

**Fund Fact Sheet**

**Fund Overview**

Base Currency for Fund	USD
Total Net Assets (USD)	28 million
Fund Inception Date	27.07.2012
Benchmark	Blended 90% JP Morgan EMBI Brazil Plus Index + 10% MSCI Brazil Index
Investment Style	Multi-Asset
Minimum Investment	USD 5,000 or the equivalent in the relevant share class currency
Morningstar Category™	Other Allocation

**Summary of Investment Objective**

The Fund seeks total return, consisting of capital appreciation, income, cash and currency gains, by investing across the entire range of available investment opportunities linked to Brazil.

**Fund Management**

Rodrigo da Rosa Borges: Brazil  
Frederico Sampaio, CFA: Brazil  
Renato S. Pascon: Brazil

**Performance**

**Performance over 5 Years in Share Class Currency (%)**

■ Franklin Brazil Opportunities Fund A (acc) EUR-H1 ■ Blended 90% JP Morgan EMBI Brazil Plus Index + 10% MSCI Brazil Index in USD



**Discrete Annual Performance in Share Class Currency (%)**

	01/18 01/19	01/17 01/18	01/16 01/17	01/15 01/16	01/14 01/15
A (acc) EUR-H1	2.21	1.86	9.55	-8.27	1.91
Benchmark in USD	4.58	11.19	31.32	-15.31	3.30

**Performance in Share Class Currency (%)**

	Cumulative							Since Incept
	1 Mth	3 Mths	6 Mths	YTD	1 Yr	3 Yrs	5 Yrs	
A (acc) EUR-H1	3.51	4.32	6.30	3.51	2.21	14.06	6.62	6.30
Benchmark in USD	5.45	8.26	9.81	5.45	4.58	52.70	33.60	21.18

**Calendar Year Performance in Share Class Currency (%)**

	2018	2017	2016	2015	2014
A (acc) EUR-H1	1.28	0.80	12.28	-13.35	1.18
Benchmark in USD	0.39	14.49	27.13	-17.04	1.72

**Past performance is not an indicator or a guarantee of future performance.** All performance data shown is in the currency stated, include reinvested dividends and are net of management fees. Sales charges and other commissions, taxes and other relevant costs paid by the investor are not included in the calculations. 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.

The share class shown has adopted a hedging strategy intended to reduce the effect of exchange rate movements between the currency of the Fund's investment strategy and the currency of the share class. The benchmark returns displayed are shown in the reference currency of the Fund's investment strategy (USD), while share class returns are shown in the reference currency of share class (EUR). As a result, the returns shown above reflect the effect of the hedging strategy and one can compare the returns of the Fund (net of fees) relative to its benchmark index without the impact of exchange rate movements on index returns.

**Fund Measures**

Standard Deviation (5 Yrs)	8.01%
----------------------------	-------

**Share Class Information** (For a full list of available share classes, please visit our local website)

Share Class	Incept Date	NAV	TER (%)	Fees	Fund Identifiers
				Max. Annual Charge (%)	ISIN Valoren
A (acc) EUR-H1	27.07.2012	EUR 10.63	1.92	1.50	LU0800341645 18925392

## Composition of Fund

The investment team believes that a dynamic, multi-asset strategy can potentially achieve attractive, long-term, total returns by allocating across the entire range of investment opportunities in Brazil. It takes a total-return approach, seeking to provide higher risk-adjusted return potential as compared to more traditional stock, bond and cash portfolios.

Strategy	Portfolio Exposure	Risk Allocation (%)
Duration	Local Brazilian interest rates	19.56
Inflation-Linked	Brazilian inflation	0.00
Currency (BRL)	Brazilian currency exchange rates	2.66
USD Credit Spreads	U.S. Dollar-denominated Brazilian fixed income	10.98
Equity	Brazilian stock market	23.47
Volatility	Volatility of Brazilian equity or currency indices	0.00
Cash	Cash and cash equivalents	43.34

Risk allocations are not the same as a portfolio's asset allocation but are provided to indicate how the portfolio is exposed to components that are likely to impact performance. VaR (99%, 1 Month): 1.69%. Expected Shortfall: 1.90%. See notes under Composition of the Fund in the Important Information section below.

Duration—Fixed Income	% of Fixed Income
0 to 1 Year	12.77
1 to 2 Years	6.08
2 to 3 Years	13.38
3 to 5 Years	5.80
5 to 7 Years	3.73
10 to 15 Years	15.38

## 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 is an asset allocation fund that invests mainly in equity and equity-related securities issued by companies located in, doing significant business in, or otherwise linked to Brazil as well as Brazilian debt securities of any quality, including non-investment grade. Such securities have historically been subject to price movements, generally due to either company-specific or market-related factors and, for the debt securities, movements in interest rates and the local bond market generally. 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, emerging markets risk, currency risk, derivatives 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.

## Important Information

Data as of 31 January 2019, unless otherwise stated.

This document is intended to be of general interest only and does not constitute legal or tax advice nor is it an offer for shares or invitation to apply for shares of the **Luxembourg-domiciled SICAV** Franklin Templeton Investment Funds. Nothing in this document should be construed as investment advice. Subscriptions to shares of the Fund can only be made on the basis of the current Key Investor Information Document (KIID), the full prospectus of the Fund, accompanied by the latest available audited annual report and the latest semi-annual report, if published thereafter. 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. **Past performance is not an indicator or a guarantee of future performance.** 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. An investment in the Fund entails risks which are described in the Fund's prospectus and Key Investor Information Document. In emerging markets, the risks can be greater than in developed markets. Investments in derivative instruments entail specific risks that may increase the risk profile of the fund and are more fully described in the Fund's prospectus. No shares of the Fund may be directly or indirectly offered or sold to residents of the United States of America. Any research and analysis contained in this document has been procured by Franklin Templeton Investments for its own purposes and is provided to you only incidentally. References to particular industries, sectors or companies are for general information and are not necessarily indicative of a fund's holding at any one time. Please consult your financial advisor before deciding to invest. A copy of the latest prospectus, of the Key Investor Information Document, the annual report and semi-annual report, if published thereafter can be found, on our website [www.franklintempleton.ch](http://www.franklintempleton.ch) or can be obtained, free of charge, from Franklin Templeton Switzerland Ltd, a Member of Franklin Templeton Investments, Stockerstrasse 38, CH-8002 Zurich, Tel +41 44 217 81 81 / Fax +41 44 217 81 82, [info@franklintempleton.ch](mailto:info@franklintempleton.ch). Paying agent in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich.

Issued by Franklin Templeton Switzerland Ltd, a company authorized and regulated by the Swiss Financial Market Supervisory Authority FINMA as representative of Franklin Templeton Investment Funds.

References to indices 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.

All MSCI data is provided "as is." The Fund described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the Fund described herein. Copying or redistributing the MSCI data is strictly prohibited.

**Fund Management:** CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

**Performance Benchmark:** The benchmark performance shown is derived from a combination of the blended 40% J.P. Morgan EMBI Plus Index + 40% IRF-M (Brazil Andima Domestic Fixed Rate Bond Index) + 20% MSCI Brazil Index from the Fund's inception to 30 August 2017 and the blended 90% JP Morgan EMBI Brazil Plus Index + 10% MSCI Brazil Index from 31 August 2017 to current reporting period.

All performance data shown is in the Fund currency stated and include reinvested dividends and are net of management fees. Sales charges and other commissions, taxes and other relevant costs incurred on the issue and redemption of units paid by the investor are not included in the calculations.

**TER:** A fund's Total Expense Ratio (TER) is a measure of its total costs and fees expressed as a percentage of the average net assets of the fund in the previous financial year and with reference to the asset class shown in the performance table. As of 31 January 2019. Calculation method according to Luxembourg law. The TER as of fiscal year-end is published in the latest available annual report and the latest semi-annual report, if published thereafter, for Switzerland and is calculated according to SFAMA guidelines.

**Distribution of Dividends:** The Board of Directors intends to distribute all of the income attributable to the Distribution Shares. No distribution of dividends shall be made for the Accumulation Shares (**acc**), however the income attributable will be reflected in the increased value of the Shares. Dividends may be paid monthly (**Mdis**), quarterly (**Qdis**), or annually (**Ydis**).

### Composition of Fund:

Note on Derivatives and Notional Exposures: The Fund may utilize financial derivative instruments for investment and hedging purposes. Derivatives involve costs and can create economic leverage in the portfolio which may result in significant volatility and cause the Fund to participate in losses on an amount that exceeds the fund's initial investment. Use of these instruments may result in negative exposure in a specific asset class, yield curve/duration or currency. The Fund may also invest in credit-linked securities or other structured products that derive their value from another Brazil-related index, security or currency. With over-the-counter derivatives, there is the risk that the other party to the transaction will fail to perform. Security Type, Risk Allocations and Duration—Fixed Income, if included, reflect the notional exposure of derivatives and market values. Notional exposure is obtained through derivative instruments and may exceed 100%. See the Fund's holdings report for more information.

**Risk Allocation:** Risk allocations are calculated by measuring the exposure of each category by its risk, based on ex-ante Value at Risk (VaR), and dividing that number by the sum of that calculation for all categories such that the sum of all risk allocations equals 100%.

**Important Information (continued)**

**Value-at-Risk (VAR):** The expected maximum potential one-month loss at a 99% confidence level, calculated based on the Fund's holdings as of the report date using a historical simulation methodology.

**Expected Shortfall (ES):** ES represents the estimated average loss that the current portfolio can be expected to incur over one month, once the 99% VaR loss has been exceeded. It is important to note that ES represents the average loss during the worst 1% of months and is not the "worst case" loss scenario. Actual monthly losses can be larger than ES in very stressed financial markets.

**Credit Spread:** Risk premium or difference in yield between two different but comparable fixed income securities attributable to default risk or credit quality.

**Duration:** Also known as "effective" or "Macaulay" duration, it is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates.

Duration is expressed as a number of years. It's an indication of an issue's coupon relative to its maturity. Rising interest rates mean falling bond prices; declining interest rates mean rising bond prices. The bigger the duration number, the greater the interest-rate risk (or reward for bond prices).

**Volatility:** Measures the variation in the price of an instrument or security. Changes in expected volatility can impact the price of certain instruments. The manager can seek to generate profit if they believe that the market is either over- or underpredicting volatility, and can buy and sell instruments accordingly. There is no assurance that the manager's predictions on future volatility, or the impact on price, will be correct.

**Inflation-Linked:** Debt securities or instruments that are indexed to inflation, designed to preserve purchasing power over time despite changes in the overall price level.