



Templeton Emerging Markets Fund

Franklin Templeton Investment Funds

A (Ydis) USD

31 August 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. Despite a weak start in August on fears of a recession in the United States, positive economic data allayed these concerns.
- For the month, the fund's A (Ydis) USD shares returned 1,44%, and its benchmark, the MSCI Emerging Markets Index-NR, returned 1,61%.

ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
HELPED	Banco Bradesco S.A. Sponsored ADR Pfd	Consumer Discretionary (Stock Selection)	Brazil (Stock Selection, Overweight)
	Genpact Limited	Financials (Stock Selection)	India (Stock Selection)
	Prosus N.V. Class N	Industrials (Stock Selection)	United States (Off-benchmark Exposure)
HURT	Samsung Electronics Co., Ltd.	Information Technology (Stock Selection)	South Korea (Stock Selection, Overweight)
	Taiwan Semiconductor Manufacturing Co., Ltd.	Communication Services (Stock Selection)	Taiwan (Stock Selection)
	LG Corp	—	Malaysia (Lack of Exposure)

- 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. Its share price fell as sentiment surrounding artificial intelligence (AI)-related stocks turned cautious on uncertainty around monetisation of AI investments for end-clients. We remain positive on the memory cycle, led by demand for high-bandwidth memory from the AI sector and supply tightness for commodity memory products.
- Taiwan Semiconductor Manufacturing Company is the world's largest semiconductor foundry company. Its chips are used in a wide variety of solutions, including personal computers, automotive and industrial equipment, and phones. Its share price fell as sentiment surrounding AI-related stocks turned cautious on uncertainty around monetisation of AI investments for end-clients. We remain positive on the structural growth in demand for computing and the company's technology leadership.
- Banco Bradesco is Brazil's leading private sector bank providing services across the banking and insurance segments. Its share price rose on the back of its positive second-quarter results, where recurring net income beat the average analyst estimate supported by lower-than-expected provisions.

The off-benchmark exposure to the United States is through Cognizant Technology Solutions and Genpact, which are both US-listed technology services companies with significant exposure to India.

Outlook & Strategy

- The emergence of AI has buoyed the performance of EM equities year-to-date. For the rest of 2024, we see a potential tailwind for EM equities—the imminent US interest-rate cut. Additional levers of performance for the rest of the year could stem from more policy measures from the Chinese government, and more details of South Korea's Corporate Value-Up programme, among others.
- We look to stay invested across the key structural trends across EMs. A high-conviction area is the information technology sector, particularly semiconductor stocks that are essential participants in the digitalisation, green transition and AI trends. The latter continues to see strong growth, notwithstanding current concerns on delays and monetisation of AI investments.
- Another sector that we are overweight on is the financials sector. The majority of our holdings in this sector is in some of the best-managed banks globally across India and Latin America (LatAm). We believe these will benefit from increasing penetration and credit growth. LatAm banks also provides good exposure to the region, which should be a key beneficiary of nearshoring of global supply chains for the US market. We also continue to be highly selective in our exposure to Chinese equities. We have noticed more Chinese companies guiding for dividends and share buybacks.
- Underpinning our optimism is our well-rounded perspective. We remain cognisant of the key risks in our investment universe. We continue to keep a close watch on geopolitical tensions and government policies. We combine our bottom-up focus with these structural trends to identify opportunities in this sea of overlooked and under-researched companies.

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 31.08.2024

	8/23 8/24	8/22 8/23	8/21 8/22	8/20 8/21	8/19 8/20	8/18 8/19	8/17 8/18	8/16 8/17	8/15 8/16	8/14 8/15
A (Ydis) USD	13,01	7,40	-26,55	16,63	16,24	-2,88	-1,39	26,46	15,84	-27,15
MSCI Emerging Markets Index-NR USD	15,07	1,25	-21,80	21,12	14,49	-4,36	-0,68	24,53	11,83	-22,95

Performance Net of Management Fees as at 31.08.2024 (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	1,44	5,51	8,28	13,01	-3,75	3,86	2,14	4,51
MSCI Emerging Markets Index-NR	1,61	5,94	9,55	15,07	-3,06	4,78	2,56	7,25

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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