



Product Key Facts

Franklin Templeton Investment Funds – Templeton Emerging Markets Fund

Last updated: 31 March 2014

- 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: Templeton Asset Management Ltd., Singapore (internal delegation)

Custodian: J.P. Morgan Bank Luxembourg S.A.

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

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 paying all or part of the Fund's fees and expenses out of the capital of the Fund, which results in effectively paying dividends out of capital. The Fund may amend such distribution policy subject to the 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 ("CSSF").

Objective and Investment Strategy

Templeton Emerging Markets Fund (the "Fund") aims to increase the value of its investments over the medium to long term.

The Fund invests primarily in:

- equity securities issued by companies of any size located in, or doing significant business in, emerging markets

The Fund can invest to a lesser extent in:



- *debt securities issued by governments and corporations of any size located in, or doing significant business in, emerging markets*
- *equity or debt securities issued by companies whose performance relates to assets or currencies of emerging markets*
- *equity or debt securities issued by governments and companies of any size located in any country*

The investment team uses in-depth financial analysis to select individual securities that it believes will provide the best opportunities for increased value over the long term.

The Fund does not intend to invest extensively or primarily in financial derivative instruments for investment purposes.

What are the key risks?

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

- **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. Emerging markets are generally smaller and less liquid, with greater exposure to economic, political, and regulatory uncertainties, than developed markets. The risks of investments in emerging markets, which can adversely affect and/or result in a substantial loss to the Fund, may include: investment and repatriation restrictions; the potential for unusual or higher market volatility as compared to more industrialized nations; shallow and substantially smaller liquid securities markets than in more industrialized countries, which means the Fund may at times be unable to sell certain securities at desirable prices; international and regional political and economic developments; possible imposition of exchange controls or other local governmental laws or restrictions.*
- **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.*
- **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. Requests for redemption of shares, which are not listed, may be deferred or suspended. Reduced liquidity due to these factors may have an adverse impact on the net asset value of the Fund and on the ability of the Fund to meet redemption requests in a timely manner.*
- **Non-regulated markets risk:** *Some markets that the Fund invests in do not qualify as regulated due to their economic, legal, or regulatory structure, exposing the Fund to greater regulatory risk compared to funds that invest only in regulated market(s). The Fund may be adversely affected as a result.*



- **Russian and Eastern European markets risk:** *These markets involve special risks, including political, economic, legal, currency and taxation risks, plus risks related to the safekeeping of securities. The Fund may be adversely affected as a result.*
- **Value stocks risk:** *The Fund invests in stocks selected using a bottom-up, long-term, value-oriented approach, which may underperform other approaches. To the extent that the markets fail to recognize their expected value, investment may underperform other stock selection approaches and the Fund/investors may be adversely impacted.*
- **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.*

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.

| | 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 (Investment management fee)* | 1.60% | 1.60% | 1.60% |
| Custodian fee | Up to 0.14% | Up to 0.14% | Up to 0.14% |
| Performance fee | N/A | N/A | N/A |
| Administration fee | N/A | N/A | N/A |
| Maintenance charge | Up to 0.50% | Up to 0.75% | N/A |
| Servicing charge | N/A | 1.06% | N/A |
| Distribution charge | N/A | N/A | Up to 1.25% |
| Registrar and Transfer, Corporate, Domiciliary and Administrative Agent fee + Additional fixed amount per Shareholder account at each Class level | Up to 0.2175% Up to USD 30 per annum | Up to 0.2175% Up to USD 30 per annum | Up to 0.2175% Up to USD 30 per annum |

*The current annual management fee 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.

Other fees

You may have to pay other fees 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 4p.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 published daily in South China Morning Post and Hong Kong Economic Times. Information about prices may also be obtained on the internet 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 Investment Manager/Hong Kong Representative on request and also on the Hong Kong Representative's website.*
- *Investors may obtain information on the intermediaries by calling the Hong Kong Representative at (852) 2877 7733 or visiting our 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.

Issuer of this statement: Franklin Templeton Investments (Asia) Limited