

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.

19 June 2015

Dear Investor,

Franklin Templeton Investment Funds (the “Company”)

The purpose of this letter is to inform you of revisions to the Explanatory Memorandum dated December 2010, as amended, of the Company (the “**Current Explanatory Memorandum**”) in respect of:

- (1) the disclosure of the Management Company’s (Franklin Templeton Investment Services S.à r.l.) policy in relation to soft closures;
- (2) the disclosure of the Company’s policy in relation to the payment of redemption monies to foreign bank accounts;
- (3) clarifications on the amount of maintenance charge that is payable for each share class of the Funds and on the use of the maintenance charge by the Principal Distributor (Franklin Templeton Investment Services S.à r.l.) (which will take effect on 31 July 2015);
- (4) changes to the investment restrictions of the Company relating to the use of financial derivative instruments and techniques and instruments relating to transferable securities and money market instruments;
- (5) changes to the investment policies of certain of the sub-funds of the Company (the “**Funds**”) (which will take effect on 31 July 2015);
- (6) the addition of risk disclosures on collateralised debt obligations and concentration;
- (7) increases in the expected levels of leverage of the Templeton Emerging Markets Bond Fund, the Templeton Global Bond Fund and the Templeton Global Total Return Fund;
- (8)(I) a change in the investment manager of Templeton Global Smaller Companies Fund (which will take effect on 31 July 2015); and
- (8)(II) the stepping down of a co-investment manager of the Franklin Mutual European Fund (which will take effect on 31 July 2015).

Unless otherwise specified herein, capitalized terms used herein shall have the meanings assigned to such terms in the Current Explanatory Memorandum.

1. Disclosure of the Management Company’s policy in relation to soft closures

To inform investors of the Management Company’s policy in relation to soft closures, the following paragraph will be inserted immediately before the heading “MINIMUM INVESTMENT” on page 4 of the Current Explanatory Memorandum:

“FUND SOFT CLOSURE

A Fund, or Share Class, may be closed to new investors or to all new subscriptions or switches in (but not to redemptions or switches out) if, in the opinion of the Management Company, closing is necessary to protect the interests of existing Shareholders. Without limiting the circumstances where closing may be appropriate, one such circumstance would be where the Fund has reached a size such that the capacity of the market and/or the capacity of the relevant Investment Manager has been reached, and where to permit further inflows would be detrimental to the performance of the Fund. Any Fund, or Share Class, may be closed to new investors or all new subscriptions or switches in without notice to Shareholders.

Notwithstanding the above, the Management Company may allow, at its discretion, the continuation of subscriptions from regular savings schemes on the basis that these types of flows present no challenge with respect to capacity. Once closed, a Fund or a Share Class will not be re-opened until, in the opinion of the Management Company, the circumstances which required closure no longer prevail. Shareholders and potential investors should contact the Hong Kong Representative for the current status of Funds or Share Classes.”

2. Disclosure of the Company’s policy in relation to the payment of redemption monies to foreign bank accounts

To inform investors of the Company’s policy in relation to the payment of redemption monies to foreign bank accounts, the following sentence will be inserted immediately following the fifth sentence of the second paragraph under the heading “REDEMPTIONS – Instructions and Payments” on page 68 of the Current Explanatory Memorandum:

“Investors should note that if their redemption instruction is accompanied by a request to pay the sale proceeds into a bank account located in a country other than the investor’s country of residence, the Company reserves the right to delay the execution of the transaction or the release of the payment proceeds, until additional information or documentation is received that provides additional investor protection to the satisfaction of the Company. This procedure is subject to the requirements of the Securities and Futures Commission’s Code on Unit Trusts and Mutual Funds, including the maximum interval of one calendar month between the receipt of a properly documented redemption request and the payment of the redemption money.”

Investors should note that the Company is subject to the requirements of the Securities and Futures Commission’s (“SFC”) Code on Unit Trusts and Mutual Funds (the “SFC Code”), including the requirements under Chapter 6.14 of the SFC Code which requires redemption proceeds to be paid to the relevant redeeming Shareholder within one calendar month from the receipt of a properly documented redemption request.

3. Clarifications on the amount of maintenance charge that is payable for each share class of the Funds and on the use of the maintenance charge by the Principal Distributor (Franklin Templeton Investment Services S.à r.l.)

In addition to various other ongoing fees and charges, Class A Shares, Class B Shares and Class N Shares of the Company are subject to a maintenance charge as disclosed in the section headed “CHARGES AND EXPENSES” on pages 72 to 80 of the Current Explanatory Memorandum. This

charge is paid to the Principal Distributor of the Company, Franklin Templeton International Services S.à r.l., as compensation for its expenses in connection with shareholder liaison and administration of the Shares.

The Principal Distributor will generally pay part or all of the maintenance charge that it receives from the Company to various third party sub-distributors, intermediaries or brokers/dealers in connection with their provision of shareholder liaison and administration services in respect of the Shares. For the avoidance of doubt, the maintenance charge is not a commission payable to sales agents arising out of dealings in Shares and is not an expense arising out of any advertising or promotional activities in connection with the Company.

In the case of Class N Shares, the maintenance charge is currently described as a “distribution charge” (see the section headed “CHARGES AND EXPENSES – Class N Shares” on pages 78 and 79 of the Current Explanatory Memorandum for details). The “distribution charge” which is currently applicable to Class N Shares will be renamed as a “maintenance charge” for consistency with the description of the corresponding charge in respect of Class A Shares and Class B Shares.

Except for the Class B Shares of the Franklin U.S. Government Fund, the annual maintenance charge for Class A Shares, Class B Shares and Class N Shares is currently charged at the highest level indicated in the Current Explanatory Memorandum. The annual maintenance charge for Class B Shares of the Franklin U.S. Government Fund is currently charged at 0.50%, which is a lower rate than the maximum level of 0.75% indicated in the Current Explanatory Memorandum. For clarification and to provide additional disclosure on the use of maintenance charges by the Principal Distributor, the section of the Current Explanatory Memorandum on “CHARGES AND EXPENSES” will be revised and restated as set out below.

- (a) All references to “up to” and “(up to)” in the tables on Annual Management Fees for Class A Shares, Class B Shares and Class N Shares on pages 72 to 73, page 74 and pages 78 to 79 respectively, will be deleted.
- (b) Page 4 of the 2014 Third Addendum dated October 2014 to the Current Explanatory Memorandum will be amended to clarify that the annual maintenance charge for Class A Shares of the Franklin U.S. Focus Fund is 0.50% and that the aggregate of the annual management fee and the annual maintenance charge for Class A Shares of the Franklin U.S. Focus Fund is 1.50%.
- (c) Page 8 of the 2014 Addendum dated March 2014 to the Current Explanatory Memorandum will be amended to clarify that the annual maintenance charge for Class A Shares of the Franklin Global High Income Bond Fund is 0.40% and that the aggregate of the annual management fee and the annual maintenance charge for Class A Shares of the Franklin Global High Income Bond Fund is 1.20%.
- (d) Page 10 of the 2014 Addendum dated March 2014 to the Current Explanatory Memorandum will be amended to clarify that the annual maintenance charge for Class A Shares of the Franklin Global Listed Infrastructure Fund is 0.50% and that the aggregate of the annual management fee and the annual maintenance charge for Class A Shares of the Franklin Global Listed Infrastructure Fund is 1.50%.
- (e) Page 2 of the 2013 Addendum dated April 2013 to the Current Explanatory Memorandum relating to the Franklin Global Convertible Securities Fund will be amended to clarify that the annual maintenance charge for Class A Shares of the Franklin Global Convertible Securities Fund is 0.50% and that the aggregate of the annual management fee and the annual maintenance charge for Class A Shares of the Franklin Global Convertible Securities Fund is 1.25%.
- (f) Page 3 of the 2013 Addendum dated April 2013 to the Current Explanatory Memorandum relating to the Templeton Asian Dividend Fund will be amended to clarify that the annual maintenance charge for Class A Shares of the Templeton Asian Dividend Fund is 0.50% and

that the aggregate of the annual management fee and the annual maintenance charge for Class A Shares of the Templeton Asian Dividend Fund is 1.85%.

- (g) Page 2 of the 2011 Second Addendum dated October 2011 to the Current Explanatory Memorandum will be amended to clarify that the annual maintenance charge for Class A Shares of the Templeton Emerging Markets Balanced Fund is 0.50% and that the aggregate of the annual management fee and the annual maintenance charge for Class A Shares of the Templeton Emerging Markets Balanced Fund is 1.80%.
- (h) The table appearing under the heading “CHARGES AND EXPENSES – CLASS B SHARES – Annual Management Fee” on page 74 of the Current Explanatory Memorandum shall be amended to clarify that the annual maintenance charge for Class B Shares of the Franklin U.S. Government Fund is 0.50%.
- (i) The paragraph appearing under the heading “CHARGES AND EXPENSES – CLASS A SHARES – Maintenance Charge” on page 73 of the Current Explanatory Memorandum shall be amended as follows:

“In the case of Class A Shares, a maintenance charge of ~~USD to~~ a certain percentage per annum of the applicable average net asset value is deducted and paid to the Principal Distributor in order to compensate the Principal Distributor for any expenses incurred by it in connection with ~~Sshareholders~~ liaison and administration of the Shares. The charge is accrued daily and paid monthly to the Principal Distributor.

The Principal Distributor will generally pay part or all of this maintenance charge to various third party sub-distributors, intermediaries or brokers/dealers.”

- (j) The paragraphs appearing under the heading “CHARGES AND EXPENSES – CLASS B SHARES – Maintenance Charge” on page 75 of the Current Explanatory Memorandum shall be amended as follows:

~~In addition,~~ In the case of Class B Shares, a maintenance charge of ~~up to~~ 0.75% per annum of the applicable average net asset value is deducted and paid to the Principal Distributor, in order to compensate the Principal Distributor for any expenses incurred by it in connection with ~~shareholders~~ liaison and administration of the ~~sShares~~ and the handling of the CDSC. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor.

~~The maintenance charge paid to the Principal Distributor may be used to defray certain charges for individual investors or for particular groups of investors. The Principal Distributor will generally pay part or all of this maintenance charge to various third party sub-distributors, intermediaries or brokers/dealers.”~~

- (k) The references to “Distribution Charge” in the table on Annual Management Fees for Class N Shares on pages 78 to 79 of the Current Explanatory Memorandum shall be replaced with “Maintenance Charge” and the third paragraph appearing under the heading “CHARGES AND EXPENSES – CLASS N SHARES – Annual Management Fees” on page 79 of the Current Explanatory Memorandum Changes shall be amended as follows:

“In addition to any other terms, Class N Shares are subject to a ~~distribution~~ maintenance charge of ~~up to~~ 1.25% per annum of the applicable average net asset value, deducted and paid to the Principal Distributor for any expenses incurred by it in connection with ~~providing distribution and~~ Sshareholder liaison and administration of the Shares ~~services to the Company~~. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor.

The Principal Distributor will generally pay part or all of this maintenance charge to various third party sub-distributors, intermediaries or brokers/dealers.”

4. Changes to the investment restrictions of the Company relating to the use of financial derivative instruments and techniques and instruments relating to transferable securities and money market instruments

For the purpose of complying with legal and regulatory requirements, the following paragraph shall be inserted immediately after the sixth paragraph of the section “INVESTMENT RESTRICTIONS – 3. Financial derivative instruments” as set out on page 7 of the 2014 Second Addendum dated April 2014 to the Current Explanatory Memorandum:

“In accordance with the criteria laid down in the preceding paragraph, a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, or public international bodies of which one or more EU Member States are members, by any other State of the OECD, by Singapore or any member state of the G20, provided that such Fund holds securities at least from six different issues and that any single issue must not account for more than 30% of such Fund’s net assets.”

For the purpose of complying with legal and regulatory requirements, the following amendments shall be made to the section on “INVESTMENT RESTRICTIONS – 4. Use of techniques and instruments relating to transferable securities and money market instruments” as set out on pages 63 and 64 of the Current Explanatory Memorandum and as amended by the 2014 Second Addendum dated April 2014 to the Current Explanatory Memorandum:

- (a) the first paragraph of the section shall be amended as follows (with changes marked up):

“To the maximum extent allowed by, and within the limits set forth in, the Law of 17 December 2010 as well as any present or future related Luxembourg laws or implementing regulations, circulars and the Luxembourg supervisory authority’s positions (the “Regulations”), in particular the provisions of (i) article 11 of the Grand-Ducal regulation of February 8, 2008 relating to certain definitions of the Luxembourg Law of 20 December 2002 on undertakings for collective investment and of (ii) CSSF Circulars 08/356 and ~~13/559~~14/592 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments, each Fund may for the purpose of generating additional capital or income or for reducing costs or risks (A) enter, either as purchaser or seller, into optional as well as non optional repurchase transactions and (B) engage in securities lending transactions.”; and

- (b) the following paragraph will be inserted as a new paragraph immediately following the end of the fifth paragraph as set out on page 8 of the 2014 Second Addendum dated April 2014 to the Current Explanatory Memorandum:

“In accordance with the criteria laid down in the precedent paragraph, a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, or public international bodies of which one or more EU Member States are members, by any other State of the OECD, by Singapore or any member state of the G20, provided that such Fund holds securities at least from six different issues and that any single issue must not account for more than 30% of such Fund’s net assets.”

5. Revisions to investment policies of certain Funds

For clarification purposes, the investment policies of the following Funds will be revised and restated as set out below. The relevant revisions are marked up for your ease of comparison.

Rest assured, there will be no change to the way that the Funds are currently managed or to the investment strategy of the Funds, or to the fee levels of the Funds.

I. Franklin Euro Government Bond Fund

The following new paragraph will be added immediately following the fourth paragraph of the investment objective and policy of the Franklin Euro Government Bond Fund, as set out on page 28 of the Current Explanatory Memorandum and amended by the 2014 Third Addendum dated October 2014 to the Current Explanatory Memorandum:

“The Fund may also utilise financial derivative instruments for hedging purposes and/or efficient portfolio management. These financial derivative instruments may be dealt on either (i) regulated markets, such as futures contracts (including those on government securities), as well as options or (ii) over-the-counter such as currency, exchange rate, and interest rate related swaps and forwards.”

The revisions are to clarify that the Fund may utilise certain financial derivative instruments for hedging and/or efficient portfolio management purposes. The Fund does not intend to invest extensively in financial derivative instruments for investment purposes both before and after the revisions.

For details of the relevant risk considerations pertaining to the Fund’s use of derivatives, please refer to the sub-section “Derivative risk” of the “Risk Considerations” section on page 41 of the Current Explanatory Memorandum of the Company.

II. Franklin Euro High Yield Fund

The second sentence of the second paragraph of the investment objective and policy of the Franklin Euro High Yield Fund, as set out on page 28 of the Current Explanatory Memorandum and amended by the 2014 Second Addendum dated April 2014 to the Current Explanatory Memorandum, will be revised and restated as set out below.

“These financial derivative instruments may include, inter alia, swaps such as credit default swaps or fixed income related total return swaps, forwards, futures contracts, as well as options on such contracts dealt in either on regulated markets or over-the-counter. The Fund may utilise financial derivative instruments for hedging, efficient portfolio management and/or investment purposes.”

The revisions are to clarify that the Fund may utilise certain financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. The Fund does not intend to invest extensively in financial derivative instruments for investment purposes both before and after the revisions.

For details of the relevant risk considerations pertaining to the Fund’s use of derivatives, please refer to the sub-section “Derivative risk” of the “Risk Considerations” section on page 41 of the Current Explanatory Memorandum of the Company.

III. Franklin Global Convertible Securities Fund

The second paragraph of the investment objective and policy of Franklin Global Convertible Securities Fund on page 1 of the 2013 Addendum dated April 2013 to the Current Explanatory Memorandum relating to (amongst other things) the Franklin Global Convertible Securities Fund and amended by the 2014 Second Addendum dated April 2014 to the Current Explanatory Memorandum, will be revised and restated as set out below.

(a) Changes to the first and second sentences of the second paragraph:-

“The Fund seeks to achieve its investment objectives by investing primarily in convertible securities (including low-rated, unrated, investment grade, and/or non-investment grade securities ~~and/or securities in default~~) of corporate issuers globally.*

The Fund may also invest in other securities, such as common or preferred stocks and non-convertible debt securities (including low-rated, unrated, investment grade, ~~and/or non-investment grade securities and/or securities in default~~). The Fund may continue to hold securities subsequent to issuer default (“securities in default”).

- (b) Changes to the sixth sentence of the second paragraph:-

“These financial derivative instruments may be dealt ~~in~~ either on regulated markets or over-the-counter, and may include, inter alia, forwards and cross forwards as well as options.”

- (c) Changes to the last sentence of the second paragraph:-

“The Fund may also invest up to 10% of its net assets in securities in default and up to 10% of its net assets in units of UCITS and other UCIs.”

The revisions are to clarify (amongst other things) that the Fund may continue to hold securities subsequent to issuer default and up to 10% of its net assets may be invested in securities in default.

The first paragraph of the risk disclosure pertaining to “Defaulted Debt Securities risk” under the section “INVESTMENT CONSIDERATIONS – Risk Considerations” on page 41 of the Current Explanatory Memorandum shall be revised to reflect the continuing holding of securities in default by the Fund:

“Defaulted Debt Securities risk

Some Funds may invest in debt securities on which the issuer is not currently making principal or interest payments (defaulted debt securities) or continue to hold securities after the issuer has defaulted on principal or interest payments. These Funds may buy or continue to hold defaulted debt securities if, in the opinion of the Investment Manager, it appears likely that the issuer may resume interest payments or other advantageous developments appear likely in the near future. These securities may become illiquid.”

IV. Franklin Global High Income Bond Fund

The second sentence of the first paragraph of the investment policy of Franklin Global High Income Bond Fund on page 7 of the 2014 Addendum dated March 2014 to the Current Explanatory Memorandum will be revised and restated as set out below.

“For the purpose of this Fund, debt securities shall include all varieties of fixed and floating-rate income securities, bonds, mortgage- and other asset-backed securities, convertible securities, collateralised loan obligations (“CLOs”), collateralised debt obligations (“CDOs”) and structured notes (including credit-linked notes).”

The revisions are to clarify that the Fund’s investments in debt securities may include collateralised debt obligations.

For details of the relevant risk considerations pertaining to the Fund’s investment in collateralised debt obligations, please refer to section 6 of this notice.

V. Franklin Global Real Estate Fund¹

The second paragraph of the objective and policy of the Franklin Global Real Estate Fund on page 11 of the Current Explanatory Memorandum will be revised and restated as set out below.

“The Investment Manager seeks to achieve its investment objective by investing in real estate investment trusts (“Real Estate Investment Trusts” or “REITs”) and other real estate and real estate-related companies (including small to mid-sized companies) whose principal business is financing, dealing, holding, developing and managing real estate and which are located around the world, including emerging markets. “REITs” are companies the shares of which are listed on a stock exchange, which invest a significant portion of their net assets directly in real estate and which profit from a special and favourable tax regime. These investments of the Fund shall qualify as transferable securities. The Fund seeks to invest in companies across a wide range of real estate sectors and countries.

The Fund may also utilise various financial derivative instruments for currency hedging and/or efficient portfolio management (such as but not limited to currency forwards and cross forwards, interest rate futures and swaps as well as options).

The Fund may distribute income gross of expenses.”

The revisions are to clarify that “REITs” invest a significant portion of their net assets directly in real estate and that the Fund may: (i) invest in real estate and real estate-related companies (including small to mid-sized companies), including companies located in emerging markets; (ii) utilise certain financial derivative instruments for currency hedging and/or efficient portfolio management purposes and (iii) distribute income gross of expenses. The Fund does not intend to invest extensively in financial derivative instruments for investment purposes both before and after the revisions.

For details of the relevant risk considerations pertaining to the Fund’s use of derivatives, please refer to the sub-section “Derivative risk” of the “Risk Considerations” section on page 41 of the Current Explanatory Memorandum of the Company. For details of the relevant risk considerations pertaining to the Fund’s dividend policy, please refer to the sub-section “Dividend Policy risk” under paragraph 2(v) on page 5 of the 2013 Addendum dated April 2013 to the Current Explanatory Memorandum.

The fifth paragraph of the objective and policy of the Franklin Global Real Estate Fund on page 11 of the Current Explanatory Memorandum will be revised and restated as set out below.

“The Fund is suitable for investors seeking ~~interest~~dividend income and capital appreciation ~~and seeking to by~~ investing in companies across a wide range of real estate sectors and countries and planning to hold their investments for the medium to long term.”

The revisions are to clarify that the Fund is suitable for investors seeking dividend income.

VI. Franklin High Yield Fund

The second sentence of the second paragraph of the objective and policy of the Franklin High Yield Fund on page 12 of the Current Explanatory Memorandum and amended by the 2014 Second

¹ This Fund is authorised by the SFC under the SFC Code but not the Code on Real Estate Investment Trusts. SFC authorization is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Addendum dated April 2014 to the Current Explanatory Memorandum will be revised and restated as set out below.

“The Fund may utilise financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. These financial derivative instruments may include, inter alia, swaps such as credit default swaps or fixed income related total return swaps, forwards, futures contracts, as well as options on such contracts dealt ~~in~~ either on regulated markets or over-the-counter.”

The revisions are to clarify that the Fund may utilise certain financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. The Fund does not intend to invest extensively in financial derivative instruments for investment purposes both before and after the revisions.

For details of the relevant risk considerations pertaining to the Fund’s use of derivatives, please refer to the sub-section “Derivative risk” of the “Risk Considerations” section on page 41 of the Current Explanatory Memorandum of the Company.

VII. Franklin Income Fund

The following new paragraph will be added at the end of the objective and policy of the Franklin Income Fund on page 13 of the Current Explanatory Memorandum:

“The Fund may distribute income gross of expenses.”

The revisions are to clarify that the Fund may distribute income gross of expenses. For details of the relevant risk considerations pertaining to the Fund’s dividend policy, please refer to the sub-section “Dividend Policy risk” under paragraph 2(v) on page 5 of the 2013 Addendum dated April 2013 to the Current Explanatory Memorandum.

VIII. Franklin Natural Resources Fund

The first sentence of the second paragraph of the objective and policy of the Franklin Natural Resources Fund on page 17 of the Current Explanatory Memorandum will be revised and restated as set out below.

“The Fund invests primarily in equity ~~and debt~~ securities as well as depositary receipts of (i) companies which perform a substantial part of their business in the natural resources sector, and (ii) companies which hold a substantial part of their participations in companies referred to in (i), including small and mid-sized companies.”

The revisions are to clarify that the Fund does not intend to invest primarily in debt securities. As stated in the current investment policy of the Fund, the Fund may invest in debt securities of any type of US or non-US issuer on an ancillary basis.

IX. Franklin World Perspectives Fund

The first and fourth sentences of the second paragraph of the objective and policy of the Franklin World Perspectives Fund on page 21 of the Current Explanatory Memorandum and amended by the 2011 Addendum dated June 2011 and the 2014 Second Addendum dated April 2014 to the Current Explanatory Memorandum will be revised and restated as set out below.

(First sentence) *“The Fund seeks to achieve this objective by investing in equity and equity-related transferable securities (including equity-linked notes, such as participatory notes) across the world.”*

(Fourth sentence) *“The Fund may also invest in financial derivative instruments for hedging purposes and/or efficient portfolio management, which may include, inter alia, swaps such as credit default swaps, forwards, futures contracts, as well as options on such contracts dealt on either regulated markets or over-the-counter.”*

The revisions are to clarify that: (i) the equity-related transferable securities that the Fund may invest in may include equity-linked notes such as participatory notes; and (ii) the Fund may utilise certain financial derivative instruments for hedging and/or efficient portfolio management purposes. The Fund does not intend to invest in financial derivative instruments for investment purposes both before and after the revisions.

For details of the relevant risk considerations pertaining to the Fund’s use of derivatives and investments in equity-linked notes and participatory notes, please refer to the sub-section “Derivative risk” of the “Risk Considerations” section on page 41 of the Current Explanatory Memorandum of the Company, to paragraph 4(B) headed “Structured Notes risk” on page 11 of the 2014 Addendum dated March 2014 to the Current Explanatory Memorandum and to paragraph 7(B) headed “Participatory Notes Risk” on page 9 of the 2014 Second Addendum dated April 2014 to the Current Explanatory Memorandum.

X. Templeton Asian Smaller Companies Fund

The last sentence of the second paragraph of the investment objective and policy of the Templeton Asian Smaller Companies Fund, as set out on page 24 of the Current Explanatory Memorandum and amended by the 2014 Second Addendum dated April 2014 to the Current Explanatory Memorandum, will be revised and restated as set out below.

“Furthermore, for the purpose of the Fund’s investment objective, Asian small-cap companies are those having a market capitalisation at the time of ~~the~~ initial purchase of less than within the range of the market capitalisations of companies included in the MSCI AC Asia ex-Japan Small Cap Index (“Index”). Once a security qualifies for initial purchase, it continues to qualify for additional purchases as long as it is held by the Fund; however, if the maximum market capitalisations of companies allowed by the Index falls below USD 2 billion, the security will only qualify for additional purchases if its market capitalisation does not exceed USD 2 billion.”

The revisions are to clarify that for the purpose of the Fund’s investment objective, Asian small-cap companies are those having a market capitalisation at the time of initial purchase within the range of the market capitalisations of companies included in the MSCI AC Asia ex-Japan Small Cap Index (“Index”). Once a security qualifies for initial purchase, it continues to qualify for additional purchases as long as it is held by the Fund; however, if the maximum market capitalisations of companies allowed by the Index falls below USD 2 billion, the security will only qualify for additional purchases by the Fund if its market capitalisation does not exceed USD 2 billion.

XI. Templeton Eastern Europe Fund

The first paragraph of the objective and policy of the Templeton Eastern Europe Fund on page 25 of the Current Explanatory Memorandum will be revised and restated as set out below.

“The Fund’s investment objective is capital appreciation, which it seeks to achieve by investing primarily in listed equity securities of issuers organised under the laws of, or with their principal activities within the countries of Eastern Europe, as well as the New Independent States, e.g. the countries in Europe and Asia that were formerly part of or under the influence of the Soviet Union in the past (the “Region”).”

The revisions are to clarify that the Fund intends to invest primarily in listed equity securities. For details of the relevant risk considerations pertaining to the Fund’s investments in listed equity securities, please refer to the sub-section “Equity risk” of the “Risk Considerations” section on page 42 of the Current Explanatory Memorandum of the Company.

XII. Templeton Emerging Markets Fund

The third paragraph of the objective and policy of the Templeton Emerging Markets Fund on page 26 of the Current Explanatory Memorandum will be revised and restated as set out below.

“Since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may seek investment opportunities in other types of securities, such as preferred stock, participatory notes, securities convertible into common stock, and corporate and government debt obligations,~~which are US dollar and non-US dollar denominated.~~”

The revisions are to clarify that the Fund may invest in participatory notes and to remove an unnecessary elaboration that the Fund’s investments in securities are US dollar and non-US dollar denominated.

For details of the relevant risk considerations pertaining to the Fund’s investment in participatory notes, please refer to paragraph 7(B) headed “Participatory Notes Risk” on page 9 of the 2014 Second Addendum dated April 2014 to the Current Explanatory Memorandum.

XIII. Templeton Emerging Markets Balanced Fund

The first sentence of the third paragraph of the investment objective and policy of the Templeton Emerging Markets Balanced Fund, as set out on the 2011 Second Addendum dated October 2011 to the Current Explanatory Memorandum and amended by the 2013 Third Addendum dated June 2013 to the Current Explanatory Memorandum and the 2014 Second Addendum dated April 2014 to the Current Explanatory Memorandum, will be revised and restated as set out below.

“The Fund may also utilize financial derivative instruments for hedging, efficient portfolio management and/or investment purposes.”

The revisions are to clarify that the Fund may utilise certain financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. The Fund does not intend to invest extensively in financial derivative instruments for investment purposes both before and after the revisions.

For details of the relevant risk considerations pertaining to the Fund’s use of derivatives, please refer to the sub-section “Derivative risk” of the “Risk Considerations” section on page 41 of the Current Explanatory Memorandum of the Company.

XIV. Templeton Emerging Markets Smaller Companies Fund

The second sentence of the first paragraph, and the second paragraph, of the objective and policy of the Templeton Emerging Markets Smaller Companies Fund on page 27 of the Current Explanatory Memorandum will be revised and restated as set out below.

“For the purpose of the Fund’s investment objective, Emerging Market small cap companies are normally those having a market capitalisation at the time of ~~the purchase of less than USD2 billion~~ initial purchase within the range of the market capitalisations of companies included in the MSCI Emerging Markets Small Cap Index (Index). Once a security qualifies for initial purchase, it continues to qualify for additional purchases as long as it is held by the Fund; however, if the maximum market capitalisations of companies allowed by the Index falls below USD 2 billion, the security will only qualify for additional purchases if its market capitalisation does not exceed USD 2 billion.”

On an ancillary basis, the Fund may also invest in participatory notes, in debt securities of Emerging Market countries, which may be low-rated or unrated, and in transferable securities of issuers located in the developed countries.”

The revisions are to: (i) elaborate on the criteria to be met by Emerging Market small cap companies in order to be eligible for initial and additional purchases by the Fund, and (ii) to clarify that the Fund may invest in participatory notes.

For details of the relevant risk considerations pertaining to the Fund’s investment in participatory notes, please refer to paragraph 7(B) headed “Participatory Notes Risk” on page 9 of the 2014 Second Addendum dated April 2014 to the Current Explanatory Memorandum.

XV. Templeton Frontier Markets Fund

The first sentence of the third paragraph of the investment objective and policy of the Templeton Frontier Markets Fund, as set out on pages 30 and 31 of the Current Explanatory Memorandum and amended by the 2011-12 Addendum dated January 2013 to the Current Explanatory Memorandum, will be revised and restated as set out below.

“Since the investment objective is more likely to be achieved through an investment policy which is flexible and adaptable, the Fund may also invest in participatory notes and other types of transferable securities, including equity, equity-related and fixed income securities of issuers worldwide as well as in financial derivative instruments for hedging and/or efficient portfolio management purposes.”

The revisions are to clarify that the Fund’s investments in transferable securities may include participatory notes and equity-related securities.

For details of the relevant risk considerations pertaining to the Fund’s investment in participatory notes, please refer to paragraph 7(B) headed “Participatory Notes Risk” on page 9 of the 2014 Second Addendum dated April 2014 to the Current Explanatory Memorandum.

XVI. Templeton Global Balanced Fund

The following new paragraph will be added immediately following the second paragraph of the investment objective and policy of the Templeton Global Balanced Fund, as set out on page 32 of the Current Explanatory Memorandum:

“The Fund may also utilise financial derivative instruments for hedging purposes and/or efficient portfolio management. These financial derivative instruments may be dealt on either (i) regulated markets, such as futures contracts (including those on government securities), as well as options or (ii) over-the-counter such as currency, exchange rate, and interest rate related swaps and forwards.”

The revisions are to clarify that the Fund may utilise certain financial derivative instruments for hedging and/or efficient portfolio management purposes. The Fund does not intend to invest extensively in financial derivative instruments for investment purposes both before and after the revisions.

For details of the relevant risk considerations pertaining to the Fund’s use of derivatives, please refer to the sub-section “Derivative risk” of the “Risk Considerations” section on page 41 of the Current Explanatory Memorandum of the Company.

XVII. Templeton Global Income Fund

The following new paragraph will be added at the end of the objective and policy of the Templeton Global Fund on page 35 of the Current Explanatory Memorandum:

“The Fund may distribute income gross of expenses.”

The revisions are to clarify that the Fund may distribute income gross of expenses. For details of the relevant risk considerations pertaining to the Fund’s dividend policy, please refer to the sub-section “Dividend Policy risk” under paragraph 2(v) on page 5 of the 2013 Addendum dated April 2013 to the Current Explanatory Memorandum.

XVIII. Templeton Global High Yield Fund

The second sentence of the second paragraph of the investment objective and policy of the Templeton Global High Yield Fund, as set out in page 34 of the Current Explanatory Memorandum and amended by the 2014 Second Addendum dated April 2014 to the Current Explanatory Memorandum, will be revised and restated as set out below.

“For the purpose of this Fund, debt securities shall include all varieties of fixed and floating rate income securities (including bank loans through regulated investment funds subject to the limits indicated below), bonds, mortgage and other asset-backed securities (including collateralised debt obligations) and convertible securities.”

The revisions are to clarify that the mortgage and other asset-backed securities that the Fund may invest in may include, amongst other things, collateralised debt obligations. Rest assured, there will be no change to the way that the Fund is currently managed or to the investment strategy of the Fund.

For details of the relevant risk considerations pertaining to the Fund’s investment in collateralised debt obligations, please refer to section 6 of this notice.

6. Addition of risk disclosures on collateralised debt obligations and concentration

To draw investors’ attention to the relevant risk considerations pertaining to:

- (a) the Franklin Global High Income Bond Fund’s and the Templeton Global High Yield Fund’s investment in collateralised loan obligations and other collateralised debt obligations; and
- (b) the Franklin U.S. Focus Fund’s intention to maintain a portfolio with holdings in a relatively limited number of issuers,

the following new risk disclosures shall be added after the sub-section headed “Class Hedging risk” and before the sub-section headed “Convertible securities risk” under the section “INVESTMENT CONSIDERATIONS – Risk Considerations” on page 39 of the Current Explanatory Memorandum (as amended by the 2013 Addendum to the Current Explanatory Memorandum dated April 2013):-

“Collateralised Debt Obligations risk

Some funds (such as the Franklin Global High Income Bond Fund and the Templeton Global High Yield Fund) may invest in particular types of asset-backed security known as Collateralised Debt Obligation (CDOs) or (if loans are the underlying asset) Collateralised Loan Obligations (CLOs). The risks of an investment in a CDO or CLO depend largely on the type of collateral held by the special purpose entity (SPE) and the tranche of the CDO or CLO in which a Fund invests. In a typical CDO or CLO structure, there are multiple tranches with varying degrees of seniority, with the most senior tranche getting first access to the interest and principal payments from the pool of underlying assets, the next most senior getting second access, and so on down the line until the residual (or equity tranche) which has the last call on the interest and principal. The lower the priority of the tranche is, the greater the risk. Investment risk may also be affected by the performance of the collateral manager (the entity responsible for selecting and managing the pool of collateral securities held by the SPE trust), especially during a period of market volatility. CDOs or CLOs may be deemed

to be illiquid securities and subject to a Fund’s restrictions on investments in illiquid securities. A Fund’s investment in CDOs or CLOs will not receive the same investor protection as an investment in registered securities. As a result of these factors, prices of CDO or CLO tranches can decline considerably.

In addition to the normal risks associated with debt securities and asset backed securities (e.g., interest rate risk, credit risk and default risk), CDOs and CLOs carry additional risks including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or quality or go into default or be downgraded; (iii) a Fund may invest in tranches of a CDO or CLO that are subordinate to other classes; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer, difficulty in valuing the security or unexpected investment results, which may result in a substantial loss to the Fund.

Concentration risk

Some Funds, such as the Franklin U.S. Focus Fund, may have an investment policy which specifically states an intention to maintain a portfolio with holdings in a relatively limited number of issuers (for example, the securities of 30 to 40 companies) even as the Fund increases in size, for the purpose of keeping the Fund concentrated in fewer issuers than the Fund might normally hold as part of a more highly diversified strategy. It should be noted that some Funds may have holdings in a relatively limited number of issuers by virtue of being relatively small in size, so the smaller number of holdings is simply a result of the Funds not having sufficiently large net asset values to invest efficiently in more issuers – bonds in particular tend to trade in relatively large lot sizes that makes it difficult for small bond funds to have a large number of holdings. Funds that by policy seek to maintain a smaller number of holdings, however, will remain less diversified even as they grow in size. By being less diversified, such Funds may be more volatile than broadly diversified Funds, or may be exposed to greater risk since underperformance of one or a few positions will have a greater impact in a less diversified Fund where there are fewer positions so each position will tend to be a larger percentage of total net assets. The relevant Funds may be adversely affected as a result of such greater volatility or risk.”

7. Increases in the expected levels of leverage of the Templeton Emerging Markets Bond Fund, the Templeton Global Bond Fund and the Templeton Global Total Return Fund

Investors should note that the expected levels of leverage of the Templeton Emerging Markets Bond Fund, the Templeton Global Bond Fund and the Templeton Global Total Return Fund are estimated to increase to the levels detailed in the table below:

	Previous expected level of leverage based on “sum of notionals” approach	Current expected level of leverage based on “sum of notionals” approach	Expected maximum level of leverage based on “commitment” approach
Templeton Emerging Markets Bond Fund	40%	70%	175%
Templeton Global Bond Fund	90%	110%	225%
Templeton Global Total Return Fund	80%	100%	225%

The current expected level of leverage (“sum of notionals” approach) and the expected maximum level of leverage (“commitment” approach) are not regulatory limits for the Funds in the table (as these Funds use relative VaR as their measure of global exposure, not the commitment approach) and should be used for indicative purposes only. The level of leverage in a Fund may be higher or lower than the expected level shown above at any time as long as the Fund remains in line with its risk profile and complies with its relative Value at Risk (VaR) limit. Under Luxembourg Law, absolute VaR limits are currently 20% of total net assets and relative VaR limits are currently twice or 200% of the benchmark VaR. The level of leverage in a Fund is not expected to exceed the maximum level indicated above but investors should note that there is possibility of higher leverage levels in certain circumstances, such as when trades are put in reaction to sudden high market volatility (to mitigate risk).

The expected level of leverage based on the “sum of notionals” approach is measured as the sum of notionals of all financial derivative contracts entered into by the relevant Fund expressed as a percentage of the relevant Fund’s net asset value. The leverage is a measure of the aggregate derivative usage and therefore does not take into account other physical assets directly held in the portfolio of the relevant Fund. The annual report of the Company will provide the actual level of leverage based on the “sum of notionals” approach over the applicable period and additional explanations on this figure.

The expected maximum level of leverage based on the commitment approach is calculated in line with the Committee of European Securities Regulators’ Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS dated 28 July 2010 (Ref. CESR/10-788), and factors in the market value of the equivalent positions in the underlying assets of the financial derivative instruments held by a Fund (sometimes referred to as “notional exposure”), after taking into account netting and hedging arrangements where the market value of underlying security positions may be offset by other commitments related to the same underlying positions. Such netting and hedging arrangement are not applied to the “sum of notionals” approach, which factors in the notional amounts for all derivative contracts regardless of whether it is a hedge or not. However, the commitment approach does require that, in instances where neither leg of a forward currency transaction is denominated in the base currency of the Fund, both legs of the transaction need to be reflected in the commitment approach calculation, whereas under the “sum of notionals” approach only one leg would be included. For this reason, it is possible for the commitment approach figure to be higher than the “sum of notionals” figure despite the offsets allowed when netting and hedging arrangements are applied. Global exposure using the commitment approach is expressed as an absolute percentage of total net assets.

To draw investors’ attention to the relevant risk considerations pertaining to the expected levels of leverage of the Templeton Global Bond Fund and the Templeton Global Total Return Fund, the following new risk disclosure shall be added after the sub-section headed “Growth Stocks risk” under the section “INVESTMENT CONSIDERATIONS – Risk Considerations” on page 44 of the Current Explanatory Memorandum:

“High Expected Leverage risk

Funds utilising financial derivative instruments extensively for investment purposes may have a net leverage exposure of over 100% of their net asset value to financial derivative instruments. Investors should note that the Templeton Global Bond Fund and the Templeton Global Total Return Fund are expected to have greater than 100% leverage (based on the commitment approach). Other Funds which use financial derivative instruments for investment purposes may also exceed this threshold in exceptional circumstances, for example, during times of heightened market uncertainty where a relevant Fund increases its use of derivatives in order to manage risk within the portfolio and protect against the potential effects of market events such as interest rate or currency movements or potential credit exposure. In adverse situations, this may result in significant or total loss to the relevant Fund(s).”

Rest assured, there will be no change to the way that the Funds are currently managed or to the investment strategy of the Funds. For details of the relevant risk considerations pertaining to the Funds' use of derivatives, please refer to the sub-section "Derivative risk" of the "Risk Considerations" section on page 41 of the Current Explanatory Memorandum of the Company.

The Current Explanatory Memorandum of the Company shall be revised accordingly.

8. Changes in investment managers

The Management Company has delegated the portfolio management of Templeton Global Smaller Companies Fund ("TGSCF") to its existing investment manager, Franklin Templeton Investments Corp. In addition, the Management Company has delegated the portfolio management of Franklin Mutual European Fund ("FMEF") to its existing co-investment managers, Franklin Mutual Advisers, LLC and Franklin Templeton Investment Management Limited.

The Management Company has decided to apply the following change to the investment manager of the TGSCF. Separately, the investment management structure of FMEF will change due to the stepping down of an existing co-investment manager. Rest assured, the change to the investment manager (in the case of the TGSCF) and the investment management structure (in the case of the FMEF) will have no impact on the investment objectives and policies of the TGSCF or the FMEF, nor the manner in which the TGSCF and the FMEF are being managed. The investment team at Franklin Templeton Investments has always managed assets based on a team approach and the TGSCF and the FMEF will continue to be managed according to the same principles. There will also be no change in the fee levels in respect of the TGSCF or the FMEF.

I. Templeton Investment Counsel, LLC will replace Franklin Templeton Investments Corp. as the investment manager of the TGSCF

Due to a proposed change in the portfolio manager for the TGSCF, Franklin Templeton Investments Corp. will be replaced by Templeton Investment Counsel, LLC as the investment manager of the TGSCF.

As a result of the change, the list of Funds managed by Franklin Templeton Investments Corp. as set out under the section headed "MANAGEMENT AND ADMINISTRATION – Investment Managers" on page 87 of the Current Explanatory Memorandum shall be deleted in its entirety and the following list of Funds managed by Templeton Investment Counsel, LLC shall be inserted at the end of the same section on page 87 of the Current Explanatory Memorandum:

"Templeton Investment Counsel, LLC manages the following Fund:

Templeton Global Smaller Companies Fund".

With this change, Franklin Templeton Investments Corp. will cease to act as an investment manager of any of the Funds that are authorized by the SFC and accordingly, all references to "Franklin Templeton Investments Corp." shall be deleted from the Current Explanatory Memorandum.

II. Franklin Templeton Investment Management Limited will cease to be a co-investment manager of the FMEF

Due to a proposed change in the portfolio manager for the FMEF, Franklin Templeton Investment Management Limited will cease to be a co-investment manager of the FMEF.

To reflect this change, paragraph 7 of the 2014 Third Addendum to the Current Explanatory Memorandum dated October 2014 will be deleted in its entirety.

As a result of the foregoing changes:

- Templeton Investment Counsel, LLC shall be included in the lists of Investment Managers in the second paragraph of the section headed “INTRODUCTION – Franklin Templeton Investment Funds” on page 2 of the Current Explanatory Memorandum and in the first paragraph of the section headed “MANAGEMENT AND ADMINISTRATION – Investment Managers” on page 86 of the Current Explanatory Memorandum (the “Investment Manager Lists”).
- The following paragraphs shall be inserted under the section headed “ADMINISTRATION – Investment Managers” on page 89 of the Current Explanatory Memorandum:

“TEMPLETON INVESTMENT COUNSEL, LLC
300 S.E., 2nd Street
Fort Lauderdale
Florida 33301
United States”

* * * * *

The Management Company accepts full responsibility for the accuracy of the information contained in this letter as at the date of its publication and confirms, having made all reasonable enquiries, that to the best of its 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
富蘭克林鄧普頓投資(亞洲)有限公司


David Chang
Director

此乃重要文件，須即時留意。
如閣下對本信件的内容有任何疑問，請諮詢獨立專業人士意見。

敬啟者:

富蘭克林鄧普頓投資基金(「本公司」)

本信件的目的是要通知閣下本公司於二零一零年十二月發行的基金說明書(經修訂)
(「**現行基金說明書**」)之以下修訂:

- (1) 管理公司(Franklin Templeton Investment Services S.à r.l.)有關軟關閉政策的披露;
- (2) 本公司有關向外國銀行帳戶支付贖回金額的政策披露;
- (3) 本基金各股份類別須支付的維持費金額及主要分銷商(Franklin Templeton Investment Services S.à r.l.)收取的維持費的使用情況說明(由二零一五年七月三十一日起生效);
- (4) 本公司有關金融衍生工具及有關可轉讓證券及貨幣市場工具之技術及工具之運用的投資限制之變更;
- (5) 本公司(「**本基金**」)部分子基金的投資政策之變更(由二零一五年七月三十一日起生效);
- (6) 新增有關債務抵押證券風險及集中風險的風險披露;
- (7) 鄧普頓新興市場債券基金、鄧普頓環球債券基金及鄧普頓環球總收益基金的預計槓桿水平將上調;
- (8)(I) 鄧普頓環球小型公司基金的投資經理的變更(由二零一五年七月三十一日起生效);及
- (8)(II) 富蘭克林互惠歐洲基金的投資聯席經理將離任(由二零一五年七月三十一日起生效)。

除另有規定外，本通知內所用的詞語與現行基金說明書所界定者具相同涵義。

1. 管理公司有關軟關閉政策的披露

為通知投資者有關本公司的軟關閉政策，以下段落將新增至現行基金說明書第 4 頁的標題「最低投資額」之前：

「基金軟關閉

如管理公司認為基於保障現有股東的利益而有必要暫停，則基金或股份類別可暫停接受新投資者或新認購或轉入（但繼續接受贖回或轉出）。在不規限可以暫停的合理情況的前提下，該等情況可以是當基金到達市場及／或相關投資經理可接納之容量，及如容許資金繼續流入會削弱基金的表現。任何基金或股份類別可毋須通知股東而暫停接受新投資者或新認購或轉入。

儘管如此，管理公司可酌情容許繼續接受定期儲蓄計劃的認購，惟該等資金流入必須不會對基金規模造成挑戰。除非管理公司認為導致暫停的情況不再存在，否則基金或股份類別一經暫停將不會重開。股東及準投資者可聯絡香港代表查詢有關基金或股份類別的現況。」

2. 本公司有關向外國銀行帳戶支付贖回金額的政策披露

為通知投資者有關本公司向外國銀行帳戶支付贖回款項的政策，以下句子將新增至現行基金說明書第 68 頁「贖回 - 指示及贖款」一節內的第二段第五句之後：

「投資者應注意，如果他們的贖回指示附帶要求將贖回款項支付到投資者居住國以外國家的銀行帳戶時，本公司保留延遲執行交易或發放款項的權利直至本公司收到更多足以提供對投資者額外保障的資料或文件。此程序受證券及期貨事務監察委員會頒佈的單位信託及互惠基金守則規限，包括由收到附有適當文件的贖回請求至發放贖回金額的最長期限，不可超過一個曆月。」

投資者應注意，本公司受證券及期貨事務監察委員會（「證監會」）頒佈的單位信託及互惠基金守則（「證監會守則」）規限，包括證監會守則第 6.14 條的規定要求須於收到附有適當文件的贖回請求一個曆月內將贖回款項支付予相關的贖回股東。

3. 本基金各股份類別須支付的維持費金額及主要分銷商（Franklin Templeton Investment Services S.à r.l.）對收取的維持費的使用情況說明

除其他各項須持續繳付的費用及收費之外，本公司的 A 類股份、B 類股份及 N 類股份須支付維持費，如現行基金說明書第 72 至第 80 頁「費用及支出」一節中所披露。此費用交付予本公司的主要分銷商 Franklin Templeton Investment Services S.à r.l.，作為其與股份持有人聯絡及管理股份時所產生的開支的補償。

主要分銷商通常會將其由本公司收取的部分或所有維持費支付予各第三方次分銷商、中介人或經紀／交易商，作為其提供股份持有人聯絡及股份管理服務的報酬。為免存疑，維持費並非因買賣股份而須支付予銷售代理人的佣金或有關本公司的廣告或宣傳活動的開支。

就 N 類股份而言，其維持費現時被描述為「分銷費」（詳情請參閱現行基金說明書第 78 及第 79 頁「費用及支出 - N 類股份」一節）。現時適用於 N 類股份的「分銷費」將被重命名為「維持費」，以與 A 類股份、B 類股份的相應費用的描述保持一致。

除富蘭克林美國政府基金的 B 類股份之外，A 類股份、B 類股份及 N 類股的每年維持費現時為現行基金說明載書所載的最高水平。富蘭克林美國政府基金的 B 類股份的每年維持費現時為 0.50%，低於現行基金說明載書所載的最高水平 0.75%。為說明及額外披露主要分銷商對收取的維持費的使用，現行基金說明書「費用及支出」一節將被修訂並被以下取代。

- (a) 第 72 至 73 頁、第 74 頁及第 78 至 79 頁所載的 A 類股份、B 類股份及 N 類股份的每年管理費表中所有有關「最高」及「（最高）」的提述將被刪除。
- (b) 日期為二零一四年十月的現行基金說明書二零一四年第三增編第 4 頁將被修訂，以說明富蘭克林美國焦點基金 A 類股份的每年維持費為 0.50%，及富蘭克林美國焦點基金 A 類股份的每年管理費及每年維持費的總和為 1.50%。
- (c) 日期為二零一四年三月的現行基金說明書二零一四年增編第 8 頁將被修訂，以說明富蘭克林環球高入息債券基金 A 類股份的每年維持費為 0.40%，及富蘭克林環球高入息債券基金 A 類股份的每年管理費及每年維持費的總和為 1.20%。
- (d) 日期為二零一四年三月的現行基金說明書二零一四年增編第 10 頁將被修訂，以說明富蘭克林環球基建基金 A 類股份的每年維持費為 0.50%，及富蘭克林環球基建基金 A 類股份的每年管理費及每年維持費的總和為 1.50%。
- (e) 日期為二零一三年四月、有關富蘭克林環球可換股證券基金的的現行基金說明書二零一三年增編第 2 頁將被修訂，以說明富蘭克林環球可換股證券基金 A 類股份的每年維持費為 0.50%，及富蘭克林環球可換股證券基金 A 類股份的每年管理費及每年維持費的總和為 1.25%。
- (f) 日期為二零一三年四月、有關鄧普頓亞洲股息基金的現行基金說明書二零一三年增編第 3 頁將被修訂，以說明鄧普頓亞洲股息基金 A 類股份的每年維持費為 0.50%，及鄧普頓亞洲股息基金 A 類股份的每年管理費及每年維持費的總和為 1.85%。
- (g) 日期為二零一一年十月的現行基金說明書二零一一年第二增編第 2 頁將被修訂，以說明鄧普頓新興市場均衡基金 A 類股份的每年維持費為 0.50%，及鄧普頓新興市場均衡基金 A 類股份的每年管理費及每年維持費的總和為 1.80%。
- (h) 現行基金說明書第 74 頁「費用及支出 - B 類股份 - 每年管理費」一節中的表格將被修訂，以說明富蘭克林美國政府基金的 B 類股份的每年維持費為 0.50%。
- (i) 現行基金說明書第 73 頁「費用及支出 - A 類股份 - 每年管理費」一節中的段落將被作出以下修訂：

「就 A 類股份而言，亦會從適用於計算的平均資產淨值中扣除某個百分比作為每年的維持費，交付主要分銷商藉以補償主要分銷商與股份持有人聯絡及管理股份時所產生的任何開支。本費用每日累算及每月扣除交付予主要分銷商。

主要分銷商通常會將部分或所有維持費支付予各第三方次分銷商、中介人或經紀／交易商。」

- (j) 現行基金說明書第 75 頁「費用及支出 - B 類股份 - 每年管理費」一節中的段落將被作出以下修訂：

~~「此外，就 B 類股份而言，亦會從適用於計算的平均資產淨值中扣除最高 0.75% 為每年的維持費，交付主要分銷商藉以補償主要分銷商，與股份持有人聯絡及管理股份時所產生的任何開支，及處理或然遞延認購費。本費用每日累算及每月扣除並交付予主要分銷商。」~~

交付予主要分銷商的維持費可用來支付個別投資者或個別投資團體的某些費用。主要分銷商通常會將部分或所有維持費支付予各第三方次分銷商、中介人或經紀／交易商。」

- (k) 現行基金說明書第 78 至 79 頁所載的 N 類股份的每年管理費表中有關「分銷費」的提述將被「維持費」取代，及現行基金說明書第 79 頁「費用及支出 - N 類股份 - 每年管理費」一節中的第三段將被作出以下修訂：

~~「除其他款項外，亦會從適用於計算 N 類股份的資產淨值中扣除最多 1.25% 為每年的分銷維持費，支付主要分銷商藉以補償主要分銷商向本公司所提供的分銷服務及與股份持有人的聯絡及管理股份時所產生的任何開支。本費用每日累算及每月扣除並交付主要分銷商。」~~

主要分銷商通常會將部分或所有維持費支付予各第三方次分銷商、中介人或經紀／交易商。」

4. 本公司有關金融衍生工具及有關可轉讓證券及貨幣市場工具之技術及工具之運用的投資限制之變更

為遵守法律及監管要求，以下段落將新增至「投資限制—— 3. 金融衍生工具」一節內的第六段（如日期為二零一四年四月的現行基金說明書二零一四年第二增編第 7 頁所載）之後：

「根據前段所述的要求，基金可全數被抵押在由任何歐盟成員國、其地方當局或公共國際機構（其成員包括一個或多個歐盟成員國）或由經合組織的其他成員國、新加坡或 G20 任何成員國發行或擔保的不同可轉讓證券及貨幣市場工具，惟該基金須持有最少六種不同發行的證券，及任何一種發行的證券不可超逾該基金資產淨值的 30%。」

為遵守法律及監管要求，現行基金說明書第63及第64頁「投資限制 - 4. 有關可轉讓證券及貨幣市場工具之技術及工具之運用」一節（經日期為二零一四年四月的現行基金說明書二零一四年第二增編修訂）將被作出以下修訂：

(a) 該節第一段將被作出以下修訂（變更已標明）：

「在最大限度的准許及在限制說明內，二零一零年十二月十七日法律及任何現在或將來的盧森堡相關法律或實施規例、通告及盧森堡監管當局的立場（「規例」），尤其以下的條項：(i) 二零零八年二月八日 *Grand-Ducal* 規例第 11 條，關於二零零二年十二月二十日有關集體投資計劃之盧森堡法律的某些定義及 (ii) *CSSF* 通告 08/356 號及 13/559 14/592 號有關規則適用於當集體投資計劃使用某些技巧，與可轉讓證券及貨幣市場工具的有關工具，各項基金可能產生額外的資本或收益的目的，或降低成本或風險 (A) 以買家或賣家的身份訂立可選擇性及不可選擇性的回購交易及 (B) 從事證券借貸交易。」

(b) 以下一段將新增至日期為二零一四年四月的現行基金說明書二零一四年第二增編第8頁所載的第五段之後，作為一個新段落：

「根據前段所述的要求，基金可全數被抵押在由任何歐盟成員國、其地方當局或公共國際機構（其成員包括一個或多個歐盟成員國）或由經合組織的其他成員國、新加坡或 G20 任何成員國發行或擔保的不同可轉讓證券及貨幣市場工具，惟該基金須持有最少六種不同發行的證券，及任何一種發行的證券不可超逾該基金資產淨值的 30%。」

5. 部分基金的投資政策之修訂

為作出說明，下列基金之投資政策將被修訂並被以下取代。為方便閣下作比較，有關變更已被標明如下。

請放心，基金現時的管理方式或基金的投資策略或基金的收費水平將不會有所改變。

I. 富蘭克林歐元政府債券基金

以下新段落將加插於現行基金說明書第28頁所載的富蘭克林歐元政府債券基金之投資目標及政策（經日期為二零一四年十月的現行基金說明書二零一四年第三增編修訂）的第四段之後：

「本基金亦可利用金融衍生工具作對沖用途及／或有效管理投資組合。此等金融衍生工具可於以下市場買賣：(i) 受監管市場，例如期貨合約（包括那些有關政府證券的期貨合約），以及期權或(ii) 場外交易市場，例如貨幣、匯率及利率相關掉期及遠期。」

該等修訂旨在說明基金可使用若干金融衍生工具作對沖及／或有效管理投資組合用途。於該等修訂之前及之後，基金並不打算廣泛地投資於金融衍生工具作投資用途。

有關基金使用衍生工具的相關風險考慮之詳細資料，請參閱本公司現行基金說明書第41頁「風險考慮」一節內的「衍生工具風險」一分節。

II. 富蘭克林歐元高息基金

現行基金說明書第28頁所載的富蘭克林歐元高息基金之投資目標及政策（經日期為二零一四年四月的現行基金說明書二零一四年第二增編修訂）的第二段第二句將被修訂並被以下取代。

「此等金融衍生工具除其他以外可包括掉期合約（例如信貸違約掉期或與固定收益相關的總回報掉期）、遠期合約、期貨合約，亦包括於受監管市場或場外交易市場買賣的此等合約的期權。本基金亦可使用金融衍生工具作對沖、有效管理投資組合及／或投資用途。」

該等修訂旨在說明基金可使用若干金融衍生工具作對沖、有效管理投資組合及／或投資用途。於該等修訂之前及之後，基金並不打算廣泛地投資於金融衍生工具作投資用途。

有關基金使用衍生工具的相關風險考慮之詳細資料，請參閱本公司現行基金說明書第41頁「風險考慮」一節內的「衍生工具風險」一分節。

III. 富蘭克林環球可換股證券基金

日期為二零一三年四月、關於（除其他外）富蘭克林環球可換股證券基金的現行基金說明書二零一三年增編（經二零一四年四月的現行基金說明書二零一四年第二增編修訂）第1頁所載的富蘭克林環球可換股證券基金之投資目標及策略的第二段將被修訂並被以下取代。

(a) 第二段第一、二句的變更: -

「本基金主要*投資於世界各地的企業發行機構所發行的可換股證券（包括低評級、未被評級、投資級別及／或非投資級別的證券及／或違約證券），以尋求達致其投資目標。本基金亦可投資於其他繼續持有證券（違約證券）如普通股或優先股及不可換股債務證券（包括低評級、未被評級、投資級別及／或非投資級別的證券及／或違約證券）。本基金可於發行機構違約後繼續持有證券（「違約證券」）。」

(b) 第二段最後一句的變更: -

「本基金亦可投資最高達其資產淨值的10%於違約證券及最高達其資產淨值的10%於可轉讓證券集體投資企業（「UCITS」）及其他集體投資企業（「UCIs」）的單位。」

該等修訂旨在說明（除其他外）基金可於發行機構違約後繼續持有證券，及可投資最高達其淨資產的10%於違約證券。

現行基金說明書第 41 頁「投資考慮——風險考慮」一節內的「違約債務證券風險」之風險披露的第一段將被修訂，以反映基金繼續持有違約證券：

「違約債務證券風險

某些基金可投資於發行機構現時沒有就其作出本金或利息付款的債務證券（違約債務證券）或於發行機構未能作出本金或利息付款後繼續持有證券。若基金經理認為，看來發行機構於不久將來可能恢復利息付款或有其他有利發展，此等基金可購買或繼續持有違約債務證券。此等證券可能變為流通性不足。」

IV. 富蘭克林環球高入息債券基金

日期為二零一四年三月的現行基金說明書二零一四年增編第 7 頁的富蘭克林環球高入息債券基金之投資策略的第一段第二句將被修訂並被以下取代。

「就本基金而言，債務證券將包含各種不同的固定及浮動利率證券、債券、按揭抵押證券及其他資產抵押證券、可轉換證券、貸款抵押證券、債務抵押證券及結構性票據（包括信貸掛鈎票據）。」

該等修訂旨在說明基金於債務證券的投資包括債務抵押證券。

有關基金投資於債務抵押證券的相關風險考慮之詳細資料，請參閱本通知的第六節。

V. 富蘭克林環球物業收益基金¹

現行基金說明書第11頁的富蘭克林環球物業收益基金之投資目標及政策的第二段將被修訂並被以下取代。

「投資經理投資於房地產投資信託基金（「房地產投資信託基金」或「REITS」）及位於世界各地（包括新興市場）其主要業務為房地產融資、買賣、持有、發展及管理其他房地產及房地產相關公司（包括中小型公司），以謀求達至其投資目標。REITS 是其股份於證券交易所上市，其大部分淨資產直接投資於房地產及從一個特別及優惠的稅制中得到利潤的公司。本基金的此等投資將符合為可轉讓證券。本基金致力投資於不同房地產行業及國家的公司。

本基金亦可使用各種金融衍生工具作貨幣對沖及／或有效管理投資組合用途（例如但不限於貨幣遠期及交叉遠期、利率期貨及掉期以及期權）。

本基金可在未扣除開支之下分派入息。」

¹ 本基金乃根據證監會守則而非根據房地產投資信託基金守則獲證監會認可。證監會認可不等如對該產品作出推介或認許，亦不是對該產品的商業利弊或表現作出保證，更不代表該產品適合所有投資者，或認許該產品適合任何個別投資者或任何類別的投資者。

該等修訂旨在說明「REITS」可將其大部分淨資產直接投資於房地產及基金可：(i) 投資於房地產及房地產相關公司（包括中小型公司），包括位於新興市場的公司；(ii) 使用若干金融衍生工具作貨幣對沖及／或有效管理投資組合用途及(iii) 在未扣除開支之下分派入息。於該等修訂之前及之後，基金並不打算廣泛地投資於金融衍生工具作投資用途。

有關基金使用衍生工具的相關風險考慮之詳細資料，請參閱本公司現行基金說明書第41頁「風險考慮」一節內的「衍生工具風險」一分節。有關基金的派息政策的相關風險考慮之詳細資料，請參閱日期為二零一三年四月的現行基金說明書二零一三年增編第5頁第2(v)節的「派息政策風險」。

現行基金說明書第11頁的富蘭克林環球物業收益基金之投資目標及政策的第五段將被修訂並被以下取代。

「本基金適合透過投資於不同房地產行業及國家的公司謀求利息股息收益及資本增值及謀求投資於不同房地產行業及國家的公司，並計劃以此作為中線至長線持有投資的投資者。」

該等修訂旨在說明基金適合謀求股息收益的投資者。

VI. 富蘭克林高息基金

現行基金說明書第12頁所載的富蘭克林高息基金之投資目標及政策（經日期為二零一四年四月的現行基金說明書二零一四年第二增編修訂）的第二段第二句將被修訂並被以下取代。

「本基金可利用金融衍生工具為對沖、有效管理投資組合及／或投資目的。此等金融衍生工具除了其他外可包括掉期合約（例如信貸違約掉期或與固定收益相關的總回報掉期）、遠期合約、期貨合約，亦包括於受監管市場或場外交易市場買賣的此等合約的期權。」

該等修訂旨在說明基金可使用若干金融衍生工具作對沖、有效管理投資組合及／或投資用途。於該等修訂之前及之後，基金並不打算廣泛地投資於金融衍生工具作投資用途。

有關基金使用衍生工具的相關風險考慮之詳細資料，請參閱本公司現行基金說明書第41頁「風險考慮」一節內的「衍生工具風險」一分節。

VII. 富蘭克林入息基金

以下新段落將加插於現行基金說明書第13頁的富蘭克林入息基金之投資目標及政策之後：

「本基金可在未扣除開支之下分派入息。」

該等修訂旨在說明基金可在未扣除開支之下分派入息。有關基金的派息政策的相關風險考慮之詳細資料，請參閱日期為二零一三年四月的本公司現行基金說明書二零一三年增編第 5 頁第 2 (v) 節的「派息政策風險」。

VIII. 富蘭克林天然資源基金

現行基金說明書第17頁的富蘭克林天然資源基金之投資目標及政策的第二段第一句將被修訂並被以下取代。

「本基金主要投資於股票證券及債務證券，亦投資於(i)天然資源界別進行其大部分業務的公司及(ii)持有其大部分參股於(i)所述的公司，包括小型及中型的公司的預託證券。」

該等修訂旨在說明基金並不打算主要投資於債務證券。如基金的現行投資政策所載，在輔助的情況下，基金可投資於任何種類的美國或非美國發行機構的債務證券。

IX. 富蘭克林世界前瞻基金

現行基金說明書第21頁所載的富蘭克林世界前瞻基金之投資目標及政策（經日期為二零一一年六月的現行基金說明書二零一一年增編及日期為二零一四年四月的現行基金說明書二零一四年第二增編修訂）的第二段第一及第四句將被修訂並被以下取代。

（第一句）「本基金透過投資於世界各地之股票及與股票有關的可轉讓證券（包括與股票掛鈎的票據，例如參與票據）以達致此目標。」

（第四句）「本基金亦可投資於金融衍生工具作對沖用途及／或有效管理投資組合，除其他以外可包括掉期，例如信貸違約掉期、遠期合約、期貨合約、及於受監管市場或場外交易市場買賣的此等合約的期權。」

該等修訂旨在說明：(i) 基金可投資的與股票有關的可轉讓證券可能包括與股票掛鈎的票據，例如參與票據；及(ii) 基金可使用若干金融衍生工具作對沖及／或有效管理投資組合用途。於該等修訂之前及之後，基金並不打算投資於金融衍生工具作投資用途。

有關基金使用衍生工具及投資於與股票掛鈎的票據及參與票據的相關風險考慮之詳細資料，請參閱本公司現行基金說明書第 41 頁「風險考慮」一節內的「衍生工具風險」一分節、日期為二零一四年三月的現行基金說明書二零一四年增編第 11 頁第 4 (B) 節的「結構性票據風險」及日期為二零一四年四月的現行基金說明書二零一四年第二增編第 9 頁第 7 (B) 節的「參與票據風險」。

X. 鄧普頓亞洲小型公司基金

現行基金說明書第24頁所載的鄧普頓亞洲小型公司基金之投資目標及政策（經日期為二零一四年四月的現行基金說明書二零一四年第二增編修訂）的第二段最後一句將被修訂並被以下取代。

「再者，為達到就本基金的投資目標而言，亞洲小型公司是指在首次認購時其擁有市場資本值在摩根士丹利綜合亞太區（日本除外）小型公司指數（「指數」）範圍內少於二十億美元（以投資時的市值計算）的公司。只要證券符合首次認購資格，則其在本基金持有證券期間內可供額外認購。然而，若指數所許可的公司最高市場資本值下跌至二十億美元以下時，只有市場資本值不超過二十億美元的證券，可供額外認購。」

該等修訂旨在說明，就基金的投資目標而言，亞洲小型公司是指在首次認購時其市場資本值在摩根士丹利綜合亞太區（日本除外）小型公司指數（「指數」）範圍內的公司。只要證券符合首次認購資格，則其在本基金持有證券期間內可供額外認購。然而，若指數所許可的公司最高市場資本值下跌至二十億美元以下時，基金僅可額外認購市場資本值不超過二十億美元的證券。

XI. 鄧普頓東歐基金

現行基金說明書第25頁的鄧普頓東歐基金之投資目標及政策的第一段將被修訂並被以下取代。

「本基金的投資目標是資本增值，透過主要投資於在東歐國家及新獨立國包括以前為蘇聯一部分或以前受蘇聯影響的歐洲及亞洲國家（「區域」）法例下所組成，或其主要活動在這些區域的發行機構所發行的上市股票證券。」

該等修訂旨在說明基金擬主要投資於上市股票證券。有關基金投資於上市股票證券的相關風險考慮之詳細資料，請參閱本公司現行基金說明書第 42 頁「風險考慮」一節內的「股票風險」一分節。

XII. 鄧普頓新興市場基金

現行基金說明書第26頁的鄧普頓新興市場基金之投資目標及政策的第三段將被修訂並被以下取代。

「由於透過靈活及可調整的投資策略更有可能達到其投資目標，本基金可物色其他類型證券的投資機會，例如優先股、參與票據、可兌換普通股證券，及以美元與非美元定值的公司和政府償還債項等。」

該等修訂旨在說明基金可投資於參與票據，及刪除有關基金投資於以美元與非美元定值的證券的不必要的詳細描述。

有關基金投資於參與票據的相關風險考慮之詳細資料，請參閱日期為二零一四年四月的現行基金說明書二零一四年第二增編第 9 頁第 7 (B) 節的「參與票據風險」。

XIII. 鄧普頓新興市場均衡基金

日期為二零一一年十月的現行基金說明書二零一一年第二增編的鄧普頓新興市場均衡基金之投資目標及策略（經日期為二零一三年六月的現行基金說明書二零一三年第三

增編及二零一四年四月的現行基金說明書二零一四年第二增編修訂)的第三段第一句將被修訂並被以下取代。

「本基金亦可利用金融衍生工具作為對沖、有效管理投資組合及／或投資作用。」

該等修訂旨在說明基金可使用若干金融衍生工具作對沖、有效管理投資組合及／或投資用途。於該等修訂之前及之後，基金並不打算廣泛地投資於金融衍生工具作投資用途。

有關基金使用衍生工具的相關風險考慮之詳細資料，請參閱本公司現行基金說明書第41頁「風險考慮」一節內的「衍生工具風險」一分節。

XIV. 鄧普頓新興市場小型公司基金

現行基金說明書第27頁的鄧普頓新興市場小型公司基金之投資目標及政策的第一段第二句及第二段將被修訂並被以下取代。

「就本基金的投資目標而言，新興市場的小型公司通常指該等公司的市場資本值少於二十億美元（以投資時的市值計算）。在首次認購時處於摩根士丹利綜合亞太區（日本除外）小型公司指數（「指數」）範圍內。只要證券符合首次認購資格，則其在本基金持有證券期間內可供額外認購。然而，若指數所許可的公司最高市場資本值下跌至二十億美元以下時，只有市場資本值不超過二十億美元的證券，可供額外認購。」

在輔助的情況下，本基金亦可投資於參與票據、可能屬低評級或未獲評級的新興市場的債務證券，及一些位於已發展國家的機構所發行的可轉讓證券。」

該等修訂旨在（i）詳細描述基金可首次及額外認購的新興市場小型公司須符合的標準；（ii）說明基金可投資於參與票據。

有關基金投資於參與票據的相關風險考慮之詳細資料，請參閱日期為二零一四年四月的現行基金說明書二零一四年第二增編第9頁第7（B）節的「參與票據風險」。

XV. 鄧普頓前緣市場基金

現行基金說明書第30及第31頁所載的鄧普頓前緣市場基金之投資目標及政策（經日期為二零一三年一月的現行基金說明書二零一一至一二年增編修訂）的第三段第一句將被修訂並被以下取代。

「由於透過靈活及可調整的投資策略更有可能達致投資目標，本基金亦可投資於參與票據及其他類別的可轉讓證券，包括在世界各地的發行機構的股票、股票相關及固定收益證券，以及金融衍生工具作對沖及／或有效管理投資組合用途。」

該等修訂旨在說明基金於可轉讓證券的投資可能包括參與票據及股票相關證券。

有關基金投資於參與票據的相關風險考慮之詳細資料，請參閱日期為二零一四年四月的現行基金說明書二零一四年第二增編第9頁第7(B)節的「參與票據風險」。

XVI. 鄧普頓環球均衡增長基金

以下新段落將加插於現行基金說明書第32頁所載的鄧普頓環球均衡增長基金之投資目標及政策的第二段之後：

「本基金亦可利用金融衍生工具作對沖用途及／或有效管理投資組合。此等金融衍生工具可於以下市場買賣：(i)受監管市場，例如期貨合約（包括那些有關政府證券的期貨合約），以及期權或(ii)場外交易市場，例如貨幣、匯率及利率相關掉期及遠期。」

該等修訂旨在說明基金可使用若干金融衍生工具作對沖及／或有效管理投資組合用途。於該等修訂之前及之後，基金並不打算廣泛地投資於金融衍生工具作投資用途。

有關基金使用衍生工具的相關風險考慮之詳細資料，請參閱本公司現行基金說明書第41頁「風險考慮」一節內的「衍生工具風險」一分節。

XVII. 鄧普頓環球入息基金

以下新段落將加插於現行基金說明書第35頁的鄧普頓環球入息基金之投資目標及政策的末尾：

「本基金可在未扣除開支之下分派入息。」

該等修訂旨在說明基金可在未扣除開支之下分派入息。有關基金的派息政策的相關風險考慮之詳細資料，請參閱日期為二零一三年四月的現行基金說明書二零一三年增編第5頁第2(v)節的「派息政策風險」一分節。

XVIII. 鄧普頓環球高息基金

現行基金說明書第34頁所載的鄧普頓環球高息基金之投資目標及政策（經日期為二零一四年四月的現行基金說明書二零一四年第二增編修訂）的第二段第二句將被修訂並被以下取代。

「就本基金而言，債務證券將包含各種不同的固定及浮動利率證券（包括透過受監管的投資基金（受以下所述的限制）之銀行借貸、債券、按揭抵押證券及其他資產抵押證券（包括債務抵押證券）及可轉換證券）。」

該等修訂旨在說明基金可投資的按揭抵押證券及其他資產抵押證券可能包括（除其他外）債務抵押證券。請放心，基金現時的管理方式或基金的投資策略將不會有所改變。

有關基金投資於債務抵押證券的相關風險考慮之詳細資料，請參閱本通知的第[六]節。

6. 新增有關債務抵押證券風險及集中風險的風險披露

為使投資者知悉下列投資的相關風險考慮：

- (a) 富蘭克林環球高入息債券基金及鄧普頓環球高息基金於貸款抵押證券及其他債務抵押證券的投資；及
- (b) 富蘭克林美國焦點基金擬維持一個由數量有限的發行機構的證券組成的投資組合。

以下新風險披露將加插於現行基金說明書第39頁「投資考慮——風險考慮」一節內的「對沖股份類別風險」一分節之後及「可換股證券風險」一分節（經日期為二零一三年四月的現行基金說明書二零一三年增編修訂）之前:-

「債務抵押證券風險

某些基金（例如富蘭克林環球高入息債券基金及鄧普頓環球高息基金）可投資於資產抵押證券的特定類別，其稱為債務抵押證券或貸款抵押證券（若相關資產為貸款）。投資於債務抵押證券或貸款抵押證券的風險主要取決於特殊目的機構所持有的抵押品的類型及基金投資於債務抵押證券或貸款抵押證券的部分而定。典型的債務抵押證券或貸款抵押證券架構是將債權求償順序分為多個層級，其中最優先級最先獲得來自相關資產池的利息和本金償還，次優先級則第二個受償，以此類推，最後一個求償順序則為剩餘求償組別（或股票層級），其將最後一個獲得利息及本金支付。順序越後的層級，風險越高。投資風險也可能受到抵押品經理（該機構負責挑選及管理特殊目的機構信託所持有的抵押品證券商品池）績效表現的影響，特別是在市場波動期間。債務抵押證券或貸款抵押證券可能被視為非流動性證券而必須遵守基金投資於非流動性證券的投資限制規定。基金於債務抵押證券或貸款抵押證券的投資將不會獲得與投資於註冊證券相同的投資者保障。由於此等因素，債務抵押證券或貸款抵押證券部分的價格或會大幅下跌。

除了與債務證券和資產抵押證券有關的一般風險（例如：利率風險、信貸風險及違約風險）外，債務抵押證券或貸款抵押證券有額外的風險，包括但不限於：(i) 來自抵押品證券的派息可能不足以支付利息或其他款項；(ii) 抵押品的質素在價值或質素方面可能下跌或陷入違約或被降級；(iii) 基金可投資於債務抵押證券或貸款抵押證券的部分隸屬於其他資產；及(iv) 證券的複雜結構可能在投資時未被充分了解而可能導致與發行機構發生爭議、在證券評價方面遭遇困難或產生非預期的投資結果，可能導致基金承受重大損失。

集中風險

某些基金（例如富蘭克林美國焦點基金）的投資政策特別注明，即使基金規模擴大，基金擬維持一個由數量有限的發行機構的證券（例如30至40個公司的證券）組成的投資組合，以令基金可集中投資於較採取分散投資策略的基金為少的發行機構。請注意，部分基金因規模較小而持有較少發行機構的證券，因此，數量較少的持股僅由於該等基金的資產淨值不足以有效地投資於更多的發行機構－尤其是債券，其趨向大量交易，因此小型債券基金難以擁有大量持股。然而，根據投資政策尋求維持少量持股的基金，即使其規模增長，投資仍然比較集中。由於投資比較集中，該等基金可能較分散投資的基金波動，或承受較大的風險，因為一個或部分持倉的表現落後將對投資集中的基金產生更大的影響，該等基金的持倉較少，因此每個持倉在總資產淨值中趨向佔有更高比例。相關基金可能因該等較大波幅或風險受到負面影響。」

7. 鄧普頓新興市場債券基金、鄧普頓環球債券基金及鄧普頓環球總收益基金的預計槓桿水平上調

投資者應注意，鄧普頓新興市場債券基金、鄧普頓環球債券基金及鄧普頓環球總收益基金的預計槓桿水平預測將上升至下表所詳列的水平：

	之前按「名義本金總額法」計算的預計槓桿水平	現時按「名義本金總額法」計算的預計槓桿水平	按「承諾法」計算的預計最高槓桿水平
鄧普頓新興市場債券基金	40%	70%	175%
鄧普頓環球債券基金	90%	110%	225%
鄧普頓環球總收益基金	80%	100%	225%

現時的預計槓桿水平（按「名義本金總額法」計算）及預計最高槓桿水平（按「承諾法」計算）僅為一個指標，而非對上表所列基金的監管限制（因為該等基金使用相對風險值（而非承諾法）計算其整體風險）。只要基金符合其風險概況及遵守其相對風險值之限制，其槓桿水平可能會不時高於或低於上述預計槓桿水平。根據盧森堡法律，目前絕對風險值之限制為總資產淨值的20%，而相對風險值目前則為基準風險值的兩倍或200%。基金的槓桿水平預計將不會超過上述的最高水平，但投資者應注意，在部分情況下，槓桿水平可能提高，例如因市場急劇波動而作出交易（以減少風險）。

按「名義本金總額法」計算的預計槓桿水平是用以計算相關基金所訂立之所有金融衍生工具合約的名義本金總額，並以佔相關基金資產淨值的百分數的方式表達。槓桿是衡量全部衍生工具使用的程度，因此不考慮相關基金投資組合中直接持有的資產。本公司的年報將提供於適用期間按「名義本金總額法」計算的實際槓桿水平及有關該數據的額外解釋。

按「承諾法」計算的最高預計槓桿水平乃根據歐洲證券監管機構委員會於2010年7月28日發出的有關可轉讓證券集體投資計劃的風險量度及總體風險及交易對手風險計算的指引（CESR/10-788）所規定的方法計算，並考慮對銷及對沖安排（在這安排下，相關證券持倉的市場價值可與涉及相同之相關持倉的其他承諾進行抵銷）後，將基金所持有之金融衍生工具相關資產的對等持倉的市場價值（又稱「名義價值」）計算在內。該等對銷及對沖安排不適用於「名義本金總額法」，該方法將全部金融衍生工具合約的名義本金計算在內，不論其是否用作對沖。然而，承諾法要求，若遠期貨幣交易的兩部分均不是使用基金的報價貨幣計價，按承諾法計算須反映交易的兩部分，而採用名義本金總額法僅須包括一部分。由於上述原因，按承諾法計算的數字可能大於按名義本金總額法計算的數字，儘管作出對銷及對沖安排時可進行抵銷。使用承諾法計算的整體風險以總資產淨值的絕對百分比表示。

為使投資者知悉鄧普頓環球債券基金及鄧普頓環球總收益基金的預計槓桿水平的相關風險考慮，以下新風險披露將加插於現行基金說明書第44頁「投資考慮——風險考慮」一節內的「增長股風險」一分節之後。

「高預計槓桿水平風險

為投資目的而大量運用金融衍生工具的基金在金融衍生工具的淨槓桿風險可能超過資產淨值的 100%。投資者應注意，鄧普頓環球債券基金及鄧普頓環球總收益基金的槓桿水平預計超過 100%（按承諾法計算）。其他使用金融衍生工具作投資用途的基金在特殊情況下亦可超過此限制，例如相關基金在市場極不明朗時增加衍生工具的運用，以管理投資組合的風險及防範市場事件（例如利率或貨幣波動或潛在的信貸風險）的潛在影響。在不利的情况下，可能導致相關基金蒙受重大或全部損失。」

請放心，基金現時的管理方式或基金的投資策略將不會有所改變。有關基金使用衍生工具的相關風險考慮之詳細資料，請參閱本公司現行基金說明書第 41 頁「風險考慮」一節內的「衍生工具風險」一分節。

本公司的現行基金說明書將作出相應修訂。

8. 投資經理的變更

管理公司已將鄧普頓環球小型公司基金的投資組合管理轉授予其現有投資經理 Franklin Templeton Investments Corp.。此外，管理公司已將富蘭克林互惠歐洲基金的投資組合管理轉授予其現有投資聯席經理 Franklin Mutual Advisers, LLC 及 Franklin Templeton Investment Management Limited。

管理公司已決定對鄧普頓環球小型公司基金的投資經理作出如下調整。此外，富蘭克林互惠歐洲基金的投資管理架構將因現有投資聯席經理離任而有所變動。請放心，投資經理的變更（就鄧普頓環球小型公司基金而言）及投資管理架構的變動（就富蘭克林互惠歐洲基金而言）將不會影響鄧普頓環球小型公司基金或富蘭克林互惠歐洲基金的投資目標及政策，亦不會影響鄧普頓環球小型公司基金及富蘭克林互惠歐洲基金的管理方式。富蘭克林鄧普頓投資的投資團隊素來以團隊策略管理資產，鄧普頓環球小

型公司基金及富蘭克林互惠歐洲基金將繼續以同樣的原則經營。鄧普頓環球小型公司基金或富蘭克林互惠歐洲基金的收費水平亦不會有所改變。

I. Templeton Investment Counsel, LLC 將取代 Franklin Templeton Investments Corp. 作為鄧普頓環球小型公司基金的投資經理

由於擬更換鄧普頓環球小型公司基金的投資組合經理，Templeton Investment Counsel, LLC 將取代 Franklin Templeton Investments Corp. 作為鄧普頓環球小型公司基金的投資經理。

由於上述變更，現行基金說明書第87頁「管理及行政——投資經理」一節內所載的 Franklin Templeton Investments Corp. 管理的基金名單將被全部刪除，及以下 Templeton Investment Counsel, LLC 管理的基金名單將新增至現行基金說明書第87頁同一節末。

「*Templeton Investment Counsel, LLC 管理的基金包括：*

鄧普頓環球小型公司基金」。

由於此項變動，Franklin Templeton Investments Corp. 將不再擔任獲證監會認可的任何基金的投資經理，因此，現行基金說明書中所有有關「Franklin Templeton Investments Corp.」的提述將被刪除。

II. Franklin Templeton Investment Management Limited 將不再擔任富蘭克林互惠歐洲基金的投資聯席經理

由於擬更換富蘭克林互惠歐洲基金的投資組合經理，Franklin Templeton Investment Management Limited 將不再擔任富蘭克林互惠歐洲基金的投資聯席經理。

為反映此項變更，日期為二零一四年十月的現行基金說明書二零一四年第三增編的第七節將被全部刪除。

由於上述變更：

- Templeton Investment Counsel, LLC 將被加入現行基金說明書第2頁「導言——富蘭克林鄧普頓投資基金」一節內的第二段及現行基金說明書第86頁「管理及行政——投資經理」一節內第一段所載的投資經理名單（「投資經理名單」）。
- 以下段落將新增至現行基金說明書第89頁「管理及行政——投資經理」一節內：

「TEMPLETON INVESTMENT COUNSEL, LLC
300 S.E., 2nd Street
Fort Lauderdale
Florida 33301
United States」

* * * * *

管理公司就本信件的内容截至本信件印刷日的准确性承担全部责任，并已作出一切合理查询后，确认就其所知及所信，并无遗漏其他事实致使本文件所载任何陈述产生误导。

如阁下需要进一步资料，请联络阁下的投资顾问或致电我们的投资者热线 +852 2805 0111。

代表

富兰克林邓普顿投资(亚洲)有限公司

Franklin Templeton Investments (Asia) Limited



張偉董事謹啟

二零一五年六月十九日