

Product Details¹

Fund Assets	€196,687,301.78
Fund Inception Date	08/01/1999
Number of Issuers	55
Bloomberg	TEMGROA LX
ISIN	LU0093666013
Base Currency	EUR
Investment Style	Value
Benchmark	MSCI EMU Index-NR
Morningstar Category™	Eurozone Large-Cap Equity

Asset Allocation²

Percent of Total	%
Equity	97.13
Cash & Cash Equivalents	2.87
Fixed Income	0.00

Fund Description

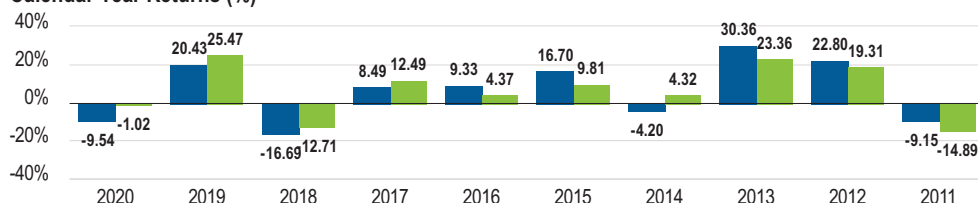
The Fund aims to achieve long-term capital appreciation by investing primarily in equity and debt securities of European Monetary Union member country governments and companies with at least 75% of its total assets in equity securities issued by companies which have their head office in the European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

Performance Data³
Discrete Annual Performance (%) as at 31/08/2021

	8/20-8/21	8/19-8/20	8/18-8/19	8/17-8/18	8/16-8/17
A (acc) EUR	16.64	-4.93	-9.78	1.40	17.68
MSCI EMU Index-NR EUR	32.44	-2.55	0.21	4.18	17.01

Performance Net of Management Fees as at 31/08/2021 (Dividends Reinvested) (%)^{a,b}

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (08/01/1999)
A (acc) EUR	2.23	1.53	9.26	16.64	0.01	3.61	7.83	3.94
MSCI EMU Index-NR	2.46	4.90	19.66	32.44	8.95	9.53	9.84	4.15

Calendar Year Returns (%)


- A (acc) EUR
- MSCI EMU Index-NR

Past performance is not an indicator or a guarantee of future performance.

Portfolio Manager Insight
Performance Review
ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
HELPED	SBM Offshore NV	Energy (Stock Selection)	Germany (Stock Selection)
	LVMH Moët Hennessy Louis Vuitton SE	Consumer Discretionary (Stock Selection, Underweight)	Lithuania (Off-benchmark Exposure)
	Infineon Technologies AG	Financials (Stock Selection)	Finland (Lack of Exposure)
HURT	International Consolidated Airlines Group SA	Information Technology (Stock Selection, Underweight)	United Kingdom (Overweight)
	Amadeus IT Group SA Class A	Industrials (Stock Selection)	Spain (Stock Selection)
	Royal Dutch Shell Plc Class A	—	France (Stock Selection)

- Madrid-based travel logistics firm Amadeus remained under pressure alongside other “reopening” names on concerns about a resurgence in COVID cases related to the Delta variant. We continue to believe that in a post-pandemic world, Amadeus stands to benefit from three structural trends: the normalisation of air traffic volume; market share gains versus the

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.
3. Net Returns (NR) include income net of tax withholding when dividends are paid.

competition; and increased demand from airlines and hotels to partner with vertical software firms to “variabilise” and modernise their information technology systems. With management cutting costs, improving the mix shift and strengthening the firm’s partnership with US software giant Microsoft, we expect upside potential from Amadeus over our investment horizon.

- The shares of SBM Offshore rallied after the firm reported better-than-expected first-half results and announced a well-received share buyback. SBM continues to have one of the most fundamentally defensive business models in a highly cyclical boom-bust sector and represents an opportunity that we believe is significantly misunderstood by the market. We continue to see significant upside potential for SBM from current levels.
- International Consolidated Airlines Group (the parent company of British Airways and others) is a high-quality European network airline with strong competitive positions in its hubs, as well as a strong track record in improving returns. The stock underperformed on concerns over the Delta variant, new lockdowns in Asia and a slower-than-expected transatlantic reopening. In the short term, the stock performance is dominated by news flow. But, in the medium to long term, as international travel recovers, we believe the company should be a major beneficiary.

Outlook & Strategy

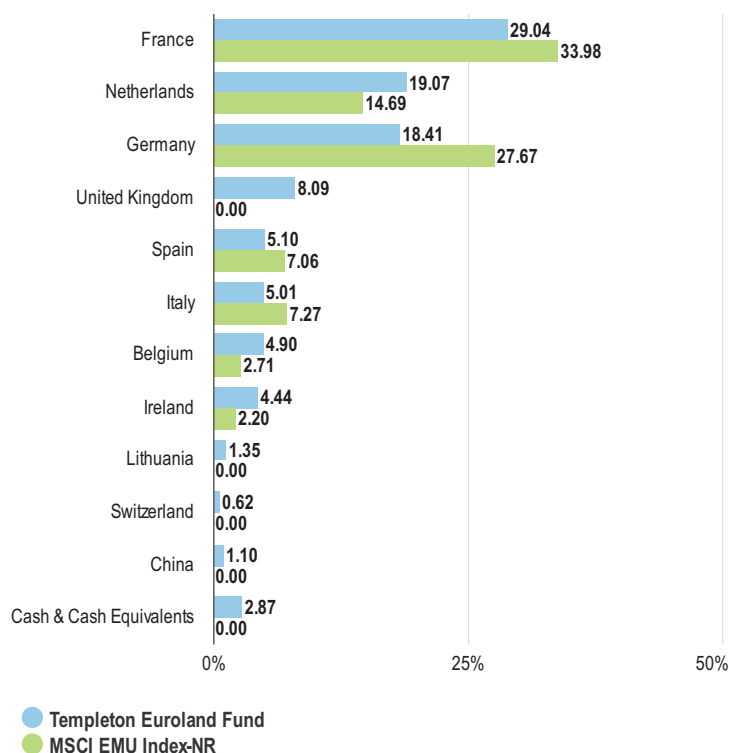
- Signs of excess still abound in global equity markets. In the United States, Wall Street equity analysts look as bullish as they’ve been in nearly two decades and equity inflows in 2021 are on pace to exceed the combined inflows of the past 20 years. Corporate debt-to-GDP (gross domestic product) is near record levels in aggregate, and the percentage of companies making negative earnings remained historically elevated, but high-yield credit spreads remained abnormally low. It is easy to identify signs of complacency in this market, but that’s been the case for a long time and the market has continued to grind higher, supported by a wall of liquidity courtesy of central bankers and now legislators as fiscal stimulus enters the pipeline.
- There is an old adage that “bull markets don’t die of old age—they die of policy mistakes.” If that’s true, the attention being paid to policymakers and their every utterance makes sense. The market has reacted violently (in both directions) to policy pronouncements over this cycle. Let us not forget, the original “taper tantrum” came way back in 2013, when then Chair Ben Bernanke announced that the Fed would reduce its bond purchases at some future date. Central bankers have been struggling to “normalise” policy ever since, and for the better part of a decade they have been thwarted by recessions, pandemics, debt crises, flash crashes and other investor revolts. It seems unlikely that policymakers will be able to muddle through the situation indefinitely given the gathering inflationary pressures on the one hand and record-breaking sovereign debt loads on the other.
- It is hard to tell when, where and why confidence could crack first, but that will ultimately determine how the current tensions—papered over as they are by optimism and liquidity—eventually get resolved. We remain aware of the heightened risk of such a scenario and have sought to prepare for it by owning what we consider high-quality, defensive stocks with attractive valuation profiles. Yet we also understand that the current frothy environment can persist, and that positive near-term catalysts remain in the form of earnings upgrades, impending fiscal stimulus, continued share buybacks, elevated equity inflows and the potential for an improvement in COVID statistics. For these reasons, we remain sensibly diversified, with exposures also spanning cyclical and economically sensitive stocks that we believe offer valuation support and positive beta to potential future value rallies. The result is a balanced portfolio full of stocks with diverse value drivers whose common characteristic is material undervaluation relative to our assessment of their long-term fundamental earnings capability.

Portfolio Characteristics^{c,d}

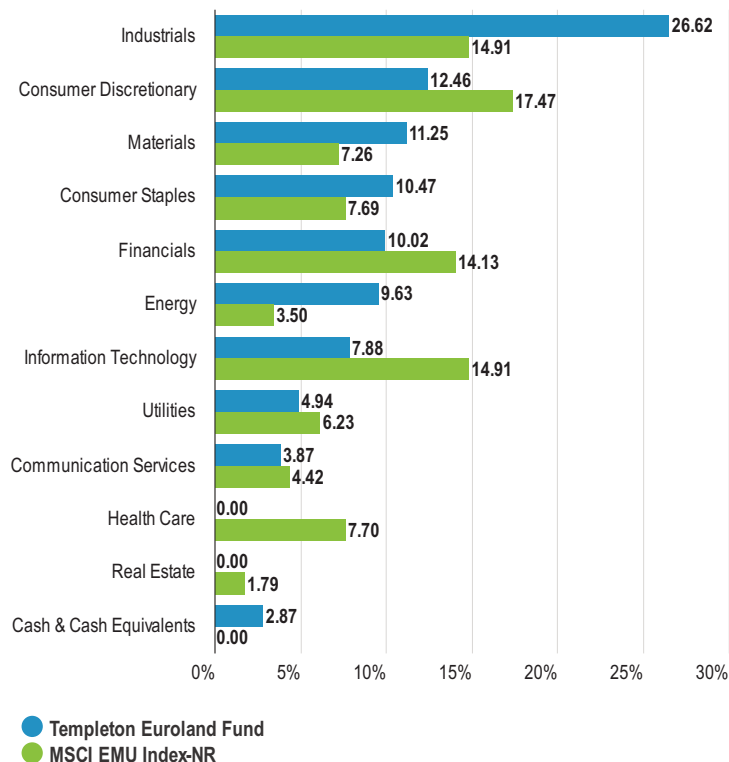
	Portfolio	MSCI EMU Index-NR
Price to Earnings (12-Month Trailing)	20.60x	18.53x
Price to Book	2.11x	1.92x
Price to Cash Flow	7.09x	9.74x
Market Capitalisation (Millions in EUR)	32,928	62,088
Dividend Yield	2.12%	1.95%

Portfolio Diversification

Geographic Weightings vs. MSCI EMU Index-NR^e
Percent of Total



Sector Weightings vs. MSCI EMU Index-NR^e
Percent of Total



Top Ten Holdings^f

Percent of Total

Top Holdings	Sector	Country	%
SBM OFFSHORE NV	Energy	Netherlands	3.35
ROYAL DUTCH SHELL PLC	Energy	United Kingdom	3.17
TOTALENERGIES SE	Energy	France	3.11
EURONEXT NV	Diversified Financials	Netherlands	2.91
NXP SEMICONDUCTORS NV	Semiconductors & Semiconductor Equipment	Netherlands	2.84
SIGNIFY NV	Capital Goods	Netherlands	2.80
MARR SPA	Food & Staples Retailing	Italy	2.69
DEUTSCHE TELEKOM AG	Telecommunication Services	Germany	2.59
INFINEON TECHNOLOGIES AG	Semiconductors & Semiconductor Equipment	Germany	2.51
EIFFAGE SA	Capital Goods	France	2.50

Performance Statistics

Risk Statistics⁴

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)				
Templeton Euroland Fund	20.47	16.90	15.85	16.39
MSCI EMU Index-NR	19.08	16.00	15.21	17.73
Tracking Error (%)	4.33	4.47	4.29	6.52
Information Ratio⁵	-2.07	-1.33	-0.47	-0.02
Beta	1.05	1.02	1.00	0.86
Sharpe Ratio				
Templeton Euroland Fund	0.03	0.25	0.52	0.17
MSCI EMU Index-NR	0.50	0.64	0.67	0.16

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

5. 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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Investment Team

Portfolio Manager	Years with Firm	Years Experience
Dylan Ball	14	21
John Reynolds	1	14

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.

Important Legal Information

This document does not constitute legal or tax advice nor is it investment advice or an offer for shares of Franklin Templeton Investment Funds (the "Fund"). Subscriptions to shares of the Fund can only be made on the basis of the current prospectus and, where available, the relevant Key Investor Information Document, accompanied by the latest available audited annual report and the latest semi-annual report accessible on our website www.ftidocuments.com or which can be obtained, free of charge, from Franklin Templeton International Services, S.à r.l. - 8A, rue Albert Borschette, L-1246 Luxembourg.

Past performance is not an indicator or a guarantee of future performance. 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. Investment in the Fund entails risks which are described in the Fund's prospectus and, where available, in the relevant Key Investor Information Document or any other relevant offering document. Special risks may be associated with a Fund's investment in certain types of securities, asset classes, sectors, markets, currencies or countries and in the Fund's possible use of derivatives. References to particular industries, sectors or companies are for general information and are not necessarily indicative of a fund's holdings at any one time. Currency fluctuations may affect the value of overseas investments. When investing in a fund denominated in a foreign currency, your performance may also be affected by currency fluctuations. Where a Fund invests in emerging markets, this investment can be more risky than an investment in developed markets. No shares of the Fund may be directly or indirectly offered or sold to residents of the United States of America.

The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund's portfolio selection process. Holdings are subject to change.

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.

References to indexes are made for comparative purposes only and are provided to represent the investment environment existing during the time periods shown. The indices include a greater number of securities than those held in the Fund. An index is unmanaged and one cannot invest directly in an index. The performance of the index does not include the deduction of expenses and does not represent the performance of any Franklin Templeton fund. **Past performance is not an indicator or a guarantee of future performance.**

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

- a. Source for all information is Franklin Templeton. Benchmark related data provided by FactSet. **Past performance is not an indicator or a guarantee of future performance.** Periods greater than one year are shown as average annual total returns. Fund performance data include reinvested dividends, and is net of management fees. Sales charges, other commissions, taxes and other relevant costs to be paid by the investor are not included. The fund offers other share classes subject to different fees and expenses, which will affect their performance. Please see the prospectus for details.
- b. When performance for either the portfolio or its benchmark has been converted, different foreign exchange closing rates may be used between the portfolio and its benchmark.
- c. 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. All holdings are subject to change.
- d. 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.**
- e. Percentage may not equal 100% due to rounding. All holdings are subject to change.
- f. 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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