

**This letter is important and requires your immediate attention.**

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

Hong Kong, 25 September 2017

Dear Investor,

**Franklin Templeton Investment Funds (the “Company”) –  
Termination of Templeton Global Income Fund Class A (acc) HKD**

This letter is intended for investors who hold shares of Templeton Global Income Fund via an account with (i) Franklin Templeton Investments (Asia) Limited (the “**Hong Kong Representative**”) or (ii) a duly authorized intermediary for the Hong Kong market.

The purpose of this letter is to inform you that, after careful analysis and review, the Board of Directors of the Company (the “**Directors**”) has decided to terminate the share class listed below (the “**Affected Class**”) with effect from 25 October 2017 (the “**Termination Date**”):

Fund	Affected Class	Class Currency	ISIN Code	Net Asset Value of Affected Class as at 31 July 2017	Total Expense Ratio for the Affected Class for the period ended 31 July 2017 <sup>^</sup>
Templeton Global Income Fund	Class A (acc) HKD	HKD	LU0496364406	HKD 4.39 million	1.69%

<sup>^</sup> The total expense ratio represents the total expenses chargeable to the Affected Class for the 12-month period ended 31 July 2017 expressed as a percentage of the average net asset value of the Affected Class for the same period.

The Directors have taken the decision to terminate the Affected Class given its relatively small size (which means that it is less cost effective) and limited expectation that it will grow in the future. The Directors believe that it is therefore no longer in the best interests of shareholders to keep the Affected Class open and have decided to terminate it in accordance with Article 28 (read together with Article 5) of the Company’s Articles of Incorporation (“**Article 28**”), which permits the Directors to terminate a share class if required by the interests of the shareholders of the share class.

The Affected Class has no unamortized preliminary expenses. No expenses are expected to be incurred in the termination of the Affected Class. Any such expenses (including legal, regulatory and mailing charges) will be borne by Franklin Templeton International Services S.à r.l. as the Management Company of the Company.

With effect from the date of this notice, the Affected Class may no longer be offered to the public in Hong Kong. All subscriptions and switches into the Affected Class will cease to be accepted with effect from the date of this notice.

Please note that there is a risk that significant redemption in the Affected Class may occur prior to the Termination Date. In order to protect the interests of remaining shareholders, a swing pricing mechanism may be adopted by the Fund in respect of the Affected Class as part of its valuation policy. If on any valuation day, the aggregate net redemptions in shares of the Affected Class exceed a pre-determined threshold, as determined by the Directors, the net asset value per share of the Affected Class may be adjusted downwards to reflect the costs attributable to net outflows. Please refer to the Explanatory Memorandum dated September 2017, as amended, of the Company (the “**Current Explanatory Memorandum**”) for the details in respect of swing pricing.

Holders of shares of the Affected Class (“**Affected Holders**”) may redeem their shares or switch their holdings into another share class of Templeton Global Income Fund which is listed in the Current Explanatory Memorandum, or into any other sub-fund of the Company that is authorized<sup>1</sup> by the Securities and Futures Commission (“**SFC**”) and available for investment, free from any charge by the Company, no later than 4.00 p.m. on 24 October 2017 (the “**Dealing Deadline**”).

Please note that although the Company will not charge Affected Holders any redemption or switching fee for redemption and switching requests that reach the Hong Kong Representative of the Company, in some cases the relevant bank, investment adviser or other intermediary may charge switching and/or transaction fees. They may also have a local dealing cut-off time which is earlier than the Dealing Deadline described above in relation to the Affected Class, and Affected Holders are recommended to check with their bank, investment adviser or other intermediary (if applicable) to ensure that their instructions reach the Hong Kong Representative before the Dealing Deadline.

Before investing in another SFC-authorized<sup>1</sup> sub-fund of the Company or in another share class of Templeton Global Income Fund which is listed in the Current Explanatory Memorandum, please ensure that you have read and understood the investment objective, policies and fees applicable to the relevant share class and/or sub-fund as described in the Current Explanatory Memorandum and in the relevant Product Key Facts Statement.

The shares of the Affected Class held by Affected Holders who have not redeemed their shares or switched their holdings prior to the Dealing Deadline will be terminated on the Termination Date at the net asset value per share applicable on that date and the proceeds thereof will be paid to the remaining shareholders on a pro rata basis to the number of shares held by each shareholder in the Affected Class, normally within 7 Hong Kong business days and in any event within one calendar month following the Termination Date.

Pursuant to Article 28, any proceeds which cannot be distributed to shareholders following the termination of the Affected Class (“**Undistributed Proceeds**”) will be deposited on behalf of shareholders with the *Caisse de Consignation* in Luxembourg. The deposit is expected to be made on or around 25 June 2018, unless an extension is granted by the Commission de Surveillance du Secteur Financier. Such Undistributed Proceeds will be held by the *Caisse de Consignation* in Luxembourg on behalf of Shareholders for a period of 30 years and may be claimed by eligible shareholders during that period, after which they shall be forfeited in accordance with Luxembourg law.

The tax implications arising from the implementation of the termination of the Affected Class may vary depending on the law and regulations of an Affected Holder’s country of residence, citizenship

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<sup>1</sup> SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

or domicile. Ordinarily, the termination should not have any tax implications for Hong Kong shareholders. Shareholders are not liable for Hong Kong tax in respect of any income or gains made on the redemption or switching of shares in Hong Kong, unless the redemption or switching of shares is or forms part of a trade, profession or business carried on in Hong Kong, in which case the gains forming part of such business may be subject to Hong Kong profits tax.

Affected Holders should consult their professional advisers as to the possible tax or other consequences of buying, holding, transferring or selling any of the Company's shares in respect of the changes described above, under the laws of their country of citizenship, residence and domicile.

The Current Explanatory Memorandum, the relevant Product Key Facts Statement, the Company's Articles of Incorporation and other material contracts and documents are available for inspection from the Hong Kong representative of the Company during normal business hours.

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The Management Company and the Directors accept 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 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, call our Investor Hotline at +852 2805 0111 or contact the Hong Kong Representative at 17/F, Chater House, 8 Connaught Road Central, Hong Kong. If you are not a duly authorized intermediary for the Hong Kong market, please be advised that you are not required to forward this letter to your end clients.

Yours faithfully,

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