



**FRANKLIN  
TEMPLETON**

Franklin Templeton Investments  
(Asia) Limited  
富蘭克林鄧普頓投資(亞洲)有限公司  
17/F, Chater House  
8 Connaught Road Central  
Hong Kong  
tel +852 2877-7733  
fax +852 2877-5401  
www.franklintempleton.com.hk

**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, 28 December 2023

Dear Investors,

**Franklin Templeton Investment Funds (the “Company”)  
- Changes to the Company and its sub-funds (the “Funds”)**

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 April 2023 (the “**Explanatory Memorandum**”). The changes set out in this letter took effect as of 27 August 2023.

**(1) Updated pre-contractual disclosures of the Franklin Biotechnology Discovery Fund, Franklin Euro Government Bond Fund, Franklin Euro High Yield Fund, Franklin Innovation Fund, Franklin Technology Fund, Franklin U.S. Opportunities Fund, Templeton Asian Bond Fund, Templeton Emerging Markets Bond Fund, Templeton Global Bond Fund and Templeton Global Climate Change Fund**

The pre-contractual disclosures of the Funds shall be updated to reflect the latest template required to be used pursuant to the Commission Delegated Regulation (EU) 2023/363, which includes two additional questions in relation to investment by the Funds in fossil gas and/or nuclear energy related to activities that comply with the Taxonomy Regulation.

In addition, the pre-contractual disclosures of the relevant Funds shall be amended to reflect the following key updates:

- (a) The question headed “*What investment strategy does this financial product follow?*” in the pre-contractual disclosure of the Franklin Biotechnology Discovery Fund shall be revised to include “nuclear weapons” as one of the specific ESG exclusions;
- (b) The following updates shall be made to the pre-contractual disclosure of the Franklin Euro High Yield Fund:
  - (i) The term “data points” shall be replaced by “references”; and
  - (ii) Science Based Target initiative (SBTi) target shall be added to the ESG Credit App tool language; and
- (c) Addition of taxonomy alignment (i.e. “Out of the Fund’s portfolio segment which qualifies as sustainable investments, the Fund undertakes a further commitment to

invest a minimum of 5% of net assets in sustainable investments which are taxonomy-aligned”) shall be reflected in the question headed “*What is the asset allocation and the minimum share of sustainable investments?*” in the pre-contractual disclosure of the Templeton Global Climate Change Fund. As a result, the minimum share of sustainable investments with an environmental objective that are not aligned with the Taxonomy Regulation shall be amended from 90% to 85% of the Fund’s net assets.

The updated bilingual pre-contractual disclosures for the Funds are available for download from the Hong Kong Representative’s website at [https://franklintempletonprod.widen.net/s/jqdp5bk5xt/ftif-sfdr-pre-contractual-disclosure-annexes\\_hk\\_en](https://franklintempletonprod.widen.net/s/jqdp5bk5xt/ftif-sfdr-pre-contractual-disclosure-annexes_hk_en)\* (English version) and [https://franklintempletonprod.widen.net/s/hv85nxn6tb/ftif-sfdr-pre-contractual-disclosure-annexes\\_hk\\_cn](https://franklintempletonprod.widen.net/s/hv85nxn6tb/ftif-sfdr-pre-contractual-disclosure-annexes_hk_cn)\* (traditional Chinese version), and they are also available at the office of the Hong Kong Representative.

## **(2) Re-opening of the Franklin Global Convertible Securities Fund**

The Explanatory Memorandum shall be updated to allow the Board of Directors to decide to re-open certain share classes of the Fund to existing investors only and to decide to close them to subscriptions at any time, once the Fund reaches a certain size. Practical information and relevant dates of re-opening and closing shall be disclosed on the website of the Hong Kong Representative at [www.franklintempleton.com.hk](http://www.franklintempleton.com.hk)\*.

## **(3) Updates to the valuation policy of the Company**

To clarify that the costs incurred in obtaining and maintaining registrations in different countries as well as fees for facilities services and company secretary services are charged to the Company, item (e) under the paragraph relating to total liabilities in the sub-section headed “VALUATION” in the section headed “ADDITIONAL INFORMATION” of the Explanatory Memorandum shall be updated as follows (with revisions in mark-up):

- “(e) *all other liabilities of the Company of whatsoever kind and nature except liabilities represented by Shares in the Company. In determining the amount of such liabilities the Company shall take into account all relevant expenses payable by the Company comprising formation expenses, fees and expenses at the accounts, fees payable to the Management Company for the performance of its various services and for those rendered by the Investment Managers and/or investment advisers, the Depositary and local paying agents and permanent representatives in places of registration as well as costs incurred in obtaining and maintaining registrations in different countries, any other agent employed by the Company, fees for facilities services, fees for company secretary services, fees for legal and auditing services, insurance premiums, printing, reporting and publishing expenses, including the cost of advertising and/or preparing and printing of the prospectuses, product key facts statements, explanatory memoranda or registration statements, investment research fees, taxes or governmental or supervisory charges, all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage commissions, postage, telephone, telex, telefax message and facsimile (or other similar means of communication). The Company and/or the Administrative Agent, as appropriate, may calculate administrative and other expenses of a regular or recurring nature on an*

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\* The website has not been reviewed by the SFC.

*estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.”*

**(4) Other updates**

The Explanatory Memorandum shall be updated to reflect the below:

- (a) The third paragraph under the sub-section headed “ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING LEGISLATION” in the section headed “ADDITIONAL INFORMATION” shall be amended as follows (with revisions in mark-up):

*“The Management Company reserves the right to ask at any time for additional information and documentary evidence, such as updated identity documentation, source of funds and origin of wealth, as may be required in higher risk scenarios or to comply with any applicable laws and regulations, including applicable Luxembourg regulations on the prevention of the use of the financial sector for money laundering purposes. In case of delay or failure to provide such information and/or documentary evidence, the Management Company may delay or reject the processing of purchase or sale instructions, or any other transaction. The Management Company may also delay or suspend the payment of dividends until relevant and satisfactory information and/or documentation is received. In addition, the Management Company reserves the right to stop the payment of any commissions and/or ultimately terminate the business relationship with sub-distributors, intermediaries, brokers/dealers and/or professional investors after reasonable attempts from the Management Company to obtain the missing or updated documentation requested from such sub-distributors, intermediaries, brokers/dealers and/or professional investors in line with applicable laws and regulations, thus preventing the Management Company from fulfilling its anti-money laundering and counter-terrorism financing obligations. Neither the Company nor the Management Company have any liability for delays or failure to process deals as a result of the Investor providing no or only incomplete information and/or documentary evidence.”*

- (b) The following paragraph shall be removed from the section headed “Investment Policy” in the fund profile of each of the Templeton China A-Shares Fund and Templeton Global Climate Change Fund for consistency with the disclosures set out in the relevant pre-contractual disclosure:

*“In order to achieve its investment goals and for treasury purposes, the Fund may hold significant amounts of bank deposits, money market instruments or money market funds pursuant to the applicable investment restrictions (up to 100% of its net assets).”*

- (c) Update to the conducting officers of the Management Company; and  
 (d) Other miscellaneous, administrative and/or clarificatory updates.

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The changes set out in this letter do not amount to a material change to the Funds. There is no material change or increase in the overall risk profiles of any of the Funds following the above changes. Further, the above changes do not have a material adverse impact on Investors’ rights or interests (including changes that may limit Investors’ ability in exercising

their rights), and the above changes are not expected to give rise to any change in the fee level or fee structure of any of the Funds.

Any costs and/or expenses incurred in connection with the above changes shall be borne by the Management Company, other than the cost of publishing this letter, which is estimated to be approximately HKD120,000 and which shall be charged and allocated to the Funds based on the pro rata share of the Net Asset Value of the Funds.

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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 shall be updated to reflect the above changes in due course. An updated version of the Explanatory Memorandum shall be available for download from the Hong Kong Representative's website at [www.franklintempleton.com.hk](http://www.franklintempleton.com.hk), and it will also be made available at the office of the Hong Kong Representative in due course.

If you require further information, please do not hesitate to contact your investment consultant, call our appointed Transfer Agent and Dealing Hotline at +852 2805 0033 / 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