

Performance Review

- Global equity markets continued to recover in February. Signs of progress on a US-China trade deal and expectations that the US Federal Reserve would remain cautious in raising interest rates this year helped support equities.
- For the month, the fund's A (acc) USD shares returned 2.96%, and its benchmark, the MSCI All Country World + Frontier Markets Index, returned 2.72%.

ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
Helped	Raytheon Company	Industrials (Overweight)	United States (Stock Selection)
	Cognex Corporation	Information Technology (Overweight)	China (Stock Selection)
	Analog Devices, Inc.	Consumer Staples (Stock Selection)	Hong Kong
Hurt	UnitedHealth Group Incorporated	Energy (Stock Selection)	—
	ABIOMED, Inc.	—	—
	Concho Resources Inc.	—	—

- US defence contractor Raytheon contributed to relative performance as several big aerospace and defence companies bounced back after a difficult 2018. We believe that Raytheon has a superior portfolio to competitors due to its focus on digital capabilities.
- Factory automation company Cognex was another contributor following a robust earnings report. The US-based company saw strong growth across its businesses despite concerns about its exposure to slowing end-markets like China, consumer electronics and automobiles.
- On the downside, US-based health insurer UnitedHealth Group was a detractor amidst concerns about recent Medicare-for-all proposals that could upend the health insurance market. However, we expect the company to continue to grow as its Medicare Advantage offering sees strong enrolments and commercial pricing remains rational across the industry.

Outlook & Strategy

- We expect a choppy trading environment for stocks in 2019 as equity markets continue to grapple with the uncertainties surrounding the ongoing trade war, higher US interest rates, a slowdown in China, and European politics. However, we see some positive factors for equities, including a potentially weaker US dollar and lower energy prices.
- We believe the ability of major oil producers to fix prices through production cuts has weakened, leaving supply and demand fundamentals to drive the price of crude. Moreover, in our assessment, cheaper energy could be the single most important factor for increased economic activity over time.
- In this environment, we are likely to see more opportunities in international markets, mainly in Asia. India and China continue to grow and should benefit from lower energy costs. Furthermore, we believe Chinese policymakers have far greater room to provide stimulus to support growth than their developed-market counterparts.
- We also see opportunities in emerging markets like Brazil. Brazil's new president looks likely to pass several market-friendly reforms.
- If global growth slows, we expect that companies that post steady earnings growth and that have low debt levels will look relatively more attractive to us going forward.

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 DataPerformance Net of Management Fees as at 28/02/2019 (Dividends Reinvested) (%)¹

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (14/10/2008)
A (acc) USD	2.96	3.57	11.49	-5.17	9.79	3.54	11.46	8.18
Net of Sales Charge - A (acc) USD	-2.19	-1.61	5.92	-9.91	7.92	2.48	10.89	7.65
MSCI All Country World + Frontier Markets Index USD	2.72	3.10	10.85	-0.34	13.48	6.84	13.32	9.60

Investment Team**Purav Jhaveri, CFA**

Years with Firm 19

Years Experience 25

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: currency risk, emerging markets risk, liquidity risk, operational risk, Shanghai-Hong Kong Stock Connect 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.

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1. Source for all information is Franklin Templeton Investments. Benchmark related data provided by FactSet. Fund performance computed in share class currency, on NAV-NAV basis and dividends reinvested. Net of Sales Charge figures are after 5% sales charge. Past performance is no guarantee of future results. Portfolio holdings are subject to change. Periods greater than one year are shown as average annual total returns. Other commissions, taxes and other relevant costs paid by investor are not included.



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