



Franklin Templeton Investment Funds
Société d'investissement à capital variable
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Luxembourg, 25 July 2023

SFDR reclassification of one sub-fund of Franklin Templeton Investment Funds

Dear Shareholder,

We would like to inform you that the board of directors of Franklin Templeton Investment Funds (the “**Company**”) has decided, in light of investors’ demand, to have the Templeton European Small-Mid Cap Fund (the “**Fund**”) reclassified from Article 6 to Article 8 under the Sustainable Finance Disclosure Regulation (“**SFDR**”) and to create its SFDR related disclosures, in order to reflect the ESG methodology applied to the Fund and to translate the pre-existing process into the Company’s prospectus (the “**Prospectus**”) in a methodical and systematic manner.

As a consequence of the above, please note that the following changes will be made to the Prospectus:

- (i) the SFDR precontractual disclosures for the Fund will be added to Appendix G of the Prospectus;
- (ii) the Investor Profile sub-section of the Fund will be updated to state that the Fund may appeal to investors looking to invest in funds compliant with Article 8 of the SFDR;
- (iii) “Sustainability risk” will be added to the list of risks which are particularly relevant for the Fund, under section “Risk Considerations”; and
- (iv) the following paragraph will be added to the Fund’s investment policy to make reference to the Fund’s SFDR precontractual disclosures:

“The Investment Manager also considers Environmental, Social and Governance (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 Appendix G.”

Impact

Since the Environmental, Social and Governance (ESG) considerations were already part of the investment research and process of the Fund, 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.

The above changes will become effective as from 26 August 2023 and will be reflected in an updated version of the Prospectus, a copy of which will be available online or at the registered office of the Company. Upon request of a shareholder, a draft KID and a draft of the SFDR precontractual disclosures of the Fund are available at the registered office of the Company.

All other features of the Fund remain the same.

(continued)

What you need to do

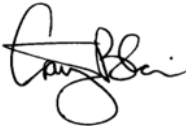
You do not need to do anything if you are satisfied with the change. You also have the option to switch your shares into other funds of the Company provided that such funds are available for distribution in your country. You may also request a redemption of your investment. Should you wish to proceed with either option, please refer to the latest Prospectus terms. Such requests of switch or redemption will be executed free of charge, provided that they are received at the latest by 26 August 2023.

Need more information?

Your dedicated Client Service Team will be happy to help with any general questions about Franklin Templeton. Just call your local Client Service Team, visit our website at www.franklintempleton.lu or if you need advice about your investment please speak to a financial adviser.

We thank you for choosing to trust Franklin Templeton with your investments.

Best regards,

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