

Fund Update

For the quarter ended 31 March 2023

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

This fund update was first made publicly available on: 03 May 2023

What is the purpose of this update?

This document tells you how the Brandywine Global Opportunistic Fixed Income Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. FundRock NZ 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

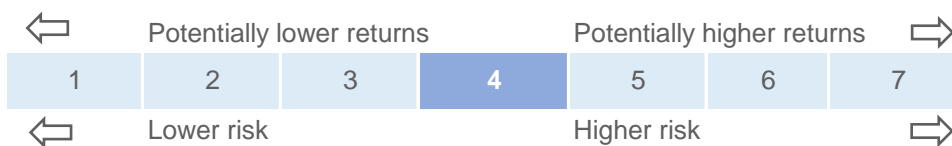
Objective: To earn a return before fees and taxes in excess of the Bloomberg Global Aggregate Index –New Zealand dollar Hedged over rolling five-year periods.

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 228,830,486
The date the fund started	27 March 2018

What are the risks of investing?¹

Risk indicator for the Brandywine Global Opportunistic Fixed Income Fund.



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 2023. 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.

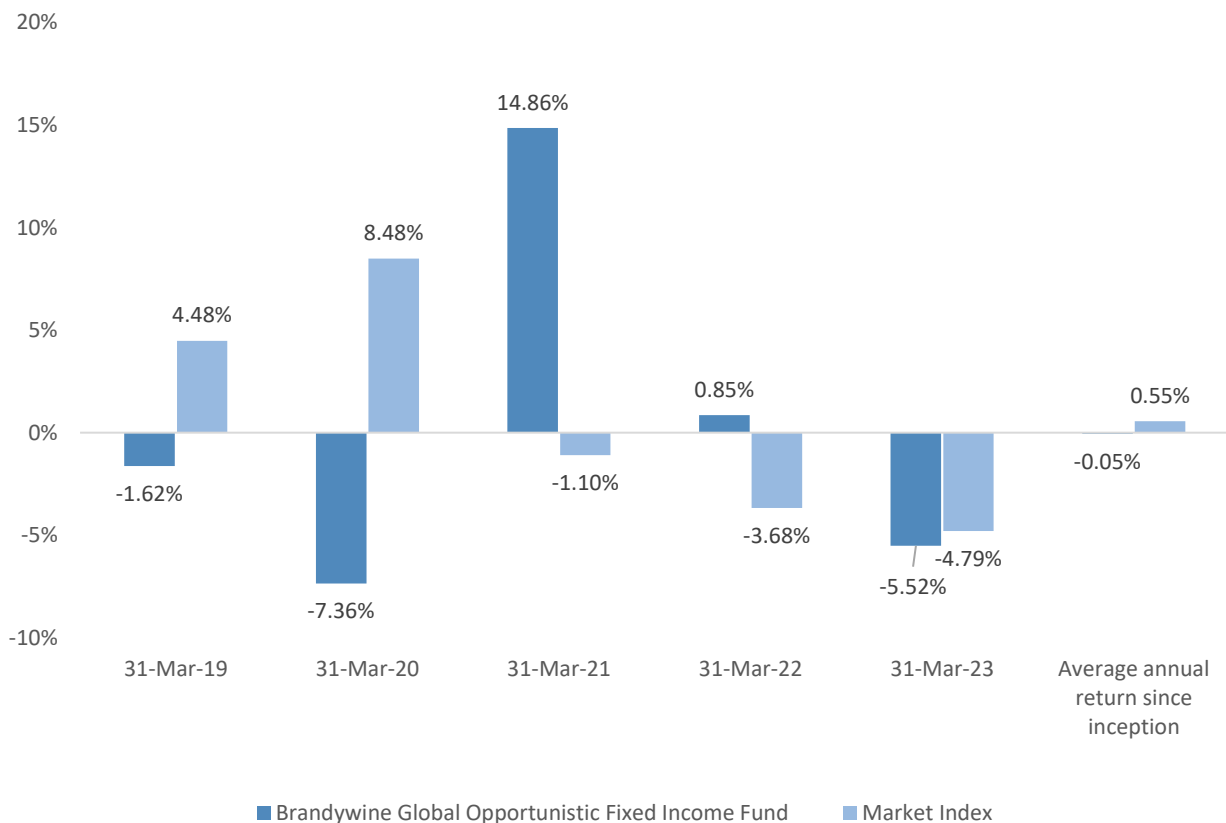
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Average over the past 5 years	Past year
Annual return (after deductions for charges and tax)	-0.05%	-5.52%
Annual return (after deductions for charges but before tax)	0.23%	-7.68%
Market index annual return (reflects no deduction for charges and tax)	0.55%	-4.79%

The market index return is calculated using the return on the FTSE World Government Bond Index (100% Hedged to New Zealand Dollars) for the period since fund inception to 31 March 2022 and the Bloomberg Global Aggregate Index –New Zealand dollar Hedged from 1 April 2022 onwards. Additional information about the market index is available on the offer register at www.disclose-register.companiesoffice.govt.nz.

Annual Return Graph^{2,3}



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 2023

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 Opportunistic Fixed Income Fund are charged fund charges. In the year to 31 March 2022 these were:

	% of net asset value (including GST)
Total fund charges	0.76%
Which are made up of:	
Total manager and administration charges	0.76%
Including:	
Manager's basic fee (including GST)	0.76%
Other management and administration charges	0.00%

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 www.disclose-register.companiesoffice.govt.nz for more information about those fees.

Example of how this applies to an investor

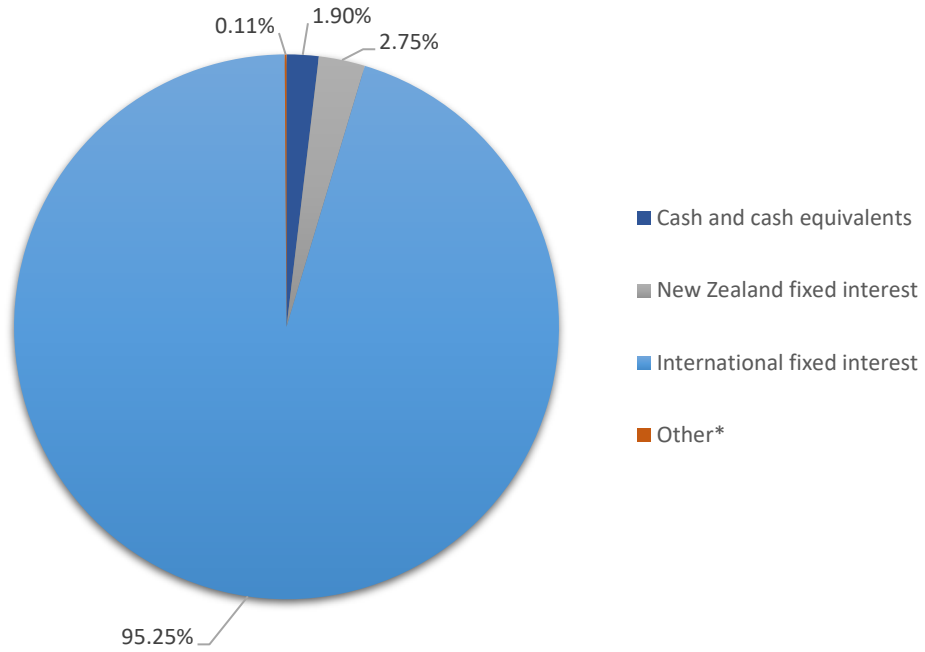
Small differences in fees and charges can have a big impact on your investment over the long term.

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 incurred a loss after fund charges were deducted of \$768 (that is -7.68% of his initial \$10,000). This gives Anthony a total loss after tax of \$552 for the year.

What does the fund invest in?

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

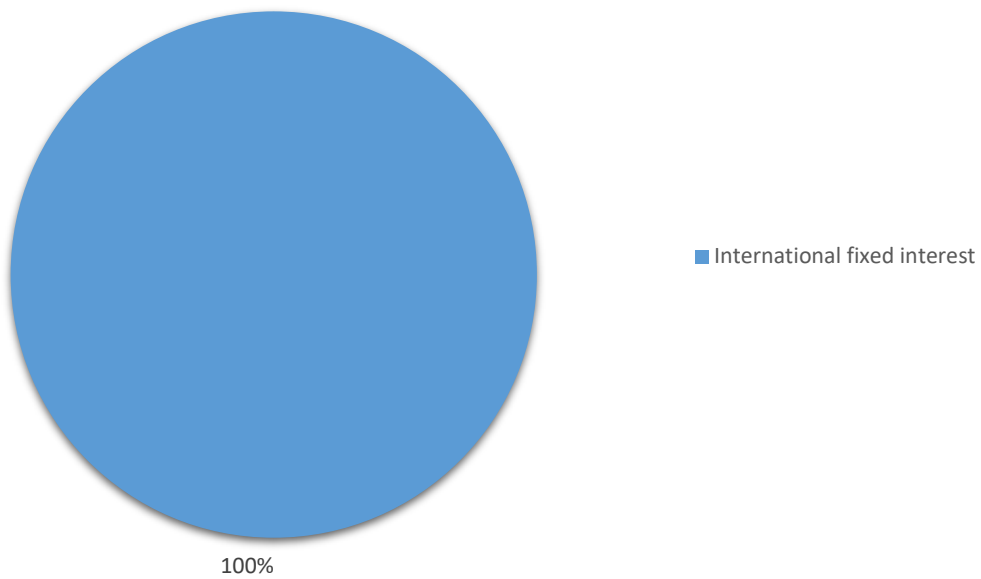
Actual investment mix



*Foreign currency contracts

Foreign currency exposure was 100.83% hedged to New Zealand dollars as at 31 March 2023.

Target investment mix



Top 10 investments

	Name	% of Fund net assets	Type	Country	Credit rating (if applicable)
1	United States Treasury 310724 Frn	11.30%	International fixed interest	US	AAA
2	United States Treasury 310125 Frn	6.47%	International fixed interest	US	AAA
3	United States Treasury 150233 3.50 Gb	6.09%	International fixed interest	US	AAA
4	United States Treasury 150252 2.25 Gb	5.70%	International fixed interest	US	AAA
5	Germany Federal Republic Of Government 150832 1.70 Gb	5.18%	International fixed interest	DE	AAA
6	United States Treasury 150852 3.00 Gb	4.92%	International fixed interest	US	AAA
7	Poland Republic Of Government 250432 1.75 Gb	4.33%	International fixed interest	PL	A-
8	Colombia Republic Of Government 280542 9.25 Gb	3.42%	International fixed interest	CO	BBB-
9	Mexico United Mexican States Government 181138 8.50 Gb	3.00%	International fixed interest	MX	BBB
10	Mexico United Mexican States Government 310529 8.50 Gb	2.92%	International fixed interest	MX	BBB

The top 10 investments make up 53.32% 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	20 years 5 months	Compliance Manager, Legg Mason Australia	2 years 0 months
Jack McIntyre	Portfolio Manager, Brandywine Global	10 years 9 months	Associate Portfolio Manager, Brandywine Global	6 years 0 months
Anujeet Sareen	Portfolio Manager, Brandywine Global	6 years 9 months	Managing Director of Global Fixed Income & Global Macro Strategist, Wellington Management	22 years 0 months
Paul Mielczarski	Head of Global Macro Strategy	0 years 2 months	Director of Portfolio Strategy, Ontario Teachers' Pension Plan	2 years 0 months

Paul Mielczarski was not named in the previous fund update.

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 www.disclose-register.companiesoffice.govt.nz.

Notes

- ¹ The Fund has been in existence for less than 5 years. The Fund previously invested in the Legg Mason Brandywine Global Opportunistic Fixed Income Fund which has a 5-year return history. Returns of the fund previously invested in have been used until 31 March 2018 and fund returns thereafter. The risk indicator may therefore provide a less reliable indicator of the Fund's future volatility.
- ² The 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.
- ³ From 01 April 2022, the market index for the fund changed from the FTSE World Government Bond Index (100% Hedged to New Zealand Dollars) to the Bloomberg Global Aggregate Index –New Zealand dollar Hedged. Returns of the FTSE World Government Bond Index (100% Hedged to New Zealand Dollars) have been used until 31 March 2022 and the Bloomberg Global Aggregate Index (New Zealand dollar Hedged) returns thereafter to calculate returns of the market index.