

Fund Overview

| | |
|------------------------|--|
| Base Currency for Fund | USD |
| Total Net Assets (USD) | 1,54 billion |
| Fund Inception Date | 14.10.2008 |
| Number of Issuers | 79 |
| Benchmark | MSCI All Country Asia ex-Japan Small Cap Index |
| Morningstar Category™ | Asia ex-Japan Small/Mid-Cap Equity |

Summary of Investment Objective

The Fund aims to achieve long-term capital appreciation by investing primarily in small cap companies incorporated in the Asia region (except Japan) or whose principal business activity is in the Asia region. Asian small cap companies are those having a market capitalisation at the time of initial purchase within the range of the market capitalisations of companies included in the MSCI AC Asia ex-Japan Small Cap Index (Index).

Fund Management

Chetan Sehgal, CFA: Singapore

Ratings - A (acc) USD

Overall Morningstar Rating™: ★★★★★

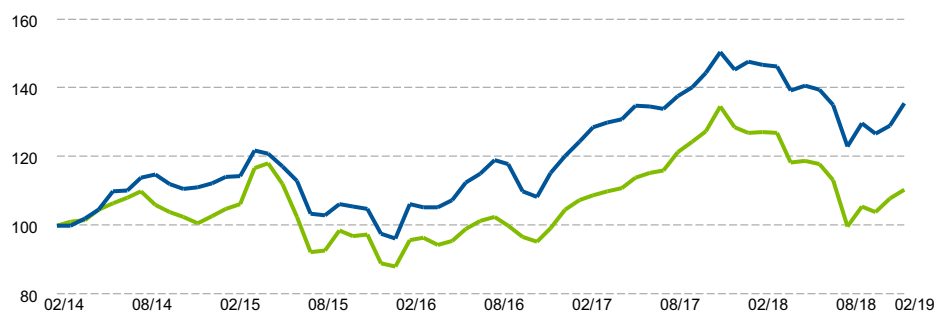
Asset Allocation

| | |
|-------------------------|--------|
| Equity | 95,92% |
| Cash & Cash Equivalents | 4,08% |

Performance

Performance over 5 Years in Share Class Currency (%)

■ Templeton Asian Smaller Companies Fund A (acc) USD ■ MSCI All Country Asia ex-Japan Small Cap Index



Discrete Annual Performance in Share Class Currency (%)

| | 02/18 | 02/17 | 02/16 | 02/15 | 02/14 |
|------------------|--------|-------|-------|--------|-------|
| A (acc) USD | -6,68 | 20,97 | 24,89 | -15,73 | 14,21 |
| Benchmark in USD | -14,15 | 22,95 | 18,67 | -15,90 | 4,73 |

Performance in Share Class Currency (%)

| | Cumulative | | | | | | | Annualised | | |
|------------------|------------|--------|--------|--------|-------|-------|--------------|------------|-------|--------------|
| | 1 Mth | 3 Mths | 6 Mths | 1 Yr | 3 Yrs | 5 Yrs | Since Incept | 3 Yrs | 5 Yrs | Since Incept |
| A (acc) USD | 5,16 | 4,51 | -2,81 | -6,68 | 40,98 | 35,69 | 370,70 | 12,14 | 6,30 | 16,10 |
| Benchmark in USD | 2,23 | 4,44 | -6,42 | -14,15 | 25,27 | 10,33 | 152,61 | 7,80 | 1,99 | 9,34 |

Past performance is not an indicator or a guarantee of future performance. The value of shares in the Fund and income received from it can go down as well as up, and investors may not get back the full amount invested. Performance details provided are in share class currency, net income reinvested, gross of tax, net of management fees. Sales charges and other commissions, other taxes and relevant costs to be paid by an investor are not included in the calculations. Performance may also be affected by currency fluctuations. Up to date performance figures can be found on our local website.

Top Ten Holdings (% of Total)

| Issuer Name | % |
|---|------|
| BAJAJ HOLDINGS & INVESTMENT LTD | 5,56 |
| FILA KOREA LTD | 4,64 |
| MEDY-TOX INC | 2,88 |
| BAOZUN INC | 2,78 |
| HEALTH & HAPPINESS H&H INTERNATIONAL HOLDINGS LTD | 2,74 |
| INTERNATIONAL CONTAINER TERMINAL SERVICES INC | 2,55 |
| TRAVELSKY TECHNOLOGY LTD | 2,52 |
| XINYI SOLAR HOLDINGS LTD | 2,19 |
| LUK FOOK HOLDINGS INTERNATIONAL LTD | 2,15 |
| HOA PHAT GROUP JSC | 2,15 |

Fund Measures

| | |
|------------------------------------|--------|
| Price to Earnings (12-mo Trailing) | 13,79x |
| Price to Book | 1,82x |
| Price to Cash Flow | 10,61x |
| Dividend Yield | 2,16% |
| Standard Deviation (5 Yrs) | 12,43% |

Share Class Information (For a full list of available share classes, please visit your local website)

| Share Class | Incept Date | NAV | TER (%) | Fees | | Dividends | | Fund Identifiers | | |
|-------------|-------------|-----------|---------|------------------------|--|----------------|------------------|------------------|--------------|---------|
| | | | | Max. Annual Charge (%) | | Last Paid Date | Last Paid Amount | Bloomberg ID | ISIN | SEDOL |
| A (acc) USD | 14.10.2008 | USD 47,07 | 2,24 | 1,85 | | N/A | N/A | TEMASAU LX | LU0390135332 | B3DK9S8 |

Composition of Fund

■ Templeton Asian Smaller Companies Fund ■ MSCI All Country Asia ex-Japan Small Cap Index

| Geographic | | % of Total | | Sector | | % of Total | |
|-------------------------|-------|------------|-------|-------------------------|-------|------------|-------|
| China | 25,02 | / | 13,79 | Consumer Discretionary | 23,12 | / | 15,10 |
| India | 19,24 | / | 16,24 | Financials | 17,10 | / | 9,49 |
| South Korea | 16,95 | / | 20,40 | Information Technology | 16,30 | / | 16,33 |
| Taiwan | 11,13 | / | 21,37 | Health Care | 10,39 | / | 9,00 |
| Vietnam | 5,26 | / | 0,00 | Materials | 9,07 | / | 9,40 |
| Philippines | 4,32 | / | 1,15 | Industrials | 8,29 | / | 13,66 |
| Hong Kong | 4,27 | / | 8,15 | Consumer Staples | 8,03 | / | 5,67 |
| Thailand | 4,24 | / | 4,47 | Communication Services | 2,48 | / | 4,98 |
| Pakistan | 1,40 | / | 0,88 | Real Estate | 1,15 | / | 11,91 |
| Others | 4,08 | / | 13,55 | Others | 0,00 | / | 4,47 |
| Cash & Cash Equivalents | 4,08 | / | 0,00 | Cash & Cash Equivalents | 4,08 | / | 0,00 |

| Market Capitalisation Breakdown in USD | | % of Equity | |
|--|--|-------------|--|
| <1,0 Billion | | 24,22 | |
| 1,0-2,0 Billion | | 19,10 | |
| 2,0-5,0 Billion | | 46,95 | |
| 5,0-10,0 Billion | | 3,52 | |
| >10,0 Billion | | 1,35 | |
| N/A | | 4,87 | |

What are the Key Risks?

The value of shares in the Fund and income received from it can go down as well as up and investors may not get back the full amount invested.

Performance may also be affected by currency fluctuations. Currency fluctuations may affect the value of overseas investments.

The Fund invests mainly in equity securities of smaller companies located in or doing significant business in Asia. Emerging markets have historically been subject to significant price movements, frequently to a greater extent than equity markets globally. As a result, the performance of the Fund can fluctuate considerably over time.

Other significant risks include: currency risk, emerging markets risk, liquidity risk, operational risk, Shanghai-Hong Kong Stock Connect risk.

For full details of all of the risks applicable to this Fund, please refer to the "Risk Considerations" section of the Fund in the current prospectus of Franklin Templeton Investment Funds.

Important Information

Given the variety of investment options available today, we suggest investors seek guidance from a Financial Adviser.

This document is intended to be of general interest only and does not constitute legal or tax advice nor is it an offer for shares or invitation to apply for shares of the Franklin Templeton Investment Funds (the Fund). Nothing in this document should be construed as investment advice.

Opinions expressed are the author's at publication date and they are subject to change without prior notice. **The value of shares in the Fund and income received from it can go down as well as up, and investors may not get back the full amount invested. Past performance is not an indicator or a guarantee of future performance.** Currency fluctuations may affect the value of overseas investments. When investing in a fund denominated in a foreign currency, your performance may also be affected by currency fluctuations. An investment in the Fund entails risks which are described in the Fund's prospectus and the relevant Key Investor Information Document. In emerging markets, the risks can be greater than in developed markets. Investments in derivative instruments entail specific risks that may increase the risk profile of the fund and are more fully described in the Fund's prospectus and in the relevant Key Investor Information Document. No shares of the Fund may be directly or indirectly offered or sold to residents of the United States of America. Any research and analysis contained in this document has been procured by Franklin Templeton Investments for its own purposes and is provided to you only incidentally. References to particular industries, sectors or companies are for general information and are not necessarily indicative of a fund's holding at any one time.

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When performance for either the portfolio or its benchmark has been converted, different foreign exchange closing rates may be used between the portfolio and its benchmark.

In emerging markets, the risks can be greater than in developed markets. The Fund invests in a specific sector or geographical area and the returns may be more volatile than a more diversified fund.

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