

Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

Franklin Diversified Conservative Fund

Class A (acc) SGD-H1 • ISIN LU1496349918 • A sub-fund of Franklin Templeton Investment Funds
The management company is Franklin Templeton International Services S.à r.l.

Objectives and Investment Policy

Franklin Diversified Conservative Fund (the “Fund”) aims to earn income and to increase the value of its investments over the long term by targeting an average annual return rate of 2% (net of fees) above that of the Euro Interbank Offered Rate (EURIBOR), over a rolling three year period. The Fund aims to achieve its objective with an annualised fluctuation (volatility) of the share price of the Fund ranging 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.

The Fund can invest up to 40% in equity and equity-related securities from any country or type of issuers directly, and indirectly through among others, derivatives and/or mutual funds. In addition, the Fund can invest directly in debt securities from any country or type of issuers (including low rated or non-investment grade securities, defaulted and distressed debt securities, convertible securities and/or up to 5% of the Fund’s assets in contingent convertible securities) or indirectly through among others, derivatives and mutual funds.

The Fund can invest to a lesser extent in structured products and exchange traded notes and indirectly (through mutual funds, exchange-traded funds, derivatives or structured products) up to 10% in other asset classes such as commodities, precious metals, real estate and infrastructure.

Investments in mutual funds into which the Fund may invest is limited to 10% of the Fund’s assets.

The Fund can use derivatives for hedging, efficient portfolio management and/or investment purposes.

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. You may request the sale of your shares on any Luxembourg business day.

The income received from the Fund’s investments is accumulated with the result of increasing the value of the shares.

For further information on the Objectives and Investment Policy of the Fund, please refer to the section “Fund Information, Objectives and Investment Policies” of the current prospectus of Franklin Templeton Investment Funds.

The benchmark of the Fund is the Custom EURIBOR 3-Month + 2% Index. The benchmark is indicated for information purposes only, and the Fund manager does not intend to track it. The Fund can deviate from this benchmark.

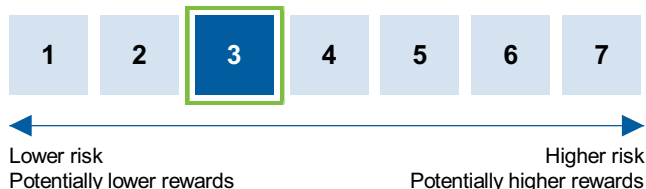
Terms to Understand

Derivatives: Financial instruments whose characteristics and value depend on the performance of one or more underlying assets, typically securities, indexes, currencies or interest rates.

Hedging: A strategy for totally or partially offsetting particular risks such as those arising from fluctuations in share prices, currencies or interest rates.

Long position, short position: A long position benefits when an investment’s price goes up; a short position benefits when the price goes down.

Risk and Reward Profile



What does this indicator mean and what are its limits?

This indicator is designed to provide you with a measure of the price movement of this share class based on historical behavior.

Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

As the share class has no sufficient historical data available, simulated data based on a representative portfolio model or benchmark have been used instead.

Why is the Fund in this specific category?

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.

Risks materially relevant not adequately captured by the indicator:

Credit risk: the risk of loss arising from default that may occur if an issuer fails to make principal or interest payments when due. This risk is higher if the Fund holds low-rated, non-investment-grade securities.

Currency risk: the risk of loss arising from exchange-rate fluctuations or due to exchange control regulations.

Derivatives risk: the risk of loss in an instrument where a small change in the value of the underlying investment may have a larger impact on the value of such instrument. Derivatives may involve additional liquidity, credit and counterparty risks.

Liquidity risk: the risk that arises when adverse market conditions affect the ability to sell assets when necessary. Reduced liquidity may have a negative impact on the price of the assets.

Targeted return risk: there is no guarantee that the Fund will achieve its targeted objective. The Fund seeks to achieve its returns over a full market cycle to achieve a positive return. Capital invested in the Fund may decline in value.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Considerations” section of the current prospectus of Franklin Templeton Investment Funds.

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest

Entry charge	5,00%
Exit charge	Not applicable

This is the maximum that might be taken out of your money before it is invested.

Charges taken from the Fund over a year

Ongoing charges	1,44%
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Charges taken from the Fund under certain specific conditions

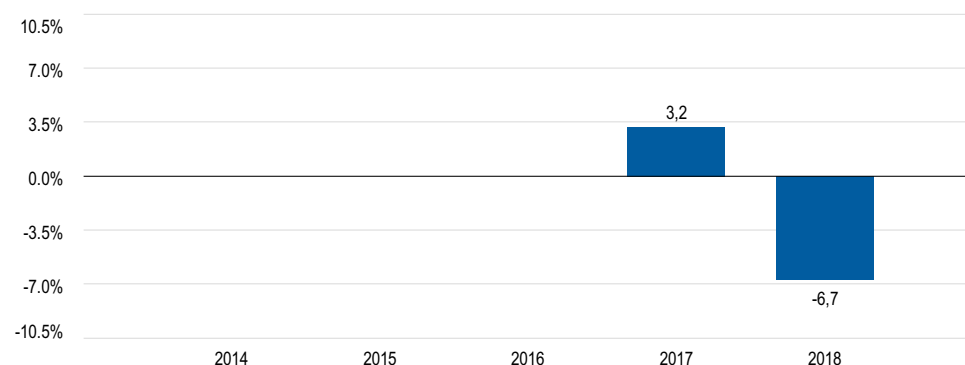
Performance fee	Not applicable
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The entry charges shown are maximum amounts; you may pay less in some cases. For more information, please see your financial adviser.

The ongoing charges are based on the expenses for the year ending December 31, 2018. This figure may vary from year to year.

For detailed information about charges, please refer to the sections "Share Classes" and/or "Performance Fees" (as applicable) as well as Appendix E of the current prospectus of Franklin Templeton Investment Funds.

Past Performance



■ Franklin Diversified Conservative Fund Class A (acc) SGD-H1

- Past performance is not a guide to future performance.
- The past performance shown here includes all the ongoing charges but not the entry charge.
- Past performance is calculated in the currency of the present share class.
- The Fund was launched in 2015 and the present share class on 21.10.2016.

Practical Information

- The Custodian of Franklin Templeton Investment Funds is J.P. Morgan Bank Luxembourg S.A.
- The paying agent of Franklin Templeton Investment Funds in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich.
- The representative of Franklin Templeton Investment Funds in Switzerland is Franklin Templeton Switzerland Ltd., Stockerstrasse 38, 8002 Zurich.
- Copies of the latest prospectus and the latest annual and semi-annual reports of Franklin Templeton Investment Funds are available in the language of this document, on the website www.ftidocuments.com or may be obtained free of charge from Franklin Templeton International Services S.à r.l., 8A, rue Albert Borschette, L-1246 Luxembourg or your financial adviser.
- The latest prices and other information on the Fund, (including other share classes of the Fund) are available from the representative of Franklin Templeton Investment Funds in Switzerland or www.franklintempleton.ch and on the electronic platform of fund info AG (www.fundinfo.com).
- The relevant documents such as the prospectus and the Key Investor Information Document, the articles of association and the annual and semi-annual report can be obtained free of charge from the representative in Switzerland.
- Please note that the taxation regime applicable in the Grand Duchy of Luxembourg may have an impact on your personal tax position. Please consult your financial or tax adviser before deciding to invest.
- Franklin Templeton International Services S.à r.l. may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus of the Fund.
- The present Fund is a sub-fund of Franklin Templeton Investment Funds. The prospectus and the financial reports refer to all sub-funds of Franklin Templeton Investment Funds. All sub-funds of Franklin Templeton Investment Funds have segregated assets and liabilities. As a result, each sub-fund is operated independently from each other.
- You may switch into shares of another sub-fund of Franklin Templeton Investment Funds as further described in the prospectus.
- The details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee are available at www.franklintempleton.lu and a paper copy can be obtained free of charge.

This Fund is authorised in the Grand Duchy of Luxembourg and is regulated by the Commission de Surveillance du Secteur Financier. Franklin Templeton International Services S.à r.l. is authorised in the Grand Duchy of Luxembourg and is regulated by the Commission de Surveillance du Secteur Financier. This key investor information is accurate as at 25/01/2019.