



Franklin Templeton Investments
(Asia) Limited
富蘭克林鄧普頓投資(亞洲)有限公司
62/F, Two International
Finance Centre, 8 Finance Street,
Central, Hong Kong
tel (+852) 2877 7733
franklintempleton.com.hk

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, 17 April 2025

Dear Investors,

- Franklin Templeton Investment Funds (the “Company”)**
- **Change of name, investment objective and policy and investment management structure and SFDR reclassification of Templeton Global Equity Income 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**”). Unless otherwise stated in this letter, the changes set out in this letter will become effective as from 26 June 2025 (the “**Effective Date**”).

We would like to inform you that the Board of Directors has decided, in light of Investors’ demand, to have the Fund reclassified from Article 6 to Article 8 under the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“**SFDR**”) and to create its SFDR related disclosures, in order to reflect the ESG methodology applied to the Fund, to translate the pre-existing process into the Explanatory Memorandum and to reinforce the Fund’s binding commitments. In addition, the Fund will be renamed “Templeton Global Leaders Fund” and its investment objectives and policy as well as its investment management structure will be amended as described below.

In the Investment Manager’s view, the transition of the Fund to a core global offering using the Templeton Leaders strategy would better align with the interests of investors. The Templeton Leaders strategy is a quality-oriented strategy that has generated superior performance without increased risks and therefore it is in the interests of investors to transition to such strategy.

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 Leaders Fund”. All references to the Fund shall be amended to reflect the new name of the Fund.

- (ii) The sub-section headed “Investment Objective” in the Fund’s profile shall be amended as follows (with revisions shown as mark-up):-

~~“The Fund’s investment objective is to provide a combination of current income and long-term capital appreciation.”~~

- (iii) The first and second paragraphs under the sub-section headed “Investment Policy” in the Fund’s profile shall be amended as follows (with revisions shown as mark-up):-

~~“Under normal market conditions the Fund invests in a diversified portfolio of equity securities worldwide. The Fund seeks income by investing in stocks the Investment Manager believes offer attractive dividend yields. The Investment Manager seeks capital appreciation by searching for undervalued or out-of-favour securities offering current income or opportunities for future capital appreciation. Capital appreciation is sought by investing. The Fund invests principally in equity securities of companies from a variety of industries and located anywhere in the world, including emerging markets. The equity securities in which the Fund invests are primarily common stock and may include small and mid-capitalisation companies. Holdings will typically be the shares of companies that have a market capitalisation of over US\$10 billion. However, the Fund may also invest less than 30% of its Net Asset Value in shares of small and mid-capitalisation companies with market capitalisations of between US\$1 billion and US\$10 billion.”~~

~~Since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may also seek investment opportunities in other types of transferable securities such as preferred stock, securities convertible into common stock ~~debt~~ and fixed income securities, which are US dollar and non-US dollar denominated. The Fund may also invest up to 10% of its net assets in units of UCITS and other UCIs.”~~

- (iv) The following paragraphs shall be added immediately after the second paragraph under the sub-section headed “Investment Policy” in the Fund’s profile:-

~~“The Investment Manager also considers ESG factors as an integral component of its fundamental investment research and decision process. The Environmental and/or Social characteristics (within the meaning of Article 8 SFDR) promoted by the Fund are detailed in the section “SFDR PRE-CONTRACTUAL DISCLOSURE ANNEXES”. 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 SFC on 29 June 2021.~~

~~The Fund invests in companies identified by the Investment Manager as “leaders”, including (i) “established leaders” which are companies that hold dominant market positions, possess strong competitive advantages, have high-quality management, solid balance sheets, and generate positive returns on capital in growing industries that show potential to deliver sustainable growth over the long term (5 years) beyond their current market valuation and (ii) “emerging leaders” which are companies in the early stages of growth that the Investment Manager believes have the potential to evolve into “established leaders” over time.”~~

- (v) As a consequential update to the revised investment objective and policy of the Fund, the following shall be deleted from the Fund's profile:-

"The Fund may distribute dividends from capital, net realised and net unrealised capital gains as well as income gross of expenses."

For the avoidance of doubt, the removal of this disclosure from the Fund's profile does not affect the flexibility for distribution share classes to pay dividends out of capital. The compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are made available by the Hong Kong Representative on request and are also available online at www.franklintempleton.com.hk¹.

- (vi) The SFDR pre-contractual disclosures for the Fund shall be added to the section "SFDR PRE-CONTRACTUAL DISCLOSURE ANNEXES". On or around the Effective Date, the bilingual SFDR pre-contractual disclosures for the Fund will be 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 will also be made available at the office of the Hong Kong Representative.

- (vii) The sub-section headed "Investor's Profile" in the Fund's profile shall be amended as follows:-

"Considering the investment objectives, as stated above, the Fund may appeal to investors looking to The Fund is suitable for investors:

- *invest in a Fund compliant with Article 8 of the SFDR;*
- ~~*seeking to achieve capital appreciation and current income from their equity investments; and*~~
- ~~*planning to hold their investments from*~~ *invest for the medium to long term."*

- (viii) "Smaller and Midsize Companies risk" and "Sustainability 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.

Change of investment management structure of the Fund

Currently, the Management Company (Franklin Templeton International Services S.à r.l.) has delegated the portfolio management of the Fund to Templeton Investment Counsel, LLC ("TIC LLC") as the Investment Manager.

As part of the repositioning of the Fund as described above, a new investment team will be responsible for the investment management of the Fund. As a result, it is proposed that TIC LLC will no longer be the Investment Manager of the Fund and will be replaced by (i) Templeton Global Advisors Limited ("TGAL") and (ii) Templeton Asset Management Ltd ("TAML") as the Investment Managers to carry out discretionary investment management functions for the Fund.

¹ This website has not been reviewed by the Securities and Futures Commission ("SFC").

Please refer to the following table for a summary of the change:

Fund	Existing investment management structure	Revised investment management structure (with effect from the Effective Date)
Templeton Global Equity Income Fund	<u>Investment Manager</u> Templeton Investment Counsel, LLC (United States of America)	<u>Investment Managers</u> * Templeton Global Advisors Limited# (The Bahamas) and Templeton Asset Management Ltd^ (Singapore)

* *Each Investment Manager under the revised investment management structure currently acts as a discretionary investment manager or sub-manager of other existing funds that are authorized by the SFC. 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.*

TGAL is primarily regulated by the Bahamas Securities Board and registered as an investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940.

^ *TAML is primarily regulated by the Monetary Authority of Singapore.*

Franklin Templeton International Services S.à r.l., TGAL and TAML are wholly-owned subsidiaries of Franklin Resources, Inc.

* * * * *

The portfolio's composition of the Fund will be impacted by the change of investment objective and policy and SFDR reclassification. 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.

The costs and/or expenses associated with the above changes, including (i) rebalancing of the portfolio's composition (estimated to be approximately HKD 400,000 or 0.073% of the Net Asset Value of the Fund as of 28 February 2025) and (ii) printing and other administrative costs (estimated to be approximately HKD 50,000 or 0.009% of the Net Asset Value of the Fund as of 28 February 2025) will be borne by the Fund.

* * * * *

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 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.

* * * * *

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.hk¹, 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

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.