

**Fund Overview**

Base Currency for Fund	EUR
Total Net Assets (EUR)	337 million
Fund Inception Date	03.12.2001
Number of Issuers	28
Benchmark	MSCI Europe Small-Mid Cap (Net Dividends) Index
Investment Style	Growth
Minimum Investment	USD 5,000 or the equivalent in the relevant share class currency
Morningstar Category™	Europe Small-Cap Equity


**Summary of Investment Objective**

The Fund aims to achieve long-term capital appreciation by investing principally in equity and/or equity-related securities of small and mid-cap companies (those with market capitalisation above Euro 100 million and below Euro 8 billion) in Europe.

**Fund Management**

Ed Lugo, CFA: United States

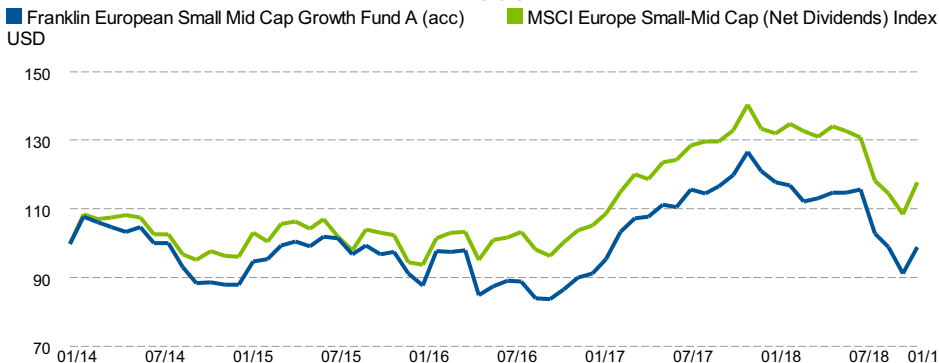
**Asset Allocation**



	%
Equity	88.26
Cash & Cash Equivalents	11.74

**Performance**

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



**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) USD	-21.87	40.40	-1.14	3.60	-11.87
Benchmark in USD	-15.97	35.19	9.82	-1.75	-3.71

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

	Cumulative							Since Incept
	1 Mth	3 Mths	6 Mths	YTD	1 Yr	3 Yrs	5 Yrs	
A (acc) USD	8.50	-3.97	-13.83	8.50	-21.87	8.45	-0.98	82.87
Benchmark in USD	8.71	-0.22	-12.03	8.71	-15.97	24.75	18.02	64.01

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

	2018	2017	2016	2015	2014
A (acc) USD	-23.99	38.49	-11.10	10.72	-15.93
Benchmark in USD	-18.42	32.50	-2.11	6.43	-5.32

**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.

**Top Ten Holdings (% of Total)**

Issuer Name	%
CLARKSON PLC	5.74
JOHN WOOD GROUP PLC	5.16
ZARDOYA OTIS SA	4.74
SESA SPA	4.73
ELIOR GROUP SA	4.30
GRANDVISION NV	4.28
SCANDINAVIAN TOBACCO GROUP A/S	4.19
LAR ESPANA REAL ESTATE SOCIMI SA	4.06
HEADLAM GROUP PLC	4.03
ISS A/S	3.84

**Fund Measures**

P/E to Growth	1.60x
Historical 3 Yr Sales Growth	11.61%
Estimated 3-5 Yr EPS Growth	8.29%
Price to Earnings (12-mo Forward)	13.13x
Standard Deviation (5 Yrs)	15.61%

**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) USD	01.09.2006	USD 40.87	1.83	1.50	LU0260871552	2637131

## Composition of Fund

■ Franklin European Small Mid Cap Growth Fund ■ MSCI Europe Small-Mid Cap (Net Dividends) Index

Geographic		% of Total		Sector		% of Total	
United Kingdom		35.67	/ 29.94	Industrials		28.75	/ 22.67
Spain		8.80	/ 3.82	Consumer Discretionary		14.48	/ 12.75
Denmark		8.03	/ 3.97	Real Estate		11.54	/ 7.34
France		6.92	/ 11.76	Energy		8.13	/ 3.11
Norway		6.73	/ 3.03	Financials		7.34	/ 14.35
Italy		4.73	/ 5.35	Materials		6.75	/ 10.01
Netherlands		4.28	/ 3.95	Consumer Staples		6.54	/ 5.71
United States		3.73	/ 0.00	Information Technology		4.73	/ 6.30
Greece		3.58	/ 0.00	Health Care		0.00	/ 7.90
Others		5.78	/ 38.19	Others		0.00	/ 9.86
Cash & Cash Equivalents		11.74	/ 0.00	Cash & Cash Equivalents		11.74	/ 0.00

## Market Capitalisation Breakdown in EUR

	% of Equity
<1.0 Billion	46.12
1.0-2.0 Billion	14.30
2.0-5.0 Billion	39.58

## 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 equity-related securities of small- and mid-cap 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. 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.

## 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 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.

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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.

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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.

**Top Ten Holdings:** These securities do not represent all of the securities purchased, sold or recommended for clients, and the reader should not assume that investment in the securities listed was or will be profitable. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top holdings list.

**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:

**Market Capitalisation Breakdown:** Where applicable "N/A" represents the percentage of the portfolio's equity positions for which market cap information was not available at publication date.