

Product Details¹

| | |
|-----------------------|----------------------|
| Fund Assets | €88,454,121.41 |
| Fund Inception Date | 29/07/2011 |
| Number of Issuers | 40 |
| Bloomberg | FREDAEU LX |
| ISIN | LU0645132738 |
| Base Currency | EUR |
| Investment Style | Blend |
| Benchmark | MSCI Europe Index |
| Morningstar Category™ | Europe Equity Income |

Asset Allocation²

| Percent of Total | % |
|-------------------------|-------|
| Equity | 93.87 |
| Cash & Cash Equivalents | 6.13 |
| Fixed Income | 0.00 |

Overall Morningstar Rating™³

Fund Description

The Fund's investment objective is to provide a combination of current income and long-term capital appreciation by investing principally in the equity and/or equity-related securities of companies of any market capitalization incorporated or having their principal business activities in European countries.

Performance Data
Performance Net of Management Fees as at 31/05/2020 (Dividends Reinvested) (%)⁴

| | 1 Mth | 3 Mths | YTD | 1 Yr | 3 Yrs | 5 Yrs | Since Inception (29/07/2011) |
|-----------------------------------|-------|--------|--------|--------|-------|-------|---------------------------------|
| A (acc) EUR | 1.53 | -14.77 | -23.82 | -14.82 | -6.77 | -3.79 | 3.81 |
| Net of Sales Charge - A (acc) EUR | -3.54 | -19.03 | -27.63 | -19.08 | -8.36 | -4.78 | 3.21 |
| MSCI Europe Index EUR | 3.05 | -6.12 | -15.12 | -3.77 | -0.75 | 0.33 | 6.36 |

Cumulative Performance (%)

| | 1 Mth | 3 Mths | YTD | 1 Yr | 3 Yrs | 5 Yrs | Since Inception (29/07/2011) |
|-----------------------------------|-------|--------|--------|--------|--------|--------|---------------------------------|
| A (acc) EUR | 1.53 | -14.77 | -23.82 | -14.82 | -18.98 | -17.58 | 39.12 |
| Net of Sales Charge - A (acc) EUR | -3.54 | -19.03 | -27.63 | -19.08 | -23.03 | -21.71 | 32.17 |
| MSCI Europe Index EUR | 3.05 | -6.12 | -15.12 | -3.77 | -2.22 | 1.66 | 72.54 |

Portfolio Manager Insight
Performance Review
ONE-MONTH KEY PERFORMANCE DRIVERS

| | Stocks | Sectors | Countries |
|--------|---------------------|---|----------------------------------|
| HELPED | Vodafone Group Plc | Financials (Stock Selection) | Germany (Overweight) |
| | E.ON SE | Communication Services (Stock Selection) | Netherlands (Stock Selection) |
| | Siemens AG | Utilities (Stock Selection, Overweight) | France (Stock Selection) |
| HURT | G4S plc | Industrials (Stock Selection) | United Kingdom (Stock Selection) |
| | Imperial Brands PLC | Consumer Discretionary (Stock Selection) | Sweden (Lack of Exposure) |
| | WH Smith PLC | Information Technology (Lack of Exposure) | Denmark (Lack of Exposure) |

- G4S, a UK-based security services firm, curbed relative performance, despite signs that its business is proving resilient during the COVID-19 lockdowns. Its security services business has continued to operate with minimal impact from the pandemic. Additionally, G4S is reducing costs and is divesting part of its cash management business.
- UK-based tobacco firm Imperial Brands curbed relative performance, after the company cut its dividend in order to reduce debt. The company's interim results and outlook for the fiscal year were largely as expected following its February guidance. Weakness continued in the company's next-generation tobacco products business, as the company reduced investment in this line of business. The new chief executive officer, Stefan Bomhard, starts on 1 July, and we expect a material improvement in management resources, both in terms of capital and personnel.
- Amongst the contributors, UK-based telecom firm Vodafone supported relative returns, as its latest financial results suggested that the global pandemic will only have a modest impact on the company's overall business. Vodafone has also been focused on reducing debt and monetising its wireless tower assets.

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

Outlook & Strategy

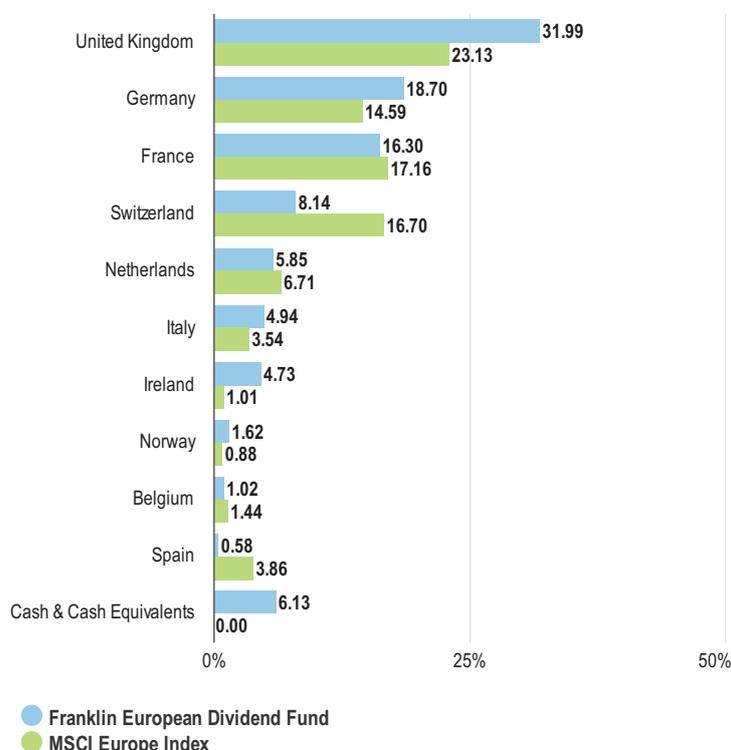
- The global and European economic outlook remains uncertain. While the slowdown in COVID-19 infection rates and initial stages of economic reopening have been met with optimism by buoyant financial markets, we continue to believe the environment warrants caution.
- The toll that the pandemic will ultimately exact on the economy remains unknown. Unprecedented stimulus has been complemented with emergency income and debt relief for consumers and corporations. This can paper over problems in the near term but will likely prove unsustainable in the long run. In the medium term, companies and industries are faced with the challenge of redefining their business models to accommodate lower consumer spending and corporate investment.
- Furthermore, the cure for current conditions may prove worse than the disease itself. Rising public sector debt and expanding budget deficits have historically limited—not promoted—economic growth. Likewise, tighter regulations, higher taxes and increasing state intervention have historically been at odds with economic innovation.
- Risk appetite has returned as coordinated policy calms the troubled seas of financial markets for the time being. While 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 reemerging, as many investors increasingly believe it is safe to dial up risk.
- We have made some decisive moves in our portfolios and expect to emerge from this tumultuous period stronger and better balanced. Our aim has been to create an attractively diversified portfolio. We will be bold where valuations warrant such a stance and seek to balance exposures appropriately, in order to position the portfolio for success over the longer term.

Portfolio Characteristics^{5,6}

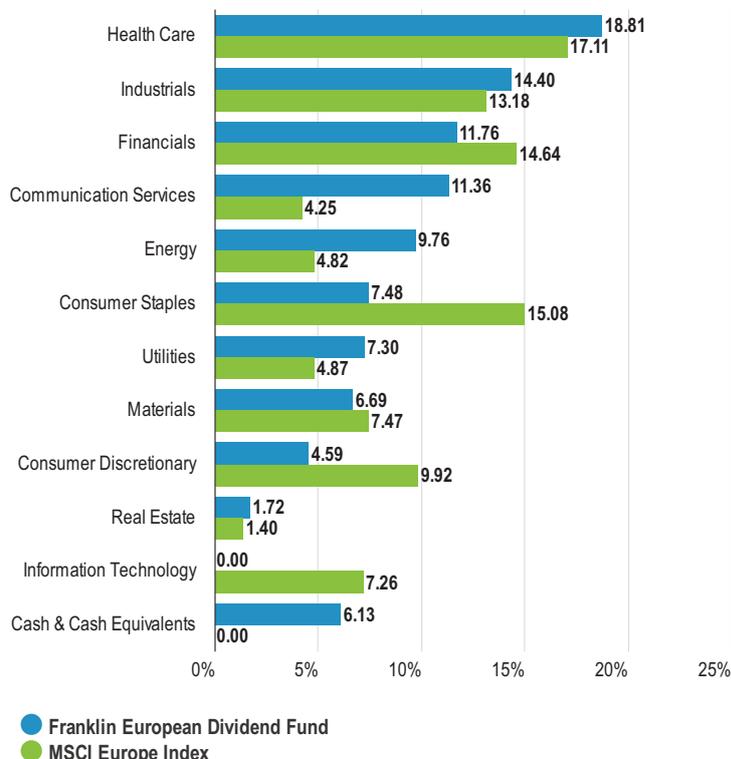
| | Portfolio | MSCI Europe Index |
|---|-----------|-------------------|
| Price to Earnings (12-Month Trailing) | 13.11x | 15.04x |
| Price to Book | 1.35x | 1.59x |
| Price to Cash Flow | 4.82x | 8.32x |
| Market Capitalisation (Millions in EUR) | 50,206 | 57,962 |
| Dividend Yield | 5.03% | 2.76% |

Portfolio Diversification

Geographic Weightings vs. MSCI Europe Index²
Percent of Total



Sector Weightings vs. MSCI Europe Index²
Percent of Total



Top Ten Holdings⁷

Percent of Total

| Top Holdings | Sector | Country | % |
|-------------------------|--|----------------|------|
| SANOFI | Pharmaceuticals, Biotechnology & Life Sciences | France | 5.55 |
| VODAFONE GROUP PLC | Telecommunication Services | United Kingdom | 4.88 |
| DEUTSCHE TELEKOM AG | Telecommunication Services | Germany | 4.85 |
| BAE SYSTEMS PLC | Capital Goods | United Kingdom | 3.97 |
| BAYER AG | Pharmaceuticals, Biotechnology & Life Sciences | Germany | 3.92 |
| E.ON SE | Utilities | Germany | 3.69 |
| VEOLIA ENVIRONNEMENT SA | Utilities | France | 3.60 |
| G4S PLC | Commercial & Professional Services | United Kingdom | 3.54 |
| COVESTRO AG | Materials | Germany | 3.47 |
| GLAXOSMITHKLINE PLC | Pharmaceuticals, Biotechnology & Life Sciences | United Kingdom | 3.45 |

Supplemental Performance Statistics**Supplemental Risk Statistics⁸**

| | 3 Yrs | 5 Yrs | Since Inception |
|--------------------------------------|-------|-------|-----------------|
| Standard Deviation (%) | | | |
| Franklin European Dividend Fund | 17.94 | 16.05 | 13.98 |
| MSCI Europe Index | 14.39 | 14.14 | 13.26 |
| Tracking Error (%) | 5.32 | 4.65 | 4.27 |
| Information Ratio⁹ | -1.14 | -0.91 | -0.61 |
| Beta | 1.17 | 1.06 | 0.98 |
| Sharpe Ratio | | | |
| Franklin European Dividend Fund | -0.34 | -0.20 | 0.30 |
| MSCI Europe Index | -0.01 | 0.07 | 0.51 |

Investment Team

| Portfolio Manager | Years with Firm | Years Experience |
|-------------------|-----------------|------------------|
| Dylan Ball | 13 | 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 dividend-paying equity securities of companies located in or doing significant business in European countries. 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. 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: currency 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 MSCI Europe 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 European Dividend 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

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.

MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

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

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. ©2020 Morningstar, Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.
4. 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.
5. 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.
6. 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.**
7. 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.

www.franklintempleton.com.sg



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