

**Product Details<sup>1</sup>**

Fund Assets	\$1,386,753,409.94
Fund Inception Date	25/10/2007
Bloomberg	FGFSACU LX
ISIN	LU0316494557
Base Currency	USD
Investment Style	Balanced / Hybrid
Morningstar Category™	USD Moderate Allocation

**Asset Allocation<sup>a</sup>**

Market Value—Percent of Total

	%
Equity	58.63
Fixed Income	31.57
Cash & Cash Equivalents	9.80

**Fund Description**

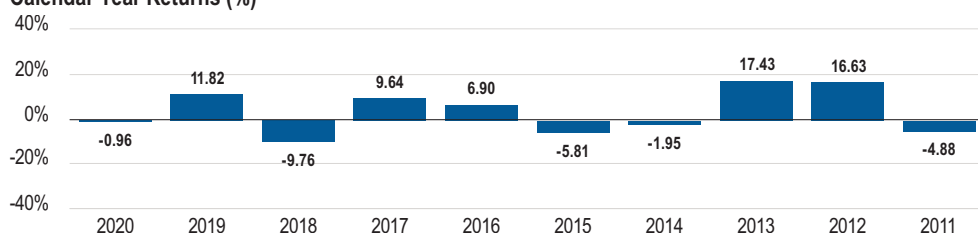
The Fund's investment objective is to seek capital appreciation through a diversified approach, with a secondary objective of seeking income. The Fund generally invests in equity securities of companies of any market capitalisation located anywhere in the world, including Emerging Markets, as well as fixed and floating rate debt securities and debt obligations issued by government, government-related and/or corporate entities worldwide. The Fund makes an allocation of its assets between four investment strategies followed by independent investment management groups within or affiliated with Franklin Templeton, with the aim to maintain an equal exposure weight to (i) two global equity strategies (representing approximately 60% of the portfolio) and (ii) two global fixed income strategies (representing approximately 40% of the portfolio in aggregate).

**Performance Data**
**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) USD	18.18	-6.24	-3.77	-0.28	14.23

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

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (25/10/2007)
A (acc) USD	-3.35	-1.03	5.89	18.18	2.16	3.97	5.18	3.09

**Calendar Year Returns (%)**


● A (acc) USD

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

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

## Portfolio Manager Insight

## Performance Review

## QUARTERLY KEY PERFORMANCE DRIVERS

<b>HELPED</b>	<ul style="list-style-type: none"> <li>Health care sector holdings, including life sciences tools and services businesses such as Repligen and Thermo Fisher Scientific, were standout contributors to the performance of Franklin Innovation Strategy, as was Danaher in the health care equipment and supplies industry.</li> <li>UK aerospace engineering firm Rolls-Royce surged late in the quarter, boosting Templeton Growth Strategy, 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.</li> <li>Sovereign bond yields in most developed markets finished the quarter relatively flat to moderately higher, while EMs saw much greater variation, ranging from significantly higher upward adjustments in many countries to lower yields in a select few. Select duration exposures in Asia ex Japan (Indonesia) contributed to the performance of Templeton Global Bond Strategy, as did duration exposure in Argentina.</li> <li>—</li> </ul>
<b>HURT</b>	<ul style="list-style-type: none"> <li>The US dollar broadly strengthened during the quarter. As a result, currency positions in Latin America (the Brazilian real, Argentine peso and Chilean peso) and Asia ex Japan (the South Korean won) detracted from Templeton Global Bond Strategy.</li> <li>Templeton Growth Strategy was hurt by exposure to Belgian brewing giant Anheuser-Busch InBev (ABInBev) during the quarter, as its shares slid on concerns about margin pressures given supply chain bottlenecks and rising input costs. This was despite management offering positive reassurances on both its debt profile and growth prospects.</li> <li>The top overall detractor from the performance of Franklin Innovation Strategy was Tencent, the Chinese multinational technology conglomerate that provides various internet-related services and products, including in entertainment, artificial intelligence, and other technology. In general, investors sold off Tencent and other stocks directly related to China's intensifying crackdown on property, private education, technology, and other sectors of the economy.</li> <li>—</li> </ul>

## ONE-MONTH KEY PERFORMANCE DRIVERS

<b>HELPED</b>	<ul style="list-style-type: none"> <li>Franklin Innovation Strategy benefitted from exposure to Atlassian, an Australia-based provider of workplace collaboration software. The company helped support overall results in the information technology (IT) sector in September. Its share price soared on robust financial results for its quarter ended June 2021 as its software tools have proven quite valuable in an era of digital transformation.</li> <li>Within the high-yield credit market, cyclicals, especially energy-related securities, contributed to the performance of Legg Mason Brandywine Global Income Optimiser Strategy in September, as both oil and natural gas prices increased over the quarter. Exposure to the US mortgage-backed securities market was also additive for returns as it continues to be supported by higher home prices and a muted foreclosure environment.</li> <li>Shares of Norwegian oil and gas major Equinor advanced as the price of oil rose, boosting the performance of Templeton Growth Strategy during September. Equinor continues to offer leverage to improving oil and gas fundamentals over the next few years, whilst also being regarded as an environmental, social and governance (ESG) leader within the integrated oil sector.</li> <li>Positions in northern European currencies against the euro (the Norwegian krone) contributed to Templeton Global Bond Strategy in September, as did its position in the Canadian dollar against the euro. The strategy's net-short exposure to the euro also contributed to absolute results.</li> </ul>
<b>HURT</b>	<ul style="list-style-type: none"> <li>Currency positions in Latin America (the Brazilian real, Argentine peso and Chilean peso) and Asia ex Japan (the South Korean won and Indian rupee) detracted from Templeton Global Bond Strategy, as the US dollar broadly strengthened during September. The strategy's net-long position in the Japanese yen also detracted from absolute results.</li> <li>Shares of Canadian precious metals firm Wheaton Precious Metals traded lower as momentum in the gold market came to a halt in September, hurting Templeton Growth Strategy. 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.</li> <li>Tactical exposure to high-quality government bonds across the US and Europe was a significant detractor from Legg Mason Brandywine Global Income Optimiser Strategy during September. The fund's exposure to Mexican sovereign bonds was also a headwind for performance, as they were negatively impacted by central bank rate hikes, coupled with the US Federal Reserve's perceived hawkishness.</li> <li>Throughout September, Franklin Innovation Strategy's investments in Chewy, MercadoLibre, and other internet retailers in the consumer discretionary sector, suffered double-digit percentage declines, whilst a focus on Adyen, Shopify and other IT services industry companies was a point of weakness within the IT sector.</li> </ul>

## Outlook &amp; Strategy

- The managers of Franklin Innovation Strategy remain focused on finding high-quality companies with healthy balance sheets that can weather potential spikes in market or economic volatility. The managers intend to use recent bouts of volatility as an opportunity to take advantage of what they consider good prices on fundamentally robust companies that stand to benefit from secular growth trends. As the global economy emerges more fully from the pandemic crisis, the managers believe the ongoing shift to digital solutions may continue to accelerate as latecomers catch up, whilst employees and consumers retain at least some of the new behaviours that became necessary in an era of social distancing.
- The managers of Templeton Growth Strategy find it hard to see how current supernormal levels of corporate profitability can be sustained in the current 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. As a result, they 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),

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special purpose acquisition companies (SPACs) and other signs of unconstrained speculation. The managers are comfortable with a portfolio of what they consider reasonably priced, good quality companies that is well-diversified across economic exposures and value profiles, and they believe this prudence and discipline will be rewarded in time.

- The managers of Legg Mason Brandywine Global Income Optimiser Strategy continue to favour issuers within sectors that maintain pricing power, maintaining minimal exposure to select EM hard currencies. The strategy increased its duration throughout the quarter, primarily executed through investments in high-quality government bonds in the US and France, as well as higher-yielding European periphery securities. The managers have been positioned for higher rates going forward, but increased macro risks have called into question the reflationary narrative in the near term. They continue to favour lower-quality investment-grade securities and relatively higher-quality high-yield issuers, within a credit portfolio that remains allocated to cyclical companies. The managers remain selective in their credit exposure, as valuations are not overly compelling.
- The managers of Templeton Global Bond Strategy expect inflation figures to remain elevated in 2021 in many countries, driven by a combination of factors that include cyclical upswings associated with resurgent economic activity, supply bottlenecks in certain sectors and base effects of the pandemic shock. These factors should be largely transitory, in the managers' view, with inflation levels eventually moderating to secular trends in 2022, given elevated unemployment and automation factors that continue to dampen wage pressures. Whilst conditions appear broadly supportive of strategic rotations into risk assets, the managers believe it remains crucial to be highly selective at the sovereign level given significant variations in economic conditions and policy responses.

### Portfolio Characteristics<sup>d,e,f,g</sup>

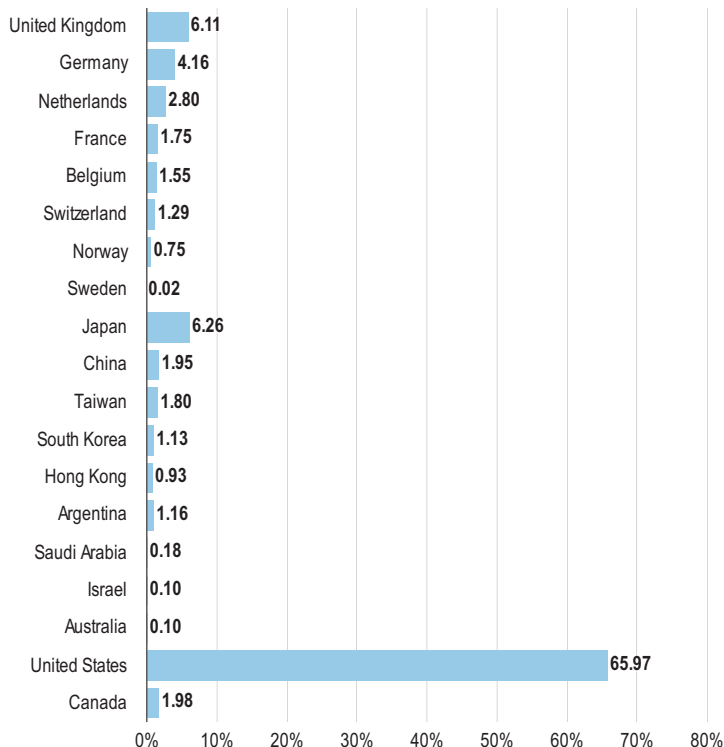
	Portfolio
Price to Earnings (12-Month Trailing)	25.45x
Price to Book	4.18x
Price to Cash Flow	17.90x
Market Capitalisation (Millions in USD)	257,681
Dividend Yield	0.89%
	<b>Portfolio</b>
Yield to Maturity	3.74%
Yield to Worst	3.68%
Average Credit Quality <sup>2</sup>	BBB
Average Duration	4.21 Yrs
Average Weighted Maturity	5.05 Yrs

2. The average credit quality (ACQ) rating may change over time. The portfolio itself has not been rated by an independent rating agency. The letter rating, which may be based on bond ratings from different agencies, is provided to indicate the average credit rating of the portfolio's underlying bonds and generally ranges from AAA (highest) to D (lowest). For unrated bonds ratings may be assigned based on the ratings of the issuer or other relevant factors. The ACQ is determined by assigning a sequential integer to all credit ratings AAA to D, taking a simple, asset-weighted average of debt holdings by market value and rounding to the nearest rating. The risk of default increases as a bond's rating decreases, so the ACQ provided is not a statistical measurement of the portfolio's default risk because a simple, weighted average does not measure the increasing level of risk from lower rated bonds. The ACQ is provided for informational purposes only. Derivative positions are not reflected in the ACQ.

Portfolio Diversification

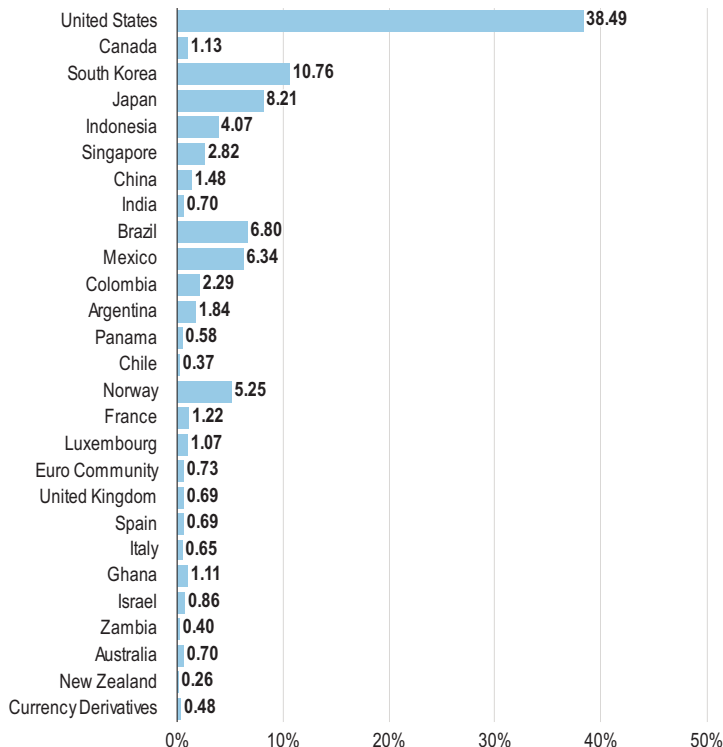
Geographic Allocation<sup>h</sup>

Market Value—Percent of Equity



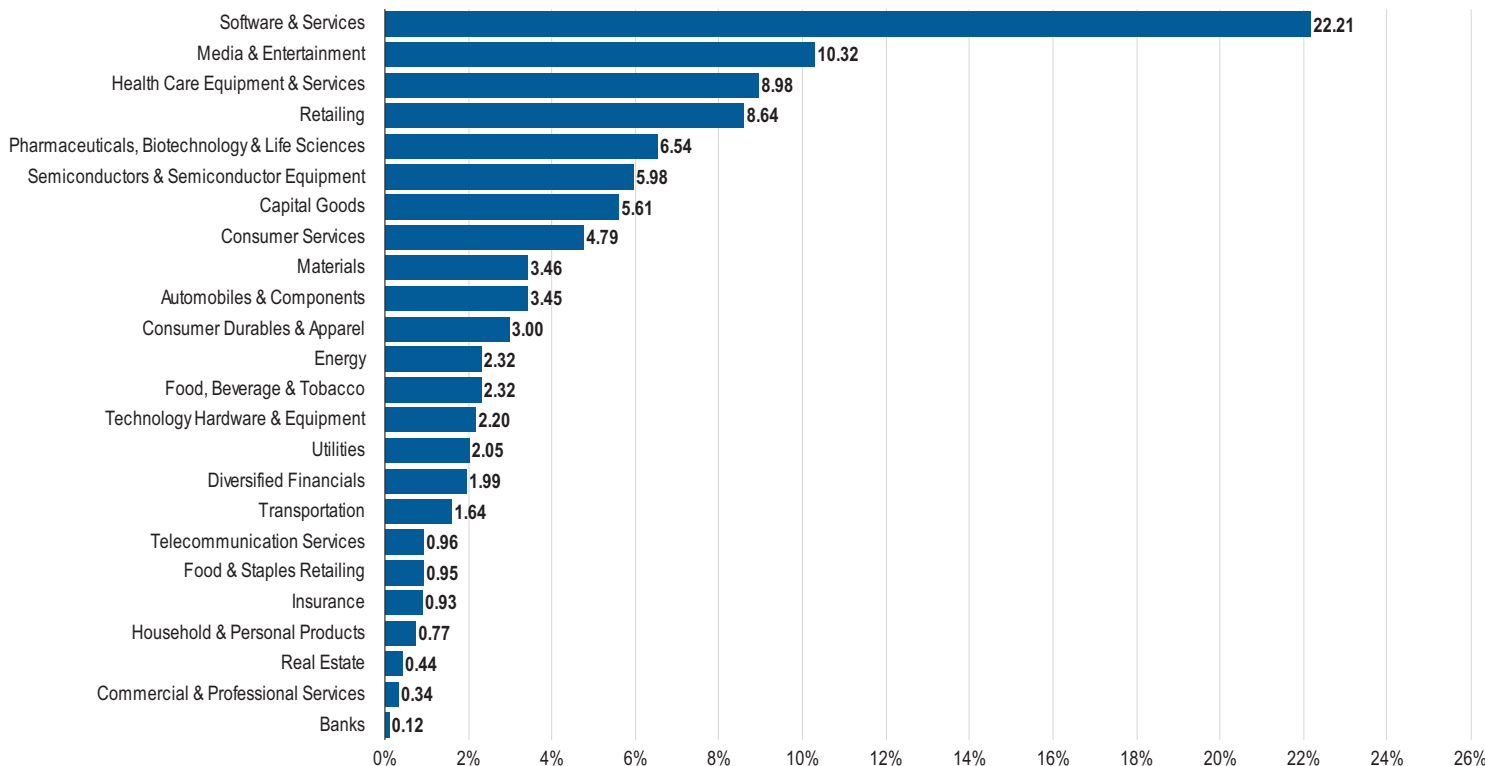
Geographic Allocation<sup>a</sup>

Market Value—Percent of Fixed Income



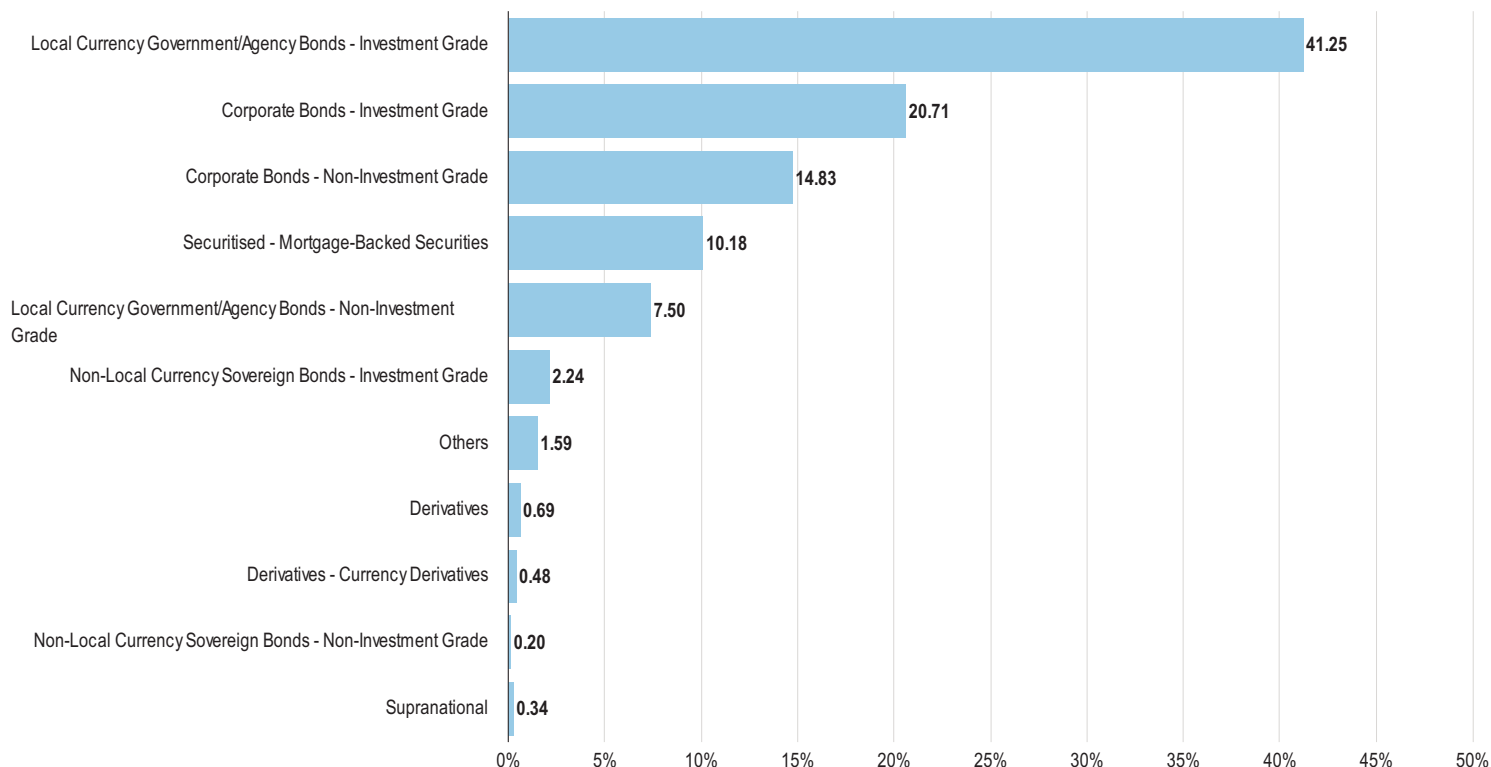
Sector Allocation<sup>h</sup>

Market Value—Percent of Equity



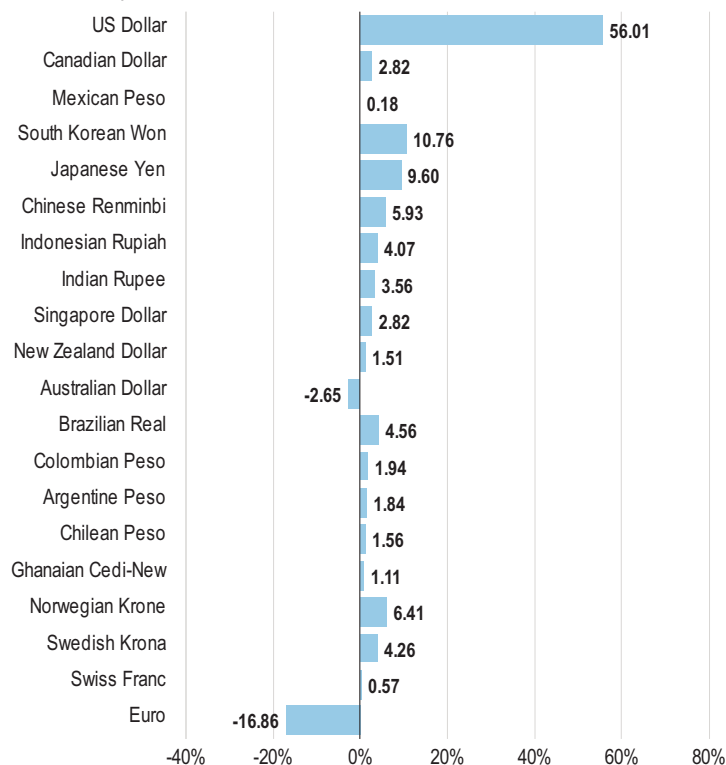
**Sector Allocation<sup>a</sup>**

Market Value—Percent of Fixed Income



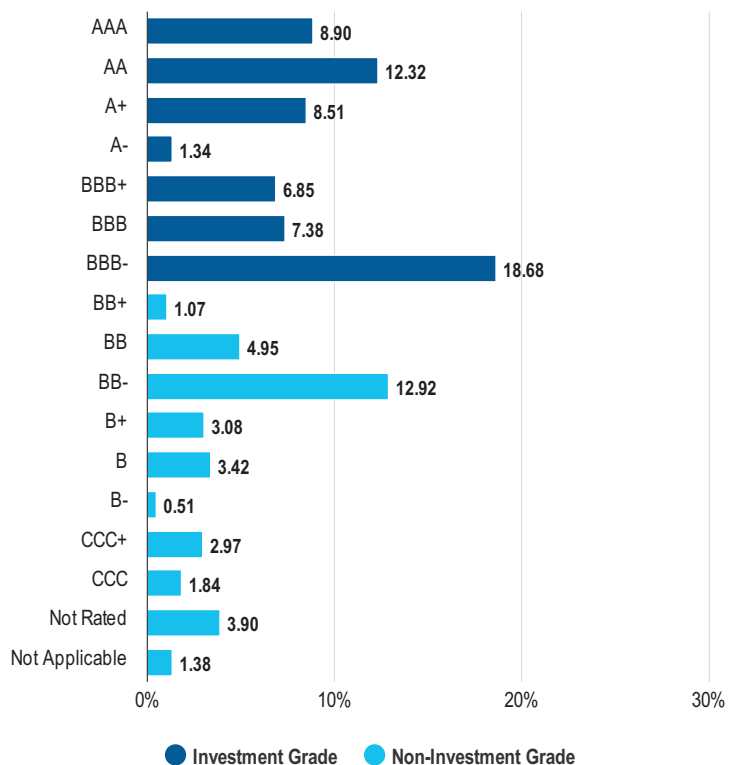
**Currency Exposure<sup>i</sup>**

Notional Exposure—Percent of Fixed Income



**Credit Quality Ratings<sup>a,3</sup>**

Market Value—Percent of Fixed Income



3. Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations ('NRSRO'), such as Standard & Poor's, Moody's and Fitch. The ratings are an indication of an issuer's creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from all three agencies are available, the middle rating is used; when two are available, the lowest rating is used; and when only one is available, that rating is used. Foreign government bonds without a specific rating are assigned the country rating provided by an NRSRO, if available. The Not Rated category consists of ratable securities that have not been rated by an NRSRO. The Not Applicable category consists of nonratable securities (e.g., equities). Cash and equivalents are excluded from this breakdown.

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**Top Ten Holdings<sup>1</sup>**

Percent of Total

<b>Top Holdings</b>	<b>Sector</b>	<b>Country</b>	<b>%</b>
Amazon.com Inc.	Retailing	United States	1.95
Korea Treasury Bond, SR UNSECURED, Sr Unsecured, 2406, 1.125%, 6/10/24	Government	South Korea	1.13
Microsoft Corp.	Software & Services	United States	1.00
NVIDIA Corp.	Semiconductors & Semiconductor Equipment	United States	0.98
Sea Ltd., ADR	Media & Entertainment	Taiwan	0.95
Towd Point Mortgage Trust 2016-5, 2016-5, B3, 144A, 3.61355%, 10/25/56	Diversified Financials	United States	0.90
Government of Norway, 144A, Reg S, 2.00%, 5/24/23	Government	Norway	0.90
Government of Mexico, senior bond, M, 8.00%, 12/07/23	Government	Mexico	0.88
Mexican Bonos, senior bond, 8.00%, 11/07/47	Government	Mexico	0.84
Alphabet Inc., A	Media & Entertainment	United States	0.82

**Investment Team**

<b>Portfolio Manager</b>	<b>Years with Firm</b>	<b>Years Experience</b>
Marzena Hofrichter, CFA	11	15
Wylie Tollette, CFA	22	31
Thomas Nelson, CFA	13	30

**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 debt securities of companies around the world, including emerging markets. 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: credit risk, foreign currency risk, derivative 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.

**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.ftdocuments.com](http://www.ftdocuments.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.

Securities mentioned in this report are not a solicitation to purchase those securities, and are examples of some securities which performed well. Not all securities in the portfolio performed well. These securities do not represent all the securities purchased, sold or recommended for advisory clients, and the reader should not assume that investment in the security listed was or will be profitable. Holdings are subject to change, holdings of the same issuer have been combined. The information provided is not a recommendation to purchase, sell or hold any particular security. The security identified does not represent the Fund's entire holdings and in the aggregate, may represent a small percentage of such holdings. There is no assurance that security purchased will remain in the Fund, or that security sold will not be repurchased. 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).

**Effective 13 April 2021, the Fund made changes to its investment objective, investment policy and underlying investment managers. Such changes may impact performance.**

a. Market value figures reflect the trading value of the investments. Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

b. 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.

c. 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.

d. 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. Average Credit Quality, Average Duration, Average Weighted Maturity, Yield to Maturity and Yield to Worst data points pertain to the fixed income component of the fund. All holdings are subject to change.



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- e. Yield to Maturity, Yield to Worst, Average Duration and Average Weighted Maturity reflect certain derivatives held in portfolio (or their underlying reference assets).
- f. 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.**
- g. Yield figures quoted should not be used as an indication of the income that has or will be received. Yield figures are based on the portfolio's underlying holdings and do not represent a payout of the portfolio. **Past performance is not an indicator or a guarantee of future performance.**
- h. Percentage may not equal 100% due to rounding. All holdings are subject to change.
- i. Notional exposure figures are intended to estimate the portfolio's exposure, including any hedged or increased exposure through certain derivatives held in the portfolio (or their underlying reference assets). Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.
- j. 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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