

TEMPLETON EMERGING MARKETS FUND  
Form N-CSR  
October 31, 2018

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, DC 20549**

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANIES**  
**Investment Company Act file number 811-04985**

**Templeton Emerging Markets Fund**  
**(Exact name of registrant as specified in charter)**

**300 S.E. 2<sup>nd</sup> Street, Fort Lauderdale, FL 33301-1923**  
**(Address of principal executive offices) (Zip code)**

**Craig S. Tyle, One Franklin Parkway, San Mateo, CA 94403-1906**

**(Name and address of agent for service)**

**Registrant's telephone number, including area code: (954) 527-7500**

**Date of fiscal year end: 8/31**

**Date of reporting period: 8/31/18**

**Item 1. Reports to Stockholders.**

**Annual Report**

August 31, 2018

Franklin Templeton Investments

Why choose Franklin Templeton Investments?

Successful investing begins with ambition. And achievement only comes when you reach for it. That's why we continually strive to deliver better outcomes for investors. No matter what your goals are, our deep, global investment expertise allows us to offer solutions that can help.

During our more than 70 years of experience, we've managed through all kinds of markets—up, down and those in between. We're always preparing for what may come next. It's because of this, combined with our strength as one of the world's largest asset managers that we've earned the trust of millions of investors around the world.

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## Annual Report

### Templeton Emerging Markets Fund

Dear Shareholder:

This annual report for Templeton Emerging Markets Fund covers the fiscal year ended August 31, 2018.

#### **Your Fund's Goal and Main Investments**

The Fund seeks long-term capital appreciation by investing, under normal market conditions, at least 80% of its net assets in emerging country equity securities.

#### **Performance Overview**

The Fund had cumulative total returns of -5.14% based on market price and -2.11% based on net asset value for the 12 months under review. You can find the Fund's long-term performance data in the Performance Summary on page 6.

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown.*

#### **Economic and Market Overview**

Emerging market economies in general continued to grow faster than developed market economies during the 12 months under review. China's economy continued to grow in 2018's second quarter, though at a slightly slower annualized pace than the prior three quarters. The country saw faster growth in consumer spending and slower growth in industrial production, the service industry and fixed-asset investment, as well as indicators that international trade tensions, including the imposition of tariffs, have begun to negatively affect the economy. India's annualized growth rate in 2018's second quarter was its highest since 2016's first quarter, driven by growth in household spending, financials, real estate and manufacturing. Russia's economy grew in 2018's second quarter at a faster annualized rate than the prior two quarters, primarily due to increased tourism during the World Cup as well as growth in manufacturing and mining. Brazil's economy continued to expand, though its annualized growth rate in 2018's second quarter was the lowest since 2017's second quarter amid a nationwide truckers' strike, which negatively impacted exports. Turkey's economy grew in 2018's second quarter at its slowest annualized rate since 2016's fourth

#### **Geographic Composition**

Based on Total Net Assets as of 8/31/18

quarter, as stocks fell sharply amid the plunging value of the lira against the U.S. dollar and President Tayyip Erdogan's repeated calls for lower interest rates. Among other emerging markets, South Korea's and Poland's economies continued to grow.

Monetary policies varied among emerging market central banks. Brazil's and Russia's central banks cut their benchmark interest rates multiple times during the 12-month period, while some, including those of India, Turkey and the Czech Republic, raised their benchmark rates. Mexico's central bank raised its benchmark rate three times during the period to ameliorate risk factors for inflation amid uncertainty around the ultimately successful trade renegotiations with the U.S. South Korea's central bank also raised its benchmark rate, while those of China, Taiwan and Chile left their benchmark rates unchanged during the period.

Emerging market stocks declined during the 12 months under review due to investor concerns about rising U.S. interest rates, a strengthening U.S. dollar and rising global trade tensions that have included the imposition of higher tariffs, particularly between the U.S. and China. Investors were somewhat assured near period-end by successful trade renegotiations between the U.S. and Mexico. Emerging market European stocks were also pressured by political instability in Italy and Turkey's economic crisis, and Asian stocks were also hurt by increased tensions in the Korean peninsula, although tensions eased later

**The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Statement of Investments (SOI).**

**The SOI begins on page 11.**

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 TEMPLETON EMERGING MARKETS FUND

in the period. However, continued solid earnings performance by many emerging market companies, MSCI's addition of Chinese A-share companies to the MSCI Emerging Markets (EM) Index and MSCI's decision to add Saudi Arabia to the same index in 2019 which could boost investment across the Middle East offered some encouragement to investors. In this environment, emerging market stocks, as measured by the MSCI EM Index, had a -0.32% total return for the 12 months ended August 31, 2018.<sup>1</sup>

### Investment Strategy

Our investment strategy employs a fundamental, value-oriented, long-term approach. We focus on the market price of a company's securities relative to our evaluation of the company's long-term earnings, asset value and cash flow potential. As we look for investments, we focus on specific companies and undertake in-depth research to construct an action list from which we make our buy decisions. Before we make a purchase, we look at the company's potential for earnings and growth over a five-year horizon. During our analysis, we also consider the company's position in its sector, the economic framework and political environment.

### Manager's Discussion

During the 12 months under review, key contributors to the Fund's absolute performance included LUKOIL, Taiwan Semiconductor Manufacturing Co. (TSMC) and Samsung Electronics.

LUKOIL is one of Russia's largest vertically integrated energy companies. It is engaged in oil and gas exploration and production, oil refining, as well as the marketing and distribution of crude oil products. It is also among the world's largest energy companies by reserves. Rebounding oil prices benefited LUKOIL, which reported sharply higher sales and earnings for the three months ended June 30, 2018. It also started a US\$3 billion share buyback program lasting five years and approved the cancelation of 100 million of its treasury shares, as it looked to improve shareholder value and corporate governance. LUKOIL's share price rallied in the period under review.

TSMC is among the world's leading semiconductor makers. It manufactures chips that are used in a wide variety of devices and machines, including computers, smartphones and automobiles. Shares of TSMC advanced as the company

### Top 10 Countries

8/31/18

	<b>% of Total</b>
	<b>Net Assets</b>
China	22.4%

South Korea	16.0%
Taiwan	11.5%
Russia	8.8%
South Africa	7.0%
India	5.8%
Brazil	5.2%
Thailand	3.4%
Indonesia	3.1%
U.K.	3.1%

reported strong demand for its latest high-performance chips from smartphone, server and artificial intelligence companies, among others. News of a competitor halting its development of advanced production technology also lifted the market's confidence in TSMC's lead over its peers.

Samsung Electronics is a South Korea-based consumer electronics and semiconductor manufacturer. It is one of the largest smartphone and memory chip producers globally, as well as a key supplier of organic light-emitting diode (OLED) displays. Samsung's memory chip business was an area of strength in the period under review, partly due to robust demand from data centers. The company also took steps to enhance shareholder returns, such as repurchasing its shares and proposing higher dividends.

Conversely, key detractors from the Fund's absolute performance included Brilliance China Automotive Holdings, Hon Hai Precision Industry and Cia Hering.

Brilliance China manufactures and sells automobiles for the Chinese domestic market, predominantly through its joint venture with German luxury car maker BMW. Shares of Brilliance China were held back by China's plans to open up its auto industry further by removing foreign ownership limits and reducing import tariffs. The potential changes raised questions around the future of Brilliance China's partnership with BMW. Nevertheless, Brilliance China's business remained strong. It posted a jump in net profit for the six months ended June 30, 2018, as sales of BMW vehicles increased.

1. Source: Morningstar.

The index is unmanaged and includes reinvestment of any income or distributions. It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

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Hon Hai Precision, based in Taiwan, is one of the world's largest electronics manufacturing service companies. It produces electronics components and assembles consumer electronics products, such as smartphones. Its customers include Apple and other major technology companies. Hon Hai's share price was hampered by the company's weaker-than-expected earnings for the quarter ended June 30, 2018. Although sales increased, lower margins led to a drop in its bottom line. Lackluster global smartphone shipments also drove investor caution.

Cia Hering is a major apparel manufacturer and retailer in Brazil. It adopts a multi-channel distribution model and sells its products through its own stores, other multi-brand retailers and the internet. It also operates in other Latin American countries, such as Uruguay. The company's earnings fell in the quarter ended June 30, 2018, as poor weather and a nationwide truckers' strike in Brazil disrupted its business activities. Cia Hering's share price finished the reporting period lower.

It is important to recognize the effect of currency movements on the Fund's performance. In general, if the value of the U.S. dollar goes up compared with a foreign currency, an investment traded in that foreign currency will go down in value because it will be worth fewer U.S. dollars. This can have a negative effect on Fund performance. Conversely, when the U.S. dollar weakens in relation to a foreign currency, an investment traded in that foreign currency will increase in value, which can contribute to Fund performance. For the 12 months ended August 31, 2018, the U.S. dollar rose in value relative to most currencies. As a result, the Fund's performance was negatively affected by the portfolio's investment predominantly in securities with non-U.S. currency exposure.

In the past 12 months, we increased the Fund's holdings in Mexico and China as we found investment opportunities we considered attractive. By sector, we added to investments in financials and telecommunication services.<sup>2</sup> Among key purchases were new positions in China Construction Bank and China Mobile, which are among the country's leaders in their industries (banks and wireless telecommunication services, respectively). We also increased the Fund's holdings in South Korea-based online search and mobile messenger company Naver.

**Top 10 Holdings**

8/31/18

<b>Company</b>	<b>% of Total</b>
<b>Sector/Industry, Country</b>	<b>Net Assets</b>
Samsung Electronics Co. Ltd.	8.1%
<i>Technology Hardware, Storage &amp; Peripherals, South Korea</i>	
Naspers Ltd.	6.4%
<i>Media, South Africa</i>	
Taiwan Semiconductor Manufacturing Co. Ltd.	6.3%
<i>Semiconductors &amp; Semiconductor Equipment, Taiwan</i>	
Alibaba Group Holding Ltd.	4.9%
<i>Internet Software &amp; Services, China</i>	
LUKOIL PJSC	4.6%
<i>Oil, Gas &amp; Consumable Fuels, Russia</i>	
Brilliance China Automotive Holdings Ltd.	4.5%

<i>Automobiles, China</i>	
Unilever PLC	3.1%
<i>Personal Products, U.K.</i>	
ICICI Bank Ltd.	2.9%
<i>Banks, India</i>	
Tencent Holdings Ltd.	2.9%
<i>Internet Software &amp; Services, China</i>	
Compania de Minas Buenaventura SA	2.6%
<i>Metals &amp; Mining, Peru</i>	

Meanwhile, we reduced the Fund's investments in certain countries and sectors in favor of opportunities that we found more compelling, and also to raise funds for income and capital gain distributions during the reporting period. Sales were made largely in South Korea, Russia and Thailand from a country perspective, and consumer discretionary, energy and information technology (IT) from a sector perspective.<sup>3</sup> In terms of key sales, we reduced positions in Brilliance China, South Korea-based memory chip maker SK Hynix and Unilever, a U.K.-listed global consumer goods company that derives significant sales from emerging markets.

2. The financials sector comprises banks, diversified financial services and insurance in the SOI. The telecommunication services sector comprises wireless telecommunication services in the SOI.

3. The consumer discretionary sector comprises auto components; automobiles; hotels, restaurants and leisure; internet and direct marketing retail; media; multiline retail; specialty retail; and textiles, apparel and luxury goods in the SOI. The energy sector comprises oil, gas and consumable fuels in the SOI. The IT sector comprises electronic equipment, instruments and components; internet software and services; IT services; semiconductors and semiconductor equipment; software; and technology hardware, storage and peripherals in the SOI.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

Thank you for your continued participation in Templeton Emerging Markets Fund. We look forward to serving your future investment needs.

Sincerely,

Chetan Sehgal, CFA

Portfolio Manager

*The foregoing information reflects our analysis, opinions and portfolio holdings as of August 31, 2018, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

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**TEMPLETON EMERGING MARKETS FUND**
**Performance Summary as of August 31, 2018**

Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Total returns do not reflect any sales charges paid at inception or brokerage commissions paid on secondary market purchases. The performance table does not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses. Capital gain distributions are net profits realized from the sale of portfolio securities.

**Performance as of 8/31/18<sup>1</sup>**

	<b>Cumulative Total Return<sup>2</sup></b>		<b>Average Annual Total Return<sup>2</sup></b>	
	<b>Based on</b>	<b>Based on</b>	<b>Based on</b>	<b>Based on</b>
	<b>NAV<sup>3</sup></b>	<b>market price<sup>4</sup></b>	<b>NAV<sup>3</sup></b>	<b>market price<sup>4</sup></b>
1-Year	-2.11%	-5.14%	-2.11%	-5.14%
5-Year	+24.90%	+22.30%	+4.55%	+4.11%
10-Year	+50.43%	+46.62%	+4.17%	+3.90%

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown.*

**Distributions (9/1/17 - 8/31/18)****Net Investment**

	<b>Long-Term Capital Gain</b>	<b>Total</b>
<b>Income</b>		
\$0.2491	\$0.8687	\$1.1178

See page 7 for Performance Summary footnotes.

## TEMPLETON EMERGING MARKETS FUND

## PERFORMANCE SUMMARY

All investments involve risks, including possible loss of principal. Special risks are associated with foreign investing, including currency volatility, economic instability, and social and political developments of countries where the Fund invests. Emerging markets are subject to all of the risks of foreign investing generally and involve heightened risks due to these markets' smaller size and lesser liquidity, and lack of established legal, political, business and social frameworks to support securities markets. Some of these heightened risks may include political and social uncertainty (for example, regional conflicts and risk of war); pervasiveness of corruption and crime in these countries' economic systems; delays in settling portfolio securities transactions; risk of loss arising out of the system of share registration and custody used in these countries; greater sensitivity to interest rate changes; currency and capital controls; currency exchange rate volatility; and inflation, deflation or currency devaluation. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results.

The Fund may invest in eligible China A shares ( Stock Connect Securities ) listed and traded on the Shanghai Stock Exchange through the Shanghai-Hong Kong Stock Connect program, as well as eligible China A shares listed and traded on the Shenzhen Stock Exchange through the Shenzhen-Hong Kong Stock Connect program (collectively, Stock Connect ) and may invest in China Interbank bonds traded on the China Interbank Bond Market ( CIBM ) through the China-Hong Kong Bond Connect program ( Bond Connect ).

Trading through Stock Connect is subject to a number of restrictions that may affect the Fund's investments and returns. For example, investors in Stock Connect Securities are generally subject to Chinese securities regulations and the listing rules of the respective Exchange, among other restrictions. In addition, Stock Connect Securities generally may not be sold, purchased or otherwise transferred other than through Stock Connect in accordance with applicable rules. While Stock Connect is not subject to individual investment quotas, daily and aggregate investment quotas apply to all Stock Connect participants, which may restrict or preclude the Fund's ability to invest in Stock Connect Securities. Trading in the Stock Connect program is subject to trading, clearance and settlement procedures that are untested in China, which could pose risks to the Fund. Finally, the withholding tax treatment of dividends and capital gains payable to overseas investors currently is unsettled. In China, the Hong Kong Monetary Authority Central Money Markets Unit holds Bond Connect securities on behalf of ultimate investors (such as the Fund) in accounts maintained with a China-based custodian (either the China Central Depository & Clearing Co. or the Shanghai Clearing House). This recordkeeping system subjects the Fund to various risks, including the risk that the Fund may have a limited ability to enforce rights as a bondholder and the risks of settlement delays and counterparty default of the Hong Kong sub-custodian. In addition, enforcing the ownership rights of a beneficial holder of Bond Connect securities is untested and courts in China have limited experience in applying the concept of beneficial ownership. Bond Connect uses the trading infrastructure of both Hong Kong and China and is not available on trading holidays in Hong Kong. As a result, prices of securities purchased through Bond Connect may fluctuate at times when a Fund is unable to add to or exit its position. Securities offered through Bond Connect may lose their eligibility for trading through the program at any time. If Bond Connect securities lose their eligibility for trading through the program, they may be sold but can no longer be purchased through Bond Connect.

The application and interpretation of the laws and regulations of Hong Kong and China, and the rules, policies or guidelines published or applied by relevant regulators and exchanges in respect of the Stock Connect and Bond Connect programs, are uncertain, and they may have a detrimental effect on the Fund's investments and returns.

**The Fund may also invest a portion of its assets in Russian securities. The U.S. and other nations have imposed and could impose additional sanctions on certain issuers in Russia due to regional conflicts. These sanctions could result in the devaluation of Russia's currency, a downgrade in Russian issuers' credit ratings, or a decline in the value and liquidity of Russian stocks or other securities. The Fund may be prohibited from investing in securities issued by companies subject to such sanctions. In addition, if the Fund holds the securities of an issuer that is subject to such sanctions, an immediate freeze of that issuer's securities could result, impairing the ability of the Fund to buy, sell, receive or deliver those securities. There is also the risk that countermeasures could be taken by Russia's government, which could involve the seizure of the Fund's assets. Such sanctions could adversely affect Russia's economy, possibly forcing the economy into a recession. These risks could affect the value of the Fund's portfolio.**

1. The Fund has a fee waiver associated with any investment it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through 10/31/19. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.
2. Total return calculations represent the cumulative and average annual changes in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
3. Assumes reinvestment of distributions based on net asset value.
4. Assumes reinvestment of distributions based on the dividend reinvestment and cash purchase plan.

TEMPLETON EMERGING MARKETS FUND

Important Notice to Shareholders

**Share Repurchase Program**

The Fund's Board previously authorized the Fund to repurchase up to 10% of the Fund's outstanding shares in open-market transactions, at the discretion of management. This authorization remains in effect.

In exercising its discretion consistent with its portfolio management responsibilities, the investment manager will take into account various other factors, including, but not limited to, the level of the discount, the Fund's performance, portfolio holdings, dividend history, market conditions, cash on hand, the availability of other attractive investments and whether the sale of certain portfolio securities would be undesirable because of liquidity concerns or because the sale might subject the Fund to adverse tax consequences. Any repurchases would be made on a national securities exchange at the prevailing market price, subject to exchange requirements, Federal securities laws and rules that restrict repurchases, and the terms of any outstanding leverage or borrowing of the Fund. If and when the Fund's 10% threshold is reached, no further repurchases could be completed until authorized by the Board. Until the 10% threshold is reached, Fund management will have the flexibility to commence share repurchases if and when it is determined to be appropriate in light of prevailing circumstances.

In the Notes to Financial Statements section, please see note 2 (Shares of Beneficial Interest) for additional information regarding shares repurchased.

**Approval of Borrowing Arrangements**

On May 18, 2018 the Board approved the Fund to enter into a committed, senior, secured revolving line of credit facility with The Bank of Nova Scotia in an aggregate amount of up to \$30 million for an initial one year term. The purpose of the credit facility is to provide the Fund with a source of funds to purchase additional investments as part of its investment strategy. Given the permanent capital structure and lack of daily liquidity requirements, a closed-end fund structure is particularly well-suited for leverage. Management believes that it would benefit the Fund to use low cost debt capital to invest in higher return equity assets over the long-term. Management believes that now is an appropriate time to initiate this strategy as the outlook for emerging markets is positive and interest rates remain relatively low, so potential long-term returns could

significantly exceed the interest expense and other costs of the debt. Further, while leverage has the potential to increase volatility, Management believes that the Fund's ongoing accretive buyback program will serve to mitigate the market price volatility of the Fund.

**Amended Fundamental Investment Restriction Regarding Investments in Commodities**

At the Fund's reconvened Annual Meeting of Shareholders held on March 29, 2018, shareholders approved a proposal to amend the Fund's fundamental investment restriction regarding investments in commodities as follows: [The Fund may not:] Purchase or sell commodities, except to the extent permitted by the 1940 Act or any rules, exemptions or interpretations thereunder that may be adopted, granted or issued by the SEC.

**Amended Fundamental Investment Restriction Regarding Lending**

At the Fund's reconvened Annual Meeting of Shareholders held on March 29, 2018, shareholders approved a proposal to amend the Fund's fundamental investment restriction regarding investments in lending as follows: [The Fund may not:] Make loans if, as a result, more than 33 1/3% of its total assets would be lent to other persons, including other investment companies to the extent permitted by the 1940 Act or any rules, exemptions or interpretations thereunder that may be adopted, granted or issued by the SEC. This limitation does not apply to (i) the lending of portfolio securities, (ii) the purchase of debt securities, other debt instruments, loan participations and/or engaging in direct corporate loans in accordance with its investment goals and policies, and (iii) repurchase agreements to the extent the entry into a repurchase agreement is deemed to be a loan.

**Approval of a change to the Fund's Status from Diversified to Non-Diversified**

At the Fund's reconvened Annual Meeting of Shareholders held on March 29, 2018, shareholders approved a proposal to change the Fund's status from diversified to non-diversified. As a non-diversified fund, the Fund could invest a greater portion of its assets in any one issuer and invest overall in a

TEMPLETON EMERGING MARKETS FUND

IMPORTANT NOTICE TO SHAREHOLDERS

smaller number of issuers than a diversified fund. The Investment Manager and the Board believe that the flexibility of the Fund to make more concentrated investments (i.e., to be able to invest to a greater extent in the securities of one or more issuers than if the Fund remained diversified) will benefit the Fund.

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**TEMPLETON EMERGING MARKETS FUND**
**Financial Highlights**

	<b>Year Ended August 31,</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$18.32	\$13.92	\$13.34	\$20.91	\$18.98
Income from investment operations:					
Net investment income <sup>a</sup>	0.14	0.16	0.19	0.21	0.29 <sup>b</sup>
Net realized and unrealized gains (losses)	(0.51)	4.39	1.67	(6.60)	3.33
Total from investment operations	(0.37)	4.55	1.86	(6.39)	3.62
Less distributions from:					
Net investment income	(0.25)	(0.20)	(0.31)	(0.31)	(0.44)
Net realized gains	(0.87)		(0.97)	(0.87)	(1.25)
Total distributions	(1.12)	(0.20)	(1.28)	(1.18)	(1.69)
Repurchase of shares	0.07	0.05			<sup>c</sup>
Net asset value, end of year.	\$16.90	\$18.32	\$13.92	\$13.34	\$20.91
Market value, end of year <sup>d</sup>	\$14.61	\$16.45	\$12.56	\$11.56	\$19.13
Total return (based on market value per share)	(5.14)%	33.10%	22.57%	(34.94)%	21.47%

**Ratios to average net assets**

Expenses before waiver and payments by affiliates	1.38%	1.37%	1.39%	1.37%	1.36%
Expenses net of waiver and payments by affiliates	1.38% <sup>e</sup>	1.37% <sup>e,f</sup>	1.38%	1.37% <sup>e</sup>	1.36% <sup>e</sup>
Net investment income	0.79%	1.03%	1.49%	1.19%	1.49% <sup>b</sup>

**Supplemental data**

Net assets, end of year (000 \$)	\$287,115	\$321,004	\$250,642	\$240,289	\$376,574
Portfolio turnover rate	11.69%	20.38%	42.16%	18.92%	12.42%

<sup>a</sup>Based on average daily shares outstanding.

<sup>b</sup>Net investment income per share includes approximately \$0.04 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.27%.

<sup>c</sup>Amount rounds to less than \$0.01 per share.

<sup>d</sup>Based on the last sale on the New York Stock Exchange.

<sup>e</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

10 | The accompanying notes are an integral part of these financial  
Annual Report statements.

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

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 TEMPLETON EMERGING MARKETS FUND

## Statement of Investments, August 31, 2018

	Industry	Shares	Value
<b>Common Stocks 93.5%</b>			
<b>Brazil 2.2%</b>			
<sup>a</sup> B2W Cia Digital	Internet & Direct Marketing		
	Retail	131,700	\$ 856,064
B3 SA - Brasil Bolsa Balcao	Capital Markets	35,300	188,983
Cia Hering	Specialty Retail	414,700	1,674,288
Lojas Americanas SA	Multiline Retail	395,760	1,104,161
M. Dias Branco SA	Food Products	109,200	1,136,719
Mahle-Metal Leve SA	Auto Components	104,000	645,562
Totvs SA	Software	94,300	618,064
			6,223,841
<b>Cambodia 0.3%</b>			
NagaCorp Ltd.	Hotels, Restaurants & Leisure	730,000	765,416
<b>China 22.4%</b>			
<sup>a</sup> Alibaba Group Holding Ltd., ADR	Internet Software & Services	79,668	13,942,697
BAIC Motor Corp. Ltd., H	Automobiles	360,000	302,706
<sup>a</sup> Baidu Inc., ADR	Internet Software & Services	8,019	1,816,143
Brilliance China Automotive Holdings Ltd.	Automobiles	8,166,900	12,943,515
China Construction Bank Corp., H	Banks	5,130,400	4,542,664
China Mobile Ltd.	Wireless Telecommunication		
	Services	360,500	3,389,505
China Petroleum & Chemical Corp., H	Oil, Gas & Consumable Fuels	3,673,000	3,692,092
CNOOC Ltd.	Oil, Gas & Consumable Fuels	1,885,000	3,333,308
COSCO Shipping Ports Ltd.	Transportation Infrastructure	441,788	467,724
Inner Mongolia Yitai Coal Co. Ltd., B	Oil, Gas & Consumable Fuels	230,200	276,930
NetEase Inc., ADR	Internet Software & Services	6,522	1,289,465
Ping An Bank Co. Ltd., A	Banks	2,615,200	3,877,915
Ping An Insurance (Group) Co. of China Ltd., A	Insurance	376,474	3,470,736
Tencent Holdings Ltd.	Internet Software & Services	195,700	8,477,042
Uni-President China Holdings Ltd.	Food Products	1,936,400	1,906,993
Weifu High-Technology Co. Ltd., B	Auto Components	294,712	585,729
			64,315,164
<b>Czech Republic 0.3%</b>			
Moneta Money Bank AS	Banks	243,000	849,753
<b>Hong Kong 1.0%</b>			

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Dairy Farm International Holdings Ltd.	Food & Staples Retailing	122,900	1,139,283
MGM China Holdings Ltd.	Hotels, Restaurants & Leisure	426,000	803,241
Win Hanverky Holdings Ltd.	Textiles, Apparel & Luxury Goods	11,592,800	1,019,089
			2,961,613
<b>Hungary 1.0%</b>			
Richter Gedeon Nyrt	Pharmaceuticals	141,930	2,788,280
<b>India 5.8%</b>			
Bajaj Holdings & Investment Ltd.	Diversified Financial Services	27,729	1,217,354
Coal India Ltd.	Oil, Gas & Consumable Fuels	218,098	878,320
Glenmark Pharmaceuticals Ltd.	Pharmaceuticals	246,607	2,311,865
ICICI Bank Ltd.	Banks	1,757,254	8,478,772
Infosys Ltd.	IT Services	124,596	2,528,770
Reliance Industries Ltd.	Oil, Gas & Consumable Fuels	35,410	619,207
<sup>a</sup> Tata Motors Ltd., A	Automobiles	333,003	666,194
			16,700,482
<b>Indonesia 3.1%</b>			
Astra International Tbk PT	Automobiles	9,475,800	4,663,920
Bank Danamon Indonesia Tbk PT	Banks	9,267,385	4,278,223
			8,942,143

## TEMPLETON EMERGING MARKETS FUND

## STATEMENT OF INVESTMENTS

	Industry	Shares	Value
<b>Common Stocks (continued)</b>			
<b>Kenya 0.3%</b>			
Equity Group Holdings Ltd.	Banks	1,946,807	\$ 869,973
<b>Mexico 2.2%</b>			
Banco Santander Mexico SA Institucion de Banca			
Multiple Grupo Financiero Santander, ADR	Banks	694,741	5,453,717
Nemak SAB de CV	Auto Components	1,119,700	931,863
			6,385,580
<b>Nigeria 0.0%</b>			
Nigerian Breweries PLC	Beverages	132,031	35,018
<b>Pakistan 0.9%</b>			
MCB Bank Ltd.	Banks	1,637,910	2,663,593
<b>Peru 3.0%</b>			
Compania de Minas Buenaventura SA, ADR	Metals & Mining	583,061	7,340,738
<sup>b</sup> Intercorp Financial Services Inc., Reg S	Banks	34,920	1,389,816
			8,730,554
<b>Philippines 0.2%</b>			
BDO Unibank Inc.	Banks	260,750	634,234
<b>Russia 8.8%</b>			
Gazprom PJSC, ADR.	Oil, Gas & Consumable Fuels	556,944	2,456,123
LUKOIL PJSC, ADR.	Oil, Gas & Consumable Fuels	190,666	13,155,954
<sup>a,b</sup> Mail.Ru Group Ltd., GDR, Reg S	Internet Software & Services	99,578	2,140,927
MMC Norilsk Nickel PJSC, ADR	Metals & Mining	55,200	914,112
Sberbank of Russia PJSC, ADR	Banks	275,408	2,989,554
<sup>a</sup> Yandex NV, A	Internet Software & Services	109,621	3,522,123
			25,178,793
<b>South Africa 7.0%</b>			

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Massmart Holdings Ltd.	Food & Staples Retailing	247,733	1,868,753
Naspers Ltd., N	Media	82,414	18,330,394

20,199,147

**South Korea 16.0%**

Daelim Industrial Co. Ltd.	Construction & Engineering	29,871	2,192,933
Fila Korea Ltd.	Textiles, Apparel & Luxury Goods	40,950	1,532,505
Hankook Tire Co. Ltd.	Auto Components	17,600	735,963
Hanon Systems	Auto Components	105,643	1,136,354
<sup>a</sup> HDC Hyundai Development Co-Engineering & Construction	Construction & Engineering	41,754	2,092,191
Hite Jinro Co. Ltd.	Beverages	51,520	775,848
Interpark Holdings Corp.	Internet & Direct Marketing Retail	110,746	255,621
KT Skylife Co. Ltd.	Media	59,360	707,680
LG Corp.	Industrial Conglomerates	21,505	1,378,278
Naver Corp.	Internet Software & Services	5,673	3,824,037
POSCO	Metals & Mining	14,899	4,360,455
Samsung Electronics Co. Ltd.	Technology Hardware, Storage & Peripherals	534,950	23,232,635
SK Hynix Inc.	Semiconductors & Semiconductor Equipment	34,540	2,569,756
SK Innovation Co. Ltd.	Oil, Gas & Consumable Fuels	6,530	1,129,697

45,923,953

**Taiwan 11.5%**

Catcher Technology Co. Ltd.	Technology Hardware, Storage & Peripherals	265,000	3,253,628
CTBC Financial Holding Co. Ltd.	Banks	971,000	683,959
FIT Hon Teng Ltd.	Electronic Equipment, Instruments & Components	1,173,700	599,620

## TEMPLETON EMERGING MARKETS FUND

## STATEMENT OF INVESTMENTS

	Industry	Shares	Value
<b>Common Stocks (continued)</b>			
<b>Taiwan (continued)</b>			
Hon Hai Precision Industry Co. Ltd.	Electronic Equipment, Instruments & Components	2,110,140	\$ 5,539,419
Largan Precision Co. Ltd.	Electronic Equipment, Instruments & Components	11,400	1,749,128
<sup>a</sup> PCHome Online Inc.	Internet Software & Services	400,282	1,853,580
Pegatron Corp.	Technology Hardware, Storage & Peripherals	486,000	1,049,183
Taiwan Semiconductor Manufacturing Co. Ltd.	Semiconductors & Semiconductor Equipment	2,177,000	18,174,205
			32,902,722
<b>Thailand 3.4%</b>			
Kasikornbank PCL, fgn.	Banks	583,800	3,776,796
Kiatnakin Bank PCL, fgn.	Banks	893,200	2,105,575
PTT Exploration and Production PCL, fgn.	Oil, Gas & Consumable Fuels	210,847	916,866
Siam Commercial Bank PCL, fgn.	Banks	341,900	1,544,132
Thai Beverage PCL, fgn.	Beverages	2,347,000	1,059,941
Univanich Palm Oil PCL, fgn.	Food Products	1,664,500	340,316
			9,743,626
<b>United Kingdom 3.1%</b>			
Unilever PLC	Personal Products	155,110	8,828,570
<b>United States 1.0%</b>			
<sup>a</sup> IMAX Corp.	Media	125,690	2,953,715
<b>Total Common Stocks (Cost \$191,229,207)</b>			
			268,596,170
<b><sup>c</sup>Participatory Notes (Cost \$1,281,540) 0.6%</b>			
<b>Saudi Arabia 0.6%</b>			
HSBC Bank PLC, Saudi Basic Industries Corp., 1/19/21	Chemicals	47,301	1,589,102

**Preferred Stocks 3.0%**

**Brazil 3.0%**

<sup>d</sup> Banco Bradesco SA, 5.295%, ADR, pfd.	Banks	598,867	4,156,137
<sup>d</sup> Itau Unibanco Holding SA, 9.306%, ADR, pfd.	Banks	434,798	4,530,595

**Total Preferred Stocks (Cost \$4,149,432)**

8,686,732

**Total Investments before Short Term**

**Investments (Cost \$196,660,179)** 278,872,004

**Short Term Investments (Cost \$8,367,054) 2.9%**

**Money Market Funds 2.9%**

**United States 2.9%**

<sup>e,f</sup> Institutional Fiduciary Trust Money Market Portfolio, 1.64%		8,367,054	8,367,054
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**Total Investments (Cost \$205,027,233) 100.0%** 287,239,058

**Other Assets, less Liabilities (0.0)%** (124,424)

**Net Assets 100.0%**

\$ 287,114,634

TEMPLETON EMERGING MARKETS FUND

STATEMENT OF INVESTMENTS

See Abbreviations on page 23.

Rounds to less than 0.1% of net assets.

<sup>a</sup>Non-income producing.

<sup>b</sup>Security was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts from registration securities offered and sold outside of the United States. Such a security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. These securities have been deemed liquid under guidelines approved by the Fund's Board of Trustees. At August 31, 2018, the aggregate value of these securities was \$3,530,743, representing 1.2% of net assets.

<sup>c</sup>See Note 1(c) regarding Participatory Notes.

<sup>d</sup>Variable rate security. The rate shown represents the yield at period end.

<sup>e</sup>See Note 3(c) regarding investments in affiliated management investment companies.

<sup>f</sup>The rate shown is the annualized seven-day effective yield at period end.

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**Financial Statements**

**Statement of Assets and Liabilities**

August 31, 2018

Assets:

Investments in securities: