



**FRANKLIN
TEMPLETON**

Franklin Templeton Investments
(Asia) Limited
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This letter is important and requires your immediate attention.

**If you are in doubt about the contents of this letter,
you should seek independent professional advice.**

Hong Kong, 8 February 2023

Dear Investors,

**Franklin Templeton Investment Funds (the “Company”)
- Updates to the investment policy of the Franklin Euro High Yield Fund (the “Fund”)**

This letter is intended for investors who hold shares of the Company via an account with (i) Franklin Templeton Investments (Asia) Limited (the “**Hong Kong Representative**”) or (ii) a duly authorized intermediary for the Hong Kong market (collectively, “**Investors**”).

Unless otherwise specified herein, capitalized terms used in this letter shall have the meanings assigned to such terms in the Explanatory Memorandum of the Company dated July 2022, as amended from time to time (the “**Explanatory Memorandum**”).

With effect from 9 March 2023, the investment policy of the Fund shall be updated to increase the maximum exposure of investments in contingent convertible securities from 5% to 10% of the Fund’s net assets.

Accordingly, the seventh paragraph under the section headed “Investment Policy” in the Fund’s profile in the Explanatory Memorandum shall be amended as follows:

“Since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may also, temporarily or on an ancillary basis, seek investment opportunities in any other types of Euro-denominated securities such as government securities, preferred stock, common stock and other equity linked securities, warrants and securities and bonds convertible into common stock. The Fund may invest up to 10% of its assets in credit-linked securities, which the Investment Managers may use as a means to invest more rapidly and efficiently in certain segments of the high yield, bank loan and investment grade debt markets. The Fund may also invest up to 10% of its total assets in securities in default. In addition, the Fund may also invest on an ancillary basis in convertible securities and contingent convertible securities (investments in contingent convertible securities will not exceed ~~5%~~10% of the Fund's net assets).”

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Other than the change outlined above, there will be no change to the operation and/or the manner in which the Fund is being managed and there is no other effect on the Investors. There will be no material change or increase in the overall risk profile of the Fund following the change. The above change does not amount to material change to the Fund and does not have a material adverse impact on the Investors’ rights or interests.

The change sets out in this letter does not give rise to any change in the fee level or fee structure of the Fund. Any costs and expenses arising from the change will be borne by the Management Company, other than the

cost of publishing this letter, which is estimated to be approximately HKD3,000 and which will be charged to the Fund.

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If you do not agree with the above change, you may request, free of charge until 4:00 p.m. on 9 March 2023 (Hong Kong time), for a redemption of your shares of the Fund impacted by such change or a switching of such shares into shares of other sub-funds of the Company that are authorized¹ by the Securities and Futures Commission of Hong Kong (“SFC”), details of which are disclosed in the Explanatory Memorandum.

The Company comprises a wide range of sub-funds catering for many different objectives. Switching of your existing holding may be made into other sub-funds within the Company that are authorized¹ by the SFC. On receipt of your instructions, we will execute the switching for you in accordance with the provisions of the Explanatory Memorandum, free of charge.

If you do not wish to switch your shares and would like to redeem such shares, the redemption will be made in accordance with the provisions of the Explanatory Memorandum, free of charge.

Please note that although the Company will not charge the Investors impacted by the above change any redemption or switching fee for redemption and switching requests that reach the Hong Kong Representative, in some cases the relevant banks, investment advisers or other intermediaries may charge switching and/or transaction fees. They may also have a local dealing cut-off time which is earlier than the dealing deadline described above. The Investors are recommended to check with their banks, investment advisers or other intermediaries (if applicable) to ensure that their instructions reach the Hong Kong Representative before the dealing deadline above.

Before investing in another SFC-authorized¹ sub-fund of the Company, please ensure that you have read and understood the investment objectives, policies and fees applicable to the relevant sub-fund as described in the Explanatory Memorandum.

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The Management Company and the Board of Directors accept full responsibility for the accuracy of the information contained in this letter as at the date of its publication and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.

The Explanatory Memorandum and the product key facts statement of the Fund (which are available for download from the Hong Kong Representative’s website at www.franklintempleton.com.hk²) will be updated for the change described above. An updated version of the Hong Kong offering documents of the Company will also be made available at the office of the Hong Kong Representative in due course.

If you require any further information, please do not hesitate to contact your investment consultant, call our Investor Hotline at +852 2805 0111 or contact the Hong Kong Representative at 17/F, Chater House, 8 Connaught Road Central, Hong Kong. If you are not a duly authorized intermediary for the Hong Kong market, please be advised that you are not required to forward this letter to your end clients.

Yours faithfully,

Franklin Templeton Investments (Asia) Limited
富蘭克林鄧普頓投資(亞洲)有限公司
As Hong Kong Representative of the Company

¹ SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

² The website has not been reviewed by the SFC.