



**FRANKLIN  
TEMPLETON**

FRANKLIN TEMPLETON INVESTMENT FUNDS  
Société d'investissement à capital variable

8A, rue Albert Borschette, L-1246 Luxembourg,  
B.P. 169, L-2011 Luxembourg  
R.C.S. Luxembourg B 35 177  
tel +352 46 66 67-1  
fax +352 46 66 76  
www.franklintempleton.lu

Luxembourg, 15<sup>th</sup> November 2019

**Subject: Amendments to the investment policies of the Franklin Euro Short Duration Bond Fund and Franklin European Corporate Bond Fund**

Dear Shareholder,

The purpose of this letter is to inform you of one change brought to the investment policies of the Franklin Euro Short Duration Bond Fund and Franklin European Corporate Bond Fund (the “Sub-Funds”), both sub-funds of the Luxembourg SICAV Franklin Templeton Investment Funds (the “Company”), in which you own shares.

The investment policies of the Sub-Funds will be amended to enable the investment manager to invest in euro-denominated debt of non-European corporate issuers. Therefore, the first sentence of the Sub-Funds’ investment policies are amended respectively, as follows:

**Franklin Euro Short Duration Bond Fund**

*“The Fund seeks to achieve its objective by investing primarily in short dated fixed and floating-rate debt securities and debt obligations of European sovereign and corporate issuers and/or euro-denominated debt of non-European corporate issuers having a business presence within Europe that are rated investment grade or if unrated, of comparable quality.”*

**Franklin European Corporate Bond Fund**

*“The Fund seeks to achieve its objective by investing principally in investment-grade fixed or floating-rate debt securities of European corporate issuers and/or euro-denominated debt securities of non-European corporate issuers with a business presence in the European region.”*

The above changes will take effect on 16<sup>th</sup> December 2019 and will be reflected in an updated version of the prospectus of the Company (the “Prospectus”), a copy of which will be available soon online or at the registered office of the Company, upon request. All other features of the Sub-Funds will remain the same.

\* \* \* \* \*

If you do not agree with the above changes, you may request, free of charge until 16<sup>th</sup> December 2019, the redemption of your shares of the Sub-Funds or the exchange of such shares into shares of other sub-funds of the Company, details of which are disclosed in the current Prospectus (provided that such sub-funds have obtained recognition for marketing in your jurisdiction).

The Company comprises a wide range of sub-funds catering for many different objectives. Exchanges of your existing holding may be made into other sub-funds within the Company. On receipt of your instructions, we will execute the exchange for you in accordance with the provisions of the current Prospectus, free of any charge.

If you do not wish to exchange your shares and would like to redeem and receive a cash payment, the redemption will be made in accordance with the provisions of the current Prospectus, free of charge. Please return your instructions to your local Franklin Templeton office or to Franklin Templeton International Services S.à r.l. Please note that “free of any redemption charge” does not apply to the contingent deferred sales charge (“CDSC”) for all classes subject to such CDSC, due to the nature of such fee. Accordingly, should you decide to redeem any shares subject to a CDSC, such redemption will be subject to the applicable CDSC as more fully disclosed in the Prospectus.

You should consult your professional advisers as to the possible tax or other consequences of buying, holding, transferring or selling any of the Company’s shares affected by the changes described above, under the laws of your country of citizenship, residence and domicile.

If you require further information please do not hesitate to contact your local Franklin Templeton office or your financial adviser.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Craig Blair', with a stylized flourish at the end.

Craig Blair

Conducting Officer of Franklin Templeton International Services S.à r.l.  
Management Company of Franklin Templeton Investment Funds

Luxembourg, 15<sup>th</sup> November 2019**Subject: Amendments to the investment policy of the Franklin European Total Return Fund**

Dear Shareholder,

The purpose of this letter is to inform you of some changes brought to the investment policy of the Franklin European Total Return Fund (the "Sub-Fund"), a sub-fund of the Luxembourg SICAV Franklin Templeton Investment Funds (the "Company"), in which you own shares.

The investment policy of the Sub-Fund is amended to enable the investment manager to invest in euro-denominated debt of non-European corporate issuers as from 16<sup>th</sup> December 2019. In addition, the investment policy is clarified to reflect that ESG factors are also an important component of the investment manager's corporate credit research process. Therefore, the first three paragraphs of the investment policy are amended to read as follows:

*"The Fund seeks to achieve its objective by investing in a portfolio of fixed and floating-rate debt securities and debt obligations of governments, government-related or corporate issuers with registered office in Europe **and/or in euro-denominated securities of non-European issuers.***

*The Fund employs a proprietary environmental, social and governance (ESG) rating methodology to assess government bond issuers and takes these ratings into consideration when building its investment portfolio. ESG factors are also an important component of our corporate credit research process, combining bottom-up fundamental credit analysis with a review of any material ESG factors to arrive at a holistic assessment of credit strengths, weaknesses and potential risks. In addition, analysts may work with companies presenting specific carbon emissions, water and wastewater issues so as to improve the risk-management they apply in these areas. The ESG rating methodology is binding for the portfolio construction.*

*Lastly, across the entire portfolio<sup>1</sup>, the Investment Manager shall not invest in companies that:*

- Repeatedly and/or seriously violate the United Nations Global Compact*
- Manufacture controversial weapons - those that are defined as being indiscriminate; or those that manufacture components intended for use in such weapons.*
- Manufacture tobacco or tobacco products; or those that derive revenue from such products that exceeds our thresholds.*
- Derive unacceptable levels of revenue from the most polluting fossil fuels.*
- Fall short of our threshold level for using lower-carbon fossil fuels.*
- Exceed our tolerance levels of fossil fuels used to generate electricity.*

*The Fund may also, in accordance with the investment restrictions, invest in securities or structured products (such as collateralised debt obligations) where the security is linked to or derives its value from another security, linked to assets or currencies of any European country. More specifically, the Fund may purchase debt obligations issued by governments and supranational entities organised or supported by several national governments.*

*The Fund may also purchase mortgage- and asset-backed securities and convertible bonds. The Fund may also utilise certain financial derivative instruments for hedging purposes and/or efficient portfolio management. These financial derivative instruments may be dealt on Regulated Markets or over-the-counter, and may include index-based financial derivatives, credit default swaps or fixed income related total return swaps, forwards or futures contracts, or options on such contracts, including those on European government bonds. The net assets of the Fund shall primarily (e.g. at least two-thirds of the net assets without taking into account ancillary liquid assets) be invested in securities or financial derivative instruments based on securities of European issuers **and/or in euro-denominated securities of non-European issuers.**"*

The above changes will be reflected in an updated version of the prospectus of the Company (the "Prospectus"), a copy of which will be available soon online or at the registered office of the Company, upon request. All other features of the Sub-Fund will remain the same.

<sup>1</sup> A buffer of 5% is allowed for investments in companies that would not fulfil these criteria.

\* \* \* \* \*

If you do not agree with the above changes, you may request, free of charge until 16<sup>th</sup> December 2019, the redemption of your shares of the Sub-Fund or the exchange of such shares into shares of other sub-funds of the Company, details of which are disclosed in the current Prospectus (provided that such sub-funds have obtained recognition for marketing in your jurisdiction).

The Company comprises a wide range of sub-funds catering for many different objectives. Exchanges of your existing holding may be made into other sub-funds within the Company. On receipt of your instructions, we will execute the exchange for you in accordance with the provisions of the current Prospectus, free of any charge.

If you do not wish to exchange your shares and would like to redeem and receive a cash payment, the redemption will be made in accordance with the provisions of the current Prospectus, free of charge. Please return your instructions to your local Franklin Templeton office or to Franklin Templeton International Services S.à r.l. Please note that “free of any redemption charge” does not apply to the contingent deferred sales charge (“CDSC”) for all classes subject to such CDSC, due to the nature of such fee. Accordingly, should you decide to redeem any shares subject to a CDSC, such redemption will be subject to the applicable CDSC as more fully disclosed in the Prospectus.

You should consult your professional advisers as to the possible tax or other consequences of buying, holding, transferring or selling any of the Company’s shares affected by the changes described above, under the laws of your country of citizenship, residence and domicile.

If you require further information please do not hesitate to contact your local Franklin Templeton office or your financial adviser.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Craig Blair', with a stylized flourish at the end.

Craig Blair

Conducting Officer of Franklin Templeton International Services S.à r.l.  
Management Company of Franklin Templeton Investment Funds



**FRANKLIN  
TEMPLETON**

FRANKLIN TEMPLETON INVESTMENT FUNDS  
Société d'investissement à capital variable

8A, rue Albert Borschette, L-1246 Luxembourg,  
B.P. 169, L-2011 Luxembourg  
R.C.S. Luxembourg B 35 177  
tel +352 46 66 67-1  
fax +352 46 66 76  
www.franklintempleton.lu

Luxembourg, 15<sup>th</sup> November 2019

**Subject: Amendments to the investment policy of the Franklin K2 Alternative Strategies Fund**

Dear Shareholder,

The purpose of this letter is to inform you of some changes brought to the investment policy, main risks to, and the appointment of an additional sub-investment manager to the Franklin K2 Alternative Strategies Fund (the "Sub-Fund"), a sub-fund of the Luxembourg SICAV Franklin Templeton Investment Funds (the "Company"), in which you own shares.

The Sub-Fund's investment policy will be widened to permit investments in risk premia strategies and in catastrophe bonds.

In order to invest in risk premia strategies, the following sentence is added at the end of the fourth bullet point describing the Global Macro Strategies:

*"Systematic would also include certain risk premia strategies designed to harvest persistent behavioral and structural anomalies, which offer returns that are uncorrelated to traditional asset classes."*

In order to invest in catastrophe bonds, the fourth paragraph is also amended as follows:

*"The Fund invests in equity and equity-related securities of companies located anywhere and of any capitalisation size. Debt securities which may be acquired by the Fund shall include all varieties of fixed and floating-rate income securities of any maturity or credit rating (including investment grade, non-investment grade, low-rated, unrated securities and/or securities in default) of corporate and/or sovereign issuers worldwide, and may include, inter alia, high yield ("junk") bonds and distressed debt securities (securities of companies that are, or are about to be, involved in reorganisations, financial restructurings, or bankruptcy). The Fund may also invest up to 10% of its total net assets in catastrophe bonds. The Fund may engage in active and frequent trading as part of its investment strategies."*

"Catastrophe Bond risk" is added to the list of main risks pertaining to the Sub-Fund.

In addition, the additional sub-investment manager of the Sub-Fund will pursue its strategy, with a primary focus on catastrophe bonds, over the portion allocated to it within the portfolio of the Sub-Fund. In accordance with the provisions of the prospectus of the Company (the "Prospectus"), the list of sub-investment managers effectively managing the Sub-Fund is available upon request and free of charge at the registered office of the Company.

The above changes will take effect on 16<sup>th</sup> December 2019 and will be reflected in an updated version of the Prospectus, a copy of which will be available soon online or at the registered office of the Company, upon request. All other features of the Sub-Fund will remain the same.

If you do not agree with the above changes, you may request, free of charge until 16<sup>th</sup> December 2019, the redemption of your shares of the Sub-Fund or the exchange of such shares into shares of other sub-funds of the Company, details of which are disclosed in the current Prospectus (provided that such sub-funds have obtained recognition for marketing in your jurisdiction).

The Company comprises a wide range of sub-funds catering for many different objectives. Exchanges of your existing holding may be made into other sub-funds within the Company. On receipt of your instructions, we will execute the exchange for you in accordance with the provisions of the current Prospectus, free of any charge.

\* \* \* \* \*

If you do not wish to exchange your shares and would like to redeem and receive a cash payment, the redemption will be made in accordance with the provisions of the current Prospectus, free of charge. Please return your instructions to your local Franklin Templeton office or to Franklin Templeton International Services S.à r.l. Please note that “free of any redemption charge” does not apply to the contingent deferred sales charge (“CDSC”) for all classes subject to such CDSC, due to the nature of such fee. Accordingly, should you decide to redeem any shares subject to a CDSC, such redemption will be subject to the applicable CDSC as more fully disclosed in the Prospectus.

You should consult your professional advisers as to the possible tax or other consequences of buying, holding, transferring or selling any of the Company’s shares affected by the changes described above, under the laws of your country of citizenship, residence and domicile.

If you require further information please do not hesitate to contact your local Franklin Templeton office or your financial adviser.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Craig Blair', with a stylized flourish at the end.

Craig Blair

Conducting Officer of Franklin Templeton International Services S.à r.l.  
Management Company of Franklin Templeton Investment Funds



Luxembourg, 15<sup>th</sup> November 2019

**Subject: Amendment to the investment policy of the Templeton Global Smaller Companies Fund**

Dear Shareholder,

The purpose of this letter is to inform you of one change brought to the investment policy and main risks of the Templeton Global Smaller Companies Fund (the “Sub-Fund”), a sub-fund of the Luxembourg SICAV Franklin Templeton Investment Funds (the “Company”), in which you own shares.

The Sub-Fund’s investment policy will be amended to enable the Investment Manager to invest in financial derivative instruments for investment purposes. Therefore, the following paragraph is added at the end of the investment policy:

*“The Fund may further utilise financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. These financial derivative instruments may include, inter alia, swaps, currency forwards, futures contracts, equity and equity index options, equity linked notes, as well as options (including warrants).”*

“Derivative Instruments risk” and “Warrants risk” will be added to the list of main risks pertaining to the Sub-Fund.

The above changes will take effect on 16<sup>th</sup> December 2019 and will be reflected in an updated version of the prospectus of the Company (the “Prospectus”), a copy of which will be available soon online or at the registered office of the Company, upon request. All other features of the Sub-Fund will remain the same.

If you do not agree with the above changes, you may request, free of charge until 16<sup>th</sup> December 2019, the redemption of your shares of the Sub-Fund or the exchange of such shares into shares of other sub-funds of the Company, details of which are disclosed in the current Prospectus (provided that such sub-funds have obtained recognition for marketing in your jurisdiction).

The Company comprises a wide range of sub-funds catering for many different objectives. Exchanges of your existing holding may be made into other sub-funds within the Company. On receipt of your instructions, we will execute the exchange for you in accordance with the provisions of the current Prospectus, free of any charge.

If you do not wish to exchange your shares and would like to redeem and receive a cash payment, the redemption will be made in accordance with the provisions of the current Prospectus, free of charge. Please return your instructions to your local Franklin Templeton office or to Franklin Templeton International Services S.à r.l. Please note that “free of any redemption charge” does not apply to the contingent deferred sales charge (“CDSC”) for all classes subject to such CDSC, due to the nature of such fee. Accordingly, should you decide to redeem any shares subject to a CDSC, such redemption will be subject to the applicable CDSC as more fully disclosed in the Prospectus.

You should consult your professional advisers as to the possible tax or other consequences of buying, holding, transferring or selling any of the Company’s shares affected by the changes described above, under the laws of your country of citizenship, residence and domicile.

\* \* \* \* \*

If you require further information please do not hesitate to contact your local Franklin Templeton office or your financial adviser.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Craig Blair', with a stylized flourish at the end.

Craig Blair

Conducting Officer of Franklin Templeton International Services S.à r.l.  
Management Company of Franklin Templeton Investment Funds