

Product Details¹

Fund Assets	\$267,763,990.95
Fund Inception Date	07/07/1997
Number of Issuers	65
Bloomberg	TEMAMAI LX
ISIN	LU0070302665
Base Currency	USD
Investment Style	Deep Value
Benchmark	S&P 500 Index
Morningstar Category™	US Large-Cap Value Equity

Asset Allocation²

Percent of Total	%
Equity	90.74
Fixed Income	5.91
Cash & Cash Equivalents	3.36

Fund Description

The Fund aims to achieve long-term capital appreciation by investing principally in US equity and convertible debt securities. The Fund may also seek to invest in the securities of companies involved in mergers, consolidations, liquidations and reorganisations.

Performance Data
Performance Net of Management Fees as at 31/08/2020 (Dividends Reinvested) (%)³

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception
A (acc) USD	3.36	6.85	-18.15	-9.31	-2.38	1.47	5.98	5.02
Net of Sales Charge - A (acc) USD	-1.81	1.51	-22.25	-13.85	-4.03	0.43	5.44	4.79
A (acc) SGD	2.40	2.93	-17.20	-11.09	-2.26	0.74	6.03	1.39
Net of Sales Charge - A (acc) SGD	-2.72	-2.22	-21.34	-15.54	-3.92	-0.29	5.49	0.99
S&P 500 Index USD	7.19	15.48	9.74	21.94	14.51	14.45	15.16	8.00
S&P 500 Index SGD	6.15	11.21	11.00	19.55	14.64	13.63	15.21	8.45

Cumulative Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception
A (acc) USD	3.36	6.85	-18.15	-9.31	-6.97	7.57	78.82	210.79
Net of Sales Charge - A (acc) USD	-1.81	1.51	-22.25	-13.85	-11.62	2.19	69.88	195.25
A (acc) SGD	2.40	2.93	-17.20	-11.09	-6.64	3.74	79.55	19.40
Net of Sales Charge - A (acc) SGD	-2.72	-2.22	-21.34	-15.54	-11.31	-1.45	70.58	13.43
S&P 500 Index USD	7.19	15.48	9.74	21.94	50.17	96.47	310.38	493.97
S&P 500 Index SGD	6.15	11.21	11.00	19.55	50.68	89.46	311.94	183.77

The Inception Date for the A (acc) USD share class and A (acc) SGD share class is 07/07/1997 and 25/10/2007 respectively.

Portfolio Manager Insight
Performance Review
ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors
HELPED	Medtronic Plc	Communication Services
	Walt Disney Company	Financials
	Charter Communications, Inc. Class A	Health Care
HURT	Huntington Ingalls Industries, Inc.	Utilities
	Western Digital Corporation	—
	Pinnacle West Capital Corporation	—

- Medtronic's shares rallied after management reported better-than-expected fiscal first-quarter financial results. The decline in the medical device maker's revenue and profitability narrowed, compared with the previous period, as elective surgical procedure volumes recovered. Many patients and their physicians postponed and/or canceled elective surgeries at hospitals that were overwhelmed earlier in the year in response to the coronavirus pandemic.

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

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

- Disney's stock priced surged as investors endorsed management's response to the COVID-19 headwinds and embraced their initiatives to deepen direct to consumer (DTC) relationships. Third-quarter earnings and revenue fell sharply – but were better than expected – as closed theaters, suspended sports seasons and shuttered theme parks contributed to a revenue shortfall. However, Disney+, the streaming service that debuted last November, continued to grow, and now has more than 60 million subscribers; the company announced the much-anticipated remake of Mulan will be released on the platform, initiating a new premium video-on-demand tier. Management also announced it will launch an international general entertainment streaming service, Star, with content from other Disney properties, while ESPN will seek to acquire streaming rights as part of its negotiations with sports leagues to position the network to pivot more heavily into DTC.
- Shares of Western Digital sold off after management's fiscal first-quarter guidance projected a decline in revenue and adjusted earnings. The diminished top line forecast – shared during the fiscal fourth-quarter earnings announcement early in the month – was attributed to an anticipated slowdown in spending by cloud customers, which is likely seasonal. A decline in demand for NAND flash memory and hard disk drives has pressured pricing. Historically, the industry has moderated supply growth when pricing weakens, setting up the next upcycle.

Outlook & Strategy

- The stock market's Aug. 18 all-time high marked the quickest recovery from a bear market bottom since the advent of record keeping. Investor sentiment was boosted by upward revisions to second-quarter earnings that surpassed consensus forecasts by record margins. Expectations, however, had been significantly lowered entering the period as businesses shutdown to stem the spread of coronavirus. Corporate earnings, on average, slid a record 32% for the period ending June 30. Companies benefitting from remote working and low interest rates, notably those in the technology sector and, more recently, consumer discretionary (homebuilders and retailers with e-commerce capability) attracted investor attention. Industries with ties to travel and leisure, as well as financials, continue to lag the advance.
- The impressive stock market rebound occurred amid a backdrop of mixed economic signals. Revised second-quarter GDP declined 31.7% (annualised) compared with the initial estimate of -32.9%. July new home sales, reported during the month, surged almost 14% quarter-over-quarter (36% year-over-year), lifted by an exodus from larger cities to the suburbs. Conversely, unemployment, while improving, remained high, and consumer confidence, as measured by the Conference Board Consumer Confidence Index, fell to a pandemic-level low.
- To boost economic recovery and job creation, the US Federal Reserve (Fed) announced a new policy framework allowing for higher inflation. Under this strategy, the Fed would seek to obtain an average level of inflation (currently set at 2%) over time; this implies that when the unemployment rate falls, policymakers would not tend to pre-emptively hike interest rates to stave off inflation, as they traditionally have done in the past.
- While the Fed has taken a "lower-for-longer" interest rate approach to supporting the economy, the executive and legislative branches of the US government are at a stalemate about additional fiscal stimulus. The CARES Act, which provided a \$600 weekly unemployment benefit, expired on July 31, and House Democrats and Senate Republicans have been unable to reconcile their competing aid packages. President Trump in August signed several executive orders and memoranda related to some of these issues. However, these actions were limited in scope; would take time to implement; and are likely to be challenged in court as Congress is assigned the power to tax and spend.
- Amid these elevated risks, we remain cautious and focused on our bottom-up, fundamentally driven investment process to identify opportunities that often emerge during turbulent periods. While volatility can be unnerving, it is important to remember that it is inherent to investing in risk assets, and the market historically rewards investors who take a long-term perspective.

Portfolio Characteristics^{4,5}

	Portfolio	S&P 500 Index
Price to Earnings (12-Month Trailing)	16.49x	26.07x
Price to Book	1.42x	3.92x
Price to Cash Flow	6.32x	14.02x
Market Capitalisation (Millions in USD)	84,695	511,591
Dividend Yield	2.95%	1.70%

Portfolio Diversification

Top Ten Holdings⁶

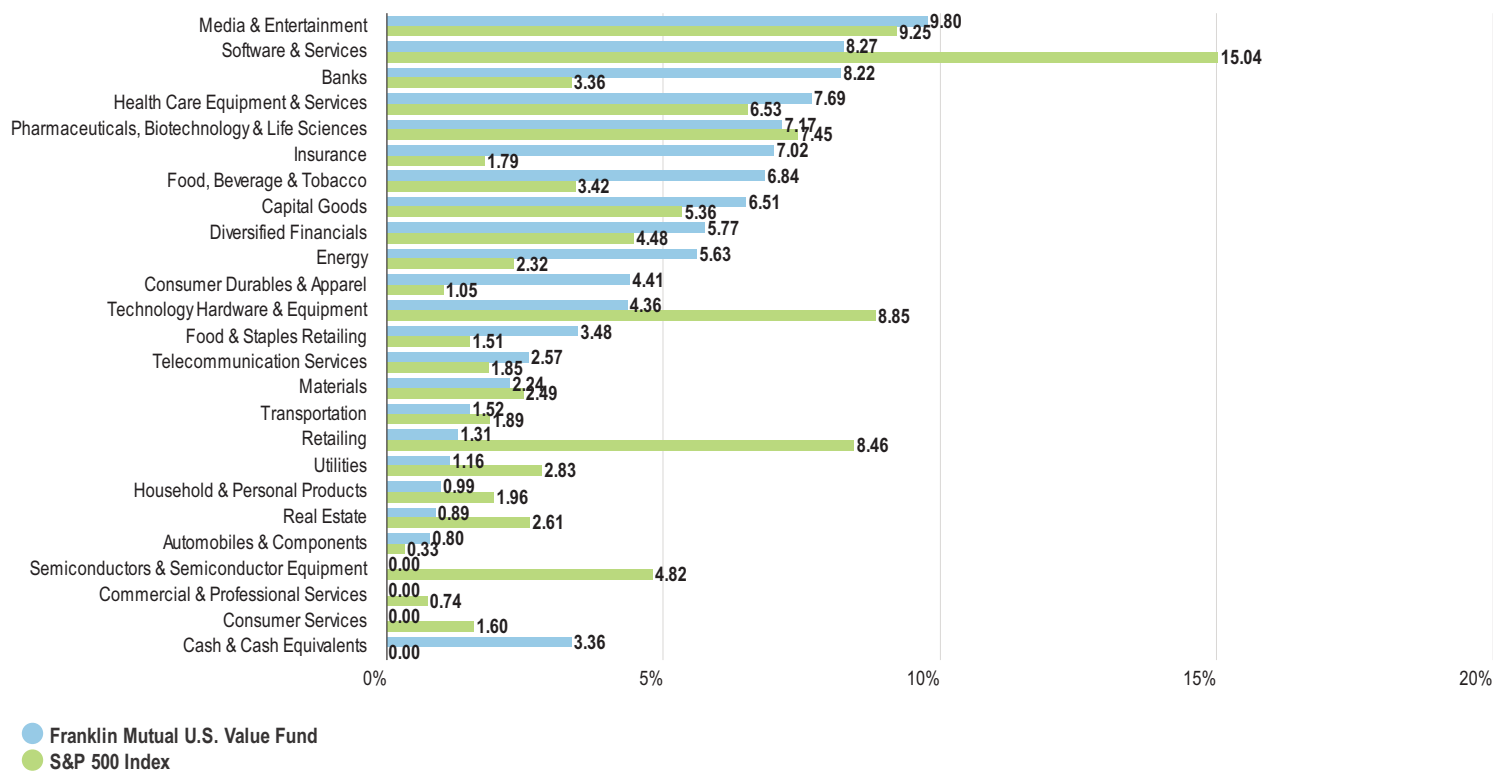
Percent of Total

Top Holdings	%
MEDTRONIC PLC	3.86
CHARTER COMMUNICATIONS INC	3.71
MERCK & CO INC	3.39
KRAFT HEINZ CO/THE	2.99
THE WILLIAMS COS INC	2.83
WALT DISNEY CO/THE	2.77
ORACLE CORP	2.74
COGNIZANT TECHNOLOGY SOLUTIONS CORP	2.71
ALLEGHANY CORP	2.57
COMCAST CORP	2.51

For use by brokers/dealers or intended institutional investor recipients only and cannot be disseminated further.

Sector Weightings vs. S&P 500 Index⁷

Percent of Total



Supplemental Performance Statistics

Supplemental Risk Statistics⁸

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)				
Franklin Mutual U.S. Value Fund	19.39	16.28	14.11	14.03
S&P 500 Index	17.26	14.68	13.32	15.29
Tracking Error (%)	6.39	5.79	4.69	7.05
Information Ratio⁹	-2.64	-2.25	-1.96	-0.41
Beta	1.06	1.04	1.00	0.81
Sharpe Ratio				
Franklin Mutual U.S. Value Fund	-0.20	0.02	0.38	0.21
S&P 500 Index	0.75	0.91	1.09	0.38

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Peter Langerman	31	34
F. David Segal, CFA	18	29
Deborah Turner, CFA	27	28

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 located in the U.S. 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, derivative instruments 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.

8. Beta, Information Ratio and Tracking Error information are measured against the S&P 500 Index.

9. 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).

For use by brokers/dealers or intended institutional investor recipients only and cannot be disseminated further.

Important Legal Information

Franklin Mutual U.S. Value Fund is a sub-fund of the Luxembourg-domiciled Franklin Templeton Investment Funds (FTIF).

This document is for information only and does not constitute investment advice or a recommendation and was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. Any research and analysis contained in this presentation has been procured by Franklin Templeton Investments for its own purposes and may be acted upon in that connection and, as such, is provided to you incidentally. Any views expressed are the views of the fund manager and do not constitute investment advice. The underlying assumptions and these views are subject to change. Franklin Templeton Investments accepts no liability whatsoever for any direct or indirect consequential loss arising from the use of any information, opinion or estimate herein. **The value of investments and the income from them can go down as well as up and you may not get back the full amount that you invested.**

Any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets is not necessarily indicative of the future or likely performance.

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.

Copyright© 2020 Franklin Templeton. All rights reserved.

Issued by Templeton Asset Management Ltd. Registration No. (UEN) 199205211E

The Fund may utilise financial derivative instruments for investment purposes.

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.

CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

Standard & Poor's®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC. S&P does not sponsor, endorse, sell or promote and S&P index-based product.

Important data provider notices and terms available at www.franklintempletondatasources.com.

3. 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.
4. 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 capitalisation figures for both the portfolio and the benchmark are at the security level, not aggregated up to the main issuer. Source: Factset. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted. All holdings are subject to change.
5. 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.**
6. 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.
7. Percentage may not equal 100% due to rounding. All holdings are subject to change.

www.franklintempleton.com.sg



For use by brokers/dealers or intended institutional investor recipients only and cannot be disseminated further.