



FRANKLIN TEMPLETON  
INVESTMENTS

Franklin Templeton Investment Funds  
**Franklin European Income Fund - A**  
(Mdis) USD

European Balanced  
LU1129998412  
28 February 2019

Fund Fact Sheet

**Fund Overview**

Base Currency for Fund	EUR
Total Net Assets (EUR)	19 million
Fund Inception Date	17.11.2014
Number of Issuers	58
Benchmark	Custom 50% Bloomberg Barclays Euro Aggregate and 50% MSCI Europe Index
Morningstar Category™	EUR Moderate Allocation
Distribution Yield	3.15%

**Summary of Investment Objective**

The Fund's objective is to maximise income while maintaining prospects for capital appreciation. The fund will seek to achieve its objective by investing principally in a portfolio of equities and fixed income, domiciled or having significant business activities in European countries, including emerging markets in Europe.

**Fund Management**

David Zahn, CFA: United Kingdom  
Dylan Ball: United Kingdom

**Ratings - A (Mdis) USD**

Overall Morningstar Rating™: ★★ ★

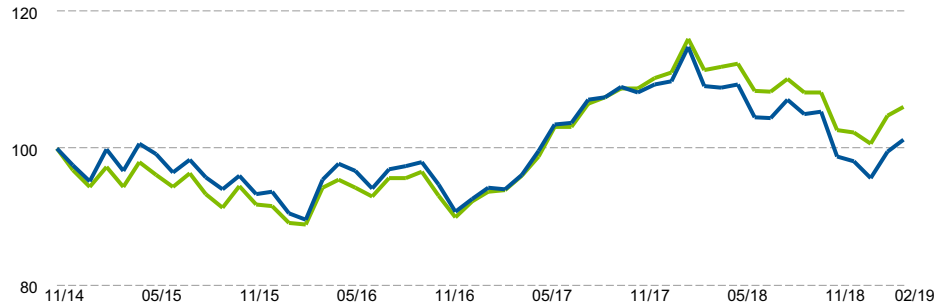
**Asset Allocation (Market Value)**

Equity	59.42%
Fixed Income	38.67%
Cash & Cash Equivalents	1.91%

**Performance**

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

■ Franklin European Income Fund A (Mdis) USD ■ Custom 50% Bloomberg Barclays Euro Aggregate and 50% MSCI Europe Index



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

	02/18	02/17	02/16	02/15	02/14
	02/19	02/18	02/17	02/16	02/15
A (Mdis) USD	-7.19	15.99	4.91	-10.26	N/A
Benchmark in USD	-4.79	18.57	5.41	-8.57	N/A

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

	Cumulative						Annualised	
	1 Mth	3 Mths	6 Mths	1 Yr	3 Yrs	Since Incept	3 Yrs	Since Incept
A (Mdis) USD	1.71	3.16	-3.55	-7.19	12.93	2.66	4.14	0.62
Benchmark in USD	1.26	3.71	-1.91	-4.79	18.95	7.48	5.96	1.70

**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, include the reinvested dividends gross of basic rate UK tax and are 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.

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.

**Top Ten Holdings (% of Total)**

Security Name	Weight (%)
Italy Treasury Bond, senior bond, Reg S, 4.75%, 9/01/28	4.95
Government of Poland, 2.50%, 7/25/26	3.30
Novartis AG	3.19
Roche Holding AG	2.98
Franklin Euro High Yield Fund, Class I	2.88
ING Groep NV	2.82
Royal Dutch Shell PLC, B	2.74
GlaxoSmithKline PLC	2.59
Franklin Liberty Euro Short Maturity UCITS ETF	2.57
NXP Semiconductors NV	2.44

**Fund Measures**

Historical 3 Yr Sales Growth	4.06%
Estimated 3-5 Yr EPS Growth	6.61%
Price to Earnings (12-mo Forward)	13.26x
Average Credit Quality	BBB+
Average Duration	5.86 Years
Average Weighted Maturity	7.07 Years
Yield to Maturity	2.21%
Standard Deviation (3 Yrs)	9.74%

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

Share Class	Incept Date	NAV	Ongoing Charges (%)	Fees		Dividends		Fund Identifiers	
				Max. Sales Charge (%)	Max. Annual Charge (%)	Frequency	Last Paid Date	Last Paid Amount	SEDOL
A (Mdis) USD	17.11.2014	USD 9.15	1.70	5.75	1.35	Mth	15.02.2019	0.0240	BSMT2D7 LU1129998412

## Composition of Fund

- Franklin European Income Fund ■ MSCI Europe Index  
 ■ Custom 50% Bloomberg Barclays Euro Aggregate and 50% MSCI Europe Index

## Geographic (Market Value)

	% of Total	
United Kingdom	12.87	14.63
France	12.10	20.10
Italy	9.52	8.98
Germany	8.30	16.02
Netherlands	7.76	5.43
Switzerland	7.55	7.32
United States	5.64	1.66
Belgium	4.59	2.94
Denmark	4.21	1.58
Others	25.55	21.32
Cash & Cash Equivalents	1.91	0.00

## Sector (Market Value)—Equity

	% of Equity	
Financials	24.13	18.99
Industrials	20.76	13.13
Health Care	19.30	12.92
Information Technology	14.33	5.31
Energy	8.56	8.23
Communication Services	5.00	4.82
Materials	4.15	7.65
Consumer Staples	3.76	13.95
Consumer Discretionary	0.00	9.39
Others	0.00	5.61

## Currency (Market Value)

	% of Total	
Euro	73.78	75.35
British Pound	11.32	13.56
Swiss Franc	7.55	6.98
Danish Krone	4.21	1.40
Swedish Krona	1.98	2.13
Norwegian Krone	0.97	0.58
Polish Zloty	0.19	0.00

## Market Capitalisation Breakdown in EUR

	% of Equity
<2.0 Billion	13.25
2.0-5.0 Billion	6.90
5.0-10.0 Billion	10.55
10.0-25.0 Billion	16.20
25.0-50.0 Billion	14.08
>50.0 Billion	39.03

## Portfolio Data Derivatives Disclosures

Market value figures reflect the trading value of the investments. Average Duration, Average Weighted Maturity and Yield to Maturity reflect certain derivatives held in the portfolio (or their underlying reference assets). Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any 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 mainly in a diversified portfolio of European equity, equity-related and debt securities. Such securities have historically been subject to price movements that may occur suddenly due to equity market- and bond market-specific factors. 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.

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.

## Glossary

**Average Credit Quality:** The average credit quality reflects the holdings of the underlying issues, based on the size of each holding and ratings assigned to each based on rating agency assessments of its creditworthiness.

**Average Duration:** Also known as 'effective' or 'Macaulay' duration it is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. It's an indication of an issue's coupon relative to its maturity. Rising interest rates mean falling bond prices; declining interest rates mean rising bond prices. The bigger the duration number, the greater the interest-rate risk; (or reward for bond prices). The weighted average duration of a fund reflects the effective duration of the underlying issues, based on the size of each holding. This value differs with 'Modified Duration' which is modified for the market (dirty) price of an issue.

**Average Weighted Maturity:** An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings.

**Estimated 3-5 Yr EPS Growth:** An estimated measure of the growth of earnings per share over a forward-looking period. For a portfolio, the value represents a weighted average of the stocks it holds.

**Historical 3 Yr Sales Growth:** The rate at which sales have increased for the fund's underlying holdings over the last three years.

**Price to Earnings (12-mo Forward):** A measure of the price to earnings ratio for a stock using the forecasted earnings for the next 12 months. For a portfolio, the value represents a weighted average of the stocks it holds.

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

**Yield to Maturity:** Yield to Maturity (YTM) also known as the 'Gross Redemption Yield' or 'Redemption Yield'. The rate of return anticipated on a bond if it is held until the maturity date. YTM is considered a long-term bond yield expressed as an annual rate. The calculation of YTM takes into account the current market price, par value, coupon interest rate and time to maturity. It is also assumed that all coupons are reinvested at the same rate.

## Important Information

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 SICAV (the Fund). 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 prospectus and where available, the relevant Key Investor Information Document, accompanied by the latest available audited annual report and the latest semi-annual report if published thereafter. No shares of the Fund may be directly or indirectly offered or sold to residents of the United States of America. Shares of the Fund are not available for distribution in all jurisdictions and prospective investors should confirm availability with their local Franklin Templeton Investments representative before making any plans to invest. 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. 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. All or most of the protections provided by the UK Regulatory System will not apply to Franklin Templeton Investment Funds (SICAV) Investors. An investment in the Fund entails risks which are described in the Fund's prospectus and where available, the relevant Key Investor Information Document.

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.

All MSCI data is provided "as is." The Fund described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the Fund described herein. Copying or redistributing the MSCI data is strictly prohibited.

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.

**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.

**Important Information (continued)**

**Fund Management:** CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

**Ratings:** © Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

**Top Ten Holdings:** These securities do not represent all of the securities purchased, sold or recommended for clients, and the reader should not assume that investment in the securities listed was or will be profitable. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top holdings list.

**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, is provided to indicate the average credit rating of the portfolio's underlying bonds and generally ranges from AAA (highest) to D (lowest). For unrated bonds ratings may be assigned based on the ratings of the issuer 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 debt holdings 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 is provided for informational purposes only. Derivative positions are not reflected in the ACQ.

**Ongoing Charges:** The Ongoing Charges Figure (OCF) is an amount representing all operating charges and expenses of the Fund in the prior 12 months as a percentage of the Fund's average net assets for the period. Where that figure would not be a fair representation of future costs or if 12 months data is not available, an estimated figure will be shown.

Performance attribution is calculated in the base currency of the fund.

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, UK investors should contact: Franklin Templeton Investments, Telephone: 0800 305 306, Email: [enquiries@franklintempleton.co.uk](mailto:enquiries@franklintempleton.co.uk) or write to us at the address below. Issued by Franklin Templeton Investment Management Limited (FTIML) Registered office: Cannon Place, 78 Cannon Street, London, EC4N 6HL. FTIML is authorised and regulated by the Financial Conduct Authority.