

Fund Commentary

Performance Review

- Global equity markets continued to advance in August, as a weaker US dollar and continued global monetary and fiscal policy stimulus buoyed stocks. In addition, signs that major economies were starting to recover after the coronavirus lockdowns in the spring were also positive for equity markets.
- For the month, the fund's A (acc) USD shares returned 6.39%, and its benchmark, the MSCI All Country World + Frontier Markets Index, returned 6.16%.

ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
HELPED	salesforce.com, inc.	Information Technology (Stock Selection)	India (Stock Selection)
	NVIDIA Corporation	Consumer Staples (Stock Selection)	United Kingdom (Stock Selection)
	Mastercard Incorporated Class A	Health Care (Stock Selection)	Hong Kong (Stock Selection)
HURT	CyberAgent, Inc.	Industrials (Stock Selection)	Japan (Stock Selection)
	Apple Inc.	Communication Services (Stock Selection)	South Korea (Stock Selection)
	Applied Materials, Inc.	Real Estate (Overweight)	—

- US-based customer-management software company salesforce.com boosted relative performance, following a strong quarterly earnings update as its enterprise customers continue to embrace digitisation. Salesforce.com also raised its third-quarter guidance. We believe that salesforce.com's growth should be resilient regardless of the economic environment, as digital transformation remains a top strategic priority for global companies.
- Also in the information technology sector, US-based semiconductor company NVIDIA contributed to relative returns, on another robust earnings report. We believe NVIDIA is benefiting from two strong secular growth trends, data centre growth and increased gaming activity. Demand for the company's gaming chips is also getting a lift from the global pandemic as more people are stuck at home.
- Japan-based CyberAgent, an advertising, gaming and media company, curbed relative performance. The company's advertising business has struggled recently due to the weak economic environment in Japan and its gaming business has suffered from a lack of major new releases. Its media business has been a bright spot, however, as growth has increased amidst the global pandemic.

Outlook & Strategy

- Although we are seeing signs that the worst of the economic downturn may be over as economies around the world begin to reopen, we believe the economic outlook remains uncertain amid the ongoing outbreaks in the United States and in several major emerging markets. Parts of Asia and Europe may be in a better position as they have largely contained their outbreaks, for now, and have been able to begin resuming something closer to normal economic activity.
- Global policymakers have also taken decisive action to limit the impact of the economic fallout from the spread of the coronavirus, which we believe is helping to support stocks. The US Federal Reserve cut rates to zero and launched quantitative easing, while the US government passed a US\$2 trillion spending bill. Other central banks have also cut interest rates and governments around the world have launched significant fiscal spending to support their respective economies.
- Until a vaccine or effective treatment is approved, we believe the global economy is unlikely to fully return to normal. Encouragingly, we see several drug candidates moving through trials and we should begin to see more clinical trial data in the coming quarters.
- We expect markets to remain volatile in the near term, as investors try to get a better understanding of the fundamentals of the economy, corporate earnings and the development of a vaccine. Highlighting the uncertainty companies have been pulling their earnings guidance, as forecasting has become more difficult in the current environment.
- However, we believe that the selloff in markets has created new opportunities for active managers to uncover quality companies whose share prices have sold off too drastically, overlooking long-term earnings potential, cash flows and balance sheet strength. We remain focused on quality companies, or those with low leverage and strong balance sheets, in the current environment.

Fund Details

Inception Date	14/10/2008
Benchmark	MSCI All Country World + Frontier Markets Index

Fund Description

The fund aims to provide long-term capital appreciation by investing in growth stocks in developed, emerging, and frontier markets across the entire market capitalisation spectrum. The investment managers and the investment co-managers, located in various countries around the globe, will develop local portfolios of securities with the intention to outperform the relevant market of each region. The fund's exposure to various regions and markets may vary from time to time according to the manager's opinion as to the prevailing conditions and prospects for these markets.

Performance Data

Performance Net of Management Fees as at 31/08/2020 (Dividends Reinvested) (%)¹

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (14/10/2008)
A (acc) USD	6.39	14.47	5.92	18.00	7.07	7.11	8.32	8.66
Net of Sales Charge - A (acc) USD	1.07	8.75	0.63	12.10	5.25	6.02	7.76	8.19
MSCI All Country World + Frontier Markets Index USD	6.16	15.42	5.09	17.07	9.54	10.78	10.47	10.06

Investment Team

Serena Perin Vinton, CFA
 Years with Firm 29
 Years Experience 29

What Are the Key Risks?

The value of shares in the Fund and income received from it can go down as well as up and investors may not get back the full amount invested. Performance may also be affected by currency fluctuations. Currency fluctuations may affect the value of overseas investments. The Fund invests mainly in equity and equity-related securities of companies around the world, including emerging markets. Such securities have historically been subject to significant price movements that may occur suddenly due to market or company-specific factors. As a result, the performance of the Fund can fluctuate considerably over time. Other significant risks include: foreign currency risk, emerging markets risk, liquidity risk, Chinese market risk. For full details of all of the risks applicable to this Fund, please refer to the "Risk Considerations" section of the Fund in the current prospectus of Franklin Templeton Investment Funds.

Important Legal Information

Franklin World Perspectives Fund is a sub-fund of the Luxembourg-domiciled Franklin Templeton Investment Funds (FTIF).

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