

Product Details¹

Fund Assets	€88,454,121.41
Fund Inception Date	29/07/2011
Number of Issuers	40
Bloomberg	FREDAEU LX
ISIN	LU0645132738
Base Currency	EUR
Investment Style	Blend
Benchmark	MSCI Europe Index
Morningstar Category™	Europe Equity Income

Asset Allocation²

Percent of Total	%
Equity	93.87
Cash & Cash Equivalents	6.13
Fixed Income	0.00

Overall Morningstar Rating™³

Fund Description

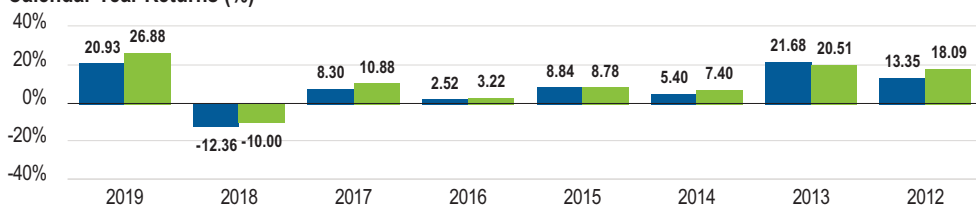
The Fund's investment objective is to provide a combination of current income and long-term capital appreciation by investing principally in the equity and/or equity-related securities of companies of any market capitalization incorporated or having their principal business activities in European countries.

Performance Data
Discrete Annual Performance (%) as at 31/05/2020

	5/19-5/20	5/18-5/19	5/17-5/18	5/16-5/17	5/15-5/16
A (acc) EUR	-14.82	-2.39	-2.56	12.97	-9.95
MSCI Europe Index EUR	-3.77	-0.01	1.62	16.52	-10.78

Performance Net of Management Fees as at 31/05/2020 (Dividends Reinvested) (%)^{4,5}

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	Since Inception (29/07/2011)
A (acc) EUR	1.53	-14.77	-23.82	-14.82	-6.77	-3.79	3.81
MSCI Europe Index	3.05	-6.12	-15.12	-3.77	-0.75	0.33	6.36

Calendar Year Returns (%)


- A (acc) EUR
- MSCI Europe Index

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	Vodafone Group Plc	Financials (Stock Selection)	Germany (Overweight)
	E.ON SE	Communication Services (Stock Selection)	Netherlands (Stock Selection)
	Siemens AG	Utilities (Stock Selection, Overweight)	France (Stock Selection)
HURT	G4S plc	Industrials (Stock Selection)	United Kingdom (Stock Selection)
	Imperial Brands PLC	Consumer Discretionary (Stock Selection)	Sweden (Lack of Exposure)
	WH Smith PLC	Information Technology (Lack of Exposure)	Denmark (Lack of Exposure)

- G4S, a UK-based security services firm, curbed relative performance, despite signs that its business is proving resilient during the COVID-19 lockdowns. Its security services business has continued to operate with minimal impact from the pandemic. Additionally, G4S is reducing costs and is divesting part of its cash management business.
- UK-based tobacco firm Imperial Brands curbed relative performance, after the company cut its dividend in order to reduce debt. The company's interim results and outlook for the fiscal year were largely as expected following its February guidance. Weakness continued in the

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

company's next-generation tobacco products business, as the company reduced investment in this line of business. The new chief executive officer, Stefan Bomhard, starts on 1 July, and we expect a material improvement in management resources, both in terms of capital and personnel.

- Amongst the contributors, UK-based telecom firm Vodafone supported relative returns, as its latest financial results suggested that the global pandemic will only have a modest impact on the company's overall business. Vodafone has also been focused on reducing debt and monetising its wireless tower assets.

Outlook & Strategy

- The global and European economic outlook remains uncertain. While the slowdown in COVID-19 infection rates and initial stages of economic reopening have been met with optimism by buoyant financial markets, we continue to believe the environment warrants caution.
- The toll that the pandemic will ultimately exact on the economy remains unknown. Unprecedented stimulus has been complemented with emergency income and debt relief for consumers and corporations. This can paper over problems in the near term but will likely prove unsustainable in the long run. In the medium term, companies and industries are faced with the challenge of redefining their business models to accommodate lower consumer spending and corporate investment.
- Furthermore, the cure for current conditions may prove worse than the disease itself. Rising public sector debt and expanding budget deficits have historically limited—not promoted—economic growth. Likewise, tighter regulations, higher taxes and increasing state intervention have historically been at odds with economic innovation.
- Risk appetite has returned as coordinated policy calms the troubled seas of financial markets for the time being. While investors have continued to favour quality—suggesting a lingering degree of caution—market breadth has been widening, valuations have been retesting highs and put-call ratios have retreated towards yearly lows. In short, signs of complacency have been reemerging, as many investors increasingly believe it is safe to dial up risk.
- We have made some decisive moves in our portfolios and expect to emerge from this tumultuous period stronger and better balanced. Our aim has been to create an attractively diversified portfolio. We will be bold where valuations warrant such a stance and seek to balance exposures appropriately, in order to position the portfolio for success over the longer term.

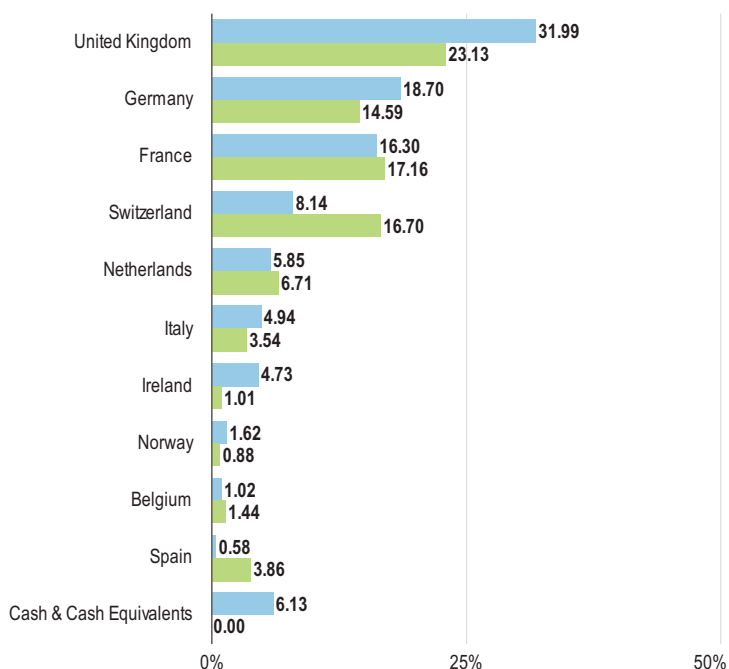
Portfolio Characteristics^{6,7}

	Portfolio	MSCI Europe Index
Price to Earnings (12-Month Trailing)	13.11x	15.04x
Price to Book	1.35x	1.59x
Price to Cash Flow	4.82x	8.32x
Market Capitalisation (Millions in EUR)	50,206	57,962
Dividend Yield	5.03%	2.76%

Portfolio Diversification

Geographic Weightings vs. MSCI Europe Index²

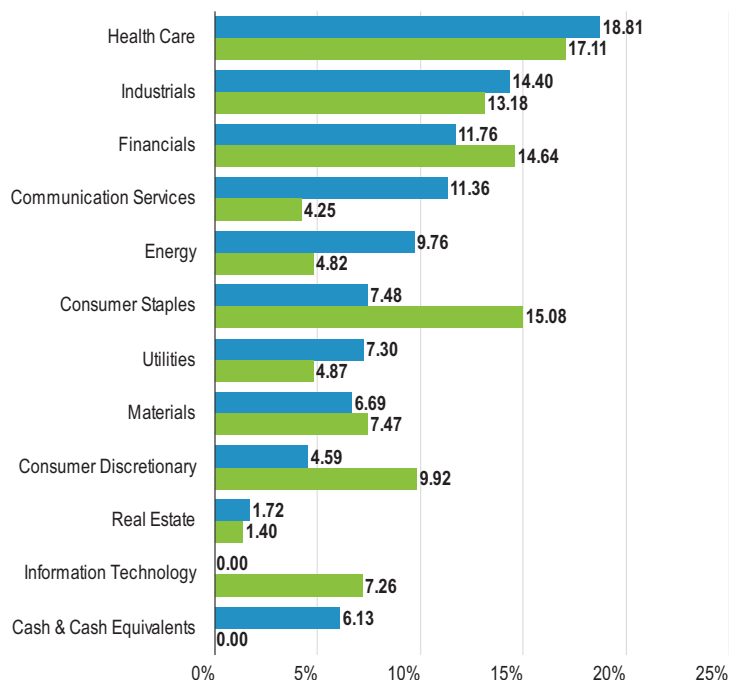
Percent of Total



● Franklin European Dividend Fund
● MSCI Europe Index

Sector Weightings vs. MSCI Europe Index²

Percent of Total



● Franklin European Dividend Fund
● MSCI Europe Index

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Top Ten Holdings⁸

Percent of Total

Top Holdings	Sector	Country	%
SANOFI	Pharmaceuticals, Biotechnology & Life Sciences	France	5.55
VODAFONE GROUP PLC	Telecommunication Services	United Kingdom	4.88
DEUTSCHE TELEKOM AG	Telecommunication Services	Germany	4.85
BAE SYSTEMS PLC	Capital Goods	United Kingdom	3.97
BAYER AG	Pharmaceuticals, Biotechnology & Life Sciences	Germany	3.92
E.ON SE	Utilities	Germany	3.69
VEOLIA ENVIRONNEMENT SA	Utilities	France	3.60
G4S PLC	Commercial & Professional Services	United Kingdom	3.54
COVESTRO AG	Materials	Germany	3.47
GLAXOSMITHKLINE PLC	Pharmaceuticals, Biotechnology & Life Sciences	United Kingdom	3.45

Supplemental Performance Statistics**Supplemental Risk Statistics⁹**

	3 Yrs	5 Yrs	Since Inception
Standard Deviation (%)			
Franklin European Dividend Fund	17.94	16.05	13.98
MSCI Europe Index	14.39	14.14	13.26
Tracking Error (%)	5.32	4.65	4.27
Information Ratio¹⁰	-1.14	-0.91	-0.61
Beta	1.17	1.06	0.98
Sharpe Ratio			
Franklin European Dividend Fund	-0.34	-0.20	0.30
MSCI Europe Index	-0.01	0.07	0.51

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Dylan Ball	13	20

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 dividend-paying equity securities of companies located in or doing significant business in European 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 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: currency risk, liquidity risk. For full details of all of the risks applicable to this Fund, please refer to the "Risk Considerations" section of the Fund in the current prospectus of Franklin Templeton Investment Funds.

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

10. Information Ratio is a way to evaluate a manager's ability to outperform a benchmark in relation to the risk that manager is assuming, with risk defined as deviation from the benchmark. This measure is calculated by dividing the portfolio's excess return (portfolio return less the benchmark return) by the tracking error (derived by taking the standard deviation of the monthly differences between the portfolio return and the benchmark return over time).

Important Legal Information

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 or which can be obtained, free of charge, from Franklin Templeton International Services, S.à r.l. - 8A, rue Albert Borschette, L-1246 Luxembourg.

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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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2. Information is historical and may not reflect current or future portfolio characteristics. Percentage may not equal 100% due to rounding. All holdings are subject to change.
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5. 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.
6. The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security's issuing company. This methodology may cause small differences between the portfolio's reported characteristics and the portfolio's actual characteristics. In practice, Franklin Templeton's portfolio managers invest in the class or type of security which they believe is most appropriate at the time of purchase. The market capitalisation figures for both the portfolio and the benchmark are at the security level, not aggregated up to the main issuer. Source: Factset. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted. Information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change.
7. 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.**
8. Holdings of the same issuers have been combined. Top ten holdings information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change. The information provided is not a recommendation to purchase, sell, or hold any particular security. The securities identified do not represent the fund's entire holdings and in the aggregate may represent only a small percentage of such holdings. There is no assurance that securities purchased will remain in the fund, or that securities sold will not be repurchased. The portfolio manager reserves the right to withhold release of information with respect to holdings that would otherwise be included.



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