

Templeton Emerging Markets Fund

A (Ydis) USD: LU0029874905

Commentary | as of 30 April 2026

This is a marketing communication. Please refer to the prospectus of the UCITS and to the KID before making any final investment decisions.

Key Takeaways

- **Markets:** Emerging market (EM) equities recovered and rose in April 2026. Equities staged a recovery from a sharp decline in March 2026 following a ceasefire in the Middle East.
- **Contributors:** By country, South Korea was the largest contributor due to an overweight allocation. Stock selection in information technology was also a source of contribution.
- **Detractors:** Stock selection and an overweight allocation in the United States detracted, alongside stock selection in the industrials sector.
- **Outlook:** The outlook for EM equities is balanced between structural tailwinds and persistent geopolitical risks, resulting in a more selective and differentiated opportunity set rather than a broad-based rally.

Performance Review

Past performance does not predict future returns.

- Taiwan Semiconductor Manufacturing Company (TSMC) is the world's largest semiconductor foundry company. While its share price rose, an underweight exposure turned it into a relative detractor. Its share price moved higher after Taiwan's financial regulator moved to loosen fund allocation limits, which drove inflows into the stock. An across-the-board earnings beat for the first quarter also sent the stock price higher. We remain positive about the semiconductor industry and believe that AI can continue to experience strong growth. Beyond AI, semiconductors are essential components used in a myriad of industries. We maintain a positive long-term view on TSMC.
- Prosus is a leading global investment company. Although Prosus' share price increased in April, it was a detractor as its share price rose less than the benchmark.
- SK Hynix is a South Korean semiconductor company. Its share price rose on a sustained AI chip rally and an earnings beat for the first quarter of 2026. The most recent quarter saw operating profit swell to a record high, largely driven by strong memory prices. We are constructive on the earnings prospects of the company, driven by strong demand for high bandwidth memory for artificial intelligence (AI) chips.

Outlook

- The outlook for EM equities is balanced between structural tailwinds and persistent geopolitical risks, resulting in a more selective and differentiated opportunity set rather than a broad-based rally.
- On the positive side, structural growth themes are evident, with AI being one of the key drivers. While there have been bouts of volatility in the AI trade, demand for AI continues to expand. This is driven by increased uptake, improvements in model performance, and widening productivity gains. AI is likely to remain an important driver across major EMs, benefiting companies in the supply chain including semiconductors, electronics manufacturing services, power supply and printed circuit board companies.
- Domestically, several countries have implemented policies or are in the midst of reforms. We believe these could provide us with an insight into equity performance in the short and/or medium terms.
- We have built considerable expertise in the EM equity asset class, which has guided us to outperform in a complex environment. We continue to apply our investment approach, focusing on companies that, in our assessment, have long-term earnings power.

Morningstar Rating™

Overall Rating as of 30 April 2026



(4-Star) A (Ydis) USD

Investment Overview

To seek long-term investment growth, mainly through growth of capital. The Fund mainly invests in equities of companies of any market capitalisation that are located in, or derive significant business from, emerging markets, including China.

Fund Overview

ISIN	LU0029874905
Bloomberg	TEMEMKI LX
Morningstar Peer Group	Global Emerging Markets Equity
EU SFDR Category	Article 8
Umbrella	Franklin Templeton Investment Funds
Fund Base Currency	USD
Fund Inception Date	28/02/1991
Share Class Inception Date	28/02/1991

Past performance does not predict future returns.

Discrete Annual Performance (%) - as of 30 April 2026

Class	04/25-04/26	04/24-04/25	04/23-04/24	04/22-04/23	04/21-04/22	04/20-04/21	04/19-04/20	04/18-04/19	04/17-04/18	04/16-04/17
A (Ydis) USD	61.05	11.86	8.84	1.65	-29.79	55.36	-13.02	-1.96	17.10	26.25
Benchmark (USD)	46.68	9.02	9.88	-6.51	-18.33	48.71	-12.00	-5.04	21.71	19.13
Peer Group Average	45.60	6.99	9.38	-5.39	-21.03	50.02	-12.92	-5.97	18.49	17.50

Total Returns (%) - as of 30 April 2026

Class	1-Mo*	3-Mo*	YTD*	1-Yr*	3-Yr*	5-Yr*	Inception*	3-Yr	5-Yr	Inception	Inception Date
A (Ydis) USD	14.06	6.93	19.32	61.05	96.08	39.93	638.87	25.16	6.95	5.85	28/02/1991
Benchmark (USD)	14.71	5.21	14.52	46.68	75.72	34.16	1464.68	20.67	6.06	8.13	—
Peer Group Average	14.33	5.12	14.34	45.60	70.40	27.32	879.59	19.44	4.95	—	—
Quartile Ranking	3	2	1	1	1	1	—	1	1	—	—

*Cumulative total returns. All other time periods are annualised returns.

Benchmark(s) and Type

MSCI Emerging Markets Index-NR Comparator

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 details provided are in share class currency, include the reinvested dividends gross of tax and are net of management fees. Sales charges, taxes and other locally applied costs have not been deducted. The fund's returns may increase or decrease as a result of changes to foreign exchange rates.

Up to date performance figures can be found on our website.

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.

What are the Risks?

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested. The Fund is subject to the following risks which are materially relevant:

Chinese Market risk: In addition to typical risks linked to Emerging Markets, investments in China are subject to economic, political, tax and operational risks specific to the Chinese Market. Please also refer to the prospectus for China QFII risk, Bond Connect risk and Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect risk. **Emerging markets risk:** the risk related to investing in countries that have less developed political, economic, legal and regulatory systems, and that may be impacted by political/economic instability, lack of liquidity or transparency, or safekeeping issues. **Foreign Currency risk:** the risk of loss arising from exchange-rate fluctuations or due to exchange control regulations. **Liquidity risk:** the risk that arises when adverse market conditions affect the ability to sell assets when necessary. Such risk may be triggered by (but not limited to) unexpected events such as environmental disasters or pandemics. Reduced liquidity may have a negative impact on the price of the assets.

Complete information on the risks of investing in the Fund are set out in the Fund's prospectus.

Important Information

This fund meets the requirements under Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR); the fund has binding commitments in its investment policy to promote environmental and/or social characteristics and any companies in which it invests should follow good governance practices.

Further information in relation to the sustainability-related aspects of the Fund can be found at www.franklintempleton.lu/SFDR. Please review all of the Fund's objectives and characteristics before investing.

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Subscriptions to shares of the Fund should only be made on the basis of the Fund's current Prospectus, and, where available, the relevant KID, accompanied by the latest available audited annual report and the latest semi-annual report if published thereafter. These documents can be found on our website at www.franklinresources.com/all-sites, obtained, free of charge, from your local FT representative or can be requested via FT's European Facilities Service which is available at www.eifs.lu/franklintempleton. The Fund's documents are available in English, Arabic, French, German, Italian, Polish and Spanish.

In addition, a Summary of Investor Rights is available from www.franklintempleton.lu/summary-of-investor-rights. 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.

Franklin Templeton International Services S.à r.l. – Supervised by the Commission de Surveillance du Secteur Financier – 8A, rue Albert Borschette, L-1246 Luxembourg – Tel: +352 46 66 67-1 – Fax: +352 342080 9861.

Benchmark(s) MSCI Emerging Markets Index -NR. Used for performance comparison only.

The Fund is actively managed and may deviate materially from that of the benchmark(s).

Intended retail investor Investors who understand the risks of the Fund and plan to invest for at least 5 years. The Fund may appeal to investors who are looking for long-term investment growth, are interested in exposure to emerging equity markets as part of a diversified portfolio, have a high risk profile and can tolerate significant short-term changes in the share price.

Product availability The Fund is available to all investors with at least basic investment knowledge, through all distribution channels, with or without the need for advice.

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