

Product Details¹

Fund Assets	€237,077,503.95
Fund Inception Date	08/01/1999
Number of Issuers	54
Bloomberg	TEMGROA LX
Base Currency	EUR
Investment Style	Value
Benchmark	MSCI EMU Index
Morningstar Category™	Eurozone Large-Cap Equity

Asset Allocation²

Percent of Total	%
Equity	92.20
Cash & Cash Equivalents	7.80
Fixed Income	0.00

Overall Morningstar Rating™³

Fund Description

The Fund aims to achieve long-term capital appreciation by investing primarily in equity and debt securities of European Monetary Union member country governments and companies with at least 75% of its total assets in equity securities issued by companies which have their head office in the European Union.

Performance Data
Performance Net of Management Fees as at 31/08/2020 (Dividends Reinvested) (%)⁴

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (08/01/1999)
A (acc) EUR	1.69	3.34	-15.26	-4.93	-4.55	0.53	5.66	3.39
Net of Sales Charge - A (acc) EUR	-3.39	-1.83	-19.50	-9.69	-6.17	-0.50	5.12	3.14
MSCI EMU Index EUR	3.54	7.22	-10.13	-1.99	1.32	3.92	6.94	3.77

Cumulative Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (08/01/1999)
A (acc) EUR	1.69	3.34	-15.26	-4.93	-13.03	2.66	73.42	105.61
Net of Sales Charge - A (acc) EUR	-3.39	-1.83	-19.50	-9.69	-17.38	-2.48	64.75	95.33
MSCI EMU Index EUR	3.54	7.22	-10.13	-1.99	4.00	21.23	95.59	122.71

Portfolio Manager Insight
Performance Review
ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
HELPED	Covestro AG	Consumer Staples (Stock Selection)	Netherlands (Stock Selection)
	SBM Offshore NV	Utilities (Stock Selection)	Spain (Stock Selection)
	Flow Traders NV	Financials (Stock Selection)	Italy (Stock Selection)
HURT	Galapagos NV	Health Care (Overweight)	Belgium (Stock Selection, Overweight)
	UCB S.A.	Industrials (Stock Selection)	Germany (Stock Selection)
	Fresenius Medical Care AG & Co. KGaA	Consumer Discretionary (Underweight)	France (Stock Selection)

- An overweight position in health care was the biggest sector-level detractor for the month. Shares of Belgian biotechnology firm Galapagos declined after the US Food & Drug Administration (FDA) failed to approve a rheumatoid arthritis drug that Galapagos is developing with partner Gilead Sciences. While the FDA's decision certainly represents a setback (we have delayed the drug's projected launch date in our models and reduced its sales forecast commensurately), we believe that the business is not broken and that significant opportunities remain for both the arthritis drug in question and the broader immunology pipeline. With more than 70% of the firm's market capitalisation in cash and significant optionality in its new product pipeline, we continue to think that Galapagos offers attractive risk/reward prospects in the current environment.
- Shares of Dutch electronic exchange Flow Traders advanced after reporting in-line quarterly profits due to successful cost controls. Flow Traders has been a major beneficiary of volatility and complexity in financial markets, which we believe positions it well for periods of elevated uncertainty and can improve portfolio diversification. The company remains geared towards growth as it penetrates new markets and benefits from the expanding popularity of electronic trading and exchange-traded products. With an undemanding valuation, generous payout ratio and good liquidity position, we remain constructive on the stock going forward.

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.

- Fresenius Medical, a provider of kidney dialysis services and equipment, detracted from performance during the month. Fresenius is one of the cheapest non-pharmaceutical health care stocks in Europe, in our view, with good visibility into earnings acceleration over the next five years. We believe that changes in reimbursement for Medicare starting in 2021, coupled with the gradual transition to home dialysis, should fuel improved growth.

Outlook & Strategy

- The solid performance of European stocks occurred amid a backdrop of mixed economic signals. The region fell into recession in the second quarter with GDP declining 14.1% year-on-year in the European Union (EU), and unemployment ticking higher to 7.2% in July. In the United Kingdom, second-quarter GDP declined by 21.7% annualised. However, there were sources of optimism: EU consumer prices moved up 0.9% in July, compared with the year-ago period; and the eurozone IHS Markit Productivity PMI (purchasing manager's index) was 51.7 in August, the second consecutive expansionary reading after 18 months of contraction.
- The European Central Bank (ECB) has made it clear that it is prepared to purchase additional bonds and utilise other tools to stabilise the economy. Likewise, the bloc has taken coordinated steps to accelerate its recovery, notably the €750 billion recovery fund. While the fund's impact will not be felt until 2021, it does lay the groundwork for a number of significant initiatives, notably environmental, social and governance, or ESG, investments.
- For the first time in recent memory, value stocks outperformed their growth counterparts. Value stocks tend to be companies in cyclical sectors and industries, and they have historically led during an economic rebound. Europe's more cyclically oriented markets, compared with those in the United States, could benefit if the recovery takes hold and global trade resumes.
- A resurgence in coronavirus infections in certain regions is a potential impediment to the gradual reopenings that have occurred. During the period, the United Kingdom placed travel restrictions on France following a spike in reported cases. Trade tensions globally remain an issue, particularly between China and the United States, threatening to deliver another blow to the nascent global recovery.
- As long-term investors, we can weather turbulence and look for it to provide opportunities to acquire shares in good franchises at attractive valuations. We remain disciplined in our approach and are committed to buying companies based on fundamentals, active engagement with management teams and a keen focus on cash flow and valuation. While the recent instability can be unnerving, it is important to remember that fluctuations – sometime extreme – are inherent to investing in risk assets, and the market historically rewards investors who take a long-term perspective.

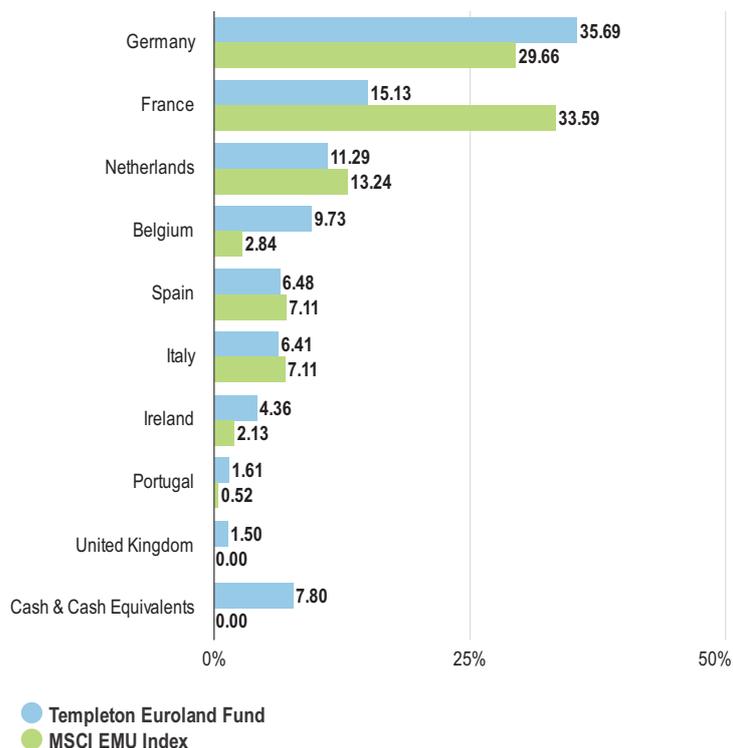
Portfolio Characteristics^{5,6}

	Portfolio	MSCI EMU Index
Price to Earnings (12-Month Trailing)	21.90x	19.56x
Price to Book	1.96x	1.56x
Price to Cash Flow	7.22x	8.65x
Market Capitalisation (Millions in EUR)	32,992	42,971
Dividend Yield	2.72%	2.40%

Portfolio Diversification

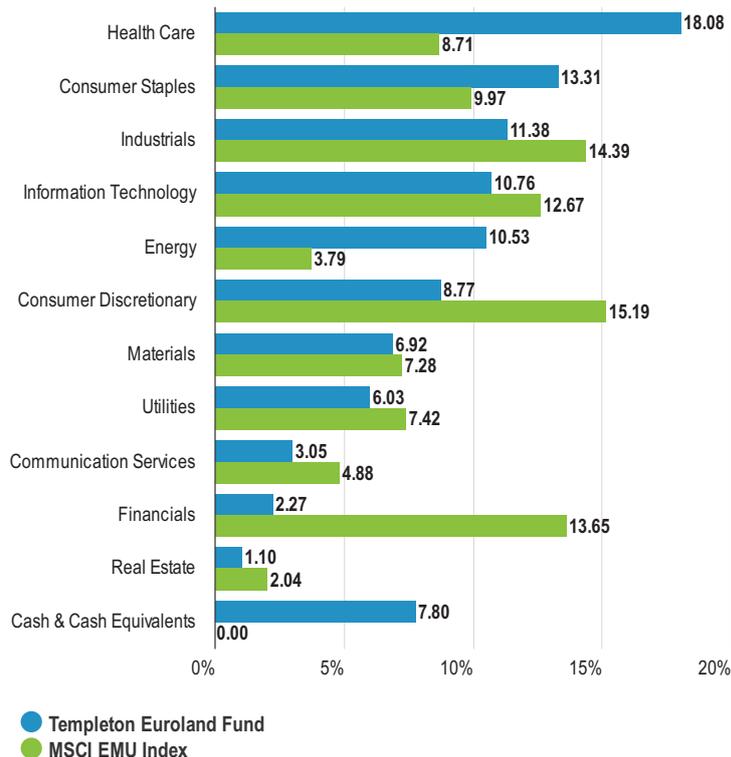
Geographic Weightings vs. MSCI EMU Index⁷

Percent of Total



Sector Weightings vs. MSCI EMU Index⁷

Percent of Total



Top Ten Holdings⁸

Percent of Total

Top Holdings	Sector	Country	%
E.ON SE	Utilities	Germany	3.67
SBM OFFSHORE NV	Energy	Netherlands	3.12
DEUTSCHE TELEKOM AG	Telecommunication Services	Germany	3.05
GERRESHEIMER AG	Pharmaceuticals, Biotechnology & Life Sciences	Germany	3.04
SAP SE	Software & Services	Germany	2.63
GALAPAGOS NV	Pharmaceuticals, Biotechnology & Life Sciences	Belgium	2.56
EBRO FOODS SA	Food, Beverage & Tobacco	Spain	2.51
GEA GROUP AG	Capital Goods	Germany	2.47
UCB SA	Pharmaceuticals, Biotechnology & Life Sciences	Belgium	2.41
VEOLIA ENVIRONNEMENT SA	Utilities	France	2.36

Supplemental Performance Statistics

Supplemental Risk Statistics⁹

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)				
Templeton Euroland Fund	18.29	16.69	15.67	16.31
MSCI EMU Index	16.49	15.46	15.15	17.65
Tracking Error (%)	4.90	4.74	4.38	6.69
Information Ratio¹⁰	-1.22	-0.73	-0.29	-0.04
Beta	1.05	1.02	0.98	0.85
Sharpe Ratio				
Templeton Euroland Fund	-0.21	0.07	0.38	0.13
MSCI EMU Index	0.12	0.30	0.47	0.13

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Dylan Ball	13	20
Peter Moeschter, CFA	23	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 securities of companies located in or doing significant business in euroland 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 significantly over relatively short time periods. Other significant risks include: foreign currency risk, derivative instruments 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.

9. Beta, Information Ratio and Tracking Error information are measured against the MSCI EMU Index.

10. 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).

Important Legal Information

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

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

8. 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.

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