

**Product Details<sup>1</sup>**

Fund Assets	\$404,546,652.97
Fund Inception Date	27/05/2005
Number of Issuers	72
Bloomberg	TGINADI LX
ISIN	LU0211326839
Investment Style	Balanced / Hybrid
Benchmark	Blended 50% MSCI All Country World Index + 50% Bloomberg Barclays Multiverse Index
Morningstar Category™	USD Moderate Allocation

**Asset Allocation**

Market Value—Percent of Total	%
Equity	41.54
Cash & Cash Equivalents	34.48
Fixed Income	23.98

**Fund Description**

The Fund aims to maximise current income while maintaining prospects for capital appreciation by investing in a diversified portfolio of debt and equity securities worldwide. It seeks income by investing in a portfolio of fixed and floating rate debt securities and debt obligations issued by government and government-related issuers or corporate entities worldwide, including in emerging markets, as well as stocks the portfolio manager believes offer attractive dividend yields.

**Performance Data**
**Performance Net of Management Fees as at 31/05/2020 (Dividends Reinvested) (%)<sup>2</sup>**

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (27/05/2005)
A (Qdis) USD	0.97	-6.53	-13.55	-7.86	-4.66	-2.56	2.83	3.65
Net of Sales Charge - A (Qdis) USD	-4.08	-11.21	-17.87	-12.47	-6.27	-3.56	2.30	3.30
Blended 50% MSCI All Country World Index + 50% Bloomberg Barclays Multiverse Index USD	2.54	0.25	-3.46	6.08	4.85	4.84	6.21	5.45

**Cumulative Performance (%)**

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (27/05/2005)
A (Qdis) USD	0.97	-6.53	-13.55	-7.86	-13.33	-12.18	32.13	71.33
Net of Sales Charge - A (Qdis) USD	-4.08	-11.21	-17.87	-12.47	-17.66	-16.57	25.53	62.77
Blended 50% MSCI All Country World Index + 50% Bloomberg Barclays Multiverse Index USD	2.54	0.25	-3.46	6.08	15.26	26.65	82.73	121.74

**Portfolio Manager Insight**
**Performance Review**
**ONE-MONTH KEY PERFORMANCE DRIVERS**

	Equity	Fixed Income
<b>HELPED</b>	Consumer Discretionary (Stock Selection, Overweight)	Norwegian Krone
	China (Stock Selection)	Duration Exposure in South Korea
	Utilities (Stock Selection)	Swedish Krona
<b>HURT</b>	Financials (Stock Selection)	Australian Dollar (Net-Negative Position)
	Information Technology (Stock Selection, Underweight)	Euro (Net-Negative Position)
	United Kingdom (Stock Selection, Overweight)	Japanese Yen (Net-Positive Position)

- South Korean consumer electronics and semiconductor manufacturer Samsung Electronics was a significant detractor in the information technology sector. We continue to find Samsung attractive as a cyclical recovery play, given its depressed valuation and global leadership in the memory segment. The company has also prioritised shareholder returns, doubling its dividend in recent years and agreeing to allocate a minimum of 50% of free cash flow to shareholders.

1. All holdings are subject to change. Holdings of the same issuers have been combined.

- The shares of US budget retailer Dollar Tree rallied to a six-month high in late May after the firm delivered better-than-expected first-quarter earnings and reported bullish initial second-quarter trends. Dollar Tree has survived the post-COVID recession reasonably well, benefitting from an initial surge in volumes as consumers stockpiled, then maintaining steady traffic in the months since as cost-conscious shoppers have gravitated to Dollar Tree's affordable offerings. Given the essential products and services Dollar Tree provides to communities, it has been able to keep all stores open through the pandemic, generating sales and cash flow. Historically, the company has had attractive counter-cyclical characteristics in recessionary periods, and we expect that profile to endure going forward.
- The fixed income portfolio's net-negative positions in the Australian dollar and the euro detracted from absolute performance, as did its net-positive position in the Japanese yen. We continued to hold net-negative positioning in the Australian dollar to hedge broad-based beta risk across emerging markets. We have maintained a net-negative position in the euro to hedge against broad-based US dollar strength as well as structural and political risks across Europe.
- Sovereign bond yields declined across much of Asia and the Americas but shifted in varying directions across Europe. Select duration exposures in Asia ex Japan (South Korea), Africa (Ghana) and Latin America (Colombia) contributed to the fixed income portfolio's absolute results. We held select duration exposures in countries with relatively higher yields and that have varying degrees of economic resilience to external shocks, in our assessment.

### Outlook & Strategy

- The global economic outlook remains uncertain. While the slowdown in COVID-19 infection rates and initial stages of economic reopening have been met with optimism by buoyant financial markets, we continue to believe the environment warrants caution. The global economy was not in good shape before COVID struck, and the toll that the pandemic will ultimately exact remains unknown.
- While many equity investors have continued to favour quality—suggesting a lingering degree of caution—market breadth has been widening, valuations have been retesting highs and put-call ratios have retreated towards yearly lows. In short, signs of complacency have been re-emerging as many investors increasingly believe it's safe to dial up risk. At Templeton, we've taken a slightly more defensive posture in recent months as markets rallied, while also diversifying amongst different types of value to improve portfolio resiliency and optionality. In our view, financial markets and the global economy remain extremely imbalanced and deceptively fragile. While not attempting to time the markets, we are thinking in terms of probabilities and increasing portfolio dynamism in an effort to improve performance both in a period of near-term policy-driven deflation and a longer-term economic reckoning.
- From a fixed income perspective, we think it is still too early to pursue additional risk as the world is still in the first phase of the economic repercussions. The recent rallies across risk assets reflect an underappreciation of the risks for a second wave of infections and a second leg down in financial markets, in our view. We're currently focusing on specific perceived safe-haven investments, while emphasising a select set of higher-yielding emerging markets that have relatively resilient domestic economies. We're aiming to derive alpha from different sources than the low-to-negative yielding developed fixed income markets, which have limited upside potential left as yields grind to historic lows.
- We currently remain cautious on the broad outlook for emerging markets as a whole, but we see risk-adjusted value in specific countries. It remains crucial to be selective. Countries that were in stronger fundamental shape before the crisis generally have better prospects to endure the substantial economic headwinds. Domestically oriented economies have comparatively better prospects than externally dependent economies, given the collapse in global aggregate demand. The opportunities in emerging markets remain highly idiosyncratic, as some countries have inherent resiliencies while others are highly vulnerable to external and internal shocks. We continue to monitor conditions and expect that the impacts of the COVID-19 pandemic could persist for several months, potentially pushing out the timeline for when certain investment opportunities may become suitable.

### Portfolio Characteristics<sup>3,4,5,6,7</sup>

#### Equity Characteristics

	Portfolio	MSCI All Country World Index
Price to Earnings (12-Month Trailing)	18.24x	18.51x
Price to Book	1.40x	2.23x
Price to Cash Flow	7.18x	11.41x
Market Capitalisation (Millions in USD)	75,894	191,242
Dividend Yield	2.54%	2.32%

#### Fixed Income Characteristics

	Portfolio	Bloomberg Barclays Multiverse Index
Yield to Maturity	2.89%	1.32%
Yield to Worst	2.89%	1.30%
Average Duration	2.34 Yrs	7.13 Yrs
Average Weighted Maturity	2.71 Yrs	8.84 Yrs
Average Credit Quality <sup>8</sup>	A	A+

8. The average credit quality (ACQ) rating may change over time. The portfolio itself has not been rated by an independent rating agency. The letter rating, which may be based on bond ratings from different agencies, is provided to indicate the average credit rating of the portfolio's underlying bonds and generally ranges from AAA (highest) to D (lowest). For unrated bonds ratings may be assigned based on the ratings of the issuer or other relevant factors. The ACQ is determined by assigning a sequential integer to all credit ratings AAA to D, taking a simple, asset-weighted average of debt holdings by market value and rounding to the nearest rating. The risk of default increases as a bond's rating decreases, so the ACQ provided is not a statistical measurement of the portfolio's default risk because a simple, weighted average does not measure the increasing level of risk from lower rated bonds. The ACQ is provided for informational purposes only. Derivative positions are not reflected in the ACQ.

**Portfolio Diversification<sup>6</sup>**

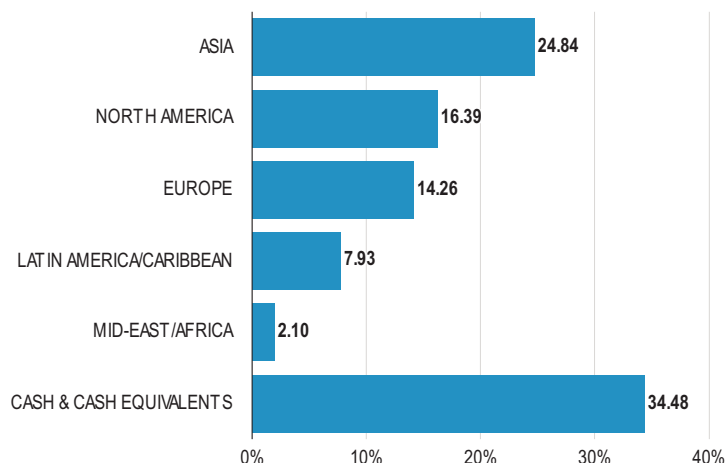
**Top Ten Holdings<sup>9</sup>**

Percent of Total

Top Holdings	%
Korea Treasury Bond, senior note, 1.375%, 12/10/29	2.92
Nota do Tesouro Nacional, 10.00%, 1/01/21	2.27
Korea Treasury Bond, senior note, 1.375%, 9/10/24	2.26
U.S. Treasury Note,	2.15
Government of Indonesia, senior bond, FR53, 8.25%, 7/15/21	2.14
Bayer AG	1.70
Dollar Tree Inc.	1.62
Berkshire Hathaway Inc., B	1.52
Takeda Pharmaceutical Co. Ltd.	1.50
Samsung Electronics Co. Ltd.	1.48

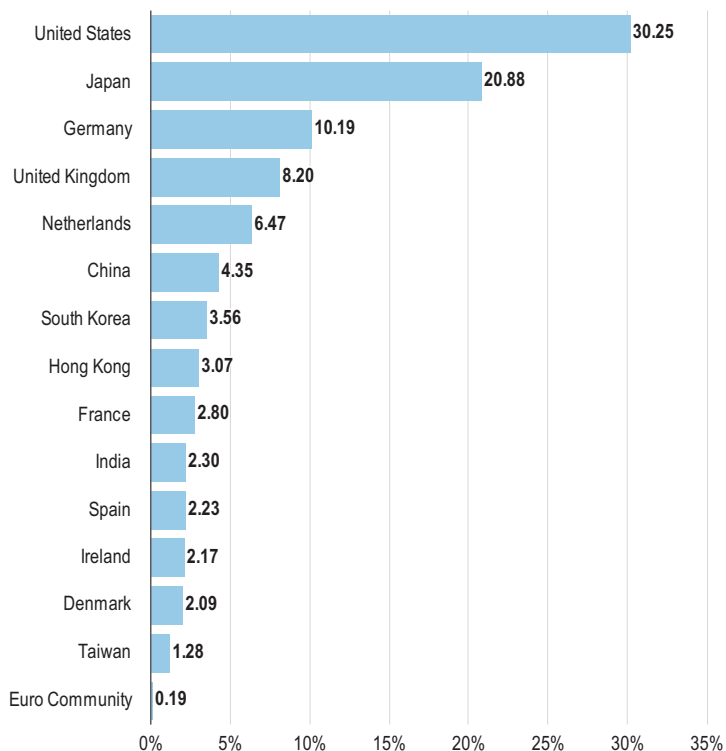
**Geographic Allocation<sup>10</sup>**

Market Value—Percent of Total



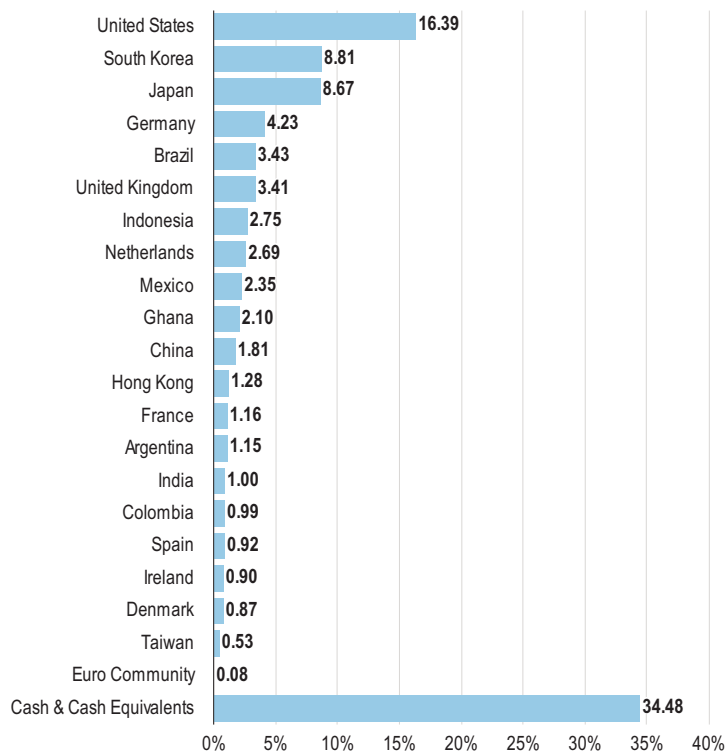
**Geographic Allocation<sup>11</sup>**

Market Value—Percent of Equity



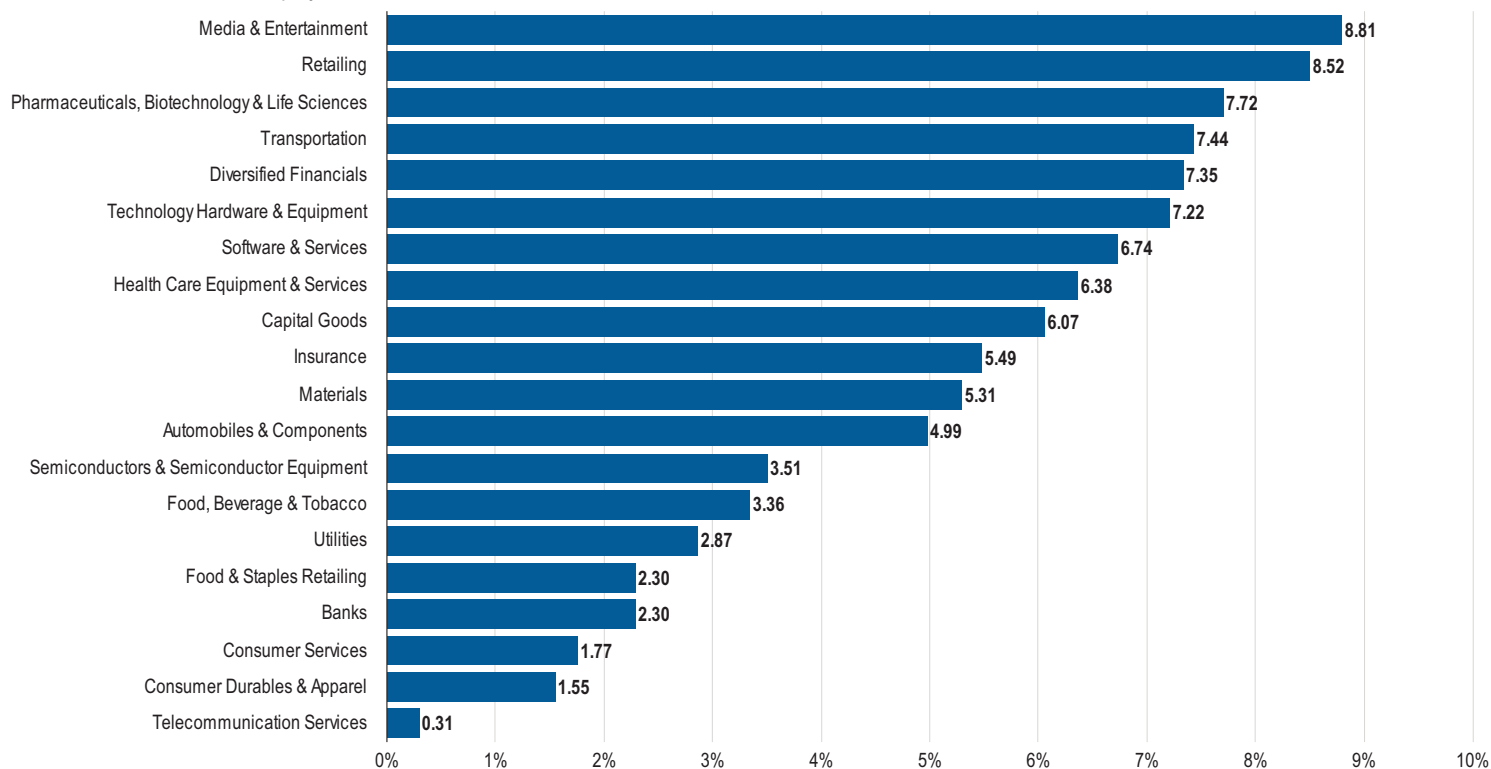
**Geographic Allocation<sup>10</sup>**

Market Value—Percent of Fixed Income



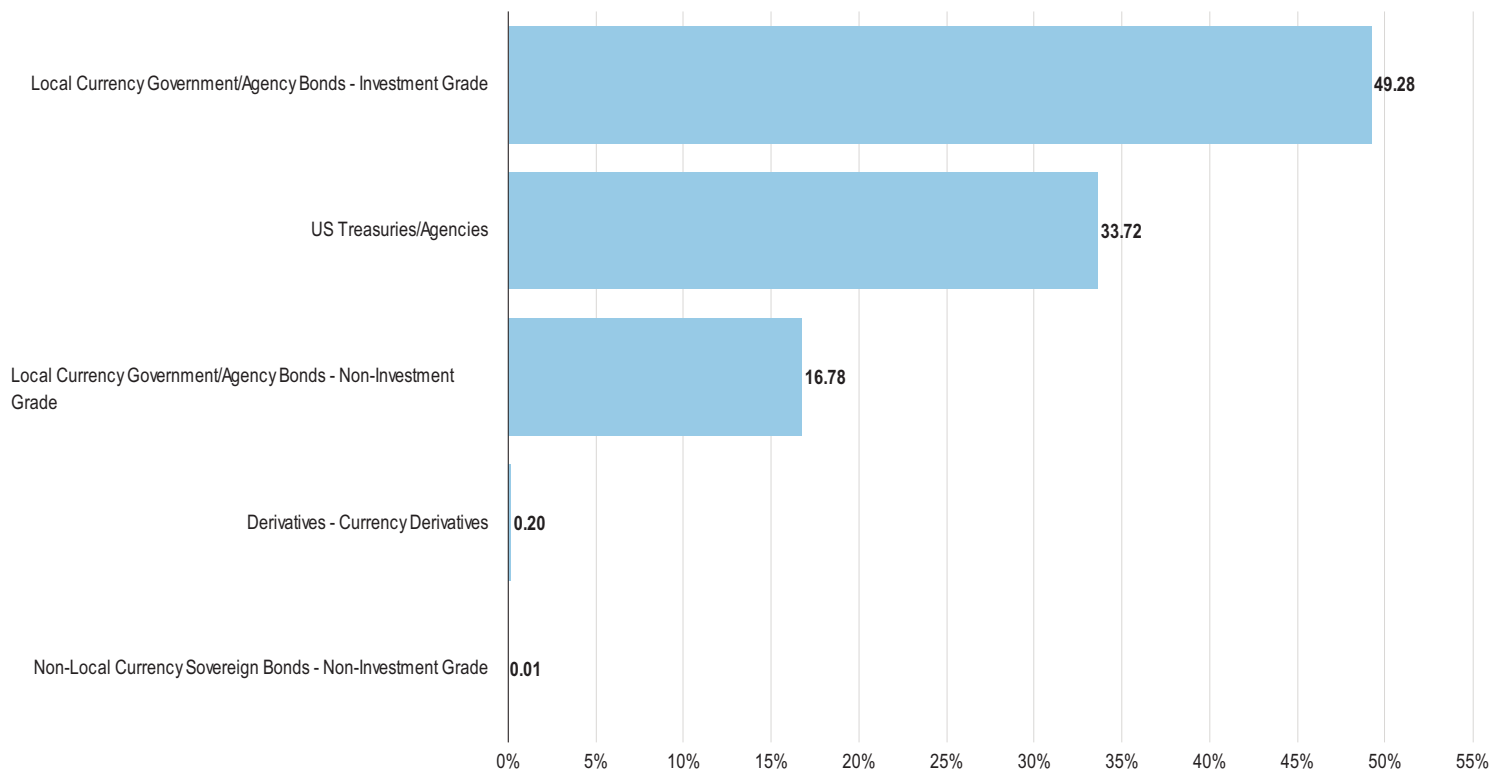
**Sector Allocation<sup>11</sup>**

Market Value—Percent of Equity



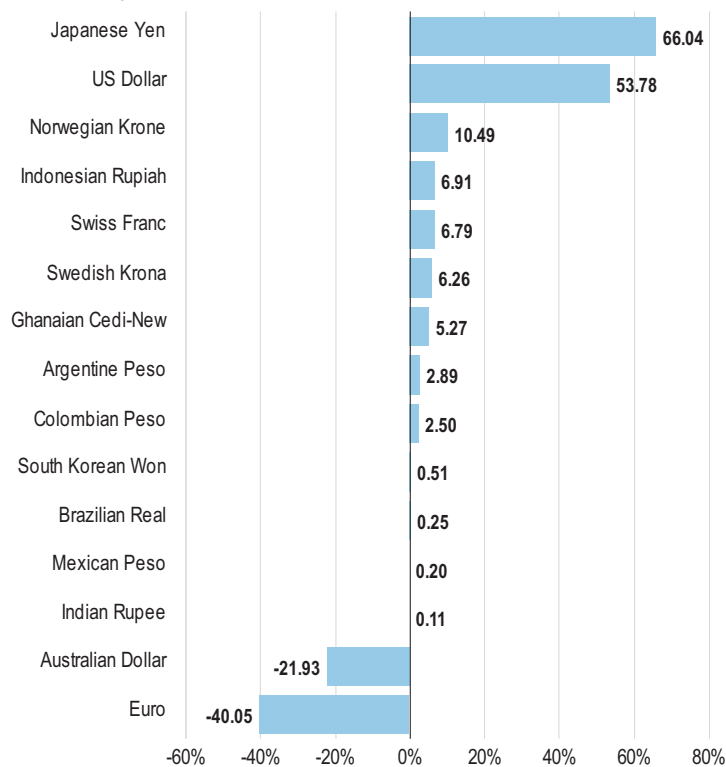
**Sector Allocation<sup>10</sup>**

Market Value—Percent of Fixed Income



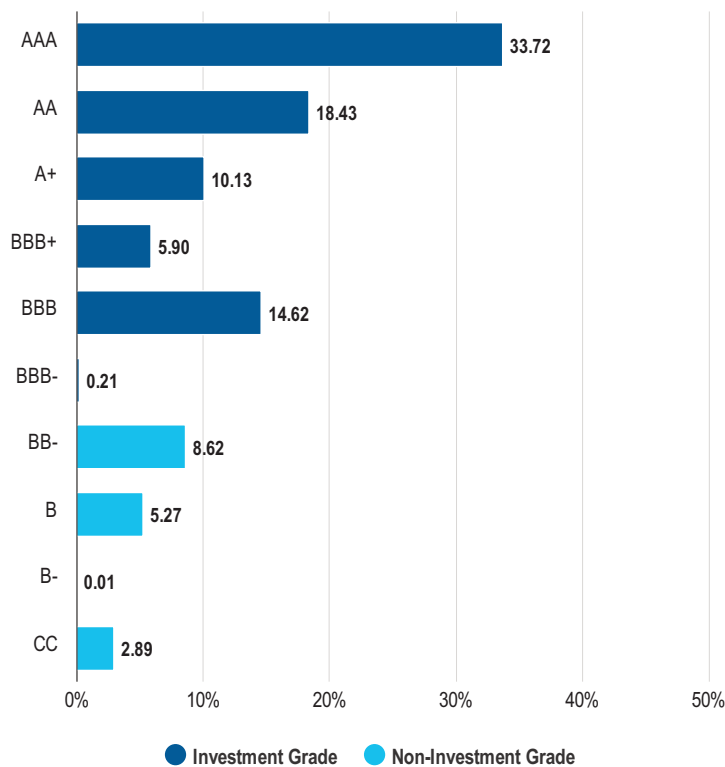
**Currency Exposure<sup>12</sup>**

Notional Exposure—Percent of Fixed Income



**Credit Quality Allocation<sup>10,13</sup>**

Market Value—Percent of Fixed Income



**Supplemental Performance Statistics**

**Supplemental Risk Statistics<sup>14</sup>**

	3 Yrs	5 Yrs	10 Yrs	Since Inception
<b>Standard Deviation (%)</b>				
Templeton Global Income Fund	12.01	11.30	11.54	11.87
Blended 50% MSCI All Country World Index + 50% Bloomberg Barclays Multiverse Index	8.95	8.22	8.26	9.37
<b>Tracking Error (%)</b>	6.02	6.14	5.41	5.25
<b>Information Ratio<sup>15</sup></b>	-1.58	-1.21	-0.63	-0.34
<b>Beta</b>	1.17	1.17	1.26	1.15
<b>Sharpe Ratio</b>				
Templeton Global Income Fund	-0.53	-0.33	0.19	0.20
Blended 50% MSCI All Country World Index + 50% Bloomberg Barclays Multiverse Index	0.36	0.45	0.68	0.45

**Investment Team**

Portfolio Manager	Years with Firm	Years Experience
Michael Hasenstab, Ph. D.	21	25
Warren Pustam, CFA	7	14
Herbert J Arnett Jr.	24	26

13. Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations ("NRSRO"), such as Standard & Poor's, Moody's and Fitch. The ratings are an indication of an issuer's creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from all three agencies are available, the middle rating is used; when two are available, the lowest rating is used; and when only one is available, that rating is used. Foreign government bonds without a specific rating are assigned the country rating provided by an NRSRO, if available. The NR category consists of ratable securities that have not been rated by an NRSRO. The N/A category consists of nonratable securities (e.g., equities). Cash and equivalents are excluded from this breakdown.

14. Beta, Information Ratio and Tracking Error information are measured against the Blended 50% MSCI All Country World Index + 50% Bloomberg Barclays Multiverse Index.

15. Information Ratio is a way to evaluate a manager's ability to outperform a benchmark in relation to the risk that manager is assuming, with risk defined as deviation from the benchmark. This measure is calculated by dividing the portfolio's excess return (portfolio return less the benchmark return) by the tracking error (derived by taking the standard deviation of the monthly differences between the portfolio return and the benchmark return over time).

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### 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 debt and equity securities issued by any government or corporate entity worldwide, including emerging markets. Such securities have historically been subject to price movements, generally due to interest rates or movements in the bond and equity markets. As a result, the performance of the Fund can fluctuate considerably over time. The Fund may distribute income gross of expenses. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital. Other significant risks include: credit risk, derivative instruments risk, emerging markets risk, liquidity 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**

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

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**Past performance or any prediction or forecast is not necessarily indicative of future performance of the Fund.** Subscriptions may only be made on the basis of the most recent Prospectus and Product Highlights Sheet which is available at Templeton Asset Management Ltd or our authorised distributors. Potential investor should read the details of the Prospectus and Product Highlights Sheet before deciding to subscribe for or purchase the Fund. This shall not be construed as the making of any offer or invitation to anyone in any jurisdiction in which such offer is not authorised or in which the person making such offer is not qualified to do so or to anyone to whom it is unlawful to make such an offer. In particular, this Fund is not available to U.S. Persons and Canadian residents.

**Investors may wish to seek advice from a financial adviser before making a commitment to invest in shares of the Fund. In the event an investor chooses not to seek advice from a financial adviser, he/she should consider whether the Fund is suitable for him/her.**

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**The Fund may utilise financial derivative instruments for hedging, efficient portfolio management and/or investment purposes.**

Securities mentioned in this report are not a solicitation to purchase those securities, and are examples of some securities which performed well. Not all securities in the portfolio performed well. These securities do not represent all the securities purchased, sold or recommended for advisory clients, and the reader should not assume that investment in the security listed was or will be profitable. Holdings are subject to change, holdings of the same issuer have been combined. The information provided is not a recommendation to purchase, sell or hold any particular security. The security identified does not represent the Fund's entire holdings and in the aggregate, may represent a small percentage of such holdings. There is no assurance that security purchased will remain in the Fund, or that security sold will not be repurchased. In addition, it should not be assumed that any securities mentioned were or will prove to be profitable. Stocks mentioned in this report are not a solicitation to purchase those stocks, and are examples of some stocks which performed well. Not all stocks in the portfolio performed as well. For the most current information on the fund, please contact your Franklin Templeton marketing representative.

Performance figures are not based on audited financial statements and assume reinvestment of interest and dividends. When comparing the performance of Franklin Templeton Investment Funds (the "Fund") with a benchmark index, it is important to note that the securities in which the Fund invests may be substantially different than those represented by the benchmark index. Furthermore, an investment in Franklin Templeton Investment Funds represents an investment in a managed investment company in which certain charges and expenses, including management fees, are applicable. These charges and expenses are not applicable to indices. Lastly, please note that indices are unmanaged and are not available for direct investment. Certain data and other information shown have been supplied by outside sources. While we consider that information to be reliable, we give no assurance that such data and information is accurate or complete.

The indices include a greater number of securities than those held in the Fund.

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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.

3. Source: FactSet. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted.

4. The dividend yield quoted here is the yield on securities within the portfolio and should not be used as an indication of the income received from this portfolio. **Past performance is not an indicator or a guarantee of future performance.**

5. Yield to Maturity, Yield to Worst, Average Duration and Average Weighted Maturity reflect certain derivatives held in portfolio (or their underlying reference assets).

6. All holdings are subject to change.

7. Yield figures quoted should not be used as an indication of the income that has or will be received. Yield figures are based on the portfolio's underlying holdings and do not represent a payout of the portfolio. **Past performance is not an indicator or a guarantee of future performance.**

9. Holdings of the same issuers have been combined. Top ten holdings information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change.

The information provided is not a recommendation to purchase, sell, or hold any particular security. The securities identified do not represent the fund's entire holdings and in the aggregate may represent only a small percentage of such holdings. There is no assurance that securities purchased will remain in the fund, or that securities sold will not be repurchased. The portfolio manager reserves the right to withhold release of information with respect to holdings that would otherwise be included.

10. Market value figures reflect the trading value of the investments. Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

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11. Percentage may not equal 100% due to rounding. All holdings are subject to change.

12. Notional exposure figures are intended to estimate the portfolio's exposure, including any hedged or increased exposure through certain derivatives held in the portfolio (or their underlying reference assets). Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.



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