

## Fund Manager Report

### Product Details<sup>1</sup>

Fund Assets	\$945,984,262.38
Fund Inception Date	28/02/1991
Number of Issuers	73
Bloomberg	TEMEMKI LX
ISIN	LU0029874905
Base Currency	USD
Investment Style	Blend
Benchmark	MSCI Emerging Markets Index
Morningstar Category™	Global Emerging Markets Equity

### Asset Allocation<sup>2</sup>

Percent of Total	%
Equity	99.01
Cash & Cash Equivalents	0.99
Fixed Income	0.00

### Overall Morningstar Rating™<sup>3</sup>



### Fund Description

Long-term capital growth by investing mainly in equity securities of emerging market companies, or those companies which derive a significant proportion of their revenues or profits from emerging economies.

### Performance Data

#### Performance Net of Management Fees as at 31/07/2020 (Dividends Reinvested) (%)<sup>4</sup>

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception
A (Ydis) USD	10.14	22.04	-2.07	8.57	3.66	7.53	2.70	4.95
Net of Sales Charge - A (Ydis) USD	4.63	15.93	-6.97	3.14	1.90	6.43	2.18	4.77
A (acc) SGD	8.69	18.87	0.10	8.56	4.14	7.54	2.81	-0.39
Net of Sales Charge - A (acc) SGD	3.25	12.93	-4.90	3.13	2.38	6.45	2.28	-0.79
MSCI Emerging Markets Index USD	9.03	18.02	-1.52	6.92	3.22	6.54	3.69	8.08
MSCI Emerging Markets Index SGD	7.17	14.97	0.43	7.14	3.58	6.59	3.78	0.91

#### Cumulative Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception
A (Ydis) USD	10.14	22.04	-2.07	8.57	11.38	43.75	30.56	314.77
Net of Sales Charge - A (Ydis) USD	4.63	15.93	-6.97	3.14	5.81	36.57	24.03	294.03
A (acc) SGD	8.69	18.87	0.10	8.56	12.94	43.87	31.89	-4.90
Net of Sales Charge - A (acc) SGD	3.25	12.93	-4.90	3.13	7.30	36.68	25.30	-9.66
MSCI Emerging Markets Index USD	9.03	18.02	-1.52	6.92	9.98	37.28	43.71	884.91
MSCI Emerging Markets Index SGD	7.17	14.97	0.43	7.14	11.12	37.58	44.95	12.31

The Inception Date for the A (Ydis) USD share class and A (acc) SGD share class is 28/02/1991 and 25/10/2007 respectively.

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

2. Percentage may not equal 100% due to rounding. All holdings are subject to change.

## Portfolio Manager Insight

## Performance Review

## ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
HELPED	Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology (Overweight)	Taiwan (Stock Selection)
	Brilliance China Automotive Holdings Limited	Communication Services (Stock Selection)	China (Stock Selection)
	Cognizant Technology Solutions Corporation Class A	Real Estate (Lack of Exposure)	Saudi Arabia (Lack of Exposure)
HURT	Naspers Limited Class N	Consumer Discretionary (Stock Selection)	South Africa (Stock Selection)
	Banco Santander (Mexico) SA Institucion de Banca Multiple Grupo Financiero Santander Sponsored ADR Class B	Energy (Stock Selection)	India (Stock Selection)
	ICICI Bank Limited	—	Cambodia (Off-benchmark Exposure)

- Taiwan Semiconductor Manufacturing Company (TSMC) soared. The chip maker posted better-than-expected quarterly results and lifted its full-year revenue guidance amidst strong demand for its cutting-edge chips. Investors turned even more upbeat on TSMC following production setbacks for its competitor. We are positive on TSMC's technology leadership, and we expect it to benefit from a diverse range of demand drivers, including smartphones, high-performance computing, and the Internet of Things.
- Also finishing higher was Brilliance China Automotive, which produces luxury cars in partnership with Germany's BMW (not a portfolio holding). Auto sales in China continued to recover in June, with the luxury segment outperforming the broader industry. We expect this trend to persist, which could benefit Brilliance.
- Conversely, India-based ICICI Bank declined. The private-sector lender announced equity fundraising plans to strengthen already-healthy capital levels amidst the pandemic. It also set aside additional provisions to buffer against potential bad debts. We believe ICICI's robust balance sheet, growing deposit franchise, and risk-conscious lending practices could help it withstand the crisis better than many peers, and we think it is well-positioned to gain market share in the longer run.

## Outlook &amp; Strategy

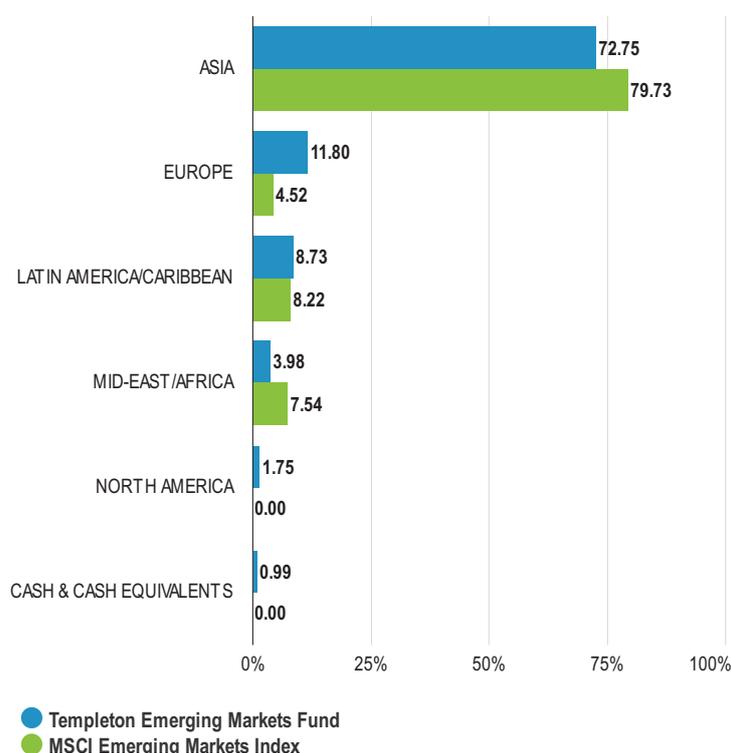
- Market sentiment has largely held out against the evolving trajectory of the pandemic. While some economies are struggling with new waves of COVID-19 transmission, others have seen containment and are gradually reopening. Consensus suggests that a potential vaccine is at least 12 to 18 months away and, in the interim, countries will need to start operating effectively again.
- In our view, the timing of economic recoveries across EMs is likely to depend on the health of each country going into the crisis, and the range of fiscal and monetary policy tools available. Governments have responded with various measures, including fiscal stimulus, interest-rate cuts and debt repayment holidays, and we continue to monitor the impact of these policies. China's economy has recovered, and South Korea has controlled the outbreak relatively well. Conversely, India and Brazil could continue to see some pressure from the pandemic.
- In addition to the health crisis, the longstanding friction between China and the United States has returned to the fore. We think that the potential impact on supply chains could play out in the coming years. Even as we continually factor geopolitical risks into our investment decisions, of greater importance to us are company fundamentals. We seek quality companies with strong competitive advantages and exposures to areas of secular growth.
- We believe that the pandemic has accelerated certain structural trends, especially in technology and consumption, and these remain core themes in our portfolio. For instance, the development of technology infrastructure could gain pace with increased remote working and business digitalisation, and we are invested in semiconductor companies with the potential to benefit from higher chip demand.
- We also favour internet companies that have leapfrogged old business models with ecosystems enabling e-commerce, work collaboration, and a host of other online services. We believe that our continued focus on company quality and earnings sustainability positions the portfolio well in an environment of uncertainty.

Portfolio Characteristics<sup>5,6</sup>

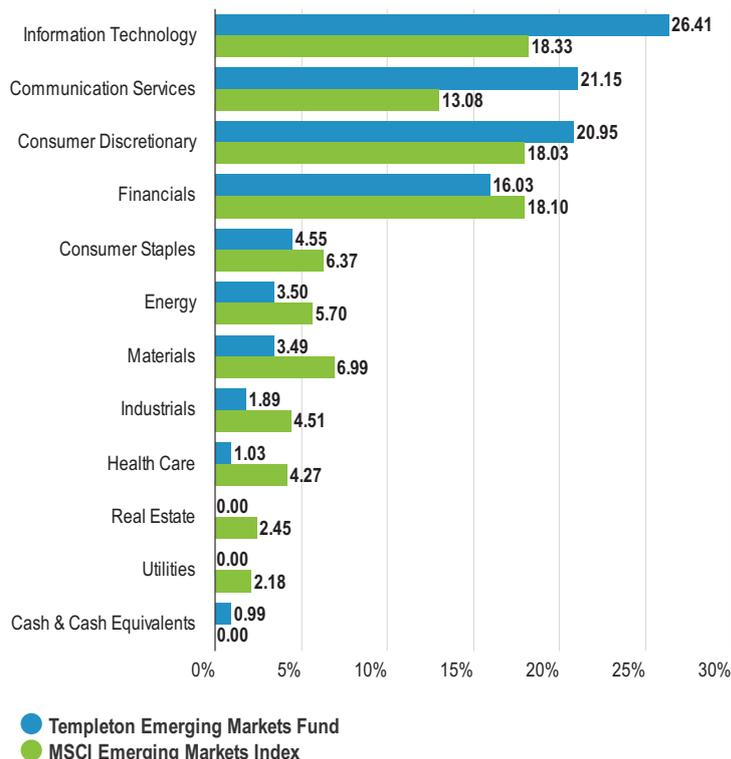
	Portfolio	MSCI Emerging Markets Index
Price to Earnings (12-Month Trailing)	15.47x	17.39x
Price to Book	1.65x	1.76x
Price to Cash Flow	5.61x	10.99x
Market Capitalisation (Millions in USD)	230,320	88,158
Dividend Yield	2.66%	2.36%

**Portfolio Diversification**

**Geographic Weightings vs. MSCI Emerging Markets Index<sup>7</sup>**  
Percent of Total



**Sector Weightings vs. MSCI Emerging Markets Index<sup>7</sup>**  
Percent of Total



**Top Ten Holdings<sup>8</sup>**

Percent of Total

Top Holdings	Sector	%
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	Semiconductors & Semiconductor Equipment	11.00
SAMSUNG ELECTRONICS CO LTD	Technology Hardware & Equipment	9.58
ALIBABA GROUP HOLDING LTD	Retailing	9.31
TENCENT HOLDINGS LTD	Media & Entertainment	9.23
NAVER CORP	Media & Entertainment	4.86
NASPERS LTD	Retailing	3.67
UNILEVER PLC	Household & Personal Products	3.11
BRILLIANCE CHINA AUTOMOTIVE HOLDINGS LTD	Automobiles & Components	2.60
ICICI BANK LTD	Banks	2.57
YANDEX NV	Media & Entertainment	2.11

**Supplemental Performance Statistics**

**Supplemental Risk Statistics<sup>9</sup>**

	3 Yrs	5 Yrs	10 Yrs	Since Inception
<b>Standard Deviation (%)</b>				
Templeton Emerging Markets Fund	20.16	18.58	17.92	21.28
MSCI Emerging Markets Index	18.66	17.81	17.84	21.96
<b>Tracking Error (%)</b>	3.56	3.56	4.36	8.40
<b>Information Ratio<sup>10</sup></b>	0.12	0.28	-0.23	-0.37
<b>Beta</b>	1.07	1.02	0.97	0.90
<b>Sharpe Ratio</b>				
Templeton Emerging Markets Fund	0.10	0.35	0.12	0.11
MSCI Emerging Markets Index	0.09	0.30	0.17	0.25

9. Beta, Information Ratio and Tracking Error information are measured against the MSCI Emerging Markets Index.

10. 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**

<b>Portfolio Manager</b>	<b>Years with Firm</b>	<b>Years Experience</b>
Chetan Sehgal, CFA	25	28
Andrew Ness, CFA	1	25
<b>Templeton Emerging Markets Team</b>	<b>Number of Members</b>	<b>Average Years Experience</b>
Portfolio Managers/Analysts	5	18

**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 the equity securities of emerging markets around the world, which 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 significantly over time. Other significant risks include: emerging markets risk, foreign currency risk, liquidity risk, Chinese market 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**

Templeton Emerging Markets Fund is a sub-fund of the Luxembourg-domiciled Franklin Templeton Investment Funds (FTIF).

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The indices include a greater number of securities than those held in the Fund.

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5. 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. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted. The Estimated 3-5 Year EPS Growth uses simple weighted average means. There can be no assurance that the Estimated 3-5 Year EPS Growth will be realised. All holdings are subject to change.

6. 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.**

7. Percentage may not equal 100% due to rounding. All holdings are subject to change.

8. 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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