



Templeton Emerging Markets Fund

Franklin Templeton Investment Funds

A (Ydis) USD

31 July 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 over the month. They underperformed their developed market counterparts. Concerns over potential trade policies in the United States and over the payoffs from investments in artificial intelligence (AI) weighed on returns.
- For the month, the fund's A (Ydis) USD shares returned 1,18%, and its benchmark, the MSCI Emerging Markets Index-NR, returned 0,30%.

ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
HELPED	Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology (Stock Selection)	South Korea (Stock Selection)
	Samsung Life Insurance Co Ltd	Consumer discretionary (Stock Selection)	China (Stock Selection)
	Samsung Electronics Co Ltd	Industrials (Stock Selection)	Taiwan (Underweight, Stock Selection)
HURT	MediaTek Inc	Consumer Staples (Stock Selection)	Brazil (Stock Selection)
	Doosan Bobcat Inc	—	India (Underweight)
	SK Hynix Inc	—	Saudi Arabia (Lack of Exposure)

- Samsung Life is the leading life insurance company in South Korea and owns a meaningful stake in Samsung Electronics. Its shares rose on reports that tax incentives would be announced to enhance shareholder returns under the Corporate Value Up programme.
- Samsung Electronics is one of the largest memory semiconductor manufacturers in the world. It also manufactures a wide range of consumer and industrial electronics and equipment. The share price rose initially on strong preliminary numbers for the second quarter and expectations for the memory cycle. It pared gains in the later part of the month, along with the broader AI and semiconductor sector, on concerns over AI monetisation by end-clients.
- Doosan Bobcat is a South Korea-based manufacturer of construction equipment. Its product range includes loaders, excavators, drill modules and other equipment. The market reacted negatively to its announcement of a potential merger with its affiliate Doosan Robotics (not a portfolio holding). A second-quarter results announcement that missed the average analyst estimate also hurt its share price.

Outlook & Strategy

- In our view, the key structural trends for EMs remain entrenched. The AI segment continues to see strong growth, which is benefitting companies in its supply chain. There is some concern on the impact of delays and monetisation of AI investments. However, we remain positive on the semiconductor subsector, and it remains our key overweight position. The memory segment in South Korea is also in an upcycle supported by strong demand from AI and demand-supply tightness in commodity memory.
- In Latin America (LatAm), where we also remain overweight relative to the benchmark, a sticky inflationary environment has clouded the potential for interest-rate cuts. We expect interest rates to be lowered eventually, and this would be a key driver of growth for both the region and for EMs as a whole.
- Our meetings with China-based companies have reinforced our beliefs that on-the-ground consumption remains weak. Companies are now considering establishing overseas companies in regions such as LatAm, South Africa and Southeast Asia. While this was primarily across the automotive segment, we are now seeing this trend across various sectors. However, with US-China tensions being an overhang, and the potential for tariffs to be imposed even for goods flowing through Mexico, Chinese companies might have to reexamine their supply chains. While we continue to like India as a whole, we are cognisant of the high valuations in Indian equities. We have thus kept our exposure to Indian equities in the information technology, banking and internet segments.
- We remain optimistic about EM economies. Despite the uneven growth potential of countries within the investment universe, we have confidence in both the EM asset class and our strategies. We continue to seek high-quality businesses with solid balance sheets, competitive advantages and attractive valuations.

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 31.07.2024

	7/23	7/24	7/22	7/23	7/21	7/22	7/20	7/21	7/19	7/20	7/18	7/19	7/17	7/18	7/16	7/17	7/15	7/16	7/14	7/15
A (Ydis) USD	4,52		14,17		-26,38		18,79		8,57		0,90		1,68		26,20		2,27		-16,34	
MSCI Emerging Markets Index-NR USD	6,27		8,35		-20,09		20,64		6,55		-2,18		4,36		24,84		-0,75		-13,38	

Performance Net of Management Fees as at 31.07.2024 (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	1,18	5,55	6,75	4,52	-4,22	2,53	2,30	4,48
MSCI Emerging Markets Index-NR	0,30	4,84	7,81	6,27	-2,74	3,41	2,63	7,21

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.

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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.

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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.



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