

Templeton Emerging Markets Inv. Trust

Emerging markets valuation opportunity

Templeton Emerging Markets Investment Trust (TEMIT) aims to achieve long-term capital gains through investing in companies operating in emerging markets. These markets have underperformed the world market in two of the last three years, leaving valuation multiples at relatively attractive levels, with the forward P/E, for example, standing at 9.9x versus 14.1x for the world market. This points to a potentially interesting entry point for investors. TEMIT provides access to these markets via a fundamentally selected, relatively focused and low turnover portfolio.

| 12 months ending | Total share price return | Total NAV return | MSCI Emerging Markets | MSCI World | FTSE All-Share |
|------------------|--------------------------|------------------|-----------------------|------------|----------------|
| 28/02/11 | 17.6 | 18.8 | 13.5 | 14.5 | 17.0 |
| 29/02/12 | 3.0 | 1.2 | 2.0 | 0.7 | 1.5 |
| 28/02/13 | 7.6 | 9.7 | 5.9 | 17.2 | 14.1 |
| 28/02/14 | (22.5) | (21.2) | (14.6) | 10.8 | 13.3 |

Note: *Twelve-month rolling discrete performance. All % total return in sterling terms

Investment strategy: Fundamental stock picking

TEMIT is managed using a value-based, bottom-up approach. Dr Mark Mobius leads a team that includes 52 investment professionals, who speak 27 languages and dialects between them. The investment process comprises an initial liquidity screening followed by detailed analysis, which results in an assessed value that takes into account the quality of products/services and competitive position of a company. Investments and disposals are made when market values deviate significantly from the assessed value. The long-term view, which aims to look through near-term volatility, is evidenced by the notably low turnover in the portfolio, which was 4.7% in the trust's last financial year to March 2013.

Sector outlook: Uncertainties, but long-term growth

Concerns over the impact of QE tapering on emerging markets, doubts whether China will achieve a smooth transition to lower, sustainable growth and political instability have all played into recent emerging market weakness. These factors could still contribute to volatility. Nevertheless, key long-term arguments for investment in emerging markets remain intact: greater diversification and exposure to economies with faster growth. Additionally, as noted above, the near-term case for investment in emerging markets is strengthened by the reasonable relative valuations on offer. The manager remains committed to markets such as Thailand and Turkey given the promising long-term growth potential he sees there. He also identifies the opportunity to increase TEMIT's exposure to frontier markets over time (from c 5% to 10% or more) to address the high growth potential they offer.

Valuation: Sentiment has driven wider discount

The trust has a history of managing its discount, most obviously with the tender offer in the wake of the financial crisis in 2009, when the company bought back 30% of the share capital. Currently, the share price stands at a discount to cumulative NAV of 10.2%, modestly above the three-year average, but still well below the low point in this period of 4.7%, suggesting the potential for a useful narrowing once sentiment becomes more favourable.

Investment trusts

17 March 2014

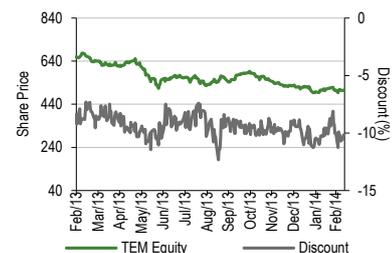
Price 504p
Market cap £1,632m
AUM £1,780m

NAV* 560.91p
Discount to NAV 10.2%
Yield 1.24%

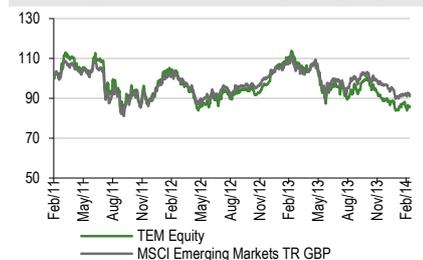
*Including income, as at 12 March 2014.

Ordinary shares in issue 323.7m
Code TEM
Primary exchange LSE
AIC sector Global Emerging Markets

Share price/discount performance*



Three-year cumulative perf. graph



52-week high/low 667.0p 493.5p
NAV* high/low 717.64p 545.10p

*Excluding income. Discount: negative values indicate a discount.

Gearing

Gross 0.0%
Net -2.5%

Analysts

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Sarah Godfrey +44 (0)20 3077 2528
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Exhibit 1: Trust at a glance

Investment objective and fund background

Launched in June 1989, Templeton Emerging Markets Investment Trust (TEMIT) was one of the first emerging markets funds in the UK. Dr Mark Mobius has been the manager since launch. The trust seeks long-term capital appreciation through investment in companies operating in emerging markets, or those with stocks listed on the stock markets of such countries. This may include companies that have a significant amount of their revenues in emerging markets, but which are listed on stock exchanges in developed countries. The benchmark is the MSCI Emerging Markets Index.

Recent developments

20 February 2014: Ms Beatrice Hollond to join the board as a non-executive director from 1 April 2014.
22 November 2013: Half year report (to end September) issued.

Forthcoming

| | |
|---------------------|------------------|
| AGM | July 2014 |
| Preliminary results | June 2014 |
| Year end | 31 March |
| Dividend paid | July |
| Launch date | 1989 |
| Continuation vote | Every five years |

Capital structure

| | |
|-----------------------|--------------------------|
| Total expense ratio | 1.3% (see page 7) |
| Net gearing | -2.5% |
| Ann. mgmt./admin. fee | 1.2% of total net assets |
| Performance fee | None |
| Trust life | Indefinite |
| Loan facilities | S-t up to 10% net assets |

Fund details

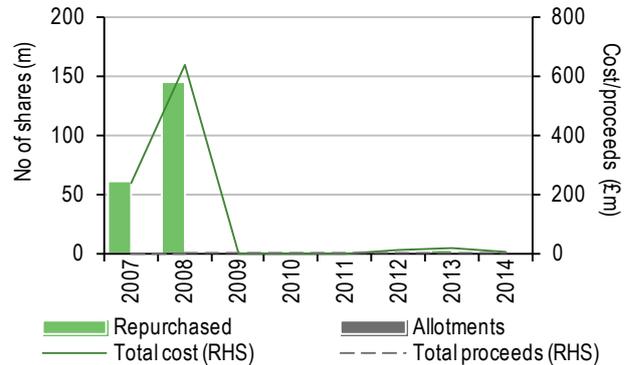
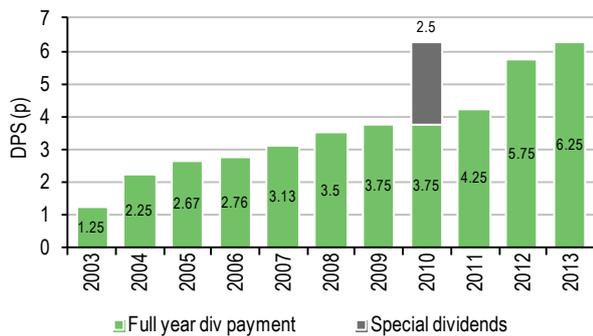
| | |
|---------|--|
| Group | Templeton Asset Management |
| Manager | Mark Mobius and team |
| Address | 5 Morrison Street, Edinburgh, EH 8BH, UK |
| Phone | +44 (0) 871 384 2505 |
| Website | www.temit.co.uk |

Dividend policy and history

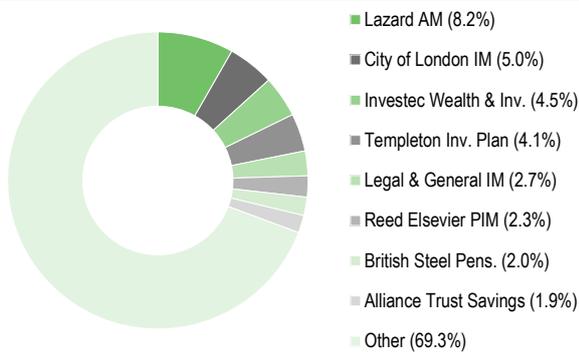
An annual payment is made with a 10-year average, normal payout ratio of 83%.

Share buyback policy and history

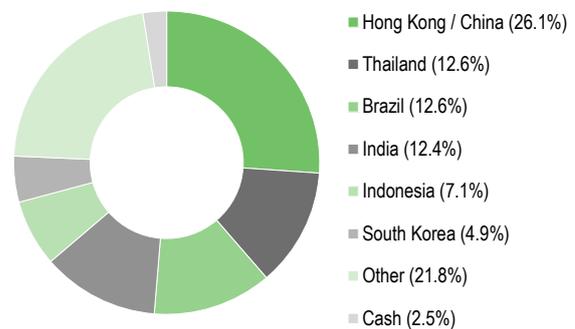
TEMIT is authorised to repurchase up to 14.99% and allot up to 5% of its ordinary shares.



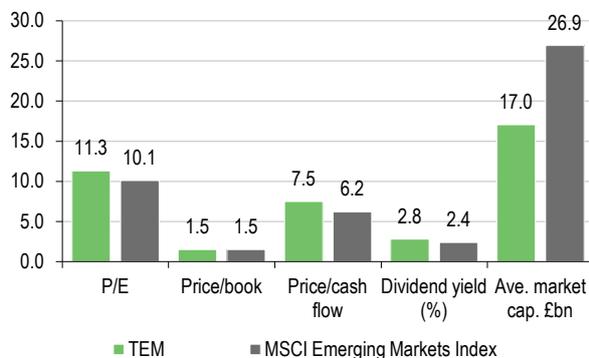
Shareholder base (as at 21 February 2014)



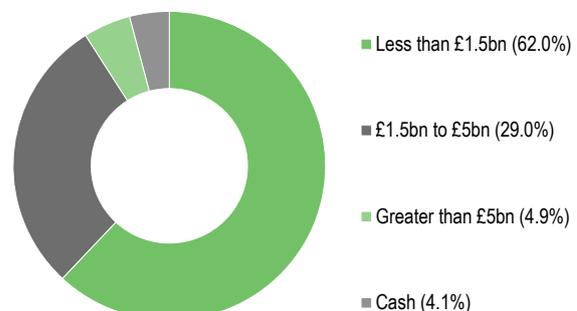
Geographical distribution of portfolio (as at 28 February 2014)



TEMIT versus benchmark valuation metrics (December 2013)

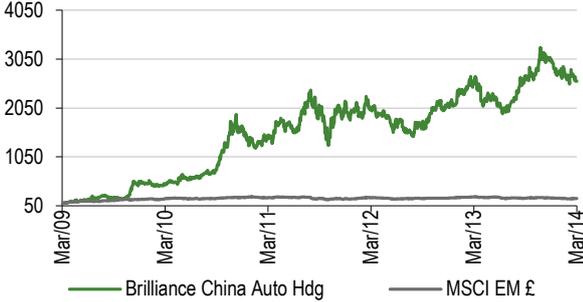
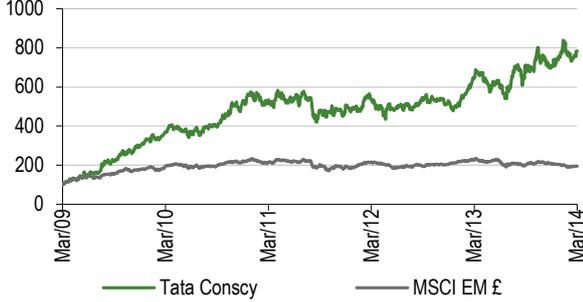
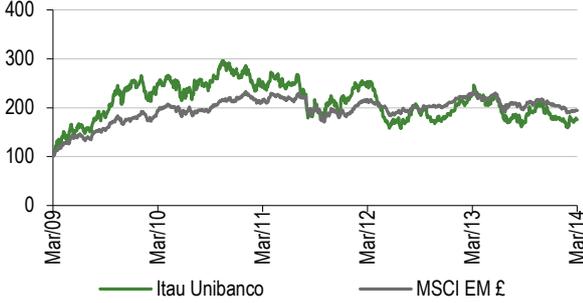
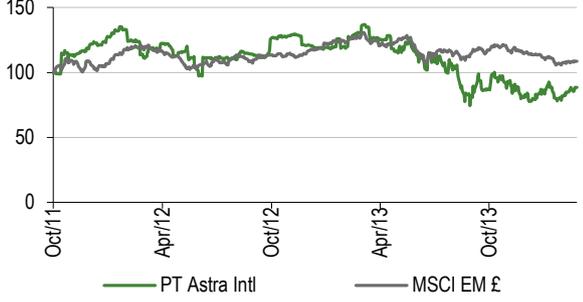
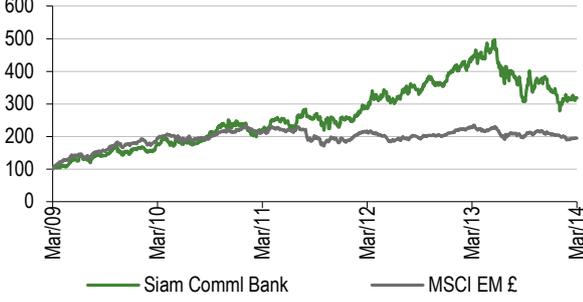


TEMIT market cap distribution (December 2013)



Source: Templeton Emerging Markets Investment Trust, Thomson Datastream, Edison Investment Research

Exhibit 2: Top five holdings at a glance (end February 2014)

| Brilliance China Automotive Holdings (9.8% of portfolio) | Code: 1114 HK | Market cap: HK\$59,405m (£4,567m) |
|---|--|--|
|  | Div yield (trailing 12 months) 0.85% Industry/Sector Auto manufacturer/Consumer cyclical Listing Hong Kong Website brillianceauto.com | <p>Brilliance China Automotive is a major Chinese automobile manufacturer. Its joint venture for the production and sale of BMW 3-series and 5-series in China has now been running for more than a decade, and strong sales in 2012/13 resulted in earnings that were ahead of market forecasts. It is now adding the BMW 7-series and SUVs to its production line in China. While TEMIT's managers took some profits in late 2013 following a period of strong performance, they continue to believe in the long-term growth trend in demand for motor vehicles in China as the size and spending power of the middle class increases. Brilliance China was the largest positive contributor to TEMIT's performance in Q413.</p> |
| Tata Consultancy Services (6.8% of portfolio) | Code: TCS IN | Market cap: INR4,457,572m (£42,915m) |
|  | Div yield (trailing 12 months) 1.1% Industry/Sector Computers/Technology Listing National Stock Exchange of India Website www.tcs.com | <p>Tata Consultancy Services, now comfortably the largest company in the Tata Group, is a Mumbai-headquartered IT services and outsourcing specialist with a global client base. While there is a growing political impetus towards 'reshoring' in some major economies, the managers of TEMIT believe that IT outsourcing continues to be an attractive and growing industry and that Tata is well placed to benefit from this growth due to its extensive global exposure and comprehensive range of services. In addition, the company is a potential beneficiary of continued weakness in the rupee. TEMIT's holding was trimmed in 2013 to take profits and raise funds.</p> |
| Itau Unibanco (4.1% of portfolio) | Code: ITUB:US | Market cap BRL151,661m (£38,689m) |
|  | Div yield (trailing 12 months) 0.62% Industry/Sector Banks/Financial Listing BM&FBovespa Website itau.com.br | <p>Itau Unibanco is a dominant player in the Latin American banking market. It is the largest private sector bank in Brazil and one of the top 20 in the world, with a network of almost 5,000 branches and 28,000 ATMs in Brazil, and around 100,000 employees across 20 countries. It is a universal bank with a range of services and products serving a varied client profile – both individuals and companies of all sizes, from major transnational groups to local micro-entrepreneurs. In spite of a deteriorating economic picture in Brazil during 2013, the bank's Q413 results included above-forecast loan and fee income growth of 13.5% and 19.4% y-o-y respectively, while loan loss provisions came in below the bank's expectations.</p> |
| Astra International Tbk (3.9% of portfolio) | Code: ASII J | Market cap: IDR281,360,694m (£14,834m) |
|  | Div yield (trailing 12 months) 3.5% Industry/Sector Consumer Discnry./Auto Retail Stores Listing Indonesia Website astra.co.id | <p>Astra International is a market leader in the distribution of cars, motor cycles and heavy equipment in Indonesia. Other businesses lines encompass financial services (including auto financing), coal mining, palm oil, a toll road, logistics and information technology. The results for the year ended 31 December 2013 showed revenue up 3% and net income flat despite what the group described as challenging conditions. New initiatives announced during the year, including Low Cost Green Cars, a property development project in central Jakarta and a new life insurance joint venture with Aviva, suggest the company is positioned to benefit from Indonesia's growing middle class.</p> |
| Siam Commercial Bank (3.9% of portfolio) | Code: SCB TB | Market cap: THB514,203m (£9,405m) |
|  | Div yield (trailing 12 months) 3.5% Industry/Sector Banks/Financial Listing Bangkok Website scb.co.th | <p>Siam Commercial Bank is the oldest and one of the largest banks in Thailand. Through its head office and its extensive branch network, the bank provides a full range of financial services, including corporate and personal lending, retail and wholesale banking, foreign currency operations, international trade financing, cash management, custodial services, credit and charge card services and investment banking services. Financial results for the bank were strong in 2013, with unaudited figures showing a 25% increase in net profit for FY13 compared with a year earlier, and earnings per share up 28.1% over the period. The ROE was 21.8% and the Tier 1 ratio was 11.7%</p> |

Source: Templeton Emerging Markets IT, Thomson Datastream, Bloomberg, Edison Investment Research as at end February 2014.
 Note: Charts are all total return in £.

Emerging market outlook: Offering better value now

Over the last year, concerns over the impact of QE tapering and fluctuating confidence in China's transition to a lower and sustainable growth rate have contributed to marked underperformance by emerging markets: the MSCI Emerging Markets Index was down more than 14% in the year to end February, whereas the MSCI World Index was up nearly 11%. Over three years emerging markets have underperformed the world market by 29%.

This has left a significant valuation gap. The emerging markets forward P/E ratio is 9.9x versus 14.1x for the world index (figures to end February). Price to book (1.5x versus 2.1x) and dividend yield (2.7% versus 2.5%) comparisons are also more favourable.

As far as GDP growth expectations are concerned, the latest IMF estimates still show emerging market growth well ahead of advanced markets (5.1% versus 2.2% for 2014, for example). While the connection between earnings and GDP growth is loose and there are significant political and economic risks, the substantial gap in both valuation measures and GDP forecasts suggests the relative weakness in emerging markets has provided investors with an interesting entry point.

Fund profile: Emerging market pioneer

Launched in June 1989, TEMIT is an investment trust quoted on the London (LSE) and New Zealand stock exchanges. TEMIT was one of the first pure emerging markets funds in the UK and is the largest UK global emerging market investment trust by some margin, with a market cap of over £1.6bn. The benefit of this scale for investors is primarily the resulting liquidity, while Templeton Asset Management's overall capability in emerging markets, with a total of £28.5bn of emerging market AUM (end December 2013), supports a significant local infrastructure with 18 offices globally.

The fund manager: Mark Mobius

The manager's view: Looking through turbulence

With over 40 years' experience working in emerging markets, Mark Mobius is well placed to take a long-term perspective on the recent weakness in emerging markets and turbulence in countries such as Thailand and Turkey.¹

His starting point in responding to such developments is to underline that emerging markets are expected to experience faster long-term growth than advanced countries and to point to the generally improved debt levels (particularly external currency debt) and foreign exchange reserves compared with previous periods of difficulty. He sees some commonality between recent incidents of political unrest with groups that feel they have been excluded or denied opportunities protesting, with a key accelerant being the use of mobile phones. For investors, this has a painful impact in the short term but, on a longer view, could be healthy for political development, which, if accompanied by a greater distribution of wealth and hence consumption, would also have positive implications for equities in these countries. Taking Thailand as a specific example, the manager still has confidence in the long-term growth potential in the country, and for the trust to sell out on macro grounds, he would need to feel there was a danger of measures being taken that would inhibit the ability to exit the portfolio investments.

The investment team continues to focus on bottom-up selection of stocks for the portfolio and the manager notes business activity tends to be surprisingly resilient, even during significant disruption. Volatility in markets has been used as an opportunity to switch between stocks, exploiting valuation inconsistencies, adding to existing holdings where prices have moved to more attractive levels.

¹ TEMIT exposures at end February 2014: Thailand 12.6% of NAV, Turkey 4.3%, Russia 4.6% and, as at the end of September 2013, Ukraine zero.

Asset allocation

Investment process: Bottom-up fundamental research

The manager follows a research-driven investment approach with substantial resources to support it. Templeton Asset Management has offices in 18 countries and 52 portfolio managers, analysts and product specialists, who between them speak 27 languages and dialects (December 2013).

The research and portfolio construction process is summarised in the following six steps:

- Identify opportunities: a master list is compiled by screening for securities matching liquidity and market cap requirements.
- Analyse companies: detailed research of the company's industry and financial accounts, together with a company visit to assess management, product/service quality, customers and competitive position.
- Construct action list: each company is allocated buy and sell price targets based on the analysis and valuation undertaken. A company's potential earnings on a five-year view, asset value and cash flow generation feed into this judgement.
- Allocate portfolio: a weekly review ensures consistency in the portfolio and compliance with investment committee guidelines.
- Evaluate and monitor portfolio: stocks in the portfolio are monitored against updated target prices, and contact with company management and competitors is maintained.
- Risk framework: an integrated investment risk management approach is used to ensure risks are recognised, rational and rewarded. Risks at a security, sector and country level are identified and monitored independently by Templeton Asset Management's global risk management team.

The process is followed rigorously, with analysts' work subject to peer review and "buy-in" reinforced by ensuring that where analysts' target prices are breached, the relevant analyst sells holdings in the portfolios for which they have responsibility.

The company takes the view that foreign exchange exposure is an inherent risk of emerging market investment and therefore does not hedge exposure, avoiding the associated costs.

Mark Mobius, as team leader, has encouraged a strongly collegiate approach. Personnel turnover has been low and, as a result, he has colleagues who have worked with him for over two decades (senior members of the team include Allan Lam, Carlos Graf Von Hardenberg and Chetan Sehgal).

Portfolio positioning

As at the end of January 2014, the top 10 holdings accounted for 45% of net assets, equities were 97.7% of assets and cash 2.3%. There were 49 holdings at the end of September 2013 compared with over 820 in the MSCI benchmark index and the list of c 1,300 stocks from which TEMIT selects holdings. At end December 2013 the average market cap of £17bn for the portfolio was below the average for the benchmark index (£27bn), with 62% having market caps of up to £1.5bn. Valuation metrics for the portfolio versus the benchmark indicate holdings were trading on a modest premium in terms of P/E and price/cash flow (see Exhibit 1).

As illustrated in Exhibits 3 and 4, sector and geographic allocations have some substantial differentials when compared with the benchmark, reflecting the manager's focus on stock selection. From a sectoral perspective, TEMIT's largest active overweight positions are in energy, consumer discretionary and materials, reflecting the consumer/commodity themes pursued by the manager. At the other end of the scale, larger active underweight positions are telecoms, information technology and utilities; these positions are evidence of the value-investing approach employed by the manager. Over the three months to end January, the manager has added to some of the resource/energy stock holdings and taken profits (including a reduction in Brilliance China Auto, which remains the largest holding) to fund purchases.

Geographically, the largest active overweights are Thailand, Hong Kong/China and India, which together account for 51% of the trust's portfolio. The portfolio had 4.7% exposure to frontier markets, a percentage that Mark Mobius sees as potentially rising to 10% over time given the attractive long-term opportunities for growth.

Exhibit 3: Sector allocations as at end February 2014

| | Trust weight (%) | Benchmark weight (%) | Trust active weight (%) | Trust weight/ benchmark weight |
|-----------------------------|------------------|----------------------|-------------------------|-----------------------------------|
| Energy | 20.6 | 10.8 | 9.8 | 1.9 |
| Consumer Discretionary | 16.3 | 9.3 | 7.0 | 1.7 |
| Materials | 14.2 | 9.5 | 4.7 | 1.5 |
| Financials | 25.5 | 26.1 | -0.6 | 1.0 |
| Healthcare | 0.0 | 1.8 | -1.8 | 0.0 |
| Consumer Staples | 6.1 | 8.3 | -2.2 | 0.7 |
| Industrials | 3.5 | 6.6 | -3.1 | 0.5 |
| Utilities | 0.0 | 3.4 | -3.4 | 0.0 |
| Information Technology | 11.3 | 17.2 | -5.9 | 0.7 |
| Telecommunications Services | 0.0 | 7.0 | -7.0 | 0.0 |
| Cash | 2.5 | | 2.5 | N/A |
| Total | 100.0 | 100.0 | 0.0 | |

Source: TEMIT, Edison Investment Research

Exhibit 4: Geographical allocations as at end February 2014 and December 2013

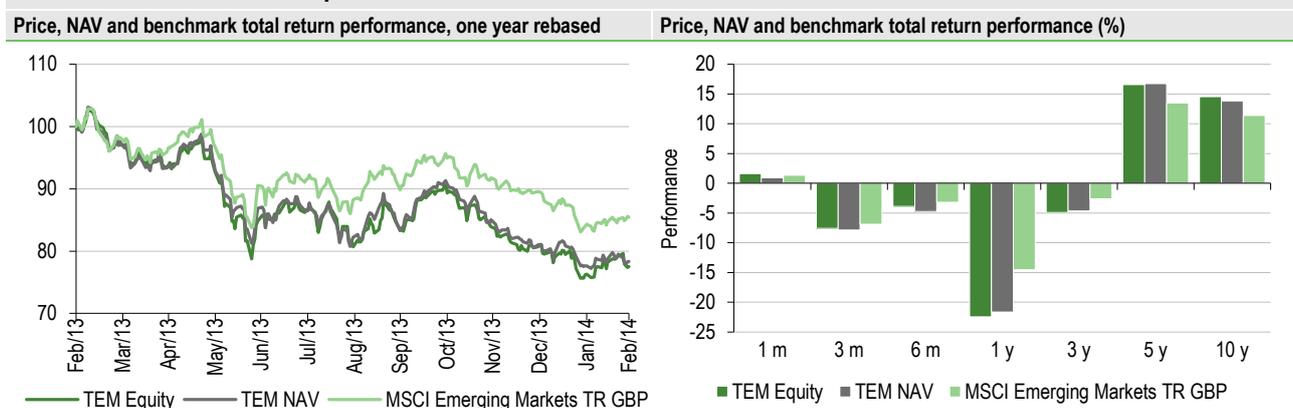
| | Trust weight % February 2014 | Trust weight % December 2013 | Benchmark weight % December 2013 | Trust active weight December 2013 |
|-----------------------|---------------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| Thailand | 12.6 | 11.8 | 2.1 | 9.7 |
| Hong Kong/China | 26.1 | 27.0 | 19.8 | 7.2 |
| India | 12.4 | 12.0 | 6.3 | 5.7 |
| Indonesia | 7.1 | 6.4 | 2.2 | 4.2 |
| Turkey | 4.3 | 4.9 | 1.5 | 3.4 |
| Pakistan | 4.6 | 3.2 | 0.0 | 3.2 |
| Brazil | 12.6 | 13.2 | 10.7 | 2.5 |
| Russia | 4.6 | 4.8 | 6.1 | -1.3 |
| South Africa | 2.7 | 2.5 | 7.4 | -4.9 |
| South Korea | 4.9 | 4.5 | 16.1 | -11.6 |
| Other* | 5.6 | 5.6 | 28.3 | -22.7 |
| Cash/cash equivalents | 2.5 | 4.1 | N/A | 4.1 |
| Total | 100 | 100 | 100 | 0.0 |

Source: TEMIT, Edison Investment Research. Note: *Other countries include Taiwan, Malaysia, Chile, Poland, Columbia, Philippines, Mexico, Peru, Austria, Czech Republic, Hungary, Egypt, Jordan and Morocco.

Performance: Long-term outperformance

The NAV total return has outperformed the fund's benchmark (and the FTSE All-Share Index) over five and 10 years, underperforming by between 0.7% and 9.3% over three months to three years (Exhibit 6). This underlines the point that investors may be well-served by taking the same long-term view that TEMIT does when investing in these relatively volatile markets.

Exhibit 5: Investment trust performance



Source: Thomson Datastream, Edison Investment Research. Note: Three-, five- and 10-year returns are annualised.

Exhibit 6: Cumulative share price and NAV total return relative performance (geometric calculation)

| | One month | Three months | Six months | One year | Three years | Five years | 10 years |
|--|-----------|--------------|------------|----------|-------------|------------|----------|
| Price relative to MSCI EM £ | 0.3 | (0.7) | (0.7) | (9.3) | (6.9) | 14.2 | 32.2 |
| NAV relative to MSCI EM £ | (0.4) | (1.0) | (1.6) | (8.3) | (6.1) | 15.0 | 24.1 |
| Price relative to MSCI World £ | (1.4) | (8.5) | (9.4) | (30.0) | (34.3) | (1.1) | 73.1 |
| NAV relative to MSCI World £ | (2.1) | (8.8) | (10.2) | (29.3) | (33.7) | (0.3) | 62.5 |
| Price relative to FTSE All-Share Index | (3.5) | (11.0) | (11.7) | (31.6) | (34.5) | (4.9) | 67.8 |
| NAV relative to FTSE All-Share Index | (4.1) | (11.3) | (12.4) | (30.9) | (33.9) | (4.2) | 57.5 |

Source: Thomson Datastream, Edison Investment Research. Note: Data to end February 2014 and indices £ adjusted.

Discount: Off recent highs, but above average

While an explicit commitment to maintain the discount at a particular level has not been provided, the TEMIT board continually monitors the share price discount to net asset value and exercises the right to buy back shares when the board considers it is in shareholders' interests to do so. In the year to end February 2014, the company bought back shares equivalent to 1% of the share capital. Previously, following the financial crisis, the discount widened to a high of 14.1% in FY09 and the company bought back and cancelled just over 30% of the shares in issue, primarily through a tender offer in June 2008 at a cost of £611.2m (see Exhibit 1). The current discount of 10.2% is modestly above the three-year average of 8.1% and still significantly above the low of 4.7%, suggesting useful scope for a narrowing once sentiment improves.

Exhibit 7: Percentage discount of price to cum-income NAV over three years


Source: Datastream, Edison Investment Research. Note: Negative values indicate a discount.

Capital structure and fees

TEMIT has a conventional capital structure with one class of ordinary share in issue. In exceptional circumstances, the trust is permitted to borrow up to 10% of net assets and has a short-term borrowing facility in place. This borrowing facility has not been used in recent years. Templeton Asset Management receives a management/administration fee of 1.2% per year of total net assets. There is no performance fee. The management contract is of unlimited duration and can be terminated without compensation, providing at least one year's notice is given. The ongoing charge for the year to March 2013 was 1.3%, and it has been stable at this level for the last six years. TEMIT has an indefinite life subject to a continuation vote every five years (the next one is due to take place at the AGM in July 2014).

Dividend policy and record: Capital growth priority

An annual dividend of 6.25p was paid for the year to end March 2013. As an emerging market pioneer with a mandate directed to long-term capital growth, income is not a priority for the trust, although the policy is to have a reasonably full distribution of revenues.

Peer group comparison

As Exhibit 8 illustrates, the AIC Global Emerging Market sector includes 10 peers (counting the Ashmore Global £/US\$ funds separately). There is a variety of styles in this group, with an Africa fund, fixed income and frontier markets, as well as more general equity funds such as TEMIT.

Looking at the NAV total returns over one, three and five years, TEMIT ranks ninth, ninth and fourth respectively.

Exhibit 8: Global emerging markets sector

| Fund name | Market Cap £m | NAV TR 1 Year (%) | NAV TR 3 Year (%) | NAV TR 5 Year (%) | Sharpe ratio 1y (NAV) | Sharpe ratio 3y (NAV) | Discount (Ex Par %) | Ongoing charges (%) | Perf fee | Net gearing | Yield (%) |
|-----------------------------------|---------------|-------------------|-------------------|-------------------|-----------------------|-----------------------|---------------------|---------------------|-----------|-------------|------------|
| Advance Developing Markets | 230.8 | (16.2) | (12.5) | 64.1 | (0.3) | (0.3) | (10.5) | 1.1 | Yes | 96.0 | 0.0 |
| Advance Frontier Markets | 97.2 | 7.5 | 15.6 | 72.4 | 1.4 | 0.3 | (6.2) | 1.5 | Yes | 92.0 | 0.0 |
| Africa Opportunity | 32.1 | 12.8 | 35.6 | 156.3 | 2.4 | 0.9 | 1.0 | 3.3 | Yes | 93.0 | 0.6 |
| Ashmore Global Opp GBP | 69.4 | (21.1) | (35.2) | (24.0) | (1.8) | (1.2) | (26.9) | 0.8 | Yes | 83.0 | 0.0 |
| Ashmore Global Opp USD | 37.9 | (29.1) | (37.8) | (34.6) | (1.9) | (1.2) | (24.2) | 0.8 | Yes | 83.0 | 0.0 |
| BlackRock Frontiers | 184.5 | 15.8 | 32.1 | | 2.0 | 0.5 | 8.5 | 1.7 | Yes | 100.0 | 2.8 |
| Genesis Emerging Markets | 662.7 | (13.7) | (1.7) | 124.4 | (0.1) | (0.1) | (7.5) | 1.7 | No | 99.0 | 0.0 |
| JPMorgan Emerging Markets | 614.3 | (15.8) | (4.3) | 98.7 | (0.4) | (0.2) | (10.5) | 1.1 | Yes | 97.0 | 1.1 |
| JPMorgan Global Emerg Mkts | 281.7 | (14.5) | 12.9 | | (0.1) | 0.3 | 2.6 | 1.2 | Yes | 107.0 | 4.7 |
| Templeton Emerging Markets | 1638.9 | (20.8) | (13.5) | 116.6 | (0.5) | (0.3) | (8.5) | 1.3 | No | 98.0 | 1.2 |
| Utilico Emerging Markets | 377.4 | (0.3) | 23.7 | 120.6 | 0.9 | 0.4 | (7.5) | 0.9 | Yes | 108.0 | 3.5 |
| Weighted average | | (14.0) | (2.7) | 107.3 | (0.1) | (0.1) | | 1.3 | | 98.9 | 1.9 |
| TEMIT Rank | | 9 | 9 | 4 | 9 | 8 | | 5 | | 5 | 4 |
| Count | | 11 | 11 | 9 | 11 | 11 | | 11 | | 11 | 11 |

Source: Morningstar. Note: As at 28 February 2014. TR = percentage total return. The Sharpe ratio is a measure of risk-adjusted return. The ratios we show are calculated by Morningstar by dividing a fund's annualised excess returns over the risk-free rate by its annualised standard deviation. Net gearing is total assets less cash/cash equivalents as percentage of shareholders' funds.

The board

The board comprises seven non-executive directors, six of whom are independent of Franklin Templeton Investments: Peter A Smith (chairman), Christopher D Brady, Hamish N Buchan, Sir Peter Burt, Neil A Collins and Peter O Harrison. The non-independent director is Gregory E Johnson, who is president and CEO of Franklin Resources, the parent of the investment management company. The company announced in February that Beatrice Hollond is to join the board as a non-executive director from 1 April 2014. She has had a long career in the investment industry and is on the board of two other investment trusts.

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