

SECURITIES AND EXCHANGE COMMISSION

FORM N-Q

Quarterly schedule of portfolio holdings of registered management investment company filed on Form N-Q

Filing Date: **2013-01-28** | Period of Report: **2012-11-30**  
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FILER

**TEMPLETON GLOBAL SMALLER COMPANIES FUND**

CIK:[350900](#) | IRS No.: [592098933](#) | State of Incorp.:**DE** | Fiscal Year End: **0831**  
Type: **N-Q** | Act: **40** | File No.: [811-03143](#) | Film No.: [13551719](#)

Mailing Address

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FORT LAUDERDALE FL  
33301-1923*

Business Address

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF  
REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-03143

Templeton Global Smaller Companies Fund  
(Exact name of registrant as specified in charter)

300 S.E. 2<sup>nd</sup> Street, Fort Lauderdale, FL 33301-1923  
(Address of principal executive offices) (Zip code)

Craig S. Tyle, One Franklin Parkway, San Mateo, CA 94403-1906  
(Name and address of agent for service)

Registrant's telephone number, including area code: (954)527-7500

Date of fiscal year end: 8/31

Date of reporting period: 11/30/12

**Item 1. Schedule of Investments.**



# Templeton Global Smaller Companies Fund

## Statement of Investments, November 30, 2012 (unaudited)

	Industry	Shares	Value
<b>Common Stocks and Other Equity Interests 94.9%</b>			
<b>Australia 1.0%</b>			
Billabong International Ltd.	Textiles, Apparel & Luxury Goods	2,840,702	\$ 2,727,000
Emeco Holdings Ltd.	Trading Companies & Distributors	12,521,493	6,731,000
			9,458,000
<b>Austria 0.9%</b>			
Wienerberger AG	Building Products	970,178	7,873,000
<b>Bahamas 1.7%</b>			
*Steiner Leisure Ltd.	Diversified Consumer Services	326,160	15,003,000
<b>Belgium 1.8%</b>			
Barco NV	Electronic Equipment, Instruments & Components	234,350	16,488,000
<b>Canada 7.7%</b>			
*ATS Automation Tooling Systems Inc.	Machinery	885,180	7,575,000
Canaccord Financial Inc.	Capital Markets	1,668,300	8,616,000
Dorel Industries Inc., B	Household Durables	171,100	6,346,000
Ensign Energy Services Inc.	Energy Equipment & Services	636,800	9,238,000
Genworth MI Canada Inc.	Thriffs & Mortgage Finance	573,900	11,931,000
HudBay Minerals Inc.	Metals & Mining	1,310,550	12,679,000
Mullen Group Ltd.	Energy Equipment & Services	299,500	6,422,000
Trican Well Service Ltd.	Energy Equipment & Services	468,200	5,788,000
			68,599,000
<b>Cayman Islands 0.8%</b>			
Stella International Holdings Ltd.	Textiles, Apparel & Luxury Goods	2,712,987	7,018,000
<b>China 1.4%</b>			
People's Food Holdings Ltd.	Food Products	13,865,840	12,270,000
<b>Finland 3.0%</b>			
Amer Sports OYJ	Leisure Equipment & Products	1,349,897	20,294,000
Huhtamaki OYJ	Containers & Packaging	426,680	6,936,000
			27,231,000
<b>France 0.7%</b>			
Teleperformance	Professional Services	172,460	6,002,000
<b>Germany 2.0%</b>			
Gerresheimer AG	Life Sciences Tools & Services	95,880	4,913,000
Jenoptik AG	Electronic Equipment, Instruments & Components	590,140	6,054,000
*Kloeckner & Co. SE	Trading Companies & Distributors	639,220	6,732,000
			17,700,000
<b>Greece 0.9%</b>			
JUMBO SA	Specialty Retail	1,182,830	7,830,000
<b>Hong Kong 2.3%</b>			
Dah Sing Financial Group	Commercial Banks	1,388,000	5,936,000
Techtronic Industries Co. Ltd.	Household Durables	7,398,000	14,509,000
			20,446,000
<b>Italy 1.5%</b>			
Amplifon SpA	Health Care Providers & Services	970,688	4,405,000
Azimut Holding SpA	Capital Markets	685,464	8,941,000
			13,347,000
<b>Japan 9.1%</b>			
Asahi Co. Ltd.	Specialty Retail	351,900	4,823,000
Asics Corp.	Textiles, Apparel & Luxury Goods	978,200	14,403,000
Descente Ltd.	Textiles, Apparel & Luxury Goods	1,026,000	6,209,000





# Templeton Global Smaller Companies Fund

## Statement of Investments, November 30, 2012 (unaudited) (continued)

en-japan Inc.	Professional Services	16	14,
Keihin Corp.	Auto Components	311,000	4,134,
Kobayashi Pharmaceutical Co. Ltd.	Personal Products	360,510	17,971,
Megane TOP Co. Ltd.	Specialty Retail	684,603	8,345,
MEITEC Corp.	Professional Services	445,100	9,858,
Nissin Kogyo Co. Ltd.	Auto Components	360,670	5,380,
Shinko Plantech Co. Ltd.	Energy Equipment & Services	1,062,000	8,424,
Tokai Rika Co. Ltd.	Auto Components	163,500	2,108,
			81,674,
<b>Netherlands 4.7%</b>			
Aalberts Industries NV	Machinery	594,081	11,234,
Accell Group NV	Leisure Equipment & Products	260,768	3,967,
Arcadis NV	Construction & Engineering	278,220	6,458,
Mediq NV	Health Care Providers & Services	931,364	15,680,
TKH Group NV	Communications Equipment	40,069	885,
USG People NV	Professional Services	521,736	3,715,
			41,942,
<b>Norway 0.6%</b>			
Tomra Systems ASA	Commercial Services & Supplies	715,996	5,887,
<b>South Korea 6.1%</b>			
BS Financial Group Inc.	Commercial Banks	1,575,470	17,610,
DGB Financial Group Inc.	Commercial Banks	840,880	10,486,
KIWOOM Securities Co. Ltd.	Capital Markets	79,940	4,630,
Sindoh Co. Ltd.	Office Electronics	143,648	8,280,
Youngone Corp.	Textiles, Apparel & Luxury Goods	432,458	13,902,
			54,910,
<b>Spain 3.2%</b>			
Construcciones y Auxiliar de Ferrocarriles SA	Machinery	27,137	12,435,
Melia Hotels International SA	Hotels, Restaurants & Leisure	661,413	4,954,
Tecnicas Reunidas SA	Energy Equipment & Services	241,169	11,228,
			28,619,
<b>Sweden 0.6%</b>			
*D Carnegie & Co. AB	Capital Markets	2,352,546	
Oriflame Cosmetics SA, SDR	Personal Products	194,110	5,456,
			5,456,
<b>Switzerland 2.7%</b>			
*Logitech International SA	Computers & Peripherals	575,790	4,088,
Panalpina Welttransport Holding AG	Air Freight & Logistics	125,960	11,499,
Verwaltungs-und Privat-Bank AG	Capital Markets	6,219	415,
Vontobel Holding AG	Capital Markets	272,678	7,797,
			23,800,
<b>Taiwan 2.1%</b>			
Giant Manufacturing Co. Ltd.	Leisure Equipment & Products	1,678,311	8,892,
*Ta Chong Bank Ltd.	Commercial Banks	30,946,762	10,093,
			18,986,
<b>Thailand 0.0%†</b>			
Glow Energy PCL, Ign.	Independent Power Producers & Energy Traders	63,196	149,
<b>Turkey 0.5%</b>			
Aygaz AS	Gas Utilities	981,785	4,789,
<b>United Kingdom 12.0%</b>			
Bellway PLC	Household Durables	914,050	14,597,
Bodycote PLC	Machinery	1,834,636	12,119,
Bovis Homes Group PLC	Household Durables	1,354,020	12,029,
Fiberweb PLC	Textiles, Apparel & Luxury Goods	4,722,280	5,059,
Greggs PLC	Food & Staples Retailing	1,100,580	8,497,
Henderson Group PLC	Capital Markets	6,453,646	12,392,
Laird PLC	Electronic Equipment, Instruments & Components	4,618,650	16,457,







# Templeton Global Smaller Companies Fund

## Statement of Investments, November 30, 2012 (unaudited) (continued)

Perimmon PLC	Household Durables	1,048,707	13,475,5
UBM PLC	Media	594,470	7,007,5
<sup>a</sup> Vectura Group PLC	Pharmaceuticals	4,503,490	6,142,5
			107,778,5
<b>United States 27.6%</b>			
AllianceBernstein Holding LP	Capital Markets	1,177,163	20,694,5
Arkansas Best Corp.	Road & Rail	809,370	6,701,5
<sup>a</sup> Brocade Communications Systems Inc.	Communications Equipment	1,459,780	8,291,5
Columbia Sportswear Co.	Textiles, Apparel & Luxury Goods	141,004	8,164,5
<sup>a</sup> GulfMark Offshore Inc., A	Energy Equipment & Services	181,750	5,696,5
Heidrick & Struggles International Inc.	Professional Services	499,310	6,560,5
<sup>a</sup> Hibbett Sports Inc.	Specialty Retail	382,440	20,552,5
<sup>a</sup> Investment Technology Group Inc.	Capital Markets	959,320	8,576,5
iShares Trust Russell 2000 Index Fund	Diversified Financial Services	169,500	13,917,5
JAKKS Pacific Inc.	Leisure Equipment & Products	1,067,960	13,328,5
Janus Capital Group Inc.	Capital Markets	1,832,700	15,028,5
<sup>a</sup> K-Swiss Inc., A	Textiles, Apparel & Luxury Goods	1,293,330	3,996,5
<sup>a</sup> Leapfrog Enterprises Inc.	Leisure Equipment & Products	2,663,380	24,263,5
<sup>a</sup> Navistar International Corp.	Machinery	173,590	3,542,5
Simpson Manufacturing Co. Inc.	Building Products	175,780	5,749,5
Spartan Stores Inc.	Food & Staples Retailing	995,280	14,969,5
<sup>a</sup> Swift Energy Co.	Oil, Gas & Consumable Fuels	533,540	8,259,5
True Religion Apparel Inc.	Textiles, Apparel & Luxury Goods	426,200	11,119,5
<sup>a</sup> Tutor Perini Corp.	Construction & Engineering	1,023,520	13,162,5
<sup>a</sup> Unit Corp.	Energy Equipment & Services	112,490	5,053,5
<sup>a</sup> VASCO Data Security International Inc.	Software	832,350	6,250,5
<sup>a</sup> Websense Inc.	Software	730,970	10,204,5
<sup>a</sup> West Marine Inc.	Specialty Retail	1,235,180	12,771,5
			246,854,5
<b>Total Common Stocks and Other Equity Interests (Cost \$795,539,677)</b>			850,119,5
			<u>Principal Amount</u>
<b>Short Term Investments 5.2%</b>			
U.S. Government and Agency Securities (Cost \$41,999,997) 4.7%			
United States 4.7%			
<sup>a</sup> FHLB, 12/03/12		\$	42,000,000
			41,999,5
<b>Total Investments before Money Market Funds (Cost \$837,539,674)</b>			892,119,5
			<u>Strike</u>
Investments from Cash Collateral Received for Loaned Securities (Cost \$4,174,405) 0.5%			
Money Market Funds 0.5%			
United States 0.5%			
<sup>b</sup> BNY Mellon Overnight Government Fund, 0.198%			4,174,405
			4,174,405
<b>Total Investments (Cost \$841,714,079) 100.1%</b>			896,294,5
<b>Other Assets, less Liabilities (0.1)%</b>			(664,600)
<b>Net Assets 100.0%</b>			\$ 895,629,5

<sup>†</sup>Rounds to less than 0.1% of net assets.

<sup>a</sup>Non-income producing.

<sup>b</sup>Security has been deemed illiquid because it may not be able to be sold within seven days.

<sup>c</sup>A portion or all of the security is on loan at November 30, 2012.

<sup>d</sup>See Note 4 regarding holdings of 5% voting securities.

<sup>e</sup>The security is traded on a discount basis with no stated coupon rate.

<sup>f</sup>The rate shown is the annualized seven-day yield at period end.





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# Templeton Global Smaller Companies Fund

## Statement of Investments, November 30, 2012 (unaudited) *(continued)*

### ABBREVIATIONS

#### Selected Portfolio

FHLB - Federal Home Loan Bank

SDR - Swedish Depositary Receipt





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# Templeton Global Smaller Companies Fund

## Notes to Statement of Investments (unaudited)

### 1. ORGANIZATION

Templeton Global Smaller Companies Fund is registered under the Investment Company Act of 1940, as amended, (1940 Act) as an open-end investment company.

### 2. FINANCIAL INSTRUMENT VALUATION

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Under procedures approved by the Fund's Board of Trustees (the Board), the Fund's administrator, investment manager and other affiliates have formed the Valuation and Liquidity Oversight Committee (VLOC). The VLOC provides administration and oversight of the Fund's valuation policies and procedures, which are approved annually by the Board. Among other things, these procedures allow the Fund to utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or the NYSE, whichever is earlier. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at the close of the NYSE on the day that the value of the security is determined. Over-the-counter securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities. Investments in non-registered money market funds are valued at the closing net asset value.

Debt securities generally trade in the over-the-counter market rather than on a securities exchange. The Fund's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the VLOC convenes on a regular basis to review such financial instruments and considers a number of factors, including significant unobservable valuation inputs, when arriving at fair value. The VLOC primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed. The VLOC employs various methods for calibrating these valuation approaches including a regular review of key inputs and assumptions, transactional back-testing or disposition analysis, and reviews of any related market activity.







Trading in securities on foreign securities stock exchanges and OTC markets may be completed before the daily close of business on the NYSE. Occasionally, events occur between the time at which trading in a foreign security is completed and the close of the NYSE that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at the close of the NYSE. In order to minimize the potential for these differences, the VLOC monitors price movements following the close of trading in foreign stock markets through a series of country specific market proxies (such as baskets of American Depositary Receipts, futures contracts and exchange traded funds). These price movements are measured against established trigger thresholds for each specific market proxy to assist in determining if an event has occurred that may call into question the reliability of the values of the foreign securities held by the Fund. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent pricing services.

### 3. INCOME TAXES

At November 30, 2012, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments	<u>\$ 850,038,872</u>
Unrealized appreciation	\$ 186,249,100
Unrealized depreciation	<u>(139,993,603)</u>
Net unrealized appreciation (depreciation)	<u>\$ 46,255,497</u>

### 4. HOLDINGS OF 5% VOTING SECURITIES OF PORTFOLIO COMPANIES

The 1940 Act defines "affiliated companies" to include investments in portfolio companies in which a fund owns 5% or more of the outstanding voting securities. Investments in "affiliated companies" for the Fund for the three months ended November 30, 2012, were as shown below.

Name of Issuer	Held at Beginning of Period	Gross Additions	Gross Reductions	Held at End of Period	End of Period	Investment Income	Realized Capital Gain (Loss)
<b>Non-Controlled Affiliates</b>							
West Marine Inc							
<b>Total Affiliated Securities (1.43% of Net Assets)</b>	1,235,180	-	-	1,235,180	\$ 12,771,761	\$ -	\$ -

### 5. FAIR VALUE MEASUREMENTS

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)





The inputs or methodology used for valuing financial instruments are not an indication of the risk associated with investing in those financial instruments.

The Fund has movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing the transfers as of the date of the underlying event which caused the movement.

A summary of inputs used as of November 30, 2012, in valuing the Fund's assets are carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in Securities:				
Equity Investments <sup>8,9</sup>	\$ 850,119,967	\$ -	\$ - <sup>†</sup>	\$ 850,119,967
Short Term Investments	-	46,174,402	-	46,174,402
Total Investments in Securities	\$ 850,119,967	\$ 46,174,402	\$ - <sup>†</sup>	\$ 896,294,369

<sup>8</sup>Includes common stocks as well as other equity investments.

<sup>9</sup>For detailed categories, see the accompanying Statement of Investments.

<sup>†</sup>Includes securities determined to have no value at November 30, 2012.

## 6. NEW ACCOUNTING PRONOUNCEMENTS

In December 2011, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities. The amendments in the ASU enhance disclosures about offsetting of financial assets and liabilities to enable investors to understand the effect of these arrangements on a fund's financial position. The ASU is effective for interim and annual reporting periods beginning on or after January 1, 2013. The Fund believes the adoption of this ASU will not have a material impact on its financial statements.

## 7. SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through the issuance of the Statement of Investments and determined that no events have occurred that require disclosure.

For additional information on the Fund's significant accounting policies, please refer to the Fund's most recent semiannual or annual shareholder report.

**Item 2. Controls and Procedures.**

(a) Evaluation of Disclosure Controls and Procedures. The Registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934 and the Investment Company Act of 1940 is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and the principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Within 90 days prior to the filing date of this Quarterly Schedule of Portfolio Holdings on Form N-Q, the Registrant had carried out an evaluation, under the supervision and with the participation of the Registrant's management, including the Registrant's principal executive officer and the Registrant's principal financial officer, of the effectiveness of the design and operation of the Registrant's disclosure controls and procedures. Based on such evaluation, the Registrant's principal executive officer and principal financial officer concluded that the Registrant's disclosure controls and procedures are effective.

(b) Changes in Internal Controls.

There have been no changes in the Registrant's internal controls or in other factors that could materially affect the internal controls over financial reporting subsequent to the date of their evaluation in connection with the preparation of this Quarterly Schedule of Portfolio Holdings on Form N-Q.

**Item 3. Exhibits.**

(a) Certification pursuant to Section 30a-2 under the Investment Company Act of 1940 of Laura F. Ferguson, Chief Executive Officer - Finance and Administration, and Mark H. Otani, Chief Financial Officer and Chief Accounting Officer.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Templeton Global Smaller Companies Fund**

By /s/LAURA F. FERGERSON  
Laura F. Ferguson  
Chief Executive Officer -  
Finance and Administration  
Date January 25, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/LAURA F. FERGERSON  
Laura F. Ferguson  
Chief Executive Officer -  
Finance and Administration  
Date January 25, 2013

By /s/MARK H. OTANI  
Mark H. Otani  
Chief Financial Officer and  
Chief Accounting Officer  
Date January 25, 2013



I, Laura F. Fergerson, certify that:

1. I have reviewed this report on Form N-Q of **Templeton Global Smaller Companies Fund**;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

1/25/2013

S\LAURA F. FERGERSON

Laura F. Fergerson  
Chief Executive Officer - Finance and Administration

I, Mark H. Otani, certify that:

1. I have reviewed this report on Form N-Q of **Templeton Global Smaller Companies Fund**;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

1/25/2013

SMARK H. OTANI

Mark H. Otani  
Chief Financial Officer and Chief Accounting Officer