

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 – Templeton Global Total Return Fund (the "Fund")

|                           |  |  |                                  |              |
|---------------------------|--|--|----------------------------------|--------------|
| <b>Product Type</b>       | <b>Investment Company</b>                          | <b>Launch Date</b>                                       | 29/08/2003                       |              |
| <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                                | 1.40 - 1.42% |
|                           |  |  | B~                               | 2.92%        |
|                           |  |  | C                                | 2.19%        |
|                           |  |  | I                                | 0.86 - 0.87% |
|                           |  |  | N                                | 2.11%        |
|                           |  |  | W                                | 0.95 - 0.98% |
|                           |  |  | Z                                | 1.11%        |

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek to maximise total investment return consisting of a combination of interest income, capital appreciation and currency gains; 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 combination of interest income, capital appreciation and currency gains.
- 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, net un/realized capital gains and income gross of expenses of the Fund which 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 principally in debt securities and debt obligations issued by governments, government-related issuers or corporate entities worldwide.
- It may also invest, amongst others, in (i) debt obligations issued by supranational entities, such as the European Investment Bank, or (ii) mortgage and asset-backed securities, or (iii) securities in default (limited to 10% of its net assets) (securities are said to be in default when the issuers are not currently making interest payments).
- The Fund can use derivatives for hedging, efficient portfolio management and/or investment purposes.
- The Fund may invest up to 25% of its net assets in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) with a credit rating below investment grade at the time of purchase.

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 the income you receive from your investment 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****You are exposed to economic, political and regulatory risks.**

- Such risks are prevalent in developed as well as emerging markets, both of which the Fund may invest in, but these risks may be especially variable in emerging markets.

**Your investments are subject to interest rate risk.**

- Movements in interest rates may negatively affect the value of the Fund's investments in debt securities. Debt securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities.

**You are exposed to credit risks of issuers.**

- If an issuer fails to make principal and interest payments when due, the value of your investment in such issuers will be adversely affected. The Fund invests in a mix of government and corporate securities where there is generally less risk of default for government securities than for corporate securities.
- The Fund may invest in low-rated, unrated or non-investment grade debt securities or instruments. Such investments may fluctuate significantly, more so than investment grade securities, and there is a greater likelihood that the issuer may default, subjecting your investment to losses.

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

- Securities held by the Fund may be denominated in currencies different from its base currency. The Fund may seek to hedge currency exposures or take a currency position for investment purposes, exposing your investments to losses if currencies move against these positions.

**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.

**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.

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

**Product-Specific Risks****You are exposed to derivative risk.**

- The Fund may invest in derivatives which may be purchased on regulated markets or over-the-counter and may have less liquidity than conventional assets, exposing the Fund to higher risks and potential losses.
- The Fund may invest in structured products and derivatives such as credit-linked securities, credit default swaps, total return swaps, interest rate, index or foreign exchange swaps, futures, forwards, and options, all of which are subject to significant liquidity and counterparty risks.
- Use of derivatives may result in negative exposure to a specified yield curve or duration range or to a currency or credit, resulting in potential losses if the expected shift in the yield curve or changes in interest rates, currencies or credit spreads does not occur.

## 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. 5.00%]    | 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%)</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%] |
| Share Class W              | Nil                                | Nil  | Nil                             |
| Share Class Z              | Nil                                | 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              | 0.75%                            | Maintenance: Up to 0.30%                             | <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> </ul> |
| Share Class B <sup>~</sup> | 0.75%                            | Maintenance: Up to 0.75%<br>Servicing: Up to 1.06%   |   |
| Share Class C              | 0.75%                            | Maintenance: Up to 1.08%<br>Servicing: Up to 1.08%   |   |
| Share Class I              | 0.55%                            | Nil  |   |
| Share Class N              | 0.75%                            | Maintenance: 1.00%                                   |   |
| Share Class W              | 0.55%                            | Nil  |   |
| Share Class Z              | 0.75%                            | Nil  |   |

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

### 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.

<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)

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

## 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. Sale proceeds from investments using SRS monies will be returned to your SRS account
- 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:

$$\begin{array}{lcl} \text{Exit price x Number of shares sold} & = & \text{Gross Sales Proceeds} \\ \text{S\$12.50 x 1,000} & = & \text{S\$12,500} \end{array}$$

$$\begin{array}{lcl} \text{Gross Sales Proceeds – Exit Charges} & = & \text{Net Sales Proceeds} \\ \text{S\$12,500 – S\$0.00} & = & \text{S\$12,500} \end{array}$$

## 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):

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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:  
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