

## Franklin European Total Return Fund

**Class A (acc) NOK-H1 • ISIN LU1022658584** • 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 European Total Return Fund (the “Fund”) aims to maximise total investment return by achieving an increase in the value of its investments, earning income and realising currency gains over the medium to long term.

The Fund pursues an actively managed investment strategy and invests mainly in:

- higher-quality debt securities issued by governments, government-related entities and corporations located in Europe and/or in euro-denominated securities of non-European issuers

The Fund can invest to a lesser extent in:

- debt securities of any quality (including lower quality) and denominated in any currency from issuers of any type located outside Europe, including emerging markets
- debt securities of supranational entities, such as the European Investment Bank
- structured products such as mortgage- and asset-backed securities, collateralized debt obligations and collateralized loan obligations
- securities in default (limited to 10% of assets)
- derivatives for hedging and efficient portfolio management

The Fund employs a binding environmental, social and governance (ESG) rating methodology to assess climate transition performance of government and corporate bond issuers. The Fund uses a selectivity approach in order to exclude from its portfolio issuers that score in the bottom 20% of each respective investment universe. The Fund’s ESG strategy includes working with companies to improve their carbon emissions, water and wastewater

strategies. The Fund also applies specific exclusions and will not invest, inter alia, in companies that repeatedly and/or seriously violate the United Nations Global Compact, manufacture controversial weapons or tobacco, or exceed certain thresholds on the use of fossil fuels.

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.

The benchmark of the Fund is the Bloomberg Euro Aggregate Index. The benchmark is used solely as a reference for Investors to compare against the Fund’s performance, and the benchmark is neither used as a constraint on how the Fund’s portfolio is to be constructed nor set as a target for the Fund’s performance to beat. The Fund can deviate from the benchmark.

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.

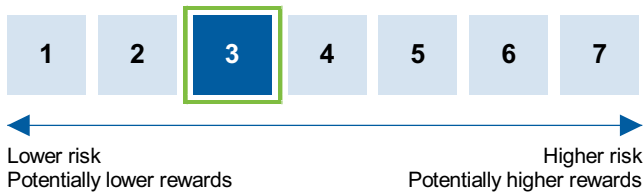
For further information on the Objectives and Investment Policy of the Fund, please refer to the section “Fund Information, Objectives and Investment Policies” of the current prospectus of Franklin Templeton Investment Funds.

#### 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.

**Securities in default:** Debt securities whose issuer condition has become uncertain and whose issuer is failing to make principal or interest payments when due.

### 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.

#### Why is the Fund in this specific category?

The Fund invests mainly in European higher-quality debt securities issued by any type of entity. Such securities have historically been subject to price movements, generally due to interest rates or movements in the bond market.

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, sub-investment-grade securities.

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

**Derivative Instruments 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.

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

<b>Entry charge</b>	5,00%
<b>Exit charge</b>	Not applicable
<i>This is the maximum that might be taken out of your money before it is invested.</i>	

### Charges taken from the Fund over a year

<b>Ongoing charges</b>	0,95%
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### Charges taken from the Fund under certain specific conditions

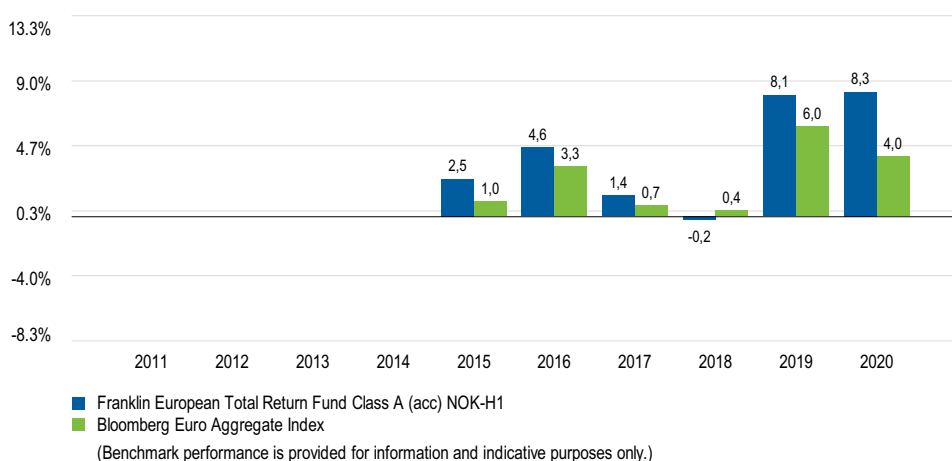
<b>Performance fee</b>	Not applicable
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The entry charges shown are maximum amounts; you may pay less in some cases. For more information, please see your financial adviser.

The ongoing charges are based on the expenses for the year ending December 31, 2020. 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



- 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 2003 and the present share class on 21/02/2014.
- Product performance is not tracking the index.

## Practical Information

- The Custodian of Franklin Templeton Investment Funds is J.P. Morgan Bank Luxembourg S.A.
- 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](http://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 Franklin Templeton International Services S.à r.l., 8A, rue Albert Borschette, L-1246 Luxembourg or [www.franklintempleton.lu](http://www.franklintempleton.lu).
- 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](http://www.franklintempleton.lu) and a paper copy can be obtained free of charge.