



This letter is important and requires your immediate attention.

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

Hong Kong, 3 January 2025

Dear Investors,

**Franklin Templeton Investment Funds (the “Company”)
- Changes to the Company and its sub-funds (the “Funds”)**

This letter is intended for investors who hold shares of the Company 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 (collectively, “**Investors**”).

Unless otherwise specified herein, capitalized terms used in this letter shall have the meanings assigned to such terms in the Explanatory Memorandum of the Company dated April 2024, as amended from time to time (the “**Explanatory Memorandum**”).

The changes set out in this letter took effect as of 18 November 2024 (the “**Effective Date**”), unless otherwise stated.

1. Implementation of Severe Weather Trading Arrangements

We would like to inform you of the dealing arrangements for the Funds on days (other than a Saturday or Sunday or a Hong Kong public holiday) when there are severe weather conditions in Hong Kong (“**Severe Weather Days**”).

Hong Kong Exchanges and Clearing Limited has announced that, with effect from 23 September 2024, it has implemented arrangements for maintaining normal operations of the Hong Kong securities and derivatives markets during severe weather conditions (“**Severe Weather Trading**”). Severe weather conditions refer to the scenario where a typhoon signal No. 8 or above or a black rainstorm warning is issued by the Hong Kong Observatory, or an “extreme conditions” announcement is made by the Government of the Hong Kong Special Administrative Region of the People’s Republic of China.

While the current definition of “Business Day” provides flexibility for the Hong Kong Representative to exercise its discretion to determine a Severe Weather Day to be a Business Day, we would like to formally amend the definition of “Business Day” in light of the implementation of Severe Weather Trading. Accordingly, with effect from 23 September 2024, the definition of “Business Day” shall be amended as follows (with revisions in mark-ups):

“Business Day” *any day other than Saturday on which banks in Hong Kong are generally open for normal banking business provided that where, as a result of a number 8 typhoon signal or higher or a black rain storm warning or other similar event, the period during which*

~~*banks in Hong Kong are open for normal banking business on any day is reduced, such day shall not be a Business Day in Hong Kong unless the Hong Kong Representative otherwise determines without the need to separately notify investors and Shareholders (the Hong Kong Representative may without notice to investors and Shareholders determine that such any day shall not be a Business Day in Hong Kong)*~~

In light of the implementation of Severe Weather Trading, from 23 September 2024, the Funds will generally be open for dealing on any Business Day (including a Severe Weather Day), subject to the usual dealing deadlines and procedures as described in the Explanatory Memorandum.

As a result, the number of dealing days during which Shares may be subscribed for, redeemed and/or switched over a calendar year may increase. For the avoidance of doubt, there will be no change to the operation and/or manner in which the Funds are being managed as a result of the implementation of Severe Weather Trading. As the procedures for subscription, redemption and switching of Shares through intermediaries and/or distributors on Severe Weather Days may vary, Shareholders are recommended to consult the relevant intermediaries and/or distributors before placing orders to deal in Shares.

2. Updated SFDR pre-contractual disclosures of the Franklin Euro Government Bond Fund (the “Fund”) to reflect its increased level of commitment to sustainable investments

The SFDR pre-contractual disclosures of the Fund has been updated to reflect the increase of the minimum proportion of sustainable investments from 30% to 50%. The Fund’s sustainable investments include a minimum allocation of 25% of its portfolio to sustainable investments in economic activities that contribute to environmental objectives, and a minimum allocation of 5% of its portfolio to sustainable investments in economic activities that contribute to social objectives.

For the avoidance of doubt, the Fund is not classified as an ESG fund, pursuant to the “Circular to management companies of SFC authorized unit trusts and mutual funds - ESG funds” issued by the Securities and Futures Commission (the “**SFC**”) on 29 June 2021.

Please refer to the updated SFDR pre-contractual disclosures of the Fund for details. They are available for download from the Hong Kong Representative’s website at https://franklintempletonprod.widen.net/s/jqdp5bk5xt/ftif-sfdr-pre-contractual-disclosure-annexes_hk_en¹ (*English version*) and https://franklintempletonprod.widen.net/s/hv85nxn6tb/ftif-sfdr-pre-contractual-disclosure-annexes_hk_cn¹ (*traditional Chinese version*), and they shall also be made available at the office of the Hong Kong Representative.

¹ The website has not been reviewed by the SFC.

3. Inclusion of disclosures on net asset value (“NAV”) errors

The following disclosures on NAV errors shall be included in the Explanatory Memorandum:

“A Net Asset Value error occurs when the Net Asset Value calculation results in an incorrect outcome. A Net Asset Value calculation error (i) may arise as a result of one or more factors or circumstances, including but not limited to, human or data errors, inaccurate pricing information, inadequate control procedures, shortcomings in the administrative processing of operations, imperfections or deficiencies in the functioning of the IT, accounting or communication systems or (ii) may be related to non-compliance with the valuation rules provided for in the law as well as in the Articles and/or this Explanatory Memorandum. These factors or circumstances may occur at the level of the Administrative Agent in charge of the calculation of the Net Asset Value but also at other levels of the Company’s organisation. In order to protect the interests of the Company and its investors, Net Asset Value calculation errors resulting in an overstated or understated Net Asset Value per Share equal to or in excess of a certain threshold (positive or negative) will be corrected and compensated in accordance with the provisions of the CSSF Circular 24/856 and the Code on Unit Trusts and Mutual Funds as appropriate.”

4. Other updates

The Explanatory Memorandum shall also be updated to reflect the below:

- (a) Updates to the information relating to the board of managers and conducting officers of the Management Company.
- (b) Other administrative, clarificatory and/or editorial updates.

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Any costs and/or expenses incurred in connection with the above changes shall be borne by the Management Company, other than the cost of publishing this letter, which is estimated to be approximately HKD100,000 and which shall be charged and allocated to the Funds based on the pro rata share of the Net Asset Value of the Funds.

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The Management Company and the Board of Directors accept full responsibility for the accuracy of the information contained in this letter as at the date of its publication and confirm, 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.

The Explanatory Memorandum shall be updated to reflect the above changes in due course. An updated version of the Explanatory Memorandum shall be available for download from the Hong Kong Representative’s website at www.franklintempleton.com.hk¹, and it shall also be made available at the office of the Hong Kong Representative in due course.

If you require further information, please do not hesitate to contact your investment consultant, call our appointed Transfer Agent and Dealing Hotline at +852 2805 0033 / Investor Hotline at

+852 2805 0111 or contact the Hong Kong Representative at 62/F, Two International Finance Centre, 8 Finance Street, 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,

Franklin Templeton Investments (Asia) Limited

富蘭克林鄧普頓投資(亞洲)有限公司

As Hong Kong Representative of the Company