

Luxembourg, 24 July 2025

Merger of FTIF – Templeton European Improvers Fund , a sub-fund of Franklin Templeton Investment Funds (“FTIF” or the “Company”) into FTIF – Templeton European Insights Fund (the “Merger”)

Dear Shareholder,

The purpose of this letter is to inform you about the decision of the board of directors of the Company (the **"Board"**) to merge FTIF – Templeton European Improvers Fund (the **"Merging Sub-Fund"**) into FTIF – Templeton European Insights Fund (the **"Receiving Sub-Fund"**).

Following the Merger, the Merging Sub-Fund shall be dissolved without going into liquidation.

We are writing to you in your capacity as shareholder of the Receiving Sub-Fund.

Why are we doing this

• **Background and rationale**

The Merging Sub-Fund was launched in July 2011 and on 27 June 2025 it was valued at USD 23,610,757. The relatively small size and reduced future demand makes it economically unattractive to run as an independent entity. The Receiving Sub-Fund was launched in January 1999 and on 27 June 2025 it was valued at USD 221,771,629.

Based on the above and below mentioned information, the Board has decided, in accordance with Article 66(4) of the amended Law of 17 December 2010 on undertakings for collective investment (the **"2010 Law"**) and Article 28 of the articles of incorporation of the Company (the **"Articles"**), to merge the Merging Sub-Fund into the Receiving Sub-Fund.

However, please note that the Board did not examine the suitability of the Merger in respect of shareholders' individual needs or risk tolerance. Shareholders are advised to seek independent financial / tax advice in respect of their individual circumstances.

• **Comparison between the Merging Sub-Fund and the Receiving Sub-Fund**

The Merging Sub-Fund's investment objective is capital appreciation by investing primarily in equity securities of companies of any market capitalization incorporated or having their principal business activities in European countries. ESG factors are also an integral component of its fundamental investment research and decision process. The Receiving Sub-Fund's investment objective is also capital appreciation, which it seeks to achieve primarily through a policy of investing in equity securities of companies of any market capitalization incorporated or having their principal business activities in European countries. ESG factors are also an integral component of its fundamental investment research and decision process.

Because both the Merging Sub-Fund and the Receiving Sub-Fund share similar investment objectives (capital appreciation by investing in European companies), fees and expenses, and

target investor profiles, the Board believes that it is in the best interests of shareholders to merge these Sub-Funds and focus on a single portfolio. As of 30 June 2025, ~ 100% of the Merging Sub-Fund portfolio is invested in securities already held in common with the Receiving Sub-Fund. Also, as of 30 June 2025, the Receiving Sub-Fund has demonstrated superior absolute returns over all standard trailing time periods.

- **Fees**

There are similarities between the fees charged to the Merging Sub-Fund and the Receiving Sub-Fund. It is anticipated that merging the Sub-Funds and focusing on a single portfolio shall bring additional savings to shareholders.

What does this mean to you

- **Merger operation**

Following the Effective Date (as defined below), the Merging Sub-Fund shall be dissolved without going into liquidation and its assets and liabilities will be merged into the Receiving Sub-Fund.

- **Portfolio Effects**

Approximately seven (7) Business Days prior to the Effective Date, the portfolio team will rebalance the Merging Sub-Fund to mirror the holdings of the Receiving Sub-Fund. The portfolio of the Merging Sub-Fund will remain in compliance with its original investment objective during the rebalancing exercise. It is not expected that the Receiving Sub-Fund will suffer a dilution effect as a result of receiving the assets and liabilities from the Merging Sub-Fund.

- **Redeem, Switch or Transfer**

If you don't want to participate in the Merger, you can redeem your shares, switch them into any other sub-fund of FTIF (as long as the other sub-fund is available in your jurisdiction) or transfer them free of charge, at net asset value price, until 17 October 2025 included (before local dealing cut-off time), according to the redemption, switch or transfer procedure detailed in the Prospectus.

Please note that, where applicable, a Contingent Deferred Sales Charge ("**CDSC**") may apply with either a redemption or switch in accordance with the Prospectus. Please consult your financial advisor or contact us if you have questions about this.

- **Financial / Tax Advice**

The Merger will not subject the Sub-Funds nor FTIF to taxation in Luxembourg. You may however be subject to taxation in your tax domicile or other jurisdictions where you pay taxes. We suggest you seek financial and/or tax advice to determine how this Merger impacts your own situation.

Here's what will merge

| Merging shareclass name | ISIN Number | Merge Into | Receiving shareclass name | ISIN Number |
|---|--------------|------------|--|--------------|
| Templeton European Improvers Fund A (Acc) EUR | LU0645132738 | → | Templeton European Insights Fund A (Acc) EUR | LU0093666013 |
| Templeton European Improvers Fund A (Ydis) EUR | LU0645132811 | → | Templeton European Insights Fund A (Ydis) EUR | LU0229941660 |
| Templeton European Improvers Fund I (Acc) EUR | LU0645132902 | → | Templeton European Insights Fund I (Acc) EUR | LU0195950489 |
| Templeton European Improvers Fund N (Acc) EUR | LU0645133033 | → | Templeton European Insights Fund N (Acc) EUR | LU0128521001 |
| Templeton European Improvers Fund N (Acc) PLN-H1 | LU1063937376 | → | Templeton European Insights Fund N (Acc) PLN-H1 | LU3072335337 |
| Templeton European Improvers Fund A (Mdis) USD | LU1098666016 | → | Templeton European Insights Fund A (Mdis) USD | LU3072335410 |
| Templeton European Improvers Fund A (Mdis) USD-H1 | LU1803068896 | → | Templeton European Insights Fund A (Mdis) USD-H1 | LU3072335501 |
| Templeton European Improvers Fund I (Qdis) EUR | LU1929549597 | → | Templeton European Insights Fund I (Qdis) EUR | LU3072335683 |

How will the Merger work**• Effective Date**

The Merger will become effective on 24 October 2025 at midnight (Luxembourg time) (the "**Effective Date**").

• Process

On the Effective Date, the Merging Sub-Fund will transfer all its assets and liabilities to the Receiving Sub-Fund. The Net Assets of the Merging Sub-Fund will be valued as of the Effective Date in accordance with the valuation principles contained in the Prospectus and the Articles. The outstanding liabilities generally comprise fees and expenses due but not paid, as reflected in the Net Assets of the Merging Sub-Fund. There are no outstanding unamortized preliminary expenses in relation to the Merging Sub-Fund.

Any accrued income in the Merging Sub-Fund at the time of the Merger will be included in the calculation of its final net asset value per share and such accrued income will be accounted for on an ongoing basis after the Merger in the net asset value per share of the relevant share class of the Receiving Sub-Fund.

It is anticipated that 100% of the Merging Sub-Fund's assets under management will be transferred in kind to the Receiving Sub-Fund on the Effective Date.

The actual percentage of assets transferred in kind, may be different, depending on the market conditions on or around the Effective Date. Any derivative positions that cannot be transferred over will be closed out in advance of the Merger. The swing pricing mechanism may be adopted in the event of a significant subscription or

redemption in the Receiving Sub-Fund on the Effective Date. Please see the Prospectus for more details on this.

The below table shows the applicable charges for each of the share classes:

Merging Sub-Fund

| Merging Sub-Fund Share Class Name | Initial Charge – Up to | Investment Management Charge | Administrative Fee – Up to | Other Fees | Ongoing Charges Ratio (OCR) |
|---|------------------------|------------------------------|----------------------------|------------|-----------------------------|
| Templeton European Improvers Fund A (Acc) EUR | Up to 5.75% | 1.50% | 0.20% | 0.34% | 2.04% |
| Templeton European Improvers Fund A (Ydis) EUR | Up to 5.75% | 1.50% | 0.20% | 0.34% | 2.04% |
| Templeton European Improvers Fund I (Acc) EUR | N/A | 0.70% | 0.20% | (0.05%) | 0.85% |
| Templeton European Improvers Fund N (Acc) EUR | Up to 3% | 2.25% | 0.20% | 0.34% | 2.79% |
| Templeton European Improvers Fund N (Acc) PLN-H1 | Up to 3% | 2.25% | 0.20% | 0.17% | 2.62% |
| Templeton European Improvers Fund A (Mdis) USD | Up to 5.75% | 1.50% | 0.20% | 0.17% | 1.87% |
| Templeton European Improvers Fund A (Mdis) USD-H1 | Up to 5.75% | 1.50% | 0.20% | 0.14% | 1.84% |
| Templeton European Improvers Fund I (Qdis) EUR | N/A | 0.70% | 0.20% | 0.08% | 0.98% |

Receiving Sub-Fund

| Receiving Sub-Fund Share Class Name | Initial Charge – Up to | Investment Management Charge | Administrative Fee – Up to | Other Fees | Ongoing Charges Ratio (OCR) |
|---|------------------------|------------------------------|----------------------------|------------|-----------------------------|
| Templeton European Insights Fund A (Acc) EUR | Up to 5.75% | 1.50% | 0.20% | 0.16% | 1.86% |
| Templeton European Insights Fund A (Ydis) EUR | Up to 5.75% | 1.50% | 0.20% | 0.16% | 1.86% |
| Templeton European Insights Fund I (Acc) EUR | N/A | 0.70% | 0.20% | (0.05%) | 0.85% |
| Templeton European Insights Fund N (Acc) EUR | Up to 3% | 2.25% | 0.20% | 0.16% | 2.61% |

| | | | | | |
|--|-------------|-------|-------|---------|-------|
| Templeton European Insights Fund N (Acc) PLN-H1 | Up to 3% | 2.25% | 0.20% | 0.16% | 2.61% |
| Templeton European Insights Fund A (Mdis) USD | Up to 5.75% | 1.50% | 0.20% | 0.16% | 1.86% |
| Templeton European Insights Fund A (Mdis) USD-H1 | Up to 5.75% | 1.50% | 0.20% | 0.16% | 1.86% |
| Templeton European Insights Fund I (Qdis) EUR | N/A | 0.70% | 0.20% | (0.05%) | 0.85% |

• Costs of the Merger

The expenses incurred in the Merger, including legal, accounting, custody and other administration costs will be borne by Franklin Templeton International Services S.à r.l., the management company of FTIF.

After the Merger

As from 25 October 2025, shareholders in the Receiving Sub-Fund may continue to redeem, transfer or switch out their shares in accordance with the provisions of the Prospectus.

• Availability of Documents

The common merger proposal, the most recent Prospectus and the relevant KIDs are available at the registered office of FTIF, upon request, free of charge.

Upon request, copies of the report of the approved statutory auditor of FTIF relating to the Merger may be obtained free of charge at the registered office of FTIF. Copies of material contracts of FTIF may be obtained and/or inspected free of charge at the registered office of FTIF.

You can also contact us or your financial advisor for additional documents or to answer any questions you may have.

Regards,



Signed by Rafal Kwasny

Conducting Officer of the Franklin Templeton International Services S.à r.l., the Management Company of the FTIF

Please use the below contact to reach your local Client Service Teams at the delegated Transfer Agent/Service Provider of Franklin Templeton.

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