

# Templeton Emerging Markets Small Cap Fund

Advisor Class: TEMZX Class A: TEMMX Class C: TCEMX Class R: FTESX Class R6: FTEQX

Blend | Factsheet as of June 30, 2025

## Investment Overview

The fund seeks long-term capital appreciation by investing at least 80% of its net assets in securities of small-cap companies located in emerging market countries.

## Average Annual Total Returns (%)

	Without Sales Charges					With Sales Charges					Inception Date
	1-Yr	3-Yr	5-Yr	10-Yr	Inception	1-Yr	3-Yr	5-Yr	10-Yr	Inception	
Advisor Class	12.60	11.79	11.69	5.06	5.27	12.60	11.79	11.69	5.06	5.27	10/2/2006
Class A	12.29	11.53	11.40	4.80	4.98	6.10	9.45	10.14	4.21	4.66	10/2/2006
Class C	11.42	10.69	10.56	4.02	4.23	10.42	10.69	10.56	4.02	4.23	10/2/2006
Class R	11.96	11.23	11.12	4.54	4.74	11.96	11.23	11.12	4.54	4.74	10/2/2006
Class R6	12.59	11.83	11.75	5.14	5.31	12.59	11.83	11.75	5.14	5.31	10/2/2006
Benchmark	8.40	13.81	13.86	5.97	—	8.40	13.81	13.86	5.97	—	—

## Cumulative Total Returns (% Without Sales Charge)

	3-Mo	YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Advisor Class	12.68	10.32	7.92	13.62	-18.93	23.76	9.92	6.10	-14.70	31.60	3.60	-6.85
Class A	12.56	10.15	7.66	13.33	-19.14	23.49	9.70	5.75	-14.88	31.30	3.35	-7.11
Class C	12.34	9.72	6.87	12.47	-19.75	22.48	8.92	5.02	-15.58	30.35	2.58	-7.78
Class R	12.45	10.00	7.36	13.09	-19.37	23.18	9.44	5.54	-15.15	30.97	3.04	-7.32
Class R6	12.62	10.34	7.90	13.68	-18.91	23.97	10.09	6.20	-14.58	31.68	3.36	-7.11
Benchmark	17.17	10.74	4.79	23.92	-18.02	18.75	19.29	11.51	-18.59	33.84	2.28	-6.85

**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](http://franklintempleton.com).

The fund began offering Class R6 shares on 8/1/2017. Performance quotations have been calculated as follows: (a) for Class R6 periods prior to 8/1/2017, a restated figure is used based on the fund's Advisor Class 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.

## Share Class Details

	CUSIP	Ticker	Sales Charges (%)		Expenses (%)	
			Max	CDSC	Gross	Net
Advisor Class	88019R690	TEMZX	0.00	—	1.70	1.51
Class A	88019R732	TEMMX	5.50	—	1.95	1.76
Class C	88019R724	TCEMX	0.00	1.00	2.70	2.51
Class R	88019R716	FTESX	0.00	—	2.20	2.01
Class R6	88019R385	FTEQX	0.00	—	1.58	1.48

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 12/31/2025 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice. There is a 1% CDSC on any Class C shares you sell within 12 months of purchase.

## Morningstar Rating™

Overall Rating as of June 30, 2025

★★★★ Advisor Class

★★★★ Class A

As of 06/30/2025 the fund's Advisor Class and Class A shares received a 4 star overall Morningstar rating™, measuring risk-adjusted returns against 711, 629 and 453 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.

## Growth of \$10,000

Advisor Class Shares—Inception through June 30, 2025  
Excluding Effects of Sales Charges



## Fund Overview

Dividend Frequency, if any	Annually
Morningstar Category	Diversified Emerging Markets
Lipper Classification	Emerging Markets Funds
Turnover (fiscal yr)	20%

## Benchmark(s)

MSCI Emerging Markets Small Cap Index-NR

## Fund Characteristics

	Fund
Total Net Assets	\$350.42 Million
Number of Issuers	91
Average Market Cap (Millions USD)	\$5,384
Price to Book	2.24x
Price to Earnings (12-Month Trailing)	15.48x

## Risk Statistics (3-Year—Advisor Class)

	Fund	Benchmark
Beta	0.99	—
R-Squared	0.84	—
Sharpe Ratio	0.48	0.66
Standard Deviation (%)	15.09	14.00
Alpha (%)	-1.55	—
Information Ratio	-0.34	—
Tracking Error (%)	5.99	—

Top Equity Issuers (% of Total)

	Fund
BAJAJ HOLDINGS & INVESTMENT LTD	4.88
INTERNATIONAL CONTAINER TERMINAL SERVICES INC	3.44
NOVATEK MICROELECTRONICS CORP	3.10
FPT CORP	3.07
FEDERAL BANK LTD	2.78
LEENO INDUSTRIAL INC	2.60
SYNNEX TECHNOLOGY INTERNATIONAL CORP	2.38
MOBILE WORLD INVESTMENT CORP	2.33
MAX FINANCIAL SERVICES LTD	2.30
REDINGTON LTD	2.22

Geographic Allocation (% of Total)

	Fund	Benchmark
India	33.52	27.24
Taiwan	13.85	18.95
South Korea	7.91	13.40
Vietnam	7.56	0.00
Philippines	5.29	0.91
China	4.05	11.25
Brazil	3.42	4.16
South Africa	0.68	3.99
Other	19.62	20.10
Cash & Cash Equivalents	4.11	0.00

Sector Allocation (% of Total)

	Fund	Benchmark
Financials	24.79	12.22
Information Technology	19.86	15.94
Consumer Discretionary	16.87	10.60
Health Care	11.27	10.53
Consumer Staples	6.74	5.95
Industrials	6.20	18.58
Materials	4.47	11.38
Real Estate	1.96	5.80
Other	3.74	9.02
Cash & Cash Equivalents	4.11	0.00

Portfolio Management

	Years with Firm	Years of Experience
Chetan Sehgal, CFA	30	33
Vikas Chiranewal, CFA	19	21

What should I know before investing?

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. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. 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.

Glossary

**Beta:** A measure of the fund’s volatility relative to the market, as represented by the stated Index. A beta greater than 1.00 indicates volatility greater than the market. **R-squared** measures the strength of the linear relationship between the fund and its benchmark. R-squared at 1 implies perfect linear relationship and zero implies no relationship exists. **Sharpe Ratio** refers to a risk-adjusted measure calculated using standard deviation and excess returns to determine reward per unit of risk. The higher the ratio, the greater the risk-adjusted performance. **Standard Deviation:** Measure of the degree to which a fund’s return varies from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that a fund’s performance will fluctuate from the average return. **Alpha** is the annualized percentage difference between a portfolio’s actual returns and its expected performance given its level of market risk, as measured by beta. **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. **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. **Turnover** is a measure of the fund’s trading activity which represents the portion of the fund’s holdings that has changed over a twelve-month period through the fiscal year end. There is no assurance that the fund will maintain its current level of turnover. **Weighted Average 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. For a portfolio, the value represents a weighted average based on the stocks held. **Price to Book:** The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the value represents a weighted average of the stocks it holds. **Price to Earnings (12-Month Trailing)** is the share price of a stock, divided by its per-share earnings over the past year. For a portfolio, the value represents a weighted average of the stocks it holds.

Important Information

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**Morningstar Rating™:** Source: Morningstar®, 06/30/2025. 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 4, 4 and 3 and fund’s Advisor Class shares received a Morningstar Rating of 4, 5 and 3 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.

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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](http://www.franklintempleton.com). Please read it carefully.**