FRANKLIN TEMPLETON INVESTMENTS

TEMPLETON LATIN AMERICA FUND

A SUB-FUND OF LUXEMBOURG-DOMICILED SICAV | August 31, 2012

INVESTMENT OBJECTIVE

The Fund aims to achieve long-term capital appreciation by investing primarily in equity securities of issuers incorporated or having their principal business activities in the Latin American region.

FUND MANAGER AND LOCATION

Mark Mobius, Singapore

FUND DATA[1]

Base Currency of Fund: US Dollar

Portfolio Size: $2,816.04 million

Date of Launch: February 28, 1991

Purchase of Shares:

Min Initial Investment $5,000.00

Min Subsequent Investment $1,000.00

Primary Fund Benchmark/Index:

MSCI EM Latin America Index

Morningstar™ Workstation Category:

Latin America Equity

Dividend Frequency: Annually

Investment Management Fee (% p.a.):[2]

1.40%

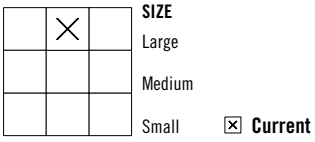
Share Class	Date Paid	Amount
A(Ydis)USD	07/09/12	$0.54
A(Ydis)EUR	07/09/12	€0.42

FUND AWARDS AND RATINGS

S&P Capital IQ Grading:[5] Gold

Morningstar™ Overall Rating:[6] ★★★★

Morningstar™ Style Box:[6]



ASSET ALLOCATION[1]

EQUITY	FIXED INCOME	CASH	# OF ISSUES
97.83%	0.00%	2.17%	39

PERFORMANCE IN SHARE CLASS CURRENCY AS OF AUGUST 31, 2012[3]

	1-MO	3-MO	6-MO	1-YR	3-YR*	5-YR*	10-YR*	SINCE LAUNCH	SINCE LAUNCH*
A(Ydis)USD	-0.34	2.44	-14.95	-9.70	4.50	0.77	21.06	319.03	9.42
A(acc)USD	-0.34	2.44	-14.94	-9.69	4.51	0.77	21.07	440.72	16.11
B(acc)USD	-0.48	2.12	-15.51	-10.86	3.14	-0.53	-	44.41	6.32
C(acc)USD	-0.40	2.24	-15.20	-10.25	3.92	0.19	-	50.61	7.07
N(acc)USD	-0.40	2.30	-15.18	-10.16	3.99	0.27	20.46	280.13	8.75
A(Ydis)EUR	-2.53	0.63	-9.94	3.13	9.17	2.39	-	59.25	8.07
A(acc)EUR	-2.48	0.64	-9.92	3.17	-	-	-	-5.60	-3.88
N(acc)EUR	-2.60	0.54	-10.17	2.52	-	-	-	-6.40	-4.44

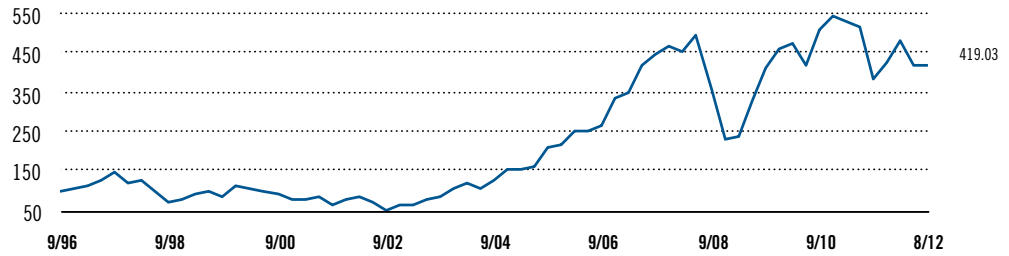
*Annualized Performance

CALENDAR YEAR PERFORMANCE AS OF AUGUST 31, 2012

	NAV	YTD	2011	2010	2009	2008	2007	2006	2005	2004
A(Ydis)USD	$70.12	-0.41	-22.54	18.20	101.29	-50.64	39.65	53.92	37.81	50.02
A(acc)USD	$76.24	-0.41	-22.53	18.23	101.26	-50.64	39.68	53.91	37.77	50.08
B(acc)USD	$14.44	-1.30	-23.52	16.65	98.79	-51.30	38.06	-	-	-
C(acc)USD	$15.06	-0.79	-22.98	17.53	100.12	-50.94	38.87	-	-	-
N(acc)USD	$39.97	-0.75	-22.93	17.63	100.35	-50.91	39.00	53.12	37.08	49.28
A(Ydis)EUR	€55.80	2.45	-19.93	26.51	96.67	-48.49	26.31	-	-	-
A(acc)EUR	€9.44	2.50	-	-	-	-	-	-	-	-
N(acc)EUR	€9.36	2.07	-	-	-	-	-	-	-	-

TOTAL PERFORMANCE IN US DOLLAR AS OF AUGUST 31, 2012

*Since inception at NAV with an initial 100 USD investment and all dividends reinvested.



PORTFOLIO COMPOSITION (% OF TOTAL)[1]

TOP 10 ISSUERS[4]

SECURITY NAME	%
CIA DE BEBIDAS DAS AMERICAS	9.58
ITAUSA - INVESTIMENTOS ITAU SA	9.37
AMERICA MOVIL SAB DE CV	8.20
BRADESPAR SA	5.60
CREDICORP LTD	4.78
ANTOFAGASTA PLC	4.68
VALE SA	4.16
ITAU UNIBANCO HOLDING SA	3.48
COPA HOLDINGS SA	3.16
LOCALIZA RENT A CAR	2.94

FUND CHARACTERISTICS

STATISTICS	
Price to Earnings Ratio	12.45x
Price to Book Value Ratio	2.14x
Price to Cash Flow Ratio	6.11x
3 Yrs Annualized Std Deviation - Fund	24.15%

SHARE CLASS	YIELD
A(Ydis)EUR	0.74

Client Services
Global (727) 299-5042
U.S. (800) 239-3894
Email: stpcds@templeton.com

Offshore Sales Support Team
U.S. (800) 233-9796
Canada (877) 389-0076
Web www.templetonoffshore.com

Address
100 Fountain Parkway
PO Box 33030
St. Petersburg, Florida 33716

COUNTRY BREAKDOWN[1]

COUNTRY BREAKDOWN	%
Brazil	54.20
Mexico	12.20
Chile	12.01
Peru	7.99
Argentina	4.69
Colombia	3.58
Panama	3.16
Cash/Cash Equivalent	2.17

INDUSTRY BREAKDOWN[1]

INDUSTRY BREAKDOWN	%
Materials	23.83
Banks	19.76
Food Beverage & Tobacco	19.31
Energy	9.71
Transportation	9.19
Telecommunication Services	8.45
Utilities	4.31
Software & Services	1.43
Other	1.85
Cash/Cash Equivalent	2.17

CURRENCY BREAKDOWN[1]

CURRENCY BREAKDOWN	%
Brazilian Real	43.73
US Dollar	42.06
Chilean Peso	4.86
British Pound	4.68
Canadian Dollar	2.77
Mexican Peso	1.89

FUND IDENTIFIERS

SHARE CLASS*	INCEPTION DATE	CUSIP	BLOOMBERG	ISIN
A(Ydis)USD	02/28/1991	L9025R133	TEMLAAILX	LU0029865408
A(acc)USD	05/14/2001	L4058R654	TEMLATALX	LU0128526570
B(acc)USD	09/01/2006	L4059A122	TELBAUDLX	LU0260865828
C(acc)USD	09/01/2006	L4059A130	TELCAUDLX	LU0260872014
N(acc)USD	09/30/1996	L9025R604	TEMLABILX	LU0094040077
A(Ydis)EUR	09/01/2006	L4059A148	TELADEULX	LU0260865158
A(acc)EUR	03/18/2011	L4059C540	TEMLAAELX	LU0592650328
N(acc)EUR	03/18/2011	L4059C557	TEMLNAELX	LU0592650591

* (Mdis) - monthly distribution; (Qdis) - quarterly distribution; (Ydis) - yearly distribution; (acc) - accumulation

WHAT ARE THE RISKS

Because the Fund invests primarily in equity securities and as an ancillary matter in debt securities of issuers incorporated or having their principal business activities in the Latin American region, it may experience greater volatility than a more geographically diversified fund. The balance of the Fund's assets may be invested in equity securities and debt obligations of companies and government entities of countries other than the above region. International securities risks include currency fluctuations, economic and political uncertainties. Interest rate movements may affect the fund's share price and yield. Investments in emerging market countries are subject to a higher degree of risk. The Fund may be subject to a variety of risks in addition to those described herein. Please consult the Prospectus for a full discussion of these risks. Investing in a concentrated, narrowly focused fund may entail greater risks than is normally associated with more widely diversified funds.

DISCLAIMERS

1. Portfolio Composition and Asset Allocation data as of July 31, 2012 (Negative currency positions, if any, may occur due to hedging, unsettled payables, and derivatives holdings).
2. Investment Management Fee is a monthly fee equivalent to a percentage of the Fund's adjusted daily net assets received by the Investment Manager for each Class of Shares, except for the I shares classes. For a full description of all fees and charges that an investor may incur, including the initial sales charges and maintenance and company charges attributable to a class of shares of the Fund, please consult the current Prospectus of FTIF.
3. Fund performance prior to September 1996 is excluded from calculation because a different portfolio allocation strategy was in use.
4. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in a top 10 holdings list.
5. An S&P Capital IQ fund grading represents an opinion only and should not be relied on when making an investment decision. Past performance is not indicative of future results. Currency exchange rates may affect the value of investments. Copyright © 2012 by McGraw-Hill international (UK) Limited (S&P), a subsidiary of The McGraw-Hill Companies, Inc. All rights reserved.
6. © 2012 Morningstar UK, Ltd. All Rights Reserved. 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. Past performance is no guarantee of future results. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) Morningstar Rating is for the A share class only; other classes may have different performance characteristics.

Copyright © 2012. Franklin Templeton Investments. All rights reserved. Investors should consider the fund's investment objective, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the fund. Performance figures shown represent the aggregate total return for the period indicated assuming, where relevant, the reinvestment of dividends and distributions. The performance figures are shown net of all fees, but do not reflect the effect of any sales charges that might apply. Such sales charges would have the effect of reducing the performance returns shown. Due to rounding, the percentages shown may be within 0.1% tolerance of the true value. The "Ten Largest Holdings" represent the ten largest holdings in the Fund as of the date shown, and do not represent all of the securities purchased, sold or recommended for advisory clients. The reader should not assume that investment in the securities listed was or will be profitable. This report does not constitute or form part of any offer for shares of the Fund or an invitation to apply for such shares. Subscriptions for shares in the Fund can only be made on the basis of the Fund's most recent prospectus. The price of shares of the Fund and income there from can go down as well as up and you may not get back the full amount that you invested. **Past performance is no guarantee for future performance**. Fund holdings and characteristics are subject to change. Currency fluctuations will affect the value of overseas investments. No shares in this Fund may be offered or sold to citizens or residents of the United States of America. Current performance may be lower or higher than the performance data quoted. Please consult your professional advisor for current performance and before deciding to invest. To obtain a free prospectus or for questions relating to the information set forth above may be referred to Franklin Templeton Client Dealer Services at the address and number listed below. Investors should read the prospectus carefully before investing.
In the U.S., this publication is made available to you for informational purposes only by Templeton/Franklin Investment Services, Inc. Tel: (800) 239-3894 (USA Toll-Free), (877) 389-0076 (Canada Toll-Free), and Fax: (727) 299-8736. **Investments are not FDIC insured; may lose value and are not bank guaranteed.**
Distribution outside the US may be made by Templeton Global Advisors Limited or other sub-distributors, intermediaries, dealers or professional investors that have been engaged by Templeton Global Advisors Limited to distribute shares of the Fund in certain jurisdictions. This is not an offer to sell or a solicitation of an offer to purchase securities in any jurisdiction where it would be illegal to do so.
Not all intermediaries make available to investors each of the Funds' share classes listed. Please consult your investment professional to confirm which classes of shares are available.

0804 FF 08/12