

Fund Manager Report
Product Details¹

Fund Assets	\$650,276,602.65
Fund Inception Date	28/02/1991
Number of Issuers	36
Bloomberg	TEMLAAI LX
ISIN	LU0029865408
Base Currency	USD
Investment Style	Blend
Benchmark	MSCI EM Latin America Index-NR
Morningstar Category™	Latin America Equity

Asset Allocation^a

Percent of Total	%
Equity	98.43
Cash & Cash Equivalents	1.57
Fixed Income	0.00

Overall Morningstar Rating™^b

Fund Description

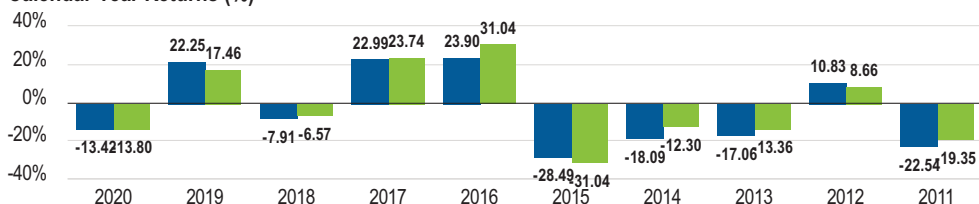
The Fund aims to achieve long-term capital appreciation by investing primarily in equity securities of issuers incorporated or having their principal business activities in the Latin American region.

Performance Data
Discrete Annual Performance (%) as at 30/09/2021

	9/20-9/21	9/19-9/20	9/18-9/19	9/17-9/18	9/16-9/17
A (Ydis) USD	15.58	-26.37	12.27	-13.28	22.70
MSCI EM Latin America Index-NR USD	27.34	-29.36	6.70	-9.09	25.59

Performance Net of Management Fees as at 30/09/2021 (Dividends Reinvested) (%)^{c,d}

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (28/02/1991)
A (Ydis) USD	-10.65	-17.68	-11.07	15.58	-1.51	0.33	-2.37	5.89
MSCI EM Latin America Index-NR	-10.34	-13.26	-5.55	27.34	-1.36	1.85	-1.08	10.06

Calendar Year Returns (%)


- A (Ydis) USD
- MSCI EM Latin America Index-NR

Past performance is not an indicator or a guarantee of future performance.

Portfolio Manager Insight
Performance Review
QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
HELPED	Vale S.A.	Materials (Underweight)	Peru (Overweight)
	Grupo Financiero Banorte SAB de CV Class O	Financials (Stock Selection)	—
	Itausa - Investimentos Itau SA Pfd	Health Care (Stock Selection)	—
HURT	Americanas SA	Communication Services (Lack of Exposure)	Brazil (Stock Selection)
	Lojas Americanas S.A.	Consumer Discretionary (Stock Selection)	Mexico (Stock Selection)
	Dexco SA	Industrials (Stock Selection)	Argentina (Lack of Exposure)

- Finishing lower were shares of Brazilian e-commerce company Americanas and its parent, omni-channel retailer Lojas Americanas. Investors took profits following the companies' business integration. Intense e-commerce competition also weighed on the stocks. Although Americanas' quarterly sales accelerated, its growth lagged its major competitors.

1. All holdings are subject to change. Holdings of the same issuers have been combined.

- We believe that the business integration between Americanas and Lojas Americanas should boost the combined group's competitiveness across online and physical channels. We see strong growth potential in Americanas as it ventures into new product segments amidst rising e-commerce penetration in Brazil. It could also capture synergies from Lojas Americanas' large physical retail network, in our view.
- Shares of Grupo Financiero Banorte edged lower to fare better than the broader market. The Mexican bank's resilient quarterly results provided some support for the stock. Mexico's central bank has been raising its key interest rate, and we think higher rates are favourable for Banorte's net interest margin.

ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
HELPED	Vale S.A.	Financials (Stock Selection)	Peru (Overweight)
	Intercorp Financial Services Inc.	Materials (Underweight)	Brazil (Stock Selection)
	Bolsa Mexicana de Valores SAB de CV Class A	Health Care (Stock Selection)	Argentina (Lack of Exposure)
HURT	Americanas SA	Consumer Staples (Stock Selection)	Colombia (Lack of Exposure)
	Dexco SA	Industrials (Stock Selection)	United States (Lack of Exposure)
	Grupo Mexico S.A.B. de C.V. Class B	Utilities (Stock Selection, Underweight)	Mexico (Stock Selection)

- Shares of Brazil-based wood panel, bathroom fitting and ceramic tile producer Dexco (formerly known as Duratex) lost ground. Rising interest rates in Brazil tempered investors' outlook for the housing market, which had boomed on the back of earlier rate cuts. We expect the spate of property launches in the past few years to sustain demand for Dexco's products in the coming years.
- Mining, transportation, and infrastructure company Grupo Mexico's stock declined as copper prices retreated from their recent peak. Worries about a potential increase in mining taxes in Peru, where Grupo Mexico has a part of its operations, also pressured the stock. We still see solid fundamentals across the group's core businesses, which should undergird its strong cash-generating ability.
- Exchange operator Bolsa Mexicana de Valores (BMV) fell less than the broader market. Concerns about draft regulations that could route more trading volumes to BMV's smaller rival hampered the stock. We like BMV's vertically integrated business model, which covers trading, central securities depository, market data and other services. We believe it has longer-term growth potential in Mexico's underpenetrated capital market.

Outlook & Strategy

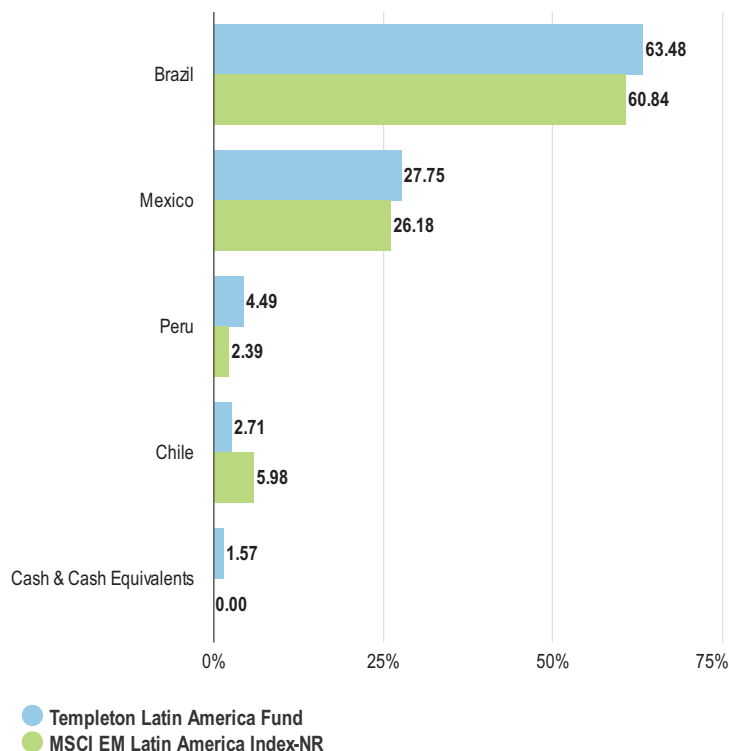
- Latin America has seen progress in COVID-19 vaccine rollouts, but country-specific challenges and a recent pullback in commodity prices from multiyear highs have caused Latin American equities to underperform broader emerging markets in the year to date. We still see reasons to be optimistic about Latin America in the longer term, even as we are mindful of some near-term risks.
- Brazil's market has retreated amidst a drought-induced hydropower shortage, higher interest rates, fiscal uncertainties and increased political noise. We expect the energy crunch to ease as thermal plants start up and the rainy season approaches. Interest rates remain low by historical standards and have sustained a capital market boom. Brazil's debt-to-gross domestic product ratio has also been largely stable. We are positive on continued structural reforms in Brazil, and we see a robust pipeline of privatisations and concessions for airports, highways, railways and ports.
- Mexican equities have outperformed the region. Limited government spending during the pandemic has left Mexico with a stronger fiscal position relative to its neighbours. The country's proximity to the United States has also enabled it to benefit from a strong US economic recovery. We see longer-term opportunities for Mexico to integrate itself into US companies' supply chains as nearshoring potentially gains momentum.
- Across Andean markets, political uncertainty has weakened a positive economic narrative. Andean economies have broadly achieved faster-than-expected recoveries. However, Chile's ongoing constitutional reform has been a source of market volatility. The run-up to its presidential election in November also bears watching given the large number of undecided voters. In Peru, uncertainty around the new government's political agenda has undercut the market.
- Our investment approach is to focus on companies with sustainable earnings power, trading at discounts to our assessment of their intrinsic worth. Amongst the portfolio's key holdings are financial companies that offer exposure to growing capital market activity in an underpenetrated region. We are also invested in top-tier commodity and infrastructure-related companies that could benefit from economic development, as well as consumer-related companies capturing increased spending across evolving retail formats.

Portfolio Characteristics^{e,f}

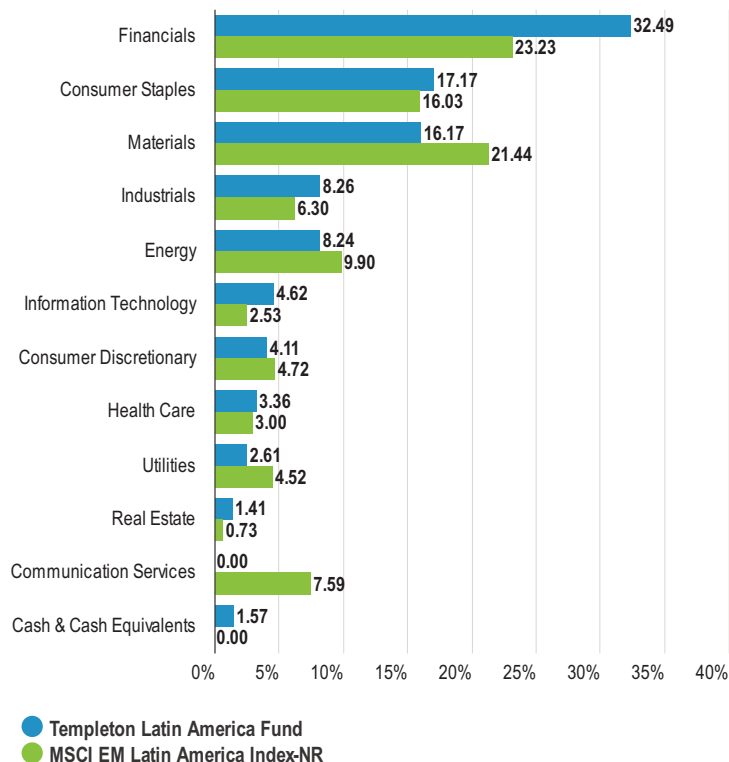
	Portfolio	MSCI EM Latin America Index-NR
Price to Earnings (12-Month Trailing)	9.64x	8.90x
Price to Book	2.06x	1.91x
Price to Cash Flow	5.79x	6.71x
Market Capitalisation (Millions in USD)	25,829	15,573
Dividend Yield	4.28%	4.40%

Portfolio Diversification

Geographic Weightings vs. MSCI EM Latin America Index-NR^a
Percent of Total



Sector Weightings vs. MSCI EM Latin America Index-NR^a
Percent of Total



Top Ten Holdings^a

Percent of Total

Top Holdings	Sector	Country	%
PETROLEO BRASILEIRO SA	Energy	Brazil	8.24
VALE SA	Materials	Brazil	7.36
GRUPO MEXICO SAB DE CV	Materials	Mexico	6.60
BOLSA MEXICANA DE VALORES SAB DE CV	Diversified Financials	Mexico	5.14
ITAUSA SA	Banks	Brazil	5.06
GRUPO FINANCIERO BANORTE SAB DE CV	Banks	Mexico	4.75
TOTVS SA	Software & Services	Brazil	4.62
B3 SA - BRASIL BOLSA BALCAO	Diversified Financials	Brazil	3.96
BANCO BRADESCO SA	Banks	Brazil	3.95
WAL-MART DE MEXICO SAB DE CV	Food & Staples Retailing	Mexico	3.73

Performance Statistics

Risk Statistics²

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)				
Templeton Latin America Fund	31.70	28.26	25.24	-
MSCI EM Latin America Index-NR	32.04	28.51	26.55	28.41
Tracking Error (%)	4.31	4.41	4.66	-
Information Ratio³	-0.04	-0.34	-0.28	-
Beta	0.98	0.98	0.94	-
Sharpe Ratio				
Templeton Latin America Fund	-0.08	-0.03	-0.12	-
MSCI EM Latin America Index-NR	-0.07	0.03	-0.06	0.27

2. Beta, Information Ratio and Tracking Error information are measured against the MSCI EM Latin America Index-NR.

3. Information Ratio is a way to evaluate a manager's ability to outperform a benchmark in relation to the risk that manager is assuming, with risk defined as deviation from the benchmark. This measure is calculated by dividing the portfolio's excess return (portfolio return less the benchmark return) by the tracking error (derived by taking the standard deviation of the monthly differences between the portfolio return and the benchmark return over time).

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Investment Team

Portfolio Manager	Years with Firm	Years Experience
Gustavo Stenzel, CFA	23	23

What Are the Key Risks?

The value of shares in the Fund and income received from it can go down as well as up and investors may not get back the full amount invested. Performance may also be affected by currency fluctuations. Currency fluctuations may affect the value of overseas investments. The Fund invests mainly in equity securities of companies located in or doing significant business in Latin America. Such emerging markets have historically been subject to significant price movements, frequently to a greater extent than equity markets globally. As a result, the performance of the Fund can fluctuate very significantly over relatively short time periods. Other significant risks include: foreign currency risk, emerging markets risk, liquidity risk. For full details of all of the risks applicable to this Fund, please refer to the "Risk Considerations" section of the Fund in the current prospectus of Franklin Templeton Investment Funds.

Important Legal Information

This document does not constitute legal or tax advice nor is it investment advice or an offer for shares of Franklin Templeton Investment Funds (the "Fund"). Subscriptions to shares of the Fund can only be made on the basis of the current prospectus and, where available, the relevant Key Investor Information Document, accompanied by the latest available audited annual report and the latest semi-annual report accessible on our website www.ftidocuments.com or which can be obtained, free of charge, from Franklin Templeton International Services, S.à r.l. - 8A, rue Albert Borschette, L-1246 Luxembourg. The Fund's documents are available in English, Arabic, Czech, Danish, Dutch, Estonian, Finnish, French, German, Greek, Hungarian, Icelandic, Italian, Latvian, Lithuanian, Norwegian, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish. In addition, a Summary of Investor Rights is available from franklintempleton.lu. The summary is available in English. The sub-funds of FTIF are notified for marketing in multiple EU Member States under the UCITS Directive. FTIF can terminate such notifications for any share class and/or sub-fund at any time by using the process contained in Article 93a of the UCITS Directive.

Past performance is not an indicator or a guarantee of future performance. The value of shares in the Fund and income received from it can go down as well as up, and investors may not get back the full amount invested. Investment in the Fund entails risks which are described in the Fund's prospectus and, where available, in the relevant Key Investor Information Document or any other relevant offering document. Special risks may be associated with a Fund's investment in certain types of securities, asset classes, sectors, markets, currencies or countries and in the Fund's possible use of derivatives. References to particular industries, sectors or companies are for general information and are not necessarily indicative of a fund's holdings at any one time. Currency fluctuations may affect the value of overseas investments. When investing in a fund denominated in a foreign currency, your performance may also be affected by currency fluctuations. Where a Fund invests in emerging markets, this investment can be more risky than an investment in developed markets. No shares of the Fund may be directly or indirectly offered or sold to residents of the United States of America.

The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund's portfolio selection process. Holdings are subject to change.

In addition, it should not be assumed that any securities mentioned were or will prove to be profitable. Stocks mentioned in this report are not a solicitation to purchase those stocks, and are examples of some stocks which performed well. Not all stocks in the portfolio performed as well. For the most current information on the fund, please contact your Franklin Templeton marketing representative.

Performance figures are not based on audited financial statements and assume reinvestment of interest and dividends. When comparing the performance of Franklin Templeton Investment Funds (the "Fund") with a benchmark index, it is important to note that the securities in which the Fund invests may be substantially different than those represented by the benchmark index. Furthermore, an investment in Franklin Templeton Investment Funds represents an investment in a managed investment company in which certain charges and expenses, including management fees, are applicable. These charges and expenses are not applicable to indices. Lastly, please note that indices are unmanaged and are not available for direct investment. Certain data and other information shown have been supplied by outside sources. While we consider that information to be reliable, we give no assurance that such data and information is accurate or complete.

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Source: FactSet. Important data provider notices and terms available at www.franklintempletondatasources.com.

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- d. When performance for either the portfolio or its benchmark has been converted, different foreign exchange closing rates may be used between the portfolio and its benchmark.
- e. The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security's issuing company. This methodology may cause small differences between the portfolio's reported characteristics and the portfolio's actual characteristics. In practice, Franklin Templeton's portfolio managers invest in the class or type of security which they believe is most appropriate at the time of purchase. The market capitalisation figures for both the portfolio and the benchmark are at the security level, not aggregated up to the main issuer. Source: FactSet. All holdings are subject to change.
- f. The dividend yield quoted here is the yield on securities within the portfolio and should not be used as an indication of the income received from this portfolio. **Past performance is not an indicator or a guarantee of future performance.**
- g. Holdings of the same issuers have been combined. Top ten holdings information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change. The information provided is not a recommendation to purchase, sell, or hold any particular security. The securities identified do not represent the fund's entire holdings and in the aggregate may represent only a small percentage of such holdings. There is no assurance that securities purchased will remain in the fund, or that securities sold will not be repurchased. The portfolio manager reserves the right to withhold release of information with respect to holdings that would otherwise be included.



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