

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus¹.
- 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 Income Fund (the "Fund")

Product Type	Investment Company	Launch Date	01/07/1999	
Investment Manager	Franklin Advisers, Inc.	Custodian	J.P. Morgan Bank Luxembourg S.A.	
Management Company	Franklin Templeton International Services S.à r.l.			
Trustee	Nil	Dealing Frequency	Daily (Dealing Days only)	
Capital Guaranteed	No	Expense Ratio for Financial Year Ended 30/06/2018	Share Class	Range
Name of Guarantor	Not applicable		A	1.68%
			B~	2.98%
			C	2.26%
			I	0.87%
			N	2.18%
			W	0.96 - 0.98%
			Z	1.18%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek a high level of income and prospects of some capital appreciation;
- seek to access a portfolio of both equity and debt securities via a single fund; 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 level of income and prospects of some capital appreciation by accessing a portfolio of both equity and debt securities via a single fund.
- 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 in equity securities with attractive dividend yields and long and short-term debt securities.
- The Fund will invest in stocks from a variety of industries such as utilities, oil, gas, real estate and consumer goods for growth opportunities.
- It may also invest, amongst others, in non-US securities (limited to 25% of net assets).
- The Fund may invest in derivatives for the purposes of hedging and/or efficient portfolio management.
- The expected exposure to securities lending transactions could amount to 5% of the Fund's net assets, subject to a maximum of 50%.

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

¹The 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.

~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.

Your investments primarily in the U.S. are subject to interest rate risk.

- Movements in interest rates may negatively affect the value of the Fund's investments in primarily U.S. 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. This Fund invests principally in corporate securities where there is generally greater risk of default than in the case of government 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 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.

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

- **There are no additional product-specific key risks beyond the risks identified above.**

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 ²	Exchange Charge/ Switching Fee
Share Class A	Currently 5.75% [max. 5.75%]	Currently 0.00% [max. 1.00%]	Currently 1.00% [max. 1.00%]
Share Class B [~]	Nil	<u>Years since purchase</u> <ul style="list-style-type: none"> • Less than one year (4.00%) • 1 year ≤ but < 2 year (3.00%) • 2 year ≤ but < 3 year (2.00%) • 3 year ≤ but < 4 year (1.00%) • ≥ 4 year (Nil) 	Nil
Share Class C	Nil	<u>Years since purchase</u> <ul style="list-style-type: none"> • Less than one year (1.00%) • ≥ 1 year (Nil) 	Nil
Share Class I	Nil	Nil	Nil
Share Class N	Currently 3.00% [max. 3.00%]	Nil	Currently 1.00% [max. 1.00%]
Share Class W	Nil	Nil	Nil
Share Class Z	Nil	Nil	Currently 1.00% [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 ³	Others ⁴
Share Class A	0.85%	Maintenance: Up to 0.50%	<ul style="list-style-type: none"> • Annual Custodian Fee: 0.01% to 0.14% p.a. • Annual Admin Fee: Max. 0.20% p.a. plus additional amount per Investor Holding over one year period • Annual Investment Management Fee retained by management company = 52.5% to 100% • Annual Investment Management Fee paid by management company to financial adviser or distributor (trailer fee)* = 0% to 47.5%
Share Class B [~]	0.85%	Maintenance: Up to 0.75% Servicing: Up to 1.06%	
Share Class C	0.85%	Maintenance: Up to 1.08% Servicing: Up to 1.08%	
Share Class I	0.60%	Nil	
Share Class N	0.85%	Maintenance: 1.00%	
Share Class W	0.60%	Nil	
Share Class Z	0.85%	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.

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

³ Payable to principal distributor, based on the applicable average net asset value

⁴ 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.

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

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) 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. 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:

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):

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