FRANKLIN TEMPLETON INVESTMENTS

TIF Foreign Equity Series—Primary Class

Product Profile Second Quarter 2015

FUND CHARACTERISTICS (AS OF 6/30/15)

NASDAQ Symbol	TFEQX
Fund Inception Date	10/18/90
Dividends	Semiannually
Investment Style	International
Benchmarks	MSCI All Country World ex U.S. Index
	MSCI EAFE Index
Lipper Classification	International Large-Cap Value
Morningstar Category™	Foreign Large Value
Total Net Assets—All Share Classes	6,300 million
Number of Issuers	98
Maximum Initial Sales Charge	None

THIRD-PARTY FUND DATA

Overall Morningstar Rating™

★★★★

As of June 30, 2015 the fund's Primary Class shares received a 4 star overall Morningstar Rating™, measuring risk-adjusted returns against 289, 254 and 124 U.S.-domiciled Foreign Large Value funds over the 3-, 5- and 10- year periods, respectively. A fund's overall rating is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) rating metrics.

FUND DESCRIPTION

The fund seeks long-term capital growth by investing at least 80% of its net assets in foreign (non-U.S.) equity securities.

PERFORMANCE DATA

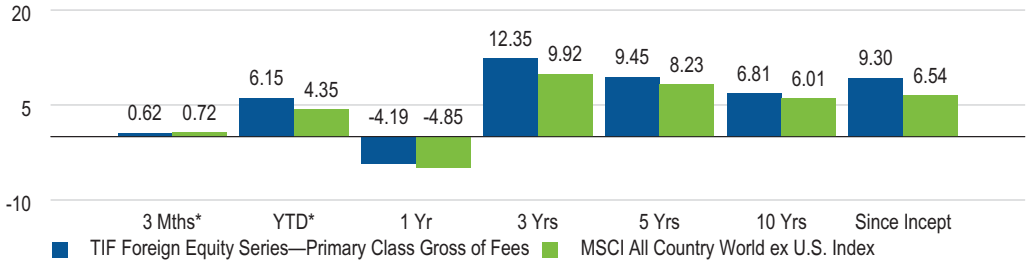
Average Annual Total Returns for Periods Ended June 30, 2015 (%)

	3 Mths*	YTD*	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Incept (10/18/90)
Gross of Fees	0.62	6.15	-4.19	12.35	9.45	6.81	9.30
Net of Fees	0.43	5.74	-4.94	11.47	8.58	5.95	8.38
MSCI All Country World ex U.S. Index	0.72	4.35	-4.85	9.92	8.23	6.01	6.54

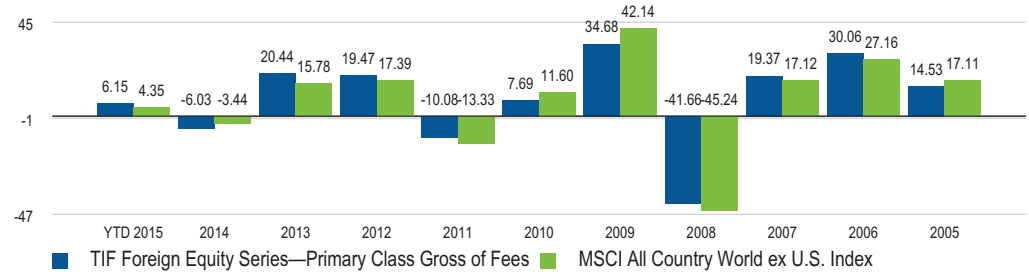
Total Annual Operating Expenses—*0.78%*

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment returns and principal values will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin Templeton at (800) 321-8563 or visit franklintempletoninstitutional.com for the most recent month-end performance.

Average Annual Total Returns for Periods Ended June 30, 2015 (%)



Calendar Year Returns As of June 30, 2015 (%)



*Cumulative Total Returns.

For information related to the "Fund Characteristics," "Third-Party Fund Data," and "Performance Data" sections, please see Explanatory Notes.

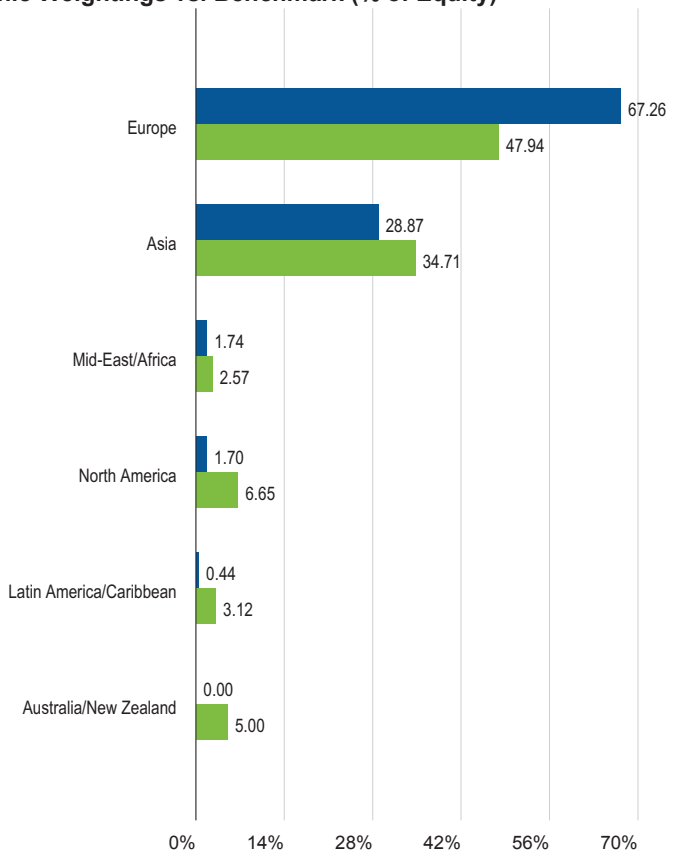
Not FDIC Insured | May Lose Value | No Bank Guarantee

PORTFOLIO DIVERSIFICATION (AS OF 6/30/15)

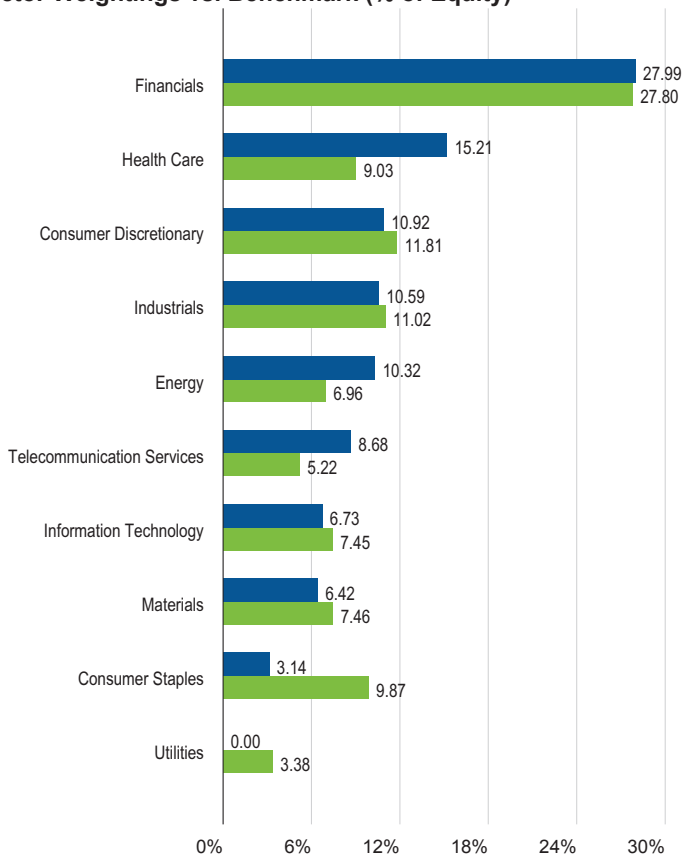
Top Ten Holdings

Issuer Name	Country	Industry	% of Total
1. ROCHE HOLDING AG	Switzerland	Pharmaceuticals, Biotechnology & Life Sciences	2.31
2. ING GROEP NV	Netherlands	Banks	2.25
3. SAMSUNG ELECTRONICS CO LTD	South Korea	Technology Hardware & Equipment	2.23
4. SANOFI	France	Pharmaceuticals, Biotechnology & Life Sciences	2.03
5. BAYER AG	Germany	Pharmaceuticals, Biotechnology & Life Sciences	1.93
6. BNP PARIBAS SA	France	Banks	1.79
7. CRH PLC	Ireland	Materials	1.69
8. TOYOTA MOTOR CORP	Japan	Automobiles & Components	1.69
9. TEVA PHARMACEUTICAL INDUSTRIES LTD	Israel	Pharmaceuticals, Biotechnology & Life Sciences	1.66
10. NISSAN MOTOR CO LTD	Japan	Automobiles & Components	1.62
Total			**19.20**

Geographic Weightings vs. Benchmark (% of Equity)



Sector Weightings vs. Benchmark (% of Equity)



TIF Foreign Equity Series
MSCI All Country World ex U.S. Index

Portfolio Allocation

	%
Equity	95.62
Cash & Cash Equivalents	4.38

Largest Sector Contributors vs. MSCI All Country World ex U.S. Index

Sector	Total Effect (%)
Industrials	0.40
Financials	0.22
Materials	0.13
Cash & Other Net Assets	0.09
Energy	0.03

Smallest Sector Contributors vs. MSCI All Country World ex U.S. Index

Sector	Total Effect (%)
Health Care	-0.34
Consumer Staples	-0.26
Information Technology	-0.16
Consumer Discretionary	-0.07
Utilities	-0.02

Contributor data shown is for the period 4/1/15 to 6/30/15

PORTFOLIO CHARACTERISTICS (AS OF 6/30/15)—Fund vs. MSCI All Country World ex U.S. Index

Price to Earnings	Fund	Benchmark
Weighted Average	15.45x	16.93x
Median	17.16x	17.75x

Price to Book Value	Fund	Benchmark
Weighted Average	1.40x	1.69x
Median	1.49x	1.81x

Price to Cash Flow	Fund	Benchmark
Weighted Average	6.94x	9.27x
Median	8.73x	11.56x

Market Capitalization (Millions USD)	Fund	Benchmark
Weighted Average	63,208	49,862
Median	29,582	7,047

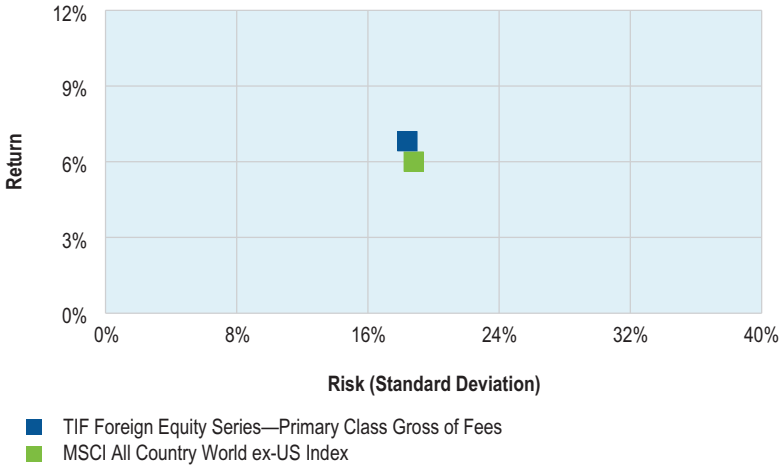
PERFORMANCE RISK STATISTICS - Primary Class

Modern Portfolio Theory (MPT) Statistics (As of 6/30/15)

Performance Risk Statistics	3 Years	5 Years	10 Years
Standard Deviation	10.60	16.08	18.38
Alpha	1.68	0.32	0.13
Beta	0.98	1.01	0.96
Sharpe Ratio	1.08	0.53	0.25
Information Ratio	0.44	0.09	-0.01
Tracking Error	3.56	3.65	3.92
R-Squared	88.77	94.86	95.65

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment returns and principal values will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin Templeton at (800) 321-8563 or visit franklintempletoninstitutional.com for the most recent month-end performance.

Risk vs. Return 10-Year Period Ended 6/30/15



GLOSSARY

Alpha: Alpha measures the difference between a fund's actual returns and its expected returns given its risk level as measured by its beta. A positive alpha figure indicates the fund has performed better than its beta would predict. In contrast, a negative alpha indicates a fund has underperformed, given the expectations established by the fund's beta. Some investors see alpha as a measurement of the value added or subtracted by a fund's manager.
Beta: A measure of the magnitude of a portfolio's past share-price fluctuations in relation to the ups and downs of the overall market (or appropriate market index). The market (or index) is assigned a beta of 1.00, so a portfolio with a beta of 1.20 would have seen its share price rise or fall by 12% when the overall market rose or fell by 10%.
Information Ratio: In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark.
Market Capitalization: A determination of a company's value, calculated by multiplying the total number of company stock shares outstanding by the price per share.
Price to Book Value (P/BV): The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the ratio is the weighted average price/book ratio of the stocks it holds.
Price to Cash Flow (P/CF): Supplements price/earnings ratio as a measure of relative value; represents a weighted average of the price/cash flow ratios for the underlying fund holdings.
Price to Earnings (P/E): The share price of a stock, divided by its per-share earnings over the past year. P/E is a good indicator of market expectations about a company's prospects; the higher the P/E, the greater the expectations for a company's future growth in earnings.
R-Squared: A measure of how much of a portfolio's performance can be explained by the returns from the overall market (or a benchmark index). If a portfolio's total return precisely matched that of the overall market or benchmark, its R-squared would be 100. If a portfolio's return bore no relationship to the market's returns, its R-squared would be 0.
Sharpe Ratio: To calculate a Sharpe ratio, an asset's excess returns (its return in excess of the return generated by risk-free assets such as Treasury bills) are divided by the asset's standard deviation.
Standard Deviation: A measure of the degree to which a fund's return varies from its previous returns or from the average of all similar funds. The larger the standard deviation, the greater the likelihood (and risk) that a security's performance will fluctuate from the average return.
Tracking Error: Measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error.

Beta, Information Ratio, R-Squared, and Tracking Error are measured against the MSCI All Country World ex-US Index.
For information related to the "Portfolio Characteristics" and "Performance Risk Statistics" sections, please see Explanatory Notes.

MARKET REVIEW

Global equity markets rose marginally in 2015's second quarter as emerging equity markets collectively advanced and outperformed their developed-market peers. Among emerging markets, China's economy expanded at the slowest pace in six years during the first quarter of 2015, and the People's Bank of China lowered the reserve requirement ratio for banks and cut interest rates twice during the second quarter in an effort to boost lending and growth in the cooling economy. In Latin America, Brazil's first-quarter economic growth shrank quarter-on-quarter, but the country's central bank raised its key interest rate twice during the second quarter to restrain inflation. Among developed markets, US stock markets rose but underperformed global equities during the second quarter, while Japanese stocks climbed and European equity markets slightly outperformed global equities overall. US economic data released during the second quarter were generally mixed. The United States revised its first-quarter economic growth data upward to a mild contraction, but the US Federal Reserve lowered its forecast for 2015 US economic growth based on the weak start to the year. In Japan, the economy grew in 2015's first quarter, driven by an increase in private demand as business investment and private consumption improved. The Bank of Japan maintained its stimulus program during the second quarter while cutting its forecasts for 2015 economic growth and inflation. The eurozone's first-quarter economic growth expanded at its fastest pace in two years, and other data published during the second quarter showed broad-based improvement. However, investor concerns about Greece's possible exit from the currency bloc rose near the end of June as negotiations between the country and its international creditors broke down. The Greek government subsequently imposed capital controls, announced a referendum on the terms of a bailout deal and defaulted on scheduled payments to the International Monetary Fund.

PERFORMANCE REVIEW AND CONTRIBUTORS TO PERFORMANCE

Performance Review

Stock selection in industrials, financials and materials contributed to relative performance for the quarter. Shares of Netherlands-based TNT Express, a leading parcel/express courier in Europe, surged in the second quarter after an acquisition bid from FedEx (not a portfolio holding) in early April. The acquisition looks likely to go ahead as there are few competition issues, unlike a proposed 2013 deal between TNT and UPS (not a portfolio holding), which was blocked as both were large competitors in Europe.

We remain positive on our contrarian European financials holdings, which have continued to re-rate in the aftermath of Europe's debt crisis as firms repaired their balance sheets and restructured operations to focus on core areas of profitability. Shares of ING Groep, the Netherlands' largest financial services firm, rose as the company comfortably passed the latest bank stress tests and fully repaid the Dutch government its capital, allowing ING to reinstate its dividend. The improved capital position has also allowed ING to return to lending growth, boosting profitability. The group has significantly restructured its previously diverse operations to focus on strong market positions in retail/commercial banking in the Netherlands, Belgium and Germany.

In the materials sector, we have found isolated opportunities among lowly valued building materials and chemical firms, but we remain wary on mining companies, which face significant supply overcapacity and demand weakness--particularly in the bulk metals space--as China's fixed asset investment growth slows.

Elsewhere, shares of British-based pay-TV provider Sky performed well as the company benefited from continued subscriber growth and price inflation accomplished through premium content offerings, innovative technology to improve its customer interface and efforts to widen its distribution. Sky also benefited from strong free cash flow, a good balance sheet and a solid dividend yield.

Stock selection in health care, consumer staples and information technology, as well as an overweight in health care, detracted from relative performance for the quarter. Our health care holdings have moved from the steeply discounted valuations at which we acquired them to more reasonable levels following sustained research success and pricing power. Following a wave of patent expirations in recent years, major pharmaceutical firms have complemented effective new drug development with a value-accretive shift toward longer-life assets and strategies. We believe that our current holdings represent good value as companies harvest growing cash flows and enhance shareholder value.

However, shares of global pharmaceutical company Merck KGaA retreated during the second quarter as the company reported earnings that were slightly lower than consensus expectations. Overall, the company continues to generate solid growth in all divisions, and we believe a proposed acquisition of Sigma-Aldrich (not a portfolio holding) can unlock further value. We believe the pipeline offers upside potential, with operations underpinned by increasingly solid fundamentals and wider investor interest.

Shares of Israeli specialty pharmaceutical firm Teva Pharmaceutical Industries retreated from all-time highs after a failed takeover bid for UK rival Mylan (not a portfolio holding). Near-term news-flow aside, our long-term investment thesis remains intact, supported by what we view as Teva's undervalued core portfolio and additional upside potential stemming from drugs currently under development.

We believe value remains relatively scarce in consumer staples as the sector's combination of defensive earnings streams and emerging markets growth potential have earned many staples stocks premium valuations.

While we remain constructive on our technology holdings, the sector overall has become more fully valued, according to our analysis, and we have selectively reduced exposure in recent quarters. Shares of South-Korea based Samsung were impacted by slower handset growth and an unfavorable South Korean won/Japanese yen exchange rate. The firm surprised investors by buying back US$2 billion of its own stock and setting expectations for a dividend hike. We believe Samsung, with its solid net cash and investments levels, a reinvigorated leadership focused on shareholder value, and significant scope for operational and strategic improvement across business lines, remains well positioned for a potential re-rating from its recent modest valuation levels.

Regionally, stock selection in Europe significantly contributed to relative performance for the quarter. At compelling discounts to global peers as of quarter-end, European equities remain a source of select value. Stock selection in Asia, particularly in China, South Korea and Japan, detracted from relative performance for the quarter.

Portfolio Positioning

As of the end of the quarter, the portfolio was overweight in health care, energy and telecommunications, and it was underweight in consumer staples and materials, with a lack of investments in utilities. Regionally, our largest overweight was in Europe, and we maintained a significant underweight in Japan.

Outlook & Strategy

At Templeton, our long-term investment approach has always sought to maximize total returns over time. Our risk management strategy is less about avoiding volatility (buying at the “moment of maximum pessimism” often involves weathering near-term volatility) than it is about seeking to avoid the permanent loss of capital. Since the depths of the global financial crisis, the portfolio's performance has occurred at a time when investors have favored bonds over equities and value as a style has had its longest stretch of underperformance on record. Looking ahead, we expect historically low interest rates to eventually normalize over our investment horizon, a condition that we believe correlates closely with the performance

The above commentary does not provide a complete analysis of every material fact regarding any market, region, industry, security, portfolio or pooled investment vehicle. Portfolio holdings information, opinions and other market or economic information and data provided are as of the date of the commentary, unless another date is expressly indicated, and may change without notice. Statements of fact cited by the manager have been obtained from sources considered reliable but no representation is made as to their completeness or accuracy. The manager’s assessment of a particular industry, region, security, sector or investment is intended solely to provide insight into the manager’s investment process and is not a recommendation to buy or sell any security, nor investment advice. References to particular securities or sectors are only for the limited purpose of illustrating general market or economic conditions and are not recommendations to buy or sell a security. Although historical data is no guarantee of future results, these insights may help you understand our investment management philosophy.

PERFORMANCE REVIEW AND CONTRIBUTORS TO PERFORMANCE (*CONTINUED)*

potential of value investing. Historically, when value outperforms, our approach has often proven its strength. We believe an unusually protracted period of financial repression has artificially depressed interest rates and distorted the cost of capital, lowering corporate borrowing costs without regard for fundamentals. In our opinion, this environment cannot last. We expect that once interest rates begin to normalize and fundamentals come into focus, investors capable of accurately pricing business value at the security level should be duly rewarded.

The above commentary does not provide a complete analysis of every material fact regarding any market, region, industry, security, portfolio or pooled investment vehicle. Portfolio holdings information, opinions and other market or economic information and data provided are as of the date of the commentary, unless another date is expressly indicated, and may change without notice. Statements of fact cited by the manager have been obtained from sources considered reliable but no representation is made as to their completeness or accuracy. The manager's assessment of a particular industry, region, security, sector or investment is intended solely to provide insight into the manager's investment process and is not a recommendation to buy or sell any security, nor investment advice. References to particular securities or sectors are only for the limited purpose of illustrating general market or economic conditions and are not recommendations to buy or sell a security. Although historical data is no guarantee of future results, these insights may help you understand our investment management philosophy.

INVESTMENT PHILOSOPHY AND PROCESS

Templeton utilizes a disciplined, consistent approach based on three timeless principles of investing:

Value

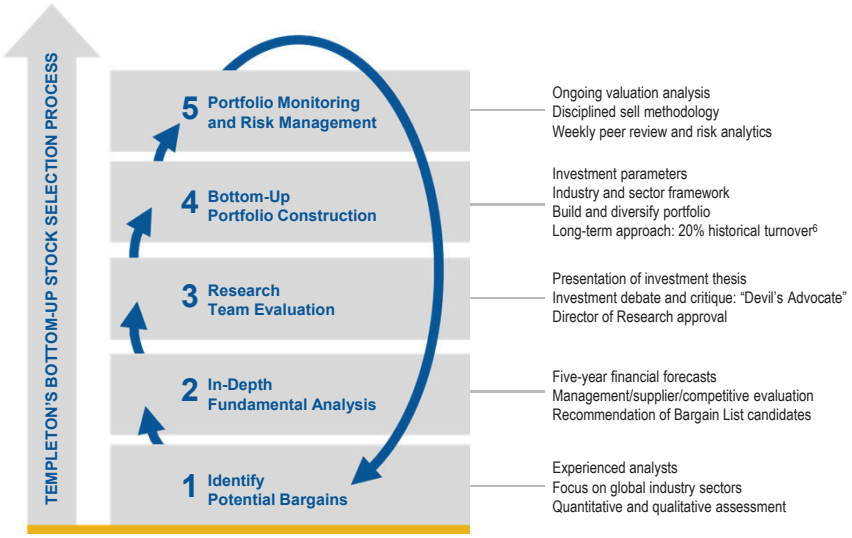
Our flexible approach is applied within a disciplined framework and seeks to identify companies trading at large discounts to their business value.

Patience

Our long-term focus gives us a framework to take advantage of price volatility to reveal potential long-term investment opportunities. Patience allows for potential long-term value recognition.

Bottom-up stock picking

Our portfolio management process seeks to buy pessimism and sell optimism. We build portfolios spanning regions and sectors made up of securities identified through this process.



INVESTMENT AND MANAGEMENT TEAM (AS OF 6/30/15)

TIF Foreign Equity Series Management Team	Years with Firm	Years Experience
Cindy L. Sweeting, CFA	18	31
Peter A. Nori, CFA	28	28
Antonio T. Docal, CFA	14	36
Templeton Global Equity Management Team	**Years with Firm**	**Years Experience**
Norman Boersma, CFA - Chief Investment Officer	23	29
Heather Arnold, CFA - Director of Research	10	31
Cindy L. Sweeting, CFA - Director of Portfolio Management	18	31
Templeton Global Equity Group	**Number of Members**	**Average Years Experience**
Portfolio Managers/Analysts	23	23
Research Analysts	14	10
Additional Resources		
Research Technology Group	Junior Research Analysts	Global Trading Platform
Global Research Library	Performance Analysis and Investment Risk Group	Global Portfolio Compliance Group

WHAT ARE THE RISKS

All investments involve risks, including possible loss of principal. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments; investments in emerging markets involve heightened risks related to the same factors. To the extent the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, it may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments. The fund's risk considerations are discussed in the prospectus.

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EXPLANATORY NOTES

FUND CHARACTERISTICS

Number of Issuers: All portfolio holdings are subject to change. Holdings of the same issuer have been combined.

THIRD-PARTY FUND DATA

Morningstar Rating™: Source: Morningstar® 6/30/15. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance after adjusting for sales loads (except for load-waived A shares), redemption fees, and the risk free rate, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. Primary Class shares of TIF Foreign Equity Series received a traditional Morningstar Rating of 3, 3 and 5 star(s) for the 3-, 5- and 10-year periods, respectively. The Morningstar Rating™ may differ among share classes of a mutual fund as a result of different sales loads and/or expense structure. **Past performance does not guarantee future results.** ©2015 Morningstar, Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

PERFORMANCE DATA

The fund offers other share classes subject to different fees and expenses, which will affect their performance.
Source for Index: FactSet. Indexes are unmanaged and one cannot invest directly in an index.
All MSCI data is provided "as is." The Fund described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the Fund described herein. Copying or redistributing the MSCI data is strictly prohibited.
Templeton Institutional Funds (TIF) do not have sales charges and are offered exclusively to certain institutional investors at net asset value. Individual investors purchasing shares

PORTFOLIO DIVERSIFICATION

Top Ten Holdings: Holdings of the same issuer have been combined. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change. 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 Ten Holdings list. For updated information, call Franklin Templeton at (800) 321-8563 or visit franklintempletoninstitutional.com.
Geographic/Sector Weightings: Weightings as percent of equity (unless otherwise noted). Percentage may not equal 100% due to rounding. Information is historical and may not reflect current or future portfolio characteristics.
Sector Weightings: Weightings as percent of equity (unless otherwise noted). Percentage may not equal 100% due to rounding. Information is historical and may not reflect current or future portfolio characteristics.
Largest/Smallest Sector Contributors: Total effect represents the opportunity cost of investment decisions in a group relative to overall benchmark.
Source for Index: FactSet. Indexes are unmanaged and one cannot invest directly in an index.

PORTFOLIO CHARACTERISTICS

The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security's issuing company. This methodology may cause small differences between the portfolio's reported characteristics and the portfolio's actual characteristics. In practice, Franklin Templeton's portfolio managers invest in the class or type of security which they believe is most appropriate at the time of purchase. The market capitalization figures for both the portfolio and the benchmark are at the security level, not aggregated up to the main issuer. All portfolio holdings are subject to change.
Source: FactSet. For the portfolio, the Price to Earnings, Price to Cash Flow, and Price to Book Value calculations for the weighted average use harmonic means. Values less than 0.01 (i.e., negative values) are excluded and values in excess of 200x are capped at 200x. For the benchmark, no limits are applied to these ratios in keeping with the benchmark's calculation methodology. Market capitalization statistics are indicated in the base currency for the portfolio presented.

PERFORMANCE RISK STATISTICS

Risk vs. Return: Risk is measured by the annualized standard deviation of monthly total returns. Performance of the fund does not include sales charges (if applicable), but it does include dividends and capital gains reinvested at net asset value.
Source for Index: FactSet. Indexes are unmanaged and one cannot invest directly in an index.
The fund offers other share classes subject to different fees and expenses, which will affect their performance.

ADDITIONAL INFORMATION

This piece is intended for institutional investment management consultants or investors interested in Franklin Templeton institutional products and services. Various account minimums or other eligibility qualifications apply depending on the investment strategy or vehicle.
Securities offered through Franklin Templeton Financial Services Corp.

Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, call Franklin Templeton at (800) 321-8563 or visit franklintempletoninstitutional.com. Please carefully read a prospectus before you invest or send money.

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