



**FRANKLIN
TEMPLETON**

Franklin Templeton Investment Funds
Société d'investissement à capital variable
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Luxembourg, 26 February 2024

Amendment to the investment policies of four sub-funds of Franklin Templeton Investment Funds

Dear Shareholder,

We would like to inform you that the board of directors of Franklin Templeton Investment Funds (the "**Company**") has decided to amend the investment policies of the below listed sub-funds (the "**Funds**") to introduce investments into "to-be-announced" (TBA) market. A majority of mortgage-backed securities are traded in the TBA market, which is the most liquid mortgage market, and having access to these securities provides liquidity and price benefits.

- Franklin Flexible Alpha Bond Fund
- Franklin Strategic Income Fund
- Franklin U.S. Government Fund
- Franklin U.S. Low Duration Fund

Therefore, with effect from 27 March 2024, the following paragraph is added to the Franklin U.S. Low Duration Fund, Franklin Strategic Income Fund and Franklin Flexible Alpha Bond Fund's investment policies:

Franklin U.S. Low Duration Fund and Franklin Strategic Income Fund

"In addition, the Fund may also purchase or sell mortgage-backed securities (issued by Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (FNMA)) on a delayed delivery or forward commitment basis through the "to-be-announced" (TBA) market. With TBA transactions, the particular securities to be delivered are not identified at the trade date but the delivered securities must meet specified terms and standards (such as yield, duration, and credit quality) and comply with the Fund's Investment Objectives and Policy. Investments in TBA securities will not exceed 20% of the Fund's net assets. The Fund may only enter into TBA sale trades or TBA roll transactions with respect to securities which it owns."

Franklin Flexible Alpha Bond Fund

"In addition, the Fund may also purchase or sell mortgage-backed securities (issued by Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (FNMA)) on a delayed delivery or forward commitment basis through the "to-be-announced" (TBA) market. With TBA transactions, the particular securities to be delivered are not identified at the trade date but the delivered securities must meet specified terms and standards (such as yield, duration, and credit quality) and comply with the Fund's Investment Objectives and Policy. Investments in TBA securities will not exceed 50% of the Fund's net assets. The Fund may only enter into TBA sale trades or TBA roll transactions with respect to securities which it owns."

With effect from 27 May 2024, the following paragraph is added to the Franklin U.S. Government Fund's investment policy:

(continued)

Franklin U.S. Government Fund

"In addition, the Fund may also purchase or sell mortgage-backed securities (issued by GNMA, Freddie Mac and FNMA) on a delayed delivery or forward commitment basis through the "to-be-announced" (TBA) market. With TBA transactions, the particular securities to be delivered are not identified at the trade date but the delivered securities must meet specified terms and standards (such as yield, duration, and credit quality) and comply with the Fund's Investment Objectives and Policy. Investments in TBA securities will not exceed 20% of the Fund's net assets. The Fund may only enter into TBA sale trades or TBA roll transactions with respect to securities which it owns."

In addition, new "TBA transaction risk" is added to the risk considerations of the Funds.

Impact

There will be no material impact on the way the Funds are managed, their portfolio's composition, risk profile or SRI nor on the fees charged. The new investment policies will be reflected in an updated version of the prospectus of the Company, a copy of which will be available online or at the registered office of the Company, upon request. All other features of the Funds remain the same.

What you need to do

You do not need to do anything if you are satisfied with the change. You also have the option to switch your shares into other funds of the Company provided that such funds are available for distribution in your country. You may also request a redemption of your investment. Should you wish to proceed with either option, please refer to the latest prospectus terms. Such requests of switch or redemption will be executed free of charge, provided that they are received at the latest by 27 March 2024 for the Franklin U.S. Low Duration Fund, Franklin Strategic Income Fund and Franklin Flexible Alpha Bond Fund, and at the latest by 27 May 2024 for the Franklin U.S. Government Fund.

Please note that "free of any redemption charge" does not apply to the contingent deferred sales charge ("CDSC") for all classes subject to such CDSC, due to the nature of such fee. Accordingly, should you 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.

Need more information?

Your dedicated Client Service Team will be happy to help with any general questions about Franklin Templeton. Just call your local Client Service Team, visit our website at www.franklintempleton.lu or if you need advice about your investment please speak to a financial adviser.

We thank you for choosing to trust Franklin Templeton with your investments.

Best regards,



Craig Blair, Conducting Officer of Franklin Templeton International Services S.à r.l.
Management Company of Franklin Templeton Investment Funds