

Fund Update

For the quarter ended 31 March 2022

- **Franklin Templeton Investment Funds**
- **Brandywine Global Opportunities Fixed Income Fund**

This fund update was first made publicly available on: 3 May 2022

What is the purpose of this update?

This document tells you how the Brandywine Global Opportunities Fixed Income Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Implemented Investment Solutions Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

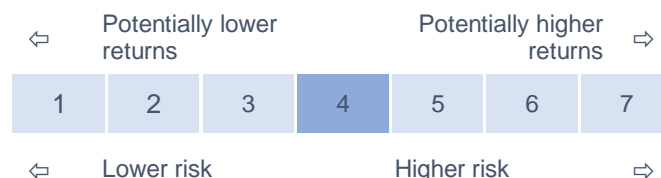
Objective: to earn a return before fees and taxes in excess of the FTSE World Government Bond Index hedged into New Zealand dollars¹ over rolling five-year periods.

Strategy: the fund invests in a diversified portfolio of international fixed income securities, derivatives and cash. The fund targets a position of being fully hedged back to New Zealand dollars.

Total value of the fund	\$NZ 262,609,702
The date the fund started	27 March 2018

What are the risks of investing?

Risk indicator for the Brandywine Global Opportunities Fixed Income Fund².



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

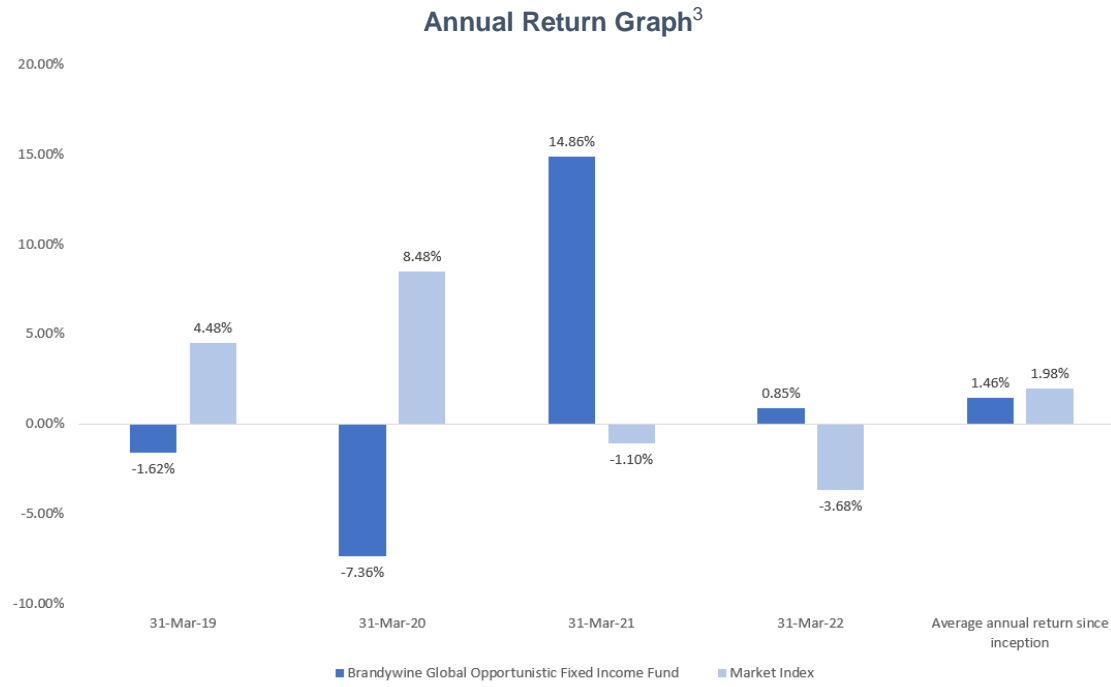
This risk indicator is not a guarantee of a fund’s future performance. The risk indicator is based on the returns data for 5 years to 31 March 2022. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Past year
Annual return (after deductions for charges and tax)	0.85%
Annual return (after deductions for charges but before tax)	1.15%
Market index annual return (reflects no deduction for charges and tax)	-3.68%

The market index return is the FTSE World Government Bond Index hedged into New Zealand dollars. This has been the market index since the inception of the fund. Additional information about the market index is available on the offer register at <https://disclose-register.companiesoffice.govt.nz>.



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 March 2022.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Brandywine Global Opportunities Fixed Income Fund are charged fund charges. In the year to 31 March 2021 these were:

	% of net asset value
Total fund charges (including GST)	0.81%
Which are made up of:	
Total manager and administration charges (including GST)	0.81%
Including:	
Manager's basic fee (including GST)	0.69%
Other management and administration charges (including GST)	0.12%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Franklin Templeton Investment Funds on the offer register at <https://disclose-register.companiesoffice.govt.nz> for more information about those fees.

Example of how this applies to an investor

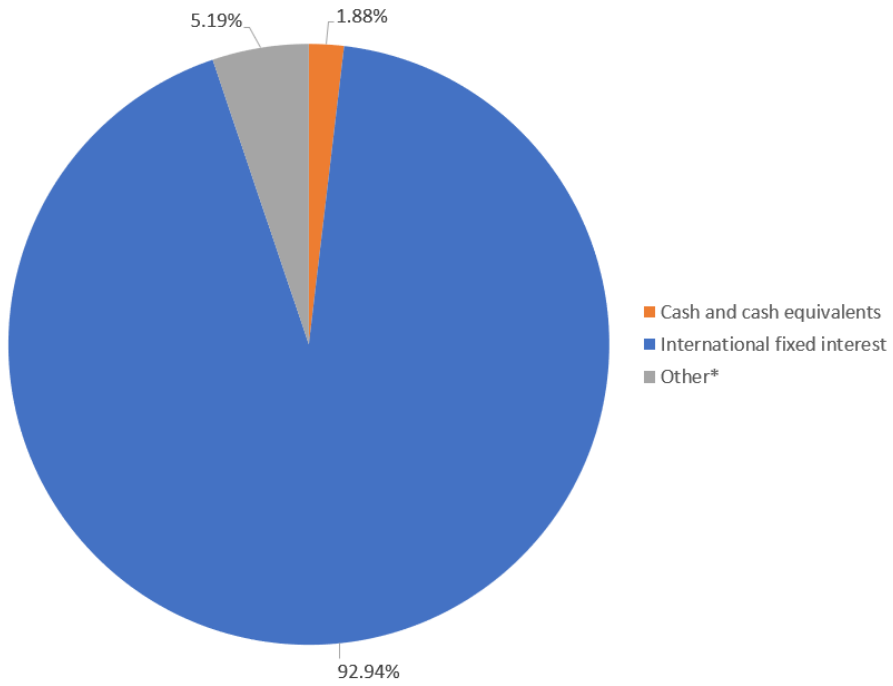
Small differences in fees and charges can have a big impact on your investment over the long term.

Anthony had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year Anthony received a return after fund charges were deducted of \$115 (that is 1.15% of his initial \$10,000). This gives Anthony a total return after tax of \$85 for the period.

What does the fund invest in?

This shows the types of assets that the fund invests in.

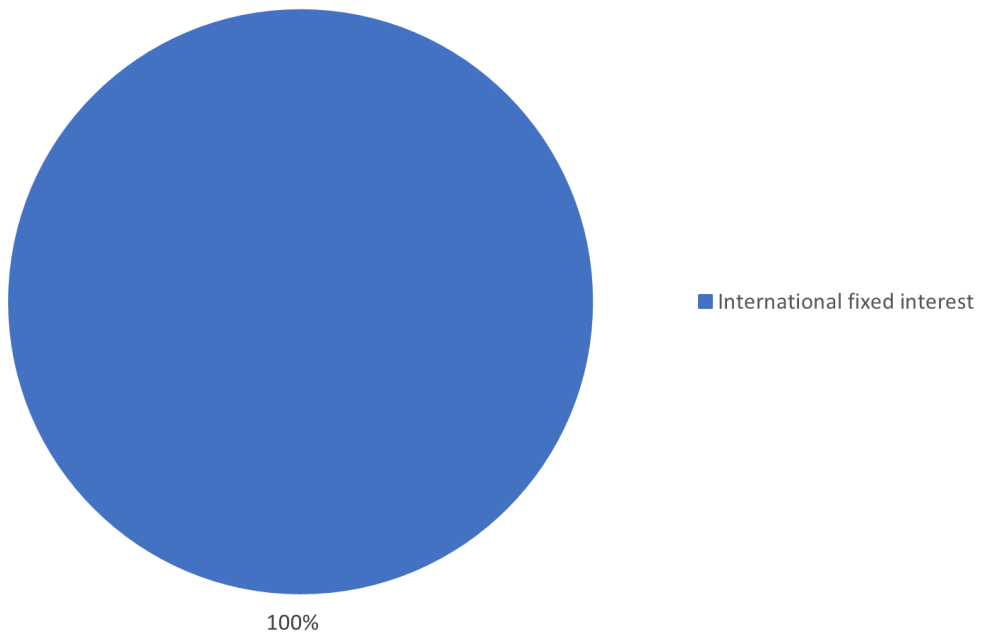
Actual investment mix



*Forward currency contracts.

Foreign currency exposure was 102.90% hedged to New Zealand dollars as at 31 March 2022

Target investment mix



Top 10 investments

	Name	% of Fund net assets	Type	Country	Credit rating (if applicable)
1	UNITED STATES TREASURY 310123 FRN	19.45%	International fixed interest	US	AAA
2	UNITED STATES TREASURY 311023 0.08001 GB	6.40%	International fixed interest	US	AAA
3	UK OF GB AND NORTHERN IRELAND GOVERNMENT 070922 1.75 GB	5.53%	International fixed interest	UK	AA
4	UNITED STATES TREASURY 310723 FRN	3.27%	International fixed interest	US	AAA
5	MEXICO UNITED MEXICAN STATES GOVERNMENT 131142 7.75 GB	3.07%	International fixed interest	MX	BBB-
6	MEXICO UNITED MEXICAN STATES GOVERNMENT 181138 8.50 GB	2.67%	International fixed interest	MX	BBB-
7	BRAZIL FEDERATIVE REPUBLIC OF GOVERNMENT 010127 10.00 GB	2.58%	International fixed interest	BR	BB-
8	MEXICO UNITED MEXICAN STATES GOVERNMENT 310529 8.50 GB	2.51%	International fixed interest	MX	BBB-
9	GOLDMAN SACHS GROUP INC 230223 FRN	2.33%	International fixed interest	US	A
10	USD BNP PARIBAS A/C	2.25%	International fixed interest	US	A+

The top 10 investments make up 50.06% of the net asset value of the fund.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund.

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
Rino Lupo	Director, Head of Legal and Operations, Legg Mason Australia	19 years 5 months	Compliance Manager, Legg Mason Australia	2 years 0 months
Jack McIntyre	Portfolio Manager, Brandywine Global	9 years 9 months	Associate Portfolio Manager, Brandywine Global	6 years 0 months
Anujeet Sareen	Portfolio Manager, Brandywine Global	5 years 9 months	Managing Director of Global Fixed Income & Global Macro Strategist, Wellington Management	22 years 0 months

Further information

You can also obtain this information, the PDS for the Franklin Templeton Investment Funds, and some additional information from the offer register at <https://disclose-register.companiesoffice.govt.nz>.

¹ Post quarter end the market index has changed to the Bloomberg Global Aggregate Index – New Zealand dollar Hedged.

² A combination of actual fund returns and market index returns have been used to determine the risk indicator as the fund has not been operating for the required five years. The risk indicator may therefore provide a less reliable indicator of the fund's future volatility. Returns of the underlying fund previously invested in have been used until 27 March 2018 and fund returns thereafter.

³The bar chart shows fund returns after deducting fees and tax. Tax is deducted at the highest Prescribed Investor Rate of 28%. However, the market index returns are shown before deducting fees and tax.