

This notice contains important information that requires your immediate attention. Should you have any queries, you are recommended to seek independent professional advice.

The following change(s) in investment choice(s) relate(s) to the “FLEXI Series” investment plans, including Flexi-Invest Insurance Plan, FLEXI-Education InvestPlan and FLEXI-Annuity Investment Plan.

1. Integration of Environmental, Social and Governance factors for the Underlying Fund of the Investment Choice

- *US Dollar Cash Fund BP (BPUD)*

The investment policy of JPMorgan Funds - USD Money Market VNAV Fund, the underlying fund of the investment choice above, is enhanced to reflect that environmental, social and governance factors are integrated into the investment process.

2. Elaboration on the Investment Policy of the Underlying Fund of the Investment Choice

- *Global Bond Fund BP (BPBO)*

With effect from 16 December 2019, the investment policy of Franklin Templeton Investment Funds - Templeton Global Bond Fund, the underlying fund of the investment choice above, will be elaborated to disclose that it may invest in Mainland China through the Bond Connect or CIBM direct. The exposure is listed in the table below:

Underlying Fund	Investment in Mainland China through the Bond Connect or CIBM direct
Franklin Templeton Investment Funds - Templeton Global Bond Fund	Less than 30%

As a result of the underlying fund’s investment in Mainland China through the Bond Connect or CIBM direct, please refer to the risk disclosures on “China Bond Connect risk” and “Chinese Market risk” under the “RISK CONSIDERATIONS” section of the current explanatory memorandum of the underlying fund for details of the relevant risks associated with this proposed change.

Other than as disclosed above, the investment manager of the underlying fund believes there will not be any additional risks as a result of the elaboration to the underlying fund’s investment policy. There is no change to the operation and/or the manner in which the underlying fund is being managed.

You should refer to the relevant offering documents and the notice to shareholders of the underlying fund(s) of the above investment choice(s) in relation to the above changes, which are made available by YF Life Insurance International Ltd. upon request.

If you have selected the above investment choice(s) under your insurance policy and if for any reason you wish to change to other investment choice(s), you may switch your investment choice(s) to other available investment choice(s) provided by your policy. Please note that bid-offer spread and switching charge are applicable for switching between investment choices. For details, please refer to Investment Choice Brochure or contact YF Life Insurance International Ltd. at (852) 2533 5555 (Hong Kong)/ (853) 2832 2622 (Macau).

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

Capitalised terms in this letter have the same meaning as in the Hong Kong Offering Document of JPMorgan Funds (the “Fund”) unless otherwise specified.

28 November 2019

Dear Investor,

JPMorgan Funds - Asia Pacific Equity Fund / JPMorgan Funds - Emerging Markets Debt Fund / JPMorgan Funds - Emerging Markets Investment Grade Bond Fund / JPMorgan Funds - Emerging Markets Local Currency Debt Fund / JPMorgan Funds - Global Government Bond Fund / JPMorgan Funds - Income Fund / JPMorgan Funds - Japan Equity Fund / JPMorgan Funds - US Aggregate Bond Fund / JPMorgan Funds - US High Yield Plus Bond Fund / JPMorgan Funds - USD Money Market VNAV Fund (each a “Sub-Fund”, collectively the “Sub-Funds”)

Integration of Environmental, Social and Governance factors for the Sub-Funds

The investment policy of each of the Sub-Funds is enhanced to reflect that environmental, social and governance factors are integrated into the investment process.

The Hong Kong Offering Document of the Fund will be updated to reflect the enhancement of disclosure stated above in due course.

The Management Company of the Fund accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Sub-Funds, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,
For and on behalf of
JPMorgan Funds (Asia) Limited
as Hong Kong Representative of the Fund



Edwin TK Chan
Director

This letter is important and requires your immediate attention.

**If you are in doubt about the contents of this letter,
you should seek independent professional advice.**

Hong Kong, 15 November 2019

Dear Investor,

**Franklin Templeton Investment Funds (the “Company”)
- Changes to certain sub-funds (“Funds”)**

This letter is intended for investors who hold shares of the Company via an account with (i) Franklin Templeton Investments (Asia) Limited (the “**Hong Kong Representative**”) or (ii) a duly authorized intermediary for the Hong Kong market (collectively, “**Investors**”).

The purpose of this letter is to inform Investors of the following:

- (1) change in the settlement deadline and clarification of the investment policy of the **Franklin U.S. Dollar Short-Term Money Market Fund** to enable investment in other short-term money market fund;
- (2) elaboration on the investment policy of the **Templeton Asian Bond Fund** to disclose its investment in Mainland China through the Bond Connect or directly (also referred to as CIBM direct) to up to 40% of its net assets;
- (3) update to the investment policy of the **Franklin Income Fund**’s expected and maximum levels of exposure to total return swaps and to provide examples of financial derivative instruments that may be used;
- (4) clarification on the investment policy of the **Templeton Global Climate Change Fund**;
- (5) update to the investment policy of the **Templeton Global Smaller Companies Fund** to clarify the use of financial derivative instruments for investment purposes;
- (6) elaborations on the investment policies of the following funds to disclose their investment in Mainland China through the Bond Connect or directly (also referred to as CIBM direct):
 - a. **Franklin Strategic Income Fund**;
 - b. **Templeton Emerging Markets Dynamic Income Fund**;
 - c. **Templeton Emerging Markets Bond Fund**;
 - d. **Templeton Global Balanced Fund**;

- e. **Templeton Global Bond Fund;**
 - f. **Templeton Global High Yield Fund;**
 - g. **Templeton Global Income Fund;**
 - h. **Templeton Global Total Return Fund;**
- (7) elaborations on the investment policies of the following funds to disclose their employment of Environmental, Social and Governance (ESG) rating methodology:
- a. **Templeton Asian Bond Fund;**
 - b. **Templeton Emerging Markets Bond Fund;**
 - c. **Templeton Global Bond Fund;**
 - d. **Templeton Global Total Return Fund;** and
- (8) clarifications on the investment policy of the **Franklin Euro Government Bond Fund** to reflect the restrictions in relation to the acceptance of investment by insurance undertakings subject to the provisions of the German law on the supervision of insurance undertakings.

Unless otherwise specified herein, capitalized terms used in this letter shall have the meanings assigned to such terms in the Explanatory Memorandum of the Company dated April 2019, as amended from time to time (the “**Current Explanatory Memorandum**”). The changes stated in this letter shall take effect as from 16 December 2019, unless otherwise stated.

(1) Change in the settlement deadline and clarification of the investment policy of the Franklin U.S. Dollar Short-Term Money Market Fund to enable investment in other short-term money market fund

(i) Change in the settlement deadline

The Franklin U.S. Dollar Short-Term Money Market Fund currently requires (i) subscription monies in cleared funds be paid within 3 Business Days following the date of application; and (ii) normally arranges redemption proceeds to be paid to investors’ bank accounts within 3 Business Days in Hong Kong after the Hong Kong Representative’s receipt of properly documented redemption requests. To bring this Fund in line with the market practice for money market funds in general, the Management Company intends to shorten the settlement cycle for both subscriptions and redemptions of this Fund to 1 Business Day in Hong Kong following the dates of (i) application; and (ii) receipt of proper redemption instructions respectively.

Accordingly, the following changes shall be applied:

- (a) the beginning of the fifth paragraph under the section headed “**PURCHASE AND REDEMPTION OF SHARES**” – “**PURCHASES**” shall be amended as follows:

“Subscription monies in cleared funds must be paid within three (3) Business Days following the date of application. Subscription monies in cleared funds for Franklin U.S. Dollar Short-Term Money Market Fund must be paid within one (1) Business Day following the date of application.”

- (b) the latter part of the first paragraph under the section headed “**PURCHASE AND REDEMPTION OF SHARES**” – “**REDEMPTIONS**” shall be amended as follows:

“Following receipt of original completed documentation, the proceeds will normally be paid to your bank account by telegraphic transfer in US or Hong Kong dollars, or other major freely convertible currencies upon request, within three (3) Business Days (except for Money Market Funds for which proceeds will normally be paid within one (1) Business Day) and in any event

not later than one month after the receipt of a properly documented redemption request from the Shareholder.”

The change in the settlement deadline will be effective on 16 December 2019. Any subscription applications received on or before 4:00pm Hong Kong time on 15 December 2019, subscription monies in cleared funds will have to be paid within three (3) Business Days following the date of application. For any subscription applications received after this time, subscription monies in cleared funds will be due within one (1) Business Day following the date of application (instead of three (3)). Any redemption instructions received on or before 4:00pm Hong Kong time on 15 December 2019, redemption proceeds will normally be paid within three (3) Business Days following receipt of original completed documentation by the Hong Kong Representative. For any redemption instructions received after this time, redemption proceeds will normally be paid within one (1) Business Day following receipt of original completed documentation by the Hong Kong Representative.

Please note that despite this change in dealing deadline, certain intermediaries may impose an earlier dealing cut-off time. Investors are recommended to check with their bank, investment adviser or other intermediary (if applicable) to ensure they meet the relevant dealing deadline.

This change in settlement deadline shall apply to all share classes of this Fund. Except for this change, there will be no change or impact to the handling of switching requests, or the processing or valuation of dealing requests otherwise.

Other than the change stated above, there will be no change in the operation and/or manner in which the Fund will be managed, and there will not be any material adverse impact on the interests of investors.

(ii) Clarification of the investment policy of the Franklin U.S. Dollar Short-Term Money Market Fund to enable investment in other short-term money market fund

With effect from 30 October 2019, the investment policy of this Fund shall be clarified to allow investment in (a) all investments at the time of purchase shall have a minimum long-term rating of A or better by Standard & Poor's Corporation or A2 or better by Moody's Investors Service; and (b) less than 10% of the its net assets in units or shares of any other short-term Money Market Fund.

The change above will not result in any additional risks or impact the investment strategy of the Fund. There is no change to the operation and/or the manner in which the Fund is being managed.

(2) Elaboration on the investment policy of the Templeton Asian Bond Fund to disclose its investment in Mainland China through the Bond Connect or directly (also referred to as CIBM direct) to up to 40% of its net assets

The current investment policy of the Templeton Asian Bond Fund provides for up to 10% of the Fund's net assets to be invested in Mainland China through the Bond Connect or CIBM direct. It is proposed that subject to local rules and regulations, this maximum exposure be increased to up to 40%. The Investment Manager believes this additional flexibility will be beneficial to investors in the Fund. The Fund's investment in Mainland China through the Bond Connect or CIBM direct will be part of the principal investment of the Fund.

As a result of the Fund's increased exposure to Mainland China through the Bond Connect or CIBM direct, the Fund will be subject to higher level of "China Bond Connect risk" and "Chinese Market risk" as described under the "RISK CONSIDERATIONS" section of the Current Explanatory Memorandum. In addition, the Fund will also become subject to the following additional risks:

“(i) RMB currency and conversion risk”

RMB is currently not freely convertible and is subject to exchange controls and restrictions.

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Fund.

Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

“(ii) Credit rating agency risk”

The credit appraisal system in the Mainland and the rating methodologies employed in the Mainland may be different from those employed in other markets. Credit ratings given by Mainland rating agencies may therefore not be directly comparable with those given by other international rating agencies.

“(iii) Mainland China tax risk”

The treatment of income tax and other tax categories payable in respect of trading in the China Interbank Bond Market (“CIBM”) by eligible foreign institutional investors via the Bond Connect is subject to uncertainties, although the central government of Mainland China has announced interim tax relief in respect of income tax and value-added tax applicable to coupon income and, in practice, capital gains from trading debt securities in the CIBM is not subject to any tax. Any changes in the Mainland Chinese tax law, future clarifications thereof, and/or subsequent retroactive enforcement by the Mainland Chinese tax authorities of any tax may result in a material loss to the relevant Funds. The Management Company and/or the relevant Investment Manager will keep the provisioning policy for tax liability under review, and may, in its discretion from time to time, make a provision for potential tax liabilities, if in their opinion such provision is warranted, or as further clarified by the Mainland Chinese authorities in notifications.

“(iv) Volatility and Liquidity Risk”

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The relevant Funds investing in such market are therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the relevant Funds may therefore incur significant trading and realization costs. The debt securities traded in the CIBM may be difficult or impossible to sell, and this would affect the relevant Funds' ability to acquire or dispose of such securities at their intrinsic value.

“(v) Clearing and Settlement Risk”

To the extent that a Fund transacts in the CIBM, such Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the relevant Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value. If the clearing house in Mainland China defaults on its obligation to deliver securities/make payment, the Fund may suffer delays in recovering its losses or may not be able to fully recover its losses.

(vi) Risk of Default of Agents

For investments via the Bond Connect, the relevant filings, registration with People's Bank of China and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the relevant Funds are subject to the risks of default or errors on the part of such third parties.

(vii) System Failure Risks for the Bond Connect

Trading through the Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The relevant Fund's ability to trade through the Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where the relevant Fund invests in the CIBM through the Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

(viii) Risk of difference in trading day between markets via the Bond Connect

Due to differences in public holidays between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours in the markets accessible through the Bond Connect. The Bond Connect will only operate on days when those markets are open for trading and when banks in those markets are open on the corresponding settlement days. As such, it is possible that there are occasions when it is a normal trading day for the CIBM market in Mainland China but it is not possible to carry out any Bond Connect securities trading in Hong Kong.

(ix) Credit default risks associated with Investments in Mainland China Bonds

The Fund is exposed to the credit default risk of issuers of bonds in Mainland China. The issuers may default on their payment obligations or otherwise be unwilling or unable to honor their contractual obligations. The ability of the issuers to satisfy their payment / contractual obligations may be adversely affected by risks inherent in investing in Mainland China, including without limitation economic and political instability, nationalisation, expropriation, government control and intervention, price volatility, and devaluation and fluctuations in RMB. In the event that the issuers default on payment of principal or interest of the bonds that the Fund invests in, the Fund could suffer substantial loss and the net asset value of the Fund could be adversely affected.

(x) Risks associated with the CIBM direct

Investing in the CIBM via CIBM direct is subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk as well as other risk factors typically applicable to debt securities. The relevant rules and regulations on investment in the CIBM via CIBM direct are subject to change which may have potential retrospective effect. In the event that the relevant authorities in Mainland China suspend account opening or trading on the CIBM, the Fund's ability to invest in the CIBM will be adversely affected. In such event, the Fund's ability to achieve its investment objective will be negatively affected."

Other than the change in the investment policy and the exposure to additional risks in relation to the Templeton Asian Bond Fund as a result of an increase in the exposure to Mainland China through the Bond Connect or CIBM direct as outlined above, there will be no material change or increase in the overall risk profile of the Fund and there will be no impact on the feature of the Fund, no change to the

operation and/or the manner in which the Fund is being managed and no material adverse impact on the interests of investors.

(3) Update to the investment policy of the Franklin Income Fund's expected and maximum levels of exposure to total return swaps and to provide examples of financial derivative instruments that may be used

To aid in the efficient portfolio management of the Franklin Income Fund, with effect from 30 October 2019, the expected level of exposure that could be subject to total return swaps (unfunded) amounts to 5% of the Fund's net assets, subject to a maximum of 10%. Further, the exposure to swaps would include fixed income related and/or equity related total return swaps. The Investment Manager believes that these updates to the investment policy of the Fund will be beneficial to Shareholders in the Fund. These changes will not result in any additional risks or impact the investment strategy of the Fund. There is no change to the operation and/or the manner in which the Fund is being managed.

(4) Clarification on the investment policy of the Templeton Global Climate Change Fund

For clarificatory purposes, the investment policy of the Templeton Global Climate Change Fund shall be amended as follows with effect from 30 October 2019:

"The Fund seeks to achieve its objective through a policy of investing in equity securities of companies throughout the world that are actively addressing climate change with favourable Environmental, Social and Governance (ESG) attributes. The Fund invests primarily in common stocks of global companies providing solutions to mitigate and adapt to climate change and making their businesses resilient which recognise and adapt to the long-term financial risks and opportunities presented by climate change and resource depletion across all sectors, and are, therefore, better prepared for a transition to a low carbon economy. The Fund's investment process combines financial and ESG (Environmental, Social and Governance) considerations, and the Fund promotes sustainable environmental, social and governance practices."

The Fund's climate change objective is to take participation in companies that aim to reduce emissions, improve resource efficiency and limit the physical consequences of climate change so as to align the Fund's portfolio carbon footprint with the landmark Paris Agreement adopted in December 2015 (i.e. "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels").

The Fund has no exposure to fossil fuel producers, to producers of controversial weapons (i.e., anti-personnel mines, nuclear weaponry, biological & chemical weaponry and cluster munitions) and to companies that generate 10% or more of their revenues from tobacco. On a best effort basis, the Investment Manager proceeds with a formal review of alleged violations of UN Global Compact Principles, international norms on human rights, labour rights, environment standards and anti-corruption statutes. The severity of the violation, response, frequency and nature of the involvement are considered when deciding appropriate action.

Since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may seek investment opportunities in other types of securities, such as preferred stock, securities convertible into common stock, and fixed income securities. The Fund may further invest in time deposits, cash and money market instruments. The Fund may also invest up to 10% of its net assets in units of undertaking for collective investments such as UCITS, Exchange Traded Funds ("ETFs") as well as other UCIs."

These clarificatory changes will not result in any additional risks or impact the investment strategy of the Fund. There is no change to the operation and/or the manner in which the Fund is being managed.

(5) Update to the investment policy of the Templeton Global Smaller Companies Fund to clarify the use of financial derivative instruments for investment purposes

To aid in the efficient portfolio management of the Templeton Global Smaller Companies Fund, the investment policy of the Fund shall be updated to add the following:

“The Fund may further utilise financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. These financial derivative instruments may include, inter alia, swaps, currency forwards, futures contracts, equity and equity index options, equity linked notes, as well as options (including warrants).”

As a result of the Fund’s investment in financial derivative instruments, the Fund will be subject to “Derivative Instruments risk” and “Warrants risk” as described under the “RISK CONSIDERATIONS” section of the Current Explanatory Memorandum.

The Investment Manager believes that this update to the investment policy for the Fund will be beneficial to Shareholders in the Fund. Other than as disclosed above, this update will not result in any additional risks or impact the investment strategy of the Fund. There is no change to the operation and/or the manner in which the Fund is being managed.

(6) Elaborations on the investment policies of several Funds to disclose their investment in Mainland China through the Bond Connect or directly (also referred to as CIBM direct)

The investment policies of the following Funds will be elaborated to disclose that they may invest in Mainland China through the Bond Connect or CIBM direct. The increase in exposure (where applicable) and maximum exposure are also listed in the table below:

Fund	Investment in Mainland China through the Bond Connect or CIBM direct
Franklin Strategic Income Fund	Up to 10%
Templeton Emerging Markets Dynamic Income Fund	Increase from “up to 10%” to “less than 30%”
Templeton Emerging Markets Bond Fund	Increase from “up to 10%” to “less than 30%”
Templeton Global Balanced Fund	Less than 30%
Templeton Global Bond Fund	Less than 30%
Templeton Global High Yield Fund	Less than 30%
Templeton Global Income Fund	Less than 30%
Templeton Global Total Return Fund	Less than 30%

As a result of the Funds’ investment in Mainland China through the Bond Connect or CIBM direct, please refer to the risk disclosures on “China Bond Connect risk” and “Chinese Market risk” under the “RISK CONSIDERATIONS” section of the Current Explanatory Memorandum for details of the relevant risks associated with this proposed change.

Other than as disclosed above, the Investment Managers of the Funds believe there will not be any additional risks as a result of the elaboration to the Funds’ investment policies. There is no change to the operation and/or the manner in which the Funds are being managed.

(7) Elaborations on the investment policies of several Funds to disclose the employment of Environmental, Social and Governance (ESG) rating methodology

With effect from 30 October 2019, the investment policies of the following Funds shall be elaborated to disclose their employment of Environmental, Social and Governance (ESG) rating methodology in the process of building the investment portfolios.

- a. Templeton Asian Bond Fund;
- b. Templeton Emerging Markets Bond Fund;
- c. Templeton Global Bond Fund;
- d. Templeton Global Total Return Fund.

The investment policies of these Funds shall be updated to add the following:

“The Fund employs a proprietary Environmental, Social and Governance (ESG) rating methodology to assess government bond issuers, which is derived from a composite of subcategories determined to be material to macroeconomic performance. The research team assigns scores on all invested countries by overlaying their views on a benchmark created by global indexes for current scores. Projected numbers in anticipation of how conditions will change in the medium term are emphasized as part of the research process. Preference is given to countries with higher ESG ratings or projected neutral to improving ESG ratings. ESG subcategories, weightings, and global indexes used may change over time. The Investment Manager performs ESG rating methodology on all potential and current holdings but the results of this methodology can be deviated from in the portfolio construction.”

(8) clarifications on the investment policy of the Franklin Euro Government Bond Fund to reflect the restrictions in relation to the acceptance of investment by insurance undertakings subject to the provisions of the German law on the supervision of insurance undertakings

With effect from 30 October 2019, the investment policy of the Franklin Euro Government Bond Fund shall be elaborated to reflect the restrictions in respect of acceptance of investment by insurance undertakings subject to the provisions of the German law on the supervision of insurance undertakings. The investment policy of the Fund shall be updated as follows:

“If and for so long as the Fund accepts investment by insurance undertakings subject to the provisions of the German law on the supervision of insurance undertakings (Versicherungsaufsichtsgesetz - VAG), the Fund will not invest in (i) debt securities that are rated below B minus ~~and below~~ by Standard & Poor's Corporation and/or Fitch Ratings Limited, or ~~B3 and~~ B3 by Moody's Investors Service, Inc. (if at any time the Fund's assets are no longer compliant with this rating requirements due to downgrade, they shall be sold, at the best interest of the Investors, within 6 months' time), however, should the downgraded securities represent less than 3% of the value of the total assets, they may be tolerated by the Investment Manager provided that the interests of Investors are not impaired (if unrated, securities must be declared to be of comparable quality by the Investment Manager), (ii) asset-backed securities rated below investment grade.”

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The changes set out in this letter are not expected to give rise to any change in the fee level or fee structure of the Funds, or any additional costs and expenses for Shareholders of the Company (other than the cost of publishing this letter, which is estimated to be approximately HKD500,000 and which will be charged and allocated to the Funds covered in the letter based on the pro rata share of the Net Asset Value of the Funds). Any additional costs and expenses arising from the changes will be borne by the Management Company.

The changes set out in this letter will not have any material adverse impact on the interests of the Funds' investors and are not expected to materially prejudice the rights or interests of Shareholders of the Funds.

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If you do not agree with the changes numbered 2, 5 or 6 above, you may request, free of charge until 16 December 2019, for a redemption of your shares of the relevant Funds impacted by such changes or a switching of such shares into shares of other sub-funds of the Company that are authorized¹ by the Securities and Futures Commission of Hong Kong (“SFC”), details of which are disclosed in the Current Explanatory Memorandum.

The Company comprises a wide range of sub-funds catering for many different objectives. Switching of your existing holding may be made into other sub-funds within the Company that are authorized¹ by the SFC. On receipt of your instructions, we will execute the switching for you in accordance with the provisions of the Current Explanatory Memorandum, free of any charges.

If you do not wish to switch your shares and would like to redeem such shares, the redemption will be made in accordance with the provisions of the Current Explanatory Memorandum, free of charge. 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 Current Explanatory Memorandum.

Please note that although the Company will not charge shareholders of the relevant Funds impacted by the changes numbered 2, 5 or 6 above any redemption or switching fee for redemption and switching requests that reach the Hong Kong Representative, in some cases the relevant bank, investment adviser or other intermediary may charge switching and/or transaction fees. They may also have a local dealing cut-off time which is earlier than the dealing deadline described above. Shareholders of the relevant Funds are recommended to check with their bank, investment adviser or other intermediary (if applicable) to ensure that their instructions reach the Hong Kong Representative before the dealing deadline above.

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The Management Company and the Board accept full responsibility for the accuracy of the information contained in this letter as at the date of its publication and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.

An updated version of the Hong Kong offering documents of the Company will be available at the office of the Hong Kong Representative in due course. If you require further information, please do not hesitate to contact your investment consultant, call our Investor Hotline at +852 2805 0111 or contact the Hong Kong Representative at 17/F, Chater House, 8 Connaught Road Central, Hong Kong. If you are not a duly authorized intermediary for the Hong Kong market, please be advised that you are not required to forward this letter to your end clients.

Yours faithfully,

Franklin Templeton Investments (Asia) Limited

富蘭克林鄧普頓投資(亞洲)有限公司

As Hong Kong Representative of the Company

¹ SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.