

Fund Overview

Base Currency for Fund	EUR
Total Net Assets (EUR)	274 million
Fund Inception Date	13.02.2006
Number of Holdings	313
Benchmark	Custom EURIBOR 3-Month + 2% Index
Target Volatility Range	3-5%
Investment Style	Asset Allocation
Minimum Investment	USD 5,000 or the equivalent in the relevant share class currency
Morningstar Category™	EUR Cautious Allocation
Distribution Yield – A (Qdis) EUR	1.66%

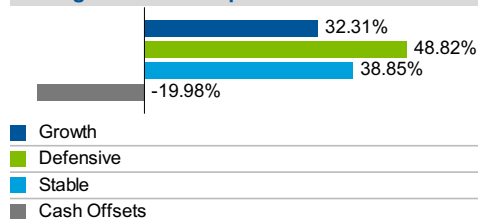
Summary of Investment Objective

The Fund's investment objective is to achieve a combination of income and long-term capital appreciation, targeting a yearly average return of 2% (net of fees) over the Euro Interbank Offered Rate (EURIBOR) over a rolling three-year period. The Fund aims to achieve its objective with an annualised volatility ranging, under normal market conditions, between 3% and 5%. There is no guarantee that the Fund will achieve its return objective, nor that it will remain within the aimed-for volatility range.

Fund Management

Matthias Hoppe: Germany

Average Portfolio Exposure



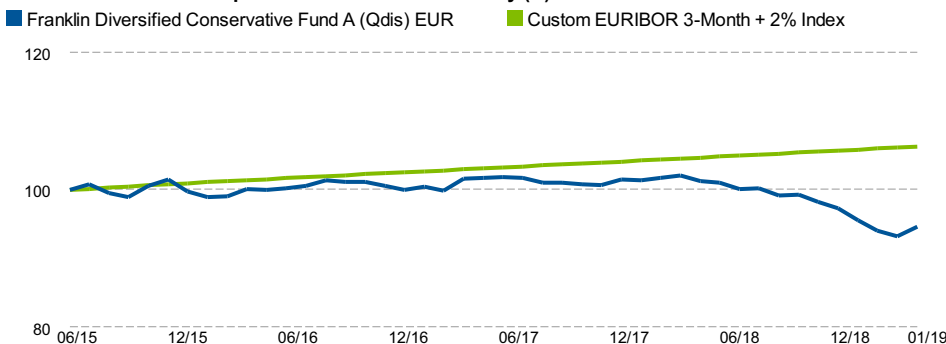
See page 2 for category definitions.

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 (Qdis) EUR	26.06.2015	EUR 8.43	1.43	1.10	LU1244550908 28508646

Performance

Performance Since Inception 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 (Qdis) EUR	-7.33	2.23	0.90	N/A	N/A
Benchmark in EUR	1.67	1.66	1.71	N/A	N/A

Performance in Share Class Currency (%)

	Cumulative						Since Incept
	1 Mth	3 Mths	6 Mths	YTD	1 Yr	3 Yrs	
A (Qdis) EUR	1.51	-0.99	-4.69	1.51	-7.33	-4.41	-5.20
Benchmark in EUR	0.14	0.42	0.83	0.14	1.67	5.12	6.48

Calendar Year Performance in Share Class Currency (%)

	2018	2017	2016
A (Qdis) EUR	-8.43	1.34	0.71
Benchmark in EUR	1.67	1.66	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 past performance has been simulated. Please refer to the Important Information section at the end of this document for more information.**

Portfolio Risk and Return Analysis (EUR)

Strategies by Risk Category	Average Portfolio Exposure (%)	1 Month Performance Contribution (%)
Growth	32.31	1.12
EQ-DM-Beta	0.77	0.03
EQ-EM-Beta	0.28	0.02
EQ-EM-Small Cap	0.00	0.00
EQ-Global-Multi Factor	8.28	0.71
EQ-Volatility Premium	3.54	0.05
FI-EM-Credit	0.63	0.01
FI-EM-Rates	1.86	0.04
FI-Global-Credit	16.95	0.25
Defensive	48.82	-0.24
Cash and Equivalents	3.88	0.00
EQ-Hedging	-4.45	-0.37
EQ-Income	1.18	-0.02
EQ-Tail Risk Hedging	2.16	-0.30
EQ-VIX Momentum	2.32	-0.03
FI-Australia-Rates	0.62	0.01
FI-Europe-Credit Hedging	-1.14	0.00
FI-Eurozone-Rates	39.85	0.45
FI-New Zealand-Rates	0.94	0.01
FI-US-Credit Hedging	-1.68	-0.01
FI-US-Rates	5.13	0.02
Stable	38.85	0.21
Currency-Long JPY/Short CHF	0.05	0.04
EQ-Global-Risk Premia	29.18	0.10
FI-EM-Rates Short-Term	3.81	0.07
FI-EUR Floater	0.78	0.00
FI-Europe-Securitized	2.38	0.00
FI-Eurozone-Rates Sh. Term	2.64	0.00
Cash Offsets	-19.98	0.00

Past performance is not an indicator or a guarantee of future performance.

Average Portfolio Exposure: The average economic exposure during the period for each particular strategy. Figures reflect certain derivatives held in the portfolio (or their underlying reference assets) and may not total 100% or may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

Performance Contribution: Estimates what each position has contributed to the portfolio's total return. The sum of all estimates may differ from the portfolio's official top-level return due to several factors such as the difference between the actual trade price of securities included in performance and the end of day price used to calculate analytics.

Definitions

Growth: Growth strategies tend to have positive correlation to equity markets. These types of strategies aim to provide long-term capital growth driven from specific equity or fixed income markets. Such strategies are meant to find opportunities that are deemed to have good growth potential.

Defensive: Defensive strategies tend to have a negative correlation to equity markets. These types of strategies aim to minimise the risk of principal loss. Such strategies are meant to protect investors against significant losses from major market downturns.

Stable: Stable strategies tend to have low or no correlation to equity markets. These types of returns aim to offer consistently higher returns than money markets while taking on modestly higher amounts of risk. Such strategies are not dependent on strong or weak economic conditions to deliver positive returns and can act as a good diversifier.

Cash Offsets: Synthetic cash positions that are created when we use levered financial instruments (such as options and futures) to gain market exposure.

Momentum: The rate of acceleration of a security's price or volume. The idea of momentum in securities is that their price is more likely to keep moving in the same direction than to change directions. In technical analysis, momentum is considered an oscillator and is used to help identify trend lines.

Tail Risk: A form of portfolio risk that arises when the possibility that an investment will move more than three standard deviations from the mean is greater than what is shown by a normal distribution.

Volatility: A measure of the degree to which a fund's return varies from its previous returns from the average of all similar funds. The larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate from the average return.

Additional Fund Information

Largest Strategies by Average Exposure

Category	% of Total
FI-Eurozone-Rates	39.85
EQ-Global-Risk Premia	29.18
FI-Global-Credit	16.95
EQ-Global-Multi Factor	8.28
FI-US-Rates	5.13
Cash and Equivalents	3.88
FI-EM-Rates Short-Term	3.81
EQ-Volatility Premium	3.54
FI-Eurozone-Rates Sh. Term	2.64
FI-Europe-Securitized	2.38

Fund Measures

Average Credit Quality	A+
Average Duration	7.00 Years
Average Weighted Maturity	7.88 Years
Standard Deviation (3 Yrs)	2.62%

Asset Class Exposure

	% of Total
Fixed Income	72.42
Alternatives	37.65
Equity	12.40
Cash & Cash Equivalents	3.69
Currency Investments	0.09
Cash Offsets	-26.26

Geographic Exposure

	% of Fixed Income	% of Equity	% of Total
Europe ex-UK	69.35	15.54	64.76
North America	20.33	44.36	22.38
Latin America	3.65	2.02	3.51
United Kingdom	3.17	4.94	3.32
Asia ex-Japan	1.62	18.66	3.07
Australasia	0.93	2.06	1.03
Japan	N/A	10.10	0.86
Mid-East / Africa	0.22	2.32	0.39
Other	0.75	N/A	0.68

Portfolio Data Derivatives Disclosures

Average Portfolio Exposure, Largest Strategies by Average Exposure, Asset Class Exposure and Geographic Exposure weights reflect certain derivatives held in the portfolio (or their underlying reference assets) and may not total 100% or may be negative due to rounding, use of derivatives, unsettled trades or other factors.

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, cash and equivalents, and (indirectly only) alternative investments (including commodities or property), with an aim to have a higher proportion of debt securities vs. other assets. 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 moderately 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, liquidity risk, targeted return 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

As of 20.03.2015, all the assets of FTSAF–Franklin Strategic Conservative Fund were transferred into FTIF–Franklin Diversified Conservative Fund, a sub-fund especially created under FTIF to receive FTSAF–Franklin Strategic Conservative Fund's assets by way of merger. Such transfer of assets allowed FTIF–Franklin Diversified Conservative Fund to retain the past performance of the corresponding shares of FTSAF–Franklin Strategic Conservative Fund since inception.

In emerging markets, the risks can be greater than in developed markets. Investments in derivative instruments entail specific risks more fully described in the Fund's prospectus and, where available, in the relevant Key Investor Information Document. 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.

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 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. 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.

Fund Overview: The **Distribution Yield** is based on the most recent month's distribution and shown as an annualized percentage as of the date shown. It does not include any preliminary charge and investors may be subject to tax on distributions. Information is historical and may not reflect current or future distributions.

Negative Cash Weightings: The negative cash position reflects a temporary position that is a result of a delay in securities settlement transactions.

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.

Fund Measures: 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 (or internal ratings for unrated bonds, cash and equivalents), is provided to indicate the average credit rating of the portfolio's underlying investments and generally ranges from AAA (highest) to D (lowest). For unrated bonds, cash and equivalents, ratings may be assigned based on the ratings of the issuer, the ratings of the underlying holdings of a pooled investment vehicle, 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 investments 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 may be lower if cash and equivalents are excluded from the calculation. The ACQ is provided for informational purposes only. Derivative positions are not reflected in the ACQ.

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**).