

23 February 2018

Dear Shareholder,

**NOTICE TO SHAREHOLDERS OF FRANKLIN TEMPLETON INVESTMENT FUNDS –  
TEMPLETON KOREA FUND**

The purpose of this letter is to inform you that, after careful analysis and review, the board of directors (the “Board of Directors”) of Franklin Templeton Investment Funds (the “Company”) has decided, in accordance with article 28 of the Company’s articles of incorporation, to close the Company’s sub-fund Templeton Korea Fund (the “Fund”) with effect as from 25 May 2018 (the “Closure Date”) or as soon as reasonably practicable thereafter.

The Board of Directors has taken the decision to close the Fund given its relatively small size. Therefore, the Board of Directors believes that it is no longer in the interests of the shareholders to keep the Fund open.

Holders of shares of the Fund may redeem their shares or switch their holding into any other sub-fund of the Company, details of which are disclosed in the current prospectus of the Company (provided that such other sub-funds have obtained recognition for marketing in the applicable jurisdiction), free from any Franklin Templeton transaction charge, no later than 24 May 2018, 4pm Singapore time.

The shares of the Fund held by shareholders who have not redeemed their shares or switched their holdings prior to close of business on the date specified above will be compulsorily redeemed and the proceeds thereof will be paid as soon as possible thereafter.

Any proceeds which cannot be distributed to shareholders following the closure of the Fund will be deposited on behalf of shareholders with the *Caisse de Consignation* in Luxembourg.

***Other notices***

***(a) Intermediate operations***

Please note that, in order to facilitate the closure operations, no additional subscription in or switch into the Fund will be possible after 17 May 2018, 4pm Singapore time. In addition, as from the date of this letter, subscription from new shareholders will not be accepted into the Fund.

***(b) Costs of the closure***

Any costs relating to this closure will be reflected in the net asset value of the Fund calculated as from the date of the Board of Directors’ decision to close the Fund.

***(c) Tax considerations***

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 in respect of the changes described above, under the applicable laws for instance, of your country of citizenship, residence and domicile.

We thank you for your continued support and investment.

Yours sincerely,

A handwritten signature in black ink, consisting of a stylized 'A' followed by a 'Q' and an 'L'. The 'A' has a small dot above it, and the 'Q' has a small dot above it. The 'L' is a simple vertical line with a horizontal base.

Adam Quaife  
Co-CEO for Templeton Asset Management Ltd.