



FRANKLIN TEMPLETON  
INVESTMENTS

# TEMPLETON EMERGING MARKETS FUND

A SUB-FUND OF LUXEMBOURG-DOMICILED SICAV

31 December 2011

## FUND MANAGER AND LOCATION

**Mark Mobius**, Singapore  
(since 28 February 1991)  
**Dennis Lim**, Singapore  
(since 28 February 1991)  
**Tom Wu**, Hong Kong  
(since 28 February 1991)

## FUND INFORMATION

**Base Currency of Fund:** US dollar  
**Fund Size:** \$1.073,76 million  
**Number of Positions:** 64  
**Fund Index:** MSCI Emerging Markets Index  
**Morningstar™ Workstation Category:** Global Emerging Markets Equity  
**Date of Fund Launch:** 28 February 1991

## NET ASSET VALUE AS OF 31 DECEMBER 2011

**A(acc)EUR-H1** €8,44  
**A(acc)USD** \$33,39  
**A(Ydis)USD** \$32,19  
**I(acc)USD** \$21,25  
**I(acc)EUR-H1** €8,49

## CHARGES AND IDENTIFIERS

Share Class	Max.Initial Sales Charge	Annual Management & Administration Charge
A shares	5,25%	2,10%
I shares	-	1,10%

Share Class	Valoren	ISIN
A(acc)EUR-H1	12996535	LU0626262082
A(acc)USD	1240297	LU0128522744
A(Ydis)USD	482564	LU0029874905
I(acc)EUR-H1	12996549	LU0626262165
I(acc)USD	1923024	LU0195951610

## TOTAL EXPENSE RATIO AS OF DECEMBER 2011

**A(acc)EUR-H1** 2,50%  
**A(acc)USD** 2,48%  
**A(Ydis)USD** 2,48%  
**I(acc)EUR-H1** 1,40%  
**I(acc)USD** 1,39%

## EUSD STATUS

**Redemption:** Out of Scope  
**Distribution:** Out of Scope

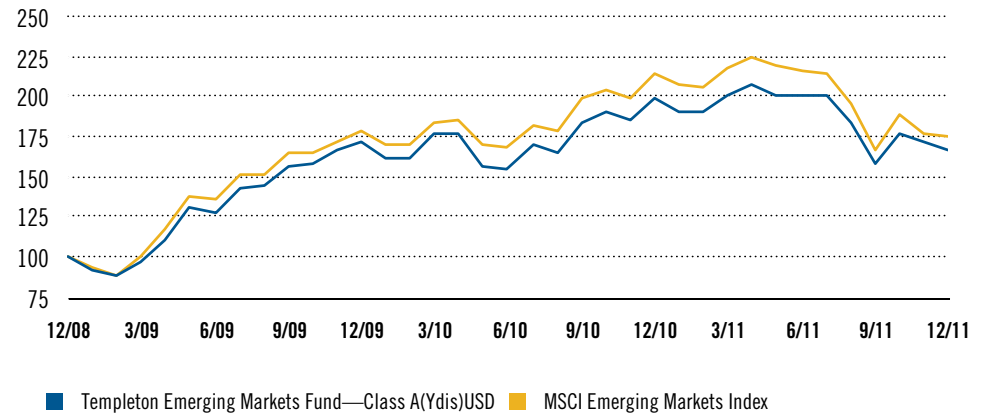
## RATINGS<sup>3</sup>

Morningstar™ Overall Rating: ★★★★★

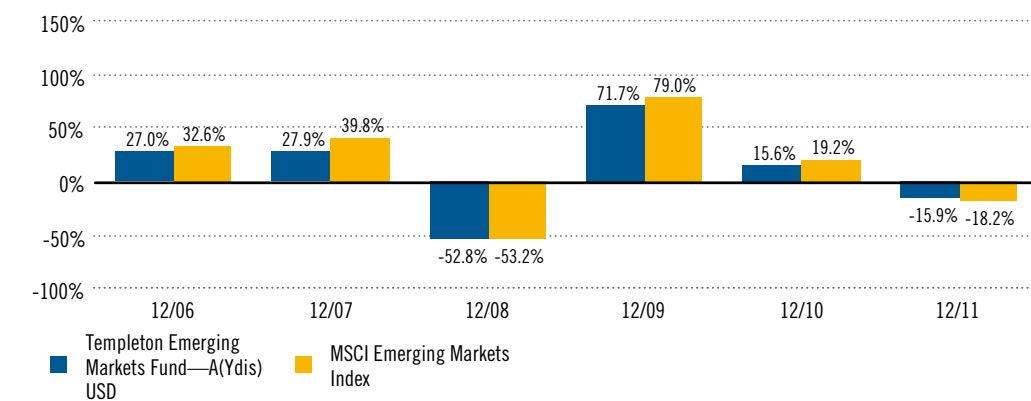
## INVESTMENT OBJECTIVE

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.

## 3 YEAR PERFORMANCE (US DOLLAR)<sup>1,2</sup>



## CALENDAR YEAR PERFORMANCE RETURN (US DOLLAR)<sup>1,2</sup>



## CUMULATIVE AND ANNUALISED (\*) PERFORMANCE

	YTD	1-MO	3-MO	6-MO	1-YR	3-YR	*3-YR	5-YR	*5-YR	SINCE LAUNCH	*SINCE LAUNCH
A(acc)EUR-H1	-	-2,43	5,90	-16,68	-	-	-	-	-	-15,60	-
A(acc)USD	-15,90	-2,28	6,13	-16,53	-15,90	66,94	18,64	0,69	0,14	188,32	10,47
A(Ydis)USD	-15,91	-2,31	6,10	-16,54	-15,91	66,95	18,64	0,71	0,14	211,20	5,60
I(acc)EUR-H1	-	-2,41	5,99	-16,27	-	-	-	-	-	-15,10	-
I(acc)USD	-14,93	-2,16	6,41	-16,04	-14,93	72,76	20,01	6,72	1,31	112,50	10,83
Index	-18,17	-1,20	4,45	-19,01	-18,17	74,61	20,43	14,27	2,70	556,30	9,45

## MORNINGSTAR™ SECTOR AVERAGE<sup>4</sup>

	-20,76	-2,16	3,17	-20,20	-20,76	60,91	-	0,75	-	295,85	-
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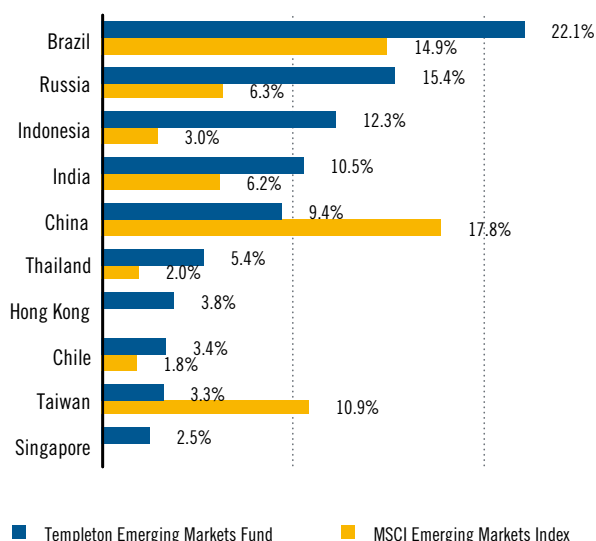
## PORTFOLIO COMPOSITION (% OF TOTAL)

EQUITY	FIXED INCOME	CASH
90,16	-	9,84

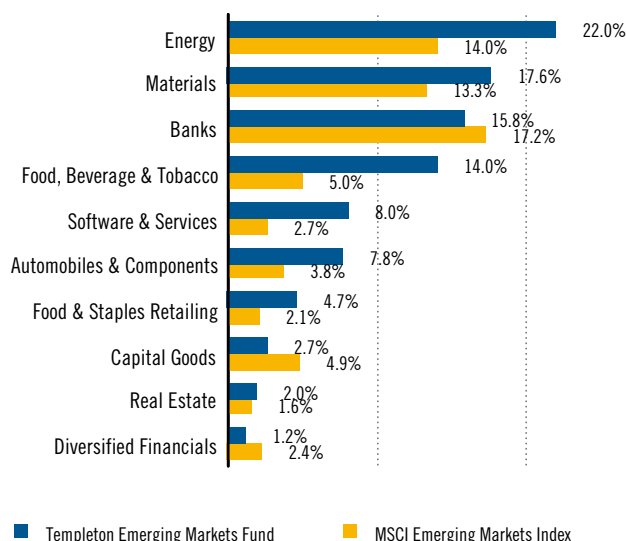
TOP 10 ISSUERS WITHIN THE PORTFOLIO (31 DECEMBER 2011)<sup>5</sup>

SECURITY	INDUSTRY	COUNTRY	%
P T ASTRA INTERNATIONAL TBK	Automobiles & Components	Indonesia	6,32
CIA DE BEBIDAS DAS AMERICAS (AMBEV)	Food, Beverage & Tobacco	Brazil	6,05
TATA CONSULTANCY SERVICES LTD	Software & Services	India	5,31
VALE SA	Materials	Brazil	4,96
SOUZA CRUZ SA	Food, Beverage & Tobacco	Brazil	3,88
ITAU UNIBANCO HOLDING SA	Banks	Brazil	3,21
LUKOIL HOLDINGS	Energy	Russia	3,16
PRESIDENT CHAIN STORE CORP	Food & Staples Retailing	Taiwan	2,97
GAZPROM	Energy	Russia	2,94
PETROCHINA CO LTD	Energy	China	2,93

PORTFOLIO COUNTRY WEIGHTINGS VS. MSCI EMERGING MARKETS INDEX (% OF EQUITY)



PORTFOLIO INDUSTRY WEIGHTINGS VS. MSCI EMERGING MARKETS INDEX (% OF EQUITY)



PORTFOLIO PERFORMANCE CONTRIBUTOR DATA IN US DOLLAR (31 DECEMBER 2011)

LARGEST CONTRIBUTING SECURITIES	INDUSTRY	COUNTRY	%
Itau Unibanco Holding S/A ADS	Banks	Brazil	0,16
Bank Rakyat Indonesia	Banks	Indonesia	0,08
Kasikornbank Public Co Ltd Shs Fgn Reg	Banks	Thailand	0,07
Tata Consultancy Services Ltd.	Software & Services	India	0,13
Cia Bebidas das Americas - Ambev	Food, Beverage & Tobacco	Brazil	0,44
President Chain Store Corp.	Food & Staples Retailing	Taiwan	0,29
Dairy Farm International Holdings Ltd.	Food & Staples Retailing	Hong Kong	0,12
Astra International	Automobiles & Components	Indonesia	0,30
TNK-BP Holding	Energy	Russia	0,32
Ptt Exploration&Prod Fgn	Energy	Thailand	0,09

SMALLEST CONTRIBUTING SECURITIES	INDUSTRY	COUNTRY	%
Sberbank of Russia OJSC	Banks	Russia	-0,60
Souza Cruz S.A.	Food, Beverage & Tobacco	Brazil	-0,10
Tata Chemicals Ltd.	Materials	India	-0,10
Uralkali JSC ADS	Materials	Russia	-0,22
Noriisk Nickel Mining & Metallurgical Co. ADS	Materials	Russia	-0,27
Vale S A Adr Repstg Pfd	Materials	Brazil	-0,33
Tupras Turkiye Petrol Rafinerileri A.S.	Energy	Turkey	-0,12
Lukoil Holdings ADS	Energy	Russia	-0,15
SK Innovation Co. Ltd.	Energy	South Korea	-0,15
Gazprom OAO ADS	Energy	Russia	-0,18

**PERFORMANCE STATISTICS (31 DECEMBER 2011)<sup>6</sup>**

STANDARD DEVIATION	1-YR	3-YR	5-YR
Templeton Emerging Markets Fund	21,97	25,39	28,01
MSCI Emerging Markets Index	23,45	25,76	28,86
SHARPE RATIO	1-YR	3-YR	5-YR
Templeton Emerging Markets Fund	-0,73	0,73	-0,04
MSCI Emerging Markets Index	-0,78	0,79	0,05
% OF POSITIVE MONTHS	1-YR	3-YR	5-YR
Templeton Emerging Markets Fund	25,00	47,22	48,33
MSCI Emerging Markets Index	25,00	50,00	50,00
GAINS : LOSSES	1-YR	3-YR	5-YR
Templeton Emerging Markets Fund	0,58	1,82	1,12
MSCI Emerging Markets Index	0,57	1,91	1,20
MAXIMUM LOSS	1-YR	3-YR	5-YR
Templeton Emerging Markets Fund	-24,21	-24,21	-61,95
MSCI Emerging Markets Index	-25,59	-25,59	-61,44
VS. MSCI EMERGING MARKETS INDEX	1-YR	3-YR	5-YR
Alpha	0,99	-0,93	-2,51
Beta	0,92	0,97	0,96
Tracking Error	4,51	4,55	5,18
Information Ratio	0,50	-0,39	-0,49
Correlation	0,98	0,98	0,98
R Squared	0,97	0,97	0,97

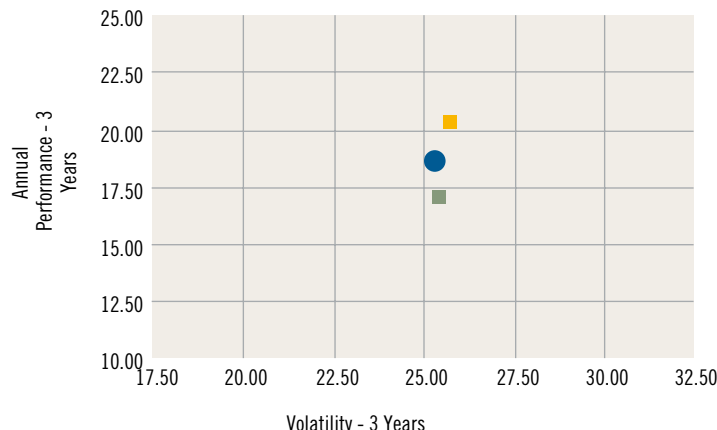
**PORTFOLIO CHARACTERISTICS (31 DECEMBER 2011)<sup>6</sup>**

	PORTFOLIO	BENCHMARK
Avg. P/E Ratio	12,30	10,75
Avg. P/BV Ratio	2,81	1,58
Avg. P/CF Ratio	8,96	6,95
Avg. Dividend Yield	2,85%	2,95%
Avg. Market Capitalisation (in millions)	\$29.857	\$35.138
Median Market Capitalisation (in millions)	\$9.007	\$3.781

**MARKET CAPITALISATION BREAKDOWN**

	PORTFOLIO
< 1.5 billion	2,0
1.5 billion - 5 billion	8,5
> 5 billion	72,9

**RISK VS. RETURN<sup>1,7</sup>**



- Templeton Emerging Markets Fund—A(Ydis)USD
- MSCI Emerging Markets Index
- Global Emerging Markets Equity

**GLOSSARY**

**Alpha:** Alpha measures the difference between a fund's actual returns and its expected returns given its risk level as measured by its beta. A positive alpha figure indicates the fund has performed better than its beta would predict. In contrast, a negative alpha indicates a fund has underperformed, given the expectations established by the fund's beta. Some investors see alpha as a measurement of the value added or subtracted by a fund's manager.

**Benchmark:** An unmanaged group of securities whose overall performance is used as a standard to measure investment performance.

**Beta:** A measure of the magnitude of a portfolio's past share-price fluctuations in relation to the ups and downs of the overall market (or appropriate market index). The market (or index) is assigned a beta of 1.00, so a portfolio with a beta of 1.20 would have seen its share price rise or fall by 12% when the overall market rose or fell by 10%.

**Correlation:** A measure of the degree to which the price trends of various investment categories or instruments move in the same direction. The correlation quantifies the strength of the relationship as a figure between -1 and +1. The closer the coefficient is to 1, the stronger the correlation. If the coefficient is -1, the investments and the benchmark move in opposite directions. If the value is 0 there is no correlation.

**Dividend Yield:** A Dividend is a payment of cash or stock from a company's earnings to each stockholder as declared by the company's board of directors. A dividend yield is a snapshot of interest and dividend income from a fund. The yield, expressed as a percentage of the fund's net asset value, is based on income earned over the past 30 days and is annualised for the coming year.

**Information ratio:** In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an Investment has beaten the Benchmark to the consistency by which the Investment has beaten the Benchmark.

**Market capitalization:** A determination of a company's value, calculated by multiplying the total number of company stock shares outstanding by the price per share.

**Price-to-book value (P/BV):** The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the ratio is the weighted average price/book ratio of the stocks it holds.

**Price/cash flow (P/CF):** Supplements price/earnings ratio as a measure of relative value; represents a weighted average of the price/cash flow ratios for the underlying fund holdings.

**Price/earnings ratio (P/E):** The share price of a stock, divided by its per-share earnings over the past year. For a portfolio, the weighted average P/E ratio of the stocks in the portfolio. P/E is a good indicator of market expectations about a company's prospects; the higher the P/E, the greater the expectations for a company's future growth in earnings.

**R-squared:** A measure of how much of a portfolio's performance can be explained by the returns from the overall market (or a benchmark index). If a portfolio's total return precisely matched that of the overall market or benchmark, its R-squared would be 1.00. If a portfolio's return bore no relationship to the market's returns, its R-squared would be 0.

**Sharpe ratio:** A measure of risk-adjusted return. To calculate a Sharpe ratio, an asset's excess returns (its return in excess of the return generated by risk-free assets such as Treasury bills) are divided by the asset's standard deviation.

**Standard deviation:** A measure of the degree to which a fund's return varies from its previous returns or from the average of all similar funds. The larger the standard deviation, the greater the likelihood (and risk) that a security's performance will fluctuate from the average return.

**Tracking error:** Measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error.

**Volatility:** The degree of fluctuation in the value of a security, mutual fund, or index, volatility is often expressed as a mathematical measure such as a standard deviation or beta. The greater a fund's volatility, the wider the fluctuations between its high and low prices.

**IMPORTANT INFORMATION AND DISCLAIMERS**

1. Performance data may represent blended share class performance e.g. hybrid created from an A(dis) share class which was converted to A(acc). Performance figures represent the aggregate total return for the period indicated assuming, where relevant, the reinvestment of dividends and distributions. Performance figures assume reinvestment of dividends. Performance figures above are for A(dis) shares, except where only A(acc) shares are available, then A(acc) performance is shown. S&P sector average represents the Luxembourg universe. The performance data does not take account commissions and/or costs incurred on the issue and redemption of the shares. 2. Chart performance figures are rebased to 100 at the Fund's inception date. 3. Copyright - © 2011 Morningstar, Inc. All Rights Reserved. Morningstar Rating™ as of 31 December 2011, in the Global Emerging Markets Equity Morningstar Category™. 4. Copyright - © 2011 Morningstar, Inc. All Rights Reserved. You will find further information under www.franklintempleton.ch/morningstar/en. 5. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top 10 holdings list. 6. Please refer to the Glossary section for more explanations on mathematical measures and financial terms. If you need further explanation, please seek guidance from a Financial Adviser. Due to rounding the percentages shown may be within 0.1% tolerance of the true value. 7. Peer Group Source: © 2011 Standard & Poor's Micropal, Inc. 1-800-596-5323 http://www.funds-sp.com. The development of the values shown above originates in the past.

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Paying agent of Franklin Templeton Investment Funds in Switzerland is JPMorgan Chase Bank, Dreikönigstrasse 21, 8022 Zurich.

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