

Franklin Asia Credit Fund

Class A (Mdis) USD • ISIN LU1129997018 • 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 Asia Credit Fund (the “Fund”) aims to maximise total investment return by achieving an increase in the value of its investments and earning income over the medium to long term.

The Fund invests mainly in:

- debt securities of any quality (including investment grade, non-investment grade and/or unrated securities) issued or guaranteed by governments, government-related bodies, financial institutions and corporations located in, or doing significant business in, Asian countries which are included in the JP Morgan Asia Credit index benchmark, such as but not limited to Bangladesh, China, Hong Kong, India, Indonesia, Korea, Macau, Malaysia, Mongolia, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam

The Fund can invest to a lesser extent in:

- below investment grade securities issued and/or guaranteed by one single government or government-related issuer (limited to 10% of assets)
- securities issued by companies involved in mergers, consolidations, liquidations or other major corporate transactions
- securities in default (limited to 5% of assets)
- units of other mutual funds and exchange-traded notes (limited to 10% of assets)
- derivatives for hedging, efficient portfolio management and/or investment purposes

The Fund may also, to a limited extent, invest in hybrid bonds and contingent capital securities not included in the JP Morgan Asia Credit Index benchmark (limited to 10% of assets).

The investment team believes that individual security selection is the most

important driver of return potential for an Asian credit portfolio. In-depth fundamental credit research is combined with broad economic sector analysis to construct portfolios that have the potential to generate attractive risk-adjusted returns over the long term. Portfolios are built around a diversified set of active management positions that seek to reduce the risk of poor performance from any single position. In addition, tactical or strategic allocations to non-core sectors or currencies allow for further diversification benefits and the potential for additional return opportunities.

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.

For the distribution share class shown in this document, dividend income is distributed to shareholders.

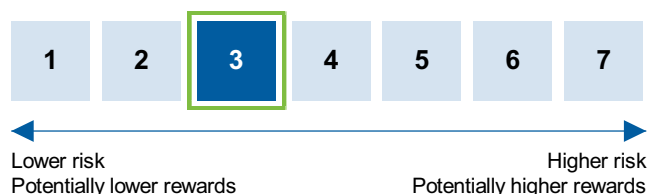
For further information on the Objectives and Investment Policy of the Fund, please refer to the section “Fund Information, Objectives and Investment Policies” of the current prospectus of Franklin Templeton Investment Funds.

The benchmark of the Fund is the JP Morgan Asia Credit 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.

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 mainly in fixed or floating rate debt securities of government, government-related, or corporate entities located in Asia, including securities that are rated less than investment grade. Such securities have historically

been subject to price movements, generally due to interest rates or movements in the bond market in general. 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.

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.

Emerging markets risk: the risk related to investing in countries that have less developed political, economic, legal and regulatory systems, and that may be impacted by political/economic instability, lack of liquidity or transparency, or safekeeping issues.

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

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	1,50%
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Charges taken from the Fund under certain specific conditions

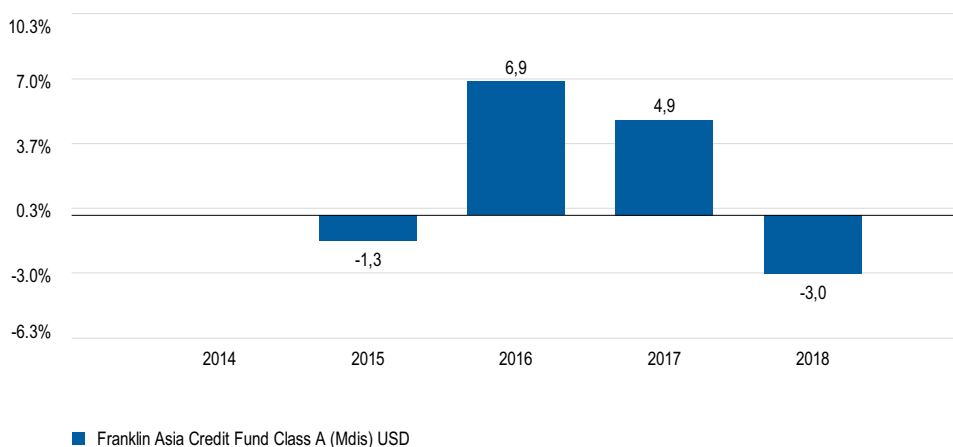
Performance fee	Not applicable
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The entry charges shown are maximum amounts; you may pay less in some cases. For more information, please see your financial adviser.

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



- 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 2014.

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.ftdocuments.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.
- 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 2019-01-25.