

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, China market 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.

Templeton Asian Smaller Companies Fund is a sub-fund of Franklin Templeton Investment Funds ("FTIF"), a Luxembourg registered SICAV. ^Copyright © 2021 Morningstar, Inc. All rights reserved. Overall Morningstar Rating as of 31 August 2021, in the Global Emerging Markets Allocation Category. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

*New economy refers to the aspects or sectors of an economy that are producing or intensely using innovative or new technologies such as IT & Communication Services, Consumer Discretionary, Consumer Staples and Healthcare.

1. Source: Franklin Templeton Capital Market Insights Group, IMF, WEO. Data as of 7 July 2021. IMF 2020 Forecasts for regions are used if actual numbers are not yet available. GDP stands for Gross Domestic Products. GDP growth figures are based on USD terms. There is no assurance that any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets will be realised. **Past performance is not necessarily indicative nor a guarantee of future performance.**
2. Source: FactSet, Morgan Stanley Capital International (MSCI), WHO & Bloomberg. Starting January 2010 to June 2021, as of 31 July 2021. Index is unmanaged and one cannot directly invest in them. The performance of the index does not include the deduction of expenses and does not represent the performance of any Franklin Templeton Fund. See www.franklintempletondatasources.com for additional data provider information. **Past performance is not necessarily indicative nor a guarantee of future performance.** Chart is for illustrative and discussion purposes only.
3. Source: Brookings Development Indicators, as of December 2020. Most recent data available. Developed Markets are defined by the MSCI World Index. For illustrative and discussion purposes only. (F) stands for forecast. There is no assurance that any projection, estimate or forecast will be realised.
4. Source: World Bank Economic Indicators as of December 2020. Most recent data available. Gross National Income (GNI) is measured on a per capita basis and the total calculation is an equally weighted average of the Asia EM and DM respective universes. **Past performance is not necessarily indicative nor a guarantee of future performance.**
5. Source: Franklin Templeton Capital Market Insights Group, Bloomberg. Based on respective countries' MSCI Indices, World represented by MSCI ACWI Small Cap, excludes financial companies. Data as of 9 July 2021.
6. Source: Franklin Templeton, as of 31 August 2021.
7. The Fund's 1Y, 3Y, 5Y, 10Y and Since Inception annualised returns, after 5% sales charge, are **43.29%, 7.28%, 8.40%, 8.20% and 14.89% respectively.** Source: Copyright © 2021 Morningstar, Inc. All Rights Reserved. Performance data as of 31 August 2021. All fund performance data shown are of A (acc) USD share class, in NAV-NAV, in share class currency, include reinvested dividends and are net of management fees. Other commissions, taxes and other relevant costs paid by the investor are not included in the calculations. 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. The Fund's benchmark is MSCI AC Asia ex-Japan Small Cap Index. Peer Group represented by Morningstar EAA Fund Asia ex-Japan Small/Mid-Cap Equity Category. **Past performance is not necessarily indicative nor 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.

IMPORTANT INFORMATION

The fund is a sub-fund of Franklin Templeton Investment Funds ("FTIF"), a Luxembourg registered SICAV.

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The value of investments and the income from them can go down as well as up and you may not get back the full amount that you invested. Past performance is not necessarily indicative nor a guarantee of future performance of the Fund. Subscriptions may only be made on the basis of the most recent Prospectus and Product Highlights Sheet which is available at Templeton Asset Management Ltd or Legg Mason Asset Management Singapore Pte. Limited or authorised distributors of the Fund. Potential investors should read the details of the Prospectus and Product Highlights Sheet before deciding to subscribe for or purchase the Fund. This shall not be construed as the making of any offer or invitation to anyone in any jurisdiction in which such offer is not authorised or in which the person making such offer is not qualified to do so or to anyone to whom it is unlawful to make such an offer. In particular, the Fund is not available to U.S. Persons and Canadian residents.

Investors may wish to seek advice from a financial adviser before making a commitment to invest in shares of the Fund. In the event an investor chooses not to seek advice from a financial adviser, he/she should consider whether the Fund is suitable for him/her.

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FRANKLIN
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TEMPLETON ASIAN SMALLER COMPANIES FUND

Investing in fast growing companies in high-growth markets

Overall Morningstar RatingTM: ★★

September 2021

FRANKLIN TEMPLETON INVESTMENT FUNDS

Templeton Asian Smaller Companies Fund is a sub-fund of Franklin Templeton Investment Funds ("FTIF"), a Luxembourg-registered SICAV.

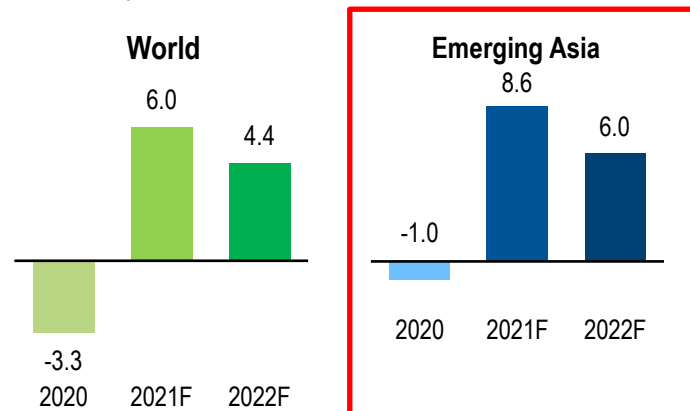
CAPTURE POTENTIAL ALPHA IN HIGHER-GROWTH SEGMENT

Small-cap companies in the Asia region continue to offer significant upside growth and earnings potential over the long-term. These companies have been observed to be more agile and can seize opportunities from changing trends to grow into well-established large-sized companies. Even as COVID-19 continues to dominate global headlines and remain prevalent, Asian markets continue to demonstrate structural strengths, as evidenced in their sustained resilience in managing the COVID-19 crisis. Innovation will also continue to be the structural cornerstone of Asian markets growth for decades to come. The pandemic has accelerated existing innovation trends in the region, including increased penetration of technology in the economy, greater reliance on the web, and growth in e-commerce and fintech.

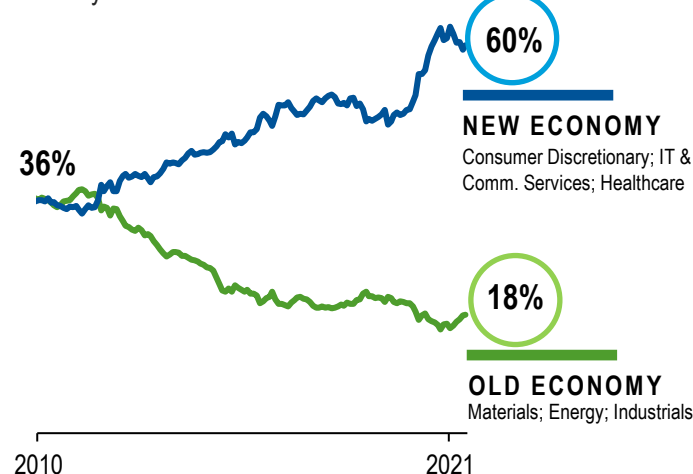
1 Resilience of Asian Economies

Emerging Asia Markets are forecasted to grow at a higher rate compared to other regions, supported by the accelerating new economy*. This growth momentum will largely be driven by the increased domestic consumption, premiumisation trends and technological leapfrogging in the region.¹

Forecasted GDP Growth (%)¹
As of July 2021



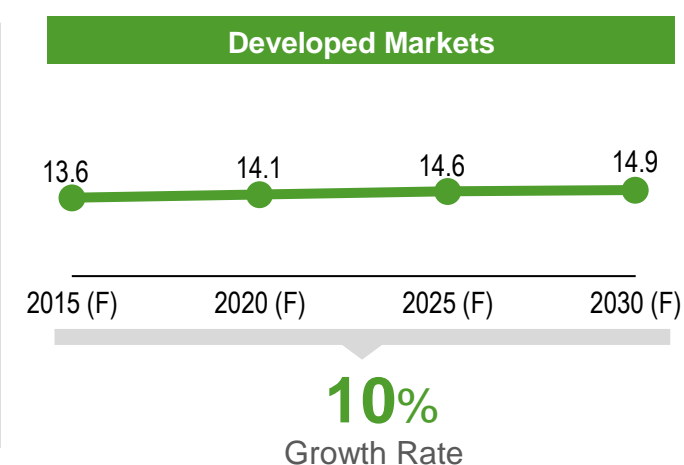
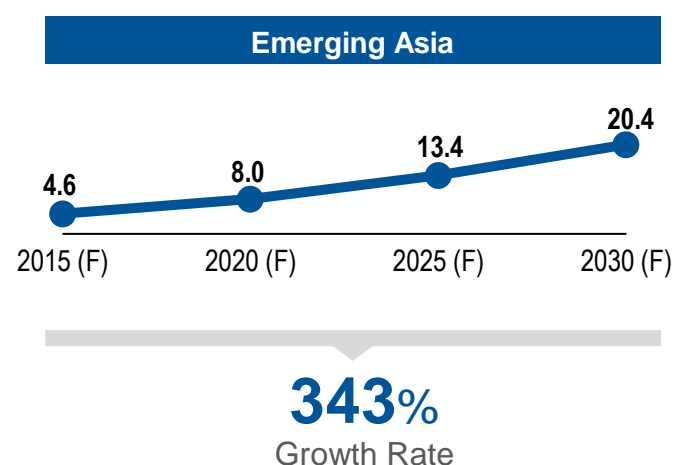
MSCI Emerging Market Index Sector Exposure²
January 2010 to June 2021



2 Rising wealth expected to fuel strong growth prospects

Wealth is growing faster in Emerging Asia Markets than Developed Markets, which may offer attractive opportunities.

Consumption by the Middle Class³ (USD Trillions)



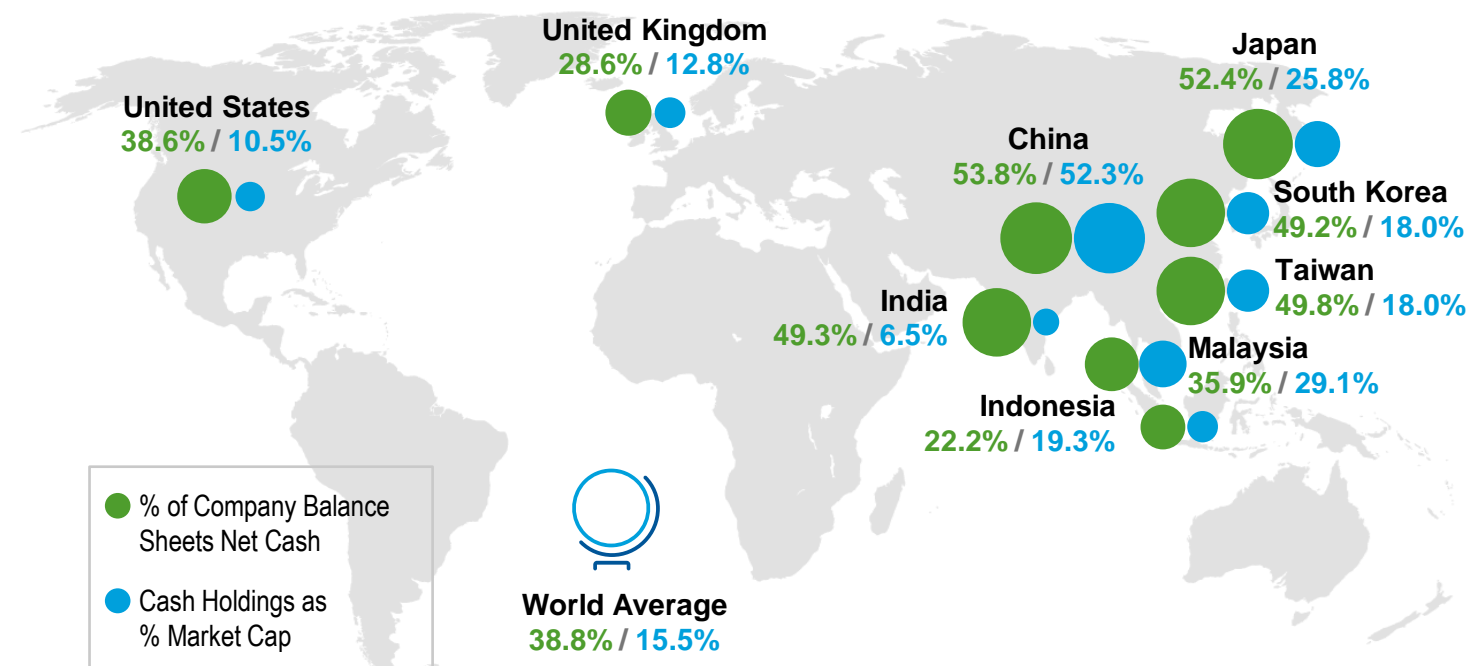
Annualised Gross National Income (GNI) Per Capita Growth⁴
1991 – 2019



3 Strong cash flow among Asian Small Capitalisation

Generally, Asian smaller companies entered COVID-19 crisis in a stronger position, with healthy balance sheets and relatively higher cash reserves. We expect this backdrop to set small-caps up for better performance ahead as vaccination rates rise and the COVID-19 situation improves.

% of Company Balance Sheets Net Cash and Cash Holdings as % Market Cap⁵
As of 30 June 2021



4 Why Templeton Asian Smaller Companies Fund

The Fund provides a unique opportunity to invest in **smaller companies in the Asian region** with long-term growth potential. It is supported by a **well-resourced and experienced team** of over 80 portfolio managers and analysts across nearly 20 countries with 16 years on average industry experience.⁶ In addition, the Fund is also positioned to tap the structural trends driving Emerging Asia Markets.

Key Investment Themes:

Technology leaders with sustainable competitive advantages are leapfrogging development and reshaping the global economy (e-commerce, hardware/software, data).

The **transformation of the Asia EM Consumers** underpinned by demographics, rising income, urbanisation, including penetration and premiumisation trends.

A **shifting healthcare landscape** towards improving quality and accessibility of healthcare and a growing demand for health & wellness.

The Fund delivered relatively **strong performance** against its benchmark and peer group over the long-term.

Annualised Performance (Before 5% Sales Charge)⁷
As of 31 August 2021

