



FRANKLIN
TEMPLETON

**WE'RE HERE TO HELP INVESTORS
INVEST IN SMALL COMPANIES
WITH POTENTIAL GROWTH.**

FRANKLIN INDIA SMALL CAP FUND

(ERSTWHILE FRANKLIN INDIA SMALLER COMPANIES FUND)

SEPTEMBER 2025



***The Fund has been renamed from Franklin India Smaller Companies Fund effective July 11, 2025**



ABOUT THE FUND

- Franklin India Small Cap Fund (FISCF) is an open-ended equity portfolio designed for those investors who seek exposure to an equity product that can take advantage of the opportunities available predominantly in the small cap space. The fund aims to employ active investment strategy taking defensive/ aggressive postures depending on opportunities available at various points in time within the small cap segment. FISCF has a long track record of over 14 years.

FUND MANAGER COMMENTARY

- An overweight exposure to domestic cyclicals including discretionary and real estate in the funds is aimed at exploring opportunities from economic recovery.
- Funds continue to focus on high quality stocks with long-term higher-than-market growth prospects and strong balance sheets.
- Based on valuations and opportunities available, the fund maintains an overweight exposure to discretionary, staples, utilities and real estate.
- Key underweight exposures in the fund include financials, industrials, communication, health care, materials, technology and energy.

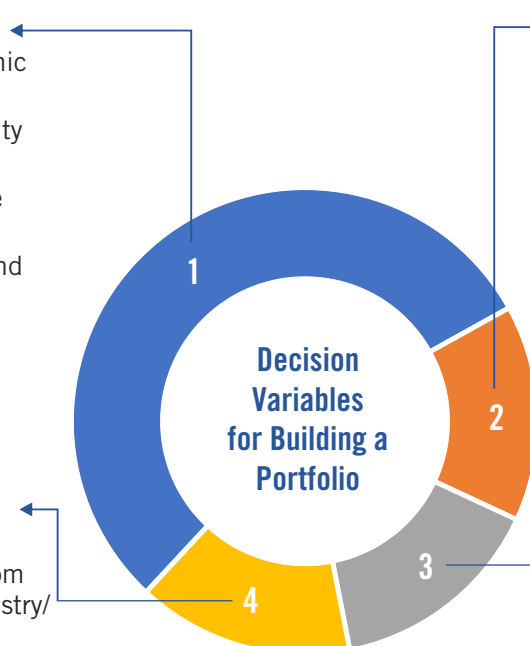
OUR INVESTMENT STRATEGY

Compounding growth ideas

- Participates in India's strong economic growth
- Ability to sustain high return on equity and/or return on capital employed
- Management's ability to scale up the business
- Management capability to identify and participate in peripheral business opportunities
- Recurring revenues and profitable reinvestment opportunities
- Strong execution track record

Disruptive and Innovative businesses

- Capable of identifying opportunities within changing market dynamics
- Positioning to benefit sustainably from disruptive change in the sector/ industry/ economy
- Investing in technology/ people/ processes/ brand to capture disruptive long term growth
- Taking risks to capitalize on them to create sustainable shareholder value.



Cyclical growth orientation

- Potential to generate positive cash flows / earnings increasing at a rate faster than that of the industry / economy
- Valued reasonably versus comparable universe
- Sustainable competitive advantage

Contrarian approach

- Above-average ROE business at below-average prices, not necessarily deep-value strategy
- Strong long-term business fundamentals
- Good execution, ROE and cash flow track record
- Embedded or hidden value, underestimated/ ignored by the market

WHY FRANKLIN TEMPLETON?

- Franklin Templeton is a premier global investment management organization with over 75 years of global investment experience.
- Extensive experience in both equity and debt across market cycles.
- Focus on local needs backed by global expertise.



STOCK RATIONALE

Aster DM Healthcare Ltd

- In Q1 FY26, the company reported an 8% year-on-year revenue growth to INR 1,078 crores, a 21% rise in operating EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) to INR 215 crores, and a 22% increase in PAT (Profit After Tax) to INR 90 crores. These results were driven by improved operational efficiency, higher ARPOB (Average Revenue Per Occupied Bed) and strategic exits from low-margin businesses.
- Investing in Aster DM Healthcare may offer exposure to a resilient and growing healthcare business with strong financials, a robust expansion pipeline, and a transformative merger with Quality Care India Ltd (QCIL). The company's focus on specialty care, digital health platforms, and operational excellence positions it well for long-term value creation.

Brigade Enterprises Ltd

- It operates in four key verticals—residential real estate, commercial leasing, hospitality, and facility management—primarily across Tier 1 cities in South India.
- The company reported robust results for Q1 FY26, with consolidated revenue of INR 1,333 crore, a 20% year-on-year growth, and profit after tax of INR 158 crore, up 95% from the previous year, driven by robust sales, premium project launches, and consistent leasing and hospitality performance. These results were driven by strategic launches, zero residential debt, strong collections, and successful Initial Public Offering of Brigade Hotel Ventures, along with a healthy demand environment across segments.
- The company offers investment opportunity due to its diversified business model, strong brand equity, disciplined financial management, and a visible pipeline of 16 million square feet of development with high-margin projects and expanding presence in high-growth markets.

Eris Lifesciences Ltd

- In Q1FY26, the company reported consolidated revenue of INR 773 crore, marking a 7.4% year-on-year growth, and a profit after tax of INR 125 crore, up 41% from the previous year. The domestic branded formulations segment grew 11%, outperforming the Indian Pharmaceutical Market (IPM) by 330 basis points, driven by strong margins and operational efficiencies. However, export revenues declined due to capacity constraints and lumpy shipments, and the trade generics business was ramped down due to low profitability.
- This business offers exposure to innovation-driven pharmaceutical business with strong execution in chronic therapies and a growing presence in insulin and GLP-1 markets. The company's strategic focus on regulated markets, proprietary contracts in Europe, and upcoming launches in obesity and diabetes therapies could help it for potential long-term growth and value creation.

Syrma SGS Technology Ltd

- The company reported strong financial results for the quarter ended June 30, 2025, with revenue of approximately INR 960 crore, a 75% year-on-year increase in earnings before interest, taxes, depreciation, and amortization (EBITDA), and a 145% rise in profit after tax (PAT). These results were driven by a strategic shift toward high-margin segments, improved operational efficiency, and a 29% growth in exports despite global tariff uncertainties.
- The company's business offers exposure to India's growing electronics manufacturing sector, with the company demonstrating consistent revenue growth, margin expansion, and a robust order book of INR 5,400–5,500 crore.

CCL Products (India) Ltd

- It is engaged in the business of manufacturing and exporting instant coffee. The company has a diversified global footprint, with exports to the Americas, Europe and Asia.
- In Q1FY26, the company achieved a turnover of INR1,058 crores, marking a 37% year-on-year growth, with EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) rising 23% to INR161.43 crores. However, net profit grew only 1% due to higher interest and depreciation costs, which are expected to stabilize as debt is reduced and new capacities are ramped up. The company is EBITDA positive with margins improving year-on-year.
- Investing in this business offers exposure to a resilient, globally diversified coffee business with robust volume growth, improving branded margins, and a clear debt reduction roadmap. The company's strategic positioning in India and Vietnam, flexibility in sourcing, and brand-building efforts in premium segments make it well-placed to benefit from global coffee market dynamics and tariff shifts.

Source: The stock level information are based on company disclosures to stock exchanges, post result company conference calls, annual and quarterly company filings. (Company Investor presentation, Financials Results & Earnings Conference Call Q1FY26).

*ROCE - return on capital employed



SECTOR ALLOCATION & FUND STATISTICS

KEY SECTORS

(in%)	Consumer Discretionary	Financials	Industrials	Materials	Health Care	Consumer Staples	Information Technology	Real Estate	Utilities	Energy	Communication Services
Aug 2025	20.15	16.15	15.32	12.15	10.43	5.54	5.19	4.30	3.46	0.96	0.16
Aug 2024	15.48	16.75	24.60	10.09	8.69	4.86	6.54	5.51	2.25	1.03	0.45
	▲	▼	▼	▲	▲	▲	▼	▼	▲	▼	▼
Benchmark (Aug 2025)	9.84	20.78	21.80	14.73	13.64	4.71	5.94	1.84	2.67	1.28	2.76

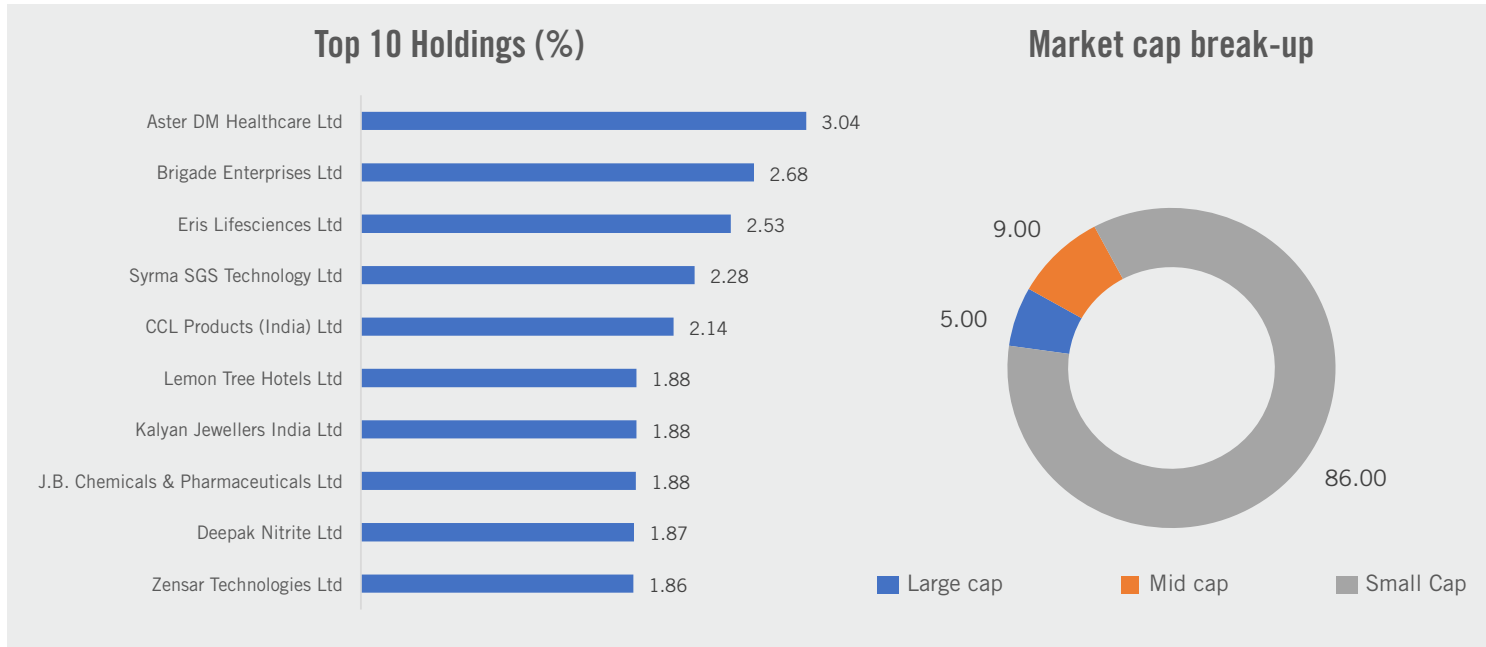
Source: Factset. Sector definition as per AMFI classification is mentioned at the end of the brochure. Data pertains to month-end numbers and excludes Cash.

Portfolio Characteristics	Aug 2025	Aug 2024
No. of Stocks	98	92
Top 3 Stock Holdings (%)	8.25	9.00
Top 5 Stock Holdings (%)	12.67	14.10
Top 10 Stock Holdings (%)	22.03	25.59
Top 3 Sector Holdings (%)	51.62	56.82
Top 5 Sector Holdings (%)	74.21	75.60

% of Total AUM

Ratios	Aug 2025	Valuation (Aug 2025)	Fund	Benchmark
Standard Deviation	4.78%	Price to Book	3.18	3.39
Portfolio Beta	0.78	Price to Sales	2.13	2.55
Sharpe Ratio*	1.00	Dividend Yield (%)	0.55	0.67
Portfolio turnover	24.20%	Avg. Market Cap (Rs Cr)	4,50,69	-

* Annualised. Risk-free rate assumed to be 5.54% (FBIL OVERNIGHT MIBOR). Data of Standard Deviation, Portfolio Beta and Sharpe Ratio consist of 3 years period.



Source: Factset. Data as of August 29, 2025. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change. The sector/stocks/securities mentioned in the material may not be considered as investment advice or recommendation to buy or sell nor a view or opinion on quality or profitability providing a basis of investment decision in the same. The schemes managed by Franklin Templeton Asset Management (India) Pvt. Ltd (the AMC) may or may not have any future exposure in the same. The reader should not assume that investment in the sector/stocks/securities mentioned was or will be profitable. The securities illustrated in the above chart represent the ten largest holdings held in the Fund as of the date indicated. Market capitalization is as per AMFI classification. The graph shows large cap, mid cap and small cap break as a % of the total equity.

The portfolio characteristics (valuation metrics) listed are based on the Fund's underlying holdings. Dividend yield is calculated as a weighted average of the underlying stocks. Price to book and Price to Sales ratios are computed as weighted harmonic mean based on last twelve-month trailing data as of August 29, 2025. Market Capitalization for fund is calculated based on free float methodology. In practice, Franklin Templeton's portfolio managers invest in type of security which they believe is most appropriate at the time of purchase. Portfolio holdings are subject to change.

FUND DETAILS (AS ON AUGUST 29, 2025)

FUND MANAGER(S)

Akhil Kalluri
 Vice President, Portfolio Manager & Sr. Research Analyst

Janakiraman Rengaraju, CFA
 Sr. Vice President & Chief Investment Officer

Sandeep Manam*
 Assistant Vice President & Sr. Research Analyst

TYPE OF SCHEME	Small-cap Fund - An open ended equity scheme predominantly investing in small cap stocks.
DATE OF ALLOTMENT	January 13, 2006**
BENCHMARK	Nifty Smallcap 250
FUND SIZE (AUM)	Month End: Rs 13302.32 crores Monthly Average: Rs 13451.93 crores
MINIMUM INVESTMENT/ MULTIPLES FOR NEW INVESTORS	Rs 5000/1
MINIMUM INVESTMENT FOR SIP	Rs 500/1
ADDITIONAL INVESTMENT/ MULTIPLES FOR EXISTING INVESTORS	Rs 1000/1
LOAD STRUCTURE	ENTRY LOAD: Nil EXIT LOAD (for each purchase of Units): 1% if the Units are redeemed/switched-out within one year of allotment. Different plans have a different expense structure

**Launched as a closed end scheme, the scheme was converted into an open end scheme effective January 14, 2011.

*Dedicated for making investments for Foreign Securities.

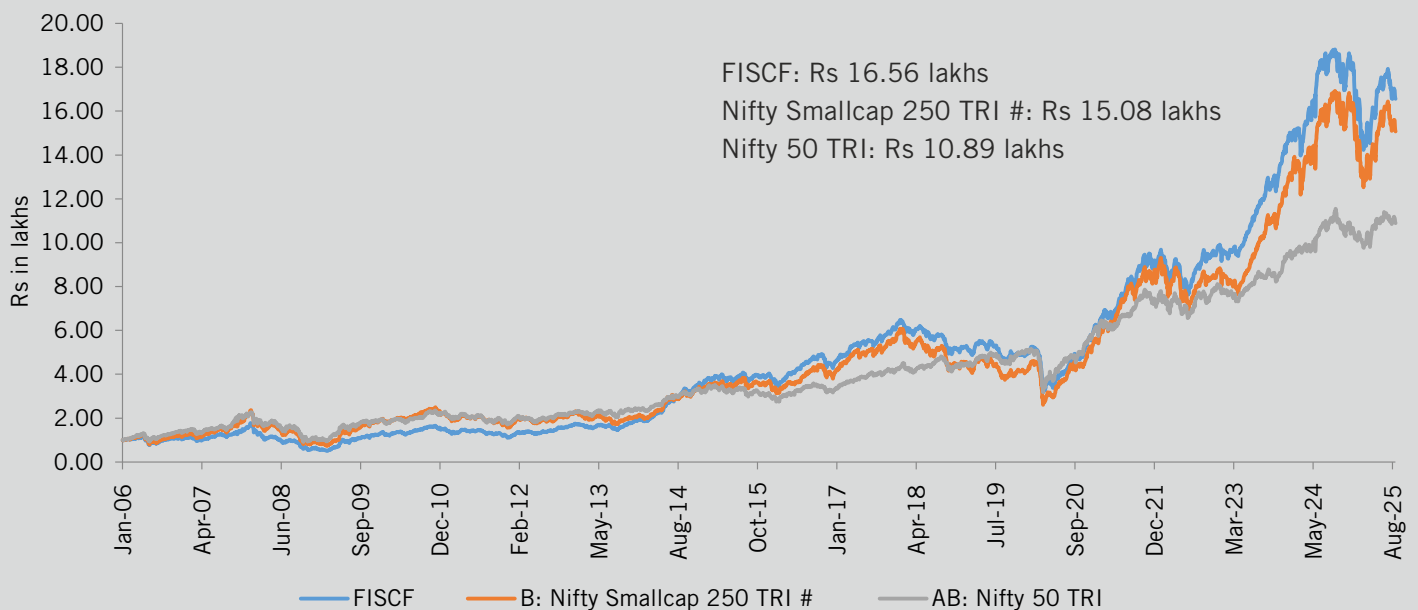


PERFORMANCE OF FRANKLIN INDIA SMALL CAP FUND (AS ON AUGUST 29, 2025)

Lumpsum - If you had invested Rs 1 Lakh in FISCF - Regular Growth	Since Inception	15 years	10 years	7 years	5 years	3 years	1 Year
Total value as on 29-Aug-2025 (Rs in lakhs)	16.56	11.23	4.34	2.85	3.59	1.82	0.89
Returns	15.37%	17.49%	15.80%	16.14%	29.18%	22.09%	-10.77%
Total value of B: Nifty Smallcap 250 TRI # (Rs in lakhs)	15.08	6.83	4.25	2.85	3.55	1.81	0.91
B:Nifty Smallcap 250 TRI # Returns	14.82%	13.66%	15.56%	16.12%	28.86%	21.93%	-8.65%
Total value of AB: Nifty 50 TRI (Rs in lakhs)	10.89	5.43	3.47	2.27	2.28	1.42	0.98
AB: Nifty 50 TRI Returns	12.93%	11.93%	13.23%	12.45%	17.92%	12.49%	-2.01%

Compounded Annualised Growth Rate Performance as on August 29, 2025. # Index adjusted for the period January 13, 2006 to June 4, 2018 with the performance of Nifty Midcap 100.

Worth of Rs. 1 lakh invested in FISCF



The graph shows the movement of Rs. 1 lakh invested in FISCF – Growth Plan, Nifty Smallcap 250 TRI and Nifty 50 TRI since inception of the fund.

SIP - If you had invested Rs 10000 per month in FISCF - Regular Growth	Since Jan 2011 [^]	10 Years	7 Years	5 Years	3 Years	1 Year
Total amount Invested (Rs in lakhs)	17.60	12.00	8.40	6.00	3.60	1.20
Total value as on 29-Aug-2025 (Rs in lakhs)	83.10	30.77	18.42	10.04	4.51	1.18
Returns	19.14%	17.93%	22.07%	20.74%	15.28%	-3.84%
Total value of B: Nifty Smallcap 250 TRI # (Rs in lakhs)	69.49	31.39	19.00	10.11	4.68	1.19
B:Nifty Smallcap 250 TRI # Returns	17.04%	18.30%	22.94%	21.03%	17.92%	-1.00%
Total value of AB: Nifty 50 TRI (Rs in lakhs)	51.04	24.96	14.08	8.32	4.28	1.22
AB: Nifty 50 TRI	13.40%	14.03%	14.52%	13.05%	11.53%	3.41%

[^] The fund became open-ended in Jan 2011. SIP Performance as on August 29, 2025.

Past performance may or may not be sustained in future and is not a guarantee of any future returns. Inception date: January 14, 2011. Dividends assumed to be reinvested and Bonus is adjusted. Load is not taken into consideration. B: Benchmark, AB: Additional Benchmark, TRI: Total Return Index Values. # Index adjusted for the period January 13, 2006 to June 4, 2018 with the performance of Nifty Midcap 100.

COMPLETE PERFORMANCE DISCLOSURE

Scheme	NAV as on Aug 29, 2025	Compounded Annualised Growth Rate Performance (%)								Inception Date
		Last 1 Year		Last 3 Years		Last 5 Years		Since inception		
		Returns	Current Value of Investment of Rs. 10000	Returns	Current Value of Investment of Rs. 10000	Returns	Current Value of Investment of Rs. 10000	Returns	Current Value of Investment of Rs. 10000	
Franklin India Small Cap Fund (FISCF) - Growth	165.6300	-10.77%	8,926	22.09%	18,200	29.18%	35,949	15.37%	1,65,630	13.01.2006
B: Nifty Smallcap 250 TRI @@		-8.65%	9,138	21.93%	18,128	28.86%	35,498	14.82%	1,50,765	
AB: Nifty 50 TRI		-2.01%	9,799	12.49%	14,236	17.92%	22,786	12.93%	1,08,931	
Performance of Top 3 and bottom 3 schemes managed by the fund managers of the scheme										
Franklin India ELSS Tax Saver Fund (FIETSF) - Regular Growth @	1439.8291	-4.44%	9,557	17.80%	16,345	22.79%	27,899	20.71%	14,39,829	10.04.1999
B: Nifty 500 TRI		-4.42%	9,559	14.67%	15,080	19.65%	24,507	15.75%	476087	
AB: Nifty 50 TRI *		-2.01%	9,799	12.49%	14,236	17.92%	22,786	14.40%	3,49,329	
Franklin India Mid Cap Fund (FIMDCF) - Regular Growth @	2684.9677	-3.57%	9,644	21.16%	17,788	23.91%	29,189	19.25%	26,84,968	01.12.1993
B: Nifty Midcap 150 TRI ++ \$		-4.85%	9,517	21.19%	17,801	27.62%	33,835	13.74%	5,96,586	
AB: Nifty 50 TRI		-2.01%	9,799	12.49%	14,236	17.92%	22,786	11.79%	3,44,282	
Franklin India Large Cap Fund (FILCF) - Regular Growth @	1011.1571	-1.22%	9,878	13.21%	14,511	18.34%	23,202	18.87%	24,25,993	01.12.1993
B: Nifty 100 TRI # \$		-3.73%	9,628	12.54%	14,254	18.16%	23,024	12.13%	379125	
AB: Nifty 50 TRI *		-2.01%	9,799	12.49%	14,236	17.92%	22,786	11.79%	3,44,282	
Franklin Asian Equity Fund (FAEF) - Regular Growth	31.7614	11.76%	11,173	8.63%	12,818	3.42%	11,829	6.77%	31,761	16.01.2008
B: 75% MSCI Asia (Ex-Japan) Standard Index + 25% Nifty 500 Index		18.07%	11,802	13.79%	14,734	7.93%	14,644	9.43%	48,952	
AB: Nifty 50 TRI		-2.01%	9,799	12.49%	14,236	17.92%	22,786	9.67%	50,878	
Franklin India Floating Rate Fund (FIFRF) - Regular Growth ^^^	41.1051	7.89%	10,787	7.71%	12,496	6.13%	13,462	5.97%	41,105	23.04.2001
B: NIFTY Short Duration Debt Index A-II**		7.81%	10,779	7.57%	12,446	6.07%	13,425	NA	NA	
AB: CRISIL 1 Year T-Bill Index		7.06%	10,704	6.98%	12,244	5.59%	13,126	6.17%	42,983	
Franklin India Multi Cap Fund (FIMCF) - Regular Growth	10.0405	-2.96%	9,704	NA	NA	NA	NA	0.37%	10,041	29.07.2024
B: NIFTY 500 Multicap 50:25:25 TRI		-5.04%	9,498	NA	NA	NA	NA	-3.17%	9,656	
AB: Nifty 50 TRI		-2.01%	9,799	NA	NA	NA	NA	-0.19%	9,979	

Past performance may or may not be sustained in future and is not a guarantee of any future returns. Fund Managers: FISCF: R. Janakiraman (Managing Since 11-Feb-08), Akhil Kalluri (Managing Since 08-Sep-22) & Sandeep Manam (Managing Since 18-Oct-21), FIETSF: R. Janakiraman (Managing Since 02-May-16) & Rajasa Kakulavarapu (Managing Since 01-Dec-23), FIMDCF: R. Janakiraman (Managing Since 11-Feb-08), Akhil Kalluri (Managing Since 07-Feb-22) & Sandeep Manam (Managing Since 18-Oct-21), FILCF: Venkatesh Sanjeevi (Managing Since 18-Oct-21), Ajay Argal (Managing Since 01-Dec-23) & Sandeep Manam (Managing Since 18-Oct-21), FAEF: Shyam Sundar Sriram (Managing Since 26-Sep-24) & Sandeep Manam (Managing Since 18-Oct-21), FIFRF: Pallab Roy (Managing Since 07-Aug-06), Rohan Maru (Managing Since 10-Oct-24) & Sandeep Manam (Managing Since 18-Oct-21), FIMCF: Kiran Sebastian (Managing since inception), Akhil Kalluri (Managing since inception), R. Janakiraman (Managing since inception) & Sandeep Manam (Managing Since inception). Sandeep Manam is dedicated for making investments for Foreign Securities. B: Benchmark. AB: Additional Benchmark. N.A.: Not Applicable. The FISCF fund managers R. Janakiraman, Akhil Kalluri & Sandeep Manam manage 9 (FILMF, FICF, FIOF, FIMDCF, FISCF, FIETSF, FITF, FIMCF, FIMAAF), 3 (FIMDCF, FISCF, FIMCF) & 22 (FILCF, FILMF, FIMDCF, FISCF, FIDYF, FICF, FIMCF, FIFE, FAEF, FBIF, FIOF, FITF, FIIF, FICHF, FIAHF, FIESF, FIBAF, FIBPDF, FIFRF, FIMAAF, FUSOF, TIVF) schemes of Franklin Templeton Mutual Fund respectively. Period for which scheme's performance has been provided is computed basis last day of the month-end preceding the date of advertisement. The top three and bottom three funds managed by the fund manager(s) have been derived on the basis of the since inception returns of regular plan. Different plans have a different expense structure. Load is not taken into consideration. IDCW assumed to be reinvested and Bonus is adjusted. On account of difference in the type/category, asset allocation or investment strategy, inception dates, performances of these funds are not strictly comparable. ^^^ As the scheme was launched before the launch of the benchmark index, benchmark index figures since inception are not available. @@ Index adjusted for the period January 13, 2006 to June 4, 2018 with the performance of Nifty Midcap 100. @ As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR in FIETSF: * Nifty 50 PRI values from 10.04.1999 to 30.06.1999 and TRI values since 30.06.1999. ++ Index is adjusted for the period December 1, 93 to May 20, 2013 with the performance of Nifty 500 and for the period May 20, 2013 to Jun 4, 2018 with the performance of Nifty Midcap 100. @ As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR in FIMDCF: \$ Nifty 500 PRI values from 01.12.1993 to 26.11.1998, Nifty 500 TRI values from 26.11.1998 to May 20, 2013, Nifty Midcap 100 TRI values from May 20, 2013 to June 4, 2018 and Nifty Midcap 150 TRI values since June 4, 2018. @ As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR in FILCF: \$ BSE Sensex PRI values from 01.12.1993 to 19.08.1996, BSE Sensex TRI values from 19.08.1996 to 04.06.2018 and Nifty 100 TRI values since 04.06.2018. * Nifty 50 PRI values from 01.12.1993 to 30.06.1999 and TRI values since 30.06.1999. # Index adjusted for the period December 1, 1993 to June 4, 2018 with the performance of BSE Sensex. FAEF: Index is adjusted for the period January 16, 2008 to March 9, 2024 with the performance of MSCI Asia (ex-Japan) Standard Index. ** The Index is adjusted for the period March 30, 2002 to December 1, 2021 with the performance of CRISIL Liquid Fund Index and for the period December 1, 2021 to April 1, 2024 with the performance of CRISIL Low Duration Debt Index. NIFTY Short Duration Debt Index A-II is the benchmark for FIFRF effective April 1, 2024.

Sector Definition

FT Enhanced GICS Sector	AMFI Industry Classification	FT Enhanced GICS Sector	AMFI Industry Classification
Financials	Banks, Financial Institution	Materials	Cement, Chemicals & Metals
Communication Services	Telecom, Media & Entertainment	Consumer Staples	FMCG, Food Products & Beverages
Information Technology	IT & Services, Software, Tech	Energy	Oil, Gas & Petroleum Products
Industrials	Industrial Products, Capital Goods	Health Care	Health Care & Pharmaceuticals
Consumer Discretionary	Auto, Consumer Durables, Textiles Apparel & Luxury Goods	Utilities	Power, Engineering Services
		Real Estate	Construction, Realty

Product label & Riskometer is as on August 29, 2025	Franklin India Small Cap Fund	Nifty Smallcap 250
This product is suitable for investors who are seeking* • Long term capital appreciation • A fund that invests primarily in small-cap stocks *Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	 The risk of the scheme is Very High risk	 The risk of the benchmark is Very High risk

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