

TEMPLETON EMERGING MARKETS FUND  
Form N-Q  
July 28, 2006

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF  
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-04985  
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TEMPLETON EMERGING MARKETS FUND  
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(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  
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Date of fiscal year end: 08/31  
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Date of reporting period: 5/31/06  
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ITEM 1. SCHEDULE OF INVESTMENTS.

Templeton Emerging Markets Fund

QUARTERLY STATEMENT OF INVESTMENTS  
MAY 31, 2006

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[LOGO] (R)  
FRANKLIN TEMPLETON  
INVESTMENTS

Franklin o TEMPLETON o Mutual Series

Quarterly Statement of Investments | 1

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Templeton Emerging Markets Fund

STATEMENT OF INVESTMENTS, MAY 31, 2006 (UNAUDITED)

		INDUSTRY
-----		
LONG TERM INVESTMENTS 97.2%		
COMMON STOCKS AND RIGHTS 89.9%		
ARGENTINA 0.1%		
	Banco Macro Bansud SA, ADR .....	Commercial Banks
a	BBVA Banco Frances SA, ADR .....	Commercial Banks
a	Grupo Financiero Galicia SA, ADR .....	Commercial Banks
a	Ternium SA, ADR .....	Metals & Mining
AUSTRIA 0.5%		
	Erste Bank der oesterreichischen Sparkassen AG ....	Commercial Banks
	Wienerberger AG .....	Building Products
BRAZIL 2.0%		
	Centrais Eletricas Brasileiras SA .....	Electric Utilities
	Centrais Eletricas Brasileiras SA (Non-Taxable) ...	Electric Utilities
	Companhia de Bebidas das Americas (AmBev) .....	Beverages
a	Companhia de Bebidas das Americas (AmBev), rts., 2/20/49 .....	Beverages
	Souza Cruz SA .....	Tobacco
CHINA 11.1%		
	Aluminum Corp. of China Ltd., H .....	Metals & Mining
b	Aluminum Corp. of China Ltd., Reg S .....	Metals & Mining
	Anhui Conch Cement Co. Ltd., H .....	Construction Materials
	China Life Insurance Co. Ltd., H .....	Insurance
	China Mobile (Hong Kong) Ltd.....	Wireless Telecommunication Services
	China Resources Enterprise Ltd. ....	Distributors
	China Shenhua Energy Co. Ltd., H .....	Oil, Gas & Consumable Fuels
	China Telecom Corp. Ltd., H .....	Diversified Telecommunication Service
	China Travel International Investment Hong Kong Ltd. ....	Hotels, Restaurants & Leisure
	Chongqing Changan Automobile Co. Ltd., B .....	Automobiles
	Citic Pacific Ltd. ....	Industrial Conglomerates
	CNOOC Ltd. ....	Oil, Gas & Consumable Fuels
	Datang International Power Generation Co. Ltd., H .....	Independent Power Producers & Energy Tra
	Denway Motors Ltd. ....	Automobiles
	GOME Electrical Appliances Holdings Ltd. ....	Specialty Retail
	Huadian Power International Corp. Ltd., H .....	Independent Power Producers & Energy Tra
	Huaneng Power International Inc., H .....	Independent Power Producers & Energy Tra
	PetroChina Co. Ltd., H .....	Oil, Gas & Consumable Fuels
c	PetroChina Co. Ltd., H, 144A .....	Oil, Gas & Consumable Fuels
	Shanghai Industrial Holdings Ltd. ....	Industrial Conglomerates

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a TCL Multimedia Technology Holdings Ltd. ....	Household Durables
Travelsky Technology Ltd., H .....	IT Services

CROATIA 1.1%	
b Pliva d.d., GDR, Reg S .....	Pharmaceuticals

### Quarterly Statement of Investments | 3

Templeton Emerging Markets Fund

STATEMENT OF INVESTMENTS, MAY 31, 2006 (UNAUDITED) (CONTINUED)

	INDUSTRY
-----	
LONG TERM INVESTMENTS (CONTINUED)	
COMMON STOCKS AND RIGHTS (CONTINUED)	
CZECH REPUBLIC 0.1%	
Philip Morris CR AS .....	Tobacco
FINLAND 0.4%	
Nokian Renkaat OYJ .....	Auto Components
HONG KONG 1.8%	
Cheung Kong (Holdings) Ltd. ....	Real Estate
Cheung Kong Infrastructure Holdings Ltd. ....	Electric Utilities
Dairy Farm International Holdings Ltd. ....	Food & Staples Retailing
Hopewell Holdings Ltd. ....	Transportation Infrastructure
MTR Corp. Ltd. ....	Road & Rail
HUNGARY 2.8%	
BorsodChem Rt. ....	Chemicals
Gedeon Richter Ltd. ....	Pharmaceuticals
a Magyar Telekom PLC .....	Diversified Telecommunication Servi
MOL Magyar Olaj-es Gazipari Rt. ....	Oil, Gas & Consumable Fuels
OTP Bank .....	Commercial Banks
INDIA 2.3%	
Gail India Ltd. ....	Gas Utilities
Himatsingka Seide Ltd. ....	Textiles, Apparel & Luxury Goods
Hindalco Industries Inc. ....	Metals & Mining
Hindustan Petroleum Corp. Ltd. ....	Oil, Gas & Consumable Fuels
Indian Oil Corp. Ltd. ....	Oil, Gas & Consumable Fuels
Nestle India Ltd. ....	Food Products
Oil & Natural Gas Corp. Ltd. ....	Oil, Gas & Consumable Fuels
c Oil & Natural Gas Corp. Ltd., 144A .....	Oil, Gas & Consumable Fuels
Tata Tea Ltd. ....	Food Products

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INDONESIA 0.5%	
PT Astra International Tbk .....	Automobiles
PT Bank Danamon Indonesia Tbk .....	Commercial Banks
ISRAEL 0.6%	
a Check Point Software Technologies Ltd. ....	Software
a Israel Discount Bank .....	Commercial Banks
a Taro Pharmaceutical Industries Ltd. ....	Pharmaceuticals
MALAYSIA 2.1%	
Maxis Communications Bhd. ....	Wireless Telecommunication Service
Resorts World Bhd. ....	Hotels, Restaurants & Leisure
Sime Darby Bhd. ....	Industrial Conglomerates
Tanjong PLC .....	Hotels, Restaurants & Leisure
YTL Power International Bhd. ....	Water Utilities
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Templeton Emerging Markets Fund	
STATEMENT OF INVESTMENTS, MAY 31, 2006 (UNAUDITED) (CONTINUED)	
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INDUSTRY	
-----	
LONG TERM INVESTMENTS (CONTINUED)	
COMMON STOCKS AND RIGHTS (CONTINUED)	
MEXICO 4.0%	
America Movil SA de CV, L, ADR .....	Wireless Telecommunication Service
a Fomento Economico Mexicano SA de CV	
(Femsa), ADR .....	Beverages
Grupo Bimbo SA de CV, A .....	Food Products
Grupo Televisa SA .....	Media
Kimberly Clark de Mexico SA de CV, A .....	Household Products
Telefonos de Mexico SA de CV (Telmex), L, ADR .....	Diversified Telecommunication Servi
Wal-Mart de Mexico SA de CV, V .....	Food & Staples Retailing
PANAMA 0.3%	
Banco Latinoamericano de Exportaciones SA, E .....	Commercial Banks
PHILIPPINES 0.7%	
San Miguel Corp., B .....	Beverages
POLAND 1.5%	
Polski Koncern Naftowy Orlen SA .....	Oil, Gas & Consumable Fuels
Telekomunikacja Polska SA .....	Diversified Telecommunication Servi

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PORTUGAL 0.2%	
Jeronimo Martins SGPS SA .....	Food & Staples Retailing
RUSSIA 6.8%	
Gazprom .....	Oil, Gas & Consumable Fuels
b Gazprom, ADR, Reg S .....	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
a Mobile Telesystems, ADR .....	Wireless Telecommunication Service
a,d ZAO Polyus Gold Co. ....	Metals & Mining
SINGAPORE 1.2%	
ComfortDelGro Corp. Ltd. ....	Road & Rail
Fraser and Neave Ltd. ....	Industrial Conglomerates
SOUTH AFRICA 9.6%	
Anglo American PLC .....	Metals & Mining
Edgars Consolidated Stores Ltd. ....	Specialty Retail
a Imperial Holdings Ltd. ....	Air Freight & Logistics
JD Group Ltd. ....	Specialty Retail
MTN Group Ltd. ....	Wireless Telecommunication Service
Nampak Ltd. ....	Containers & Packaging
Nedbank Group Ltd. ....	Commercial Banks
Old Mutual PLC (GBP Traded) .....	Insurance
Remgro Ltd. ....	Diversified Financial Services
SABMiller PLC .....	Beverages
Sappi Ltd. ....	Paper & Forest Products

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Templeton Emerging Markets Fund

STATEMENT OF INVESTMENTS, MAY 31, 2006 (UNAUDITED) (CONTINUED)

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	INDUSTRY
LONG TERM INVESTMENTS (CONTINUED)	
COMMON STOCKS AND RIGHTS (CONTINUED)	
SOUTH KOREA 16.9%	
Daewoo Shipbuilding & Marine Engineering Co. Ltd. ....	Machinery
Hana Financial Group Inc. ....	Commercial Banks
Hite Brewery Co. Ltd. ....	Beverages
a Hynix Semiconductor Inc. ....	Semiconductors & Semiconductor Equipm

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Hyundai Development Co. ....	Construction & Engineering
Hyundai Motor Co. Ltd. ....	Automobiles
Kangwon Land Inc. ....	Hotels, Restaurants & Leisure
Kookmin Bank ....	Commercial Banks
Korea Gas Corp. ....	Gas Utilities
LG Card Co. Ltd. ....	Consumer Finance
LG Chem Ltd. ....	Chemicals
LG Corp. ....	Industrial Conglomerates
LG Electronics Inc. ....	Household Durables
LG Petrochemical Co. Ltd. ....	Chemicals
a,c Lotte Shopping Co. Ltd., GDR, 144A ....	Multiline Retail
Samsung Electronics Co. Ltd. ....	Semiconductors & Semiconductor Equipm
Samsung Fine Chemicals Co. Ltd. ....	Chemicals
Shinhan Financial Group Co. Ltd. ....	Commercial Banks
SK Corp. ....	Oil, Gas & Consumable Fuels
SK Telecom Co. Ltd. ....	Wireless Telecommunication Services
SWEDEN 0.9%	
Oriflame Cosmetics SA, SDR ....	Personal Products
a Oriflame Cosmetics, rts., 6/26/06 ....	Personal Products
TAIWAN 13.5%	
Asustek Computer Inc. ....	Computers & Peripherals
AU Optronics Corp. ....	Electronic Equipment & Instruments
BenQ Corp. ....	Computers & Peripherals
China Motor Corp. ....	Automobiles
Chinatrust Financial Holding Co. Ltd. ....	Commercial Banks
Chunghwa Telecom Co. Ltd. ....	Diversified Telecommunication Servic
D-Link Corp. ....	Communications Equipment
Lite-On It Corp. ....	Computers & Peripherals
Lite-On Technology Corp. ....	Computers & Peripherals
MediaTek Inc. ....	Semiconductors & Semiconductor Equipm
Mega Financial Holding Co. Ltd. ....	Commercial Banks
Premier Image Technology Corp. ....	Leisure Equipment & Products
President Chain Store Corp. ....	Food & Staples Retailing
Realtek Semiconductor Corp. ....	Semiconductors & Semiconductor Equipm
Siliconware Precision Industries Co. ....	Semiconductors & Semiconductor Equipm
Sunplus Technology Co. Ltd. ....	Semiconductors & Semiconductor Equipm
Synnex Technology International Corp. ....	Electronic Equipment & Instruments
Taiwan Mobile Co. Ltd. ....	Wireless Telecommunication Services
Taiwan Semiconductor Manufacturing Co. Ltd. ....	Semiconductors & Semiconductor Equipm
Uni-President Enterprises Corp. ....	Food Products

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Templeton Emerging Markets Fund

STATEMENT OF INVESTMENTS, MAY 31, 2006 (UNAUDITED) (CONTINUED)

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INDUSTRY  
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LONG TERM INVESTMENTS (CONTINUED)  
COMMON STOCKS AND RIGHTS (CONTINUED)  
TAIWAN (CONTINUED)

United Microelectronics Corp. ....	Semiconductors & Semiconductor Equip
a Yageo Corp. ....	Electronic Equipment & Instrumen
Yang Ming Marine Transport Corp. ....	Marine
Yuanta Core Pacific Securities Co. ....	Capital Markets

THAILAND 2.8%

Aromatics (Thailand) Public Co. Ltd., fgn. ....	Chemicals
Bangkok Bank Public Co. Ltd., fgn. ....	Commercial Banks
Kasikornbank Public Co. Ltd., fgn. ....	Commercial Banks
Land and Houses Public Co. Ltd., fgn. ....	Household Durables
Siam Cement Public Co. Ltd., fgn. ....	Construction Materials
Siam Commercial Bank Public Co. Ltd., fgn. ....	Commercial Banks
Thai Airways International Public Co. Ltd., fgn. ....	Airlines
a,c Thai Beverages Co., Ltd., 144A ....	Beverages
a TMB Bank Public Co. Ltd., fgn. ....	Commercial Banks
a True Corp. Public Co. Ltd., rts., 3/28/08 ....	Diversified Telecommunication Serv

TURKEY 4.0%

Arcelik AS, Br. ....	Household Durables
a KOC Holding AS ....	Industrial Conglomerates
a Migros Turk TAS ....	Food & Staples Retailing
Tupras-Turkiye Petrol Rafineleri AS ....	Oil, Gas & Consumable Fuels
Turk Hava Yollari Anonim Ortakligi ....	Airlines
a,c Turk Hava Yollari Anonim Ortakligi, 144A ....	Airlines
Turkcell Iletisim Hizmetleri AS ....	Wireless Telecommunication Servic
Turkiye Is Bankasi (Isbank), C ....	Commercial Banks
Turkiye Vakiflar Bankasi T.A.O. ....	Commercial Banks

UNITED STATES 2.0%

HSBC Holdings PLC ....	Commercial Banks
Provident Financial PLC ....	Consumer Finance

UNITED STATES 0.1%

Avon Products Inc. ....	Personal Products
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TOTAL COMMON STOCKS AND RIGHTS

(COST \$224,426,892) .....

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Templeton Emerging Markets Fund

STATEMENT OF INVESTMENTS, MAY 31, 2006 (UNAUDITED) (CONTINUED)

-----  
INDUSTRY

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LONG TERM INVESTMENTS (CONTINUED)

PREFERRED STOCKS 7.3%

BRAZIL 7.2%

Banco Bradesco SA, ADR, pfd. ....	Commercial Banks
Braskem SA, pfd., A .....	Chemicals
Companhia Vale do Rio Doce, ADR, pfd., A .....	Metals & Mining
Petroleo Brasileiro SA, ADR, pfd. ....	Oil, Gas & Consumable Fu
Sadia SA, pfd. ....	Food Products
Suzano Bahia Sul Papel e Celulose SA, pfd., A .....	Paper & Forest Product
Unibanco - Uniao de Bancos Brasileiros SA, GDR, pfd. ....	Commercial Banks
Usinas Siderurgicas de Minas Gerais SA, pfd., A .....	Metals & Mining

RUSSIA 0.1%

Surgutneftegaz, pfd. ....	Oil, Gas & Consumable Fu
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TOTAL PREFERRED STOCKS

(COST \$13,929,329) .....

TOTAL LONG TERM INVESTMENTS

(COST \$238,356,221) .....

SHORT TERM INVESTMENTS

(COST \$8,103,490) 2.3%

UNITED STATES 2.3%

e Franklin Institutional Fiduciary Trust

Money Market Portfolio, 4.71% .....

TOTAL INVESTMENTS

(COST \$246,459,711) 99.5% .....

OTHER ASSETS, LESS LIABILITIES 0.5% .....

NET ASSETS 100.0% .....

CURRENCY ABBREVIATION

GBP - British Pound

SELECTED PORTFOLIO ABBREVIATIONS

ADR - American Depository Receipt

GDR - Global Depository Receipt

SDR - Swedish Depository Receipt

a Non-income producing.

b 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 May 31, 2006, the aggregate value of these securities was \$5,184,927, representing 1.46% of net assets.

c Security was purchased pursuant to Rule 144A under the Securities Act of 1933



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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, 2006, the aggregate value of these securities was \$7,231,784, representing 2.03% of net assets.

d See Note 2 regarding restricted securities.

e 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.

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

### Templeton Emerging Markets Fund

#### NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED)

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

#### 1. INCOME TAXES

At May 31, 2006, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments .....		\$ 251,003,670	
		=====	
Unrealized appreciation .....		\$ 108,954,153	
Unrealized depreciation .....		(5,690,702)	
		-----	
Net unrealized appreciation (depreciation) .....		\$ 103,263,451	
		=====	

#### 2. RESTRICTED SECURITIES

At May 31, 2006, the Fund held investments in restricted securities, valued in accordance with procedures approved by the Fund's Board of Trustees as reflecting fair value, as follows:

SHARES	ISSUER	ACQUISITION DATE	COST	VALUE
44,639	ZAO Polyus Gold Co. ....	1/02/06	\$ --	\$2,276,589
				=====
	TOTAL RESTRICTED SECURITIES (0.64% of Net Assets)			

For information on the Fund's policy regarding valuation of investments and 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.

(a) Certifications pursuant to Section 30a-2 of 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

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Date July 27, 2006

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 27, 2006

By /s/GALEN G. VETTER

-----  
Galen G. Vetter  
Chief Financial Officer  
Date July 27, 2006