



FRANKLIN TEMPLETON
INVESTMENTS

This letter is important and requires your immediate attention.

If you are in doubt, please consult your legal, financial or professional advisers.

1 November 2013

Dear Shareholder,

Franklin Templeton Investment Funds (the “Company”)

The purpose of this letter is to inform you of (1) the replacement of Franklin Templeton Investment Management Limited by Templeton Global Advisors Limited as investment manager of three sub-funds of the Company and (2) changes to the investment management structure of the Franklin Templeton Global Growth and Value Fund.

1. **Templeton Global Advisors Limited to replace Franklin Templeton Investment Management Limited as investment manager of the following sub-funds of the Company (collectively, the “Relevant Funds”):**
 - (a) **Templeton Euroland Fund;**
 - (b) **Templeton European Fund; and**
 - (c) **Templeton Global Fund.**

We would like to inform you that due to the transfer of key investment personnel from Franklin Templeton Investment Management Limited to Templeton Global Advisors Limited, the Board of Directors of the Company has decided to replace Franklin Templeton Investment Management Limited with Templeton Global Advisors Limited as the investment manager of the Relevant Funds.

As a result of these changes, the references to the Relevant Funds shall be deleted from the list of sub-funds managed by Franklin Templeton Investment Management Limited as set out on page 87 of the Explanatory Memorandum dated December 2010, as amended, of the Company (the “**Current Explanatory Memorandum**”), and inserted into the list of sub-funds managed by Templeton Global Advisors Limited as set out on page 87 of the Current Explanatory Memorandum.

The list of sub-funds managed by Franklin Templeton Investment Management Limited as set out on page 87 of the Current Explanatory Memorandum shall also be amended by:

- (A) adding the word “and” immediately after the reference to “Templeton Global Balanced Fund*”; and
- (B) replacing “; and” which appears immediately after the reference to “Templeton Global Equity Income Fund” with “.”.

The aforesaid changes will take effect on 2 December 2013. Rest assured, these changes will have no impact on the investment objectives and policies of the Relevant Funds, nor the manner in which the Relevant Funds are being managed. There will also be no change in the fee level in respect of the Relevant Funds.

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2. Changes to the investment management structure of the Franklin Templeton Global Growth and Value Fund (“FTGGVF”)

Presently, FTGGVF is managed under a co-management structure whereby it has appointed the following entities as co-investment managers:

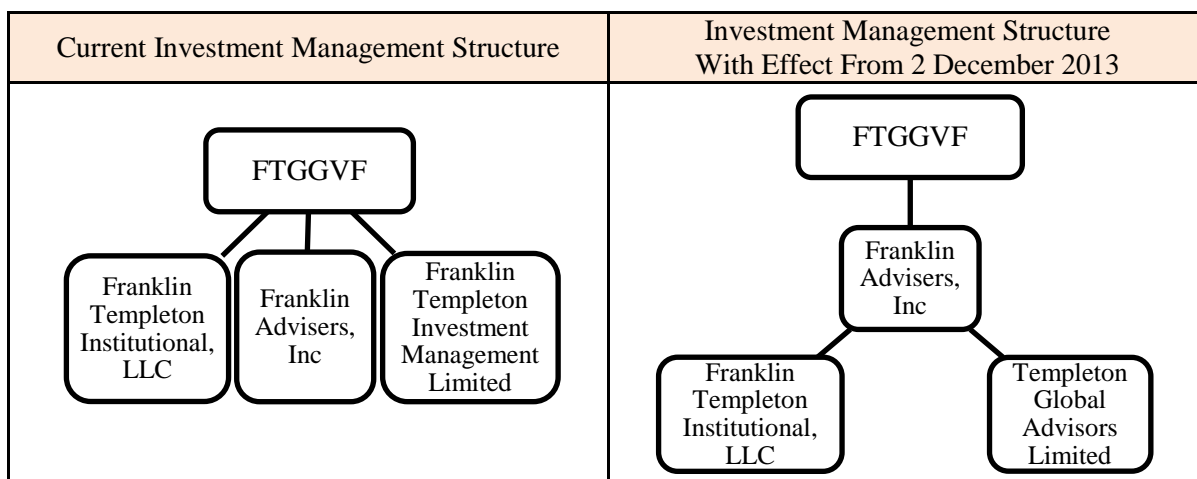
- Franklin Templeton Investment Management Limited;
- Franklin Advisers, Inc; and
- Franklin Templeton Institutional, LLC.

We would like to inform you that after reviewing the existing co-management structure of FTGGVF, the Board of Directors of the Company has decided to replace it with a lead management structure. Under the new structure, there will be one lead investment manager (“Lead Manager”) and two sub-investment managers (“Sub-Managers”). The Lead Manager will have overall control and responsibility over the portfolio of FTGGVF, which will allow FTGGVF to be managed more efficiently. The Sub-Managers will be delegates of the Lead Manager and will manage the portions of the assets of FTGGVF that are allocated to them on a discretionary basis.

Under the new management structure:

- (A) the Lead Manager will be Franklin Advisers, Inc; and
- (B) the Sub-Managers will be Franklin Templeton Institutional, LLC and Templeton Global Advisors Limited, which will be replacing Franklin Templeton Investment Management Limited in the management structure due to the transfer of key investment personnel from Franklin Templeton Investment Management Limited to Templeton Global Advisors Limited.

A graphical representation of the changes described above is provided below for your information:



The Lead Manager will allocate the assets of FTGGVF between the Sub-Managers in such proportions as it shall, at its discretion, determine suitable to achieve FTGGVF’s objective. The assets will be allocated to the Sub-Managers based on their expertise and this allocation will be monitored by the Lead Manager on a continuous basis. The Lead Manager will monitor the performance of the Sub-Managers in respect of FTGGVF in order to assess the need, if any, to change or replace the Sub-Managers in the future.

The aforesaid changes will take effect on 2 December 2013. Rest assured, these changes will have no impact on the investment objective and policy of FTGGVF, nor the manner in which the FTGGVF is being managed. There will also be no change in the fee level in respect of FTGGVF.

As a result of these changes, the following revisions will be made to the Current Explanatory Memorandum:-

- (i) The list of sub-funds managed by Franklin Advisers, Inc as set out on page 86 of the Current Explanatory Memorandum shall be amended by:
 - deleting the symbol “***” appearing next to the name of FTGGVF; and
 - deleting the third footnote under the list, which begins with “***”;
- (ii) The list of sub-funds managed by Franklin Templeton Investment Management Limited as set out on page 87 of the Current Explanatory Memorandum shall be amended by:
 - deleting the reference to FTGGVF, and the symbol “***” appearing next to the name of FTGGVF; and
 - deleting the second footnote under the list, which begins with “***”;
- (iii) The list of sub-funds managed by Franklin Templeton Institutional, LLC as set out on page 87 of the Current Explanatory Memorandum shall be amended by deleting the footnote under the list which begins with “*” in its entirety and replacing it with the following footnote:

*“*Franklin Templeton Institutional, LLC has been appointed as a Sub-Manager of this Fund, together with Templeton Global Advisors Limited.”;*
- (iv) The list of sub-funds managed by Templeton Global Advisors Limited as set out on page 87 of the Current Explanatory Memorandum shall be amended by:
 - adding a reference to FTGGVF, and the symbol “***” immediately after the name of FTGGVF; and
 - adding the following footnote as the second footnote:

*“*Templeton Global Advisors Limited has been appointed as a Sub-Manager of this Fund, together with Franklin Templeton Institutional, LLC.”;* and
- (v) The following disclosure on the Sub-Managers will be inserted immediately following the last paragraph of the investment objective and policy of FTGGVF as set out on page 18 of the Current Explanatory Memorandum:

“Sub-Managers

The Fund aims to achieve its investment objectives detailed above through the careful selection of two or more sub-managers (the “Sub-Managers”) by the Investment Manager. Such Sub-Managers may or may not be part of Franklin Templeton Investments. The Investment Manager may also take part in managing the assets of the Fund in addition to selecting and allocating to Sub-Managers.

The Investment Manager will be responsible for the selection and appointment of two or more Sub-Managers in respect of the Fund to delegate all or part of the day-to-day conduct of its investment management responsibilities and investment advisory services in respect of some or all of the assets of the Fund. The Investment Manager shall allocate the assets of the Fund between the Sub-Managers in such proportions as it shall, at its discretion, determine suitable to achieve the Fund’s objective.

The Investment Manager has appointed Franklin Templeton Institutional, LLC and Templeton Global Advisors Limited as the Sub-Managers of the Fund. The Investment

Manager will monitor the performance of the Sub-Managers in respect of the Fund in order to assess the need, if any, to make changes/replacements. The Investment Manager may appoint or replace the Sub-Managers in respect of the Fund at any time by giving (subject to prior approval from the Securities and Futures Commission of Hong Kong) at least one month's prior notice to the shareholders of the Fund.

The Investment Manager is responsible for the selection of the Sub-Managers, the monitoring of the performance of the Sub-Managers and the monitoring of the risk management process implemented at the level of each Sub-Manager. The Sub-Managers may seek advice from other investment advisory companies affiliated to Franklin Templeton Investments. Such investment advisory companies (if any) will not have discretionary investment power over the assets of the Fund.

The Sub-Managers will be remunerated by the Investment Manager out of the investment management fee received from the Fund.”

* * * * *

The investment managers of the Company and the directors of the Company 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.

If you require further information please do not hesitate to contact your investment consultant or call our Investor Hotline at +852 2805 0111.

Yours faithfully,

For and on behalf of
Franklin Templeton Investments (Asia) Limited


David Chang
Director