



FTF Templeton Global Emerging Markets Fund

Franklin Templeton Funds

W (acc)
30 September 2025

Product Commentary

Performance Review¹

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

- Emerging market (EM) equities rose over the third quarter of 2025. The US Federal Reserve started to reduce interest rates and signalled two more reductions this year. This raised investor sentiment globally, fostering hopes for better economic growth.
- For the quarter, the fund's W (acc) shares returned 13.63%, and its benchmark, the MSCI Emerging Markets (Net Dividends) Index, returned 12.62%.

QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
HELPED	PROSUS NV	Consumer Discretionary (Stock Selection)	India (Stock Selection, Underweight)
	BAIDU INC	Information Technology (Stock Selection)	Taiwan (Stock Selection)
	WUXI BIOLOGICS CAYMAN INC	Energy (Stock Selection, Underweight)	China (Stock Selection)
HURT	ICICI BANK LTD	Materials (Stock Selection, Underweight)	South Africa (Stock Selection)
	TENCENT HOLDINGS LTD	Industrials (Stock Selection)	United States (Off-benchmark Exposure)
	COGNIZANT TECHNOLOGY SOLUTIONS CORP	—	Brazil (Stock Selection, Overweight)

- Prosus is a leading global investment company and the largest shareholder of Tencent Holdings, a Chinese technology company. The company also has ownership in multiple food delivery platforms. Its share price rose alongside Tencent's, on account of the latter's strong second-quarter results and artificial intelligence (AI) development.
- Baidu is China's leading online search platform; the company also provides online marketing solutions. Its share price registered a surge in September on optimism over the company's AI model, robotaxi plans and in-house chip venture.
- Cognizant Technology is a US-listed technology services company that derives much of its earnings from services provided from India. An increase in fees for new applications for the US H1-B visa was pertinent in dragging the share price lower at the end of the quarter. In our view, the overall impact of this fee hike for Cognizant and the industry seems quite manageable as the company has time to calibrate the mix of its onshore-offshore revenue streams, consider nearshoring options, and/or negotiate with clients.

The portfolio's off-benchmark exposure to the United States is through Cognizant Technology and Genpact, both US-listed technology services companies that derive much of their earnings from services provided from India.

Outlook & Strategy

- The outlook for EMs has stabilised amid US-dollar weakness and a clearer global trade landscape. Trade policy uncertainties are fading and EMs have taken a more conciliatory approach, seeking trade diversification while limiting the fallout from tariffs.
- The anticipation of tariff-related economic slowdown has collided with fast developments in AI. Together with the pace of interest-rate cuts, collectively, the above factors should continue to be key drivers for EMs.
- While there still remains uncertainty on US tariffs, direct impact of US tariffs on our portfolio holdings is limited. Most of the companies in the portfolio are industry leaders, and this allows them to alleviate the impact of tariffs by passing on the extra costs to the supply chain and customers. The semiconductor supply chain should continue to be a key beneficiary from investments in AI, and it remains a key overweight sector in the portfolio.
- Chinese equities performed well, from policy initiatives and a friendlier stance towards the private sector. While India traded against tariff headwinds, we expect the situation to stabilise eventually. Brazilian equities shrugged off elevated US tariffs and are trading at deeply discounted valuations with attractive dividend yields.
- We continue to remain upbeat about EM economies. Despite the current environment of slowing growth and geopolitical issues globally, 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.

1. Please go to <https://www.franklintempleton.co.uk/glossary> for key terms and definitions.

Fund Details

Inception Date	15/03/2004
Benchmark	MSCI Emerging Markets (Net Dividends) Index
IA Sector Peer Group	IA Global Emerging Markets

Fund Description

The Fund aims to increase in value through investment growth by more than the MSCI Emerging Markets (Net Dividends) Index over periods of five years after all fees and costs are deducted. There is no guarantee that the Fund will achieve this return over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

Performance Data^{2,3,4}

Discrete Annual Performance (%) as at 30/09/2025

	9/24 9/25	9/23 9/24	9/22 9/23	9/21 9/22	9/20 9/21	9/19 9/20	9/18 9/19	9/17 9/18	9/16 9/17	9/15 9/16
W (acc)	24.18	14.35	10.18	-17.86	10.72	6.97	7.40	1.92	21.98	46.09
MSCI Emerging Markets (Net Dividends) Index GBP	16.90	14.70	2.16	-13.17	13.33	5.37	3.69	2.05	18.57	36.18
Peer Group Average	15.42	13.02	2.59	-15.49	17.28	1.67	6.38	-1.44	17.59	37.42

Performance Net of Management Fees as at 30/09/2025 (Dividends Reinvested) (%)^{a,b}

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (15/03/2004)
W (acc)	7.81	13.63	26.36	24.18	16.09	7.31	11.50	7.18
MSCI Emerging Markets (Net Dividends) Index	7.54	12.62	18.64	16.90	11.05	6.15	9.27	9.08
Peer Group Average	6.23	11.65	16.70	15.42	10.20	5.81	8.61	8.65
Quartile Ranking	1	2	1	1	1	2	1	3

The W (acc) share class launched on 31/05/2012. Performance data prior to that date is for the A (acc) share class launched on 15/03/2010 which has higher annual charges.

Please refer to the "How We Measure Performance" section for more details about the benchmark.

Investment Team

Chetan Sehgal, CFA
Years with Firm 30
Years Experience 33

Andrew Ness
Years with Firm 7
Years Experience 30

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 and equity-related securities of emerging markets around the world that 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. Risks materially relevant not adequately captured by the indicator: **Emerging markets risk:** the risk related to investing in countries that have less developed political, economic, legal and regulatory systems, and that may be impacted by political/economic instability, lack of liquidity or transparency, or safekeeping issues. **Foreign Currency risk:** the risk of loss arising from exchange-rate fluctuations or due to exchange control regulations. **Liquidity risk:** the risk that arises when adverse market conditions affect the ability to sell assets when necessary. Such risk may be triggered by (but not limited to) unexpected events such as environmental disasters or pandemics. Reduced liquidity may have a negative impact on the price of the assets.

For a full discussion of all the risks applicable to this Fund, please refer to the "Risk Factors" section of the current prospectus of Franklin Templeton Funds.

How We Measure Performance

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the Fund's performance target, the MSCI Emerging Markets (Net Dividends) Index, as it is widely available and reflects investments in stock markets of emerging markets countries. The term 'Net Dividends' in the name of the Index means that the Index returns reflect the deduction of withholding taxes.
- The Fund's performance can also be compared against the Investment Association Emerging Markets sector average, which reflects the performance of the Fund's competitors.

2. Net Dividends include income net of tax withholding when dividends are paid.

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4. Please go to <https://www.franklintempleton.co.uk/glossary> for key terms and definitions.

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Subscriptions to shares of the Fund can only be made on the basis of the current prospectus, the relevant Key Investor Information Document ("KIID") or Supplementary Information Document (SID) accompanied by the latest available audited annual report and the latest semi-annual report if published thereafter, which can be found on our website (www.franklintempleton.co.uk) or from the address below. US Persons (as more fully defined in the latest Fund prospectus) are not eligible to invest in the Fund. Shares of the Fund are available for sale and distribution in the UK.

An investment in the Fund entails risks which are described in the Fund's prospectus and the relevant KIID. The value of shares in the Fund and any income received from them can go down as well as up, and investors may not get back the full amount invested. Past performance is not an indicator, not a guarantee, of future performance. Where a fund invests in a specific sector or geographical area, the returns may be more volatile than a more diversified fund.

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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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