

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

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: 08/31

Date of reporting period: 5/31/06

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

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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 |

4 | Quarterly Statement of Investments

Templeton Emerging Markets Fund

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

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)

| 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 |

6 | Quarterly Statement of Investments

Templeton Emerging Markets Fund

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

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 Serv |
| 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 |
|-------------------------|-------------------|

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 |
|---------------------------|--------------------------|

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