

Luxembourg, 24 July 2023

Amendments in relation to several sub-funds of Franklin Templeton Investment Funds

Dear Shareholder,

We would like to inform you that the board of directors of Franklin Templeton Investment Funds (the “**Company**”) has decided to make the following changes in relation to the below listed sub-funds (the “**Funds**”) of the Company:

- Templeton All China Equity Fund
- Templeton Asian Growth Fund
- Templeton China A-Shares Fund
- Templeton China Fund
- Templeton Emerging Markets Fund

SFDR reclassification and update

In light of investors' demand, it was decided to have the Funds reclassified from Article 6 to Article 8 under the Sustainable Finance Disclosure Regulation (“**SFDR**”) and to create their SFDR related disclosures, in order to reflect the ESG methodology applied to the Funds and to translate the pre-existing process into the Company's prospectus (the “**Prospectus**”) in a methodical and systematic manner.

As a consequence of the above, please note that the following changes will be made to the Prospectus:

- (i) the SFDR precontractual disclosures for the Funds will be added to Appendix G of the Prospectus;
- (ii) the Investor Profile sub-section of the Funds will be updated to state that the Funds may appeal to investors looking to invest in funds compliant with Article 8 of the SFDR;
- (iii) “Sustainability risk” will be added to the list of risks which are particularly relevant for the Funds, under section “Risk Considerations”; and
- (iv) the following paragraph will be added to the Funds' investment policies to make reference to the Funds' SFDR precontractual disclosures:

“The Investment Manager also considers Environmental, Social and Governance (ESG) factors as an integral component of its fundamental investment research and decision process. The Environmental and/or Social characteristics (within the meaning of Article 8 SFDR) promoted by the Fund are detailed in the Appendix G.”

In addition, the investment policies of the Templeton All China Equity Fund and Templeton China A-Shares Fund will be further amended to **remove** the following paragraph from their investment policies:

“Since the Investment Manager considers that Environmental, Social and Governance (ESG) factors can have a material impact on a company's current and future corporate value, ESG considerations will be an

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integral component of its fundamental bottom-up research. The research team routinely evaluate material ESG issues in accordance with an internally established framework. For the avoidance of doubt, the Investment Manager does not apply binding ESG criteria nor explicit ESG exclusions.”

The changes detailed above will become effective as from 25 August 2023 and will be reflected in an updated version of the Prospectus, a copy of which will be available online or at the registered office of the Company. Upon request of a shareholder, a draft KID and a draft of the SFDR precontractual disclosures of the Funds are available at the registered office of the Company.

Use of derivatives for the Templeton Asian Growth Fund, Templeton China Fund and Templeton Emerging Markets Fund

The investment policies of the Templeton Asian Growth Fund, Templeton China Fund and Templeton Emerging Markets Fund are enhanced to clarify that the investment manager may use financial derivative instruments for hedging and/or efficient portfolio management purposes, in line with other FTIF funds managed by the same investment management team. In this respect, “Derivatives Instruments risk” and “Warrants risk” are added to the risk considerations of the aforementioned sub-funds, and the following paragraph is **added** at the end of the sub-funds’ investment policies:

“The Fund may further utilise financial derivative instruments for hedging and/or efficient portfolio management. These financial derivative instruments may be dealt in either on Regulated Markets or over-the-counter, and may include, inter alia, swaps, forwards and futures contracts (including those on equity indices) as well as options (including warrants).”

Impact

Since i) the Environmental, Social and Governance (ESG) considerations were already part of the investment research and process of the Funds and ii) for Templeton Asian Growth Fund, Templeton China Fund and Templeton Emerging Markets Fund the use of derivatives for hedging and/or efficient portfolio management purposes was already permitted under the general provisions of the Prospectus, the changes detailed above will have no material impact on the way the Funds are managed, their portfolio’s composition, risk profile or SRI nor on the fees charged.

All other features of the Funds remain the same.

What you need to do

You do not need to do anything if you are satisfied with the changes. You also have the option to switch your shares into other funds of the Company provided that such funds are available for distribution in your country. You may also request a redemption of your investment. Should you wish to proceed with either option, please refer to the latest Prospectus terms. Such requests of switch or redemption will be executed free of charge, provided that they are received at the latest by 25 August 2023.

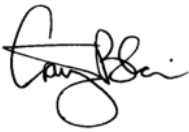
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Need more information?

Your dedicated Client Service Team will be happy to help with any general questions about Franklin Templeton. Just call your local Client Service Team, visit our website at www.franklintempleton.lu or if you need advice about your investment please speak to a financial adviser.

We thank you for choosing to trust Franklin Templeton with your investments.

Best regards,

A handwritten signature in black ink, appearing to read 'Craig Blair', with a stylized flourish at the end.

Craig Blair, Conducting Officer of Franklin Templeton International Services S.à r.l.
Management Company of Franklin Templeton Investment Funds