FRANKLIN TEMPLETON

Templeton Emerging Markets Equity Fund

Advisor Class: TDADX Class A: TEDMX | **Commentary | as of September 30, 2026**

Key Takeaways

- **Markets:** Emerging Market (EM) stocks slipped slightly in the third quarter of 2026 against a backdrop of a U.S. Federal Reserve interest-rate hike and continued geopolitical tensions in the Middle East.
- **Detractors:** The fund underperformed its benchmark, the MSCI Emerging Markets, for the quarter, primarily due to stock selection in Information Technology and Financials, and stock selection and an underweight in Materials.
- **Contributors:** Stock selection in Industrials, and stock selection and an overweight in Health Care contributed to relative performance for the quarter.
- **Outlook:** We remain positive on EM stocks. Overall, EM stocks remain well placed for the future.

Performance Review

- EM stocks slipped slightly in the third quarter of 2026 against a backdrop of a U.S. Federal Reserve interest-rate hike and continued geopolitical tensions in the Middle East.
- The fund underperformed its benchmark, the MSCI Emerging Markets, for the quarter, primarily due to stock selection in Information Technology and Financials, and stock selection and an underweight in Materials.
- SK Hynix, a South Korea-based semiconductor company and maker of memory chips used globally, was the top relative detractor for the period. Its share price fell sharply at the start of the quarter, driven by profit taking after strong performance, concerns over artificial intelligence (AI) investment returns and increasing competition from Chinese companies. Despite the volatility, we remain positive on the company given tight memory supply, continued demand for high-bandwidth memory (HBM) and its leading position in HBM, including the latest HBM4 generation.
- Stock selection in Industrials, and stock selection and an overweight in Health Care contributed to relative performance for the quarter.
- Wuxi Biologics, a Chinese contract research, development, and manufacturing organization was the strongest relative contributor during the period as its share price rose due to a results beat for the first half of 2026. The country's five-year plan for the pharmaceutical industry also lent some support to the share price towards the end of the period. To us, the company has continued to strengthen its integrated service offering and global manufacturing capabilities.
- Geographically, stock selection and an overweight in South Korea detracted from relative performance for the quarter. In contrast, stock selection and an overweight in China contributed to relative results.

Outlook

- We remain positive on EM stocks. The capital expenditure on AI continues to propel earnings growth revisions for semiconductor companies and indirect beneficiaries within the AI supply chain.
- While AI has garnered a lot of focus, returns remain diversified. In EMs, different economies bring about their own growth drivers. On a more general level, we are also observing more companies extolling capital discipline and improving their shareholder return policies.
- The investment case for China involves the global competitiveness of its industrial companies, particularly in areas such as electric vehicles, power equipment and energy-related products. We are seeing these companies grow across both domestic and export markets. In India, a young population and rising incomes bring about a shift in the way Indians consume. An example is in the rise of digital consumer businesses. In Brazil, election remains at central stage, and the outcome can be positive for the long-term outlook.
- Overall, EM stocks remain well placed for the future. However, fundamentals, government policies and investment opportunities vary widely. This makes an active, bottom-up investment approach especially important.

Morningstar Rating™

Overall Rating as of September 30, 2026

★★★★★ **(5-Star)** Advisor Class

★★★★★ **(5-Star)** Class A

As of 09/30/2026 the fund's Advisor Class and Class A shares received a 5 star overall Morningstar rating™, measuring risk-adjusted returns against 689, 629 and 467 Diversified Emerging Markets funds over the 3-, 5- and 10- year periods, respectively. A fund's overall rating is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) rating metrics. The number of funds in the category for the Overall Rating are listed under the 3-year period.

Top Equity Issuers (% of Total)

Holding	Fund
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	14.08
SAMSUNG ELECTRONICS CO LTD	9.40
SK HYNIX INC	8.88
MEDIATEK INC	4.01
BYD CO LTD	2.44
PROSUS NV	2.39
HON HAI PRECISION INDUSTRY CO LTD	2.31
WUXI BIOLOGICS CAYMAN INC	2.10
HDFC BANK LTD	1.93
LITE-ON TECHNOLOGY CORP	1.93

Not FDIC Insured | No Bank Guarantee | May Lose Value

Average annual total returns and fund expenses (%) - as of September 30, 2026

			Without Sales Charge							With Maximum Sales Charge							Expenses		Sales Charges		Inception
Class	CUSIP	Ticker	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net	Initial Charge	CDSC	Date
Advisor Class	88018W302	TDADX	-2.44	34.54	44.20	31.27	12.75	11.56	7.69	-2.44	34.54	44.20	31.27	12.75	11.56	7.69	1.27	0.99	—	—	10/16/1991
Class A	88018W104	TEDMX	-2.47	34.27	43.83	30.95	12.47	11.29	7.43	-7.84	26.88	35.90	28.51	11.21	10.66	7.26	1.52	1.24	5.50	—	10/16/1991
Benchmark	—	—	-0.37	23.38	29.22	24.09	8.94	9.09	—	-0.37	23.38	29.22	24.09	8.94	9.09	—	—	—	—	—	—

Benchmark(s)

Benchmark =MSCI Emerging Markets Index-NR

Performance data quoted represents past performance, which does not guarantee future results. *Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit franklintempleton.com.*

The fund began offering Advisor Class shares on 1/2/1997. Performance quotations have been calculated as follows: (a) for Advisor Class periods prior to 1/2/1997, a restated figure is used based on the fund's Class A performance. The performance was adjusted to take into account differences in class-specific operating expenses and maximum sales charges. (b) For periods after share class offering, performance for the specific share class is used, reflecting the expenses and maximum sales charges applicable to that class.

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 07/12/2027 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

What are the Risks?

All investments involve risks, including possible loss of principal. 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.** To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. The managers' **environmental, social and governance (ESG) strategies** may limit the types and number of investments available and, as a result, may forgo favorable market opportunities or underperform strategies that are not subject to such criteria. There is no guarantee that the strategy's ESG directives will be successful or will result in better performance. These and other risks are discussed in the fund's prospectus.

Glossary

Capital Expenditure (capex) are funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment.

Important Information

Effective 1 June, 2026, the Templeton Developing Markets Trust changed its name to the Templeton Emerging Markets Equity 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.

The **MSCI Emerging Markets Index** is a market capitalization-weighted index that is designed to measure equity market performance in the global emerging markets. **MSCI Emerging Markets Index-NR** reflects the performance of MSCI Emerging Markets Index (gross returns) from fund inception through 12/31/2000 and the MSCI Emerging Markets Index-NR thereafter.

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Important data provider notices and terms available at www.franklintempletondatasources.com. All data is subject to change.

Holdings are provided for informational purposes only and should not be construed as a recommendation to purchase or sell any security.

Morningstar Rating™: Source: Morningstar®, 09/30/2026. For each mutual fund and ETF with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance, and does not take into account the effects of sales charges and loads, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The fund's Class A shares received a Morningstar Rating of 5, 4 and 5 and fund's Advisor Class shares received a Morningstar Rating of 5, 4 and 5 star(s) for the 3-, 5- and 10-year periods, respectively. Franklin Templeton provides this fund's Morningstar Rating™ for Class A and Advisor Class shares only. Other share classes may have different Morningstar ratings. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at www.franklintempleton.com. Please read it carefully.

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