
Luxembourg, 12 September 2019

Subject: Merger of FTIF – Templeton Thailand Fund into FTIF – Templeton Asian Growth Fund (the “Merger”)

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 – Templeton Thailand Fund (the “Merging Sub-Fund”) into FTIF – Templeton Asian Growth 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 launched on 20 June 1997 and on 30 July 2019 it was valued at USD 168 million. The Receiving Sub-Fund was launched on 16 April 1991 and on 30 July 2019 was valued at USD 3,035 million. The Merging Sub-Fund and Receiving Sub-Fund share similarities in their investment objective, investment manager, risk management processes and a reasonable number of overlapping securities.

Thailand’s economy faces several structural challenges, including a high household debt and rapidly aging population, which the Board believes, could dampen long term growth and reduce the opportunity set for investors in Thai equities. Comparatively, the Asia ex-Japan region provides a larger opportunity set, with several economies benefiting from stronger structural tailwinds than Thailand and thus more attractive growth potential in the medium to long term. Given the more positive outlook on Asia ex-Japan equities, the Board believes that Shareholders of the Merging Sub-Fund should be able to benefit from the broader market exposure of the Receiving Sub-Fund.

Considering the above-mentioned points and the cheaper fee structure on the Receiving Sub-Fund, the Board believes that it is in the best interests of shareholders to merge these sub-funds and focus on a single portfolio offering economies of scale to existing shareholders of these sub-funds.

The Board has therefore decided, in accordance with article 66(4) of the 2010 Law, as amended, 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 the Company as amended from time to time (the “Prospectus”) (provided that such other sub-funds have obtained recognition for marketing in the applicable jurisdiction), free of charge until 5 December 2019 (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, as defined hereafter, 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 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.

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

Merging Share Class	CUSIP	ISIN	Receiving Share Class	CUSIP	ISIN
Templeton Thailand Fund - A (acc) SGD	L40592633	LU0320738320	Templeton Asian Growth Fund - A (acc) SGD	L40592500	LU0320764755
Templeton Thailand Fund - A (acc) USD	L90262293	LU0078275988	Templeton Asian Growth Fund - A (acc) USD	L4058R555	LU0128522157
Templeton Thailand Fund - B (acc) USD	L4059A114	LU0260865315	Templeton Asian Growth Fund - B (acc) USD	L4059A684	LU0285260591
Templeton Thailand Fund - N (acc) USD	L4058T445	LU0188151681	Templeton Asian Growth Fund - N (acc) USD	L4058S710	LU0152928064
Templeton Thailand Fund - W (acc) USD	L4060H330	LU0976567205	Templeton Asian Growth Fund - W (acc) USD	L40596584	LU0792612896

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 to an undertakings for collective investment in transferable securities in accordance with the 2010 Law (“UCITS”).

Shareholders of the Merging Sub-Fund benefitting from an automated Regular Saving Plan (“RSP”) and/or of a Systematic Withdrawal Plan (“SWP”) are informed that their recurring transactions will continue automatically after the Merger within the Receiving Sub-Fund. Shareholders of the Merging Sub-Fund benefitting of a non-automated RSP, instructing their payments individually, shall amend their payment instructions, indicating the Receiving Sub-Fund.

If shareholders of the Merging Sub-Fund participate in the Merger and 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 as from the day following the Effective Date, as defined hereafter.

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 applicable charges for each of the share classes:

Merging Sub-Fund

Merging Sub-Fund Share Class Name	Initial Charge – Up to	Investment Management Fee	Management Company Fee	Maintenance Fee	Other Fees (including Custodian Fee)	Ongoing Charges Ratio (OCR)
Templeton Thailand Fund - A (acc) SGD	5.75%	1.60%	0.20%	0.50%	0.18%	2.48%
Templeton Thailand Fund - A (acc) USD	5.75%	1.60%	0.20%	0.50%	0.18%	2.48%
Templeton Thailand Fund - B (acc) USD	N/A	1.60%	0.20%	0.75%	1.24%	3.79%
Templeton Thailand Fund - N (acc) USD	3.00%	1.60%	0.20%	1.00%	0.18%	2.98%
Templeton Thailand Fund - W (acc) USD	N/A	1.10%	0.20%	0.00%	0.18%	1.48%

Receiving Sub-Fund

Receiving Sub-Fund Share Class Name	Initial Charge – Up to	Investment Management Fee	Management Company Fee	Maintenance Fee	Other Fees (including Custodian Fee)	Ongoing Charges Ratio (OCR)
Templeton Asian Growth Fund - A (acc) SGD	5.75%	1.35%	0.20%	0.50%	0.16%	2.21%
Templeton Asian Growth Fund - A (acc) USD	5.75%	1.35%	0.20%	0.50%	0.16%	2.21%
Templeton Asian Growth Fund - B (acc) USD	N/A	1.35%	0.20%	0.75%	1.23%	3.53%
Templeton Asian Growth Fund - N (acc) USD	3.00%	1.35%	0.20%	1.00%	0.16%	2.71%
Templeton Asian Growth Fund - W (acc) USD	N/A	0.90%	0.20%	0.00%	0.15%	1.25%

It is not contemplated that the portfolio of the Merging Sub-Fund be rebalanced before the Merger.

In addition, and in the best interests of shareholders, it is anticipated at the date of the present letter that between 75% -100% of the Merging Sub-Fund assets under management will be transferred in kind to the Receiving Sub-Fund. The remaining 0% - 25% of the Merging Sub-Fund assets will be sold down to cash and transferred to the receiving Sub-Fund ahead of the Effective Date. The aforementioned percentages represent the Board’s best estimation as of the date

of the present letter. However, it cannot be excluded that the actual percentage of assets transferred in kind and sold down to cash will be different, as these will always depend on the market conditions on or around the Effective Date. Any derivative positions that cannot be transferred over will be closed out in advance of the Merger.

In accordance with the standard valuation policy of all FTIF sub-funds and as part of the Company’s commitment to protect the best interests of remaining shareholders, a swing pricing mechanism may be applied to the value of the Receiving Sub-Fund shares on the Effective Date. It may be adopted in the event of a significant subscription or redemption in the Receiving Sub-Fund on the Effective Date. Please refer to the Prospectus for more details in respect of swing pricing.

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.

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

- a. new investors will not be permitted to subscribe for shares in the Merging Sub-Fund from the date of this letter;
- b. existing shareholders will not be permitted to subscribe for additional shares in the Merging Sub-Fund during the period beginning 5 business days prior to the Effective Date; and
- c. existing shareholders of the Merging Sub-Fund will not be permitted to redeem, switch or transfer their holdings as from 5 business days before the Effective Date.

Above limitations will be applied as follows:

Effective date	13 December 2019
a.	12 September 2019
b.	6 December 2019
c.	6 December 2019

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

Both the Merging Sub-Fund and the Receiving Sub-Fund share a number of similarities including but not limited to; the investment objective of capital growth over the medium to long term, the fundamental analysis approach to investing, the portfolio management team and associated risk processes as well as approximately 45% overlap in common securities (at the time of writing and subject to change ahead of the merger). The Merging Sub-Fund has a single country focus restricting the manager to holding equity securities of companies located in or doing significant business in Thailand. The Receiving Sub-Fund shares the focus on equity securities, but allows for a wider opportunity set beyond Thailand across the rest of Asia excluding companies listed or doing significant business in; Australia, New Zealand and or Japan.

The Merging Sub-Fund is a small fund with assets under management of \$168 million as of 30 July 2019. The Receiving Sub-Fund is a large fund with assets of \$3,035 million as of 30 July 2019, allowing for greater economies of scale and a lower impact of fixed fund expenses on the overall cost to investors. This complimented by a lower management fee resulting in the Ongoing Charge Ratio (OCR) for investors in the Receiving Sub-Fund being 0.23% to 0.27% lower than the Merging Sub-Fund.

The differences between the Merging Sub-Fund and the Receiving Sub-Fund are detailed further 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 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 13 December 2019 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. The outstanding liabilities generally comprise fees and expenses due but not paid, as reflected in the Net Assets of the sub-funds. 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 Class	CUSIP	ISIN	Receiving Share Class	CUSIP	ISIN
Templeton Thailand Fund - A (acc) SGD	L40592633	LU0320738320	Templeton Asian Growth Fund - A (acc) SGD	L40592500	LU0320764755
Templeton Thailand Fund - A (acc) USD	L90262293	LU0078275988	Templeton Asian Growth Fund - A (acc) USD	L4058R555	LU0128522157
Templeton Thailand Fund - B (acc) USD	L4059A114	LU0260865315	Templeton Asian Growth Fund - B (acc) USD	L4059A684	LU0285260591
Templeton Thailand Fund - N (acc) USD	L4058T445	LU0188151681	Templeton Asian Growth Fund - N (acc) USD	L4058S710	LU0152928064
Templeton Thailand Fund - W (acc) USD	L4060H330	LU0976567205	Templeton Asian Growth Fund - W (acc) USD	L40596584	LU0792612896

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., 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 and the relevant KIIDs (as appended to the present notice in Appendix II) 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.

On behalf of Franklin Templeton Investment Funds,



William Lockwood
Director

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

Appendix II: Enclosed KIID

APPENDIX I

COMPARISON OF KEY FEATURES OF FTIF – Templeton Thailand Fund (the “Merging Sub-Fund”) and FTIF – Templeton Asian Growth 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 – Templeton Thailand Fund	FTIF – Templeton Asian Growth 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 investment objective is capital appreciation.</p> <p>The Fund seeks to achieve its objective through a policy of investing primarily in equity securities of issuers incorporated in Thailand or issuers having their principal business activities in Thailand.</p> <p>The Fund may also invest in equity securities of issuers having their assets, earnings or profits in Thailand. The Fund invests in equities and other securities, including securities issued by the Thailand government and, to a lesser extent, warrants of issuers on the Thailand stock market.</p>	<p>The Fund applies the traditional Templeton investment method. The stock selection approach is bottom-up, long-term value-oriented with strong emphasis on diligence and discipline.</p> <p>The Fund invests primarily in transferable equity securities as well as depository receipts of companies (i) which are incorporated in the Asia Region, and/or (ii) which have their principal business activities in the Asia Region, and/or (iii) which are listed on recognized exchanges in capital markets of the Asia Region. The Asia Region includes but is not limited to the following countries: Hong Kong, India, Indonesia, Korea, Malaysia, Mainland China, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan and Thailand, and excludes Australia, New Zealand and Japan. The Fund may also invest in equity securities of companies located outside of the Asia Region but which derive a significant proportion of their revenues or profits from the Asia Region or have a significant portion of their assets in the Asia Region. Under normal market conditions, the Fund invests primarily in common stocks.</p> <p>Since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may seek investment opportunities in other types of transferable securities, including fixed income securities.</p> <p>The Fund may invest up to 10% of its net assets in aggregate in China A-Shares (through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect) and in China B-Shares.</p>

PRODUCT FEATURES	THE MERGING SUB-FUND	THE RECEIVING SUB-FUND
Investor Profile	Considering the investment objectives, as stated above, the Fund may appeal to Investors looking to: <ul style="list-style-type: none"> capital appreciation by investing in equity securities of Thailand invest for the medium to long term 	Considering the investment objectives, as stated above, the Fund may appeal to Investors looking to: <ul style="list-style-type: none"> capital appreciation by investing in securities of companies in Asia, including Emerging Markets invest for the medium to long term
Highest Synthetic Risk Reward Indicator (SRRI)	5	6 ¹
Specific Risk Consideration	<ul style="list-style-type: none"> Counterparty risk Emerging Markets risk Equity risk Foreign Currency risk Liquidity risk Market risk Single Country risk Value Stocks risk Warrants risk 	<ul style="list-style-type: none"> Chinese Market risk Class Hedging risk Counterparty risk Emerging Markets risk Equity risk Foreign Currency risk Frontier Markets risk Liquidity risk Market risk Regional Market risk Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect risk Value Stocks risk
Global Exposure Calculation Method	Commitment Approach	Commitment Approach
II. SHARE CLASSES AND MINIMUM INVESTMENT AND HOLDING REQUIREMENTS		
Share Classes	Class A Shares Class B Shares Class N Shares Class W Shares	Class A Shares Class B Shares Class N Shares Class W Shares
Minimum subscription and subsequent investment	<p>The minimum initial investment in any one Class of Shares of the Sub-Fund is: Class A: USD 5,000 Class B: USD 5,000 Class N: USD 5,000 Class W: USD 500,000 (or its equivalent in another currency).</p> <p>Subsequent subscription of shares relating to any Class of Shares of the Sub-Fund is: Class A: USD 1,000 Class B: N/A Class N: USD 1,000 Class W: USD 1,000 (or its equivalent in another currency).</p>	<p>The minimum initial investment in any one Class of Shares of the Sub-Fund is: Class A: USD 5,000 Class B: USD 5,000 Class N: USD 5,000 Class W: USD 500,000 (or its equivalent in another currency).</p> <p>Subsequent subscription of shares relating to any Class of Shares of the Sub-Fund is: Class A: USD 1,000 Class B: N/A Class N: USD 1,000 Class W: USD 1,000 (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)

PRODUCT FEATURES	THE MERGING SUB-FUND	THE RECEIVING SUB-FUND
III. FEES TO BE BORNE BY THE SHAREHOLDERS		
Entry charge	Class A: up to 5.75% of the total amount invested. Class B: N/A Class N: up to 3% Class W: N/A	Class A: up to 5.75% of the total amount invested. Class B: N/A Class N: up to 3% Class W: 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 B: up to 4.00% Class N: N/A Class W: 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 B: up to 4.00% Class N: N/A Class W: 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: 1.60% Class B: 1.60% Class N: 1.60% Class W: 1.10%	Class A: 1.35% Class B: 1.35% Class N: 1.35% Class W: 0.90%
Maintenance Fees	Class A: 0.50% Class B: 0.75% Class N: 1.00% Class W: 0.00%	Class A: 0.50% Class B: 0.75% Class N: 1.00% Class W: 0.00%
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: 2.48% Class B: 3.79% Class N: 2.98% Class W: 1.48%	Class A: 2.21% Class B: 3.53% Class N: 2.71% Class W: 1.25%
V. SERVICE PROVIDERS		
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	TEMPLETON ASSET MANAGEMENT LTD. 7 Temasek Boulevard #38-03 Suntec Tower One Singapore 038987	TEMPLETON ASSET MANAGEMENT LTD. 7 Temasek Boulevard #38-03 Suntec Tower One Singapore 038987

¹ The SRRI calculation reflects iterations of annualised volatility over a 5 year look back period. While the volatility figures of the Merging Sub-Fund and the Receiving Sub-Fund are generally very close, the calculation method and buckets of volatility used for calculation of the SRRI are different and provide different results. Changes in the management team of the Receiving Sub-Fund during February 2018 resulted in stronger risk management that has been reflected in comparatively lower volatility numbers of the Receiving Sub-Fund against the Merging Sub-Fund over the 1-year period.

PRODUCT FEATURES	THE MERGING SUB-FUND	THE RECEIVING SUB-FUND
Depository	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

- Enclose KIID