LKR	42,861	0.01
49,600	Mexico Treasury Bill, 0.00%, 09/19/13	MEX	MXN	37,940	0.01
1,590,000	Philippine Treasury Bill, 0.00%, 08/22/13	PHL	PHP	36,813	0.00
4,350,000	Government of Sri Lanka, B, 11.75%, 04/01/14	LKA	LKR	33,557	0.00
4,390,000	Government of Sri Lanka, A, 7.00%, 03/01/14	LKA	LKR	32,870	0.00
90,000	Bank of Negara Monetary Note, 0.00%, 10/31/13	MYS	MYR	28,204	0.00
70,000	Bank of Negara Monetary Note, 0.00%, 10/22/13	MYS	MYR	21,957	0.00
20,000	Queensland Treasury Corp., senior note, 6.00%, 08/21/13	AUS	AUD	18,375	0.00
1,800	Government of Mexico, 7.00%, 06/19/14	MEX	MXN	14,283	0.00
1,690,000	Sri Lanka Treasury Bill, 0.00%, 08/02/13	LKA	LKR	12,846	0.00
520,000	Philippine Treasury Bill, 0.00%, 02/05/14	PHL	PHP	11,958	0.00
30,000	Bank of Negara Monetary Note, 0.00%, 07/04/13	MYS	MYR	9,493	0.00
30,000	Bank of Negara Monetary Note, 0.00%, 07/18/13	MYS	MYR	9,482	0.00
390,000	Philippine Treasury Bill, 0.00%, 01/08/14	PHL	PHP	8,980	0.00
1,020,000	Sri Lanka Treasury Bill, 0.00%, 10/11/13	LKA	LKR	7,624	0.00
300,000	Philippine Treasury Bill, 0.00%, 07/24/13	PHL	PHP	6,952	0.00
20,000	Government of Malaysia, senior bond, 8.00%, 10/30/13	MYS	MYR	6,435	0.00
20,000	Bank of Negara Monetary Note, 0.00%, 09/17/13	MYS	MYR	6,290	0.00
140,000	Philippine Treasury Bill, 0.00%, 07/10/13	PHL	PHP	3,246	0.00
				<u>98,692,562</u>	<u>11.74</u>
<b>TOTAL BONDS</b>				<u>229,421,424</u>	<u>27.28</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>231,082,558</u>	<u>27.48</u>
TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Diversified Financial Services</b>					
232,000	Hightower Holding LLC, pfd., A, 2 **	USA	USD	526,443	0.06
230,000	Hightower Holding LLC, pfd., A **	USA	USD	252,956	0.03
				<u>779,399</u>	<u>0.09</u>
<b>TOTAL SHARES</b>				<u>779,399</u>	<u>0.09</u>
<b>BONDS</b>					
<b>Corporate Bonds</b>					
1,512,000	American Airlines Inc., senior secured note, 144A, 7.50%, 03/15/16 *	USA	USD	1,765,260	0.21
881,000	Avaya Inc., senior secured note, 144A, 7.00%, 04/01/19	USA	USD	799,507	0.10
1,601,000	NewPage Corp., Escrow Account, 11.375%, 12/31/14 **	USA	USD	0	0.00
				<u>2,564,767</u>	<u>0.31</u>
<b>TOTAL BONDS</b>				<u>2,564,767</u>	<u>0.31</u>
<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>3,344,166</u>	<u>0.40</u>
<b>TOTAL INVESTMENTS</b>				<u>745,191,501</u>	<u>88.61</u>

† Floating Rates are indicated as at June 30, 2013

\*\* These securities are submitted to a Fair Valuation

\* These Corporate Bonds are currently in default

The accompanying notes form an integral



## — Franklin Templeton Global Growth and Value Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
10,800	MTU Aero Engines AG	DEU	EUR	1,041,685	1.18
16,770	Embraer SA, ADR	BRA	USD	618,645	0.70
				1,660,330	1.88
<b>Air Freight &amp; Logistics</b>					
57,960	TNT Express NV	NLD	EUR	434,706	0.49
12,810	Deutsche Post AG	DEU	EUR	318,393	0.36
				753,099	0.85
<b>Airlines</b>					
139,840	International Consolidated Airlines Group SA	GBR	GBP	561,038	0.64
<b>Auto Components</b>					
4,580	Cie Generale des Etablissements Michelin, B	FRA	EUR	409,559	0.46
<b>Automobiles</b>					
58,600	Nissan Motor Co. Ltd.	JPN	JPY	593,739	0.67
8,700	Toyota Motor Corp.	JPN	JPY	525,386	0.60
				1,119,125	1.27
<b>Beverages</b>					
12,800	Suntory Beverage & Food Ltd., Reg S	JPN	JPY	400,040	0.45
<b>Biotechnology</b>					
20,000	CSL Ltd.	AUS	AUD	1,126,668	1.28
7,070	Amgen Inc.	USA	USD	697,526	0.79
34,580	Elan Corp. PLC, ADR	IRL	USD	488,961	0.55
15,670	Alkermes PLC	USA	USD	449,416	0.51
				2,762,571	3.13
<b>Building Products</b>					
11,220	Compagnie de Saint-Gobain	FRA	EUR	454,200	0.51
<b>Capital Markets</b>					
180,000	Aberdeen Asset Management PLC	GBR	GBP	1,048,063	1.19
3,000	Partners Group Holding AG	CHE	CHF	812,034	0.92
14,260	Morgan Stanley	USA	USD	348,372	0.39
12,970	Credit Suisse Group AG	CHE	CHF	343,862	0.39
				2,552,331	2.89
<b>Chemicals</b>					
9,500	Praxair Inc.	USA	USD	1,094,020	1.24
27,000	Symrise AG	DEU	EUR	1,093,347	1.24
26,000	Umicore SA	BEL	EUR	1,080,604	1.23
2,700	Syngenta AG	CHE	CHF	1,056,168	1.20
11,900	Potash Corp. of Saskatchewan Inc.	CAN	CAD	454,109	0.51
13,810	The Dow Chemical Co.	USA	USD	444,268	0.50
6,220	Akzo Nobel NV	NLD	EUR	350,689	0.40
				5,573,205	6.32
<b>Commercial Banks</b>					
33,000	U.S. Bancorp	USA	USD	1,192,950	1.35
70,000	United Overseas Bank Ltd.	SGP	SGD	1,097,021	1.25
20,000	Bank of Nova Scotia	CAN	CAD	1,069,482	1.21
59,600	DBS Group Holdings Ltd.	SGP	SGD	728,980	0.83
134,195	UniCredit SpA	ITA	EUR	628,480	0.71
14,130	ICICI Bank Ltd., ADR	IND	USD	540,473	0.61
46,550	HSBC Holdings PLC	GBR	HKD	487,650	0.55
14,750	Hana Financial Group Inc.	KOR	KRW	429,305	0.49
7,710	BNP Paribas SA	FRA	EUR	421,249	0.48
233,862	Intesa Sanpaolo SpA	ITA	EUR	374,724	0.43
36,310	Credit Agricole SA	FRA	EUR	312,077	0.35
				7,282,391	8.26
<b>Communications Equipment</b>					
20,810	Cisco Systems Inc.	USA	USD	505,891	0.57
71,500	Brocade Communications Systems Inc.	USA	USD	411,840	0.47
28,716	Ericsson, B	SWE	SEK	325,197	0.37
				1,242,928	1.41
<b>Computers &amp; Peripherals</b>					
2,700	Apple Inc.	USA	USD	1,069,416	1.21
23,580	Hewlett-Packard Co.	USA	USD	584,784	0.66
17,430	Dell Inc.	USA	USD	232,691	0.27
				1,886,891	2.14

part of these financial statements

## — Franklin Templeton Global Growth and Value Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Construction &amp; Engineering</b>				
16,140	Foster Wheeler AG	USA	USD	350,399	0.40
	<b>Construction Materials</b>				
24,190	CRH PLC	IRL	EUR	489,622	0.56
	<b>Diversified Financial Services</b>				
6,700	IntercontinentalExchange Inc.	USA	USD	1,190,992	1.35
14,760	JPMorgan Chase & Co.	USA	USD	779,180	0.88
13,628	Citigroup Inc.	USA	USD	653,735	0.74
19,630	ING U.S. Inc.	USA	USD	531,188	0.60
48,754	ING Groep NV, IDR	NLD	EUR	444,225	0.51
				3,599,320	4.08
	<b>Diversified Telecommunication Services</b>				
176,690	Singapore Telecommunications Ltd.	SGP	SGD	525,643	0.60
967,330	China Telecom Corp. Ltd., H	CHN	HKD	461,468	0.52
31,452	Telefonica SA	ESP	EUR	403,049	0.46
18,830	Telenor ASA	NOR	NOK	373,283	0.42
74,290	Portugal Telecom SGPS SA	PRT	EUR	289,132	0.33
12,947	Vivendi SA	FRA	EUR	245,203	0.28
				2,297,778	2.61
	<b>Electrical Equipment</b>				
12,950	Alstom SA	FRA	EUR	424,106	0.48
15,260	ABB Ltd.	CHE	CHF	331,251	0.38
934,000	Shanghai Electric Group Co. Ltd.	CHN	HKD	312,500	0.35
				1,067,857	1.21
	<b>Electronic Equipment, Instruments &amp; Components</b>				
9,500	YASKAWA Electric Corp.	JPN	JPY	115,601	0.13
	<b>Energy Equipment &amp; Services</b>				
16,500	Schlumberger Ltd.	USA	USD	1,182,390	1.34
57,000	WorleyParsons Ltd.	AUS	AUD	1,016,279	1.15
13,000	FMC Technologies Inc.	USA	USD	723,840	0.82
10,520	Baker Hughes Inc.	USA	USD	485,288	0.55
22,000	Saipem SpA	ITA	EUR	357,667	0.41
3,460	Halliburton Co.	USA	USD	144,351	0.16
2,600	Fugro NV, IDR	NLD	EUR	140,956	0.16
				4,050,771	4.59
	<b>Food &amp; Staples Retailing</b>				
14,070	CVS Caremark Corp.	USA	USD	804,522	0.91
14,730	Metro AG	DEU	EUR	466,295	0.53
77,900	Tesco PLC	GBR	GBP	392,772	0.45
				1,663,589	1.89
	<b>Health Care Equipment &amp; Supplies</b>				
18,000	Cochlear Ltd.	AUS	AUD	1,016,142	1.15
66,000	Elektro AB, B	SWE	SEK	1,003,780	1.14
45,100	Nobel Biocare Holding AG	CHE	CHF	548,923	0.62
9,860	Medtronic Inc.	USA	USD	507,494	0.58
				3,076,339	3.49
	<b>Health Care Providers &amp; Services</b>				
122,700	Shanghai Pharmaceuticals Holding Co. Ltd., H	CHN	HKD	230,024	0.26
	<b>Health Care Technology</b>				
13,000	athenahealth Inc.	USA	USD	1,101,360	1.25
	<b>Household Products</b>				
14,000	Reckitt Benckiser Group PLC	GBR	GBP	989,754	1.12
	<b>Industrial Conglomerates</b>				
17,000	Danaher Corp.	USA	USD	1,076,100	1.22
3,330	Siemens AG	DEU	EUR	336,574	0.38
8,630	Koninklijke Philips NV	NLD	EUR	235,280	0.27
				1,647,954	1.87
	<b>Insurance</b>				
55,000	Admiral Group PLC	GBR	GBP	1,110,411	1.26
112,580	Aviva PLC	GBR	GBP	581,711	0.66
28,076	AXA SA	FRA	EUR	551,649	0.63
15,780	The Hartford Financial Services Group Inc.	USA	USD	487,918	0.55
5,737	Swiss Re AG	CHE	CHF	426,852	0.48
9,420	American International Group Inc.	USA	USD	421,074	0.48
94,600	AIA Group Ltd.	HKG	HKD	400,674	0.45
104,000	China Life Insurance Co. Ltd., H	CHN	HKD	246,190	0.28
1,240	Muenchener Rueckversicherungs-Gesellschaft AG	DEU	EUR	228,226	0.26
				4,454,705	5.05

The accompanying notes form an integral

## — Franklin Templeton Global Growth and Value Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Internet &amp; Catalog Retail</b>				
1,400	Priceline.com Inc.	USA	USD	1,157,982	1.31
3,900	Amazon.com Inc.	USA	USD	1,082,991	1.23
				<u>2,240,973</u>	<u>2.54</u>
	<b>Internet Software &amp; Services</b>				
8,900	MercadoLibre Inc.	ARG	USD	959,064	1.09
	<b>IT Services</b>				
6,000	Visa Inc., A	USA	USD	1,096,500	1.24
	<b>Leisure Equipment &amp; Products</b>				
18,400	Nikon Corp.	JPN	JPY	429,253	0.49
	<b>Media</b>				
15,270	Comcast Corp., Special A	USA	USD	605,761	0.69
4,120	Time Warner Inc.	USA	USD	238,218	0.27
				<u>843,979</u>	<u>0.96</u>
	<b>Metals &amp; Mining</b>				
1,217	POSCO	KOR	KRW	317,993	0.36
8,720	Allegheny Technologies Inc.	USA	USD	229,423	0.26
				<u>547,416</u>	<u>0.62</u>
	<b>Multiline Retail</b>				
9,020	Target Corp.	USA	USD	621,117	0.70
79,570	Marks & Spencer Group PLC	GBR	GBP	521,510	0.59
9,160	Macy's Inc.	USA	USD	439,680	0.50
				<u>1,582,307</u>	<u>1.79</u>
	<b>Office Electronics</b>				
40,000	Konica Minolta Inc.	JPN	JPY	302,047	0.34
	<b>Oil, Gas &amp; Consumable Fuels</b>				
10,970	Total SA, B	FRA	EUR	535,538	0.61
23,544	Repsol SA	ESP	EUR	496,772	0.56
39,650	Talisman Energy Inc.	CAN	CAD	452,561	0.51
30,280	Galp Energia SGPS SA, B	PRT	EUR	448,334	0.51
60,280	BP PLC	GBR	GBP	417,473	0.47
18,157	Eni SpA	ITA	EUR	372,945	0.42
17,960	Petroleo Brasileiro SA, ADR, pfd.	BRA	USD	263,294	0.30
2,360	Chesapeake Energy Corp.	USA	USD	48,097	0.06
				<u>3,035,014</u>	<u>3.44</u>
	<b>Personal Products</b>				
110,000	Hengan International Group Co. Ltd.	CHN	HKD	1,191,343	1.35
	<b>Pharmaceuticals</b>				
7,230	Roche Holding AG	CHE	CHF	1,798,222	2.04
7,100	Novo Nordisk AS, B	DNK	DKK	1,106,500	1.25
30,690	Pfizer Inc.	USA	USD	859,627	0.97
20,580	Forest Laboratories Inc.	USA	USD	843,780	0.96
6,012	Sanofi	FRA	EUR	623,068	0.71
3,390	Merck KGaA	DEU	EUR	516,494	0.58
3,990	Actavis Inc.	USA	USD	503,618	0.57
24,650	H. Lundbeck AS	DNK	DKK	439,652	0.50
14,720	GlaxoSmithKline PLC	GBR	GBP	368,992	0.42
				<u>7,059,953</u>	<u>8.00</u>
	<b>Professional Services</b>				
380	SGS SA	CHE	CHF	816,024	0.93
7,393	Randstad Holding NV	NLD	EUR	303,127	0.34
				<u>1,119,151</u>	<u>1.27</u>
	<b>Real Estate Investment Trust (REIT)</b>				
13,000	American Tower Corp.	USA	USD	951,210	1.08
	<b>Semiconductors &amp; Semiconductor Equipment</b>				
14,500	ASML Holding NV	NLD	EUR	1,144,137	1.29
75,000	ARM Holdings PLC	GBR	GBP	906,522	1.03
381	Samsung Electronics Co. Ltd.	KOR	KRW	447,568	0.51
42,260	Infineon Technologies AG	DEU	EUR	353,700	0.40
15,407	Taiwan Semiconductor Manufacturing Co. Ltd., ADR	TWN	USD	282,256	0.32
				<u>3,134,183</u>	<u>3.55</u>

## — Franklin Templeton Global Growth and Value Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Software</b>				
32,000	Informatica Corp.	USA	USD	1,119,360	1.27
9,000	Dassault Systemes SA	FRA	EUR	1,100,962	1.25
28,180	Microsoft Corp.	USA	USD	973,055	1.10
6,490	SAP AG	DEU	EUR	475,268	0.54
12,400	Trend Micro Inc.	JPN	JPY	393,790	0.45
				<u>4,062,435</u>	<u>4.61</u>
	<b>Specialty Retail</b>				
129,880	Kingfisher PLC	GBR	GBP	677,620	0.77
	<b>Textiles, Apparel &amp; Luxury Goods</b>				
22,000	Luxottica Group SpA	ITA	EUR	1,112,234	1.26
53,000	Burberry Group PLC	GBR	GBP	1,087,765	1.23
				<u>2,199,999</u>	<u>2.49</u>
	<b>Trading Companies &amp; Distributors</b>				
1,300,000	Noble Group Ltd.	HKG	SGD	995,068	1.13
	<b>Wireless Telecommunication Services</b>				
136,903	Vodafone Group PLC	GBR	GBP	391,224	0.44
6,000	SOFTBANK Corp.	JPN	JPY	350,237	0.40
26,500	China Mobile Ltd.	CHN	HKD	277,439	0.32
				<u>1,018,900</u>	<u>1.16</u>
	<b>TOTAL SHARES</b>			<u>85,239,196</u>	<u>96.64</u>
	<b>RIGHTS</b>				
	<b>Oil, Gas &amp; Consumable Fuels</b>				
23,544	Repsol SA, rts., 07/04/13	ESP	EUR	13,116	0.02
	<b>TOTAL RIGHTS</b>			<u>13,116</u>	<u>0.02</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>85,252,312</u>	<u>96.66</u>
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Commercial Banks</b>				
90,000	Irish Bank Resolution Corp. Ltd. **	IRL	EUR	0	0.00
	<b>TOTAL SHARES</b>			<u>0</u>	<u>0.00</u>
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>0</u>	<u>0.00</u>
	<b>TOTAL INVESTMENTS</b>			<u>85,252,312</u>	<u>96.66</u>

\*\* These securities are submitted to a Fair Valuation

## — Franklin Templeton Japan Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — JPY)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Air Freight &amp; Logistics</b>					
218,800	Yamato Holdings Co. Ltd.	JPN	JPY	457,510,800	1.80
<b>Auto Components</b>					
141,300	Denso Corp.	JPN	JPY	659,164,500	2.59
191,100	Bridgestone Corp.	JPN	JPY	645,918,000	2.54
135,000	NGK Spark Plug Co. Ltd.	JPN	JPY	268,110,000	1.06
				1,573,192,500	6.19
<b>Automobiles</b>					
209,600	Toyota Motor Corp.	JPN	JPY	1,255,504,000	4.94
207,300	Honda Motor Co. Ltd.	JPN	JPY	763,900,500	3.00
				2,019,404,500	7.94
<b>Building Products</b>					
243,000	Sanwa Shutter Corp.	JPN	JPY	130,005,000	0.51
<b>Capital Markets</b>					
44,100	Jafco Co. Ltd.	JPN	JPY	166,918,500	0.66
<b>Chemicals</b>					
82,200	Shin-Etsu Chemical Co. Ltd.	JPN	JPY	540,876,000	2.13
316,100	Kuraray Co. Ltd.	JPN	JPY	440,011,200	1.73
66,200	Nitto Denko Corp.	JPN	JPY	422,356,000	1.66
571,000	Toray Industries Inc.	JPN	JPY	366,582,000	1.44
377,000	Taiyo Nippon Sanso Corp.	JPN	JPY	258,245,000	1.01
378,000	Asahi Kasei Corp.	JPN	JPY	247,968,000	0.97
102,200	JSR Corp.	JPN	JPY	205,013,200	0.81
170,000	Mitsubishi Gas Chemical Co. Inc.	JPN	JPY	123,930,000	0.49
				2,604,981,400	10.24
<b>Commercial Banks</b>					
1,761,500	Mitsubishi UFJ Financial Group Inc.	JPN	JPY	1,078,038,000	4.24
229,500	Sumitomo Mitsui Financial Group Inc.	JPN	JPY	1,044,225,000	4.11
4,216,900	Mizuho Financial Group Inc.	JPN	JPY	868,681,400	3.41
				2,990,944,400	11.76
<b>Commercial Services &amp; Supplies</b>					
102,500	Secom Co. Ltd.	JPN	JPY	553,500,000	2.18
<b>Construction &amp; Engineering</b>					
1,062,000	Taisei Corp.	JPN	JPY	381,258,000	1.50
33,500	SHO-BOND Holdings Co. Ltd.	JPN	JPY	130,817,500	0.51
				512,075,500	2.01
<b>Construction Materials</b>					
433,000	Taiheiyō Cement Corp.	JPN	JPY	137,261,000	0.54
<b>Diversified Financial Services</b>					
854,700	Mitsubishi UFJ Lease & Finance Co. Ltd.	JPN	JPY	401,709,000	1.58
<b>Diversified Telecommunication Services</b>					
153,700	Nippon Telegraph & Telephone Corp.	JPN	JPY	790,018,000	3.11
<b>Electrical Equipment</b>					
23,100	Nidec Corp.	JPN	JPY	159,852,000	0.63
<b>Electronic Equipment, Instruments &amp; Components</b>					
53,300	Kyocera Corp.	JPN	JPY	538,330,000	2.12
15,900	Keyence Corp.	JPN	JPY	503,235,000	1.98
49,800	Murata Manufacturing Co. Ltd.	JPN	JPY	375,990,000	1.48
522,000	Hitachi Ltd.	JPN	JPY	332,514,000	1.31
241,700	Yokogawa Electric Corp.	JPN	JPY	286,897,900	1.13
85,800	Hitachi High-Technologies Corp.	JPN	JPY	205,147,800	0.80
137,200	Anritsu Corp.	JPN	JPY	161,210,000	0.63
45,800	TDK Corp.	JPN	JPY	156,865,000	0.62
91,200	TOPCON Corp.	JPN	JPY	91,747,200	0.36
				2,651,936,900	10.43
<b>Food &amp; Staples Retailing</b>					
69,900	Seven & I Holdings Co. Ltd.	JPN	JPY	253,387,500	1.00
<b>Food Products</b>					
172,000	Ajinomoto Co. Inc.	JPN	JPY	250,432,000	0.98
30,700	Yakult Honsha Co. Ltd.	JPN	JPY	126,177,000	0.50
				376,609,000	1.48

## — Franklin Templeton Japan Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — JPY)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
416,000	<b>Gas Utilities</b> Tokyo Gas Co. Ltd.	JPN	JPY	227,968,000	0.90
78,400	<b>Health Care Equipment &amp; Supplies</b> Terumo Corp.	JPN	JPY	386,904,000	1.52
208,000	<b>Household Durables</b> Sekisui House Ltd.	JPN	JPY	298,272,000	1.17
248,000	Sekisui Chemical Co. Ltd.	JPN	JPY	261,144,000	1.03
				559,416,000	2.20
149,700	<b>Insurance</b> Tokio Marine Holdings Inc.	JPN	JPY	470,806,500	1.85
7,183	<b>Internet Software &amp; Services</b> Yahoo Japan Corp.	JPN	JPY	351,248,700	1.38
46,400	Internet Initiative Japan Inc.	JPN	JPY	177,016,000	0.70
				528,264,700	2.08
24,300	<b>IT Services</b> Otsuka Corp.	JPN	JPY	267,786,000	1.05
20,700	<b>Machinery</b> SMC Corp.	JPN	JPY	412,344,000	1.62
46,000	Makita Corp.	JPN	JPY	246,560,000	0.97
170,000	Kubota Corp.	JPN	JPY	246,160,000	0.97
447,000	EBARA Corp.	JPN	JPY	237,357,000	0.93
232,000	NSK Ltd.	JPN	JPY	220,168,000	0.87
190,000	Mitsubishi Heavy Industries Ltd.	JPN	JPY	104,690,000	0.41
				1,467,279,000	5.77
56,000	<b>Media</b> Toho Co. Ltd.	JPN	JPY	114,352,000	0.45
451,000	<b>Metals &amp; Mining</b> Dowa Holdings Co. Ltd.	JPN	JPY	399,135,000	1.57
25,400	<b>Oil, Gas &amp; Consumable Fuels</b> Japan Petroleum Exploration Co. Ltd.	JPN	JPY	102,235,000	0.40
223	INPEX Corp.	JPN	JPY	92,322,000	0.36
				194,557,000	0.76
77,900	<b>Personal Products</b> KAO Corp.	JPN	JPY	262,912,500	1.03
82,500	<b>Pharmaceuticals</b> Astellas Pharma Inc.	JPN	JPY	444,675,000	1.75
124,500	Shionogi & Co. Ltd.	JPN	JPY	257,715,000	1.01
122,900	Chugai Pharmaceutical Co. Ltd.	JPN	JPY	252,682,400	0.99
				955,072,400	3.75
247,000	<b>Real Estate Management &amp; Development</b> Mitsui Fudosan Co. Ltd.	JPN	JPY	720,499,000	2.83
71,000	Sumitomo Realty & Development Co. Ltd.	JPN	JPY	280,805,000	1.11
				1,001,304,000	3.94
88,300	<b>Road &amp; Rail</b> East Japan Railway Co.	JPN	JPY	680,793,000	2.68
32,430	<b>Specialty Retail</b> USS Co. Ltd.	JPN	JPY	408,293,700	1.60
52,700	Sanrio Co. Ltd.	JPN	JPY	243,210,500	0.96
				651,504,200	2.56
175,600	<b>Tobacco</b> Japan Tobacco Inc.	JPN	JPY	615,478,000	2.42
147,100	<b>Trading Companies &amp; Distributors</b> Mitsubishi Corp.	JPN	JPY	249,922,900	0.98
253,000	<b>Transportation Infrastructure</b> Kamigumi Co. Ltd.	JPN	JPY	202,147,000	0.79
51,100	<b>Wireless Telecommunication Services</b> KDDI Corp.	JPN	JPY	263,676,000	1.04
	<b>TOTAL SHARES</b>			25,278,584,200	99.40
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			25,278,584,200	99.40
	<b>TOTAL INVESTMENTS</b>			25,278,584,200	99.40

The accompanying notes form an integral

## — Templeton Africa Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Beverages</b>					
3,155,349	Nigerian Breweries PLC	NGA	NGN	3,030,517	3.49
1,670,694	Guinness Nigeria PLC	NGA	NGN	2,621,221	3.02
1,855,943	Delta Corp. Ltd.	ZWE	USD	2,598,320	3.00
591,792	East African Breweries Ltd.	KEN	KES	2,345,097	2.70
				<u>10,595,155</u>	<u>12.21</u>
<b>Chemicals</b>					
94,295	Alexandria Mineral Oils Co.	EGY	EGP	842,017	0.97
109,909	Paints & Chemical Industries Co. SAE	EGY	EGP	602,911	0.70
				<u>1,444,928</u>	<u>1.67</u>
<b>Commercial Banks</b>					
44,597,049	FBN Holdings PLC	NGA	NGN	4,911,630	5.66
33,180,911	Zenith Bank PLC	NGA	NGN	4,042,220	4.66
26,878,446	Guaranty Trust Bank PLC	NGA	NGN	4,018,620	4.63
44,614,063	Access Bank Nigeria PLC	NGA	NGN	2,992,022	3.45
128,600	ABSA Group Ltd.	ZAF	ZAR	1,932,416	2.23
95,442	Nedbank Group Ltd.	ZAF	ZAR	1,695,212	1.95
18,389,746	Ecobank Transnational Inc.	NGA	NGN	1,685,887	1.94
371,892	Commercial International Bank Egypt SAE	EGY	EGP	1,522,673	1.76
4,107,512	Equity Bank Ltd.	KEN	KES	1,496,034	1.72
221,300	Mauritius Commercial Bank	MUS	MUR	1,323,531	1.53
3,045,891	Kenya Commercial Bank Ltd.	KEN	KES	1,313,496	1.51
26,300,289	United Bank for Africa PLC	NGA	NGN	1,310,726	1.51
138,000	National Microfinance Bank Ltd.	TZA	TZS	137,575	0.16
				<u>28,382,042</u>	<u>32.71</u>
<b>Diversified Financial Services</b>					
164,200	Remgro Ltd.	ZAF	ZAR	3,156,063	3.64
346,430	UBA Capital PLC	NGA	NGN	2,664	0.00
				<u>3,158,727</u>	<u>3.64</u>
<b>Diversified Telecommunication Services</b>					
62,600	Sonatel	SEN	XOF	2,360,202	2.72
855,569	Telecom Egypt	EGY	EGP	1,401,703	1.62
				<u>3,761,905</u>	<u>4.34</u>
<b>Food &amp; Staples Retailing</b>					
234,000	Shoprite Holdings Ltd.	ZAF	ZAR	4,392,310	5.06
69,907	Massmart Holdings Ltd.	ZAF	ZAR	1,268,335	1.46
				<u>5,660,645</u>	<u>6.52</u>
<b>Food Products</b>					
1,003,716	Juhayna Food Industries	EGY	EGP	1,329,832	1.53
284,800	Fan Milk Ltd.	GHA	GHS	813,714	0.94
134,571	Nestle Nigeria PLC	NGA	NGN	803,121	0.92
565,363	Seed Co.	ZWE	USD	457,944	0.53
				<u>3,404,611</u>	<u>3.92</u>
<b>Hotels, Restaurants &amp; Leisure</b>					
169,779	New Mauritius Hotels Ltd.	MUS	MUR	383,504	0.44
<b>Household Products</b>					
43,800	Unilever Ghana Ltd.	GHA	GHS	324,724	0.37
<b>Industrial Conglomerates</b>					
1,921,727	Innsco Africa Ltd.	ZWE	USD	1,749,156	2.02
100,915	Press Corp. Ltd., GDR, Reg S	MWI	USD	1,163,928	1.34
3,094,570	UAC of Nigeria PLC	NGA	NGN	1,066,239	1.23
				<u>3,979,323</u>	<u>4.59</u>
<b>Metals &amp; Mining</b>					
82,420	Anglo American PLC	GBR	ZAR	1,600,028	1.84
34,234	Kumba Iron Ore Ltd.	ZAF	ZAR	1,595,566	1.84
407,787	African Minerals Ltd.	SLE	GBP	1,171,371	1.35
110,100	Impala Platinum Holdings Ltd.	ZAF	ZAR	1,036,104	1.20
1,918,621	Kenmare Resources PLC	MOZ	GBP	714,894	0.82
				<u>6,117,963</u>	<u>7.05</u>
<b>Oil, Gas &amp; Consumable Fuels</b>					
169,800	Exxaro Resources Ltd.	ZAF	ZAR	2,501,339	2.88
680,306	Afren PLC	NGA	GBP	1,339,346	1.55
1,974,000	KenolKobil Ltd. Group	KEN	KES	202,462	0.23
				<u>4,043,147</u>	<u>4.66</u>

part of these financial statements



## — Templeton Africa Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Pharmaceuticals</b>				
332,696	Egyptian International Pharmaceutical Industries Co.	EGY	EGP	2,038,070	2.35
	<b>Specialty Retail</b>				
207,066	Lewis Group Ltd.	ZAF	ZAR	1,320,026	1.52
89,591	The Foschini Group Ltd.	ZAF	ZAR	895,230	1.03
				2,215,256	2.55
	<b>Tobacco</b>				
121,900	Eastern Tobacco	EGY	EGP	1,597,698	1.84
111,100	British American Tobacco Kenya Ltd. Corp.	KEN	KES	744,551	0.86
				2,342,249	2.70
	<b>Trading Companies &amp; Distributors</b>				
104,641	Barloworld Ltd.	ZAF	ZAR	862,964	0.99
	<b>Wireless Telecommunication Services</b>				
174,586	MTN Group Ltd.	ZAF	ZAR	3,250,577	3.75
16,318,900	Safaricom Ltd.	KEN	KES	1,255,300	1.45
281,700	Orascom Telecom Holding SAE, GDR, Reg S	EGY	USD	785,943	0.90
693,210	Econet Wireless Zimbabwe Ltd.	ZWE	USD	457,518	0.53
				5,749,338	6.63
	<b>TOTAL SHARES</b>			84,464,551	97.34
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			84,464,551	97.34
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Consumer Finance</b>				
5,373,279	Letshego Holdings Ltd.	BWA	BWP	1,442,860	1.66
	<b>TOTAL SHARES</b>			1,442,860	1.66
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			1,442,860	1.66
	<b>TOTAL INVESTMENTS</b>			85,907,411	99.00

## — Templeton Asian Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Corporate Bonds</b>					
50,200,000	Country Garden Holdings Co., senior note, Reg S, 11.125%, 02/23/18	CHN	USD	55,094,500	1.50
52,540,000	Sinochem Overseas Capital Co. Ltd., senior note, Reg S, 4.50%, 11/12/20	CHN	USD	52,038,348	1.42
50,000,000	Bank of Baroda/London, senior note, Reg S, 5.00%, 08/24/16	IND	USD	52,028,750	1.41
17,960,000	ICICI Bank Ltd., Reg S, 6.375% to 04/30/17, FRN thereafter, 04/30/22	IND	USD	17,241,600	0.47
4,350,000	KazMunayGas National Co., senior note, Reg S, 11.75%, 01/23/15	KAZ	USD	4,943,601	0.13
3,800,000	HSBC Holdings PLC, sub. note, 6.50%, 09/15/37	GBR	USD	4,241,758	0.12
3,000,000	LUKOIL International Finance BV, Reg S, 6.656%, 06/07/22	RUS	USD	3,271,830	0.09
1,800,000	LUKOIL International Finance BV, Reg S, 6.356%, 06/07/17	RUS	USD	1,989,702	0.05
165,000	Hutchison Whampoa International Ltd., Reg S, 7.45%, 11/24/33	HKG	USD	208,750	0.01
				<u>191,058,839</u>	<u>5.20</u>
<b>Government and Municipal Bonds</b>					
274,651,600,000	Korea Monetary Stabilization Bond, senior note, 2.78%, 10/02/14	KOR	KRW	240,331,054	6.54
4,259,165,830	Government of Thailand, senior bond, Reg S, 1.25%, 03/12/28	THA	THB	132,273,496	3.60
128,000,000	Government of Sri Lanka, senior note, Reg S, 6.25%, 07/27/21	LKA	USD	125,477,760	3.41
765,000,000	Government of China, senior bond, Reg S, 0.60%, 08/18/14	CHN	CNY	121,270,729	3.30
114,850,000	Republic of Fiji, senior bond, 9.00%, 03/15/16	FJ	USD	116,693,342	3.17
97,249,700,000	Korea Monetary Stabilization Bond, senior note, 2.84%, 12/02/14	KOR	KRW	85,130,773	2.32
90,000,000	Government of Mongolia, Reg S, 5.125%, 12/05/22	MNG	USD	78,846,300	2.14
68,860,700,000	Korea Monetary Stabilization Bond, senior note, 2.82%, 08/02/14	KOR	KRW	60,334,485	1.64
3,400,000,000	Government of India, senior bond, 7.02%, 08/17/16	IND	INR	56,437,898	1.54
3,000,000,000	Government of India, 7.99%, 07/09/17	IND	INR	51,122,907	1.39
2,120,000,000	The Export-Import Bank of Korea, senior note, Reg S, 4.00%, 11/26/15	KOR	PHP	50,540,603	1.37
381,047,000,000	Government of Indonesia, FR40, 11.00%, 09/15/25	IDN	IDR	48,922,586	1.33
50,906,300,000	Korea Treasury Bond, senior note, 2.75%, 12/10/15	KOR	KRW	44,340,711	1.21
137,840,000	Government of Malaysia, 3.434%, 08/15/14	MYS	MYR	43,786,483	1.19
134,345,000	Government of Malaysia, 3.741%, 02/27/15	MYS	MYR	42,900,766	1.17
2,390,000,000	Government of India, 7.17%, 06/14/15	IND	INR	39,867,792	1.08
45,381,100,000	Korea Monetary Stabilization Bond, senior note, 2.76%, 06/02/15	KOR	KRW	39,618,408	1.08
5,494,000,000	Government of Sri Lanka, B, 8.00%, 06/01/16	LKA	LKR	39,025,489	1.06
325,620,000,000	Government of Indonesia, FR46, 9.50%, 07/15/23	IDN	IDR	38,050,130	1.04
117,600,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	37,632,968	1.02
4,540,100,000	Government of Sri Lanka, A, 11.00%, 08/01/15	LKA	LKR	34,821,802	0.95
30,695,000	Government of Vietnam, Reg S, 6.75%, 01/29/20	VND	USD	32,843,650	0.89
241,600,000,000	Government of Indonesia, FR47, 10.00%, 02/15/28	IDN	IDR	29,230,677	0.80
31,269,670,000	Korea Treasury Bond, senior note, 3.25%, 12/10/14	KOR	KRW	27,559,755	0.75
3,997,820,000	Government of Sri Lanka, C, 8.50%, 04/01/18	LKA	LKR	27,528,633	0.75
1,600,000,000	Government of India, senior note, 8.07%, 07/03/17	IND	INR	27,234,240	0.74
216,408,000,000	Government of Indonesia, FR42, 10.25%, 07/15/27	IDN	IDR	26,575,335	0.72
3,189,910,000	Government of Sri Lanka, A, 9.00%, 05/01/21	LKA	LKR	21,277,994	0.58
882,000,000	Government of the Philippines, senior note, 4.95%, 01/15/21	PHL	PHP	20,975,638	0.57
157,890,000,000	Government of Indonesia, FR39, 11.75%, 08/15/23	IDN	IDR	20,901,447	0.57
20,000,000	Government of Sri Lanka, senior note, Reg S, 6.25%, 10/04/20	LKA	USD	19,750,000	0.54
22,058,100,000	Korea Monetary Stabilization Bond, senior bond, 2.47%, 04/02/15	KOR	KRW	19,173,710	0.52
1,000,000,000	Government of India, senior bond, 11.83%, 11/12/14	IND	INR	17,685,485	0.48
51,380,000	Government of Malaysia, 3.197%, 10/15/15	MYS	MYR	16,227,672	0.44
2,126,100,000	Government of Sri Lanka, A, 5.80%, 01/15/17	LKA	LKR	13,791,161	0.38
600,000,000	Government of India, senior bond, 7.46%, 08/28/17	IND	INR	9,996,960	0.27
1,482,900,000	Government of Sri Lanka, B, 6.40%, 10/01/16	LKA	LKR	9,923,508	0.27
10,477,100,000	Korea Treasury Bond, senior note, 3.25%, 06/10/15	KOR	KRW	9,242,378	0.25
59,577,000,000	Government of Indonesia, FR44, 10.00%, 09/15/24	IDN	IDR	7,152,934	0.19
1,121,000,000	Government of Sri Lanka, B, 5.80%, 07/15/17	LKA	LKR	7,144,229	0.19
230,040,000	Government of the Philippines, senior bond, 7.00%, 01/27/16	PHL	PHP	5,793,980	0.16
814,360,000	Government of Sri Lanka, B, 8.50%, 07/15/18	LKA	LKR	5,590,931	0.15
4,470,000	Government of Vietnam, Reg S, 6.875%, 01/15/16	VND	USD	4,762,070	0.13
21,215,000,000	Government of Indonesia, FR37, 12.00%, 09/15/26	IDN	IDR	2,921,204	0.08
378,400,000	Government of Sri Lanka, B, 11.00%, 09/01/15	LKA	LKR	2,903,206	0.08
383,900,000	Government of Sri Lanka, D, 8.50%, 06/01/18	LKA	LKR	2,635,961	0.07
313,200,000	Government of Sri Lanka, A, 11.25%, 07/15/14	LKA	LKR	2,410,645	0.07
291,070,000	Government of Sri Lanka, A, 6.50%, 07/15/15	LKA	LKR	2,055,075	0.06
296,300,000	Government of Sri Lanka, A, 8.00%, 11/15/18	LKA	LKR	1,970,542	0.05
1,840,000	Financing of Infrastructure Projects State Enterprise, Reg S, 7.40%, 04/20/18	UKR	USD	1,631,896	0.04
160,400,000	Government of Sri Lanka, A, 6.40%, 08/01/16	LKA	LKR	1,080,219	0.03
1,290,000	Government of Malaysia, 4.72%, 09/30/15	MYS	MYR	421,825	0.01
122,250,000	Korea Monetary Stabilization Bond, senior note, 2.74%, 02/02/15	KOR	KRW	106,795	0.00
9,280,000	Government of Sri Lanka, A, 11.75%, 03/15/15	LKA	LKR	71,948	0.00
				<u>1,925,998,185</u>	<u>52.38</u>

## — Templeton Asian Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b>					
461,135,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	148,419,354	4.04
145,650,400,000	Korea Treasury Bond, senior bond, 3.00%, 12/10/13	KOR	KRW	127,698,974	3.47
9,124,760,000	Government of Sri Lanka, A, 7.50%, 08/01/13	LKA	LKR	69,725,113	1.90
2,732,270,000	Government of the Philippines, senior note, 6.25%, 01/27/14	PHL	PHP	64,667,056	1.76
66,880,000	Singapore Treasury Bill, 0.00%, 10/04/13	SGP	SGD	52,745,455	1.43
162,885,000	Bank of Negara Monetary Note, 0.00%, 02/20/14	MYS	MYR	50,579,517	1.38
152,465,000	Bank of Negara Monetary Note, 0.00%, 09/17/13	MYS	MYR	47,949,675	1.30
139,115,000	Bank of Negara Monetary Note, 0.00%, 02/18/14	MYS	MYR	43,205,522	1.18
1,637,720,000	Philippine Treasury Bill, 0.00%, 12/11/13	PHL	PHP	37,754,336	1.03
37,991,000	Queensland Treasury Corp., senior note, 6.00%, 08/21/13	AUS	AUD	34,905,104	0.95
111,290,000	Bank of Negara Monetary Note, 0.00%, 02/25/14	MYS	MYR	34,543,895	0.94
39,237,200,000	Korea Monetary Stabilization Bond, senior note, 3.28%, 06/02/14	KOR	KRW	34,515,796	0.94
38,359,000,000	Korea Monetary Stabilization Bond, 0.00%, 07/09/13	KOR	KRW	33,558,410	0.91
37,719,000,000	Korea Monetary Stabilization Bond, senior note, 2.57%, 06/09/14	KOR	KRW	32,971,245	0.90
37,299,900,000	Korea Monetary Stabilization Bond, 0.00%, 09/10/13	KOR	KRW	32,485,106	0.88
98,575,000	Bank of Negara Monetary Note, 0.00%, 11/26/13	MYS	MYR	30,825,443	0.84
33,095,760,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 04/02/14	KOR	KRW	29,153,112	0.79
31,740,000	New South Wales Treasury Corp., 5.50%, 08/01/13	AUS	AUD	29,099,776	0.79
90,285,000	Bank of Negara Monetary Note, 0.00%, 09/26/13	MYS	MYR	28,373,522	0.77
165,000,000	Sinochem Offshore Capital Co. Ltd., senior note, HK, 1.80%, 01/18/14	CHN	CNY	26,611,415	0.72
33,426,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 07/05/13	SGP	SGD	26,376,167	0.72
82,760,000	Bank of Negara Monetary Note, 0.00%, 08/15/13	MYS	MYR	26,097,807	0.71
25,783,500,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 10/02/13	KOR	KRW	22,618,738	0.62
68,880,000	Bank of Negara Monetary Note, 0.00%, 09/05/13	MYS	MYR	21,683,673	0.59
22,518,770,000	Korea Monetary Stabilization Bond, senior bond, 3.47%, 02/02/14	KOR	KRW	19,799,325	0.54
60,060,000	Government of Malaysia, senior bond, 3.461%, 07/31/13	MYS	MYR	19,014,831	0.52
758,470,000	Philippine Treasury Bill, 0.00%, 11/27/13	PHL	PHP	17,495,033	0.48
18,884,400,000	Korea Monetary Stabilization Bond, 0.00%, 08/13/13	KOR	KRW	16,479,732	0.45
51,050,000	Bank of Negara Monetary Note, 0.00%, 01/16/14	MYS	MYR	15,892,780	0.43
16,868,600,000	Korea Monetary Stabilization Bond, senior bond, 2.55%, 05/09/14	KOR	KRW	14,745,476	0.40
16,377,260,000	Korea Monetary Stabilization Bond, senior bond, 3.48%, 12/02/13	KOR	KRW	14,385,354	0.39
591,850,000	Philippine Treasury Bill, 0.00%, 06/04/14	PHL	PHP	13,529,536	0.37
562,020,000	Philippine Treasury Bill, 0.00%, 09/04/13	PHL	PHP	13,005,880	0.35
35,850,000	Bank of Negara Monetary Note, 0.00%, 08/27/13	MYS	MYR	11,296,069	0.31
35,820,000	Bank of Negara Monetary Note, 0.00%, 12/05/13	MYS	MYR	11,193,084	0.30
65,000,000	VTB Capital SA, (VTB Bank), loan participation, senior note, Reg S, 2.95%, 12/23/13	RUS	CNY	10,528,899	0.29
12,851,000	Singapore Treasury Bill, 0.00%, 07/11/13	SGP	SGD	10,140,369	0.28
31,590,000	Bank of Negara Monetary Note, 0.00%, 12/12/13	MYS	MYR	9,866,168	0.27
10,235,780,000	Korea Monetary Stabilization Bond, senior bond, 3.90%, 08/02/13	KOR	KRW	8,969,790	0.24
27,705,000	Bank of Negara Monetary Note, 0.00%, 10/10/13	MYS	MYR	8,698,712	0.24
27,520,000	Bank of Negara Monetary Note, 0.00%, 04/24/14	MYS	MYR	8,501,394	0.23
357,000,000	Philippine Treasury Bill, 0.00%, 12/04/13	PHL	PHP	8,232,282	0.22
1,032,160,000	Government of Sri Lanka, B, 11.75%, 04/01/14	LKA	LKR	7,962,411	0.22
25,140,000	Bank of Negara Monetary Note, 0.00%, 10/31/13	MYS	MYR	7,878,213	0.21
8,900,000,000	Korea Treasury Bond, senior note, 5.75%, 09/10/13	KOR	KRW	7,836,734	0.21
336,970,000	Philippine Treasury Bill, 0.00%, 04/02/14	PHL	PHP	7,728,185	0.21
9,590,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 07/26/13	SGP	SGD	7,566,455	0.21
23,685,000	Bank of Negara Monetary Note, 0.00%, 01/09/14	MYS	MYR	7,377,913	0.20
430,000,000	Government of India, 7.27%, 09/03/13	IND	INR	7,217,720	0.20
22,434,000	Bank of Negara Monetary Note, 0.00%, 06/05/14	MYS	MYR	6,913,428	0.19
21,980,000	Bank of Negara Monetary Note, 0.00%, 03/20/14	MYS	MYR	6,809,598	0.19
21,970,000	Bank of Negara Monetary Note, 0.00%, 05/20/14	MYS	MYR	6,772,636	0.18
8,064,000	Singapore Treasury Bill, 0.00%, 09/05/13	SGP	SGD	6,360,884	0.17
17,650,000	Bank of Negara Monetary Note, 0.00%, 07/25/13	MYS	MYR	5,575,367	0.15
16,980,000	Bank of Negara Monetary Note, 0.00%, 11/19/13	MYS	MYR	5,312,851	0.14
16,190,000	Bank of Negara Monetary Note, 0.00%, 12/19/13	MYS	MYR	5,053,304	0.14
14,310,000	Bank of Negara Monetary Note, 0.00%, 05/27/14	MYS	MYR	4,408,821	0.12
179,770,000	Philippine Treasury Bill, 0.00%, 10/02/13	PHL	PHP	4,155,980	0.11
11,240,000	Bank of Negara Monetary Note, 0.00%, 04/03/14	MYS	MYR	3,478,872	0.09
3,668,000	Government of Australia, 6.25%, 06/15/14	AUS	AUD	3,475,532	0.09
10,805,000	Bank of Negara Monetary Note, 0.00%, 03/13/14	MYS	MYR	3,349,413	0.09
9,735,000	Bank of Negara Monetary Note, 0.00%, 02/06/14	MYS	MYR	3,026,419	0.08
9,060,000	Bank of Negara Monetary Note, 0.00%, 12/26/13	MYS	MYR	2,826,241	0.08
7,705,000	Bank of Negara Monetary Note, 0.00%, 05/15/14	MYS	MYR	2,376,157	0.06
7,090,000	Bank of Negara Monetary Note, 0.00%, 11/12/13	MYS	MYR	2,219,647	0.06
6,530,000	Bank of Negara Monetary Note, 0.00%, 03/27/14	MYS	MYR	2,022,105	0.06
5,600,000	Bank of Negara Monetary Note, 0.00%, 07/04/13	MYS	MYR	1,771,996	0.05
5,435,000	Bank of Negara Monetary Note, 0.00%, 12/31/13	MYS	MYR	1,695,446	0.05
100,000,000	Government of India, senior bond, 6.07%, 05/15/14	IND	INR	1,657,929	0.05
5,060,000	Bank of Negara Monetary Note, 0.00%, 07/18/13	MYS	MYR	1,599,292	0.04
60,470,000	Philippine Treasury Bill, 0.00%, 03/05/14	PHL	PHP	1,388,751	0.04
3,620,000	Bank of Negara Monetary Note, 0.00%, 12/10/13	MYS	MYR	1,130,722	0.03
138,370,000	Sri Lanka Treasury Bill, 0.00%, 10/11/13	LKA	LKR	1,034,295	0.03
118,230,000	Government of Sri Lanka, B, 8.50%, 07/15/13	LKA	LKR	904,722	0.02
116,100,000	Government of Sri Lanka, B, 6.60%, 06/01/14	LKA	LKR	857,958	0.02
35,770,000	Philippine Treasury Bill, 0.00%, 11/13/13	PHL	PHP	825,549	0.02
2,140,000	Bank of Negara Monetary Note, 0.00%, 10/08/13	MYS	MYR	671,873	0.02

The accompanying notes form an integral

## — Templeton Asian Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Securities Maturing Within One Year</b> (continued)				
2,160,000	Bank of Negara Monetary Note, 0.00%, 06/10/14	MYS	MYR	665,259	0.02
20,480,000	Philippine Treasury Bill, 0.00%, 07/24/13	PHL	PHP	474,574	0.01
620,000	Government of Malaysia, senior bond, 8.00%, 10/30/13	MYS	MYR	199,488	0.01
19,950,000	Government of Sri Lanka, A, 7.00%, 03/01/14	LKA	LKR	149,377	0.00
16,140,000	Sri Lanka Treasury Bill, 0.00%, 08/02/13	LKA	LKR	122,683	0.00
				<u>1,461,193,725</u>	<u>39.74</u>
	<b>TOTAL BONDS</b>			<u>3,578,250,749</u>	<u>97.32</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>3,578,250,749</u>	<u>97.32</u>
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>BONDS</b>				
	<b>Government and Municipal Bonds</b>				
5,395,000	Government of Vietnam, 144A, 6.875%, 01/15/16	VND	USD	5,747,509	0.15
	<b>TOTAL BONDS</b>			<u>5,747,509</u>	<u>0.15</u>
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>5,747,509</u>	<u>0.15</u>
	<b>TOTAL INVESTMENTS</b>			<u><u>3,583,998,258</u></u>	<u><u>97.47</u></u>

## — Templeton Asian Dividend Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
53,000	Singapore Technologies Engineering Ltd.	SGP	SGD	175,238	3.57
<b>Automobiles</b>					
43,000	UMW Holdings Bhd.	MYS	MYR	198,702	4.05
<b>Beverages</b>					
420,000	Thai Beverage PCL	THA	SGD	195,542	3.98
<b>Commercial Banks</b>					
36,000	Public Bank Bhd.	MYS	MYR	193,018	3.93
15,000	DBS Group Holdings Ltd.	SGP	SGD	183,468	3.74
58,500	BOC Hong Kong (Holdings) Ltd.	HKG	HKD	179,891	3.66
22,000	Oversea-Chinese Banking Corp. Ltd.	SGP	SGD	173,604	3.53
82,400	Kiatnakin Bank PCL, fgn.	THA	THB	140,244	2.86
				870,225	17.72
<b>Communications Equipment</b>					
15,000	VTech Holdings Ltd.	HKG	HKD	226,858	4.62
<b>Diversified Telecommunication Services</b>					
64,000	Singapore Telecommunications Ltd.	SGP	SGD	190,396	3.88
163,000	PT Telekomunikasi Indonesia Persero Tbk, B	IDN	IDR	184,761	3.76
				375,157	7.64
<b>Electric Utilities</b>					
20,500	Power Assets Holdings Ltd.	HKG	HKD	176,958	3.60
26,000	Cheung Kong Infrastructure Holdings Ltd.	HKG	HKD	173,982	3.54
				350,940	7.14
<b>Electronic Equipment, Instruments &amp; Components</b>					
163,100	Delta Electronics (Thailand) PCL, fgn.	THA	THB	209,505	4.26
<b>Gas Utilities</b>					
310,500	PT Perusahaan Gas Negara Persero Tbk	IDN	IDR	179,887	3.66
<b>Hotels, Restaurants &amp; Leisure</b>					
84,000	MGM China Holdings Ltd.	HKG	HKD	224,189	4.57
260,000	NagaCorp Ltd.	KH	HKD	203,147	4.14
5,010	Grand Korea Leisure Co. Ltd.	KOR	KRW	155,247	3.16
37,000	SJM Holdings Ltd.	HKG	HKD	89,114	1.81
				671,697	13.68
<b>Real Estate Investment Trusts (REITs)</b>					
379,700	Sunway Real Estate Investment Trust	MYS	MYR	185,073	3.77
106,000	CapitaMall Trust	SGP	SGD	166,873	3.40
54,000	K-REIT Asia	SGP	SGD	55,183	1.12
				407,129	8.29
<b>Specialty Retail</b>					
198,000	Giordano International Ltd.	HKG	HKD	173,341	3.53
<b>Tobacco</b>					
9,400	British American Tobacco Malaysia Bhd.	MYS	MYR	177,319	3.61
<b>Wireless Telecommunication Services</b>					
88,500	Maxis Bhd.	MYS	MYR	192,434	3.92
21,200	Advanced Info Service PCL, fgn.	THA	THB	191,985	3.91
67,400	Shin Corp. PCL, NVDR	THA	THB	188,304	3.83
				572,723	11.66
<b>TOTAL SHARES</b>				4,784,263	97.41
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				4,784,263	97.41
<b>TOTAL INVESTMENTS</b>				4,784,263	97.41

The accompanying notes form an integral

## — Templeton Asian Growth Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Automobiles</b>					
1,291,000,000	PT Astra International Tbk	IDN	IDR	910,528,967	5.76
493,420,000	Brilliance China Automotive Holdings Ltd.	CHN	HKD	554,114,996	3.50
387,518,895	Guangzhou Automobile Group Co. Ltd., H	CHN	HKD	366,236,696	2.32
				<u>1,830,880,659</u>	<u>11.58</u>
<b>Chemicals</b>					
71,762,992	PTT Global Chemical PCL, fgn.	THA	THB	159,012,410	1.01
20,307,533	PTT Global Chemical PCL, NVDR	THA	THB	44,997,424	0.28
				<u>204,009,834</u>	<u>1.29</u>
<b>Commercial Banks</b>					
168,907,900	Siam Commercial Bank PCL, fgn.	THA	THB	932,953,076	5.90
111,441,000	Kasikornbank PCL, fgn.	THA	THB	701,426,975	4.43
354,793,365	China Merchants Bank Co. Ltd., H	CHN	HKD	591,936,016	3.74
478,929,509	PT Bank Central Asia Tbk	IDN	IDR	482,548,624	3.05
609,385,004	PT Bank Danamon Indonesia Tbk	IDN	IDR	359,184,108	2.27
291,359,500	PT Bank Rakyat Indonesia (Persero) Tbk	IDN	IDR	227,509,937	1.44
49,647,354	MCB Bank Ltd.	PAK	PKR	121,063,739	0.77
56,429,000	Thanachart Capital PCL, fgn.	THA	THB	69,766,105	0.44
41,061,900	Tisco Financial Group PCL, fgn.	THA	THB	54,063,516	0.34
31,332,100	Kiatnakin Bank PCL, fgn.	THA	THB	53,326,952	0.34
45,789,466	Faysal Bank Ltd.	PAK	PKR	4,282,270	0.03
				<u>3,598,061,318</u>	<u>22.75</u>
<b>Communications Equipment</b>					
23,965,000	VTech Holdings Ltd.	HKG	HKD	362,443,608	2.29
<b>Construction &amp; Engineering</b>					
7,275,473	Hyundai Development Co.	KOR	KRW	159,214,658	1.01
3,349,801	GS Engineering & Construction Corp.	KOR	KRW	82,249,578	0.52
				<u>241,464,236</u>	<u>1.53</u>
<b>Construction Materials</b>					
46,486,186	Siam Cement PCL, fgn.	THA	THB	683,708,195	4.32
<b>Electronic Equipment, Instruments &amp; Components</b>					
676,984	Intelligent Digital Integrated Securities Co. Ltd.	KOR	KRW	13,866,794	0.09
369,311	IDIS Holdings Co. Ltd.	KOR	KRW	4,461,215	0.03
				<u>18,328,009</u>	<u>0.12</u>
<b>Food &amp; Staples Retailing</b>					
31,949,734	Dairy Farm International Holdings Ltd.	HKG	USD	383,716,305	2.43
<b>Health Care Equipment &amp; Supplies</b>					
10,494,162	MicroLife Corp.	TWN	TWD	27,697,304	0.18
<b>Household Durables</b>					
150,788,602	Samson Holding Ltd.	CHN	HKD	28,190,418	0.18
<b>IT Services</b>					
28,798,501	Tata Consultancy Services Ltd.	IND	INR	734,511,009	4.64
7,523,647	Infosys Ltd.	IND	INR	315,091,342	1.99
21,212,492	HCL Infosystems Ltd.	IND	INR	11,865,285	0.08
				<u>1,061,467,636</u>	<u>6.71</u>
<b>Machinery</b>					
91,120,810	China International Marine Containers (Group) Co. Ltd.	CHN	HKD	157,194,984	0.99
29,729,863	SembCorp Marine Ltd.	SGP	SGD	101,347,807	0.64
44,019,363	PT United Tractors Tbk	IDN	IDR	80,720,645	0.51
				<u>339,263,436</u>	<u>2.14</u>
<b>Media</b>					
184,637,800	BEC World PCL, fgn.	THA	THB	348,345,239	2.20
37,385,000	GMM Grammy PCL, fgn.	THA	THB	21,729,881	0.14
				<u>370,075,120</u>	<u>2.34</u>
<b>Metals &amp; Mining</b>					
780,092,000	Aluminum Corp. of China Ltd., H	CHN	HKD	253,461,129	1.60
85,073,669	Sesa Goa Ltd.	IND	INR	204,063,627	1.29
63,256,411	Hindalco Industries Ltd.	IND	INR	105,988,729	0.67
66,050,239	National Aluminium Co. Ltd.	IND	INR	32,063,761	0.20
5,769,609	Tata Steel Ltd.	IND	INR	26,535,181	0.17
55,036,100	Tycoons Worldwide Groups (Thailand) PCL, fgn.	THA	THB	9,455,464	0.06
				<u>631,567,891</u>	<u>3.99</u>

## — Templeton Asian Growth Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Oil, Gas &amp; Consumable Fuels</b>					
818,160,000	PetroChina Co. Ltd., H	CHN	HKD	870,276,369	5.50
348,825,123	Oil & Gas Development Co. Ltd.	PAK	PKR	798,916,404	5.05
70,900,671	PTT PCL, fgn.	THA	THB	762,740,038	4.82
4,613,255	SK Innovation Co. Ltd.	KOR	KRW	547,177,917	3.46
690,573,000	China Petroleum and Chemical Corp., H	CHN	HKD	486,146,582	3.07
32,653,000	Reliance Industries Ltd.	IND	INR	472,712,412	2.99
81,681,780	Oil & Natural Gas Corp. Ltd.	IND	INR	452,911,084	2.86
253,751,000	CNOOC Ltd.	CHN	HKD	430,555,014	2.72
51,486,313	PTT Exploration and Production PCL, fgn.	THA	THB	262,061,034	1.66
38,814,895	Coal India Ltd.	IND	INR	197,520,240	1.25
37,030,724	Inner Mongolia Yitai Coal Co. Ltd., B	CHN	USD	177,821,537	1.13
105,594,000	Yanzhou Coal Mining Co. Ltd., H	CHN	HKD	75,560,918	0.48
				<u>5,534,399,549</u>	<u>34.99</u>
<b>Personal Products</b>					
745,374	Neopharm Co. Ltd.	KOR	KRW	<u>3,464,580</u>	<u>0.02</u>
<b>Real Estate Management &amp; Development</b>					
471,352,629	Land and Houses PCL, fgn.	THA	THB	172,556,839	1.09
158,020,300	Sansiri PCL, fgn.	THA	THB	15,832,477	0.10
20,709,266	Peninsula Land Ltd.	IND	INR	13,166,575	0.08
				<u>201,555,891</u>	<u>1.27</u>
<b>Semiconductors &amp; Semiconductor Equipment</b>					
881,415	MediaTek Inc.	TWN	TWD	<u>10,249,354</u>	<u>0.06</u>
<b>Textiles, Apparel &amp; Luxury Goods</b>					
3,524,096	Youngone Corp.	KOR	KRW	120,924,863	0.76
924,702	Youngone Holdings Co. Ltd.	KOR	KRW	55,608,392	0.35
14,151,581	Tainan Enterprises Co. Ltd.	TWN	TWD	15,133,740	0.10
99,458,038	Victory City International Holdings Ltd.	HKG	HKD	13,592,857	0.09
125,583,579	Win Hanverky Holdings Ltd.	CHN	HKD	12,305,845	0.08
				<u>217,565,697</u>	<u>1.38</u>
<b>Transportation Infrastructure</b>					
47,914,954	Shenzhen Chiwan Wharf Holdings Ltd., B	CHN	HKD	<u>72,774,858</u>	<u>0.46</u>
<b>TOTAL SHARES</b>				<u>15,820,883,898</u>	<u>100.03</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>15,820,883,898</u>	<u>100.03</u>
<b>TOTAL INVESTMENTS</b>				<u>15,820,883,898</u>	<u>100.03</u>

The accompanying notes form an integral

## — Templeton Asian Smaller Companies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Auto Components</b>					
5,997,344	Apollo Tyres Ltd.	IND	INR	5,691,800	0.60
<b>Beverages</b>					
1,432,202	Hite Jinro Co. Ltd.	KOR	KRW	39,114,760	4.15
<b>Biotechnology</b>					
5,700,578	Biocon Ltd.	IND	INR	26,878,408	2.85
144,414	Medy-tox Inc.	KOR	KRW	12,704,488	1.35
289,509	Cell Biotech Co. Ltd.	KOR	KRW	3,826,668	0.41
				43,409,564	4.61
<b>Building Products</b>					
118,970	KCC Corp.	KOR	KRW	34,158,053	3.63
<b>Capital Markets</b>					
190,670	Tata Investment Corp. Ltd.	IND	INR	1,329,947	0.14
<b>Chemicals</b>					
8,308,119	Tata Chemicals Ltd.	IND	INR	39,263,757	4.17
85,001,400	D&L Industries Inc.	PHL	PHP	12,622,018	1.34
11,239,000	China XLX Fertiliser Ltd.	CHN	SGD	3,104,084	0.33
				54,989,859	5.84
<b>Commercial Banks</b>					
5,060,870	Federal Bank Ltd.	IND	INR	34,790,134	3.69
17,650,920	Tisco Financial Group PCL, fgn.	THA	THB	23,239,811	2.47
17,405,948	Commercial Bank of Ceylon PLC, voting shares	LKA	LKR	15,460,107	1.64
1,027,197	ING Vysya Bank Ltd.	IND	INR	10,418,114	1.11
				83,908,166	8.91
<b>Computers &amp; Peripherals</b>					
4,609,130	Simplo Technology Co. Ltd.	TWN	TWD	19,992,890	2.12
422,400	Advantech Co. Ltd.	TWN	TWD	2,015,455	0.21
211,134	Lite-On Technology Corp.	TWN	TWD	370,559	0.04
				22,378,904	2.37
<b>Construction Materials</b>					
1,038,881	JK Cements Ltd.	IND	INR	3,972,608	0.42
<b>Consumer Finance</b>					
1,030,800	Sundaram Finance Ltd.	IND	INR	9,225,308	0.98
<b>Containers &amp; Packaging</b>					
10,500,546	Amvig Holdings Ltd.	CHN	HKD	4,061,609	0.43
<b>Diversified Financial Services</b>					
3,721,252	Bajaj Holdings and Investment Ltd.	IND	INR	49,902,769	5.30
<b>Electronic Equipment, Instruments &amp; Components</b>					
8,875,500	Delta Electronics (Thailand) PCL, fgn.	THA	THB	11,400,771	1.21
21,797,800	Ju Teng International Holdings Ltd.	CHN	HKD	10,230,080	1.08
3,367,000	Digital China Holdings Ltd.	CHN	HKD	4,024,277	0.43
2,593,028	Redington India Ltd.	IND	INR	3,166,532	0.34
383,600	Hana Microelectronics PCL, fgn.	THA	THB	238,980	0.02
				29,060,640	3.08
<b>Energy Equipment &amp; Services</b>					
66,920,800	Honghua Group Ltd.	CHN	HKD	23,037,608	2.44
8,977,100	KNM Group Bhd.	MYS	MYR	1,307,000	0.14
				24,344,608	2.58
<b>Food &amp; Staples Retailing</b>					
2,348,000	Beijing Jingkelong Co. Ltd., H	CHN	HKD	753,811	0.08
<b>Food Products</b>					
28,965,600	Uni-President China Holdings Ltd.	CHN	HKD	29,466,227	3.13
99,456	Binggrae Co. Ltd.	KOR	KRW	9,402,353	1.00
				38,868,580	4.13
<b>Household Products</b>					
6,272,000	Goodbaby International Holdings Ltd.	CHN	HKD	2,498,789	0.26
3,429,100	DSG International Thailand PCL, fgn.	THA	THB	1,200,295	0.13
				3,699,084	0.39
<b>Industrial Conglomerates</b>					
45,040,000	Chongqing Machinery and Electric Co. Ltd., H	CHN	HKD	5,516,797	0.59



## — Templeton Asian Smaller Companies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
561,856,970	<b>Insurance</b> PT Panin Financial Tbk	IDN	IDR	11,888,157	1.26
115,936	<b>Internet &amp; Catalog Retail</b> GS Home Shopping Inc.	KOR	KRW	24,001,106	2.55
198,400	<b>Internet Software &amp; Services</b> Sohu.com Inc.	CHN	USD	12,225,408	1.30
30,371,000	<b>IT Services</b> Travelsky Technology Ltd., H	CHN	HKD	19,265,895	2.05
37,000	HCL Infosystems Ltd.	IND	INR	20,696	0.00
				19,286,591	2.05
1,102,000	<b>Leisure Equipment &amp; Products</b> Yorkey Optical International Cayman Ltd.	CHN	HKD	103,722	0.01
7,206,000	<b>Machinery</b> Shin Zu Shing Co. Ltd.	TWN	TWD	17,023,183	1.81
8,668,525	Ashok Leyland Ltd.	IND	INR	2,926,736	0.31
12,086,000	Shanghai Prime Machinery Co. Ltd., H	CHN	HKD	1,371,293	0.15
21,187	Zhongde Waste Technology AG	CHN	EUR	44,125	0.00
				21,365,337	2.27
2,766,290	<b>Media</b> Daekyo Co. Ltd.	KOR	KRW	17,531,460	1.86
16,483,700	Media Prima Bhd.	MYR	MYR	14,608,122	1.55
12,042,000	Hong Kong Economic Times Holdings Ltd.	HKG	HKD	2,623,918	0.28
				34,763,500	3.69
918,991	<b>Metals &amp; Mining</b> Jordan Phosphate Mines	JOR	JOD	12,910,639	1.37
221,999	MOIL Ltd.	IND	INR	744,310	0.08
				13,654,949	1.45
725,825	<b>Pharmaceuticals</b> Bukwang Pharmaceutical Co. Ltd.	KOR	KRW	8,577,238	0.91
10,160	Dr. Reddy's Laboratories Ltd.	IND	INR	378,084	0.04
				8,955,322	0.95
3,219,000	<b>Semiconductors &amp; Semiconductor Equipment</b> Novatek Microelectronics Corp. Ltd.	TWN	TWD	15,627,778	1.66
573,835	Silicon Works Co. Ltd.	KOR	KRW	10,950,283	1.16
348,587	Anapass Inc.	KOR	KRW	4,409,210	0.47
				30,987,271	3.29
14,713,900	<b>Specialty Retail</b> Luk Fook Holdings (International) Ltd.	HKG	HKD	34,148,002	3.62
15,771,700	OSIM International Ltd.	SGP	SGD	24,455,625	2.60
20,460,000	Sa Sa International Holdings Ltd.	HKG	HKD	20,180,507	2.14
19,439,600	Giordano International Ltd.	HKG	HKD	17,018,532	1.81
				95,802,666	10.17
2,073,218	<b>Textiles, Apparel &amp; Luxury Goods</b> LG Fashion Corp.	KOR	KRW	51,177,125	5.43
565,438	Fila Korea Ltd.	KOR	KRW	34,102,484	3.62
128,058	Youngone Holdings Co. Ltd.	KOR	KRW	7,700,967	0.82
1,128,000	Win Hanverky Holdings Ltd.	CHN	HKD	110,532	0.01
				93,091,108	9.88
41,248,000	<b>Transportation Infrastructure</b> COSCO Pacific Ltd.	CHN	HKD	53,129,213	5.64
750,000	Sichuan Expressway Co. Ltd., H	CHN	HKD	201,136	0.02
				53,330,349	5.66
	<b>TOTAL SHARES</b>			873,842,353	92.76

The accompanying notes form an integral

## — Templeton Asian Smaller Companies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>WARRANTS</b>				
	<b>Energy Equipment &amp; Services</b>				
3,203,912	KNM Group Bhd., wts., 11/15/17	MYS	MYR	116,616	0.01
	<b>Health Care Equipment &amp; Supplies</b>				
10,500	Hartalega Holdings Bhd., wts., 05/29/15	MYS	MYR	7,943	0.00
	<b>Insurance</b>				
12,395,638	PT Panin Financial Tbk, wts., 11/10/14	IDN	IDR	112,404	0.01
	<b>TOTAL WARRANTS</b>			236,963	0.02
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			874,079,316	92.78
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Real Estate Management &amp; Development</b>				
7,995,320	Ishaan Real Estate PLC **	IND	GBP	6,201,438	0.66
	<b>TOTAL SHARES</b>			6,201,438	0.66
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			6,201,438	0.66
	<b>TOTAL INVESTMENTS</b>			880,280,754	93.44

\*\* These securities are submitted to a Fair Valuation

## — Templeton BRIC Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Auto Components</b>					
877,115	Apollo Tyres Ltd.	IND	INR	832,429	0.06
<b>Beverages</b>					
1,270,871	Companhia de Bebidas das Americas (AmBev)	BRA	BRL	47,056,837	3.50
<b>Biotechnology</b>					
1,741,830	Biocon Ltd.	IND	INR	8,212,784	0.61
<b>Chemicals</b>					
2,605,784	Tata Chemicals Ltd.	IND	INR	12,314,806	0.92
469,840	Phosagro OAO, GDR	RUS	USD	5,678,016	0.42
				17,992,822	1.34
<b>Commercial Banks</b>					
15,367,479	Itaúsa – Investimentos Itaú SA, pfd.	BRA	BRL	56,949,785	4.24
23,456,000	China Merchants Bank Co. Ltd., H	CHN	HKD	39,133,909	2.91
2,443,353	Banco Bradesco SA, ADR, pfd.	BRA	USD	31,788,022	2.37
8,883,000	BOC Hong Kong (Holdings) Ltd.	HKG	HKD	27,315,745	2.03
1,803,740	Itaú Unibanco Holding SA, ADR	BRA	USD	23,304,321	1.74
2,451,639	Federal Bank Ltd.	IND	INR	16,853,397	1.25
433,770	ICICI Bank Ltd.	IND	INR	7,794,424	0.58
414,558	ITAUSA – Investimentos Itaú SA, DPP, pfd.	BRA	BRL	1,517,696	0.11
				204,657,299	15.23
<b>Construction Materials</b>					
649,100	Grasim Industries Ltd.	IND	INR	30,113,539	2.24
<b>Diversified Financial Services</b>					
1,055,180	Bajaj Holdings and Investment Ltd.	IND	INR	14,150,185	1.05
<b>Energy Equipment &amp; Services</b>					
2,474,997	TMK OAO, GDR, Reg S	RUS	USD	28,190,216	2.10
<b>Food &amp; Staples Retailing</b>					
9,391,000	Lianhua Supermarket Holdings Ltd.	CHN	HKD	5,121,736	0.38
<b>Food Products</b>					
2,908,000	Tingyi (Cayman Islands) Holding Corp.	CHN	HKD	7,611,240	0.56
3,789,100	Uni-President China Holdings Ltd.	CHN	HKD	3,854,589	0.29
				11,465,829	0.85
<b>Independent Power Producers &amp; Energy Traders</b>					
1,084,700	AES Tiete SA	BRA	BRL	9,587,056	0.71
<b>Internet Software &amp; Services</b>					
1,497,742	Tencent Holdings Ltd.	CHN	HKD	58,743,689	4.37
<b>IT Services</b>					
1,792,100	Infosys Ltd.	IND	INR	75,053,387	5.59
35,140,600	Travelsky Technology Ltd., H	CHN	HKD	22,291,499	1.66
1,537,135	MindTree Ltd.	IND	INR	21,613,823	1.61
				118,958,709	8.86
<b>Machinery</b>					
32,170,634	Ashok Leyland Ltd.	IND	INR	10,861,702	0.81
4,311,100	China International Marine Containers (Group) Co. Ltd.	CHN	HKD	7,437,196	0.55
				18,298,898	1.36
<b>Media</b>					
1,822,300	CTC Media Inc.	RUS	USD	20,263,976	1.51
<b>Metals &amp; Mining</b>					
5,116,000	Vale SA, ADR, pfd., A	BRA	USD	62,210,560	4.63
4,577,264	Maharashtra Seamless Ltd.	IND	INR	15,757,819	1.18
1,153,200	Bradespar SA, pfd.	BRA	BRL	10,383,922	0.77
				88,352,301	6.58
<b>Oil, Gas &amp; Consumable Fuels</b>					
4,297,700	Reliance Industries Ltd.	IND	INR	62,217,136	4.63
37,644,000	PetroChina Co. Ltd., H	CHN	HKD	40,041,903	2.98
16,657,000	CNOOC Ltd.	CHN	HKD	28,262,962	2.10
28,997,800	China Petroleum and Chemical Corp., H	CHN	HKD	20,413,745	1.52
3,066,523	Inner Mongolia Yitai Coal Co. Ltd., B	CHN	USD	14,725,443	1.10
147,000	LUKOIL Holdings, ADR	RUS	USD	8,434,125	0.63
14,200	Gazprom, ADR	RUS	USD	93,401	0.01
				174,188,715	12.97

The accompanying notes form an integral

## — Templeton BRIC Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
1,080,254	<b>Personal Products</b> Hypermarcas SA	BRA	BRL	7,051,773	0.53
312,595	<b>Pharmaceuticals</b> Dr. Reddy's Laboratories Ltd.	IND	INR	11,632,590	0.87
50,159,763	<b>Real Estate Management &amp; Development</b> Soho China Ltd.	CHN	HKD	39,708,991	2.96
68,149,600	Beijing Capital Land Ltd., H	CHN	HKD	24,866,505	1.85
7,207,439	Peninsula Land Ltd.	IND	INR	4,582,359	0.34
1,290,000	China Overseas Land & Investment Ltd.	CHN	HKD	3,368,059	0.25
				72,525,914	5.40
15,633,123	<b>Specialty Retail</b> Luk Fook Holdings (International) Ltd.	HKG	HKD	36,281,334	2.70
40,984,084	Giordano International Ltd.	HKG	HKD	35,879,799	2.67
39,522,800	I.T Ltd.	HKG	HKD	14,166,335	1.06
12,440,000	Sa Sa International Holdings Ltd.	HKG	HKD	12,270,064	0.91
				98,597,532	7.34
11,392,315	<b>Textiles, Apparel &amp; Luxury Goods</b> Ports Design Ltd.	CHN	HKD	7,432,373	0.55
406,400	<b>Transportation Infrastructure</b> COSCO Pacific Ltd.	CHN	HKD	523,461	0.04
7,067,641	<b>Wireless Telecommunication Services</b> China Mobile Ltd.	CHN	HKD	73,993,831	5.51
	<b>TOTAL SHARES</b>			1,127,944,494	83.96
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			1,127,944,494	83.96
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET <b>SHARES</b>				
19,133,070	<b>Commercial Banks</b> Sberbank of Russia	RUS	USD	54,600,137	4.06
1,408,833	<b>Metals &amp; Mining</b> Mining and Metallurgical Co. Norilsk Nickel, ADR	RUS	USD	20,294,239	1.51
373,510	Raspadskaya	RUS	USD	348,166	0.03
				20,642,405	1.54
5,930,314	<b>Oil, Gas &amp; Consumable Fuels</b> Gazprom, ADR	RUS	USD	39,006,641	2.90
653,150	LUKOIL Holdings, ADR	RUS	USD	37,474,481	2.79
				76,481,122	5.69
	<b>TOTAL SHARES</b>			151,723,664	11.29
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			151,723,664	11.29
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET <b>SHARES</b>				
27,449,000	<b>Commercial Services &amp; Supplies</b> Fook Woo Group Holdings Ltd. **	CHN	HKD	481,316	0.04
	<b>TOTAL SHARES</b>			481,316	0.04
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			481,316	0.04
	<b>TOTAL INVESTMENTS</b>			1,280,149,474	95.29

\*\* These securities are submitted to a Fair Valuation

## — Templeton China Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Air Freight &amp; Logistics</b>					
18,061,000	Sinotrans Ltd., H	CHN	HKD	3,399,849	0.21
<b>Auto Components</b>					
6,781,254	Cheng Shin Rubber Industry Co. Ltd.	TWN	TWD	21,404,959	1.31
11,996,000	Xinyi Glass Holdings Ltd.	CHN	HKD	9,311,035	0.57
				30,715,994	1.88
<b>Automobiles</b>					
11,867,810	Great Wall Motor Co. Ltd., H	CHN	HKD	50,954,180	3.13
28,540,000	Dongfeng Motor Group Co. Ltd., H	CHN	HKD	38,122,268	2.34
6,071,850	Jiangling Motors Corp. Ltd., B	CHN	HKD	16,369,675	1.00
8,244,023	Chongqing Changan Automobile Co. Ltd., B	CHN	HKD	9,778,945	0.60
				115,225,068	7.07
<b>Beverages</b>					
3,573,442	Yantai Changyu Pioneer Wine Co. Ltd., B	CHN	HKD	16,402,186	1.01
<b>Commercial Banks</b>					
97,615,851	China Construction Bank Corp., H	CHN	HKD	69,096,761	4.24
59,238,375	Industrial and Commercial Bank of China Ltd., H	CHN	HKD	37,348,829	2.29
9,370,000	BOC Hong Kong (Holdings) Ltd.	HKG	HKD	28,813,298	1.77
61,722,800	Bank of China Ltd., H	CHN	HKD	25,386,411	1.56
				160,645,299	9.86
<b>Computers &amp; Peripherals</b>					
1,815,986	Asustek Computer Inc.	TWN	TWD	15,633,113	0.96
3,461,453	Simplo Technology Co. Ltd.	TWN	TWD	15,014,644	0.92
396,641	Advantech Co. Ltd.	TWN	TWD	1,892,548	0.12
				32,540,305	2.00
<b>Construction Materials</b>					
43,454,000	China National Building Material Co. Ltd., H	CHN	HKD	39,050,585	2.39
11,146,500	Anhui Conch Cement Co. Ltd., H	CHN	HKD	30,108,391	1.85
17,878,147	BBMG Corp., H	CHN	HKD	11,041,371	0.68
18,393,700	Asia Cement China Holdings Corp.	CHN	HKD	7,494,129	0.46
4,367,512	Huaxin Cement Co. Ltd., B	CHN	USD	5,922,346	0.36
				93,616,822	5.74
<b>Distributors</b>					
25,802,760	Dah Chong Hong Holdings Ltd.	CHN	HKD	20,526,567	1.26
<b>Diversified Telecommunication Services</b>					
19,136,000	China Telecom Corp. Ltd., H	CHN	HKD	9,128,888	0.56
<b>Electric Utilities</b>					
3,131,000	Cheung Kong Infrastructure Holdings Ltd.	HKG	HKD	20,951,515	1.29
<b>Electrical Equipment</b>					
6,963,892	Dongfang Electric Corp. Ltd., H	CHN	HKD	9,373,840	0.58
<b>Electronic Equipment, Instruments &amp; Component</b>					
4,063,179	Synnex Technology International Corp.	TWN	TWD	5,307,756	0.33
<b>Food &amp; Staples Retailing</b>					
10,272,872	Dairy Farm International Holdings Ltd.	HKG	USD	123,377,193	7.57
8,064,079	President Chain Store Corp.	TWN	TWD	52,872,590	3.24
12,650,000	China Resources Enterprise Ltd.	CHN	HKD	39,633,443	2.43
6,460,982	Beijing Jingkelong Co. Ltd., H	CHN	HKD	2,074,258	0.13
				217,957,484	13.37
<b>Food Products</b>					
19,846,700	Uni-President China Holdings Ltd.	CHN	HKD	20,189,721	1.24
13,851,000	Shenguan Holdings Group Ltd.	CHN	HKD	6,500,511	0.40
14,762,000	China Foods Ltd.	CHN	HKD	5,595,740	0.34
				32,285,972	1.98
<b>Gas Utilities</b>					
6,466,200	ENN Energy Holdings Ltd.	CHN	HKD	34,557,210	2.12
<b>Health Care Providers &amp; Services</b>					
7,099,900	Shanghai Pharmaceuticals Holding Co. Ltd., H	CHN	HKD	13,310,110	0.82
<b>Hotels, Restaurants &amp; Leisure</b>					
6,423,000	SJM Holdings Ltd.	HKG	HKD	15,469,625	0.95

The accompanying notes form an integral

## — Templeton China Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Industrial Conglomerates</b>				
3,038,500	Hopewell Holdings Ltd.	HKG	HKD	10,107,504	0.62
3,212,000	Shanghai Industrial Holdings Ltd.	CHN	HKD	9,959,915	0.61
				<u>20,067,419</u>	<u>1.23</u>
	<b>Insurance</b>				
3,653,400	AIA Group Ltd.	HKG	HKD	15,473,822	0.95
	<b>Internet Software &amp; Services</b>				
81,871	Baidu Inc., ADR	CHN	USD	7,739,266	0.47
121,500	Sohu.com Inc.	CHN	USD	7,486,830	0.46
				<u>15,226,096</u>	<u>0.93</u>
	<b>IT Services</b>				
16,673,291	Travelsky Technology Ltd., H	CHN	HKD	10,576,730	0.65
	<b>Leisure Equipment &amp; Products</b>				
5,802,000	Yorkey Optical International Cayman Ltd.	CHN	HKD	546,092	0.03
	<b>Machinery</b>				
23,094,640	Zoomlion Heavy Industry Science and Technology Development Co. Ltd., H	CHN	HKD	16,555,831	1.02
	<b>Marine</b>				
30,937,000	China Shipping Container Lines Co. Ltd., H	CHN	HKD	8,097,281	0.50
16,450,762	Sinotrans Shipping Ltd.	CHN	HKD	3,923,944	0.24
8,336,000	China Shipping Development Co. Ltd., H	CHN	HKD	3,665,026	0.22
				<u>15,686,251</u>	<u>0.96</u>
	<b>Metals &amp; Mining</b>				
8,982,636	Jiangxi Copper Co. Ltd., H	CHN	HKD	15,241,394	0.93
2,936,000	China Vanadium Titano-Magnetite Mining Co. Ltd.	CHN	HKD	469,400	0.03
				<u>15,710,794</u>	<u>0.96</u>
	<b>Multiline Retail</b>				
12,995,569	Springland International Holdings Ltd.	CHN	HKD	6,434,155	0.39
	<b>Oil, Gas &amp; Consumable Fuels</b>				
67,649,000	CNOOC Ltd.	CHN	HKD	114,784,242	7.04
132,017,600	China Petroleum and Chemical Corp., H	CHN	HKD	92,937,177	5.70
49,930,000	PetroChina Co. Ltd., H	CHN	HKD	53,110,515	3.26
15,398,000	China Shenhua Energy Co. Ltd., H	CHN	HKD	39,110,696	2.40
10,402,000	China Coal Energy Co. Ltd., H	CHN	HKD	5,445,125	0.34
2,214,000	Yanzhou Coal Mining Co. Ltd., H	CHN	HKD	1,584,293	0.10
				<u>306,972,048</u>	<u>18.84</u>
	<b>Paper &amp; Forest Products</b>				
55,988,000	Nine Dragons Paper Holdings Ltd.	CHN	HKD	36,237,954	2.22
	<b>Pharmaceuticals</b>				
3,025,000	Tong Ren Tang Technologies Co. Ltd., H	CHN	HKD	9,204,546	0.56
	<b>Real Estate Management &amp; Development</b>				
10,672,200	Agile Property Holdings Ltd.	CHN	HKD	11,462,094	0.70
10,662,000	Soho China Ltd.	CHN	HKD	8,440,575	0.52
2,854,940	China Vanke Co. Ltd., B	CHN	HKD	5,116,545	0.32
				<u>25,019,214</u>	<u>1.54</u>
	<b>Semiconductors &amp; Semiconductor Equipment</b>				
26,273,214	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	97,308,200	5.97
1,020,862	MediaTek Inc.	TWN	TWD	11,870,884	0.73
1,141,951	Realtek Semiconductor Corp.	TWN	TWD	2,705,323	0.17
				<u>111,884,407</u>	<u>6.87</u>
	<b>Textiles, Apparel &amp; Luxury Goods</b>				
19,798,806	Anta Sports Products Ltd.	CHN	HKD	17,358,529	1.06
5,830,000	Daphne International Holdings Ltd.	CHN	HKD	4,983,645	0.31
				<u>22,342,174</u>	<u>1.37</u>
	<b>Transportation Infrastructure</b>				
21,900,235	COSCO Pacific Ltd.	CHN	HKD	28,208,453	1.73
16,132,000	Sichuan Expressway Co. Ltd., H	CHN	HKD	4,326,299	0.27
				<u>32,534,752</u>	<u>2.00</u>

## — Templeton China Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
8,099,500	<b>Wireless Telecommunication Services</b> China Mobile Ltd.	CHN	HKD	84,796,756	5.20
	<b>TOTAL SHARES</b>			<u>1,576,683,531</u>	<u>96.75</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>1,576,683,531</u>	<u>96.75</u>
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>INVESTMENTS FUNDS</b>				
24,371	<b>Diversified Financial Services</b> Templeton China A Shares Fund, Class X (acc) HKD	CHN	HKD	31,232,163	1.92
	<b>TOTAL INVESTMENTS FUNDS</b>			<u>31,232,163</u>	<u>1.92</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>31,232,163</u>	<u>1.92</u>
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
21,021,922	<b>Commercial Services &amp; Supplies</b> Fook Woo Group Holdings Ltd. **	CHN	HKD	368,618	0.02
	<b>TOTAL SHARES</b>			<u>368,618</u>	<u>0.02</u>
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>368,618</u>	<u>0.02</u>
	<b>TOTAL INVESTMENTS</b>			<u>1,608,284,312</u>	<u>98.69</u>

\*\* These securities are submitted to a Fair Valuation

## — Templeton Eastern Europe Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Chemicals</b>					
6,137,875	Synthos SA	POL	PLN	6,469,832	1.61
<b>Commercial Banks</b>					
864,237	Raiffeisen Bank International AG	AUT	EUR	19,358,909	4.82
1,000,050	OTP Bank PLC	HUN	HUF	16,120,904	4.01
515,312	Bank of Georgia Holdings PLC	GE	GBP	10,045,896	2.50
2,800,000	Turkiye Garanti Bankasi AS	TUR	TRY	9,391,717	2.34
4,788,815	Turkiye Vakiflar Bankasi T.A.O., D	TUR	TRY	9,175,886	2.29
376,202	Erste Group Bank AG	AUT	EUR	7,714,022	1.92
3,067,000	Turkiye Is Bankasi (Isbank), C	TUR	TRY	6,964,076	1.73
1,046,397	Turkiye Halk Bankasi AS	TUR	TRY	6,815,365	1.70
				85,586,775	21.31
<b>Diversified Financial Services</b>					
281,492	Warsaw Stock Exchange	POL	PLN	2,476,538	0.62
<b>Food &amp; Staples Retailing</b>					
1,065,869	X5 Retail Group NV, GDR, Reg S	RUS	USD	14,829,554	3.69
511,709	Eurocash SA	POL	PLN	6,943,385	1.73
236,856	DIXY Group OJSC	RUS	USD	2,549,824	0.64
				24,322,763	6.06
<b>Food Products</b>					
1,283,238	MHP SA, GDR, Reg S	UKR	USD	16,897,553	4.21
1,965,464	Pinar Sut Mamulleri Sanayii AS	TUR	TRY	12,644,816	3.15
228,142	Kernel Holding SA	UKR	PLN	2,531,376	0.63
879,000	Agroton Public Ltd.	UKR	PLN	485,620	0.12
				32,559,365	8.11
<b>Hotels, Restaurants &amp; Leisure</b>					
1,375,458	Fortuna Entertainment Group NV	CZE	CZK	5,021,721	1.25
140,192	AmRest Holdings NV	POL	PLN	2,592,527	0.65
				7,614,248	1.90
<b>Media</b>					
2,089,329	CTC Media Inc.	RUS	USD	17,849,145	4.45
695,373	Cyfrowy Polsat SA	POL	PLN	2,981,754	0.74
				20,830,899	5.19
<b>Oil, Gas &amp; Consumable Fuels</b>					
3,066,640	Zhaikmunai LP, GDR, Reg S	IOM	USD	25,644,664	6.38
1,402,344	KazMunaiGas Exploration Production, GDR	KAZ	USD	16,289,665	4.06
1,362,976	Dragon Oil PLC	TKM	GBP	9,105,139	2.27
15,760,000	OMV Petrom SA	ROM	RON	1,486,748	0.37
				52,526,216	13.08
<b>Road &amp; Rail</b>					
1,904,308	Globaltrans Investment PLC, GDR, Reg S	RUS	USD	20,006,463	4.98
<b>Textiles, Apparel &amp; Luxury Goods</b>					
729,986	Pegas Nonwovens SA	CZE	CZK	14,539,672	3.62
508,004	CCC SA	POL	PLN	9,981,508	2.48
3,623	LPP SA	POL	PLN	5,485,544	1.37
				30,006,724	7.47
<b>TOTAL SHARES</b>				282,399,823	70.33
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				282,399,823	70.33
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Commercial Banks</b>					
17,920,800	Sberbank of Russia	RUS	USD	39,289,116	9.79
<b>Metals &amp; Mining</b>					
807,000	Mining and Metallurgical Co. Norilsk Nickel, ADR	RUS	USD	8,930,846	2.22
1,432,088	Raspadskaya	RUS	USD	1,025,555	0.26
				9,956,401	2.48



## — Templeton Eastern Europe Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Oil, Gas &amp; Consumable Fuels</b>				
6,875,050	Gazprom, ADR	RUS	USD	34,741,015	8.65
8,112,113	TNK-BP Holding, pfd.	RUS	USD	6,948,372	1.73
				<u>41,689,387</u>	<u>10.38</u>
	<b>Pharmaceuticals</b>				
699,906	Veropharm	RUS	USD	11,727,913	2.92
	<b>Specialty Retail</b>				
368,742	M Video OJSC	RUS	USD	2,053,672	0.51
	<b>TOTAL SHARES</b>			<u>104,716,489</u>	<u>26.08</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>104,716,489</u>	<u>26.08</u>
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Real Estate Management &amp; Development</b>				
3,282,670	Immoeast AG **	AUT	EUR	0	0.00
	<b>TOTAL SHARES</b>			<u>0</u>	<u>0.00</u>
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>0</u>	<u>0.00</u>
	<b>TOTAL INVESTMENTS</b>			<u>387,116,312</u>	<u>96.41</u>

\*\* These securities are submitted to a Fair Valuation.

## — Templeton Emerging Markets Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Automobiles</b>					
32,331,600	PT Astra International Tbk	IDN	IDR	22,803,144	2.05
3,178,035	Great Wall Motor Co. Ltd., A	CHN	HKD	13,644,823	1.22
2,869,391	Tata Motors Ltd.	IND	INR	13,565,419	1.22
				<u>50,013,386</u>	<u>4.49</u>
<b>Beverages</b>					
3,103,055	Companhia de Bebidas das Americas (AmBev)	BRA	BRL	114,897,541	10.31
6,203,096	Embotelladora Andina SA, pfd., A	CHL	CLP	27,410,590	2.46
29,348,000	Thai Beverage PCL	THA	SGD	13,663,697	1.22
10,575,243	Nigerian Breweries PLC	NGA	NGN	10,156,866	0.91
4,997,254	Delta Corp. Ltd.	ZWE	USD	6,996,156	0.63
				<u>173,124,850</u>	<u>15.53</u>
<b>Chemicals</b>					
201,350	Dong Phu Rubber JSC	VND	VND	460,527	0.04
<b>Commercial Banks</b>					
6,942,700	Kasikornbank PCL, fgn.	THA	THB	43,698,433	3.92
16,785,500	PT Bank Rakyat Indonesia (Persero) Tbk	IDN	IDR	13,107,066	1.18
9,855,000	PT Bank Central Asia Tbk	IDN	IDR	9,929,471	0.89
88,369,045	FBN Holdings PLC	NGA	NGN	9,732,393	0.87
306,964	Raiffeisen Bank International AG	AUT	EUR	8,950,137	0.80
2,209,796	Itaúsa – Investimentos Itaú SA, pfd.	BRA	BRL	8,189,203	0.74
21,722,102	Equity Bank Ltd.	KEN	KES	7,911,605	0.71
105,100	Bancolombia SA, ADR	COL	USD	5,938,150	0.53
12,971,998	Kenya Commercial Bank Ltd.	KEN	KES	5,593,985	0.50
55,860	OTP Bank PLC	HUN	HUF	1,172,095	0.11
59,611	ITAUSA – Investimentos Itaú SA, DPP, pfd.	BRA	BRL	218,236	0.02
				<u>114,440,774</u>	<u>10.27</u>
<b>Diversified Financial Services</b>					
2,344,656	Remgro Ltd.	ZAF	ZAR	45,066,269	4.04
831,800	Ayala Corp.	PHL	PHP	11,193,596	1.01
4,835,024	SIF Oltenia	ROM	RON	2,018,499	0.18
5,161,453	SIF Moldova	ROM	RON	1,865,867	0.17
10,885,347	SIF Transilvania	ROM	RON	1,705,720	0.15
3,053,000	SIF Banat-Crisana	ROM	RON	1,014,655	0.09
2,666,800	SIF Muntenia	ROM	RON	533,337	0.05
				<u>63,397,943</u>	<u>5.69</u>
<b>Food &amp; Staples Retailing</b>					
2,349,109	Dairy Farm International Holdings Ltd.	HKG	USD	28,212,799	2.53
<b>Food Products</b>					
634,121	Unilever PLC	GBR	GBP	25,667,585	2.30
330,600	M Dias Branco SA	BRA	BRL	12,523,019	1.12
355,500	Tiger Brands Ltd.	ZAF	ZAR	10,644,316	0.96
125,629	Deutsche Bank AG/London (CRTP Saudi Dairy & Foodstuff Co., 144A)	SAU	USD	2,872,640	0.26
				<u>51,707,560</u>	<u>4.64</u>
<b>Health Care Providers &amp; Services</b>					
46,800	HSBC Bank PLC (CRTP Al Mouwasat Medical Services, 144A)	SAU	USD	854,857	0.08
<b>Hotels, Restaurants &amp; Leisure</b>					
11,844,753	SJM Holdings Ltd.	HKG	HKD	28,527,774	2.56
1,072,204	Melco Crown Entertainment Ltd., ADR	CHN	USD	23,974,481	2.15
5,005,400	MGM China Holdings Ltd.	HKG	HKD	13,359,006	1.20
325,220	Grand Korea Leisure Co. Ltd.	KOR	KRW	10,077,720	0.90
				<u>75,938,981</u>	<u>6.81</u>
<b>Household Products</b>					
3,701,969	Kimberly Clark de Mexico SAB de CV, A	MEX	MXN	12,139,898	1.09
<b>Industrial Conglomerates</b>					
603,987	Industries Qatar QSC	QAT	QAR	26,296,010	2.36
453,183	Keppel Corp. Ltd.	SGP	SGD	3,719,158	0.33
				<u>30,015,168</u>	<u>2.69</u>
<b>IT Services</b>					
1,483,130	Tata Consultancy Services Ltd.	IND	INR	37,827,501	3.39
<b>Media</b>					
103,600	CTC Media Inc.	RUS	USD	1,152,032	0.10

## — Templeton Emerging Markets Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Metals &amp; Mining</b>				
546,099	Antofagasta PLC	CHL	GBP	6,604,827	0.60
218,332	BHP Billiton Ltd.	AUS	AUD	6,265,534	0.56
				<u>12,870,361</u>	<u>1.16</u>
	<b>Oil, Gas &amp; Consumable Fuels</b>				
373,133	LUKOIL Holdings, ADR	RUS	USD	21,408,506	1.92
9,874,000	CNOOC Ltd.	CHN	HKD	16,753,827	1.50
7,383,800	PetroChina Co. Ltd., H	CHN	HKD	7,854,144	0.70
724,483	Dragon Oil PLC	TKM	GBP	6,299,713	0.57
107,321	Ecopetrol SA, ADR	COL	USD	4,513,921	0.41
				<u>56,830,111</u>	<u>5.10</u>
	<b>Personal Products</b>				
855,725	Avon Products Inc.	USA	USD	17,995,897	1.61
198,888	Oriflame Cosmetics SA, SDR	SWE	SEK	6,295,829	0.57
				<u>24,291,726</u>	<u>2.18</u>
	<b>Pharmaceuticals</b>				
184,200	DHG Pharmaceutical JSC	VND	VND	755,737	0.07
	<b>Real Estate Investment Trust (REIT)</b>				
12,558,636	K-REIT Asia	SGP	SGD	12,833,643	1.15
	<b>Real Estate Management &amp; Development</b>				
23,503,621	Emaar Properties PJSC	ARE	AED	33,274,933	2.99
4,998,400	China Overseas Land & Investment Ltd.	CHN	HKD	13,050,316	1.17
				<u>46,325,249</u>	<u>4.16</u>
	<b>Semiconductors &amp; Semiconductor Equipment</b>				
30,058	Samsung Electronics Co. Ltd.	KOR	KRW	35,309,731	3.17
2,358,000	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	8,733,333	0.78
				<u>44,043,064</u>	<u>3.95</u>
	<b>Specialty Retail</b>				
4,995,003	Luk Fook Holdings (International) Ltd.	HKG	HKD	11,592,398	1.04
8,904,900	Giordano International Ltd.	HKG	HKD	7,795,856	0.70
12,912,000	I.T Ltd.	HKG	HKD	4,628,106	0.42
				<u>24,016,360</u>	<u>2.16</u>
	<b>Textiles, Apparel &amp; Luxury Goods</b>				
319,763	Compagnie Financiere Richemont SA	CHE	CHF	28,275,598	2.54
67,931	LG Fashion Corp.	KOR	KRW	1,676,868	0.15
				<u>29,952,466</u>	<u>2.69</u>
	<b>Tobacco</b>				
4,989,123	Souza Cruz SA	BRA	BRL	61,667,342	5.53
431,050	British American Tobacco PLC	GBR	GBP	22,087,537	1.98
				<u>83,754,879</u>	<u>7.51</u>
	<b>Wireless Telecommunication Services</b>				
1,616,648	HSBC Bank PLC (CRTP Etihad Etisalat Co., 144A)	SAU	USD	34,272,024	3.07
8,173,500	Shin Corp. PCL, NVDR	THA	THB	22,835,404	2.05
1,288,500	China Mobile Ltd.	CHN	HKD	13,489,798	1.21
253,400	Advanced Info Service PCL, fgn.	THA	THB	2,294,759	0.21
22,093,600	Safaricom Ltd.	KEN	KES	1,699,508	0.15
				<u>74,591,493</u>	<u>6.69</u>
	<b>TOTAL SHARES</b>			<u>1,049,551,365</u>	<u>94.17</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>1,049,551,365</u>	<u>94.17</u>

The accompanying notes form an integral

## — Templeton Emerging Markets Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Commercial Banks</b>					
15,296,348	Sberbank of Russia, pfd.	RUS	USD	32,598,660	2.92
<b>Metals &amp; Mining</b>					
377,757	Mining and Metallurgical Co. Norilsk Nickel, ADR	RUS	USD	5,441,590	0.49
<b>Oil, Gas &amp; Consumable Fuels</b>					
111,900	LUKOIL Holdings, ADR	RUS	USD	6,420,262	0.58
7,473,528	TNK-BP Holding	RUS	USD	10,556,621	0.94
				16,976,883	1.52
<b>TOTAL SHARES</b>				55,017,133	4.93
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				55,017,133	4.93
<b>TOTAL INVESTMENTS</b>				1,104,568,498	99.10

## — Templeton Emerging Markets Balanced Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Consumer Discretionary</b>					
1,810,000	Brilliance China Automotive Holdings Ltd.	CHN	HKD	2,032,646	2.62
1,998,000	Guangzhou Automobile Group Co. Ltd., H	CHN	HKD	1,888,272	2.43
				<u>3,920,918</u>	<u>5.05</u>
<b>Consumer Staples</b>					
97,200	Dairy Farm International Holdings Ltd.	HKG	USD	1,167,372	1.50
2,041,500	Univanich Palm Oil PCL, fgn.	THA	THB	786,705	1.01
159,900	Wal-Mart de Mexico SAB de CV, V	MEX	MXN	448,113	0.58
				<u>2,402,190</u>	<u>3.09</u>
<b>Energy</b>					
73,900	Reliance Industries Ltd., GDR, 144A	IND	USD	2,126,473	2.74
33,200	LUKOIL Holdings, ADR	RUS	USD	1,904,850	2.46
384,670	Inner Mongolia Yitai Coal Co. Ltd., B	CHN	USD	1,847,185	2.38
129,750	TMK OAO, GDR, Reg S	RUS	USD	1,477,852	1.90
857,000	CNOOC Ltd.	CHN	HKD	1,454,125	1.87
1,246,000	PetroChina Co. Ltd., H	CHN	HKD	1,325,370	1.71
81,000	Petroleo Brasileiro SA, ADR, pfd.	BRA	USD	1,187,460	1.53
				<u>11,323,315</u>	<u>14.59</u>
<b>Financials</b>					
2,373,500	United Bank Ltd.	PAK	PKR	2,553,747	3.29
3,328,719	PT Bank Danamon Indonesia Tbk	IDN	IDR	1,962,016	2.53
135,740	Itau Unibanco Holding SA, ADR	BRA	USD	1,753,761	2.26
4,626,800	Land and Houses PCL, fgn.	THA	THB	1,693,819	2.18
114,730	Banco Bradesco SA, ADR, pfd.	BRA	USD	1,492,637	1.92
736,500	China Merchants Bank Co. Ltd., H	CHN	HKD	1,228,774	1.58
				<u>10,684,754</u>	<u>13.76</u>
<b>Industrials</b>					
27,280	Hyundai Development Co.	KOR	KRW	596,989	0.77
<b>Information Technology</b>					
47,900	Infosys Ltd., ADR	IND	USD	1,973,001	2.54
<b>Materials</b>					
320,300	Vale SA, ADR, pfd., A	BRA	USD	3,894,848	5.02
207,200	Impala Platinum Holdings Ltd.	ZAF	ZAR	1,949,871	2.51
29,582	Arab Potash Co. PLC	JOR	JOD	1,817,314	2.34
148,800	Antofagasta PLC	CHL	GBP	1,799,671	2.32
345,123	Tata Steel Ltd., Reg S, GDR	IND	USD	1,607,065	2.07
72,073	Anglo American PLC	GBR	ZAR	1,399,161	1.80
				<u>12,467,930</u>	<u>16.06</u>
<b>TOTAL SHARES</b>				<u>43,369,097</u>	<u>55.86</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>43,369,097</u>	<u>55.86</u>
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Energy</b>					
518,700	Gazprom, ADR	RUS	USD	3,411,749	4.39
<b>TOTAL SHARES</b>				<u>3,411,749</u>	<u>4.39</u>
<b>BONDS</b>					
<b>Corporate Bonds</b>					
650,000	SSB #1 PLC, (OJSC State Savings Bank of Ukraine), loan participation, senior note, Reg S, 8.875%, 03/20/18	UKR	USD	589,062	0.76
530,000	Cemex SAB de CV, senior secured note, Reg S, 9.00%, 01/11/18	MEX	USD	559,150	0.72
360,000	Kyiv Finance PLC, (City of Kiev), loan participation, senior note, Reg S, 9.375%, 07/11/16	UKR	USD	341,325	0.44
330,000	Petroleos de Venezuela SA, senior sub. bond, 4.90%, 10/28/14	VEN	USD	310,080	0.40
250,000	Dubai Electricity & Water Authority, senior note, Reg S, 7.375%, 10/21/20	ARE	USD	281,107	0.36
250,000	HSBK (Europe) BV, senior note, Reg S, 7.25%, 05/03/17	KAZ	USD	261,533	0.34
210,000	Gaz Capital SA, (OJSC Gazprom), loan participation, senior bond, Reg S, 8.146%, 04/11/18	RUS	USD	244,099	0.31
230,000	Alfa Bond Issuance PLC, (Alfa Bank OJSC), loan participation, senior note, Reg S, 7.75%, 04/28/21	RUS	USD	238,050	0.31
230,000	Metinvest BV, Reg S, 8.75%, 02/14/18	UKR	USD	214,309	0.28
200,000	Türkiye İş Bankası, Reg S, 6.00%, 10/24/22	TUR	USD	196,500	0.25
150,000	Edcon Pty. Ltd., senior secured note, Reg S, 9.50%, 03/01/18	ZAF	USD	142,219	0.18
100,000	Edcon Pty. Ltd., senior secured note, Reg S, 9.50%, 03/01/18	ZAF	EUR	121,379	0.16
200,000	Corporacion GEO SAB de CV, senior note, Reg S, 8.875%, 03/27/22 *	MEX	USD	89,500	0.11
				<u>3,588,313</u>	<u>4.62</u>

The accompanying notes form an integral

## — Templeton Emerging Markets Balanced Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds</b>					
195,000	Government of Mexico, 9.50%, 12/18/14	MEX	MXN	1,619,712	2.09
169,000,000	Government of Nigeria, 15.10%, 04/27/17	NGA	NGN	1,080,750	1.39
80,000,000	Serbia Treasury Note, 10.00%, 02/21/16	SER	RSD	890,175	1.15
850,000	Financing of Infrastructure Projects State Enterprise, senior note, Reg S, 9.00%, 12/07/17	UKR	USD	809,387	1.04
675,000	Government of Ukraine, Reg S, 7.75%, 09/23/20	UKR	USD	619,832	0.80
1,110,000	Government of Ghana, 23.00%, 08/21/17	GHA	GHS	594,255	0.77
570,000	Tanzania Government International Bond, Reg S, FRN, 6.45%, 03/08/20 †	TZA	USD	575,141	0.74
11,340,000	Uruguay Notas del Tesoro, 9.50%, 01/27/16	URY	UYU	547,523	0.71
530,000	Government of Ukraine, Reg S, 9.25%, 07/24/17	UKR	USD	532,650	0.69
9,034,631	Government of Uruguay, senior note, Index Linked, 4.375%, 12/15/28	URY	UYU	518,636	0.67
470,000	Government of Hungary, senior note, 6.375%, 03/29/21	HUN	USD	491,737	0.63
40,540,000	Serbia Treasury Note, 10.00%, 04/27/15	SER	RSD	457,434	0.59
63,300,000	Government of Sri Lanka, B, 8.00%, 06/01/16	LKA	LKR	449,638	0.58
36,600,000	Serbia Treasury Note, 10.00%, 09/14/15	SER	RSD	411,043	0.53
430,000	Government of Sri Lanka, senior note, Reg S, 5.875%, 07/25/22	LKA	USD	405,812	0.52
2,300,000,000	Government of Indonesia, FR34, 12.80%, 06/15/21	IDN	IDR	311,800	0.40
700	Nota Do Tesouro Nacional, 10.00%, 01/01/17	BRA	BRL	306,310	0.39
6,197,000	Uruguay Notas del Tesoro, 10.25%, 08/22/15	URY	UYU	302,311	0.39
45,220,000	Government of Sri Lanka, A, 9.00%, 05/01/21	LKA	LKR	301,636	0.39
5,114,228	Uruguay Notas del Tesoro, Index Linked, 2.25%, 08/23/17	URY	UYU	247,499	0.32
260,000	Government of Serbia, senior note, Reg S, 4.875%, 02/25/20	SER	USD	240,756	0.31
762,000	Government of Poland, FRN, 3.98%, 01/25/17 †	POL	PLN	227,901	0.29
200	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/45	BRA	BRL	227,876	0.29
772,000	Government of Poland, FRN, 3.98%, 01/25/21 †	POL	PLN	225,549	0.29
225,000	Government of Sri Lanka, senior note, Reg S, 6.25%, 10/04/20	LKA	USD	222,187	0.29
480,000	Government of Ghana, 14.99%, 02/23/15	GHA	GHS	221,665	0.29
200,000	Government of Latvia, Reg S, 5.25%, 02/22/17	LVA	USD	215,975	0.28
200	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/15	BRA	BRL	213,153	0.27
200,000	Government of Serbia, Reg S, 7.25%, 09/28/21	SER	USD	205,953	0.27
200,000	Eastern & Southern African Trade and Development Bank, Reg S, 6.875%, 01/09/16	SP	USD	200,915	0.26
200,000	Government of Ukraine, senior note, Reg S, 7.80%, 11/28/22	UKR	USD	179,045	0.23
39,000,000	Government of Hungary, D, 6.75%, 08/22/14	HUN	HUF	177,039	0.23
140,000	Government of Hungary, senior note, 6.25%, 01/29/20	HUN	USD	146,913	0.19
150,000	Government of Hungary, 5.375%, 02/21/23	HUN	USD	144,578	0.19
12,800,000	Serbia Treasury Note, 10.00%, 10/18/15	SER	RSD	143,496	0.18
21,000,000	Government of Sri Lanka, A, 5.80%, 01/15/17	LKA	LKR	136,219	0.18
110,000	Government of Vietnam, Reg S, 6.75%, 01/29/20	VND	USD	117,700	0.15
2,800,000	Uruguay Treasury Bill, Strip, 05/14/15	URY	UYU	114,688	0.15
210,000	Government of Ghana, 24.00%, 05/25/15	GHA	GHS	110,473	0.14
75,000	Government of Romania, senior note, Reg S, 5.25%, 06/17/16	ROM	EUR	104,113	0.13
22,100,000	Government of Hungary, B, 6.75%, 02/24/17	HUN	HUF	102,729	0.13
2,420,000	Uruguay Treasury Bill, Strip, 03/26/15	URY	UYU	100,381	0.13
21,100,000	Government of Hungary, A, 6.75%, 11/24/17	HUN	HUF	97,052	0.12
1,714,310	Uruguay Notas del Tesoro, Index Linked, 4.00%, 05/25/25	URY	UYU	91,764	0.12
90,000	Government of Hungary, 4.125%, 02/19/18	HUN	USD	87,750	0.11
12,500,000	Government of Sri Lanka, C, 8.50%, 04/01/18	LKA	LKR	86,074	0.11
60,000	Government of Hungary, senior note, 4.375%, 07/04/17	HUN	EUR	77,896	0.10
1,440,000	Uruguay Notas del Tesoro, 10.50%, 03/21/15	URY	UYU	70,444	0.09
14,000,000	Government of Hungary, 7.50%, 11/12/20	HUN	HUF	67,941	0.09
10,600,000	Government of Sri Lanka, B, 5.80%, 07/15/17	LKA	LKR	67,555	0.09
195,000	Government of Malaysia, 3.741%, 02/27/15	MYS	MYR	62,270	0.08
190,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	60,802	0.08
5,100,000	Serbia Treasury Note, 10.00%, 03/01/15	SER	RSD	57,719	0.07
7,400,000	Government of Sri Lanka, B, 11.00%, 09/01/15	LKA	LKR	56,775	0.07
8,100,000	Government of Sri Lanka, D, 8.50%, 06/01/18	LKA	LKR	55,617	0.07
5,500,000	Government of Sri Lanka, A, 11.00%, 08/01/15	LKA	LKR	42,184	0.05
782,790	Uruguay Notas del Tesoro, Index Linked, 4.00%, 06/10/20	URY	UYU	41,520	0.05
790,000	Uruguay Treasury Bill, Strip, 12/18/14	URY	UYU	33,733	0.04
6,770,000	Government of Hungary, 5.50%, 12/22/16	HUN	HUF	30,281	0.04
20,000	Government of Hungary, senior note, Reg S, 5.75%, 06/11/18	HUN	EUR	26,814	0.03
4,320,000	Government of Hungary, A, 8.00%, 02/12/15	HUN	HUF	20,083	0.03
4,400,000	Government of Hungary, 5.50%, 02/12/16	HUN	HUF	19,725	0.03
69,000	Government of Poland, Strip, 01/25/16	POL	PLN	19,162	0.02
1,230,000	Serbia Treasury Note, 10.00%, 11/08/17	SER	RSD	13,252	0.02
40,000	Government of Poland, Strip, 07/25/14	POL	PLN	11,692	0.02
30,000	Government of Malaysia, 3.434%, 08/15/14	MYS	MYR	9,530	0.01
159,167	Uruguay Notas del Tesoro, Index Linked, 2.50%, 09/27/22	URY	UYU	7,436	0.01
24,000	Government of Poland, Strip, 07/25/15	POL	PLN	6,787	0.01
1,400,000	Government of Hungary, 7.75%, 08/24/15	HUN	HUF	6,566	0.01
5,000	Government of Poland, 5.50%, 04/25/15	POL	PLN	1,570	0.00
				<b>16,482,579</b>	<b>21.23</b>
<b>Securities Maturing Within One Year</b>					
1,670,000,000	Korea Treasury Bond, senior bond, 3.00%, 12/10/13	KOR	KRW	1,464,172	1.89
130,000	Government of Mexico, 8.00%, 12/19/13	MEX	MXN	1,021,895	1.32
2,060,000	Government of Poland, 5.75%, 04/25/14	POL	PLN	634,425	0.82
1,910,000	Government of Poland, 5.00%, 10/24/13	POL	PLN	578,603	0.74
74,000,000	Nigeria Treasury Bill, 0.00%, 08/01/13	NGA	NGN	450,386	0.58

## — Templeton Emerging Markets Balanced Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b> (continued)					
3,850,000,000	Government of Indonesia, FR49, 9.00%, 09/15/13	IDN	IDR	391,207	0.50
770,000	Government of Ghana, 13.00%, 06/02/14	GHA	GHS	361,653	0.47
14,530,000	Philippine Treasury Bill, 0.00%, 06/04/14	PHL	PHP	332,152	0.43
76,390,000	Hungary Treasury Bill, 0.00%, 03/05/14	HUN	HUF	327,611	0.42
5,910,000	Uruguay Notas del Tesoro, 9.75%, 06/14/14	URY	UYU	286,944	0.37
550,000	Government of Ghana, 13.45%, 02/17/14	GHA	GHS	261,900	0.34
46,980,000	Nigeria Treasury Bill, 0.00%, 04/24/14	NGA	NGN	258,676	0.33
45,000,000	Nigeria Treasury Bill, 0.00%, 02/20/14	NGA	NGN	253,773	0.33
240,000	Government of Venezuela, 10.75%, 09/19/13	VEN	USD	241,056	0.31
9,000,000	Philippine Treasury Bill, 0.00%, 12/04/13	PHL	PHP	207,537	0.27
610,000	Bank of Negara Monetary Note, 0.00%, 02/18/14	MYS	MYR	189,450	0.24
30,460,000	Nigeria Treasury Bill, 0.00%, 04/10/14	NGA	NGN	168,611	0.22
520,000	Bank of Negara Monetary Note, 0.00%, 08/15/13	MYS	MYR	163,979	0.21
485,000	Bank of Negara Monetary Note, 0.00%, 02/20/14	MYS	MYR	150,604	0.19
485,000	Bank of Negara Monetary Note, 0.00%, 02/25/14	MYS	MYR	150,542	0.19
19,000,000	Government of Sri Lanka, A, 7.00%, 03/01/14	LKA	LKR	142,264	0.18
6,000,000	Philippine Treasury Bill, 0.00%, 09/04/13	PHL	PHP	138,848	0.18
430,000	Bank of Negara Monetary Note, 0.00%, 08/06/13	MYS	MYR	135,697	0.17
24,000,000	Nigeria Treasury Bill, 0.00%, 03/06/14	NGA	NGN	134,629	0.17
16,210	Government of Mexico, 7.00%, 06/19/14	MEX	MXN	128,623	0.17
2,560,000	Uruguay Treasury Bill, 0.00%, 04/11/14	URY	UYU	115,987	0.15
26,800,000	Hungary Treasury Bill, 0.00%, 01/08/14	HUN	HUF	115,662	0.15
20,200,000	Nigeria Treasury Bill, 0.00%, 05/08/14	NGA	NGN	111,169	0.14
18,000,000	Nigeria Treasury Bill, 0.00%, 12/05/13	NGA	NGN	104,498	0.13
770,000,000	Government of Indonesia, FR20, 14.275%, 12/15/13	IDN	IDR	80,669	0.10
230,000	Bank of Negara Monetary Note, 0.00%, 08/27/13	MYS	MYR	72,471	0.09
12,000,000	Nigeria Treasury Bill, 0.00%, 09/05/13	NGA	NGN	72,153	0.09
15,660,000	Government of Hungary, E, 7.50%, 10/24/13	HUN	HUF	69,772	0.09
12,000,000	Nigeria Treasury Bill, 0.00%, 12/19/13	NGA	NGN	69,191	0.09
1,330,000	Uruguay Treasury Bill, 0.00%, 10/02/13	URY	UYU	63,189	0.08
1,280,000	Uruguay Treasury Bill, 0.00%, 09/11/13	URY	UYU	61,140	0.08
1,047,000	Uruguay Notas del Tesoro, 9.00%, 01/27/14	URY	UYU	50,771	0.07
8,000,000	Nigeria Treasury Bill, 0.00%, 01/23/14	NGA	NGN	45,595	0.06
928,000	Uruguay Treasury Bill, 0.00%, 07/16/13	URY	UYU	44,952	0.06
140,000	Bank of Negara Monetary Note, 0.00%, 07/11/13	MYS	MYR	44,275	0.06
910,000	Uruguay Treasury Bill, 0.00%, 07/02/13	URY	UYU	44,237	0.06
3,500,000	Serbia Treasury Bill, Strip, 12/12/13	SER	RSD	38,426	0.05
6,480,000	Nigeria Treasury Bill, 0.00%, 01/09/14	NGA	NGN	37,127	0.05
110,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	35,404	0.05
6,000,000	Nigeria Treasury Bill, 0.00%, 11/07/13	NGA	NGN	35,214	0.05
110,000	Bank of Negara Monetary Note, 0.00%, 07/25/13	MYS	MYR	34,747	0.04
590,000	Uruguay Treasury Bill, 0.00%, 09/13/13	URY	UYU	28,186	0.04
4,000,000	Nigeria Treasury Bill, 0.00%, 10/24/13	NGA	NGN	23,607	0.03
4,000,000	Nigeria Treasury Bill, 0.00%, 02/06/14	NGA	NGN	22,677	0.03
430,000	Uruguay Treasury Bill, Strip, 08/15/13	URY	UYU	20,691	0.03
3,900,000	Government of Hungary, 5.50%, 02/12/14	HUN	HUF	17,351	0.02
3,800,000	Hungary Treasury Bill, 0.00%, 07/24/13	HUN	HUF	16,726	0.02
3,400,000	Hungary Treasury Bill, 0.00%, 07/17/13	HUN	HUF	14,977	0.02
1,390,000	Serbia Treasury Bill, Strip, 03/13/14	SER	RSD	14,901	0.02
40,000	Bank of Negara Monetary Note, 0.00%, 02/06/14	MYS	MYR	12,435	0.02
40,000	Bank of Negara Monetary Note, 0.00%, 03/13/14	MYS	MYR	12,400	0.02
30,000	Government of Poland, Strip, 01/25/14	POL	PLN	8,889	0.01
134,000	Uruguay Treasury Bill, Strip, 09/09/13	URY	UYU	6,408	0.01
1,440,000	Hungary Treasury Bill, 0.00%, 09/18/13	HUN	HUF	6,295	0.01
110,000	Uruguay Treasury Bill, 0.00%, 10/18/13	URY	UYU	5,209	0.01
80,000	Uruguay Treasury Bill, 0.00%, 08/21/13	URY	UYU	3,841	0.00
10,000	Government of Poland, Strip, 07/25/13	POL	PLN	3,004	0.00
5,000	Bank of Negara Monetary Note, 0.00%, 09/26/13	MYS	MYR	1,571	0.00
5,000	Bank of Negara Monetary Note, 0.00%, 10/08/13	MYS	MYR	1,570	0.00
				10,142,624	13.07
	<b>TOTAL BONDS</b>			30,213,516	38.92
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			33,625,265	43.31
	<b>TOTAL INVESTMENTS</b>			76,994,362	99.17

\* These Corporate Bonds are currently in default

† Floating Rates are indicated as at June 30, 2013



## — Templeton Emerging Markets Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Corporate Bonds</b>					
188,894,000	Cemex SAB de CV, senior secured note, Reg S, 9.00%, 01/11/18	MEX	USD	199,283,170	2.38
95,090,000	Dubai Electricity & Water Authority, senior note, Reg S, 7.375%, 10/21/20	ARE	USD	106,922,049	1.28
75,230,000	DP World Ltd., Reg S, 6.85%, 07/02/37	ARE	USD	78,256,879	0.94
85,350,000	SSB #1 PLC, (OJSC State Savings Bank of Ukraine), loan participation, senior note, Reg S, 8.875%, 03/20/18	UKR	USD	77,348,437	0.92
65,900,000	Halyk Savings Bank of Kazakhstan JSC, Reg S, 7.25%, 01/28/21	KAZ	USD	67,753,437	0.81
63,520,000	Gaz Capital SA, (OJSC Gazprom), loan participation, senior note, Reg S, 5.092%, 11/29/15	RUS	USD	67,167,001	0.80
65,000,000	Finansbank AS, senior note, Reg S, 5.50%, 05/11/16	TUR	USD	64,705,875	0.77
62,460,000	Alfa Bond Issuance PLC, (Alfa Bank OJSC), loan participation, senior note, Reg S, 7.75%, 04/28/21	RUS	USD	64,646,100	0.77
52,000,000	Kazatomprom, Reg S, 6.25%, 05/20/15	KAZ	USD	54,323,880	0.65
50,430,000	Alfa Bond Issuance PLC, (Alfa Bank OJSC), loan participation, senior note, Reg S, 7.875%, 09/25/17	RUS	USD	53,650,208	0.64
41,130,000	Edcon Holdings Pty. Ltd., senior bond, Reg S, FRN, 5.709%, 06/15/15 †	ZAF	EUR	47,602,837	0.57
50,000,000	State Export-Import Bank of Ukraine, (BIZ FIN), loan participation, 8.75%, 01/22/18	UKR	USD	45,250,000	0.54
45,800,000	Kyiv Finance PLC, (City of Kiev), loan participation, senior note, Reg S, 9.375%, 07/11/16	UKR	USD	43,424,125	0.52
38,910,000	Kazakhstan Temir Zholy Finance BV, senior note, Reg S, 6.375%, 10/06/20	KAZ	USD	42,484,856	0.51
729,575,000	Government of Argentina, senior bond, FRN, 4.383%, 12/15/35 †	ARG	USD	42,315,350	0.51
45,000,000	Metinvest BV, Reg S, 8.75%, 02/14/18	UKR	USD	41,930,100	0.50
36,600,000	LUKOIL International Finance BV, senior note, Reg S, 6.125%, 11/09/20	RUS	USD	38,887,500	0.46
39,000,000	Petroleos de Venezuela SA, senior sub. bond, 4.90%, 10/28/14	VEN	USD	36,645,765	0.44
29,000,000	Willow No.2, (Yasar Holding SA), loan participation, secured note, Reg S, 9.625%, 10/07/15	TUR	USD	29,696,000	0.35
26,600,000	Turkiye Is Bankasi, Reg S, 6.00%, 10/24/22	TUR	USD	26,134,500	0.31
21,116,000	Cemex Espana Luxembourg, senior secured note, Reg S, 9.25%, 05/12/20	MEX	USD	22,361,844	0.27
20,800,000	HSBK (Europe) BV, senior note, Reg S, 7.25%, 05/03/17	KAZ	USD	21,759,504	0.26
17,500,000	Gaz Capital SA, (OJSC Gazprom), loan participation, senior bond, Reg S, 8.146%, 04/11/18	RUS	USD	20,341,562	0.24
18,185,000	LUKOIL International Finance BV, Reg S, 6.656%, 06/07/22	RUS	USD	19,832,743	0.24
20,640,000	Edcon Pty. Ltd., senior secured note, Reg S, 9.50%, 03/01/18	ZAF	USD	19,569,300	0.23
13,801,000	Edcon Pty. Ltd., senior secured note, Reg S, 9.50%, 03/01/18	ZAF	EUR	16,751,496	0.20
193,000,000	General Electric Capital Corp., senior note, A, 8.50%, 04/06/18	USA	MXN	16,700,616	0.20
15,400,000	VTB Capital SA, (VTB Bank), loan participation, senior bond, Reg S, 6.25%, 06/30/35	RUS	USD	16,458,750	0.20
11,680,000	KazMunayGas National Co., senior note, Reg S, 11.75%, 01/23/15	KAZ	USD	13,273,853	0.16
27,540,000	Corporacion GEO SAB de CV, senior note, Reg S, 8.875%, 03/27/22 *	MEX	USD	12,324,150	0.15
8,440,000	Petro Co. of Trinidad and Tobago Ltd., senior note, Reg S, 9.75%, 08/14/19	TTO	USD	10,571,100	0.13
5,810,000	TNK-BP Finance SA, senior note, Reg S, 7.875%, 03/13/18	RUS	USD	6,626,131	0.08
6,700,000	ICICI Bank Ltd., Reg S, 6.375% to 04/30/17, FRN thereafter, 04/30/22	IND	USD	6,432,000	0.08
5,863,000	Akbank TAS, senior note, Reg S, 6.50%, 03/09/18	TUR	USD	6,274,114	0.08
4,050,000	TNK-BP Finance SA, Reg S, 7.25%, 02/02/20	RUS	USD	4,532,841	0.05
				<u>1,442,238,073</u>	<u>17.24</u>
<b>Government and Municipal Bonds</b>					
28,179,550	Government of Mexico, 9.50%, 12/18/14	MEX	MXN	234,065,484	2.80
3,948,539,776	Government of Uruguay, senior note, Index Linked, 4.375%, 12/15/28	URY	UYU	226,667,319	2.71
25,553,240	Government of Mexico, 6.25%, 06/16/16	MEX	MXN	206,828,625	2.47
1,201,120,000,000	Government of Indonesia, FR40, 11.00%, 09/15/25	IDN	IDR	154,211,677	1.84
180,000,000	Government of Argentina, senior bond, 7.00%, 10/03/15	ARG	USD	153,945,000	1.84
104,655,000	Government of Romania, senior note, Reg S, 5.25%, 06/17/16	ROM	EUR	145,279,679	1.74
138,238,000	Government of Ukraine, Reg S, 7.75%, 09/23/20	UKR	USD	126,939,808	1.52
118,043,000	Financing of Infrastructure Projects State Enterprise, Reg S, 8.375%, 11/03/17	UKR	USD	109,779,990	1.31
113,660,000	Financing of Infrastructure Projects State Enterprise, senior note, Reg S, 9.00%, 12/07/17	UKR	USD	108,229,325	1.29
94,570,000	Government of Latvia, Reg S, 5.25%, 02/22/17	LVA	USD	102,123,779	1.22
94,831	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/15	BRA	BRL	101,067,510	1.21
13,972,000,000	Government of Nigeria, 15.10%, 04/27/17	NGA	NGN	89,350,566	1.07
158,950,000	Government of Ghana, 24.00%, 05/25/15	GHA	GHS	83,617,879	1.00
72,915	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/45	BRA	BRL	83,077,723	0.99
7,262,000,000	Serbia Treasury Note, 10.00%, 02/21/16	SER	RSD	80,805,657	0.97
161,965,000	Government of Ghana, 19.24%, 05/30/16	GHA	GHS	79,260,724	0.95
16,967,700,000	Government of Hungary, 5.50%, 02/12/16	HUN	HUF	76,066,981	0.91
11,170,730,000	Government of Sri Lanka, A, 9.00%, 05/01/21	LKA	LKR	74,513,302	0.89
72,830,000	Tanzania Government International Bond, Reg S, FRN, 6.45%, 03/08/20 †	TZA	USD	73,486,927	0.88
67,908,000	Government of Vietnam, Reg S, 6.75%, 01/29/20	VND	USD	72,661,560	0.87
1,302,726,946	Uruguay Notas del Tesoro, Index Linked, 4.00%, 06/10/20	URY	UYU	69,098,412	0.83
66,110,000	Government of Serbia, Reg S, 7.25%, 09/28/21	SER	USD	68,077,764	0.81
63,528	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/16	BRA	BRL	67,762,620	0.81
65,820,000	Government of Hungary, 5.375%, 02/21/23	HUN	USD	63,440,607	0.76
139,430	Nota Do Tesouro Nacional, 10.00%, 01/01/17	BRA	BRL	61,012,557	0.73
7,673,400,000	Government of Sri Lanka, A, 11.00%, 08/01/15	LKA	LKR	58,853,685	0.70
1,076,711,989	Uruguay Notas del Tesoro, Index Linked, 4.00%, 05/25/25	URY	UYU	57,634,218	0.69

part of these financial statements



## — Templeton Emerging Markets Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds</b> (continued)					
1,202,156,696	Uruguay Notas del Tesoro, Index Linked, 2.50%, 09/27/22	URY	UYU	56,159,145	0.67
12,762,300,000	Government of Hungary, A, 6.00%, 11/24/23	HUN	HUF	56,090,989	0.67
44,850,000	Government of Croatia, Reg S, 6.75%, 11/05/19	HRV	USD	48,017,531	0.57
47,000,000	Government of Jordan, Reg S, 3.875%, 11/12/15	JOR	USD	46,500,625	0.56
5,391,640	Government of Mexico, 8.00%, 12/17/15	MEX	MXN	45,085,959	0.54
42,450,000	Government of Hungary, senior note, 6.25%, 01/29/20	HUN	USD	44,545,969	0.53
52,940,000	Government of Iraq, Reg S, 5.80%, 01/15/28	IQ	USD	43,603,766	0.52
45,630,000	Government of Slovenia, senior note, Reg S, 5.85%, 05/10/23	SVN	USD	42,581,232	0.51
6,350,000,000	Government of Nigeria, 7, 16.00%, 06/29/19	NGA	NGN	42,349,026	0.51
2,500,000,000	Government of India, 7.17%, 06/14/15	IND	INR	41,702,711	0.50
8,453,560,000	Government of Hungary, A, 6.75%, 11/24/17	HUN	HUF	38,883,112	0.47
72,210,000	Government of Ghana, 23.00%, 08/21/17	GHA	GHS	38,658,673	0.46
37,750,000	Republic of Fiji, senior bond, 9.00%, 03/15/16	FJ	USD	38,355,888	0.46
27,780,000	Government of Hungary, Reg S, 6.00%, 01/11/19	HUN	EUR	37,561,030	0.45
3,317,000,000	Serbia Treasury Note, 10.00%, 04/27/15	SER	RSD	37,427,469	0.45
706,467,975	Uruguay Notas del Tesoro, Index Linked, 7.00%, 12/23/14	URY	UYU	36,939,165	0.44
36,720,000	Government of Sri Lanka, senior note, Reg S, 5.875%, 07/25/22	LKA	USD	34,654,500	0.41
294,509,000	ING Americas Issuance BV, 5.50%, 08/24/15	UKR	UAH	33,497,758	0.40
7,236,000,000	Government of Hungary, D, 6.75%, 08/22/14	HUN	HUF	32,847,541	0.39
4,599,600,000	Government of Sri Lanka, B, 8.00%, 06/01/16	LKA	LKR	32,672,304	0.39
627,562,743	Uruguay Notas del Tesoro, Index Linked, 4.00%, 06/14/15	URY	UYU	31,645,348	0.38
112,000,000	Government of Poland, Strip, 01/25/16	POL	PLN	31,103,716	0.37
95,100,000	Government of Malaysia, 3.434%, 08/15/14	MYS	MYR	30,209,623	0.36
30,000,000	Eastern & Southern African Trade and Development Bank, Reg S, 6.875%, 01/09/16	SP	USD	30,137,250	0.36
4,145,470,000	Government of Sri Lanka, C, 8.50%, 04/01/18	LKA	LKR	28,545,338	0.34
5,702,300,000	Government of Hungary, 7.50%, 11/12/20	HUN	HUF	27,672,983	0.33
556,470,000	Uruguay Notas del Tesoro, 10.25%, 08/22/15	URY	UYU	27,146,529	0.32
2,379,900,000	Serbia Treasury Note, 10.00%, 03/01/15	SER	RSD	26,934,221	0.32
27,871,000	Government of Ukraine, senior note, Reg S, 6.25%, 06/17/16	UKR	USD	26,129,063	0.31
5,260,500,000	Government of Hungary, B, 6.75%, 02/24/17	HUN	HUF	24,452,858	0.29
911,620,000	Government of the Philippines, senior bond, 9.125%, 09/04/16	PHL	PHP	24,342,938	0.29
24,010,000	Government of Ukraine, Reg S, 9.25%, 07/24/17	UKR	USD	24,130,050	0.29
47,543,000	Government of Ghana, 21.00%, 10/26/15	GHA	GHS	24,027,834	0.29
422,299,002	Government of Uruguay, Index Linked, 4.25%, 04/05/27	URY	UYU	23,730,588	0.28
72,920,000	Government of Malaysia, 3.741%, 02/27/15	MYS	MYR	23,285,748	0.28
280,000,000	Inter-American Development Bank, senior note, 7.50%, 12/05/24	SP	MXN	22,833,091	0.27
464,450,000	Uruguay Notas del Tesoro, 10.50%, 03/21/15	URY	UYU	22,720,758	0.27
17,245,000	Government of Lithuania, Reg S, 7.375%, 02/11/20	LTU	USD	20,550,608	0.25
4,425,100,000	Government of Hungary, 6.50%, 06/24/19	HUN	HUF	20,519,067	0.25
179,610,000	ING Americas Issuance BV, Reg S, 5.50%, 08/25/15	UKR	UAH	20,425,503	0.24
69,095,000	Government of Poland, Strip, 07/25/14	POL	PLN	20,196,904	0.24
1,792,200,000	Serbia Treasury Note, 10.00%, 09/14/15	SER	RSD	20,127,611	0.24
389,080,000	Uruguay Notas del Tesoro, 9.50%, 01/27/16	URY	UYU	18,785,747	0.23
2,662,340,000	Government of Sri Lanka, D, 8.50%, 06/01/18	LKA	LKR	18,280,348	0.22
19,540,000	Government of Ukraine, senior note, Reg S, 7.80%, 11/28/22	UKR	USD	17,492,697	0.21
37,280,000	Government of Ghana, 14.99%, 02/23/15	GHA	GHS	17,216,014	0.21
41,066,000	Government of Peru, senior bond, 7.84%, 08/12/20	PER	PEN	17,025,710	0.20
15,800,000	Government of Sri Lanka, Reg S, 7.40%, 01/22/15	LKA	USD	16,688,750	0.20
11,890,000	Government of Hungary, Reg S, 6.75%, 07/28/14	HUN	EUR	16,211,757	0.19
50,150,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	16,048,413	0.19
48,484,000	Government of Poland, 6.25%, 10/24/15	POL	PLN	15,580,965	0.19
11,451,000	Government of Hungary, senior note, Reg S, 5.75%, 06/11/18	HUN	EUR	15,352,349	0.18
48,314,000	Government of Poland, 5.50%, 04/25/15	POL	PLN	15,169,084	0.18
2,122,300,000	Government of Sri Lanka, A, 5.80%, 01/15/17	LKA	LKR	13,766,512	0.17
1,665,900,000	Government of Sri Lanka, B, 11.00%, 09/01/15	LKA	LKR	12,781,318	0.15
309,460,000	Uruguay Treasury Bill, Strip, 05/14/15	URY	UYU	12,675,436	0.15
1,577,300,000	Government of Sri Lanka, A, 11.25%, 07/15/14	LKA	LKR	12,140,198	0.15
2,513,760,000	Government of Hungary, 7.75%, 08/24/15	HUN	HUF	11,788,865	0.14
9,965	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/18	BRA	BRL	10,793,697	0.13
10,730,000	Government of Hungary, 4.125%, 02/19/18	HUN	USD	10,461,750	0.13
36,437,000	Government of Poland, Strip, 07/25/15	POL	PLN	10,304,375	0.12
31,559,000	Government of Poland, FRN, 3.98%, 01/25/17 †	POL	PLN	9,438,738	0.11
32,015,000	Government of Poland, FRN, 3.98%, 01/25/21 †	POL	PLN	9,353,563	0.11
74,610,000,000	Government of Indonesia, FR42, 10.25%, 07/15/27	IDN	IDR	9,162,257	0.11
1,394,900,000	Government of Sri Lanka, B, 5.80%, 07/15/17	LKA	LKR	8,889,817	0.11
64,860,000,000	Government of Indonesia, FR39, 11.75%, 08/15/23	IDN	IDR	8,586,154	0.10
8,957,000	Government of Ukraine, senior note, Reg S, 6.75%, 11/14/17	UKR	USD	8,240,440	0.10
63,340,000,000	Government of Indonesia, FR43, 10.25%, 07/15/22	IDN	IDR	7,664,590	0.09
5,600,000	Government of Hungary, senior note, 3.50%, 07/18/16	HUN	EUR	7,208,147	0.09
61,050,000,000	Government of Indonesia, FR46, 9.50%, 07/15/23	IDN	IDR	7,133,961	0.09
144,320,383	Uruguay Notas del Tesoro, Index Linked, 2.75%, 06/16/16	URY	UYU	7,133,500	0.09
7,600,000	Government of Ukraine, senior note, Reg S, 7.95%, 02/23/21	UKR	USD	6,996,142	0.08
19,655,000	Government of Malaysia, 3.197%, 10/15/15	MYS	MYR	6,207,764	0.07
229,130,000	Government of the Philippines, senior bond, 7.00%, 01/27/16	PHL	PHP	5,771,060	0.07
5,300,000	Government of Ghana, Reg S, 8.50%, 10/04/17	GHA	USD	5,657,777	0.07
46,100,000,000	Government of Indonesia, FR44, 10.00%, 09/15/24	IDN	IDR	5,534,858	0.07
4,950,000	Government of Georgia, Reg S, 6.875%, 04/12/21	GE	USD	5,346,000	0.06

The accompanying notes form an integral

## — Templeton Emerging Markets Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds (continued)</b>					
5,960,000	Financing of Infrastructure Projects State Enterprise, Reg S, 7.40%, 04/20/18	UKR	USD	5,285,924	0.06
9,746,667	Government of Bosnia & Herzegovina, senior bond, B, FRN, 1.063%, 12/11/21 †	BIH	DEM	5,254,023	0.06
727,930,000	Government of Sri Lanka, B, 8.50%, 07/15/18	LKA	LKR	4,997,552	0.06
11,500,000	Government of Peru, 9.91%, 05/05/15	PER	PEN	4,635,839	0.06
5,217,300,000	Korea Treasury Bond, senior note, 2.75%, 12/10/15	KOR	KRW	4,544,404	0.05
681,600,000	Government of Sri Lanka, A, 8.00%, 11/15/18	LKA	LKR	4,532,979	0.05
4,360,000	Government of Slovenia, senior note, Reg S, 5.50%, 10/26/22	SVN	USD	4,029,272	0.05
8,620,000	Government of Ghana, 16.90%, 03/07/16	GHA	GHS	4,020,190	0.05
31,620,000,000	Government of Indonesia, FR31, 11.00%, 11/15/20	IDN	IDR	3,917,247	0.05
3,475,000	Government of Vietnam, Reg S, 6.875%, 01/15/16	VND	USD	3,702,057	0.04
2,970,000	Government of Ukraine, senior bond, Reg S, 4.95%, 10/13/15	UKR	EUR	3,692,302	0.04
85,660,000	Uruguay Treasury Bill, Strip, 02/05/15	URY	UYU	3,614,414	0.04
4,098,500,000	Korea Monetary Stabilization Bond, senior note, 2.78%, 10/02/14	KOR	KRW	3,586,350	0.04
73,503,981	Uruguay Notas del Tesoro, Index Linked, 2.25%, 08/23/17	URY	UYU	3,557,163	0.04
326,170,000	Serbia Treasury Note, 10.00%, 11/08/17	SER	RSD	3,514,051	0.04
4,034,400,000	Korea Monetary Stabilization Bond, senior bond, 2.47%, 04/02/15	KOR	KRW	3,506,849	0.04
3,990,600,000	Korea Monetary Stabilization Bond, senior note, 2.76%, 06/02/15	KOR	KRW	3,483,856	0.04
738,800,000	Government of Hungary, 5.50%, 12/22/16	HUN	HUF	3,304,483	0.04
462,670,000	Government of Sri Lanka, A, 6.50%, 07/15/15	LKA	LKR	3,266,642	0.04
20,000,000,000	Government of Indonesia, FR36, 11.50%, 09/15/19	IDN	IDR	2,481,128	0.03
1,845,000	Government of Hungary, senior note, 4.375%, 07/04/17	HUN	EUR	2,395,300	0.03
20,880,000,000	Government of Indonesia, FR48, 9.00%, 09/15/18	IDN	IDR	2,312,337	0.03
2,583,020,000	Korea Monetary Stabilization Bond, senior note, 2.74%, 02/02/15	KOR	KRW	2,256,474	0.03
19,585,000,000	Government of Indonesia, FR28, 10.00%, 07/15/17	IDN	IDR	2,224,738	0.03
471,570,000	Government of Hungary, A, 8.00%, 02/12/15	HUN	HUF	2,192,207	0.03
2,420,656	Peru Enhanced Pass-Through Finance Ltd., senior secured bond, A-1, Reg S, zero cpn., 05/31/18	PER	USD	2,169,767	0.03
1,705,000	Government of Hungary, senior note, 3.875%, 02/24/20	HUN	EUR	2,067,401	0.03
230,810	Government of Mexico, 6.00%, 06/18/15	MEX	MXN	1,836,402	0.02
1,780,000	Government of El Salvador, senior bond, Reg S, 7.65%, 06/15/35	SVX	USD	1,745,157	0.02
246,900,000	Government of Sri Lanka, A, 6.40%, 08/01/16	LKA	LKR	1,662,756	0.02
1,452,490,000	Korea Monetary Stabilization Bond, senior note, 2.84%, 12/02/14	KOR	KRW	1,271,486	0.02
28,550,000	Uruguay Treasury Bill, Strip, 12/18/14	URY	UYU	1,219,071	0.02
1,417,000	Government of Ivory Coast, Reg S, 3.75% to 12/31/12, 5.75% thereafter, 12/31/32	CI	USD	1,180,404	0.01
176,200,000	Government of Sri Lanka, B, 6.40%, 10/01/16	LKA	LKR	1,179,123	0.01
1,200,000	Government of Ukraine, senior note, Reg S, 6.875%, 09/23/15	UKR	USD	1,166,664	0.01
1,070,800,000	Korea Treasury Bond, senior note, 3.25%, 06/10/15	KOR	KRW	944,607	0.01
2,030,000	Government of Ghana, 14.00%, 10/13/14	GHA	GHS	939,214	0.01
1,027,900,000	Korea Monetary Stabilization Bond, senior note, 2.82%, 08/02/14	KOR	KRW	900,627	0.01
665	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/17	BRA	BRL	711,811	0.01
1,180,000	Government of Ghana, 26.00%, 06/05/17	GHA	GHS	676,486	0.01
1,139,500	Government of Bosnia & Herzegovina, FRN, 1.063%, 12/11/17 †	BIH	DEM	652,174	0.01
1,460,000	Government of Malaysia, 4.72%, 09/30/15	MYS	MYR	477,414	0.01
430,000	Government of Hungary, senior note, 6.375%, 03/29/21	HUN	USD	449,888	0.01
7,600,891	Uruguay Notas del Tesoro, Index Linked, U16, 3.25%, 01/27/19	URY	UYU	385,315	0.01
240,000	The Export-Import Bank of Korea, senior note, 4.625%, 02/20/17	KOR	EUR	341,047	0.00
352,510,000	Korea Treasury Bond, senior note, 3.25%, 12/10/14	KOR	KRW	310,687	0.00
28,580,000	Government of Sri Lanka, A, 11.75%, 03/15/15	LKA	LKR	221,581	0.00
				<u>4,716,567,016</u>	<u>56.39</u>
<b>Securities Maturing Within One Year</b>					
31,353,000,000	Nigeria Treasury Bill, 0.00%, 05/08/14	NGA	NGN	172,548,273	2.06
18,172,000,000	Nigeria Treasury Bill, 0.00%, 08/01/13	NGA	NGN	110,600,095	1.32
332,040,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	106,869,273	1.28
138,905,800	Mexico Treasury Bill, 0.00%, 09/19/13	MEX	MXN	106,252,881	1.27
284,005,000	Government of Poland, 5.00%, 10/24/13	POL	PLN	86,034,673	1.03
14,738,000,000	Nigeria Treasury Bill, 0.00%, 03/06/14	NGA	NGN	82,673,533	0.99
92,009,900	Mexico Treasury Bill, 0.00%, 04/03/14	MEX	MXN	68,861,619	0.82
229,230,000	Government of Poland, Strip, 01/25/14	POL	PLN	67,917,190	0.81
62,190,000	Government of Venezuela, 10.75%, 09/19/13	VEN	USD	62,463,636	0.75
11,050,000,000	Nigeria Treasury Bill, 0.00%, 02/20/14	NGA	NGN	62,315,256	0.74
196,370,000	Government of Poland, 5.75%, 04/25/14	POL	PLN	60,476,761	0.72
94,340,000	Government of Ghana, 12.39%, 04/28/14	GHA	GHS	44,041,909	0.53
9,515,150,000	Government of Hungary, E, 7.50%, 10/24/13	HUN	HUF	42,394,115	0.51
48,212,850,000	Korea Treasury Bond, senior bond, 3.00%, 12/10/13	KOR	KRW	42,270,611	0.51
5,021,700	Government of Mexico, 7.00%, 06/19/14	MEX	MXN	39,846,222	0.48
79,550,000	Government of Ghana, 13.30%, 09/30/13	GHA	GHS	38,647,487	0.46
8,331,100,000	Hungary Treasury Bill, 0.00%, 03/05/14	HUN	HUF	35,729,267	0.43
107,495,000	Government of Malaysia, senior bond, 3.461%, 07/31/13	MYS	MYR	34,032,621	0.41
41,184,200	Mexico Treasury Bill, 0.00%, 04/30/14	MEX	MXN	30,730,731	0.37
5,217,320,000	Nigeria Treasury Bill, 0.00%, 04/24/14	NGA	NGN	28,727,040	0.34
4,420,000,000	Nigeria Treasury Bill, 0.00%, 12/05/13	NGA	NGN	25,660,095	0.31
491,954,000	Uruguay Notas del Tesoro, 9.00%, 01/27/14	URY	UYU	23,855,580	0.29
71,470,000	Bank of Negara Monetary Note, 0.00%, 02/18/14	MYS	MYR	22,196,734	0.27
67,170,000	Bank of Negara Monetary Note, 0.00%, 04/03/14	MYS	MYR	20,789,662	0.25

part of these financial statements

## — Templeton Emerging Markets Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b> (continued)					
63,710,000	Bank of Negara Monetary Note, 0.00%, 02/20/14	MYS	MYR	19,783,412	0.24
24,840,560	Mexico Treasury Bill, 0.00%, 01/09/14	MEX	MXN	18,769,309	0.22
57,175,000	Bank of Negara Monetary Note, 0.00%, 02/25/14	MYS	MYR	17,746,852	0.21
2,947,000,000	Nigeria Treasury Bill, 0.00%, 09/05/13	NGA	NGN	17,719,533	0.21
2,947,000,000	Nigeria Treasury Bill, 0.00%, 12/19/13	NGA	NGN	16,992,257	0.20
21,788,000	Mexico Treasury Bill, 0.00%, 11/14/13	MEX	MXN	16,559,489	0.20
627,900,000	Philippine Treasury Bill, 0.00%, 06/04/14	PHL	PHP	14,353,629	0.17
46,200,000	Bank of Negara Monetary Note, 0.00%, 05/15/14	MYS	MYR	14,247,688	0.17
302,720,000	Uruguay Treasury Bill, 0.00%, 05/16/14	URY	UYU	13,597,740	0.16
27,260,000	Government of Ghana, 14.25%, 07/29/13	GHA	GHS	13,376,200	0.16
40,305,000	Bank of Negara Monetary Note, 0.00%, 08/15/13	MYS	MYR	12,709,910	0.15
2,923,720,000	Hungary Treasury Bill, 0.00%, 01/08/14	HUN	HUF	12,617,997	0.15
26,720,000	Government of Ghana, 13.00%, 06/02/14	GHA	GHS	12,549,844	0.15
40,080,000	Bank of Negara Monetary Note, 0.00%, 04/24/14	MYS	MYR	12,381,390	0.15
1,966,000,000	Nigeria Treasury Bill, 0.00%, 01/23/14	NGA	NGN	11,204,978	0.13
23,500	Nota Do Tesouro Nacional, 10.00%, 01/01/14	BRA	BRL	10,575,728	0.13
32,910,000	Bank of Negara Monetary Note, 0.00%, 01/16/14	MYS	MYR	10,245,473	0.12
32,380,000	Bank of Negara Monetary Note, 0.00%, 08/06/13	MYS	MYR	10,218,327	0.12
2,292,100,000	Hungary Treasury Bill, 0.00%, 07/24/13	HUN	HUF	10,088,871	0.12
906,800,000	Serbia Treasury Bill, Strip, 12/12/13	SER	RSD	9,955,690	0.12
30,980,000	Bank of Negara Monetary Note, 0.00%, 03/20/14	MYS	MYR	9,597,878	0.11
1,547,000,000	Nigeria Treasury Bill, 0.00%, 11/07/13	NGA	NGN	9,079,404	0.11
2,047,800,000	Hungary Treasury Bill, 0.00%, 07/17/13	HUN	HUF	9,020,748	0.11
378,000,000	Philippine Treasury Bill, 0.00%, 12/04/13	PHL	PHP	8,716,534	0.10
1,439,260,000	Nigeria Treasury Bill, 0.00%, 04/10/14	NGA	NGN	7,967,025	0.10
24,540,000	Bank of Negara Monetary Note, 0.00%, 10/10/13	MYS	MYR	7,704,977	0.09
156,620,000	Uruguay Notas del Tesoro, 9.75%, 06/14/14	URY	UYU	7,604,263	0.09
8,448,020,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 10/02/13	KOR	KRW	7,411,079	0.09
1,638,960,000	Government of Hungary, 5.50%, 02/12/14	HUN	HUF	7,291,772	0.09
22,265,000	Bank of Negara Monetary Note, 0.00%, 11/26/13	MYS	MYR	6,962,501	0.08
639,300,000	Serbia Treasury Bill, Strip, 03/13/14	SER	RSD	6,853,565	0.08
19,470,000	Bank of Negara Monetary Note, 0.00%, 09/26/13	MYS	MYR	6,118,763	0.07
257,510,000	Government of the Philippines, senior note, 6.25%, 01/27/14	PHL	PHP	6,094,717	0.07
254,030,000	Philippine Treasury Bill, 0.00%, 09/04/13	PHL	PHP	5,878,587	0.07
983,000,000	Nigeria Treasury Bill, 0.00%, 10/24/13	NGA	NGN	5,801,321	0.07
983,000,000	Nigeria Treasury Bill, 0.00%, 02/06/14	NGA	NGN	5,572,914	0.07
7,289,900	Mexico Treasury Bill, 0.00%, 10/31/13	MEX	MXN	5,550,934	0.07
17,485,000	Bank of Negara Monetary Note, 0.00%, 07/25/13	MYS	MYR	5,523,246	0.07
17,430,000	Bank of Negara Monetary Note, 0.00%, 08/27/13	MYS	MYR	5,492,064	0.07
17,120,000	Bank of Negara Monetary Note, 0.00%, 01/09/14	MYS	MYR	5,332,906	0.06
16,160,000	Bank of Negara Monetary Note, 0.00%, 06/03/14	MYS	MYR	4,980,804	0.06
16,335,000	Government of Poland, Strip, 07/25/13	POL	PLN	4,906,644	0.06
641,690,000	Government of Sri Lanka, A, 7.50%, 08/01/13	LKA	LKR	4,903,352	0.06
15,800,000	Bank of Negara Monetary Note, 0.00%, 03/27/14	MYS	MYR	4,892,689	0.06
14,400,000	Bank of Negara Monetary Note, 0.00%, 05/20/14	MYS	MYR	4,439,051	0.05
14,255,000	Bank of Negara Monetary Note, 0.00%, 05/27/14	MYS	MYR	4,391,875	0.05
13,520,000	Bank of Negara Monetary Note, 0.00%, 03/06/14	MYS	MYR	4,193,442	0.05
719,630,000	Nigeria Treasury Bill, 0.00%, 01/09/14	NGA	NGN	4,123,139	0.05
12,940,000	Bank of Negara Monetary Note, 0.00%, 07/11/13	MYS	MYR	4,092,230	0.05
12,570,000	Bank of Negara Monetary Note, 0.00%, 06/17/14	MYS	MYR	3,870,124	0.05
158,010,000	Philippine Treasury Bill, 0.00%, 11/13/13	PHL	PHP	3,646,771	0.04
11,290,000	Bank of Negara Monetary Note, 0.00%, 12/12/13	MYS	MYR	3,526,086	0.04
11,413,000	Bank of Negara Monetary Note, 0.00%, 06/05/14	MYS	MYR	3,517,115	0.04
10,960,000	Bank of Negara Monetary Note, 0.00%, 03/13/14	MYS	MYR	3,397,461	0.04
3,861,000,000	Korea Monetary Stabilization Bond, senior note, 2.57%, 06/09/14	KOR	KRW	3,375,009	0.04
3,818,100,000	Korea Monetary Stabilization Bond, 0.00%, 09/10/13	KOR	KRW	3,325,247	0.04
10,420,000	Bank of Negara Monetary Note, 0.00%, 10/22/13	MYS	MYR	3,268,401	0.04
10,210,000	Bank of Negara Monetary Note, 0.00%, 12/26/13	MYS	MYR	3,184,980	0.04
9,210,000	Bank of Negara Monetary Note, 0.00%, 06/19/14	MYS	MYR	2,835,161	0.03
8,960,000	Bank of Negara Monetary Note, 0.00%, 10/31/13	MYS	MYR	2,807,828	0.03
8,800,000	Bank of Negara Monetary Note, 0.00%, 11/19/13	MYS	MYR	2,753,421	0.03
8,380,000	Bank of Negara Monetary Note, 0.00%, 12/19/13	MYS	MYR	2,615,608	0.03
2,887,000,000	Korea Monetary Stabilization Bond, 0.00%, 07/09/13	KOR	KRW	2,525,695	0.03
51,164,000	Uruguay Treasury Bill, Strip, 09/09/13	URY	UYU	2,446,760	0.03
2,616,890,000	Korea Monetary Stabilization Bond, senior bond, 3.47%, 02/02/14	KOR	KRW	2,300,865	0.03
6,645,000	Bank of Negara Monetary Note, 0.00%, 12/05/13	MYS	MYR	2,076,439	0.02
6,130,000	Bank of Negara Monetary Note, 0.00%, 12/31/13	MYS	MYR	1,912,252	0.02
232,000	Government of Mexico, 8.00%, 12/19/13	MEX	MXN	1,823,690	0.02
5,285,000	Bank of Negara Monetary Note, 0.00%, 10/08/13	MYS	MYR	1,659,276	0.02
5,005,000	Bank of Negara Monetary Note, 0.00%, 02/06/14	MYS	MYR	1,555,955	0.02
4,170,000	Bank of Negara Monetary Note, 0.00%, 11/12/13	MYS	MYR	1,305,490	0.02
4,080,000	Bank of Negara Monetary Note, 0.00%, 12/10/13	MYS	MYR	1,274,405	0.02
48,220,000	Philippine Treasury Bill, 0.00%, 12/11/13	PHL	PHP	1,111,615	0.01
130,500,000	Government of Sri Lanka, B, 6.60%, 06/01/14	LKA	LKR	964,371	0.01
123,680,000	Government of Sri Lanka, B, 11.75%, 04/01/14	LKA	LKR	954,107	0.01
2,430,000	Government of Malaysia, senior bond, 8.00%, 10/30/13	MYS	MYR	781,862	0.01
15,700,000	Uruguay Treasury Bill, 0.00%, 04/11/14	URY	UYU	711,328	0.01
157,170,000	Hungary Treasury Bill, 0.00%, 09/18/13	HUN	HUF	687,036	0.01

The accompanying notes form an integral

## — Templeton Emerging Markets Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b> (continued)					
83,490,000	Government of Sri Lanka, B, 8.50%, 07/15/13	LKA	LKR	638,884	0.01
2,000,000	Bank of Negara Monetary Note, 0.00%, 07/04/13	MYS	MYR	632,856	0.01
77,710,000	Government of Sri Lanka, A, 7.00%, 03/01/14	LKA	LKR	581,858	0.01
1,810,000	Bank of Negara Monetary Note, 0.00%, 07/18/13	MYS	MYR	572,079	0.01
540,530,000	Korea Monetary Stabilization Bond, senior bond, 3.90%, 08/02/13	KOR	KRW	473,676	0.01
1,440,000	Bank of Negara Monetary Note, 0.00%, 09/05/13	MYS	MYR	453,317	0.01
43,370,000	Sri Lanka Treasury Bill, 0.00%, 10/11/13	LKA	LKR	324,184	0.00
39,170,000	Sri Lanka Treasury Bill, 0.00%, 08/02/13	LKA	LKR	297,738	0.00
327,300,000	Korea Monetary Stabilization Bond, 0.00%, 08/13/13	KOR	KRW	285,623	0.00
890,000	Bank of Negara Monetary Note, 0.00%, 06/10/14	MYS	MYR	274,111	0.00
292,400,000	Korea Monetary Stabilization Bond, senior bond, 2.55%, 05/09/14	KOR	KRW	255,598	0.00
3,740,000	Philippine Treasury Bill, 0.00%, 04/02/14	PHL	PHP	85,774	0.00
2,870,000	Philippine Treasury Bill, 0.00%, 03/05/14	PHL	PHP	65,912	0.00
1,990,000	Philippine Treasury Bill, 0.00%, 10/02/13	PHL	PHP	46,005	0.00
46,810,000	Korea Monetary Stabilization Bond, senior note, 3.28%, 06/02/14	KOR	KRW	41,177	0.00
39,520,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 04/02/14	KOR	KRW	34,812	0.00
110,000	Bank of Negara Monetary Note, 0.00%, 09/17/13	MYS	MYR	34,595	0.00
19,570,000	Korea Monetary Stabilization Bond, senior bond, 3.48%, 12/02/13	KOR	KRW	17,190	0.00
				<u>1,943,457,752</u>	<u>23.23</u>
	<b>TOTAL BONDS</b>			<u>8,102,262,841</u>	<u>96.86</u>
<b>RIGHTS</b>					
<b>Government and Municipal Bonds</b>					
1,000,000	Banco Central Del Uruguay, rts., 02/19/21	URY	USD	100	0.00
	<b>TOTAL RIGHTS</b>			<u>100</u>	<u>0.00</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>8,102,262,941</u>	<u>96.86</u>
TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Corporate Bonds</b>					
13,400,000	KazMunayGas National Co., senior note, 144A, 9.125%, 07/02/18	KAZ	USD	16,096,750	0.19
920,000	Petro Co. of Trinidad and Tobago Ltd., senior note, 144A, 9.75%, 08/14/19	TTO	USD	1,152,300	0.01
				<u>17,249,050</u>	<u>0.20</u>
<b>Government and Municipal Bonds</b>					
3,155,000	Government of Vietnam, 144A, 6.875%, 01/15/16	VND	USD	3,361,148	0.04
710,000	Government of Iraq, 144A, 5.80%, 01/15/28	IQ	USD	584,788	0.01
				<u>3,945,936</u>	<u>0.05</u>
	<b>TOTAL BONDS</b>			<u>21,194,986</u>	<u>0.25</u>
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>21,194,986</u>	<u>0.25</u>
	<b>TOTAL INVESTMENTS</b>			<u>8,123,457,927</u>	<u>97.11</u>

\* These Corporate Bonds are currently in default

† Floating Rates are indicated as at June 30, 2013

## — Templeton Emerging Markets Smaller Companies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Air Freight &amp; Logistics</b>					
4,509,384	Aramex Co.	ARE	AED	3,007,893	1.28
<b>Auto Components</b>					
4,775,570	Apollo Tyres Ltd.	IND	INR	4,532,271	1.93
285,953	Balkrishna Industries Ltd.	IND	INR	985,391	0.42
				5,517,662	2.35
<b>Automobiles</b>					
654,239	Indus Motor Co. Ltd.	PAK	PKR	2,043,881	0.87
<b>Beverages</b>					
141,276	Hite Jinro Co. Ltd.	KOR	KRW	3,858,378	1.64
<b>Biotechnology</b>					
51,887	Medy-tox Inc.	KOR	KRW	4,564,639	1.94
<b>Building Products</b>					
8,880	KCC Corp.	KOR	KRW	2,549,580	1.09
685,243	Trakya Cam Sanayii AS	TUR	TRY	938,032	0.40
				3,487,612	1.49
<b>Capital Markets</b>					
4,008,297	IS Yatirim Menkul Degerler AS	TUR	TRY	3,096,815	1.32
<b>Chemicals</b>					
779,747	Tata Chemicals Ltd.	IND	INR	3,685,046	1.57
356,200	Paints & Chemical Industries Co. SAE	EGY	EGP	1,953,953	0.83
861,381	EID Parry India Ltd.	IND	INR	1,926,543	0.82
				7,565,542	3.22
<b>Commercial Banks</b>					
1,036,745	Federal Bank Ltd.	IND	INR	7,126,936	3.03
2,592,500	United Bank Ltd.	PAK	PKR	2,789,379	1.19
20,459,612	Ecobank Transnational Inc.	NGA	NGN	1,875,643	0.80
96,479	ING Vysya Bank Ltd.	IND	INR	978,516	0.42
				12,770,474	5.44
<b>Commercial Services &amp; Supplies</b>					
9,465,401	Depa Ltd.	ARE	USD	3,786,160	1.61
<b>Computers &amp; Peripherals</b>					
1,598,413	Simplo Technology Co. Ltd.	TWN	TWD	6,933,390	2.95
<b>Containers &amp; Packaging</b>					
3,902,000	Amvig Holdings Ltd.	CHN	HKD	1,509,293	0.64
<b>Diversified Financial Services</b>					
532,603	Bajaj Holdings and Investment Ltd.	IND	INR	7,142,318	3.04
<b>Electronic Equipment, Instruments &amp; Components</b>					
6,546,327	Redington India Ltd.	IND	INR	7,994,188	3.41
12,452,200	Ju Teng International Holdings Ltd.	CHN	HKD	5,844,030	2.49
3,946,800	Delta Electronics (Thailand) PCL, fgn.	THA	THB	5,069,750	2.16
2,994,000	Digital China Holdings Ltd.	CHN	HKD	3,578,463	1.52
1,089,300	Hana Microelectronics PCL, fgn.	THA	THB	678,626	0.29
				23,165,057	9.87
<b>Energy Equipment &amp; Services</b>					
16,768,000	Anhui Tianda Oil Pipe Co. Ltd., H	CHN	HKD	2,659,202	1.13
6,619,000	Honghua Group Ltd.	CHN	HKD	2,278,603	0.97
				4,937,805	2.10
<b>Food Products</b>					
470,370	MHP SA, GDR, Reg S	UKR	USD	8,062,142	3.43
1,478,900	Marfrig Alimentos SA	BRA	BRL	4,943,158	2.11
1,549,240	Grupo Herdez SAB de CV	MEX	MXN	4,916,667	2.10
577,959	Pinar Sut Mamulleri Sanayii AS	TUR	TRY	4,839,925	2.06
109,106	Pinar Entegre Et ve Un Sanayi AS	TUR	TRY	399,413	0.17
				23,161,305	9.87
<b>Hotels, Restaurants &amp; Leisure</b>					
5,500	Fortuna Entertainment Group NV	CZE	CZK	26,137	0.01
<b>Household Durables</b>					
20,676,000	Aupu Group Holding Co. Ltd.	CHN	HKD	1,946,052	0.83

The accompanying notes form an integral

## — Templeton Emerging Markets Smaller Companies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Industrial Conglomerates</b>				
9,688,000	Chongqing Machinery and Electric Co. Ltd., H	CHN	HKD	1,186,650	0.51
	<b>Insurance</b>				
342,326,946	PT Panin Financial Tbk	IDN	IDR	7,243,190	3.09
	<b>Internet Software &amp; Services</b>				
58,800	Sohu.com Inc.	CHN	USD	3,623,256	1.54
	<b>IT Services</b>				
9,401,500	Travelsky Technology Ltd., H	CHN	HKD	5,963,857	2.54
	<b>Leisure Equipment &amp; Products</b>				
25,600,000	Yorkey Optical International Cayman Ltd.	CHN	HKD	2,409,505	1.03
	<b>Machinery</b>				
171,661	TK Corp.	KOR	KRW	3,418,494	1.46
16,260,000	Shanghai Prime Machinery Co. Ltd., H	CHN	HKD	1,844,880	0.78
				5,263,374	2.24
	<b>Media</b>				
563,960	CTC Media Inc.	RUS	USD	6,271,235	2.67
	<b>Metals &amp; Mining</b>				
5,894,000	Lion Industries Corp. Bhd.	MYS	MYR	1,828,175	0.78
430,310	Maharashtra Seamless Ltd.	IND	INR	1,481,398	0.63
				3,309,573	1.41
	<b>Oil, Gas &amp; Consumable Fuels</b>				
483,700	Great Eastern Shipping Co. Ltd.	IND	INR	1,728,574	0.74
	<b>Personal Products</b>				
72,040	Oriflame Cosmetics SA, SDR	SWE	SEK	2,280,437	0.97
	<b>Pharmaceuticals</b>				
4,467,109	Selcuk Ecza Deposu Ticaret ve Sanayi AS	TUR	TRY	4,215,674	1.80
553,736	Egyptian International Pharmaceutical Industries Co.	EGY	EGP	3,392,144	1.44
12,683	Egis Pharmaceuticals PLC	HUN	HUF	1,226,241	0.52
				8,834,059	3.76
	<b>Real Estate Management &amp; Development</b>				
15,656,000	Beijing Capital Land Ltd., H	CHN	HKD	5,712,579	2.43
	<b>Road &amp; Rail</b>				
417,336	Globaltrans Investment PLC, GDR, Reg S	RUS	USD	5,707,070	2.43
	<b>Semiconductors &amp; Semiconductor Equipment</b>				
1,209,000	Novatek Microelectronics Corp. Ltd.	TWN	TWD	5,869,520	2.50
213,503	Silicon Works Co. Ltd.	KOR	KRW	4,074,199	1.74
				9,943,719	4.24
	<b>Specialty Retail</b>				
2,934,200	Luk Fook Holdings (International) Ltd.	HKG	HKD	6,809,688	2.90
	<b>Textiles, Apparel &amp; Luxury Goods</b>				
104,545	Fila Korea Ltd.	KOR	KRW	6,305,279	2.69
51,630	Youngone Holdings Co. Ltd.	KOR	KRW	3,104,850	1.32
94,317	LG Fashion Corp.	KOR	KRW	2,328,203	0.99
4,864,000	Bauhaus International (Holdings) Ltd.	HKG	HKD	984,597	0.42
				12,722,929	5.42
	<b>Tobacco</b>				
85,694	Eastern Tobacco	EGY	EGP	1,123,159	0.48
	<b>Transportation Infrastructure</b>				
4,016,000	COSCO Pacific Ltd.	CHN	HKD	5,172,782	2.20
1,830,931	Shenzhen Chiwan Wharf Holdings Ltd., B	CHN	HKD	2,780,880	1.19
9,924,000	Sichuan Expressway Co. Ltd., H	CHN	HKD	2,661,430	1.13
				10,615,092	4.52
	<b>TOTAL SHARES</b>			219,268,359	93.39
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			219,268,359	93.39



## — Templeton Emerging Markets Smaller Companies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Pharmaceuticals</b>				
84,000	Veropharm	RUS	USD	1,832,123	0.78
	<b>TOTAL SHARES</b>			1,832,123	0.78
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			1,832,123	0.78
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Real Estate Management &amp; Development</b>				
6,488,911	Ishaan Real Estate PLC **	IND	GBP	5,033,017	2.14
	<b>TOTAL SHARES</b>			5,033,017	2.14
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			5,033,017	2.14
	<b>TOTAL INVESTMENTS</b>			226,133,499	96.31

\*\* These securities are submitted to a Fair Valuation

## — Templeton Euro Government Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Government and Municipal Bonds</b>					
3,000,000	Government of France, 3.25%, 04/25/16	FRA	EUR	3,222,825	9.98
2,500,000	Italy Treasury Bond, 5.50%, 09/01/22	ITA	EUR	2,689,375	8.33
2,500,000	Italy Treasury Bond, 4.50%, 03/01/26	ITA	EUR	2,485,362	7.70
2,000,000	Government of Germany, 3.75%, 01/04/19	DEU	EUR	2,310,250	7.16
2,000,000	Government of the Netherlands, Reg S, 4.50%, 07/15/17	NLD	EUR	2,290,600	7.10
2,000,000	Government of Germany, 3.75%, 01/04/17	DEU	EUR	2,232,500	6.92
2,000,000	Belgium Kingdom, 3.50%, 03/28/15	BEL	EUR	2,107,700	6.53
2,000,000	Government of Finland, 1.75%, 04/15/16	FIN	EUR	2,075,750	6.43
2,000,000	French Treasury Note, 1.75%, 02/25/17	FRA	EUR	2,062,890	6.39
1,500,000	Government of Poland, 5.25%, 01/20/25	POL	EUR	1,790,588	5.55
1,500,000	Government of France, 3.00%, 04/25/22	FRA	EUR	1,600,845	4.96
1,500,000	Italy Treasury Bond, Reg S, 4.75%, 09/01/44	ITA	EUR	1,426,410	4.42
1,400,000	Government of Slovenia, senior note, 5.125%, 03/30/26	SVN	EUR	1,219,603	3.78
1,000,000	Government of the Netherlands, 1.25%, 01/15/19	NLD	EUR	998,675	3.09
500,000	Government of Bulgaria, Reg S, 4.25%, 07/09/17	BGR	EUR	535,838	1.66
500,000	Government of Poland, 3.625%, 02/01/16	POL	EUR	534,060	1.65
500,000	Italy Buoni Poliennali Del Tesoro, Reg S, 4.75%, 09/01/28	ITA	EUR	497,650	1.54
				<u>30,080,921</u>	<u>93.19</u>
<b>TOTAL BONDS</b>				<u>30,080,921</u>	<u>93.19</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>30,080,921</u>	<u>93.19</u>
<b>TOTAL INVESTMENTS</b>				<u>30,080,921</u>	<u>93.19</u>



## — Templeton Euro High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
	<b>Consumer Finance</b>				
57,800	GMAC Capital Trust I, 8.125%, 02/15/40, pfd.	USA	USD	1,156,755	0.14
	<b>TOTAL SHARES</b>			1,156,755	0.14
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			1,156,755	0.14
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
	<b>Corporate Bonds</b>				
12,750,000	Beverage Packaging Holdings Luxembourg II SA, Reg S, 8.00%, 12/15/16	LUX	EUR	12,789,844	1.60
11,400,000	Fiat Industrial Finance Europe, senior note, Reg S, 6.25%, 03/09/18	ITA	EUR	12,418,875	1.55
9,500,000	Jaguar Land Rover PLC, senior bond, Reg S, 8.125%, 05/15/18	GBR	GBP	12,126,550	1.51
10,000,000	Capsugel Financeco SCA, senior note, Reg S, 9.875%, 08/01/19	USA	EUR	11,112,500	1.39
10,900,000	Ence Energia y Celulosa SA, secured note, Reg S, 7.25%, 02/15/20	ESP	EUR	11,093,366	1.38
10,000,000	IVS Group, senior note, Reg S, 7.125%, 04/01/20	ITA	EUR	9,738,150	1.21
9,000,000	Rain CII Carbon LLC/Corp., second lien, Reg S, 8.50%, 01/15/21	USA	EUR	8,955,000	1.12
9,000,000	La Financiere Atalian SA, senior note, Reg S, 7.25%, 01/15/20	FRA	EUR	8,900,550	1.11
8,500,000	Algeco Scotsman Global Finance PLC, secured note, Reg S, 9.00%, 10/15/18	GBR	EUR	8,600,937	1.07
8,500,000	Wind Acquisition Finance SA, senior secured note, Reg S, 7.375%, 02/15/18	ITA	EUR	8,590,312	1.07
8,500,000	Loxam SAS, senior sub. note, Reg S, 7.375%, 01/24/20	FRA	EUR	8,462,812	1.06
8,100,000	WMG Acquisition Corp., senior secured note, first lien, Reg S, 6.25%, 01/15/21	USA	EUR	8,130,375	1.01
7,575,000	Jarden Corp., senior sub. note, 7.50%, 01/15/20	USA	EUR	8,097,675	1.01
7,500,000	Wind Acquisition Finance SA, senior note, Reg S, 11.75%, 07/15/17	ITA	EUR	7,837,500	0.98
6,820,000	eAccess Ltd., senior note, Reg S, 8.375%, 04/01/18	JPN	EUR	7,574,462	0.94
7,000,000	ING Groep NV, junior sub. note, 8.00% to 04/18/13, FRN thereafter, Perpetual	NLD	EUR	7,218,750	0.90
7,000,000	UniCredit SpA, sub. note, Reg S, 6.95%, 10/31/22	ITA	EUR	7,191,625	0.90
7,000,000	Ontex IV SA, senior note, Reg S, 9.00%, 04/15/19	BEL	EUR	7,061,600	0.88
5,500,000	Odeon & UCI Finco PLC, senior secured note, Reg S, 9.00%, 08/01/18	GBR	GBP	6,809,886	0.85
5,750,000	Pendragon PLC, secured note, Reg S, 6.875%, 05/01/20	GBR	GBP	6,691,840	0.83
5,500,000	Crown Newco 3 PLC, senior secured note, Reg S, 7.00%, 02/15/18	GBR	GBP	6,510,554	0.81
6,500,000	LBG Capital No. 2 PLC, cvt., sub. bond, Reg S, 18, 6.385%, 05/12/20	GBR	EUR	6,437,210	0.80
6,500,000	Cegedim SA, senior note, Reg S, 6.75%, 04/01/20	FRA	EUR	6,300,937	0.79
6,000,000	Royal Bank of Scotland PLC, sub. note, 6.934%, 04/09/18	GBR	EUR	6,292,500	0.78
6,000,000	Conti-Gummi Finance BV, senior note, Reg S, 6.50%, 01/15/16	DEU	EUR	6,244,590	0.78
6,000,000	WEPA Hygieneprodukte GmbH, secured note, Reg S, 6.50%, 05/15/20	DEU	EUR	6,181,260	0.77
6,000,000	Intergen NV, senior note, Reg S, 8.50%, 06/30/17	NLD	EUR	6,165,000	0.77
6,000,000	Nokia Siemens Networks Finance BV, senior note, Reg S, 6.75%, 04/15/18	NLD	EUR	6,146,250	0.77
6,000,000	Cirsa Funding Luxembourg SA, senior bond, Reg S, 8.75%, 05/15/18	ESP	EUR	6,061,890	0.76
5,500,000	Zinc Capital SA, senior secured note, Reg S, 8.875%, 05/15/18	LUX	EUR	5,830,000	0.73
5,000,000	Arrow Global Finance PLC, secured note, Reg S, 7.875%, 03/01/20	GBR	GBP	5,754,379	0.72
6,000,000	Cerved Technologies SpA, Reg S, 8.00%, 01/15/21	ITA	EUR	5,733,600	0.72
4,500,000	Boparan Finance PLC, senior note, Reg S, 9.875%, 04/30/18	GBR	GBP	5,721,152	0.71
5,000,000	Koninklijke KPN NV, senior sub. note, Reg S, 6.875% to 03/14/20, FRN thereafter, 03/14/23	NLD	GBP	5,560,804	0.69
5,212,581	Unitymedia Hessen/NRW, senior secured note, Reg S, 8.125%, 12/01/17	DEU	EUR	5,507,873	0.69
5,500,000	Intesa Sanpaolo SpA, junior sub. bond, Reg S, 8.375% to 10/14/19, FRN thereafter, Perpetual	ITA	EUR	5,496,562	0.69
5,389,256	Ineos Group Holdings SA, second lien, Reg S, 7.875%, 02/15/16	CHE	EUR	5,413,723	0.68
5,000,000	Kabel Deutschland GmbH, senior note, Reg S, 6.50%, 07/31/17	DEU	EUR	5,395,325	0.67
5,000,000	Faurecia, senior note, Reg S, 8.75%, 06/15/19	FRA	EUR	5,353,125	0.67
5,000,000	GMAC International Finance BV, senior bond, Reg S, 7.50%, 04/21/15	USA	EUR	5,331,475	0.66
5,000,000	Altice Financing SA, Reg S, 8.00%, 12/15/19	ISR	EUR	5,221,875	0.65
5,000,000	GTECH SpA, junior sub. bond, Reg S, 8.25% to 03/31/16, FRN thereafter, 03/31/66	ITA	EUR	5,217,200	0.65
5,000,000	Bormioli Rocco Holdings SA, senior secured bond, Reg S, 10.00%, 08/01/18	LUX	EUR	5,196,250	0.65
5,000,000	UPCB Finance II Ltd., senior secured note, Reg S, 6.375%, 07/01/20	NLD	EUR	5,120,425	0.64
5,000,000	OTE PLC, senior note, Reg S, 7.875%, 02/07/18	GRC	EUR	5,106,250	0.64
5,000,000	Portucel SA, senior note, Reg S, 5.375%, 05/15/20	PRT	EUR	5,050,000	0.63
4,750,000	Agrokor DD, senior note, Reg S, 9.125%, 02/01/20	HRV	EUR	5,026,094	0.63
5,000,000	Rottapharm Ltd., senior note, Reg S, 6.125%, 11/15/19	IRL	EUR	5,021,875	0.63
4,650,000	Central European Media Enterprises Ltd., senior secured note, Reg S, 11.625%, 09/15/16	CZE	EUR	4,972,989	0.62
5,000,000	Albea Beauty Holdings SA, first lien, Reg S, 8.75%, 11/01/19	USA	EUR	4,906,250	0.61
5,000,000	Indesit Co. SpA, senior note, 4.50%, 04/26/18	ITA	EUR	4,887,500	0.61
4,500,000	Spie BondCo 3 SCA, senior note, Reg S, 11.00%, 08/15/19	LUX	EUR	4,826,250	0.60
4,500,000	Ziggo Bond Co., senior unsecured note, Reg S, 8.00%, 05/15/18	NLD	EUR	4,820,625	0.60
5,000,000	Medi-Partenaires SAS, senior note, Reg S, 7.00%, 05/15/20	FRA	EUR	4,812,500	0.60
4,535,000	Viridian Group FundCo II, senior secured note, first lien, Reg S, 11.125%, 04/01/17	GBR	EUR	4,747,578	0.59

The accompanying notes form an integral

## — Templeton Euro High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
4,000,000	Pennon Group PLC, senior sub. bond, Reg S, 6.75% to 03/08/18, FRN thereafter, Perpetual	GBR	GBP	4,741,515	0.59
4,500,000	Grohe Holdings, Reg S, FRN, 8.75%, 12/15/17 †	DEU	EUR	4,696,717	0.59
4,200,000	Infor U.S. Inc., senior note, 10.00%, 04/01/19	USA	EUR	4,578,000	0.57
4,000,000	Nordenia Holdings GmbH, Reg S, 9.75%, 07/15/17	DEU	EUR	4,519,140	0.56
4,320,000	Iron Mountain Inc., senior sub. note, 6.75%, 10/15/18	USA	EUR	4,404,521	0.55
4,500,000	UPC Holding BV, senior note, Reg S, 6.75%, 03/15/23	NLD	EUR	4,389,367	0.55
4,000,000	Fiat Finance & Trade SA, Reg S, 7.75%, 10/17/16	ITA	EUR	4,302,500	0.54
4,000,000	Co-Operative Bank PLC, senior note, 5.125%, 09/20/17	GBR	GBP	4,260,437	0.53
5,000,000	eAccess Ltd., senior note, 144A, 8.25%, 04/01/18	JPN	USD	4,259,018	0.53
3,500,000	House of Fraser Funding, senior secured note, Reg S, 8.875%, 08/15/18	GBR	GBP	4,257,808	0.53
4,000,000	R&R Ice Cream PLC, senior note, Reg S, 8.375%, 11/15/17	GBR	EUR	4,245,000	0.53
4,250,000	Mobile Challenger Intermediate Group SA, senior secured note, Reg S, PIK, 8.75%, 03/15/19 ‡	CHE	EUR	4,143,750	0.52
3,900,000	Sunrise Communications International SA, senior secured note, Reg S, 7.00%, 12/31/17	CHE	EUR	4,132,771	0.52
5,000,000	Plains Exploration & Production Co., senior note, 6.875%, 02/15/23	USA	USD	4,114,086	0.51
4,000,000	Telenet Finance II Luxembourg, senior secured note, Reg S, 6.625%, 02/15/21	LUX	EUR	4,103,760	0.51
3,500,000	Bakkavor Finance 2 PLC, senior secured note, Reg S, 8.25%, 02/15/18	GBR	GBP	4,091,594	0.51
4,000,000	AXA SA, sub. note, 5.25%, 04/16/40	FRA	EUR	4,084,140	0.51
4,000,000	Zobe Holding SpA, secured note, Reg S, 7.875%, 02/01/18	ITA	EUR	4,045,000	0.50
4,000,000	Trionista Topco GmbH, senior sub. note, Reg S, 6.875%, 04/30/21	DEU	EUR	3,982,500	0.50
4,000,000	Matterhorn Financing & CY SCA, senior secured note, Reg S, PIK, 9.00%, 04/15/19 ‡	LUX	EUR	3,935,360	0.49
4,000,000	Cerved Technologies SpA, senior secured note, Reg S, 6.375%, 01/15/20	ITA	EUR	3,931,260	0.49
5,000,000	The Goodyear Tire & Rubber Co., senior note, 6.50%, 03/01/21	USA	USD	3,922,906	0.49
3,816,000	Intesa Sanpaolo SpA, senior note, Reg S, 4.00%, 11/09/17	ITA	EUR	3,863,757	0.48
5,000,000	HCA Inc., senior note, 5.875%, 05/01/23	USA	USD	3,850,882	0.48
3,000,000	Lowell Group Financing PLC, senior secured bond, Reg S, 10.75%, 04/01/19	GBR	GBP	3,849,154	0.48
3,000,000	Taylor Wimpey PLC, senior note, 10.375%, 12/31/15	GBR	GBP	3,816,292	0.48
5,000,000	Sabine Pass Liquefaction LLC, secured note, 144A, 5.625%, 02/01/21	USA	USD	3,735,643	0.47
4,000,000	Edcon Pty. Ltd., secured note, Reg S, 9.50%, 03/01/18	ZAF	EUR	3,730,000	0.47
3,500,000	Ardagh Packaging Finance PLC, senior secured note, Reg S, 7.375%, 10/15/17	IRL	EUR	3,692,500	0.46
5,000,000	Linn Energy LLC/Finance Corp., senior note, 144A, 6.25%, 11/01/19	USA	USD	3,678,024	0.46
3,500,000	Kerling PLC, senior secured note, Reg S, 10.625%, 02/01/17	GBR	EUR	3,676,172	0.46
5,000,000	Freescale Semiconductor Inc., secured note, 144A, 5.00%, 05/15/21	USA	USD	3,658,818	0.46
3,500,000	Chesapeake Energy Corp., senior bond, 6.25%, 01/15/17	USA	EUR	3,650,937	0.46
3,000,000	DFS Furniture Holdings PLC, secured note, Reg S, 7.625%, 08/15/18	GBR	GBP	3,636,650	0.45
3,500,000	Banco Popolare SpA, senior note, Reg S, 3.75%, 01/28/16	ITA	EUR	3,478,125	0.43
3,000,000	New Look Bondco I PLC, secured note, Reg S, 8.75%, 05/14/18	GBR	GBP	3,391,286	0.42
3,000,000	Standard Chartered Bank, sub. note, Reg S, 5.875%, 09/26/17	GBR	EUR	3,387,870	0.42
4,000,000	Matterhorn Mobile SA, senior secured bond, Reg S, 6.75%, 05/15/19	LUX	CHF	3,323,555	0.41
3,300,000	Guala Closures SpA, Reg S, FRN, 5.578%, 11/15/19 †	ITA	EUR	3,300,000	0.41
3,030,000	Cemex Espana Luxembourg, senior note, Reg S, 8.875%, 05/12/17	MEX	EUR	3,247,221	0.40
4,000,000	Harrah's Operating Co. Inc., senior secured note, 11.25%, 06/01/17	USA	USD	3,207,468	0.40
3,000,000	Convatec Healthcare, senior note, Reg S, 7.375%, 12/15/17	LUX	EUR	3,180,000	0.40
4,000,000	ArcelorMittal, senior note, 6.125%, 06/01/18	LUX	USD	3,176,737	0.40
3,000,000	Buzzi Unicem SpA, Reg S, 6.25%, 09/28/18	ITA	EUR	3,176,250	0.40
4,000,000	Del Monte Corp., senior note, 7.625%, 02/15/19	USA	USD	3,172,896	0.40
3,000,000	Ardagh Glass Finance, senior secured note, Reg S, 9.25%, 07/01/16	IRL	EUR	3,152,190	0.39
3,000,000	Nara Cable Funding Ltd., senior secured note, Reg S, 8.875%, 12/01/18	ESP	EUR	3,144,375	0.39
3,000,000	Peugeot SA, senior note, Reg S, 6.875%, 03/30/16	FRA	EUR	3,116,190	0.39
3,000,000	KM Germany Holdings GmbH, senior secured note, first lien, Reg S, 8.75%, 12/15/20	DEU	EUR	3,099,375	0.39
3,000,000	Fiat Finance & Trade SA, 6.125%, 07/08/14	ITA	EUR	3,095,625	0.39
3,000,000	Wendel, senior note, 4.375%, 08/09/17	FRA	EUR	3,071,250	0.38
3,000,000	Societe Generale SA, junior sub. note, 6.999% to 12/19/17, FRN thereafter, Perpetual	FRA	EUR	3,069,375	0.38
3,000,000	Perstorp Holding AB, secured note, Reg S, 9.00%, 05/15/17	SWE	EUR	3,048,750	0.38
3,000,000	Sunrise Communications International SA, first lien, Reg S, FRN, 4.962%, 12/31/17 †	CHE	EUR	3,028,875	0.38
3,900,000	VPI Escrow Corp., senior note, 144A, 6.375%, 10/15/20	CAN	USD	2,977,471	0.37
2,500,000	HeidelbergCement Finance BV, senior note, 7.50%, 04/03/20	DEU	EUR	2,920,800	0.36
2,500,000	UniCredit SpA, junior sub. bond, 5.00%, 02/01/16	ITA	GBP	2,868,061	0.36
2,671,904	Wind Acquisition Holdings Finance SA, senior secured note, Reg S, PIK, 12.25%, 07/15/17 ‡	ITA	EUR	2,741,507	0.34
2,818,000	Finmeccanica SpA, senior note, 4.875%, 03/24/25	ITA	EUR	2,731,699	0.34
2,500,000	Ono Finance II PLC, senior bond, Reg S, 11.125%, 07/15/19	ESP	EUR	2,625,000	0.33
2,500,000	Peugeot SA, senior note, 8.375%, 07/15/14	FRA	EUR	2,623,438	0.33
2,500,000	BPCE SA, junior sub. bond, 9.00% to 03/17/15, FRN thereafter, Perpetual	FRA	EUR	2,598,438	0.32
2,000,000	Finmeccanica Finance SA, senior note, 8.00%, 12/16/19	ITA	GBP	2,574,865	0.32
2,500,000	Santander International Debt SA, senior note, Reg S, 3.381%, 12/01/15	ESP	EUR	2,539,050	0.32
3,100,000	Sealed Air Corp., senior note, 144A, 6.50%, 12/01/20	USA	USD	2,524,488	0.31
2,400,000	Conti-Gummi Finance BV, senior secured note, Reg S, 7.50%, 09/15/17	DEU	EUR	2,508,000	0.31
2,250,000	Orion Engineered Carbons Bondco GmbH, senior secured bond, Reg S, 10.00%, 06/15/18	DEU	EUR	2,472,188	0.31

part of these financial statements

## — Templeton Euro High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
2,500,000	Unitymedia Hessen/NRW, senior secured note, Reg S, 5.75%, 01/15/23	DEU	EUR	2,443,750	0.30
3,000,000	CGG, senior note, 7.75%, 05/15/17	FRA	USD	2,350,862	0.29
2,000,000	Lynx II Corp., senior bond, Reg S, 7.00%, 04/15/23	GBR	GBP	2,335,343	0.29
2,000,000	HeidelbergCement Finance BV, senior note, Reg S, 8.00%, 01/31/17	DEU	EUR	2,312,970	0.29
3,302,000	CEDC Finance Corp. International Inc., senior secured note, first lien, 8.00% to 04/30/14, 9.00% to 04/31/15, 10.00% thereafter, 04/30/18	RUS	USD	2,308,470	0.29
2,000,000	ABN Amro Bank NV, sub. note, 7.125%, 07/06/22	NLD	EUR	2,276,790	0.28
2,000,000	Greif Luxembourg Finance SCA, senior note, Reg S, 7.375%, 07/15/21	USA	EUR	2,251,200	0.28
1,962,000	Millipore Corp., senior note, Reg S, 5.875%, 06/30/16	USA	EUR	2,234,345	0.28
2,000,000	Lafarge SA, senior note, 6.75%, 12/16/19	FRA	EUR	2,222,500	0.28
2,000,000	Europcar Groupe SA, senior secured sub. note, Reg S, 11.50%, 05/15/17	FRA	EUR	2,211,250	0.28
2,000,000	EC Finance PLC, senior secured note, Reg S, 9.75%, 08/01/17	GBR	EUR	2,170,600	0.27
2,000,000	Crown European Holdings SA, senior note, Reg S, 7.125%, 08/15/18	FRA	EUR	2,131,250	0.27
2,900,000	Abengoa Finance SAU, senior note, 144A, 8.875%, 11/01/17	ESP	USD	2,101,227	0.26
2,000,000	Hellermannntyton Finance PLC, secured note, Reg S, FRN, 5.334%, 12/15/17 †	GBR	EUR	2,037,240	0.25
2,000,000	Sappi Papier Holding, senior secured note, Reg S, 6.625%, 04/15/18	ZAF	EUR	2,030,000	0.25
2,000,000	Peugeot SA, 5.625%, 07/11/17	FRA	EUR	2,027,500	0.25
2,000,000	Avis Budget Finance PLC, senior note, Reg S, 6.00%, 03/01/21	USA	EUR	2,017,500	0.25
2,000,000	TMF Group Holding BV, secured note, Reg S, FRN, 5.575%, 12/01/18 †	NLD	EUR	2,016,250	0.25
2,000,000	TMF Group Holding BV, senior note, Reg S, 9.875%, 12/01/19	NLD	EUR	2,012,500	0.25
2,000,000	EDP Finance BV, senior note, Reg S, 3.25%, 03/16/15	PRT	EUR	2,004,750	0.25
2,000,000	SGL Carbon AG, senior secured note, Reg S, FRN, 1.453%, 05/16/15 †	DEU	EUR	1,987,000	0.25
2,000,000	OI European Group BV, senior note, Reg S, 4.875%, 03/31/21	NLD	EUR	1,981,250	0.25
2,000,000	Ineos Group Holdings SA, senior note, Reg S, 6.50%, 08/15/18	GBR	EUR	1,917,610	0.24
1,800,000	Achmea BV, sub. note, Reg S, 6.00% to 04/04/23, FRN thereafter, 6.00%, 04/04/43	NLD	EUR	1,851,750	0.23
2,000,000	Banco Bilbao Vizcaya Argentaria SA, 19, sub. note, 4.375% to 10/20/14, FRN thereafter, 10/20/19	ESP	EUR	1,782,500	0.22
3,834,472	Boats Investments BV, secured note, 97, Reg S, PIK, 11.00%, 03/31/17 ‡	NLD	EUR	1,773,443	0.22
1,500,000	IDH Finance PLC, secured note, Reg S, 6.00%, 12/01/18	GBR	GBP	1,720,837	0.21
2,000,000	Aguila 3 SA, senior secured note, Reg S, 7.875%, 01/31/18	LUX	CHF	1,674,982	0.21
2,100,000	Frontier Communications Corp., senior bond, 7.625%, 04/15/24	USA	USD	1,625,437	0.20
2,000,000	CGG, senior note, 9.50%, 05/15/16	FRA	USD	1,611,416	0.20
1,600,000	Abengoa SA, senior note, 8.50%, 03/31/16	ESP	EUR	1,596,616	0.20
2,000,000	Clear Channel Worldwide Holdings Inc., senior note, 144A, 6.50%, 11/15/22	USA	USD	1,590,289	0.20
1,500,000	Unitymedia Hessen GmbH & Co. KG/NRW GmbH, first lien, Reg S, 7.50%, 03/15/19	DEU	EUR	1,590,000	0.20
1,500,000	Cemex Finance LLC, senior secured note, Reg S, 9.625%, 12/14/17	MEX	EUR	1,583,438	0.20
1,500,000	Davide Campari-Milano SpA, senior note, Reg S, 4.50%, 10/25/19	ITA	EUR	1,573,845	0.20
1,500,000	Trionista Holdco GmbH, first lien, Reg S, 5.00%, 04/30/20	DEU	EUR	1,480,313	0.18
1,500,000	GMAC Inc., sub. note, 8.00%, 12/31/18	USA	USD	1,310,836	0.16
1,700,000	Royal Bank of Scotland Group PLC, sub. note, 6.125%, 12/15/22	GBR	USD	1,246,447	0.16
1,400,000	Cemex Finance LLC, senior secured note, 144A, 9.375%, 10/12/22	MEX	USD	1,177,736	0.15
1,000,000	IDH Finance PLC, second lien, Reg S, 8.50%, 06/01/19	GBR	GBP	1,174,244	0.15
1,100,000	Finmecc Finance SA, senior unsecured note, 4.375%, 12/05/17	ITA	EUR	1,106,188	0.14
1,400,000	Orion Engineered Carbons Finance & Co. SCA, senior note, 144A, PIK, 9.25%, 08/01/19 ‡	LUX	USD	1,080,936	0.13
1,000,000	Ardagh Packaging Finance PLC/MP Holdings USA Inc., secured note, Reg S, 7.375%, 10/15/17	LUX	EUR	1,051,875	0.13
1,000,000	Ontex IV SA, senior secured note, first lien, Reg S, 7.50%, 04/15/18	BEL	EUR	1,033,125	0.13
1,000,000	Beverage Packaging Holdings Luxembourg II SA, Reg S, 9.50%, 06/15/17	LUX	EUR	1,012,815	0.13
1,300,000	General Motors Financial Co. Inc., senior note, 144A, 3.25%, 05/15/18	USA	USD	973,764	0.12
1,200,000	Barry Callebaut Services SA, senior note, 144A, 5.50%, 06/15/23	BEL	USD	939,193	0.12
1,100,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	878,885	0.11
1,421,705	CEDC Financial Corp. Inc., secured note, PIK, 10.00%, 04/30/18 ‡	RUS	USD	851,942	0.11
900,000	HDTFS Inc., 6.25%, 10/15/22	USA	USD	725,137	0.09
2,500,000	Seat Pagine Gialle SpA, senior secured note, Reg S, 10.50%, 01/31/17 *	ITA	EUR	650,000	0.08
550,000	Intesa Sanpaolo SpA, sub. note, 5.75% to 05/28/13, FRN thereafter, 05/28/18	ITA	EUR	508,657	0.06
600,000	Caesars Operating Escrow LLC/Corp., first lien, 144A, 9.00%, 02/15/20	USA	USD	441,363	0.05
200,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	159,029	0.02
				<u>695,486,071</u>	<u>86.75</u>
<b>Securities Maturing Within One Year</b>					
1,700,000	Iron Mountain Inc., senior sub. bond, Reg S, 7.25%, 04/15/14	USA	GBP	1,991,646	0.25
	<b>TOTAL BONDS</b>			<u>697,477,717</u>	<u>87.00</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>697,477,717</u>	<u>87.00</u>

The accompanying notes form an integral

## — Templeton Euro High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Air Freight &amp; Couriers</b>				
16	CEVA Holdings LLC, cvt. pfd., A-1 **	GBR	USD	14,750	0.00
	<b>Diversified Commercial Services</b>				
777	CEVA Holdings LLC, cvt. pfd., A-2 **	GBR	USD	537,110	0.07
359	CEVA Holdings LLC **	GBR	USD	248,120	0.03
				785,230	0.10
	<b>TOTAL SHARES</b>			799,980	0.10
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
5,815,000	Fresenius U.S. Finance II, senior note, 144A, 9.00%, 07/15/15	DEU	USD	4,958,822	0.62
5,000,000	Calpine Corp., senior secured note, 144A, 7.875%, 01/15/23	USA	USD	4,148,581	0.52
5,000,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.00%, 04/01/17	AUS	USD	3,754,850	0.47
3,300,000	CommScope Inc., senior note, 144A, 8.25%, 01/15/19	USA	USD	2,719,049	0.34
3,100,000	CEVA Group PLC, senior note, first lien, 144A, 4.00%, 05/01/18 **	GBR	USD	1,952,906	0.24
2,000,000	Cemex SAB de CV, senior secured note, 144A, 9.00%, 01/11/18	MEX	USD	1,621,019	0.20
1,000,000	Ineos Finance PLC, senior secured note, 144A, 8.375%, 02/15/19	GBR	USD	837,399	0.10
2,000,000	Astana Finance BV, 7.875%, 06/08/10 *	KAZ	EUR	130,000	0.02
				20,122,626	2.51
	<b>Securities Maturing Within One Year</b>				
200,000	CEVA Group PLC, 4% Unfunded Commitment, zero cpn., 12/01/13 **	GBR	EUR	164,000	0.02
	<b>TOTAL BONDS</b>			20,286,626	2.53
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			21,086,606	2.63
	<b>TOTAL INVESTMENTS</b>			719,721,078	89.77

‡ Income may be received in additional securities and/or cash

\* These Corporate Bonds are currently in default

† Floating Rates are indicated as at June 30, 2013

\*\* These securities are submitted to a Fair Valuation

## — Templeton Euro Liquid Reserve Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Corporate Bonds</b>					
3,000,000	JPMorgan Chase & Co., FRN, 0.45%, 03/02/15 †	USA	EUR	2,999,745	2.67
<b>Securities Maturing Within One Year</b>					
4,000,000	Belgium Treasury Bill, 0.00%, 08/15/13	BEL	EUR	3,999,860	3.56
4,000,000	Belgium Treasury Bill, 0.00%, 10/17/13	BEL	EUR	3,999,186	3.56
3,000,000	Nordea Bank AB, Reg S, FRN, 1.16%, 01/10/14 †	SWE	EUR	3,016,305	2.68
3,000,000	Rabobank Nederland, senior note, FRN, 0.552%, 05/19/14 †	NLD	EUR	3,007,305	2.68
3,000,000	Volkswagen International Finance, FRN, 0.503%, 02/17/14 †	DEU	EUR	3,004,005	2.67
3,000,000	Danske Bank AS, senior note, FRN, 0.759%, 09/16/13 †	DNK	EUR	3,003,165	2.67
3,000,000	BNP Paribas SA, senior note, FRN, 0.609%, 09/16/13 †	FRA	EUR	3,002,535	2.67
3,000,000	GE Capital European Funding, senior note, FRN, 0.351%, 04/03/14 †	USA	EUR	3,002,445	2.67
3,000,000	Wachovia Corp., senior note, FRN, 0.353%, 02/13/14 †	USA	EUR	3,002,325	2.67
3,000,000	Svenska Handelsbanken/London, 0.17%, 07/29/13	SWE	EUR	2,999,948	2.67
3,000,000	Nationwide Building Society, zero cpn., 07/19/13	GBR	EUR	2,999,808	2.67
3,000,000	BPCE, zero cpn., 08/01/13	FRA	EUR	2,999,688	2.67
3,000,000	Stadshypotek AB, zero cpn., 08/28/13	SWE	EUR	2,999,137	2.67
3,000,000	Standard Chartered Bank, zero cpn., 12/23/13	GBR	EUR	2,998,542	2.67
3,000,000	Ceska Exportni Banka AS, zero cpn., 11/08/13	CZE	EUR	2,998,228	2.67
3,000,000	Bank of Montreal/London, zero cpn., 01/02/14	GBR	EUR	2,997,920	2.67
2,500,000	Vodafone Group PLC, senior note, FRN, 0.70%, 09/05/13 †	GBR	EUR	2,502,225	2.23
2,500,000	Banque Et Caisse D Epargne De L Etat, zero cpn., 07/26/13	LUX	EUR	2,499,922	2.23
2,500,000	Credit Agricole CIB, zero cpn., 08/19/13	FRA	EUR	2,499,711	2.23
2,500,000	DZ Privatbank SA, zero cpn., 08/28/13	LUX	EUR	2,499,704	2.23
2,500,000	Natixis, zero cpn., 08/12/13	FRA	EUR	2,499,688	2.23
2,500,000	Societe Generale Paris, zero cpn., 08/30/13	FRA	EUR	2,499,672	2.22
2,500,000	HSBC France SA, zero cpn., 10/09/13	FRA	EUR	2,499,500	2.22
2,500,000	Macquarie Bank Ltd., zero cpn., 10/22/13	AUS	EUR	2,499,356	2.22
2,500,000	ABN Amro Bank NV, zero cpn., 10/15/13	NLD	EUR	2,498,450	2.22
2,000,000	Barclays Bank PLC, senior note, Reg S, FRN, 1.76%, 01/17/14 †	GBR	EUR	2,016,860	1.80
2,000,000	National Australia Bank Ltd., senior note, FRN, 0.678%, 10/22/13 †	AUS	EUR	2,003,230	1.78
2,000,000	Banque Federative du Credit Mutuel SA, senior note, FRN, 0.349%, 02/27/14 †	FRA	EUR	2,001,500	1.78
2,000,000	Mitsubishi UFJ Trust and Banking Corp./London, zero cpn., 07/11/13	GBR	EUR	1,999,964	1.78
2,000,000	The Procter & Gamble Co., zero cpn., 07/11/13	USA	EUR	1,999,964	1.78
2,000,000	Citigroup Inc., senior note, FRN, 0.34%, 03/05/14 †	USA	EUR	1,999,800	1.78
2,000,000	Mizuho Corporate Bank Ltd./London, zero cpn., 08/12/13	GBR	EUR	1,999,800	1.78
2,000,000	Agence Centrl Des Orgnms, zero cpn., 09/06/13	FRA	EUR	1,999,650	1.78
2,000,000	Pohjola Bank PLC, zero cpn., 09/23/13	FIN	EUR	1,999,613	1.78
2,000,000	Morgan Stanley, FRN, 0.607%, 05/02/14 †	USA	EUR	1,999,570	1.78
				92,548,581	82.37
<b>TOTAL BONDS</b>				95,548,326	85.04
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				95,548,326	85.04
<b>TOTAL INVESTMENTS</b>				95,548,326	85.04

† Floating Rates are indicated as at June 30, 2013

## — Templeton Euro Short-Term Money Market Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Securities Maturing Within One Year</b>					
4,000,000	Dutch Treasury Bill, 0.00%, 07/31/13	NLD	EUR	4,000,060	4.24
4,000,000	Belgium Treasury Bill, 0.00%, 07/18/13	BEL	EUR	3,999,980	4.24
4,000,000	Belgium Treasury Bill, 0.00%, 08/15/13	BEL	EUR	3,999,860	4.24
3,000,000	Rabobank Nederland, senior note, FRN, 0.552%, 05/19/14 †	NLD	EUR	3,007,305	3.19
3,000,000	BNP Paribas SA, senior note, FRN, 0.609%, 09/16/13 †	FRA	EUR	3,002,535	3.18
3,000,000	GE Capital European Funding, senior note, FRN, 0.351%, 04/03/14 †	USA	EUR	3,002,445	3.18
3,000,000	Banque Federative du Credit Mutuel SA, senior note, FRN, 0.349%, 02/27/14 †	FRA	EUR	3,002,250	3.18
3,000,000	Mizuho Corporate Bank Ltd./London, zero cpn., 08/12/13	GBR	EUR	2,999,700	3.18
3,000,000	BPCE, zero cpn., 08/01/13	FRA	EUR	2,999,688	3.18
3,000,000	Ceska Exportni Banka AS, zero cpn., 11/08/13	CZE	EUR	2,998,228	3.18
2,500,000	Barclays Bank PLC, senior note, Reg S, FRN, 1.76%, 01/17/14 †	GBR	EUR	2,521,075	2.67
2,500,000	Nordea Bank AB, Reg S, FRN, 1.16%, 01/10/14 †	SWE	EUR	2,513,588	2.66
2,500,000	Deutsche Bank AG, senior note, FRN, 0.51%, 01/17/14 †	DEU	EUR	2,503,550	2.65
2,500,000	JPMorgan Chase & Co., senior note, FRN, 0.471%, 09/26/13 †	USA	EUR	2,501,350	2.65
2,500,000	Mitsubishi UFJ Trust and Banking Corp./London, zero cpn., 07/11/13	GBR	EUR	2,499,955	2.65
2,500,000	Banque Et Caisse D Epargne De L Etat, zero cpn., 07/26/13	LUX	EUR	2,499,922	2.65
2,500,000	Credit Agricole CIB, zero cpn., 08/19/13	FRA	EUR	2,499,711	2.65
2,500,000	DZ Privatbank SA, zero cpn., 08/28/13	LUX	EUR	2,499,703	2.65
2,500,000	Natixis, zero cpn., 08/12/13	FRA	EUR	2,499,688	2.65
2,500,000	Societe Generale Paris, zero cpn., 08/30/13	FRA	EUR	2,499,672	2.65
2,500,000	HSBC France SA, zero cpn., 10/09/13	FRA	EUR	2,499,500	2.65
2,500,000	Macquarie Bank Ltd., zero cpn., 10/22/13	AUS	EUR	2,499,356	2.65
2,500,000	Standard Chartered Bank, zero cpn., 12/23/13	GBR	EUR	2,498,785	2.65
2,500,000	ABN Amro Bank NV, zero cpn., 10/15/13	NLD	EUR	2,498,450	2.65
2,500,000	Bank of Montreal/London, zero cpn., 01/02/14	GBR	EUR	2,498,267	2.65
2,000,000	Svenska Handelsbanken/London, 0.17%, 07/29/13	SWE	EUR	1,999,966	2.12
2,000,000	The Procter & Gamble Co., zero cpn., 07/11/13	USA	EUR	1,999,964	2.12
2,000,000	Nationwide Building Society, zero cpn., 07/19/13	GBR	EUR	1,999,872	2.12
2,000,000	Agence Centrl Des Orgnms, zero cpn., 09/06/13	FRA	EUR	1,999,650	2.12
2,000,000	Pohjola Bank PLC, zero cpn., 09/23/13	FIN	EUR	1,999,613	2.12
2,000,000	Stadshypotek AB, zero cpn., 08/28/13	SWE	EUR	1,999,424	2.12
1,000,000	Pohjola Bank PLC, zero cpn., 01/16/14	FIN	EUR	998,824	1.06
				<u>83,541,936</u>	<u>88.55</u>
<b>TOTAL BONDS</b>				<u>83,541,936</u>	<u>88.55</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>83,541,936</u>	<u>88.55</u>
<b>TOTAL INVESTMENTS</b>				<u>83,541,936</u>	<u>88.55</u>

† Floating Rates are indicated as at June 30, 2013



## — Templeton Euroland Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
35,900	Thales SA	FRA	EUR	1,287,913	1.06
<b>Air Freight &amp; Logistics</b>					
300,390	TNT Express NV	NLD	EUR	1,730,847	1.43
67,190	Deutsche Post AG	DEU	EUR	1,282,993	1.06
				3,013,840	2.49
<b>Airlines</b>					
172,960	Deutsche Lufthansa AG	DEU	EUR	2,697,311	2.23
<b>Auto Components</b>					
25,254	Cie Generale des Etablissements Michelin, B	FRA	EUR	1,734,950	1.43
<b>Biotechnology</b>					
236,830	Elan Corp. PLC, ADR	IRL	USD	2,572,716	2.12
42,930	Algeta ASA	NOR	NOK	1,255,496	1.04
13,260	Basilea Pharmaceutica AG	CHE	CHF	754,718	0.62
				4,582,930	3.78
<b>Building Products</b>					
57,950	Compagnie de Saint-Gobain	FRA	EUR	1,802,245	1.49
<b>Capital Markets</b>					
144,068	Azimut Holding SpA	ITA	EUR	2,015,511	1.66
<b>Chemicals</b>					
74,420	Akzo Nobel NV	NLD	EUR	3,223,502	2.66
<b>Commercial Banks</b>					
57,930	BNP Paribas SA	FRA	EUR	2,431,612	2.01
79,930	KBC GROEP NV	BEL	EUR	2,286,398	1.89
610,368	UniCredit SpA	ITA	EUR	2,196,104	1.81
326,200	Credit Agricole SA	FRA	EUR	2,153,898	1.78
62,720	Societe Generale	FRA	EUR	1,655,808	1.36
950,726	Intesa Sanpaolo SpA	ITA	EUR	1,170,344	0.96
98,708	Banco Santander SA	ESP	EUR	483,866	0.40
				12,378,030	10.21
<b>Construction Materials</b>					
45,040	HeidelbergCement AG	DEU	EUR	2,327,217	1.92
122,145	CRH PLC	IRL	EUR	1,899,355	1.57
23,350	Lafarge SA	FRA	EUR	1,103,054	0.91
				5,329,626	4.40
<b>Diversified Financial Services</b>					
509,632	ING Groep NV, IDR	NLD	EUR	3,567,424	2.94
47,070	ING U.S. Inc.	USA	USD	978,538	0.81
				4,545,962	3.75
<b>Diversified Telecommunication Services</b>					
170,325	Telefonica SA	ESP	EUR	1,676,850	1.38
1,613,541	Telecom Italia SpA	ITA	EUR	688,982	0.57
152,040	Portugal Telecom SGPS SA	PRT	EUR	454,599	0.38
				2,820,431	2.33
<b>Electrical Equipment</b>					
96,380	Alstom SA	FRA	EUR	2,424,921	2.00
<b>Energy Equipment &amp; Services</b>					
118,318	SBM Offshore NV	NLD	EUR	1,529,260	1.26
16,200	Fugro NV, IDR	NLD	EUR	674,730	0.56
38,470	Aker Solutions ASA	NOR	NOK	402,191	0.33
				2,606,181	2.15
<b>Food &amp; Staples Retailing</b>					
79,400	Carrefour SA	FRA	EUR	1,677,722	1.38
52,680	Metro AG	DEU	EUR	1,281,178	1.06
				2,958,900	2.44
<b>Food Products</b>					
100,000	DE Master Blenders 1753 NV	NLD	EUR	1,230,000	1.02
<b>Health Care Equipment &amp; Supplies</b>					
530,745	Sorin SpA	ITA	EUR	1,034,953	0.85
38,190	Getinge AB, B	SWE	SEK	891,567	0.74
				1,926,520	1.59

The accompanying notes form an integral

## — Templeton Euroland Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
161,317	<b>Health Care Providers &amp; Services</b> Amplifon SpA	ITA	EUR	620,425	0.51
20,070	<b>Industrial Conglomerates</b> Siemens AG	DEU	EUR	1,558,435	1.29
56,910	Koninklijke Philips NV	NLD	EUR	1,191,980	0.98
				2,750,415	2.27
220,035	<b>Insurance</b> AXA SA	FRA	EUR	3,321,428	2.74
15,890	Muenchener Rueckversicherungs-Gesellschaft AG	DEU	EUR	2,246,846	1.86
386,960	Aegon NV	NLD	EUR	1,988,588	1.64
				7,556,862	6.24
93,149	<b>IT Services</b> Indra Sistemas SA	ESP	EUR	925,994	0.76
33,720	<b>Life Sciences Tools &amp; Services</b> Gerresheimer AG	DEU	EUR	1,500,540	1.24
10,020	Tecan Group AG	CHE	CHF	711,254	0.59
				2,211,794	1.83
75,460	<b>Machinery</b> Gildemeister AG	DEU	EUR	1,293,007	1.07
4,700	Rational AG	DEU	EUR	1,210,485	1.00
30,418	GEA Group AG	DEU	EUR	828,282	0.68
				3,331,774	2.75
222,058	<b>Media</b> Reed Elsevier NV	NLD	EUR	2,842,343	2.35
346,271	Atresmedia Corporacion de Medios de Comunicacion SA	ESP	EUR	2,098,402	1.73
				4,940,745	4.08
82,920	<b>Oil, Gas &amp; Consumable Fuels</b> Total SA, B	FRA	EUR	3,109,915	2.57
178,763	Eni SpA	ITA	EUR	2,820,880	2.33
174,510	Galp Energia SGPS SA, B	PRT	EUR	1,985,051	1.64
101,791	Repsol SA	ESP	EUR	1,650,032	1.36
38,790	Royal Dutch Shell PLC, A	GBR	EUR	952,101	0.78
				10,517,979	8.68
27,140	<b>Personal Products</b> Oriflame Cosmetics SA, SDR	SWE	SEK	660,024	0.54
58,820	<b>Pharmaceuticals</b> Bayer AG	DEU	EUR	4,819,123	3.98
23,590	Roche Holding AG	CHE	CHF	4,507,531	3.72
54,505	Sanofi	FRA	EUR	4,339,688	3.58
30,368	Merck KGaA	DEU	EUR	3,554,574	2.93
71,090	Ipsen SA	FRA	EUR	2,015,402	1.66
91,050	H. Lundbeck AS	DNK	DKK	1,247,608	1.03
				20,483,926	16.90
27,530	<b>Professional Services</b> Randstad Holding NV	NLD	EUR	867,195	0.72
197,580	<b>Semiconductors &amp; Semiconductor Equipment</b> Infineon Technologies AG	DEU	EUR	1,270,439	1.05
33,860	<b>Software</b> SAP AG	DEU	EUR	1,904,964	1.57
45,370	Software AG	DEU	EUR	1,043,283	0.86
				2,948,247	2.43
10,409	<b>Specialty Retail</b> Inditex SA	ESP	EUR	987,190	0.81
21,400	<b>Wireless Telecommunication Services</b> Millicom International Cellular SA, IDR	LUX	SEK	1,184,271	0.98
	<b>TOTAL SHARES</b>			117,836,053	97.24
	<b>RIGHTS</b>				
101,791	<b>Oil, Gas &amp; Consumable Fuels</b> Repsol SA, rts., 07/04/13	ESP	EUR	43,567	0.04
	<b>TOTAL RIGHTS</b>			43,567	0.04
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			117,879,620	97.28
	<b>TOTAL INVESTMENTS</b>			117,879,620	97.28

part of these financial statements



## — Templeton European Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
200,200	BAE Systems PLC	GBR	GBP	896,475	0.72
<b>Air Freight &amp; Logistics</b>					
202,600	TNT Express NV	NLD	EUR	1,167,381	0.94
53,503	Deutsche Post AG	DEU	EUR	1,021,640	0.82
				2,189,021	1.76
<b>Airlines</b>					
587,700	International Consolidated Airlines Group SA	GBR	GBP	1,811,435	1.46
115,200	Deutsche Lufthansa AG	DEU	EUR	1,796,544	1.44
				3,607,979	2.90
<b>Auto Components</b>					
24,896	Cie Generale des Etablissements Michelin, B	FRA	EUR	1,710,355	1.37
<b>Biotechnology</b>					
146,800	Elan Corp. PLC, ADR	IRL	USD	1,594,709	1.28
26,700	Basilea Pharmaceutica AG	CHE	CHF	1,519,680	1.22
42,900	Algeta ASA	NOR	NOK	1,254,619	1.01
				4,369,008	3.51
<b>Building Products</b>					
37,900	Compagnie de Saint-Gobain	FRA	EUR	1,178,690	0.95
<b>Capital Markets</b>					
100,607	Credit Suisse Group AG	CHE	CHF	2,049,174	1.65
<b>Chemicals</b>					
38,800	Akzo Nobel NV	NLD	EUR	1,680,622	1.35
<b>Commercial Banks</b>					
71,600	BNP Paribas SA	FRA	EUR	3,005,410	2.41
627,900	UniCredit SpA	ITA	EUR	2,259,184	1.81
2,587,200	Lloyds Banking Group PLC	GBR	GBP	1,908,501	1.53
246,200	Credit Agricole SA	FRA	EUR	1,625,659	1.31
1,210,861	Intesa Sanpaolo SpA	ITA	EUR	1,490,570	1.20
49,900	KBC GROEP NV	BEL	EUR	1,427,389	1.15
98,831	Banco Santander SA	ESP	EUR	484,470	0.39
				12,201,183	9.80
<b>Commercial Services &amp; Supplies</b>					
367,000	Homeserve PLC	GBR	GBP	1,196,147	0.96
<b>Communications Equipment</b>					
158,604	Ericsson, B	SWE	SEK	1,379,882	1.11
<b>Construction &amp; Engineering</b>					
225,100	Carillion PLC	GBR	GBP	726,426	0.58
<b>Construction Materials</b>					
33,900	HeidelbergCement AG	DEU	EUR	1,751,613	1.41
107,657	CRH PLC	IRL	EUR	1,674,066	1.34
				3,425,679	2.75
<b>Containers &amp; Packaging</b>					
191,070	Rexam PLC	GBR	GBP	1,065,890	0.86
<b>Diversified Financial Services</b>					
371,418	ING Groep NV, IDR	NLD	EUR	2,599,926	2.09
<b>Diversified Telecommunication Services</b>					
101,417	Telenor ASA	NOR	NOK	1,544,557	1.24
138,301	Telefonica SA	ESP	EUR	1,361,574	1.09
291,200	Portugal Telecom SGPS SA	PRT	EUR	870,688	0.70
1,423,500	Telecom Italia SpA	ITA	EUR	760,149	0.61
				4,536,968	3.64
<b>Electrical Equipment</b>					
69,200	Alstom SA	FRA	EUR	1,741,072	1.40
60,700	ABB Ltd.	CHE	CHF	1,012,272	0.81
				2,753,344	2.21
<b>Electronic Equipment, Instruments &amp; Components</b>					
680,039	Laird PLC	GBR	GBP	1,408,355	1.13
<b>Energy Equipment &amp; Services</b>					
16,221	Fugro NV, IDR	NLD	EUR	675,605	0.54
16,600	Tecnicas Reunidas SA	ESP	EUR	585,897	0.47
				1,261,502	1.01

The accompanying notes form an integral

## — Templeton European Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Food &amp; Staples Retailing</b>				
430,400	Tesco PLC	GBR	GBP	1,667,173	1.34
52,300	Metro AG	DEU	EUR	1,271,936	1.02
54,700	Carrefour SA	FRA	EUR	1,155,811	0.93
				<u>4,094,920</u>	<u>3.29</u>
	<b>Food Products</b>				
81,413	DE Master Blenders 1753 NV	NLD	EUR	1,001,380	0.80
	<b>Health Care Equipment &amp; Supplies</b>				
135,100	Nobel Biocare Holding AG	CHE	CHF	1,263,270	1.01
47,500	Getinge AB, B	SWE	SEK	1,108,914	0.89
530,200	Sorin SpA	ITA	EUR	1,033,890	0.83
				<u>3,406,074</u>	<u>2.73</u>
	<b>Health Care Providers &amp; Services</b>				
161,500	Amplifon SpA	ITA	EUR	621,129	0.50
	<b>Industrial Conglomerates</b>				
76,200	Koninklijke Philips NV	NLD	EUR	1,596,009	1.28
12,494	Siemens AG	DEU	EUR	970,159	0.78
				<u>2,566,168</u>	<u>2.06</u>
	<b>Insurance</b>				
176,965	AXA SA	FRA	EUR	2,671,287	2.15
600,066	Aviva PLC	GBR	GBP	2,382,049	1.91
32,093	Swiss Re AG	CHE	CHF	1,834,461	1.48
315,400	Aegon NV	NLD	EUR	1,620,841	1.30
10,300	Swiss Life Holding	CHE	CHF	1,286,386	1.03
8,386	Muenchener Rueckversicherungs-Gesellschaft AG	DEU	EUR	1,185,780	0.95
				<u>10,980,804</u>	<u>8.82</u>
	<b>IT Services</b>				
96,600	Indra Sistemas SA	ESP	EUR	960,301	0.77
	<b>Life Sciences Tools &amp; Services</b>				
29,300	Gerresheimer AG	DEU	EUR	1,303,850	1.05
10,000	Tecan Group AG	CHE	CHF	709,835	0.57
				<u>2,013,685</u>	<u>1.62</u>
	<b>Machinery</b>				
131,500	Meyer Burger Technology AG	CHE	CHF	627,634	0.50
	<b>Media</b>				
214,200	Atresmedia Corporacion de Medios de Comunicacion SA	ESP	EUR	1,298,052	1.04
36,180	Schibsted ASA	NOR	NOK	1,200,879	0.97
				<u>2,498,931</u>	<u>2.01</u>
	<b>Multiline Retail</b>				
333,000	Marks & Spencer Group PLC	GBR	GBP	1,676,731	1.35
	<b>Oil, Gas &amp; Consumable Fuels</b>				
59,000	Total SA, B	FRA	EUR	2,212,795	1.78
89,968	Repsol SA	ESP	EUR	1,458,381	1.17
107,400	BG Group PLC	GBR	GBP	1,403,878	1.13
117,400	Galp Energia SGPS SA, B	PRT	EUR	1,335,425	1.07
75,700	Eni SpA	ITA	EUR	1,194,546	0.96
221,951	BP PLC	GBR	GBP	1,180,915	0.95
48,023	Royal Dutch Shell PLC, A	GBR	EUR	1,178,725	0.94
				<u>9,964,665</u>	<u>8.00</u>
	<b>Pharmaceuticals</b>				
26,200	Roche Holding AG	CHE	CHF	5,006,245	4.02
24,565	Merck KGaA	DEU	EUR	2,875,333	2.31
34,100	Bayer AG	DEU	EUR	2,793,813	2.24
34,547	Sanofi	FRA	EUR	2,750,632	2.21
129,000	GlaxoSmithKline PLC	GBR	GBP	2,484,306	1.99
40,000	Novartis AG	CHE	CHF	2,182,355	1.75
63,700	Ipsen SA	FRA	EUR	1,805,895	1.45
90,500	H. Lundbeck AS	DNK	DKK	1,240,072	1.00
				<u>21,138,651</u>	<u>16.97</u>
	<b>Professional Services</b>				
21,000	Randstad Holding NV	NLD	EUR	661,500	0.53
	<b>Semiconductors &amp; Semiconductor Equipment</b>				
188,900	Infineon Technologies AG	DEU	EUR	1,214,627	0.97

## — Templeton European Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Software</b>				
21,800	SAP AG	DEU	EUR	1,226,468	0.98
23,800	Software AG	DEU	EUR	547,281	0.44
				<u>1,773,749</u>	<u>1.42</u>
	<b>Specialty Retail</b>				
488,300	Kingfisher PLC	GBR	GBP	1,957,205	1.57
8,400	Inditex SA	ESP	EUR	796,656	0.64
				<u>2,753,861</u>	<u>2.21</u>
	<b>Wireless Telecommunication Services</b>				
616,414	Vodafone Group PLC	GBR	GBP	1,353,292	1.09
96,071	Turkcell Iletisim Hizmetleri AS, ADR	TUR	USD	1,060,608	0.85
11,700	Millicom International Cellular SA, IDR	LUX	SEK	647,475	0.52
				<u>3,061,375</u>	<u>2.46</u>
	<b>TOTAL SHARES</b>			<u>121,252,811</u>	<u>97.36</u>
	<b>RIGHTS</b>				
	<b>Oil, Gas &amp; Consumable Fuels</b>				
89,968	Repsol SA, rts., 07/04/13	ESP	EUR	38,506	0.03
	<b>TOTAL RIGHTS</b>			<u>38,506</u>	<u>0.03</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>121,291,317</u>	<u>97.39</u>
	<b>TOTAL INVESTMENTS</b>			<u>121,291,317</u>	<u>97.39</u>

## — Templeton European Corporate Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Corporate Bonds</b>					
800,000	Rabobank Nederland, senior note, Reg S, 4.125%, 01/12/21	NLD	EUR	894,548	2.06
600,000	GE Capital European Funding, senior note, 5.375%, 01/23/20	USA	EUR	713,808	1.64
600,000	Bank of America Corp., senior note, Reg S, 4.625%, 08/07/17	USA	EUR	663,963	1.53
600,000	Standard Chartered PLC, senior note, Reg S, 4.125%, 01/18/19	GBR	EUR	657,825	1.52
600,000	BPCE SA, senior note, 3.75%, 07/21/17	FRA	EUR	647,085	1.49
600,000	StatOilHydro ASA, senior note, 4.375%, 03/11/15	NOR	EUR	637,995	1.47
600,000	Credit Agricole Home Loan SFH, secured note, 1.625%, 03/11/20	FRA	EUR	593,949	1.37
500,000	HSBC Holdings PLC, sub. note, Reg S, 6.00%, 06/10/19	GBR	EUR	579,001	1.33
500,000	Gaz Capital SA, (OJSC Gazprom), loan participation, senior bond, 6.605%, 02/13/18	RUS	EUR	565,082	1.30
500,000	Morgan Stanley, senior note, 5.375%, 08/10/20	USA	EUR	564,992	1.30
500,000	JPMorgan Chase & Co., senior note, Reg S, 3.875%, 09/23/20	USA	EUR	553,480	1.28
500,000	Telefonica Emisiones SAU, senior note, Reg S, 4.71%, 01/20/20	ESP	EUR	526,477	1.21
400,000	Roche Holdings Inc., senior note, Reg S, 6.50%, 03/04/21	CHE	EUR	523,022	1.21
400,000	RWE Finance BV, senior note, 6.50%, 08/10/21	DEU	EUR	514,742	1.19
500,000	Unicredit Bank Austria AG, senior note, Reg S, 2.625%, 01/30/18	AUT	EUR	509,227	1.17
500,000	ING Bank NV, senior note, 1.875%, 02/27/18	NLD	EUR	498,335	1.15
500,000	WM Morrison Supermarkets PLC, 2.25%, 06/19/20	GBR	EUR	498,187	1.15
500,000	Danone, senior note, 1.375%, 06/10/19	FRA	EUR	491,130	1.13
400,000	Wolters Kluwer NV, senior note, 6.375%, 04/10/18	NLD	EUR	480,380	1.11
400,000	The Goldman Sachs Group Inc., senior note, 6.375%, 05/02/18	USA	EUR	473,476	1.09
500,000	Societe Generale, sub. note, Reg S, 4.00%, 06/07/23	FRA	EUR	471,045	1.09
400,000	Experian Finance PLC, senior note, 4.75%, 02/04/20	GBR	EUR	458,488	1.06
400,000	Commonwealth Bank of Australia, senior note, 4.375%, 02/25/20	AUS	EUR	451,484	1.04
400,000	Pernod Ricard SA, senior bond, Reg S, 5.00%, 03/15/17	FRA	EUR	446,354	1.03
400,000	Pfizer Inc., senior note, 4.75%, 06/03/16	USA	EUR	444,886	1.02
400,000	Hannover Finance SA, sub. note, 5.75%, 09/14/40	DEU	EUR	443,072	1.02
400,000	Lloyds TSB Bank PLC, sub. note, 6.50%, 03/24/20	GBR	EUR	439,582	1.01
400,000	Heathrow Funding Ltd., senior note, Reg S, 4.375%, 01/25/19	GBR	EUR	439,314	1.01
400,000	McDonald's Corp., senior note, 4.25%, 06/10/16	USA	EUR	439,138	1.01
400,000	E.ON International Finance, senior note, 5.25%, 09/08/15	DEU	EUR	439,094	1.01
400,000	Daimler AG, senior note, 4.125%, 01/19/17	DEU	EUR	439,076	1.01
400,000	Motability Operations Group PLC, senior note, Reg S, 3.75%, 11/29/17	GBR	EUR	438,014	1.01
400,000	Hera SpA, senior bond, Reg S, 5.20%, 01/29/28	ITA	EUR	437,850	1.01
400,000	France Telecom SA, senior note, 3.875%, 04/09/20	FRA	EUR	434,776	1.00
400,000	Credit Suisse London, senior note, 3.875%, 01/25/17	CHE	EUR	434,772	1.00
400,000	Arkema, senior bond, 4.00%, 10/25/17	FRA	EUR	434,238	1.00
400,000	A.P. Moller – Maersk AS, senior note, 4.375%, 11/24/17	DNK	EUR	434,208	1.00
400,000	Sampo OYJ, senior note, Reg S, 4.25%, 02/27/17	FIN	EUR	434,150	1.00
400,000	Barclays Bank PLC, senior sub. note, Reg S, 6.00%, 01/14/21	GBR	EUR	434,058	1.00
400,000	Alstom SA, senior note, 4.50%, 03/18/20	FRA	EUR	434,028	1.00
400,000	Edison SpA, senior note, Reg S, 3.875%, 11/10/17	ITA	EUR	432,924	1.00
400,000	Carrefour SA, senior note, 4.00%, 04/09/20	FRA	EUR	432,916	1.00
400,000	Smiths Group PLC, senior note, Reg S, 4.125%, 05/05/17	GBR	EUR	432,772	1.00
400,000	Nordea Bank AB, sub. note, Reg S, 4.50%, 03/26/20	SWE	EUR	430,972	0.99
400,000	Iliad SA, senior bond, Reg S, 4.875%, 06/01/16	FRA	EUR	430,004	0.99
400,000	Danske Bank AS, senior note, 3.875%, 02/28/17	DNK	EUR	429,952	0.99
400,000	Gas Natural Capital, senior note, 4.125%, 01/26/18	ESP	EUR	425,108	0.98
400,000	Kering, senior note, Reg S, 3.125%, 04/23/19	FRA	EUR	423,686	0.98
400,000	Banco Santander SA, secured bond, 14, 4.125%, 01/09/17	ESP	EUR	421,684	0.97
400,000	Heineken NV, senior note, Reg S, 3.50%, 03/19/24	NLD	EUR	420,422	0.97
400,000	Skandinaviska Enskilda Banken AB, sub.note, Reg S, 4.00% to 09/12/17, FRN thereafter, 09/12/22	SWE	EUR	419,614	0.97
400,000	Royal Bank of Scotland PLC, sub. note, 6.934%, 04/09/18	GBR	EUR	419,500	0.97
400,000	ABB Finance BV, senior note, Reg S, 2.625%, 03/26/19	NLD	EUR	416,398	0.96
400,000	Bankinter SA, secured note, 4.125%, 03/22/17	ESP	EUR	416,234	0.96
400,000	Banco Popolare SpA, senior note, Reg S, 4.75%, 03/31/16	ITA	EUR	415,834	0.96
400,000	Everything Everywhere Finance PLC, senior note, Reg S, 3.50%, 02/06/17	GBR	EUR	411,810	0.95
400,000	Achmea BV, sub. note, Reg S, 6.00% to 04/04/23, FRN thereafter, 6.00%, 04/04/23	NLD	EUR	411,500	0.95
400,000	Rentokil Initial PLC, senior note, 3.375%, 09/24/19	GBR	EUR	408,774	0.94
400,000	AXA SA, sub. note, 5.25%, 04/16/40	FRA	EUR	408,414	0.94
400,000	Banco Do Brasil SA/Cayman, senior note, Reg S, 4.50%, 01/20/16	BRA	EUR	407,500	0.94
400,000	Brussels Air Holding NV/SA, secured note, Reg S, 3.25%, 07/01/20	BEL	EUR	406,078	0.94
400,000	ELM BV, junior secured sub. note, 5.252% to 05/25/16, FRN thereafter, Perpetual	CHE	EUR	405,440	0.93
400,000	BNP Paribas SA, sub. note, 4.375% to 01/22/14, FRN thereafter, 01/22/19	FRA	EUR	404,402	0.93
400,000	Swedbank AB, sub. note, Reg S, 3.00% to 12/05/17, FRN thereafter, 12/05/22	SWE	EUR	404,058	0.93
400,000	Svenska Handelsbanken AB, senior note, Reg S, 2.625%, 08/23/22	SWE	EUR	403,390	0.93
400,000	Allianz Finance II BV, junior sub. bond, 4.375% to 02/17/17, FRN thereafter, Perpetual	DEU	EUR	403,220	0.93
400,000	Compagnie de Financement Foncier SA, secured note, 2.375%, 11/21/22	FRA	EUR	399,640	0.92
400,000	Prosegur Cia de Seguridad SA, senior note, Reg S, 2.75%, 04/02/18	ESP	EUR	397,940	0.92
400,000	NGG Finance PLC, sub. bond, Reg S, 4.25% to 06/18/20, FRN thereafter, 06/18/76	GBR	EUR	394,000	0.91

part of these financial statements

## — Templeton European Corporate Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
400,000	Telenor ASA, senior bond, Reg S, 2.625%, 12/06/24	NOR	EUR	393,976	0.91
400,000	Aquarius and Investments PLC for Zurich Insurance Co. Ltd., secured bond, Reg S, 4.25% to 10/02/23, FRN thereafter, 10/02/43	CHE	EUR	392,742	0.90
400,000	Siemens Financieringsmaatschappij NV, Reg S, 1.75%, 03/12/21	DEU	EUR	391,528	0.90
400,000	Veolia Environnement SA, junior sub. note, Reg S, 4.45% to 04/16/18, FRN thereafter, Perpetual	FRA	EUR	386,000	0.89
400,000	RZD Capital PLC, (Russian Railways), loan participation, Reg S, 3.374%, 05/20/21	RUS	EUR	373,006	0.86
300,000	ABN Amro Bank NV, sub. note, 7.125%, 07/06/22	NLD	EUR	341,518	0.79
300,000	Telstra Corp. Ltd., senior note, Reg S, 3.75%, 05/16/22	AUS	EUR	328,662	0.76
300,000	Fiat Industrial Finance Europe, senior note, Reg S, 6.25%, 03/09/18	ITA	EUR	326,812	0.75
300,000	GE Capital European Funding, senior note, 2.875%, 09/17/15	USA	EUR	313,041	0.72
300,000	Koninklijke KPN NV, senior note, Reg S, 4.25%, 03/01/22	NLD	EUR	312,823	0.72
300,000	UniCredit SpA, sub. note, Reg S, 6.95%, 10/31/22	ITA	EUR	308,213	0.71
300,000	Casino Guichard Perrachon SA, senior note, Reg S, 3.311%, 01/25/23	FRA	EUR	293,738	0.68
300,000	DONG Energy AS, senior note, Reg S, 2.625%, 09/19/22	DNK	EUR	293,354	0.68
300,000	Carlsberg Breweries A/S, senior note, Reg S, 2.625%, 11/15/22	DNK	EUR	292,017	0.67
300,000	Citigroup Inc., sub. note, FRN, 1.469%, 11/30/17 †	USA	EUR	284,910	0.66
200,000	Jarden Corp., senior sub. note, 7.50%, 01/15/20	USA	EUR	213,800	0.49
200,000	GMAC International Finance BV, senior bond, Reg S, 7.50%, 04/21/15	USA	EUR	213,259	0.49
200,000	Co-Operative Bank PLC, senior note, 5.125%, 09/20/17	GBR	GBP	213,022	0.49
200,000	Ardagh Packaging Finance PLC/MP Holdings USA Inc., secured note, Reg S, 7.375%, 10/15/17	LUX	EUR	210,375	0.48
200,000	Wind Acquisition Finance SA, senior note, Reg S, 11.75%, 07/15/17	ITA	EUR	209,000	0.48
200,000	Chesapeake Energy Corp., senior bond, 6.25%, 01/15/17	USA	EUR	208,625	0.48
200,000	ING Groep NV, junior sub. note, 8.00% to 04/18/13, FRN thereafter, Perpetual	NLD	EUR	206,250	0.48
200,000	UPCB Finance II Ltd., senior secured note, Reg S, 6.375%, 07/01/20	NLD	EUR	204,817	0.47
200,000	Nokia Siemens Networks Finance BV, senior note, Reg S, 7.125%, 04/15/20	NLD	EUR	204,500	0.47
200,000	Avis Budget Finance PLC, senior note, Reg S, 6.00%, 03/01/21	USA	EUR	201,750	0.46
150,000	Finnec Finance SA, senior unsecured note, 4.375%, 12/05/17	ITA	EUR	150,844	0.35
200,000	InterGen NV, secured bond, 144A, 7.00%, 06/30/23	NLD	USD	149,906	0.35
100,000	Matalan Finance Ltd., senior secured note, Reg S, 8.875%, 04/29/16	GBR	GBP	118,127	0.27
100,000	Greif Luxembourg Finance SCA, senior note, Reg S, 7.375%, 07/15/21	USA	EUR	112,560	0.26
100,000	Ziggo Bond Co., senior unsecured note, Reg S, 8.00%, 05/15/18	NLD	EUR	107,125	0.25
100,000	Sunrise Communications International SA, senior secured note, Reg S, 7.00%, 12/31/17	CHE	EUR	105,969	0.24
75,000	Intergen NV, senior note, Reg S, 8.50%, 06/30/17	NLD	EUR	77,063	0.18
19,306	Unitymedia Hessen/NRW, senior secured note, Reg S, 8.125%, 12/01/17	DEU	EUR	20,400	0.05
				<u>40,408,249</u>	<u>93.12</u>
<b>Government and Municipal Bonds</b>					
200,000	Eesti Energia AS, senior bond, 4.50%, 11/18/20	EST	EUR	222,933	0.51
200,000	Hungarian Development Bank, senior bond, 5.875%, 05/31/16	HUN	EUR	206,039	0.48
200,000	Government of Slovenia, senior note, 5.125%, 03/30/26	SVN	EUR	174,229	0.40
				<u>603,201</u>	<u>1.39</u>
<b>Securities Maturing Within One Year</b>					
250,000	FCE Bank PLC, senior note, Reg S, 9.375%, 01/17/14	GBR	EUR	261,409	0.60
	<b>TOTAL BONDS</b>			<u>41,272,859</u>	<u>95.11</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>41,272,859</u>	<u>95.11</u>
	<b>TOTAL INVESTMENTS</b>			<u>41,272,859</u>	<u>95.11</u>

† Floating Rates are indicated as at June 30, 2013

## — Templeton European Total Return Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Corporate Bonds</b>					
2,100,000	RZD Capital PLC, (Russian Railways), loan participation, Reg S, 3.374%, 05/20/21	RUS	EUR	1,958,281	2.32
1,000,000	GE Capital European Funding, senior note, 2.875%, 09/17/15	USA	EUR	1,043,470	1.24
800,000	Rabobank Nederland, senior note, Reg S, 4.125%, 01/12/21	NLD	EUR	894,548	1.06
700,000	JPMorgan Chase & Co., senior note, Reg S, 3.875%, 09/23/20	USA	EUR	774,872	0.92
700,000	Bank of America Corp., senior note, Reg S, 4.625%, 08/07/17	USA	EUR	774,623	0.92
700,000	Motability Operations Group PLC, senior note, Reg S, 3.75%, 11/29/17	GBR	EUR	766,524	0.91
750,000	WM Morrison Supermarkets PLC, 2.25%, 06/19/20	GBR	EUR	747,281	0.88
700,000	Intesa Sanpaolo SpA, senior note, Reg S, 4.125%, 01/14/16	ITA	EUR	723,926	0.86
700,000	Achmea BV, sub. note, Reg S, 6.00% to 04/04/23, FRN thereafter, 04/04/43	NLD	EUR	720,125	0.85
700,000	AXA SA, sub. note, 5.25%, 04/16/40	FRA	EUR	714,724	0.85
600,000	The Goldman Sachs Group Inc., senior note, 6.375%, 05/02/18	USA	EUR	710,214	0.84
700,000	Allianz Finance II BV, junior sub. bond, 4.375% to 02/17/17, FRN thereafter, Perpetual	DEU	EUR	705,635	0.84
600,000	HSBC Holdings PLC, sub. note, Reg S, 6.00%, 06/10/19	GBR	EUR	694,801	0.82
700,000	Danone, senior note, 1.375%, 06/10/19	FRA	EUR	687,582	0.81
600,000	Tesco PLC, senior note, 5.875%, 09/12/16	GBR	EUR	687,519	0.81
600,000	ABN Amro Bank NV, sub. note, 7.125%, 07/06/22	NLD	EUR	683,037	0.81
600,000	Telstra Corp. Ltd., senior note, Reg S, 3.75%, 05/16/22	AUS	EUR	657,324	0.78
600,000	Hera SpA, senior bond, Reg S, 5.20%, 01/29/28	ITA	EUR	656,775	0.78
600,000	Arkema, senior bond, 4.00%, 10/25/17	FRA	EUR	651,357	0.77
600,000	Barclays Bank PLC, senior sub. note, Reg S, 6.00%, 01/14/21	GBR	EUR	651,087	0.77
600,000	Carrefour SA, senior note, 4.00%, 04/09/20	FRA	EUR	649,374	0.77
600,000	Gas Natural Capital, senior note, 4.125%, 01/26/18	ESP	EUR	637,662	0.76
600,000	Heineken NV, senior note, Reg S, 3.50%, 03/19/24	NLD	EUR	630,633	0.75
500,000	Wolters Kluwer NV, senior note, 6.375%, 04/10/18	NLD	EUR	600,475	0.71
600,000	Siemens Financieringsmaatschappij NV, Reg S, 1.75%, 03/12/21	DEU	EUR	587,292	0.70
600,000	Veolia Environnement SA, junior sub. note, Reg S, 4.45% to 04/16/18, FRN thereafter, Perpetual	FRA	EUR	579,000	0.69
500,000	Smiths Group PLC, senior note, Reg S, 4.125%, 05/05/17	GBR	EUR	540,965	0.64
500,000	Nordea Bank AB, sub. note, Reg S, 4.50%, 03/26/20	SWE	EUR	538,715	0.64
500,000	Casino Guichard Perrachon SA, senior note, Reg S, 3.311%, 01/25/23	FRA	EUR	489,562	0.58
500,000	Citigroup Inc., sub. note, FRN, 1.469%, 11/30/17 †	USA	EUR	474,850	0.56
400,000	GMAC International Finance BV, senior bond, Reg S, 7.50%, 04/21/15	USA	EUR	426,518	0.50
400,000	Wind Acquisition Finance SA, senior note, Reg S, 11.75%, 07/15/17	ITA	EUR	418,000	0.49
400,000	Chesapeake Energy Corp., senior bond, 6.25%, 01/15/17	USA	EUR	417,250	0.49
400,000	Perstorp Holding AB, secured note, Reg S, 9.00%, 05/15/17	SWE	EUR	406,500	0.48
400,000	Beverage Packaging Holdings Luxembourg II SA, Reg S, 8.00%, 12/15/16	LUX	EUR	401,250	0.48
300,000	Nordenia Holdings GmbH, Reg S, 9.75%, 07/15/17	DEU	EUR	338,936	0.40
300,000	Capsugel Financeco SCA, senior note, Reg S, 9.875%, 08/01/19	USA	EUR	333,375	0.39
300,000	Agrokor DD, senior note, Reg S, 9.125%, 02/01/20	HRV	EUR	317,438	0.38
300,000	Royal Bank of Scotland PLC, sub. note, 6.934%, 04/09/18	GBR	EUR	314,625	0.37
300,000	Bormioli Rocco Holdings SA, senior secured bond, Reg S, 10.00%, 08/01/18	LUX	EUR	311,775	0.37
300,000	Intergen NV, senior note, Reg S, 8.50%, 06/30/17	NLD	EUR	308,250	0.37
300,000	Nokia Siemens Networks Finance BV, senior note, Reg S, 6.75%, 04/15/18	NLD	EUR	307,313	0.36
300,000	Ence Energia y Celulosa SA, secured note, Reg S, 7.25%, 02/15/20	ESP	EUR	305,322	0.36
300,000	Algeco Scotsman Global Finance PLC, secured note, Reg S, 9.00%, 10/15/18	GBR	EUR	303,563	0.36
300,000	Zobe Holding SpA, secured note, Reg S, 7.875%, 02/01/18	ITA	EUR	303,375	0.36
300,000	Finmec Finance SA, senior unsecured note, 4.375%, 12/05/17	ITA	EUR	301,688	0.36
300,000	La Financiere Atalian SA, senior note, Reg S, 7.25%, 01/15/20	FRA	EUR	296,685	0.35
300,000	Unitymedia Hessen/NRW, senior secured note, Reg S, 5.75%, 01/15/23	DEU	EUR	293,250	0.35
300,000	Edcon Pty. Ltd., secured note, Reg S, 9.50%, 03/01/18	ZAF	EUR	279,750	0.33
227,000	Viridian Group FundCo II, senior secured note, first lien, Reg S, 11.125%, 04/01/17	GBR	EUR	237,641	0.28
115,835	Unitymedia Hessen/NRW, senior secured note, Reg S, 8.125%, 12/01/17	DEU	EUR	122,397	0.14
				<u>28,377,134</u>	<u>33.61</u>
<b>Government and Municipal Bonds</b>					
7,000,000	Government of the Netherlands, Reg S, 4.50%, 07/15/17	NLD	EUR	8,017,100	9.49
6,000,000	Italy Treasury Bond, 5.50%, 09/01/22	ITA	EUR	6,454,500	7.64
6,000,000	Italy Treasury Bond, 4.50%, 03/01/26	ITA	EUR	5,964,870	7.06
5,000,000	Government of France, 3.25%, 04/25/16	FRA	EUR	5,371,375	6.36
5,000,000	French Treasury Note, 1.75%, 02/25/17	FRA	EUR	5,157,225	6.11
3,000,000	Government of Germany, 3.50%, 01/04/16	DEU	EUR	3,243,675	3.84
3,000,000	Italy Treasury Bond, Reg S, 4.75%, 09/01/44	ITA	EUR	2,852,820	3.38
10,000,000	Government of Poland, 5.75%, 09/23/22	POL	PLN	2,554,476	3.03
10,000,000	Government of Poland, 4.00%, 10/25/23	POL	PLN	2,248,364	2.66
2,500,000	Government of Slovenia, senior note, 5.125%, 03/30/26	SVN	EUR	2,177,863	2.58
2,000,000	Government of the Netherlands, 1.25%, 01/15/19	NLD	EUR	1,997,350	2.37
1,600,000	United Mexican States, senior note, 2.75%, 04/22/23	MEX	EUR	1,538,000	1.82
1,000,000	Government of Bulgaria, Reg S, 4.25%, 07/09/17	BGR	EUR	1,071,675	1.27
1,000,000	Belgium Kingdom, 3.50%, 03/28/15	BEL	EUR	1,053,850	1.25
500,000	Italy Buoni Poliennali Del Tesoro, Reg S, 4.75%, 09/01/28	ITA	EUR	497,650	0.59
				<u>50,200,793</u>	<u>59.45</u>

## — Templeton European Total Return Fund —

# SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
600,000	<b>Securities Maturing Within One Year</b>				
	Government of Lithuania, senior note, 9.375%, 06/22/14	LTU	EUR	649,935	0.77
	<b>TOTAL BONDS</b>			<u>79,227,862</u>	<u>93.83</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>79,227,862</u>	<u>93.83</u>
	<b>TOTAL INVESTMENTS</b>			<u>79,227,862</u>	<u>93.83</u>
	† Floating Rates are indicated as at June 30, 2013				



## — Templeton Frontier Markets Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Air Freight &amp; Logistics</b>					
32,072,792	Aramex Co.	ARE	AED	21,393,504	1.01
<b>Airlines</b>					
71,116,080	Kenya Airways Ltd.	KEN	KES	8,247,145	0.39
<b>Auto Components</b>					
3,524,436	Danang Rubber JSC	VND	VND	6,315,896	0.30
<b>Automobiles</b>					
2,847,714	Indus Motor Co. Ltd.	PAK	PKR	8,896,425	0.42
<b>Beverages</b>					
23,737,107	Delta Corp. Ltd.	ZWE	USD	33,231,950	1.57
6,938,633	Guinness Nigeria PLC	NGA	NGN	10,886,306	0.51
9,870,813	Nigerian Breweries PLC	NGA	NGN	9,480,305	0.45
				53,598,561	2.53
<b>Building Products</b>					
4,097,418	Binh Minh Plastics JSC	VND	VND	12,270,033	0.58
8,982,407	Dangote Cement PLC	NGA	NGN	10,058,439	0.48
13,246	Deutsche Bank AG/London (CRTP Saudi Ceramic Co., 144A)	SAU	USD	392,954	0.02
1,025	Merrill Lynch International & Co. CV (CRTP Saudi Ceramic Co.)	SAU	USD	30,407	0.00
				22,751,833	1.08
<b>Chemicals</b>					
1,494,752	HSBC Bank PLC (CRTP Saudi Basic Industries Corp., 144A)	SAU	USD	36,470,976	1.72
300,565	Deutsche Bank AG/London (CRTP Saudi Basic Industries Corp., 144A)	SAU	USD	7,333,590	0.35
112,685	Arab Potash Co. PLC	JOR	JOD	6,922,590	0.33
2,876,370	Dong Phu Rubber JSC	VND	VND	6,578,823	0.31
1,977,920	Tay Ninh Rubber JSC	VND	VND	4,477,254	0.21
1,267,299	Viet Nam Fumigation JSC	VND	VND	2,859,715	0.13
				64,642,948	3.05
<b>Commercial Banks</b>					
12,484,372	First Gulf Bank PJSC	ARE	AED	54,213,377	2.56
430,288,170	Zenith Bank PLC	NGA	NGN	52,419,281	2.48
443,485,707	FBN Holdings PLC	NGA	NGN	48,842,639	2.31
3,504,089	HSBC Bank PLC (CRTP Samba Financial Group, 144A)	SAU	USD	46,159,302	2.18
30,061,329	Bank Muscat SAOG	OMN	OMR	45,597,154	2.15
665,809,101	Access Bank Nigeria PLC	NGA	NGN	44,652,182	2.11
12,914,697	National Bank of Abu Dhabi	ARE	AED	39,732,120	1.88
35,733,135	United Bank Ltd.	PAK	PKR	38,446,771	1.82
39,818,821	Commercial Bank of Ceylon PLC – voting shares	LKA	LKR	35,367,406	1.67
358,283,776	Ecobank Transnational Inc.	NGA	NGN	32,845,802	1.55
638,123,641	United Bank for Africa PLC	NGA	NGN	31,802,138	1.50
3,792,247	Merrill Lynch International & Co. CV (CRTP Arab National Bank)	SAU	USD	31,045,034	1.47
1,197,785	Bank of Georgia Holdings PLC	GE	GBP	30,394,254	1.44
2,668,501	HSBC Bank PLC (CRTP Saudi British Bank)	SAU	USD	26,470,824	1.25
566,001	Qatar National Bank	QAT	QAR	24,719,935	1.17
1,251,864	Commercial Bank of Qatar QSC	QAT	QAR	23,898,737	1.13
47,283,876	Islami Bank Bangladesh Ltd.	BGD	BDT	23,657,103	1.12
1,228,660	HSBC Bank PLC (CRTP Al Rajhi Bank)	SAU	USD	23,425,826	1.11
145,545,365	Guaranty Trust Bank PLC	NGA	NGN	21,760,613	1.03
9,028,850	BRD-Groupe Societe Generale	ROM	RON	19,702,037	0.93
13,876,398	Hatton National Bank PLC	LKA	LKR	17,393,311	0.82
133,890	Credicorp Ltd.	PER	USD	17,132,564	0.81
44,574,450	Banca Transilvania	ROM	RON	15,996,720	0.76
237,800	Bancolombia SA, ADR	COL	USD	13,435,700	0.63
26,278,369	Kenya Commercial Bank Ltd.	KEN	KES	11,332,164	0.54
24,307,440	Prime Bank Ltd.	BGD	BDT	8,887,262	0.42
2,239,867	BBVA Banco Frances SA, ADR	ARG	USD	8,399,501	0.40
19,331,900	Brac Bank Ltd.	BGD	BDT	7,489,716	0.35
17,855,190	Equity Bank Ltd.	KEN	KES	6,503,202	0.31
376,574	Banco Macro SA, ADR	ARG	USD	5,403,837	0.25
4,057,251	Union National Bank	ARE	AED	5,125,414	0.24
4,525,980	Hatton National Bank PLC	LKA	LKR	4,089,323	0.19
215,716	AIK Banka AD	SER	RSD	3,063,656	0.14
3,286,705	Commercial Bank of Ceylon PLC – non-voting shares	LKA	LKR	2,390,789	0.11
123,408	Merrill Lynch Capital Markets AG (CRTP Al Rajhi Bank)	SAU	USD	2,352,916	0.11
116,600	National Microfinance Bank Ltd.	TZA	TZS	116,241	0.01
51,110	Military Commercial Joint Stock Bank	VND	VND	31,816	0.00
				824,296,667	38.95
<b>Commercial Services &amp; Supplies</b>					
13,832,379	Depa Ltd.	ARE	USD	5,532,952	0.26



## — Templeton Frontier Markets Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Construction &amp; Engineering</b>				
2,656,640	HSBC Bank PLC (CRTP Abdullah A.M. Al-khodari Sons Co.)	SAU	USD	23,165,283	1.10
	<b>Containers &amp; Packaging</b>				
1,109,220	Tan Tien Plastic Packaging JSC	VND	VND	1,564,050	0.07
	<b>Diversified Financial Services</b>				
316,423	Intercorp Financial Services Inc., Reg S	PER	USD	10,441,959	0.49
11,809,500	SIF Oltenia	ROM	RON	4,930,164	0.23
10,861,000	SIF Banat-Crisana	ROM	RON	3,609,621	0.17
8,071,000	SIF Moldova	ROM	RON	2,917,668	0.14
14,621,399	SIF Transilvania	ROM	RON	2,291,154	0.11
6,725,000	SIF Muntenia	ROM	RON	1,344,941	0.07
5,313,901	UBA Capital PLC	NGA	NGN	40,869	0.00
				25,576,376	1.21
	<b>Diversified Telecommunication Services</b>				
1,858,800	Qatar Telecom QSC	QAT	QAR	61,525,154	2.91
991,991	Sonatel	SEN	XOF	37,400,938	1.77
2,493,470	Telecom Argentina SA, B, ADR	ARG	USD	37,102,834	1.75
				136,028,926	6.43
	<b>Electrical Equipment</b>				
2,662,920	Dry Cell Storage Battery JSC	VND	VND	2,072,067	0.10
	<b>Energy Equipment &amp; Services</b>				
5,273,930	Renaissance Services SAOG	OMN	OMR	8,163,894	0.39
3,324,520	PetroVietnam Drilling and Well Services JSC	VND	VND	7,400,016	0.35
9,871,500	PetroVietnam Technical Services Corp.	VND	VND	7,262,221	0.34
				22,826,131	1.08
	<b>Food &amp; Staples Retailing</b>				
98,610	HSBC Bank PLC (CRTP Halwani Bros Co.)	SAU	USD	1,511,980	0.07
	<b>Food Products</b>				
2,120,212	MHP SA, GDR, Reg S	UKR	USD	36,340,434	1.72
3,715,309	Vietnam Dairy Products JSC	VND	VND	23,127,601	1.09
985,669	Deutsche Bank AG/London (CRTP Saudi Dairy & Foodstuff Co., 144A)	SAU	USD	22,538,363	1.07
2,844,000	Mriya Agro Holding PLC, GDR, Reg S	UKR	EUR	16,288,327	0.77
14,169,716	Agthia Group PJSC	ARE	AED	12,537,865	0.59
9,009,471	Zambeef Products PLC	ZMB	GBP	5,960,394	0.28
591,130	Vinacafe Bien Hoa JSC	VND	VND	5,575,383	0.26
542,241	Nestle Nigeria PLC	NGA	NGN	3,236,097	0.15
230,463	Deutsche Bank AG/London (CRTP Savola Al-Azizia United Co., 144A)	SAU	USD	3,023,594	0.14
997,503	Agroton Public Ltd.	UKR	PLN	717,326	0.04
2,246,871	Sintal Agriculture Ltd., GDR, Reg S	UKR	EUR	584,928	0.03
204,000	Agroton Public Ltd.	UKR	PLN	146,701	0.01
				130,077,013	6.15
	<b>Health Care Providers &amp; Services</b>				
1,020,198	HSBC Bank PLC (CRTP Al Mouwasat Medical Services, 144A)	SAU	USD	18,635,120	0.88
	<b>Hotels, Restaurants &amp; Leisure</b>				
16,530,999	NagaCorp Ltd.	KH	HKD	12,916,258	0.61
	<b>Industrial Conglomerates</b>				
1,031,280	Industries Qatar QSC	QAT	QAR	44,899,227	2.12
19,559,616	UAC of Nigeria PLC	NGA	NGN	6,739,300	0.32
52,953	Press Corp. Ltd., GDR, Reg S	MWI	USD	610,746	0.03
				52,249,273	2.47
	<b>Insurance</b>				
5,344,150	Vietnam National Reinsurance Corp.	VND	VND	6,552,601	0.31
	<b>Marine</b>				
1,218,450	Vietnam Container Shipping JSC	VND	VND	2,413,341	0.11
	<b>Media</b>				
711,318	Grupo Clarin SA, B, GDR, Reg S	ARG	USD	1,995,247	0.09
	<b>Metals &amp; Mining</b>				
5,767,356	Kazakhmys PLC	KAZ	GBP	22,682,540	1.07
1,475,970	Compania de Minas Buenaventura SA, ADR	PER	USD	21,785,317	1.03
6,894,327	African Minerals Ltd.	SLE	GBP	19,803,993	0.94
8,227,584	Ferrexpo PLC	UKR	GBP	16,648,443	0.79
711,400	Ternium SA, ADR	ARG	USD	16,098,982	0.76
37,644,506	Kenmare Resources PLC	MOZ	GBP	14,026,654	0.66
66,898,900	Mongolian Mining Corp.	MNG	HKD	12,248,202	0.58
6,733,120	Hoa Phat Group JSC	VND	VND	8,954,208	0.42
493,382	Jordan Phosphate Mines	JOR	JOD	6,931,381	0.33
				139,179,720	6.58

The accompanying notes form an integral

## — Templeton Frontier Markets Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Oil, Gas &amp; Consumable Fuels</b>					
6,342,059	KazMunaiGas Exploration Production, GDR	KAZ	USD	95,891,932	4.53
8,116,188	Dragon Oil PLC	TKM	GBP	70,573,991	3.34
1,628,952	Pacific Rubiales Energy Corp.	COL	CAD	28,617,248	1.35
193,337,791	OMV Petrom SA	ROM	RON	23,740,617	1.12
2,097,492	Zhaikmunai LP, GDR, Reg S	IOM	USD	22,831,200	1.08
1,100,430	Genel Energy PLC	IQ	GBP	15,342,628	0.73
37,495,881	Oando PLC	NGA	NGN	2,999,117	0.14
11,253,700	KenolKobil Ltd. Group	KEN	KES	1,154,226	0.05
				<u>261,150,959</u>	<u>12.34</u>
<b>Pharmaceuticals</b>					
5,824,461	DHG Pharmaceutical JSC	VND	VND	23,896,633	1.13
2,837,149	Egyptian International Pharmaceutical Industries Co.	EGY	EGP	17,380,157	0.82
1,637,880	Imexpharm Pharmaceutical JSC	VND	VND	2,626,169	0.13
156,160	HSBC Bank PLC (CRTP Saudi Pharmaceutical Industries & Medical Appliances Corp.)	SAU	USD	2,123,720	0.10
				<u>46,026,679</u>	<u>2.18</u>
<b>Textiles, Apparel &amp; Luxury Goods</b>					
380,850	Youngone Corp.	KOR	KRW	13,068,382	0.62
317,800	Youngone Corp., GDR	KOR	USD	10,904,902	0.51
				<u>23,973,284</u>	<u>1.13</u>
<b>Transportation Infrastructure</b>					
4,953,750	Ho Chi Minh Infrastructure Investment JSC	VND	VND	4,298,467	0.20
<b>Wireless Telecommunication Services</b>					
18,368,808	Orascom Telecom Holding SAE, GDR, Reg S	EGY	USD	51,248,974	2.42
1,581,484	HSBC Bank PLC (CRTP Etihad Etisalat Co., 144A)	SAU	USD	33,526,567	1.58
1,879,589	KCell JSC, GDR, Reg S	KAZ	USD	28,240,825	1.33
4,626,000	Grameenphone Ltd.	BGD	BDT	10,907,746	0.52
134,316,100	Safaricom Ltd.	KEN	KES	10,332,008	0.49
				<u>134,256,120</u>	<u>6.34</u>
<b>TOTAL SHARES</b>				<u>2,062,144,826</u>	<u>97.44</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>2,062,144,826</u>	<u>97.44</u>
TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
58,314,217	Consumer Finance Letshego Holdings Ltd.	BWA	BWP	15,658,825	0.74
<b>TOTAL SHARES</b>				<u>15,658,825</u>	<u>0.74</u>
<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>15,658,825</u>	<u>0.74</u>
<b>TOTAL INVESTMENTS</b>				<u>2,077,803,651</u>	<u>98.18</u>

## — Templeton Global Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Air Freight &amp; Logistics</b>					
1,232,749	TNT Express NV	NLD	EUR	9,245,750	0.95
271,583	Deutsche Post AG	DEU	EUR	6,750,197	0.70
				<u>15,995,947</u>	<u>1.65</u>
<b>Airlines</b>					
3,139,949	International Consolidated Airlines Group SA	GBR	GBP	12,597,483	1.30
454,162	Deutsche Lufthansa AG	DEU	EUR	9,219,140	0.95
				<u>21,816,623</u>	<u>2.25</u>
<b>Auto Components</b>					
99,739	Cie Generale des Etablissements Michelin, B	FRA	EUR	8,918,996	0.92
<b>Automobiles</b>					
237,338	Toyota Motor Corp.	JPN	JPY	14,332,641	1.48
1,269,700	Nissan Motor Co. Ltd.	JPN	JPY	12,864,689	1.33
3,224,500	Mazda Motor Corp.	JPN	JPY	12,710,752	1.31
				<u>39,908,082</u>	<u>4.12</u>
<b>Beverages</b>					
271,000	Suntory Beverage & Food Ltd., Reg S	JPN	JPY	8,469,604	0.88
<b>Biotechnology</b>					
844,810	Elan Corp. PLC, ADR	IRL	USD	11,945,614	1.24
100,470	Amgen Inc.	USA	USD	9,912,370	1.02
164,480	Gilead Sciences Inc.	USA	USD	8,423,021	0.87
1,666,786	Biocon Ltd.	IND	INR	7,858,949	0.81
567,390	Savient Pharmaceuticals Inc.	USA	USD	317,738	0.03
				<u>38,457,692</u>	<u>3.97</u>
<b>Building Products</b>					
237,900	Compagnie de Saint-Gobain	FRA	EUR	9,630,505	1.00
<b>Capital Markets</b>					
560,850	Morgan Stanley	USA	USD	13,701,565	1.42
275,820	Credit Suisse Group AG	CHE	CHF	7,312,580	0.75
291,852	AllianceBernstein Holding LP	USA	USD	6,076,359	0.63
				<u>27,090,504</u>	<u>2.80</u>
<b>Chemicals</b>					
254,300	Potash Corp. of Saskatchewan Inc.	CAN	CAD	9,704,205	1.00
293,640	The Dow Chemical Co.	USA	USD	9,446,399	0.98
146,221	Akzo Nobel NV	NLD	EUR	8,244,081	0.85
80,250	LyondellBasell Industries NV, A	USA	USD	5,317,365	0.55
				<u>32,712,050</u>	<u>3.38</u>
<b>Commercial Banks</b>					
282,770	BNP Paribas SA	FRA	EUR	15,449,636	1.60
2,852,549	UniCredit SpA	ITA	EUR	13,359,447	1.38
1,045,600	HSBC Holdings PLC	GBR	HKD	10,953,526	1.13
10,428,349	Lloyds Banking Group PLC	GBR	GBP	10,013,183	1.04
1,093,473	Credit Agricole SA	FRA	EUR	9,398,176	0.97
312,610	Hana Financial Group Inc.	KOR	KRW	9,098,636	0.94
5,196,707	Intesa Sanpaolo SpA	ITA	EUR	8,326,845	0.86
529,373	DBS Group Holdings Ltd.	SGP	SGD	6,474,872	0.67
				<u>83,074,321</u>	<u>8.59</u>
<b>Communications Equipment</b>					
453,623	Cisco Systems Inc.	USA	USD	11,027,575	1.14
1,300,810	Brocade Communications Systems Inc.	USA	USD	7,492,665	0.77
493,648	Ericsson, B	SWE	SEK	5,590,357	0.58
				<u>24,110,597</u>	<u>2.49</u>
<b>Computers &amp; Peripherals</b>					
514,850	Hewlett-Packard Co.	USA	USD	12,768,280	1.32
<b>Construction &amp; Engineering</b>					
347,420	Foster Wheeler AG	USA	USD	7,542,488	0.78
480,170	Carillion PLC	GBR	GBP	2,016,997	0.21
				<u>9,559,485</u>	<u>0.99</u>
<b>Construction Materials</b>					
506,740	CRH PLC	IRL	EUR	10,256,750	1.06

The accompanying notes form an integral

## — Templeton Global Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Diversified Financial Services</b>				
2,237,671	ING Groep NV, IDR	NLD	EUR	20,388,650	2.11
259,541	Citigroup Inc.	USA	USD	12,450,182	1.29
416,030	ING U.S. Inc.	USA	USD	11,257,772	1.16
				<u>44,096,604</u>	<u>4.56</u>
	<b>Diversified Telecommunication Services</b>				
18,241,000	China Telecom Corp. Ltd., H	CHN	HKD	8,701,926	0.90
432,665	Telenor ASA	NOR	NOK	8,577,075	0.89
668,000	Telefonica SA	ESP	EUR	8,560,249	0.88
2,839,000	Singapore Telecommunications Ltd.	SGP	SGD	8,445,871	0.87
894,420	Portugal Telecom SGPS SA	PRT	EUR	3,481,023	0.36
				<u>37,766,144</u>	<u>3.90</u>
	<b>Electrical Equipment</b>				
274,457	Alstom SA	FRA	EUR	8,988,333	0.93
350,810	ABB Ltd.	CHE	CHF	7,615,085	0.79
166,510	Babcock & Wilcox Co.	USA	USD	5,000,295	0.51
				<u>21,603,713</u>	<u>2.23</u>
	<b>Energy Equipment &amp; Services</b>				
203,930	Baker Hughes Inc.	USA	USD	9,407,291	0.97
222,060	Noble Corp.	USA	USD	8,345,015	0.86
124,640	Halliburton Co.	USA	USD	5,199,981	0.54
57,849	Fugro NV, IDR	NLD	EUR	3,136,209	0.33
				<u>26,088,496</u>	<u>2.70</u>
	<b>Food &amp; Staples Retailing</b>				
312,060	Metro AG	DEU	EUR	9,878,611	1.02
894,560	Tesco PLC	GBR	GBP	4,510,370	0.47
				<u>14,388,981</u>	<u>1.49</u>
	<b>Health Care Equipment &amp; Supplies</b>				
240,910	Medtronic Inc.	USA	USD	12,399,638	1.28
	<b>Industrial Conglomerates</b>				
70,354	Siemens AG	DEU	EUR	7,110,898	0.73
197,504	Koninklijke Philips NV	NLD	EUR	5,384,563	0.56
				<u>12,495,461</u>	<u>1.29</u>
	<b>Insurance</b>				
628,597	AXA SA	FRA	EUR	12,350,929	1.28
2,384,984	Aviva PLC	GBR	GBP	12,323,423	1.27
335,480	The Hartford Financial Services Group Inc.	USA	USD	10,373,042	1.07
205,240	American International Group Inc.	USA	USD	9,174,228	0.95
122,157	Swiss Re AG	CHE	CHF	9,088,889	0.94
2,895,000	China Life Insurance Co. Ltd., H	CHN	HKD	6,853,087	0.71
26,367	Muenchener Rueckversicherungs-Gesellschaft AG	DEU	EUR	4,852,933	0.50
				<u>65,016,531</u>	<u>6.72</u>
	<b>Leisure Equipment &amp; Products</b>				
400,500	Nikon Corp.	JPN	JPY	9,343,250	0.97
	<b>Media</b>				
260,900	Comcast Corp., Special A	USA	USD	10,349,903	1.07
68,859	Time Warner Cable Inc.	USA	USD	7,745,260	0.80
87,746	Time Warner Inc.	USA	USD	5,073,474	0.52
				<u>23,168,637</u>	<u>2.39</u>
	<b>Metals &amp; Mining</b>				
371,010	Allegheny Technologies Inc.	USA	USD	9,761,273	1.01
23,268	POSCO	KOR	KRW	6,079,743	0.63
				<u>15,841,016</u>	<u>1.64</u>
	<b>Multiline Retail</b>				
293,230	Macy's Inc.	USA	USD	14,075,040	1.45
1,725,580	Marks & Spencer Group PLC	GBR	GBP	11,309,630	1.17
				<u>25,384,670</u>	<u>2.62</u>
	<b>Office Electronics</b>				
848,500	Konica Minolta Inc.	JPN	JPY	6,407,163	0.66

## — Templeton Global Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Oil, Gas &amp; Consumable Fuels</b>					
245,699	Total SA, B	FRA	EUR	11,994,628	1.24
659,020	Galp Energia SGPS SA, B	PRT	EUR	9,757,627	1.01
432,425	Repsol SA	ESP	EUR	9,124,058	0.94
388,591	Eni SpA	ITA	EUR	7,981,673	0.83
268,600	Suncor Energy Inc.	CAN	CAD	7,919,912	0.82
391,362	Petroleo Brasileiro SA, ADR, pfd.	BRA	USD	5,737,367	0.59
800,800	BP PLC	GBR	GBP	5,545,997	0.57
355,000	Talisman Energy Inc.	CAN	CAD	4,051,933	0.42
54,521	Chesapeake Energy Corp.	USA	USD	1,111,138	0.11
				<u>63,224,333</u>	<u>6.53</u>
<b>Pharmaceuticals</b>					
81,322	Roche Holding AG	CHE	CHF	20,226,142	2.09
187,040	Bayer AG	DEU	EUR	19,946,728	2.06
125,875	Actavis Inc.	USA	USD	15,887,943	1.64
127,573	Sanofi	FRA	EUR	13,221,330	1.37
80,745	Merck KGaA	DEU	EUR	12,302,157	1.27
301,690	Ipsen SA	FRA	EUR	11,132,897	1.15
481,550	Pharmstandard OJSC, GDR, Reg S	RUS	USD	10,081,249	1.04
244,040	Forest Laboratories Inc.	USA	USD	10,005,640	1.03
196,265	Merck & Co. Inc.	USA	USD	9,116,509	0.94
318,131	GlaxoSmithKline PLC	GBR	GBP	7,974,721	0.83
272,848	Pfizer Inc.	USA	USD	7,642,472	0.79
268,560	H. Lundbeck AS	DNK	DKK	4,789,981	0.50
				<u>142,327,769</u>	<u>14.71</u>
<b>Professional Services</b>					
138,370	Randstad Holding NV	NLD	EUR	5,673,443	0.59
<b>Semiconductors &amp; Semiconductor Equipment</b>					
9,212	Samsung Electronics Co. Ltd.	KOR	KRW	10,821,520	1.12
<b>Software</b>					
597,134	Microsoft Corp.	USA	USD	20,619,037	2.13
108,413	SAP AG	DEU	EUR	7,939,174	0.82
223,200	Trend Micro Inc.	JPN	JPY	7,088,214	0.73
				<u>35,646,425</u>	<u>3.68</u>
<b>Specialty Retail</b>					
2,279,500	Kingfisher PLC	GBR	GBP	11,892,781	1.23
<b>Wireless Telecommunication Services</b>					
2,401,111	Sprint Nextel Corp.	USA	USD	16,855,799	1.74
3,079,461	Vodafone Group PLC	GBR	GBP	8,800,106	0.91
130,500	SOFTBANK Corp.	JPN	JPY	7,617,653	0.79
				<u>33,273,558</u>	<u>3.44</u>
	<b>TOTAL SHARES</b>			<u>959,629,569</u>	<u>99.17</u>
<b>RIGHTS</b>					
<b>Oil, Gas &amp; Consumable Fuels</b>					
432,425	Repsol SA, rts., 07/04/13	ESP	EUR	240,907	0.02
	<b>TOTAL RIGHTS</b>			<u>240,907</u>	<u>0.02</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>959,870,476</u>	<u>99.19</u>
<b>TOTAL INVESTMENTS</b>				<u>959,870,476</u>	<u>99.19</u>

The accompanying notes form an integral

## — Templeton Global (Euro) Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Air Freight &amp; Logistics</b>					
718,580	TNT Express NV	NLD	EUR	4,140,458	0.69
<b>Airlines</b>					
2,896,040	International Consolidated Airlines Group SA	GBR	GBP	8,926,302	1.49
478,720	Deutsche Lufthansa AG	DEU	EUR	7,465,638	1.24
				16,391,940	2.73
<b>Auto Components</b>					
102,360	Cie Generale des Etablissements Michelin, B	FRA	EUR	7,032,132	1.17
<b>Automobiles</b>					
169,090	Toyota Motor Corp.	JPN	JPY	7,844,814	1.31
2,371,000	Mazda Motor Corp.	JPN	JPY	7,180,360	1.19
				15,025,174	2.50
<b>Beverages</b>					
218,200	Suntory Beverage & Food Ltd., Reg S	JPN	JPY	5,239,072	0.87
<b>Biotechnology</b>					
842,321	Elan Corp. PLC, ADR	IRL	USD	9,150,247	1.52
96,807	Amgen Inc.	USA	USD	7,337,594	1.22
111,104	Algeta ASA	NOR	NOK	3,249,259	0.54
53,872	Basilea Pharmaceutica AG	CHE	CHF	3,066,225	0.51
				22,803,325	3.79
<b>Capital Markets</b>					
589,974	UBS AG	CHE	CHF	7,713,684	1.28
180,280	Morgan Stanley	USA	USD	3,383,583	0.56
163,933	Credit Suisse Group AG	CHE	CHF	3,339,005	0.56
191,330	AllianceBernstein Holding LP	USA	USD	3,060,339	0.51
				17,496,611	2.91
<b>Chemicals</b>					
118,890	LyondellBasell Industries NV, A	USA	USD	6,052,050	1.01
126,340	Akzo Nobel NV	NLD	EUR	5,472,417	0.91
127,190	The Dow Chemical Co.	USA	USD	3,143,474	0.52
98,410	Potash Corp. of Saskatchewan Inc.	CAN	USD	2,882,782	0.48
				17,550,723	2.92
<b>Commercial Banks</b>					
10,479,770	Lloyds Banking Group PLC	GBR	GBP	7,730,617	1.29
1,707,133	UniCredit SpA	ITA	EUR	6,142,265	1.02
727,600	HSBC Holdings PLC	GBR	HKD	5,855,808	0.97
4,335,162	Intesa Sanpaolo SpA	ITA	EUR	5,336,584	0.89
423,000	DBS Group Holdings Ltd.	SGP	SGD	3,974,802	0.66
526,810	Credit Agricole SA	FRA	EUR	3,478,526	0.58
114,105	KB Financial Group Inc.	KOR	KRW	2,624,330	0.44
				35,142,932	5.85
<b>Communications Equipment</b>					
664,611	Ericsson, B	SWE	SEK	5,782,231	0.96
290,894	Cisco Systems Inc.	USA	USD	5,432,822	0.90
974,280	Brocade Communications Systems Inc.	USA	USD	4,311,338	0.72
				15,526,391	2.58
<b>Computers &amp; Peripherals</b>					
259,640	Hewlett-Packard Co.	USA	USD	4,946,854	0.82
<b>Construction Materials</b>					
104,770	HeidelbergCement AG	DEU	EUR	5,413,466	0.90
170,460	CRH PLC	IRL	EUR	2,650,653	0.44
				8,064,119	1.34
<b>Consumer Finance</b>					
99,476	American Express Co.	USA	USD	5,713,384	0.95
<b>Containers &amp; Packaging</b>					
277,827	Rexam PLC	GBR	GBP	1,549,867	0.26
<b>Diversified Financial Services</b>					
656,880	ING U.S. Inc.	USA	USD	13,655,878	2.27
271,082	JPMorgan Chase & Co.	USA	USD	10,994,060	1.83
1,205,032	ING Groep NV, IDR	NLD	EUR	8,435,224	1.40
189,080	Citigroup Inc.	USA	USD	6,968,208	1.16
				40,053,370	6.66

part of these financial statements

## — Templeton Global (Euro) Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Diversified Telecommunication Services</b>					
526,468	Telenor ASA	NOR	NOK	8,017,985	1.33
3,463,882	Singapore Telecommunications Ltd.	SGP	SGD	7,916,768	1.32
260,602	Vivendi SA	FRA	EUR	3,791,759	0.63
344,256	Telefonica SA	ESP	EUR	3,389,200	0.56
5,900,000	China Telecom Corp. Ltd., H	CHN	HKD	2,162,343	0.36
3,166,107	Telecom Italia SpA	ITA	EUR	1,351,928	0.23
				<u>26,629,983</u>	<u>4.43</u>
<b>Electric Utilities</b>					
588,000	Centrais Eletricas Brasileiras SA	BRA	BRL	938,369	0.16
<b>Electrical Equipment</b>					
455,150	ABB Ltd.	CHE	CHF	7,590,373	1.26
276,762	Alstom SA	FRA	EUR	6,963,332	1.16
14,944,000	Shanghai Electric Group Co. Ltd.	CHN	HKD	3,841,272	0.64
131,100	Babcock & Wilcox Co.	USA	USD	3,024,571	0.50
1,557,998	Dongfang Electric Corp. Ltd., H	CHN	HKD	1,611,158	0.27
				<u>23,030,706</u>	<u>3.83</u>
<b>Energy Equipment &amp; Services</b>					
176,940	Baker Hughes Inc.	USA	USD	6,270,689	1.05
170,630	Noble Corp.	USA	USD	4,926,267	0.82
148,571	Halliburton Co.	USA	USD	4,761,943	0.79
				<u>15,958,899</u>	<u>2.66</u>
<b>Food &amp; Staples Retailing</b>					
1,673,908	Tesco PLC	GBR	GBP	6,483,956	1.08
230,610	Carrefour SA	FRA	EUR	4,872,789	0.81
123,370	Metro AG	DEU	EUR	3,000,359	0.50
				<u>14,357,104</u>	<u>2.39</u>
<b>Health Care Equipment &amp; Supplies</b>					
359,500	Medtronic Inc.	USA	USD	14,215,392	2.37
<b>Household Durables</b>					
343,200	Persimmon PLC	GBR	GBP	4,733,752	0.79
<b>Industrial Conglomerates</b>					
221,142	Koninklijke Philips NV	NLD	EUR	4,631,819	0.77
<b>Insurance</b>					
2,836,600	AIA Group Ltd.	HKG	HKD	9,230,054	1.54
557,251	AXA SA	FRA	EUR	8,411,704	1.40
105,144	Swiss Re AG	CHE	CHF	6,010,114	1.00
1,326,073	Aviva PLC	GBR	GBP	5,264,039	0.88
2,687,000	China Life Insurance Co. Ltd., H	CHN	HKD	4,886,649	0.81
731,530	Aegon NV	NLD	EUR	3,759,333	0.62
				<u>37,561,893</u>	<u>6.25</u>
<b>IT Services</b>					
511,660	SAIC Inc.	USA	USD	5,475,684	0.91
<b>Leisure Equipment &amp; Products</b>					
182,600	Nikon Corp.	JPN	JPY	3,272,669	0.55
<b>Machinery</b>					
211,750	Navistar International Corp.	USA	USD	4,515,945	0.75
67,660	SPX Corp.	USA	USD	3,741,534	0.62
				<u>8,257,479</u>	<u>1.37</u>
<b>Media</b>					
134,185	Time Warner Cable Inc.	USA	USD	11,595,382	1.93
559,348	Reed Elsevier NV	NLD	EUR	7,159,655	1.19
				<u>18,755,037</u>	<u>3.12</u>
<b>Metals &amp; Mining</b>					
19,311	POSCO	KOR	KRW	3,876,473	0.64
74,180	Allegheny Technologies Inc.	USA	USD	1,499,386	0.25
125,961	Vale SA, ADR, pfd., A	BRA	USD	1,176,726	0.20
				<u>6,552,585</u>	<u>1.09</u>
<b>Multi-Utilities</b>					
151,675	E.ON SE	DEU	EUR	1,912,622	0.32

The accompanying notes form an integral

## — Templeton Global (Euro) Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Multiline Retail</b>				
193,550	Macy's Inc.	USA	USD	7,137,403	1.19
128,410	Target Corp.	USA	USD	6,793,157	1.13
913,070	Marks & Spencer Group PLC	GBR	GBP	4,597,515	0.76
				<u>18,528,075</u>	<u>3.08</u>
	<b>Office Electronics</b>				
971,000	Konica Minolta Inc.	JPN	JPY	5,632,990	0.94
	<b>Oil, Gas &amp; Consumable Fuels</b>				
226,674	Total SA, B	FRA	EUR	8,501,408	1.41
770,200	Talisman Energy Inc.	CAN	CAD	6,753,723	1.12
419,996	Chesapeake Energy Corp.	USA	USD	6,575,899	1.09
990,102	BP PLC	GBR	GBP	5,267,946	0.88
194,900	Suncor Energy Inc.	CAN	CAD	4,415,013	0.74
260,570	Eni SpA	ITA	EUR	4,111,795	0.68
230,996	Petroleo Brasileiro SA, ADR, pfd.	BRA	USD	2,601,622	0.43
509,940	Gazprom, ADR	RUS	USD	2,576,830	0.43
16,240	Chevron Corp.	USA	USD	1,476,466	0.25
223,900	Petroleo Brasileiro SA, pfd.	BRA	BRL	1,246,355	0.21
				<u>43,527,057</u>	<u>7.24</u>
	<b>Pharmaceuticals</b>				
56,822	Roche Holding AG	CHE	CHF	10,857,437	1.81
83,624	Merck KGaA	DEU	EUR	9,788,189	1.63
444,839	Pfizer Inc.	USA	USD	9,572,420	1.59
95,442	Actavis Inc.	USA	USD	9,254,938	1.54
105,639	Sanofi	FRA	EUR	8,410,977	1.40
410,592	GlaxoSmithKline PLC	GBR	GBP	7,907,255	1.32
212,623	Merck & Co. Inc.	USA	USD	7,587,553	1.26
87,260	Bayer AG	DEU	EUR	7,149,212	1.19
105,820	Forest Laboratories Inc.	USA	USD	3,333,170	0.55
				<u>73,861,151</u>	<u>12.29</u>
	<b>Semiconductors &amp; Semiconductor Equipment</b>				
10,029	Samsung Electronics Co. Ltd.	KOR	KRW	9,051,024	1.50
467,380	Applied Materials Inc.	USA	USD	5,353,694	0.89
570,510	Siliconware Precision Industries Co., ADR	TWN	USD	2,748,126	0.46
				<u>17,152,844</u>	<u>2.85</u>
	<b>Software</b>				
280,991	Microsoft Corp.	USA	USD	7,454,092	1.24
270,000	Electronic Arts Inc.	USA	USD	4,764,645	0.79
55,965	SAP AG	DEU	EUR	3,148,591	0.52
95,400	Software AG	DEU	EUR	2,193,723	0.37
				<u>17,561,051</u>	<u>2.92</u>
	<b>Trading Companies &amp; Distributors</b>				
285,600	ITOCHU Corp.	JPN	JPY	2,532,804	0.42
	<b>Wireless Telecommunication Services</b>				
1,688,433	Sprint Nextel Corp.	USA	USD	9,105,981	1.52
2,464,950	Vodafone Group PLC	GBR	GBP	5,411,617	0.90
				<u>14,517,598</u>	<u>2.42</u>
	<b>TOTAL SHARES</b>			<u>596,273,915</u>	<u>99.21</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>596,273,915</u>	<u>99.21</u>
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET <b>SHARES</b>				
581,710	<b>Household Durables</b> Persimmon PLC	GBR	GBP	509,753	0.08
	<b>TOTAL SHARES</b>			<u>509,753</u>	<u>0.08</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>509,753</u>	<u>0.08</u>
	<b>TOTAL INVESTMENTS</b>			<u>596,783,668</u>	<u>99.29</u>



## — Templeton Global Aggregate Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Corporate Bonds</b>					
200,000	RZD Capital PLC, (Russian Railways), loan participation, Reg S, 3.374%, 05/20/21	RUS	EUR	242,762	1.51
230,000	Volkswagen International Finance, senior note, 144A, 1.15%, 11/20/15	DEU	USD	230,811	1.43
200,000	LUKOIL International Finance BV, senior note, 144A, 3.416%, 04/24/18	RUS	USD	195,520	1.21
100,000	HSBC Holdings PLC, senior note, Reg S, 6.50%, 05/20/24	GBR	GBP	185,328	1.15
200,000	Saudi Electricity Global Sukuk Co. 2, 144A, 5.06%, 04/08/43	SAU	USD	182,110	1.13
100,000	Tesco PLC, senior note, 6.125%, 02/24/22	GBR	GBP	175,482	1.09
100,000	Svenska Handelsbanken AB, senior note, Reg S, 4.00%, 01/18/19	SWE	GBP	162,727	1.01
100,000	WM Morrison Supermarkets PLC, Reg S, 4.625%, 12/08/23	GBR	GBP	159,944	0.99
100,000	Motability Operations Group PLC, senior note, Reg S, 4.375%, 02/08/27	GBR	GBP	157,762	0.98
160,000	Apple Inc., senior note, 2.40%, 05/03/23	USA	USD	148,619	0.92
100,000	Royal Bank of Scotland PLC, senior note, Reg S, 5.375%, 09/30/19	GBR	EUR	146,858	0.91
100,000	Bupa Finance PLC, sub. note, Reg S, 5.00%, 04/25/23	GBR	GBP	145,857	0.91
100,000	Barclays Bank PLC, senior sub. note, Reg S, 6.00%, 01/14/21	GBR	EUR	141,248	0.88
100,000	Rabobank Nederland, sub. note, 3.75%, 11/09/20	NLD	EUR	132,931	0.82
100,000	Korea Hydro & Nuclear Power Co. Ltd., senior note, Reg S, 3.125%, 09/16/15	KOR	USD	103,051	0.64
90,000	News America Inc., 6.40%, 12/15/35	USA	USD	100,931	0.63
80,000	Bank of Montreal, senior note, 1.45%, 04/09/18	CAN	USD	77,277	0.48
65,000	Comcast Corp., senior note, 6.30%, 11/15/17	USA	USD	76,851	0.48
75,000	Hewlett-Packard Co., 2.60%, 09/15/17	USA	USD	74,951	0.46
65,000	Merrill Lynch & Co. Inc., senior note, 6.875%, 04/25/18	USA	USD	74,862	0.46
50,000	Citigroup Inc., senior note, 8.125%, 07/15/39	USA	USD	66,304	0.41
60,000	JPMorgan Chase & Co., senior note, 3.45%, 03/01/16	USA	USD	62,616	0.39
60,000	ArcelorMittal, senior note, 4.25%, 02/25/15	LUX	USD	60,525	0.38
60,000	Hyundai Capital America, senior note, 144A, 1.625%, 10/02/15	KOR	USD	59,540	0.37
55,000	CIT Group Inc., senior note, 5.25%, 03/15/18	USA	USD	56,787	0.35
55,000	Safeway Inc., senior note, 4.75%, 12/01/21	USA	USD	56,104	0.35
50,000	The Goldman Sachs Group Inc., senior note, 5.75%, 01/24/22	USA	USD	55,217	0.34
50,000	Bank of America Corp., 3.875%, 03/22/17	USA	USD	52,397	0.33
45,000	JBS USA LLC/Finance Inc., senior note, 144A, 8.25%, 02/01/20	USA	USD	47,363	0.29
35,000	Avon Products Inc., senior bond, 5.00%, 03/15/23	USA	USD	34,836	0.22
30,000	Chesapeake Energy Corp., senior note, 6.125%, 02/15/21	USA	USD	31,650	0.20
20,000	Aviation Capital Group, 144A, 6.75%, 04/06/21	USA	USD	21,086	0.13
10,000	Petrohawk Energy Corp., senior note, 7.25%, 08/15/18	USA	USD	10,935	0.07
				3,531,242	21.92
<b>Government and Municipal Bonds</b>					
50,000,000	Development Bank of Japan, senior bond, 2.30%, 03/19/26	JPN	JPY	580,064	3.60
400,000	Government of France, 3.25%, 04/25/16	FRA	EUR	559,332	3.47
500,000	U.S. Treasury Note, 2.625%, 01/31/18	USA	USD	530,547	3.29
500,000	U.S. Treasury Note, 2.625%, 11/15/20	USA	USD	520,801	3.23
350,000	French Treasury Note, 1.75%, 02/25/17	FRA	EUR	469,903	2.92
50,000	Government of Mexico, 8.00%, 12/07/23	MEX	MXN	448,887	2.79
300,000	Italy Treasury Bond, 5.50%, 09/01/22	ITA	EUR	420,075	2.61
400,000	Government of Canada, 2.75%, 06/01/22	CAN	CAD	392,505	2.44
300,000	Italy Treasury Bond, 4.50%, 03/01/26	ITA	EUR	388,209	2.41
35,000,000	Development Bank of Japan, 1.70%, 09/20/22	JPN	JPY	379,361	2.35
300,000	Italy Treasury Bond, Reg S, 4.75%, 09/01/44	ITA	EUR	371,337	2.31
350,000	Queensland Treasury Corp., senior note, 6.00%, 07/21/22	AUS	AUD	352,516	2.19
350,000	Queensland Treasury Corp., 5.75%, 07/22/24	AUS	AUD	343,657	2.13
900,000	Government of Poland, 5.75%, 09/23/22	POL	PLN	299,253	1.86
900,000	Government of Poland, 4.00%, 10/25/23	POL	PLN	263,393	1.63
235,000	Government of Hungary, senior note, 6.25%, 01/29/20	HUN	USD	246,603	1.53
200,000	Government of Slovenia, senior note, 5.125%, 03/30/26	SVN	EUR	226,785	1.41
200,000	Government of Qatar, senior note, Reg S, 3.125%, 01/20/17	QAT	USD	207,753	1.29
200,000	The Export-Import Bank of Korea, senior note, 1.25%, 11/20/15	KOR	USD	198,445	1.23
120,000	Government of Poland, senior note, 5.125%, 04/21/21	POL	USD	131,069	0.81
100,000	Italy Buoni Poliennali Del Tesoro, Reg S, 4.75%, 09/01/28	ITA	EUR	129,553	0.80
100,000	Government of Turkey, 6.75%, 04/03/18	TUR	USD	113,340	0.70
120,000	Florida Hurricane Catastrophe Fund Finance Corp. Revenue, Series A, 2.995%, 07/01/20	USA	USD	112,565	0.70
80,000	California State GO, Build America Bonds, 7.30%, 10/01/39	USA	USD	103,314	0.64
75,000	Illinois State GO, 4.961%, 03/01/16	USA	USD	80,443	0.50
70,000	Corp Andina De Fomento, 4.375%, 06/15/22	SP	USD	70,835	0.44
55,000	Chicago GO, Project, Series C1, 7.781%, 01/01/35	USA	USD	66,064	0.41
65,000	Jobsohio Beverage System Statewide Liquor Profits Revenue, Series B, 4.532%, 01/01/35	USA	USD	61,318	0.38
50,000	Government of Peru, 6.55%, 03/14/37	PER	USD	58,933	0.37
60,000	Government of El Salvador, senior bond, Reg S, 7.65%, 06/15/35	SLV	USD	58,826	0.37
55,000	Government of South Africa, 5.50%, 03/09/20	ZAF	USD	58,231	0.36
40,000	Puerto Rico Commonwealth Government Development Bank Revenue, senior note, Series A, 3.448%, 02/01/15	USA	USD	39,169	0.24
30,000	Illinois State GO, 5.10%, 06/01/33	USA	USD	27,869	0.17
20,000	San Diego County Water Authority Financing Agency Water Revenue, Build America Bonds, San Diego Water, Series B, 6.138%, 05/01/49	USA	USD	23,419	0.15
				8,334,374	51.73

The accompanying notes form an integral

## — Templeton Global Aggregate Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b>					
1,500,000	U.S. Treasury Note, 0.25%, 03/31/14	USA	USD	1,501,054	9.32
500,000	U.S. Treasury Note, 1.25%, 02/15/14	USA	USD	503,477	3.13
85,000	Abbey National Treasury Services PLC, 2.875%, 04/25/14	GBR	USD	86,057	0.53
				<u>2,090,588</u>	<u>12.98</u>
	<b>TOTAL BONDS</b>			<u>13,956,204</u>	<u>86.63</u>
<b>INVESTMENTS FUNDS</b>					
<b>Diversified Financial Services</b>					
48,728	Franklin Templeton Emerging Market Debt Opportunities Fund PLC, Class USD	IRL	USD	927,775	5.76
	<b>TOTAL INVESTMENTS FUNDS</b>			<u>927,775</u>	<u>5.76</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>14,883,979</u>	<u>92.39</u>
TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Asset-Backed Securities</b>					
82,788	Credit Suisse Mortgage Capital Certificates, 2006-TF2A, A2, 144A, FRN, 0.363%, 10/15/21 †	USA	USD	81,466	0.50
<b>Corporate Bonds</b>					
200,000	Danske Bank AS, senior note, 144A, 3.875%, 04/14/16	DNK	USD	209,702	1.30
100,000	Heathrow Funding Ltd., senior secured bond, 144A, 4.875%, 07/15/23	GBR	USD	106,262	0.66
55,000	Mitsui Sumitomo Insurance Co. Ltd., junior sub. note, 144A, 7.00% to 03/15/22, FRN thereafter, 03/15/72	JPN	USD	60,183	0.38
27,000	Calpine Corp., senior secured note, 144A, 7.875%, 01/15/23	USA	USD	29,160	0.18
				<u>405,307</u>	<u>2.52</u>
<b>Government and Municipal Bonds</b>					
200,000	Government of Lithuania, senior note, 144A, 6.625%, 02/01/22	LTU	USD	230,000	1.43
<b>Securities Maturing Within One Year</b>					
100,000	Metropolitan Life Global Funding I, 144A, 5.125%, 06/10/14	USA	USD	104,332	0.65
	<b>TOTAL BONDS</b>			<u>821,105</u>	<u>5.10</u>
<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>821,105</u>	<u>5.10</u>
	<b>TOTAL INVESTMENTS</b>			<u>15,705,084</u>	<u>97.49</u>

† Floating Rates are indicated as at June 30, 2013

## — Templeton Global Aggregate Investment Grade Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Asset-Backed Securities</b>					
254,541	Granite Master Issuer PLC, 2006-3, A3, FRN, 0.272%, 12/20/54 †	GBR	USD	246,905	2.39
<b>Corporate Bonds</b>					
250,000	Australia & New Zealand Banking Group Ltd., secured note, 144A, 1.00%, 10/06/15	AUS	USD	251,181	2.43
200,000	RZD Capital PLC, (Russian Railways), loan participation, Reg S, 3.374%, 05/20/21	RUS	EUR	242,762	2.35
200,000	Danske Bank AS, senior note, 144A, 3.875%, 04/14/16	DNK	USD	209,702	2.03
200,000	UBS AG London, secured note, 144A, 2.25%, 03/30/17	CHE	USD	205,474	1.99
200,000	ING Bank NV, 144A, 2.00%, 09/25/15	NLD	USD	201,759	1.95
100,000	Motability Operations Group PLC, senior note, Reg S, 4.375%, 02/08/27	GBR	GBP	157,762	1.53
155,000	AbbVie Inc., senior note, 144A, 1.20%, 11/06/15	USA	USD	155,238	1.50
100,000	Bupa Finance PLC, sub. note, Reg S, 5.00%, 04/25/23	GBR	GBP	145,857	1.41
100,000	The Goldman Sachs Group Inc., senior note, 5.75%, 01/24/22	USA	USD	110,433	1.07
110,000	Apple Inc., senior note, 2.40%, 05/03/23	USA	USD	102,176	0.99
100,000	Safeway Inc., senior note, 4.75%, 12/01/21	USA	USD	102,007	0.99
100,000	Metropolitan Life Global Funding I, secured note, 144A, 1.70%, 06/29/15	USA	USD	101,607	0.98
50,000	Imperial Tobacco Finance PLC, Reg S, 7.75%, 06/24/19	GBR	GBP	94,951	0.92
90,000	JPMorgan Chase & Co., senior note, 4.25%, 10/15/20	USA	USD	93,652	0.91
50,000	HSBC Holdings PLC, senior note, Reg S, 6.50%, 05/20/24	GBR	GBP	92,664	0.90
50,000	Carlsberg Breweries A/S, 7.25%, 11/28/16	DNK	GBP	89,098	0.86
60,000	Royal Bank of Scotland PLC, senior note, Reg S, 5.375%, 09/30/19	GBR	EUR	88,115	0.85
50,000	Tesco PLC, senior note, 6.125%, 02/24/22	GBR	GBP	87,741	0.85
60,000	Barclays Bank PLC, senior sub. note, Reg S, 6.00%, 01/14/21	GBR	EUR	84,749	0.82
60,000	Rabobank Nederland, sub. note, 3.75%, 11/09/20	NLD	EUR	79,759	0.77
65,000	Bank of Montreal, senior note, 1.45%, 04/09/18	CAN	USD	62,788	0.61
60,000	Hewlett-Packard Co., 2.60%, 09/15/17	USA	USD	59,961	0.58
60,000	Hyundai Capital America, senior note, 144A, 1.625%, 10/02/15	KOR	USD	59,540	0.58
50,000	Sydney Airport Finance Co. Pty. Ltd., 144A, 3.90%, 03/22/23	AUS	USD	48,083	0.46
40,000	TCI Communications Inc., senior note, 8.75%, 08/01/15	USA	USD	46,274	0.45
40,000	JPMorgan Chase & Co., senior note, 3.45%, 03/01/16	USA	USD	41,744	0.40
35,000	Comcast Corp., senior note, 6.30%, 11/15/17	USA	USD	41,381	0.40
40,000	General Electric Capital Corp., senior note, 2.25%, 11/09/15	USA	USD	41,007	0.40
35,000	Merrill Lynch & Co. Inc., senior note, 6.875%, 04/25/18	USA	USD	40,310	0.39
30,000	Citigroup Inc., senior note, 8.125%, 07/15/39	USA	USD	39,783	0.38
35,000	News America Inc., 6.40%, 12/15/35	USA	USD	39,251	0.38
				3,216,809	31.13
<b>Government and Municipal Bonds</b>					
655,000	FNMA, 3.00%, 07/15/43	USA	USD	640,160	6.19
370,000	FNMA, 3.50%, 07/01/28	USA	USD	385,494	3.73
270,000	Italy Treasury Bond, 4.50%, 03/01/26	ITA	EUR	349,388	3.38
30,000,000	Development Bank of Japan, senior bond, 2.30%, 03/19/26	JPN	JPY	348,038	3.37
270,000	Italy Treasury Bond, Reg S, 4.75%, 09/01/44	ITA	EUR	334,204	3.23
30,000,000	Development Bank of Japan, 1.70%, 09/20/22	JPN	JPY	325,167	3.15
30,000,000	Japan Finance Organization for Municipalities, 2.00%, 05/09/16	JPN	JPY	318,783	3.08
300,000	Government of Canada, 2.75%, 06/01/22	CAN	CAD	294,379	2.85
200,000	Government of France, 3.25%, 04/25/16	FRA	EUR	279,666	2.71
180,000	Italy Treasury Bond, 5.50%, 09/01/22	ITA	EUR	252,045	2.44
250,000	Queensland Treasury Corp., senior note, 6.00%, 07/21/22	AUS	AUD	251,797	2.44
250,000	Queensland Treasury Corp., 5.75%, 07/22/24	AUS	AUD	245,469	2.38
200,000	Government of Slovenia, senior note, 5.125%, 03/30/26	SVN	EUR	226,785	2.19
600,000	Government of Poland, 5.75%, 09/23/22	POL	PLN	199,502	1.93
200,000	The Export-Import Bank of Korea, senior note, 1.25%, 11/20/15	KOR	USD	198,445	1.92
600,000	Government of Poland, 4.00%, 10/25/23	POL	PLN	175,595	1.70
140,000	U.S. Treasury Bond, 2.75%, 02/15/19	USA	USD	148,974	1.44
15,000	Government of Mexico, 8.00%, 12/07/23	MEX	MXN	134,666	1.30
99,000	U.S. Treasury Bond, 4.50%, 08/15/39	USA	USD	118,491	1.15
100,000	U.S. Treasury Note, 1.75%, 07/31/15	USA	USD	102,820	0.99
74,000	FNMA, 4.00%, 07/01/27	USA	USD	78,021	0.75
60,000	California State GO, Build America Bonds, 7.30%, 10/01/39	USA	USD	77,485	0.75
80,000	Florida Hurricane Catastrophe Fund Finance Corp. Revenue, Series A, 2.995%, 07/01/20	USA	USD	75,043	0.73
55,000	Government of Poland, senior note, 5.125%, 04/21/21	POL	USD	60,074	0.58
45,000	Corp Andina De Fomento, 4.375%, 06/15/22	SP	USD	45,537	0.44
25,000	Illinois State GO, 5.10%, 06/01/33	USA	USD	23,224	0.22
15,000	Jobsohio Beverage System Statewide Liquor Profits Revenue, Series B, 4.532%, 01/01/35	USA	USD	14,150	0.14
				5,703,402	55.18

The accompanying notes form an integral

## — Templeton Global Aggregate Investment Grade Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b>					
652,000	U.S. Treasury Bill, 0.00%, 10/10/13	USA	USD	651,914	6.31
450,000	Government of Germany, 2.25%, 04/11/14	DEU	EUR	595,612	5.76
500,000	U.S. Treasury Bill, 0.00%, 09/12/13	USA	USD	499,985	4.84
25,000	Abbey National Treasury Services PLC, 2.875%, 04/25/14	GBR	USD	25,311	0.24
				<u>1,772,822</u>	<u>17.15</u>
<b>TOTAL BONDS</b>				<u>10,939,938</u>	<u>105.85</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>10,939,938</u>	<u>105.85</u>
<b>TOTAL INVESTMENTS</b>				<u>10,939,938</u>	<u>105.85</u>

† Floating Rates are indicated as at June 30, 2013

## — Templeton Global Balanced Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
441,182	BAE Systems PLC	GBR	GBP	2,571,499	0.37
<b>Air Freight &amp; Logistics</b>					
474,141	TNT Express NV	NLD	EUR	3,556,108	0.51
106,463	Deutsche Post AG	DEU	EUR	2,646,139	0.38
				6,202,247	0.89
<b>Airlines</b>					
198,310	Deutsche Lufthansa AG	DEU	EUR	4,025,541	0.58
<b>Auto Components</b>					
42,314	Cie Generale des Etablissements Michelin, B	FRA	EUR	3,783,860	0.54
115,700	Tokai Rika Co. Ltd.	JPN	JPY	2,309,567	0.33
145,700	Keihin Corp.	JPN	JPY	2,223,912	0.32
80,724	Unipres Corp.	JPN	JPY	1,446,993	0.21
				9,764,332	1.40
<b>Automobiles</b>					
548,900	Nissan Motor Co. Ltd.	JPN	JPY	5,561,493	0.80
89,700	Toyota Motor Corp.	JPN	JPY	5,416,907	0.77
				10,978,400	1.57
<b>Beverages</b>					
126,400	Suntory Beverage & Food Ltd., Reg S	JPN	JPY	3,950,398	0.56
<b>Biotechnology</b>					
81,408	Amgen Inc.	USA	USD	8,031,713	1.15
114,589	Gilead Sciences Inc.	USA	USD	5,868,103	0.84
69,500	Elan Corp. PLC, ADR	IRL	USD	982,730	0.14
				14,882,546	2.13
<b>Building Products</b>					
113,216	Compagnie de Saint-Gobain	FRA	EUR	4,583,132	0.65
<b>Capital Markets</b>					
289,282	Morgan Stanley	USA	USD	7,067,159	1.01
215,158	The Bank of New York Mellon Corp.	USA	USD	6,035,182	0.86
193,637	Credit Suisse Group AG	CHE	CHF	5,133,732	0.74
				18,236,073	2.61
<b>Chemicals</b>					
92,914	Akzo Nobel NV	NLD	EUR	5,238,581	0.75
45,619	LyondellBasell Industries NV, A	USA	USD	3,022,715	0.43
				8,261,296	1.18
<b>Commercial Banks</b>					
1,306,853	UniCredit SpA	ITA	EUR	6,120,433	0.87
110,622	BNP Paribas SA	FRA	EUR	6,044,027	0.86
531,051	HSBC Holdings PLC	GBR	HKD	5,563,199	0.80
617,569	Credit Agricole SA	FRA	EUR	5,307,879	0.76
4,922,315	Lloyds Banking Group PLC	GBR	GBP	4,726,351	0.68
104,447	KBC GROEP NV	BEL	EUR	3,888,948	0.56
211,000	DBS Group Holdings Ltd.	SGP	SGD	2,580,785	0.37
85,314	KB Financial Group Inc.	KOR	KRW	2,554,043	0.36
				36,785,665	5.26
<b>Communications Equipment</b>					
395,009	Cisco Systems Inc.	USA	USD	9,602,669	1.37
510,518	Brocade Communications Systems Inc.	USA	USD	2,940,583	0.42
				12,543,252	1.79
<b>Computers &amp; Peripherals</b>					
265,216	Dell Inc.	USA	USD	3,540,634	0.51
<b>Construction Materials</b>					
275,983	CRH PLC	IRL	EUR	5,586,077	0.80
<b>Consumer Finance</b>					
72,670	American Express Co.	USA	USD	5,432,809	0.78
<b>Diversified Financial Services</b>					
182,409	Citigroup Inc.	USA	USD	8,750,160	1.25
567,784	ING Groep NV, IDR	NLD	EUR	5,173,392	0.74
59,301	JPMorgan Chase & Co.	USA	USD	3,130,500	0.45
				17,054,052	2.44

The accompanying notes form an integral

## — Templeton Global Balanced Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Diversified Telecommunication Services</b>					
1,753,742	Singapore Telecommunications Ltd.	SGP	SGD	5,217,287	0.74
379,841	Telefonica SA	ESP	EUR	4,867,565	0.70
241,803	Telenor ASA	NOR	NOK	4,793,460	0.68
9,470,000	China Telecom Corp. Ltd., H	CHN	HKD	4,517,693	0.65
404,852	Orange SA	FRA	EUR	3,830,059	0.55
184,784	Vivendi SA	FRA	EUR	3,499,626	0.50
				<u>26,725,690</u>	<u>3.82</u>
<b>Electrical Equipment</b>					
46,444	Alstom SA	FRA	EUR	1,521,018	0.22
<b>Electronic Equipment, Instruments &amp; Components</b>					
603,113	Flextronics International Ltd.	SGP	USD	4,668,095	0.67
<b>Energy Equipment &amp; Services</b>					
138,890	Noble Corp.	USA	USD	5,219,486	0.75
91,079	Baker Hughes Inc.	USA	USD	4,201,474	0.60
205,029	SBM Offshore NV	NLD	EUR	3,449,372	0.49
53,079	Halliburton Co.	USA	USD	2,214,456	0.32
				<u>15,084,788</u>	<u>2.16</u>
<b>Food &amp; Staples Retailing</b>					
115,070	CVS Caremark Corp.	USA	USD	6,579,703	0.94
1,108,355	Tesco PLC	GBR	GBP	5,588,324	0.80
82,971	Walgreen Co.	USA	USD	3,667,318	0.52
				<u>15,835,345</u>	<u>2.26</u>
<b>Health Care Equipment &amp; Supplies</b>					
150,309	Medtronic Inc.	USA	USD	7,736,404	1.11
347,305	Nobel Biocare Holding AG	CHE	CHF	4,227,134	0.60
				<u>11,963,538</u>	<u>1.71</u>
<b>Industrial Conglomerates</b>					
48,386	Siemens AG	DEU	EUR	4,890,524	0.70
176,481	General Electric Co.	USA	USD	4,092,594	0.59
90,244	Koninklijke Philips NV	NLD	EUR	2,460,328	0.35
				<u>11,443,446</u>	<u>1.64</u>
<b>Insurance</b>					
370,003	AXA SA	FRA	EUR	7,269,969	1.04
18,510	Muenchener Rueckversicherungs-Gesellschaft AG	DEU	EUR	3,406,827	0.49
44,128	Swiss Re AG	CHE	CHF	3,283,271	0.47
616,791	Aviva PLC	GBR	GBP	3,187,013	0.45
42,600	American International Group Inc.	USA	USD	1,904,220	0.27
				<u>19,051,300</u>	<u>2.72</u>
<b>IT Services</b>					
152,309	SAIC Inc.	USA	USD	2,121,664	0.30
21,563	Accenture PLC, A	USA	USD	1,551,674	0.22
				<u>3,673,338</u>	<u>0.52</u>
<b>Leisure Equipment &amp; Products</b>					
121,700	Nikon Corp.	JPN	JPY	2,839,135	0.41
<b>Machinery</b>					
156,361	Navistar International Corp.	USA	USD	4,340,581	0.62
<b>Media</b>					
423,993	Reed Elsevier NV	NLD	EUR	7,064,198	1.01
131,987	Comcast Corp., Special A	USA	USD	5,235,924	0.75
41,946	Time Warner Cable Inc.	USA	USD	4,718,086	0.67
82,588	Twenty-First Century Fox Inc.	USA	USD	2,692,369	0.39
				<u>19,710,577</u>	<u>2.82</u>
<b>Metals &amp; Mining</b>					
169,421	Allegheny Technologies Inc.	USA	USD	4,457,467	0.64
64,443	POSCO, ADR	KOR	USD	4,193,950	0.60
164,127	Vale SA, ADR, pfd., A	BRA	USD	1,995,784	0.28
				<u>10,647,201</u>	<u>1.52</u>

## — Templeton Global Balanced Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Oil, Gas &amp; Consumable Fuels</b>					
170,319	Total SA, B	FRA	EUR	8,314,698	1.19
323,179	Eni SpA	ITA	EUR	6,638,108	0.95
165,313	Suncor Energy Inc.	CAN	CAD	4,874,402	0.70
128,069	Royal Dutch Shell PLC, B	GBR	GBP	4,237,790	0.60
558,697	BP PLC	GBR	GBP	3,869,296	0.55
147,417	Chesapeake Energy Corp.	USA	USD	3,004,359	0.43
194,070	Petroleo Brasileiro SA, ADR, pfd.	BRA	USD	2,845,066	0.41
124,408	Gazprom, ADR	RUS	USD	818,294	0.12
				<u>34,602,013</u>	<u>4.95</u>
<b>Pharmaceuticals</b>					
94,097	Sanofi	FRA	EUR	9,751,966	1.40
294,348	Pfizer Inc.	USA	USD	8,244,687	1.18
32,647	Roche Holding AG	CHE	CHF	8,119,855	1.16
288,274	GlaxoSmithKline PLC	GBR	GBP	7,226,283	1.03
105,510	Merck & Co. Inc.	USA	USD	4,900,940	0.70
26,823	Merck KGaA	DEU	EUR	4,086,702	0.58
77,859	Forest Laboratories Inc.	USA	USD	3,192,219	0.46
				<u>45,522,652</u>	<u>6.51</u>
<b>Semiconductors &amp; Semiconductor Equipment</b>					
5,963	Samsung Electronics Co. Ltd.	KOR	KRW	7,004,855	1.00
<b>Software</b>					
277,204	Microsoft Corp.	USA	USD	9,571,854	1.37
156,153	Symantec Corp.	USA	USD	3,508,758	0.50
91,100	Trend Micro Inc.	JPN	JPY	2,893,084	0.41
76,246	Oracle Corp.	USA	USD	2,342,277	0.34
30,805	SAP AG	DEU	EUR	2,255,876	0.32
78,988	Electronic Arts Inc.	USA	USD	1,814,354	0.26
				<u>22,386,203</u>	<u>3.20</u>
<b>Specialty Retail</b>					
634,048	Kingfisher PLC	GBR	GBP	3,308,004	0.47
43,081	Abercrombie & Fitch Co., A	USA	USD	1,949,415	0.28
				<u>5,257,419</u>	<u>0.75</u>
<b>Trading Companies &amp; Distributors</b>					
452,086	ITOCHU Corp.	JPN	JPY	5,218,656	0.75
<b>Transportation Infrastructure</b>					
507,095	China Merchants Holdings International Co. Ltd.	CHN	HKD	1,578,961	0.23
<b>Wireless Telecommunication Services</b>					
2,571,206	Vodafone Group PLC	GBR	GBP	7,347,677	1.05
889,848	Sprint Nextel Corp.	USA	USD	6,246,733	0.89
213,761	China Mobile Ltd.	CHN	HKD	2,237,946	0.32
				<u>15,832,356</u>	<u>2.26</u>
<b>TOTAL SHARES</b>				<u>449,305,120</u>	<u>64.26</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>449,305,120</u>	<u>64.26</u>
<b>TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>					
<b>BONDS</b>					
<b>Government and Municipal Bonds</b>					
33,900,000	Government of Poland, 5.75%, 09/23/22	POL	PLN	11,271,865	1.61
6,417,000	Government of Ireland, 5.00%, 10/18/20	IRL	EUR	8,962,434	1.28
6,164,200	Government of Ireland, Reg S, 5.50%, 10/18/17	IRL	EUR	8,881,236	1.27
24,710,000	Government of Malaysia, senior bond, 4.24%, 02/07/18	MYS	MYR	8,066,910	1.15
9,204,980,000	Korea Monetary Stabilization Bond, senior note, 2.74%, 02/02/15	KOR	KRW	8,041,285	1.15
92,000,000	Inter-American Development Bank, senior note, 7.50%, 12/05/24	SP	MXN	7,502,301	1.07
4,235,325	Government of Russia, senior bond, Reg S, 7.50%, 03/31/30	RUS	USD	4,966,871	0.71
12,415,000	Government of Malaysia, senior bond, 3.814%, 02/15/17	MYS	MYR	3,974,662	0.57
313,590	Government of Mexico, 8.00%, 12/17/15	MEX	MXN	2,622,302	0.38
4,570,000	Government of Malaysia, 3.741%, 02/27/15	MYS	MYR	1,459,351	0.21
985,000	Government of Hungary, senior note, Reg S, 5.75%, 06/11/18	HUN	EUR	1,320,589	0.19
4,115,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	1,316,834	0.19
4,090,000	Government of Malaysia, 3.434%, 08/15/14	MYS	MYR	1,299,236	0.19
3,560,000	Government of Poland, 6.25%, 10/24/15	POL	PLN	1,144,052	0.16
3,573,000	Government of Poland, 5.50%, 04/25/15	POL	PLN	1,121,810	0.16
103,030	Government of Mexico, 6.25%, 06/16/16	MEX	MXN	833,928	0.12
898,200,000	Korea Monetary Stabilization Bond, senior note, 2.76%, 06/02/15	KOR	KRW	784,143	0.11
525,000	Government of Hungary, senior note, 4.375%, 07/04/17	HUN	EUR	681,589	0.10
1,990,000	Government of Malaysia, 3.197%, 10/15/15	MYS	MYR	628,514	0.09
435,000	Government of Hungary, senior note, 3.875%, 02/24/20	HUN	EUR	527,460	0.08
251,910	Government of Ireland, senior bond, 5.40%, 03/13/25	IRL	EUR	356,526	0.05

The accompanying notes form an integral



## — Templeton Global Balanced Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds (continued)</b>					
840,000	Government of Poland, Strip, 07/25/15	POL	PLN	237,552	0.03
261,880,000	Korea Treasury Bond, senior note, 3.25%, 12/10/14	KOR	KRW	230,810	0.03
260,500,000	Korea Treasury Bond, senior note, 2.75%, 12/10/15	KOR	KRW	226,902	0.03
135,000	Government of Hungary, senior note, 3.50%, 07/18/16	HUN	EUR	173,768	0.03
547,000	Government of Poland, FRN, 3.98%, 01/25/17 †	POL	PLN	163,598	0.02
554,000	Government of Poland, FRN, 3.98%, 01/25/21 †	POL	PLN	161,858	0.02
180,100,000	Korea Monetary Stabilization Bond, senior bond, 2.47%, 04/02/15	KOR	KRW	156,549	0.02
13,690	Government of Mexico, 6.00%, 06/18/15	MEX	MXN	108,922	0.02
79,990,000	Korea Monetary Stabilization Bond, senior note, 2.84%, 12/02/14	KOR	KRW	70,022	0.01
70,500,000	Korea Treasury Bond, senior note, 3.25%, 06/10/15	KOR	KRW	62,192	0.01
150,000	Government of Poland, Strip, 07/25/14	POL	PLN	43,846	0.01
123,000	Government of Poland, Strip, 01/25/16	POL	PLN	34,159	0.01
80,000	Government of Malaysia, 4.72%, 09/30/15	MYS	MYR	26,160	0.00
				77,460,236	11.08
<b>Securities Maturing Within One Year</b>					
118,190,000	Government of Sweden, 6.75%, 05/05/14	SWE	SEK	18,483,681	2.64
20,862,610,000	Korea Treasury Bond, senior bond, 3.00%, 12/10/13	KOR	KRW	18,291,291	2.62
1,953,400	Government of Mexico, 8.00%, 12/19/13	MEX	MXN	15,355,157	2.20
9,640,000	New South Wales Treasury Corp., 5.50%, 08/01/13	AUS	AUD	8,838,117	1.26
30,205,000	Sweden Treasury Bill, 0.00%, 09/18/13	SWE	SEK	4,495,159	0.64
10,560,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	3,398,806	0.49
8,000,000	Government of Malaysia, senior bond, 3.461%, 07/31/13	MYS	MYR	2,532,778	0.36
7,770,000	Government of Poland, Strip, 01/25/14	POL	PLN	2,302,127	0.33
12,760,000	Sweden Treasury Bill, 0.00%, 12/18/13	SWE	SEK	1,894,627	0.27
4,920,000	Bank of Negara Monetary Note, 0.00%, 08/15/13	MYS	MYR	1,551,489	0.22
4,980,000	Government of Poland, 5.75%, 04/25/14	POL	PLN	1,533,708	0.22
4,655,000	Bank of Negara Monetary Note, 0.00%, 02/18/14	MYS	MYR	1,445,723	0.21
1,499,000	Government of Australia, 6.25%, 06/15/14	AUS	AUD	1,420,344	0.20
4,010,000	Bank of Negara Monetary Note, 0.00%, 08/06/13	MYS	MYR	1,265,457	0.18
3,990,000	Bank of Negara Monetary Note, 0.00%, 02/20/14	MYS	MYR	1,238,986	0.18
1,639,900	Mexico Treasury Bill, 0.00%, 04/30/14	MEX	MXN	1,223,657	0.17
3,880,000	Bank of Negara Monetary Note, 0.00%, 01/16/14	MYS	MYR	1,207,914	0.17
3,720,000	Bank of Negara Monetary Note, 0.00%, 02/25/14	MYS	MYR	1,154,671	0.16
1,473,150	Mexico Treasury Bill, 0.00%, 01/09/14	MEX	MXN	1,113,099	0.16
1,235,670,000	Korea Monetary Stabilization Bond, senior note, 3.28%, 06/02/14	KOR	KRW	1,086,982	0.16
1,042,250,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 04/02/14	KOR	KRW	918,088	0.13
2,160,000	Bank of Negara Monetary Note, 0.00%, 08/27/13	MYS	MYR	680,600	0.10
2,200,000	Government of Poland, 5.00%, 10/24/13	POL	PLN	666,454	0.10
2,115,000	Bank of Negara Monetary Note, 0.00%, 03/13/14	MYS	MYR	655,623	0.09
2,040,000	Bank of Negara Monetary Note, 0.00%, 01/09/14	MYS	MYR	635,463	0.09
709,160,000	Korea Monetary Stabilization Bond, senior bond, 3.47%, 02/02/14	KOR	KRW	623,519	0.09
1,880,000	Bank of Negara Monetary Note, 0.00%, 07/25/13	MYS	MYR	593,863	0.08
1,910,000	Bank of Negara Monetary Note, 0.00%, 06/03/14	MYS	MYR	588,697	0.08
1,830,000	Bank of Negara Monetary Note, 0.00%, 10/10/13	MYS	MYR	574,577	0.08
568,800,000	Korea Monetary Stabilization Bond, 0.00%, 08/13/13	KOR	KRW	496,371	0.07
1,490,000	Bank of Negara Monetary Note, 0.00%, 06/17/14	MYS	MYR	458,750	0.07
515,730,000	Korea Monetary Stabilization Bond, senior bond, 3.48%, 12/02/13	KOR	KRW	453,004	0.06
1,430,000	Bank of Negara Monetary Note, 0.00%, 09/26/13	MYS	MYR	449,401	0.06
508,100,000	Korea Monetary Stabilization Bond, senior bond, 2.55%, 05/09/14	KOR	KRW	444,149	0.06
1,350,000	Bank of Negara Monetary Note, 0.00%, 07/11/13	MYS	MYR	426,933	0.06
1,330,000	Bank of Negara Monetary Note, 0.00%, 05/27/14	MYS	MYR	409,765	0.06
1,255,000	Bank of Negara Monetary Note, 0.00%, 05/20/14	MYS	MYR	386,876	0.06
1,230,000	Bank of Negara Monetary Note, 0.00%, 10/08/13	MYS	MYR	386,170	0.06
1,190,000	Bank of Negara Monetary Note, 0.00%, 06/19/14	MYS	MYR	366,324	0.05
432,300	Mexico Treasury Bill, 0.00%, 10/31/13	MEX	MXN	329,177	0.05
1,060,000	Bank of Negara Monetary Note, 0.00%, 04/24/14	MYS	MYR	327,452	0.05
1,025,000	Bank of Negara Monetary Note, 0.00%, 11/26/13	MYS	MYR	320,528	0.05
962,000	Bank of Negara Monetary Note, 0.00%, 06/05/14	MYS	MYR	296,457	0.04
322,330,000	Korea Monetary Stabilization Bond, senior bond, 3.90%, 08/02/13	KOR	KRW	282,463	0.04
885,000	Bank of Negara Monetary Note, 0.00%, 05/15/14	MYS	MYR	272,927	0.04
300,830,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 10/02/13	KOR	KRW	263,905	0.04
288,200	Mexico Treasury Bill, 0.00%, 04/03/14	MEX	MXN	215,693	0.03
680,000	Bank of Negara Monetary Note, 0.00%, 11/19/13	MYS	MYR	212,764	0.03
620,000	Bank of Negara Monetary Note, 0.00%, 12/19/13	MYS	MYR	193,518	0.03
585,000	Bank of Negara Monetary Note, 0.00%, 12/05/13	MYS	MYR	182,802	0.03
570,000	Bank of Negara Monetary Note, 0.00%, 12/26/13	MYS	MYR	177,810	0.03
180,000,000	Korea Monetary Stabilization Bond, senior note, 2.57%, 06/09/14	KOR	KRW	157,343	0.02
178,000,000	Korea Monetary Stabilization Bond, 0.00%, 09/10/13	KOR	KRW	155,023	0.02
470,000	Bank of Negara Monetary Note, 0.00%, 03/27/14	MYS	MYR	145,542	0.02
390,000	Bank of Negara Monetary Note, 0.00%, 11/12/13	MYS	MYR	122,096	0.02
390,000	Bank of Negara Monetary Note, 0.00%, 03/20/14	MYS	MYR	120,825	0.02
340,000	Bank of Negara Monetary Note, 0.00%, 12/31/13	MYS	MYR	106,063	0.02
325,000	Bank of Negara Monetary Note, 0.00%, 02/06/14	MYS	MYR	101,036	0.01
230,000	Bank of Negara Monetary Note, 0.00%, 10/22/13	MYS	MYR	72,143	0.01
230,000	Bank of Negara Monetary Note, 0.00%, 12/10/13	MYS	MYR	71,841	0.01
210,000	Bank of Negara Monetary Note, 0.00%, 12/12/13	MYS	MYR	65,587	0.01
180,000	Bank of Negara Monetary Note, 0.00%, 09/05/13	MYS	MYR	56,665	0.01

part of these financial statements



## — Templeton Global Balanced Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b> (continued)					
180,000	Bank of Negara Monetary Note, 0.00%, 06/10/14	MYS	MYR	55,438	0.01
50,000	Queensland Treasury Corp., senior note, 6.00%, 08/21/13	AUS	AUD	45,939	0.01
120,000	Bank of Negara Monetary Note, 0.00%, 04/03/14	MYS	MYR	37,141	0.01
100,000	Bank of Negara Monetary Note, 0.00%, 10/31/13	MYS	MYR	31,337	0.00
50,000	Government of Malaysia, senior bond, 8.00%, 10/30/13	MYS	MYR	16,088	0.00
40,000	Bank of Negara Monetary Note, 0.00%, 07/04/13	MYS	MYR	12,657	0.00
30,000	Bank of Negara Monetary Note, 0.00%, 07/18/13	MYS	MYR	9,482	0.00
20,000	Government of Poland, Strip, 07/25/13	POL	PLN	6,008	0.00
				<u>104,512,150</u>	<u>14.95</u>
	<b>TOTAL BONDS</b>			<u>181,972,386</u>	<u>26.03</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>181,972,386</u>	<u>26.03</u>
	<b>TOTAL INVESTMENTS</b>			<u>631,277,506</u>	<u>90.29</u>

† Floating Rates are indicated as at June 30, 2013

## — Templeton Global Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Government and Municipal Bonds</b>					
870,972,000	Government of Ireland, 5.00%, 10/18/20	IRL	EUR	1,216,460,816	2.61
103,730,830	Government of Mexico, 8.00%, 12/17/15	MEX	MXN	867,417,706	1.86
685,084,000	Government of Hungary, senior note, 6.375%, 03/29/21	HUN	USD	716,769,135	1.54
501,220,350	Government of Ireland, senior bond, 5.40%, 03/13/25	IRL	EUR	709,372,404	1.52
724,505,000	Government of Canada, 1.00%, 02/01/15	CAN	CAD	687,037,613	1.47
417,988,500	Government of Ireland, Reg S, 5.50%, 10/18/17	IRL	EUR	602,228,139	1.29
687,188,300,000	Korea Monetary Stabilization Bond, senior note, 2.78%, 10/02/14	KOR	KRW	601,317,044	1.29
1,901,647,000	Government of Poland, Strip, 01/25/16	POL	PLN	528,109,716	1.13
444,744,140	Government of Russia, senior bond, Reg S, 7.50%, 03/31/30	RUS	USD	521,562,572	1.12
543,613,640,000	Korea Monetary Stabilization Bond, senior note, 2.74%, 02/02/15	KOR	KRW	474,889,895	1.02
534,629,600,000	Korea Treasury Bond, senior note, 2.75%, 12/10/15	KOR	KRW	465,676,282	1.00
517,384,700,000	Korea Monetary Stabilization Bond, senior note, 2.76%, 06/02/15	KOR	KRW	451,684,914	0.97
1,507,975,000	Government of Poland, Strip, 07/25/14	POL	PLN	440,790,598	0.95
1,472,082,000	Government of Poland, FRN, 3.98%, 01/25/17 †	POL	PLN	440,273,660	0.94
1,493,365,000	Government of Poland, FRN, 3.98%, 01/25/21 †	POL	PLN	436,304,322	0.94
467,916,280,000	Korea Monetary Stabilization Bond, senior bond, 2.47%, 04/02/15	KOR	KRW	406,730,003	0.87
287,450,000	Government of Romania, senior note, Reg S, 5.25%, 06/17/16	ROM	EUR	399,031,519	0.86
270,997,000	Government of Ireland, 5.90%, 10/18/19	IRL	EUR	397,876,731	0.85
285,433,000	Government of Ireland, 4.50%, 04/18/20	IRL	EUR	389,228,152	0.83
1,189,659,000	Government of Poland, 6.25%, 10/24/15	POL	PLN	382,312,410	0.82
73,121,190,000	Government of Hungary, D, 6.75%, 08/22/14	HUN	HUF	331,930,805	0.71
1,023,399,000	Government of Poland, 5.50%, 04/25/15	POL	PLN	321,315,261	0.69
347,920,000	Government of Ukraine, senior note, Reg S, 7.95%, 02/23/21	UKR	USD	320,276,016	0.69
303,795,000	Government of Hungary, senior note, 6.25%, 01/29/20	HUN	USD	318,794,878	0.68
693,710	Nota Do Tesouro Nacional, 10.00%, 01/01/17	BRA	BRL	303,557,493	0.65
894,095,000	Government of Malaysia, 3.434%, 08/15/14	MYS	MYR	284,019,698	0.61
323,603,310,000	Korea Monetary Stabilization Bond, senior note, 2.84%, 12/02/14	KOR	KRW	283,276,966	0.61
2,310,430,000,000	Government of Indonesia, FR46, 9.50%, 07/15/23	IDN	IDR	269,983,911	0.58
249,840	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/15	BRA	BRL	266,270,593	0.57
277,629,000	Government of Canada, 1.00%, 11/01/14	CAN	CAD	263,443,210	0.56
55,954,280,000	Government of Hungary, A, 6.75%, 11/24/17	HUN	HUF	257,368,084	0.55
264,256,000	Government of Canada, 2.00%, 12/01/14	CAN	CAD	254,207,058	0.55
833,781,000	Government of Poland, Strip, 07/25/15	POL	PLN	235,793,066	0.51
28,321,800	Government of Mexico, 9.50%, 12/18/14	MEX	MXN	235,247,044	0.50
190,930,000	Government of Lithuania, Reg S, 7.375%, 02/11/20	LTU	USD	227,528,417	0.49
206,147	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/16	BRA	BRL	219,888,250	0.47
672,620,000	Government of Malaysia, 3.741%, 02/27/15	MYS	MYR	214,789,632	0.46
1,646,800,000,000	Government of Indonesia, FR40, 11.00%, 09/15/25	IDN	IDR	211,432,487	0.45
232,917,720,000	Korea Monetary Stabilization Bond, senior note, 2.82%, 08/02/14	KOR	KRW	204,078,244	0.44
635,065,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	203,226,026	0.44
150,021,000	Government of Hungary, Reg S, 6.00%, 01/11/19	HUN	EUR	202,841,728	0.43
175,180	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/45	BRA	BRL	199,596,182	0.43
22,751,000	Government of Mexico, 7.25%, 12/15/16	MEX	MXN	189,477,707	0.41
137,899,000	Government of Ireland, senior bond, 4.40%, 06/18/19	IRL	EUR	188,561,685	0.40
208,300,000	Government of Ukraine, senior note, Reg S, 7.80%, 11/28/22	UKR	USD	186,475,367	0.40
208,007,800,000	Korea Treasury Bond, senior note, 3.25%, 06/10/15	KOR	KRW	183,494,164	0.39
22,540,770	Government of Mexico, 6.00%, 06/18/15	MEX	MXN	179,341,918	0.38
181,853,000	Government of Ukraine, senior note, Reg S, 6.25%, 06/17/16	UKR	USD	170,487,188	0.37
19,350,400	Government of Mexico, 7.75%, 12/14/17	MEX	MXN	165,017,514	0.35
184,430,000	Financing of Infrastructure Projects State Enterprise, Reg S, 7.40%, 04/20/18	UKR	USD	163,570,967	0.35
449,450,000	Government of Poland, 5.75%, 09/23/22	POL	PLN	149,443,646	0.32
167,162,280,000	Korea Treasury Bond, senior note, 3.25%, 12/10/14	KOR	KRW	147,329,713	0.32
142,570,000	Government of Serbia, Reg S, 7.25%, 09/28/21	SER	USD	146,813,596	0.31
1,750,000,000	Inter-American Development Bank, senior note, 7.50%, 12/05/24	SP	MXN	142,706,818	0.31
102,160,000	Government of Hungary, Reg S, 6.75%, 07/28/14	HUN	EUR	139,292,946	0.30
127,265	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/18	BRA	BRL	137,848,451	0.30
124,315,000	Government of Vietnam, Reg S, 6.75%, 01/29/20	VND	USD	133,017,050	0.29
120,980,000	Government of Iceland, Reg S, 5.875%, 05/11/22	ISL	USD	128,803,172	0.28
89,296,000	Government of Ireland, senior bond, 4.50%, 10/18/18	IRL	EUR	124,199,266	0.27
132,410,000	Government of Slovenia, senior note, Reg S, 5.50%, 10/26/22	SVN	USD	122,366,040	0.26
292,530,000	Government of Peru, senior bond, 7.84%, 08/12/20	PER	PEN	121,281,129	0.26
25,856,100,000	Government of Hungary, B, 6.75%, 02/24/17	HUN	HUF	120,189,247	0.26
129,530,000	Government of Serbia, senior note, Reg S, 4.875%, 02/25/20	SER	USD	119,942,837	0.26
128,245,000	Government of Slovenia, senior note, Reg S, 5.85%, 05/10/23	SVN	USD	119,676,310	0.26
14,742,000,000	Government of Sri Lanka, A, 11.00%, 08/01/15	LKA	LKR	113,068,656	0.24
114,630,000	Government of Hungary, 5.375%, 02/21/23	HUN	USD	110,486,126	0.24
94,430,000	Government of Lithuania, Reg S, 6.125%, 03/09/21	LTU	USD	105,652,061	0.23
81,043,000	Government of Ireland, Reg S, 3.90%, 03/20/23	IRL	EUR	104,052,322	0.22
23,033,000,000	Government of Hungary, 5.50%, 02/12/16	HUN	HUF	103,258,001	0.22
318,890,000	Government of Malaysia, 3.197%, 10/15/15	MYS	MYR	100,717,059	0.22
797,050,000,000	Government of Indonesia, FR31, 11.00%, 11/15/20	IDN	IDR	98,742,619	0.21
98,366,000	Government of Ukraine, Reg S, 7.75%, 09/23/20	UKR	USD	90,326,547	0.19
639,990,000,000	Government of Indonesia, FR42, 10.25%, 07/15/27	IDN	IDR	78,592,052	0.17
9,014,048	Mexican UdiBonos, Index Linked, 5.00%, 06/16/16	MEX	MXN	77,312,206	0.17
16,450,200,000	Government of Hungary, A, 8.00%, 02/12/15	HUN	HUF	76,472,724	0.16
558,727,000,000	Government of Indonesia, FR34, 12.80%, 06/15/21	IDN	IDR	75,743,938	0.16

part of these financial statements

## — Templeton Global Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds (continued)</b>					
78,431,000	Government of Canada, 2.25%, 08/01/14	CAN	CAD	75,470,861	0.16
56,388,000	Government of Hungary, senior note, 4.375%, 07/04/17	HUN	EUR	73,206,605	0.16
602,642,000,000	Government of Indonesia, FR47, 10.00%, 02/15/28	IDN	IDR	72,912,390	0.16
15,688,700,000	Government of Hungary, 6.50%, 06/24/19	HUN	HUF	72,748,069	0.16
9,280,775,000	Government of Sri Lanka, B, 11.00%, 09/01/15	LKA	LKR	71,205,077	0.15
8,734,170	Government of Mexico, 6.25%, 06/16/16	MEX	MXN	70,694,611	0.15
66,990,000	Government of Serbia, senior note, Reg S, 5.25%, 11/21/17	SER	USD	66,027,019	0.14
61,100,000	Government of Lithuania, Reg S, 6.75%, 01/15/15	LTU	USD	65,191,562	0.14
13,862,030,000	Government of Hungary, 7.75%, 08/24/15	HUN	HUF	65,009,229	0.14
62,090,000	Government of Hungary, 4.125%, 02/19/18	HUN	USD	60,537,750	0.13
68,255,000	Government of Ukraine, senior note, Reg S, 7.50%, 04/17/23	UKR	USD	60,320,356	0.13
6,969,513	Mexican Udibonos, Index Linked, 3.50%, 12/14/17	MEX	MXN	58,099,754	0.12
61,925,000	Government of Ukraine, senior note, Reg S, 6.75%, 11/14/17	UKR	USD	56,971,000	0.12
419,150,000,000	Government of Indonesia, FR36, 11.50%, 09/15/19	IDN	IDR	51,998,240	0.11
40,350,000	Government of Ukraine, senior bond, Reg S, 4.95%, 10/13/15	UKR	EUR	50,163,094	0.11
10,500,020,000	Government of Hungary, A, 7.00%, 06/24/22	HUN	HUF	49,267,132	0.11
36,085,000	Government of Hungary, senior note, Reg S, 5.75%, 06/11/18	HUN	EUR	48,379,140	0.10
5,767,100,000	Government of Sri Lanka, A, 11.25%, 07/15/14	LKA	LKR	44,388,344	0.10
6,287,720,000	Government of Sri Lanka, A, 9.00%, 05/01/21	LKA	LKR	41,941,644	0.09
259,560,000,000	Government of Indonesia, FR35, 12.90%, 06/15/22	IDN	IDR	35,922,974	0.08
4,052,647	Mexican Udibonos, Index Linked, 4.00%, 06/13/19	MEX	MXN	34,774,298	0.07
35,708,000,000	Korea Treasury Bond, senior bond, 5.00%, 09/10/16	KOR	KRW	33,072,714	0.07
4,618,890,000	Government of Sri Lanka, D, 8.50%, 06/01/18	LKA	LKR	31,714,551	0.07
31,900,000	Government of Ukraine, senior bond, Reg S, 6.58%, 11/21/16	UKR	USD	29,827,298	0.06
3,517,175	Mexican Udibonos, Index Linked, 4.50%, 12/18/14	MEX	MXN	28,781,430	0.06
22,510,000	Riverside County Transportation Commission Sales Tax Revenue, Build America Bonds, Limited Tax, Series B, 6.807%, 06/01/39	USA	USD	28,399,967	0.06
249,950,000,000	Government of Indonesia, FR48, 9.00%, 09/15/18	IDN	IDR	27,680,488	0.06
3,197,089	Mexican Udibonos, Index Linked, 2.50%, 12/10/20	MEX	MXN	25,178,708	0.05
18,515,000	Government of Hungary, senior note, 3.875%, 02/24/20	HUN	EUR	22,450,401	0.05
2,737,630,000	Government of Sri Lanka, A, 6.50%, 07/15/15	LKA	LKR	19,328,800	0.04
151,400,000,000	Government of Indonesia, FR43, 10.25%, 07/15/22	IDN	IDR	18,320,475	0.04
2,587,390,000	Government of Sri Lanka, C, 8.50%, 04/01/18	LKA	LKR	17,816,538	0.04
132,795,000,000	Government of Indonesia, FR39, 11.75%, 08/15/23	IDN	IDR	17,579,376	0.04
126,260,000,000	Government of Indonesia, FR44, 10.00%, 09/15/24	IDN	IDR	15,159,028	0.03
129,750,000,000	Government of Indonesia, FR30, 10.75%, 05/15/16	IDN	IDR	14,545,468	0.03
1,927,820,000	Government of Sri Lanka, B, 8.50%, 07/15/18	LKA	LKR	13,235,311	0.03
101,450,000,000	Government of Indonesia, FR45, 9.75%, 05/15/37	IDN	IDR	12,256,185	0.03
110,310,000,000	Government of Indonesia, FR26, 11.00%, 10/15/14	IDN	IDR	11,755,439	0.03
443,300,000	Government of the Philippines, 4.625%, 11/25/15	PHL	PHP	10,663,295	0.02
92,300,000,000	Government of Indonesia, FR28, 10.00%, 07/15/17	IDN	IDR	10,484,726	0.02
2,116,520,000	Government of Hungary, 7.50%, 11/12/20	HUN	HUF	10,271,368	0.02
1,450,500,000	Government of Sri Lanka, A, 6.40%, 08/01/16	LKA	LKR	9,768,440	0.02
1,215,800,000	Government of Sri Lanka, B, 6.40%, 10/01/16	LKA	LKR	8,136,085	0.02
8,300,000	Government of Ukraine, senior note, Reg S, 6.875%, 09/23/15	UKR	USD	8,069,426	0.02
246,440,000	Government of the Philippines, senior bond, 9.125%, 09/04/16	PHL	PHP	6,580,674	0.01
5,280,000	Government of Korea, senior bond, 5.625%, 11/03/25	KOR	USD	6,220,431	0.01
904,000,000	Government of Sri Lanka, A, 5.80%, 01/15/17	LKA	LKR	5,863,887	0.01
5,320,000	Financing of Infrastructure Projects State Enterprise, Reg S, 8.375%, 11/03/17	UKR	USD	4,947,600	0.01
3,560,000	Government of Hungary, senior note, 3.50%, 07/18/16	HUN	EUR	4,582,322	0.01
11,010,000	Government of Malaysia, 4.72%, 09/30/15	MYS	MYR	3,600,226	0.01
540,400,000	Government of Sri Lanka, A, 8.00%, 11/15/18	LKA	LKR	3,593,929	0.01
3,045	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/17	BRA	BRL	3,259,346	0.01
2,545,000	The Export-Import Bank of Korea, senior bond, 5.125%, 03/16/15	KOR	USD	2,698,209	0.01
24,750,000,000	Government of Indonesia, FR27, 9.50%, 06/15/15	IDN	IDR	2,634,573	0.01
1,585,000	The Export-Import Bank of Korea, senior note, 4.625%, 02/20/17	KOR	EUR	2,252,334	0.00
194,390,000	Government of Sri Lanka, A, 11.75%, 03/15/15	LKA	LKR	1,507,110	0.00
1,850,000,000	Government of Indonesia, FR32, 15.00%, 07/15/18	IDN	IDR	252,144	0.00
				<b>22,875,417,173</b>	<b>49.07</b>
<b>Securities Maturing Within One Year</b>					
1,462,062,180,000	Korea Treasury Bond, senior bond, 3.00%, 12/10/13	KOR	KRW	1,281,862,870	2.75
3,506,775,000	Government of Poland, Strip, 01/25/14	POL	PLN	1,039,001,457	2.23
5,796,490,000	Government of Sweden, 6.75%, 05/05/14	SWE	SEK	906,510,484	1.94
2,570,340,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	827,280,952	1.77
77,126,700	Government of Mexico, 8.00%, 12/19/13	MEX	MXN	606,272,439	1.30
3,519,530,000	Kommuninvest I Sverige AB, 2.25%, 05/05/14	SWE	SEK	529,410,697	1.14
1,884,989,000	Government of Israel, 3.50%, 09/30/13	ISR	ILS	521,252,912	1.12
501,085,000	Government of Canada, 1.00%, 02/01/14	CAN	CAD	476,396,549	1.02
1,523,800,000	Government of Poland, 5.75%, 04/25/14	POL	PLN	469,290,053	1.01
470,728,580,000	Korea Monetary Stabilization Bond, senior bond, 3.47%, 02/02/14	KOR	KRW	413,881,749	0.89
1,248,130,000	Government of Poland, 5.00%, 10/24/13	POL	PLN	378,100,582	0.81
43,620,700	Government of Mexico, 7.00%, 06/19/14	MEX	MXN	346,121,851	0.74
378,967,790,000	Korea Monetary Stabilization Bond, senior note, 3.28%, 06/02/14	KOR	KRW	333,366,672	0.72
2,202,000,000	European Bank for Reconstruction & Development, 2.25%, 07/22/13	SP	SEK	328,493,360	0.70
340,783,000	Government of Australia, 6.25%, 06/15/14	AUS	AUD	322,901,399	0.69
394,683,800	Mexico Treasury Bill, 0.00%, 04/30/14	MEX	MXN	294,504,241	0.63

The accompanying notes form an integral

## — Templeton Global Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b> (continued)					
911,430,000	Government of Malaysia, senior bond, 3.461%, 07/31/13	MYS	MYR	288,556,228	0.62
324,831,000,000	Korea Monetary Stabilization Bond, 0.00%, 07/09/13	KOR	KRW	284,178,725	0.61
319,651,120,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 04/02/14	KOR	KRW	281,571,562	0.60
1,872,710,000	Sweden Treasury Bill, 0.00%, 12/18/13	SWE	SEK	278,063,222	0.60
301,275,000,000	Korea Monetary Stabilization Bond, senior note, 2.57%, 06/09/14	KOR	KRW	263,353,004	0.56
297,927,500,000	Korea Monetary Stabilization Bond, 0.00%, 09/10/13	KOR	KRW	259,470,035	0.56
341,384,420	Mexico Treasury Bill, 0.00%, 01/09/14	MEX	MXN	257,947,071	0.55
255,500,000	FHLB, 0.00%, 07/05/13	USA	USD	255,499,745	0.55
249,000,000	FHLB, 0.00%, 07/03/13	USA	USD	248,999,751	0.53
261,997,000	Queensland Treasury Corp., senior note, 6.00%, 08/21/13	AUS	AUD	240,715,766	0.52
770,480,000	Bank of Negara Monetary Note, 0.00%, 01/16/14	MYS	MYR	239,864,239	0.51
1,489,870,000	Government of Sweden, 1.50%, 08/30/13	SWE	SEK	222,361,429	0.48
276,120,000	Singapore Treasury Bill, 0.00%, 05/02/14	SGP	SGD	217,379,705	0.47
214,145,000	FHLB, 0.00%, 07/02/13	USA	USD	214,145,000	0.46
673,868,000	Bank of Negara Monetary Note, 0.00%, 08/15/13	MYS	MYR	212,499,726	0.46
1,360,145,000	Sweden Treasury Bill, 0.00%, 09/18/13	SWE	SEK	202,419,080	0.43
248,910,000	Government of Singapore, senior bond, 2.25%, 07/01/13	SGP	SGD	196,417,439	0.42
253,057,300	Mexico Treasury Bill, 0.00%, 04/03/14	MEX	MXN	189,391,961	0.41
232,440,000	Singapore Treasury Bill, 0.00%, 10/04/13	SGP	SGD	183,315,693	0.39
184,831,000	Government of Canada, 2.00%, 03/01/14	CAN	CAD	176,846,006	0.38
557,870,000	Bank of Negara Monetary Note, 0.00%, 02/18/14	MYS	MYR	173,259,996	0.37
177,480,000	Government of Canada, 0.75%, 05/01/14	CAN	CAD	168,339,413	0.36
210,265,000	Singapore Treasury Bill, 0.00%, 07/25/13	SGP	SGD	165,898,878	0.36
208,350,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 08/12/13	SGP	SGD	164,370,517	0.35
177,985,000	Queensland Treasury Corp., senior note, 6.00%, 08/14/13	AUS	AUD	163,443,957	0.35
185,122,500,000	Korea Monetary Stabilization Bond, 0.00%, 08/13/13	KOR	KRW	161,549,704	0.35
511,490,000	Bank of Negara Monetary Note, 0.00%, 02/20/14	MYS	MYR	158,829,342	0.34
179,634,820,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 10/02/13	KOR	KRW	157,585,778	0.34
151,000,000	FHLB, 0.00%, 07/01/13	USA	USD	151,000,000	0.32
467,800,000	Bank of Negara Monetary Note, 0.00%, 08/06/13	MYS	MYR	147,626,102	0.32
165,361,700,000	Korea Monetary Stabilization Bond, senior bond, 2.55%, 05/09/14	KOR	KRW	144,548,863	0.31
160,260,000,000	Korea Treasury Bond, senior bond, 3.50%, 06/10/14	KOR	KRW	141,344,416	0.30
158,177,870,000	Korea Monetary Stabilization Bond, senior bond, 3.48%, 12/02/13	KOR	KRW	138,939,281	0.30
446,290,000	Bank of Negara Monetary Note, 0.00%, 02/25/14	MYS	MYR	138,526,325	0.30
168,460,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 07/26/13	SGP	SGD	132,913,976	0.28
150,529,960,000	Korea Monetary Stabilization Bond, senior bond, 3.90%, 08/02/13	KOR	KRW	131,911,993	0.28
411,275,000	Bank of Negara Monetary Note, 0.00%, 01/09/14	MYS	MYR	128,112,781	0.27
167,608,700	Mexico Treasury Bill, 0.00%, 12/11/13	MEX	MXN	127,012,245	0.27
28,141,620,000	Government of Hungary, 5.50%, 02/12/14	HUN	HUF	125,202,734	0.27
157,820,000	Singapore Treasury Bill, 0.00%, 08/12/13	SGP	SGD	124,506,623	0.27
85,240,000	Government of Lithuania, senior note, 9.375%, 06/22/14	LTU	EUR	120,186,676	0.26
799,000,000	International Bank for Reconstruction and Development, 2.25%, 11/08/13	SP	SEK	119,574,499	0.26
362,075,000	Bank of Negara Monetary Note, 0.00%, 07/25/13	MYS	MYR	114,373,986	0.25
325,140,000	Bank of Negara Monetary Note, 0.00%, 06/03/14	MYS	MYR	100,214,024	0.21
129,884,500	Mexico Treasury Bill, 0.00%, 09/19/13	MEX	MXN	99,352,239	0.21
313,020,000	Bank of Negara Monetary Note, 0.00%, 07/11/13	MYS	MYR	98,991,498	0.21
627,110,000	The Export-Import Bank of Korea, senior note, Reg S, 1.45%, 05/19/14	KOR	SEK	93,552,452	0.20
116,158,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 07/05/13	SGP	SGD	91,659,272	0.20
93,266,000	Government of Canada, 2.50%, 09/01/13	CAN	CAD	88,930,884	0.19
88,350,000	Government of Venezuela, 10.75%, 09/19/13	VEN	USD	88,738,740	0.19
279,660,000	Bank of Negara Monetary Note, 0.00%, 04/24/14	MYS	MYR	86,391,705	0.19
108,325,000	Singapore Treasury Bill, 0.00%, 08/22/13	SGP	SGD	85,454,214	0.18
277,372,000	Government of Poland, Strip, 07/25/13	POL	PLN	83,315,922	0.18
269,490,000	Bank of Negara Monetary Note, 0.00%, 05/15/14	MYS	MYR	83,108,430	0.18
103,650,000	Singapore Treasury Bill, 0.00%, 11/15/13	SGP	SGD	81,718,404	0.18
251,880,000	Bank of Negara Monetary Note, 0.00%, 08/27/13	MYS	MYR	79,365,519	0.17
248,920,000	Bank of Negara Monetary Note, 0.00%, 09/26/13	MYS	MYR	78,227,138	0.17
252,900,000	Bank of Negara Monetary Note, 0.00%, 06/17/14	MYS	MYR	77,864,304	0.17
248,305,000	Bank of Negara Monetary Note, 0.00%, 11/26/13	MYS	MYR	77,647,595	0.17
240,920,000	Bank of Negara Monetary Note, 0.00%, 04/03/14	MYS	MYR	74,566,704	0.16
238,354,000	Bank of Negara Monetary Note, 0.00%, 06/05/14	MYS	MYR	73,452,940	0.16
236,335,000	Bank of Negara Monetary Note, 0.00%, 06/19/14	MYS	MYR	72,752,209	0.16
234,385,000	Bank of Negara Monetary Note, 0.00%, 05/20/14	MYS	MYR	72,253,266	0.15
230,840,000	Bank of Negara Monetary Note, 0.00%, 05/27/14	MYS	MYR	71,120,346	0.15
220,500,000	Bank of Negara Monetary Note, 0.00%, 03/20/14	MYS	MYR	68,312,847	0.15
212,300,000	Bank of Negara Monetary Note, 0.00%, 12/12/13	MYS	MYR	66,305,399	0.14
198,105,000	Bank of Negara Monetary Note, 0.00%, 10/10/13	MYS	MYR	62,200,267	0.13
188,120,000	Bank of Negara Monetary Note, 0.00%, 03/13/14	MYS	MYR	58,314,818	0.13
73,180,000	Singapore Treasury Bill, 0.00%, 11/01/13	SGP	SGD	57,701,585	0.12
58,941,000	Canada Treasury Bill, 0.00%, 08/15/13	CAN	CAD	55,977,903	0.12
164,220,000	Bank of Negara Monetary Note, 0.00%, 09/17/13	MYS	MYR	51,646,579	0.11
114,000	Nota Do Tesouro Nacional, 9.7618%, 01/01/14	BRA	BRL	51,303,529	0.11
11,166,600,000	Hungary Treasury Bill, 0.00%, 07/24/13	HUN	HUF	49,150,730	0.11
10,669,400,000	Government of Hungary, E, 7.50%, 10/24/13	HUN	HUF	47,536,799	0.10
1,935,310,000	Government of the Philippines, senior note, 6.25%, 01/27/14	PHL	PHP	45,804,697	0.10
141,670,000	Bank of Negara Monetary Note, 0.00%, 09/05/13	MYS	MYR	44,598,227	0.10
266,700,000	Norway Treasury Bill, 0.00%, 09/18/13	NOR	NOK	43,776,608	0.09
137,110,000	Bank of Negara Monetary Note, 0.00%, 11/19/13	MYS	MYR	42,900,176	0.09

part of these financial statements

## — Templeton Global Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year (continued)</b>					
1,780,650,000	Philippine Treasury Bill, 0.00%, 10/02/13	PHL	PHP	41,165,637	0.09
125,250,000	Bank of Negara Monetary Note, 0.00%, 12/19/13	MYS	MYR	39,093,659	0.08
123,930,000	Bank of Negara Monetary Note, 0.00%, 10/31/13	MYS	MYR	38,836,395	0.08
1,650,960,000	Philippine Treasury Bill, 0.00%, 09/04/13	PHL	PHP	38,205,379	0.08
120,920,000	Bank of Negara Monetary Note, 0.00%, 03/27/14	MYS	MYR	37,444,555	0.08
364,580,000,000	Government of Indonesia, FR49, 9.00%, 09/15/13	IDN	IDR	37,045,739	0.08
44,650,000	Singapore Treasury Bill, 0.00%, 07/11/13	SGP	SGD	35,232,083	0.08
1,520,340,000	Philippine Treasury Bill, 0.00%, 04/02/14	PHL	PHP	34,867,996	0.07
1,392,810,000	Philippine Treasury Bill, 0.00%, 03/05/14	PHL	PHP	31,987,210	0.07
98,280,000	Bank of Negara Monetary Note, 0.00%, 10/08/13	MYS	MYR	30,855,938	0.07
291,566,000,000	Government of Indonesia, FR20, 14.275%, 12/15/13	IDN	IDR	30,545,825	0.07
3,920,220,000	Government of Sri Lanka, A, 7.50%, 08/01/13	LKA	LKR	29,955,614	0.06
36,650,800	Mexico Treasury Bill, 0.00%, 10/31/13	MEX	MXN	27,907,949	0.06
6,179,520,000	Hungary Treasury Bill, 0.00%, 01/08/14	HUN	HUF	26,669,163	0.06
85,230,000	Bank of Negara Monetary Note, 0.00%, 02/06/14	MYS	MYR	26,496,320	0.06
77,280,000	Bank of Negara Monetary Note, 0.00%, 12/26/13	MYS	MYR	24,107,275	0.05
5,404,100,000	Hungary Treasury Bill, 0.00%, 07/17/13	HUN	HUF	23,805,559	0.05
28,020,000	Singapore Treasury Bill, 0.00%, 09/05/13	SGP	SGD	22,102,180	0.05
67,970,000	Bank of Negara Monetary Note, 0.00%, 12/05/13	MYS	MYR	21,239,361	0.05
896,760,000	Philippine Treasury Bill, 0.00%, 08/22/13	PHL	PHP	20,762,339	0.04
858,040,000	Philippine Treasury Bill, 0.00%, 11/27/13	PHL	PHP	19,791,736	0.04
58,510,000	Bank of Negara Monetary Note, 0.00%, 11/12/13	MYS	MYR	18,317,565	0.04
57,600,000	Bank of Negara Monetary Note, 0.00%, 10/22/13	MYS	MYR	18,067,167	0.04
3,572,000,000	Hungary Treasury Bill, 0.00%, 09/18/13	HUN	HUF	15,614,250	0.03
652,180,000	Philippine Treasury Bill, 0.00%, 11/13/13	PHL	PHP	15,051,904	0.03
46,375,000	Bank of Negara Monetary Note, 0.00%, 12/31/13	MYS	MYR	14,466,666	0.03
44,090,000	Malaysia Treasury Bill, 0.00%, 12/27/13	MYS	MYR	13,749,103	0.03
591,120,000	Philippine Treasury Bill, 0.00%, 02/05/14	PHL	PHP	13,593,751	0.03
524,160,000	Philippine Treasury Bill, 0.00%, 10/30/13	PHL	PHP	12,104,131	0.03
37,640,000	Bank of Negara Monetary Note, 0.00%, 07/04/13	MYS	MYR	11,910,347	0.03
35,770,000	Bank of Negara Monetary Note, 0.00%, 03/06/14	MYS	MYR	11,094,632	0.02
34,030,000	Bank of Negara Monetary Note, 0.00%, 07/18/13	MYS	MYR	10,755,710	0.02
30,910,000	Bank of Negara Monetary Note, 0.00%, 12/10/13	MYS	MYR	9,654,867	0.02
413,740,000	Philippine Treasury Bill, 0.00%, 07/24/13	PHL	PHP	9,587,418	0.02
327,850,000	Philippine Treasury Bill, 0.00%, 01/08/14	PHL	PHP	7,549,163	0.02
266,620,000	Philippine Treasury Bill, 0.00%, 12/11/13	PHL	PHP	6,146,387	0.01
17,900,000	Bank of Negara Monetary Note, 0.00%, 06/10/14	MYS	MYR	5,513,024	0.01
235,720,000	Philippine Treasury Bill, 0.00%, 08/07/13	PHL	PHP	5,460,726	0.01
649,900,000	Government of Sri Lanka, B, 6.60%, 06/01/14	LKA	LKR	4,802,642	0.01
603,090,000	Government of Sri Lanka, B, 8.50%, 07/15/13	LKA	LKR	4,614,978	0.01
13,410,000	Government of Malaysia, senior bond, 8.00%, 10/30/13	MYS	MYR	4,314,722	0.01
519,360,000	Government of Sri Lanka, B, 11.75%, 04/01/14	LKA	LKR	4,006,508	0.01
118,230,000	Philippine Treasury Bill, 0.00%, 07/10/13	PHL	PHP	2,741,471	0.01
2,495,000	The Export-Import Bank of Korea, senior note, Reg S, 5.25%, 02/10/14	KOR	USD	2,554,967	0.01
329,420,000	Government of Sri Lanka, A, 7.00%, 03/01/14	LKA	LKR	2,466,551	0.01
310,490,000	Sri Lanka Treasury Bill, 0.00%, 10/11/13	LKA	LKR	2,320,865	0.00
278,970,000	Sri Lanka Treasury Bill, 0.00%, 08/02/13	LKA	LKR	2,120,503	0.00
				<u>20,457,607,638</u>	<u>43.89</u>
	<b>TOTAL BONDS</b>			<u>43,333,024,811</u>	<u>92.96</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>43,333,024,811</u>	<u>92.96</u>
	<b>TOTAL INVESTMENTS</b>			<u>43,333,024,811</u>	<u>92.96</u>

† Floating Rates are indicated as at June 30, 2013



## — Templeton Global Bond (Euro) Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Government and Municipal Bonds</b>					
64,021,200,000	Korea Monetary Stabilization Bond, senior bond, 2.47%, 04/02/15	KOR	KRW	42,753,108	5.10
34,929,270	Government of Ireland, senior bond, 5.40%, 03/13/25	IRL	EUR	37,978,770	4.53
38,220,000	Government of Ukraine, senior bond, Reg S, 4.95%, 10/13/15	UKR	EUR	36,503,731	4.35
140,000,000	Government of Poland, 5.50%, 04/25/15	POL	PLN	33,769,155	4.03
32,600,000	Government of Hungary, senior note, Reg S, 5.75%, 06/11/18	HUN	EUR	33,578,000	4.00
4,000,000	Government of Mexico, 8.00%, 12/17/15	MEX	MXN	25,697,224	3.06
18,000,000	Government of Lithuania, senior bond, 4.85%, 02/07/18	LTU	EUR	19,375,110	2.31
17,832,000	Government of Ireland, 5.00%, 10/18/20	IRL	EUR	19,133,736	2.28
23,830,000	Government of Ukraine, Reg S, 9.25%, 07/24/17	UKR	USD	18,399,071	2.19
25,480,000	Government of Serbia, senior note, Reg S, 4.875%, 02/25/20	SER	USD	18,126,300	2.16
16,000,000	Government of Poland, senior note, 3.75%, 03/29/17	POL	EUR	17,427,840	2.08
64,730,000	Government of Poland, 5.75%, 09/23/22	POL	PLN	16,535,124	1.97
70,000,000	Government of Poland, Strip, 07/25/14	POL	PLN	15,719,619	1.88
159,000,000,000	Government of Indonesia, FR40, 11.00%, 09/15/25	IDN	IDR	15,683,172	1.87
20,000,000	Government of Slovenia, senior note, Reg S, 5.50%, 10/26/22	SVN	USD	14,199,593	1.69
17,270,000	Government of Iceland, Reg S, 5.875%, 05/11/22	ISL	USD	14,125,737	1.68
12,000,000	Government of Romania, Reg S, 6.50%, 06/18/18	ROM	EUR	13,305,000	1.59
11,254,500	Government of Ireland, Reg S, 5.50%, 10/18/17	IRL	EUR	12,457,437	1.49
12,205,335	Government of Russia, senior bond, Reg S, 7.50%, 03/31/30	RUS	USD	10,996,429	1.31
14,900,000	Government of Sri Lanka, senior note, Reg S, 5.875%, 07/25/22	LKA	USD	10,803,116	1.29
8,050,000	Government of Hungary, Reg S, 6.75%, 07/28/14	HUN	EUR	8,432,375	1.01
7,338,000	Government of Ireland, 4.50%, 04/18/20	IRL	EUR	7,687,472	0.92
105,000,000	Inter-American Development Bank, senior note, 7.50%, 12/05/24	SP	MXN	6,578,120	0.78
1,943,600,000	Government of Hungary, A, 6.00%, 11/24/23	HUN	HUF	6,562,613	0.78
5,600,000	Government of Ireland, 5.90%, 10/18/19	IRL	EUR	6,316,520	0.75
5,900,000	Government of Ireland, senior bond, 4.50%, 10/18/18	IRL	EUR	6,304,415	0.75
5,900,000	Government of Ireland, senior bond, 4.40%, 06/18/19	IRL	EUR	6,197,979	0.74
1,619,700,000	Government of Hungary, B, 6.75%, 02/24/17	HUN	HUF	5,784,196	0.69
16,350	Nota Do Tesouro Nacional, 10.00%, 01/01/17	BRA	BRL	5,496,504	0.66
5,820,000	Government of Lithuania, Reg S, 7.375%, 02/11/20	LTU	USD	5,328,319	0.64
46,623,000,000	Government of Indonesia, FR34, 12.80%, 06/15/21	IDN	IDR	4,855,730	0.58
1,245,900,000	Government of Hungary, 6.50%, 06/24/19	HUN	HUF	4,438,370	0.53
3,798,000	Government of Ireland, Reg S, 3.90%, 03/20/23	IRL	EUR	3,746,252	0.45
3,725,000	Government of Hungary, senior note, 4.375%, 07/04/17	HUN	EUR	3,715,315	0.44
4,950,000,000	Korea Monetary Stabilization Bond, senior note, 2.76%, 06/02/15	KOR	KRW	3,319,961	0.40
475,400	Government of Mexico, 9.50%, 12/18/14	MEX	MXN	3,033,670	0.36
3,230	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/45	BRA	BRL	2,827,327	0.34
2,900,000	Government of Poland, senior note, 6.375%, 07/15/19	POL	USD	2,604,909	0.31
10,230,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	2,515,027	0.30
2,875,000	Government of Hungary, senior note, 6.25%, 01/29/20	HUN	USD	2,317,791	0.28
9,225,000	Government of Malaysia, 3.741%, 02/27/15	MYS	MYR	2,263,162	0.27
2,790,000	Government of Serbia, Reg S, 7.25%, 09/28/21	SER	USD	2,207,233	0.26
8,820,000	Government of Malaysia, 3.197%, 10/15/15	MYS	MYR	2,140,112	0.26
2,585,000	New South Wales Treasury Corp., senior note, 5.50%, 03/01/17	AUS	AUD	1,959,694	0.23
2,300,000	Government of Vietnam, Reg S, 6.75%, 01/29/20	VND	USD	1,890,677	0.23
17,300,000,000	Government of Indonesia, FR35, 12.90%, 06/15/22	IDN	IDR	1,839,443	0.22
1,600,000	Government of Poland, 3.625%, 02/01/16	POL	EUR	1,708,992	0.20
1,560,000	Government of Hungary, Reg S, 6.00%, 01/11/19	HUN	EUR	1,620,450	0.19
373,800,000	Government of Hungary, 7.50%, 11/12/20	HUN	HUF	1,393,641	0.17
4,326,000	Government of Peru, senior bond, 7.84%, 08/12/20	PER	PEN	1,377,892	0.16
1,618	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/16	BRA	BRL	1,325,896	0.16
1,050,000	Queensland Treasury Corp., senior bond, 6.00%, 09/14/17	AUS	AUD	813,745	0.10
7,550,000,000	Government of Indonesia, FR31, 11.00%, 11/15/20	IDN	IDR	718,575	0.09
998,210,000	Korea Treasury Bond, senior note, 3.25%, 12/10/14	KOR	KRW	675,896	0.08
162,200,000	Government of Hungary, 7.75%, 08/24/15	HUN	HUF	584,393	0.07
6,400,000,000	Government of Indonesia, FR28, 10.00%, 07/15/17	IDN	IDR	558,523	0.07
133,600,000	Government of Hungary, A, 6.75%, 11/24/17	HUN	HUF	472,100	0.06
659,900,000	Korea Treasury Bond, senior note, 2.75%, 12/10/15	KOR	KRW	441,586	0.05
1,611,000	Government of Poland, FRN, 3.98%, 01/25/17 †	POL	PLN	370,162	0.04
3,990,000,000	Government of Indonesia, FR44, 10.00%, 09/15/24	IDN	IDR	368,031	0.04
1,634,000	Government of Poland, FRN, 3.98%, 01/25/21 †	POL	PLN	366,760	0.04
360	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/18	BRA	BRL	299,572	0.04
315,000	Government of Hungary, senior note, 3.875%, 02/24/20	HUN	EUR	293,438	0.04
770,000	Government of Malaysia, 3.434%, 08/15/14	MYS	MYR	187,915	0.02
162,000,000	Korea Treasury Bond, senior bond, 5.00%, 09/10/16	KOR	KRW	115,272	0.01
168,000,000	Korea Treasury Bond, senior note, 3.25%, 06/10/15	KOR	KRW	113,856	0.01
110,000	Government of Hungary, senior note, 3.50%, 07/18/16	HUN	EUR	108,776	0.01
152,870,000	Korea Monetary Stabilization Bond, senior note, 2.84%, 12/02/14	KOR	KRW	102,808	0.01
144,020,000	Korea Monetary Stabilization Bond, senior note, 2.74%, 02/02/15	KOR	KRW	96,657	0.01
100	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/15	BRA	BRL	81,878	0.01
177,083	Government of Bosnia & Herzegovina, senior bond, B, FRN, 1.063%, 12/11/21 †	BIH	DEM	73,336	0.01
50	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/17	BRA	BRL	41,117	0.01
50,000	Government of Malaysia, 4.72%, 09/30/15	MYS	MYR	12,561	0.00
				<u>551,254,286</u>	<u>65.74</u>

## — Templeton Global Bond (Euro) Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b>					
37,000,000	Belgium Treasury Bill, 0.00%, 07/18/13	BEL	EUR	36,999,815	4.41
41,403,040,000	Korea Monetary Stabilization Bond, senior bond, 3.47%, 02/02/14	KOR	KRW	27,966,859	3.34
110,030,000	Bank of Negara Monetary Note, 0.00%, 05/20/14	MYS	MYR	26,058,209	3.11
3,362,860	Government of Mexico, 8.00%, 12/19/13	MEX	MXN	20,308,491	2.42
30,720,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	7,596,079	0.91
10,581,300	Mexico Treasury Bill, 0.00%, 09/19/13	MEX	MXN	6,218,207	0.74
8,222,450,000	Korea Treasury Bond, senior bond, 3.00%, 12/10/13	KOR	KRW	5,538,380	0.66
15,000	Nota Do Tesouro Nacional, 10.00%, 01/01/14	BRA	BRL	5,186,083	0.62
13,460,000	Bank of Negara Monetary Note, 0.00%, 06/03/14	MYS	MYR	3,187,197	0.38
4,709,830,000	Korea Monetary Stabilization Bond, senior note, 3.28%, 06/02/14	KOR	KRW	3,182,958	0.38
11,410,000	Bank of Negara Monetary Note, 0.00%, 02/18/14	MYS	MYR	2,722,430	0.32
3,972,650,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 04/02/14	KOR	KRW	2,688,430	0.32
10,290,000	Bank of Negara Monetary Note, 0.00%, 10/31/13	MYS	MYR	2,477,329	0.30
10,460,000	Bank of Negara Monetary Note, 0.00%, 06/17/14	MYS	MYR	2,474,156	0.30
382,500	Government of Mexico, 7.00%, 06/19/14	MEX	MXN	2,331,705	0.28
9,160,000	Bank of Negara Monetary Note, 0.00%, 02/20/14	MYS	MYR	2,185,218	0.26
9,125,000	Bank of Negara Monetary Note, 0.00%, 02/25/14	MYS	MYR	2,175,975	0.26
7,893,000	Bank of Negara Monetary Note, 0.00%, 06/05/14	MYS	MYR	1,868,679	0.22
7,510,000	Bank of Negara Monetary Note, 0.00%, 06/19/14	MYS	MYR	1,776,085	0.21
2,267,400,000	Korea Monetary Stabilization Bond, 0.00%, 08/13/13	KOR	KRW	1,520,130	0.18
2,025,400,000	Korea Monetary Stabilization Bond, senior bond, 2.55%, 05/09/14	KOR	KRW	1,360,180	0.16
1,920,000	New South Wales Treasury Corp., 5.50%, 08/01/13	AUS	AUD	1,352,352	0.16
1,965,870,000	Korea Monetary Stabilization Bond, senior bond, 3.48%, 12/02/13	KOR	KRW	1,326,600	0.16
5,560,000	Bank of Negara Monetary Note, 0.00%, 04/24/14	MYS	MYR	1,319,539	0.16
5,490,000	Bank of Negara Monetary Note, 0.00%, 01/16/14	MYS	MYR	1,313,053	0.16
5,350,000	Bank of Negara Monetary Note, 0.00%, 12/12/13	MYS	MYR	1,283,685	0.15
1,709,000,000	Korea Monetary Stabilization Bond, 0.00%, 07/09/13	KOR	KRW	1,148,635	0.14
4,090,000	Bank of Negara Monetary Note, 0.00%, 11/19/13	MYS	MYR	983,148	0.12
1,200,000	Government of Venezuela, 10.75%, 09/19/13	VEN	USD	925,963	0.11
11,410,000,000	Government of Indonesia, FR20, 14.275%, 12/15/13	IDN	IDR	918,346	0.11
800,000	Government of Lithuania, senior note, 9.375%, 06/22/14	LTU	EUR	866,580	0.10
3,585,000	Bank of Negara Monetary Note, 0.00%, 01/09/14	MYS	MYR	857,936	0.10
1,228,670,000	Korea Monetary Stabilization Bond, senior bond, 3.90%, 08/02/13	KOR	KRW	827,185	0.10
3,270,000	Bank of Negara Monetary Note, 0.00%, 12/19/13	MYS	MYR	784,119	0.09
1,146,770,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 10/02/13	KOR	KRW	772,874	0.09
2,910,000	Bank of Negara Monetary Note, 0.00%, 05/27/14	MYS	MYR	688,782	0.08
2,690,000	Bank of Negara Monetary Note, 0.00%, 03/27/14	MYS	MYR	639,954	0.08
2,600,000	Bank of Negara Monetary Note, 0.00%, 03/20/14	MYS	MYR	618,832	0.07
2,485,000	Bank of Negara Monetary Note, 0.00%, 05/15/14	MYS	MYR	588,755	0.07
144,200,000	Hungary Treasury Bill, 0.00%, 07/24/13	HUN	HUF	487,618	0.06
1,950,000	Bank of Negara Monetary Note, 0.00%, 11/12/13	MYS	MYR	469,006	0.06
128,900,000	Hungary Treasury Bill, 0.00%, 07/17/13	HUN	HUF	436,228	0.05
525,000	Queensland Treasury Corp., senior note, 6.00%, 08/14/13	AUS	AUD	370,383	0.04
450,000,000	Korea Monetary Stabilization Bond, senior note, 2.57%, 06/09/14	KOR	KRW	302,199	0.04
445,000,000	Korea Monetary Stabilization Bond, 0.00%, 09/10/13	KOR	KRW	297,744	0.04
1,230,000	Bank of Negara Monetary Note, 0.00%, 09/05/13	MYS	MYR	297,475	0.04
1,205,000	Government of Malaysia, senior bond, 3.461%, 07/31/13	MYS	MYR	293,089	0.03
950,000	Bank of Negara Monetary Note, 0.00%, 07/04/13	MYS	MYR	230,943	0.03
860,000	Bank of Negara Monetary Note, 0.00%, 07/18/13	MYS	MYR	208,824	0.02
800,000	Bank of Negara Monetary Note, 0.00%, 02/06/14	MYS	MYR	191,068	0.02
790,000	Bank of Negara Monetary Note, 0.00%, 06/10/14	MYS	MYR	186,926	0.02
38,510,000	Government of Hungary, 5.50%, 02/12/14	HUN	HUF	131,627	0.02
475,000	Bank of Negara Monetary Note, 0.00%, 10/10/13	MYS	MYR	114,577	0.01
330,000	Bank of Negara Monetary Note, 0.00%, 12/26/13	MYS	MYR	79,086	0.01
300,000	Bank of Negara Monetary Note, 0.00%, 09/26/13	MYS	MYR	72,431	0.01
225,000	Bank of Negara Monetary Note, 0.00%, 07/25/13	MYS	MYR	54,603	0.01
195,000	Bank of Negara Monetary Note, 0.00%, 12/31/13	MYS	MYR	46,733	0.01
130,000	Bank of Negara Monetary Note, 0.00%, 12/10/13	MYS	MYR	31,196	0.00
120,000	Bank of Negara Monetary Note, 0.00%, 11/26/13	MYS	MYR	28,829	0.00
100,000	Bank of Negara Monetary Note, 0.00%, 12/05/13	MYS	MYR	24,007	0.00
70,000	Bank of Negara Monetary Note, 0.00%, 08/15/13	MYS	MYR	16,959	0.00
50,000	Bank of Negara Monetary Note, 0.00%, 04/03/14	MYS	MYR	11,889	0.00
20,000	Bank of Negara Monetary Note, 0.00%, 03/13/14	MYS	MYR	4,763	0.00
15,000	Bank of Negara Monetary Note, 0.00%, 10/08/13	MYS	MYR	3,618	0.00
				187,430,754	22.35
<b>TOTAL BONDS</b>				<b>738,685,040</b>	<b>88.09</b>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<b>738,685,040</b>	<b>88.09</b>
<b>TOTAL INVESTMENTS</b>				<b>738,685,040</b>	<b>88.09</b>

† Floating Rates are indicated as at June 30, 2013

The accompanying notes form an integral

## — Templeton Global Equity Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
191,968	BAE Systems PLC	GBR	GBP	1,118,916	1.51
<b>Air Freight &amp; Logistics</b>					
29,852	Deutsche Post AG	DEU	EUR	741,972	1.00
<b>Auto Components</b>					
23,814	Tokai Rika Co. Ltd.	JPN	JPY	475,368	0.64
<b>Automobiles</b>					
18,858	Toyota Motor Corp.	JPN	JPY	1,138,819	1.53
95,300	Nissan Motor Co. Ltd.	JPN	JPY	965,586	1.30
				2,104,405	2.83
<b>Building Products</b>					
20,960	Compagnie de Saint-Gobain	FRA	EUR	848,488	1.14
<b>Capital Markets</b>					
42,983	The Bank of New York Mellon Corp.	USA	USD	1,205,673	1.62
34,352	Credit Suisse Group AG	CHE	CHF	910,745	1.23
33,334	AllianceBernstein Holding LP	USA	USD	694,014	0.94
84,715	MLP AG	DEU	EUR	515,619	0.69
				3,326,051	4.48
<b>Chemicals</b>					
10,121	LyondellBasell Industries NV, A	USA	USD	670,617	0.90
<b>Commercial Banks</b>					
185,594	HSBC Holdings PLC	GBR	GBP	1,924,876	2.59
21,952	BNP Paribas SA	FRA	EUR	1,199,386	1.62
227,892	UniCredit SpA	ITA	EUR	1,067,295	1.44
110,921	Credit Agricole SA	FRA	EUR	953,343	1.28
61,000	DBS Group Holdings Ltd.	SGP	SGD	746,104	1.00
457,620	Intesa Sanpaolo SpA	ITA	EUR	733,259	0.99
				6,624,263	8.92
<b>Computers &amp; Peripherals</b>					
19,902	Hewlett-Packard Co.	USA	USD	493,570	0.67
<b>Construction Materials</b>					
48,040	CRH PLC	IRL	EUR	972,361	1.31
<b>Distributors</b>					
1,637,849	Pacific Brands Ltd.	AUS	AUD	1,048,813	1.41
<b>Diversified Financial Services</b>					
110,086	ING Groep NV, IDR	NLD	EUR	1,003,054	1.35
19,646	Citigroup Inc.	USA	USD	942,419	1.27
7,934	Deutsche Boerse AG	DEU	EUR	522,251	0.71
7,917	JPMorgan Chase & Co.	USA	USD	417,938	0.56
				2,885,662	3.89
<b>Diversified Telecommunication Services</b>					
521,130	Singapore Telecommunications Ltd.	SGP	SGD	1,550,333	2.09
94,544	Telefonica SA	ESP	EUR	1,211,557	1.63
55,811	Telenor ASA	NOR	NOK	1,106,388	1.49
51,846	Vivendi SA	FRA	EUR	981,912	1.32
99,188	Orange SA	FRA	EUR	938,357	1.27
132,903	Telekom Austria AG	AUT	EUR	841,439	1.13
				6,629,986	8.93
<b>Electric Utilities</b>					
88,867	Centrais Eletricas Brasileiras SA, pfd., B	BRA	BRL	348,068	0.47
<b>Energy Equipment &amp; Services</b>					
9,498	Baker Hughes Inc.	USA	USD	438,143	0.59
<b>Food &amp; Staples Retailing</b>					
184,119	Tesco PLC	GBR	GBP	928,328	1.25
17,647	Walgreen Co.	USA	USD	779,997	1.05
				1,708,325	2.30
<b>Household Products</b>					
5,543	The Procter & Gamble Co.	USA	USD	426,756	0.57
<b>Industrial Conglomerates</b>					
10,004	Siemens AG	DEU	EUR	1,011,136	1.36
32,672	General Electric Co.	USA	USD	757,664	1.02
14,481	Koninklijke Philips NV	NLD	EUR	394,796	0.53
				2,163,596	2.91

part of these financial statements



## — Templeton Global Equity Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Insurance</b>				
57,838	AXA SA	FRA	EUR	1,136,425	1.53
14,750	Swiss Re AG	CHE	CHF	1,097,449	1.48
188,176	Aviva PLC	GBR	GBP	972,322	1.31
3,401	Muenchener Rueckversicherungs-Gesellschaft AG	DEU	EUR	625,965	0.84
				<u>3,832,161</u>	<u>5.16</u>
	<b>IT Services</b>				
30,142	SAIC Inc.	USA	USD	419,878	0.57
	<b>Media</b>				
78,641	Reed Elsevier NV	NLD	EUR	1,310,247	1.76
10,340	Time Warner Cable Inc.	USA	USD	1,163,043	1.57
				<u>2,473,290</u>	<u>3.33</u>
	<b>Metals &amp; Mining</b>				
5,421	POSCO, ADR	KOR	USD	352,799	0.47
10,846	Vale SA, ADR, pfd., A	BRA	USD	131,887	0.18
				<u>484,686</u>	<u>0.65</u>
	<b>Multi-Utilities</b>				
35,162	E.ON SE	DEU	EUR	577,142	0.78
	<b>Oil, Gas &amp; Consumable Fuels</b>				
47,871	Total SA, B	FRA	EUR	2,336,985	3.15
99,507	Eni SpA	ITA	EUR	2,043,877	2.75
179,481	BP PLC	GBR	GBP	1,243,008	1.67
35,138	Royal Dutch Shell PLC, A	GBR	EUR	1,122,624	1.51
6,323	Chevron Corp.	USA	USD	748,264	1.01
27,326	Statoil ASA	NOR	NOK	563,752	0.76
				<u>8,058,510</u>	<u>10.85</u>
	<b>Pharmaceuticals</b>				
83,613	Pfizer Inc.	USA	USD	2,342,000	3.15
8,949	Roche Holding AG	CHE	CHF	2,225,766	3.00
86,424	GlaxoSmithKline PLC	GBR	GBP	2,166,426	2.92
20,104	Sanofi	FRA	EUR	2,083,526	2.80
29,589	Merck & Co. Inc.	USA	USD	1,374,409	1.85
6,158	Novartis AG	CHE	CHF	437,320	0.59
				<u>10,629,447</u>	<u>14.31</u>
	<b>Professional Services</b>				
264,954	Hays PLC	GBR	GBP	358,127	0.48
	<b>Real Estate Investment Trust (REIT)</b>				
62,433	Annaly Capital Management Inc.	USA	USD	784,783	1.06
	<b>Software</b>				
74,790	Microsoft Corp.	USA	USD	2,582,499	3.48
19,300	Trend Micro Inc.	JPN	JPY	612,914	0.82
				<u>3,195,413</u>	<u>4.30</u>
	<b>Specialty Retail</b>				
143,437	Kingfisher PLC	GBR	GBP	748,350	1.01
	<b>Trading Companies &amp; Distributors</b>				
32,000	ITOCHU Corp.	JPN	JPY	369,392	0.50
	<b>Transportation Infrastructure</b>				
91,443	China Merchants Holdings International Co. Ltd.	CHN	HKD	284,730	0.38
	<b>Wireless Telecommunication Services</b>				
768,745	Vodafone Group PLC	GBR	GBP	2,196,825	2.96
65,398	China Mobile Ltd.	CHN	HKD	684,677	0.92
45,988	Turkcell Iletisim Hizmetleri AS, ADR	TUR	USD	660,847	0.89
				<u>3,542,349</u>	<u>4.77</u>
	<b>TOTAL SHARES</b>			<u>68,783,618</u>	<u>92.62</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>68,783,618</u>	<u>92.62</u>

The accompanying notes form an integral

## — Templeton Global Equity Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Air Freight &amp; Logistics</b>					
77,403	The Barclays Bank PLC into TNT Express NV, 5.00%, cvt. pfd., Reg S	NLD	USD	473,474	0.64
<b>Capital Markets</b>					
25,357	Royal Bank of Canada into Morgan Stanley, 3.55%, cvt. pfd., 144A	USA	USD	598,400	0.80
11,514	Royal Bank of Canada into Morgan Stanley, 3.55%, cvt. pfd., 144A	USA	USD	273,133	0.37
				871,533	1.17
<b>Commercial Banks</b>					
1,531,000	The Goldman Sachs Group Inc. into Lloyds Banking Group PLC, 3.50%, cvt. pfd., 144A	GBR	USD	924,219	1.24
<b>Energy Equipment &amp; Services</b>					
18,473	The Goldman Sachs Group Inc. into Halliburton Co., 3.50%, cvt. pfd., 144A	USA	USD	768,213	1.04
8,446	Royal Bank of Canada into Baker Hughes Inc., 3.50%, cvt. pfd., 144A	USA	USD	387,472	0.52
				1,155,685	1.56
<b>Multiline Retail</b>					
11,600	Royal Bank of Canada into Macy's Inc., 3.55%, cvt. pfd., 144A	USA	USD	553,113	0.75
<b>TOTAL SHARES</b>				3,978,024	5.36
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				3,978,024	5.36
<b>TOTAL INVESTMENTS</b>				72,761,642	97.98

## — Templeton Global High Income Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Consumer Finance</b>					
3,500	GMAC Capital Trust I, 8.125%, pfd.	USA	USD	91,175	0.43
<b>TOTAL SHARES</b>				91,175	0.43
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				91,175	0.43
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Paper &amp; Forest Products</b>					
200	NewPage Holdings Inc.	USA	USD	17,500	0.09
<b>TOTAL SHARES</b>				17,500	0.09
<b>BONDS</b>					
<b>Asset-Backed Securities</b>					
100,000	Bear Stearns Commercial Mortgage Securities Inc., 2006-PW11, AJ, FRN, 5.452%, 03/11/39 †	USA	USD	102,103	0.49
100,000	Banc of America Commercial Mortgage Inc., 2006-4, AJ, 5.695%, 07/10/46	USA	USD	100,056	0.48
100,000	JPMorgan Chase Commercial Mortgage Securities Corp., 2006-CB17, AM, 5.464%, 12/12/43	USA	USD	99,410	0.47
100,000	Bear Stearns Commercial Mortgage Securities Inc., 2006-PW13, AJ, 5.611%, 09/11/41	USA	USD	97,664	0.46
				399,233	1.90
<b>Corporate Bonds</b>					
300,000	Wind Acquisition Finance SA, senior secured note, 144A, 11.75%, 07/15/17	ITA	USD	313,500	1.49
300,000	Peabody Energy Corp., senior note, 6.25%, 11/15/21	USA	USD	291,000	1.38
300,000	DISH DBS Corp., senior bond, 5.00%, 03/15/23	USA	USD	290,250	1.38
300,000	Clear Channel Communications Inc., senior note, 9.00%, 03/01/21	USA	USD	286,500	1.36
250,000	Samson Investment Co., senior note, 9.75%, 02/15/20	USA	USD	264,687	1.26
250,000	HCA Inc., senior note, 5.875%, 05/01/23	USA	USD	250,625	1.19
250,000	Sprint Nextel Corp., senior note, 6.00%, 11/15/22	USA	USD	246,250	1.17
250,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.875% 04/01/22	AUS	USD	243,437	1.16
200,000	Bank of America Corp., pfd., sub. bond, M, 8.125% to 05/15/18, FRN thereafter, Perpetual	USA	USD	226,000	1.07
200,000	CSC Holdings LLC, senior note, 6.75%, 11/15/21	USA	USD	216,500	1.03
200,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 9.00%, 04/15/19	USA	USD	207,500	0.99
200,000	QR Energy LP/QRE Finance, senior note, 9.25%, 08/01/20	USA	USD	206,500	0.98
200,000	Inmet Mining Corp., senior note, 144A, 8.75%, 06/01/20	CAN	USD	205,500	0.98
150,000	Royal Bank of Scotland PLC, sub. note, 6.934%, 04/09/18	GBR	EUR	204,766	0.97
200,000	Freescall Semiconductor Inc., senior note, 8.05%, 02/01/20	USA	USD	203,500	0.97
200,000	CGG, senior note, 6.50%, 06/01/21	FRA	USD	203,000	0.96
200,000	Chesapeake Energy Corp., senior note, 5.75%, 03/15/23	USA	USD	203,000	0.96
200,000	Frontier Communications Corp., senior bond, 7.625%, 04/15/24	USA	USD	201,500	0.96
200,000	ArcelorMittal, senior note, 6.00%, 03/01/21	LUX	USD	199,489	0.95
200,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 8.25%, 02/15/21	USA	USD	198,750	0.94
200,000	Goodrich Petroleum Corp., senior note, 8.875%, 03/15/19	USA	USD	198,000	0.94
200,000	InterGen NV, secured bond, 144A, 7.00%, 06/30/23	NLD	USD	195,125	0.93
200,000	Intelsat Jackson Holdings SA, senior note, 144A, 6.625%, 12/15/22	LUX	USD	195,000	0.93
200,000	Eldorado Gold Corp., senior note, 144A, 6.125%, 12/15/20	CAN	USD	194,000	0.92
200,000	CommScope Holdings Inc., senior note, 144A, PIK, 6.625%, 06/01/20 ‡	USA	USD	192,000	0.91
200,000	Digicel Group Ltd., senior note, 144A, 6.00%, 04/15/21	BMU	USD	192,000	0.91
200,000	Univision Communications Inc., senior secured note, 144A, 5.125%, 05/15/23	USA	USD	190,000	0.90
200,000	Sabine Pass Liquefaction LLC, 144A, 5.625%, 04/15/23	USA	USD	189,500	0.90
200,000	Caesars Operating Escrow LLC/Corp., senior secured note, 8.50%, 02/15/20	USA	USD	189,125	0.90
200,000	Barmingo Finance Pty. Ltd., senior note, 144A, 9.00%, 06/01/18	AUS	USD	184,750	0.88
150,000	Sprint Nextel Corp., senior note, 8.375%, 08/15/17	USA	USD	169,125	0.80
150,000	MGM Resorts International, senior note, 7.75%, 03/15/22	USA	USD	163,687	0.78
150,000	First Data Corp., senior bond, 12.625%, 01/15/21	USA	USD	159,375	0.76
150,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	156,000	0.74
150,000	W&T Offshore Inc., senior note, 8.50%, 06/15/19	USA	USD	155,625	0.74
150,000	EPL Oil & Gas Inc., senior note, 8.25%, 02/15/18	USA	USD	155,250	0.74
150,000	Del Monte Corp., senior note, 7.625%, 02/15/19	USA	USD	154,875	0.74
100,000	Matalan Finance Ltd., senior secured note, Reg S, 8.875%, 04/29/16	GBR	GBP	153,759	0.73
150,000	Eagle Rock Energy Partners LP/Finance Corp., senior note, 8.375%, 06/01/19	USA	USD	153,375	0.73
150,000	The Goodyear Tire & Rubber Co., senior note, 6.50%, 03/01/21	USA	USD	153,187	0.73
150,000	Radio One Inc., senior sub. note, PIK, 12.50%, 05/24/16 ‡	USA	USD	151,875	0.72
150,000	Nuveen Investments Inc., senior note, 144A, 9.125%, 10/15/17	USA	USD	151,125	0.72
150,000	Halcon Resources Corp., senior note, 9.75%, 07/15/20	USA	USD	150,375	0.71
150,000	Clayton Williams Energy Inc., senior note, 7.75%, 04/01/19	USA	USD	150,000	0.71

The accompanying notes form an integral

## — Templeton Global High Income Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
150,000	CONSOL Energy Inc., senior note, 6.375%, 03/01/21	USA	USD	150,000	0.71
100,000	New Look Bondco I PLC, secured note, Reg S, 8.75%, 05/14/18	GBR	GBP	147,142	0.70
150,000	Linn Energy LLC/Finance Corp., senior note, 6.50%, 05/15/19	USA	USD	147,000	0.70
150,000	Penn Virginia Corp., senior note, 144A, 8.50%, 05/01/20	USA	USD	145,875	0.69
100,000	KM Germany Holdings GmbH, senior secured note, first lien, Reg S, 8.75%, 12/15/20	DEU	EUR	134,477	0.64
100,000	Nokia Siemens Networks Finance BV, senior note, Reg S, 7.125%, 04/15/20	NLD	EUR	133,094	0.63
100,000	Algeco Scotsman Global Finance PLC, secured note, Reg S, 9.00%, 10/15/18	GBR	EUR	131,711	0.63
100,000	Cirsa Funding Luxembourg SA, senior bond, Reg S, 8.75%, 05/15/18	ESP	EUR	131,508	0.63
100,000	Avis Budget Finance PLC, senior note, Reg S, 6.00%, 03/01/21	USA	EUR	131,304	0.62
100,000	Loxam SAS, senior sub. note, Reg S, 7.375%, 01/24/20	FRA	EUR	129,596	0.62
90,000	Orion Engineered Carbons Bondco GmbH, senior secured bond, Reg S, 10.00%, 06/15/18	DEU	EUR	128,717	0.61
100,000	UPC Holding BV, senior note, Reg S, 6.75%, 03/15/23	NLD	EUR	126,965	0.60
100,000	Mobile Challenger Intermediate Group SA, senior secured note, Reg S, PIK, 8.75%, 03/15/19 ‡	CHE	EUR	126,911	0.60
100,000	Cegedim SA, senior note, Reg S, 6.75%, 04/01/20	FRA	EUR	126,179	0.60
100,000	Unitymedia Hessen GmbH & Co. KG/NRW GmbH, senior secured note, Reg S, 5.625%, 04/15/23	DEU	EUR	125,609	0.60
100,000	Ineos Group Holdings SA, senior note, Reg S, 6.50%, 08/15/18	GBR	EUR	124,803	0.59
100,000	Edcon Pty. Ltd., secured note, Reg S, 9.50%, 03/01/18	ZAF	EUR	121,379	0.58
100,000	SLM Corp., senior note, 8.45%, 06/15/18	USA	USD	111,500	0.53
100,000	Ceridian Corp., senior note, 144A, 11.00%, 03/15/21	USA	USD	110,500	0.53
100,000	Chesapeake Energy Corp., senior note, 6.625%, 08/15/20	USA	USD	108,000	0.51
100,000	KB Home, senior bond, 7.50%, 09/15/22	USA	USD	107,750	0.51
100,000	Alere Inc., senior note, 144A, 7.25%, 07/01/18	USA	USD	106,500	0.51
100,000	Crosstex Energy LP/Crosstex Energy Finance Corp., senior note, 8.875%, 02/15/18	USA	USD	106,500	0.51
100,000	Penn Virginia Resource Partners LP/Finance Corp. II, senior note, 8.375%, 06/01/20	USA	USD	106,000	0.50
100,000	Expro Finance Luxembourg, senior secured note, 144A, 8.50%, 12/15/16	GBR	USD	105,500	0.50
100,000	JBS USA LLC/Finance Inc., senior note, 144A, 8.25%, 02/01/20	USA	USD	105,250	0.50
100,000	Chiquita Brands International Inc./LLC, secured note, 144A, 7.875%, 02/01/21	USA	USD	105,000	0.50
100,000	Jaguar Holding Co. I, senior note, 144A, PIK, 9.375%, 10/15/17 ‡	USA	USD	105,000	0.50
100,000	Offshore Group Investment Ltd., senior secured note, first lien, 7.50%, 11/01/19	USA	USD	104,625	0.50
100,000	Harrah's Operating Co. Inc., senior secured note, 11.25%, 06/01/17	USA	USD	104,375	0.50
100,000	CHS/Community Health Systems Inc., senior note, 7.125%, 07/15/20	USA	USD	103,250	0.49
100,000	Intergen NV, senior secured note, 144A, 9.00%, 06/30/17	NLD	USD	103,250	0.49
100,000	CHC Helicopter SA, senior secured note, first lien, 9.25%, 10/15/20	CAN	USD	102,687	0.49
75,000	Kerling PLC, senior secured note, Reg S, 10.625%, 02/01/17	GBR	EUR	102,538	0.49
100,000	ADS Waste Escrow Corp., senior note, 144A, 8.25%, 10/01/20	USA	USD	102,500	0.49
100,000	Igloo Holdings Corp., senior note, 144A, PIK, 8.25%, 12/15/17 ‡	USA	USD	102,500	0.49
100,000	BC Mountain LLC/Finance Inc., senior note, 144A, 7.00%, 02/01/21	USA	USD	102,250	0.49
100,000	HCA Holdings Inc., senior note, 6.25%, 02/15/21	USA	USD	102,250	0.49
100,000	E*TRADE Financial Corp., senior note, 6.375%, 11/15/19	USA	USD	102,000	0.48
100,000	Exopack Holding Corp., senior note, 10.00%, 06/01/18	USA	USD	101,750	0.48
100,000	BlueScope Steel Ltd./BlueScope Steel Finance, senior note, 144A, 7.125%, 05/01/18	AUS	USD	100,750	0.48
100,000	Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note, 144A, 7.25%, 02/15/21	USA	USD	100,750	0.48
100,000	Murray Energy Corp., senior secured note, 144A, 8.625%, 06/15/21	USA	USD	100,500	0.48
100,000	Rain CII Carbon LLC/Corp., second lien, 144A, 8.25%, 01/15/21	USA	USD	100,500	0.48
100,000	Provident Fund Associates LP/Finance Corp., senior note, 144A, 6.75%, 06/15/21	USA	USD	100,250	0.48
100,000	Ahern Rentals Inc., secured note, second lien, 144A, 9.50%, 06/15/18	USA	USD	100,125	0.48
100,000	CHC Helicopter SA, senior note, 144A, 9.375%, 06/01/21	CAN	USD	99,500	0.47
100,000	Sanchez Energy Corp., senior note, 144A, 7.75%, 06/15/21	USA	USD	99,000	0.47
100,000	Navistar International Corp., senior note, 8.25%, 11/01/21	USA	USD	98,750	0.47
100,000	Offshore Group Investment Ltd., first lien, 144A, 7.125%, 04/01/23	USA	USD	98,750	0.47
100,000	SIWF Merger Sub Inc./Springs Industries Inc., senior secured note, 144A, 6.25%, 06/01/21	USA	USD	98,250	0.47
100,000	Alere Inc., senior sub. note, 144A, 6.50%, 06/15/20	USA	USD	97,375	0.46
100,000	Sabine Pass Liquefaction LLC, secured note, 144A, 5.625%, 02/01/21	USA	USD	97,250	0.46
100,000	Cricket Communications Inc., senior note, 7.75%, 10/15/20	USA	USD	96,500	0.46
100,000	Penn Virginia Resource Partners LP/Finance Corp. II, senior note, 144A, 6.50%, 05/15/21	USA	USD	96,500	0.46
100,000	Meritor Inc., senior note, 6.75%, 06/15/21	USA	USD	96,000	0.46
100,000	SandRidge Energy Inc., senior note, 7.50%, 03/15/21	USA	USD	96,000	0.46
100,000	Linn Energy LLC/Finance Corp., senior note, 144A, 6.25%, 11/01/19	USA	USD	95,750	0.46
100,000	Intelsat Jackson Holdings SA, senior bond, 144A, 5.50%, 08/01/23	LUX	USD	94,187	0.45
100,000	Midstates Petroleum Co. Inc./LLC, senior note, 144A, 9.25%, 06/01/21	USA	USD	94,125	0.45
100,000	General Motors Financial Co. Inc., senior bond, 144A, 4.25%, 05/15/23	USA	USD	93,375	0.44
100,000	Quicksilver Resources Inc., secured note, second lien, 144A, FRN, 7.00%, 06/21/19 ‡	USA	USD	90,500	0.43
100,000	Quicksilver Resources Inc., senior note, 9.125%, 08/15/19	USA	USD	85,500	0.41

part of these financial statements

## — Templeton Global High Income Bond Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
75,000	Calumet Specialty Products Partners LP/Finance Corp., senior note, 144A, 9.625%, 08/01/20	USA	USD	81,937	0.39
75,000	Meritor Inc., senior note, 10.625%, 03/15/18	USA	USD	81,563	0.39
75,000	ClubCorp Club Operations Inc., senior note, 10.00%, 12/01/18	USA	USD	81,375	0.39
75,000	Carrizo Oil & Gas Inc., senior note, 8.625%, 10/15/18	USA	USD	80,625	0.38
75,000	Zachry Holdings Inc., senior note, 144A, 7.50%, 02/01/20	USA	USD	77,625	0.37
75,000	BreitBurn Energy Partners LP/Finance Corp., senior bond, 7.875%, 04/15/22	USA	USD	76,875	0.37
75,000	Chaparral Energy Inc., senior note, 7.625%, 11/15/22	USA	USD	76,875	0.37
50,000	Central European Media Enterprises Ltd., senior secured note, Reg S, 11.625%, 09/15/16	CZE	EUR	69,603	0.33
75,000	Visant Corp., senior note, 10.00%, 10/01/17	USA	USD	69,563	0.33
50,524	Ineos Group Holdings SA, second lien, Reg S, 7.875%, 02/15/16	CHE	EUR	66,063	0.31
50,000	ExamWorks Group Inc., senior note, 9.00%, 07/15/19	USA	USD	54,125	0.26
50,000	Sterling International Inc., senior note, 11.00%, 10/01/19	USA	USD	52,000	0.25
50,000	First Data Corp., senior note, 144A, 11.25%, 01/15/21	USA	USD	50,125	0.24
50,000	Nuveen Investments Inc., senior note, 144A, 9.50%, 10/15/20	USA	USD	50,000	0.24
50,000	Halcon Resources Corp., senior note, 8.875%, 05/15/21	USA	USD	48,750	0.23
25,000	Chaparral Energy Inc., senior note, 8.25%, 09/01/21	USA	USD	26,438	0.13
25,000	inVentiv Health Inc., senior note, 144A, 9.00%, 01/15/18	USA	USD	26,188	0.12
				<u>16,733,049</u>	<u>79.57</u>
<b>Government and Municipal Bonds</b>					
200,000	Government of Ukraine, senior note, Reg S, 7.50%, 04/17/23	UKR	USD	176,750	0.84
100,000	Government of Ukraine, Reg S, 7.75%, 09/23/20	UKR	USD	91,827	0.43
905,984	Government of Uruguay, senior note, Index Linked, 4.375%, 12/15/28	URY	UYU	52,008	0.25
580,000	Government of Hungary, 5.50%, 12/22/16	HUN	HUF	2,594	0.01
370,000	Government of Hungary, A, 8.00%, 02/12/15	HUN	HUF	1,720	0.01
				<u>324,899</u>	<u>1.54</u>
<b>Securities Maturing Within One Year</b>					
6,530,000	Hungary Treasury Bill, 0.00%, 03/05/14	HUN	HUF	28,005	0.13
2,280,000	Hungary Treasury Bill, 0.00%, 01/08/14	HUN	HUF	9,840	0.05
1,290,000	Government of Hungary, E, 7.50%, 10/24/13	HUN	HUF	5,747	0.03
120,000	Hungary Treasury Bill, 0.00%, 09/18/13	HUN	HUF	525	0.00
				<u>44,117</u>	<u>0.21</u>
<b>TOTAL BONDS</b>				<u>17,501,298</u>	<u>83.22</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>17,518,798</u>	<u>83.31</u>
TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET					
<b>BONDS</b>					
<b>Corporate Bonds</b>					
300,000	Texas Competitive Electric Holdings Co. LLC/Texas Competitive Electric Holdings Finance Inc., senior secured note, 144A, 11.50%, 10/01/20	USA	USD	225,750	1.07
200,000	Banco do Brasil SA, sub. note, 144A, 5.875%, 01/26/22	BRA	USD	196,000	0.93
150,000	First Data Corp., senior secured bond, 144A, 8.25%, 01/15/21	USA	USD	153,750	0.73
100,000	Landry's Inc., senior note, 144A, 9.375%, 05/01/20	USA	USD	106,000	0.50
100,000	Cemex SAB de CV, senior secured note, 144A, 9.00%, 01/11/18	MEX	USD	105,500	0.50
100,000	CEVA Group PLC, senior note, first lien, 144A, 4.00%, 05/01/18 **	GBR	USD	82,000	0.39
75,000	International Automotive Components Group SL, senior secured note, 144A, 9.125%, 06/01/18	USA	USD	75,750	0.36
75,000	inVentiv Health Inc., senior note, 144A, 10.00%, 08/15/18	USA	USD	63,000	0.30
50,000	Sitel LLC/Finance Corp., senior secured note, 144A, 11.00%, 08/01/17	USA	USD	53,500	0.26
50,000	Shingle Springs Tribal Gaming Authority, senior note, 144A, 9.375%, 06/15/15	USA	USD	49,625	0.24
50,000	NewPage Corp., Escrow Account, 11.375%, 12/31/14 **	USA	USD	0	0.00
				<u>1,110,875</u>	<u>5.28</u>
<b>TOTAL BONDS</b>				<u>1,110,875</u>	<u>5.28</u>
<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>1,110,875</u>	<u>5.28</u>
<b>TOTAL INVESTMENTS</b>				<u>18,720,848</u>	<u>89.02</u>

† Floating Rates are indicated as at June 30, 2013

\*\* These securities are submitted to a Fair Valuation

‡ Income may be received in additional securities and/or cash

The accompanying notes form an integral

## — Templeton Global High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	<b>SHARES</b>				
	<b>Consumer Finance</b>				
3,800	GMAC Capital Trust I, 8.125%, pfd.	USA	USD	98,990	0.03
	<b>TOTAL SHARES</b>			98,990	0.03
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			98,990	0.03
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>INVESTMENTS FUNDS</b>				
	<b>Diversified Financial Services</b>				
431,230	FTSIF Franklin Floating Rate II Fund, Class I (Mdis)	LUX	USD	3,954,376	1.24
	<b>TOTAL INVESTMENTS FUNDS</b>			3,954,376	1.24
	<b>SHARES</b>				
	<b>Paper &amp; Forest Products</b>				
2,800	NewPage Holdings Inc.	USA	USD	245,000	0.08
	<b>TOTAL SHARES</b>			245,000	0.08
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
2,000,000	Bank of America Corp., pfd., sub. bond, M, 8.125% to 05/15/18, FRN thereafter, Perpetual	USA	USD	2,260,000	0.71
2,000,000	CSC Holdings LLC, senior note, 6.75%, 11/15/21	USA	USD	2,165,000	0.68
2,000,000	Samson Investment Co., senior note, 144A, 9.75%, 02/15/20	USA	USD	2,117,500	0.66
2,000,000	Wind Acquisition Finance SA, senior secured note, 144A, 11.75%, 07/15/17	ITA	USD	2,090,000	0.65
1,800,000	Ally Financial Inc., senior note, 7.50%, 09/15/20	USA	USD	2,081,250	0.65
2,000,000	Halyk Savings Bank of Kazakhstan JSC, Reg S, 7.25%, 01/28/21	KAZ	USD	2,056,250	0.64
2,000,000	ArcelorMittal, senior note, 5.50%, 03/01/21	LUX	USD	1,994,890	0.63
2,000,000	CIT Group Inc., senior note, 5.00%, 08/15/22	USA	USD	1,993,896	0.62
1,400,000	Royal Bank of Scotland PLC, sub. note, 6.934%, 04/09/18	GBR	EUR	1,911,148	0.60
2,000,000	Clear Channel Communications Inc., senior note, 9.00%, 03/01/21	USA	USD	1,910,000	0.60
1,900,000	Petroleos de Venezuela SA, senior sub. bond, 4.90%, 10/28/14	VEN	USD	1,785,306	0.56
1,600,000	Energy Transfer Equity LP, senior note, 7.50%, 10/15/20	USA	USD	1,756,000	0.55
1,700,000	Societe Generale SA, sub.note, Reg S, 6.625% to 06/11/18, FRN thereafter, Perpetual	FRA	USD	1,714,696	0.54
1,500,000	Gaz Capital SA, (OJSC Gazprom), loan participation, senior bond, Reg S, 6.51%, 03/07/22	RUS	USD	1,604,107	0.50
1,500,000	Kinder Morgan Finance Co. LLC, senior secured note, 144A, 6.00%, 01/15/18	USA	USD	1,581,829	0.50
1,500,000	Del Monte Corp., senior note, 7.625%, 02/15/19	USA	USD	1,548,750	0.49
1,500,000	Inmet Mining Corp., senior note, 144A, 8.75%, 06/01/20	CAN	USD	1,541,250	0.48
1,500,000	The Goodyear Tire & Rubber Co., senior note, 6.50%, 03/01/21	USA	USD	1,531,875	0.48
1,500,000	BlueScope Steel Ltd./BlueScope Steel Finance, senior note, 144A, 7.125%, 05/01/18	AUS	USD	1,511,250	0.47
1,500,000	HCA Inc., senior note, 5.875%, 05/01/23	USA	USD	1,503,750	0.47
1,500,000	Peabody Energy Corp., senior note, 6.25%, 11/15/21	USA	USD	1,455,000	0.46
1,400,000	CHC Helicopter SA, senior secured note, first lien, 9.25%, 10/15/20	CAN	USD	1,437,625	0.45
1,400,000	Perstorp Holding AB, first lien, 144A, 8.75%, 05/15/17	SWE	USD	1,407,000	0.44
1,500,000	LUKOIL International Finance BV, senior note, 144A, 4.563%, 04/24/23	RUS	USD	1,396,402	0.44
1,330,000	Alfa Bond Issuance PLC, (Alfa Bank OJSC), loan participation, senior note, Reg S, 7.75%, 04/28/21	RUS	USD	1,376,550	0.43
1,000,000	Kerling PLC, senior secured note, Reg S, 10.625%, 02/01/17	GBR	EUR	1,367,169	0.43
1,000,000	U.S. Coatings Acquisition Inc./Flash Dutch 2 BV, secured note, Reg S, 5.75%, 02/01/21	USA	EUR	1,316,294	0.41
1,000,000	Avis Budget Finance PLC, senior note, Reg S, 6.00%, 03/01/21	USA	EUR	1,313,039	0.41
1,200,000	Expro Finance Luxembourg, senior secured note, 144A, 8.50%, 12/15/16	GBR	USD	1,266,000	0.40
1,200,000	JBS USA LLC/Finance Inc., senior note, 144A, 8.25%, 02/01/20	USA	USD	1,263,000	0.40
1,000,000	Cegedim SA, senior note, Reg S, 6.75%, 04/01/20	FRA	EUR	1,261,787	0.40
1,000,000	Edcon Pty. Ltd., secured note, Reg S, 9.50%, 03/01/18	ZAF	EUR	1,213,789	0.38
1,200,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 8.25%, 02/15/21	USA	USD	1,192,500	0.37
1,200,000	VPI Escrow Corp., senior note, 144A, 6.375%, 10/15/20	CAN	USD	1,192,500	0.37
1,200,000	Equinix Inc., senior bond, 5.375%, 04/01/23	USA	USD	1,182,000	0.37
800,000	New Look Bondco I PLC, secured note, Reg S, 8.75%, 05/14/18	GBR	GBP	1,177,138	0.37
800,000	Capsugel Financeco SCA, senior note, Reg S, 9.875%, 08/01/19	USA	EUR	1,157,167	0.36
800,000	Boparan Finance PLC, senior note, Reg S, 9.75%, 04/30/18	GBR	EUR	1,133,737	0.36
1,100,000	Par Pharmaceutical Cos. Inc., senior note, 144A, 7.375%, 10/15/20	USA	USD	1,133,000	0.36
1,100,000	ADS Waste Escrow Corp., senior note, 144A, 8.25%, 10/01/20	USA	USD	1,127,500	0.35
1,100,000	Ashland Inc., senior note, 144A, 4.75%, 08/15/22	USA	USD	1,091,750	0.34
1,150,000	Abengoa Finance SAU, senior note, 144A, 8.875%, 11/01/17	ESP	USD	1,084,594	0.34
1,000,000	Chesapeake Energy Corp., senior note, 6.625%, 08/15/20	USA	USD	1,080,000	0.34
1,000,000	KB Home, senior bond, 7.50%, 09/15/22	USA	USD	1,077,500	0.34
1,100,000	Sabine Pass Liquefaction LLC, secured note, 144A, 5.625%, 02/01/21	USA	USD	1,069,750	0.34
1,000,000	Alere Inc., senior note, 144A, 7.25%, 07/01/18	USA	USD	1,065,000	0.33
800,000	Nokia Siemens Networks Finance BV, senior note, Reg S, 7.125%, 04/15/20	NLD	EUR	1,064,750	0.33
1,000,000	Harrah's Operating Co. Inc., senior secured note, 11.25%, 06/01/17	USA	USD	1,043,750	0.33

part of these financial statements



## — Templeton Global High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Corporate Bonds</b> (continued)				
1,000,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	1,040,000	0.33
1,000,000	Digicel Group Ltd., senior note, 144A, 8.25%, 09/30/20	BMU	USD	1,038,125	0.33
1,000,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 8.25%, 11/01/19	AUS	USD	1,035,000	0.32
1,000,000	InterGen NV, senior secured note, 144A, 9.00%, 06/30/17	NLD	USD	1,032,500	0.32
1,000,000	QR Energy LP/QRE Finance, senior note, 9.25%, 08/01/20	USA	USD	1,032,500	0.32
1,000,000	Telefonica Emisiones SAU, senior note, 5.462%, 02/16/21	ESP	USD	1,031,985	0.32
720,000	Orion Engineered Carbons Bondco GmbH, senior secured bond, Reg S, 10.00%, 06/15/18	DEU	EUR	1,029,735	0.32
1,000,000	HCA Inc., senior secured note, 5.875%, 03/15/22	USA	USD	1,028,750	0.32
1,000,000	Freescale Semiconductor Inc., senior note, 8.05%, 02/01/20	USA	USD	1,017,500	0.32
1,000,000	CGG, senior note, 6.50%, 06/01/21	FRA	USD	1,015,000	0.32
1,000,000	Olin Corp., senior bond, 5.50%, 08/15/22	USA	USD	1,015,000	0.32
900,000	Sprint Nextel Corp., senior note, 8.375%, 08/15/17	USA	USD	1,014,750	0.32
1,000,000	Radio One Inc., senior sub. note, PIK, 12.50%, 05/24/16 ‡	USA	USD	1,012,500	0.32
990,000	WMG Acquisition Corp., secured note, 144A, 6.00%, 01/15/21	USA	USD	1,012,275	0.32
1,000,000	Terex Corp., senior note, 6.00%, 05/15/21	USA	USD	1,002,500	0.31
1,000,000	Algeco Scotsman Global Finance PLC, secured note, 144A, 8.50%, 10/15/18	GBR	USD	1,000,000	0.31
1,000,000	QEP Resources Inc., senior note, 5.375%, 10/01/22	USA	USD	995,000	0.31
1,000,000	CenturyLink Inc., senior note, 5.80%, 03/15/22	USA	USD	992,500	0.31
1,000,000	American Builders & Contractors Supply Co. Inc., senior note, 144A, 5.625%, 04/15/21	USA	USD	985,000	0.31
1,000,000	Sprint Nextel Corp., senior note, 6.00%, 11/15/22	USA	USD	985,000	0.31
900,000	DISH DBS Corp., senior note, 7.125%, 02/01/16	USA	USD	978,750	0.31
1,000,000	Halcon Resources Corp., senior note, 8.875%, 05/15/21	USA	USD	975,000	0.31
700,000	Central European Media Enterprises Ltd., senior secured note, Reg S, 11.625%, 09/15/16	CZE	EUR	974,444	0.31
1,000,000	Eldorado Gold Corp., senior note, 144A, 6.125%, 12/15/20	CAN	USD	970,000	0.30
1,000,000	Cricket Communications Inc., senior note, 7.75%, 10/15/20	USA	USD	965,000	0.30
1,000,000	Crown Castle International Corp., senior bond, 5.25%, 01/15/23	USA	USD	963,750	0.30
1,000,000	Linn Energy LLC/Finance Corp., senior note, 144A, 6.25%, 11/01/19	USA	USD	957,500	0.30
700,000	Grohe Holdings, Reg S, FRN, 8.75%, 12/15/17 †	DEU	EUR	950,986	0.30
900,000	PBF Holding Co. LLC, first lien, 8.25%, 02/15/20	USA	USD	947,250	0.30
700,000	KM Germany Holdings GmbH, senior secured note, first lien, Reg S, 8.75%, 12/15/20	DEU	EUR	941,337	0.30
800,000	Sprint Nextel Corp., senior note, 144A, 9.00%, 11/15/18	USA	USD	938,000	0.29
900,000	W&T Offshore Inc., senior note, 8.50%, 06/15/19	USA	USD	933,750	0.29
600,000	Matalan Finance Ltd., senior secured note, Reg S, 8.875%, 04/29/16	GBR	GBP	922,557	0.29
900,000	BC Mountain LLC/Finance Inc., senior note, 144A, 7.00%, 02/01/21	USA	USD	920,250	0.29
700,000	Mobile Challenger Intermediate Group SA, senior secured note, Reg S, PIK, 8.75%, 03/15/19 ‡	CHE	EUR	888,376	0.28
800,000	Frontier Communications Corp., senior note, 8.50%, 04/15/20	USA	USD	886,000	0.28
800,000	Energy XXI Gulf Coast Inc., senior note, 9.25%, 12/15/17	USA	USD	882,000	0.28
900,000	InterGen NV, secured bond, 144A, 7.00%, 06/30/23	NLD	USD	878,062	0.28
800,000	Meritor Inc., senior note, 10.625%, 03/15/18	USA	USD	870,000	0.27
800,000	ClubCorp Club Operations Inc., senior note, 10.00%, 12/01/18	USA	USD	868,000	0.27
600,000	Ziggo Bond Co., senior unsecured note, Reg S, 8.00%, 05/15/18	NLD	EUR	836,636	0.26
800,000	West Corp., senior note, 7.875%, 01/15/19	USA	USD	835,000	0.26
800,000	EPL Oil & Gas Inc., senior note, 8.25%, 02/15/18	USA	USD	828,000	0.26
800,000	Eagle Rock Energy Partners LP/Finance Corp., senior note, 8.375%, 06/01/19	USA	USD	818,000	0.26
800,000	DaVita HealthCare Partners Inc., senior note, 5.75%, 08/15/22	USA	USD	802,000	0.25
800,000	Clayton Williams Energy Inc., senior note, 7.75%, 04/01/19	USA	USD	800,000	0.25
800,000	Goodrich Petroleum Corp., senior note, 8.875%, 03/15/19	USA	USD	792,000	0.25
800,000	Navistar International Corp., senior note, 8.25%, 11/01/21	USA	USD	790,000	0.25
800,000	Offshore Group Investment Ltd., first lien, 144A, 7.125%, 04/01/23	USA	USD	790,000	0.25
800,000	Intelsat Jackson Holdings SA, senior note, 144A, 6.625%, 12/15/22	LUX	USD	780,000	0.24
600,000	Loxam SAS, senior sub. note, Reg S, 7.375%, 01/24/20	FRA	EUR	777,573	0.24
740,000	DP World Ltd., Reg S, 6.85%, 07/02/37	ARE	USD	769,774	0.24
700,000	Novelis Inc., senior note, 8.75%, 12/15/20	CAN	USD	754,250	0.24
700,000	Carrizo Oil & Gas Inc., senior note, 8.625%, 10/15/18	USA	USD	752,500	0.24
700,000	Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp., senior note, 7.75%, 02/15/19	USA	USD	750,750	0.24
700,000	Shea Homes LP/Funding Corp., senior secured note, 8.625%, 05/15/19	USA	USD	750,750	0.24
700,000	MGM Resorts International, senior note, 6.625%, 07/15/15	USA	USD	749,875	0.24
700,000	Novelis Inc., senior note, 8.375%, 12/15/17	CAN	USD	745,500	0.23
700,000	Hertz Corp., senior note, 6.75%, 04/15/19	USA	USD	743,750	0.23
700,000	Penn Virginia Resource Partners LP/Finance Corp. II, senior note, 8.375%, 06/01/20	USA	USD	742,000	0.23
800,000	Visant Corp., senior note, 10.00%, 10/01/17	USA	USD	742,000	0.23
700,000	Plains Exploration & Production Co., senior note, 6.625%, 05/01/21	USA	USD	741,597	0.23
700,000	Intelsat Jackson Holdings SA, senior note, 7.50%, 04/01/21	LUX	USD	738,500	0.23
700,000	Offshore Group Investment Ltd., senior secured note, first lien, 7.50%, 11/01/19	USA	USD	732,375	0.23
700,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 9.00%, 04/15/19	USA	USD	726,250	0.23
500,000	Unitymedia Hessen GmbH & Co.KG/Unitymedia NRW GmbH, senior secured note, Reg S, 9.50%, 03/15/21	DEU	EUR	724,856	0.23

The accompanying notes form an integral

## — Templeton Global High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Corporate Bonds (continued)</b>				
700,000	E*TRADE Financial Corp., senior note, 6.375%, 11/15/19	USA	USD	714,000	0.22
700,000	Chesapeake Energy Corp., senior note, 5.75%, 03/15/23	USA	USD	710,500	0.22
700,000	Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note, 144A, 7.25%, 02/15/21	USA	USD	705,250	0.22
700,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.875%, 02/01/18	AUS	USD	693,875	0.22
700,000	Sanchez Energy Corp., senior note, 144A, 7.75%, 06/15/21	USA	USD	693,000	0.22
800,000	Quicksilver Resources Inc., senior note, 9.125%, 08/15/19	USA	USD	684,000	0.21
700,000	Penn Virginia Corp., senior note, 144A, 8.50%, 05/01/20	USA	USD	680,750	0.21
700,000	Penn Virginia Resource Partners LP/Finance Corp. II, senior note, 144A, 6.50%, 05/15/21	USA	USD	675,500	0.21
600,000	Rite Aid Corp., senior secured note, 8.00%, 08/15/20	USA	USD	667,500	0.21
700,000	Midstates Petroleum Co. Inc./LLC, senior note, 144A, 9.25%, 06/01/21	USA	USD	658,875	0.21
600,000	LUKOIL International Finance BV, Reg S, 6.656%, 06/07/22	RUS	USD	654,366	0.21
600,000	Kodiak Oil & Gas Corp., senior note, 8.125%, 12/01/19	USA	USD	654,000	0.21
600,000	M/I Homes Inc., senior note, 8.625%, 11/15/18	USA	USD	654,000	0.21
600,000	ExamWorks Group Inc., senior note, 9.00%, 07/15/19	USA	USD	649,500	0.20
600,000	Freescale Semiconductor Inc., senior secured note, 144A, 9.25%, 04/15/18	USA	USD	649,500	0.20
700,000	Barmingo Finance Pty. Ltd., senior note, 144A, 9.00%, 06/01/18	AUS	USD	646,625	0.20
600,000	Chesapeake Energy Corp., senior note, 6.125%, 02/15/21	USA	USD	633,000	0.20
600,000	Intelsat Jackson Holdings SA, senior note, 7.25%, 10/15/20	LUX	USD	633,000	0.20
500,000	Ineos Group Holdings SA, senior note, Reg S, 6.50%, 08/15/18	GBR	EUR	624,014	0.20
600,000	CHS/Community Health Systems Inc., senior secured note, 5.125%, 08/15/18	USA	USD	610,500	0.19
600,000	Nuveen Investments Inc., senior note, 144A, 9.125%, 10/15/17	USA	USD	604,500	0.19
600,000	Drill Rigs Holdings Inc., secured note, 144A, 6.50%, 10/01/17	USA	USD	601,500	0.19
600,000	Univision Communications Inc., senior secured note, 144A, 5.125%, 05/15/23	USA	USD	570,000	0.18
544,000	Viridian Group FundCo II, senior note, 144A, 11.125%, 04/01/17	GBR	USD	562,700	0.18
500,000	Ceridian Corp., secured note, 144A, 8.875%, 07/15/19	USA	USD	558,125	0.17
500,000	Ceridian Corp., senior note, 144A, 11.00%, 03/15/21	USA	USD	552,500	0.17
500,000	Cemex Finance LLC, senior secured note, 144A, 9.375%, 10/12/22	MEX	USD	547,500	0.17
500,000	Calumet Specialty Products Partners LP/Finance Corp., senior note, 144A, 9.625%, 08/01/20	USA	USD	546,250	0.17
500,000	MGM Resorts International, senior note, 7.75%, 03/15/22	USA	USD	545,625	0.17
500,000	HCA Holdings Inc., senior note, 7.75%, 05/15/21	USA	USD	541,250	0.17
500,000	Crosstex Energy LP/Crosstex Energy Finance Corp., senior note, 8.875%, 02/15/18	USA	USD	532,500	0.17
500,000	Sealed Air Corp., senior note, 144A, 6.50%, 12/01/20	USA	USD	530,000	0.17
500,000	CONSOL Energy Inc., senior note, 8.25%, 04/01/20	USA	USD	526,250	0.17
500,000	Jaguar Holding Co. I, senior note, 144A, PIK, 9.375%, 10/15/17 ‡	USA	USD	525,000	0.16
500,000	Pinnacle Entertainment Inc., senior sub. note, 7.75%, 04/01/22	USA	USD	525,000	0.16
500,000	HDTFS Inc., 6.25%, 10/15/22	USA	USD	524,375	0.16
500,000	inVentiv Health Inc., senior note, 144A, 9.00%, 01/15/18	USA	USD	523,750	0.16
500,000	Zachry Holdings Inc., senior note, 144A, 7.50%, 02/01/20	USA	USD	517,500	0.16
500,000	CHS/Community Health Systems Inc., senior note, 7.125%, 07/15/20	USA	USD	516,250	0.16
500,000	MGM Resorts International, senior note, 6.625%, 12/15/21	USA	USD	516,250	0.16
500,000	DISH DBS Corp., senior note, 5.875%, 07/15/22	USA	USD	510,000	0.16
500,000	Exopack Holding Corp., senior note, 10.00%, 06/01/18	USA	USD	508,750	0.16
450,000	Dubai Electricity & Water Authority, senior note, Reg S, 7.375%, 10/21/20	ARE	USD	505,993	0.16
500,000	Orion Engineered Carbons Finance & Co. SCA, senior note, 144A, PIK, 9.25%, 08/01/19 ‡	LUX	USD	502,500	0.16
500,000	First Data Corp., senior note, 144A, 11.25%, 01/15/21	USA	USD	501,250	0.16
500,000	Nuveen Investments Inc., senior note, 144A, 9.50%, 10/15/20	USA	USD	500,000	0.16
500,000	General Motors Financial Co. Inc., senior note, 144A, 3.25%, 05/15/18	USA	USD	487,500	0.15
500,000	DISH DBS Corp., senior bond, 5.00%, 03/15/23	USA	USD	483,750	0.15
500,000	Inmet Mining Corp., senior note, 144A, 7.50%, 06/01/21	CAN	USD	481,250	0.15
500,000	Caesars Operating Escrow LLC/Corp., first lien, 144A, 9.00%, 02/15/20	USA	USD	480,000	0.15
500,000	Meritor Inc., senior note, 6.75%, 06/15/21	USA	USD	480,000	0.15
500,000	Gaz Capital SA, (OJSC Gazprom), loan participation, senior note, Reg S, 3.85%, 02/06/20	RUS	USD	478,430	0.15
500,000	Taylor Morrison Communities Inc./Monarch Communities Inc., senior note, 144A, 5.25%, 04/15/21	USA	USD	476,250	0.15
500,000	Intelsat Jackson Holdings SA, senior bond, 144A, 5.50%, 08/01/23	LUX	USD	470,937	0.15
400,000	International Lease Finance Corp., senior note, 8.25%, 12/15/20	USA	USD	450,500	0.14
400,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior note, 8.125%, 04/30/20	USA	USD	439,000	0.14
400,000	CHS/Community Health Systems Inc., senior note, 8.00%, 11/15/19	USA	USD	427,500	0.13
400,000	Emergency Medical Services Corp., senior note, 8.125%, 06/01/19	USA	USD	427,000	0.13
400,000	CONSOL Energy Inc., senior note, 8.00%, 04/01/17	USA	USD	423,000	0.13
400,000	Univision Communications Inc., senior secured bond, 144A, 6.75%, 09/15/22	USA	USD	422,000	0.13
400,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 8.50%, 05/15/18	USA	USD	414,000	0.13
400,000	ArcelorMittal, senior note, 6.25%, 02/25/22	LUX	USD	411,024	0.13
400,000	Barry Callebaut Services SA, senior note, 144A, 5.50%, 06/15/23	BEL	USD	407,500	0.13
400,000	Crosstex Energy LP/Crosstex Energy Finance Corp., senior note, 7.125%, 06/01/22	USA	USD	406,000	0.13
400,000	Peabody Energy Corp., senior note, 6.00%, 11/15/18	USA	USD	402,500	0.13

part of these financial statements



## — Templeton Global High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
300,000	UPCB Finance II Ltd., senior secured note, Reg S, 6.375%, 07/01/20	NLD	EUR	399,900	0.13
360,000	Calpine Corp., senior secured note, 144A, 7.50%, 02/15/21	USA	USD	386,100	0.12
400,000	Euramax International Inc., senior secured note, 9.50%, 04/01/16	USA	USD	385,000	0.12
400,000	CommScope Holdings Inc., senior note, 144A, PIK, 6.625%, 06/01/20 ‡	USA	USD	384,000	0.12
400,000	Digicel Group Ltd., senior note, 144A, 6.00%, 04/15/21	BMU	USD	384,000	0.12
400,000	SandRidge Energy Inc., senior note, 7.50%, 03/15/21	USA	USD	384,000	0.12
300,000	Unitymedia Hessen/NRW, senior secured note, Reg S, 5.75%, 01/15/23	DEU	EUR	381,709	0.12
400,000	Sabine Pass Liquefaction LLC, 144A, 5.625%, 04/15/23	USA	USD	379,000	0.12
300,000	UPC Holding BV, senior note, Reg S, 6.375%, 09/15/22	NLD	EUR	376,340	0.12
400,000	Quicksilver Resources Inc., secured note, second lien, 144A, FRN, 7.00%, 06/21/19 †	USA	USD	362,000	0.11
350,000	CGG, senior note, 7.75%, 05/15/17	FRA	USD	357,000	0.11
300,000	eAccess Ltd., senior note, 144A, 8.25%, 04/01/18	JPN	USD	332,625	0.10
300,000	Frontier Communications Corp., senior note, 8.75%, 04/15/22	USA	USD	328,500	0.10
300,000	Zayo Group LLC/Zayo Capital Inc., senior secured note, first lien, 8.125%, 01/01/20	USA	USD	327,000	0.10
300,000	CDW LLC/Finance Corp., senior note, 8.50%, 04/01/19	USA	USD	324,000	0.10
300,000	Calumet Specialty Products Partners LP/Finance Corp., senior note, 9.375%, 05/01/19	USA	USD	322,500	0.10
300,000	Ally Financial Inc., senior note, 6.25%, 12/01/17	USA	USD	321,953	0.10
300,000	Plains Exploration & Production Co., senior note, 6.875%, 02/15/23	USA	USD	321,306	0.10
300,000	MedAssets Inc., senior note, 8.00%, 11/15/18	USA	USD	319,500	0.10
300,000	Chaparral Energy Inc., senior note, 8.25%, 09/01/21	USA	USD	317,250	0.10
300,000	Linn Energy LLC/Finance Corp., senior note, 8.625%, 04/15/20	USA	USD	316,500	0.10
300,000	Hologic Inc., senior note, 6.25%, 08/01/20	USA	USD	312,563	0.10
300,000	CIT Group Inc., senior note, 5.375%, 05/15/20	USA	USD	308,625	0.10
300,000	Chaparral Energy Inc., senior note, 7.625%, 11/15/22	USA	USD	307,500	0.10
300,000	Igloo Holdings Corp., senior note, 144A, PIK, 8.25%, 12/15/17 ‡	USA	USD	307,500	0.10
300,000	Lynx II Corp., senior bond, 144A, 6.375%, 04/15/23	GBR	USD	303,750	0.10
300,000	Linn Energy LLC/Finance Corp., senior note, 7.75%, 02/01/21	USA	USD	302,250	0.09
300,000	Murray Energy Corp., senior secured note, 144A, 8.625%, 06/15/21	USA	USD	301,500	0.09
300,000	Rain CII Carbon LLC/Corp., second lien, 144A, 8.25%, 01/15/21	USA	USD	301,500	0.09
300,000	Provident Fund Associates LP/Finance Corp., senior note, 144A, 6.75%, 06/15/21	USA	USD	300,750	0.09
300,000	Frontier Communications Corp., senior note, 7.125%, 01/15/23	USA	USD	299,625	0.09
300,000	CHC Helicopter SA, senior note, 144A, 9.375%, 06/01/21	CAN	USD	298,500	0.09
300,000	DJO Finance LLC/DJO Finance Corp., senior note, 7.75%, 04/15/18	USA	USD	297,750	0.09
300,000	SIWF Merger Sub Inc./Springs Industries Inc., senior secured note, 144A, 6.25%, 06/01/21	USA	USD	294,750	0.09
300,000	QEP Resources Inc., senior note, 5.25%, 05/01/23	USA	USD	294,000	0.09
300,000	Cemex SAB de CV, secured note, 144A, 5.875%, 03/25/19	MEX	USD	292,313	0.09
200,000	eAccess Ltd., senior note, Reg S, 8.375%, 04/01/18	JPN	EUR	289,129	0.09
300,000	Caesars Entertainment Operating Co. Inc., secured note, 144A, 9.00%, 02/15/20	USA	USD	287,250	0.09
300,000	Royal Bank of Scotland Group PLC, sub. note, 6.125%, 12/15/22	GBR	USD	286,313	0.09
250,000	Peabody Energy Corp., senior note, 7.375%, 11/01/16	USA	USD	278,750	0.09
202,097	Ineos Group Holdings SA, second lien, Reg S, 7.875%, 02/15/16	CHE	EUR	264,254	0.08
200,000	Algeco Scotsman Global Finance PLC, secured note, Reg S, 9.00%, 10/15/18	GBR	EUR	263,421	0.08
200,000	UPC Holding BV, senior note, Reg S, 6.75%, 03/15/23	NLD	EUR	253,930	0.08
200,000	Unitymedia Hessen GmbH & Co. KG/NRW GmbH, senior secured note, Reg S, 5.625%, 04/15/23	DEU	EUR	251,218	0.08
200,000	CSC Holdings LLC, senior note, 8.625%, 02/15/19	USA	USD	232,000	0.07
200,000	GMAC Inc., sub. note, 8.00%, 12/31/18	USA	USD	227,500	0.07
200,000	Sealed Air Corp., senior note, 144A, 8.125%, 09/15/19	USA	USD	224,000	0.07
200,000	Chaparral Energy Inc., senior note, 9.875%, 10/01/20	USA	USD	223,000	0.07
200,000	HCA Inc., senior note, 7.50%, 02/15/22	USA	USD	222,000	0.07
200,000	Plains Exploration & Production Co., senior note, 8.625%, 10/15/19	USA	USD	220,148	0.07
200,000	DJO Finance LLC/DJO Finance Corp., second lien, 8.75%, 03/15/18	USA	USD	217,000	0.07
200,000	International Lease Finance Corp., senior secured note, 144A, 6.75%, 09/01/16	USA	USD	217,000	0.07
200,000	Sprint Nextel Corp., senior note, 144A, 7.00%, 03/01/20	USA	USD	216,500	0.07
200,000	Hertz Corp., senior note, 7.50%, 10/15/18	USA	USD	215,500	0.07
200,000	Calumet Specialty Products Partners LP/Finance Corp., senior note, 9.375%, 05/01/19	USA	USD	215,000	0.07
200,000	Plains Exploration & Production Co., senior note, 6.125%, 06/15/19	USA	USD	212,215	0.07
200,000	CGG, senior note, 9.50%, 05/15/16	FRA	USD	209,750	0.07
200,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior note, 6.50%, 04/30/21	USA	USD	209,500	0.07
200,000	CenturyLink Inc., senior note, 6.45%, 06/15/21	USA	USD	209,500	0.07
200,000	Carrizo Oil & Gas Inc., senior note, 7.50%, 09/15/20	USA	USD	209,000	0.07
200,000	Sterling International Inc., senior note, 11.00%, 10/01/19	USA	USD	208,000	0.07
200,000	MGM Resorts International, senior note, 6.75%, 10/01/20	USA	USD	207,500	0.07
200,000	Reynolds Group Issuer Inc./LLC/SA, first lien, 5.75%, 10/15/20	USA	USD	202,000	0.06
200,000	Frontier Communications Corp., senior bond, 7.625%, 04/15/24	USA	USD	201,500	0.06
200,000	LBC Tank Terminal Holding Netherlands BV, senior bond, 144A, 6.875%, 05/15/23	BEL	USD	201,500	0.06
200,000	Linn Energy LLC/Finance Corp., senior note, 6.50%, 05/15/19	USA	USD	196,000	0.06
200,000	Kodiak Oil & Gas Corp., senior note, 144A, 5.50%, 01/15/21	USA	USD	195,250	0.06

The accompanying notes form an integral

## — Templeton Global High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
200,000	Clear Channel Communications Inc., senior secured note, first lien, 144A, 9.00%, 12/15/19	USA	USD	195,000	0.06
200,000	Alere Inc., senior sub. note, 144A, 6.50%, 06/15/20	USA	USD	194,750	0.06
200,000	Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., senior note, 144A, 7.00%, 11/15/20	LUX	USD	193,375	0.06
200,000	Freescale Semiconductor Inc., secured note, 144A, 5.00%, 05/15/21	USA	USD	190,500	0.06
200,000	Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., secured note, 144A, 4.875%, 11/15/22	LUX	USD	186,500	0.06
136,000	Freescale Semiconductor Inc., senior note, 10.75%, 08/01/20	USA	USD	150,280	0.05
100,000	CET 21 Spol SRO, senior secured note, Reg S, 9.00%, 11/01/17	CZE	EUR	142,775	0.04
100,000	Abengoa SA, senior note, 8.50%, 03/31/16	ESP	EUR	129,890	0.04
100,000	MGM Resorts International, senior note, 8.625%, 02/01/19	USA	USD	113,500	0.04
100,000	SLM Corp., senior note, 8.45%, 06/15/18	USA	USD	111,500	0.04
100,000	Chesapeake Energy Corp., senior note, 9.50%, 02/15/15	USA	USD	111,000	0.03
100,000	DISH DBS Corp., senior note, 7.75%, 05/31/15	USA	USD	108,750	0.03
100,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 9.875%, 08/15/19	USA	USD	107,500	0.03
100,000	DISH DBS Corp., senior note, 6.75%, 06/01/21	USA	USD	106,750	0.03
100,000	Ineos Finance PLC, senior secured note, 144A, 7.50%, 05/01/20	GBR	USD	106,750	0.03
100,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior note, 7.25%, 10/30/17	USA	USD	106,375	0.03
100,000	First Data Corp., senior bond, 12.625%, 01/15/21	USA	USD	106,250	0.03
100,000	Ally Financial Inc., senior note, 5.50%, 02/15/17	USA	USD	104,879	0.03
100,000	Neuberger Berman Group LLC/Finance Corp., senior note, 144A, 5.625%, 03/15/20	USA	USD	104,000	0.03
100,000	Clear Channel Worldwide Holdings Inc., senior note, 144A, 6.50%, 11/15/22	USA	USD	103,500	0.03
100,000	Peabody Energy Corp., senior note, 6.50%, 09/15/20	USA	USD	100,750	0.03
100,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 7.00%, 11/01/15	AUS	USD	100,682	0.03
100,000	CONSOL Energy Inc., senior note, 6.375%, 03/01/21	USA	USD	100,000	0.03
100,000	SandRidge Energy Inc., senior note, 8.125%, 10/15/22	USA	USD	99,500	0.03
72,112	Wind Acquisition Holdings Finance SA, senior secured note, Reg S, PIK, 12.25%, 07/15/17 ‡	ITA	EUR	96,310	0.03
100,000	Caesars Operating Escrow LLC/Corp., first lien, 144A, 9.00%, 02/15/20	USA	USD	95,750	0.03
100,000	SandRidge Energy Inc., senior note, 7.50%, 02/15/23	USA	USD	95,500	0.03
50,000	Media General Inc., senior secured note, 11.75%, 02/15/17	USA	USD	55,500	0.02
44,000	First Data Corp., senior secured bond, Reg S, 8.25%, 01/15/21	USA	USD	45,100	0.01
5,000	Freescale Semiconductor Inc., senior note, 8.875%, 12/15/14	USA	USD	5,025	0.00
				<b>187,667,448</b>	<b>58.79</b>
<b>Government and Municipal Bonds</b>					
7,998,200,000	Korea Monetary Stabilization Bond, senior bond, 2.47%, 04/02/15	KOR	KRW	6,952,329	2.18
661,000	Government of Mexico, 9.50%, 12/18/14	MEX	MXN	5,490,410	1.72
11,300,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	3,616,093	1.13
429,370	Government of Mexico, 8.00%, 12/17/15	MEX	MXN	3,590,477	1.13
3,800,000	Government of Ukraine, senior note, Reg S, 7.80%, 11/28/22	UKR	USD	3,401,855	1.07
3,500,000	Government of Ukraine, Reg S, 7.75%, 09/23/20	UKR	USD	3,213,945	1.01
10,439,000	Government of Poland, Strip, 07/25/15	POL	PLN	2,952,147	0.93
3,000,000	Government of Ukraine, senior note, Reg S, 7.50%, 04/17/23	UKR	USD	2,651,250	0.83
4,481,000	Government of Ghana, 21.00%, 10/26/15	GHA	GHS	2,264,660	0.71
29,680,632	Government of Uruguay, senior note, Index Linked, 4.375%, 12/15/28	URY	UYU	1,703,827	0.53
300,000,000	Government of Hungary, D, 6.75%, 08/22/14	HUN	HUF	1,361,838	0.43
2,820,000	Government of Ghana, 14.99%, 02/23/15	GHA	GHS	1,302,284	0.41
1,100,000	Government of Latvia, Reg S, 5.25%, 02/22/17	LVA	USD	1,187,863	0.37
23,875,095	Uruguay Notas del Tesoro, Index Linked, 2.25%, 08/23/17	URY	UYU	1,155,415	0.36
750,000	Government of Romania, senior note, Reg S, 5.25%, 06/17/16	ROM	EUR	1,041,133	0.33
1,100,000	Government of Argentina, senior bond, 7.00%, 10/03/15	ARG	USD	940,775	0.29
1,010,000	Government of Ukraine, senior note, Reg S, 7.95%, 02/23/21	UKR	USD	929,750	0.29
869	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/15	BRA	BRL	926,149	0.29
850,000	Government of Hungary, senior note, 6.25%, 01/29/20	HUN	USD	891,969	0.28
1,006,900,000	Korea Monetary Stabilization Bond, senior note, 2.78%, 10/02/14	KOR	KRW	881,078	0.28
7,200,000,000	Government of Indonesia, FR47, 10.00%, 02/15/28	IDN	IDR	871,113	0.27
700	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/45	BRA	BRL	797,564	0.25
747	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/16	BRA	BRL	796,793	0.25
65,600,000	Serbia Treasury Note, 10.00%, 04/27/15	SER	RSD	740,200	0.23
6,150,000,000	Government of Indonesia, FR44, 10.00%, 09/15/24	IDN	IDR	738,381	0.23
5,280,000,000	Government of Indonesia, FR34, 12.80%, 06/15/21	IDN	IDR	715,784	0.22
13,490,000	Uruguay Notas del Tesoro, 10.50%, 03/21/15	URY	UYU	659,927	0.21
74,000	Government of Mexico, 7.25%, 12/15/16	MEX	MXN	616,296	0.19
4,400,000,000	Government of Indonesia, FR35, 12.90%, 06/15/22	IDN	IDR	608,958	0.19
667,200,000	Korea Treasury Bond, senior note, 2.75%, 12/10/15	KOR	KRW	581,149	0.18
535	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/18	BRA	BRL	579,491	0.18
1,035,000	Government of Ghana, 24.00%, 05/25/15	GHA	GHS	544,476	0.17
1,200	Nota Do Tesouro Nacional, 10.00%, 01/01/17	BRA	BRL	525,103	0.16
115,000,000	Government of Hungary, 5.50%, 02/12/16	HUN	HUF	515,550	0.16
100,000,000	Government of Hungary, 7.50%, 11/12/20	HUN	HUF	485,295	0.15
8,088,830	Uruguay Notas del Tesoro, Index Linked, 4.00%, 05/25/25	URY	UYU	432,979	0.14

## — Templeton Global High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds (continued)</b>					
775,000	Government of Ghana, 19.24%, 05/30/16	GHA	GHS	379,261	0.12
6,471,064	Uruguay Notas del Tesoro, Index Linked, 4.00%, 06/10/20	URY	UYU	343,234	0.11
358,640,000	Korea Monetary Stabilization Bond, senior note, 2.84%, 12/02/14	KOR	KRW	313,948	0.10
27,500,000	Serbia Treasury Note, 10.00%, 03/01/15	SER	RSD	311,228	0.10
905,000	Government of Poland, Strip, 07/25/14	POL	PLN	264,537	0.08
1,810,000,000	Government of Indonesia, FR42, 10.25%, 07/15/27	IDN	IDR	222,272	0.07
252,800,000	Korea Monetary Stabilization Bond, senior note, 2.82%, 08/02/14	KOR	KRW	221,499	0.07
570,000	Government of Poland, 6.25%, 10/24/15	POL	PLN	183,177	0.06
580,000	Government of Poland, 5.50%, 04/25/15	POL	PLN	182,102	0.06
155,000	Government of Vietnam, Reg S, 6.75%, 01/29/20	VND	USD	165,850	0.05
3,235,532	Uruguay Notas del Tesoro, Index Linked, 4.00%, 06/14/15	URY	UYU	163,154	0.05
21,000,000	Government of Sri Lanka, B, 11.00%, 09/01/15	LKA	LKR	161,119	0.05
2,880,000	Uruguay Notas del Tesoro, 10.25%, 08/22/15	URY	UYU	140,496	0.04
2,535,000	Uruguay Notas del Tesoro, 11.00%, 03/21/17	URY	UYU	126,102	0.04
137,200,000	Korea Treasury Bond, senior note, 3.25%, 06/10/15	KOR	KRW	121,031	0.04
11,080,000	Serbia Treasury Note, 10.00%, 11/08/17	SER	RSD	119,372	0.04
395,000	Government of Poland, FRN, 3.98%, 01/25/17 †	POL	PLN	118,138	0.04
401,000	Government of Poland, FRN, 3.98%, 01/25/21 †	POL	PLN	117,157	0.04
900,000,000	Government of Indonesia, FR40, 11.00%, 09/15/25	IDN	IDR	115,551	0.04
14,400,000	Government of Sri Lanka, A, 11.00%, 08/01/15	LKA	LKR	110,446	0.03
900,000,000	Government of Indonesia, FR45, 9.75%, 05/15/37	IDN	IDR	108,729	0.03
20,850,000	Government of Hungary, 7.75%, 08/24/15	HUN	HUF	97,781	0.03
790,000,000	Government of Indonesia, FR46, 9.50%, 07/15/23	IDN	IDR	92,315	0.03
20,160,000	Government of Hungary, 5.50%, 12/22/16	HUN	HUF	90,171	0.03
99,220,000	Korea Treasury Bond, senior note, 3.25%, 12/10/14	KOR	KRW	87,448	0.03
1,409,022	Uruguay Notas del Tesoro, Index Linked, 2.75%, 06/16/16	URY	UYU	69,645	0.02
13,550,000	Government of Hungary, A, 6.75%, 11/24/17	HUN	HUF	62,325	0.02
69,900,000	Korea Monetary Stabilization Bond, senior note, 2.76%, 06/02/15	KOR	KRW	61,024	0.02
12,870,000	Government of Hungary, A, 8.00%, 02/12/15	HUN	HUF	59,829	0.02
626,232	Uruguay Notas del Tesoro, Index Linked, 10, 4.25%, 01/05/17	URY	UYU	32,424	0.01
430,000	Uruguay Notas del Tesoro, 9.50%, 01/27/16	URY	UYU	20,761	0.01
391,395	Uruguay Notas del Tesoro, Index Linked, 7.00%, 12/23/14	URY	UYU	20,465	0.01
2,560,000	Government of Sri Lanka, C, 8.50%, 04/01/18	LKA	LKR	17,628	0.01
2,090,000	Government of Sri Lanka, A, 6.50%, 07/15/15	LKA	LKR	14,756	0.00
10,000	Government of Panama, 9.375%, 04/01/29	PAN	USD	14,572	0.00
1,700,000	Government of Sri Lanka, A, 6.40%, 08/01/16	LKA	LKR	11,449	0.00
9	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/17	BRA	BRL	9,634	0.00
1,110	Government of Mexico, 6.25%, 06/16/16	MEX	MXN	8,984	0.00
50,000,000	Government of Indonesia, FR43, 10.25%, 07/15/22	IDN	IDR	6,050	0.00
10,000	Government of Ghana, 14.00%, 10/13/14	GHA	GHS	4,627	0.00
10,000	Government of Poland, Strip, 01/25/16	POL	PLN	2,777	0.00
310,000	Government of Sri Lanka, A, 11.75%, 03/15/15	LKA	LKR	2,403	0.00
300,000	Government of Sri Lanka, B, 6.40%, 10/01/16	LKA	LKR	2,008	0.00
150	Government of Mexico, 6.00%, 06/18/15	MEX	MXN	1,193	0.00
90,000	Government of Sri Lanka, A, 9.00%, 05/01/21	LKA	LKR	600	0.00
40,000	Government of Sri Lanka, D, 8.50%, 06/01/18	LKA	LKR	275	0.00
				61,443,853	19.25
<b>Securities Maturing Within One Year</b>					
12,265,000	Government of Poland, 5.75%, 04/25/14	POL	PLN	3,777,295	1.18
10,800,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	3,476,052	1.09
9,300,000	Bank of Negara Monetary Note, 0.00%, 05/27/14	MYS	MYR	2,865,271	0.90
420,000,000	Nigeria Treasury Bill, 0.00%, 09/05/13	NGA	NGN	2,525,349	0.79
357,600,000	Nigeria Treasury Bill, 0.00%, 05/08/14	NGA	NGN	1,968,018	0.62
4,070,000	Government of Ghana, 12.39%, 04/28/14	GHA	GHS	1,900,049	0.59
5,700,000	Government of Malaysia, senior bond, 3.461%, 07/31/13	MYS	MYR	1,804,604	0.57
220,600	Government of Mexico, 8.00%, 12/19/13	MEX	MXN	1,734,078	0.54
1,638,000,000	Korea Treasury Bond, senior bond, 3.00%, 12/10/13	KOR	KRW	1,436,116	0.45
252,220,000	Nigeria Treasury Bill, 0.00%, 04/24/14	NGA	NGN	1,388,746	0.43
227,190,000	Hungary Treasury Bill, 0.00%, 03/05/14	HUN	HUF	974,341	0.30
2,350,000	Government of Poland, Strip, 01/25/14	POL	PLN	696,268	0.22
504,000,000	Korea Monetary Stabilization Bond, senior note, 2.57%, 06/09/14	KOR	KRW	440,561	0.14
498,400,000	Korea Monetary Stabilization Bond, 0.00%, 09/10/13	KOR	KRW	434,065	0.14
36,900,000	Serbia Treasury Bill, Strip, 12/12/13	SER	RSD	405,122	0.13
69,580,000	Nigeria Treasury Bill, 0.00%, 04/10/14	NGA	NGN	385,160	0.12
79,750,000	Hungary Treasury Bill, 0.00%, 01/08/14	HUN	HUF	344,180	0.11
300,000	International Lease Finance Corp., senior note, 5.65%, 06/01/14	USA	USD	306,375	0.10
240,000	Government of Venezuela, 10.75%, 09/19/13	VEN	USD	241,056	0.08
266,000,000	Korea Monetary Stabilization Bond, 0.00%, 07/09/13	KOR	KRW	232,710	0.07
46,410,000	Government of Hungary, E, 7.50%, 10/24/13	HUN	HUF	206,777	0.06
34,790,000	Nigeria Treasury Bill, 0.00%, 01/09/14	NGA	NGN	199,330	0.06
505,000	Government of Poland, 5.00%, 10/24/13	POL	PLN	152,982	0.05
26,600,000	Hungary Treasury Bill, 0.00%, 07/24/13	HUN	HUF	117,082	0.04
23,800,000	Hungary Treasury Bill, 0.00%, 07/17/13	HUN	HUF	104,841	0.03
7,500,000	Serbia Treasury Bill, Strip, 03/13/14	SER	RSD	80,403	0.02
70,380,000	Korea Monetary Stabilization Bond, senior note, 3.28%, 06/02/14	KOR	KRW	61,911	0.02
59,390,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 04/02/14	KOR	KRW	52,315	0.02
950,000	Uruguay Notas del Tesoro, 9.00%, 01/27/14	URY	UYU	46,067	0.01

The accompanying notes form an integral

## — Templeton Global High Yield Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b> (continued)					
880,000	Uruguay Treasury Bill, Strip, 09/09/13	URY	UYU	42,083	0.01
40,400,000	Korea Monetary Stabilization Bond, senior bond, 3.47%, 02/02/14	KOR	KRW	35,521	0.01
32,200,000	Korea Monetary Stabilization Bond, 0.00%, 08/13/13	KOR	KRW	28,100	0.01
3,490,000	Government of Sri Lanka, A, 7.50%, 08/01/13	LKA	LKR	26,668	0.01
29,390,000	Korea Monetary Stabilization Bond, senior bond, 3.48%, 12/02/13	KOR	KRW	25,815	0.01
28,900,000	Korea Monetary Stabilization Bond, senior bond, 2.55%, 05/09/14	KOR	KRW	25,263	0.01
4,290,000	Hungary Treasury Bill, 0.00%, 09/18/13	HUN	HUF	18,753	0.01
18,360,000	Korea Monetary Stabilization Bond, senior bond, 3.90%, 08/02/13	KOR	KRW	16,089	0.01
3,600,000	Government of Hungary, 5.50%, 02/12/14	HUN	HUF	16,017	0.01
17,130,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 10/02/13	KOR	KRW	15,027	0.00
17,600	Mexico Treasury Bill, 0.00%, 04/30/14	MEX	MXN	13,133	0.00
15,790	Mexico Treasury Bill, 0.00%, 01/09/14	MEX	MXN	11,931	0.00
1,220,000	Government of Sri Lanka, B, 8.50%, 07/15/13	LKA	LKR	9,336	0.00
1,020,000	Sri Lanka Treasury Bill, 0.00%, 10/11/13	LKA	LKR	7,624	0.00
4,600	Mexico Treasury Bill, 0.00%, 10/31/13	MEX	MXN	3,503	0.00
400,000	Government of Sri Lanka, B, 6.60%, 06/01/14	LKA	LKR	2,956	0.00
330,000	Sri Lanka Treasury Bill, 0.00%, 08/02/13	LKA	LKR	2,508	0.00
3,100	Mexico Treasury Bill, 0.00%, 04/03/14	MEX	MXN	2,320	0.00
20,000	Government of Sri Lanka, A, 7.00%, 03/01/14	LKA	LKR	150	0.00
10,000	Government of Sri Lanka, B, 11.75%, 04/01/14	LKA	LKR	77	0.00
				<u>28,659,998</u>	<u>8.97</u>
	<b>TOTAL BONDS</b>			<u>277,771,299</u>	<u>87.01</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>281,970,675</u>	<u>88.33</u>
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
1,800,000	First Data Corp., senior secured bond, 144A, 8.25%, 01/15/21	USA	USD	1,845,000	0.58
1,400,000	Cemex SAB de CV, senior secured note, 144A, 9.00%, 01/11/18	MEX	USD	1,477,000	0.46
1,500,000	Banco do Brasil SA, sub. note, 144A, 5.875%, 01/26/22	BRA	USD	1,470,000	0.46
1,400,000	Neuberger Berman Group LLC/Finance Corp., senior note, 144A, 5.875%, 03/15/22	USA	USD	1,435,000	0.45
1,900,000	Texas Competitive Electric Holdings Co. LLC/Texas Competitive Electric Holdings Finance Inc., senior secured note, 144A, 11.50%, 10/01/20	USA	USD	1,429,750	0.45
1,000,000	CommScope Inc., senior note, 144A, 8.25%, 01/15/19	USA	USD	1,072,500	0.34
900,000	Landry's Inc., senior note, 144A, 9.375%, 05/01/20	USA	USD	954,000	0.30
700,000	CIT Group Inc., senior note, 144A, 6.625%, 04/01/18	USA	USD	759,500	0.24
600,000	Ardagh Packaging Finance PLC, senior note, 144A, 9.125%, 10/15/20	LUX	USD	640,500	0.20
600,000	International Automotive Components Group SL, senior secured note, 144A, 9.125%, 06/01/18	USA	USD	606,000	0.19
540,000	Calpine Corp., senior secured note, 144A, 7.875%, 01/15/23	USA	USD	583,200	0.18
500,000	UPCB Finance VI Ltd., senior secured note, 144A, 6.875%, 01/15/22	NLD	USD	518,750	0.16
600,000	CEVA Group PLC, senior note, first lien, 144A, 4.00%, 05/01/18 **	GBR	USD	492,000	0.16
400,000	Univision Communications Inc., senior secured note, 144A, 7.875%, 11/01/20	USA	USD	435,000	0.14
400,000	Sitel LLC/Finance Corp., senior secured note, 144A, 11.00%, 08/01/17	USA	USD	428,000	0.13
400,000	Univision Communications Inc., senior secured note, 144A, 6.875%, 05/15/19	USA	USD	422,000	0.13
500,000	inVentiv Health Inc., senior note, 144A, 10.00%, 08/15/18	USA	USD	420,000	0.13
400,000	Shingle Springs Tribal Gaming Authority, senior note, 144A, 9.375%, 06/15/15	USA	USD	397,000	0.13
359,000	Taylor Morrison Communities Inc./Monarch Communities Inc., senior note, 144A, 7.75%, 04/15/20	USA	USD	388,617	0.12
300,000	Calpine Corp., senior secured note, 144A, 7.875%, 07/31/20	USA	USD	327,000	0.10
200,000	Sealed Air Corp., senior note, 144A, 8.375%, 09/15/21	USA	USD	227,000	0.07
200,000	Jaguar Holding Co. II/Merger Sub Inc., senior note, 144A, 9.50%, 12/01/19	USA	USD	222,000	0.07
200,000	Ineos Finance PLC, senior secured note, 144A, 8.375%, 02/15/19	GBR	USD	218,000	0.07
200,000	inVentiv Health Inc., senior note, 144A, 10.00%, 08/15/18	USA	USD	168,000	0.05
144,000	Taylor Morrison Communities Inc./Monarch Communities Inc., senior note, 144A, 7.75%, 04/15/20	USA	USD	155,880	0.05
700,000	NewPage Corp., Escrow Account, 11.375%, 12/31/14 **	USA	USD	0	0.00
				<u>17,091,697</u>	<u>5.36</u>
	<b>TOTAL BONDS</b>			<u>17,091,697</u>	<u>5.36</u>
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>17,091,697</u>	<u>5.36</u>
	<b>TOTAL INVESTMENTS</b>			<u>299,161,362</u>	<u>93.72</u>

‡ Income may be received in additional securities and/or cash

† Floating Rates are indicated as at June 30, 2013

\*\* These securities are submitted to a Fair Valuation

## — Templeton Global Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Auto Components</b>					
71,931	Cie Generale des Etablissements Michelin, B	FRA	EUR	6,432,311	0.99
<b>Automobiles</b>					
816,640	Nissan Motor Co. Ltd.	JPN	JPY	8,274,253	1.28
117,200	Toyota Motor Corp.	JPN	JPY	7,077,609	1.09
				15,351,862	2.37
<b>Building Products</b>					
128,460	Compagnie de Saint-Gobain	FRA	EUR	5,200,230	0.80
<b>Capital Markets</b>					
343,136	Credit Suisse Group AG	CHE	CHF	9,097,272	1.41
82,834	Vontobel Holding AG	CHE	CHF	2,551,166	0.39
				11,648,438	1.80
<b>Chemicals</b>					
86,786	Akzo Nobel NV	NLD	EUR	4,893,079	0.76
64,600	LyondellBasell Industries NV, A	USA	USD	4,280,396	0.66
104,180	Potash Corp. of Saskatchewan Inc.	CAN	USD	3,972,383	0.61
				13,145,858	2.03
<b>Commercial Banks</b>					
169,630	BNP Paribas SA	FRA	EUR	9,268,033	1.43
636,185	HSBC Holdings PLC	GBR	HKD	6,664,565	1.03
132,423	KB Financial Group Inc., ADR	KOR	USD	3,923,694	0.61
266,850	DBS Group Holdings Ltd.	SGP	SGD	3,263,898	0.50
441,749	UniCredit SpA	ITA	EUR	2,068,859	0.32
				25,189,049	3.89
<b>Commercial Services &amp; Supplies</b>					
10,105	The ADT Corp.	USA	USD	402,684	0.06
<b>Communications Equipment</b>					
225,520	Cisco Systems Inc.	USA	USD	5,482,391	0.85
402,870	Brocade Communications Systems Inc.	USA	USD	2,320,531	0.36
				7,802,922	1.21
<b>Computers &amp; Peripherals</b>					
284,250	Hewlett-Packard Co.	USA	USD	7,049,400	1.09
<b>Construction &amp; Engineering</b>					
428,532	Carillion PLC	GBR	GBP	1,800,086	0.28
<b>Construction Materials</b>					
222,040	CRH PLC	IRL	EUR	4,494,235	0.69
<b>Consumer Finance</b>					
3,800	GMAC Capital Trust I, 8.125%, 02/15/40, pfd.	USA	USD	98,990	0.02
<b>Distributors</b>					
75,000	Jardine Cycle & Carriage Ltd.	SGP	SGD	2,515,881	0.39
<b>Diversified Financial Services</b>					
108,480	JPMorgan Chase & Co.	USA	USD	5,726,659	0.89
612,578	ING Groep NV, IDR	NLD	EUR	5,581,535	0.86
92,090	Citigroup Inc.	USA	USD	4,417,557	0.68
				15,725,751	2.43
<b>Diversified Telecommunication Services</b>					
1,325,003	Singapore Telecommunications Ltd.	SGP	SGD	3,941,812	0.61
<b>Electrical Equipment</b>					
238,870	ABB Ltd.	CHE	CHF	5,185,187	0.80
82,720	Alstom SA	FRA	EUR	2,709,039	0.42
7,610,000	Shanghai Electric Group Co. Ltd.	CHN	HKD	2,546,168	0.39
				10,440,394	1.61
<b>Energy Equipment &amp; Services</b>					
131,860	Noble Corp.	USA	USD	4,955,299	0.77
67,473	Fugro NV, IDR	NLD	EUR	3,657,962	0.56
75,091	Baker Hughes Inc.	USA	USD	3,463,948	0.54
18,887	Halliburton Co.	USA	USD	787,966	0.12
				12,865,175	1.99

The accompanying notes form an integral

## — Templeton Global Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Food &amp; Staples Retailing</b>				
93,520	CVS Caremark Corp.	USA	USD	5,347,474	0.83
108,990	Walgreen Co.	USA	USD	4,817,358	0.74
773,187	Tesco PLC	GBR	GBP	3,898,407	0.60
63,110	Metro AG	DEU	EUR	1,997,818	0.31
				<u>16,061,057</u>	<u>2.48</u>
	<b>Health Care Equipment &amp; Supplies</b>				
94,870	Medtronic Inc.	USA	USD	4,882,959	0.76
25,600	Draegerwerk AG & Co. KGAA, pfd.	DEU	EUR	3,508,832	0.54
103,800	Getinge AB, B	SWE	SEK	3,154,248	0.49
31,760	Abbott Laboratories	USA	USD	1,107,789	0.17
				<u>12,653,828</u>	<u>1.96</u>
	<b>Health Care Providers &amp; Services</b>				
987,300	Shanghai Pharmaceuticals Holding Co. Ltd., H	CHN	HKD	1,850,881	0.29
	<b>Household Durables</b>				
2,155,000	Techtronic Industries Co. Ltd.	HKG	HKD	5,179,146	0.80
	<b>Household Products</b>				
37,950	The Procter & Gamble Co.	USA	USD	2,921,771	0.45
	<b>Industrial Conglomerates</b>				
52,340	Siemens AG	DEU	EUR	5,290,167	0.82
354,000	Hutchison Whampoa Ltd.	HKG	HKD	3,722,136	0.58
135,380	General Electric Co.	USA	USD	3,139,462	0.48
				<u>12,151,765</u>	<u>1.88</u>
	<b>Insurance</b>				
300,584	AXA SA	FRA	EUR	5,905,996	0.91
29,750	Muenchener Rueckversicherungs-Gesellschaft AG	DEU	EUR	5,475,586	0.85
1,232,200	AIA Group Ltd.	HKG	HKD	5,218,931	0.81
966,812	Aviva PLC	GBR	GBP	4,995,603	0.77
				<u>21,596,116</u>	<u>3.34</u>
	<b>IT Services</b>				
7,750,000	Travelsky Technology Ltd., H	CHN	HKD	4,916,226	0.76
32,010	Accenture PLC, A	USA	USD	2,303,439	0.36
				<u>7,219,665</u>	<u>1.12</u>
	<b>Machinery</b>				
43,300	Navistar International Corp.	USA	USD	1,202,008	0.19
4,849	Pentair Ltd.	USA	USD	279,739	0.04
				<u>1,481,747</u>	<u>0.23</u>
	<b>Media</b>				
144,370	Comcast Corp., Special A	USA	USD	5,727,158	0.89
27,210	Time Warner Cable Inc.	USA	USD	3,060,581	0.47
				<u>8,787,739</u>	<u>1.36</u>
	<b>Metals &amp; Mining</b>				
15,229	POSCO	KOR	KRW	3,979,216	0.62
139,160	Vale SA, ADR, pfd., A	BRA	USD	1,692,186	0.26
				<u>5,671,402</u>	<u>0.88</u>
	<b>Multi-Utilities</b>				
110,720	GDF Suez	FRA	EUR	2,168,266	0.33
	<b>Multiline Retail</b>				
887,111	Marks & Spencer Group PLC	GBR	GBP	5,814,217	0.90
42,030	Macy's Inc.	USA	USD	2,017,440	0.31
				<u>7,831,657</u>	<u>1.21</u>
	<b>Oil, Gas &amp; Consumable Fuels</b>				
107,710	Total SA, B	FRA	EUR	5,258,228	0.81
148,081	Royal Dutch Shell PLC, B	GBR	GBP	4,899,985	0.76
234,472	Eni SpA	ITA	EUR	4,816,063	0.74
372,860	Talisman Energy Inc.	CAN	CAD	4,255,786	0.66
234,410	Galp Energia SGPS SA, B	PRT	EUR	3,470,737	0.54
28,450	Chevron Corp.	USA	USD	3,366,773	0.52
112,550	Chesapeake Energy Corp.	USA	USD	2,293,769	0.35
73,890	Statoil ASA	NOR	NOK	1,524,396	0.24
				<u>29,885,737</u>	<u>4.62</u>



## — Templeton Global Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Pharmaceuticals</b>					
75,740	Sanofi	FRA	EUR	7,849,495	1.21
25,250	Roche Holding AG	CHE	CHF	6,280,097	0.97
212,148	GlaxoSmithKline PLC	GBR	GBP	5,318,001	0.82
55,730	Novartis AG	CHE	CHF	3,957,753	0.61
84,070	Merck & Co. Inc.	USA	USD	3,905,052	0.61
135,530	Pfizer Inc.	USA	USD	3,796,195	0.59
74,140	Ipsen SA	FRA	EUR	2,735,898	0.42
98,590	H. Lundbeck AS	DNK	DKK	1,758,431	0.27
				<u>35,600,922</u>	<u>5.50</u>
<b>Professional Services</b>					
618,674	Hays PLC	GBR	GBP	836,234	0.13
<b>Real Estate Investment Trust (REIT)</b>					
4,935,345	Cambridge Industrial Trust	SGP	SGD	2,823,535	0.44
<b>Real Estate Management &amp; Development</b>					
173,000	Cheung Kong (Holdings) Ltd.	HKG	HKD	2,346,534	0.36
<b>Semiconductors &amp; Semiconductor Equipment</b>					
312,480	Applied Materials Inc.	USA	USD	4,659,077	0.72
816,813	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	3,025,233	0.47
				<u>7,684,310</u>	<u>1.19</u>
<b>Software</b>					
163,860	Microsoft Corp.	USA	USD	5,658,086	0.87
54,300	SAP AG	DEU	EUR	3,976,434	0.62
36,700	Oracle Corp.	USA	USD	1,127,424	0.17
				<u>10,761,944</u>	<u>1.66</u>
<b>Specialty Retail</b>					
1,258,661	Kingfisher PLC	GBR	GBP	6,566,782	1.01
22,280	The Home Depot Inc.	USA	USD	1,726,032	0.27
38,060	Abercrombie & Fitch Co., A	USA	USD	1,722,215	0.27
				<u>10,015,029</u>	<u>1.55</u>
<b>Trading Companies &amp; Distributors</b>					
467,500	ITOCHU Corp.	JPN	JPY	5,396,587	0.83
<b>Wireless Telecommunication Services</b>					
1,976,224	Vodafone Group PLC	GBR	GBP	5,647,410	0.87
411,500	China Mobile Ltd.	CHN	HKD	4,308,151	0.67
79,790	Mobile TeleSystems, ADR	RUS	USD	1,511,223	0.23
				<u>11,466,784</u>	<u>1.77</u>
<b>TOTAL SHARES</b>				<u>366,497,734</u>	<u>56.64</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>366,497,734</u>	<u>56.64</u>
<b>TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET SHARES</b>					
<b>Air Freight &amp; Logistics</b>					
607,842	The Barclays Bank PLC into TNT Express NV, 5.00%, cvt. pfd., Reg S	NLD	USD	3,718,170	0.57
<b>Capital Markets</b>					
131,800	Royal Bank of Canada into Morgan Stanley, 3.55%, cvt. pfd., 144A	USA	USD	3,126,533	0.48
67,200	Royal Bank of Canada into Morgan Stanley, 3.55%, cvt. pfd., 144A	USA	USD	1,585,853	0.25
				<u>4,712,386</u>	<u>0.73</u>
<b>Commercial Banks</b>					
7,108,400	The Goldman Sachs Group Inc. into Lloyds Banking Group PLC, 3.50%, cvt. pfd., 144A	GBR	USD	4,291,128	0.66
<b>Energy Equipment &amp; Services</b>					
67,698	Royal Bank of Canada into Baker Hughes Inc., 3.50%, cvt. pfd., 144A	USA	USD	3,105,741	0.48
74,033	The Goldman Sachs Group Inc. into Halliburton Co., 3.50%, cvt. pfd., 144A	USA	USD	3,078,714	0.48
				<u>6,184,455</u>	<u>0.96</u>
<b>Multiline Retail</b>					
61,402	Royal Bank of Canada into Macy's Inc., 3.55%, cvt. pfd., 144A	USA	USD	2,927,782	0.45
<b>Paper &amp; Forest Products</b>					
1,600	NewPage Holdings Inc.	USA	USD	140,000	0.02
<b>TOTAL SHARES</b>				<u>21,973,921</u>	<u>3.39</u>

The accompanying notes form an integral

## — Templeton Global Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>BONDS</b>					
<b>Corporate Bonds</b>					
500,000	Chesapeake Energy Corp., senior note, 6.625%, 08/15/20	USA	USD	540,000	0.08
500,000	Cricket Communications Inc., senior note, 7.75%, 10/15/20	USA	USD	482,500	0.07
400,000	Sprint Nextel Corp., senior note, 144A, 9.00%, 11/15/18	USA	USD	469,000	0.07
400,000	Enterprise Products Operating LLC, junior sub. note, 7.034% to 01/15/18, FRN thereafter, 01/15/68	USA	USD	449,000	0.07
400,000	Frontier Communications Corp., senior note, 8.50%, 04/15/20	USA	USD	443,000	0.07
400,000	Jarden Corp., senior sub. note, 7.50%, 05/01/17	USA	USD	443,000	0.07
400,000	DISH DBS Corp., senior note, 7.125%, 02/01/16	USA	USD	435,000	0.07
400,000	Meritor Inc., senior note, 10.625%, 03/15/18	USA	USD	435,000	0.07
400,000	HCA Inc., senior note, 6.50%, 02/15/16	USA	USD	432,000	0.07
400,000	Samson Investment Co., senior note, 144A, 9.75%, 02/15/20	USA	USD	423,500	0.07
400,000	Expro Finance Luxembourg, senior secured note, 144A, 8.50%, 12/15/16	GBR	USD	422,000	0.06
400,000	Intelsat Jackson Holdings SA, senior note, 7.50%, 04/01/21	LUX	USD	422,000	0.06
400,000	Kinder Morgan Finance Co. LLC, senior secured note, 144A, 6.00%, 01/15/18	USA	USD	421,821	0.07
400,000	Wind Acquisition Finance SA, senior secured note, 144A, 11.75%, 07/15/17	ITA	USD	418,000	0.06
400,000	West Corp., senior note, 7.875%, 01/15/19	USA	USD	417,500	0.06
400,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 8.50%, 05/15/18	USA	USD	414,000	0.06
400,000	CHC Helicopter SA, senior secured note, first lien, 9.25%, 10/15/20	CAN	USD	410,750	0.06
300,000	Kerling PLC, senior secured note, Reg S, 10.625%, 02/01/17	GBR	EUR	410,151	0.06
300,000	Royal Bank of Scotland PLC, sub. note, 6.934%, 04/09/18	GBR	EUR	409,532	0.06
400,000	CHS/Community Health Systems Inc., senior secured note, 5.125%, 08/15/18	USA	USD	407,000	0.06
400,000	Linn Energy LLC/Finance Corp., senior note, 7.75%, 02/01/21	USA	USD	403,000	0.06
400,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.875%, 02/01/18	AUS	USD	396,500	0.06
400,000	Clear Channel Communications Inc., senior note, 9.00%, 03/01/21	USA	USD	382,000	0.06
400,000	Quicksilver Resources Inc., secured note, second lien, 144A, FRN, 7.00%, 06/21/19 †	USA	USD	362,000	0.06
300,000	Ally Financial Inc., senior note, 7.50%, 09/15/20	USA	USD	346,875	0.05
4,000,000	General Electric Capital Corp., senior note, A, 8.50%, 04/06/18	USA	MXN	346,127	0.05
300,000	MGM Resorts International, senior note, 7.75%, 03/15/22	USA	USD	327,375	0.05
321,207	Radio One Inc., senior sub. note, PIK, 12.50%, 05/24/16 ‡	USA	USD	325,222	0.05
300,000	Peabody Energy Corp., senior note, 6.00%, 11/15/18	USA	USD	301,875	0.05
300,000	VPI Escrow Corp., senior note, 144A, 6.375%, 10/15/20	CAN	USD	298,125	0.05
200,000	eAccess Ltd., senior note, Reg S, 8.375%, 04/01/18	JPN	EUR	289,129	0.04
200,000	UPCB Finance II Ltd., senior secured note, Reg S, 6.375%, 07/01/20	NLD	EUR	266,600	0.04
200,000	Ineos Group Holdings SA, senior note, Reg S, 6.50%, 08/15/18	GBR	EUR	249,606	0.04
200,000	Ford Motor Credit Co. LLC, senior note, 8.125%, 01/15/20	USA	USD	241,571	0.04
200,000	Ford Motor Credit Co. LLC, senior note, 7.00%, 04/15/15	USA	USD	217,322	0.03
200,000	MGM Resorts International, senior note, 6.625%, 07/15/15	USA	USD	214,250	0.03
200,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	208,000	0.03
200,000	Digicel Group Ltd., senior note, 144A, 8.25%, 09/30/20	BMU	USD	207,625	0.03
200,000	CIT Group Inc., senior note, 5.375%, 05/15/20	USA	USD	205,750	0.03
200,000	Peabody Energy Corp., senior note, 6.25%, 11/15/21	USA	USD	194,000	0.03
200,000	Euramax International Inc., senior secured note, 9.50%, 04/01/16	USA	USD	192,500	0.03
200,000	Digicel Group Ltd., senior note, 144A, 6.00%, 04/15/21	BMU	USD	192,000	0.03
134,731	Ineos Group Holdings SA, second lien, Reg S, 7.875%, 02/15/16	CHE	EUR	176,169	0.03
100,000	UPC Holding BV, senior note, Reg S, 6.375%, 09/15/22	NLD	EUR	125,446	0.02
100,000	Edcon Holdings Pty. Ltd., senior bond, Reg S, FRN, 5.709%, 06/15/15 †	ZAF	EUR	115,738	0.02
100,000	GMAC Inc., sub. note, 8.00%, 12/31/18	USA	USD	113,750	0.02
100,000	SLM Corp., senior note, 8.45%, 06/15/18	USA	USD	111,500	0.02
100,000	MetroPCS Wireless Inc., senior note, 7.875%, 09/01/18	USA	USD	107,000	0.02
100,000	Linn Energy LLC/Finance Corp., senior note, 8.625%, 04/15/20	USA	USD	105,500	0.02
100,000	HSBK (Europe) BV, senior note, Reg S, 7.25%, 05/03/17	KAZ	USD	104,613	0.02
100,000	Clear Channel Worldwide Holdings Inc., senior note, 144A, 6.50%, 11/15/22	USA	USD	103,500	0.02
100,000	HCA Inc., senior secured note, 5.875%, 03/15/22	USA	USD	102,875	0.02
100,000	ArcelorMittal, senior note, 6.00%, 03/01/21	LUX	USD	99,744	0.02
100,000	CIT Group Inc., senior note, 5.00%, 08/15/22	USA	USD	99,695	0.02
				16,237,736	2.51
<b>Government and Municipal Bonds</b>					
15,470	Nota Do Tesouro Nacional, 10.00%, 01/01/17	BRA	BRL	6,769,449	1.05
6,323,400,000	Korea Monetary Stabilization Bond, senior bond, 2.47%, 04/02/15	KOR	KRW	5,496,531	0.85
3,795,000	Government of Ireland, 5.00%, 10/18/20	IRL	EUR	5,300,364	0.82
3,645,500	Government of Ireland, Reg S, 5.50%, 10/18/17	IRL	EUR	5,252,352	0.81
5,080,000	Government of Ukraine, senior note, Reg S, 7.80%, 11/28/22	UKR	USD	4,547,743	0.70
462,480	Government of Mexico, 8.00%, 12/17/15	MEX	MXN	3,867,349	0.60
3,375	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/45	BRA	BRL	3,845,400	0.59
4,286,920,000	Korea Treasury Bond, senior note, 3.25%, 12/10/14	KOR	KRW	3,778,309	0.58
11,389,000	Government of Poland, FRN, 3.98%, 01/25/17 †	POL	PLN	3,406,248	0.53
11,554,000	Government of Poland, FRN, 3.98%, 01/25/21 †	POL	PLN	3,375,638	0.52
3,467,050,000	Korea Treasury Bond, senior note, 2.75%, 12/10/15	KOR	KRW	3,019,891	0.47

part of these financial statements



## — Templeton Global Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds (continued)</b>					
26,000,000,000	Government of Indonesia, FR26, 11.00%, 10/15/14	IDN	IDR	2,770,750	0.43
2,300,000	Government of Hungary, 5.375%, 02/21/23	HUN	USD	2,216,855	0.34
2,294,700,000	Korea Monetary Stabilization Bond, senior note, 2.74%, 02/02/15	KOR	KRW	2,004,604	0.31
5,710,000	Government of Poland, 5.50%, 04/25/15	POL	PLN	1,792,761	0.28
5,625,000	Government of Malaysia, 3.434%, 08/15/14	MYS	MYR	1,786,847	0.28
198,640	Government of Mexico, 9.50%, 12/18/14	MEX	MXN	1,649,947	0.26
1,740,000	Government of Slovenia, senior note, Reg S, 5.85%, 05/10/23	SVN	USD	1,623,742	0.25
3,778,000	Government of Peru, senior bond, 7.84%, 08/12/20	PER	PEN	1,566,335	0.24
4,470,000	Government of Poland, 6.25%, 10/24/15	POL	PLN	1,436,493	0.22
1,250,000	Government of Hungary, 4.125%, 02/19/18	HUN	USD	1,218,750	0.19
21,850,000	Uruguay Notas del Tesoro, 10.25%, 08/22/15	URY	UYU	1,065,918	0.16
2,109,000	Government of Ghana, 21.00%, 10/26/15	GHA	GHS	1,065,871	0.16
21,400,000	Uruguay Notas del Tesoro, 9.50%, 01/27/16	URY	UYU	1,033,245	0.16
1,945,000	Government of Ghana, 24.00%, 05/25/15	GHA	GHS	1,023,195	0.16
1,164,200,000	Korea Monetary Stabilization Bond, senior note, 2.76%, 06/02/15	KOR	KRW	1,016,365	0.16
22,200,000	Uruguay Treasury Bill, Strip, 05/14/15	URY	UYU	909,309	0.14
14,584,177	Government of Uruguay, senior note, Index Linked, 4.375%, 12/15/28	URY	UYU	837,210	0.13
93,600,000	Government of Sri Lanka, C, 8.50%, 04/01/18	LKA	LKR	644,521	0.10
696,600,000	Korea Treasury Bond, senior note, 3.25%, 06/10/15	KOR	KRW	614,506	0.10
83,100,000	Government of Sri Lanka, A, 9.00%, 05/01/21	LKA	LKR	554,311	0.09
600,000	Government of Ukraine, senior note, Reg S, 7.50%, 04/17/23	UKR	USD	530,250	0.08
4,650,000,000	Government of Indonesia, FR27, 9.50%, 06/15/15	IDN	IDR	494,980	0.08
790,000	Government of Ghana, 26.00%, 06/05/17	GHA	GHS	452,902	0.07
400,000	Government of Slovenia, senior note, Reg S, 5.50%, 10/26/22	SVN	USD	369,658	0.06
725,000	Government of Peru, 9.91%, 05/05/15	PER	PEN	292,259	0.05
580,000	Government of Ghana, 19.24%, 05/30/16	GHA	GHS	283,834	0.04
4,644,554	Uruguay Notas del Tesoro, Index Linked, 4.00%, 06/10/20	URY	UYU	246,353	0.04
148,970	Government of Ireland, senior bond, 5.40%, 03/13/25	IRL	EUR	210,836	0.03
3,913,950	Uruguay Notas del Tesoro, Index Linked, 4.00%, 05/25/25	URY	UYU	209,506	0.03
450,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	144,004	0.02
464,000	Government of Poland, Strip, 07/25/15	POL	PLN	131,219	0.02
3,090,000	Uruguay Treasury Bill, Strip, 02/05/15	URY	UYU	130,382	0.02
13,770	Government of Mexico, 6.25%, 06/16/16	MEX	MXN	111,455	0.02
87,650,000	Korea Monetary Stabilization Bond, senior note, 2.84%, 12/02/14	KOR	KRW	76,727	0.01
1,565,580	Uruguay Notas del Tesoro, Index Linked, 2.25%, 08/23/17	URY	UYU	75,765	0.01
1,030,000	Uruguay Treasury Bill, Strip, 12/18/14	URY	UYU	43,980	0.01
85,000	Government of Poland, Strip, 07/25/14	POL	PLN	24,846	0.00
25,000	Government of El Salvador, senior bond, Reg S, 7.65%, 06/15/35	SWC	USD	24,511	0.00
80,000	Government of Poland, Strip, 01/25/16	POL	PLN	22,217	0.00
1,830	Government of Mexico, 6.00%, 06/18/15	MEX	MXN	14,560	0.00
				<b>79,381,053</b>	<b>12.27</b>
<b>Securities Maturing Within One Year</b>					
33,995,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	10,941,516	1.69
153,710,000	Uruguay Treasury Bill, Strip, 09/09/13	URY	UYU	7,350,704	1.14
290,900,000	Government of the Philippines, senior note, 6.25%, 01/27/14	PHL	PHP	6,884,988	1.06
6,468,000,000	Korea Treasury Bond, senior bond, 3.00%, 12/10/13	KOR	KRW	5,670,818	0.88
515,600	Government of Mexico, 8.00%, 12/19/13	MEX	MXN	4,052,994	0.63
2,511,000,000	Korea Monetary Stabilization Bond, senior note, 2.57%, 06/09/14	KOR	KRW	2,194,936	0.34
2,483,100,000	Korea Monetary Stabilization Bond, 0.00%, 09/10/13	KOR	KRW	2,162,573	0.33
2,606,700	Mexico Treasury Bill, 0.00%, 09/19/13	MEX	MXN	1,993,937	0.31
12,700,000	Government of Sweden, 6.75%, 05/05/14	SWE	SEK	1,986,147	0.31
5,870,000	Government of Poland, 5.75%, 04/25/14	POL	PLN	1,807,805	0.28
5,315,000	Government of Poland, Strip, 01/25/14	POL	PLN	1,574,750	0.24
1,880,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 08/12/13	SGP	SGD	1,483,161	0.23
1,868,500	Mexico Treasury Bill, 0.00%, 04/03/14	MEX	MXN	1,398,414	0.22
3,900,000	Bank of Negara Monetary Note, 0.00%, 08/27/13	MYS	MYR	1,228,861	0.19
1,040,000	Singapore Treasury Bill, 0.00%, 12/27/13	SGP	SGD	819,604	0.13
94,300	Government of Mexico, 7.00%, 06/19/14	MEX	MXN	748,252	0.12
920,000	Singapore Treasury Bill, 0.00%, 11/15/13	SGP	SGD	725,335	0.11
1,120,000	Government of Ghana, 14.25%, 07/29/13	GHA	GHS	549,572	0.08
1,380,000	Bank of Negara Monetary Note, 0.00%, 04/03/14	MYS	MYR	427,121	0.07
498,200	Mexico Treasury Bill, 0.00%, 04/30/14	MEX	MXN	371,746	0.06
1,225,000	Government of Poland, 5.00%, 10/24/13	POL	PLN	371,094	0.06
456,000	Mexico Treasury Bill, 0.00%, 11/14/13	MEX	MXN	346,573	0.05
7,140,000	Uruguay Treasury Bill, 0.00%, 05/16/14	URY	UYU	320,718	0.05
940,000	Bank of Negara Monetary Note, 0.00%, 05/15/14	MYS	MYR	289,888	0.04
830,000	Bank of Negara Monetary Note, 0.00%, 06/10/14	MYS	MYR	255,632	0.04
620,000	Bank of Negara Monetary Note, 0.00%, 04/24/14	MYS	MYR	191,529	0.03
600,000	Bank of Negara Monetary Note, 0.00%, 06/19/14	MYS	MYR	184,701	0.03
196,770	Mexico Treasury Bill, 0.00%, 01/09/14	MEX	MXN	148,678	0.02
390,000	Bank of Negara Monetary Note, 0.00%, 03/20/14	MYS	MYR	120,825	0.02
380,000	Bank of Negara Monetary Note, 0.00%, 12/05/13	MYS	MYR	118,743	0.02
320,000	Bank of Negara Monetary Note, 0.00%, 03/06/14	MYS	MYR	99,253	0.01
4,280,000	Philippine Treasury Bill, 0.00%, 11/13/13	PHL	PHP	98,780	0.02
260,000	Bank of Negara Monetary Note, 0.00%, 03/27/14	MYS	MYR	80,513	0.01
240,000	Bank of Negara Monetary Note, 0.00%, 06/05/14	MYS	MYR	73,960	0.01
57,800	Mexico Treasury Bill, 0.00%, 10/31/13	MEX	MXN	44,012	0.01

The accompanying notes form an integral

## — Templeton Global Income Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b> (continued)					
500,000	Uruguay Treasury Bill, 0.00%, 04/11/14	URY	UYU	22,654	0.00
14,270,000	Korea Monetary Stabilization Bond, senior note, 3.28%, 06/02/14	KOR	KRW	12,553	0.00
12,070,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 04/02/14	KOR	KRW	10,632	0.00
30,000	Bank of Negara Monetary Note, 0.00%, 09/26/13	MYS	MYR	9,428	0.00
8,220,000	Korea Monetary Stabilization Bond, senior bond, 3.47%, 02/02/14	KOR	KRW	7,227	0.00
20,000	Government of Malaysia, senior bond, 8.00%, 10/30/13	MYS	MYR	6,435	0.00
6,900,000	Korea Monetary Stabilization Bond, 0.00%, 08/13/13	KOR	KRW	6,021	0.00
6,100,000	Korea Monetary Stabilization Bond, senior bond, 2.55%, 05/09/14	KOR	KRW	5,332	0.00
6,000,000	Korea Monetary Stabilization Bond, senior bond, 3.48%, 12/02/13	KOR	KRW	5,270	0.00
3,750,000	Korea Monetary Stabilization Bond, senior bond, 3.90%, 08/02/13	KOR	KRW	3,286	0.00
3,520,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 10/02/13	KOR	KRW	3,088	0.00
10,000	Government of Poland, Strip, 07/25/13	POL	PLN	3,004	0.00
				<u>57,213,063</u>	<u>8.84</u>
<b>TOTAL BONDS</b>				<u>152,831,852</u>	<u>23.62</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>174,805,773</u>	<u>27.01</u>
TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Air Freight &amp; Logistics</b>					
194	CEVA Holdings LLC, cvt. pfd., A-2 **	GBR	USD	174,780	0.03
90	CEVA Holdings LLC **	GBR	USD	80,739	0.01
3	CEVA Holdings LLC, cvt. pfd., A-1 **	GBR	USD	3,600	0.00
				<u>259,119</u>	<u>0.04</u>
<b>TOTAL SHARES</b>				<u>259,119</u>	<u>0.04</u>
<b>BONDS</b>					
<b>Corporate Bonds</b>					
500,000	Cemex SAB de CV, senior secured note, 144A, 9.00%, 01/11/18	MEX	USD	527,500	0.08
600,000	Texas Competitive Electric Holdings Co. LLC/Texas Competitive Electric Holdings Finance Inc., senior secured note, 144A, 11.50%, 10/01/20	USA	USD	451,500	0.07
400,000	Univision Communications Inc., senior secured note, 144A, 6.875%, 05/15/19	USA	USD	422,000	0.07
270,000	Calpine Corp., senior secured note, 144A, 7.875%, 01/15/23	USA	USD	291,600	0.04
200,000	Shingle Springs Tribal Gaming Authority, senior note, 144A, 9.375%, 06/15/15	USA	USD	198,500	0.03
180,000	Calpine Corp., senior secured note, 144A, 7.875%, 07/31/20	USA	USD	196,200	0.03
200,000	Fontainebleau Las Vegas, 144A, 11.00%, 06/15/15 *	USA	USD	126	0.00
400,000	NewPage Corp., Escrow Account, 11.375%, 12/31/14 **	USA	USD	0	0.00
				<u>2,087,426</u>	<u>0.32</u>
<b>Securities Maturing Within One Year</b>					
100,000	CEVA Group PLC, 4% Unfunded Commitment, zero cpn., 12/01/13 **	GBR	EUR	106,735	0.02
<b>TOTAL BONDS</b>				<u>2,194,161</u>	<u>0.34</u>
<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>2,453,280</u>	<u>0.38</u>
<b>TOTAL INVESTMENTS</b>				<u>543,756,787</u>	<u>84.03</u>

† Floating Rates are indicated as at June 30, 2013

\* These Corporate Bonds are currently in default

‡ Income may be received in additional securities and/or cash

\*\* These securities are submitted to a Fair Valuation

## — Templeton Global Smaller Companies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Auto Components</b>					
107,700	Keihin Corp.	JPN	JPY	1,643,893	1.10
932,000	Mint Group Ltd.	CHN	HKD	1,466,023	0.99
				<u>3,109,916</u>	<u>2.09</u>
<b>Automobiles</b>					
20,710	Thor Industries Inc.	USA	USD	1,018,518	0.69
<b>Building Products</b>					
69,250	Simpson Manufacturing Co. Inc.	USA	USD	2,037,335	1.37
<b>Capital Markets</b>					
138,224	AllianceBernstein Holding LP	USA	USD	2,877,824	1.94
1,010,560	Man Group PLC	GBR	GBP	1,278,325	0.86
218,837	Canaccord Financial Inc.	CAN	CAD	1,188,528	0.80
63,354	Azimut Holding SpA	ITA	EUR	1,153,682	0.77
				<u>6,498,359</u>	<u>4.37</u>
<b>Chemicals</b>					
1,092,500	Yingde Gases	CHN	HKD	1,008,555	0.68
<b>Commercial Banks</b>					
106,132	Popular Inc.	USA	USD	3,218,983	2.17
140,110	BS Financial Group Inc.	KOR	KRW	1,772,225	1.19
				<u>4,991,208</u>	<u>3.36</u>
<b>Commercial Services &amp; Supplies</b>					
632,130	Homeserve PLC	GBR	GBP	2,681,755	1.80
<b>Communications Equipment</b>					
465,370	Brocade Communications Systems Inc.	USA	USD	2,680,531	1.80
<b>Computers &amp; Peripherals</b>					
151,600	Simplo Technology Co. Ltd.	TWN	TWD	657,591	0.44
<b>Construction &amp; Engineering</b>					
129,710	Tutor Perini Corp.	USA	USD	2,346,454	1.58
56,290	Arcadis NV	NLD	EUR	1,512,656	1.02
63,390	Foster Wheeler AG	USA	USD	1,376,197	0.92
				<u>5,235,307</u>	<u>3.52</u>
<b>Consumer Finance</b>					
47,810	Cash America International Inc.	USA	USD	2,173,443	1.46
94,710	Green Dot Corp.	USA	USD	1,889,464	1.27
				<u>4,062,907</u>	<u>2.73</u>
<b>Diversified Consumer Services</b>					
53,229	Steiner Leisure Ltd.	BHS	USD	2,813,685	1.89
75,812	Dignity PLC	GBR	GBP	1,569,792	1.06
				<u>4,383,477</u>	<u>2.95</u>
<b>Electronic Equipment, Instruments &amp; Components</b>					
687,249	Laird PLC	GBR	GBP	1,852,622	1.25
15,517	Barco NV	BEL	EUR	1,255,691	0.84
366,000	Tripod Technology Corp.	TWN	TWD	790,130	0.53
				<u>3,898,443</u>	<u>2.62</u>
<b>Energy Equipment &amp; Services</b>					
222,200	Ensign Energy Services Inc.	CAN	CAD	3,440,735	2.32
812,000	Ezion Holdings Ltd.	SGP	SGD	1,358,406	0.91
90,700	Trican Well Service Ltd.	CAN	CAD	1,206,055	0.81
19,340	Unit Corp.	USA	USD	823,497	0.56
				<u>6,828,693</u>	<u>4.60</u>
<b>Food &amp; Staples Retailing</b>					
80,970	Spartan Stores Inc.	USA	USD	1,493,087	1.00
83,730	Greggs PLC	GBR	GBP	530,247	0.36
				<u>2,023,334</u>	<u>1.36</u>
<b>Food Products</b>					
3,504,000	China Minzhong Food Corp. Ltd.	CHN	SGD	2,889,469	1.95
1,233,000	First Resources Ltd.	SGP	SGD	1,727,027	1.16
				<u>4,616,496</u>	<u>3.11</u>

The accompanying notes form an integral

## — Templeton Global Smaller Companies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Gas Utilities</b>				
367,154	Aygaz AS	TUR	TRY	1,686,751	1.14
	<b>Health Care Equipment &amp; Supplies</b>				
646,464	Sorin SpA	ITA	EUR	1,640,866	1.10
	<b>Health Care Providers &amp; Services</b>				
342,751	Amplifon SpA	ITA	EUR	1,715,861	1.16
165,900	Diagnosticos da America SA	BRA	BRL	863,404	0.58
				2,579,265	1.74
	<b>Household Durables</b>				
66,200	HAJIME CONSTRUCTION CO. LTD.	JPN	JPY	3,684,081	2.48
1,185,500	Techtronic Industries Co. Ltd.	HKG	HKD	2,849,131	1.91
939,000	Haier Electronics Group Co. Ltd.	HKG	HKD	1,498,826	1.01
102,400	Bovis Homes Group PLC	GBR	GBP	1,189,427	0.80
58,514	Bellway PLC	GBR	GBP	1,129,741	0.76
50,314	Persimmon PLC	GBR	GBP	903,319	0.61
				11,254,525	7.57
	<b>Independent Power Producers &amp; Energy Traders</b>				
6,054,400	Energy Development Corp.	PHL	PHP	813,341	0.55
	<b>IT Services</b>				
2,028,000	CSE Global Ltd.	SGP	SGD	1,360,268	0.92
	<b>Leisure Equipment &amp; Products</b>				
275,880	LeapFrog Enterprises Inc.	USA	USD	2,714,659	1.83
344,323	Callaway Golf Co.	USA	USD	2,265,646	1.52
120,650	Amer Sports OYJ	FIN	EUR	2,223,744	1.50
				7,204,049	4.85
	<b>Life Sciences Tools &amp; Services</b>				
31,032	Gerresheimer AG	DEU	EUR	1,797,480	1.21
10,860	Lonza Group AG	CHE	CHF	817,790	0.55
8,700	Tecan Group AG	CHE	CHF	803,842	0.54
				3,419,112	2.30
	<b>Machinery</b>				
66,550	Aalberts Industries NV	NLD	EUR	1,487,348	1.00
10,892	Hyundai Mipo Dockyard Co. Ltd.	KOR	KRW	1,201,324	0.81
48,600	Gildemeister AG	DEU	EUR	1,083,963	0.73
2,333	Construcciones y Auxiliar de Ferrocarriles SA	ESP	EUR	995,902	0.67
13,440	Navistar International Corp.	USA	USD	373,094	0.25
				5,141,631	3.46
	<b>Media</b>				
12,490	Ipsos	FRA	EUR	471,389	0.32
	<b>Metals &amp; Mining</b>				
402,190	HudBay Minerals Inc.	CAN	CAD	2,662,522	1.79
594,310	African Minerals Ltd.	SLE	GBP	1,707,159	1.15
				4,369,681	2.94
	<b>Multiline Retail</b>				
1,550,000	Springland International Holdings Ltd.	CHN	HKD	767,411	0.52
24,800	Seria Co. Ltd.	JPN	JPY	747,325	0.50
				1,514,736	1.02
	<b>Oil, Gas &amp; Consumable Fuels</b>				
222,530	Swift Energy Co.	USA	USD	2,668,134	1.80
4,440,000	MIE Holdings Corp.	CHN	HKD	1,030,435	0.69
152,838	Ophir Energy PLC	GBR	GBP	828,662	0.56
				4,527,231	3.05
	<b>Personal Products</b>				
56,011	Kobayashi Pharmaceutical Co. Ltd.	JPN	JPY	2,953,297	1.99
2,628,100	Prince Frog International Holdings Ltd.	CHN	HKD	1,819,622	1.22
53,580	Oriflame Cosmetics SA, SDR	SWE	SEK	1,696,083	1.14
				6,469,002	4.35
	<b>Pharmaceuticals</b>				
24,980	Salix Pharmaceuticals Ltd.	USA	USD	1,652,427	1.11
990,200	Vectura Group PLC	GBR	GBP	1,208,521	0.81
1,174,000	China Medical System Holdings Ltd.	CHN	HKD	1,053,519	0.71
				3,914,467	2.63

## — Templeton Global Smaller Companies Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
61,847	<b>Professional Services</b> Heidrick & Struggles International Inc.	USA	USD	1,034,082	0.70
26,670	<b>Real Estate Management &amp; Development</b> GSW Immobilien AG	DEU	EUR	1,031,904	0.69
133,759	<b>Software</b> Micro Focus International PLC	GBR	GBP	1,443,317	0.97
496,000	Kingsoft Corp. Ltd.	CHN	HKD	819,851	0.55
9,580	Software AG	DEU	EUR	286,743	0.20
				2,549,911	1.72
42,460	<b>Specialty Retail</b> Hibbett Sports Inc.	USA	USD	2,356,530	1.59
48,900	Asahi Co. Ltd.	JPN	JPY	718,784	0.48
				3,075,314	2.07
152,300	<b>Textiles, Apparel &amp; Luxury Goods</b> Asics Corp.	JPN	JPY	2,412,172	1.62
57,600	True Religion Apparel Inc.	USA	USD	1,823,616	1.23
28,970	Columbia Sportswear Co.	USA	USD	1,814,970	1.22
669,300	Samsonite International SA	HKG	HKD	1,617,169	1.09
577,500	Stella International Holdings Ltd.	CYM	HKD	1,597,145	1.07
				9,265,072	6.23
537,660	<b>Trading Companies &amp; Distributors</b> SIG PLC	GBR	GBP	1,383,958	0.93
	<b>TOTAL SHARES</b>			130,438,980	87.77
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			130,438,980	87.77
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET <b>SHARES</b>				
87,114	<b>Household Durables</b> Persimmon PLC	GBR	GBP	99,365	0.07
	<b>TOTAL SHARES</b>			99,365	0.07
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			99,365	0.07
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET <b>SHARES</b>				
343,713	<b>Capital Markets</b> D Carnegie & Co. AB **	SWE	SEK	0	0.00
896,000	<b>Metals &amp; Mining</b> Sakari Resources Ltd. **	IDN	SGD	1,325,776	0.89
	<b>TOTAL SHARES</b>			1,325,776	0.89
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>			1,325,776	0.89
	<b>TOTAL INVESTMENTS</b>			131,864,121	88.73

\*\* These securities are submitted to a Fair Valuation

## — Templeton Global Total Return Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Consumer Finance</b>					
230,800	GMAC Capital Trust I, 8.125%, 02/15/40, pfd.	USA	USD	6,012,340	0.02
<b>TOTAL SHARES</b>				6,012,340	0.02
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				6,012,340	0.02
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
<b>SHARES</b>					
<b>Paper &amp; Forest Products</b>					
60,000	NewPage Holdings Inc.	USA	USD	5,250,000	0.01
<b>TOTAL SHARES</b>				5,250,000	0.01
<b>BONDS</b>					
<b>Corporate Bonds</b>					
225,640,000	Alfa Bond Issuance PLC, (Alfa Bank OJSC), loan participation, senior note, Reg S, 7.75%, 04/28/21	RUS	USD	233,537,400	0.59
118,380,000	Alfa Bond Issuance PLC, (Alfa Bank OJSC), loan participation, senior note, Reg S, 7.875%, 09/25/17	RUS	USD	125,939,155	0.32
943,400,000	Biz Finance PLC, (Ukreximbank), loan participation, 11.00%, 02/03/14	UKR	UAH	108,157,562	0.28
1,537,262,970	Government of Argentina, senior bond, FRN, 4.383%, 12/15/35 †	ARG	USD	89,161,252	0.23
78,650,000	Dubai Electricity & Water Authority, senior note, Reg S, 7.375%, 10/21/20	ARE	USD	88,436,419	0.23
85,500,000	Halyk Savings Bank of Kazakhstan JSC, Reg S, 7.25%, 01/28/21	KAZ	USD	87,904,687	0.22
989,000,000	General Electric Capital Corp., senior note, A, 8.50%, 04/06/18	USA	MXN	85,579,839	0.22
74,720,000	Edcon Pty. Ltd., senior secured note, Reg S, 9.50%, 03/01/18	ZAF	USD	70,843,900	0.18
62,000,000	Wind Acquisition Finance SA, senior secured note, 144A, 11.75%, 07/15/17	ITA	USD	64,790,000	0.17
56,500,000	Chesapeake Energy Corp., senior note, 6.625%, 08/15/20	USA	USD	61,020,000	0.16
58,000,000	CHC Helicopter SA, senior secured note, first lien, 9.25%, 10/15/20	CAN	USD	59,558,750	0.15
54,900,000	Samson Investment Co., senior note, 144A, 9.75%, 02/15/20	USA	USD	58,125,375	0.15
59,400,000	Crown Castle International Corp., senior bond, 5.25%, 01/15/23	USA	USD	57,246,750	0.15
50,737,000	Expro Finance Luxembourg, senior secured note, 144A, 8.50%, 12/15/16	GBR	USD	53,527,535	0.14
55,080,000	Petroleos de Venezuela SA, senior sub. bond, 4.90%, 10/28/14	VEN	USD	51,755,096	0.13
48,400,000	Inmet Mining Corp., senior note, 144A, 8.75%, 06/01/20	CAN	USD	49,731,000	0.13
50,000,000	Cricket Communications Inc., senior note, 7.75%, 10/15/20	USA	USD	48,250,000	0.12
46,400,000	Terex Corp., senior note, 6.00%, 05/15/21	USA	USD	46,516,000	0.12
44,000,000	Harrah's Operating Co. Inc., senior secured note, 11.25%, 06/01/17	USA	USD	45,925,000	0.12
45,800,000	Equinix Inc., senior bond, 5.375%, 04/01/23	USA	USD	45,113,000	0.12
46,200,000	Penn Virginia Corp., senior note, 144A, 8.50%, 05/01/20	USA	USD	44,929,500	0.11
38,000,000	Sprint Nextel Corp., senior note, 144A, 9.00%, 11/15/18	USA	USD	44,555,000	0.11
43,300,000	HCA Inc., senior secured note, 5.875%, 03/15/22	USA	USD	44,544,875	0.11
38,874,000	Bank of America Corp., pfd., sub. bond, M, 8.125% to 05/15/18, FRN thereafter, Perpetual	USA	USD	43,927,620	0.11
43,000,000	The Goodyear Tire & Rubber Co., senior note, 6.50%, 03/01/21	USA	USD	43,913,750	0.11
40,000,000	Michael's Stores Inc., senior note, 7.75%, 11/01/18	USA	USD	43,000,000	0.11
40,690,000	DP World Ltd., Reg S, 6.85%, 07/02/37	ARE	USD	42,327,162	0.11
42,800,000	Clear Channel Communications Inc., senior note, 9.00%, 03/01/21	USA	USD	40,874,000	0.10
40,500,000	DaVita HealthCare Partners Inc., senior note, 5.75%, 08/15/22	USA	USD	40,601,250	0.10
40,700,000	CIT Group Inc., senior note, 5.00%, 08/15/22	USA	USD	40,575,784	0.10
39,250,000	VPI Escrow Corp., senior note, 144A, 6.375%, 10/15/20	CAN	USD	39,004,688	0.10
39,200,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.875%, 02/01/18	AUS	USD	38,857,000	0.10
36,700,000	Intelsat Jackson Holdings SA, senior note, 7.50%, 04/01/21	LUX	USD	38,718,500	0.10
36,400,000	Chaparral Energy Inc., senior note, 8.25%, 09/01/21	USA	USD	38,493,000	0.10
37,700,000	E*TRADE Financial Corp., senior note, 6.375%, 11/15/19	USA	USD	38,454,000	0.10
36,000,000	First Data Corp., senior bond, 12.625%, 01/15/21	USA	USD	38,250,000	0.10
37,000,000	Del Monte Corp., senior note, 7.625%, 02/15/19	USA	USD	38,202,500	0.10
34,300,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior note, 8.125%, 04/30/20	USA	USD	37,644,250	0.10
36,000,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 9.00%, 04/15/19	USA	USD	37,350,000	0.10
38,275,000	Halcon Resources Corp., senior note, 8.875%, 05/15/21	USA	USD	37,318,125	0.10
36,400,000	Freescale Semiconductor Inc., senior note, 8.05%, 02/01/20	USA	USD	37,037,000	0.09
36,825,000	Clayton Williams Energy Inc., senior note, 7.75%, 04/01/19	USA	USD	36,825,000	0.09
35,140,000	HSBK (Europe) BV, senior note, Reg S, 7.25%, 05/03/17	KAZ	USD	36,761,008	0.09
37,800,000	Sabine Pass Liquefaction LLC, secured note, 144A, 5.625%, 02/01/21	USA	USD	36,760,500	0.09
39,000,000	Visant Corp., senior note, 10.00%, 10/01/17	USA	USD	36,172,500	0.09
35,800,000	Algeco Scotsman Global Finance PLC, secured note, 144A, 8.50%, 10/15/18	GBR	USD	35,800,000	0.09
31,828,000	LUKOIL International Finance BV, Reg S, 6.656%, 06/07/22	RUS	USD	34,711,935	0.09
31,820,000	LUKOIL International Finance BV, senior note, Reg S, 6.125%, 11/09/20	RUS	USD	33,808,750	0.09
30,000,000	Energy XXI Gulf Coast Inc., senior note, 9.25%, 12/15/17	USA	USD	33,075,000	0.08
30,000,000	Energy Transfer Equity LP, senior note, 7.50%, 10/15/20	USA	USD	32,925,000	0.08
30,000,000	Kinder Morgan Finance Co. LLC, senior secured note, 144A, 6.00%, 01/15/18	USA	USD	31,636,590	0.08
31,600,000	Nuveen Investments Inc., senior note, 144A, 9.50%, 10/15/20	USA	USD	31,600,000	0.08
29,600,000	Hologic Inc., senior note, 6.25%, 08/01/20	USA	USD	30,839,500	0.08
29,900,000	CGG, senior note, 6.50%, 06/01/21	FRA	USD	30,348,500	0.08
28,000,000	Intergen NV, senior secured note, 144A, 9.00%, 06/30/17	NLD	USD	28,910,000	0.07
26,550,000	Novelis Inc., senior note, 8.75%, 12/15/20	CAN	USD	28,607,625	0.07



## — Templeton Global Total Return Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
27,000,000	Offshore Group Investment Ltd., senior secured note, first lien, 7.50%, 11/01/19	USA	USD	28,248,750	0.07
25,750,000	CDW LLC/Finance Corp., senior note, 8.50%, 04/01/19	USA	USD	27,810,000	0.07
25,000,000	The Manitowoc Co. Inc., senior note, 8.50%, 11/01/20	USA	USD	27,375,000	0.07
20,000,000	Kerling PLC, senior secured note, Reg S, 10.625%, 02/01/17	GBR	EUR	27,343,370	0.07
28,900,000	Abengoa Finance SAU, senior note, 144A, 8.875%, 11/01/17	ESP	USD	27,256,313	0.07
25,500,000	JBS USA LLC/Finance Inc., senior note, 144A, 8.25%, 02/01/20	USA	USD	26,838,750	0.07
27,100,000	Navistar International Corp., senior note, 8.25%, 11/01/21	USA	USD	26,761,250	0.07
25,000,000	Crosstex Energy LP/Crosstex Energy Finance Corp., senior note, 8.875%, 02/15/18	USA	USD	26,625,000	0.07
24,900,000	Emergency Medical Services Corp., senior note, 8.125%, 06/01/19	USA	USD	26,580,750	0.07
27,500,000	Digicel Group Ltd., senior note, 144A, 6.00%, 04/15/21	BMU	USD	26,400,000	0.07
24,500,000	CHS/Community Health Systems Inc., senior note, 8.00%, 11/15/19	USA	USD	26,184,375	0.07
25,000,000	CHS/Community Health Systems Inc., senior note, 7.125%, 07/15/20	USA	USD	25,812,500	0.07
25,000,000	Orion Engineered Carbons Finance & Co. SCA, senior note, 144A, PIK, 9.25%, 08/01/19 †	LUX	USD	25,125,000	0.06
24,000,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 8.50%, 05/15/18	USA	USD	24,840,000	0.06
25,000,000	Meritor Inc., senior note, 6.75%, 06/15/21	USA	USD	24,000,000	0.06
24,100,000	Ashland Inc., senior note, 144A, 4.75%, 08/15/22	USA	USD	23,919,250	0.06
21,000,000	GMAC Inc., sub. note, 8.00%, 12/31/18	USA	USD	23,887,500	0.06
16,200,000	New Look Bondco I PLC, secured note, Reg S, 8.75%, 05/14/18	GBR	GBP	23,837,044	0.06
23,000,000	MGM Resorts International, senior note, 6.625%, 12/15/21	USA	USD	23,747,500	0.06
24,000,000	Sprint Nextel Corp., senior note, 6.00%, 11/15/22	USA	USD	23,640,000	0.06
21,600,000	United Rentals North America Inc., senior sub. note, 8.375%, 09/15/20	USA	USD	23,490,000	0.06
22,300,000	PBF Holding Co. LLC, first lien, 8.25%, 02/15/20	USA	USD	23,470,750	0.06
23,000,000	DISH DBS Corp., senior note, 5.875%, 07/15/22	USA	USD	23,460,000	0.06
21,500,000	ClubCorp Club Operations Inc., senior note, 10.00%, 12/01/18	USA	USD	23,327,500	0.06
21,800,000	West Corp., senior note, 7.875%, 01/15/19	USA	USD	22,753,750	0.06
16,000,000	Boparan Finance PLC, senior note, Reg S, 9.75%, 04/30/18	GBR	EUR	22,674,742	0.06
21,500,000	Jaguar Holding Co. I, senior note, 144A, PIK, 9.375%, 10/15/17 ‡	USA	USD	22,575,000	0.06
19,393,000	Edcon Holdings Pty. Ltd., senior bond, Reg S, FRN, 5.709%, 06/15/15 †	ZAF	EUR	22,444,975	0.06
20,000,000	DISH DBS Corp., senior note, 7.125%, 02/01/16	USA	USD	21,750,000	0.06
22,700,000	Linn Energy LLC/Finance Corp., senior note, 144A, 6.25%, 11/01/19	USA	USD	21,735,250	0.06
20,115,000	Calpine Corp., senior secured note, 144A, 7.50%, 02/15/21	USA	USD	21,573,338	0.06
15,800,000	Royal Bank of Scotland PLC, sub. note, 6.934%, 04/09/18	GBR	EUR	21,568,665	0.06
21,400,000	Linn Energy LLC/Finance Corp., senior note, 7.75%, 02/01/21	USA	USD	21,560,500	0.06
19,700,000	Intelsat Jackson Holdings SA, senior note, 8.50%, 11/01/19	LUX	USD	21,337,563	0.05
20,000,000	Antero Resources Finance Corp., senior note, 9.375%, 12/01/17	USA	USD	21,300,000	0.05
20,300,000	inVentiv Health Inc., senior note, 144A, 9.00%, 01/15/18	USA	USD	21,264,250	0.05
20,400,000	W&T Offshore Inc., senior note, 8.50%, 06/15/19	USA	USD	21,165,000	0.05
18,700,000	HCA Inc., senior note, 7.50%, 02/15/22	USA	USD	20,757,000	0.05
20,225,000	CGG, senior note, 7.75%, 05/15/17	FRA	USD	20,629,500	0.05
19,000,000	Plains Exploration & Production Co., senior note, 6.625%, 05/01/21	USA	USD	20,129,075	0.05
15,000,000	Nokia Siemens Networks Finance BV, senior note, Reg S, 7.125%, 04/15/20	NLD	EUR	19,964,056	0.05
18,500,000	Pinnacle Entertainment Inc., senior sub. note, 8.75%, 05/15/20	USA	USD	19,933,750	0.05
17,800,000	Interactive Data Corp., senior note, 10.25%, 08/01/18	USA	USD	19,802,500	0.05
18,300,000	Grifols Inc., senior note, 8.25%, 02/01/18	ESP	USD	19,764,000	0.05
18,000,000	El Paso Corp., senior note, 7.00%, 06/15/17	USA	USD	19,653,210	0.05
17,886,000	MGM Resorts International, senior note, 7.50%, 06/01/16	USA	USD	19,585,170	0.05
19,700,000	InterGen NV, secured bond, 144A, 7.00%, 06/30/23	NLD	USD	19,219,813	0.05
20,000,000	Intelsat Jackson Holdings SA, senior bond, 144A, 5.50%, 08/01/23	LUX	USD	18,837,500	0.05
17,600,000	Linn Energy LLC/Finance Corp., senior note, 8.625%, 04/15/20	USA	USD	18,568,000	0.05
20,000,000	Quicksilver Resources Inc., secured note, second lien, 144A, FRN, 7.00%, 06/21/19 †	USA	USD	18,100,000	0.05
15,200,000	Ally Financial Inc., senior note, 7.50%, 09/15/20	USA	USD	17,575,000	0.04
15,000,000	Regions Bank, sub. note, 7.50%, 05/15/18	USA	USD	17,533,605	0.04
15,400,000	Frontier Communications Corp., senior note, 8.50%, 04/15/20	USA	USD	17,055,500	0.04
11,000,000	Matalan Finance Ltd., senior secured note, Reg S, 8.875%, 04/29/16	GBR	GBP	16,913,541	0.04
16,300,000	Exopack Holding Corp., senior note, 10.00%, 06/01/18	USA	USD	16,585,250	0.04
12,800,000	Unitymedia Hessen/NRW, senior secured note, Reg S, 5.75%, 01/15/23	DEU	EUR	16,286,244	0.04
15,600,000	Digicel Group Ltd., senior note, 144A, 8.25%, 09/30/20	BMU	USD	16,194,750	0.04
14,900,000	CONSOL Energy Inc., senior note, 8.00%, 04/01/17	USA	USD	15,756,750	0.04
14,160,000	LUKOIL International Finance BV, Reg S, 6.356%, 06/07/17	RUS	USD	15,652,322	0.04
16,249,000	ICICI Bank Ltd., Reg S, 6.375% to 04/30/17, FRN thereafter, 04/30/22	IND	USD	15,599,040	0.04
16,100,000	Inmet Mining Corp., senior note, 144A, 7.50%, 06/01/21	CAN	USD	15,496,250	0.04
15,000,000	MacDermid Inc., senior sub. note, 144A, 9.50%, 04/15/17	USA	USD	15,484,425	0.04
14,565,000	Jarden Corp., senior note, 6.125%, 11/15/22	USA	USD	15,347,869	0.04
14,200,000	Sealed Air Corp., senior note, 144A, 6.50%, 12/01/20	USA	USD	15,052,000	0.04
11,954,000	Petro Co. of Trinidad and Tobago Ltd., senior note, Reg S, 9.75%, 08/14/19	TTO	USD	14,972,385	0.04
15,000,000	ArcelorMittal, senior note, 6.00%, 03/01/21	LUX	USD	14,961,675	0.04
16,000,000	Barmingo Finance Pty. Ltd., senior note, 144A, 9.00%, 06/01/18	AUS	USD	14,780,000	0.04
13,169,000	HSBC Holdings PLC, sub. note, 6.50%, 09/15/37	GBR	USD	14,699,923	0.04
14,500,000	Frontier Communications Corp., senior note, 7.125%, 01/15/23	USA	USD	14,481,875	0.04
12,832,000	Rite Aid Corp., senior secured note, 8.00%, 08/15/20	USA	USD	14,275,600	0.04
13,300,000	Shea Homes LP/Funding Corp., senior secured note, 8.625%, 05/15/19	USA	USD	14,264,250	0.04
12,598,000	Freescale Semiconductor Inc., senior note, 10.75%, 08/01/20	USA	USD	13,920,790	0.04
9,540,000	Orion Engineered Carbons Bondco GmbH, senior secured bond, Reg S, 10.00%, 06/15/18	DEU	EUR	13,643,992	0.03

The accompanying notes form an integral



## — Templeton Global Total Return Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
13,800,000	Offshore Group Investment Ltd., first lien, 144A, 7.125%, 04/01/23	USA	USD	13,627,500	0.03
14,300,000	Midstates Petroleum Co. Inc./LLC, senior note, 144A, 9.25%, 06/01/21	USA	USD	13,459,875	0.03
10,000,000	UPCB Finance II Ltd., senior secured note, Reg S, 6.375%, 07/01/20	NLD	EUR	13,330,002	0.03
10,600,000	Ineos Group Holdings SA, senior note, Reg S, 6.50%, 08/15/18	GBR	EUR	13,229,102	0.03
15,424,000	Quicksilver Resources Inc., senior note, 9.125%, 08/15/19	USA	USD	13,187,520	0.03
11,900,000	International Lease Finance Corp., senior secured note, 144A, 6.75%, 09/01/16	USA	USD	12,911,500	0.03
11,525,000	eAccess Ltd., senior note, 144A, 8.25%, 04/01/18	JPN	USD	12,778,344	0.03
12,000,000	Univision Communications Inc., senior secured bond, 144A, 6.75%, 09/15/22	USA	USD	12,660,000	0.03
9,000,000	Ziggo Bond Co., senior unsecured note, Reg S, 8.00%, 05/15/18	NLD	EUR	12,549,533	0.03
10,000,000	UPC Holding BV, senior note, Reg S, 6.375%, 09/15/22	NLD	EUR	12,544,651	0.03
10,250,000	Edcon Pty. Ltd., senior secured note, Reg S, 9.50%, 03/01/18	ZAF	EUR	12,441,333	0.03
11,800,000	Pinnacle Entertainment Inc., senior sub. note, 7.75%, 04/01/22	USA	USD	12,390,000	0.03
9,431,197	Ineos Group Holdings SA, second lien, Reg S, 7.875%, 02/15/16	CHE	EUR	12,331,851	0.03
12,200,000	Nuveen Investments Inc., senior note, 144A, 9.125%, 10/15/17	USA	USD	12,291,500	0.03
9,400,000	UPC Holding BV, senior note, Reg S, 6.75%, 03/15/23	NLD	EUR	11,934,700	0.03
11,700,000	Alere Inc., senior sub. note, 144A, 6.50%, 06/15/20	USA	USD	11,392,875	0.03
10,000,000	Sprint Nextel Corp., senior note, 8.375%, 08/15/17	USA	USD	11,275,000	0.03
10,900,000	HCA Holdings Inc., senior note, 6.25%, 02/15/21	USA	USD	11,145,250	0.03
10,000,000	DISH DBS Corp., senior note, 7.75%, 05/31/15	USA	USD	10,875,000	0.03
10,000,000	Reynolds Group Issuer Inc./LLC/SA, senior note, 9.875%, 08/15/19	USA	USD	10,750,000	0.03
174,930,000	Toyota Motor Credit Corp., senior note, zero cpn., 02/15/17	JPN	MXN	10,516,411	0.03
9,000,000	Ford Motor Credit Co. LLC, senior note, 6.625%, 08/15/17	USA	USD	10,192,329	0.03
10,300,000	Euramax International Inc., senior secured note, 9.50%, 04/01/16	USA	USD	9,913,750	0.03
8,700,000	International Lease Finance Corp., senior note, 8.25%, 12/15/20	USA	USD	9,798,375	0.02
9,500,000	CIT Group Inc., senior note, 5.375%, 05/15/20	USA	USD	9,773,125	0.02
9,000,000	Ford Motor Credit Co. LLC, senior note, 5.00%, 05/15/18	USA	USD	9,616,860	0.02
9,300,000	CONSOL Energy Inc., senior note, 6.375%, 03/01/21	USA	USD	9,300,000	0.02
7,910,000	TNK-BP Finance SA, Reg S, 7.25%, 02/02/20	RUS	USD	8,853,030	0.02
8,500,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	8,840,000	0.02
8,000,000	Freescale Semiconductor Inc., senior secured note, 144A, 9.25%, 04/15/18	USA	USD	8,660,000	0.02
8,000,000	MGM Resorts International, senior note, 6.875%, 04/01/16	USA	USD	8,600,000	0.02
5,900,000	Capsugel Financeco SCA, senior note, Reg S, 9.875%, 08/01/19	USA	EUR	8,534,105	0.02
8,100,000	CHS/Community Health Systems Inc., senior secured note, 5.125%, 08/15/18	USA	USD	8,241,750	0.02
7,600,000	Lynx I Corp., first lien, 144A, 5.375%, 04/15/21	GBR	USD	7,676,000	0.02
8,000,000	SandRidge Energy Inc., senior note, 7.50%, 02/15/23	USA	USD	7,640,000	0.02
7,200,000	CONSOL Energy Inc., senior note, 8.25%, 04/01/20	USA	USD	7,578,000	0.02
7,000,000	Ally Financial Inc., senior note, 8.30%, 02/12/15	USA	USD	7,560,000	0.02
7,000,000	Clear Channel Communications Inc., first lien, 144A, 11.25%, 03/01/21	USA	USD	7,332,500	0.02
6,500,000	Sealed Air Corp., senior note, 144A, 8.125%, 09/15/19	USA	USD	7,280,000	0.02
7,000,000	Sterling International Inc., senior note, 11.00%, 10/01/19	USA	USD	7,280,000	0.02
6,000,000	Ford Motor Credit Co. LLC, senior note, 8.125%, 01/15/20	USA	USD	7,247,136	0.02
7,100,000	DISH DBS Corp., senior bond, 5.00%, 03/15/23	USA	USD	6,869,250	0.02
5,900,000	Frontier Communications Corp., senior note, 9.25%, 07/01/21	USA	USD	6,770,250	0.02
6,500,000	Clear Channel Worldwide Holdings Inc., senior note, 144A, 6.50%, 11/15/22	USA	USD	6,727,500	0.02
6,700,000	Ashland Inc., senior note, 144A, 3.875%, 04/15/18	USA	USD	6,658,125	0.02
5,935,000	Jarden Corp., senior sub. note, 7.50%, 05/01/17	USA	USD	6,573,013	0.02
6,700,000	CommScope Holdings Inc., senior note, 144A, PIK, 6.625%, 06/01/20 ‡	USA	USD	6,432,000	0.02
6,700,000	General Motors Financial Co. Inc., senior bond, 144A, 4.25%, 05/15/23	USA	USD	6,256,125	0.02
5,600,000	Chaparral Energy Inc., senior note, 9.875%, 10/01/20	USA	USD	6,244,000	0.02
4,700,000	Unitymedia Hessen GmbH & Co. KG/NRW GmbH, senior secured note, Reg S, 5.625%, 04/15/23	DEU	EUR	5,903,633	0.02
5,250,000	Media General Inc., senior secured note, 11.75%, 02/15/17	USA	USD	5,827,500	0.01
5,200,000	Frontier Communications Corp., senior note, 8.75%, 04/15/22	USA	USD	5,694,000	0.01
5,200,000	HDTFS Inc., senior note, 5.875%, 10/15/20	USA	USD	5,382,000	0.01
5,000,000	Novelis Inc., senior note, 8.375%, 12/15/17	CAN	USD	5,325,000	0.01
4,900,000	Sprint Nextel Corp., senior note, 144A, 7.00%, 03/01/20	USA	USD	5,304,250	0.01
3,600,000	eAccess Ltd., senior note, Reg S, 8.375%, 04/01/18	JPN	EUR	5,204,322	0.01
4,700,000	MetroPCS Wireless Inc., senior note, 7.875%, 09/01/18	USA	USD	5,029,000	0.01
5,000,000	First Data Corp., senior note, 144A, 11.25%, 01/15/21	USA	USD	5,012,500	0.01
5,100,000	Royal Bank of Scotland Group PLC, sub. note, 6.125%, 12/15/22	GBR	USD	4,867,313	0.01
3,700,000	Abengoa SA, senior note, 8.50%, 03/31/16	ESP	EUR	4,805,919	0.01
5,000,000	Univision Communications Inc., senior secured note, 144A, 5.125%, 05/15/23	USA	USD	4,750,000	0.01
53,452,000	Rabobank Nederland, senior note, 8.75%, 01/24/17	NLD	MXN	4,662,081	0.01
4,400,000	Nara Cable Funding Ltd., senior note, 144A, 8.875%, 12/01/18	ESP	USD	4,565,000	0.01
60,255,000	Rabobank Nederland, zero cpn., 10/05/15	NLD	MXN	4,256,562	0.01
3,000,000	Algeco Scotsman Global Finance PLC, secured note, Reg S, 9.00%, 10/15/18	GBR	EUR	3,951,321	0.01
3,800,000	Caesars Operating Escrow LLC/Corp., first lien, 144A, 9.00%, 02/15/20	USA	USD	3,638,500	0.01
3,700,000	General Motors Financial Co. Inc., senior note, 144A, 3.25%, 05/15/18	USA	USD	3,607,500	0.01
3,500,000	Clear Channel Worldwide Holdings Inc., senior note, 144A, 6.50%, 11/15/22	USA	USD	3,605,000	0.01

part of these financial statements

## — Templeton Global Total Return Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
3,600,000	Sabine Pass Liquefaction LLC, 144A, 5.625%, 04/15/23	USA	USD	3,411,000	0.01
3,100,000	The Manitowoc Co. Inc., senior note, 9.50%, 02/15/18	USA	USD	3,348,000	0.01
2,163,488	Wind Acquisition Holdings Finance SA, senior secured note, Reg S, PIK, 12.25%, 07/15/17 ‡	ITA	EUR	2,889,464	0.01
2,210,000	TNK-BP Finance SA, senior note, Reg S, 7.875%, 03/13/18	RUS	USD	2,520,439	0.01
2,400,000	Antero Resources Finance Corp., senior note, 7.25%, 08/01/19	USA	USD	2,514,000	0.01
2,500,000	Intelsat Jackson Holdings SA, senior note, 144A, 6.625%, 12/15/22	LUX	USD	2,437,500	0.01
2,100,000	CGG, senior note, 9.50%, 05/15/16	FRA	USD	2,202,375	0.01
2,000,000	Reynolds Group Issuer Inc./LLC/SA, senior secured note, 7.125%, 04/15/19	USA	USD	2,122,500	0.01
2,100,000	Frontier Communications Corp., senior bond, 7.625%, 04/15/24	USA	USD	2,115,750	0.01
1,900,000	MGM Resorts International, senior note, 6.75%, 10/01/20	USA	USD	1,971,250	0.01
1,700,000	Plains Exploration & Production Co., senior note, 6.125%, 06/15/19	USA	USD	1,803,831	0.00
1,500,000	SLM Corp., senior note, 8.45%, 06/15/18	USA	USD	1,672,500	0.00
1,500,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	1,552,500	0.00
1,000,000	Hutchison Whampoa International Ltd., Reg S, 7.45%, 11/24/33	HKG	USD	1,265,150	0.00
900,000	HCA Inc., senior secured bond, 7.25%, 09/15/20	USA	USD	968,625	0.00
900,000	Lynx II Corp., senior bond, 144A, 6.375%, 04/15/23	GBR	USD	911,250	0.00
811,000	Freescale Semiconductor Inc., senior note, 8.875%, 12/15/14	USA	USD	815,055	0.00
680,000	HCA Inc., senior note, 6.50%, 02/15/16	USA	USD	734,400	0.00
400,000	GE Capital Trust IV, sub. bond, Reg S, 4.625% to 09/15/16, FRN thereafter, 09/15/66	USA	EUR	513,696	0.00
1,500,000	Seat Pagine Gialle SpA, Reg S, 10.50%, 01/31/17 *	ITA	EUR	507,643	0.00
350,000	Gaz Capital SA, (OJSC Gazprom), loan participation, senior bond, Reg S, 5.136%, 03/22/17	RUS	EUR	487,880	0.00
				<u>4,991,864,256</u>	<u>12.71</u>
<b>Government and Municipal Bonds</b>					
944,447,280,000	Korea Treasury Bond, senior note, 2.75%, 12/10/15	KOR	KRW	822,638,136	2.09
13,734,287,968	Government of Uruguay, senior note, Index Linked, 4.375%, 12/15/28	URY	UYU	788,421,645	2.01
90,978,940	Government of Mexico, 8.00%, 12/17/15	MEX	MXN	760,783,881	1.94
788,177,040,000	Korea Monetary Stabilization Bond, senior bond, 2.47%, 04/02/15	KOR	KRW	685,112,409	1.74
726,210,170,000	Korea Monetary Stabilization Bond, senior note, 2.74%, 02/02/15	KOR	KRW	634,402,535	1.62
421,810,740	Government of Ireland, senior bond, 5.40%, 03/13/25	IRL	EUR	596,984,736	1.52
469,620,000	Government of Iceland, Reg S, 4.875%, 06/16/16	ISL	USD	493,636,367	1.26
57,037,750	Government of Mexico, 9.50%, 12/18/14	MEX	MXN	473,767,983	1.21
322,834,000	Government of Ireland, 5.00%, 10/18/20	IRL	EUR	450,892,694	1.15
273,000,000	Government of Romania, senior note, Reg S, 5.25%, 06/17/16	ROM	EUR	378,972,359	0.97
413,173,100,000	Korea Monetary Stabilization Bond, senior note, 2.78%, 10/02/14	KOR	KRW	361,542,865	0.92
79,402,910,000	Government of Hungary, D, 6.75%, 08/22/14	HUN	HUF	360,446,429	0.92
1,033,435,000	Government of Malaysia, 3.741%, 02/27/15	MYS	MYR	330,009,698	0.84
223,004,000	Government of Ireland, senior bond, 4.40%, 06/18/19	IRL	EUR	304,933,393	0.78
337,589,890,000	Korea Monetary Stabilization Bond, senior note, 2.84%, 12/02/14	KOR	KRW	295,520,586	0.75
308,396,700,000	Korea Monetary Stabilization Bond, senior note, 2.76%, 06/02/15	KOR	KRW	269,235,130	0.69
191,457,000	Government of Ireland, 4.50%, 04/18/20	IRL	EUR	261,078,622	0.66
271,722,000	Government of Canada, 1.00%, 02/01/15	CAN	CAD	257,670,043	0.66
498,586,000	Government of Ghana, 21.00%, 10/26/15	GHA	GHS	251,981,189	0.64
55,813,230,000	Government of Hungary, 5.50%, 02/12/16	HUN	HUF	250,213,283	0.64
264,810,000	Government of Ukraine, senior note, Reg S, 7.80%, 11/28/22	UKR	USD	237,064,532	0.60
226,920,000	Government of Serbia, Reg S, 7.25%, 09/28/21	SER	USD	233,674,274	0.60
159,330,000	Government of Ireland, senior bond, 4.50%, 10/18/18	IRL	EUR	221,607,565	0.56
229,100,000	Government of Ukraine, Reg S, 7.75%, 09/23/20	UKR	USD	210,375,657	0.54
226,890,000	Government of Serbia, senior note, Reg S, 4.875%, 02/25/20	SER	USD	210,096,737	0.54
157,933,000	Government of Ireland, Reg S, 3.90%, 03/20/23	IRL	EUR	202,772,544	0.52
4,093,293,000	Uruguay Notas del Tesoro, 10.25%, 08/22/15	URY	UYU	199,684,975	0.51
212,430,000	Financing of Infrastructure Projects State Enterprise, Reg S, 8.375%, 11/03/17	UKR	USD	197,559,900	0.50
619,222,000	Government of Poland, 5.50%, 04/25/15	POL	PLN	194,416,331	0.50
175,720,000	Government of Hungary, senior note, 6.375%, 03/29/21	HUN	USD	183,847,050	0.47
39,585,470,000	Government of Hungary, A, 6.75%, 11/24/17	HUN	HUF	182,077,878	0.46
3,368,538,458	Uruguay Notas del Tesoro, Index Linked, 4.00%, 06/10/20	URY	UYU	178,671,869	0.46
182,100,000	Government of Slovenia, senior note, Reg S, 5.85%, 05/10/23	SVN	USD	169,932,988	0.43
607,938,000	Government of Poland, Strip, 01/25/16	POL	PLN	168,831,526	0.43
3,109,398,438	Uruguay Notas del Tesoro, Index Linked, 4.00%, 05/25/25	URY	UYU	166,439,819	0.42
187,966,750,000	Korea Treasury Bond, senior note, 3.25%, 12/10/14	KOR	KRW	165,665,886	0.42
20,806,490	Government of Mexico, 6.00%, 06/18/15	MEX	MXN	165,543,406	0.42
119,600,000	Government of Hungary, Reg S, 6.00%, 01/11/19	HUN	EUR	161,709,832	0.41
3,219,519,000	Uruguay Notas del Tesoro, 9.50%, 01/27/16	URY	UYU	155,446,359	0.40
176,210,680,000	Korea Treasury Bond, senior note, 3.25%, 06/10/15	KOR	KRW	155,444,322	0.40
147,230,000	Government of Hungary, senior note, 6.25%, 01/29/20	HUN	USD	154,499,481	0.39
30,873,560,000	Government of Hungary, 7.50%, 11/12/20	HUN	HUF	149,827,874	0.38
335,095	Nota Do Tesouro Nacional, 10.00%, 01/01/17	BRA	BRL	146,632,740	0.37
132,580,000	Government of Latvia, Reg S, 5.25%, 06/16/21	LVA	USD	141,405,188	0.36
130,170,000	Government of Ukraine, Reg S, 9.25%, 07/24/17	UKR	USD	130,820,850	0.33
26,868,900,000	Government of Hungary, B, 6.75%, 02/24/17	HUN	HUF	124,897,137	0.32
14,950,000	Government of Mexico, 7.25%, 12/15/16	MEX	MXN	124,508,449	0.32
420,080,000	Government of Poland, Strip, 07/25/14	POL	PLN	122,792,032	0.31
2,429,187,849	Uruguay Notas del Tesoro, Index Linked, 4.00%, 06/14/15	URY	UYU	122,493,718	0.31

The accompanying notes form an integral

## — Templeton Global Total Return Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds (continued)</b>					
951,650,000,000	Government of Indonesia, FR40, 11.00%, 09/15/25	IDN	IDR	122,182,248	0.31
80,370,000	Government of Ireland, 5.90%, 10/18/19	IRL	EUR	117,998,918	0.30
121,138,000	Government of Canada, 1.00%, 11/01/14	CAN	CAD	114,948,307	0.29
95,864,828	Government of Russia, senior bond, Reg S, 7.50%, 03/31/30	RUS	USD	112,423,080	0.29
2,240,637,222	Uruguay Notas del Tesoro, Index Linked, 2.75%, 06/16/16	URY	UYU	110,750,718	0.28
94,170	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/45	BRA	BRL	107,295,196	0.27
2,190,785,000	Uruguay Notas del Tesoro, 10.50%, 03/21/15	URY	UYU	107,172,562	0.27
331,212,000	Government of Poland, 6.25%, 10/24/15	POL	PLN	106,439,289	0.27
322,265,000	Government of Malaysia, 3.434%, 08/15/14	MYS	MYR	102,371,233	0.26
81,945,000	Government of Lithuania, Reg S, 7.375%, 02/11/20	LTU	USD	97,652,627	0.25
8,617,900,000	Serbia Treasury Note, 10.00%, 03/01/15	SER	RSD	97,532,005	0.25
100,284,000	Government of Canada, 2.00%, 12/01/14	CAN	CAD	96,470,470	0.25
104,686,850,000	Korea Monetary Stabilization Bond, senior note, 2.82%, 08/02/14	KOR	KRW	91,724,702	0.23
773,830,000,000	Government of Indonesia, FR46, 9.50%, 07/15/23	IDN	IDR	90,425,440	0.23
271,910,000	Government of Malaysia, 3.835%, 08/12/15	MYS	MYR	87,013,438	0.22
17,424,060,000	Government of Hungary, 7.75%, 08/24/15	HUN	HUF	81,714,201	0.21
7,237,170,000	Serbia Treasury Note, 10.00%, 04/27/15	SER	RSD	81,660,825	0.21
271,512,000	Government of Poland, FRN, 3.98%, 01/25/17 †	POL	PLN	81,204,431	0.21
286,466,000	Government of Poland, Strip, 07/25/15	POL	PLN	81,012,516	0.21
11,348,200,000	Government of Sri Lanka, B, 8.00%, 06/01/16	LKA	LKR	80,609,584	0.21
1,941,080,000	Uruguay Treasury Bill, Strip, 03/26/15	URY	UYU	80,515,621	0.21
275,437,000	Government of Poland, FRN, 3.98%, 01/25/21 †	POL	PLN	80,472,191	0.21
84,520,000	Government of Ukraine, senior note, Reg S, 7.95%, 02/23/21	UKR	USD	77,804,463	0.20
1,595,586,950	Uruguay Notas del Tesoro, Index Linked, 2.25%, 08/23/17	URY	UYU	77,217,091	0.20
53,090,900	Government of Ireland, Reg S, 5.50%, 10/18/17	IRL	EUR	76,492,138	0.19
78,150,000	Government of Hungary, 5.375%, 02/21/23	HUN	USD	75,324,878	0.19
138,220,000	Government of Ghana, 23.00%, 08/21/17	GHA	GHS	73,998,086	0.19
594,212,500	ING Americas Issuance BV, 5.50%, 08/24/15	UKR	UAH	67,586,344	0.17
5,939,000,000	Serbia Treasury Bond, 10.00%, 04/04/15	SER	RSD	67,076,485	0.17
71,850,000	Financing of Infrastructure Projects State Enterprise, Reg S, 7.40%, 04/20/18	UKR	USD	63,723,765	0.16
13,863,700,000	Government of Hungary, A, 6.00%, 11/24/23	HUN	HUF	60,931,700	0.16
180,900,000	Government of Poland, 5.75%, 09/23/22	POL	PLN	60,149,862	0.15
55,600	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/15	BRA	BRL	59,256,504	0.15
124,660,000	Government of Ghana, 14.99%, 02/23/15	GHA	GHS	57,568,356	0.15
5,000,000,000	Serbia Treasury Note, 10.00%, 03/21/15	SER	RSD	56,507,560	0.14
4,318,900,000	Serbia Treasury Note, 10.00%, 10/18/15	SER	RSD	48,417,585	0.12
1,017,786,167	Uruguay Notas del Tesoro, Index Linked, 2.50%, 09/27/22	URY	UYU	47,546,215	0.12
87,825,000	Government of Ghana, 24.00%, 05/25/15	GHA	GHS	46,201,574	0.12
49,660,000	Government of Slovenia, senior note, Reg S, 5.50%, 10/26/22	SVN	USD	45,893,041	0.12
42,328	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/16	BRA	BRL	45,149,480	0.11
1,078,710,000	Uruguay Treasury Bill, Strip, 05/14/15	URY	UYU	44,183,804	0.11
5,080,398	Mexican Udibonos, Index Linked, 5.00%, 06/16/16	MEX	MXN	43,573,850	0.11
39,729,000	Government of Croatia, Reg S, 6.75%, 11/05/19	HRV	USD	42,534,861	0.11
42,330,000	Government of Hungary, 4.125%, 02/19/18	HUN	USD	41,271,750	0.11
490,784,000	Inter-American Development Bank, senior note, 7.50%, 12/05/24	SP	MXN	40,021,842	0.10
41,380,000	Government of Canada, 2.25%, 08/01/14	CAN	CAD	39,818,238	0.10
36,952	Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/17	BRA	BRL	39,553,153	0.10
121,110,000	Government of Malaysia, 3.197%, 10/15/15	MYS	MYR	38,250,942	0.10
310,220,000,000	Government of Indonesia, FR42, 10.25%, 07/15/27	IDN	IDR	38,095,636	0.10
34,805,000	Government of Vietnam, Reg S, 6.75%, 01/29/20	VND	USD	37,241,350	0.09
75,540,000	Government of Ghana, 19.24%, 05/30/16	GHA	GHS	36,966,969	0.09
4,526,960	Government of Mexico, 6.25%, 06/16/16	MEX	MXN	36,641,338	0.09
5,741,700,000	Government of Sri Lanka, B, 5.80%, 07/15/17	LKA	LKR	36,592,347	0.09
25,948,000	Government of Hungary, Reg S, 6.75%, 07/28/14	HUN	EUR	35,379,536	0.09
31,070,000	Government of Iceland, Reg S, 5.875%, 05/11/22	ISL	USD	33,079,142	0.08
3,935,784	Mexican Udibonos, Index Linked, 3.50%, 12/14/17	MEX	MXN	32,809,765	0.08
612,569,705	Uruguay Notas del Tesoro, Index Linked, 7.00%, 12/23/14	URY	UYU	32,029,496	0.08
258,540,000,000	Government of Indonesia, FR47, 10.00%, 02/15/28	IDN	IDR	31,280,212	0.08
1,240,000,000	Government of the Philippines, senior bond, 8.375%, 05/22/15	PHL	PHP	31,268,154	0.08
2,692,600,000	Serbia Treasury Note, 10.00%, 09/14/15	SER	RSD	30,239,708	0.08
3,833,600,000	Government of Sri Lanka, A, 11.00%, 08/01/15	LKA	LKR	29,403,066	0.07
240,804,000	ING Americas Issuance BV, Reg S, 5.50%, 08/25/15	UKR	UAH	27,384,572	0.07
4,116,300,000	Government of Sri Lanka, A, 5.80%, 01/15/17	LKA	LKR	26,700,793	0.07
577,330,000	Uruguay Treasury Bill, Strip, 07/24/14	URY	UYU	25,510,260	0.06
202,300,000,000	Government of Indonesia, FR43, 10.25%, 07/15/22	IDN	IDR	24,479,736	0.06
970,000,000	Government of the Philippines, senior bond, 7.00%, 01/27/16	PHL	PHP	24,431,232	0.06
3,646,880,000	Government of Sri Lanka, A, 9.00%, 05/01/21	LKA	LKR	24,326,170	0.06
5,234,100,000	Government of Hungary, 6.50%, 06/24/19	HUN	HUF	24,270,377	0.06
25,040,000	Government of Ukraine, senior note, Reg S, 7.50%, 04/17/23	UKR	USD	22,129,100	0.06
412,910,000	Uruguay Notas del Tesoro, 11.00%, 03/21/17	URY	UYU	20,540,012	0.05
362,829,681	Government of Uruguay, Index Linked, 4.25%, 04/05/27	URY	UYU	20,388,781	0.05
2,294,042	Mexican Udibonos, Index Linked, 4.00%, 06/13/19	MEX	MXN	19,684,344	0.05
143,628,000,000	Government of Indonesia, FR34, 12.80%, 06/15/21	IDN	IDR	19,470,959	0.05
789,000,000	Government of the Philippines, senior bond, 6.375%, 05/13/15	PHL	PHP	19,344,493	0.05
17,045	Nota Do Tesouro Nacional, Index Linked, 6.00%, 08/15/18	BRA	BRL	18,462,475	0.05
2,678,950,000	Government of Sri Lanka, D, 8.50%, 06/01/18	LKA	LKR	18,394,397	0.05
1,982,650	Mexican Udibonos, Index Linked, 4.50%, 12/18/14	MEX	MXN	16,224,240	0.04
2,376,800,000	Government of Sri Lanka, B, 6.40%, 10/01/16	LKA	LKR	15,905,451	0.04

part of these financial statements

## — Templeton Global Total Return Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Government and Municipal Bonds (continued)</b>					
1,808,874	Mexican Udibonos, Index Linked, 2.50%, 12/10/20	MEX	MXN	14,245,802	0.04
1,824,000,000	Government of Sri Lanka, A, 11.25%, 07/15/14	LKA	LKR	14,039,004	0.04
1,982,500,000	Government of Sri Lanka, C, 8.50%, 04/01/18	LKA	LKR	13,651,319	0.03
1,255,820,000	Serbia Treasury Note, 10.00%, 11/08/17	SER	RSD	13,529,803	0.03
2,941,350,000	Government of Hungary, 5.50%, 12/22/16	HUN	HUF	13,155,985	0.03
115,440,000,000	Government of Indonesia, FR48, 9.00%, 09/15/18	IDN	IDR	12,784,299	0.03
1,077,100,000	Serbia Treasury Note, 10.00%, 09/28/15	SER	RSD	12,087,798	0.03
1,496,300,000	Government of Sri Lanka, B, 11.00%, 09/01/15	LKA	LKR	11,480,093	0.03
1,005,710,000	Serbia Treasury Bond, 10.00%, 04/25/16	SER	RSD	11,151,678	0.03
412,650,000	Government of the Philippines, senior bond, 9.125%, 09/04/16	PHL	PHP	11,018,970	0.03
25,438,000	Government of Peru, senior bond, 7.84%, 08/12/20	PER	PEN	10,546,438	0.03
2,249,460,000	Government of Hungary, A, 8.00%, 02/12/15	HUN	HUF	10,457,158	0.03
76,180,000,000	Government of Indonesia, FR39, 11.75%, 08/15/23	IDN	IDR	10,084,693	0.03
80,720,000,000	Government of Indonesia, FR31, 11.00%, 11/15/20	IDN	IDR	10,000,005	0.03
229,480,000	Uruguay Treasury Bill, Strip, 12/18/14	URY	UYU	9,798,684	0.02
761,800,000	Serbia Treasury Note, 10.00%, 12/06/15	SER	RSD	8,518,924	0.02
72,770,500	Citigroup Funding Inc., Reg S, FRN, 5.50%, 09/01/15 †	UKR	UAH	8,275,520	0.02
5,552,000	Government of Hungary, senior note, 4.375%, 07/04/17	HUN	EUR	7,207,971	0.02
982,260,000	Government of Sri Lanka, A, 6.50%, 07/15/15	LKA	LKR	6,935,162	0.02
14,700,000	Government of Ghana, 16.90%, 03/07/16	GHA	GHS	6,855,776	0.02
155,070,000	Uruguay Treasury Bill, Strip, 02/05/15	URY	UYU	6,543,162	0.02
5,797,000	Government of Vietnam, Reg S, 6.875%, 01/15/16	VND	USD	6,175,776	0.02
48,550,000,000	Government of Indonesia, FR36, 11.50%, 09/15/19	IDN	IDR	6,022,938	0.02
41,200,000,000	Government of Indonesia, FR35, 12.90%, 06/15/22	IDN	IDR	5,702,059	0.01
100,405,864	Uruguay Notas del Tesoro, Index Linked, 10, 4.25%, 01/05/17	URY	UYU	5,198,630	0.01
45,311,000	Citigroup Funding Inc., FRN, 5.50%, 09/01/15 †	UKR	UAH	5,152,803	0.01
40,850,000,000	Government of Indonesia, FR44, 10.00%, 09/15/24	IDN	IDR	4,904,533	0.01
42,831,000	Citigroup Funding Inc., FRN, 5.50%, 09/01/15 †	UKR	UAH	4,870,776	0.01
648,790,000	Government of Sri Lanka, B, 8.50%, 07/15/18	LKA	LKR	4,454,222	0.01
3,887,000	Government of Ghana, Reg S, 8.50%, 10/04/17	GHA	USD	4,149,392	0.01
34,325,000,000	Government of Indonesia, FR45, 9.75%, 05/15/37	IDN	IDR	4,146,807	0.01
557,200,000	Government of Sri Lanka, A, 6.40%, 08/01/16	LKA	LKR	3,752,482	0.01
31,550,000,000	Government of Indonesia, FR28, 10.00%, 07/15/17	IDN	IDR	3,583,891	0.01
679,490,000	Government of Hungary, A, 7.00%, 06/24/22	HUN	HUF	3,188,234	0.01
2,357,000	Government of Hungary, senior note, Reg S, 5.75%, 06/11/18	HUN	EUR	3,160,029	0.01
4,950,000	Government of Ghana, 26.00%, 06/05/17	GHA	GHS	2,837,801	0.01
6,800,000	Government of Peru, 9.91%, 05/05/15	PER	PEN	2,741,192	0.01
62,010,000	Uruguay Treasury Bill, Strip, 09/11/14	URY	UYU	2,710,290	0.01
284,100,000	Government of Sri Lanka, A, 8.00%, 11/15/18	LKA	LKR	1,889,406	0.00
14,142,500	ING Americas Issuance BV, Reg S, 5.50%, 08/21/15	UKR	UAH	1,609,467	0.00
4,180,000	Government of Malaysia, 4.72%, 09/30/15	MYS	MYR	1,366,843	0.00
957,000	Government of Hungary, senior note, 3.875%, 02/24/20	HUN	EUR	1,160,412	0.00
2,100,000	Government of Ghana, 14.00%, 10/13/14	GHA	GHS	971,601	0.00
1,075,847	Peru Enhanced Pass-Through Finance Ltd., senior secured bond, A-1, Reg S, zero cpn., 05/31/18	PER	USD	964,341	0.00
742,000	Government of Hungary, senior note, 3.50%, 07/18/16	HUN	EUR	955,079	0.00
7,000,000,000	Government of Indonesia, FR30, 10.75%, 05/15/16	IDN	IDR	784,727	0.00
820,000	Government of Ivory Coast, Reg S, 3.75% to 12/31/12, 5.75% thereafter, 12/31/32	CI	USD	683,085	0.00
5,780,000,000	Government of Indonesia, FR26, 11.00%, 10/15/14	IDN	IDR	615,959	0.00
418,000	Government of El Salvador, senior bond, Reg S, 7.65%, 06/15/35	SVC	USD	409,818	0.00
46,140,000	Government of Sri Lanka, A, 11.75%, 03/15/15	LKA	LKR	357,725	0.00
6,364,083	Uruguay Notas del Tesoro, Index Linked, U16, 3.25%, 01/27/19	URY	UYU	322,617	0.00
				<b>18,688,513,361</b>	<b>47.58</b>
<b>Securities Maturing Within One Year</b>					
955,911,920,000	Korea Treasury Bond, senior bond, 3.00%, 12/10/13	KOR	KRW	838,095,680	2.13
3,141,620,000	Government of Sweden, 6.75%, 05/05/14	SWE	SEK	491,316,550	1.25
539,499,300	Mexico Treasury Bill, 0.00%, 04/03/14	MEX	MXN	403,769,543	1.03
488,409,000	Singapore Treasury Bill, 0.00%, 08/22/13	SGP	SGD	385,290,627	0.98
1,149,630,000	Government of Malaysia, senior bond, 5.094%, 04/30/14	MYS	MYR	370,016,029	0.94
2,236,560,000	Kommuninvest I Sverige AB, 2.25%, 05/05/14	SWE	SEK	336,425,258	0.86
947,045,000	Bank of Negara Monetary Note, 0.00%, 02/06/14	MYS	MYR	294,417,541	0.75
990,160,000	Government of Poland, Strip, 01/25/14	POL	PLN	293,368,603	0.75
392,629,300	Mexico Treasury Bill, 0.00%, 04/30/14	MEX	MXN	292,971,219	0.75
360,629,290	Mexico Treasury Bill, 0.00%, 01/09/14	MEX	MXN	272,488,325	0.69
340,000,000	Singapore Treasury Bill, 0.00%, 09/05/13	SGP	SGD	268,192,054	0.68
336,030,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 08/12/13	SGP	SGD	265,099,231	0.68
248,163,000	FHLB, 0.00%, 07/03/13	USA	USD	248,162,752	0.63
31,110,060	Government of Mexico, 7.00%, 06/19/14	MEX	MXN	246,852,333	0.63
216,000,000	FHLB, 0.00%, 07/05/13	USA	USD	215,999,784	0.55
1,300,000,000	European Bank for Reconstruction & Development, 2.25%, 07/22/13	SP	SEK	193,933,409	0.49
620,195,000	Government of Poland, 5.75%, 04/25/14	POL	PLN	191,003,638	0.49
1,228,220,000	Government of Sweden, 1.50%, 08/30/13	SWE	SEK	183,310,459	0.47
187,691,000	Government of Canada, 1.00%, 02/01/14	CAN	CAD	178,443,467	0.45
176,000,000	FHLB, 0.00%, 07/02/13	USA	USD	176,000,000	0.45
38,579,830,000	Government of Hungary, 5.50%, 02/12/14	HUN	HUF	171,642,578	0.44
206,060,000	Singapore Treasury Bill, 0.00%, 11/15/13	SGP	SGD	162,459,184	0.41
6,605,050,000	Philippine Treasury Bill, 0.00%, 06/04/14	PHL	PHP	150,989,711	0.38

The accompanying notes form an integral



## — Templeton Global Total Return Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b> (continued)					
150,415,000	FHLB, 0.00%, 07/01/13	USA	USD	150,415,000	0.38
535,954,000	Government of Israel, 3.50%, 09/30/13	ISR	ILS	148,206,479	0.38
309,070,000	Government of Ghana, 13.45%, 02/17/14	GHA	GHS	147,173,653	0.37
33,168,340,000	Hungary Treasury Bill, 0.00%, 03/05/14	HUN	HUF	142,247,779	0.36
459,255,000	Government of Poland, 5.00%, 10/24/13	POL	PLN	139,123,795	0.35
2,845,033,700	Uruguay Treasury Bill, Strip, 09/09/13	URY	UYU	136,054,911	0.35
140,370,000	Government of Canada, 0.75%, 05/01/14	CAN	CAD	133,140,655	0.34
149,407,810,000	Korea Monetary Stabilization Bond, senior bond, 3.47%, 02/02/14	KOR	KRW	131,364,800	0.33
146,903,420,000	Korea Monetary Stabilization Bond, senior note, 3.28%, 06/02/14	KOR	KRW	129,226,561	0.33
2,535,629,000	Uruguay Notas del Tesoro, 9.00%, 01/27/14	URY	UYU	122,956,414	0.31
14,919,500	Government of Mexico, 8.00%, 12/19/13	MEX	MXN	117,278,214	0.30
755,170,000	Sweden Treasury Bill, 0.00%, 09/18/13	SWE	SEK	112,385,677	0.29
123,909,870,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 04/02/14	KOR	KRW	109,148,673	0.28
222,310,000	Government of Ghana, 13.30%, 09/30/13	GHA	GHS	108,004,057	0.28
4,498,430,000	Government of the Philippines, senior note, 6.25%, 01/27/14	PHL	PHP	106,468,330	0.27
139,385,100	Mexico Treasury Bill, 0.00%, 12/11/13	MEX	MXN	105,624,675	0.27
127,900,000	Singapore Treasury Bill, 0.00%, 12/27/13	SGP	SGD	100,795,495	0.26
4,203,260,000	Philippine Treasury Bill, 0.00%, 09/04/13	PHL	PHP	97,268,946	0.25
101,423,000	Government of Canada, 2.00%, 03/01/14	CAN	CAD	97,041,364	0.25
297,240,000	Bank of Negara Monetary Note, 0.00%, 01/16/14	MYS	MYR	92,536,142	0.24
3,982,000,000	Philippine Treasury Bill, 0.00%, 12/04/13	PHL	PHP	91,823,386	0.23
19,416,190,000	Government of Hungary, E, 7.50%, 10/24/13	HUN	HUF	86,507,538	0.22
1,778,551,000	Uruguay Treasury Bill, 0.00%, 07/05/13	URY	UYU	86,459,216	0.22
577,000,000	International Bank for Reconstruction and Development, 2.25%, 11/08/13	SP	SEK	86,351,046	0.22
92,700,390,000	Korea Monetary Stabilization Bond, senior bond, 3.59%, 10/02/13	KOR	KRW	81,322,001	0.21
242,660,000	Bank of Negara Monetary Note, 0.00%, 02/20/14	MYS	MYR	75,351,479	0.19
241,740,000	Bank of Negara Monetary Note, 0.00%, 01/09/14	MYS	MYR	75,302,373	0.19
93,055,000	Singapore Treasury Bill, 0.00%, 08/22/13	SGP	SGD	73,408,187	0.19
1,468,374,000	Uruguay Notas del Tesoro, 9.75%, 06/14/14	URY	UYU	71,292,952	0.18
151,810,000	Government of Ghana, 12.39%, 04/28/14	GHA	GHS	70,871,339	0.18
84,928,400	Mexico Treasury Bill, 0.00%, 09/19/13	MEX	MXN	64,964,078	0.17
201,805,000	Government of Malaysia, senior bond, 3.461%, 07/31/13	MYS	MYR	63,890,907	0.16
1,395,205,000	Uruguay Treasury Bill, 0.00%, 04/11/14	URY	UYU	63,213,310	0.16
71,605,600,000	Korea Monetary Stabilization Bond, 0.00%, 08/13/13	KOR	KRW	62,487,615	0.16
196,795,000	Bank of Negara Monetary Note, 0.00%, 08/15/13	MYS	MYR	62,057,975	0.16
67,000,000,000	Korea Treasury Bond, senior bond, 3.50%, 06/10/14	KOR	KRW	59,091,950	0.15
57,077,000	Gaz Capital SA, (OJSC Gazprom), loan participation, secured note, Reg S, 7.51%, 07/31/13	RUS	USD	57,394,634	0.15
63,961,600,000	Korea Monetary Stabilization Bond, senior bond, 2.55%, 05/09/14	KOR	KRW	55,911,233	0.14
61,316,210,000	Korea Monetary Stabilization Bond, senior bond, 3.48%, 12/02/13	KOR	KRW	53,858,546	0.14
348,440,000	The Export-Import Bank of Korea, senior note, Reg S, 1.45%, 05/19/14	KOR	SEK	51,980,381	0.13
65,570,000	Singapore Treasury Bill, 0.00%, 10/04/13	SGP	SGD	51,712,313	0.13
167,940,000	Bank of Negara Monetary Note, 0.00%, 06/19/14	MYS	MYR	51,697,827	0.13
67,703,000	Mexico Treasury Bill, 0.00%, 11/14/13	MEX	MXN	51,456,171	0.13
11,918,800,000	Hungary Treasury Bill, 0.00%, 01/08/14	HUN	HUF	51,438,367	0.13
165,350,000	Bank of Negara Monetary Note, 0.00%, 04/03/14	MYS	MYR	51,177,173	0.13
161,745,000	Bank of Negara Monetary Note, 0.00%, 07/25/13	MYS	MYR	51,092,786	0.13
160,810,000	Bank of Negara Monetary Note, 0.00%, 03/06/14	MYS	MYR	49,877,770	0.13
155,080,000	Bank of Negara Monetary Note, 0.00%, 07/11/13	MYS	MYR	49,043,516	0.13
101,639,000	Government of Ghana, 13.00%, 06/02/14	GHA	GHS	47,737,785	0.12
319,330,000	Sweden Treasury Bill, 0.00%, 12/18/13	SWE	SEK	47,414,671	0.12
2,037,100,000	Philippine Treasury Bill, 0.00%, 09/18/13	PHL	PHP	47,117,272	0.12
58,917,000	Singapore Treasury Bill, 0.00%, 05/02/14	SGP	SGD	46,383,312	0.12
51,604,830,000	Korea Monetary Stabilization Bond, senior bond, 3.90%, 08/02/13	KOR	KRW	45,222,200	0.12
142,810,000	Bank of Negara Monetary Note, 0.00%, 02/18/14	MYS	MYR	44,353,093	0.11
260,765,000	Norway Treasury Bill, 0.00%, 09/18/13	NOR	NOK	42,802,427	0.11
138,515,000	Bank of Negara Monetary Note, 0.00%, 05/15/14	MYS	MYR	42,716,851	0.11
54,040,000	Singapore Treasury Bill, 0.00%, 07/25/13	SGP	SGD	42,637,507	0.11
4,000,000,000	Serbia Treasury Bill, 0.00%, 04/17/14	SER	RSD	42,489,520	0.11
131,670,000	Bank of Negara Monetary Note, 0.00%, 04/24/14	MYS	MYR	40,675,090	0.10
1,768,330,000	Philippine Treasury Bill, 0.00%, 04/02/14	PHL	PHP	40,555,483	0.10
126,080,000	Bank of Negara Monetary Note, 0.00%, 08/06/13	MYS	MYR	39,787,727	0.10
8,658,700,000	Hungary Treasury Bill, 0.00%, 07/24/13	HUN	HUF	38,111,997	0.10
47,810,000	Singapore Treasury Bill, 0.00%, 09/19/13	SGP	SGD	37,708,989	0.10
121,690,000	Bank of Negara Monetary Note, 0.00%, 06/03/14	MYS	MYR	37,507,057	0.10
118,060,000	Bank of Negara Monetary Note, 0.00%, 03/20/14	MYS	MYR	36,576,031	0.09
768,420,000	Uruguay Treasury Bill, 0.00%, 10/23/13	URY	UYU	36,313,173	0.09
3,307,000,000	Serbia Treasury Bill, Strip, 12/12/13	SER	RSD	36,307,307	0.09
1,564,430,000	Philippine Treasury Bill, 0.00%, 10/02/13	PHL	PHP	36,166,994	0.09
114,250,000	Bank of Negara Monetary Note, 0.00%, 02/25/14	MYS	MYR	35,462,665	0.09
113,080,000	Bank of Negara Monetary Note, 0.00%, 06/10/14	MYS	MYR	34,827,530	0.09
7,736,500,000	Hungary Treasury Bill, 0.00%, 07/17/13	HUN	HUF	34,079,997	0.09
35,394,000	Government of Canada, 2.50%, 09/01/13	CAN	CAD	33,748,844	0.09
107,769,000	Bank of Negara Monetary Note, 0.00%, 06/05/14	MYS	MYR	33,210,896	0.08
104,680,000	Bank of Negara Monetary Note, 0.00%, 11/26/13	MYS	MYR	32,734,541	0.08
1,416,420,000	Philippine Treasury Bill, 0.00%, 03/05/14	PHL	PHP	32,529,436	0.08
22,819,000	Government of Lithuania, senior note, 9.375%, 06/22/14	LTU	EUR	32,174,329	0.08
35,641,000,000	Korea Monetary Stabilization Bond, 0.00%, 07/09/13	KOR	KRW	31,180,564	0.08
95,760,000	Bank of Negara Monetary Note, 0.00%, 09/17/13	MYS	MYR	30,116,164	0.08

part of these financial statements

## — Templeton Global Total Return Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Securities Maturing Within One Year</b> (continued)					
33,642,000,000	Korea Monetary Stabilization Bond, senior note, 2.57%, 06/09/14	KOR	KRW	29,407,424	0.08
94,650,000	Bank of Negara Monetary Note, 0.00%, 06/17/14	MYS	MYR	29,141,385	0.07
33,268,200,000	Korea Monetary Stabilization Bond, 0.00%, 09/10/13	KOR	KRW	28,973,831	0.07
605,260,000	Uruguay Treasury Bill, 0.00%, 05/16/14	URY	UYU	27,187,396	0.07
88,670,000	Government of Poland, Strip, 07/25/13	POL	PLN	26,634,350	0.07
32,765,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 07/05/13	SGP	SGD	25,854,578	0.07
81,410,000	Bank of Negara Monetary Note, 0.00%, 09/05/13	MYS	MYR	25,628,162	0.07
82,610,000	Bank of Negara Monetary Note, 0.00%, 05/20/14	MYS	MYR	25,465,974	0.06
2,319,420,000	Serbia Treasury Bill, Strip, 03/13/14	SER	RSD	24,865,160	0.06
78,930,000	Bank of Negara Monetary Note, 0.00%, 05/27/14	MYS	MYR	24,317,835	0.06
486,184,000	Uruguay Treasury Bill, 0.00%, 08/09/13	URY	UYU	23,430,000	0.06
70,815,000	Bank of Negara Monetary Note, 0.00%, 12/05/13	MYS	MYR	22,128,371	0.06
67,890,000	Bank of Negara Monetary Note, 0.00%, 08/27/13	MYS	MYR	21,391,635	0.05
22,368,000	Canada Treasury Bill, 0.00%, 08/15/13	CAN	CAD	21,243,510	0.05
66,880,000	Bank of Negara Monetary Note, 0.00%, 09/26/13	MYS	MYR	21,018,122	0.05
62,855,000	Bank of Negara Monetary Note, 0.00%, 10/10/13	MYS	MYR	19,734,978	0.05
2,447,060,000	Government of Sri Lanka, B, 8.50%, 07/15/13	LKA	LKR	18,725,443	0.05
804,620,000	Philippine Treasury Bill, 0.00%, 02/05/14	PHL	PHP	18,503,525	0.05
791,260,000	Philippine Treasury Bill, 0.00%, 10/30/13	PHL	PHP	18,272,121	0.05
57,710,000	Bank of Negara Monetary Note, 0.00%, 03/27/14	MYS	MYR	17,870,702	0.05
754,340,000	Philippine Treasury Bill, 0.00%, 11/13/13	PHL	PHP	17,409,693	0.04
56,055,000	Bank of Negara Monetary Note, 0.00%, 03/13/14	MYS	MYR	17,376,340	0.04
3,940,320,000	Hungary Treasury Bill, 0.00%, 09/18/13	HUN	HUF	17,224,283	0.04
17,027,000	Government of Venezuela, 10.75%, 09/19/13	VEN	USD	17,101,919	0.04
357,423,000	Uruguay Treasury Bill, 0.00%, 09/13/13	URY	UYU	17,075,114	0.04
348,005,000	Uruguay Treasury Bill, 0.00%, 07/16/13	URY	UYU	16,857,413	0.04
161,180,000,000	Government of Indonesia, FR49, 9.00%, 09/15/13	IDN	IDR	16,377,838	0.04
2,056,440,000	Government of Sri Lanka, A, 7.50%, 08/01/13	LKA	LKR	15,713,894	0.04
18,996,300	Mexico Treasury Bill, 0.00%, 10/31/13	MEX	MXN	14,464,835	0.04
298,895,315	Government of Uruguay, Index Linked, zero cpn., 04/11/14	URY	UYU	14,343,164	0.04
45,830,000	Bank of Negara Monetary Note, 0.00%, 12/19/13	MYS	MYR	14,304,690	0.04
45,320,000	Bank of Negara Monetary Note, 0.00%, 11/19/13	MYS	MYR	14,180,118	0.04
44,690,000	Bank of Negara Monetary Note, 0.00%, 10/31/13	MYS	MYR	14,004,668	0.04
131,008,000,000	Government of Indonesia, FR20, 14.275%, 12/15/13	IDN	IDR	13,725,014	0.04
43,830,000	Bank of Negara Monetary Note, 0.00%, 12/12/13	MYS	MYR	13,688,957	0.03
541,520,000	Philippine Treasury Bill, 0.00%, 01/08/14	PHL	PHP	12,469,187	0.03
497,940,000	Philippine Treasury Bill, 0.00%, 08/22/13	PHL	PHP	11,528,613	0.03
12,590,000	Singapore Treasury Bill, 0.00%, 07/11/13	SGP	SGD	9,934,422	0.03
12,280,000	Singapore Treasury Bill, 0.00%, 11/01/13	SGP	SGD	9,682,638	0.02
410,910,000	Philippine Treasury Bill, 0.00%, 12/11/13	PHL	PHP	9,472,703	0.02
408,290,000	Philippine Treasury Bill, 0.00%, 08/07/13	PHL	PHP	9,458,510	0.02
30,080,000	Bank of Negara Monetary Note, 0.00%, 10/08/13	MYS	MYR	9,443,901	0.02
29,520,000	Bank of Negara Monetary Note, 0.00%, 10/22/13	MYS	MYR	9,259,423	0.02
29,370,000	Bank of Negara Monetary Note, 0.00%, 12/26/13	MYS	MYR	9,161,888	0.02
20,250	Nota Do Tesouro Nacional, 9.762%, 01/01/14	BRA	BRL	9,113,127	0.02
161,440,000	Uruguay Treasury Bill, 0.00%, 10/02/13	URY	UYU	7,670,128	0.02
320,260,000	Philippine Treasury Bill, 0.00%, 07/24/13	PHL	PHP	7,421,247	0.02
154,330,000	Uruguay Treasury Bill, 0.00%, 09/11/13	URY	UYU	7,371,679	0.02
23,040,000	Bank of Negara Monetary Note, 0.00%, 11/12/13	MYS	MYR	7,213,070	0.02
9,110,000	Monetary Authority of Singapore Treasury Bill, 0.00%, 07/26/13	SGP	SGD	7,187,738	0.02
152,629,000	Uruguay Treasury Bill, 0.00%, 11/22/13	URY	UYU	7,164,985	0.02
144,633,499	Government of Uruguay, Index Linked, zero cpn., 04/16/14	URY	UYU	6,938,769	0.02
8,540,000	Singapore Treasury Bill, 0.00%, 08/12/13	SGP	SGD	6,737,337	0.02
138,583,000	Uruguay Treasury Bill, 0.00%, 10/18/13	URY	UYU	6,562,327	0.02
131,080,000	Uruguay Treasury Bill, Strip, 08/15/13	URY	UYU	6,307,251	0.02
4,600,000	Government of Hungary, senior bond, 4.50%, 01/29/14	HUN	EUR	6,077,404	0.02
118,838,000	Uruguay Treasury Bill, 0.00%, 12/27/13	URY	UYU	5,525,418	0.01
17,620,000	Bank of Negara Monetary Note, 0.00%, 12/31/13	MYS	MYR	5,496,553	0.01
109,770,000	Uruguay Treasury Bill, 0.00%, 07/02/13	URY	UYU	5,336,184	0.01
195,290,000	Philippine Treasury Bill, 0.00%, 07/10/13	PHL	PHP	4,528,308	0.01
11,740,000	Bank of Negara Monetary Note, 0.00%, 12/10/13	MYS	MYR	3,667,038	0.01
6,150,000	Government of Ghana, 14.25%, 07/29/13	GHA	GHS	3,017,741	0.01
7,770,000	Bank of Negara Monetary Note, 0.00%, 07/04/13	MYS	MYR	2,458,645	0.01
7,020,000	Bank of Negara Monetary Note, 0.00%, 07/18/13	MYS	MYR	2,218,780	0.01
6,870,000	Government of Malaysia, senior bond, 8.00%, 10/30/13	MYS	MYR	2,210,451	0.01
265,750,000	Government of Sri Lanka, B, 11.75%, 04/01/14	LKA	LKR	2,050,080	0.01
261,200,000	Government of Sri Lanka, B, 6.60%, 06/01/14	LKA	LKR	1,930,220	0.00
17,770,000,000	Indonesia Retail Bond, senior bond, ORI5, 11.45%, 09/15/13	IDN	IDR	1,815,664	0.00
170,000,000	Sri Lanka Treasury Bill, 0.00%, 10/11/13	LKA	LKR	1,270,724	0.00
166,920,000	Government of Sri Lanka, A, 7.00%, 03/01/14	LKA	LKR	1,249,823	0.00
3,860,000	Malaysia Treasury Bill, 0.00%, 12/27/13	MYS	MYR	1,203,709	0.00
75,860,000	Sri Lanka Treasury Bill, 0.00%, 08/02/13	LKA	LKR	576,626	0.00
10,330,000	Uruguay Treasury Bill, 0.00%, 08/21/13	URY	UYU	495,912	0.00
				<u>12,941,265,781</u>	<u>32.95</u>
<b>TOTAL BONDS</b>				<u>36,621,643,398</u>	<u>93.24</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>36,626,893,398</u>	<u>93.25</u>

The accompanying notes form an integral

## — Templeton Global Total Return Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	<b>SHARES</b>				
	<b>Air Freight &amp; Couriers</b>				
203	CEVA Holdings LLC, cvt. pfd., A-1 **	GBR	USD	243,600	0.00
	<b>Diversified Commercial Services</b>				
11,264	CEVA Holdings LLC, cvt. pfd., A-2 **	GBR	USD	10,137,411	0.03
5,203	CEVA Holdings LLC **	GBR	USD	4,682,997	0.01
				14,820,408	0.04
	<b>Telecommunications Equipment</b>				
679	Centaur Funding Corp., 9.08%, pfd., 144A	USA	USD	852,569	0.00
	<b>TOTAL SHARES</b>			15,916,577	0.04
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
61,000,000	Cemex SAB de CV, senior secured note, 144A, 9.00%, 01/11/18	MEX	USD	64,355,000	0.16
41,984,000	KazMunayGas National Co., senior note, 144A, 9.125%, 07/02/18	KAZ	USD	50,433,280	0.13
33,500,000	CommScope Inc., senior note, 144A, 8.25%, 01/15/19	USA	USD	35,928,750	0.09
45,500,000	Texas Competitive Electric Holdings Co. LLC/Texas Competitive Electric Holdings Finance Inc., senior secured note, 144A, 11.50%, 10/01/20	USA	USD	34,238,750	0.09
32,000,000	First Data Corp., senior secured bond, 144A, 8.25%, 01/15/21	USA	USD	32,800,000	0.08
26,000,000	Academy Ltd./Finance Corp., senior note, 144A, 9.25%, 08/01/19	USA	USD	28,925,000	0.07
23,500,000	Calpine Corp., senior secured note, 144A, 7.875%, 01/15/23	USA	USD	25,380,000	0.07
16,000,000	Univision Communications Inc., senior secured note, 144A, 7.875%, 11/01/20	USA	USD	17,400,000	0.05
14,700,000	UPCB Finance VI Ltd., senior secured note, 144A, 6.875%, 01/15/22	NLD	USD	15,251,250	0.04
14,000,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.00%, 04/01/17	AUS	USD	13,685,000	0.04
9,250,000	Calpine Corp., senior secured note, 144A, 7.25%, 10/15/17	USA	USD	9,689,375	0.03
11,600,000	CEVA Group PLC, senior note, first lien, 144A, 4.00%, 05/01/18 **	GBR	USD	9,512,000	0.02
8,200,000	Univision Communications Inc., senior secured note, 144A, 6.875%, 05/15/19	USA	USD	8,651,000	0.02
8,000,000	Shingle Springs Tribal Gaming Authority, senior note, 144A, 9.375%, 06/15/15	USA	USD	7,940,000	0.02
5,150,000	CIT Group Inc., senior note, 144A, 6.625%, 04/01/18	USA	USD	5,587,750	0.01
4,700,000	Sealed Air Corp., senior note, 144A, 8.375%, 09/15/21	USA	USD	5,334,500	0.01
4,590,000	Calpine Corp., senior secured note, 144A, 7.875%, 07/31/20	USA	USD	5,003,100	0.01
4,082,000	Gaz Capital SA, (OJSC Gazprom), loan participation, senior bond, 144A, 8.146%, 04/11/18	RUS	USD	4,744,815	0.01
3,552,000	LUKOIL International Finance BV, 144A, 6.656%, 06/07/22	RUS	USD	3,880,560	0.01
2,700,000	ICICI Bank Ltd., sub. bond, 144A, 6.375% to 04/30/17, FRN thereafter, 04/30/22	IND	USD	2,592,000	0.01
2,130,000	HSBK (Europe) BV, senior note, 144A, 7.25%, 05/03/17	KAZ	USD	2,228,257	0.01
1,800,000	VTB Capital SA, (VTB Bank), loan participation, senior bond, 144A, 6.25%, 06/30/35	RUS	USD	1,921,500	0.01
1,340,000	Petro Co. of Trinidad and Tobago Ltd., senior note, 144A, 9.75%, 08/14/19	TTO	USD	1,678,350	0.00
1,450,000	LUKOIL International Finance BV, 144A, 6.356%, 06/07/17	RUS	USD	1,609,427	0.00
1,000,000	Woori Bank, 144A, 6.208% to 05/02/17, FRN thereafter, 05/02/67	KOR	USD	1,057,501	0.00
2,429,500	Fontainebleau Las Vegas, 144A, 11.00%, 06/15/15 *	USA	USD	1,530	0.00
15,000,000	NewPage Corp., Escrow Account, 11.375%, 12/31/14 **	USA	USD	0	0.00
				389,828,695	0.99
	<b>Government and Municipal Bonds</b>				
790,000	Government of Vietnam, 144A, 6.875%, 01/15/16	VND	USD	841,618	0.00
	<b>Securities Maturing Within One Year</b>				
3,200,000	CEVA Group PLC, 4% Unfunded Commitment, zero cpn., 12/01/13 **	GBR	EUR	3,415,529	0.01
1,500,000	Gaz Capital SA, (OJSC Gazprom), loan participation, senior note, 144A, 7.51%, 07/31/13	RUS	USD	1,508,348	0.01
100,000	Hutchison Whampoa International Ltd., senior note, 144A, 6.25%, 01/24/14	HKG	USD	102,826	0.00
				5,026,703	0.02
	<b>TOTAL BONDS</b>			395,697,016	1.01
	<b>TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET</b>				
				411,613,592	1.05
	<b>TOTAL INVESTMENTS</b>			37,044,519,331	94.32

‡ Income may be received in additional securities and/or cash

\* These Corporate Bonds are currently in default

† Floating Rates are indicated as at June 30, 2013

\*\* These securities are submitted to a Fair Valuation



## — Templeton Growth (Euro) Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
5,869,885	BAE Systems PLC	GBR	GBP	26,284,756	0.48
<b>Air Freight &amp; Logistics</b>					
1,092,860	United Parcel Service Inc., B	USA	USD	72,608,255	1.33
400,580	FedEx Corp.	USA	USD	30,337,785	0.56
1,942,437	TNT Express NV	NLD	EUR	11,192,322	0.20
				114,138,362	2.09
<b>Airlines</b>					
29,527,970	International Consolidated Airlines Group SA	GBR	GBP	91,012,403	1.66
5,595,740	Deutsche Lufthansa AG	DEU	EUR	87,265,566	1.60
				178,277,969	3.26
<b>Auto Components</b>					
956,380	Cie Generale des Etablissements Michelin, B	FRA	EUR	65,703,306	1.20
<b>Automobiles</b>					
1,515,400	Toyota Motor Corp.	JPN	JPY	70,305,938	1.29
14,451,000	Mazda Motor Corp.	JPN	JPY	43,763,551	0.80
3,833,000	Nissan Motor Co. Ltd.	JPN	JPY	29,836,150	0.54
				143,905,639	2.63
<b>Biotechnology</b>					
1,335,610	Amgen Inc.	USA	USD	101,234,039	1.85
4,764,810	Elan Corp. PLC, ADR	IRL	USD	51,760,777	0.95
				152,994,816	2.80
<b>Capital Markets</b>					
3,591,368	Credit Suisse Group AG	CHE	CHF	73,149,365	1.34
3,264,770	Morgan Stanley	USA	USD	61,274,793	1.12
2,480,038	UBS AG	CHE	CHF	32,425,546	0.59
				166,849,704	3.05
<b>Chemicals</b>					
1,282,896	Akzo Nobel NV	NLD	EUR	55,568,640	1.02
<b>Commercial Banks</b>					
1,817,240	BNP Paribas SA	FRA	EUR	76,278,649	1.40
8,216,740	Credit Agricole SA	FRA	EUR	54,255,134	0.99
14,752,084	UniCredit SpA	ITA	EUR	53,077,998	0.97
5,959,579	HSBC Holdings PLC	GBR	HKD	47,963,376	0.88
2,020,801	KB Financial Group Inc., ADR	KOR	USD	46,000,335	0.84
34,032,157	Intesa Sanpaolo SpA	ITA	EUR	41,893,585	0.77
1,700,760	SunTrust Banks Inc.	USA	USD	41,249,948	0.75
3,292,792	DBS Group Holdings Ltd.	SGP	SGD	30,941,367	0.57
751,430	ICICI Bank Ltd., ADR	IND	USD	22,081,357	0.40
190,864	KB Financial Group Inc.	KOR	KRW	4,389,729	0.08
				418,131,478	7.65
<b>Communications Equipment</b>					
5,096,820	Cisco Systems Inc.	USA	USD	95,189,719	1.74
5,866,822	Ericsson, B	SWE	SEK	51,042,371	0.93
10,435,560	Brocade Communications Systems Inc.	USA	USD	46,178,948	0.85
				192,411,038	3.52
<b>Computers &amp; Peripherals</b>					
3,601,520	Hewlett-Packard Co.	USA	USD	68,618,829	1.26
<b>Construction &amp; Engineering</b>					
374,500	FLSmidth & Co. AS	DNK	DKK	13,100,060	0.24
1,648,030	Carillion PLC	GBR	GBP	5,318,400	0.10
				18,418,460	0.34
<b>Construction Materials</b>					
4,189,404	CRH PLC	IRL	EUR	65,145,232	1.19
<b>Diversified Financial Services</b>					
2,430,970	Citigroup Inc.	USA	USD	89,589,086	1.64
11,676,136	ING Groep NV, IDR	NLD	EUR	81,732,952	1.49
1,589,760	JPMorgan Chase & Co.	USA	USD	64,474,654	1.18
				235,796,692	4.31

The accompanying notes form an integral

## — Templeton Growth (Euro) Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Diversified Telecommunication Services</b>				
26,848,000	Singapore Telecommunications Ltd.	SGP	SGD	61,361,615	1.12
4,973,655	Telefonica SA	ESP	EUR	48,965,634	0.90
4,389,500	Orange SA	FRA	EUR	31,902,886	0.58
1,919,282	Vivendi SA	FRA	EUR	27,925,553	0.51
				<u>170,155,688</u>	<u>3.11</u>
	<b>Electrical Equipment</b>				
1,960,810	Alstom SA	FRA	EUR	49,333,980	0.90
6,953,260	Dongfang Electric Corp. Ltd., H	CHN	HKD	7,190,511	0.13
				<u>56,524,491</u>	<u>1.03</u>
	<b>Electronic Equipment, Instruments &amp; Components</b>				
981,270	TE Connectivity Ltd.	USA	USD	34,331,070	0.63
5,575,080	Flextronics International Ltd.	SGP	USD	33,151,093	0.61
				<u>67,482,163</u>	<u>1.24</u>
	<b>Energy Equipment &amp; Services</b>				
2,293,550	Baker Hughes Inc.	USA	USD	81,282,576	1.49
2,286,760	Halliburton Co.	USA	USD	73,294,380	1.34
1,644,840	Noble Corp.	USA	USD	47,488,256	0.87
651,695	Fugro NV, IDR	NLD	EUR	27,143,097	0.50
442,844	SBM Offshore NV	NLD	EUR	5,723,759	0.10
				<u>234,932,068</u>	<u>4.30</u>
	<b>Food &amp; Staples Retailing</b>				
1,609,407	CVS Caremark Corp.	USA	USD	70,699,416	1.29
12,192,686	Tesco PLC	GBR	GBP	47,228,905	0.87
45,254	Metro AG	DEU	EUR	1,100,577	0.02
				<u>119,028,898</u>	<u>2.18</u>
	<b>Health Care Equipment &amp; Supplies</b>				
1,588,640	Medtronic Inc.	USA	USD	62,818,195	1.15
440,600	Getinge AB, B	SWE	SEK	10,286,054	0.19
				<u>73,104,249</u>	<u>1.34</u>
	<b>Industrial Conglomerates</b>				
682,320	Siemens AG	DEU	EUR	52,982,148	0.97
2,229,500	Koninklijke Philips NV	NLD	EUR	46,696,877	0.85
1,165,224	General Electric Co.	USA	USD	20,759,456	0.38
				<u>120,438,481</u>	<u>2.20</u>
	<b>Insurance</b>				
4,226,365	AXA SA	FRA	EUR	63,796,980	1.17
1,018,070	Swiss Re AG	CHE	CHF	58,193,689	1.07
383,910	Muenchener Rueckversicherungs-Gesellschaft AG	DEU	EUR	54,284,874	0.99
12,435,034	Aviva PLC	GBR	GBP	49,362,670	0.90
891,780	American International Group Inc.	USA	USD	30,624,643	0.56
				<u>256,262,856</u>	<u>4.69</u>
	<b>Life Sciences Tools &amp; Services</b>				
265,373	Lonza Group AG	CHE	CHF	15,352,339	0.28
	<b>Machinery</b>				
2,347,570	Navistar International Corp.	USA	USD	50,066,105	0.92
	<b>Media</b>				
1,186,610	Viacom Inc., B	USA	USD	62,035,734	1.13
705,231	Time Warner Cable Inc.	USA	USD	60,941,409	1.12
1,807,900	Comcast Corp., Special A	USA	USD	55,098,832	1.01
1,746,340	Twenty-First Century Fox Inc.	USA	USD	43,737,322	0.80
891,720	The Walt Disney Co.	USA	USD	43,262,106	0.79
600,820	Time Warner Inc.	USA	USD	26,688,752	0.49
				<u>291,764,155</u>	<u>5.34</u>
	<b>Metals &amp; Mining</b>				
256,002	POSCO	KOR	KRW	51,389,606	0.94
1,121,650	Vale SA, ADR, pfd., A	BRA	USD	10,478,443	0.19
				<u>61,868,049</u>	<u>1.13</u>
	<b>Multiline Retail</b>				
603,740	Target Corp.	USA	USD	31,939,106	0.58
	<b>Office Electronics</b>				
4,193,439	Konica Minolta Inc.	JPN	JPY	24,327,084	0.45

## — Templeton Growth (Euro) Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Oil, Gas &amp; Consumable Fuels</b>					
9,754,700	Talisman Energy Inc.	CAN	CAD	85,536,926	1.57
1,890,830	Total SA, B	FRA	EUR	70,915,579	1.30
5,741,080	Galp Energia SGPS SA, B	PRT	EUR	65,304,785	1.19
2,137,266	Royal Dutch Shell PLC, B	GBR	GBP	54,332,510	0.99
10,103,738	BP PLC	GBR	GBP	53,758,044	0.98
469,410	Chevron Corp.	USA	USD	42,676,588	0.78
2,701,180	Eni SpA	ITA	EUR	42,624,621	0.78
3,531,030	Petroleo Brasileiro SA, ADR, pfd.	BRA	USD	39,768,679	0.73
417,980	Chesapeake Energy Corp.	USA	USD	6,544,334	0.12
				<u>461,462,066</u>	<u>8.44</u>
<b>Pharmaceuticals</b>					
5,631,230	Pfizer Inc.	USA	USD	121,177,549	2.22
1,454,030	Sanofi	FRA	EUR	115,769,869	2.12
5,510,654	GlaxoSmithKline PLC	GBR	GBP	106,125,177	1.94
551,910	Roche Holding AG	CHE	CHF	105,457,883	1.93
2,060,770	Merck & Co. Inc.	USA	USD	73,539,561	1.34
414,100	Merck KGaA	DEU	EUR	48,470,405	0.89
1,157,570	Forest Laboratories Inc.	USA	USD	36,461,700	0.67
				<u>607,002,144</u>	<u>11.11</u>
<b>Professional Services</b>					
1,772,141	Randstad Holding NV	NLD	EUR	55,822,442	1.02
<b>Semiconductors &amp; Semiconductor Equipment</b>					
113,272	Samsung Electronics Co. Ltd.	KOR	KRW	102,226,309	1.87
14,928,250	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	42,476,716	0.78
				<u>144,703,025</u>	<u>2.65</u>
<b>Software</b>					
5,394,720	Microsoft Corp.	USA	USD	143,110,427	2.62
589,390	SAP AG	DEU	EUR	33,159,082	0.61
1,114,260	Oracle Corp.	USA	USD	26,297,444	0.48
277,600	Nintendo Co. Ltd.	JPN	JPY	25,156,095	0.46
				<u>227,723,048</u>	<u>4.17</u>
<b>Specialty Retail</b>					
14,902,167	Kingfisher PLC	GBR	GBP	59,730,899	1.09
<b>Trading Companies &amp; Distributors</b>					
1,751,900	ITOCHU Corp.	JPN	JPY	15,536,483	0.28
<b>Wireless Telecommunication Services</b>					
35,731,730	Vodafone Group PLC	GBR	GBP	78,446,401	1.44
13,263,110	Sprint Nextel Corp.	USA	USD	71,530,008	1.31
3,730,760	Turkcell Iletisim Hizmetleri AS, ADR	TUR	USD	41,186,973	0.75
1,839,500	China Mobile Ltd.	CHN	HKD	14,795,397	0.27
				<u>205,958,779</u>	<u>3.77</u>
<b>TOTAL SHARES</b>				<u>5,253,429,539</u>	<u>96.12</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>5,253,429,539</u>	<u>96.12</u>
<b>TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET INVESTMENTS FUNDS</b>					
<b>Diversified Financial Services</b>					
114,610	Templeton China Opportunities Fund, AT Class F2 (Acc)	LUX	USD	22,407,744	0.41
<b>TOTAL INVESTMENTS FUNDS</b>				<u>22,407,744</u>	<u>0.41</u>
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				<u>22,407,744</u>	<u>0.41</u>
<b>TOTAL INVESTMENTS</b>				<u>5,275,837,283</u>	<u>96.53</u>

The accompanying notes form an integral

## — Templeton Korea Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Auto Components</b>					
106,046	Hankook Tire Co. Ltd.	KOR	KRW	4,901,286	4.29
18,090	Hyundai Mobis	KOR	KRW	4,322,978	3.78
				<u>9,224,264</u>	<u>8.07</u>
<b>Automobiles</b>					
25,210	Hyundai Motor Co.	KOR	KRW	<u>4,976,239</u>	<u>4.35</u>
<b>Chemicals</b>					
22,620	LG Chem Ltd.	KOR	KRW	<u>5,009,506</u>	<u>4.38</u>
<b>Commercial Banks</b>					
291,880	Shinhan Financial Group Co. Ltd.	KOR	KRW	9,606,695	8.40
146,540	Hana Financial Group Inc.	KOR	KRW	4,265,104	3.73
142,110	KB Financial Group Inc.	KOR	KRW	4,254,343	3.72
				<u>18,126,142</u>	<u>15.85</u>
<b>Construction &amp; Engineering</b>					
228,120	Hyundai Development Co.	KOR	KRW	4,992,122	4.37
73,834	Samsung Engineering Co. Ltd.	KOR	KRW	4,789,127	4.19
192,069	GS Engineering & Construction Corp.	KOR	KRW	4,715,980	4.12
				<u>14,497,229</u>	<u>12.68</u>
<b>Food Products</b>					
14,244	Binggrae Co. Ltd.	KOR	KRW	<u>1,346,597</u>	<u>1.18</u>
<b>Machinery</b>					
439,200	Daewoo Shipbuilding & Marine Engineering Co. Ltd.	KOR	KRW	9,707,458	8.49
649,371	Hanjin Heavy Industries & Construction Co. Ltd.	KOR	KRW	5,741,113	5.02
158,480	Samsung Heavy Industries Co. Ltd.	KOR	KRW	4,966,372	4.34
				<u>20,414,943</u>	<u>17.85</u>
<b>Multiline Retail</b>					
16,617	Lotte Shopping Co. Ltd.	KOR	KRW	<u>5,163,721</u>	<u>4.52</u>
<b>Oil, Gas &amp; Consumable Fuels</b>					
63,803	SK Innovation Co. Ltd.	KOR	KRW	7,567,670	6.62
15,095	Hankook Shell Oil Co. Ltd.	KOR	KRW	4,941,816	4.32
				<u>12,509,486</u>	<u>10.94</u>
<b>Textiles, Apparel &amp; Luxury Goods</b>					
199,930	Youngone Corp.	KOR	KRW	6,860,343	6.00
75,993	Fila Korea Ltd.	KOR	KRW	4,583,261	4.01
46,982	Youngone Holdings Co. Ltd.	KOR	KRW	2,825,336	2.47
				<u>14,268,940</u>	<u>12.48</u>
<b>TOTAL SHARES</b>				<u>105,537,067</u>	<u>92.30</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>105,537,067</u>	<u>92.30</u>
<b>TOTAL INVESTMENTS</b>				<u>105,537,067</u>	<u>92.30</u>

## — Templeton Latin America Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	<b>SHARES</b>				
	<b>Airlines</b>				
616,455	Copa Holdings SA	PAN	USD	80,829,580	3.70
	<b>Beverages</b>				
7,192,936	Companhia de Bebidas das Americas (AmBev)	BRA	BRL	266,334,518	12.20
2,698,025	Cia Cervecerias Unidas SA, ADR	CHL	USD	77,190,495	3.54
5,744,245	Embotelladora Andina SA, pfd., A	CHL	CLP	25,382,994	1.16
787,634	Embotelladora Andina SA, pfd., B	CHL	CLP	4,557,906	0.21
				373,465,913	17.11
	<b>Commercial Banks</b>				
51,550,753	Itausa – Investimentos Itau SA, pfd.	BRA	BRL	191,040,073	8.75
6,817,253	Itau Unibanco Holding SA, ADR	BRA	USD	88,078,909	4.03
605,500	Credicorp Ltd.	PER	USD	77,479,780	3.55
6,934,768	Grupo Financiero Banorte SAB de CV	MEX	MXN	41,415,816	1.90
1,929,100	Banco Bradesco SA, ADR, pfd.	BRA	USD	25,097,591	1.15
400,902	Bancolombia SA, ADR	COL	USD	22,650,963	1.04
1,512,334	ITAUSA – Investimentos Itau SA, DPP, pfd.	BRA	BRL	5,536,653	0.25
				451,299,785	20.67
	<b>Diversified Financial Services</b>				
859,500	Intercorp Financial Services Inc., Reg S	PER	USD	28,363,500	1.30
10,460,500	Credito Real SAB de CV	MEX	MXN	17,296,886	0.79
				45,660,386	2.09
	<b>Energy Equipment &amp; Services</b>				
2,975,339	Tenaris SA, ADR	ARG	USD	119,816,901	5.49
	<b>Food &amp; Staples Retailing</b>				
20,472,023	Wal-Mart de Mexico SAB de CV, V	MEX	MXN	57,371,991	2.63
	<b>Food Products</b>				
15,898,202	Marfrig Alimentos SA	BRA	BRL	53,139,040	2.43
586,776	M Dias Branco SA	BRA	BRL	22,226,882	1.02
5,278,533	Grupo Herdez SAB de CV	MEX	MXN	16,751,946	0.77
				92,117,868	4.22
	<b>Household Durables</b>				
1,674,601	UNICASA Industria De Moveis SA	BRA	BRL	5,018,769	0.23
	<b>Independent Power Producers &amp; Energy Traders</b>				
3,610,036	AES Tiete SA	BRA	BRL	31,907,088	1.46
	<b>IT Services</b>				
14,145,439	Sonda SA	CHL	CLP	41,207,066	1.89
	<b>Media</b>				
2,103,500	T4F Entretenimento SA	BRA	BRL	7,059,168	0.32
	<b>Metals &amp; Mining</b>				
7,950,100	Vale SA, ADR, pfd., A	BRA	USD	96,673,216	4.43
10,524,703	Bradespar SA, pfd.	BRA	BRL	94,769,074	4.34
7,625,600	Antofagasta PLC	CHL	GBP	92,228,280	4.23
2,665,374	Ternium SA, ADR	ARG	USD	60,317,414	2.76
3,539,480	Compania de Minas Buenaventura SA, ADR	PER	USD	52,242,725	2.39
4,978,082	Metalurgica Gerdau SA, pfd.	BRA	BRL	35,489,130	1.63
				431,719,839	19.78
	<b>Multiline Retail</b>				
3,299,000	Lojas Americanas SA, pfd.	BRA	BRL	23,104,397	1.06
	<b>Oil, Gas &amp; Consumable Fuels</b>				
3,450,887	Pacific Rubiales Energy Corp.	COL	CAD	60,624,799	2.78
	<b>Paper &amp; Forest Products</b>				
10,964,238	Duratex SA	BRA	BRL	62,768,037	2.87
	<b>Personal Products</b>				
3,307,403	Natura Cosmeticos SA	BRA	BRL	72,071,678	3.30
	<b>Road &amp; Rail</b>				
5,353,059	Localiza Rent a Car SA	BRA	BRL	75,796,370	3.47
7,960,980	JSL SA	BRA	BRL	52,289,805	2.40
				128,086,175	5.87
	<b>Specialty Retail</b>				
561,900	Cia Hering	BRA	BRL	7,941,070	0.36

The accompanying notes form an integral

## — Templeton Latin America Fund —

# SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
15,273,685	<b>Water Utilities</b> Inversiones Aguas Metropolitanas SA	CHL	CLP	29,822,543	1.37
538,588	<b>Wireless Telecommunication Services</b> America Movil SAB de CV, L, ADR	MEX	USD	11,714,289	0.54
	<b>TOTAL SHARES</b>			2,133,607,342	97.74
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			2,133,607,342	97.74
	<b>TOTAL INVESTMENTS</b>			2,133,607,342	97.74

## — Templeton Thailand Fund —

## SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Airlines</b>					
6,854,900	Asia Aviation PCL, NVDR	THA	THB	1,188,711	0.51
4,850,000	Asia Aviation PCL, fgn.	THA	THB	841,041	0.36
				<u>2,029,752</u>	<u>0.87</u>
<b>Beverages</b>					
20,552,000	Thai Beverage PCL	THA	SGD	9,568,499	4.10
<b>Building Products</b>					
972,800	Dynasty Ceramic PCL, fgn.	THA	THB	1,991,522	0.85
<b>Chemicals</b>					
2,440,312	PTT Global Chemical PCL, fgn.	THA	THB	5,407,242	2.32
<b>Commercial Banks</b>					
3,546,400	Siam Commercial Bank PCL, fgn.	THA	THB	19,588,337	8.40
2,855,660	Bangkok Bank PCL, fgn.	THA	THB	19,074,415	8.18
2,983,800	Kasikornbank PCL, fgn.	THA	THB	18,780,501	8.05
3,797,162	Bank of Ayudhya PCL, fgn.	THA	THB	4,328,813	1.85
6,314,454	Krung Thai Bank PCL, fgn.	THA	THB	4,116,359	1.76
1,943,570	Tisco Financial Group PCL, fgn.	THA	THB	2,558,971	1.10
				<u>68,447,396</u>	<u>29.34</u>
<b>Construction Materials</b>					
708,246	Siam Cement PCL, fgn.	THA	THB	10,416,720	4.46
<b>Electronic Equipment, Instruments &amp; Components</b>					
2,195,900	Hana Microelectronics PCL, fgn.	THA	THB	1,368,030	0.59
<b>Food &amp; Staples Retailing</b>					
5,584,600	CP ALL PCL, fgn.	THA	THB	6,994,200	3.00
294,200	Big C Supercenter PCL, fgn.	THA	THB	1,761,988	0.75
25,700	Big C Supercenter PCL, NVDR	THA	THB	153,920	0.07
				<u>8,910,108</u>	<u>3.82</u>
<b>Food Products</b>					
7,077,100	Charoen Pokphand Foods PCL, fgn.	THA	THB	5,852,130	2.51
2,695,000	Thai Union Frozen Products PCL, fgn.	THA	THB	5,041,225	2.16
				<u>10,893,355</u>	<u>4.67</u>
<b>Health Care Providers &amp; Services</b>					
27,095,325	Bangkok Chain Hospital PCL, fgn.	THA	THB	6,830,389	2.93
966,300	Bangkok Dusit Medical Services PCL, fgn.	THA	THB	4,887,355	2.09
				<u>11,717,744</u>	<u>5.02</u>
<b>Hotels, Restaurants &amp; Leisure</b>					
29,260,700	The Erawan Group PCL, fgn.	THA	THB	3,514,291	1.51
3,167,054	Minor International PCL, fgn.	THA	THB	2,522,252	1.08
				<u>6,036,543</u>	<u>2.59</u>
<b>Media</b>					
4,113,670	BEC World PCL, fgn.	THA	THB	7,761,018	3.33
564,930	VGI Global Media PCL, fgn.	THA	THB	2,158,853	0.92
				<u>9,919,871</u>	<u>4.25</u>
<b>Multiline Retail</b>					
4,095,300	Robinson Department Store PCL, fgn.	THA	THB	8,022,264	3.44
<b>Oil, Gas &amp; Consumable Fuels</b>					
1,280,330	PTT PCL, fgn.	THA	THB	13,773,620	5.91
2,286,652	PTT Exploration and Production PCL, fgn.	THA	THB	11,638,868	4.99
3,148,900	Thai Oil PCL, fgn.	THA	THB	6,370,607	2.73
407,800	Banpu PCL, fgn.	THA	THB	3,156,063	1.35
				<u>34,939,158</u>	<u>14.98</u>
<b>Real Estate Management &amp; Development</b>					
53,527,500	Quality Houses PCL, fgn.	THA	THB	5,328,685	2.28
6,786,496	Land and Houses PCL, fgn.	THA	THB	2,484,459	1.06
4,106,900	Supalai PCL, fgn.	THA	THB	2,334,365	1.00
9,332,500	AP Thailand PCL, fgn.	THA	THB	1,948,017	0.84
1,718,900	L.P.N. Development PCL, fgn.	THA	THB	1,330,298	0.57
1,502,900	Pruksa Real Estate PCL, fgn.	THA	THB	1,095,563	0.47
				<u>14,521,387</u>	<u>6.22</u>

The accompanying notes form an integral



## — Templeton Thailand Fund —

# SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2013 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Software</b>				
1,544,600	Mono Technology Co. Ltd., 144A, fgn.	THA	THB	624,983	0.27
	<b>Wireless Telecommunication Services</b>				
1,397,900	Advanced Info Service PCL, fgn.	THA	THB	12,659,210	5.43
3,136,000	Shin Corp. PCL, NVDR	THA	THB	8,761,464	3.76
2,014,950	Shin Corp. PCL, fgn.	THA	THB	5,629,437	2.41
				<u>27,050,111</u>	<u>11.60</u>
	<b>TOTAL SHARES</b>			<u>231,864,685</u>	<u>99.39</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>231,864,685</u>	<u>99.39</u>
	<b>TOTAL INVESTMENTS</b>			<u>231,864,685</u>	<u>99.39</u>

## 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%	6%	62%	28%	MSCI Brazil Index (20%), J.P.Morgan EMBI Brazil Plus Index (40%) and the IRF-M Índice de Renda Fixa de Mercado (40%)	Parametric VaR	99th Percentile	20-Day	27 Jul 2012 to 30 Jun 2013	162.63%
Franklin Strategic Income Fund	Relative VaR	200%	83%	115%	96%	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 2012 to 30 Jun 2013	31.77%
Franklin U.S. Total Return Fund	Relative VaR	200%	129%	173%	145%	Barclays Capital US Aggregate Index (100%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2012 to 30 Jun 2013	22.81%
Franklin Templeton Global Allocation Fund	Relative VaR	200%	83%	148%	123%	MSCI All Country World Index (50%), Citigroup World Government Bond Index (35%), Payden & Rygel 90-day US T-Bill Index (10%) and Dow Jones-UBS Commodity Index (5%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2012 to 30 Jun 2013	100.83%
Templeton Asian Bond Fund	Relative VaR	200%	116%	164%	132%	HSBC Asian Local Bond Index (ALBI) (100%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2012 to 30 Jun 2013	43.00%
Templeton Emerging Markets Bond Fund	Relative VaR	200%	64%	91%	79%	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 2012 to 30 Jun 2013	41.69%
Templeton Global Aggregate Bond Fund	Relative VaR	200%	113%	192%	129%	Barclays Capital Global Aggregate Index (100%)	Monte Carlo Simulation	99th Percentile	20-Day	1 Jul 2012 to 30 Jun 2013	35.06%
Templeton Global Bond Fund	Relative VaR	200%	115%	164%	141%	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 2012 to 30 Jun 2013	95.64%
Templeton Global High Yield Fund	Relative VaR	200%	51%	91%	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 2012 to 30 Jun 2013	22.15%
Templeton Global Income Fund	Relative VaR	200%	129%	173%	145%	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 2012 to 30 Jun 2013	31.22%

## 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 Total Return Fund	Relative VaR	200%	105%	157%	131%	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 2012 to 30 Jun 2013	84.58%

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

## ANNEX – UNAUDITED ADDITIONAL DISCLOSURES

## 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 Brazil Opportunities Fund	Barclays Bank	USD 1,920,000	–
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	Deutsche Bank	USD 110,000	USD 169,991
Franklin MENA Fund	Morgan Stanley	USD 78,000	–
Franklin Strategic Income Fund	Barclays Bank	USD 1,970,000	–
	Deutsche Bank	USD 310,000	–
	Goldman Sachs	USD 560,000	–
	JPMorgan Chase Bank	USD 170,000	–
Franklin U.S. Equity Fund	Morgan Stanley	USD 78,000	–
Franklin U.S. Focus Fund	Morgan Stanley	USD 67,000	–
Franklin U.S. Government Fund	Morgan Stanley	USD 145,000	–
Franklin U.S. Low Duration Fund	Barclays Bank	USD 2,460,000	–
	Citibank	USD 50,000	–
	Deutsche Bank	USD 280,000	–
	Morgan Stanley	USD 55,000	–
Franklin U.S. Total Return Fund	Barclays Bank	USD 300,000	–
Franklin Mutual Beacon Fund	Morgan Stanley	USD 67,000	–
Franklin Templeton Global Fundamental Strategies Fund	Barclays Bank	USD 124,000	–
	Citibank	USD 580,000	–
	HSBC Bank	–	GBP 279,766
	UBS	–	USD 95,089
Templeton Asian Bond Fund	Barclays Bank	USD 2,810,000	–
	Citibank	USD 21,135,000	–
	Morgan Stanley	USD 7,877,000	–
	UBS	–	USD 4,854,811
Templeton BRIC Fund	Morgan Stanley	USD 89,000	–
Templeton Emerging Markets Balanced Fund	Morgan Stanley	USD 78,000	–
Templeton Emerging Markets Bond Fund	UBS	–	USD 6,146,143
Templeton Emerging Markets Fund	Morgan Stanley	USD 56,000	–
Templeton Euro High Yield Fund	Deutsche Bank	USD 1,000,000	–
Templeton Global Aggregate Bond Fund	Morgan Stanley	USD 145,000	–
Templeton Global Bond Fund	Barclays Bank	USD 35,730,000	–
	Citibank	USD 34,010,000	–
	HSBC Bank	–	GBP 16,482,448
	UBS	–	USD 15,769,684
Templeton Global Bond (Euro) Fund	Barclays Bank	USD 2,490,000	–
	Deutsche Bank	USD 6,110,000	–
	HSBC Bank	USD 370,000	GBP 2,384,202
	JPMorgan Chase Bank	–	USD 8,974,179
Templeton Global High Yield Fund	Barclays Bank	USD 260,000	–
	Credit Suisse	USD 270,000	–
	HSBC Bank	–	GBP 170,848
	Morgan Stanley	USD 56,000	–
Templeton Global Income Fund	Barclays Bank	USD 260,000	–
	Citibank	–	USD 250,123
	JPMorgan Chase Bank	–	USD 490,294
	Morgan Stanley	USD 56,000	–
	UBS	–	USD 264,399
Templeton Global Total Return Fund	Citibank	USD 114,700,000	–
	JPMorgan Chase Bank	–	USD 12,721,215

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