



Franklin U.S. Opportunities Fund

Franklin Templeton Investment Funds

A (acc) USD
31 October 2024

Product Commentary

Performance Review¹

Past performance does not predict future returns.

- Investor concerns about the upcoming presidential election, the US Federal Reserve's November meeting, rising yields on longer-maturity US Treasuries and underwhelming outlooks from several large-capitalisation technology-related companies contributed to market volatility in October 2024. US small-, mid- and large-cap equities struggled, with small-cap stocks collectively posting the largest decline. In terms of investment style, value underperformed growth in all three market-cap tiers, with mid-cap growth stocks defying the downtrend to deliver positive results.
- For the month, the fund's A (acc) USD shares returned -1.39%, and its benchmark, the Russell 3000 Growth Index, returned -0.38%.
- The fund underperformed the broader S&P 500 Index, which returned -0.91% for the month.

ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors
HELPED	MICROSOFT CORP	Information Technology (Stock Selection)
	APPLE INC : AAPL	Consumer Staples (Stock Selection)
	ARES MANAGEMENT CORP	—
HURT	WINGSTOP INC	Consumer Discretionary (Stock Selection)
	MONOLITHIC POWER SYSTEMS INC	Health Care (Stock Selection, Overweight)
	ALPHABET INC	Financials (Stock Selection)

- The fund's underperformance of the Russell 3000 Growth Index was affected by stock selection in the consumer discretionary sector, where the shares of Wingstop sold off. The casual restaurant chain reported disappointing profits in the third quarter of 2024 despite strong same-store sales growth. Rising input costs triggered by high inflation has been challenging for the company. We believe strong unit economics, digital leadership, growing brand awareness and improving supply-chain management can contribute to long-term potential earnings growth.
- The rise in the yields of longer-maturity US Treasuries put downward pressure on the stock prices of many fast-growing technology companies. In the information technology (IT) sector, Monolithic Power Systems was a leading detractor. The shares of the power controller specialist were pushed lower by third-quarter earnings results that did not meet high consensus expectations as well as commentary about an uptick in competition. Overall, we believe growth remains strong and the company is well-positioned to potentially benefit from the increased need for semiconductors to power the artificial intelligence (AI) boom.
- In contrast, helping relative results in the IT sector was a below-index weighting in Microsoft, which proved beneficial as its share price edged lower. The software giant's cloud computing platform Azure continued to be a driver of earnings growth in its fiscal first quarter. However, while guidance for Azure remained positive, investors had higher expectations, which pressured its stock.

Outlook & Strategy

- US equity performance continues to be supported by generally strong earnings results and resilient consumers, which have helped to offset some impact from elevated interest rates. We believe the monetary easing currently taking place can be a tailwind for financial markets for the rest of this year and arguably into 2025.
- Investors should be prepared for various scenarios following the US election results. Historically, however, fundamentals such as economic growth, inflation, and corporate profits have been the primary drivers of market performance, rather than the political alignment in Washington.
- The fund has an actively managed high-conviction strategy focused on investing in the leading US growth companies across the market-cap spectrum. Many of our investments benefit from multiyear secular growth themes including, but not limited to, digital transformation, cloud computing, generative AI, health care innovation, personalised medicine, fintech/payments, and the ongoing reshoring and electrification of the US industrial complex. We aim to navigate uncertainty by positioning the fund to potentially remain robust across various scenarios—both economic and political—and make necessary adjustments that, in our assessment, shouldn't compromise long-term performance.

1. The fund's returns may increase or decrease as a result of changes to foreign exchange rates.

Fund Details

Inception Date	03/04/2000
Benchmark	Russell 3000 Growth Index, S&P 500 Index

Fund Description

The fund aims to achieve capital appreciation by investing principally in equity securities of US companies believed to possess sustainable growth characteristics and which meet growth, quality and valuation criteria. These include small-, medium- and large-capitalisation companies with strong growth potential across a wide range of sectors that have exceptional growth potential and fast-growing, innovative companies within these sectors.

Performance Data²

Past performance does not predict future returns.

Performance Net of Management Fees as at 31/10/2024 (Dividends Reinvested) (%)^a

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception
A (acc) USD	-1.39	4.43	20.92	43.12	0.73	13.21	11.47	5.12
Net of Sales Charge - A (acc) USD	-6.32	-0.79	14.88	35.97	-0.98	12.06	10.90	4.91
A (acc) SGD	1.31	3.19	21.01	38.04	0.02	12.53	11.77	8.50
Net of Sales Charge - A (acc) SGD	-3.75	-1.97	14.96	31.14	-1.67	11.38	11.20	8.18
Russell 3000 Growth Index USD	-0.38	4.35	23.53	43.42	8.22	18.33	15.66	7.31
Russell 3000 Growth Index SGD	2.35	3.08	23.60	38.31	7.46	17.63	15.98	11.71
S&P 500 Index USD	-0.91	3.66	20.97	38.02	9.08	15.26	13.00	7.57
S&P 500 Index SGD	1.81	2.40	21.04	33.09	8.32	14.58	13.31	9.63

The Inception Date for the A (acc) USD share class and A (acc) SGD share class is 03/04/2000 and 25/10/2007 respectively.

Investment Team

Grant Bowers
Years with Firm 31
Years Experience 31

Sara Araghi, CFA
Years with Firm 21
Years Experience 21

Anthony J. Hardy, CFA
Years with Firm 9
Years Experience 15

2. The fund's returns may increase or decrease as a result of changes to foreign exchange rates.

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. There is no guarantee that the Fund will meet its objective. The Fund invests mainly in equity securities of companies located in or doing significant business in the U.S. Such securities have historically been subject to significant price movements that may occur suddenly due to market or company-specific factors. As a result, the performance of the Fund can fluctuate considerably over time. Other significant risks include: **Liquidity risk:** the risk that arises when adverse market conditions affect the ability to sell assets when necessary. Such risk may be triggered by (but not limited to) unexpected events such as environmental disasters or pandemics. Reduced liquidity may have a negative impact on the price of the assets. **Securities Lending risk:** the risk that default or insolvency of the borrower of securities lent by a Fund may lead to losses if collateral received realises less than the values of securities lent. 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.

Important Legal Information

This fund meets the requirements under Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR); the fund has binding commitments in its investment policy to promote environmental and/or social characteristics and any companies in which it invests should follow good governance practices.

Franklin U.S. Opportunities Fund is a sub-fund of the Luxembourg-domiciled Franklin Templeton Investment Funds (FTIF).

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The value of investments and the income from them can go down as well as up and you may not get back the full amount that you invested.

Past performance is not necessarily indicative nor a guarantee of future performance of the Fund. Subscriptions may only be made on the basis of the most recent Prospectus and Product Highlights Sheet which is available at Templeton Asset Management Ltd or authorised distributors of the Fund. Potential investors should read the details of the Prospectus and Product Highlights Sheet before deciding to subscribe for or purchase the Fund. This shall not be construed as the making of any offer or invitation to anyone in any jurisdiction in which such offer is not authorised or in which the person making such offer is not qualified to do so or to anyone to whom it is unlawful to make such an offer. In particular, the Fund is not available to U.S. Persons and Canadian residents.

Investors may wish to seek advice from a financial adviser before making a commitment to invest in shares of the Fund. In the event an investor chooses not to seek advice from a financial adviser, he/she should consider whether the Fund is suitable for him/her.

In addition, a summary of investor rights is available from <https://www.franklintempleton.com.sg/summary-of-investors-rights.pdf>. The summary is available in English. The sub-funds of FTIF are notified for marketing in multiple EU Member States under the UCITS Directive. FTIF can terminate such notifications for any share class and/or sub-fund at any time by using the process contained in Article 93a of the UCITS Directive.

For the avoidance of doubt, if you make a decision to invest, you will be buying units/shares in the Fund and will not be investing directly in the underlying assets of the Fund.

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The benchmarks are used for performance comparison purposes. The Russell 3000 Growth Index is considered the Fund's primary benchmark because it consists of growth securities, which is aligned with the investment manager's focus on growth securities in managing the Fund. The performance of the S&P 500 Index may also be provided because it is considered a proxy for the US equity market. While the Investment Manager is unconstrained in the active management of the Fund and has absolute discretion to invest in companies not included in the benchmarks, the Fund's performance may, from time to time, present close similarities to these benchmarks.

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Source: FactSet. Important data provider notices and terms available at www.franklintempletondatasources.com.

a. Source for all information is Franklin Templeton Investments. Benchmark related data provided by FactSet. Fund performance computed in share class currency, on NAV-NAV basis and dividends reinvested. Net of Sales Charge figures are after 5% sales charge. Past performance is no guarantee of future results. Portfolio holdings are subject to change. Periods greater than one year are shown as average annual total returns. Other commissions, taxes and other relevant costs paid by investor are not included.



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