



**FRANKLIN
TEMPLETON**

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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, 20 June 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 2025, as amended from time to time (the **“Explanatory Memorandum”**). Unless otherwise stated, the changes set out in this letter took effect as of 21 May 2025 (the **“Effective Date”**).

1. Rebranding of the benchmark for Franklin Global Convertible Securities Fund

In 2021, the London Stock Exchange Group (LSEG) completed its acquisition of Refinitiv and finalized last year a simplification of its branding from “Refinitiv” to “FTSE”. As a result, with effect from 31 May 2025, the Fund’s benchmark name has been changed from “Refinitiv Global Focus Convertible Index” to “FTSE Global Focus Convertible Index”.

2. Benchmark change for Franklin Natural Resources Fund

The Board of Directors has decided to add a secondary benchmark, namely “S&P Global Natural Resources Index”, to the Fund. The secondary benchmark is used solely as a reference for investors to compare against the Fund’s performance and is neither used as a constraint on how the Fund’s portfolio is to be constructed nor set as a target for the Fund’s performance to beat.

Why are we making this change?

The “S&P North American Natural Resources Sector Index” is considered as the Fund’s primary benchmark because it consists of securities which largely reflect the strategy’s investment universe; it has historically had high exposure to the energy sector. The “S&P Global Natural Resources Index” has historically had higher exposure to materials and substantially less exposure to energy; it is provided to complement the “S&P North American Natural Resources Sector Index” with a broader representation of the natural resources universe.

Accordingly, the benchmark of the Fund as disclosed under the section headed “BENCHMARK DISCLOSURE” in the Explanatory Memorandum shall be amended as follows (with revisions shown in mark-up):

“With the exception of the Funds listed above, all benchmarks disclosed below are used solely as a reference for Investors to compare against the Funds’ performance, and these benchmarks are neither used as a constraint on how the Funds’ portfolio are to be constructed nor set as a target for the Funds’ performance to beat. All Funds are actively managed:

...

- *Franklin Natural Resources Fund: S&P North American Natural Resources Sector Index is considered the Fund’s primary benchmark because it consists of securities which largely reflect the strategy’s investment universe; it has historically had high exposure to the energy sector. The S&P Global Natural Resources Index has historically had higher exposure to materials and substantially less exposure to energy; it complements the S&P North American Natural Resources Sector Index with a broader representation of the natural resources universe.”*

3. Clarification to the investment policy of Templeton European Small-Mid Cap Fund

The Board of Directors has decided to amend the investment policy of the Fund to align the Fund’s market capitalisation with the market capitalisation of its reference benchmark. Accordingly, the second paragraph under the sub-section headed “Investment Policy” of the Fund’s profile in the Explanatory Memorandum shall be amended as follows (with revisions shown in mark-up):

“The Fund principally invests its net assets in the securities of issuers incorporated or having their principal business activities in European countries and which have a market capitalisation ~~above Euro 100 million and below Euro 8 billion or the equivalent in local currencies~~ at the time of initial purchase within the range of the market capitalisations of companies included in the MSCI Europe Small-Mid Cap Index. Once a security qualifies for initial purchase, it continues to qualify for additional purchases as long as it is held by the Fund.”

4. Clarification to Templeton Global Climate Change Fund

The Board of Directors has decided to amend the investment policy of the Fund for clarification purposes. Since late 2022, the Fund has not used securities lending nor derivatives for efficient portfolio management purposes (as disclosed in the Fund’s SFDR pre-contractual disclosures). Therefore, the changes below were brought to reflect the current investment strategy of the Fund. As a consequence, the following changes shall be made to the Explanatory Memorandum:

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

“The Fund may further utilise financial derivative instruments for hedging ~~purposes and efficient portfolio management~~. These financial derivative instruments may include, inter alia, swaps, currency forwards, futures contracts (including futures based on equity, equity index, interest rate and currency), equity and equity index options, equity linked notes, as well as options (including covered calls and warrants).”

- (ii) The last paragraph under the sub-section headed “Investment Policy” in the Fund’s profile as well as the sub-section headed “Exposure to securities lending transactions” in the Fund’s profile shall be deleted in their entirety.
- (iii) “Securities Lending risk” shall be removed from the sub-section headed “Risks of Investing in the Fund” in the Fund’s profile as a risk pertaining to the Fund.

In addition, the Board of Directors has decided to make amendments to the Fund, which follows the exclusions for the EU Paris-aligned Benchmarks (as defined below), to comply with ESMA’s Fund Naming Guidelines (as defined below). The updated SFDR pre-contractual disclosures for the Fund are available for download from the Hong Kong Representative’s website at https://franklintempletonprod.widen.net/s/jgdp5bk5xt/ftif-sfdr-pre-contractual-disclosure-annexes_hk_en¹ (English version) and https://franklintempletonprod.widen.net/s/hv85nxxn6tb/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.

5. Update to the investment policy of Templeton Global Income Fund

The investment policy of the Fund has been updated to clarify that the Fund may invest in equity-linked notes, alongside other financial derivative instruments. Accordingly, the first paragraph under the sub-section headed “Investment Policy” in the Fund’s profile in the Explanatory Memorandum shall be amended as follows (with revisions shown in mark-up):

“Under normal market conditions, the Fund invests in a diversified portfolio of debt and equity securities worldwide. The Fund seeks income by investing in a portfolio of fixed and floating rate debt 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 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 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 may invest in investment grade and non-investment grade debts securities issued by US and non-US issuers including securities in default. The Fund may utilise financial derivative instruments for hedging, efficient portfolio management and investment purposes. These financial derivative instruments may be dealt either in Regulated Markets or over-the-counter, and may include, inter alia, swaps (such as credit default swaps or fixed income related total return swaps), forwards and cross forwards, futures contracts (including futures based on equity, equity index, interest rate, currency and government securities), equity-linked notes as well as options. 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. The Fund may invest in fixed or floating rate debt securities either directly or through regulated investment funds (subject to the limits indicated above).”

The following sub-section shall be added immediately after the sub-section headed “Exposure to securities lending transactions” in the Fund’s profile in the Explanatory Memorandum:

¹ This website has not been reviewed by the SFC.

“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%.”

6. Other updates

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

(a) The following defined terms shall be added to the section headed “DEFINITIONS”:

“CDR (EU) 2020/1818”	<i>Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks, as amended from time to time</i>
“ESMA’s Fund Naming Guidelines”	<i>European Securities and Markets Authority’s guidelines on funds’ names using ESG or sustainability-related terms (ESMA34-1592494965-657)</i>
“exclusions for the EU Climate Transition Benchmarks”	<p><i>the following exclusions for the EU Climate Transition Benchmarks as outlined in the CDR (EU) 2020/1818, as amended from time to time:</i></p> <p><i>companies involved in any activities related to controversial weapons;</i></p> <p><i>companies involved in the cultivation and production of tobacco;</i></p> <p><i>companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.</i></p> <p><i>For the purposes of point (a), our assessment of whether a company is involved in activities related to controversial weapons shall be carried out according to the “Franklin Templeton Controversial Weapons Policy – European Funds” document which is available at</i></p> <p><i>https://franklintempletonprod.widen.net/content/fx6l5qcmav/pdf/controversial-weapons-policy.pdf¹.</i></p> <p><i>Green bonds issued under the European Green Bonds Regulation (Regulation (EU) 2023/2631) are exempt from the above-listed exclusions. For investments in bonds whose use-of-proceeds is limited to green, social or other sustainable activities, the above-listed exclusions will be applied solely to the economic activities financed by these instruments (not the issuer as a whole), except that exclusion (c) shall apply at the level of the issuer. For all other investments, the exclusions shall apply at the level of the issuer</i></p>

“exclusions for the EU Paris-aligned Benchmarks” the following exclusions for the EU Paris-aligned Benchmarks as outlined in the CDR (EU) 2020/1818, as amended from time to time:

companies involved in any activities related to controversial weapons;
companies involved in the cultivation and production of tobacco;
companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
companies that derive 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
companies that derive 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
companies that derive 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO₂ e/kWh.

For the purposes of point (a), controversial weapons shall mean controversial weapons as referred to in “Franklin Templeton Controversial Weapons Policy – European Funds” document which is available at

<https://franklintempletonprod.widen.net/content/fx6l5gcmav/pdf/controversial-weapons-policy.pdf>¹.

Green bonds issued under the European Green Bonds Regulation (Regulation (EU) 2023/2631) are exempt from the above-listed exclusions. For investments in bonds whose use-of-proceeds is limited to green, social or other sustainable activities, the above-listed exclusions will be applied solely to the economic activities financed by these instruments (not the issuer as a whole), except that exclusion (c) shall apply at the level of the issuer. For all other investments, the exclusions shall apply at the level of the issuer.”

- (b) Update relating to the disclosure about the re-opening of Franklin Global Convertible Securities Fund, which allows the Board of Directors to decide to re-open certain or all share classes of the Fund to existing and/or new investors and can decide to close them to new investors or all new subscriptions at any time, once the Fund reaches a certain size. Accordingly, the paragraph under the sub-section headed “Franklin Global Convertible Securities Fund” in the section headed “SUMMARY” shall be amended as follows (with revisions shown in mark-up):

“In order to protect the interest of existing investors, please note that with effect from 9 December 2020 (or such other date that the Hong Kong Representative may subsequently communicate) and until further notice, application for subscription and switching in the Fund from existing investors (including Regular Savings Plan investors) and new investors will not be accepted by the Hong Kong Representative. This arrangement will not affect the existing holding of existing investors of the Fund, and the right of redemption, switching out and transfer disclosure of the Fund remains unchanged. However, the Board of Directors can decide to re-open certain or all share classes of the Fund to existing and/or new investors ~~only~~ and can decide to close them to new investors or all new subscriptions at any time, once the Fund reaches a certain size. Practical information and relevant dates of re-opening and closing will be disclosed on the website of the Hong Kong Representative at www.franklintempleton.com.hk.”*

- (c) The first paragraph relating to the services of the Registrar and Transfer Agent under the subsection headed “REGISTRAR AND TRANSFER AGENT” under the section headed “MANAGEMENT AND ADMINISTRATION” shall be amended as follows (with revisions shown in mark-up):

“Virtus Partners Fund Services Luxembourg S.à r.l. has been appointed by the Management Company as the Registrar and Transfer Agent of the Company to perform the services in relation to the Company under a registrar and transfer agency agreement. These services include, inter alia, (i) maintenance of the register of Shareholders of the Company, (ii) onboarding and know your customer/anti-money laundering services, (iii) investor and distributor services (including client communication function), (iv) transaction processing including processing of the purchase, selling and switching of Shares, (v) cash management, shareholder payments and reconciliation, (vi) commission calculation and payments, (vii) client change management, (viii) CRS & FATCA services, (ix) regulatory reporting, (x) support the Company with handling complaints and (xi) technology support.”

- (d) Updates to the SFDR pre-contractual disclosures to reflect ESG-related changes to the following Funds for clarity and consistency purposes:

- Franklin Mutual European Fund
- Franklin Mutual Global Discovery Fund
- Templeton Asian Bond Fund
- Templeton Emerging Markets Bond Fund
- Templeton European Small-Mid Cap Fund
- Templeton Global Bond Fund
- Templeton Global Fund
- Templeton Global Climate Change Fund
- Templeton Global Total Return Fund

The updated SFDR pre-contractual disclosures for the above Funds are available for download from the Hong Kong Representative’s website at https://franklintempletonprod.widen.net/s/jgdp5bk5xt/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.

- (e) Updates to the information relating to the Board of Directors as well as the board of managers and the conducting officers of the Management Company.
- (f) Update to the address of Franklin Templeton Institutional, LLC to “One Madison Avenue, New York, NY 10010, USA”.
- (g) Other administrative, clarificatory and/or editorial updates.

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The changes set out in this letter do not amount to a material change to the Funds. Save as otherwise provided herein, the above changes will not result in any other change in the features of the Funds, and there will be no material impact on the asset allocation and risks applicable to the Fund. There will be no material change to the operation and/or manner in which the Funds are being managed and there will be no effect on Investors. These changes will not give rise to any change in the fee level or cost in managing the Funds. Furthermore, the above changes will not materially prejudice the rights or interests of Investors.

The costs and/or expenses associated with the above changes are estimated to be approximately HKD 140,000 and 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 and the Product Key Facts Statements of the relevant Funds shall be updated to reflect the above changes in due course. An updated version of the Explanatory Memorandum and the Product Key Facts Statements of the relevant Funds shall be available for download from the Hong Kong Representative's website at www.franklintempleton.com.hk¹, and they 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 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