

Fund Fact Sheet

Fund Overview

| | |
|-------------------------|-----------------------------------|
| Base Currency for Fund | EUR |
| Total Net Assets (EUR) | 266 million |
| Fund Inception Date | 13.02.2006 |
| Number of Holdings | 308 |
| Benchmark | Custom EURIBOR 3-Month + 2% Index |
| Target Volatility Range | 3-5% |
| Morningstar Category™ | EUR Cautious Allocation |
| Distribution Yield | 1.67% |

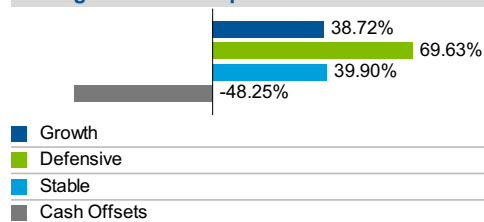
Summary of Investment Objective

The Fund's investment objective is to achieve a combination of income and long-term capital appreciation, targeting a yearly average return of 2% (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 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.

Fund Management

Matthias Hoppe: Germany

Average Portfolio Exposure

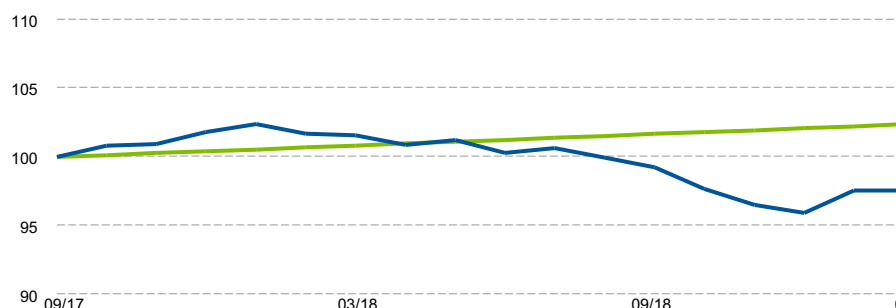


See page 2 for category definitions.

Performance

Performance Since Inception in Share Class Currency (%)

■ Franklin Diversified Conservative Fund A (Qdis) USD-H1 ■ Custom EURIBOR 3-Month + 2% Index in EUR



Discrete Annual Performance in Share Class Currency (%)

| | 02/18 | 02/17 | 02/16 | 02/15 | 02/14 |
|------------------|-------|-------|-------|-------|-------|
| A (Qdis) USD-H1 | -4.05 | N/A | N/A | N/A | N/A |
| Benchmark in EUR | 1.67 | N/A | N/A | N/A | N/A |

Performance in Share Class Currency (%)

| | Cumulative | | | | Annualised | |
|------------------|------------|--------|--------|-------------------|--------------|-------|
| | 1 Mth | 3 Mths | 6 Mths | 1 Yr Since Incept | Since Incept | |
| A (Qdis) USD-H1 | 0.00 | 1.08 | -2.38 | -4.05 | -2.25 | -1.59 |
| Benchmark in EUR | 0.14 | 0.42 | 0.84 | 1.67 | 2.54 | 1.78 |

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.

The past performance has been simulated. Please refer to the Important Information section at the end of this document for more information.

The share class shown has adopted a hedging strategy intended to reduce the effect of exchange rate movements between the currency of the Fund's investment strategy and the currency of the share class. The benchmark returns displayed are shown in the reference currency of the Fund's investment strategy (EUR), while share class returns are shown in the reference currency of share class (USD). As a result, the returns shown above reflect the effect of the hedging strategy and one can compare the returns of the Fund (net of fees) relative to its benchmark index without the impact of exchange rate movements on index returns.

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 | ISIN |
| A (Qdis) USD-H1 | 27.09.2017 | USD 9.32 | 1.42 | 5.00 | 1.10 | Qtr | 16.01.2019 | 0.0390 | BF16KR8 | LU1685367390 |

Portfolio Risk and Return Analysis (EUR)

| Strategies by Risk Category | Average Portfolio Exposure (%) | 1 Month Performance Contribution (%) |
|-----------------------------|--------------------------------|--------------------------------------|
| Growth | 38.72 | 0.64 |
| EQ-DM-Beta | 4.87 | 0.19 |
| EQ-EM-Beta | 0.72 | 0.00 |
| EQ-EM-Small Cap | 0.00 | 0.00 |
| EQ-Global-Multi Factor | 8.39 | 0.26 |
| EQ-Volatility Premium | 1.09 | 0.00 |
| FI-EM-Credit | 0.96 | 0.04 |
| FI-EM-Rates | 1.18 | 0.00 |
| FI-Global-Credit | 21.51 | 0.14 |
| Defensive | 69.63 | -0.19 |
| Cash and Equivalents | 3.60 | 0.00 |
| EQ-Hedging | -0.68 | -0.03 |
| EQ-Income | 1.15 | 0.00 |
| EQ-Tail Risk Hedging | 2.76 | -0.02 |
| EQ-VIX Momentum | 2.96 | 0.00 |
| FI-Eurozone-Rates | 53.45 | -0.10 |
| FI-US-Rates | 6.38 | -0.04 |
| Stable | 39.90 | -0.35 |
| Currency-Long JPY/Short CHF | 0.07 | 0.00 |
| EQ-Global-Risk Premia | 36.02 | -0.37 |
| FI-EM-Rates Short-Term | 3.80 | 0.02 |
| Cash Offsets | -48.25 | -0.01 |

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 minimize 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 |
|------------------------|------------|
| FI-Eurozone-Rates | 53.45 |
| EQ-Global-Risk Premia | 36.02 |
| FI-Global-Credit | 21.51 |
| EQ-Global-Multi Factor | 8.39 |
| FI-US-Rates | 6.38 |
| EQ-DM-Beta | 4.87 |
| FI-EM-Rates Short-Term | 3.80 |
| Cash and Equivalents | 3.60 |
| EQ-VIX Momentum | 2.96 |
| EQ-Tail Risk Hedging | 2.76 |

Fund Measures

| | |
|---------------------------|------------|
| Average Credit Quality | A+ |
| Average Duration | 7.01 Years |
| Average Weighted Maturity | 7.89 Years |

Asset Class Exposure

| | % of Total |
|-------------------------|------------|
| Fixed Income | 88.57 |
| Alternatives | 41.97 |
| Equity | 14.67 |
| Cash & Cash Equivalents | 2.01 |
| Currency Investments | 0.07 |
| Cash Offsets | -47.29 |

Geographic Exposure

| | % of Fixed Income | % of Equity | % of Total |
|-------------------|-------------------|-------------|------------|
| Europe ex-UK | 70.39 | 15.48 | 63.02 |
| North America | 20.93 | 52.70 | 25.20 |
| Latin America | 3.61 | 1.22 | 3.29 |
| United Kingdom | 2.90 | 5.41 | 3.24 |
| Asia ex-Japan | 0.98 | 12.17 | 2.48 |
| Japan | N/A | 9.29 | 1.25 |
| Australasia | 0.94 | 2.20 | 1.11 |
| Mid-East / Africa | 0.22 | 1.53 | 0.40 |
| Other | 0.02 | 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 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.

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.

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.

Important Information

As of 20.03.2015, all the assets of FTSAF–Franklin Strategic Conservative Fund were transferred into FTIF–Franklin Diversified Conservative Fund, a sub-fund especially created under FTIF to receive FTSAF–Franklin Strategic Conservative Fund's assets by way of merger. Such transfer of assets allowed FTIF–Franklin Diversified Conservative Fund to retain the past performance of the corresponding shares of FTSAF–Franklin Strategic Conservative 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 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.

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.

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.

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 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.