



Templeton Emerging Markets Fund

Franklin Templeton Investment Funds

A (Ydis) USD
30 November 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 fell over the month. The US Federal Reserve reduced interest rates, but President-elect Donald Trump's announcement of the imposition of additional tariffs on several EMs caused a divergence in the performance of developed markets and EMs.
- For the month, the fund's A (Ydis) USD shares returned -1,64%, and its benchmark, the MSCI Emerging Markets Index-NR, returned -3,59%.

ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
HELPED	Naver Corp	Communication Services (Stock Selection)	United States (Off-benchmark Exposure)*
	Genpact Ltd	Industrials (Stock Selection)	South Korea (Stock Selection)
	Taiwan Semiconductor Manufacturing Co Ltd	Consumer Discretionary (Stock Selection)	Taiwan (Stock Selection)
HURT	Samsung SDI Co Ltd	Health Care (Stock Selection)	Brazil (Stock Selection, Overweight)
	Oncoclinicas Do Brasil Servicos Medicos SA	Consumer Staples (Stock Selection)	Hungary (Stock Selection)
	Banco Bradesco SA	—	Türkiye (Lack of Exposure)

- Naver is a South Korean internet search and advertising company. It also has business interests in e-commerce, financial services and entertainment content. Its share price rose on the back of its third-quarter results, which marked strong growth in advertising revenue and cost controls. We remain positive on Naver's business execution and expect the company to potentially continue to deliver fairly steady growth over the medium term. Its leadership position in artificial intelligence (AI) solutions in South Korea, in our view, should provide the company with additional cost efficiencies and revenue opportunities.
- Genpact is a US-listed technology services company that derives much of its earnings from services provided from India. Its share price rose after the company reported strong third-quarter results, driven by significant improvement in its data technology and AI segment. The company also followed up with an upward revision of its full-year revenue forecast.
- South Korea-based Samsung SDI is a leading manufacturer of lithium-ion batteries for electric vehicles (EVs), energy storage, power tools and information technology products. Its share price fell over concerns that a key consumer tax credit aimed at boosting EV adoption as well as manufacturing incentives in the United States may be eliminated.

*Exposure to the United States is through Genpact and Cognizant Technology, which are both US-listed technology services companies that derive much of their earnings from services provided from India.

Outlook & Strategy

- While near-term factors weigh on the performance of EM equities, we believe that there are still positive long-term drivers that should extend into 2025. In addition, the emergence of AI has been a big catalyst for technology companies in South Korea and Taiwan. This has spurred an increase in the demand for the products of these companies. For companies in the semiconductor supply chain in these two countries, other longer-term growth drivers cement the demand for semiconductors. These drivers include energy transition, electrification and technological advancement. We remain optimistic on the semiconductor industry, and this remains a key overweight in our portfolio.
- The results of the US elections have dampened investor sentiment. However, in our view, policies emanating from the United States could actually be less aggressive than initially feared. China continues to keep up with policy support to boost consumer sentiment and its equity markets. While this may be interpreted positively, we balance this view with its structural challenges such as an ageing population and supply chain disruptions. India has witnessed a slight weakening in its consumption growth in recent months, and this has led to a slight correction in its equity market. We remain underweight in both China and India.
- In addition, longer-term bond yields have increased. This could extend into 2025, which poses a near-term headwind for EM equities. This adds onto uncertainties from geopolitical tensions in EMs. As such, we continue to maintain our underweight stance in the emerging Middle East region.

- What is important to us is the bottom-up view of the investment landscape in EMs. There are still numerous companies with long-term earnings power in the investment universe. Our on-the-ground teams are equipped with access to company management, which is crucial in our assessment.

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 30.11.2024

	11/23	11/22	11/21	11/20	11/19	11/18	11/17	11/16	11/15	11/14
	11/24	11/23	11/22	11/21	11/20	11/19	11/18	11/17	11/16	11/15
A (Ydis) USD	12,75	5,18	-18,22	-1,66	17,60	12,32	-12,24	35,64	12,42	-21,22
MSCI Emerging Markets Index-NR USD	11,86	4,21	-17,43	2,70	18,43	7,28	-9,09	32,82	8,47	-16,99

Performance Net of Management Fees as at 30.11.2024 (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	-1,64	0,21	8,51	12,75	-1,02	2,32	2,88	4,49
MSCI Emerging Markets Index-NR	-3,59	-1,73	7,65	11,86	-1,27	3,20	3,16	7,14

Investment Team

Chetan Sehgal, CFA
 Years with Firm 29
 Years Experience 32

Andrew Ness
 Years with Firm 6
 Years Experience 30

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 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 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.

All investments involve risks, including possible loss of principal. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. The **investment style** may become out of favor, which may have a negative impact on performance. **Active management** does not ensure gains or protect against market declines. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. The manager may consider **environmental, social and governance (ESG)** criteria in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the fund's prospectus.

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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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