

TEMPLETON EMERGING MARKETS FUND
Form N-Q
July 27, 2007

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-04985

TEMPLETON EMERGING MARKETS FUND
(Exact name of registrant as specified in charter)

500 EAST BROWARD BLVD., SUITE 2100, FORT LAUDERDALE, FL 33394-3091
(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: 05/31/07

ITEM 1. SCHEDULE OF INVESTMENTS.

Templeton Emerging Markets Fund

QUARTERLY STATEMENT OF INVESTMENTS
MAY 31, 2007

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[LOGO] (R)
FRANKLIN TEMPLETON
INVESTMENTS

Franklin o TEMPLETON o Mutual Series

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Templeton Emerging Markets Fund

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STATEMENT OF INVESTMENTS, MAY 31, 2007 (UNAUDITED)

	INDUSTRY
LONG TERM INVESTMENTS 98.5%	
COMMON STOCKS AND RIGHTS 84.9%	
AUSTRIA 1.6%	
OMV AG	Oil, Gas & Consumable Fuels
BRAZIL 2.6%	
Centrais Eletricas Brasileiras SA	Electric Utilities
Souza Cruz SA	Tobacco
CHINA 13.3%	
Aluminum Corp. of China Ltd., H	Metals & Mining
China Petroleum and Chemical Corp., H	Oil, Gas & Consumable Fuels
CNOOC Ltd.	Oil, Gas & Consumable Fuels
Denway Motors Ltd.	Automobiles
PetroChina Co. Ltd., H	Oil, Gas & Consumable Fuels
a PetroChina Co. Ltd., H, 144A	Oil, Gas & Consumable Fuels
HONG KONG 1.5%	
Dairy Farm International Holdings Ltd.	Food & Staples Retailing
HUNGARY 5.0%	
Magyar Telekom PLC	Diversified Telecommunication Service
MOL Hungarian Oil and Gas Nyrt.	Oil, Gas & Consumable Fuels
Richter Gedeon Nyrt.	Pharmaceuticals
INDIA 5.1%	
Gail India Ltd.	Gas Utilities
Hindalco Industries Inc.	Metals & Mining
National Aluminium Co. Ltd.	Metals & Mining
Oil & Natural Gas Corp. Ltd.	Oil, Gas & Consumable Fuels
a Oil & Natural Gas Corp. Ltd., 144A	Oil, Gas & Consumable Fuels
Sesa Goa Ltd.	Metals & Mining
INDONESIA 0.7%	
PT Astra International Tbk	Automobiles
MALAYSIA 2.3%	
Maxis Communications Bhd.	Wireless Telecommunication Service
Tanjong PLC	Independent Power Producers & Energy Traders
MEXICO 3.2%	
Kimberly Clark de Mexico SAB de CV, A	Household Products
Telefonos de Mexico SAB de CV (TELMEX), L, ADR	Diversified Telecommunication Service

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Templeton Emerging Markets Fund

STATEMENT OF INVESTMENTS, MAY 31, 2007 (UNAUDITED) (CONTINUED)

	INDUSTRY

LONG TERM INVESTMENTS (CONTINUED)	
COMMON STOCKS AND RIGHTS (CONTINUED)	
PAKISTAN 2.4%	
Faysal Bank Ltd.	Commercial Banks
MCB Bank Ltd.	Commercial Banks
Pakistan Telecommunications Corp., A	Diversified Telecommunication Services
POLAND 3.2%	
b Grupa Lotos SA	Oil, Gas & Consumable Fuels
b Polski Koncern Naftowy Orlen SA	Oil, Gas & Consumable Fuels
RUSSIA 8.5%	
Gazprom	Oil, Gas & Consumable Fuels
Gazprom, ADR	Oil, Gas & Consumable Fuels
LUKOIL, ADR	Oil, Gas & Consumable Fuels
LUKOIL, ADR (London Exchange)	Oil, Gas & Consumable Fuels
Mining and Metallurgical Co. Norilsk Nickel	Metals & Mining
Mobile Telesystems, ADR	Wireless Telecommunication Services
OAO TMK, GDR	Energy Equipment & Services
SOUTH AFRICA 5.0%	
Imperial Holdings Ltd.	Air Freight & Logistics
JD Group Ltd.	Specialty Retail
MTN Group Ltd.	Wireless Telecommunication Services
Old Mutual PLC	Insurance
Remgro Ltd.	Diversified Financial Services
SOUTH KOREA 7.1%	
Hyundai Development Co.	Construction & Engineering
Kangwon Land Inc.	Hotels, Restaurants & Leisure
SK Corp.	Oil, Gas & Consumable Fuels

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SWEDEN 1.3%	
Oriflame Cosmetics SA, SDR	Personal Products
TAIWAN 5.0%	
MediaTek Inc.	Semiconductors & Semiconductor Equipm
Siliconware Precision Industries Co.	Semiconductors & Semiconductor Equipm
Taiwan Mobile Co. Ltd.	Wireless Telecommunication Services
Taiwan Semiconductor Manufacturing Co. Ltd.	Semiconductors & Semiconductor Equipm

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Templeton Emerging Markets Fund

STATEMENT OF INVESTMENTS, MAY 31, 2007 (UNAUDITED) (CONTINUED)

	INDUSTRY
LONG TERM INVESTMENTS (CONTINUED)	
COMMON STOCKS AND RIGHTS (CONTINUED)	
THAILAND 6.8%	
Amata Corp. Public Co. Ltd., fgn.	
Bangkok Bank Public Co. Ltd., fgn.	Commercial Banks
Kasikornbank Public Co. Ltd., fgn.	Commercial Banks
Kiatnakin Bank Public Co. Ltd., fgn.	Consumer Finance
Land and Houses Public Co. Ltd., fgn.	Household Durables
PTT Exploration and Production Public Co. Ltd., fgn. ..	Oil, Gas & Consumable Fuels
PTT Public Co. Ltd., fgn.	Oil, Gas & Consumable Fuels
Siam Cement Public Co. Ltd., fgn.	Construction Materials
Siam Commercial Bank Public Co. Ltd., fgn.	Commercial Banks
b True Corp. Public Co. Ltd., fgn., rts., 3/28/08	Diversified Telecommunication Servic
TURKEY 10.3%	
Akbank TAS	Commercial Banks
Arcelik AS, Br.	Household Durables
Tupras-Turkiye Petrol Rafineleri AS	Oil, Gas & Consumable Fuels
Turkcell Iletisim Hizmetleri AS	Wireless Telecommunication Services
Turkiye Vakiflar Bankasi T.A.O., D	Commercial Banks
TOTAL COMMON STOCKS AND RIGHTS	
(COST \$204,806,118)	
PREFERRED STOCKS 13.6%	
BRAZIL 13.6%	
Banco Bradesco SA, ADR, pfd.	Commercial Banks
Companhia Vale do Rio Doce, ADR, pfd., A	Metals & Mining
Petroleo Brasileiro SA, ADR, pfd.	Oil, Gas & Consumable Fuels
Unibanco - Uniao de Bancos Brasileiros SA, GDR, pfd. ..	Commercial Banks

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TOTAL PREFERRED STOCKS
(COST \$21,348,294)

TOTAL LONG TERM INVESTMENTS
(COST \$226,154,412)

SHORT TERM INVESTMENTS (COST \$6,468,891) 1.7%
MONEY MARKET FUND 1.7%
UNITED STATES 1.7%
c Franklin Institutional Fiduciary Trust Money
Market Portfolio, 4.83%

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Templeton Emerging Markets Fund

STATEMENT OF INVESTMENTS, MAY 31, 2007 (UNAUDITED) (CONTINUED)

TOTAL INVESTMENTS
(COST \$232,623,303) 100.2%

OTHER ASSETS, LESS LIABILITIES (0.2)%

NET ASSETS 100.0%

SELECTED PORTFOLIO ABBREVIATIONS

ADR - American Depository Receipt
GDR - Global Depository Receipt
SDR - Swedish Depository Receipt

a Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. These securities have been deemed liquid under guidelines approved by the Fund's Board of Trustees. At May 31, 2007, the aggregate value of these securities was \$3,463,230, representing 0.91% of net assets.

b Non-income producing for the twelve months ended May 31, 2007.

c The Franklin Institutional Fiduciary Trust Money Market Portfolio is managed by an affiliate of the Fund's investment manager. The rate shown is the annualized seven-day yield at period end.

6 | See Notes to Statement of Investments. | Quarterly Statement of Investments

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Templeton Emerging Markets Fund

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED)

1. ORGANIZATION

Templeton Emerging Markets Fund (the Fund) is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end investment company.

2. SECURITY VALUATION

Securities listed on a securities exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Over-the-counter securities and listed securities for which there is no reported sale are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Investments in open-end mutual funds are valued at the closing net asset value.

Foreign securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or the NYSE, whichever is earlier. If no sale is reported at that time, the foreign security will be valued within the range of the most recent quoted bid and ask prices. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at the close of the NYSE on the day that the value of the foreign security is determined.

The Fund has procedures to determine the fair value of individual securities and other assets for which market prices are not readily available or which may not be reliably priced. Methods for valuing these securities may include: fundamental analysis, matrix pricing, discounts from market prices of similar securities, or discounts applied due to the nature and duration of restrictions on the disposition of the securities. Due to the inherent uncertainty of valuations of such securities, the fair values may differ significantly from the values that would have been used had a ready market for such investments existed. Occasionally, events occur between the time at which trading in a security is completed and the close of the NYSE that might call into question the availability (including the reliability) of the value of a portfolio security held by the Fund. The investment manager monitors price movements following the close of trading in foreign stock markets through a series of country specific market proxies (such as baskets of American Depository Receipts, futures contracts and exchange traded funds). These price movements are measured against established trigger thresholds for each specific market proxy to assist in determining if an event has occurred. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent pricing services. All security valuation procedures are approved by the Fund's Board of Trustees.

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Templeton Emerging Markets Fund

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED) (CONTINUED)

3. INCOME TAXES

At May 31, 2007, the cost of investments and net unrealized appreciation

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(depreciation) for income tax purposes were as follows:

Cost of investments	\$ 239,053,821
	=====
Unrealized appreciation	\$ 142,281,057
Unrealized depreciation	(1,910,768)

Net unrealized appreciation (depreciation)	\$ 140,370,289
	=====

For information on the Fund's policy regarding other significant accounting policies, please refer to the Fund's most recent semiannual or annual shareholder report.

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ITEM 2. CONTROLS AND PROCEDURES.

(a) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES. The Registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934 and the Investment Company Act of 1940 is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and the principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Within 90 days prior to the filing date of this Quarterly Schedule of Portfolio Holdings on Form N-Q, the Registrant had carried out an evaluation, under the supervision and with the participation of the Registrant's management, including the Registrant's principal executive officer and the Registrant's principal financial officer, of the effectiveness of the design and operation of the Registrant's disclosure controls and procedures. Based on such evaluation, the Registrant's principal executive officer and principal financial officer concluded that the Registrant's disclosure controls and procedures are effective.

(b) CHANGES IN INTERNAL CONTROLS. There have been no significant changes in the Registrant's internal controls or in other factors that could significantly affect the internal controls subsequent to the date of their evaluation in connection with the preparation of this Quarterly Schedule of Portfolio Holdings on Form N-Q.

ITEM 3. EXHIBITS.

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(a) Certification pursuant to Section 30a-2 under the Investment Company Act of 1940 of Jimmy D. Gambill, Chief Executive Officer - Finance and Administration, and Galen G. Vetter, Chief Financial Officer.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TEMPLETON EMERGING MARKETS FUND

By /s/JIMMY D. GAMBILL

Jimmy D. Gambill
Chief Executive Officer -
Finance and Administration
Date July 26, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/JIMMY D. GAMBILL

Jimmy D. Gambill
Chief Executive Officer -
Finance and Administration
Date July 26, 2007

By /s/GALEN G. VETTER

Galen G. Vetter
Chief Financial Officer
Date July 26, 2007