

Luxembourg, 13 November 2018

Subject: Merger of FTIF – Templeton Africa Fund into FTIF – Templeton Frontier Markets Fund (the "Merger")

Dear Shareholder,

The purpose of this letter is to inform you about the decision of the board of directors of the Company (the "Board") to merge FTIF – Templeton Africa Fund (the "Merging Sub-Fund") into FTIF – Templeton Frontier Markets Fund (the "Receiving Sub-Fund").

Following the Merger, the Merging Sub-Fund shall be dissolved without going into liquidation.

1. Rationale and background for the Merger

The Merging Sub-Fund was originally launched on 4 May 2012 and on 10 October 2018 it was valued at USD 62,704,288. The small size and reduced demand for the Templeton Africa Fund doesn't make it economically viable to run as an independent entity.

The Receiving Sub-Fund was originally launched on 14 October 2008 and on 10 October 2018 it was valued at USD 553,802,791.

The Merging Sub-Fund and Receiving Sub-Fund share similarities in their investment objective, Investment Manager, risk management processes and management fee structures. However, and as disclosed in the table under section 2, the OCRs of the Receiving Sub-Fund are higher than those of the Merging Sub-Fund due to the capped total expense ratio ("TER") applied to the Merging Sub-Fund. These capped TERs have been applied to reduce the impact of high expenses resultant of low AUM in the Merging Sub-Fund. In the absence of a fee cap, the Receiving Sub-Fund would exhibit lower marginal expenses due to its larger size.

The Receiving Sub-Fund benefits from a lower risk rating indicator (synthetic risk and reward indicator).

Although the Merging Sub-Fund has a portfolio focused on the African region, many of the economies in Africa are considered Frontier markets resulting in the Merging Sub-Fund sharing a significant portfolio overlap with the Receiving Sub-Fund. In addition, the Receiving Sub-Fund has a longer track record and has displayed superior performance over all time periods after 1 year with lower volatility.

Due to the Merging Sub-Fund and the Receiving Sub-Fund sharing similar investment objectives, and target investor profiles, the Board believes that it is in the best interests of shareholders to merge these Sub-Funds and focus on a single portfolio, which will offer economies of scale to existing shareholders of these Sub-Funds.

The Board has therefore decided, in accordance with Article 66(4) of the Luxembourg law of 17 December 2010 on undertakings for collective investment as amended (the "2010 Law") and article 28 of the articles of incorporation of the Company (the "Articles"), to merge the Merging Sub-Fund into the Receiving Sub-Fund.

However, please note that the Board did not examine the suitability of the Merger in respect of shareholders' individual needs or risk tolerance. Shareholders are advised to seek independent financial / tax advice in respect of their individual circumstances.

2. Impact on shareholders and shareholders' rights

Shareholders of the Merging Sub-Fund who do not wish to participate in the Merger may instruct redemption or switch of their holdings of shares in the Merging Sub-Fund into any other sub-fund of FTIF, details of which are disclosed in the current prospectus of the Company as amended from time to time (the "Prospectus") (provided that such other sub-funds have obtained recognition for marketing in the applicable jurisdiction), free of charge until 7 February 2019 (before local dealing cut-off time).

Upon the Effective Date, shareholders who have not instructed redemption or conversion of their shares in the Merging Sub-Fund will become shareholders of the Receiving Sub-Fund and will receive shares of the Receiving Sub-Fund, as further detailed in the table below. The aggregate value of the shares held by a shareholder in the Merging Sub-Fund will be equal to the value of the shares to be held by such shareholder in the Receiving Sub-Fund.

The below table shows the corresponding share classes that will be merged:

Merging Share Class	ISIN	Receiving Share Class	ISIN
Templeton Africa Fund A (Acc) USD	LU0727123662	Templeton Frontier Markets Fund A (Acc) USD	LU0390136736
Templeton Africa Fund A (Acc) EUR	LU0744128231	Templeton Frontier Markets Fund A (Acc) EUR	LU0390137031
Templeton Africa Fund A (Ydis) EUR*	LU0744128744		
Templeton Africa Fund A (Acc) EUR-H1	LU0744128314	Templeton Frontier Markets Fund A (Acc) EUR-H1	LU0496363770
Templeton Africa Fund A (Ydis) EUR-H1*	LU0744128827		
Templeton Africa Fund A (Acc) GBP**	LU0744128405	Templeton Frontier Markets Fund A (Ydis) GBP	LU0390137114
Templeton Africa Fund A (Acc) SGD	LU0744128660	Templeton Frontier Markets Fund A (Acc) SGD	LU0390137544
Templeton Africa Fund I (Acc) EUR	LU0744129049	Templeton Frontier Markets Fund I (Acc) EUR	LU0390137205
Templeton Africa Fund I (Acc) USD	LU0727123746	Templeton Frontier Markets Fund I (Acc) USD	LU0390136900
Templeton Africa Fund N (Acc) EUR-H1	LU0744129122	Templeton Frontier Markets Fund N (Acc) EUR-H1	LU0390138195
Templeton Africa Fund W (Acc) GBP	LU0768360942	Templeton Frontier Markets Fund W (Acc) GBP	LU0768359852
Templeton Africa Fund W (Acc) EUR	LU1065169952	Templeton Frontier Markets Fund W (Acc) EUR	LU0976564525

* These share classes will be moving from a yearly distributing share class to an accumulation share class.

** This share class will be moving from an accumulation share class to a yearly distribution share class.

For the avoidance of doubt, shareholders will continue to hold shares in a Luxembourg regulated investment company and benefit from the same rights and from the general safeguards applicable under an Undertakings for Collective Investment in Transferable Securities (“UCITS”).

Shareholders of the Merging Sub-Fund benefitting of a Regular Saving Plan (“RSP”) and/or of a Systematic Withdrawal Plan (“SWP”) are informed that their recurring transactions will continue automatically after the Merger within the Receiving Sub-Fund.

If shareholders of the Merging Sub-Fund become shareholders of the Receiving Sub-Fund, they may participate and exercise their voting rights in shareholder meetings, instruct redemption and conversion of their shares on any dealing day and may, depending on their share class, be eligible for distributions in accordance with the Articles and the Prospectus as from the day following the Effective Date, as defined hereafter.

Please find hereafter a comparison of the expenses attributable to the share classes of the Merging Sub-Fund and the Receiving Sub-Fund.

The below table shows the applicable charges for each of the share classes:

Merging Sub-Fund Share Class Name	Initial Charge – Up to	Investment Management Fee	Management Company Fee	Maintenance Fee	Other Fees (including Depository Fee)	Ongoing Charges Ratio (OCR)
Templeton Africa Fund A (Acc) USD	5.75%	1.60%	0.20%	Up to 0.50%	0.10%	2.40%
Templeton Africa Fund A (Acc) EUR	5.75%	1.60%	0.20%	Up to 0.50%	0.10%	2.40%
Templeton Africa Fund A (Acc) EUR-H1	5.75%	1.60%	0.20%	Up to 0.50%	0.09%	2.39%
Templeton Africa Fund A (Acc) GBP	5.75%	1.60%	0.20%	Up to 0.50%	0.10%	2.40%
Templeton Africa Fund A (Acc) SGD	5.75%	1.60%	0.20%	Up to 0.50%	0.10%	2.40%
Templeton Africa Fund A (Ydis) EUR	5.75%	1.60%	0.20%	Up to 0.50%	0.10%	2.40%
Templeton Africa Fund A (Ydis) EUR-H1	5.75%	1.60%	0.20%	Up to 0.50%	0.09%	2.39%
Templeton Africa Fund I (Acc) EUR	0.00%	1.10%	0.20%	0.00%	0.09%	1.39%
Templeton Africa Fund I (Acc) USD	0.00%	1.10%	0.20%	0.00%	0.10%	1.40%
Templeton Africa Fund N (Acc) EUR-H1	3.00%	1.60%	0.20%	Up to 1.00%	0.08%	2.88%
Templeton Africa Fund W (Acc) GBP	0.00%	1.10%	0.20%	0.00%	0.15%	1.45%
Templeton Africa Fund W (Acc) EUR	0.00%	1.10%	0.20%	0.00%	0.15%	1.45%

Receiving Sub-Fund Share Class Name	Initial Charge – Up to	Investment Management Fee	Management Company Fee	Maintenance Fee	Other Fees (including Depository Fee)	Ongoing Charges Ratio (OCR)
Templeton Frontier Markets Fund A (Acc) USD	5.75%	1.60%	0.20%	Up to 0.50%	0.26%	2.56%
Templeton Frontier Markets Fund A (Acc) EUR	5.75%	1.60%	0.20%	Up to 0.50%	0.26%	2.56%
Templeton Frontier Markets Fund A (Acc) EUR-H1	5.75%	1.60%	0.20%	Up to 0.50%	0.25%	2.55%
Templeton Frontier Markets Fund A (Ydis) GBP	5.75%	1.60%	0.20%	Up to 0.50%	0.26%	2.56%
Templeton Frontier Markets Fund A (Acc) SGD	5.75%	1.60%	0.20%	Up to 0.50%	0.27%	2.57%
Templeton Frontier Markets Fund I (Acc) EUR	0.00%	1.10%	0.20%	0.00%	0.19%	1.49%
Templeton Frontier Markets Fund I (Acc) USD	0.00%	1.10%	0.20%	0.00%	0.19%	1.49%
Templeton Frontier Markets Fund N (Acc) EUR-H1	3.00%	1.60%	0.20%	Up to 1.00%	0.24%	3.04%
Templeton Frontier Markets Fund W (Acc) GBP	0.00%	1.10%	0.20%	0.00%	0.26%	1.56%
Templeton Frontier Markets Fund W (Acc) EUR	0.00%	1.10%	0.20%	0.00%	0.26%	1.56%

It is not expected that the Receiving Sub-Fund's portfolio be rebalanced in the context of the Merger nor is it expected to entail a dilution effect as a result of receiving the assets from the Merging Sub-Fund.

In addition, and in the best interests of shareholders, it is anticipated that between 35% - 55% of the Merging Sub-Fund assets under management will be transferred in kind to the Receiving Sub-Fund. The remaining 45% - 65% of the Merging Sub-Fund assets will be sold down to cash ahead of the Merger Effective Date. Any derivative positions that cannot be transferred over will be closed out in advance of the Merger.

In accordance with the standard valuation policy of all FTIF's sub-funds and as part of the Company's commitment to protect the best interests of remaining shareholders, a swing pricing mechanism may be applied to the value of the shares. In particular, it will be adopted in the event of a significant subscription or redemption in the Receiving Sub-Fund on the day of the Effective Date. Please refer to the Prospectus for more details in respect of swing pricing.

Please refer to Appendix I hereafter for a detailed comparison of the fees and expenses borne by the shareholders of the Merging Sub-Fund and the Receiving Sub-Fund.

In addition and to facilitate the Merger, the following dealing restrictions will be applied in relation to the Merging Sub-Fund:

- a. New investors will not be permitted to invest in shares in the Merging Sub-Fund from the mailing date of this letter.
- b. Existing shareholders will not be permitted to subscribe for additional shares in the Merging Sub-Fund during the period beginning 7 calendar days prior to the Effective Date; and
- c. Existing shareholders of the Merging Sub-Fund will not be permitted to redeem or switch their holdings as from 5 business days before the Effective Date.

Above limitations will be applied as follows:

Effective date	15 February 2019
a.	13 November 2018
b.	8 February 2019
c.	8 February 2019

3. Comparison between the Merging Sub-Fund and the Receiving Sub-Fund

The Receiving Sub-Fund and the Merging Sub-Fund share the same investment process and the same risk management process. In addition, the Sub-Funds share the same investment objective, similar investment management team and the same management fee structure. However, the funds differ where the Merging Sub-Fund has focus on African markets, whereas the Receiving Sub-Fund invests in global Frontier Markets. Many African economies are considered Frontier Markets and as such there is significant security overlap across the two portfolios.

The differences between the Merging Sub-Fund and the Receiving Sub-Fund are more detailed in Appendix I. For a complete description of the respective investment objectives and policies and related risks of the Receiving Sub-Fund, please refer to the Prospectus and the attached Key Investor Information Documents ("KIIDs") of the Receiving Sub-Fund. Shareholders are invited to carefully read the attached KIIDs of the Receiving Sub-Fund.

4. Merger Procedure

The Merger will become effective on 15 February 2019 at midnight (Luxembourg time), (the "Effective Date").

Upon the Effective Date, the Merging Sub-Fund will transfer its assets and liabilities (the "Net Assets") to the Receiving Sub-Fund. The Net Assets of the Merging Sub-Fund will be valued as of the Effective Date in accordance with the valuation principles contained in the Prospectus and the Articles. The outstanding liabilities generally comprise fees and expenses due but not paid, as reflected in the Net Assets of the Company. There are no outstanding unamortized preliminary expenses in relation to the Merging Sub-Fund.

Any accrued income in the Merging Sub-Fund at the time of the Merger will be included in the calculation of its final net asset value per share and such accrued income will be accounted for on an ongoing basis after the Merger in the net asset value per share of the relevant share class of the Receiving Sub-Fund.

Shareholders of the Merging Sub-Fund who have not instructed redemption or exchange of their shares in the Merging Sub-Fund will receive shares of the corresponding classes of shares in the Receiving Sub-Fund, which will be issued without charge, without par value and in registered form (the "New Shares"):

Merging Share Class	ISIN	Receiving Share Class	ISIN
Templeton Africa Fund A (Acc) USD	LU0727123662	Templeton Frontier Markets Fund A (Acc) USD	LU0390136736
Templeton Africa Fund A (Acc) EUR	LU0744128231	Templeton Frontier Markets Fund A (Acc) EUR	LU0390137031
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* These share classes will be moving from a yearly distributing share class into an accumulation share class.

** This share class will be moving from an accumulation share class to a yearly distribution share class.

For shareholders of the Merging Sub-Fund, the total value of New Shares which they will receive will correspond to the total value of their shares in the Merging Sub-Fund. The number of New Shares to be allocated to shareholders of the Merging Sub-Fund will be based on the respective net asset value per share of both sub-funds as at the Effective Date and will be determined by multiplying the number of shares held in the relevant class of the Merging Sub-Fund by the exchange ratio. The exchange ratio for each class will be calculated by dividing the net asset value per share of such class in the Merging Sub-Fund calculated on the Effective Date by the net asset value per share in the corresponding share class in the Receiving Sub-Fund calculated at the same time on the Effective Date.

Shareholders of the Merging Sub-Fund may refer to their next monthly statement after the Effective Date for the number of shares of the Receiving Sub-Fund that have been allocated to them as a result of the Merger.

On the Effective Date, the Merging Sub-Fund will be dissolved without going into liquidation.

5. Costs of the Merger

The expenses incurred in the Merger, including legal, accounting, custody and other administration costs will be borne by Franklin Templeton International Services S.à r.l.

6. Tax impact

The Merger will not subject the Merging Sub-Fund, the Receiving Sub-Fund or FTIF to taxation in Luxembourg. Investors may however be subject to taxation in their tax domiciles or other jurisdictions where they pay taxes.

Notwithstanding the above, as tax laws differ widely from country to country, investors are advised to consult their tax advisers as to the tax implications of the Merger specific to their individual cases.

7. Availability of Documents

The common merger proposal, the most recent Prospectus of FTIF and the relevant KIIDs (as appended to the present notice in Appendix II) are available at the registered office of the Company, upon request, free of charge.

Upon request, copies of the report of the approved statutory auditor of the Company relating to the Merger may be obtained free of charge at the registered office of the Company.

Copies of material contracts of FTIF may be obtained and/or inspected free of charge at the registered office of the Company.

If you have any queries about the proposed Merger or require any further information, please contact Franklin Templeton International Services S.à r.l. or your relationship manager.

On behalf of Franklin Templeton Investment Funds,



William Lockwood
Director

Appendix I: Comparison of key features of the Merging Sub-Fund and Receiving Sub-Fund.

Appendix II: Enclosed KIID

APPENDIX I

COMPARISON OF KEY FEATURES OF FTIF – TEMPLETON AFRICA FUND (THE “MERGING SUB-FUND”) AND FTIF – TEMPLETON FRONTIER MARKETS FUND (THE “RECEIVING SUB-FUND”)

Shareholders are invited to refer to the prospectus of FTIF for more information on the respective features of the Merging Sub-Fund and the Receiving Sub-Fund.

Unless stated otherwise, the terms used in this Appendix I are as defined in the prospectus.

PRODUCT FEATURES	THE MERGING SUB-FUND	THE RECEIVING SUB-FUND
Name of the sub-fund	FTIF – Templeton Africa Fund	FTIF – Templeton Frontier Markets Fund
Name of the Fund	Franklin Templeton Investment Funds	Franklin Templeton Investment Funds
Reference Currency of the sub-fund	USD	USD
Reference Currency of the Fund	USD	USD
Financial year	1 July to 30 June	1 July to 30 June
Annual General Meeting	30 November	30 November
I. INVESTMENT OBJECTIVES AND POLICIES AND RELATED RISKS		
Investment Objective and Policies	<p>The Fund’s principal investment objective is to provide long-term capital appreciation.</p> <p>The Fund invests principally in equity and equity-related transferable securities of companies across the market capitalisation spectrum which are (i) incorporated or listed in African countries and/or (ii) listed or incorporated elsewhere in the world but which have their principal business activities in Africa.</p> <p>The African countries include but are not limited to the following countries: Botswana, the Democratic Republic of the Congo, Egypt, Gabon, Ghana, Kenya, Lesotho, Malawi, Mauritius, Morocco, Mozambique, Namibia, Nigeria, Rwanda, Senegal, South Africa, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia, Zimbabwe and the member states of the West African Economic and Monetary Union (WAEMU).</p> <p>Due to liquidity constraints and/or regulatory or technical characteristics, some of the stock exchanges and/or markets located in some of the African countries referred to above may not qualify as markets which are regulated, operate regularly, are recognised and are open to the public, as referred to in paragraph 1.a) (iii) of Appendix B “Investment Restrictions”. Investments in securities listed or dealt in on such markets are limited to 10% of the Fund’s net assets (together with any other investments of the Fund that fall under paragraph 1.b) of aforesaid Appendix B). Beyond such limit and in general fashion, equity exposure can be</p>	<p>The Fund’s principal investment objective is to provide long-term capital appreciation.</p> <p>The Fund invests principally in transferable equity securities of companies (i) incorporated in the Frontier Markets countries, and/or (ii) which have their principal business activities in Frontier Market countries across the market capitalisation spectrum. The Frontier Market countries are smaller, less developed and less accessible Emerging Market countries, but with “investable” equity markets and include those defined as Frontier Markets by the International Finance Corporation as well as included in Frontier Markets-related indices (including but not limited to: MSCI Frontier Emerging Markets Select Countries Capped Index, Merrill Lynch Frontier Index, S&P Frontier Broad Market Index), for example Bahrain, Bulgaria, Egypt, Kazakhstan, Nigeria, Pakistan, Qatar, Vietnam, etc.</p> <p>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 purposes and/or efficient portfolio management. These financial derivative instruments may include, inter alia, forwards and financial futures contracts, or options on such contracts, equity-linked notes either dealt on regulated markets or over-the-counter.</p>

	<p>achieved indirectly through depository receipts and other participation rights that meet the conditions of paragraph 1.a) of aforesaid Appendix B.</p> <p>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. These financial derivative instruments may include, inter alia, forwards and financial futures contracts, or options on such contracts, equity-linked notes either dealt on regulated markets or over-the-counter.</p>	
Investor Profile	<p>Considering the investment objectives, as stated above, the Fund may appeal to Investors looking to:</p> <ul style="list-style-type: none"> • capital appreciation by investing in equity securities of issuers located in African countries • invest for the medium to long term 	<p>Considering the investment objectives, as stated above, the Fund may appeal to Investors looking to:</p> <ul style="list-style-type: none"> • capital appreciation by investing in equity securities of companies located in countries defined as Frontier Markets • invest for the medium to long term
Highest Synthetic Risk Reward Indicator (SRRI)	6	5
Specific Risk Consideration	<ul style="list-style-type: none"> • African Markets risk • Class Hedging risk • Counterparty risk • Credit risk • Derivative Instruments risk • Emerging Markets risk • Equity risk • Foreign Currency risk • Frontier Markets risk • Liquidity risk • Market risk • Non-Regulated Markets risk • Participatory Notes risk • Regional Market risk • Structured Notes risk • Value Stocks risk 	<ul style="list-style-type: none"> • Class Hedging risk • Counterparty risk • Derivative Instruments risk • Emerging Markets risk • Equity risk • Foreign Currency risk • Frontier Markets risk • Liquidity risk • Market risk • Participatory Notes risk • Value Stocks risk
Global Exposure Calculation Method	Commitment Approach	Commitment Approach
II. SHARE CLASSES AND MINIMUM INVESTMENT AND HOLDING REQUIREMENTS		
Share Classes	<ul style="list-style-type: none"> - Class A Shares - Class I Shares - Class N Shares - Class W Shares 	<ul style="list-style-type: none"> - Class A Shares - Class I Shares - Class N Shares - Class W Shares

Minimum subscription and subsequent investment	<p>The minimum initial investment in any one Class of Shares of the Sub-Fund is:</p> <p>Class A: USD 5,000</p> <p>Class I: USD 5,000,000</p> <p>Class N: USD 5,000</p> <p>Class W: USD 500,000</p> <p>(or its equivalent in another currency).</p> <p>Subsequent subscription of shares relating to any Class of Shares of the Sub-Fund is:</p> <p>Class A: USD 1,000</p> <p>Class I: USD 1,000</p> <p>Class N: USD 1,000</p> <p>Class W: USD 1,000</p> <p>(or its equivalent in another currency).</p>	<p>The minimum initial investment in any one Class of Shares of the Sub-Fund is:</p> <p>Class A: USD 5,000</p> <p>Class I: USD 5,000,000</p> <p>Class N: USD 5,000</p> <p>Class W: USD 500,000</p> <p>(or its equivalent in another currency).</p> <p>Subsequent subscription of shares relating to any Class of Shares of the Sub-Fund is:</p> <p>Class A: USD 1,000</p> <p>Class I: USD 1,000</p> <p>Class N: USD 1,000</p> <p>Class W: USD 1,000</p> <p>(or its equivalent in another currency).</p>
Minimum Holding	USD 2,500 (or its equivalent in another currency)	USD 2,500 (or its equivalent in another currency)
III. FEES TO BE BORNE BY THE SHAREHOLDERS		
Entry charge	<p>Class A: up to 5.75% of the total amount invested.</p> <p>Class I: N/A</p> <p>Class N: up to 3%</p> <p>Class W: N/A</p>	<p>Class A: up to 5.75% of the total amount invested.</p> <p>Class I: N/A</p> <p>Class N: up to 3%</p> <p>Class W: N/A</p>
Contingent Deferred Sales Charge (CDSC)	<p>Typically no CDSC is paid on Class A shares, however there is power to charge up to 1.00% on qualified investments of USD 1 Million or more held for less than 18 months.</p> <p>Class I: N/A</p> <p>Class N: N/A</p> <p>Class W: N/A</p>	<p>Typically no CDSC is paid on Class A shares, however there is power to charge up to 1.00% on qualified investments of USD 1 Million or more held for less than 18 months.</p> <p>Class I: N/A</p> <p>Class N: N/A</p> <p>Class W: N/A</p>
Redemption fee	N/A	N/A
IV. FEES PAID OUT OF THE SUB-FUND ASSETS		
Management Company Fees	Up to 0.20% of the net asset value of the relevant share Class, an additional amount (consisting of a fixed and variable component) per investor holding at the relevant Class level over each one (1) year period, and a fixed amount per year to cover part of its organisational expenses.	Up to 0.20% of the net asset value of the relevant share Class, an additional amount (consisting of a fixed and variable component) per investor holding at the relevant Class level over each one (1) year period, and a fixed amount per year to cover part of its organisational expenses.
Investment Management Fees	<p>Class A: 1.60%</p> <p>Class I: 1.10%</p> <p>Class N: 1.60%</p> <p>Class W: 1.10%</p>	<p>Class A: 1.60%</p> <p>Class I: 1.10%</p> <p>Class N: 1.60%</p> <p>Class W: 1.10%</p>
Maintenance Fees	<p>Class A : 0.50%</p> <p>Class I: N/A</p> <p>Class N: 1.00%</p> <p>Class W: N/A</p>	<p>Class A : 0.50%</p> <p>Class I: N/A</p> <p>Class N: 1.00%</p> <p>Class W: N/A</p>
Depository Fee	In a range from 0.01% to 0.14% of the net asset value	In a range from 0.01% to 0.14% of the net asset value
OCRs (comprising all incurred fees including the synthetic cost of holding underlying sub-funds)	<ul style="list-style-type: none"> - Class A – 2.40% - Class I – 1.40% - Class N – 2.88% - Class W – 1.45% 	<ul style="list-style-type: none"> - Class A – 2.57% - Class I – 1.49% - Class N – 3.04% - Class W – 1.56%

V. SERVICE PROVIDERS		
Management Company	FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l. 8A, rue Albert Borschette L-1246 Luxembourg Grand Duchy of Luxembourg	FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l. 8A, rue Albert Borschette L-1246 Luxembourg Grand Duchy of Luxembourg
Investment Manager	FRANKLIN TEMPLETON INVESTMENTS (ME) LIMITED The Gate, East Wing, Level 2 Dubai International Financial Centre P.O. Box 506613, Dubai United Arab Emirates	FRANKLIN TEMPLETON INVESTMENTS (ASIA) LIMITED 17/F, Chater House 8 Connaught Road Central Hong Kong Sub-Investment Manager: FRANKLIN TEMPLETON INVESTMENTS (ME) LIMITED The Gate, East Wing, Level 2 Dubai International Financial Centre P.O. Box 506613, Dubai United Arab Emirates
Depository	J.P. MORGAN BANK LUXEMBOURG S.A. European Bank & Business Centre 6C route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg	J.P. MORGAN BANK LUXEMBOURG S.A. European Bank & Business Centre 6C route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg
Auditor	PRICEWATERHOUSECOOPERS Société Coopérative 2, rue Gerhard Mercator L-2182 Luxembourg Grand Duchy of Luxembourg	PRICEWATERHOUSECOOPERS Société Coopérative 2, rue Gerhard Mercator L-2182 Luxembourg Grand Duchy of Luxembourg

APPENDIX II

- Enclosed KIID

Luxembourg, 13 November 2018

Subject: Merger of FTIF – Templeton Africa Fund into FTIF – Templeton Frontier Markets Fund (the "Merger").

Dear Shareholder,

The purpose of this letter is to inform you about the merger of FTIF – Templeton Africa Fund (the "**Merging Sub-Fund**") into FTIF – Templeton Frontier Markets Fund (the "**Receiving Sub-Fund**").

We are writing to you in your capacity as shareholder of the Receiving Sub-Fund.

Following the Merger, the Merging Sub-Fund shall be dissolved without going into liquidation.

1. Rationale and background for the merger

The Merging Sub-Fund was originally launched on 4 May 2012 and on 10 October 2018 it was valued at USD 62,704,288. The small size and reduced demand for the Templeton Africa Fund doesn't make it economically viable to run as an independent entity.

The Receiving Sub-Fund was originally launched on 14 October 2008 and on 10 October 2018 it was valued at USD 553,802,791.

The Merging Sub-Fund and Receiving Sub-Fund share similarities in their investment objective, Investment Manager, risk management processes and management fee structures. However, and as disclosed in the table under section 2, the OCRs of the Receiving Sub-Fund are higher than those of the Merging Sub-Fund due to the capped total expense ratio ("TER") applied to the Merging Sub-Fund. These capped TERs have been applied to reduce the impact of high expenses resultant of low AUM in the Merging Sub-Fund. In the absence of a fee cap, the Receiving Sub-Fund would exhibit lower marginal expenses due to its larger size.

The Receiving Sub-Fund benefits from a lower risk rating indicator (synthetic risk and reward indicator).

Although the Merging Sub-Fund has a portfolio focused on the African region, many of the economies in Africa are considered Frontier markets resulting in the Merging Sub-Fund sharing a significant portfolio overlap with the Receiving Sub-Fund. In addition, the Receiving Sub-Fund has a longer track record and has displayed superior performance over all time periods after 1 year with lower volatility.

Due to the Merging Sub-Fund and the Receiving Sub-Fund sharing similar investment objectives and target investor profiles, the Board believes that it is in the best interests of shareholders to merge these Sub-Funds and focus on a single portfolio, which will offer economies of scale to existing shareholders of these Sub-Funds.

The Board has therefore decided, in accordance with article 66(4) of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended (the "**2010 Law**") and article 28 of the articles of incorporation of the Company, to merge the Merging Sub-Fund into the Receiving Sub-Fund.

However, please note that the Board did not examine the suitability of the Merger in respect of shareholders' individual needs or risk tolerance. Shareholders are advised to seek independent financial / tax advice in respect of their individual circumstances.

2. Impact on shareholders and shareholders' rights

Holders of shares in the Receiving Sub-Fund who do not wish to participate in the Merger, may redeem their shares or switch their holding, free from any charge, until 7 February 2019 (before local dealing cut-off time), into any other sub-fund of FTIF, details of which are disclosed in the current prospectus of FTIF as amended from time to time

(the “**Prospectus**”) (provided that such other sub-funds have obtained recognition for marketing in the applicable jurisdiction).

Please note that “**free of any charge**” does not apply to the classes subject to the contingent deferred sales charge (“**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.

As from 8 February 2019, Shareholders in the Receiving Sub-Fund may continue to redeem or switch out their shares in accordance with the provisions of the Prospectus.

It is contemplated that the portfolio of the Merging Sub-Fund be partially rebalanced before the Merger to improve the liquidity profile of the Merging Fund’s portfolio in the lead up to the Effective Date of the merger.

The Merger of the Merging Sub-Fund into the Receiving Sub-Fund is not expected to entail a dilution effect on the Receiving Sub-Fund.

In accordance with the standard valuation policy of all FTIF’ sub-funds and as part of the Company’s commitment to protect the best interests of remaining shareholders, a swing pricing mechanism may be applied to the value of the shares. In particular, it will be adopted in the event of a significant subscription or redemption in the Receiving Sub-Fund on the day of the Effective Date. Please refer to the Prospectus for more details in respect of swing pricing.

The below table shows the corresponding share classes that will be merged, as applicable:

Merging Share Class	ISIN	Receiving Share Class	ISIN
Templeton Africa Fund A (Acc) USD	LU0727123662	Templeton Frontier Markets Fund A (Acc) USD	LU0390136736
Templeton Africa Fund A (Acc) EUR	LU0744128231	Templeton Frontier Markets Fund A (Acc) EUR	LU0390137031
Templeton Africa Fund A (Ydis) EUR*	LU0744128744		
Templeton Africa Fund A (Acc) EUR-H1	LU0744128314	Templeton Frontier Markets Fund A (Acc) EUR-H1	LU0496363770
Templeton Africa Fund A (Ydis) EUR-H1*	LU0744128827		
Templeton Africa Fund A (Acc) GBP**	LU0744128405	Templeton Frontier Markets Fund A (Ydis) GBP	LU0390137114
Templeton Africa Fund A (Acc) SGD	LU0744128660	Templeton Frontier Markets Fund A (Acc) SGD	LU0390137544
Templeton Africa Fund I (Acc) EUR	LU0744129049	Templeton Frontier Markets Fund I (Acc) EUR	LU0390137205
Templeton Africa Fund I (Acc) USD	LU0727123746	Templeton Frontier Markets Fund I (Acc) USD	LU0390136900
Templeton Africa Fund N (Acc) EUR-H1	LU0744129122	Templeton Frontier Markets Fund N (Acc) EUR-H1	LU0390138195
Templeton Africa Fund W (Acc) GBP	LU0768360942	Templeton Frontier Markets Fund W (Acc) GBP	LU0768359852
Templeton Africa Fund W (Acc) EUR	LU1065169952	Templeton Frontier Markets Fund W (Acc) EUR	LU0976564525

* These share classes will be moving from a yearly distributing share class into an accumulation share class.

** This share class will be moving from an accumulation share class to a yearly distribution share class.

The below table of share classes lists share classes of the Receiving Sub-Fund that will not increase in units as a result of a transfer of assets from the Merging Sub-Fund:

Receiving Share Class	ISIN
Templeton Frontier Markets Fund A (Ydis) USD	LU0390137627
Templeton Frontier Markets Fund B (Acc) USD	LU0390136819
Templeton Frontier Markets Fund C (Acc) USD	LU0390137460
Templeton Frontier Markets Fund I (Ydis) GBP	LU0390137387
Templeton Frontier Markets Fund N (Acc) PLN-H1	LU0768354978
Templeton Frontier Markets Fund N (Acc) EUR	LU0390137973
Templeton Frontier Markets Fund W (Acc) USD	LU0792612979
Templeton Frontier Markets Fund X (Acc) USD	LU0476943450

Templeton Frontier Markets Fund Z (Ydis) EUR-H1	LU0496363424
Templeton Frontier Markets Fund Z (Acc) GBP	LU0768357567

The below table shows the applicable charges for each of the share classes:

Merging Sub-Fund

Merging Sub-Fund Share Class Name	Initial Charge – Up to	Investment Management Fee	Management Company Fee	Maintenance Fee	Other Fees (including Depositary Fee)	Ongoing Charges Ratio (OCR)
Templeton Africa Fund A (Acc) USD	5.75%	1.60%	0.20%	Up to 0.50%	0.10%	2.40%
Templeton Africa Fund A (Acc) EUR	5.75%	1.60%	0.20%	Up to 0.50%	0.10%	2.40%
Templeton Africa Fund A (Acc) EUR-H1	5.75%	1.60%	0.20%	Up to 0.50%	0.09%	2.39%
Templeton Africa Fund A (Acc) GBP	5.75%	1.60%	0.20%	Up to 0.50%	0.10%	2.40%
Templeton Africa Fund A (Acc) SGD	5.75%	1.60%	0.20%	Up to 0.50%	0.10%	2.40%
Templeton Africa Fund A (Ydis) EUR	5.75%	1.60%	0.20%	Up to 0.50%	0.10%	2.40%
Templeton Africa Fund A (Ydis) EUR-H1	5.75%	1.60%	0.20%	Up to 0.50%	0.09%	2.39%
Templeton Africa Fund I (Acc) EUR	0.00%	1.10%	0.20%	0.00%	0.09%	1.39%
Templeton Africa Fund I (Acc) USD	0.00%	1.10%	0.20%	0.00%	0.10%	1.40%
Templeton Africa Fund N (Acc) EUR-H1	3.00%	1.60%	0.20%	Up to 1.00%	0.08%	2.88%
Templeton Africa Fund W (Acc) GBP	0.00%	1.10%	0.20%	0.00%	0.15%	1.45%
Templeton Africa Fund W (Acc) EUR	0.00%	1.10%	0.20%	0.00%	0.15%	1.45%

Receiving Sub-Fund

Receiving Sub-Fund Share Class Name	Initial Charge – Up to	Investment Management Fee	Management Company Fee	Maintenance Fee	Other Fees (including Depositary Fee)	Ongoing Charges Ratio (OCR)
Templeton Frontier Markets Fund A (Acc) USD	5.75%	1.60%	0.20%	Up to 0.50%	0.26%	2.56%
Templeton Frontier Markets Fund A (Acc) EUR	5.75%	1.60%	0.20%	Up to 0.50%	0.26%	2.56%
Templeton Frontier Markets Fund A (Acc) EUR-H1	5.75%	1.60%	0.20%	Up to 0.50%	0.25%	2.55%
Templeton Frontier Markets Fund A (Ydis) GBP	5.75%	1.60%	0.20%	Up to 0.50%	0.26%	2.56%
Templeton Frontier Markets Fund A (Acc) SGD	5.75%	1.60%	0.20%	Up to 0.50%	0.27%	2.57%
Templeton Frontier Markets Fund I (Acc) EUR	0.00%	1.10%	0.20%	0.00%	0.19%	1.49%
Templeton Frontier Markets Fund I (Acc) USD	0.00%	1.10%	0.20%	0.00%	0.19%	1.49%
Templeton Frontier Markets Fund N (Acc) EUR-H1	3.00%	1.60%	0.20%	Up to 1.00%	0.24%	3.04%
Templeton Frontier Markets Fund W (Acc) GBP	0.00%	1.10%	0.20%	0.00%	0.26%	1.56%
Templeton Frontier Markets Fund W (Acc) EUR	0.00%	1.10%	0.20%	0.00%	0.26%	1.56%

3. Comparison between the Merging Sub-Fund and the Receiving Sub-Fund

The Receiving Sub-Fund and the Merging Sub-Fund share the same investment process and the same risk management process. In addition, the Sub-Funds share the same investment objective, similar investment management team and the same management fee structure. However, the funds differ where the Merging Sub-Fund has focus on African markets, whereas the Receiving Sub-Fund invests in global Frontier Markets. Many African economies are considered Frontier Markets and as such there is significant security overlap across the two portfolios.

In addition, and in the best interests of shareholders, it is anticipated that between 35% - 55% of the Merging Sub-

Fund assets under management will be transferred in kind to the Receiving Sub-Fund. The remaining 45% - 65% of the Merging Sub-Fund assets will be sold down to cash ahead of the Merger Effective Date. Any derivative positions that cannot be transferred over will be closed out in advance of the Merger.

4. Merger Procedure

The Merger will become effective as of 15 February 2019 at midnight (Luxembourg time) (the “Effective Date”).

Upon the Effective Date, the Merging Sub-Fund will transfer all its assets and liabilities (the “Assets”) to the Receiving Sub-Fund (as detailed below).

Any accrued income in the Merging Sub-Fund at the time of the Merger will be included in the calculation of its net asset value per share and such accrued income will be accounted for on an ongoing basis after the Merger in the net asset value per share calculation in the relevant share class of the Receiving Sub-Fund. The Net Assets of the Merging Sub-Fund will be valued as of the Effective Date in accordance with the valuation principles contained in the Prospectus and in the Articles. The outstanding liabilities generally comprise fees and expenses due but not paid, as reflected in the Net Assets of the Company. There are no outstanding unamortized preliminary expenses in relation to the Merging Sub-Fund.

5. Costs of the Merger

The expenses incurred in the Merger, including legal, accounting, custody and other administration costs will be borne by Franklin Templeton International Services S.à r.l., the management company of FTIF.

6. Tax impact

The Merger will not subject the Merging Sub-Fund, the Receiving Sub-Fund or FTIF to taxation in Luxembourg. Investors may however be subject to taxation in their tax domiciles or other jurisdictions where they pay taxes.

Notwithstanding the above, as tax laws differ widely from country to country, investors are advised to consult their tax advisers as to the tax implications of the Merger specific to their individual cases.

7. Availability of Documents

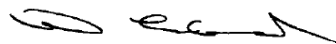
The common merger proposal, the most recent prospectus of FTIF and the relevant KIIDs are available at the registered office of FTIF, upon request, free of charge.

Upon request, copies of the report of the approved statutory auditor of FTIF relating to the Merger may be obtained free of charge at the registered office of FTIF.

Copies of material contracts of FTIF may be obtained and/or inspected free of charge at the registered office of FTIF.

If you have any queries about the proposed merger or require any further information, please contact Franklin Templeton International Services S.à. r.l. or your relationship manager.

On behalf of Franklin Templeton Investment Funds,



William Lockwood
Director