

Your reference
Our reference
Date

August 9, 2024

Changes to Franklin Templeton Investment Funds (“FTIF”) - Templeton Emerging Markets Dynamic Income Fund (the “Underlying Fund”)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.

We accept full responsibility for the accuracy of the content of this document. Unless otherwise specified herein, capitalized terms used in this letter shall have the meanings assigned to such terms in the Explanatory Memorandum of FTIF dated April 2024, as amended from time to time (the “Explanatory Memorandum”).

Dear valued customer,

We are writing to let you know about the changes to the Underlying Fund. You have invested in the investment choice corresponding to the Underlying Fund, which are listed in the “Which investment choice is affected?” table below under the column “Name and code of the investment choice”.

Which investment choice is affected?

Name and code of the investment choice (the “Investment Choice”)	Name of the corresponding Underlying Fund	Applicable scheme (Collectively, the “Schemes”)
Franklin Templeton Investment Funds - Templeton Emerging Markets Dynamic Income Fund (Dis) (Code: TJHKD)	Franklin Templeton Investment Funds - Templeton Emerging Markets Dynamic Income Fund	<ul style="list-style-type: none">• Matterhorn• Swiss Elite

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What is happening?

We have been notified by Franklin Templeton Investments (Asia) Limited, as the Hong Kong Representative of FTIF, of the changes set out below.

The Board of Directors has decided to modify the characteristics of “pc” share class (the “**Class**”) for the Underlying Fund with effect from August 27, 2024 (“**Effective Date**”). The distribution methodology of the Class will change from offering a fixed percentage of the net asset value per share to a pre-determined annual percentage of the net asset value per share, as more fully described below. The Class will also be renamed to include the suffix “Plus” instead of “pc”.

The Underlying Fund with the Class as currently offered in Hong Kong is set out in the table below:

Current share class name	Share class name after conversion
Franklin Templeton Investment Funds - Templeton Emerging Markets Dynamic Income Fund A (Mdis-pc) HKD	Franklin Templeton Investment Funds - Templeton Emerging Markets Dynamic Income Fund A (Mdis-Plus) HKD

As currently set out in the Explanatory Memorandum, the Class is distribution share class designed to offer, under normal market conditions, dividend distribution at a fixed percentage of the net asset value per share, where the dividends, which are not dependent on the level of income or capital gains actually received or generated by the Underlying Fund, may be paid out of capital and further reduce the Underlying Fund’s and the Class’s net asset value. The distribution frequency, as well as the target distribution yield for the Class will be disclosed in the “Dividend Schedule” available on the Hong Kong Representative of FTIF’s website at www.franklintempleton.com.hk¹. The Board of Directors reserves the right to change the fixed percentage of the Class at any time, subject to one month’s prior notification to Investors.

After the conversion, the Class will be relabeled to “Plus” share classes and will offer, under normal market conditions, dividend distribution at a pre-determined annual percentage of the net asset value per share that is not linked to income or capital gains. The relevant annual percentage is determined by an internal forum* based on prevailing investor demand and market outlook in the region where the share class is distributed, and the Underlying Fund level considerations⁺. The percentage may be increased or decreased at the discretion of the Board of Directors or the Management Company. The Class will give priority to dividends, rather than to capital growth and will typically distribute more than the income received by the Underlying Fund, including during periods of negative performance. As such, dividends may be paid out of capital, resulting in erosion of the capital invested. The distribution frequency, as well as the latest dividend yield of the Class will be available on the website of the Hong Kong Representative of FTIF.

In a nutshell, the Class (with the suffix “pc”) is currently designed to offer, under normal market conditions, dividend distribution at a fixed percentage of the net asset value per share. The relevant target distribution yield is disclosed to Investors, and any change to the target distribution yield is subject to one month’s prior notification to Investors. On the other hand, after the conversion, the Class (with the suffix “Plus”) will offer, under normal market conditions, dividend distribution at a pre-determined annual percentage that will be reviewed by an internal forum^{*} on a quarterly basis (and in exceptional circumstances, intra-quarter). The relevant pre-determined annual percentage will not be disclosed to Investors, and any changes to such percentage will no longer necessitate a prior notification to Investors.

For the avoidance of doubt, there will be no change to the dividend declaration and payment frequency of the Class after the conversion.

¹ The website has not been reviewed by the SFC.

⁺ When setting the relevant annual percentage, the internal forum may consider factors including, but not limited to, current distribution yield, recent and historic fund yields, fund performance and fund flows.

^{*} The internal forum is comprised of representatives from a number of functions and meets on a quarterly basis but may also convene a meeting intra-quarter in exceptional circumstances and reserves the right to change the distribution yield intra-quarter.

Why are they making this change?

The changes that are being proposed are to ensure that they can react more efficiently to changes in market environments that directly affect the Underlying Fund in question. Please note that the fixed percentages (i.e. target distribution yields) of the Class is currently disclosed in the Hong Kong offering documents of FTIF. Although the Board of Directors has the right to change such percentage at any time, it is subject to one month's prior notification to Investors. After the conversion, the pre-determined annual percentages of distribution yields of the Class will not be disclosed in the Hong Kong offering documents of FTIF, and any change to such pre-determined annual percentages will not be subject to any prior notification to Investors. In this case, they will be able to react to market volatilities and fund events more nimbly. The Class will continue to look to have smoother distribution yields when compared to other distribution share classes.

The changes also better align processes across Franklin Templeton and the marketplace. In particular, the proposed changes will bring the distribution policies aligned between the FTIF and Franklin Templeton Global Funds Plc domiciled in Ireland. This will enable their distribution teams in APAC to have consistency in offerings when it comes to distribution policies.

As confirmed by the Hong Kong Representative of FTIF, the above changes will not result in any change in the features (which may include but not limited to investment objective and policy) or risks applicable to the Underlying Fund, and the above changes will not give rise to any change in the fee level/ fee structure of the Underlying Fund or cost in managing the Underlying Fund. Save as disclosed above, there will be no other change to the operation and/or the manner in which the Underlying Fund is being managed. There is no other effect on the Investors, and the changes will not materially prejudice the rights or interests of the Investors.

Any costs and/or expenses that will be incurred in connection with the above changes will be borne by the Management Company, other than the cost of publishing the letter to notify Investors of the above changes, which is estimated to be approximately HKD 5,000 and which will be charged and allocated to the Underlying Fund based on the pro rata share of the net asset value of the relevant funds.

The Hong Kong offering documents of FTIF will be updated to reflect the changes in due course subject to the SFC's approval. An updated version of the Hong Kong offering documents of FTIF will be available for download from the Hong Kong Representative of FTIF's website at <http://www.franklintempleton.com.hk>¹ in due course.

¹ The website has not been reviewed by the SFC.

What does this mean to you?

If you wish to continue to invest in the Investment Choice after considering the changes outlined above, you will not need to take any action. However, if you do not wish to maintain your investment in the Investment Choice, you may switch your existing holdings or redirect your future contribution allocations to alternative investment choice(s) by submitting an instruction to us, free of charge.

We recommend that you contact your licensed insurance intermediary in the first instance, who will be able to advise you of the alternative investment choice(s). For information on the fees and charges and the respective risk factors of our range of investment choices, please refer to the product brochure of the respective Schemes and the offering documents of the underlying funds made available by us upon request.

If you have any questions about this letter or your investment in the investment choice(s), please contact your licensed insurance intermediary, or you can call our customer care hotline at +852 2968 2383 or contact us via <https://www.zurich.com.hk/zh-hk/customer-services/contact-us/e-form/life-general> and we will be happy to help.

Yours faithfully,

Zurich Life Insurance (Hong Kong) Limited
(a company incorporated in Hong Kong with limited liability)

Note: Please note investments involve risks. The value of any investment and the income from it can fall as a result of market and currency fluctuations and you could get back less than the amount originally invested.


有關富蘭克林鄧普頓投資基金 (「FTIF」) - 鄧普頓新興市場動力入息基金 (「該相關基金」) 之變更

此乃重要函件，務請您即時垂注。您如對本函件的內容有任何疑問，請尋求專業意見。

我們就此函件所轉載資料的準確性承擔全部責任。除另有規定外，本信件內所用的詞語與FTIF日期為2024年4月的基金說明書 (經不時修訂) (「基金說明書」) 所界定者具相同涵義。

親愛的客戶：

我們謹此致函通知您有關該相關基金的變更。您已投資於該相關基金相應的投資選項，其列於下表「受影響的投資選項」中「投資選項的名稱及代碼」一欄。

受影響的投資選項

投資選項 (「該投資選項」) 的名稱及代碼	相應的該相關基金名稱	適用計劃 (統稱「計劃」)
富蘭克林鄧普頓投資基金 - 鄧普頓新興市場動力入息基金 (派息) (代碼: TJHKD)	富蘭克林鄧普頓投資基金 - 鄧普頓新興市場動力入息基金	<ul style="list-style-type: none"> 瑞承投資計劃 瑞翔投資計劃

修訂事項

FTIF的香港代表富蘭克林鄧普頓投資 (亞洲) 有限公司已通知我們以下變更。

董事局已決定修改該相關基金的「pc」股份類別 (「該類別」) 的特徵，自2024年8月27日 (「生效日期」) 起生效。該類別的派息方式將從提供每股資產淨值的固定百分比變為提供每股資產淨值的預定的年度百分比，如下文所更詳細描述。該類別亦將重新命名，以包含後綴「Plus」，而非「pc」。

目前，香港提供該類別的該相關基金如下表所示：

現時股份類別名稱	轉換後股份類別名稱
富蘭克林鄧普頓投資基金 - 鄧普頓新興市場動力入息基金A (每月派息-pc) 港元	富蘭克林鄧普頓投資基金 - 鄧普頓新興市場動力入息基金A (每月派息-Plus) 港元

如基金說明書現時所載，該類別為派息股份類別，旨在正常市況下以每股淨資產值的固定百分比提供派息，其中派息並不依賴於該相關基金實際收到或產生的收入或資本收益水平，可能會從資本中支付，並進一步減少該相關基金及類別的資產淨值。該類別的派息次數以及目標派息收益率將在「派息一覽表」中披露，該「派息一覽表」可於FTIF的香港代表網站 www.franklintempleton.com.hk¹ 查閱。董事局保留隨時更改該類別固定百分比的權利，但需提前一個月通知投資者。

轉換後，該類別將重新標示為「Plus」股份類別，並將在正常市況下，按照每股資產淨值的預定年度百分比提供派息，與收入或資本收益無關。相關年度百分比由內部論壇²根據當前投資者需求及股份類別分銷地區的市場前景以及該相關基金層面的考慮因素³確定。董事局或管理公司可酌情提高或降低該百分比。該類別將優先考慮派息，而非資本增長，且通常會分配超過該相關基金收到的收入，包括在業績欠佳期間。因此，股息可能從資本中支付，從而導致投資資本受到侵蝕。該類別的派息次數以及最新派息收益率將在FTIF的香港代表網站公佈。

¹ 本網站未經證監會審核。

² 內部論壇由多個職能部門的代表組成，每季度舉行一次會議，但在特殊情況下亦可在季度內召開會議，並保留更改季度內派息收益率的權利。

³ 在設定相關年度百分比時，內部論壇可能考慮的因素包括但不限於當前派息收益率、近期及歷史基金收益率、基金表現和資金流。

簡而言之，（標示「pc」的）類別目前旨在正常市況下以每股淨資產值的固定百分比提供派息。相關目標派息收益率向投資者披露，目標派息收益率如有變更，需提前1個月通知投資者。另一方面，轉換後，（標示「Plus」的）類別將在正常市況下按預定的年度百分比提供派息，該百分比將由內部論壇每季度進行審查（在特殊情況下，在季度內進行審查）。相關預定年度百分比將不會向投資者披露，且該百分比的任何變更將不再需要事先通知投資者。

為免存疑，轉換後該類別的股息宣佈及支付次數不會改變。

他們為什麼要做出該等改變

擬議的變更旨在確保他們能夠更有效地應對直接影響該相關基金的市場環境變化。請注意，該類別的固定百分比（即目標派息收益率）目前已於FTIF的香港發售文件中披露。儘管董事局有權隨時更改該比例，但須提前一個月通知投資者。轉換後，該類別派息收益率的預定年度百分比將不會在FTIF的香港發售文件中披露，且該預定年度百分比的任何變更無需事先通知投資者。這樣的話，他們將可更靈活地應對市場波動及基金事件。與其他派息股份類別相比，該類別將繼續尋求更平滑的派息收益率。

該等改變亦更好地協調了富蘭克林鄧普頓與市場的流程。尤其是，擬議的變更將使FTIF與於愛爾蘭成立的富蘭克林鄧普頓環球基金系列之間的派息政策保持一致。這將使其亞太地區的分銷團隊在派息政策方面能夠保持產品的一致性。

FTIF的香港代表已確認，上述變更將不會導致適用於該相關基金的特徵（可能包括但不限於投資目標及政策）或風險發生任何變化，且上述變更將不會導致該相關基金的費用水平 / 費用結構或管理該相關基金的成本發生任何變化。除上述披露外，該相關基金的運營及 / 或管理方式將不會有其他變化。該等變更將不會對投資者產生其他影響，及不會對投資者的權利或利益造成重大損害。

與上述變更相關的任何費用及 / 或開支將由管理公司承擔（刊發信件以通知投資者上述變更的費用除外，該費用預計約為5,000港元，將由該相關基金按相關基金股份的資產淨值比例承擔）。

FTIF的香港發售文件將適時更新，以反映變更，惟須經證監會批准。FTIF的香港發售文件的更新版本將可適時於FTIF的香港代表網站<http://www.franklintempleton.com.hk>¹下載。

對您產生的影響

如您在考慮上述變更後仍繼續投資於該投資選項，則無需就此修訂作出任何行動。倘若您不欲繼續投資於該投資選項，可向本公司遞交轉換現有投資或重新指定未來供款分配至其他投資選項的指示，費用全免。

我們建議您首先諮詢您的持牌保險中介人，以取得其他投資選項的建議。有關本公司投資選項（包括費用及收費，以及其相關風險因素）的詳情，請參閱相關計劃的產品介紹冊及相關基金的銷售文件，本公司會應要求提供上述銷售文件。

如您對本函件或投資選項中的投資有任何疑問，請聯絡您的持牌保險中介人。您亦可致電+852 2968 2383或經由<https://www.zurich.com.hk/zh-hk/customer-services/contact-us/e-form/life-general>聯絡我們，我們將樂意為您效勞。

蘇黎世人壽保險（香港）有限公司
（於香港註冊成立之有限公司）
2024年8月9日

註：投資涉及風險，您的投資價值及收益可因市場及貨幣波動而下跌，有可能導致您不能取回所有投資款項。

¹ 本網站未經證監會審核。