

**Fund Manager Report**
**Product Details**

Fund Assets	€7,010,556,566.77
Fund Inception Date	09/08/2000
Number of Issuers	73
Bloomberg	TEMGREU LX
ISIN	LU0114760746
Base Currency	EUR
Investment Style	Value
Benchmark	MSCI All Country World Index-NR
Morningstar Category™	Global Large-Cap Value Equity

**Asset Allocation<sup>1</sup>**

Percent of Total	%
Equity	95.68
Cash & Cash Equivalents	4.32
Fixed Income	0.00

**Fund Description**

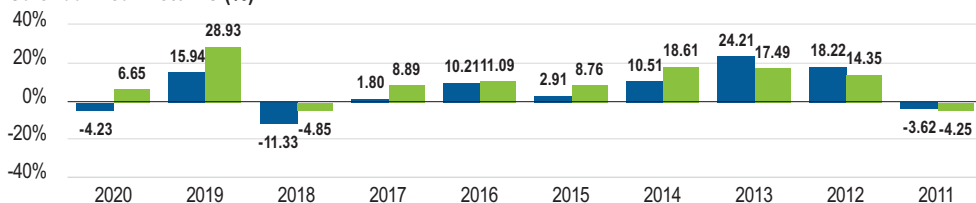
The Fund aims to achieve long-term capital appreciation by investing primarily in equity securities of companies worldwide, including emerging markets.

**Performance Data<sup>2,3</sup>**
**Discrete Annual Performance (%) as at 30/09/2021**

	9/20-9/21	9/19-9/20	9/18-9/19	9/17-9/18	9/16-9/17
A (acc) EUR	19.46	-8.41	-4.78	4.05	11.56
MSCI All Country World Index-NR EUR	28.94	2.68	8.01	11.73	12.79

**Performance Net of Management Fees as at 30/09/2021 (Dividends Reinvested) (%)<sup>a,b</sup>**

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (09/08/2000)
A (acc) EUR	-1.32	-1.01	8.77	19.46	1.37	3.88	8.42	3.01
MSCI All Country World Index-NR	-2.35	1.25	17.31	28.94	12.66	12.50	13.55	4.51

**Calendar Year Returns (%)**


- A (acc) EUR
- MSCI All Country World Index-NR

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

**Portfolio Manager Insight**
**Performance Review**
**QUARTERLY KEY PERFORMANCE DRIVERS**

	Stocks	Sectors	Countries
<b>HELPED</b>	Albemarle Corporation	Industrials (Stock Selection)	China (Underweight)
	Rolls-Royce Holdings plc	Energy (Stock Selection)	United Kingdom (Stock Selection, Overweight)
	Equinor ASA	Materials (Stock Selection)	Norway (Overweight)
<b>HURT</b>	Anheuser-Busch InBev SA/NV	Information Technology (Stock Selection)	United States (Stock Selection)
	Samsung Electronics Co., Ltd.	Health Care (Stock Selection)	Belgium (Overweight)
	NEXON Co., Ltd.	Financials (Stock Selection)	Germany (Overweight)

- Shares of Belgian brewing giant Anheuser-Busch InBev (ABInBev) slid on concerns about margin pressures given supply chain bottlenecks and rising input costs. In our view, most of the cost pressures that have negatively impacted margins recently were either one-off or temporary. Furthermore, management has offered positive reassurances on both its debt profile and growth prospects, two issues that have weighed on shares in the past. ABInBev benefits from high profitability, strong cash flows and good exposure to emerging market growth, and as the pandemic eventually recedes looks well-positioned to improve returns and gain market share from weakened competitors.

1. Percentage may not equal 100% due to rounding. All holdings are subject to change.  
 2. MSCI All Country World Index-NR reflects performance of the MSCI All Country World Index (gross returns) from fund inception through 31 December 2000 and MSCI All Country World Index-NR thereafter.  
 3. Net Returns (NR) include income net of tax withholding when dividends are paid.

- South Korean semiconductor manufacturer and chip-maker Samsung Electronics has benefitted from surging demand for semiconductors across the industrial value chain, but the shares slumped during the period on concerns that the memory chip cycle could fade. Nevertheless, management offered investors positive guidance which foresaw continued strength in the memory business attributable to new smartphone launches, broader adoption of 5G and healthy demand from server and personal computer (PC) companies. We continue to like Samsung's diversified revenue base and its cash-rich balance sheet, which is being used to enhance shareholder value through dividends, buybacks and potentially accretive acquisitions. In our view, the stock remains undervalued for a global technology leader with a wide range of growth-oriented businesses.
- UK aerospace engineering firm Rolls-Royce surged late in the quarter as a combination of stock-specific news (contract wins and an asset disposal), a healthy value rebound, and the imminent reopening of international air travel following COVID restrictions all created strong tailwinds. Rolls has been an unpopular stock given the direct impact of COVID lockdowns as well as the firm's exposure to a wide-body aircraft market that is currently facing challenges. However, management has an aggressive plan to cut costs and shed non-core assets and expects to turn free cash flow positive by the end of the year. Given the firm's cheap valuations and elevated short interest in the stock, additional restructuring progress or macro improvements could see Rolls post further meaningful gains.

#### ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
HELPED	Rolls-Royce Holdings plc	Industrials (Stock Selection)	United Kingdom (Stock Selection, Overweight)
	Equinor ASA	Consumer Discretionary (Stock Selection)	United States (Stock Selection)
	Sony Group Corporation	Information Technology (Stock Selection, Underweight)	Norway (Overweight)
HURT	Wheaton Precious Metals Corp	Financials (Underweight)	Germany (Overweight)
	Roche Holding Ltd	Materials (Stock Selection, Overweight)	Canada (Stock Selection)
	TJX Companies Inc	Health Care (Stock Selection)	Belgium

- Shares of Norwegian oil and gas major Equinor advanced as the price of oil rose. Equinor continues to offer leverage to improving oil and gas fundamentals over the next few years, while also being regarded as an ESG leader within the integrated oil sector. The stock's free cash flow yield should rise materially in coming years as we anticipate commodity prices to normalise higher and Equinor should receive some benefit from near-term tax incentives in Norway.
- Sony Group is an asset rich Japanese conglomerate with global operations in games, music, motion pictures, imaging and sensing solutions, electronics and financial services. The company has a collection of strong franchises with dominant market positions that we think are well-positioned to benefit from secular growth trends. In our view, Sony is well-positioned for attractive future earnings growth, has a cash rich balance sheet and at month-end traded at an attractive valuation.
- Shares of Canadian precious metals firm Wheaton Precious Metals traded lower as momentum in the gold market came to a halt in September. All precious metals were pressured by the prospect of a pullback in extraordinary stimulus measures, despite the kind of instability in equity markets that typically inspires perceived haven demand for gold. We remain comfortable with continued exposure to Wheaton given the firm's excellent margin profile and optionality of Wheaton's unique "streaming" business model. From a portfolio management standpoint, we also continue to like the counter-cyclical hedge-like characteristics afforded by precious metals in an environment of elevated debt and systemic risks.

#### Outlook & Strategy

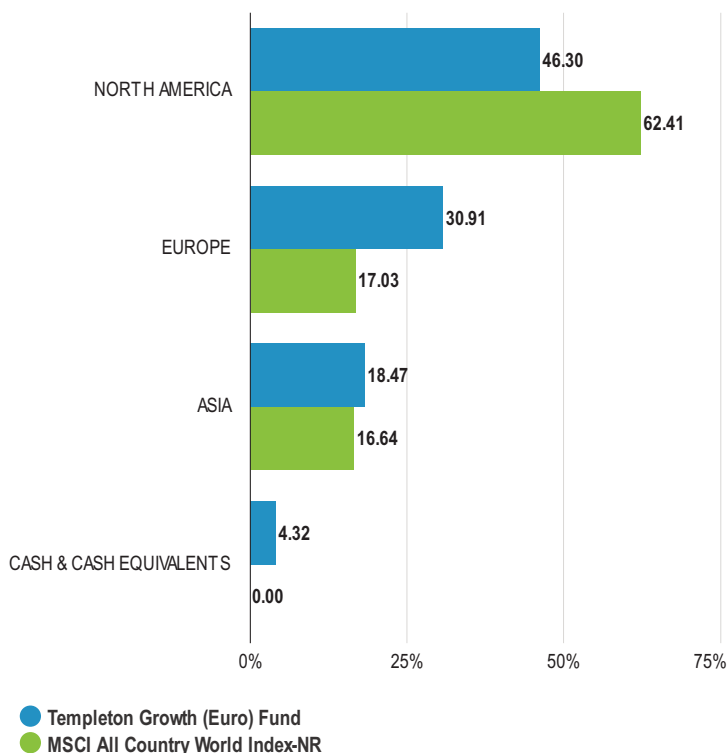
- The reflation narrative associated with economic reopening gave way to inflationary concerns during the period under review, prompting a somewhat more hawkish stance from key central bankers, led by those at the US Federal Reserve. While some of the inflationary pressures experienced recently may indeed prove transitory once supply chain and labour market bottlenecks are resolved, other aspects appear to be more structural. Higher barriers to trade, increasing regulation and taxation, onshoring of production, supply chain redundancy and, eventually, rising wage pressures are likely to continue to exert upward pressure on costs, even after the pandemic-related disruption of raw materials supply normalises.
- Some companies will have an easier time than others managing rising costs, but it's hard to see how current supernormal levels of corporate profitability can be sustained in such an environment. That makes record-high equity valuations look increasingly vulnerable at a time when policymakers are also determined to begin removing at least some of the stimulus that has supported markets over this protracted cycle.
- Other issues we are considering in our research include a slew of upcoming elections in major economies, increasingly tense geopolitical relations between the United States and China, contagion risk associated with Chinese regulatory reforms, and shifting defence alliances in Europe. Of course, with liquidity still abundant, corporate and household balance sheets in generally good shape, and trillions of dollars of fiscal spending entering the pipeline in the United States and elsewhere, stocks may well continue to climb a wall of worry for the foreseeable future. But, on balance, risks look increasingly elevated, and we believe caution is warranted.
- In this environment especially, we see significant value in an investment approach rooted in long-term fundamental analysis, despite its unpopularity in an era of meme stocks, non-fungible tokens (NFTs), special purpose acquisition companies (SPACs) and other signs of unconstrained speculation. We are comfortable with a portfolio of what we consider reasonably priced, good quality companies that is well-diversified across economic exposures and value profiles, and we believe that our prudence and discipline will be rewarded in time.

**Portfolio Characteristics<sup>c,d</sup>**

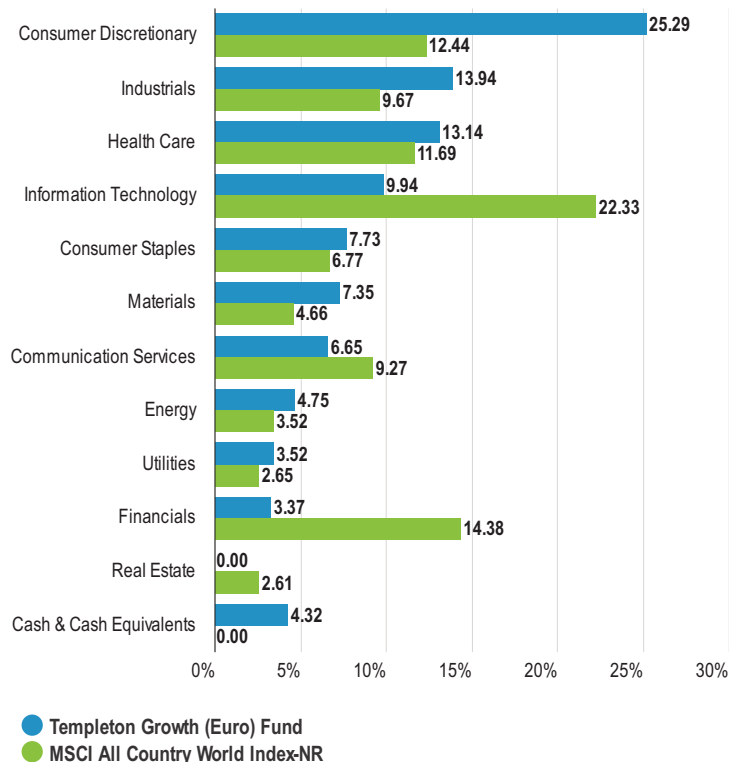
	Portfolio	MSCI All Country World Index-NR
Price to Earnings (12-Month Trailing)	17.08x	20.02x
Price to Book	2.51x	2.93x
Price to Cash Flow	11.08x	14.00x
Market Capitalisation (Millions in EUR)	86,819	260,565
Dividend Yield	1.66%	1.75%

**Portfolio Diversification**

**Geographic Weightings vs. MSCI All Country World Index-NR<sup>e</sup>**  
Percent of Total



**Sector Weightings vs. MSCI All Country World Index-NR<sup>e</sup>**  
Percent of Total



**Top Ten Holdings<sup>f</sup>**

Percent of Total

Top Holdings	Sector	%
SAMSUNG ELECTRONICS CO LTD	Technology Hardware & Equipment	2.75
WALT DISNEY CO/THE	Media & Entertainment	2.19
MARATHON PETROLEUM CORP	Energy	2.18
E.ON SE	Utilities	2.16
BOOKING HOLDINGS INC	Consumer Services	2.01
SYSCO CORP	Food & Staples Retailing	1.99
ROCHE HOLDING AG	Pharmaceuticals, Biotechnology & Life Sciences	1.97
MEDTRONIC PLC	Health Care Equipment & Services	1.93
ANHEUSER-BUSCH INBEV SA/NV	Food, Beverage & Tobacco	1.91
DUPONT DE NEMOURS INC	Materials	1.89

## Performance Statistics

### Risk Statistics<sup>4</sup>

	3 Yrs	5 Yrs	10 Yrs	Since Inception
<b>Standard Deviation (%)</b>				
Templeton Growth (Euro) Fund	16.30	13.58	12.77	13.63
MSCI All Country World Index-NR	16.17	13.25	11.83	14.18
<b>Tracking Error (%)</b>	5.27	4.89	4.51	5.06
<b>Information Ratio<sup>5</sup></b>	-2.14	-1.77	-1.14	-0.27
<b>Beta</b>	0.93	0.93	0.98	0.89
<b>Sharpe Ratio</b>				
Templeton Growth (Euro) Fund	0.12	0.33	0.69	0.14
MSCI All Country World Index-NR	0.82	0.99	1.18	0.23

## Investment Team

Portfolio Manager	Years with Firm	Years Experience
Peter Moeschter, CFA	24	29
Warren Pustam, CFA	8	15
Herbert J Arnett Jr.	25	27

## 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 around the world. 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, derivatives instruments risk, emerging markets risk, liquidity risk, Chinese market 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.

4. Beta, Information Ratio and Tracking Error information are measured against the MSCI All Country World 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).

**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](http://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. The Fund's documents are available in English, Arabic, Czech, Danish, Dutch, Estonian, Finnish, French, German, Greek, Hungarian, Icelandic, Italian, Latvian, Lithuanian, Norwegian, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish. In addition, a Summary of Investor Rights is available from [franklintempleton.lu](http://franklintempleton.lu). The summary is available in English. The sub-funds of FTIF are notified for marketing in multiple EU Member States under the UCITS Directive. FTIF can terminate such notifications for any share class and/or sub-fund at any time by using the process contained in Article 93a of the UCITS Directive.

**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](http://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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