

Product Details¹

Fund Assets	\$562,741,450.74
Fund Inception Date	01/06/1994
Number of Issuers	74
Bloomberg	TEMGBLI LX
ISIN	LU0052756011
Base Currency	USD
Investment Style	Balanced / Hybrid
Benchmark	Custom 65% MSCI ACWI-NR + 35% JP Morgan Global Government Bond Index
Morningstar Category™	USD Moderate Allocation

Asset Allocation

Market Value—Percent of Total

	%
Equity	66.06
Fixed Income	19.78
Cash & Cash Equivalents	14.16

Fund Description

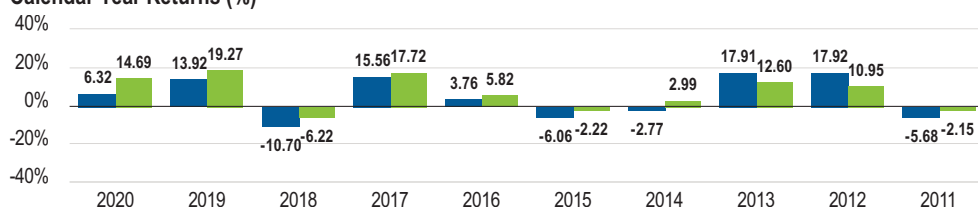
The fund seeks capital appreciation and current income by investing principally in equity securities and government debt securities issued by entities throughout the world, including emerging markets. The portfolio manager anticipates that the majority of the fund's portfolio is normally invested in equity or equity-linked securities.

Performance Data^{2,3}
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 (Qdis) USD	19.85	-0.46	-3.81	0.26	15.54
Custom 65% MSCI ACWI-NR + 35% JP Morgan Global Government Bond Index USD	15.85	9.75	4.28	5.73	10.65

Performance Net of Management Fees as at 30/09/2021 (Dividends Reinvested) (%)^{a,b}

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (01/06/1994)
A (Qdis) USD	-2.53	-2.26	4.61	19.85	4.69	5.86	6.13	5.29
Custom 65% MSCI ACWI-NR + 35% JP Morgan Global Government Bond Index	-3.42	-1.05	5.01	15.85	9.86	9.18	8.26	6.96

Calendar Year Returns (%)


● A (Qdis) USD

● Custom 65% MSCI ACWI-NR + 35% JP Morgan Global Government Bond Index

Past performance is not an indicator or a guarantee of future performance.
Portfolio Manager Insight
Performance Review
QUARTERLY KEY PERFORMANCE DRIVERS

	Equity	Fixed Income
HELPED	Energy (Stock Selection, Overweight)	Duration Exposure in India
	Ireland (Stock Selection)	—
	United States (Stock Selection)	—
HURT	Information Technology (Stock Selection, Underweight)	South Korean Won
	Consumer Discretionary (Stock Selection, Overweight)	Argentine Peso
	China (Stock Selection)	—

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

2. Custom 65% MSCI ACWI-NR + 35% JP Morgan Global Government Bond Index reflects performance of the Custom 65% MSCI ACWI + 35% JP Morgan Global Government Bond Index (gross returns) from fund inception through 31 December 2000 and the Custom 65% MSCI ACWI-NR + 35% JP Morgan Global Government Bond Index thereafter.

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

- Information technology was the equity portfolio's biggest detractor at the sector level, pressured by a position in South Korean semiconductor manufacturer and chip-maker Samsung Electronics. The company has benefitted from surging demand for semiconductors across the industrial value chain, but its 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 companies. In our view, the stock remains undervalued for a global technology leader with a wide range of growth-oriented businesses.
- Significant contributors from the energy sector included multinational oil and gas company Royal Dutch Shell. Energy equities performed well during the third quarter as commodity prices were supportive, with record gas prices in Europe and oil moving past US\$80 per barrel. As we expected, demand has improved as economies reopen, combined with OPEC+ continuing to restrain supply. Specific to Royal Dutch Shell, the company's shares rose after it agreed to sell its Permian Basin assets to ConocoPhillips (not a portfolio holding) for US\$9.5 billion in cash.
- The USD broadly strengthened during the third quarter, with some exceptions. Currency positions in Asia ex Japan (the South Korean won) and Latin America (the Argentine peso) detracted from the fixed income portfolio's absolute performance. We are focusing on value opportunities in specific currencies, particularly in countries with strong trade dynamics, current account surpluses, better fiscal management and stronger growth potential, notably in Asia. Sovereign bond yields rose across much of the world in August and September after generally declining in July. On the whole, sovereign bond yields in most developed markets finished the quarter relatively flat to moderately higher, while emerging markets 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 (India) contributed to the fixed income portfolio's absolute results. We continue to focus on higher-yielding local-currency bonds in specific emerging markets that have resilient economies, healthy or improving fiscal conditions and strong trade dynamics.
- From an overall fixed income positioning standpoint, we continue to maintain low portfolio duration. We are significantly underweight developed market duration, and we hold no duration exposure in the euro area. Instead, we continue to emphasise select local-currency sovereign bonds outside of the major developed markets, in countries that we view as having resilient fundamentals and attractive risk-adjusted yields. We are holding various unhedged local-currency sovereign bonds, notably in South Korea, India, Ghana, Brazil and Colombia. We are also focused on value opportunities in specific currencies, notably in Asia. We are holding long exposures in the Chinese yuan, South Korean won, Japanese yen, Indian rupee and Singapore dollar against the USD. In credit markets, we see pockets of value in select sovereign credit exposures that have undervalued growth drivers and attractive risk-adjusted spreads. On the whole, we remain constructive in specific currencies and local-currency bond markets, notably in areas of Asia, as we largely expect the global recovery to continue through the remainder of 2021 into 2022.

ONE-MONTH KEY PERFORMANCE DRIVERS

	Equity	Fixed Income
HELPED	United States (Stock Selection, Underweight)	Duration Exposure in India
	Japan (Overweight)	—
	Industrials (Stock Selection)	—
HURT	Canada (Stock Selection)	South Korean Won
	Materials (Stock Selection, Overweight)	Indian Rupee
	Hong Kong (Overweight)	Turkish Lira

- In the equity portfolio, notable contributors during September included Japanese industrial technology firm Hitachi. The shares performed strongly during the month on growing investor appreciation of the company's strategy. Hitachi's strategy is to focus on digital transformation of the industrial space through its highly regarded Lumada IoT (Internet of Things) platform. Hitachi has continued to make progress with its corporate reform initiatives to evolve into a more simplified, higher-returning company generating more stable cash flows.
- In contrast, our result in the materials sector was hampered by our investment in Canadian mine financing firm Wheaton Precious Metals. Its shares slumped as the price of gold hit seven-month lows. In our view, Wheaton remains a leader in an attractive industry that offers precious metals price exposure and exploration optionality without the high capital intensity and jurisdictional and operational risks associated with traditional miners.
- In September, the USD broadly strengthened against developed market and emerging market currencies alike. Areas of Latin America saw some of the stronger depreciations against the USD during the month. Currency positions in Asia ex Japan (the South Korean won and Indian rupee) and Latin America (the Argentine peso and Brazilian real) detracted from the fixed income portfolio's absolute performance. Its position in the Turkish lira also detracted from absolute results, as did its net-positive position in the Japanese yen.
- Sovereign bond yields rose sharply across much of the world in September as central banks increasingly pivoted towards concurrent monetary tightening cycles, after an extraordinary, highly correlated global easing cycle in 2020. Duration exposure in India contributed to the fixed income portfolio's absolute performance, while select duration exposures in Latin America (Colombia) detracted.

Outlook & Strategy

- We expect macroeconomic conditions in much of the world to continue to improve through the remainder of 2021 into 2022. However, economic recoveries are likely to remain uneven as countries are at different stages of handling the pandemic. We remain optimistic for the ongoing global recovery, particularly for several emerging markets that stand to benefit from strong trade dynamics.
- While conditions appear broadly supportive of strategic rotations into risk assets, it remains crucial to be highly selective at the sovereign level given significant variations in economic conditions and policy responses. Risks to the global recovery include potential setbacks in vaccinations, particularly in emerging markets, as well as COVID-19 variants that have the potential to extend the duration and damage of the pandemic in certain regions.
- Structural risks associated with massive fiscal spending and excessive monetary accommodation also remain a medium- to longer-term concern in several countries. Debt levels have risen significantly in just about every country. Additionally, financial market overreliance on extraordinary monetary accommodation creates the preconditions for a potential financial market shock when policy begins to normalise.

- We 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 off of the pandemic shocks in 2020. 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 wild cards 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 amidst signs of unconstrained speculation. We are comfortable with an equity 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^{c,d,e,f,g}

	Portfolio	MSCI All Country World Index-NR
Price to Earnings (12-Month Trailing)	16.20x	20.02x
Price to Book	1.77x	2.93x
Price to Cash Flow	10.21x	14.00x
Market Capitalisation (Millions in USD)	116,069	301,981
Dividend Yield	1.73%	1.75%

	Portfolio	JP Morgan Global Government Bond Index
Yield to Maturity	4.32%	0.59%
Yield to Worst	4.32%	0.59%
Average Credit Quality ⁴	A-	AA
Average Duration	2.25 Yrs	8.13 Yrs
Average Weighted Maturity	2.62 Yrs	9.63 Yrs

Portfolio Diversification^f

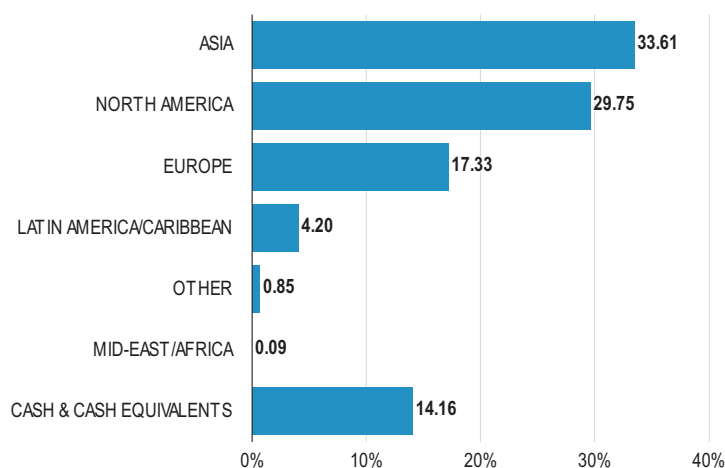
Top Ten Holdings^h

Percent of Total

Top Holdings	%
Government of China, 2.64%, 8/13/22	3.11
Government of India, senior note, 7.59%, 1/11/26	2.53
Marathon Petroleum Corp.	1.98
American Express Co.	1.97
Korea Treasury Bond, SR UNSECURED, Sr Unsecured, 2406, 1.125%, 6/10/24	1.91
Sumitomo Metal Mining Co. Ltd.	1.89
Honda Motor Co. Ltd.	1.88
Wheaton Precious Metals Corp.	1.82
Samsung Electronics Co. Ltd.	1.74
JPMorgan Chase & Co.	1.64

Geographic Allocationⁱ

Market Value—Percent of Total

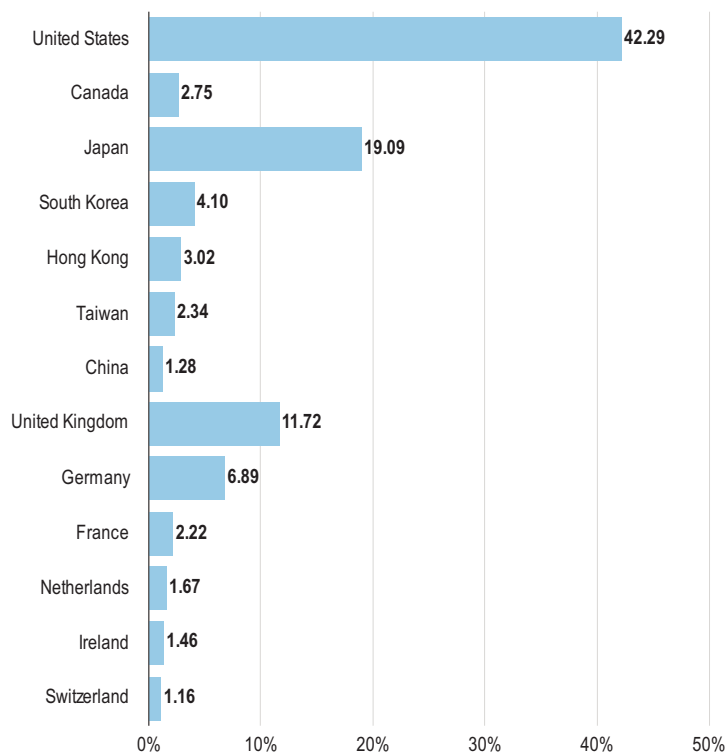


4. The average credit quality (ACQ) rating may change over time. The portfolio itself has not been rated by an independent rating agency. The letter rating, which may be based on bond ratings from different agencies, is provided to indicate the average credit rating of the portfolio's underlying bonds 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.

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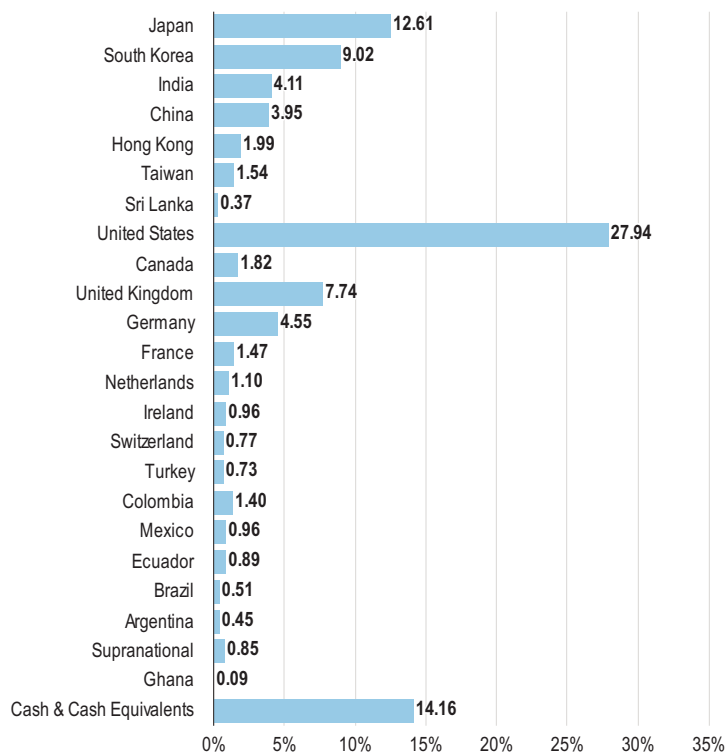
Geographic Allocation¹

Market Value—Percent of Equity



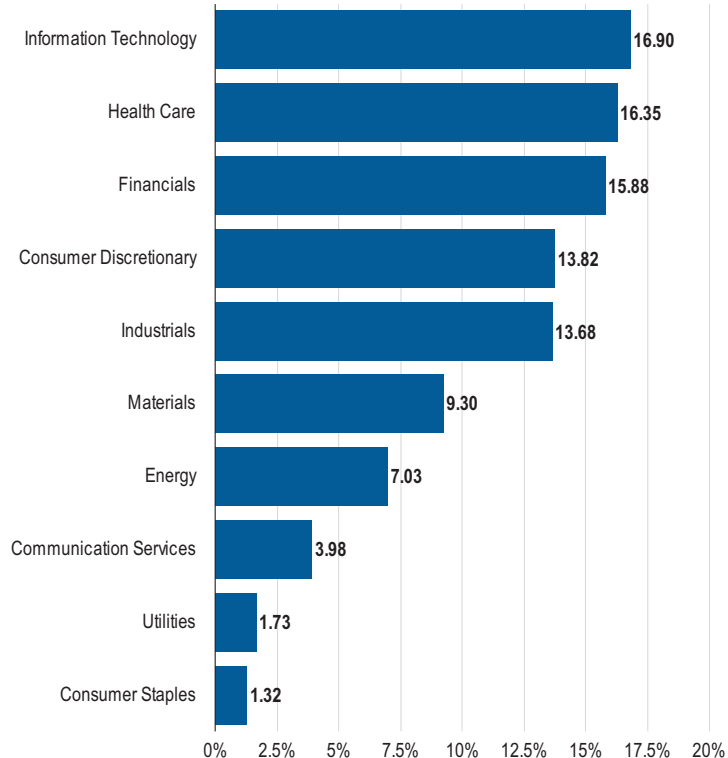
Geographic Allocation¹

Market Value—Percent of Fixed Income



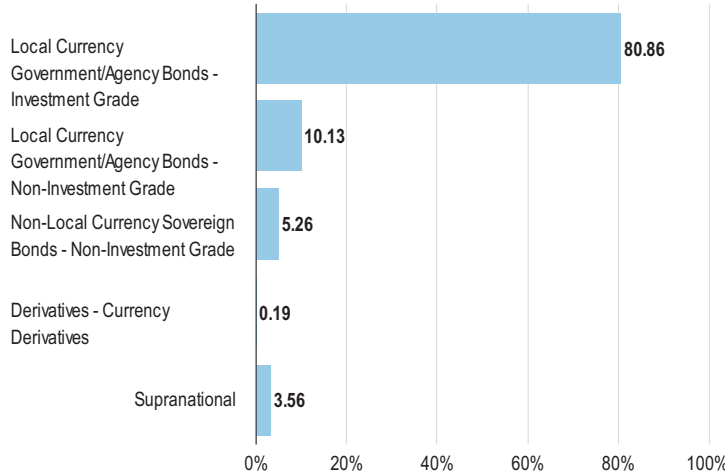
Sector Allocation¹

Market Value—Percent of Equity



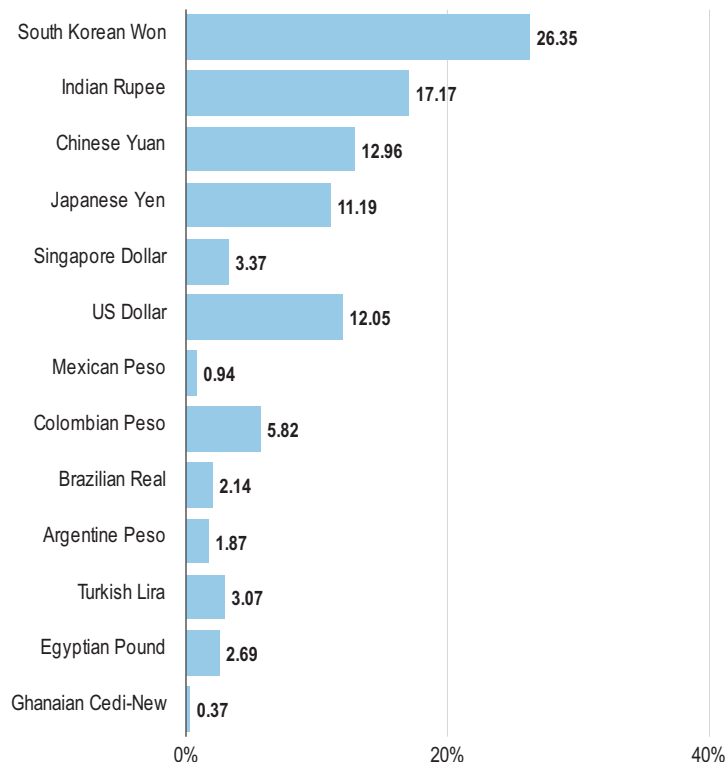
Sector Allocation¹

Market Value—Percent of Fixed Income



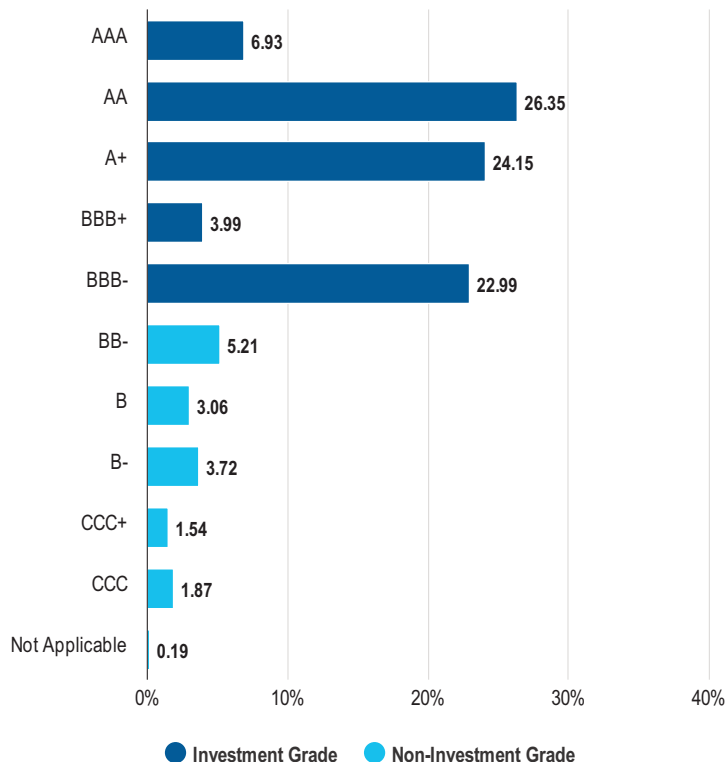
Currency Exposure^k

Notional Exposure—Percent of Fixed Income



Credit Quality Allocation^{5,6}

Market Value—Percent of Fixed Income



Performance Statistics⁷

Risk Statistics⁸

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)				
Templeton Global Balanced Fund	14.70	12.05	11.91	12.23
Custom 65% MSCI ACWI-NR + 35% JP Morgan Global Government Bond Index	11.90	9.80	9.06	10.33
Tracking Error (%)	5.46	4.90	4.82	5.10
Information Ratio⁹	-0.95	-0.68	-0.44	-0.32
Beta	1.16	1.13	1.22	1.08
Sharpe Ratio				
Templeton Global Balanced Fund	0.25	0.40	0.47	0.25
Custom 65% MSCI ACWI-NR + 35% JP Morgan Global Government Bond Index	0.74	0.83	0.85	0.45

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Alan Chua, CFA	21	31
Michael Hasenstab, Ph. D.	22	26
Calvin Ho, Ph. D.	16	16
Peter Sartori	1	30

5. 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.

6. 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.

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

8. Beta, Information Ratio and Tracking Error information are measured against the Custom 65% MSCI ACWI-NR + 35% JP Morgan Global Government Bond 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).

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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, equity-related and debt securities around the world. Such securities have historically been subject to significant price movements that may occur suddenly due to equity and bond 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: credit risk, 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.

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. 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. 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.

- 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. Source: FactSet. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted.
- 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. Yield to Maturity, Yield to Worst, Average Duration and Average Weighted Maturity reflect certain derivatives held in portfolio (or their underlying reference assets).
- f. All holdings are subject to change.
- 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.**



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h. 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.

i. 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.

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

k. 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.



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