



Franklin Templeton Investment Funds
Société d'investissement à capital variable
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Luxembourg, 25 July 2023

Amendment 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 (together the “**Changes**”) in relation to the below listed sub-funds (the “**Funds**”) of the Company:

- Franklin Diversified Balanced Fund
- Franklin Diversified Conservative Fund
- Franklin Diversified Dynamic Fund
- Franklin Global Multi-Asset Income Fund

SFDR reclassification

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 integrate an ESG methodology and to demonstrate a better integration of ESG factors into the investment process.

As a consequence of the above, please note that the following changes will be made to the Company’s prospectus (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.”

Further update for the Franklin Diversified Balanced Fund, Franklin Diversified Conservative Fund and Franklin Diversified Dynamic Fund

The investment policies of the Franklin Diversified Balanced Fund, Franklin Diversified Conservative Fund and Franklin Diversified Dynamic Fund will be further amended to enable the investment manager to invest in carbon emissions certificates traded on the European Union Emissions Trading System.

(continued)

Therefore, the third sentence in the second paragraph of the aforementioned sub-funds' investment policies is amended as follows:

"The remaining net assets are normally invested directly or indirectly in debt securities (including lower rated or non-investment grade securities, defaulted debt securities, and convertible or contingent convertible securities as well as distressed debt securities) as well as, up to 10%, in "alternative" asset classes such as real estate, infrastructure, ~~and~~ commodities and carbon emissions certificates traded on the European Union Emissions Trading System, the latter being effected through the use of (i) financial derivative instruments on eligible assets or on eligible financial indices or (ii) structured notes."

Impact

While (i) the portfolio's composition of the Funds will be impacted by a slight reduction in the investment universe, and (ii) for the Franklin Diversified Balanced Fund, Franklin Diversified Conservative Fund and Franklin Diversified Dynamic Fund the exposure to carbon emissions certificates is expected to be very limited, 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.

The Changes will become effective as from 26 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.

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 26 August 2023.

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,



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