

**NOTICE TO SHAREHOLDERS OF FRANKLIN TEMPLETON INVESTMENT FUNDS**  
**Merger of FTIF - Franklin Global Allocation Fund into FTIF - Franklin Diversified Conservative Fund.**

Luxembourg, 11 January 2016

Dear Shareholder,

The purpose of this letter is to inform you about the merger of FTIF - Franklin Global Allocation Fund (the **"Merging Sub-Fund"**) into FTIF - Franklin Diversified Conservative Fund (the **"Receiving Sub-Fund"**).

We are writing to you in your capacity as shareholder of the Receiving Sub-Fund.

Following the merger, the Merging Sub-Fund shall be dissolved without going into liquidation.

**1. Rationale and background for the merger**

The Merging Sub-Fund was originally launched on 29 July 2011 but has failed to generate significant assets. On 24 November 2015, the AUM of the share classes of the Merging Sub-Fund was USD 68,724,920. In addition, on 1st May 2015, there was a manager change following a departure from the business that triggered a review of the strategy.

The Receiving Sub-Fund was originally launched in 2006 under a separate umbrella, Franklin Templeton Strategic Allocation Funds, before being merged and repositioned under FTIF on 20 March 2015. On 24 November 2015, the AUM was EUR 44,584,444.95 (USD 47,480,206).

The small size of both Sub-Funds makes them economically unattractive to run them as independent entities.

The Receiving Sub-Fund and the Merging Sub-Fund share similarities in their global macro approach to investment as well as sharing the same risk management processes. The Receiving Sub-Fund aims to have a slightly lower risk and reward profile than the Merging Sub-Fund, but with consistently lower volatility.

The Board has therefore decided, in accordance with article 66(4) of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended (the **"2010 Law"**) and article 28 of the articles of incorporation of the Company, to merge the Merging Sub-Fund into the Receiving Sub-Fund.

**2. Impact on shareholders and shareholders' rights**

Holders of shares in the Receiving Sub-Fund who do not wish to participate to the merger, may redeem their shares or switch their holding, free from any charge, until 11 February 2016 at 6 p.m. (Luxembourg time), into any other sub-fund of FTIF, details of which are disclosed in the current prospectus of FTIF (provided that such other sub-funds have obtained recognition for marketing in the applicable jurisdiction).

As from 12 February 2016, Shareholders in the Receiving Sub-Fund may continue to redeem or switch out their shares in accordance with the provisions of the current prospectus of FTIF.

It is not expected that the Receiving Sub-Fund's portfolio be rebalanced in the context of the merger and that the merger entail a dilution for the existing shareholders of the Receiving Sub-Fund.

In the best interests of shareholders, all the assets of the Merging Sub-Fund will be sold prior to the merger and the Receiving Sub-Fund will receive cash.

Please find hereafter a comparison of the expenses attributable to the share classes of the Merging Sub-Fund and the Receiving Sub-Fund:

Shareholders are informed that the base currency of the Merging Sub-Fund is in USD and the base currency of the Receiving Sub-fund is in EUR.

The below table shows the corresponding share classes that will be merged:

Merging Share classes	ISIN	Merging Sub-Fund Base Currency	Receiving Share classes	ISIN	Receiving Sub-Fund Base Currency
Franklin Global Allocation Fund Class I (Ydis) EUR-H1	LU0645134437	USD	Franklin Diversified Conservative Fund I (Ydis) EUR	LU1147470337	EUR
Franklin Global Allocation Fund Class A (Ydis) EUR	LU0645133975	USD	Franklin Diversified Conservative Fund A (Ydis) EUR	LU1147470253	EUR
Franklin Global Allocation Fund Class A (Ydis) EUR-H1	LU0645134197	USD			
Franklin Global Allocation Fund Class I (Acc) EUR	LU0645134270	USD	Franklin Diversified Conservative Fund I (Acc) EUR	LU1147470410	EUR
Franklin Global Allocation Fund Class I (Acc) USD	LU0645133389	USD			
Franklin Global Allocation Fund Class N (Acc) USD	LU0645133462	USD	Franklin Diversified Conservative Fund N (Acc) EUR	LU1147470501	EUR
Franklin Global Allocation Fund Class N (Acc) EUR	LU0645134510	USD			
Franklin Global Allocation Fund Class A (Acc) USD	LU0645133207	USD	Franklin Diversified Conservative Fund A (Acc) EUR	LU1147470683	EUR
Franklin Global Allocation Fund Class A (Acc) EUR	LU0645133629	USD			
Franklin Global Allocation Fund Class A (Acc) EUR-H1	LU0645133892	USD			
Franklin Global Allocation Fund Z (Acc) EUR	LU1065170539	USD	Franklin Diversified Conservative Fund W (Ydis) EUR *	*	EUR

\* Share class to be launched on the Effective Date

The shareholders of the Merging Sub-Fund holding share classes denominated in USD shall receive share classes denominated in EUR. As a consequence, the value of the Receiving Share Classes as well as dividends and interests, as the case may be, might be affected due to the exchange rate between the reference currency of the Merging Share Classes and the reference currency of the Receiving Share Classes on the Effective Date. These Shareholders of the Merging Sub-Fund participating to the Merger may also be exposed to a foreign currency risk as further explained under the risk section of the current prospectus of FTIF.

In addition, the holders of the share classes of the Merging Sub-Fund for which hedging arrangements have been put in place (and containing the abbreviation “H1” in their name) will not benefit from such hedging arrangements in the Receiving Sub-Fund. They will instead hold EUR base currency share classes in the Receiving Sub-Fund, which is a EUR base currency sub fund where the foreign exchange currency risk will no longer exist following the Merger.

On the basis of the figures set out below, the Board believes that the shareholders of the Merging Sub-Fund will benefit from the Merger into the Receiving Sub-Fund.

<b>Merging Su-Fund Share Class Name</b>	<b>Initial Charge</b>	<b>Investment Management Fee</b>	<b>Management Company Fee</b>	<b>Maintenance Fee</b>	<b>Other Fees (including Custodian Fee)</b>	<b>Ongoing Charges Ratio (OCR)</b>
Franklin Global Allocation Fund A (Ydis) EUR	Up to 5.75%	1.00%	0.20%	0.50%	0.13%	1.82%
Franklin Global Allocation Fund A (Ydis) EUR-H1	Up to 5.75%	1.00%	0.20%	0.50%	0.13%	1.83%
Franklin Global Allocation Fund A (Acc) EUR	Up to 5.75%	1.00%	0.20%	0.50%	0.13%	1.82%
Franklin Global Allocation Fund A (Acc) EUR-H1	Up to 5.75%	1.00%	0.20%	0.50%	0.13%	1.83%
Franklin Global Allocation Fund A (Acc) USD	Up to 5.75%	1.00%	0.20%	0.50%	0.13%	1.83%
Franklin Global Allocation Fund N (Acc) EUR	Up to 3.00%	1.00%	0.20%	1.25%	0.15%	2.57%
Franklin Global Allocation Fund N (Acc) USD	Up to 3.00%	1.00%	0.20%	1.25%	0.15%	2.58%
Franklin Global Allocation Fund Z (Acc) EUR	N/A	1.00%	0.20%	N/A	0.12%	1.30%
Franklin Global Allocation Fund I (Acc) EUR	N/A	0.70%	0.20%	N/A	0.11%	0.99%
Franklin Global Allocation Fund I (Ydis) EUR-H1	N/A	0.70%	0.20%	N/A	0.11%	1.00%
Franklin Global Allocation Fund I (Acc) USD	N/A	0.70%	0.20%	N/A	0.11%	0.99%

<b>Receiving Sub-Fund Share Class Name</b>	<b>Initial Charge</b>	<b>Investment Management Fee</b>	<b>Management Company Fee</b>	<b>Maintenance Fee</b>	<b>Other Fees (including Custodian Fee)</b>	<b>Ongoing Charges Ratio (OCR)</b>
Franklin Diversified Conservative Fund A (Ydis) EUR	Up to 5.00%	0.80%	0.20%	0.30%	0.15%	1.45%
Franklin Diversified Conservative Fund A (Acc) EUR	Up to 5.00%	0.80%	0.20%	0.30%	0.15%	1.45%

Receiving Sub-Fund Share Class Name	Initial Charge	Investment Management Fee	Management Company Fee	Maintenance Fee	Other Fees (including Custodian Fee)	Ongoing Charges Ratio (OCR)
Franklin Diversified Conservative Fund N (Acc) EUR	Up to 3.00%	0.80%	0.20%	up to 1.20%	0.15%	2.35%
Franklin Diversified Conservative Fund W (Ydis) EUR*	N/A	0.60%	0.20%	N/A	0.15%	0.95%
Franklin Diversified Conservative Fund I (Acc) EUR	N/A	0.50%	0.20%	N/A	0.15%	0.85%
Franklin Diversified Conservative Fund I (Ydis) EUR	N/A	0.50%	0.20%	N/A	0.15%	0.85%

\*As the share class has no historical data available, simulated data based on a representative portfolio model or benchmark have been used instead.

### 3. Comparison between the Merging Sub-Fund and the Receiving Sub-Fund

The Receiving Sub-Fund and the Merging Sub-Fund share a similar investment process and their global macro views are driven by the same investment committee. Additionally, both Sub-Funds share the same risk management processes. Both Sub-Funds invest principally in other mutual funds providing exposure to equity and debt securities from any country or type of issuer with the aim of generating income and increasing the value of investments over the long term. Both Sub-Funds can adjust the balance of the portfolios using derivatives based on the investment teams' views of markets conditions.

The Receiving Sub-Fund aims to have a slightly lower risk and reward profile than the Merging Sub-Fund, but with consistently lower volatility.

### 4. Merger Procedure

The merger will become effective as of 19 February 2016 at midnight (Luxembourg time) (the “Effective Date”).

Upon the Effective Date, the Merging Sub-Fund will transfer all its assets and liabilities (the “Assets”) to the Receiving Sub-Fund (as detailed below).

Any accrued income in the Merging Sub-Fund at the time of the merger will be included in the calculation of its net asset value per share and such accrued income will be accounted for an ongoing basis after the merger in the net asset value per share calculation in the relevant share class of the Receiving Sub-Fund. The Net Assets of the Merging Sub-Fund will be valued as of the Effective Date in accordance with the valuation principles contained in the prospectus and the Articles of the Company. The outstanding liabilities generally comprise fees and expenses due but not paid, as reflected in the Net Assets of the Company. There are no outstanding unamortized preliminary expenses in relation to the Merging Sub-Fund.

### 5. Costs of the Merger

The expenses incurred in the merger, including legal, accounting, custody and other administration costs will be borne by Franklin Templeton International Services S.à r.l., the management company of FTIF.

### 6. Tax impact

The merger will not subject the Merging Sub-Fund, the Receiving Sub-Fund or FTIF to taxation in Luxembourg. Investors may however be subject to taxation in their tax domiciles or other jurisdictions where they pay taxes.

Notwithstanding the above, as tax laws differ widely from country to country, investors are advised to consult their tax advisers as to the tax implications of the Merger specific to their individual cases.

#### 7. Availability of Documents

The common merger proposal, the most recent prospectus of FTIF and the relevant KIIDs are available at the registered office of FTIF, upon request, free of charge.

Upon request, copies of the report of the approved statutory auditor of FTIF relating to the merger may be obtained free of charge at the registered office of FTIF.

Copies of material contracts of FTIF may be obtained and/or inspected free of charge at the registered office of FTIF.

If you have any queries about the proposed merger or require any further information, please contact Franklin Templeton International Services S.à. r.l. or your relationship manager.

On behalf of Franklin Templeton Investment Funds,



William Lockwood  
Director  
Franklin Templeton Investment Funds

**NOTICE TO SHAREHOLDERS OF FRANKLIN TEMPLETON INVESTMENT FUNDS  
Merger of FTIF - Franklin Global Allocation Fund into FTIF - Franklin Diversified Conservative Fund**

Luxembourg, 11 January, 2016

Dear Shareholder,

The purpose of this letter is to inform you about the decision of the board of directors of the Company (the “**Board**”) to merge FTIF - Franklin Global Allocation Fund (the “**Merging Sub-Fund**”) into FTIF - Franklin Diversified Conservative Fund (the “**Receiving Sub-Fund**”).

Following the Merger, the Merging Sub-Fund shall be dissolved without going into liquidation.

**1. Rationale and background for the Merger**

The Merging Sub-Fund was originally launched on 29 July 2011 but has failed to generate significant assets. On 24 November 2015, the AUM of the share classes of the Merging Sub-Fund was USD 68,724,920. In addition, on 1st May 2015 there was a manager change following a departure from the business that triggered a review of the strategy.

The Receiving Sub-Fund was originally launched in 2006 under a separate umbrella, Franklin Templeton Strategic Allocation Funds, before being merged and repositioned under FTIF on 20 March 2015. On 24 November 2015, the AUM was EUR 44,584,444.95 (USD 47,480,206).

The small size of both Sub-Funds makes them economically unattractive to run them as independent entities.

The Receiving Sub-Fund and the Merging Sub-Fund share similarities in their global macro approach to investment as well as sharing the same risk management processes. The Receiving Sub-Fund aims to have a slightly lower risk and reward profile than the Merging Sub-Fund, but with consistently lower volatility. In addition, certain risks may not be applicable for both the Merging Sub-Fund and the Receiving Sub-Fund, as reflected in bold in Appendix 1.

The Board has therefore decided, in accordance with article 66(4) of the Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended (the “**2010 Law**”) and article 28 of the articles of incorporation of the Company (the “**Articles**”), to merge the Merging Sub-Fund into the Receiving Sub-Fund.

The Board believes that the Merger is in the best interest of the Merging Sub-Fund’s shareholders. However, please note that the Board did not examine the suitability of the Merger in respect of shareholders’ individual needs or risk tolerance. Shareholders are advised to seek independent financial / tax advice in respect of their individual circumstances.

**2. Impact on shareholders and shareholders’ rights**

Shareholders of the Merging Sub-Fund who do not wish participate to the Merger may instruct redemption or switch of their holdings of shares in the Merging Sub-Fund into any other sub-fund of FTIF, details of which are disclosed in the current prospectus of FTIF (provided that such other sub-funds have obtained recognition for marketing in the applicable jurisdiction), free of charge until 11 February 2016 at 6pm (Luxembourg time).

Upon the Effective Date, shareholders who have not instructed redemption or conversion of their shares in the Merging Sub-Fund will become shareholders of the Receiving Sub-Fund and will receive shares of the Receiving Sub-Fund, as further detailed in the table contained in Section 4 below. The aggregate value of the shares held by a shareholder in the Merging Sub-Fund will be equal to the value of the shares to be held by such shareholder in the Receiving Sub-Fund.

For the avoidance of doubt, shareholders will continue to hold shares in a Luxembourg regulated investment company and benefit from the same rights and from the general safeguards applicable under an Undertakings for Collective Investment in Transferable Securities (“**UCITS**”).

If shareholders of the Merging Sub-Fund become shareholders of the Receiving Sub-Fund, they may participate and exercise their voting rights in shareholder meetings, instruct redemption and conversion of their shares on any dealing day and may, depending on their share class, be eligible for distributions in accordance with the Articles and the prospectus of FTIF as from the day following the Effective Date.

Please find hereafter a comparison of the expenses attributable to the share classes of the Merging Sub-Fund and the Receiving Sub-Fund.

Shareholders are informed that the base currency of the Merging Sub-Fund is in USD and the base currency of the Receiving Sub-fund is in EUR.

The below table shows the corresponding share classes that will be merged:

Merging Share classes	ISIN	Merging Sub-Fund Base Currency	Receiving Share classes	ISIN	Receiving Sub-Fund Base Currency
Franklin Global Allocation Fund Class I (Ydis) EUR-H1	LU0645134437	USD	Franklin Diversified Conservative Fund I (Ydis) EUR	LU1147470337	EUR
Franklin Global Allocation Fund Class A (Ydis) EUR	LU0645133975	USD	Franklin Diversified Conservative Fund A (Ydis) EUR	LU1147470253	EUR
Franklin Global Allocation Fund Class A (Ydis) EUR-H1	LU0645134197	USD			
Franklin Global Allocation Fund Class I (Acc) EUR	LU0645134270	USD	Franklin Diversified Conservative Fund I (Acc) EUR	LU1147470410	EUR
Franklin Global Allocation Fund Class I (Acc) USD	LU0645133389	USD			
Franklin Global Allocation Fund Class N (Acc) USD	LU0645133462	USD	Franklin Diversified Conservative Fund N (Acc) EUR	LU1147470501	EUR
Franklin Global Allocation Fund Class N (Acc) EUR	LU0645134510	USD			
Franklin Global Allocation Fund Class A (Acc) USD	LU0645133207	USD	Franklin Diversified Conservative Fund A (Acc) EUR	LU1147470683	EUR
Franklin Global Allocation Fund Class A (Acc) EUR	LU0645133629	USD			
Franklin Global Allocation Fund Class A (Acc) EUR-H1	LU0645133892	USD			
Franklin Global Allocation Fund Z (Acc) EUR	LU1065170539	USD	Franklin Diversified Conservative Fund W (Ydis) EUR *	*	EUR

\* Share class to be launched on the Effective Date



The shareholders of the Merging Sub-Fund holding share classes denominated in USD shall receive share classes denominated in EUR. As a consequence, the value of the Receiving Share Classes as well as dividends and interests, as the case may be, might be affected due to the exchange rate between the reference currency of the Merging Share Classes and the reference currency of the Receiving Share Classes on the Effective Date. These shareholders of the Merging Sub-Fund participating to the Merger may also be exposed to a foreign currency risk as further explained under the risk section of the current prospectus of FTIF.

In addition, the holders of the share classes of the Merging Sub-Fund for which hedging arrangements have been put in place (and containing the abbreviation “H1” in their name) will not benefit from such hedging arrangements in the Receiving Sub-Fund. They will instead hold EUR base currency share classes in the Receiving Sub-Fund, which is a EUR base currency sub fund where the foreign exchange currency risk will no longer exist following the Merger.

On the basis of the figures set out below, the Board believes that the shareholders of the Merging Sub-Fund will benefit from the Merger into the Receiving Sub-Fund.

<b>Merging Sub-Fund Share Class Name</b>	<b>Initial Charge</b>	<b>Investment Management Fee</b>	<b>Management Company Fee</b>	<b>Maintenance Fee</b>	<b>Other Fees (including Custodian Fee)</b>	<b>Ongoing Charges Ratio (OCR)</b>
Franklin Global Allocation Fund A (Ydis) EUR	Up to 5.75%	1.00%	0.20%	0.50%	0.13%	1.82%
Franklin Global Allocation Fund A (Ydis) EUR-H1	Up to 5.75%	1.00%	0.20%	0.50%	0.13%	1.83%
Franklin Global Allocation Fund A (Acc) EUR	Up to 5.75%	1.00%	0.20%	0.50%	0.13%	1.82%
Franklin Global Allocation Fund A (Acc) EUR-H1	Up to 5.75%	1.00%	0.20%	0.50%	0.13%	1.83%
Franklin Global Allocation Fund A (Acc) USD	Up to 5.75%	1.00%	0.20%	0.50%	0.13%	1.83%
Franklin Global Allocation Fund N (Acc) EUR	Up to 3.00%	1.00%	0.20%	1.25%	0.15%	2.57%
Franklin Global Allocation Fund N (Acc) USD	Up to 3.00%	1.00%	0.20%	1.25%	0.15%	2.58%
Franklin Global Allocation Fund Z (Acc) EUR	N/A	1.00%	0.20%	N/A	0.12%	1.30%
Franklin Global Allocation Fund I (Acc) EUR	N/A	0.70%	0.20%	N/A	0.11%	0.99%
Franklin Global Allocation Fund I (Ydis) EUR-H1	N/A	0.70%	0.20%	N/A	0.11%	1.00%
Franklin Global Allocation Fund I (Acc) USD	N/A	0.70%	0.20%	N/A	0.11%	0.99%



Receiving Sub-Fund Share Class Name	Initial Charge	Investment Management Fee	Management Company Fee	Maintenance Fee	Other Fees (including Custodian Fee)	Ongoing Charges Ratio (OCR)
Franklin Diversified Conservative Fund A (Ydis) EUR	Up to 5.00%	0.80%	0.20%	0.30%	0.15%	1.45%
Franklin Diversified Conservative Fund A (Acc) EUR	Up to 5.00%	0.80%	0.20%	0.30%	0.15%	1.45%
Franklin Diversified Conservative Fund N (Acc) EUR	Up to 3.00%	0.80%	0.20%	up to 1.20%	0.15%	2.35%
Franklin Diversified Conservative Fund W (Ydis) EUR*	N/A	0.60%	0.20%	N/A	0.15%	0.95%
Franklin Diversified Conservative Fund I (Acc) EUR	N/A	0.50%	0.20%	N/A	0.15%	0.85%
Franklin Diversified Conservative Fund I (Ydis) EUR	N/A	0.50%	0.20%	N/A	0.15%	0.85%

\*As the share class has no historical data available, simulated data based on a representative portfolio model or benchmark have been used instead.

It is not contemplated that the portfolio of the Merging Sub-Fund be rebalanced before the Merger. Instead and in the best interests of shareholders, all the assets of the Merging Sub-Fund will be sold prior to the Merger and the Receiving Sub-Fund will receive cash.

The Merger of the Merging Sub-Fund with the Receiving Sub-Fund is not expected to entail a dilution effect on the Receiving Sub-Fund.

Please refer to Appendix I hereafter for a detailed comparison of the fees and expenses borne by the shareholders of the Merging Sub-Fund and the Receiving Sub-Fund.

In addition and to facilitate the Merger, the following dealing restrictions will be applied in relation to the Merging Sub-Fund:

- New investors will not be permitted to invest for shares in the Merging Sub-Fund during the period beginning 30 calendar days prior to the Effective Date;
- Existing shareholders will not be permitted to subscribe for additional shares in the Merging Sub-Fund during the period beginning 7 calendar days prior to the Effective Date; and
- Existing shareholders of the Merging Sub-Fund will not be permitted to redeem or switch their holdings as from 5 business days before the Effective Date.

### 3. Comparison between the Merging Sub-Fund and the Receiving Sub-Fund

The Receiving Sub-Fund and the Merging Sub-Fund share a similar investment process and their global macro views are driven by the same investment committee. Additionally, both Sub-Funds share the same risk management processes. Both Sub-Funds invest principally in other mutual funds providing exposure to equity and debt securities from any country or type of issuer with the aim of generating income and increasing the value of investments over the long term. Both Sub-Funds can adjust the balance of the portfolios using derivatives based on the investment teams' views of markets conditions.

The Receiving Sub-Fund aims to have a slightly lower risk and reward profile than the Merging Sub-Fund, but with consistently lower volatility.

The differences between the Merging Sub-Fund and the Receiving Sub-Fund are more detailed in Appendix I. For a complete description of the respective investment objectives and policies and related risks of the Receiving Sub-Fund, please refer to the prospectus of FTIF and the attached Key Investor Information Documents (“KIIDs”) of the Receiving Sub-Fund. Shareholders are invited to carefully read the attached KIIDs of the Receiving Sub-Fund.

#### 4. Merger Procedure

The Merger will become effective on 19 February 2016 at midnight (Luxembourg time), (the “Effective Date”).

Upon the Effective Date, the Merging Sub-Fund will transfer its assets and liabilities (the “Net Assets”) to the Receiving Sub-Fund. The Net Assets of the Merging Sub-Fund will be valued as of the Effective Date in accordance with the valuation principles contained in the prospectus and the Articles of the Company. The outstanding liabilities generally comprise fees and expenses due but not paid, as reflected in the Net Assets of the Company. There are no outstanding unamortized preliminary expenses in relation to the Merging Sub-Fund.

Any accrued income in the Merging Sub-Fund at the time of the Merger will be included in the calculation of its final net asset value per share and such accrued income will be accounted for on an ongoing basis after the Merger in the net asset value per share of the relevant share class of the Receiving Sub-Fund.

Shareholders of the Merging Sub-Fund who have not instructed redemption or exchange of their shares in the Merging Sub-Fund will receive shares of the corresponding classes of shares in the Receiving Sub-Fund, which will be issued without charge, without par value and in registered form (the “New Shares”):

Merging Share Classes	Receiving Share Classes
Franklin Global Allocation Fund Class I (Ydis) EUR-H1	Franklin Diversified Conservative Fund I (Ydis) EUR
Franklin Global Allocation Fund Class A (Ydis) EUR	Franklin Diversified Conservative Fund A (Ydis) EUR
Franklin Global Allocation Fund Class A (Ydis) EUR-H1	
Franklin Global Allocation Fund Class I (Acc) EUR	Franklin Diversified Conservative Fund I (Acc) EUR
Franklin Global Allocation Fund Class I (Acc) USD	
Franklin Global Allocation Fund Class N (Acc) USD	Franklin Diversified Conservative Fund N (Acc) EUR
Franklin Global Allocation Fund Class N (Acc) EUR	
Franklin Global Allocation Fund Class A (Acc) USD	Franklin Diversified Conservative Fund A (Acc) EUR
Franklin Global Allocation Fund Class A (Acc) EUR	
Franklin Global Allocation Fund Class A (Acc) EUR-H1	
Franklin Global Allocation Fund Z (Acc) EUR	Franklin Diversified Conservative Fund W (Ydis) EUR*

\* Share class to be launched on the Effective Date

For shareholders of the Merging Sub-Fund, the total value of New Shares which they will receive will correspond to the total value of their shares in the Merging Sub-Fund. The number of New Shares to be allocated to shareholders of the Merging Sub-Fund will be based on the respective net asset value per share of both sub-funds as at the Effective Date and will be determined by multiplying the number of the shares held in the relevant Merging Share Class by the exchange ratio. The exchange ratio for each class will be calculated by dividing the net asset value per share of such class in the Merging Sub-Fund calculated on the Effective Date (and converted in the reference currency of the corresponding Absorbing Share Class using the foreign exchange rate as at the valuation point of the Merger Effective Date, if need be) by the net asset value per share in the corresponding share class in the Receiving Sub-Fund calculated at the same time on the Effective Date.

Shareholders of the Merging Sub-Fund may refer to their next monthly statement after the Effective Date for the number of shares of the Receiving Sub-Fund that have been allocated to them as a result of the Merger.

On the Effective Date, the Merging Sub-Fund will be dissolved without going into liquidation.

#### **5. Costs of the Merger**

The expenses incurred in the Merger, including legal, accounting, custody and other administration costs will be borne by Franklin Templeton International Services S.à r.l.

#### **6. Tax impact**

The Merger will not subject the Merging Sub-Fund, the Receiving Sub-Fund or FTIF to taxation in Luxembourg. Investors may however be subject to taxation in their tax domiciles or other jurisdictions where they pay taxes.

**Notwithstanding the above, as tax laws differ widely from country to country, investors are advised to consult their tax advisers as to the tax implications of the Merger specific to their individual cases.**

#### **7. Availability of Documents**

The common Merger proposal, the most recent prospectus of FTIF and the relevant KIIDs (as appended to the present notice) are available at the registered office of the Company, upon request, free of charge.

Upon request copies of the report of the approved statutory auditor of the Company relating to the Merger may be obtained free of charge at the registered office of the Company.

Copies of material contracts of FTIF may be obtained and/or inspected free of charge at the registered office of the Company.

If you have any queries about the proposed Merger or require any further information, please contact Franklin Templeton International Services S.à r.l. or your relationship manager.

Yours sincerely,



William Lockwood  
Director  
Franklin Templeton Investment Funds

Appendix I: Comparison of key features of the Merging Sub-Fund and Receiving Sub-Fund.

## APPENDIX I

### COMPARISON OF KEY FEATURES OF FTIF - FRANKLIN GLOBAL ALLOCATION FUND (THE “MERGING SUB-FUND”) AND FTIF - FRANKLIN DIVERSIFIED CONSERVATIVE FUND (THE “RECEIVING SUB-FUND”)

Shareholders are invited to refer to the prospectus of FTIF for more information on the respective features of the Merging Sub-Fund and the Receiving Sub-Fund.

Unless stated otherwise, the terms used in this Appendix I are as defined in the prospectus.

PRODUCT FEATURES	THE MERGING SUB-FUND	THE RECEIVING SUB-FUND
Name of the sub-fund	FTIF - Franklin Global Allocation Fund	FTIF - Franklin Diversified Conservative Fund
Name of the Fund	Franklin Templeton Investment Funds	Franklin Templeton Investment Funds
Reference Currency of the sub-fund	USD	EUR
Financial year	1 July to 30 June	1 July to 30 June
Annual General Meeting	30 November	30 November
<b>I. INVESTMENT OBJECTIVES AND POLICIES AND RELATED RISKS</b>		
Investment Objective and Policies	<p>The Fund's investment objective is to maximise total returns consisting of capital appreciation and income.</p> <p>Under normal market conditions, the Fund seeks to achieve its investment objective by investing in a diversified portfolio of equity and fixed income securities supplemented by a tactical investment strategy which may include structured products, cash and financial derivative instruments designed to allow the Fund to adjust its exposure to asset classes (including commodities), geographic regions, currencies and market sectors.</p> <p>The Fund is structured as a multi-manager fund. The Investment Manager is responsible for monitoring the Fund's overall investment performance and for re-balancing the Fund's portfolio allocation. The Investment Manager makes an allocation of net assets to investment strategies managed independently by Investment Co-Managers of Franklin Templeton Investments selected by the Investment Manager. The allocation to asset classes and investment strategies is at the discretion of the Investment Manager and may change over time.</p>	<p>The Fund's investment objective is to achieve a combination of income and long-term capital appreciation, targeting a yearly average return of 2% (net of fees) in excess of the Euro Interbank Offered Rate (EURIBOR) over a rolling three year period. The Fund aims to achieve its objective with an annualised volatility ranging, under normal market conditions, between 3% and 5%. There is no guarantee that the Fund will achieve its return objective, nor that it will remain within the aimed-for volatility range.</p> <p>The Fund intends to achieve its objective by actively managing direct and indirect exposure to equities, fixed income securities, cash and equivalents and indirect exposure to “alternative” investments whereby a part or the majority of its portfolio is invested in units of UCITS and other open and closed-end UCIs (including exchange traded funds) providing exposure to equity and fixed income.</p> <p>The Fund invests directly or indirectly (through collective investment schemes managed by Franklin Templeton</p>

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	<p>The Fund primarily invests in equity securities of companies of any market capitalisation located anywhere in the world, including Emerging Markets as well as debt securities issued by government, government-related and/or corporate entities worldwide as well as 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.</p> <p>The Fund may invest in securities of companies involved in mergers, consolidations, liquidations and reorganisations or as to which there exist tender or exchange offers, and may participate in such transactions. It may also invest in low-rated, non-investment grade and defaulted debt securities of various issuers, in fixed or floating rate securities, either directly or through regulated investment funds (subject to the limits indicated below).</p> <p>The Fund may use various financial derivative instruments for hedging, efficient portfolio management and/or investment purposes to obtain exposure to various market sectors, selected interest rates, currencies or securities. These financial derivative instruments may be either dealt on regulated markets or over-the-counter, and may include, inter alia, swaps (such as credit default swaps or total return swaps on equity indices), forwards and cross forwards, futures contracts (including index futures and those on government securities), as well as options.</p> <p>The Fund may also invest in securities or structured products (such as participatory notes) where the security is linked to or derives its value from another security or currencies of any country. The Fund may seek exposure to commodities through the use of cash-settled structured products and exchange-traded notes. The Fund may also purchase mortgage- and asset-backed securities, including collateralised debt obligations, and invest up to 10% of its net assets in units of UCITS and other UCIs.</p>	<p>Investments entities or other asset managers, financial derivative instruments and structured products) in securities of issuers of any market capitalisation located anywhere in the world, including Emerging Markets. The Fund may have up to 40% net long exposure directly or indirectly to equities and equity-related securities (including participatory notes). The remaining net assets are normally invested directly or indirectly in debt securities (including lower rated or non-investment grade securities, defaulted debt securities, and convertible or contingent convertible securities as well as distressed debt securities) as well as, up to 10%, in “alternative” asset classes such as real estate, infrastructure and commodities. Investments in contingent convertible securities are only made on a marginal basis. Exposure to assets classes such as equities will be determined on a net basis, taking the combined value of long and short exposures across all equity markets. Gross absolute exposure to equities may therefore exceed 40%.</p> <p>The Fund may use financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. These financial derivative instruments include but are not limited to swaps (such as credit default swaps or total return swaps on equity, fixed income, currency or commodity related indices), forwards, futures contracts (including futures on equity indices and on government securities), as well as options (including covered calls). In this context, the Fund may seek exposure to, inter alia, commodities or real estate through the use of financial derivative instruments on eligible financial indices. The Fund may also invest in securities, cash-settled structured products or exchange traded notes where the security is linked to or derives its value from another security, index or currencies of any country.</p> <p>The Fund may distribute income gross of expenses. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital.</p>
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<b>Investor Profile</b>	<p>Considering the investment objectives, as stated above, the Fund may appeal to Investors looking to:</p> <ul style="list-style-type: none"> <li>• capital appreciation and income by investing in a diversified portfolio of equity and debt securities worldwide and additionally in a tactical investment strategy</li> <li>• invest for the medium to long term</li> </ul>	<p>Considering the investment objectives, as stated above, the Fund may appeal to Investors looking to:</p> <ul style="list-style-type: none"> <li>• medium-term capital appreciation and income with low volatility</li> <li>• limited exposure to the growth opportunities offered through investment in equities</li> </ul>
<b>Highest Synthetic Risk Reward Indicator (SRRI)</b>	4	3
<b>Specific Risk Consideration</b>	<ul style="list-style-type: none"> <li>• Asset Allocation risk</li> <li>• <b>Chinese Market risk</b></li> <li>• <b>Class Hedging risk</b></li> <li>• <b>Collateralised Debt Obligations risk</b></li> <li>• Commodities Related Exposure risk</li> <li>• Counterparty risk</li> <li>• Credit risk</li> <li>• Derivative Instruments risk</li> <li>• Emerging Markets risk</li> <li>• Equity risk</li> <li>• <b>Eurozone risk</b></li> <li>• Foreign Currency risk</li> <li>• Interest Rate Securities risk</li> <li>• Liquidity risk</li> <li>• Low-Rated or Non-Investment Grade Securities risk</li> <li>• Market risk</li> <li>• <b>Mortgage- and Asset-Backed Securities risk</b></li> <li>• <b>Multi-Manager risk</b></li> <li>• Participatory Notes risk</li> <li>• <b>Restructuring Companies risk</b></li> <li>• <b>Shanghai-Hong Kong Stock Connect risk</b></li> <li>• Structured Notes risk</li> <li>• Swap Agreements risk</li> </ul>	<ul style="list-style-type: none"> <li>• Asset Allocation risk</li> <li>• Commodities Related Exposure risk</li> <li>• <b>Convertible Securities risk</b></li> <li>• Counterparty risk</li> <li>• Credit risk</li> <li>• <b>Credit-Linked Securities risk</b></li> <li>• <b>Defaulted Debt Securities risk</b></li> <li>• Derivative Instruments risk</li> <li>• <b>Dividend Policy risk</b></li> <li>• <b>Distressed Securities risk</b></li> <li>• Emerging Markets risk</li> <li>• Equity risk</li> <li>• Foreign Currency risk</li> <li>• Interest Rate Securities risk</li> <li>• <b>Investment Funds risk</b></li> <li>• Liquidity risk</li> <li>• Low-Rated or Non-Investment Grade Securities risk</li> <li>• Market risk</li> <li>• Participatory Notes risk</li> <li>• <b>Real Estate Securities risk</b></li> <li>• <b>Securities Lending risk</b></li> <li>• Structured Notes risk</li> <li>• Swap Agreements risk</li> </ul>
<b>Global Exposure Calculation Method</b>	Relative value at risk approach	Absolute value at risk approach
<b>II. SHARE CLASSES AND MINIMUM INVESTMENT AND HOLDING REQUIREMENTS</b>		
<b>Share Classes</b>	<ul style="list-style-type: none"> <li>- Class A Shares</li> <li>- Class I Shares</li> <li>- Class N Shares</li> <li>- Class Z Shares</li> </ul>	<ul style="list-style-type: none"> <li>- Class A Shares</li> <li>- Class I Shares</li> <li>- Class N Shares</li> <li>- Class W Shares</li> </ul>

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<b>Minimum subscription and subsequent investment</b>	The minimum initial investment in any one Class of Shares of the Sub-Fund is: Class A: USD 5,000 Class I: USD 5,000,000 Class N: USD 5,000 Class Z: USD 5,000 (or its equivalent in another currency). Subsequent subscription of shares relating to any Class of Shares of the Sub-Fund is: Class A: USD 1,000 Class I: USD 1,000 Class N: USD 1,000 Class Z: USD 1,000 (or its equivalent in another currency).	The minimum initial investment in any one Class of Shares of the Sub-Fund is: Class A: USD 5,000 Class I: USD 5,000,000 Class N: USD 5,000 Class W: USD 3,000,000 (or its equivalent in another currency). Subsequent subscription of shares relating to any Class of Shares of the Sub-Fund is: Class A: USD 1,000 Class I: USD 1,000 Class N: USD 1,000 Class W: USD 1,000 (or its equivalent in another currency).
<b>Minimum Holding</b>	USD 2,500 (or its equivalent in another currency)	USD 2,500 (or its equivalent in another currency)
<b>III. FEES TO BE BORNE BY THE SHAREHOLDERS</b>		
<b>Entry charge</b>	Class A: up to 5.75% of the total amount invested. Class I: N/A Class N: up to 3% Class Z: N/A	Class A: up to 5.00% of the total amount invested. Class I: N/A Class N: up to 3% Class W: N/A
<b>Contingent Deferred Sales Charge (CDSC)</b>	Typically no CDSC is paid on Class A shares however; there is power to charge up to 1.00% on qualified investments of USD 1 Million or more held for less than 18 months. Class I: N/A Class N: N/A Class Z: N/A	Typically no CDSC is paid on Class A shares however; there is power to charge up to 1.00% on qualified investments of USD 1 Million or more held for less than 18 months. Class I: N/A Class N: N/A Class W: N/A
<b>Redemption fee</b>	N/A	N/A
<b>IV. FEES PAID OUT OF THE SUB-FUND ASSETS</b>		
<b>Management Company Fees</b>	Up to 0.20% of the net asset value of the relevant share Class, an additional amount (consisting of a fixed and variable component) per investor holding at the relevant Class level over each one (1) year period, and a fixed amount per year to cover part of its organisational expenses.	Up to 0.20% of the net asset value of the relevant share Class, an additional amount (consisting of a fixed and variable component) per investor holding at the relevant Class level over each one (1) year period, and a fixed amount per year to cover part of its organisational expenses.
<b>Investment Management Fees</b>	Class A: 1.00% Class I: 0.70% Class N: 1.00% Class Z: 1.00%	Class A: 0.80% Class I: 0.50% Class N: 0.80% Class W: 0.60%
<b>Maintenance Fees</b>	Class A: 0.50% Class I: N/A Class N: up to 1.25% Class Z: N/A	Class A: 0.30% Class I: N/A Class N: up to 1.20% Class W: N/A



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<b>Custodian Fee</b>	In a range from 0.01% to 0.14% of the net asset value	In a range from 0.01% to 0.14% of the net asset value
<b>OCRs</b> <b>(comprising all incurred fees including the synthetic cost of holding underlying sub-funds)</b> <small>*As the share class has no historical data available, simulated data based on a representative portfolio model or benchmark have been used instead.</small>	- Class A - 1.83% - Class I - 1.01% - Class N - 2.60% - Class Z - 1.32%	- Class A - 1.45% - Class I - 0.85% - Class N - 2.35% - Class W - 0.95%*
<b>V. SERVICE PROVIDERS</b>		
<b>Management Company</b>	FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l. 8A, rue Albert Borschette L-1246 Luxembourg Grand Duchy of Luxembourg	FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l. 8A, rue Albert Borschette L-1246 Luxembourg Grand Duchy of Luxembourg
<b>Investment Manager</b>	Franklin Alternative Strategies Advisers, LLC, acting as principal Investment Manager, One International Place, 25th Floor Boston, MA 02110 USA	Franklin Templeton Investment Management Limited Cannon Place 78 Cannon Street London EC4N 6HL UK
<b>Custodian</b>	J.P. MORGAN BANK LUXEMBOURG S.A. European Bank & Business Centre 6 route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg	J.P. MORGAN BANK LUXEMBOURG S.A. European Bank & Business Centre 6 route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg
<b>Auditor</b>	PRICEWATERHOUSECOOPERS Société Coopérative 2, rue Gerhard Mercator L-2182 Luxembourg Grand Duchy of Luxembourg	PRICEWATERHOUSECOOPERS Société Coopérative 2, rue Gerhard Mercator L-2182 Luxembourg Grand Duchy of Luxembourg

## APPENDIX II

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