



Product Key Facts

Franklin Templeton Investment Funds –

Franklin U.S. Dollar Liquid Reserve 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: Franklin Advisers, Inc., United States of America (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

Franklin U.S. Dollar Liquid Reserve Fund (the "Fund") aims to invest in debt securities that pay income over the short term.

The Fund invests principally in:

- higher-quality debt securities and money market securities issued by governments and corporations of any nation worldwide, especially those denominated in U.S. dollars



The Fund will seek to remove currency risk by hedging non-U.S. dollar investments to the U.S. dollar. The investment team seeks to anticipate changes that may affect bond prices and to buy and sell investments accordingly.

The Fund maintains a weighted average maturity of one year or less.

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.

- **Interest rate securities risk:** Interest rates changes tend to be driven by prevailing economic, political and regulatory conditions as well as issuer-specific factors, impacting longer term securities more than short-term securities. While changes in interest rates may affect the Fund's interest income, such changes may positively or negatively affect the net asset value of the Fund's shares on a daily basis. A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Movements in interest rates may adversely affect a fixed income security's value and the Fund's net asset value. Conditions in the banking sector may also adversely affect interest rates and the prices of fixed income securities.
- **Credit risk and sovereign debt risk:** The Fund may invest in debt obligations issued by governments and corporates. Investment in sovereign debts issued or guaranteed by governments as well as in corporate issues involves a high degree of risk, as default can occur if the government or corporate entity is not able or willing to repay the principal and/or interest when due. Fixed income securities are also exposed to the risk of being downgraded, which can adversely affect and/or result in a substantial loss to the Fund. Additional risks for sovereign debt include the unilateral rescheduling of sovereign debt by the issuer and the limited legal recourses available against a sovereign issuer, which may adversely affect 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.
- **Repurchase transactions risk:** With collateralized repurchase transactions, the Fund could suffer substantial losses if a counterparty defaults and the collateral is worth less than the cash placed under the relevant repurchase agreement.
- **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
Subscription fee (Initial sales charge)	Up to 5.00% of the subscription amount	N/A
Switching fee (Switching charge)	1.00% of the value of the shares being switched	N/A
Redemption fee (Redemption charge)	N/A	Up to 4.00%

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
Management fee (Investment management fee)*	0.30%	0.30%
Custodian fee	Up to 0.14%	Up to 0.14%
Performance fee	N/A	N/A
Administration fee	N/A	N/A
Maintenance charge	Up to 0.10%	Up to 0.75%
Servicing charge	N/A	1.06%
Distribution charge	N/A	N/A
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

*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