FRANKLIN TEMPLETON INVESTMENT FUNDS
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Luxembourg, 10th October 2022

Dear Shareholder,

Creation of the Restricted Share Classes in Franklin Templeton Investment Funds – Templeton Eastern Europe Fund (the "Sub-Fund") and reopening of the non-restricted part of the Sub-Fund's portfolio

As stated by our previous notice, on 28 February 2022, the board of directors (the "**Board**") of Franklin Templeton Investment Funds (the "**Fund**"), took the decision, in accordance with the Fund's prospectus to temporarily suspend the calculation of the NAV of Franklin Templeton Investment Funds - Templeton Eastern Europe Fund (the "**Sub-Fund**"), due to its high exposure in assets that have become illiquid. That decision was a result of the crisis and restrictive measures undertaken in the context of the invasion of Ukraine (the "**Restricted Assets")**, as notified to the CSSF on that same day. Facing this situation, the Board has subsequently decided on the way forward regarding the Sub-Fund and the mechanisms ensuring the equal treatment of all shareholders regarding the Restricted Assets.

When addressing the issue of illiquid assets in the Sub-Fund, the Board has considered the exceptional situation and restrictive measures in the context of the invasion of Ukraine, the Sub-Fund's high exposure to illiquid and non-tradable assets in the portfolio as well as the Sub-Fund's documentation and investment policy and the CSSF FAQ of 31st March 2022 on Application of Liquidity Management Tools by Investment Funds (the "**CSSF FAQ**").

After careful analysis of the available liquidity management tools and in order to avoid keeping the shareholders in the suspended Sub-Fund for a longer period, the Board has resolved to implement, with effect as of 11th November 2022, a segregation of the illiquid assets from the liquid assets of the Sub-Fund. It means the Sub-Fund will be reopened with only the liquid assets and the illiquid part of portfolio will be allocated to the newly created share classes (the "**Restricted Share Classes**") in accordance with the procedure described below.

All shareholders in the Sub-Fund shall be allocated their pro-rata portion of the Restricted Assets, evidenced by the issue of equivalent number of shares ("**RC Shares**") in the newly created Restricted Share Classes. This operation will be realised by the creation of seven new Restricted Share Classes with new ISIN codes and with characteristics similar to the corresponding share class held in the Sub-Fund.

The 7 new Restricted Share Classes will be named as follows:

Franklin Templeton Investment Funds	Share Class	ISIN
Templeton Eastern Europe Fund	A (acc) EUR RC	LU2525718768
Templeton Eastern Europe Fund	A (Ydis) EUR RC	LU2525718842
Templeton Eastern Europe Fund	I (acc) EUR RC	LU2525719063
Templeton Eastern Europe Fund	N (acc) EUR RC	LU2525719147
Templeton Eastern Europe Fund	W (acc) EUR RC	LU2525719220

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Templeton Eastern Europe Fund	**X (acc) EUR RC**	**LU2525719493**
Templeton Eastern Europe Fund	**A (acc) USD RC**	**LU2525718925**

Allocation and valuation of RC Shares

Shares in the Restricted Share Classes will be allocated on a 1:1 basis based on the existing corresponding share classes. The share class allocation ratio as of the last valuation point, 25th February 2022, will be used to determine the number of units apportioned to the Restricted Share Classes. The share class allocation ratio is the % each non-restricted share class AUM represents of the Total Sub-Fund AUM.

Restricted AUM (Segregated Assets Market Value + cash – expenses) x (multiplied by) last valuation point share class ratio% = Restricted Share Class level AUM

Restricted Share Class NAV per share = Restricted Share Class AUM / Restricted Share Class Shares

Please note that, as the Restricted Assets are currently valued at Zero, the AUM of the Restricted Share Classes will be based on cash which is transferred from the existing portfolio to these classes to cover operating expenses.

The table below is an allocation model provided for illustration:

Portfolio Market Value	-
Cash	€100,000.00
Expenses(Audit, Registration)	-€10,000.00
	€90,000.00

Share Class	Share Class Allocation Ratio	Number of Shares	Share Class AUM Local CCY	NAV per share
A (acc) EUR RC	68.1914	4,946,465.817	€61,372.26	€0.01
A (Ydis) EUR RC	0.6036	44,283.366	€543.24	€0.01
I (acc) EUR RC	7.0102	648,101.690	€6,309.18	€0.01
N (acc) EUR RC	3.7899	308,255.663	€3,410.91	€0.01
W (acc) EUR RC	2.4467	363,551.529	€2,202.03	€0.01
X (acc) EUR RC	0.8898	146,356.046	€800.82	€0.01
A (acc) USD RC	17.0684	1,238,702.076	$16,145.00	$0.01

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Reopening of the trading in the Sub-Fund

Upon creation of the Restricted Share Classes, the NAV suspension applied on the Sub-Fund will be lifted with respect to the non-restricted part of the Sub-Fund's portfolio. Any trade instruction received during the suspension period will be executed in full on the first day when the suspension is lifted, unless cancelled before the cut off time of 10 pm CET on that day. For clarity's sake, a redemption from the Sub-Fund would however not affect the shareholder's status with respect to its holding in the relevant Restricted Share Class.

After the issue of the RC shares to all shareholders in the Sub-Fund as described above, the Restricted Share Classes will be closed to subscriptions, redemptions and switches.

Ongoing valuation of the Sub-Fund

The net asset value per share of each class of the Sub-Fund will continue to be determined in accordance with the procedures set forth in the Fund's current prospectus but disregarding for that purpose the Restricted Assets corresponding to the RC Shares. A separate net asset value per RC Share shall be calculated daily but no dealing in the RC Shares will be permitted. No additional fees apply to the Restricted Share Classes. Fees will be reduced to the minimum operating expenses, such as audit, regulatory, legal or tax related fees. For the sake of clarity, no Investment Management Fees, Administration nor Maintenance Charge would apply. Such a separate asset value of RC Shares will be communicated to Shareholders on the Franklin Templeton Website: https://www.franklintempleton.lu/.

The Restricted Share Classes shall contain the Restricted Assets until such time as those positions have been redeemed, realised or liquidated in the best interest of the shareholders. Required expenses incurred in relation to the Restricted Share Classes will be allocated to and borne by the Restricted Share Classes in accordance with the rules laid down in the Fund's articles of incorporation and will be paid upon any interim payment made to shareholders or upon redemption, realisation or liquidation of the positions attributable to the Restricted Share Classes.

Prospectus and financial report disclosure

The Fund's prospectus will be updated, including the Sub-Fund's factsheet, to reflect (i) the existence of the new Restricted Share Classes, (ii) the fact that they are suspended and that no subscriptions, redemptions or switches are possible and (iii) the prohibition for the Sub-Fund to invest, until further notice, in Russian or Belarussian assets.

In addition, information on the Restricted Assets will be regularly disclosed in the annual and semi-annual reports of the Fund.

What are the next steps

The Board will regularly re-evaluate the situation of the Restricted Assets and carefully analyse measures to take once certain of the Restricted Assets become liquid. Once the Restricted Assets become liquid and tradable, positions will be redeemed, realised or liquidated in the best interest of the shareholders.

Upon the realisation of the Restricted Assets, holders of the RC Shares will receive at the same time cash liquidation proceeds based on the number of RC Shares held by each of them. A transaction confirmation will be sent to your attention, accordingly, including the details of such operation. Once all Restricted Assets corresponding to the RC Shares have been realised, all RC shares will be cancelled and payments will be made to shareholders holding RC Shares. The Restricted Share Classes will then cease to exist.

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What does this mean for you

Upon creation of the Restricted Share Classes, the NAV suspension applied on the Sub-Fund will be lifted with respect to the non-restricted part of the Sub-Fund's portfolio with effect on 11th November 2022.
This means that:

- deals in the unrestricted share classes will be allowed and processed as per the terms and conditions of the Fund's prospectus,
- any trade instruction received during the suspension period will be executed on the first Valuation Day following the end of the suspension i.e.: 11th November 2022, unless you decide to cancel it before 10 p.m. CET on 11th November 2022.

The creation of the Restricted Share Classes will not be a subject to taxation of the Sub-Fund in Luxembourg but may however have an impact on individual tax situation of shareholders depending on their tax domiciles or other jurisdictions where they pay taxes. As tax laws differ widely from country to country, shareholders are advised to consult their tax advisers.

What you need to do

You do not need to do anything. Please note that you are entitled to withdraw any pending buy, switch or redemption instructions you have submitted by sending notice in writing at the latest by 10 pm CET on the first valuation day after the suspension is lifted (or such other cut-off times applicable to the various jurisdictions as set out in the Prospectus). Written notice should be sent to Franklin Templeton International Services S.à r.l., your local distributors, or local Franklin Templeton office.

Need more information?

Your dedicated Franklin Templeton Client Services Team will be happy to help with any general questions about Franklin Templeton. However, if you need advice about your investment please speak to a financial adviser.

Best Regards,

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