



FRANKLIN TEMPLETON
INVESTMENTS

TEMPLETON LATIN AMERICA FUND

A SUB-FUND OF LUXEMBOURG-DOMICILED SICAV

31 December 2011

FUND MANAGER AND LOCATION

Mark Mobius, Singapore
(since 30 September 1996)

FUND INFORMATION

Base Currency of Fund: US dollar
Fund Size: \$3.043,81 million
Number of Positions: 39
Fund Index: MSCI EM Latin America Index
Morningstar™ Workstation Category: Latin America Equity
Date of Fund Launch: 28 February 1991

NET ASSET VALUE AS OF 31 DECEMBER 2011

A(acc)EUR €9,21
A(Ydis)EUR €54,88
A(acc)USD \$76,55
A(Ydis)USD \$70,94
I(acc)USD \$23,50

CHARGES AND IDENTIFIERS

Share Class	Max.Initial Sales Charge	Annual Management & Administration Charge
A shares	5,25%	1,90%
I shares	-	1,00%

Share Class	Valoren	ISIN
A(acc)EUR	12490925	LU0592650328
A(Ydis)EUR	2637298	LU0260865158
A(acc)USD	1240504	LU0128526570
A(Ydis)USD	482562	LU0029865408
I(acc)USD	2277210	LU0229944334

TOTAL EXPENSE RATIO AS OF DECEMBER 2011

A(acc)EUR 2,31%
A(Ydis)EUR 2,27%
A(acc)USD 2,27%
A(Ydis)USD 2,27%
I(acc)USD 1,31%

EUSD STATUS

Redemption: Out of Scope
Distribution: Out of Scope

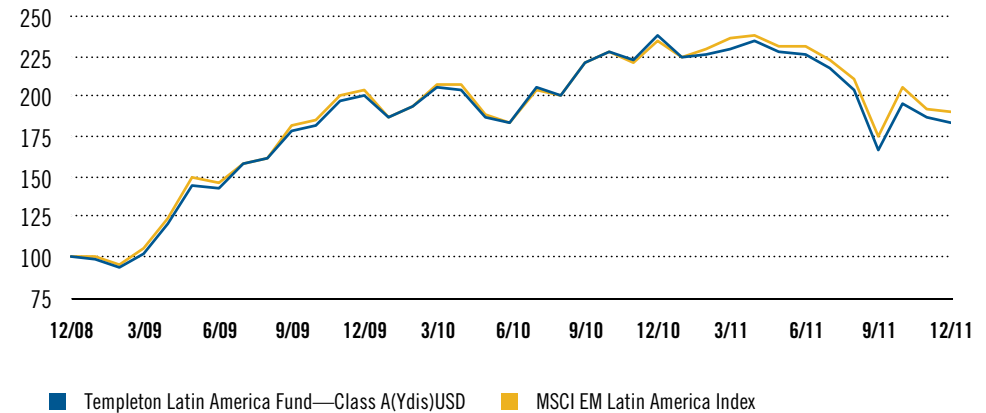
RATINGS^{4,5}

Morningstar™ Overall Rating: ★★★★★
S&P Fund Management Rating: AA

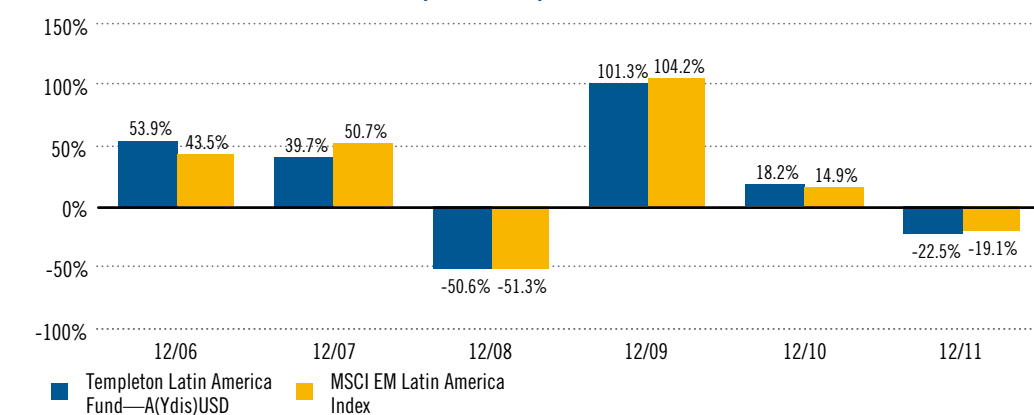
INVESTMENT OBJECTIVE

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.

3 YEAR PERFORMANCE (US DOLLAR)^{1,2}



CALENDAR YEAR PERFORMANCE RETURN (US DOLLAR)^{1,2}



CUMULATIVE AND ANNUALISED (*) PERFORMANCE³

	YTD	1-MO	3-MO	6-MO	1-YR	3-YR	*3-YR	5-YR	*5-YR	SINCE LAUNCH	*SINCE LAUNCH
A(acc)EUR	-	2,79	14,41	-8,81	-	-	-	-	-	-7,90	-
A(Ydis)EUR	-19,93	2,85	14,50	-8,71	-19,93	99,22	25,85	29,61	5,33	55,44	8,63
A(acc)USD	-22,53	-0,95	10,64	-18,52	-22,53	84,33	22,63	27,08	4,91	442,95	17,25
A(Ydis)USD	-22,54	-0,95	10,62	-18,53	-22,54	84,29	22,62	27,03	4,90	320,74	9,88
I(acc)USD	-21,77	-0,84	10,90	-18,12	-21,77	89,98	23,87	33,59	5,96	135,00	14,82
Index	-19,14	-1,55	8,81	-17,86	-19,14	89,68	23,80	39,23	6,84	555,92	13,13

MORNINGSTAR™ SECTOR AVERAGE⁶

	-22,96	-1,65	6,80	-20,10	-22,96	87,33	-	22,79	-	509,18	-
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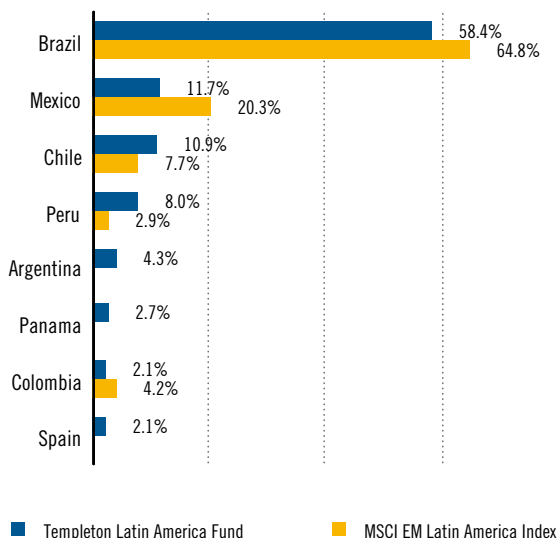
PORTFOLIO COMPOSITION (% OF TOTAL)

EQUITY	FIXED INCOME	CASH
99,74	-	0,26

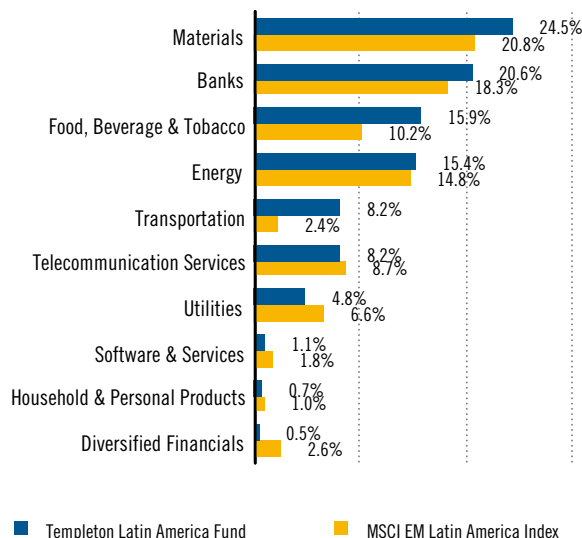
TOP 10 ISSUERS WITHIN THE PORTFOLIO (31 DECEMBER 2011)⁷

SECURITY	INDUSTRY	COUNTRY	%
ITAUSA - INVESTIMENTOS ITAU SA	Banks	Brazil	9,97
CIA DE BEBIDAS DAS AMERICAS (AMBEV)	Food, Beverage & Tobacco	Brazil	8,55
AMERICA MOVIL SAB DE CV	Telecommunication Services	Mexico	7,62
PETROLEO BRASILEIRO SA (PETROBRAS)	Energy	Brazil	6,02
BRADSPAR SA	Materials	Brazil	5,88
CREDICORP LTD	Banks	Peru	5,82
VALE SA	Materials	Brazil	5,20
ANTOFAGASTA PLC	Materials	Chile	4,60
ITAU UNIBANCO HOLDING SA	Banks	Brazil	3,78
OGX PETROLEO E GAS PARTICIPACOES SA	Energy	Brazil	2,94

PORTFOLIO COUNTRY WEIGHTINGS VS. MSCI EM LATIN AMERICA INDEX (% OF EQUITY)



PORTFOLIO INDUSTRY WEIGHTINGS VS. MSCI EM LATIN AMERICA INDEX (% OF EQUITY)



PORTFOLIO PERFORMANCE CONTRIBUTOR DATA IN US DOLLAR (31 DECEMBER 2011)

LARGEST CONTRIBUTING SECURITIES	INDUSTRY	COUNTRY	%
Itausa-Investimentos Itau S.A.	Banks	Brazil	0,52
Itau Unibanco Holding S/A ADS	Banks	Brazil	0,18
Credicorp Ltd.	Banks	Peru	0,06
AES Tiete SA	Utilities	Brazil	0,18
EDP-Energias do Brasil S.A.	Utilities	Brazil	0,09
Cia Bebidas das Americas - Ambev	Food, Beverage & Tobacco	Brazil	0,58
Compania Cervecerias Unidas S.A. ADS	Food, Beverage & Tobacco	Chile	0,14
Julio Simoes Logistica S.A.	Transportation	Brazil	0,14
TERNIUM S.A. ADS	Materials	Argentina	0,16
Empresas CMPC S.A.	Materials	Chile	0,07

SMALLEST CONTRIBUTING SECURITIES	INDUSTRY	COUNTRY	%
Grupo Financiero Banorte S.A.B. de C.V.	Banks	Mexico	-0,13
América Movil S.A.B. de C.V. ADS	Telecommunication Services	Mexico	-0,40
Localiza Rent A Car S/A	Transportation	Brazil	-0,26
Copa Holdings S.A. CI A	Transportation	Panama	-0,27
Duratex SA	Materials	Brazil	-0,10
Vale S A Adr Repstg Pfd	Materials	Brazil	-0,32
Bradespar S/A	Materials	Brazil	-0,44
OGX Petroleo e Gas Participacoes S/A	Energy	Brazil	-0,17
Pacific Rubiales Energy Corp.	Energy	Colombia	-0,34
Petrobras Petroleo Brasileiro	Energy	Brazil	-0,42

PERFORMANCE STATISTICS (31 DECEMBER 2011)⁸

STANDARD DEVIATION	1-YR	3-YR	5-YR
Templeton Latin America Fund	26,57	27,22	30,81
MSCI EM Latin America Index	26,60	27,80	31,38
SHARPE RATIO	1-YR	3-YR	5-YR
Templeton Latin America Fund	-0,85	0,83	0,12
MSCI EM Latin America Index	-0,72	0,85	0,18
% OF POSITIVE MONTHS	1-YR	3-YR	5-YR
Templeton Latin America Fund	33,33	52,78	53,33
MSCI EM Latin America Index	33,33	52,78	53,33
GAINS : LOSSES	1-YR	3-YR	5-YR
Templeton Latin America Fund	0,50	1,99	1,29
MSCI EM Latin America Index	0,57	2,00	1,33
MAXIMUM LOSS	1-YR	3-YR	5-YR
Templeton Latin America Fund	-29,98	-29,98	-60,38
MSCI EM Latin America Index	-26,76	-26,76	-61,12
VS. MSCI EM LATIN AMERICA INDEX	1-YR	3-YR	5-YR
Alpha	-4,28	-0,38	-1,62
Beta	0,99	0,97	0,97
Tracking Error	3,61	3,59	4,34
Information Ratio	-0,94	-0,33	-0,45
Correlation	0,99	0,99	0,99
R Squared	0,98	0,98	0,98

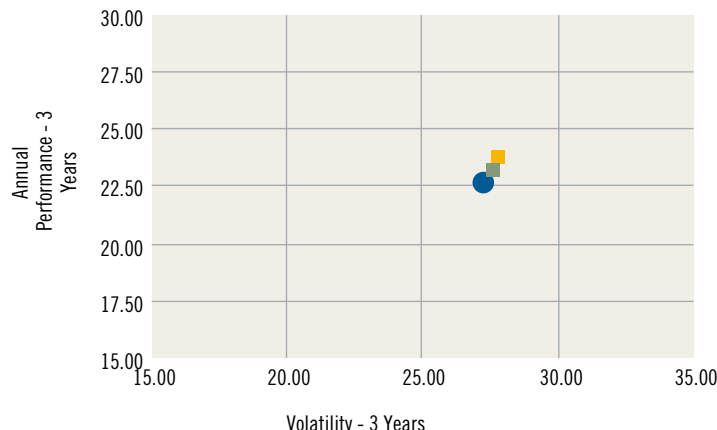
PORTFOLIO CHARACTERISTICS (31 DECEMBER 2011)⁸

	PORTFOLIO	BENCHMARK
Avg. P/E Ratio	11,39	11,77
Avg. P/BV Ratio	1,81	1,68
Avg. P/CF Ratio	6,32	7,76
Avg. Dividend Yield	2,81%	3,25%
Avg. Market Capitalisation (in millions)	\$25.259	\$33.388
Median Market Capitalisation (in millions)	\$4.169	\$5.208

MARKET CAPITALISATION BREAKDOWN

MARKET CAPITALISATION BREAKDOWN	PORTFOLIO
< 1.5 billion	2,9
1.5 billion - 5 billion	26,6
> 5 billion	65,8

RISK VS. RETURN^{1, 9}



- Templeton Latin America Fund—A(Ydis)USD
- MSCI EM Latin America Index
- Latin America Equity

GLOSSARY

Alpha: Alpha measures the difference between a fund's actual returns and its expected returns given its risk level as measured by its beta. A positive alpha figure indicates the fund has performed better than its beta would predict. In contrast, a negative alpha indicates a fund has underperformed, given the expectations established by the fund's beta. Some investors see alpha as a measurement of the value added or subtracted by a fund's manager.

Benchmark: An unmanaged group of securities whose overall performance is used as a standard to measure investment performance.

Beta: A measure of the magnitude of a portfolio's past share-price fluctuations in relation to the ups and downs of the overall market (or appropriate market index). The market (or index) is assigned a beta of 1.00, so a portfolio with a beta of 1.20 would have seen its share price rise or fall by 12% when the overall market rose or fell by 10%.

Correlation: A measure of the degree to which the price trends of various investment categories or instruments move in the same direction. The correlation quantifies the strength of the relationship as a figure between -1 and +1. The closer the coefficient is to 1, the stronger the correlation. If the coefficient is -1, the investments and the benchmark move in opposite directions. If the value is 0 there is no correlation.

Dividend Yield: A Dividend is a payment of cash or stock from a company's earnings to each stockholder as declared by the company's board of directors. A dividend yield is a snapshot of interest and dividend income from a fund. The yield, expressed as a percentage of the fund's net asset value, is based on income earned over the past 30 days and is annualised for the coming year.

Information ratio: In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an Investment has beaten the Benchmark to the consistency by which the Investment has beaten the Benchmark.

Market capitalization: A determination of a company's value, calculated by multiplying the total number of company stock shares outstanding by the price per share.

Price-to-book value (P/BV): The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the ratio is the weighted average price/book ratio of the stocks it holds.

Price/cash flow (P/CF): Supplements price/earnings ratio as a measure of relative value; represents a weighted average of the price/cash flow ratios for the underlying fund holdings.

Price/earnings ratio (P/E): The share price of a stock, divided by its per-share earnings over the past year. For a portfolio, the weighted average P/E ratio of the stocks in the portfolio. P/E is a good indicator of market expectations about a company's prospects; the higher the P/E, the greater the expectations for a company's future growth in earnings.

R-squared: A measure of how much of a portfolio's performance can be explained by the returns from the overall market (or a benchmark index). If a portfolio's total return precisely matched that of the overall market or benchmark, its R-squared would be 1.00. If a portfolio's return bore no relationship to the market's returns, its R-squared would be 0.

Sharpe ratio: A measure of risk-adjusted return. To calculate a Sharpe ratio, an asset's excess returns (its return in excess of the return generated by risk-free assets such as Treasury bills) are divided by the asset's standard deviation.

Standard deviation: A measure of the degree to which a fund's return varies from its previous returns or from the average of all similar funds. The larger the standard deviation, the greater the likelihood (and risk) that a security's performance will fluctuate from the average return.

Tracking error: Measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error.

Volatility: The degree of fluctuation in the value of a security, mutual fund, or index, volatility is often expressed as a mathematical measure such as a standard deviation or beta. The greater a fund's volatility, the wider the fluctuations between its high and low prices.

IMPORTANT INFORMATION AND DISCLAIMERS

1. Performance data may represent blended share class performance e.g. hybrid created from an A(dis) share class which was converted to A(acc). Performance figures represent the aggregate total return for the period indicated assuming, where relevant, the reinvestment of dividends and distributions. Performance figures assume reinvestment of dividends. Performance figures above are for A(dis) shares, except where only A(acc) shares are available, then A(acc) performance is shown. S&P sector average represents the Luxembourg universe. The performance data does not take account commissions and/or costs incurred on the issue and redemption of the shares. 2. Chart performance figures are rebased to 100 at the Fund's inception date. 3. Fund performance prior to Sept 1996 excluded from calculation because a different portfolio allocation strategy was in use. 4. Copyright - © 2011 Morningstar, Inc. All Rights Reserved. Morningstar Rating™ as of 31 December 2011, in the Latin America Equity Morningstar Category™. 5. Copyright © 2011, Standard & Poor's, a division of The McGraw-Hill Companies, Inc. Standard & Poor's including its subsidiary corporations ("S&P") is a division of The McGraw-Hill Companies, Inc. Reproduction of S&P derived data in any form is prohibited except with the prior permission of S&P. Because of the possibility of human or mechanical error by S&P's sources, S&P or others, S&P does not guarantee the accuracy, adequacy, completeness or availability of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. S&P GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall S&P be liable for any indirect, special or consequential damages in connection with subscriber's or others' use of any S&P derived data. 6. Copyright - © 2011 Morningstar, Inc. All Rights Reserved. You will find further information under www.franklintempleton.ch/morningstar/en. 7. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top 10 holdings list. 8. Please refer to the Glossary section for more explanations on mathematical measures and financial terms. If you need further explanation, please seek guidance from a Financial Adviser. Due to rounding the percentages shown may be within 0.1% tolerance of the true value. 9. Peer Group Source: © 2011 Standard & Poor's Microcap, Inc. 1-800-596-5323 http://www.funds-sp.com. The development of the values shown above originates in the past.

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Paying agent of Franklin Templeton Investment Funds in Switzerland is JPMorgan Chase Bank, Dreikönigstrasse 21, 8022 Zurich.

Subscriptions for shares in the Fund can only be made on the basis of the most recent Key Features and Prospectus which are available free of charge from Franklin Templeton Switzerland Ltd, Bahnhofstrasse 22, P.O. Box, 8022 Zurich, Phone: +41 (0) 44 217 81 81, E-mail: info@franklintempleton.ch.

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