

Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

Franklin NextStep Growth Fund¹

Class W (Mdis) USD • ISIN LU1402199753 • 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 NextStep Growth Fund (the "Fund"), which pursues an actively managed investment strategy, aims to seek the highest level of total investment return by achieving an increase in the value of its investments and earning income over the long term.

The Fund invests mainly in units of mutual funds providing exposure to equity securities and debt securities of any quality (including lower quality securities such as unrated or non-investment grade securities) issued by governments and corporations of any size and from any country, including emerging markets.

Although the Fund will seek to maintain an exposure in the range of 60% to 80% to equities and equity-related securities and 20% to 40% to debt securities, these assets allocation may change from time to time based on market conditions and the investment manager's strategic and tactical asset allocation views.

The Fund can to a lesser extent (limited to 10% of assets) get exposure to alternative investments, such as commodities and property through mutual funds and exchange-traded funds.

The Fund may, indirectly (through units of mutual funds), also have limited exposure to securities in default, convertible securities and securities of companies that are, or are about to be, involved in reorganisations, financial

restructurings, or bankruptcy.

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 Blended 75% MSCI ACWI + 25% Bloomberg Multiverse (hedged to USD). 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.

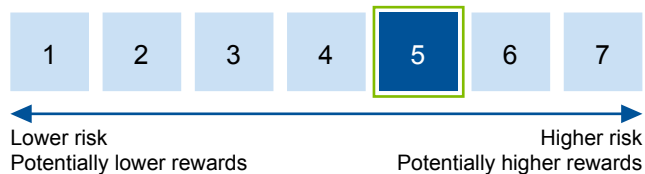
For the distribution share class shown in this document, dividend income is distributed to shareholders.

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.

Terms to Understand

Equity securities: Securities that represent an ownership stake in a company.

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 principally in units of other funds providing exposure to equity securities and, to a lesser extent, debt securities of issuers located anywhere in the world, including emerging markets, with the ability as well to invest to a small degree in alternative strategies. Such investments have historically been subject to price movements due to such factors as stock market volatility, general sudden changes in interest rates, changes in the financial outlook or perceived credit worthiness of securities issuers, and the variability inherent in alternative investments. As a result, the performance of the Fund can fluctuate considerably over time.

Risks materially relevant not adequately captured by the indicator:

Counterparty risk: the risk of failure of financial institutions or agents (when serving as a counterparty to financial contracts) to perform their obligations, whether due to insolvency, bankruptcy or other causes.

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.

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.

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.

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

Investment funds risk: the risk that investing in other funds may be more costly or provide less liquidity than investing in underlying securities directly, or that a closed-end fund holding may trade at a premium or discount to its net asset value.

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	Not applicable*
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	1.16%
------------------------	-------

Charges taken from the Fund under certain specific conditions

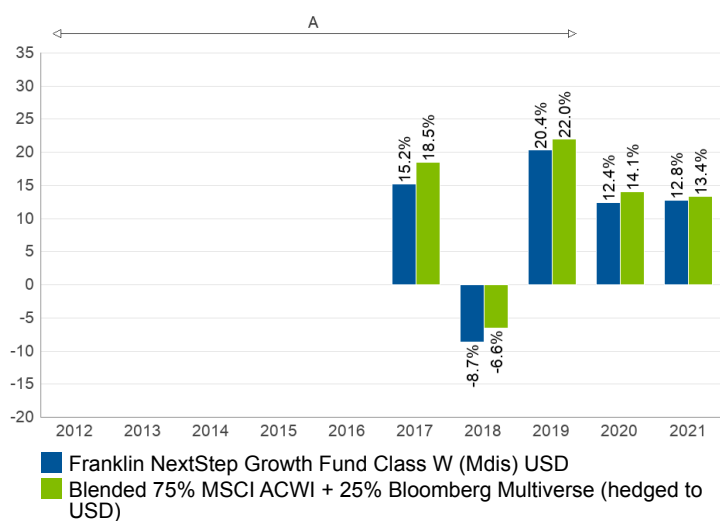
Performance fee	Not applicable
------------------------	----------------

*This share class is only available through certain financial advisers which may apply their own charges. You may find more information about charges from your financial adviser.

The ongoing charges are based on the expenses for the year ending 31 December 2021. 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



(Benchmark performance is provided for information and indicative purposes only.)

A: The performance was achieved under circumstances that no longer apply.

- Past performance is not a guide to future performance.
- The past performance shown here includes all the ongoing charges.
- Past performance is calculated in the currency of the present share class.
- The Fund was launched in 2016.
- Product performance is not tracking the index.

Practical Information

- The Custodian of Franklin Templeton Investment Funds is J.P. Morgan SE, Luxembourg Branch.
- 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. www.fundinfo.com 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.