

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus<sup>1</sup>.
- It is important to read the Prospectus before deciding whether to purchase shares in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.
- Please refer to the Singapore representative's website for the latest version of this Product Highlights Sheet.

## Franklin Templeton Investment Funds – Franklin Natural Resources Fund (the "Fund")

|                           |  |  |                                  |              |
|---------------------------|--|--|----------------------------------|--------------|
| <b>Product Type</b>       | <b>Investment Company</b>                          | <b>Launch Date</b>                                       | 12/07/2007                       |              |
| <b>Investment Manager</b> | Franklin Advisers, Inc.                            | <b>Custodian</b>   | J.P. Morgan Bank Luxembourg S.A. |              |
| <b>Management Company</b> | Franklin Templeton International Services S.à r.l. |  |                                  |              |
| <b>Trustee</b>            | Nil  | <b>Dealing Frequency</b>                                 | Daily (Dealing Days only)        |              |
| <b>Capital Guaranteed</b> | No   | <b>Expense Ratio for Financial Year Ended 30/06/2018</b> | <b>Share Class</b>               | <b>Range</b> |
| <b>Name of Guarantor</b>  | Not applicable                                     |  | A                                | 1.83%        |
|                           |  |  | B~                               | 3.14%        |
|                           |  |  | C                                | 2.41%        |
|                           |  |  | I                                | 0.97 - 0.98% |
|                           |  |  | N                                | 2.58%        |

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek a high total return in USD;
- seek to invest in equity and debt securities in the natural resources sector; and
- plan to hold their investment for the medium to long term.

The principal may be at risk.

#### Further Information

Please refer to "Fund Information, Objectives and Investment Policies" of the Luxembourg Prospectus.

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

- You are investing in an open-ended collective investment scheme (referred to as an "undertaking for collective investment in transferable securities" or UCITS) constituted in Luxembourg that aims to provide you with a high total return in USD by investing in equity and debt securities in the natural resources sector.
- It is anticipated that under normal circumstances, you will receive, in the case of investments in distribution share classes, regular distributions out of income depending on the distribution share classes you are investing in. Subject to any legal or regulatory requirements, distributions may also be made out of the capital of the Fund. Where distributions are made out of capital, it will result in a reduction in the net asset value of the Fund.

Refer to "Investment Objective, Focus and Approach of the Funds" section of the Singapore Prospectus, and the "Dividend Policy" section of the Luxembourg Prospectus.

#### Investment Strategy

- The Fund will invest primarily in equity securities of companies of any size doing significant business in, or holding a substantial part of their participations in companies involved in, the natural resources sector and related businesses of any country, including emerging markets.
- It may also invest, amongst others, in equity or debt securities of any type of US or non-US issuers.
- The Fund may invest in derivatives for the purposes of hedging and/or efficient portfolio management.
- The natural resources sector may include industries such as integrated oil, oil and gas exploration and production, energy services and technology, alternative energy sources and environmental services, forest products, farming products, paper products and chemicals.
- The Fund may engage in securities lending transactions amounting to 5% to up to 50% of its net assets.

Refer to "Investment Objective, Focus and Approach of the Funds" section of the Singapore Prospectus.

<sup>1</sup>The Prospectus (comprising the Singapore and Luxembourg Prospectuses) is available for collection from the office of Templeton Asset Management Ltd at 7 Temasek Boulevard, #38-03 Suntec Tower One, Singapore 038987 and its appointed distributors during business hours, or accessible at [www.franklintempleton.com.sg](http://www.franklintempleton.com.sg).

~Class B Shares will no longer be available for subscription with effect from 1 April 2016.

**KEY PRODUCT FEATURES****Parties Involved****WHO ARE YOU INVESTING WITH?**

- The investment company is Franklin Templeton Investment Funds.
- The investment manager is Franklin Advisers, Inc.
- The management company is Franklin Templeton International Services S.à r.l.
- The custodian is J.P. Morgan Bank Luxembourg S.A.
- The Singapore representative is Templeton Asset Management Ltd.

Refer to “Management and Administration” section of the Singapore Prospectus.

**KEY RISKS****WHAT ARE THE KEY RISKS OF THIS INVESTMENT?**

**The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment.**

Refer to “Risk Factors” section of the Singapore Prospectus and “Risk Considerations” section of the Luxembourg Prospectus.

**Market and Credit Risks****Your investments primarily in the U.S. are subject to equity market risks.**

- Your investments primarily in U.S. equity and equity related securities may be subject to significant price movements due to the impact of economic, political, market, and issuer-specific factors.

**You are exposed to both developed and emerging markets.**

- Emerging markets tend to be smaller and less liquid than developed markets as well as being more sensitive to economic, political and regulatory uncertainties.

**Your investments are subject to currency movements risks.**

- Since the securities held by the Fund may be denominated in currencies different from its base currency, your investments may be affected favourably or unfavourably by exchange control regulations or changes in exchange rates.

**You are subject to the risks of investing in warrants.**

- Warrants entitle the holder to purchase a specific amount of securities at a set price for an extended period (typically a number of years, but some warrants have no final expiration). Warrants are more volatile than the securities to which the warrants are linked, exposing the Fund to greater risk.

**Liquidity Risks****Fund liquidity may be affected during exceptional circumstances.**

- The Fund may not be able to easily sell securities during an economic event or due to deterioration in the creditworthiness of issuers in which it invests.
- Shares of the Fund may be redeemed on any Dealing Day. However, during a period when trading on relevant exchanges or the over-the-counter market is substantially restricted or when market conditions make it impracticable to dispose of or value any of the Fund's investments, redemption of the Shares may be suspended.
- Redemptions of Shares may be deferred when more than 10% of the value of the Fund's Shares are redeemed or exchanged on any one Dealing Day.

Refer to the sections “Sale of Shares” and “Suspension of Valuation, Issue, Sale and Switching of Shares” of the Singapore Prospectus.

**The Fund is not listed.**

- There is no secondary market for the Fund. All redemption requests should be made to the Singapore representative, either directly or through the financial advisor or distributor from whom you purchased the Fund.

**Product-Specific Risks****You are exposed to natural resources stocks.**

- By focusing on the natural resources sector, where commodities may be subject to broad price fluctuations, the Fund may involve a higher degree of risk and be more sensitive to price movements than funds that invest in a wider variety of industries.

**Single sector funds are subject to concentration risk and greater volatility.**

- The Fund invests primarily in a single sector, and as a result is subject to higher concentration risk and potentially greater volatility compared to funds following a more diversified policy.

**You are exposed to risks associated with small and mid-sized companies.**

- The Fund may invest in small and mid-sized companies, which tend to have less liquidity and be more sensitive to changes in economic conditions and interest rates than larger, more recognized companies. As a result, the stock prices of small and mid-sized companies tend to fluctuate up and down more than those of larger companies.

## FEES AND CHARGES

### WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Investors should note that subscriptions for Shares through any distributor appointed by the Managers may incur additional fees and charges.

#### Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum (where applicable):

| Share classes              | Initial Sales Charge /Entry Charge | Contingent Deferred Sales Charge <sup>2</sup>  | Exchange Charge/ Switching Fee  |
|----------------------------|------------------------------------|--|---------------------------------|
| Share Class A              | Currently 5.00%<br>[max. 5.75%]    | Currently 0.00%<br>[max. 1.00%]  | Currently 1.00%<br>[max. 1.00%] |
| Share Class B <sup>~</sup> | Nil                                | <u>Years since purchase</u> <ul style="list-style-type: none"> <li>• Less than one year (4.00%)</li> <li>• 1 year ≤ but &lt; 2 year (3.00%)</li> <li>• 2 year ≤ but &lt; 3 year (2.00%)</li> <li>• 3 year ≤ but &lt; 4 year (1.00%)</li> <li>• ≥ 4 year (Nil)</li> </ul> | Nil                             |
| Share Class C              | Nil                                | <u>Years since purchase</u> <ul style="list-style-type: none"> <li>• Less than one year (1.00%)</li> <li>• ≥ 1 year (Nil)</li> </ul>   | Nil                             |
| Share Class I              | Nil                                | Nil  | Nil                             |
| Share Class N              | Currently 0.00%<br>[max. 3.00%]    | Nil  | Currently 1.00%<br>[max. 1.00%] |

#### Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Investment Manager, Custodian and other parties:

| Share classes              | Annual Investment Management Fee | Annual Maintenance, & Servicing Charges <sup>3</sup> | Others <sup>4</sup>  |
|----------------------------|----------------------------------|--|--|
| Share Class A              | 1.00%                            | Maintenance: Up to 0.50%                             | <ul style="list-style-type: none"> <li>• Annual Custodian Fee: 0.01% to 0.14% p.a.</li> <li>• Annual Admin Fee: Max. 0.20% p.a. plus additional amount per Investor Holding over one year period</li> <li>• Annual Investment Management Fee retained by management company = 52.5% to 100%</li> <li>• Annual Investment Management Fee paid by management company to financial adviser or distributor (trailer fee)* = 0% to 47.5%</li> </ul> |
| Share Class B <sup>~</sup> | 1.00%                            | Maintenance: Up to 0.75%<br>Servicing: Up to 1.06%   |  |
| Share Class C              | 1.00%                            | Maintenance: Up to 1.08%<br>Servicing: Up to 1.08%   |  |
| Share Class I              | 0.70%                            | Nil  |  |
| Share Class N              | 1.00%                            | Maintenance: 1.25%                                   |  |

Refer to the “Fee and Charges” section of the Singapore Prospectus and the “Servicing and Maintenance Charges” section and Appendix E – “Franklin Templeton Investment Funds Charges, Fees and Expenses” of the Luxembourg Prospectus.

## VALUATIONS AND EXITING FROM THIS INVESTMENT

<sup>2</sup>Based on the lesser of the value of Shares being sold (exclusive of reinvested dividends) or the total cost of Shares when purchased

<sup>3</sup>Payable to principal distributor, based on the applicable average net asset value

<sup>4</sup>Payable to custodian, registrar and transfer, corporate, domiciliary and administrative agent (as applicable)

\*Your financial adviser or distributor is required to disclose to you the amount of trailer fee it receives from the management company.

<sup>~</sup>Class B Shares will no longer be available for subscription with effect from 1 April 2016.

**HOW OFTEN ARE VALUATIONS AVAILABLE?**

- Daily valuations are available on Dealing Days, which refer to days which are both Valuation Days and Singapore Business Days (as defined below), or otherwise as the Directors may from time to time determine.
- A “Valuation Day” is a day on which NYSE is open or banks in Luxembourg are open for business, other than during suspensions of normal trading. A “Singapore Business Day” is a day (except Saturdays, Sundays and public holidays) on which commercial banks are open for business in Singapore.
- The indicative net asset value (NAV) and actual NAV per share of each Fund and Share Class may be obtained from the Singapore representative and will be published on the Singapore representative’s website ([www.franklintempleton.com.sg](http://www.franklintempleton.com.sg)) one Singapore Business Day after the relevant Dealing Day.

Refer to the “Purchase of Shares”, “Sale of Shares” and “Obtaining Price Information” sections of the Singapore Prospectus.

**VALUATIONS AND EXITING FROM THIS INVESTMENT****HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?**

- To exit the Fund you should complete the relevant sale form, together with such other documents as may be required and submit it to the Singapore representative or through the financial advisor or distributor from whom you purchased the Fund, the Internet or any other sales channels, if applicable. Please ensure that all relevant documents have been submitted.
- Please note that sale of Class B and C shares may be subject to exit charges.
- Some appointed distributors may offer a cancellation policy whereby you will not incur the sales charges if you sell during the relevant period (the Fund does not offer such cancellation policy). You will however take the risk of a decline in the Fund’s NAV since you purchased it and certain administrative fees may apply.
- Sale proceeds will be paid within three Singapore Business Days following the Dealing Day of the receipt and acceptance of the sale request.
- Your exit price is determined as follows:
  - If the Singapore representative receives and accepts the sale request on or before 4 p.m. on a Dealing Day, you will be paid a price based on the net asset value of the Shares applicable on that day.
  - If the Singapore representative receives and accepts the sale request after 4 p.m. on a Dealing Day, you will be paid a price based on the net asset value of the Shares at the close of the next Dealing Day.
- The sales proceeds that you will receive will be the exit price multiplied by the number of shares sold, less any charges. The following illustrates the sales proceeds on a sale of 1,000 Class A SGD share class shares at an exit price of S\$12.50 and assuming no Contingent Deferred Sales Charge:

Exit price x Number of shares sold = Gross Sales Proceeds  
 S\$12.50 x 1,000 = S\$12,500

Gross Sales Proceeds – Exit Charges = Net Sales Proceeds  
 S\$12,500 – S\$0.00 = S\$12,500

**CONTACT INFORMATION****HOW DO YOU CONTACT US?**

- For account-related matters and product information, kindly contact the financial advisor or distributor from whom you purchased the Fund.
- For product-related queries, you may also contact Templeton Asset Management Ltd between 9.00 a.m. to 6.00 p.m., Mondays to Fridays (except Singapore public holidays):

7 Temasek Boulevard  
 #38-03 Suntec Tower One  
 Singapore 038987  
 +65 6241 2662 (tel.)  
 +65 6332 2295 (fax.)  
[www.franklintempleton.com.sg](http://www.franklintempleton.com.sg) (website)

Client Dealer Services Representative is available at:  
 +65 6337 3933 (tel.)  
 +65 6332 2296 (fax.)  
[cdsspr@franklintempleton.com](mailto:cdsspr@franklintempleton.com) (email)