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FRANKLIN TEMPLETON
富蘭克林鄧普頓

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, 22 July 2026

Dear Investors,

Franklin Templeton Investment Funds (the "Company")
- Changes to the Franklin U.S. Dollar Short-Term Money Market 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 March 2026, as amended from time to time (the "**Explanatory Memorandum**"). The changes set out in this letter will become effective as from 22 September 2026 (the "**Effective Date**").

We would like to inform you that the Board of Directors has decided certain amendments to the Fund, together with additional related changes to the Explanatory Memorandum. These amendments are intended to clarify specific aspects of the Fund's investment framework and risk disclosures. The changes are summarized below:

a) Exposure to reverse repurchase agreements

The Explanatory Memorandum will be amended to clarify that the Fund may have exposure to reverse repurchase agreements in a range of 0% to 50% of its Net Asset Value (as opposed to the previous expected level of exposure of 20% of the Fund's net assets, subject to a maximum of 35%), and that such exposure may be used on a continuous basis rather than only on a temporary basis. In certain circumstances, this exposure may increase to levels approaching 100% of the Fund's Net Asset Value (instead of the previous limit of 35%).

b) Rating of the Fund by external rating agencies

The Fund will be subject to a credit rating assigned by external credit rating agencies. Accordingly, the following statement will be included in the Fund's profile in the Explanatory Memorandum: "*The Fund aims to maintain a "AAA" rating, or equivalent, assigned by at least one credit rating agency as solicited and financed by the Fund.*"

The costs associated with obtaining and maintaining such rating are expected not to exceed USD 100,000 per annum.

c) Clarification regarding the maturity of collateral held in the context of reverse repurchase agreements by the Fund

Sub-section "*4. Use of techniques and instruments relating to transferable securities and money market instruments*", *point (a)(ii)*, as set out in the section headed "INVESTMENT RESTRICTIONS" of the Explanatory Memorandum, will be amended to clarify that collateral received by the Fund in the context of reverse repurchase agreements must comply with the maximum final maturity permitted under the MMFR, rather than being subject to a fixed cap of five years from the date on which the repurchase transaction is entered into.

Impact

The changes detailed above will have no material impact on the way the Fund is managed, its portfolio's composition, risk profile or SRI nor on the fees charged. All other features of the Fund remain the same. The costs and/or expenses associated with the above changes will be borne by the Fund.

What you need to do

You do not need to do anything if you are satisfied with the changes. You also have the option to switch your shares into other SFC-authorized[1] sub-funds of the Company. You may also request a redemption of your investment. Should you wish to proceed with either option, please refer to the terms set out in the Explanatory Memorandum. Such requests of switch or redemption will be executed free of charge, provided that they are received at the latest by the Effective Date.

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.

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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.

[1] 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.

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.hk[2], 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] This website has not been reviewed by the SFC.