



**FRANKLIN TEMPLETON
INVESTMENTS**

TEMPLETON GLOBAL BOND FUND

A SUB-FUND OF LUXEMBOURG-DOMICILED SICAV

31. December 2011

FUND MANAGER AND LOCATION

Michael Hasenstab, California, United States
(since 3. June 2002)

Sonal Desai, California, United States
(since 1. March 2011)

FUND INFORMATION

Base Currency of Fund: US dollar

Fund Size: \$40.976,74 million

Date of Fund Launch: 28. February 1991

Fund Index: JP Morgan Global Government Bond Index

Morningstar™ Workstation Category: Global Bond

NET ASSET VALUE AS OF 31. DECEMBER 2011

A(Mdis)USD	\$18.80
A(acc)USD	\$24.37
A(acc)EUR	€18.83
A(acc)EUR-H1	€17.83
A(acc)CHF-H1	CHF11.07
A(Mdis)EUR	€14.54
A(Ydis)EUR	€14.77
A(Mdis)EUR-H1	€12.22
A(Ydis)EUR-H1	€9.77
A(Ydis)CHF-H1	CHF10.08
A(Mdis)SGD-H1	\$11.65
I(acc)USD	\$19.84
I(acc)EUR	€15.23
I(acc)EUR-H1	€14.60
I(acc)CHF-H1	CHF10.50
I(Mdis)EUR	€12.16
I(Ydis)EUR	€12.96
I(Ydis)EUR-H1	€9.92

CHARGES AND IDENTIFIERS

Share Class	Maximum Initial Sales Charge	Annual Management & Administration Charge
A Shares	3,00%	1,05%
I Shares	0,00%	0,55%

Share Class	Valoren	ISIN
A(Mdis)USD	482570	LU0029871042
A(acc)USD	2542944	LU0252652382
A(acc)EUR	1472136	LU0152980495
A(acc)EUR-H1	3026275	LU0294219869
A(acc)CHF-H1	10527650	LU0450468003
A(Mdis)EUR	1472131	LU0152981543
A(Ydis)EUR	3104733	LU0300745303
A(Mdis)EUR-H1	4273477	LU0366770310
A(Ydis)EUR-H1	11136515	LU0496363937
A(Ydis)CHF-H1	13736474	LU0672653945
A(Mdis)SGD-H1	4273748	LU0366777323
I(acc)USD	1745192	LU0181997262
I(acc)EUR	1923050	LU0195953079
I(acc)EUR-H1	3346022	LU0316492775
I(acc)CHF-H1	11025495	LU0486624124
I(Mdis)EUR	2637225	LU0260864938
I(Ydis)EUR	3104739	LU0300745642
I(Ydis)EUR-H1	11418921	LU0517465976

TOTAL EXPENSE RATIO AS OF 31. DECEMBER 2011

A(Mdis)USD	1,40
A(acc)USD	1,41
A(acc)EUR	1,40
A(acc)EUR-H1	1,41
A(acc)CHF-H1	1,41
A(Mdis)EUR	1,40
A(Ydis)EUR	1,41
A(Mdis)EUR-H1	1,42
A(Ydis)EUR-H1	1,42
A(Ydis)CHF-H1	1,50
A(Mdis)SGD-H1	1,42
I(acc)USD	0,86
I(acc)EUR	0,86
I(acc)EUR-H1	0,86
I(acc)CHF-H1	0,87
I(Mdis)EUR	0,86
I(Ydis)EUR	0,84
I(Ydis)EUR-H1	0,86

EUSD STATUS

Redemption: In Scope

Distribution: In Scope

RATINGS^{1,2}

Morningstar™ Overall Rating: ★★★★★

S&P Fund Management Rating: AAA/V4

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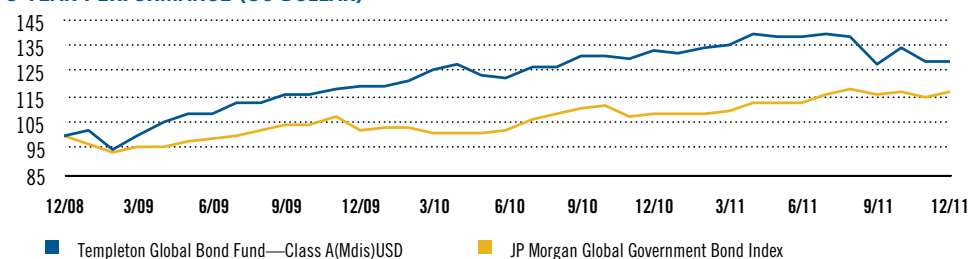
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INVESTMENT OBJECTIVE

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

3 YEAR PERFORMANCE (US DOLLAR)^{3,4}



CUMULATIVE PERFORMANCE IN % (SHARECLASS CURRENCY)

AT 31.12.2011	YTD	1-MO	3-MO	6-MO	1-YR	3-YR	5-YR	SINCE LAUNCH	3-YR VOL.
A(Mdis)USD	-3,13	-0,01	1,09	-6,98	-3,13	28,50	53,01	355,66	10,52
A(acc)USD	-3,14	0,00	1,08	-6,98	-3,14	28,53	52,98	61,50	10,54
A(acc)EUR	0,11	3,86	4,61	4,21	0,11	38,87	56,02	88,31	11,92
A(acc)EUR-H1	-3,20	0,11	1,08	-6,84	-3,20	27,91	-	46,52	10,45
A(acc)CHF-H1	-3,90	0,00	0,91	-7,21	-3,90	-	-	10,70	-
A(Mdis)EUR	0,12	3,84	4,62	4,24	0,12	38,88	56,17	88,44	11,94
A(Ydis)EUR	0,10	3,87	4,60	4,20	0,10	39,43	-	53,32	11,90
A(Mdis)EUR-H1	-3,25	0,04	1,08	-6,91	-3,25	27,45	-	36,74	10,41
A(Ydis)EUR-H1	-3,29	0,00	1,03	-6,96	-3,29	-	-	1,60	-
A(Ydis)CHF-H1	-	0,00	0,80	-	-	-	-	0,80	-
A(Mdis)SGD-H1	-3,85	0,12	1,02	-7,36	-3,85	26,19	-	32,11	10,49
I(acc)USD	-2,60	0,10	1,28	-6,72	-2,60	30,70	57,47	98,41	10,54
I(acc)EUR	0,73	3,96	4,82	4,53	0,73	41,29	60,66	82,85	11,94
I(acc)EUR-H1	-2,47	0,21	1,39	-6,35	-2,47	31,19	-	51,63	10,54
I(acc)CHF-H1	-3,23	0,10	1,06	-6,75	-3,23	-	-	5,00	-
I(Mdis)EUR	0,60	3,83	4,78	4,50	0,60	41,15	60,62	64,64	11,95
I(Ydis)EUR	0,69	3,85	4,77	4,55	0,69	41,33	-	56,78	11,93
I(Ydis)EUR-H1	-2,52	0,20	1,33	-6,51	-2,52	-	-	2,84	-
Index	7,22	1,02	0,14	3,21	7,22	16,28	44,31	304,73	7,25

DISCRETE CALENDAR YEAR PERFORMANCE IN %

	YTD to 31.12.2011	2011	2010	2009	2008	2007
A(Mdis)USD	-3,13	-3,13	11,66	18,81	7,36	10,91
A(acc)USD	-3,14	-3,14	11,67	18,83	7,30	10,92
A(acc)EUR	0,11	0,11	19,51	16,08	11,97	0,33
A(acc)EUR-H1	-3,20	-3,20	11,64	18,37	7,98	-
A(acc)CHF-H1	-3,90	-3,90	10,35	-	-	-
A(Mdis)EUR	0,12	0,12	19,47	16,11	11,98	0,42
A(Ydis)EUR	0,10	0,10	19,98	16,09	12,17	-
A(Mdis)EUR-H1	-3,25	-3,25	11,64	18,00	-	-
A(Ydis)EUR-H1	-3,29	-3,29	-	-	-	-
A(Mdis)SGD-H1	-3,85	-3,85	10,94	18,30	-	-
I(acc)USD	-2,60	-2,60	12,36	19,44	7,97	11,59
I(acc)EUR	0,73	0,73	20,20	16,70	12,64	0,95
I(acc)EUR-H1	-2,47	-2,47	12,22	19,86	9,77	-
I(acc)CHF-H1	-3,23	-3,23	-	-	-	-
I(Mdis)EUR	0,60	0,60	20,22	16,71	12,73	0,95
I(Ydis)EUR	0,69	0,69	20,27	16,70	12,73	-
I(Ydis)EUR-H1	-2,52	-2,52	-	-	-	-

PORTFOLIO COMPOSITION (% OF TOTAL)

EQUITY	FIXED INCOME	CASH/CASH EQUIVALENTS
-	93,82%	6,18%

FUND CHARACTERISTICS⁵

STATISTIC	
Average Duration	1,59 Years
Redemption Yield	5,27%
Average Weighted Maturity	2,77 Years
Number of issues	205

TOP 10 HOLDINGS (31. DECEMBER 2011)⁶

SECURITY NAME	%
Korea Treasury Bond, senior bond, 4.00%, 6/10/12	4,44
Korea Treasury Bond, senior bond, 4.25%, 12/10/12	3,53
Korea Treasury Bond, senior bond, 3.00%, 12/10/13	2,83
Government of Sweden, 5.50%, 10/08/12	2,58
Korea Treasury Bond, senior bond, 3.75%, 6/10/13	2,47
Government of Poland, 4.75%, 4/25/12	2,11
Government of Poland, Strip, 1/25/13	1,82
Government of Poland, Strip, 7/25/13	1,64
Government of Poland, Strip, 10/25/12	1,58
Government of Hungary, senior note, 6.375%, 3/29/21	1,56

COUNTRY BREAKDOWN (31. DECEMBER 2011)

COUNTRY	%
South Korea	15,15
Poland	11,40
Malaysia	9,85
Cash & Cash Equivalents	6,18
Hungary	5,84
Australia	5,18
Mexico	4,70
Ireland	4,16
Israel	4,13
Other	33,41

CURRENCY BREAKDOWN (31. DECEMBER 2011)

CURRENCY	%
US dollar	32,11
S Korean Won	16,00
Swedish Krona	13,56
Australian Dollar	13,22
Polish Zloty	12,24
Malaysi Ringgit	11,90
Singapore Dollar	10,00
Japanese Yen	-16,36
Euro	-43,55
Other	50,88

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3. Chart performance figures are rebased to 100 at the Fund's inception date.
4. Performance data may represent blended share class performance e.g. hybrid created from an A(dis) share class which was converted to A(acc). Performance figures represent the aggregate total return for the period indicated assuming, where relevant, the reinvestment of dividends and distributions. Performance figures assume reinvestment of dividends. Performance figures above are for A(dis) shares, except where only A(acc) shares are available, then A(acc) performance is shown. S&P sector average represents the Luxemburg universe. The performance data does not take account commissions and/or costs incurred on the issue and redemption of the shares.
5. A measure of the sensitivity of bond and bond mutual fund prices to interest rate movements. For example, if a bond has a duration of two years, its price would fall about 2% when interest rates rose one percentage point. On the other hand, the bond's price would rise by about 2% when interest rates fell by one percentage point. Due to rounding the percentages shown may be within 0.1% tolerance of the true value. Due to rounding the percentages shown may be within 0.1% tolerance of the true value.
6. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top 10 holdings list.

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Subscriptions for shares in the Fund can only be made on the basis of the most recent Key Features and Prospectus which are available free of charge from Franklin Templeton Switzerland Ltd, Bahnhofstrasse 22, P.O. Box, 8022 Zurich, Phone: +41 (0) 44 217 81 81, E- mail: info@franklintempleton.ch.

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