Product Key Facts
Franklin Templeton Investment Funds -
Franklin India Fund

Issuer: Franklin Templeton Investments (Asia) Limited

Last updated: April 2023

- **This statement provides you with key information about this product.**
- **This statement is a part of the offering document.**
- **You should not invest in this product based on this statement alone.**

Quick facts

Management company: *Franklin Templeton International Services S.à r.l.*
Investment manager(s): *Templeton Asset Management Ltd., Singapore (internal delegation)*
Depositary: *J.P. Morgan SE, Luxembourg Branch*
Base currency: *USD*
Financial year end of this Fund: *30 June*
Dealing frequency: *Every Hong Kong Business Day*
Minimum Investment: *USD 1,000 [initial] and USD 500 [subsequent purchases] or equivalent*
Ongoing charges over a year[#]:
Class A (acc) HKD: 1.85%
Class A (acc) USD: 1.85%
Class B (acc) USD: 3.14%
Class N (acc) USD: 2.60%

[#]The ongoing charges figures are based on the semi-annual report for the period ended 31 December 2022. These figures may vary from year to year.

Dividend policy: *Dividends, if declared, will be reinvested unless indicated by you in the application form to be paid out. Subject to any legal and regulatory requirements, the Fund may at its discretion pay dividends out of the capital or out of gross income of the Fund while charging / paying all or part of the Fund's fees and expenses to / out of the capital of the Fund, which results in an increase in distributable income for the payment of dividends by the Fund and therefore, the Fund may effectively pay dividends out of capital. The Fund may amend such distribution policy subject to the Securities and Futures Commission ("SFC")'s prior approval and by giving not less than one month's prior notice to investors. Any distributions involving payment of dividends out of the Fund's capital or payment of dividends effectively out of the Fund's capital (as the case may be) may result in an immediate reduction of the net asset value per share.*

What is this product?

This is a fund constituted in the form of a mutual fund. It is domiciled in Luxembourg and its home regulator is Commission de Surveillance du Secteur Financier.

Investment Objective and Policy

Franklin India Fund (the "Fund") aims to increase the value of its investments over the medium to long term.

The Fund invests principally (that is, at least two-thirds of the Fund's net assets) in:

- *equity (including common stock, preferred stock and convertible securities) and equity-related securities (including warrants, participatory notes and depository receipts) of (i) companies registered in India, (ii) companies which perform a predominant part of their business in India, and (iii) holding companies which hold a predominant part of their participations in companies referred to in (i) and (ii)*

On a temporary basis and if justified by exceptionally unfavourable market conditions, the Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of its shareholders, hold ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 100% of its net assets.

The Fund may also, in order to achieve its investment goals and for treasury purposes, invest in bank deposits, money market instruments or money market funds pursuant to the investment restrictions. For defensive purposes, the Fund may invest up to 100% of its net assets in these instruments on a temporary basis.

The Fund can invest on an ancillary basis in:

- *fixed income securities issued by any of the above-mentioned entities*
- *money market instruments*

The Fund may also, in accordance with the investment restrictions, invest up to 5% of its net assets in securities issued by private companies provided that the contemplated investments qualify as transferable securities under paragraphs (1) or (2) a) of Article 41 of the Law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.

The investment team uses in-depth analysis to select individual securities that it believes are attractively valued in light of their prospects for growth and may provide the best opportunities for increased value over the long term. The investment team also considers economic trends that may affect security prices or currency values.

Use of derivatives / investment in derivatives

The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.

What are the key risks?

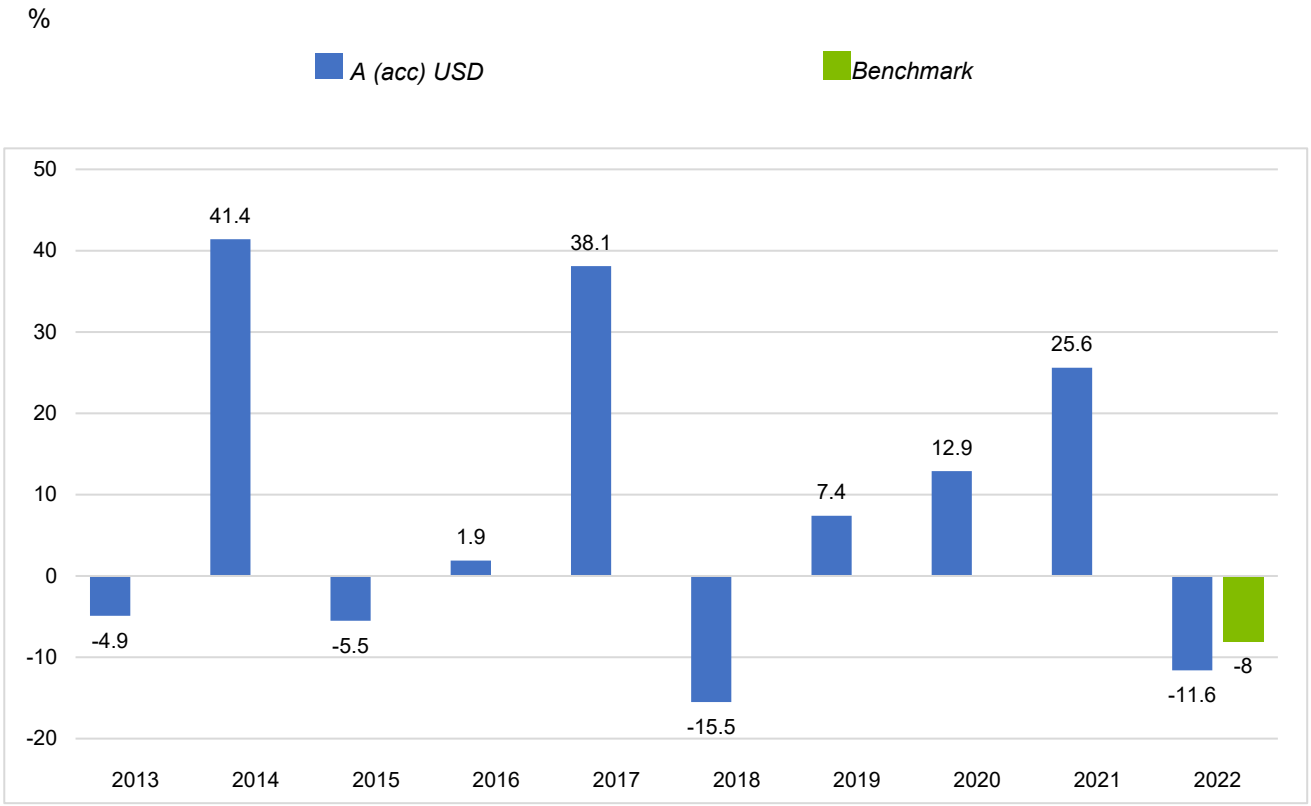
Investment involves risks. Please refer to the offering document for details including the risk factors.

- ***Market risk:*** *The market values of securities owned by the Fund will tend to go up or down, sometimes rapidly or unpredictably, due to factors affecting individual issuers, particular industries or sectors within securities markets, or because of general market conditions. During a general downturn in the securities markets, multiple asset classes (including different sectors of the same asset class) may decline in value at the same time. Similarly, when markets perform well, there can be no assurance that securities held by the Fund will participate in the advance. Because the securities the Fund holds fluctuate in price in this manner, the Fund's value may go down as well as up and investors may be adversely affected.*
- ***Equity risk:*** *Equity and equity-linked securities are subject to significant price movements due to various economic, political, market and issuer-specific factors. Such changes may adversely affect the value of equities regardless of issuer-specific performance. Additionally, different industries, financial markets and securities can react differently to these changes. Such fluctuations of the Fund's value are often exacerbated in the short-term. Financial markets trends (including feared or actual failures in the banking system) may also cause large fluctuations in the prices of such securities. As a result, the Fund may be adversely affected.*
- ***Emerging markets risk:*** *The Fund may invest in, or be exposed to, emerging markets, which may involve increased risks and special considerations not typically associated with investment in more developed markets. The risks of investing in emerging markets, which can adversely affect and/or result in a substantial loss to the Fund, may include: liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.*
- ***Concentration risk:*** *The Fund's investments are concentrated in a single country. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting the country in which it invests.*
- ***Foreign currency risk:*** *The Fund will typically invest to a significant degree in securities that are denominated in currencies other than the base currency of the Fund, exposing its investments to changes in foreign exchange rates and the possibility of exchange control regulations. Changes in currency exchange rates may adversely affect the value of the Fund, and also may affect the income earned by the Fund and gains and losses realized by the Fund. Furthermore, the total return for a share class that is denominated in a different currency (the "alternative currency") from the base currency of the Fund may be affected, either positively or negatively, by changes in the exchange rate between the Fund's base currency and the alternative currency.*

- ***Liquidity risk:*** *The Fund may not be able to easily sell securities due to adverse market conditions or reduced value or creditworthiness of issuers in which it invests. The inability of the Fund to sell securities or positions may also impede the ability of the Fund to meet redemption requests in a timely manner. Certain securities may also be illiquid due to limited trading markets or contractual restrictions on their resale. Reduced liquidity due to these factors may have an adverse impact on the net asset value of the Fund.*
- ***Warrants risk:*** *Warrants are more volatile than the securities to which the warrants are linked, exposing the Fund to greater risk. The Fund may be adversely affected as a result.*
- ***Convertible securities risk:*** *The Fund may invest in convertible securities which are a hybrid between debt and equity, permitting holders to convert into shares of the issuer at a specified future date. Convertibles are exposed to equity movement and greater volatility than straight bond investments. Investments in convertible securities are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments. The value and performance of the Fund may be adversely affected as a result.*
- ***Preferred securities risk:*** *An investment in preferred securities involves additional risks that are not typically associated with an investment in common stocks. Generally, holders of preferred securities have no voting rights with respect to the issuer unless preferred dividends are in arrears. An issuer of preferred securities may redeem the securities prior to a specified date or defer distributions for a stated period, which may negatively impact the return of the security held by the Fund. Preferred securities may be substantially less liquid than common stocks and are subject to greater credit risk than bonds and other debt instruments. The value and performance of the Fund may be adversely affected as a result.*
- ***Depositary receipts risk:*** *Depositary receipts are certificates issued typically by a bank or a trust company that give their holders the right to receive securities issued by a foreign or domestic company. Depositary receipts do not eliminate currency, economic and taxation risks relating to the underlying shares, which may adversely affect the Fund.*
- ***Dividend policy risk:*** *The Fund's dividend policy allows for payment of dividends out of capital or effectively out of capital. Where this is done, it amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Fund's capital or payment of dividends effectively out of the Fund's capital (as the case may be) may result in an immediate reduction of the net asset value per share.*
- ***Growth stocks risk:*** *Growth stocks can be more volatile and may be more expensive, relative to earnings, than the market in general. The Fund may be adversely affected by the greater volatility of investments in such stocks.*
- ***Participatory notes risk:*** *The Fund may use participatory notes to obtain exposure to an equity investment, including common stocks and warrants, in a local market where direct ownership is not allowed. By investing in participatory notes, the Fund may be exposed not only to movements in the value of the underlying equity, but also to the risk of counterparty default, which may in the event of counterparty default result in a substantial loss to the Fund.*
- ***Counterparty risk:*** *The Fund may be exposed to risks arising from the solvency of its counterparties and the Fund/investors may be adversely impacted.*
- ***Smaller and midsize companies risk:*** *Stocks of smaller- and mid-sized companies tend to be less liquid and more volatile to adverse economic developments than larger, more recognized companies, particularly if such companies are in emerging markets, which results in higher risk for the Fund. The value and performance of the Fund may be adversely affected as a result.*
- ***Private companies risk:*** *Investments in securities issued by private companies involve a significant degree of risk and uncertainties compared to publicly traded equity. These investments are usually made in companies that have existed for a short period of time, with little business experience and therefore any forecast of future growth in value is subject to a high level of uncertainty. Investments in securities issued by private companies are also subject to limited liquidity as they are not traded in an organized market.*
- ***Derivative instruments risk:*** *Derivative instruments involve cost, may be volatile, and may involve a leverage effect. A small market movement may give rise to a proportionately larger impact, which may cause substantial loss to the Fund. Other risks*

include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. In adverse situations, the Fund's use of derivative instruments may become ineffective and the Fund may suffer significant losses.

How has the Fund performed?



- *Past performance information is not indicative of future performance. Investors may not get back the full amount invested.*
- *The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends reinvested.*
- *These figures show by how much class A (acc) USD increased or decreased in value during the calendar year being shown. Class A (acc) USD is the share class available in Hong Kong with the longest history in the Fund. Performance data has been calculated in USD, including ongoing charges and excluding subscription fee and redemption fee you might have to pay.*
- *Fund launch date: 25 October 2005*
- *Class A (acc) USD launch date: 25 October 2005*
- *Effective 25 February 2021, MSCI India Index-NR was added as the benchmark of the Fund to adhere to European disclosure rules regarding the use of benchmark.*

Is there any guarantee?

This Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund.

Fee	***What you pay***		
	Class A	***Class B***	***Class N***
Subscription fee (Initial sales charge)	***Up to 5.00% of the subscription amount***	***N/A***	***Up to 3.00% of the subscription amount***
Switching fee (Switching charge)*	***1.00% of the value of the shares being switched***	***N/A***	***N/A***
Redemption fee (Redemption charge)	***N/A***	***Up to 4.00%***	***N/A***

Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the Fund's net asset value)		
	Class A	***Class B***	***Class N***
Management fee (annual management charge*^)	***1.50%***	***1.75%***	***2.25%***
Depositary fee	***Up to 0.140%***	***Up to 0.140%***	***Up to 0.140%***
Performance fee	***N/A***	***N/A***	***N/A***
Administration fee	***N/A***	***N/A***	***N/A***
Servicing charge	***N/A***	***1.06%***	***N/A***
Registrar and Transfer, Corporate, Domiciliary and Administrative Agent fee	***Up to 0.2175%***	***Up to 0.2175%***	***Up to 0.2175%***
Additional fixed amount per Shareholder account at each Class level	***Up to USD 30 per annum***	***Up to USD 30 per annum***	***Up to USD 30 per annum***

**The current fee level may be increased up to the maximum level permitted by the constitutive document of the Fund by giving one month's prior notice to the shareholders.*

^The annual management charge as set out in the Explanatory Memorandum comprises the investment management fee and the maintenance charge, details of which are provided in the annual report of Franklin Templeton Investment Funds.

Other fees

You may have to pay other fees and charges when dealing in the shares of the Fund.

Additional Information

- *You generally buy and redeem shares at the Fund's next determined net asset value (NAV) after the Hong Kong Representative, Franklin Templeton Investments (Asia) Limited, receives your request in good order on or before 4:00 p.m. (Hong Kong time) being the dealing cut-off time. Certain intermediaries may impose an earlier dealing cut-off time.*

- *The net asset value of this Fund is calculated and the price of shares is published on each business day. Information about prices is available online at www.franklintempleton.com.hk.*
- *The compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are made available by the Hong Kong Representative on request and are also available online at www.franklintempleton.com.hk.*
- *Investors may obtain the past performance information of other share classes offered to Hong Kong investors from the Hong Kong Representative's website at www.franklintempleton.com.hk.*
- *Investors may obtain information on the intermediaries by calling the Hong Kong Representative at (852) 2877-7733 or visiting the Hong Kong Representative's website at www.franklintempleton.com.hk.*
- *The website mentioned above has not been reviewed by the SFC.*

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.