



## Product Key Facts

### Franklin Templeton Investment Funds – Templeton Global Equity Income Fund

*Last updated: 1 August 2013*

- **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

**Investment manager:** Franklin Templeton Investment Management Limited

**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

**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 dividend out of the capital of the Fund. 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.

**Minimum Investment:** USD 1,000 [initial] and USD 500 [subsequent purchases] or equivalent

#### 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 Global Equity Income Fund (the "Fund") aims to earn income and to increase the value of its investments over the medium to long term.*

*The Fund invests principally in:*

- *equity securities issued by companies of any size located in any country, including emerging markets*

*The Fund can invest to a lesser extent in:*

- *derivatives for hedging and investment purposes*

*The investment team looks for individual securities that it believes are undervalued and will provide the best opportunities for increased value over the long term or for attractive dividend payments.*

*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 company-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) and Euro zone uncertainties may also cause large fluctuations in the prices of such securities.*
- ***Emerging markets risk:*** *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 have adverse effects on portfolio holdings, may include: investment and repatriation restrictions; 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 influence the value of the Fund's shares, and also may affect the income earned by the Fund and gains and losses realised by the Fund.*
- ***Eurozone risk:*** *The Fund may invest in the Eurozone. Mounting sovereign debt burdens (e.g. any sovereigns within the Eurozone, which default on their debts, may be forced to restructure their debts and faced difficulties in obtaining credit or refinancing) and slowing economic growth among European countries, combined with uncertainties in European financial markets, including feared or actual failures in the banking system and the possible break-up of the Eurozone and Euro currency, may adversely affect interest rates and the prices of securities across Europe and potentially other markets as well. These events may increase volatility, liquidity and currency risks associated with investments in Europe. The aforesaid economic and financial difficulties in Europe may spread across Europe and as a result, a single or several European countries may exit the Eurozone or a sovereign within the Eurozone may default on its debts. In any event of the break-up of the Eurozone or Euro currency, the Fund may be exposed to additional operational or performance risks. While the European governments, the European Central Bank, and other authorities are taking measures (e.g. undertaking economic reforms and imposing austerity measures on citizens) to address the current fiscal conditions, these measures may*

not have the desired effect and therefore the future stability and growth of Europe is uncertain. The performance and value of the Fund may be adversely affected should there be any adverse credit events (e.g. downgrade of the sovereign credit rating or default or bankruptcy of any Eurozone countries).

- **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.
- **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.
- **Derivative risk:** The Fund may invest in financial derivatives or structured products such as credit-linked securities, swaps (including credit default swaps and total return swaps), futures, forwards, and options for hedging or investment purposes, or for efficient portfolio management (to reduce risk or cost). A small outlay to purchase a derivative may relate to material market exposure, exposing the Fund to the potential for significant losses. The Fund does set aside cash or assets to meet future obligations related to derivatives. Performance and value of derivative instrument depend, at least in part, on the performance or value of the underlying asset. Derivative instruments involve cost, may be volatile, and may involve a small investment relative to the risk assumed (leveraged effect). Risks include delivery failure, default by other party or the inability to close out a position because the trading market becomes illiquid. In addition, with respect to the use of derivatives for hedging, efficient portfolio management or investment purposes, there can be no assurances that the use of derivatives for these intended purposes will be achieved.
- **Dividend policy risk:** The Fund's dividend policy allows for payment of dividends 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.

	<b>Class A</b>	<b>Class B</b>
<b>Subscription fee (Initial sales charge)</b>	<b>Up to 5.00% of the subscription amount</b>	<b>N/A</b>
<b>Switching fee (Switching charge)</b>	<b>1.00% of the value of the shares being switched</b>	<b>N/A</b>
<b>Redemption fee (Redemption charge)</b>	<b>N/A</b>	<b>Up to 4.00%</b>

### 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.

	<b>Annual rate (as a % of the Fund's net asset value)</b>	
	<b>Class A</b>	<b>Class B</b>
<b>Management fee (Investment management fee)*</b>	<b>1.00%</b>	<b>1.00%</b>
<b>Custodian fee</b>	<b>Up to 0.14%</b>	<b>Up to 0.14%</b>
<b>Performance fee</b>	<b>N/A</b>	<b>N/A</b>
<b>Administration fee</b>	<b>N/A</b>	<b>N/A</b>
<b>Maintenance charge</b>	<b>Up to 0.50%</b>	<b>Up to 0.75%</b>
<b>Servicing charge</b>	<b>N/A</b>	<b>1.06%</b>
<b>Distribution charge</b>	<b>N/A</b>	<b>N/A</b>
<b>Registrar and Transfer, Corporate, Domiciliary and Administrative Agent fee + Additional fixed amount per Shareholder account at each Class level</b>	<b>Up to 0.2175%  Up to USD 30 per annum</b>	<b>Up to 0.2175%  Up to USD 30 per annum</b>

\*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](http://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](http://www.franklintempleton.com.hk).
- The website mentioned above has not been reviewed by 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*