

**CHANGE OF NAME AND INVESTMENT POLICY IMPACTING
THE FRANKLIN TEMPLETON INVESTMENT
FUNDS – FRANKLIN MUTUAL BEACON FUND**

Luxembourg, December 29, 2017

Dear Shareholder,

The purpose of this letter is to inform you of certain changes impacting the Franklin Mutual Beacon Fund, a sub-fund of the Luxembourg SICAV Franklin Templeton Investment Funds (the “Company”), as further described below.

Change of Name

With effect from January 31, 2018, the Franklin Templeton Investment Funds – Franklin Mutual Beacon Fund will be renamed into Franklin Templeton Investment Funds – Franklin Mutual U.S. Value Fund (the “Fund”). The intention of the name change is to better reflect the actual investment policy of the Fund.

Change of investment policy

With effect from January 31, 2018, the investment policy of the Fund will be amended to provide greater clarity on the Fund’s investment focus (i.e. undervalued companies based primarily in the US). Therefore, the first two sentences of the investment policy of the Fund are restated to read as follows:

“The Fund pursues its objectives principally through investments in common stock, preferred stock, and debt securities convertible or expected to be convertible into common or preferred stock of US companies. At least 70% of the Fund’s net assets will be invested in securities of US issuers.”

In addition, the “Chinese Market risk” and “Europe and Eurozone risk” are removed from the list of main risks pertaining to the Fund.

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If you do not agree with the above change of investment policy, you may request, free of charge until January 31, 2018, the redemption of your shares of the Fund or the exchange of such shares into shares of other funds of the Company, details of which are disclosed in the current Prospectus (provided that such funds have obtained recognition for marketing in your jurisdiction).

The Company comprises a wide range of funds catering for many different objectives. Exchanges of your existing holding may be made into other funds within the Company. On receipt of your instructions, we will execute the exchange for you in accordance with the provisions of the current Prospectus, free of any charge.

If you do not wish to exchange your shares and would like to redeem and receive a cash payment, the redemption will be made in accordance with the provisions of the current Prospectus, free of charge. Please return your instructions to your local Franklin Templeton Investments office or to Franklin Templeton International Services S.à r.l. Please note that “free of any redemption charge” does not apply to the contingent deferred sales charge (“CDSC”) for all classes subject to such CDSC, due to the nature of such fee. Accordingly, should you decide to redeem any shares subject to a CDSC, such redemption will be subject to the applicable CDSC as more fully disclosed in the Prospectus of the Company.

You should consult your professional advisers as to the possible tax or other consequences of buying, holding, transferring or selling any of the Company’s shares affected by the changes described above, under the laws of your country of citizenship, residence and domicile.

If you require further information please do not hesitate to contact your local Franklin Templeton Investments office or your financial adviser.

Yours sincerely,



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