



Templeton Emerging Markets Fund

Franklin Templeton Investment Funds

A (Ydis) USD
31 May 2024

Product Commentary

Performance Review

AS OF 4 MARCH 2022, THE RUSSIAN COMPANY SECURITIES THAT ARE HALTED ON ALL TRADEABLE EXCHANGES ARE BEING FAIR VALUED AT ZERO.

Past performance does not predict future returns.

- Emerging market (EM) equities rose in May 2024 but underperformed their developed market counterparts. The inflationary environment in the US saw a turning point with April's consumer price index increasing less than expected.
- For the month, the fund's A (Ydis) USD shares returned 1,47%, and its benchmark, the MSCI Emerging Markets Index-NR, returned 0,56%.

ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
HELPED	MediaTek Inc	Information Technology (Stock Selection)	Taiwan (Stock Selection)
	Prosus N.V. Class N	Materials (Stock Selection)	Saudi Arabia (Lack of Exposure)
	Taiwan Semiconductor Manufacturing Co., Ltd.	Consumer Staples (Stock Selection)	China (Stock Selection)
HURT	Techtronic Industries Co., Ltd.	Financials (Stock Selection)	Hong Kong (Stock Selection)
	Samsung SDI Co., Ltd	Utilities (Stock Selection)	India (Stock Selection)
	NAVER Corp.	Communication Services (Stock Selection)	South Africa (Stock Selection)

- MediaTek is a world-leading chip designer for smartphones and other technology devices. Its share price rose alongside other Asian chip-related stocks following a major US semiconductor firm's release of better-than-expected first-quarter results and upbeat guidance for the second quarter. An increasingly positive outlook for the semiconductor industry also supported returns.
- Prosus is a leading global investment company and the largest shareholder of Tencent Holdings (also held by the portfolio), a Chinese technology company. Its share price tracked that of Tencent's, which advanced on the back of its first-quarter results. While Tencent's revenue was largely in line with consensus expectations, its profit for the quarter surpassed consensus due to an improvement in margins.
- Techtronic is a leading power tools and outdoor power equipment manufacturer based in Hong Kong. After a strong performance earlier in the year, its share price declined because of news that its chief executive officer (CEO) has resigned. This took investors by surprise. The new CEO has been with Techtronic for a long time and, in our view, there is unlikely to be any material changes in the company's strategy.

Outlook & Strategy

- As the Organisation for Economic Co-operation and Development has upgraded its global growth forecast from 2.9% to 3.1% for 2024, we believe that the resilient growth and eventual loosening of financial conditions globally should lead to an improvement in macroeconomic conditions for EMs. As a start, goods inflation has started declining in most markets, which has led many investors to look beyond current higher interest rates.
- Geopolitical tensions continue to remain a risk and impact global supply chains and energy prices. Ongoing conflicts in Ukraine and Gaza continue to affect economic activity. Upcoming US elections results could have material implications for geopolitics, including the relationship between the United States and China.
- The Chinese government has followed up with policies to stabilise and promote its economy—most recently in the property and semiconductor segments—which has led to an increase in local confidence in China. However, there is scepticism about the effectiveness of China's rescue package for its property sector and a continual reduction of Western countries' dependence on Chinese supply chains from geopolitical tensions. These factors continue to impinge on valuations in the Chinese equity market. Most of our exposure is to the internet-related companies in China, specifically the ones that, in our analysis, can continue to generate cash and have good shareholder return policies.
- The emergence of AI has been a big catalyst for EMs such as South Korea and Taiwan. Many of the semiconductor and hardware companies catering to the AI industry are in EMs. These economies are the big suppliers of chips and tools that will help enable the AI revolution. We also see technology playing a critical role in another secular trend—the pursuit of net-zero carbon emissions in EMs. Advanced semiconductors hold the key for building better-performing hardware that consume less power. Among other high-growth segments, EVs have seen a material slowdown in growth expectations. The segment has seen a derating in share prices; we have lowered our exposure.
- EMs have evolved—embracing innovation, technology and diversification. As pivotal players in the global trade map, we believe their adaptability and growth trajectory position them as key drivers of the world economy, making them compelling investment opportunities for investors globally.

Fund Details

Inception Date	28.02.1991
Benchmark	MSCI Emerging Markets Index-NR
EU SFDR Category	Article 8

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^{1,2,3}

Past performance does not predict future returns.

Discrete Annual Performance (%) as at 31.05.2024

	5/23	5/24	5/22	5/23	5/21	5/22	5/20	5/21	5/19	5/20	5/18	5/19	5/17	5/18	5/16	5/17	5/15	5/16	5/14	5/15
A (Ydis) USD	11,19		-2,17		-28,35		54,43		-4,38		-6,47		10,62		30,71		-15,10		-6,88	
MSCI Emerging Markets Index-NR USD	12,39		-8,49		-19,83		51,00		-4,39		-8,70		14,03		27,41		-17,63		-0,01	

Performance Net of Management Fees as at 31.05.2024 (Dividends Reinvested) (%)^{a,b}

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (28.02.1991)
A (Ydis) USD	1,47	3,86	2,62	11,19	-7,97	2,85	2,10	4,38
MSCI Emerging Markets Index-NR	0,56	3,52	3,41	12,39	-6,23	3,55	2,66	7,12

Investment Team

Chetan Sehgal, CFA
Years with Firm 29
Years Experience 32

Andrew Ness
Years with Firm 5
Years Experience 29

1. The fund's returns may increase or decrease as a result of changes to foreign exchange rates.

2. MSCI Emerging Markets Index-NR reflects performance of the MSCI Emerging Markets Index (gross returns) from fund inception through 31 December 2000 and the MSCI Emerging Markets Index-NR thereafter.

3. Net Returns (NR) include income net of tax withholding when dividends are paid.

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. There is no guarantee that the Fund will meet its objective. 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 relatively short time periods. 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

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.

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. A copy of these documents can be found, on our website www.franklintempleton.ch or can be obtained, free of charge, from Franklin Templeton Switzerland Ltd, a member of Franklin Templeton Investments, Stockerstrasse 38, CH-8002 Zurich, Tel +41 44 217 81 81 / Fax +41 44 217 81 82, info@franklintempleton.ch. Paying agent in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich. Issued by Franklin Templeton Switzerland Ltd, a company authorized and regulated by the Swiss Financial Market Supervisory Authority FINMA as representative of Franklin Templeton Investment Funds. The Fund's documents are available in English, Arabic, French, German, Italian, Polish and Spanish or can be requested via FT's European Facilities Service available at <https://www.eifs.lu/franklintempleton>. 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. For the avoidance of doubt, if you make a decision to invest, you will be buying units/shares in the Fund and will not be investing directly in the underlying assets of the Fund.

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 Information Document/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.

References to indexes are made for comparative purposes only and are provided to represent the investment environment existing during the time periods shown.

An index is unmanaged and one cannot invest directly in an index. The performance of the index does not include the deduction of expenses and does not represent the performance of any Franklin Templeton fund.

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.

CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

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

a. Source for all information is Franklin Templeton. Benchmark related data provided by FactSet. Past performance is not an indicator or a guarantee of future performance. Portfolio holdings are subject to change. Periods greater than one year are shown as average annual total returns. Sales charges and other commissions, taxes and other relevant costs paid by investor are not included.

b. 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.



Franklin Templeton Switzerland Ltd
Stockerstrasse 38
CH-8002 Zurich
franklintempleton.ch

For Professional Client Use Only. Not for distribution to Retail Clients.