

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 K2 Global Macro Opportunities Fund (the "Fund")

<b>Product Type</b>	<b>Investment Company</b>	<b>Launch Date</b>	04/11/2016	
<b>Investment Manager</b>	<b>K2/D&amp;S Management Co., L.L.C.</b>	<b>Custodian</b>	<b>J.P. Morgan Bank Luxembourg S.A.</b>	
<b>Management Company</b>	<b>Franklin Templeton International Services S.à r.l.</b>			
<b>Trustee</b>	<b>Nil</b>	<b>Dealing Frequency</b>	<b>Daily (Dealing Days only)</b>	
<b>Capital Guaranteed</b>	<b>No</b>	<b>Expense Ratio for Financial Year Ended 30/06/2018</b>	<b>Share Class</b>	<b>Range</b>
<b>Name of Guarantor</b>	<b>Not applicable</b>		<b>A</b>	<b>2.75%</b>
			<b>I</b>	<b>1.90%</b>
			<b>W</b>	<b>1.95%</b>
			<b>Z</b>	<b>2.25%</b>

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- capital appreciation by investing in a wide range of eligible securities and financial derivative instruments benefiting from several global macro focused "alternative" strategies;
- invest for the medium to long term;
- understand the complexity of the alternative strategies adopted by the Fund; and
- are able to accept the product-specific risks.

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 transfer securities" or UCITS) constituted in Luxembourg that aims to achieve total return over a full market cycle through capital appreciation.
- The Fund aims to achieve its investment objectives through the selection of various investment co-managers by the Investment Manager (K2/D&S Management Co., L.L.C.). Generally, such Investment Co-Managers, each of which uses an alternative investment strategy to invest its portion, may not be affiliated with Franklin Templeton Investments. The Investment Manager may also take part in managing the assets of the 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 of the Fund. Where distributions are made out of capital, it will result in the 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 seeks to achieve its investment objective by allocating its net assets across global macro oriented "alternative" strategies.
- Global Macro Strategies generally focus on macro-economic (economy-wide phenomena) opportunities across numerous markets and investments. Investments may be long or short. Examples of Global Macro Strategies include Discretionary Macro Strategies and Systematic Macro Strategies.
- The Fund intends to primarily invest in financial derivative instruments (involving leveraging strategies), that provide the Fund with broad exposure, either long or (on a synthetic basis) short, to various transferable securities and asset classes, including equities, fixed income, interest rates, currencies and commodities as well as directly in certain fixed incomes and equity securities, etc.
- Financial derivative instruments may be utilised for hedging, efficient portfolio management and/or investment purposes. This may result in negative exposure in a specific asset class, yield curve/duration, currency or commodity, and the Fund may, from time to time, hold significant amounts of cash or cash equivalents. The Fund has exposure to total return swaps.

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).

<ul style="list-style-type: none"> <li>The Fund may also hold various transferable securities, including equity securities and fixed income as well as various credit instruments. The Fund also may invest in securities of the U.S. government or its agencies.</li> <li>The Fund may purchase open and closed-end UCIs (including exchange-traded funds) up to 10% of the Fund's net asset value.</li> </ul>	
<b>KEY PRODUCT FEATURES</b>	
<b>Parties Involved</b>	
<b>WHO ARE YOU INVESTING WITH?</b> <ul style="list-style-type: none"> <li>The investment company is Franklin Templeton Investment Funds.</li> <li>The investment manager is K2/D&amp;S Management Co., L.L.C.</li> <li>The management company is Franklin Templeton International Services S.à r.l.</li> <li>The custodian is J.P. Morgan Bank Luxembourg S.A.</li> <li>The Singapore representative is Templeton Asset Management Ltd.</li> </ul>	Refer to "Management and Administration" section of the Singapore Prospectus.
<b>KEY RISKS</b>	
<b>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</b> <b>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. There is no guarantee that the Fund will achieve its return objective.</b>	Refer to "Risk Factors" section of the Singapore Prospectus and "Risk Considerations" section of the Luxembourg Prospectus.
<b>Market and Credit Risks</b>	
<b>Your investments are subject to global equity markets risks.</b> <ul style="list-style-type: none"> <li>Your investments may be subject to significant price movements due to the impact of economic, political, market and issuer-specific factors globally.</li> </ul> <b>Your investments are subject to interest rate risk.</b> <ul style="list-style-type: none"> <li>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.</li> </ul> <b>You are exposed to credit risk of issuers.</b> <ul style="list-style-type: none"> <li>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 in a mix of government and corporate securities where there is generally less risk of default for government securities than for corporate securities.</li> </ul> <b>Investing in emerging markets involves certain risks.</b> <ul style="list-style-type: none"> <li>Investments in emerging markets, including those in Asia, involve certain risks such as currency fluctuations and economic and political uncertainties. These markets are generally smaller in size and have less liquidity than developed markets.</li> </ul>	
<b>Liquidity Risks</b>	
<b>Fund liquidity may be affected during exceptional circumstances.</b> <ul style="list-style-type: none"> <li>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.</li> <li>Shares of the Fund may be redeemed on any Dealing Day. However, during a period when trading on relevant exchanges or 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.</li> <li>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.</li> </ul> <b>The Fund is not listed.</b> <ul style="list-style-type: none"> <li>There is no secondary market for the Fund. All redemption requests should be made to the Singapore representative, either directly or through the financial adviser or distributor from whom you purchased the Fund.</li> </ul>	Refer to the sections "Sale of Shares" and "Suspension of Valuation, Issue, Sale and Switching of Shares" of the Singapore Prospectus.
<b>Product-Specific Risks</b>	
<b>You are exposed to derivative risk.</b> <ul style="list-style-type: none"> <li>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.</li> <li>The Fund may invest in structured products and derivatives such as 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 and may cause the Fund to liquidate portfolio to satisfy obligations or meet asset segregation requirements.</li> </ul> <b>You are exposed to counterparty risk.</b> <ul style="list-style-type: none"> <li>When entering into OTC bilateral contracts (including swap agreements) for derivatives used for hedging, efficient portfolio management, or investment purposes, the Fund may be exposed to risks arising from the solvency of its counterparties and from their ability to respect the conditions of these contracts.</li> </ul> <b>You are exposed to hedged strategies risk.</b> <ul style="list-style-type: none"> <li>The Investment Manager will be employing a number of investment co-managers to implement various non-traditional strategies. However it is possible that substantial losses be recognized even on hedge or arbitrage positions, and illiquidity and default on one side of a position can effectively result in the position not being the hedge that was intended, resulting in potential losses for the Fund.</li> </ul> <b>You are exposed to multi-manager risk.</b>	

- There is a risk that the Investment Co-Managers selected will not effectively implement the intended investment strategy. In addition, the Investment Co-Managers make their investment decisions independently of one another, and as a result may make decision that conflict with each other.

**You are exposed to asset allocation risk.**

- The Fund could experience losses if the Investment Manager's and/or Investment Co-Managers' judgment about markets, future volatility, interest rates, industries, sectors and regions or the attractiveness, relating values, liquidity, effectiveness or potential appreciation of particular investments made for a Fund's portfolio prove to be incorrect. The Investment Manager's allocation of a Fund's assets among different asset classes, Investment Co-Managers, underlying funds and direct investments may not prove beneficial in light of subsequent market events. There can be no guarantee that these techniques or the Investment Manager's and/or Investment Co-Managers' investment decisions will produce the desired result.

**You are exposed to commodities related risk.**

- The Fund may invest a portion of its assets in commodities-related instruments such as exchange-traded funds (ETFs) tied to commodity indices. Prices of commodities may fluctuate rapidly due to sudden and unpredictable changes in supply and demand, which would impact the value of these instruments and expose the Fund to fluctuations in its net asset value.

**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% [max. 5.75%]	Currently 0.00%	Currently 1.00% [max. 1.00%]
Share Class I	Nil	N/A	No switching charge
Share Class W	Nil	N/A	No switching charge
Share Class Z	Nil	N/A	Currently 1.00% [max. 1.00%]

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.

**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	2.05%	Maintenance: 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 I	1.75%	Nil	
Share Class W	1.75%	Nil	
Share Class Z	2.05%	Nil	

**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.

**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.
- 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.
  - 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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Client Dealer Services Representative is available at:  
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