

Product Details¹

Fund Assets	\$640,466,964.97
Fund Inception Date	25/10/2005
Number of Issuers	79
Bloomberg	FMGDAAC LX
Base Currency	USD
Investment Style	Value
Benchmark	MSCI World Index
Morningstar Category™	Global Large-Cap Value Equity

Asset Allocation²

Percent of Total	%
Equity	93.28
Cash & Cash Equivalents	4.85
Fixed Income	1.87

Fund Description

The Fund aims to achieve capital appreciation by investing primarily in equity securities of companies of any nation that the investment manager believes are available at market prices less than their intrinsic value. The Fund primarily invests in mid and large-cap companies with a market capitalisation around or greater than 1.5 billion US dollars. To a lesser extent, the Fund may also invest in distressed securities and merger arbitrage situations.

Performance Data
Performance Net of Management Fees as at 30/04/2019 (Dividends Reinvested) (%)³

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (25/10/2005)
A (acc) USD	3.52	6.15	14.34	-1.75	6.07	1.53	6.64	5.14
Net of Sales Charge - A (acc) USD	-1.65	0.84	8.63	-6.66	4.27	0.50	6.10	4.74
MSCI World Index USD	3.60	8.25	16.70	7.08	12.03	7.91	12.21	7.36

Cumulative Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (25/10/2005)
A (acc) USD	3.52	6.15	14.34	-1.75	19.34	7.90	90.27	96.93
Net of Sales Charge - A (acc) USD	-1.65	0.84	8.63	-6.66	13.37	2.50	80.75	87.08
MSCI World Index USD	3.60	8.25	16.70	7.08	40.56	46.32	216.32	161.01

Portfolio Manager Insight
Performance Review
ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
Helped	Walt Disney Company	Financials	United States
	Anadarko Petroleum Corporation	Communication Services	Germany
	Citigroup Inc.	Energy	United Kingdom
Hurt	Walgreens Boots Alliance Inc	Health Care	Israel
	Baker Hughes, a GE Company Class A	Consumer Staples	—
	Eli Lilly and Company	—	—

- Walgreens Boots Alliance's stock price was weak after the drug store chain reported first-quarter earnings that fell short of Wall Street forecasts. Drug reimbursement pressure and weakness in both its US and UK stores resulted in a cut to full-year guidance. However, Walgreens is reducing costs throughout the enterprise, and within the front end of the store, they are attempting to reduce exposure to lower margin categories, which we believe can help boost growth and profitability over the longer term.
- At the end of April, oilfield services firm Baker Hughes reported earnings that largely met Wall Street expectations. Although oil and gas markets appear to be stabilizing, General Electric (a fund holding) plans to exit its stake of Baker Hughes over time. This has created an overhang on the shares given the expected future share sales.
- On the upside, Walt Disney's stock surged following an investor event outlining the strategy and expectations for its new streaming service. The breadth and depth of content, the price point and the technology and user interface supporting it have increased the optimism about the service. Market expectations are high that the service can grow quickly and more profitably than some rival platforms.

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

Outlook & Strategy

- Little has happened to challenge the full-year consensus view of slower global economic growth and modest improvement in corporate earnings. The US Federal Reserve's (Fed's) policy shift lessened investor concern about a near-term recession, despite continued downside risks to the global economy. Market expectations regarding the Fed's next move have shifted from near certainty of another rate hike to consideration of a rate cut.
- We are closely monitoring Brexit negotiations, US-China trade discussions, the effectiveness of China's stimulus measures, and how major central banks navigate an uncertain economic environment. Movement towards positive, or at least less negative, policy outcomes has boosted investor sentiment. Yet, Brexit and trade tensions remain far from resolved, leaving financial markets vulnerable to renewed volatility and another downturn.
- We took advantage of late 2018 market turbulence to seek out stocks whose risk/reward profiles turned more favourable. Subsequently, we used the recent rebound to exit or trim from select positions that reached or exceeded our estimates of intrinsic value, most notably within the health care sector.
- As of period end, we believe the overall equity market is close to fair value, given the uncertain economic outlook, with no sector or industry looking abnormally cheap or compelling. New opportunities at this time are idiosyncratic in nature. However, an uncertain and volatile market typically presents broader opportunities for prudent stock pickers with a disciplined approach.
- Value investing often requires an investor to be contrarian in nature. We continue to maintain a bottom-up stock-picking process that is disciplined, driven by rigorous fundamental analysis, and attempts to limit downside risk. In our view, investing in underappreciated and misunderstood companies with identifiable catalysts for unlocking shareholder value can offer meaningful upside potential and a degree of downside protection in periods of financial market turbulence.

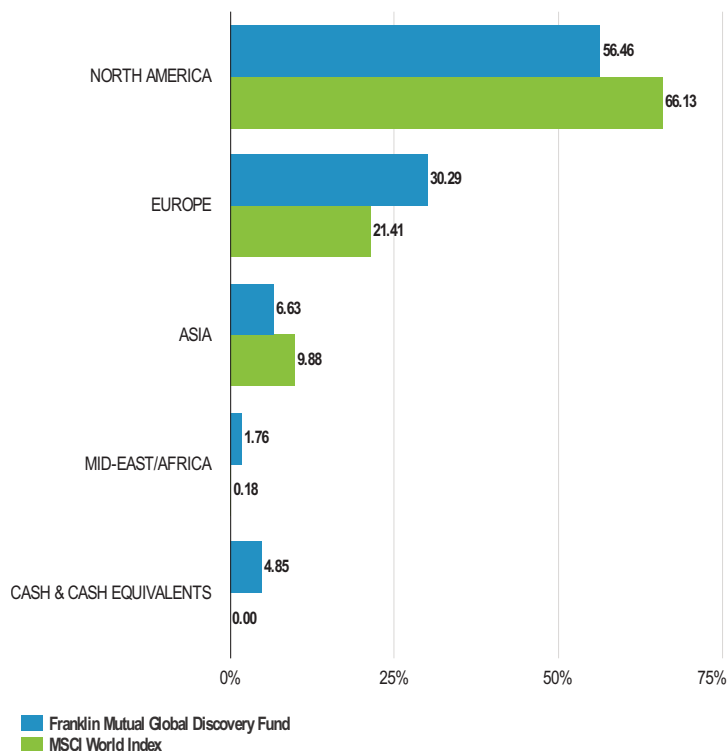
Portfolio Characteristics^{4,5}

	Portfolio	MSCI World Index
Price to Earnings (12-Month Trailing)	15.28x	18.35x
Price to Book	1.42x	2.47x
Price to Cash Flow	6.75x	11.75x
Market Capitalisation (Millions in USD)	83,588	150,115
Dividend Yield	3.08%	2.45%

Portfolio Diversification

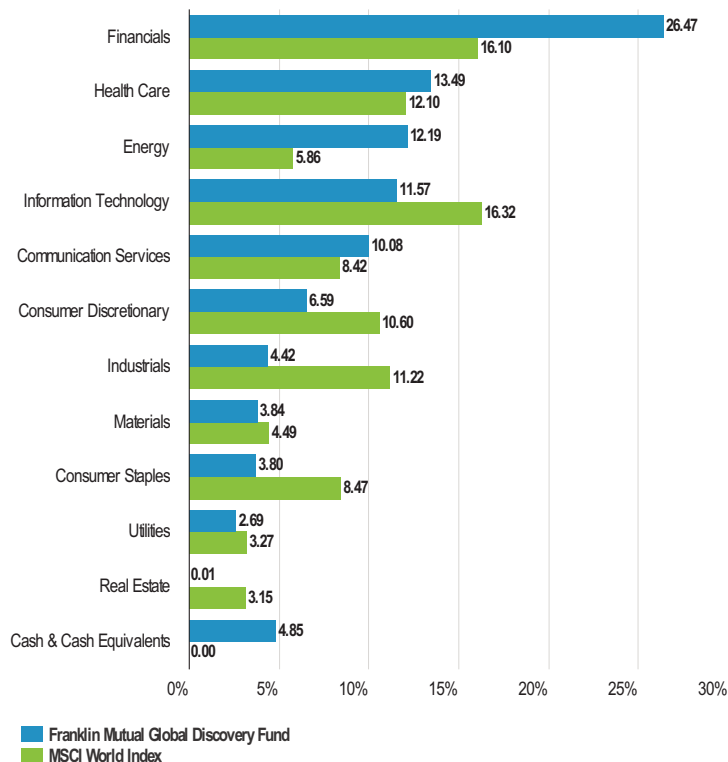
Geographic Weightings vs. MSCI World Index²

Percent of Total



Sector Weightings vs. MSCI World Index²

Percent of Total



Top Ten Holdings⁶

Percent of Total

Top Holdings	Sector	%
WALT DISNEY CO/THE	Media & Entertainment	3.17
MEDTRONIC PLC	Health Care Equipment & Services	3.15
NOVARTIS AG	Pharmaceuticals, Biotechnology & Life Sciences	2.94
GLAXOSMITHKLINE PLC	Pharmaceuticals, Biotechnology & Life Sciences	2.52
ROYAL DUTCH SHELL PLC	Energy	2.44
CITIGROUP INC	Banks	2.20
CITIZENS FINANCIAL GROUP INC	Banks	2.19
VOLKSWAGEN AG	Automobiles & Components	2.10
SAMSUNG ELECTRONICS CO LTD	Technology Hardware & Equipment	2.07
NN GROUP NV	Insurance	2.03

Supplemental Performance Statistics**Supplemental Risk Statistics⁷**

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)				
Franklin Mutual Global Discovery Fund	10.34	11.73	13.17	12.64
MSCI World Index	10.02	10.97	13.20	15.05
Tracking Error (%)	4.20	3.73	4.11	6.19
Information Ratio⁸	-1.42	-1.71	-1.35	-0.35
Beta	0.95	1.01	0.95	0.77
Sharpe Ratio				
Franklin Mutual Global Discovery Fund	0.47	0.06	0.47	0.31
MSCI World Index	1.07	0.65	0.89	0.41

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Peter Langerman, Chief Executive Officer	29	33
Tim Rankin, CFA, Portfolio Manager/Research Analyst	15	27
Christian Correa, CFA, Director of Research	15	17
	Number of Members	Average Years Experience
Franklin Mutual Series	22	16

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 mid- and large-capitalisation companies worldwide. 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, derivatives 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.

7. Beta, Information Ratio and Tracking Error information are measured against the MSCI World Index.

Important Legal Information

Franklin Mutual Global Discovery 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 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.

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2. Information is historical and may not reflect current or future portfolio characteristics. Percentage may not equal 100% due to rounding. All holdings are subject to change.
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. Information is historical and may not reflect current or future portfolio characteristics. 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.
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 for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included.
8. 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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