

Performance Review

- Asian equities rose in November, outperforming broader emerging markets. Hopes for a slower pace of US interest rate hikes in 2019 and tentative signs of a respite in US-China trade tensions supported investor sentiment.
- For the month, the fund's A (Ydis) USD shares returned 4.07%, and its benchmark, the MSCI All Country Asia ex-Japan Index, returned 5.31%.

ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
Helped	PT Semen Indonesia (Persero) Tbk	Materials (Stock Selection)	Indonesia (Overweight)
	HDFC Bank Limited	Financials (Stock Selection)	Malaysia (Lack of Exposure)
	Alibaba Group Holding Ltd. Sponsored ADR	Consumer Discretionary (Stock Selection, Overweight)	India (Overweight)
Hurt	Oil & Gas Development Co. Ltd.	Energy (Stock Selection, Overweight)	Thailand (Overweight)
	PTT Exploration & Production Plc(Alien Mkt)	Information Technology (Stock Selection, Overweight)	Pakistan (Overweight)
	Catcher Technology Co., Ltd.	Real Estate (Stock Selection)	Hong Kong (Stock Selection)

- Pakistan-based Oil & Gas Development was amongst energy companies that fell as oil prices declined, driven in part by concerns of oversupply. Notwithstanding these concerns, we remain mindful of a potential oil supply shortage in the next few years, given OPEC's (Organization of the Petroleum Exporting Countries) limited spare capacity and infrastructure constraints in key US shale-producing areas.
- A weak market outlook for Apple's iPhone sales weighed on major Apple suppliers, including Catcher Technology. The Taiwan-based metal casing producer also posted lower quarterly revenues and earnings. Taking a longer-term view, however, we remain confident in Catcher's strong industry position and expect it to grow further, especially in the smartphone and notebook casing segments.
- In contrast, Indonesia's largest cement maker, Semen Indonesia, rallied. It agreed to acquire LafargeHolcim's operations in the country—a move that paves the way for it to extend its domestic leadership. We believe that the deal could help Semen Indonesia reap operational efficiencies and benefit from firmer prices in a consolidating industry.

Outlook & Strategy

- Investor sentiment towards Asia improved recently as dovish comments from US Federal Reserve Chairman Jerome Powell raised expectations of an interest rate hike pause in 2019 and led to a more bearish view on the US dollar.
- An announcement of a trade truce between the US and China in early December could further support sentiment in the immediate term. However, over the longer term, uncertainties remain as both countries work towards a more permanent solution.
- Asian equities have become more attractively valued, in our view, as a result of low investor confidence earlier in the year, while cash flows and dividend payouts continue. Although earnings growth in Asia lagged developed markets (DMs) in 2018, we expect a resumption of momentum in 2019; fundamentals remain strong and many Asian currencies have adjusted significantly in 2018.
- Despite slowing global growth, Asia is still widely expected to achieve faster economic growth than DMs in the foreseeable future. The International Monetary Fund forecasts emerging Asia to grow 6.3% in 2019, more than the 2.1% estimate for DMs.¹
- While short-term volatility may continue, as value-oriented and long-term investors, we continue to seek companies that demonstrate sustainable earnings power and trade at a discount relative to their intrinsic value and other investments available in the market.

Fund Details

Inception Date	16/04/1991
Benchmark	MSCI All Country Asia ex-Japan Index

Fund Description

The Fund aims to achieve long-term capital appreciation by investing primarily in equity securities listed in Asia (excluding Australia, New Zealand and Japan).

Performance Data

Performance Net of Management Fees as at 30/11/2018 (Dividends Reinvested) (%)²

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception
A (Ydis) USD	4.07	-8.34	-16.76	-14.24	8.08	-0.16	10.45	4.70
Net of Sales Charge - A (Ydis) USD	-1.13	-12.92	-20.92	-18.53	6.24	-1.18	9.88	4.51
A (acc) SGD	3.12	-8.33	-14.54	-12.72	7.12	1.67	9.38	-1.37
Net of Sales Charge - A (acc) SGD	-2.03	-12.92	-18.81	-17.08	5.31	0.63	8.82	-1.83
MSCI All Country Asia ex-Japan Index USD	5.31	-7.39	-11.77	-9.36	9.70	4.66	11.74	7.33
MSCI All Country Asia ex-Japan Index SGD	4.34	-7.26	-9.42	-7.67	8.73	6.56	10.69	1.50

The Inception Date for the A (Ydis) USD share class and A (acc) SGD share class is 16/04/1991 and 25/10/2007 respectively.

Investment Team

Sukumar Rajah
Years with Firm 24
Years Experience 27

Eric Mok, CFA
Years with Firm 20
Years Experience 20

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 securities of companies located in or doing significant business in Asia. Emerging markets have historically been subject to significant price movements, frequently to a greater extent than equity markets globally. As a result, the performance of the Fund can fluctuate significantly over relatively short time periods. Other significant risks include: currency risk, emerging markets risk, liquidity risk, operational 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: International Monetary Fund, World Economic Outlook, October 2018. © 2018 By International Monetary Fund. All Rights Reserved.

2. 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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