

Performance Review

- The global equity market advanced in April 2019, supported by the accommodative policies of major central banks and better-than-expected economic data from the United States, China and the eurozone. Bond yields in major developed markets rose across the month.
- For the month, the fund's A (Qdis) EUR shares returned 0,84%, and its benchmark, the Custom 55% Bloomberg Barclays Multiverse (Hedged in EUR) + 40% MSCI All Country World + 5% Bloomberg Commodity Index, returned 1,35%.

ONE-MONTH KEY PERFORMANCE DRIVERS

HELPED	Equities contributed significantly to returns, as markets in most developed market economies continued to respond to major central banks' increasingly dovish stance.
	Corporate bonds, particularly high-yield debt, added value during the month, as investors favoured higher-yielding fixed income assets.
	Emerging market (EM) debt added value. Corporate bonds, in particular, outperformed sovereign EM debt.
HURT	US Treasuries and some eurozone government bonds detracted from returns during April, as yields rose from lows in late March.
	Equity hedges, held on global equities at the start of April, detracted from returns, as equity markets rose during the month.
	Currency hedges detracted marginally from returns, as the US dollar strengthened against the euro in April.

Outlook & Strategy

- The current performance of world equity markets differs from the less optimistic views reflected by government bond markets. This is partly because central bankers have backed away from plans to normalise monetary policy.
- Part of the reason for this bearish sentiment from central banks is concern over inflation expectations. In the United States, survey measures of longer-term expectations have fallen back to historical lows, dipping to levels last seen in late 2016.
- We believe growth remains strong enough to support risk assets over a longer-term horizon. We are carefully monitoring the potential for renewed market volatility and have moved to reflect these concerns, but we are not bearish.
- As well as retaining large equity market holdings, the fund maintains substantial exposure to market-neutral risk premium investments and holds alternative assets to help diversify exposure.
- Within fixed income, the economic environment remains supportive of corporate bonds, although the investment-grade sector has more duration risk than other bonds. We have adopted a more cautious stance on the outlook for riskier fixed income sectors such as high yield.

Fund Details

Inception Date	26.04.2013
Benchmark	Custom 55% Bloomberg Barclays Multiverse (Hedged in EUR) + 40% MSCI All Country World + 5% Bloomberg Commodity Index, MSCI All Country World Index, Bloomberg Barclays Multiverse (EUR Hedged) Index

Fund Description

The fund's investment objective is to provide investors with a sustainable level of income, plus capital gains, in the medium to long term to keep pace with inflation.

Performance Data

Discrete Annual Performance (%) as at 30.04.2019

	4/18-4/19	4/17-4/18	4/16-4/17	4/15-4/16	4/14-4/15
A (Qdis) EUR	-5,13	-2,84	5,66	-6,03	20,21
Custom 55% Bloomberg Barclays Multiverse (Hedged in EUR) + 40% MSCI All Country World + 5% Bloomberg Commodity Index EUR	6,89	1,00	10,37	-1,81	23,35

Performance Net of Management Fees as at 30.04.2019 (Dividends Reinvested) (%)^{1,2}

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	Since Inception (26.04.2013)
A (Qdis) EUR	0,84	3,38	7,05	-5,13	-0,88	1,93	1,69
Custom 55% Bloomberg Barclays Multiverse (Hedged in EUR) + 40% MSCI All Country World + 5% Bloomberg Commodity Index	1,35	4,89	8,85	6,89	5,98	7,59	6,69

Investment Team

Matthias Hoppe
Years with Firm 10
Years Experience 19

Thomas Nelson, CFA
Years with Firm 11
Years Experience 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 directly or indirectly (through financial derivative instruments, structured products or collective investment schemes) in equity and fixed income securities, and (indirectly only) alternative investments (including commodities or property). Such securities and investment instruments have historically been subject to price movements due to such factors as general stock market volatility, sudden changes in interest rates, changes in the financial outlook or perceived credit worthiness of securities issuers, or fluctuations in commodity prices or real estate values. As a result, the performance of the Fund can fluctuate 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, currency risk, derivatives risk, emerging markets risk, liquidity risk, Shanghai-Hong Kong Stock Connect 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.

References to indexes are made for comparative purposes only and are provided to represent the investment environment existing during the time periods shown.

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.

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Effective 30.06.2016, the fund's custom benchmark was adjusted to Custom 55% Bloomberg Barclays Multiverse (Hedged in EUR) + 40% MSCI All Country World + 5% Bloomberg Commodity Index. Performance comparison data reflects the original benchmark (55% Bloomberg Barclays Multiverse, 40% MSCI World, 5% Bloomberg Commodities) from inception to the day prior to 30.06.2016 and the new benchmark from 30.06.2016 to present day.

1. Source for all information is Franklin Templeton Investments. Benchmark related data provided by FactSet. Past performance is not an indicator or a guarantee of future performance. Portfolio holdings are subject to change. Periods greater than one year are shown as average annual total returns. Sales charges and other commissions, taxes and other relevant costs paid by investor are not included.
2. 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.

