



Franklin Templeton Investments
(Asia) Limited
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This letter is important and requires your immediate attention.

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

Hong Kong, 16 April 2025

Dear Investors,

**Franklin Templeton Investment Funds (the “Company”)
- Changes to Templeton Global Balanced Fund (the “Fund”)**

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 will become effective as from 18 July 2025 (the “**Effective Date**”).

We would like to inform you that the Board of Directors has decided to rename the Fund to “Templeton Global Value and Income Fund” and the investment policy, global exposure and benchmark of the Fund will be amended as described below.

In the Investment Manager’s view, the proposed changes reflect a more precise explanation of the investment strategy and the benefits it can offer to the investors, in particular its focus on securities believed to be worth more than current market prices and its focus on attractive income.

As a consequence of the above, the following changes shall be made to the Explanatory Memorandum:

- (i) The name of the Fund shall be changed to “Templeton Global Value and Income Fund”. All references to the Fund shall be amended to reflect the new name of the Fund.
- (ii) The Fund shall be added to the paragraph relating to the list of Relevant Funds where financial derivative instruments may be used for investment purposes under the section headed “FUND INFORMATION, OBJECTIVES AND INVESTMENT POLICIES”.
- (iii) The table which sets out the Funds that use relative Value-at-Risk approach to calculate their global exposure under the section headed “FUND INFORMATION, OBJECTIVES AND INVESTMENT POLICIES” shall be updated to include the Fund and its current expected level of leverage (based on the “sum of notionals” approach) is 120%.

- (iv) The sub-section headed "Investment Policy" in the Fund's profile shall be amended as follows (with revisions shown as mark-up):-

"The Fund seeks to achieve its objective by investing principally in equity securities and government debt securities issued by entities throughout the world, including emerging markets.

Under normal market conditions, the Fund invests in a diversified portfolio of debt and equity securities worldwide. The Investment Managers anticipate that the majority of the Fund's portfolio is normally invested in equity or equity-linked securities, including debt or preferred stock convertible or exchangeable into equity securities, selected principally on the basis of their capital growth potential. The Fund seeks income by investing in fixed or floating rate debt securities (including up to 520% of the Fund's net assets in non-investment grade securities) and debt obligations issued by government and government-related issuers or corporate entities worldwide, including in emerging markets, as well as stocks the Investment Managers believe offer attractive dividend yields. The Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. The Fund can invest less than 30% of its net assets in Mainland China through the Bond Connect or directly (also referred to as CIBM direct). The Fund may purchase equities, fixed income securities and debt obligations. Notwithstanding the foregoing, at no time will the Investment Managers invest more than 40% of the Fund's total net assets into fixed income securities.

The Fund may also utilise financial derivative instruments for hedging, purposes and efficient portfolio management and investment purposes. These financial derivative instruments may be dealt on either (i) Regulated Markets, such as futures contracts (including those on government securities), as well as options or (ii) over-the-counter and may include, inter alia, swaps (such as credit default swaps, fixed income related and equity total return swaps), forwards and cross forwards, futures contracts (including those based on equity, equity index, interest rate, currency and government securities), equity linked notes, equity index options, as well as options (including covered calls and warrants). Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency or credit. The Fund may invest up to 10% of its net assets in units of UCITS and other UCIs. In addition, the Fund may invest in equity securities, credit-linked securities and money-market instruments, such as currency, exchange rate, and interest rate related swaps and forwards.

For the purpose of generating additional capital or income or for reducing costs or risks, the Fund may engage in securities lending transactions for up to 50% of its net assets, in a manner that is consistent with its investment policy. For the avoidance of doubt, any securities lending will be an ancillary activity of the Fund only.

In order to achieve its investment goals and for treasury purposes, the Fund may hold or invest significant amounts in bank deposits, money market instruments or money market

funds pursuant to the applicable investment restrictions (up to 100% of its net assets) under exceptional circumstances only.

The Fund may distribute dividends from capital, net realised and net unrealised capital gains as well as income gross of expenses. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital.

Investments in emerging markets countries are subject to a higher degree of risk as described in the section "RISK CONSIDERATIONS".

- (v) The sub-section headed "Additional Notes on the Investment Policy" in the Fund's profile shall be deleted in its entirety.
- (vi) The following shall be added immediately before the sub-section headed "Exposure to securities lending transactions" in the Fund's profile:-

"Exposure to total return swaps

The expected level of exposure that could be subject to total return swaps (unfunded) amounts to 3% of the Fund's net assets, subject to a maximum of 5%."

- (vii) As a result of the above changes, the Fund will be subject to higher level of "Counterparty risk" and "Derivative Instrument risk". In addition, "Credit-Linked Securities risk", "Restructuring Companies risk" and "Swap Agreements risk" shall be added to the sub-section headed "Risks of Investing in the Fund" in the Fund's profile as risks pertaining to the Fund.
- (viii) The following shall be inserted immediately after the sub-section headed "Risks of Investing in the Fund" in the Fund's profile:-

"Level of Leverage

The expected level of leverage of the Fund (based on the "sum of notionals" approach) is 120%¹. Under Luxembourg Law, the absolute VaR limit is currently 20% of the Fund's total net assets and the relative VaR limit is currently twice or 200% of the Fund's benchmark VaR.

The relative VaR reference benchmark is a blended benchmark consisting of the MSCI All Country World Index (60%), the J.P. Morgan Global Government Bond Index (GBI) (20%), the J.P. Morgan Emerging Markets Bond Index Global (EMBIG) (10%) and the J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (10%)."

¹ The level of leverage in the Fund may be higher or lower than the expected level shown above in certain circumstances, such as high market volatility. The leverage calculation method used is the sum of notionals. It includes the notional exposure associated with financial derivative instruments but does not include the underlying investments of the Fund which make up 100% of total net assets.

- (ix) The benchmark of the Fund as disclosed under the section headed “BENCHMARK DISCLOSURE” shall be changed from “Custom 65% MSCI ACWI + 35% JP Morgan Global Government Bond Index” to “Custom 60% MSCI ACWI + 40% JP Morgan Global Government Bond Index”.

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The portfolio’s composition of the Fund and its risk profile will be impacted by the changes detailed above. Save as otherwise provided in this letter, there will be no change to the operation and/or manner in which the Fund is being managed and there are no other impacts on existing shareholders, and the above changes will not result in any other material change to the features and risks applicable to the Fund. In addition, the above changes will not give rise to any change in the fee level or cost in managing the Fund. The above changes will not materially prejudice the rights or interests of existing shareholders of the Fund.

The costs and/or expenses (including printing and other administrative costs) associated with the above changes are estimated to be approximately HKD 125,000, or 0.003% of the Net Asset Value of the Fund as at 28 February 2025, and will be borne by the Fund.

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If you do not agree with the above changes, you may request, free of charge until 4:00 p.m. on the Effective Date, for a redemption of your shares of the Fund or a switching of such shares into shares of other sub-funds of the Company that are authorized² by the Securities and Futures Commission (“SFC”), details of which are disclosed in the Explanatory Memorandum.

The Company comprises a wide range of sub-funds catering for many different objectives. Switching of your existing holding may be made into other sub-funds within the Company that are authorized² by the SFC. On receipt of your instructions, we will execute the switching for you in accordance with the provisions of the Explanatory Memorandum, free of charge.

Please note that although the Company will not charge the Investors impacted by the above changes, any redemption or switching fee for redemption and switching requests that reach the Hong Kong Representative, in some cases the relevant banks, investment advisers or other intermediaries 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. Investors are recommended to check with their banks, investment advisers or other intermediaries (if applicable) to ensure that their instructions reach the Hong Kong Representative before the dealing deadline above.

Before investing in another SFC-authorized² sub-fund of the Company, please ensure that you have read and understood the investment objectives, policies and fees applicable to the relevant sub-funds as described in the Explanatory Memorandum.

² 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.

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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 and the Product Key Facts Statement of the Fund will be updated to reflect the above changes in due course. An updated version of the Hong Kong offering documents of the Company will be available for download from the Hong Kong Representative's website at www.franklintempleton.com.hk³, and they will 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

³ The website has not been reviewed by the SFC.