

**Fund Fact Sheet**

**Fund Overview**

Base Currency for Fund	EUR
Total Net Assets (EUR)	245 million
Fund Inception Date	13.02.2006
Number of Holdings	310
Benchmark	Custom EURIBOR 3-Month + 3.5% Index
Target Volatility Range	5-8%
Morningstar Category™	EUR Moderate Allocation - Global
Distribution Yield	3,49%

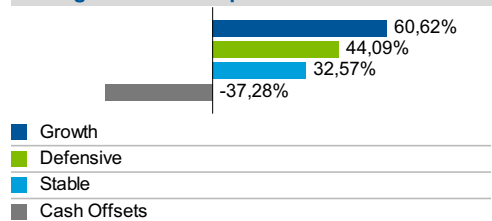
**Summary of Investment Objective**

The Fund's investment objective is to achieve a combination of income and long-term capital appreciation, targeting a yearly average return of 3.5% (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 5% and 8%. 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**



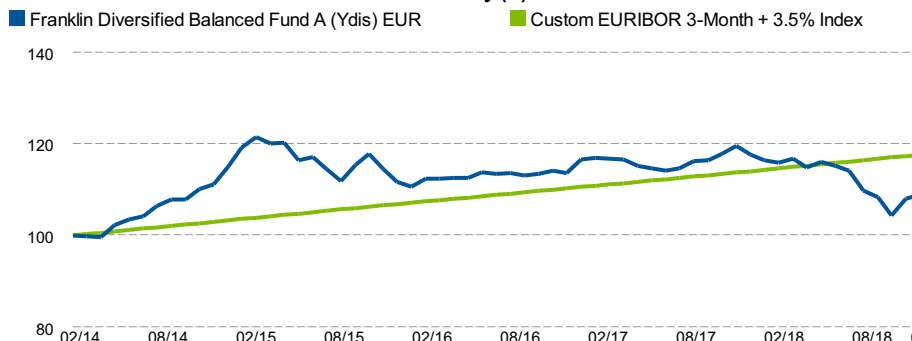
See page 2 for category definitions.

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

Share Class	Incept Date	NAV	TER (%)	Fees		Dividends		Fund Identifiers		
				Max. Annual Charge (%)		Last Paid Date	Last Paid Amount	Bloomberg ID	ISIN	SEDOL
A (Ydis) EUR	13.02.2006	EUR 11,51	1,58	1,25		09.07.2018	0,4020	FRSBAYELX	LU1147469677	BWD2374

**Performance**

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



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

	02/18	02/17	02/16	02/15	02/14
A (Ydis) EUR	-7,39	0,83	5,40	-7,16	19,22
Benchmark in EUR	3,17	3,16	3,19	3,45	3,62

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

	Cumulative							Annualised		
	1 Mth	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	Since Incept	3 Yrs	5 Yrs	Since Incept
A (Ydis) EUR	0,88	0,44	-5,42	-7,39	-1,57	8,94	27,56	-0,53	1,73	1,88
Benchmark in EUR	0,26	0,79	1,58	3,17	9,82	17,72	81,29	3,17	3,32	4,67

**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. Performance details provided are in share class currency, net income reinvested, gross of tax, net of management fees. Sales charges and other commissions, other taxes and relevant costs to be paid by an investor are not included in the calculations. Performance may also be affected by currency fluctuations. Up to date performance figures can be found on our local website.

**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 (%)
<b>Growth</b>	<b>60,62</b>	<b>1,60</b>
EQ-DM-Beta	5,38	0,22
EQ-EM-Beta	1,02	0,00
EQ-EM-Small Cap	0,73	0,03
EQ-Global-Multi Factor	39,36	1,26
EQ-Volatility Premium	1,23	0,00
FI-EM-Credit	1,01	0,02
FI-EM-Rates	2,19	0,01
FI-Global-Credit	9,71	0,08
<b>Defensive</b>	<b>44,09</b>	<b>-0,15</b>
Cash and Equivalents	6,67	0,00
EQ-Hedging	-1,29	-0,05
EQ-Tail Risk Hedging	2,39	-0,02
EQ-VIX Momentum	2,63	0,00
FI-Eurozone-Rates	29,54	-0,05
FI-US-Rates	4,15	-0,03
<b>Stable</b>	<b>32,57</b>	<b>-0,28</b>
Currency-Long JPY/Short CHF	0,06	0,00
EQ-Global-Risk Premia	29,39	-0,30
FI-EM-Rates Short-Term	3,12	0,02
FI-Eurozone-Rates Sh. Term	0,00	0,00
<b>Cash Offsets</b>	<b>-37,28</b>	<b>-0,01</b>

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
EQ-Global-Multi Factor	39,36
FI-Eurozone-Rates	29,54
EQ-Global-Risk Premia	29,39
FI-Global-Credit	9,71
Cash and Equivalents	6,67
EQ-DM-Beta	5,38
FI-US-Rates	4,15
FI-EM-Rates Short-Term	3,12
EQ-VIX Momentum	2,63
EQ-Tail Risk Hedging	2,39

## Fund Measures

Average Credit Quality	A
Average Duration	6,93 Years
Average Weighted Maturity	7,83 Years
Standard Deviation (3 Yrs)	4,82%

## Asset Class Exposure

	% of Total
Fixed Income	49,68
Equity	45,75
Alternatives	34,65
Cash & Cash Equivalents	6,20
Currency Investments	0,06
Cash Offsets	-36,34

## Geographic Exposure

	% of Fixed Income	% of Equity	% of Total
Europe ex-UK	68,75	14,69	42,70
North America	19,30	52,37	35,24
Asia ex-Japan	1,82	13,68	7,54
Japan	N/A	9,21	4,44
Latin America	6,40	1,10	3,85
United Kingdom	2,32	5,16	3,69
Australasia	0,76	2,03	1,37
Mid-East / Africa	0,61	1,74	1,16
Other	0,04	N/A	0,02

## 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 offer a balanced exposure between equities and debt securities over the long term. 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, 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 Balanced Fund were transferred into FTIF–Franklin Diversified Balanced Fund, a sub-fund especially created under FTIF to receive FTSAF–Franklin Strategic Balanced Fund's assets by way of merger. Such transfer of assets allowed FTIF–Franklin Diversified Balanced Fund to retain the past performance of the corresponding shares of FTSAF–Franklin Strategic Balanced 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.

Given the variety of investment options available today, we suggest investors seek guidance from a Financial Adviser.

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 Franklin Templeton Investment Funds (the Fund). Nothing in this document should be construed as investment advice.

Opinions expressed are the author's at publication date and they are subject to change without prior notice. **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 the relevant 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 and in the relevant Key Investor Information Document. 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. Subscriptions to shares of the Fund can only be made on the basis of the current prospectus, the relevant Key Investor Information Document, accompanied by the latest available audited annual report and the latest semi-annual report if published thereafter. These documents can be obtained, free of charge from Franklin Templeton International Services S.á.r.l. (FTIS), Swedish branch filial, Blasieholmsgatan 5, SE-111 48 Stockholm, Sweden. Phone: +46 (0) 8 545 01230, Fax: +46 (0) 8 545 01239, E-mail: nordicinfo@franklintempleton.com or can be found on our website [www.franklintempletonnordic.com](http://www.franklintempletonnordic.com) or [www.ftidocuments.com](http://www.ftidocuments.com). Issued by FTIS, Stockholm Branch. FTIS is authorised and regulated in the Luxembourg by the Commission de Surveillance du Secteur Financier and is authorized to conduct certain financial services in Denmark, in Sweden, in Norway and in Finland. Source for data and information provided by Franklin Templeton Investments, as of the date of this document, unless otherwise noted. Benchmark related data provided by FactSet, as of the date of this document, unless otherwise noted. 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.

The fund charges all or part of its management fees to Capital. This could lead to a higher level of income but may constrain capital growth.

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.

**Fund Overview:** **The Distribution Yield** reflects the amounts that may be expected to be distributed over the next 12 months as a percentage of the mid-market unit price of the fund as at the date shown. It does not include any preliminary charge and investors may be subject to tax on distributions.

**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.

For a free copy of the latest prospectus, the relevant Key Investor Information Document, the annual report and semi-annual report, if published thereafter or for more information about any Franklin Templeton Investments' fund, contact Franklin Templeton International Services S.á.r.l. (FTIS), Swedish branch filial, Blasieholmsgatan 5, SE-111 48 Stockholm, Sweden. Phone: +46 (0) 8 545 01230, Fax: +46 (0) 8 545 01239, E-mail: [nordicinfo@franklintempleton.com](mailto:nordicinfo@franklintempleton.com) or can be found on our website [www.franklintempletonnordic.com](http://www.franklintempletonnordic.com) or [www.ftidocuments.com](http://www.ftidocuments.com). Issued by FTIS, Stockholm Branch. FTIS is authorised and regulated in the Luxembourg by the Commission de Surveillance du Secteur Financier and is authorized to conduct certain financial services in Denmark, in Sweden, in Norway and in Finland.