

Templeton Global Smaller Companies Fund

Franklin Templeton Investment Funds (Luxembourg registered Sicav)

30 September 2002

As at 30 September 2002

Fund Manager

Ken Cox, Edinburgh

Base currency

U.S. dollar

Date of inception

Fund 08/07/1991
A(dis) Shares 08/07/1991
A(acc) Shares 14/05/2001
BX (acc) Shares 03/04/2000

NAV 30/09/2002

A(dis) Shares \$ 14.56
A(acc) Shares \$ 14.70
BX (acc) Shares \$ 10.76

Benchmark

Salomon Global <2 Billion

Dividend Paid

Annually

Last Dividend

A(dis) Shares \$ 0.148 (12/12/2001)

Share Classes Available*

A(acc), A(dis), BX(acc)

Fund Identifiers

A(dis) TEMSCFI LX L9025R-125
A(acc) TEMSCFA LX L4058R-647
BX (acc) TEMSBXA LX L4058R-134

Contact Franklin Templeton Investments

Client Services:

Global (727) 299-5042

U.S. (800) 239-3894

Email: offshoreinfo.nas@templeton.com

Offshore Products Sales Support Team:

U.S. (800) 233-9796

Web: www.templetonoffshore.com

*(dis)= distribution; (acc)= accumulation.

Investment Objective

Long-term capital growth by investing mainly in equity securities of smaller companies (defined as those with a market capitalisation of less than \$2 billion) worldwide. The base currency of the Fund is U.S. dollars.

Portfolio size / Asset allocation as at 30 September 2002

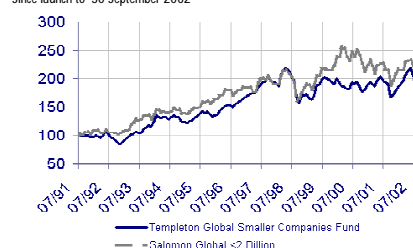
\$ 93.7 million Equity:89.8% Fixed Income:0.0% Cash:10.2%

Top ten holdings as at 30 September 2002[†]

AVIS EUROPE PLC	2.7%
TECHTRONIC INDUSTRIES CO LTD	2.3%
HEALTH CARE PROPERTY INVESTORS INC	2.1%
DANSKE TRAEAST AS	2.0%
ITALDESIGN GIUGIARO SPA	1.9%
OCE NV	1.9%
SWISSLOG HOLDING AG	1.8%
GALERIES LAFAYETTE SA	1.8%
JOHNSTON PRESS PLC	1.8%
IHC CALAND NV	1.7%

Total performance in base currency**

Since launch to 30 September 2002



Source: Franklin Templeton Investments.

Performance in base currency as at 30 September 2002

Performance in base currency as at 30 September 2002									
	YTD	3 months	6 months	1 year	3 years	5 years	10 years	Since launch	Volatility
A(dis) T Ret	-14.35	-23.17	-23.09	-4.97	-20.07	-22.79	75.21	58.94	16.14
A(dis) Ann	N/A	N/A	N/A	N/A	-7.19	-5.04	5.77	4.21	N/A

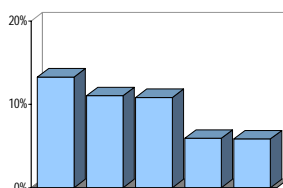
Calendar Year Performance as 31 December									
2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
-2.76	-4.60	15.93	-9.87	14.63	23.48	9.21	-0.70	39.82	-8.49

Source: Franklin Templeton Investments. **Refer to detailed risk wording below. * Ann = annualised, T Ret = Total Return

Portfolio Composition % of total

Geographic Breakdown

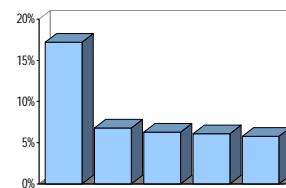
Top 5 Countries (as at 30 September 2002)[†]



Country	%
United States	13.3%
Netherlands	11.0%
United Kingdom	10.8%
Switzerland	5.9%
Hong Kong	5.9%

Industrial Breakdown

Top 5 Industries (as at 30 September 2002)[†]



Industry	%
Capital Goods	17.2%
Materials	6.8%
Technology Hardware & Equip	6.3%
Media	6.1%
Software & Services	5.8%

**Performance figures above are for A(dis) shares and are total return in U.S. dollar to 30 September 2002, except for funds where only A(acc) shares are available, in which case A(acc) performance is shown. Performance figures represent the aggregate total return for the period indicated assuming, where relevant, the reinvestment of dividends & distributions. The performance charts are re-based to 100 for illustrative purposes only.

[†]Due to rounding the percentages shown may be within 0.1% tolerance of the true value. The performance returns set forth above are shown net of all fees and assume reinvestment of dividends and capital gains. Past performance, however, is no guarantee of future performance. The price of the shares of each Fund described above (the "Fund") and the income received from the Fund may go down as well as up, and shareholders may not get back the full amount that they invested. This report does not constitute or form part of any offer for shares of any of the Funds or an invitation to apply for shares of any Fund, and subscription for shares in any Fund can only be made on the basis of the Funds' current Prospectus. Investment in any of the Funds involves risk's which are described in the Funds' prospectus. No shares of any Fund may be affected or sold to citizens or residents of the United States of America. Persons considering an investment in a Fund are encouraged to consult their professional advisor before deciding to invest. The opinions referenced herein represent those of Franklin Templeton Investments, and any forecasts found therein cannot be guaranteed. Questions relating to the information set forth above may be referred to Franklin Templeton Client Dealer Services, 100 Fountain Parkway, St Petersburg, Florida 33772. Tel: 800-239-3894 or (727) 299-5042 Fax (727) 299-8736



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