

20 July 2017

**MERGER OF FTIF - FRANKLIN GLOBAL HIGH INCOME BOND FUND
INTO FTIF – FRANKLIN HIGH YIELD FUND**

Dear Shareholder,

The purpose of this letter is to inform you about the merger of FTIF – Franklin Global High Income Bond Fund (the “**Merging Sub-Fund**”) into FTIF - Franklin High Yield 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 13 July 2012 and on 30 June 2017 it was valued at USD 46,927,608. The small size and reduced demand for the Franklin Global High Income Bond Fund makes it economically unattractive to run as an independent entity.

The Merging Sub-Fund and Receiving Sub-Fund share similarities in their investment objective, Investment Manager, risk management processes and management fee structures. Both Sub-Funds carry also the same risk rating indicator (synthetic risk and reward indicator).

Even though the Merging Sub-Fund has a more globally diversified portfolio compared to the Receiving Sub-Fund, it currently has a very high weighting to U.S. securities, thus sharing a significant portfolio overlap with the Receiving Sub-Fund. In addition, the Receiving Sub-Fund has a longer track record and has displayed superior performance across all time periods.

The Receiving Sub-Fund was originally launched in 1 March 1996 and on 30 June 2017 it was valued at USD 2,466,883,234.

Because both the Merging Sub-Fund and the Receiving Sub-Fund share similar investment objectives, fee and expenses, and target investor profiles, the Board believes that it is in the best interests of shareholders to merge these Sub-Funds and focus on a single portfolio, which will offer economies of scale to existing shareholders of these Sub-Funds.

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.

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 to participate in 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 12 October 2017 (before local dealing cut-off time).

Please note that “free of charge” does not apply to classes subject to the contingent deferred sales charge (“CDSC”), due to the nature of such fee. Accordingly, should shareholders 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 of the Company.

The holding period for share classes in the Merging Sub-Fund subject to CDSC is measured from the date that such share class was initially acquired in the Merging Sub-Fund or in another sub-fund of FTIF as the case may be.

The holding period of such Merging Share Classes subject to CDSC that will be merged into the relevant Receiving Share Classes also subject to CDSC, will be not affected as a consequence of the Merger.

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.

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

Merging Share Class	ISIN	Receiving Share Class	ISIN
Franklin Global High Income Bond Fund A(acc) USD	LU0800342296	Franklin High Yield Fund A(acc) USD	LU0131126228
Franklin Global High Income Bond Fund A(Mdis) SGD-H1	LU0800342619	Franklin High Yield Fund A(Mdis) SGD-H1	LU0323421593
Franklin Global High Income Bond Fund A(acc) EUR	LU0800342965	Franklin High Yield Fund A(acc) EUR*	*

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Franklin Global High Income Bond Fund A(Mdis) USD	LU0800342379	Franklin High Yield Fund A(Mdis) USD	LU0065014192
Franklin Global High Income Bond Fund A(acc) HKD**	LU0800342700		
Franklin Global High Income Bond Fund A(Mdis) HKD**	LU0800342882		
Franklin Global High Income Bond Fund I(acc) EUR***	LU0800343005	Franklin High Yield Fund I(acc) EUR-H1***	LU0727124397
Franklin Global High Income Bond Fund I(acc) USD	LU0800342452	Franklin High Yield Fund I(acc) USD	LU0366776432
Franklin Global High Income Bond Fund N(acc) EUR	LU0800343187	Franklin High Yield Fund N(acc) EUR*	*
Franklin Global High Income Bond Fund N(Mdis) USD	LU1129995822	Franklin High Yield Fund N(Mdis) USD	LU0889566138
Franklin Global High Income Bond Fund Y(Mdis) USD	LU1379820993	Franklin High Yield Fund Y(Mdis) USD	LU1244548910

* Share class to be launched on Effective Date.

** The reference currency of the share class will change after the merger (HKD to USD) and the appropriate exchange rate will be applied.

*** The receiving share class is currency hedged in order to reduce the currency exchange risk (EUR to USD).

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.

Merging 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 Global High Income Bond Fund A(Mdis) USD	5.75%	0.80%	0.20%	0.40%	0.15%	1.55%
Franklin Global High Income Bond Fund A(acc) USD	5.75%	0.80%	0.20%	0.40%	0.16%	1.56%
Franklin Global High Income Bond Fund A(Mdis) SGD-H1	5.75%	0.80%	0.20%	0.40%	0.16%	1.56%
Franklin Global High Income Bond Fund A(acc) EUR	5.75%	0.80%	0.20%	0.40%	0.15%	1.55%
Franklin Global High Income Bond Fund A(acc) HKD*	5.75%	0.80%	0.20%	0.40%	0.13%	1.53%
Franklin Global High Income Bond Fund A(Mdis) HKD*	5.75%	0.80%	0.20%	0.40%	0.17%	1.57%
Franklin Global High Income Bond Fund I(acc) EUR	0.00%	0.60%	0.20%	0.00%	0.10%	0.90%
Franklin Global High Income Bond Fund I(acc) USD	0.00%	0.60%	0.20%	0.00%	0.10%	0.90%
Franklin Global High Income Bond Fund N(acc) EUR	3.00%	0.80%	0.20%	1.00%	0.15%	2.15%
Franklin Global High Income Bond Fund N(Mdis) USD	3.00%	0.80%	0.20%	1.00%	0.15	2.15%
Franklin Global High Income Bond Fund Y(Mdis) USD	0.00%	0.00%	0.00%	0.00%	0.07%	0.07%

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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 High Yield Fund A(Mdis) USD	5.75%	0.80%	0.20%	0.40%	0.14%	1.54%
Franklin High Yield Fund A(acc) USD	5.75%	0.80%	0.20%	0.40%	0.14%	1.54%
Franklin High Yield Fund A(Mdis) SGD-H1	5.75%	0.80%	0.20%	0.40%	0.14%	1.55%
Franklin High Yield Fund A(acc) EUR*	5.75%	0.80%	0.20%	0.40%	0.15%	1.55%
Franklin High Yield Fund I(acc) EUR-H1	0.00%	0.60%	0.20%	0.00%	0.08%	0.88%
Franklin High Yield Fund I(acc) USD	0.00%	0.60%	0.20%	0.00%	0.09%	0.89%
Franklin High Yield Fund N(acc) EUR*	3.00%	0.80%	0.20%	1.00%	0.15%	2.15%
Franklin High Yield Fund N(Mdis) USD	3.00%	0.80%	0.20%	1.00%	0.12%	2.12%
Franklin High Yield Fund Y(Mdis) USD	0.00%	0.00%	0.00%	0.00%	0.05%	0.05%

** As the share class has no historical data available, the OCR and Other Fees have been estimated based on a representative model portfolio.*

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.

It is not contemplated that the remaining assets in the portfolio of the Merging Sub-Fund or of the Receiving Sub-Fund be rebalanced before the Merger.

As the investment manager of the Receiving Fund has determined that a portion of the Merging Fund's portfolio (comprising non-USD denominated debt securities) is not appropriate for the Receiving Fund, the merger will be organised so that only USD denominated debt securities (comprising approximately 70% of the Merging Fund's portfolio) will be transferred in kind to the Receiving Fund. The residual portion of the Merging Fund's portfolio will be sold down to cash and transferred as cash to the Receiving Fund. Depending on the growth of the Merging Fund's portfolio and changes to the underlying investments within the Merging Fund's portfolio, the above percentage splits may vary (by up to 10%) depending on the performance of the Merging Fund's portfolio in the lead up to the Effective Date. To the extent that the disposal of the residual assets of the Merging Fund is undertaken, this will commence seven (7) calendar days prior to the Effective Date of the merger at the earliest.

In accordance with the standard valuation policy, and in order to protect the interests of remaining shareholders, in the event of a significant redemption from the Receiving Sub-Fund, a swing pricing mechanism may be adopted and applied to the value of the shares. Please refer to the Prospectus last visaed by CSSF dated June 2017, as amended, of the Company (the "**Prospectus**") for the details in respect of swing pricing.

The Merger of the Merging Sub-Fund into the Receiving Sub-Fund is not expected to entail a dilution effect on 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 the same investment process and the same risk management process. In addition, the Sub-Funds share similar investment objective, some of the same investment management teams within Franklin Templeton Group and the same management fee structure. However, The Merging Fund has a more globally diversified portfolio, whereas the Receiving Fund invests in debt securities issued principally by U.S. or non-U.S. issuers, with a current focus on debt securities issued by corporations located in the U.S.

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 Product Highlights Sheets (“PHS”) of the Receiving Sub-Fund. Shareholders are invited to carefully read the attached PHS of the Receiving Sub-Fund.

4. Merger Procedure

The Merger will become effective on 20 October 2017 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**”):

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Merging Share class	ISIN	Receiving Share class	ISIN
Franklin Global High Income Bond Fund A(acc) USD	LU0800342296	Franklin High Yield Fund A(acc) USD	LU0131126228
Franklin Global High Income Bond Fund A(Mdis) SGD-H1	LU0800342619	Franklin High Yield Fund A(Mdis) SGD-H1	LU0323421593
Franklin Global High Income Bond Fund A(acc) EUR	LU0800342965	Franklin High Yield Fund A(acc) EUR*	*
Franklin Global High Income Bond Fund A(Mdis) USD	LU0800342379	Franklin High Yield Fund A(Mdis) USD	LU0065014192
Franklin Global High Income Bond Fund A(acc) HKD**	LU0800342700		
Franklin Global High Income Bond Fund A(Mdis) HKD**	LU0800342882		
Franklin Global High Income Bond Fund I(acc) EUR***	LU0800343005	Franklin High Yield Fund I(acc) EUR-H1***	LU0727124397
Franklin Global High Income Bond Fund I(acc) USD	LU0800342452	Franklin High Yield Fund I(acc) USD	LU0366776432
Franklin Global High Income Bond Fund N(acc) EUR	LU0800343187	Franklin High Yield Fund N(acc) EUR*	*
Franklin Global High Income Bond Fund N(Mdis) USD	LU1129995822	Franklin High Yield Fund N(Mdis) USD	LU0889566138
Franklin Global High Income Bond Fund Y(Mdis) USD	LU1379820993	Franklin High Yield Fund Y(Mdis) USD	LU1244548910

* Share class to be launched on Effective Date.

** The reference currency of the share class will change after the merger (HKD to USD) and the appropriate exchange rate will be applied.

*** The receiving share class is currency hedged in order to reduce the currency exchange risk (EUR to USD).

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 shares held in the relevant class of the Merging Sub-Fund 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 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 PHS (as appended to the present notice in Appendix II) are available at the registered office of the Company, upon request, free of charge.

The most recent prospectus of FTIF and the relevant Product Highlight Sheets are available on <http://www.franklintempleton.com.sg/en-sg/investor/literature/legal-documents>.

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 our Client Service Executives at (65) 6337 3933.

Yours Faithfully,
For and on behalf of
Templeton Asset Management Ltd.



Adam Quaife
Regional Head of Southeast Asia and Co-CEO for Singapore

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 HIGH INCOME BOND FUND (THE “MERGING SUB-FUND”) AND FTIF – FRANKLIN HIGH YIELD 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 High Income Bond Fund	FTIF – Franklin High Yield Fund
Name of the Fund	Franklin Templeton Investment Funds	Franklin Templeton Investment Funds
Reference Currency of the sub-fund	USD	USD
Reference Currency of the Fund	USD	USD
Financial year	1 July to 30 June	1 July to 30 June
Annual General Meeting	30 November	30 November
I. INVESTMENT OBJECTIVES AND POLICIES AND RELATED RISKS		
Investment Objective and Policies	<p>The Fund’s principal investment objective is to earn a consistent, high level of current income. As a secondary objective, the Fund seeks capital appreciation, consistent with its principal objective.</p> <p>The Fund invests principally in a diversified portfolio of higher yielding debt securities (including investment grade, non-investment grade and/or unrated securities of corporate and/or sovereign issuers) globally, including those in Emerging Markets. For the purpose of this Fund, debt securities shall include all varieties of fixed and floating-rate income securities, bonds, mortgage- and other asset-backed securities, convertible securities, collateralised loan obligations (“CLOs”), collateralised debt obligations (“CDOs”) and structured notes (including credit- linked notes). The Fund may invest up to 100% of its assets in low-rated, non- investment grade and/or unrated debt securities of corporate and/or sovereign issuers worldwide.</p> <p>The Fund may also utilise financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. These financial derivative instruments may be either dealt on regulated markets or over-the-counter, and may include, inter alia,</p>	<p>The Fund’s principal investment objective is to earn a high level of current income. As a secondary objective, the Fund seeks capital appreciation, but only when consistent with its principal objective.</p> <p>The Fund seeks to achieve these objectives by investing principally, either directly or through the use of financial derivative instruments, in fixed income debt securities of US or non-US issuers. The Fund may utilise financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. These financial derivative instruments may include, inter alia, swaps such as credit default swaps or fixed income related total return swaps, forwards, futures contracts, as well as options on such contracts either dealt on regulated markets or over-the-counter. The Fund normally invests in fixed income debt securities with investment grade or lower grade ratings (including non-investment grade securities), if issued by US issuers, or, if issued by non-US issuers or unrated, their equivalent. The Investment Manager attempts to avoid excessive risk by performing independent credit analyses of issuers and by diversifying the Fund’s investments among different issuers.</p> <p>Since the investment objective is more likely to be achieved through an</p>

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	swaps (such as credit default swaps or fixed income related total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative returns in a specific yield curve/duration,	investment policy that is flexible and adaptable, the Fund may also, temporarily and/or on an ancillary basis, seek investment opportunities in any other types of securities such as government securities, preferred stock, common stock and other equity-linked securities, warrants and securities and
	<p>currency or credit since, among other things, the price of financial derivative instruments are dependent on the price of their underlying instruments and these prices may go up or down.</p> <p>The Fund may also invest up to 10% of the Fund's net assets per asset class in equity securities (including preferred stocks, common stocks, warrants and other equity-linked securities), real estate investment trusts ("REITs"), money market instruments, units of UCITS and other UCIs and securities in default on a temporary and/or on an ancillary basis and up to 5% of the Fund's net assets into repurchase agreements. "REITs" are companies the shares of which are listed on a stock exchange, which invest a significant portion of their net assets directly in real estate and which profit from a special and favourable tax regime.</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>	<p>bonds convertible into common stock. The Fund may invest up to 10% of its net assets in credit-linked securities, which the Investment Manager may use as a means to invest more rapidly and efficiently in certain segments of the high-yield, bank loan and investment grade debt markets. The Fund may also invest up to 10% of its net assets in securities in default.</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>
Investor Profile	<p>Considering the investment objectives, as stated above, the Fund may appeal to Investors looking to:</p> <ul style="list-style-type: none"> • high level of income and prospects of capital appreciation by accessing a portfolio of higher yielding debt securities from issuers worldwide • invest for the medium to long term with high tolerance for risk 	<p>Considering the investment objectives, as stated above, the Fund may appeal to Investors looking to:</p> <ul style="list-style-type: none"> • earn a high level of income, and to a lesser extent, some capital appreciation by investing in high-yield fixed income securities of US and non-US issuers • invest for the medium to long term
Highest Synthetic Risk Reward Indicator (SRRI)	4	5 ¹
Specific Risk Consideration	<ul style="list-style-type: none"> • Collateralised Debt Obligations risk • Convertible Securities risk • Counterparty risk • Credit risk • Credit-Linked Securities risk • Defaulted Debt Securities risk • Derivative Instruments risk • Dividend Policy risk • Emerging Markets risk 	<ul style="list-style-type: none"> • Class Hedging risk • Convertible Securities risk • Counterparty risk • Credit risk • Credit-Linked Securities risk • Defaulted Debt Securities risk • Derivative Instruments risk • Dividend Policy risk • Europe and Eurozone risk

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	<ul style="list-style-type: none"> • Equity risk • Europe and Eurozone risk • Foreign Currency risk • Interest Rate Securities risk • Liquidity risk • Low-Rated or Non-Investment Grade Securities risk • Market risk • Mortgage- and Asset-Backed Securities risk • Repurchase Transactions risk • Restructuring Companies risk • Sovereign Debt risk • Structured Notes risk • Swap Agreements risk • Warrants risk 	<ul style="list-style-type: none"> • Foreign Currency risk • Interest Rate Securities risk • Liquidity risk • Low-Rated or Non-Investment Grade Securities risk • Market risk • Restructuring Companies risk • Swap Agreements risk • Warrants risk
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¹ The SRRI of 5 reflects historical volatility between the Receiving Sub-Fund USD base currency and the EUR currency of the new share classes that will be launched ahead of the merger. SRRI of 5 is applicable to EUR share classes only, other share classes of the Receiving Sub-Fund have a SRRI of 4.

Global Exposure Calculation Method	Commitment Approach	Commitment Approach
II. SHARE CLASSES AND MINIMUM INVESTMENT AND HOLDING REQUIREMENTS		
Share Classes	<ul style="list-style-type: none"> - Class A Shares - Class I Shares - Class N Shares - Class Y Shares 	<ul style="list-style-type: none"> - Class A Shares - Class I Shares - Class N Shares - Class Y Shares
Minimum subscription and subsequent investment	<p>The minimum initial investment in any one Class of Shares of the Sub-Fund is:</p> <p>Class A: USD 5,000 Class I: USD 5,000,000 Class N: USD 5,000 Class Y: At the discretion of the Management Company (or its equivalent in another currency).</p> <p>Subsequent subscription of shares relating to any Class of Shares of the Sub-Fund is:</p> <p>Class A: USD 1,000 Class I: USD 1,000 Class N: USD 1,000 Class Y: At the discretion of the Management Company (or its equivalent in another currency).</p>	<p>The minimum initial investment in any one Class of Shares of the Sub-Fund is:</p> <p>Class A: USD 5,000 Class I: USD 5,000,000 Class N: USD 5,000 Class Y: At the discretion of the Management Company (or its equivalent in another currency).</p> <p>Subsequent subscription of shares relating to any Class of Shares of the Sub-Fund is:</p> <p>Class A: USD 1,000 Class I: USD 1,000 Class N: USD 1,000 Class Y: At the discretion of the Management Company (or its equivalent in another currency).</p>
Minimum Holding	USD 2,500 (or its equivalent in another currency)	USD 2,500 (or its equivalent in another currency)
III. FEES TO BE BORNE BY THE SHAREHOLDERS		

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Entry charge	Class A: up to 5.00% of the total amount invested. Class I: N/A Class N: up to 3% Class Y: N/A	Class A: up to 5.00% of the total amount invested. Class I: N/A Class N: up to 3% Class Y: N/A
Contingent Deferred Sales Charge (CDSC)	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 Y: 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 Y: N/A
Redemption fee	N/A	N/A
IV. FEES PAID OUT OF THE SUB-FUND ASSETS		
Management Company Fees	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.
Investment Management Fees	Class A: 0.80% Class I: 0.60% Class N: 0.80% Class Y: N/A – levied and collected directly from Investor	Class A: 0.80% Class I: 0.60% Class N: 0.80% Class Y: N/A – levied and collected directly from Investor
Maintenance Fees	Class A: 0.40% Class I: N/A Class N: 1.00% Class Y: N/A – levied and collected directly from Investor	Class A: 0.40% Class I: N/A Class N: 1.00% Class Y: N/A – levied and collected directly from Investor
Depository Fee	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
OCRs (comprising all incurred fees including the synthetic cost of holding underlying sub-funds)	Class A – 1.57% Class I – 0.90% Class N – 2.15% Class Y – 0.07%	Class A – 1.55% Class I – 0.89% Class N – 2.15% Class Y – 0.05%

V. SERVICE PROVIDERS

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Management Company	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
Investment Manager	Franklin Advisers, Inc. One Franklin Parkway San Mateo, CA 94403-1906 USA	Franklin Advisers, Inc. One Franklin Parkway San Mateo, CA 94403-1906 USA
Depositary	J.P. MORGAN BANK LUXEMBOURG S.A. European Bank & Business Centre 6C route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg	J.P. MORGAN BANK LUXEMBOURG S.A. European Bank & Business Centre 6C route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg
Auditor	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

Enclosed PHS