

This letter is important and requires your immediate attention.

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

Hong Kong, 18 January 2019

Dear Investors,

**Franklin Templeton Investment Funds (the “Company”)
- Change of effective date of amendments to the Franklin U.S. Dollar Liquid Reserve Fund
announced in the letter dated 20 December 2018**

This letter is intended for investors who hold shares of the Franklin U.S. Dollar Liquid Reserve Fund (this “**Fund**”), a sub-fund 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 dated November 2018, as amended, of the Company (the “**Explanatory Memorandum**”).

We refer to certain changes (the “**Changes**”) impacting the Fund, a sub-fund of the Company, which were announced to you in the letter dated 20 December 2018 (the “**Letter**”) in relation to the entry into force of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds (the “**MMFR**”).

The purpose of the present letter is to inform you that, following recent clarifications received on the regulatory process to conform to the MMFR, the Changes announced in the Letter shall become effective on 25 January 2019 and not on 21 January 2019.

For the avoidance of doubt, the Changes are subject to (i) the approval of the revised articles of incorporation of the Company during the extraordinary general meeting of shareholders of the Company scheduled for 25 January 2019 and (ii) the CSSF’s full review of the Company’s MMFR application being completed with effect from the same date.

All other information regarding the Changes announced in the Letter remains valid.

The change in the effective date as set out in this letter is not expected to give rise to any additional costs and expenses for Shareholders of the Fund. There will also be no material adverse impact on nor material prejudice to the rights or interests of investors in the Fund.

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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.

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 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