Stock Exchange Announcement
Statement of Annual Results
TEMPLETON EMERGING MARKETS INVESTMENT TRUST PLC
("TEMIT" or the "Company")
Legal Entity Identifier 5493002NMTB70RZBXO96

Annual Report and Accounts to 31 March 2025

Introducing TEMIT

Launched in June 1989, Templeton Emerging Markets Investment Trust plc ('TEMIT' or the 'Company') is an investment trust that invests principally in emerging markets companies with the aim of delivering capital growth to shareholders over the long term. While the majority of the Company's shareholders are based in the UK, shares are traded on both the London and New Zealand stock exchanges. From its launch to 31 March 2025, TEMIT's net asset value ('NAV') total return was +4,528.5% compared to the benchmark total return of +1,781.1%.

The Company is governed by a Board of Directors who are committed to ensuring that shareholders' best interests, considering the wider community of stakeholders, are at the forefront of all decisions. Under the guidance of the Chairman, the Board of Directors is responsible for the overall strategy of the Company and monitoring its performance.

Financial highlights

	2025	2024	3 Years Cumulative	5 Years Cumulative	10 Years Cumulative
Net Assets Value Total Return (cum-income)[(a)]	**8.8%**	**7.9%**	**18.3%**	**51.1%**	**88.0%**
Share Price Total Return[(a)]	**13.3%**	**4.9%**	**19.5%**	**50.1%**	**95.7%**
MSCI Emerging Markets Index[(a)(b)]	**5.8%**	**5.9%**	**6.5%**	**40.8%**	**65.5%**
Proposed Total Ordinary Dividend[(c)]	**5.25p**	**5.00p**	**14.80p**	**24.40p**	**37.07p**

(a) A glossary of alternative performance measures is included in the full Annual Report.
(b) Source: MSCI. The Company's benchmark is the MSCI Emerging Markets (Net Dividends) Index.
(c) An annual ordinary dividend of 5.25 pence per share for the year ended 31 March 2025 has been proposed. This comprises the interim dividend of 2.00 pence per share paid by the Company on 31 January 2025 and the proposed final dividend of 3.25 pence per share.

Strategic report

The Directors present the Strategic Report for the year ended 31 March 2025, which incorporates the Chairman's Statement, and has been prepared in accordance with the Companies Act 2006.

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed in their duty to promote the success of the Company for shareholders' collective benefit, and having regard for the interests of all stakeholders, by bringing together in one place key information about the Company's strategy, the risks it faces, how it is performing and the outlook.

Financial Summary
2024–2025

	Year Ended 31 March 2025	**Year Ended 31 March 2024**
Net Asset Value Total Return (Cum-Income)[(a)]	8.8%	7.9%
Share Price Total Return[(a)]	13.3%	4.9%
MSCI Emerging Markets (Net Dividends) Index Total Return[(a)]	5.8%	5.9%
Total Net Assets (£ millions)	1,985.4	2,034.9
Net Asset Value (Pence per Share)	193.7	182.5
Share Price (Pence per Share)	169.6	154.4
Share Price Discount to Net Asset Value at Year End[(a)]	12.4%	15.4%
Average Share Price Discount to Net Asset Value Over the Year[(a)]	13.8%	13.9%
Ordinary Dividend[(b)] (Pence per Share)	5.25	5.00

Revenue Earnings[c] (Pence per Share)	5.41	5.18
Net Gearing[a]	0.2%	0.0%
Ongoing Charges Ratio[a]	0.95%	0.97%

Source: Franklin Templeton and FactSet.

(a) A glossary of alternative performance measures is included in the full Annual Report.

(b) An annual ordinary dividend of 5.25 pence per share for the year ended 31 March 2025 has been proposed. This comprises the interim dividend of 2.00 pence per share (2024: 2.00 pence per share) paid by the Company on 31 January 2025 and a proposed final dividend of 3.25 pence per share (2024: 3.00 pence per share).

(c) The revenue earnings per share figures are shown in the Statement of Comprehensive Income and Note 7 of the Notes to the Financial Statements.

10 year record
2015-2025

Year Ended	Total Net Assets (£m)	Annual Dividend (£m)	Buy backs (£m)	NAV[a] (Pence per Share)	Share Price[a] (Pence per Share)	Year-End Discount[b] (%)	Annual Dividend[a] (Pence per Share)	Ongoing Charges Ratio[b] (%)
31 March 2015	2,045.0	26.1	24.7	128.2	111.2	13.3	1.65	1.20
31 March 2016	1,562.3	24.1	93.6	104.8	90.8	13.4	1.65	1.22
31 March 2017	2,148.1	23.1	89.4	152.6	132.3	13.3	1.65	1.20
31 March 2018	2,300.8	40.0	72.5	169.2	148.6	12.2	3.00	1.12
31 March 2019	2,118.2	40.2	147.5	168.5	153.2	9.1	3.20	1.02
31 March 2020	1,775.7	45.9[c]	69.9	146.5	131.4	10.3	3.80[c]	1.02
31 March 2021	2,591.3	44.9[c]	49.6	219.4	202.4	7.7	3.80[c]	0.97
31 March 2022	2,100.4	44.8	3.6	178.2	156.4	12.2	3.80	0.97
31 March 2023	2,017.5	57.8	29.2	174.1	152.2	12.6	5.00	0.98
31 March 2024	2,034.9	55.4	65.9	182.5	154.4	15.4	5.00	0.97
31 March 2025	1,985.4	54.0[d]	149.2	193.7	169.6	12.4	5.25[d]	0.95

Source: Franklin Templeton and FactSet.

(a) Comparative figures for financial years 2015 to 2021 have been retrospectively adjusted following the sub-division of each existing ordinary share of 25 pence into five ordinary shares of 5 pence each on 26 July 2021.

(b) A glossary of alternative performance measures is included in the full Annual Report.

(c) Excludes the special dividend of 0.52 pence per share for the year ended 31 March 2020 and the special dividend of 2.00 pence per share for the year ended 31 March 2021.

(d) Based on a proposed annual ordinary dividend of 5.25 pence per share for the year ended 31 March 2025. This comprises a proposed final dividend of 3.25 pence per share calculated using shares in issue as at 16 May 2025 and the interim dividend of 2.00 pence per share paid 31 January 2025.

Chairman’s statement

‘The net asset value ('NAV') total return over the 12 months to 31 March 2025 was +8.8%. The investment managers deserve congratulation for this performance.’

Angus Macpherson
Chairman

Performance[a]

In the financial year under review, the performance of the TEMIT portfolio was excellent. The net asset value ('NAV') total return over the 12 months to 31 March 2025 was +8.8%, while the share price total return was +13.3%. By contrast, the benchmark’s total return was +5.8%. The investment managers deserve congratulation for this performance.

It would be remiss not to comment on the impact of President Trump’s “Liberation Day”, declared two days after the financial year end. The announcement of the intention to impose widespread tariffs on imports into the United States from most countries was an unwelcome event creating considerable investor anxiety as a wider range of countries were affected by the proposed tariffs than had been expected, particularly in Asia.

Subsequently it became clear that China, the largest weighting in the Emerging Markets benchmark, was being singled out in particular. In last year’s letter I wrote “the Board and Investment Managers believe that China is probably too integrated into the global economy for economic sanctions to profit any party". The temporary truce in place at the time of writing supports this premise.

Both the NAV of the Company and its share price initially fell sharply but have now recovered to similar levels to the year end.

The truce is temporary and tariffs appear to be part of a broader reset of the relationship between the United States and the rest of the world. This outlook for the portfolio against this backdrop is discussed in greater detail at the end of this letter and in the manager's report.

(a) See Glossary of Alternative Performance Measures in the full Annual Report.

Communication with investors

Over the last twelve months, I have spoken with holders of more than half of the Company's shares and our brokers have also conducted interviews to solicit views on TEMIT, while the managers have worked to share their actions and insights through written articles, videos and seminars to ensure existing and prospective investors are fully informed.

The Board continues to explore ways in which demand for TEMIT's shares could be improved and, to this end, we commissioned research from independent third parties to obtain the views of both private and professional investors in May 2025. The shareholders who were interviewed were broadly supportive of the Company in its current form and recognised the very good investment performance relative to the benchmark. We received a lot of positive feedback on the investment managers' strategy. Some shareholders expressed a preference for higher – but still moderate – levels of gearing. Finally, the general lack of demand for investment trust shares remains an issue and there was widespread support for our efforts to manage the balance of demand through share buybacks, which is discussed further below.

Share price rating

The Board was very clear in last year's report that it found the persistence and scale of the discount that the Company's shares trade to their underlying NAV unsatisfactory.

We believe that there are three important factors which can narrow the discount: renewed investor enthusiasm for emerging market equities; a company structure with investment performance that makes it attractive relative to other investment vehicles; and an enhanced profile through marketing that increases awareness amongst new investors.

In June 2024 we announced a series of measures with the intention of improving liquidity and returns for holders of TEMIT's shares. In summary, these were commitments to:

- At least maintain the current level of annual dividend;
- Repurchase up to £200m of shares over the next 12 to 24 months;
- A conditional tender offer, under which TEMIT will tender for up to 25% of its shares if it underperforms its benchmark index over five years to March 2029; and
- A phased reduction in AIFM fees.

These measures were intended to make the value proposition of the shares more evident to shareholders and to improve liquidity for shareholders wishing to buy or sell. The Board's premise is that whilst there are significant benefits to a closed ended vehicle, the fact that we are not required to return capital to shareholders does not mean that we may not do so, provided that it does not compromise the ability of the company to meet its objectives.

Following this announcement, we stepped up the rate of share buybacks and over the year under review around 90 million shares were bought back, returning £149.2 million to shareholders and in line with the commitment set out above. These buybacks represented 8.1% of shares in issue on 31 March 2024 and, as all buybacks were at a discount to the prevailing NAV, resulted in an uplift of 1.16% of NAV per share for remaining shareholders.

As I commented last year, the board does not believe share buybacks narrow discounts other than in the short term; their more measurable impact is to improve liquidity and to enhance earnings per share. Indeed, the discount remained largely driven by market forces and there were times when it widened due to very limited demand. I am pleased to report that the share price discount narrowed from 15.4% at the start to 12.4% at the end of the year under review.

The board is seeking approval from shareholders for the authority to repurchase up to 14.99% of the issued shares over the year following the AGM and intends to purchase a further £100m-£200m of shares over the next 12 to 24 months, subject of course to market conditions.

Revenue and dividends

The net revenue profit for the year was 5.41 pence per share. The Company paid an interim dividend of 2.00 pence per share at the half year stage and the Board is recommending an increased final dividend of 3.25 pence per share, making a total dividend for the year of 5.25 pence; an increase of 5% compared with the prior year.

Gearing

TEMIT's previous £100 million fixed rate loan matured and was repaid on 31 January 2025. On that date, the Company entered into a £122 million multi-currency revolving loan facility with The Bank of Nova Scotia, London branch. The loan facility is available for 364 days, to 30 January 2026.

The facility provides flexible debt. Drawings may be in sterling, US dollars and offshore renminbi (Chinese Yuan, CNH). The Company initially drew down £80 million on 31 January 2025. Subsequently, when a £40 million tranche of debt matured at the end of April this was partly replaced by borrowing CNH300million, equivalent to £30.8 million at the time.

Stewardship and Governance

Since TEMIT was launched over 35 years ago, our Investment Managers have always focused on the corporate governance of investee companies, which we believe has helped many companies to understand and attract international investors. Over the years, the level of investor attention on sustainability has grown and investment managers' broader approach to the stewardship of investors' capital and the companies in which they invest has come under increasing scrutiny. The report on this subject is included in the full Annual Report. For those interested in exploring the subject in more depth, our Investment Managers have in recent years produced a comprehensive, dedicated Stewardship Report for TEMIT. This year's report is published simultaneously with this Annual Report and is available to download at www.temit.co.uk.

As part of an exercise of good corporate governance the Board has undertaken an extensive programme of shareholder tracing which has reunited a number of shareholders with their holdings. The process has also saved the Company the registration and serving costs of shareholders who remain unidentified and enabled legal forfeiture and disposal of these shares with the proceeds donated to a number of charitable institutions.

The Board

Sarika Patel was appointed as a non-executive Director of the Company with effect from 1 January 2025. Simon Jeffreys, the current Chair of the Audit and Risk Committee, will retire from the Board following the conclusion of the Annual General meeting in July. Following Simon's retirement, Sarika will take over the role of Chair of the Committee having worked closely with Simon since her appointment.

Sarika is a Chartered Accountant and has widespread experience in both investment trusts and trading companies. She is Chair of abrdn Equity Income Trust and chairs the Trust and she is also Chair of Action for Children.

I would like to record thanks on behalf of myself, the Board and the managers for Simon's exemplary contribution to TEMIT and his leadership of the audit and risk management function over the last nine years. We wish him well in his current and future endeavours.

Annual General Meeting

I am pleased to extend an invitation to all shareholders to join us for our AGM on 10 July 2025 at Franklin Templeton's offices at 78 Cannon Street in London. The meeting will include a presentation by the Investment Managers. We look forward to welcoming those shareholders who are able to come to the meeting.

Whether or not you intend to attend the meeting in person, you are strongly encouraged to submit your votes on the AGM resolutions in advance of the meeting. Submitting votes by proxy does not preclude you attending the meeting or changing your vote if you do subsequently decide to attend the AGM. If you have any questions, please send these by email to temitcosec@franklintempleton.com or via www.temit.co.uk/investor/contact-us in advance of the meeting. You are also welcome to use these contact details should you have a question at any other time. Any questions that we receive will be considered and, if appropriate, responses will be provided on our website www.temit.co.uk.

Outlook

The announcements on "Liberation Day" were shaped long before this year. Some retreat from globalisation and decoupling of the United States from China was likely whichever party formed the administration after the last election. Those disadvantaged by the deflationary forces of trade and immigration represent a significant political bloc which cannot be ignored in a democratic state.

The imposition on the American people of a significant import tax burden, higher consumer goods prices and their consequent inflationary impact is unlikely to be electorally compelling in the US mid-term elections without some evidence of compensatory economic benefit. Even if the current propositions prove sustainable, their impact on the US is likely to be much greater than on their targets' economies. China's exports to the United States, for example, are estimated to be less than 3% of its GDP.

We maintain a positive outlook on emerging markets, supported by a combination of improving macro conditions, structural growth trends, and a shifting geopolitical landscape. The backdrop of lower U.S. interest rates and a weaker dollar creates a more favourable environment for capital flows and local currency strength across many emerging economies.

It should be borne in mind that the imposition of punitive tariffs on China and other emerging markets is a sign of the economic strength, not the weakness, of these high growth countries. Having continued investment exposure to them may well turn out to be even more important than before.

Angus Macpherson
Chairman
6 June 2025

The investment managers

TEMIT's investment management is delegated to Franklin Templeton Investment Management Limited ('FTIML') and Templeton Asset Management Ltd ('TAML') (together, the 'Investment Managers'). Portfolio Managers from FTIML and TAML form part of the wider Franklin Templeton Emerging Markets Equity group ('FTEME'). FTEME have managed the portfolio since TEMIT's inception and are pioneers in emerging markets equity investing. They bring more than 35 years of experience along with local knowledge from over 70 investment professionals, based in 13 countries around the world.

The team has a collaborative investment process where all analysts and portfolio managers work together to contribute to investment returns. They meet regularly, both formally and informally, to debate and exchange ideas, investment themes and enrich their understanding of the markets by drawing on local insights to build a global perspective and context to their thinking. They also benefit from the broader resources available throughout Franklin Templeton.

The Portfolio Managers for TEMIT, Chetan Sehgal (lead) and Andrew Ness, are senior executives in FTEME.

Portfolio Managers

Chetan Sehgal
CFA

Chetan is the lead Portfolio Manager of TEMIT and is based in Singapore.

As part of his broader responsibilities within FTEME, Chetan is also the director of portfolio management. In this capacity, he is responsible for the overall Global Emerging Markets strategies, providing guidance and thought leadership, co-ordinating appropriate resources and coverage, and leveraging the group's expertise to add value across products within the strategies.

Chetan joined Franklin Templeton in 1995 from Credit Rating Information Services of India Ltd, where he was a senior analyst.

Chetan holds a B.E. Mechanical (Hons) from the University of Bombay and a postgraduate diploma in Management from the Indian Institute of Management in Bangalore, where he specialised in finance and business policy and graduated as an institute scholar. Chetan speaks English and Hindi and is a Chartered Financial Analyst ('CFA') Charterholder.

Andrew Ness
ASIP

Andrew Ness is a Portfolio Manager of TEMIT and is based in Edinburgh.

Prior to joining Franklin Templeton in September 2018, Andrew was a Portfolio Manager at Martin Currie. He began his career at Murray Johnstone in 1994 and worked with Deutsche Asset Management in both London and New York before joining Scottish Widows Investment Partnership in 2007.

Andrew holds a B.A. (Hons) in Economics and an MSc in Business Economics from the University of Strathclyde in the UK. He is an Associate Member of the UK Society of Investment Professionals and a member of the CFA Institute.

The investment managers' report

Outlook for emerging markets

In our Half-Yearly Report to 30 September 2024, we wrote that we have emerged from a volatile period in which worries about economic recession dominated investor sentiment. With the benefit of hindsight, what we experienced were ebbs and flows in what was perceived as volatility, and there will be more uncertainty for the foreseeable future.

Following US President Trump's 'Liberation Day' announcement of tariffs in April 2025, global equity markets have faced considerable turbulence.

We believe that the United States has three key objectives: to raise money to fund its deficit and restore the credibility of its financial systems, to add critical manufacturing capacity in the United States and to contain China. Whilst most countries are likely to negotiate and help the United States to achieve some of these objectives, there remains significant uncertainty on how this incipient trade war will pan out.

Tariffs, if implemented for an extended period would lead to slower economic growth and inefficiencies globally. Tariffs have also put into question the United States' exceptionalism. Investors may look to diversify away from the US which would also put pressure on the dollar. Valuations in EMs are also generally supportive. In tandem, valuations, currency and fund inflows should act as tailwinds for EMs.

In our view as long-term investors, we balance uncertainty with optimism in pockets of our investable universe. We continue to remain overweight on equities in Latin America; and in particular, Mexico and Brazil, as the region has been spared from the harshest tariffs. Mexico will also benefit due to its geographical proximity to the United States. The outlook for Brazilian equities looks to be on the mend as we expect Brazil to eventually reduce interest rates.

Slower global growth from tariffs and increased oil output from OPEC+ would likely result in an easing of energy prices. We remain underweight on the Middle East, due to its reliance on oil prices for economic growth.

Emerging Asia has its own strengths, which could help to buffer the negative impacts of tariffs. AI remains a strong growth area despite concerns on the monetisation of AI. This should be beneficial for South Korea and Taiwan, which are home to several large semiconductor companies which are key to driving the development of AI. This has flowed through to Chinese internet companies, which have benefitted as they progress with AI.

China is attempting to minimise the risks inherent in geopolitical tensions by keeping up with its policy support for its economy. While tariffs could further impact growth, valuations are supportive. Our approach towards Chinese equities is selective and our key holdings in internet companies give us a degree of comfort through their cash flows and shareholder returns, notwithstanding their growth potential resulting from AI developments.

India is probably better relatively positioned because of its large domestic market and limited dependence on trade exports. In addition, there no tariffs on services including the information technology sector. However, the recent escalation in tension between India and Pakistan has further added to global geopolitical uncertainty. Balancing what seems like a positive view on India is our selective approach as we maintain a watchful eye on valuations.

Reciprocal tariffs have been deferred and this provides a window of opportunity for trade negotiations. Most countries should be able to negotiate a trade deal, balancing between their national objectives and the demands of the United States.

Conclusion

While we do not know the exact impact of tariffs thus far, the portfolio is well positioned geographically, with an overweight positioning in Latin America and underweight positioning in the Middle East. The impact of tariffs on individual portfolio holdings will be clear only after the final tariff rates are announced.

The macroeconomic environment has been, and remains, decidedly tricky and intertwined with a multitude of headwinds and risks.

We have built considerable expertise in the emerging market equity asset class, which has guided us to outperform in a complex environment; and we hope that we have shown this throughout the course of this report. We continue to abide by our investment approach and seek opportunities across equity markets, focusing on companies that, in our assessment, have long-term earnings power. We find that this is especially crucial in the current circumstances.

Review of performance[a]

Emerging markets ('EMs') advanced over the 12 months ended 31 March 2025. While this may be interpreted positively, the year was marked by volatility and was a challenging period for equity investing. We credit our investment approach to steering the performance of TEMIT to deliver returns that were superior to the benchmark. Our investment philosophy is anchored in a bottom-up process to finding companies that our analysis indicates have sustainable earnings power and whose shares trade at a discount relative to their intrinsic worth. The MSCI Emerging Markets (Net Dividends) Index returned 5.8% in the 12-month period under review, while TEMIT delivered a net asset value total return of 8.8% (all performance figures are net total return in sterling terms)[b]. Full details of TEMIT's performance can be found in the full Annual Report.

Three macro themes have triggered price movements:

Elections: Several EM countries such as India, Indonesia, Mexico, South Africa and Thailand held elections. Equities in India and Mexico fluctuated around the times of their elections. While Indian equities benefited as the incumbent prime minister won the elections and gave rise to expectations of policy continuity, elections in Mexico posed a drag on the prices of Mexican equities as the strong victory of its ruling party caught investors by surprise. This led to concerns over the potential for anti-market reforms. As the new United States President came into power concerns were raised over the potential imposition of import tariffs and the move by the United States government to become more isolationist and protectionist, which caused broad-based declines across markets. Volatility increased sharply immediately after our financial year-end and is discussed under Outlook below.

Artificial intelligence ('AI'); this investment theme was disrupted by concerns over the ability of companies to convert potential into profitable business over the long term and then by the emergence of lower cost alternative approaches in China. These factors led to increased volatility in the share prices of companies which had been seen to be beneficiaries of AI.

Geopolitics; these concerns remained a mainstay, where the conflict between Israel and Hamas militants and that between Russia and Ukraine continued unabated. EM equities could not escape pressures from concerns over a recession in the United States. However, the US Federal Reserve's eventual interest rate cut infused a bout of optimism globally, including in EMs.

By region as measured by the MSCI Emerging Markets Index, all regions advanced save for Latin America. The reasons behind each country's equity market performance are detailed below for TEMIT's largest-weighted country exposures.

(a) All benchmark performance as per the MSCI Emerging Markets (Net Dividends) Index.
(b) See Glossary of Alternative Performance Measures in the full Annual Report.

China/Hong Kong

TEMIT's largest market exposure, although the portfolio remained underweight relative to the benchmark. Chinese equities rose by over 37% in sterling terms over the 12-month period. This outperformance was supported by the government's policies to boost the country's economic growth and equity market. The government announced measures that encompassed a programme for share buybacks and a swap facility to shore up the equity market. The release of Chinese startup DeepSeek's AI models, which have been reported to be on a par with or better and cheaper than other AI models, sparked a wave of interest in Chinese equities. Investors were impressed by China's ability to innovate despite efforts by the US to limit the development of sophisticated technology in the country. The Chinese government's renewed focus on technology as tabled in its government work plan announced in March 2025 and the President's high-profile meeting with some of the biggest names in China's technology sector were viewed as signs of support for the sector and sent technology stock prices even higher. Our approach towards Chinese equities continues to be selective. Whilst policy support has resulted in a return of investor interest, we are sceptical of the benefits of these policies in the longer term. Reviewing the macroeconomic background, we have not yet observed any meaningful change in demand; and the declining and ageing population remains a key structural challenge. Our Chinese exposure is largely to internet companies. Notwithstanding their growth potential from AI developments, Chinese internet companies give us an additional degree of comfort through their cash flows and shareholder returns.

Taiwan

TEMIT's second-largest market exposure, where the portfolio was weighted on par versus the benchmark. The Taiwanese equity market performed satisfactorily and ended the 12-month period with a gain of over 2% in sterling terms. Expectations of higher earnings growth bolstered by AI lifted performance earlier in the period. This optimism was offset to an extent by uncertainties around monetisation of AI investments. Investment sentiment soured thereafter as investors braced for US tariffs. The portfolio's exposure to the country is concentrated in the island's semiconductor industry and TEMIT's largest portfolio holding, which is in Taiwan Semiconductor Manufacturing Company ('TSMC'). TSMC, despite its dominance in the semiconductor industry, is not immune to trade uncertainties. The company announced plans to increase its investment in the US amid tariff concerns. Using a longer-term lens, we remain positive on the semiconductor industry and believe that AI will continue to experience strong growth, which should benefit semiconductor companies as they make up a key component of the AI supply chain. Beyond AI, semiconductors are essential components used in a myriad of industries. We maintain a positive long-term view on both Taiwan's semiconductor industry and TSMC.

South Korea

TEMIT's third-largest market exposure, where the portfolio was overweight versus the benchmark. South Korean equities lost just under 23% in sterling terms during the reporting period, as the technology-heavy market struggled with near-term oversupply in the electronic memory market. Investor confidence in South Korean equites eroded over domestic political uncertainties, following declaration and subsequent lifting of Martial Law by the President in December 2024. The Korean won devalued. The market struggled as optimism on AI, which should benefit memory chips, was dampened by slowing demand growth for legacy memory products. The market decline was driven by the country's most valuable company, Samsung Electronics, as its share price was pressured over concerns of the company's perceived loss of technological leadership. We expect the supply-demand imbalance for memory chips to improve driven by supply tightness and demand for chips for the development of AI applications. Our overweight position in South Korea includes companies that are positioned to capture longer-term structural growth drivers in the form of semiconductors and artificial intelligence (Samsung Electronics and SK Hynix), the green transition (Samsung SDI and LG Corp) and dominant internet search platform integrating e-commerce, payments and digital content (NAVER).

India

TEMIT's fourth-largest market exposure. This was an equity market which saw tides change repeatedly in a relatively short period. First half gains were offset by second half losses to end the period flat. Indian equities started the first half of the period with an advance of more than 11% (in sterling terms), benefitting from positive economic data and expectations of policy continuity from the incumbent prime minister Narendra Modi's coalition party. The positive backdrop did not last for long and investment sentiment soured in the second half of the period with returns flat over the full 12-month period. Corporate earnings for the second and third quarters of the 2025 fiscal year were below investor expectations and gave rise to concerns on a probable growth slowdown. A slowdown in consumption was also experienced. While valuations are still a concern for us, recalling that our investment approach hinges on finding companies whose shares according to our analysis trade at a discount relative to their intrinsic worth, we continue to see attractive opportunities in India. While the country is one of TEMIT's largest absolute weighting allocations, it is still underweight relative to the benchmark.

Brazil

TEMIT's fifth-largest market exposure with equities in Brazil finishing the reporting period with losses of more than 15%. Defying the trajectory of most other central banks, Brazil started to raise interest rates to control the country's level of inflation as well as to protect its currency. We believe that the interest rate hikes should be a short-term phenomenon and rates should converge with the global interest rate cycle in due course.

Other Emerging Markets

There were initial signs of abatement in geopolitical conflicts which proved positive for emerging EMEA equities, but as of end of March 2025, these negotiations had stalled. South Africa's equity market experienced a rally following the country's elections. President Cyril Ramaphosa won a second successive term and formed a coalition government.

The Mexican equity market declined following the country's elections. Concerns regarding anti-market reforms and the signing of a controversial judicial reform into law pressured Mexican equities. Uncertainties on US tariffs also led to some market volatility towards the end of the period.

Investment strategy, portfolio changes and performance attribution

The following sections show how different investment factors (stocks, sectors and countries) accounted for TEMIT's performance over the 12-month period. We continue to emphasise our investment process that selects companies based on their individual attributes and ability to generate risk- adjusted returns for investors, rather than taking a high-level view of sectors, countries or geographic regions to determine our investment allocations.

Full details of our investment process, philosophy and approach are detailed in the full Annual Report.

Our well-resourced, locally based, teams remain a key competitive advantage and it has been particularly helpful having teams on the ground, in the benchmark-heavyweight countries of China, India and Brazil, to help us better understand these markets. This local presence allows us to understand business models, competitive dynamics and supply-chain issues. We have also managed to get insights into regulatory conversations and management capabilities, which are factored into our analysis. We view our locally based teams, which are armed with vast knowledge of the respective countries' macroeconomic issues and views on the ground, as vital sources of input into the investment process. This complements our global presence, which allows us to analyse short-term uncertainties and determine if these are reflective of cyclical or structural trends.

In the portfolio, we remain positioned in long-term themes including consumption premiumisation, digitalisation, health care and technology. We focus on companies reflecting our philosophy of owning good quality businesses, with long-term sustainable earnings power and share prices at a discount to intrinsic worth. We see high levels of leverage as a risk and continue to avoid companies with weak balance sheets.

Performance Attribution Analysis %

Year to 31 March

	2025	**2024**	**2023**	**2022**	**2021**
Net Asset Value Total Return[(a)]	8.8	7.9	0.8	(17.3)	54.5
Expenses Incurred	0.9	1.0	1.0	1.0	1.0
Gross Total Return[(a)]	9.7	8.9	1.8	(16.3)	55.5
Benchmark Total Return[(a)]	5.8	5.9	(4.9)	(7.1)	42.3
Excess return[(a)]	**3.9**	**3.0**	**6.7**	**(9.2)**	**13.2**
Stock Selection	2.7	0.3	7.3	(10.2)	6.0
Sector Allocation	1.6	2.1	(0.4)	0.8	6.5
Currency	(0.7)	0.3	(0.2)	0.2	0.6

Share Buyback Impact	1.2	0.5	0.2	0.0	0.3
Residual Return[(a)]	(0.9)	(0.2)	(0.2)	–	(0.2)
Total Contribution	**3.9**	**3.0**	**6.7**	**(9.2)**	**13.2**

Source: FactSet and Franklin Templeton.
(a) A glossary of alternative performance measures is included in the full Annual Report.

This table sets out the results of a detailed analysis of the returns produced by the TEMIT portfolio, how this compares with the theoretical returns available from the benchmark index and factors affecting the comparison with the returns of the benchmark index.

Top 10 Contributors and Detractors to Relative Performance by Security (%)[(a)]

	Top Contributors	Contribution to portfolio relative to MSCI Emerging Markets Index	Top Detractors	Contribution to portfolio relative to MSCI Emerging Markets Index
Overweight (TEMIT holds more than the index weight)	Prosus	1.3	Samsung SDI	(1.2)
	Alibaba	1.3	LG Corp	(0.8)
	Genpact	0.9	Samsung Electronics	(0.7)
	China Merchants Bank	0.7	Grupo Financiero Banorte	(0.7)
	Discovery	0.7	Samsung Life Insurance	(0.4)
	Kasikornbank	0.5	Soulbrain	(0.4)
	Uni-President China	0.4	Banco Bradesco	(0.4)
	ICICI Bank	0.4		
	WuXi Biologics	0.4		
Underweight (TEMIT has no holding or a holding smaller than the index weight)	Reliance Industries	0.5	Xiaomi	(0.9)
			China Construction Bank	(0.4)
			BYD	(0.4)

(a) For the period 31 March 2024 to 31 March 2025.

This table sets out the results of a detailed analysis of the returns produced by individual securities in the TEMIT portfolio, and how this has affected the overall returns produced by the portfolio compared with theoretical returns available from the benchmark index.

An off benchmark holding in **Prosus** served the portfolio well. Prosus is a leading global investment company and the largest shareholder of Tencent (also held directly by TEMIT), a Chinese technology company. The company also has investments in several food delivery platforms in different parts of the world. Its share price tracked that of Tencent's stock, which rose on the company's release of its earnings results for several quarters, a slew of stimulus measures in China and investor enthusiasm for China's technology companies after breakthroughs in China's AI capabilities. Regular buybacks also aided the performance of Prosus in the period.

Also finishing higher over the 12-month period were shares of Chinese e-commerce company **Alibaba**. Its share price received support from investor expectations that the company could be included in the Hong Kong Stock Connect in late 2024 (which eventually happened), and that the company's new strategy to charge merchant service fees could potentially boost its revenue. China's stimulus measures to boost the country's economy and equity market, Alibaba's strong December quarter results announcement and the company's optimism and commitment to invest in AI boosted share price returns as well. Alibaba remains a key holding in the portfolio's China exposure. The company continues to generate strong cash flows, in our assessment, and we expect share-price appreciation to be supported by corporate actions, including share buybacks.

Another stock that the portfolio held outside of the index is **Genpact,** a US-listed technology services company that derives much of its earnings from services provided from India. Its share price rose on consistently strong earnings results for the last three quarters of 2024. The fourth-quarter results showed improved execution and progress on its strategic initiatives.

South Korea-based **Samsung SDI** is a leading manufacturer of lithium-ion batteries for electric vehicles ('EVs'), energy storage, power tools and information technology products. Its share price declined due to its weak quarterly results. Utilisation of its key plants has been impacted by weak demand as well as loss of market share with its key clients. Concerns of a reduction in US tax credits under the new US Government also pressured its share price. The company also announced a rights issue to fund its capital expenditure plan. Fundamentals deteriorated significantly and the share price reacted accordingly. While the near term looks challenging, the company also owns a meaningful stake in Samsung Display, a manufacturer of OLED (organic light emitting diode) panels, and any monetisation there should help to crystallise value.

LG Corp is a South Korean holding company and owns stakes in several companies across various industries including electronics, chemicals, electric vehicle ('EV') batteries and household products. LG Corp's share performance has been impacted by weak earnings for its key holdings. By way of example, LG Chem, an associate of LG Corp, reported weak results due to a sluggish petrochemical sector, as well as slower-than-expected growth for the EV sector. Its share price continues to trade at significant discount to its net asset value (NAV). The company has been buying back shares, which should help narrow the discount to its NAV.

Samsung Electronics is one of the largest semiconductor memory manufacturers in the world. It also manufactures a wide range of consumer and industrial electronics and equipment. The company reported tepid results, which were impacted by a weaker memory cycle as well as a low share in high-margin high bandwidth memory ('HBM'). The company seems to have lost its technological leadership in the memory segment and is lagging in the advanced chips being used for AI servers. Nonetheless, it remains one of the key companies in the highly consolidated memory market and should benefit from the rise in demand for memory products which has been further accentuated by growth in AI models.

Contributors and Detractors to Relative Performance by Sector (%)[(a)]

	Top Contributors	Contribution to portfolio relative to MSCI Emerging Markets Index	Top Detractors	Contribution to portfolio relative to MSCI Emerging Markets Index
Overweight (TEMIT holds more than the index weight)	Consumer Discretionary	1.7	Information Technology	(1.7)
	Financials	0.6		
	Industrials	0.3		
Underweight (TEMIT has no holding or a holding smaller than the index weight)	Consumer Staples	1.1	Communication Services	(0.4)
	Energy	0.8		
	Health Care	0.4		
	Materials	0.4		
	Utilities	0.2		
	Real Estate	0.1		

(a) For the period 31 March 2024 to 31 March 2025.

The table above shows the contribution of the overall portfolio returns of the different sectors within the TEMIT portfolio relative to the MSCI Emerging Markets Index.

Stock selection in the **consumer discretionary, consumer staples** and **energy** sectors were key drivers of these sectors' relative contribution, but allocations played a supporting role in boosting TEMIT's performance relative to the benchmark index during the 12-month period under review. Our bottom-up stock-picking process led to a slight overweight in consumer discretionary, and underweight exposures to consumer staples and energy. Within the consumer discretionary sector, Alibaba and Prosus (both described above) are examples of companies that aided relative returns. The contribution from the consumer staples sector was partially driven by our holding in Uni-President China, a manufacturer and retailer of beverages and instant noodles. Its share price received several boosts in the year, including from its full-year 2024 results where earnings growth proved steady.

In contrast, stock selection and allocations in the **information technology** (overweight) and **communication services** (underweight) sectors proved slightly detrimental for TEMIT's relative performance. The information technology sector was driven lower by holdings in Samsung SDI and Samsung Electronics (both described above). A lack of exposure to China-based consumer electronics, software and hardware designer Xiaomi weighed on TEMIT's performance relative to the sector. The weakness in the communication services sector was partially due to TEMIT's holding in NAVER, a South Korean internet search and advertising company with additional business interests in e-commerce, financial services and entertainment content. The share price weakened as a result of a combination of factors including weaker growth in the market, competition for both its advertisement and e-commerce business, an underwhelming response to its generative AI technology and uncertainty around benefits from AI investments. The company suffered a data leak in its messaging application Line in Japan and the potential implications of this also pressured the share price. While the company's share price recovered on the back of its third- and fourth-quarter 2024 earnings results, which marked better growth in advertising revenue and an improvement in cost controls, the stock still ended with a decline for the period.

Contributors and Detractors to Relative Performance by Country (%)[(a)]

	Top Contributors	Contribution to portfolio relative to MSCI Emerging Markets Index	Top Detractors	Contribution to portfolio relative to MSCI Emerging Markets Index
Overweight (TEMIT holds more than the index weight)	Taiwan	1.5	South Korea	(3.1)
	United States	0.8	Brazil	(0.2)
			Hungary	(0.1)
Underweight (TEMIT has no holding or a holding smaller than the index weight)	India	2.6	United Arab Emirates	(0.2)
	China/Hong Kong	0.7	Poland	(0.1)
	Indonesia	0.5		

(a) For the period 31 March 2024 to 31 March 2025.

The table above shows the contribution of the overall portfolio returns by country relative to the MSCI Emerging Markets Index.

By markets, stock selection and allocations in **India** (underweight) and **Taiwan** (overweight) added to a positive contribution from stock selection in **China.** Our selective approach in India resulted in TEMIT owning several holdings in the financials sector that proved accretive, namely private sector banks ICICI Bank and HDFC Bank, and investment holding company Bajaj Holdings & Investment. Once again, TSMC aided relative returns in Taiwan. In China, Prosus and Alibaba were leading contributors.

Conversely, overweight allocations in both **South Korea** and **Brazil** led these markets to be among the top detractors from relative returns. Stock selection in **South Korea** also pressured the portfolio's relative performance. Samsung Electronics, LG Corp and Samsung SDI were key drivers of the portfolio's lacklustre performance in South Korea. In Brazil, the share prices of TEMIT's holdings in banks Banco Bradesco and Itaú Unibanco led detractions as they moved in tandem with the performance of the general Brazilian equity market. The **United Arab Emirates** was also a relative detractor, largely due to stock selection.

Top 10 Holdings
As at 31 March 2025

	Portfolio		Benchmark	Over/(Under)
Holding	**£'000**	**%**	**%**	**weight %**
TSMC The world's largest semiconductor foundry company, which is based in Taiwan. Optimism regarding the growth potential from AI and a recovery in the demand for technology products have been moderated by uncertainty about US policies, reports that TSMC might have to take a stake in Intel's factories, and its increased investment in the United States. TSMC still remains a key portfolio holding. Encouraged by the structural growth in demand for computing and the company's technology leadership, we remain confident in the resilience of the TSMC business model.	229,057	11.4	8.6	2.8
ICICI Bank A leading India-based private sector bank and the portfolio's second-largest holding. Its share price has seen sustained appreciation over the past years and the bank has been a key contributor to overall fund performance. This highlights the value of our longer-term, fundamentally driven investment process, which we continue to employ. We believe that the bank, with its strong franchise, remains well positioned to benefit from the India growth story.	105,274	5.3	1.1	4.2
Prosus A leading global investment company and the largest shareholder of Tencent, a Chinese technology company. We see Prosus as a good proxy for Tencent exposure and is available at a discount to its NAV. Besides Tencent, Prosus has a diversified portfolio of internet assets in areas such as food delivery, payment, education technology, e-commerce. Management's efforts to narrow the share price discount to NAV via share buybacks should also support returns.	98,029	4.9	–	4.9
Alibaba The leading e-commerce company in China. While intensified competition and a weak economy have impacted the growth outlook for its e-commerce business, its other businesses such as cloud, fintech, local commerce and international e-commerce have significant potential, in our view. We believe that these could offer either growth opportunities or the possibility for improvements in profitability. The share price had experienced a significant derating over the past couple of years, but its initial success in AI and plans for large investments in AI has sparked investor optimism. While this should drive growth, cash flows could be weaker in the near term. The company has a strong share buyback policy. We expect returns from here to be supported by such corporate actions.	93,128	4.7	3.4	1.3
Samsung Electronics One of the largest memory semiconductor manufacturers in the world, based in South Korea. It also manufactures a wide range of consumer and industrial electronics and equipment. The relatively weak share price reflects concerns around the company's loss of technology leadership. Nonetheless, it remains one of the key companies in the highly consolidated memory market, and should benefit from the rise in demand for memory products which has been further accentuated by growth in AI models.	75,492	3.8	2.4	1.4
SK Hynix A South Korean semiconductor company and a maker of memory chips used globally across a wide range of solutions. The company is the industry leader in HBM chips, which are expected to see strong demand growth for AI	66,433	3.3	0.9	2.4

applications. We continue to maintain our conviction, largely due to its leadership position in the latest generation of the HBM market.				
Tencent The largest gaming, communication and social entertainment platform in China. It has a major presence in online games, digital advertising, video, music and live-streaming, fintech, and other businesses such as cloud computing. We believe that the company should be a key beneficiary of AI across its business segments. Tencent also has significant public and private investments in China and globally. Trading at an attractive valuation, the company has been proactively undertaking share buybacks, which further enhances its earnings per share.	64,692	3.2	5.3	(2.1)
HDFC Bank India's leading private sector bank. It offers a wide range of banking services across retail banking, home loans and mortgages, and wholesale/corporate banking. HDFC Bank is a clear leader among Indian private sector banks with a strong liability franchise, market leadership across multiple retail asset categories and a comprehensive approach to digitalisation. It is well-positioned to benefit from the anticipated acceleration in credit growth and the increasing share of financial assets in household savings in India.	58,225	2.9	1.5	1.4
MediaTek MediaTek is a Taiwan-based chip designer for smartphones and other technology devices. These devices include televisions, wireless communications and optical storage. MediaTek has a solid position in mobile computing chips and we believe that it should benefit from growth in demand for chips from IoT ('Internet of Things'), automotive, industrial, and wi-fi applications. Its partnership with Nvidia (not a portfolio holding) to provide advanced automotive chips integrating Nvidia's graphic processors as well as opportunities in enterprise application specific chips should drive additional growth.	56,951	2.9	0.8	2.1
Petrobras Petrobras is a Brazilian energy company engaged in the exploration, production, and distribution of oil and gas. The company is recognised worldwide for its oil exploration technology in ultra-deep waters. With the unpredictability in oil prices, our investment in Petrobras hinges on its proactive policy of returning cash to shareholders. It remains our top pick in the oil and gas industry, given its large cash generation and high dividend yield.	50,502	2.5	0.4	2.1

Portfolio Changes by Country

						Total Return in Sterling	
Country	**31 March 2024 Market Value £m**	**Purchase £m**	**Sales £m**	**Market Movement £m**	**31 March 2025 Market Value £m**	**TEMIT %**	**MSCI Emerging Markets Index %**
China/Hong Kong	490	129	(243)	173	549	42.3	37.2
Taiwan	358	8	(63)	32	335	9.5	2.3
South Korea	426	110	(88)	(116)	332	(25.0)	(22.6)
India	247	76	(70)	40	293	14.8	(0.4)
Brazil	186	23	(1)	(36)	172	(10.8)	(15.4)
United States	62	4	(12)	18	72	28.3	–
Thailand	49	11	(1)	5	64	14.2	(6.8)
South Africa	20	13	(3)	16	46	49.8	25.8
Mexico	48	13	–	(18)	43	(30.7)	(22.4)
Hungary	30	1	(5)	–	26	1.4	31.0
Others	79	11	(21)	2	71	–	–
Total Investments	**1,995**	**399**	**(507)**	**116**	**2,003**		

Portfolio by Fair Value

Holding	Sector	Fair Value £'000	% of Portfolio
Brazil			
Petrobras[(a)]	Energy	50,502	2.5
Itaú Unibanco[(a)(b)]	Financials	38,030	1.9
Banco Bradesco[(a)(b)]	Financials	26,910	1.4
Vale	Materials	20,720	1.0

TOTVS	Information Technology	10,414	0.5
XP	Financials	9,657	0.5
Hypera	Health Care	8,577	0.4
Oncoclinicas do Brasil Servicos Medicos	Health Care	7,141	0.4
		171,951	**8.6**
Cambodia			
NagaCorp	Consumer Discretionary	3,684	0.2
		3,684	**0.2**
Chile			
Banco Santander Chile[b]	Financials	20,319	1.0
		20,319	**1.0**
China/Hong Kong			
Prosus	Consumer Discretionary	98,029	4.9
Alibaba[c]	Consumer Discretionary	93,128	4.7
Tencent	Communication Services	64,692	3.2
China Merchants Bank	Financials	38,371	1.9
Techtronic Industries	Industrials	35,988	1.8
Budweiser Brewing Company APAC	Consumer Staples	31,587	1.6
Baidu	Communication Services	24,136	1.2
Ping An Insurance	Financials	22,603	1.1
Kuaishou Technology	Communication Services	20,228	1.0
WuXi Biologics	Health Care	19,525	1.0
NetEase	Communication Services	18,274	0.9
Weichai Power	Industrials	17,728	0.9
Uni-President China	Consumer Staples	15,472	0.8
Haier Smart Home	Consumer Discretionary	12,858	0.6
JD.com	Consumer Discretionary	8,240	0.4
Daqo New Energy[b]	Information Technology	7,501	0.4
COSCO SHIPPING Ports	Industrials	6,193	0.3
H&H Group	Consumer Staples	5,042	0.2
Beijing Oriental Yuhong Waterproof Technology	Materials	3,780	0.2
Greentown Service Group	Real Estate	3,360	0.2
Weifu High-Technology	Consumer Discretionary	2,229	0.1
China Resources Building Materials Technology	Materials	331	0.0
		549,295	**27.4**
Hungary			
Gedeon Richter	Health Care	23,706	1.2
Wizz Air Holdings	Industrials	2,043	0.1
		25,749	**1.3**
India			
ICICI Bank	Financials	105,274	5.3
HDFC Bank	Financials	58,225	2.9
Swiggy	Consumer Discretionary	37,873	1.9
Infosys	Information Technology	18,179	0.9
Federal Bank	Financials	15,595	0.8
Zomato	Consumer Discretionary	13,862	0.7
ReNew Energy Global	Utilities	12,307	0.6
Bajaj Holdings & Investment	Financials	11,343	0.5
ACC	Materials	9,155	0.4
Brigade Enterprises	Real Estate	5,758	0.3
Niva Bupa Health Insurance	Financials	3,851	0.2
NATCO Pharma	Health Care	1,425	0.1
Hexaware Technologies	Information Technology	297	0.0
		293,144	**14.6**
Indonesia			
Astra International	Industrials	11,460	0.6
		11,460	**0.6**
Mexico			
Grupo Financiero Banorte	Financials	41,228	2.1
Nemak	Consumer Discretionary	2,034	0.1
		43,262	**2.2**
Peru			
Intercorp Financial Services	Financials	9,855	0.5

		9,855	**0.5**
Philippines			
BDO Unibank	Financials	9,750	0.5
		9,750	**0.5**
Russia			
LUKOIL[d]	Energy	0.0	0.0
Sberbank of Russia[d]	Financials	0.0	0.0
		0.0	**0.0**
South Africa			
Discovery	Financials	31,049	1.6
Netcare	Health Care	14,901	0.7
		45,950	**2.3**
South Korea			
Samsung Electronics	Information Technology	75,492	3.8
SK Hynix	Information Technology	66,433	3.3
NAVER	Communication Services	35,036	1.7
Samsung Life Insurance	Financials	31,215	1.6
LG Corp	Industrials	27,221	1.4
Delivery Hero	Consumer Discretionary	21,993	1.1
Doosan Bobcat	Industrials	20,961	1.0
Hyundai Motor	Consumer Discretionary	20,053	1.0
Samsung SDI	Information Technology	10,662	0.5
Fila	Consumer Discretionary	9,858	0.5
Soulbrain	Materials	5,654	0.3
LigaChem Biosciences[e]	Health Care	3,373	0.2
Hankook Tire	Consumer Discretionary	3,154	0.2
KT Skylife	Communication Services	1,031	0.0
		332,136	**16.6**
Taiwan			
TSMC	Information Technology	229,057	11.4
MediaTek	Information Technology	56,951	2.9
Hon Hai Precision Industry	Information Technology	36,522	1.8
Yageo	Information Technology	6,738	0.3
Lite-On Technology	Information Technology	5,865	0.3
		335,133	**16.7**
Thailand			
Kasikornbank	Financials	33,692	1.7
Minor International	Consumer Discretionary	12,418	0.6
Kiatnakin Phatra Bank	Financials	6,836	0.3
Thai Beverage	Consumer Staples	6,624	0.3
Star Petroleum Refining	Energy	4,009	0.2
		63,579	**3.1**
United Arab Emirates			
Emirates Central Cooling Systems	Utilities	10,007	0.5
Spinneys	Consumer Staples	5,319	0.3
		15,326	**0.8**
United States			
Genpact[f]	Industrials	40,378	2.0
Cognizant Technology Solutions[f]	Information Technology	31,646	1.6
		72,024	**3.6**
Total Investments		**2,002,617**	**100.0**

(a) Preferred shareholders are entitled to dividends before ordinary shareholders.
(b) US listed American Depository Receipt.
(c) TEMIT holds in this company shares listed on the Hong Kong stock exchange and American Depository Receipts listed on the New York stock exchange.
(d) This company is fair valued at zero as a result of its trading being suspended on international stock exchanges.
(e) This company changed its name from LegoChem Biosciences.
(f) This company, listed on a stock exchange in a developed market, has significant exposure to operations from emerging markets.

Market Capitalisation Breakdown %	Less than £1.5bn	£1.5bn to £5bn	£5bn to £25bn	Greater than £25bn
31 March 2025	3.6	9.2	27.7	59.5

31 March 2024	4.6	12.6	23.3	59.5

Split Between Markets %[a]	**31 March 2025**	**31 March 2024**
Emerging Markets	96.2	95.8
Developed Markets[b]	3.6	4.0
Frontier Markets	0.2	0.2

Source: FactSet Research System, Inc.

(a) Geographic split between 'Emerging markets', 'Frontier markets', 'Developed markets' are as per MSCI index classifications.

(b) Developed market exposure represented by companies listed in United States which have significant exposure to operations in emerging markets.

In investment terminology, a developed market is a country that is most developed in terms of its economy and capital markets. To be classified as a developed market, the country must have a high average level of personal income, but this also includes openness to foreign ownership, ease of capital movement, and efficiency of market institutions. An emerging market is a market that has some characteristics of a developed market but does not fully meet its standards. This includes markets that may become developed markets in the future or were in the past. The term 'frontier market' is used for developing countries with smaller, riskier, or more illiquid capital markets than 'emerging'.

Chetan Sehgal
Lead Portfolio Manager
6 June 2025

The investment managers' process

Investment philosophy and approach

FTEME's long-term approach is driven by the 3 S's, seeking ***Structural*** growth opportunities in emerging markets, investing in businesses with ***Sustainable*** earnings power at a discount to intrinsic worth, and believing in responsible ***Stewardship*** of client capital. FTEME seeks to capture the growth potential of emerging market companies and believes that this is best achieved by employing a bottom-up and fundamental security selection process. FTEME conducts in-depth proprietary company research with a long-term and independent perspective. FTEME believes in the responsible stewardship of clients' capital and that governance and sustainability issues create risks and opportunities for companies. ESG analysis is therefore integrated as a key element of fundamental bottom-up analysis.

TEMIT's performance in different market environments

FTEME's approach aims for outperformance over the long term. The investment strategy tends to produce stronger performance when company fundamentals are the primary driver for stock returns, where a focus on stock selection should produce superior results. Performance may be less strong in highly sentiment-driven market environments, when investors focus more on the overall economic picture rather than company fundamentals.

This can also be the case when the market is overly short-term oriented, and rewards companies driven by what FTEME views as unsustainable factors such as short-term demand/supply imbalances or inorganic growth.

Investment process

The three broad stages of FTEME's investment process comprise: idea generation, stock research, and portfolio construction and management; with governance and sustainability considerations and risk management fully integrated at all stages.

1 Idea generation

The key source of idea generation is FTEME's team of over 70 analysts and portfolio managers located around the globe. Their experience and expertise allow them to identify trends which they may want to explore further through company research. In addition, FTEME's local presence, network and understanding of local dynamics may help to identify trends and opportunities that other market participants may filter out through standard quantitative screens. FTEME analysts speak the local language and are part of the local culture and fabric of the countries where they conduct research.

2 Stock research

FTEME analysts conduct rigorous analysis to assess whether a company has sustainable earnings power, and to establish a proprietary estimate of its intrinsic worth. By integrating ESG analysis with traditional business and financial analysis, FTEME seeks to gain insights into the quality and risks of companies. FTEME's research platform currently has coverage of over 700 companies across emerging markets using a proprietary and rigorous bottom-up research approach, along with extensive knowledge of the wider investment universe.

FTEME's research analysts form detailed views of companies by collecting and analysing a variety of information. The team conducts detailed quantitative financial analysis by building in-depth company models to evaluate financial strength and profitability, and to project future earnings and cash flow. Industry demand and supply models are incorporated in the analysis, as well as country and currency macro considerations. FTEME has a strong emphasis on qualitative assessment.

The assessment of ability to sustain stable or growing economic profits over time is typically driven by a combination of factors, including (i) sound business models; (ii) sustainable competitive advantages; (iii) management foresight; and (iv) low debt levels. Earnings power is the demonstrable ability to generate sustainable economic profit into the future in areas which could be beyond the current scope of operations. The analysts look for real earnings growth by focusing on economic earnings and cash flows rather than reported earnings and differentiating between operational earnings and financial earnings. They evaluate internal versus external drivers to earnings and prefer companies with earnings which can be affected through management action.

A key element of earnings power is therefore quality, as signified by (i) products and services with low regulatory and macro risk; (ii) financial strength; and (iii) management strength.

Each research recommendation may incorporate several valuation methods extending typically over a three to five-year horizon. FTEME aims to clarify the risk/reward balance of a company by conducting sensitivity analysis, stress-testing, and scenario analysis. It seeks to identify what the market consensus expectations are for a stock and how the team's fundamental views may differ.

3 Portfolio construction

FTEME seeks to build a high-conviction stock-centric portfolio that is primarily driven by company-specific factors and focused on the long term. A bottom-up approach to stock selection is used, with country and sector allocations a residual of this process.

Portfolio style and characteristics
The strategy typically displays the following characteristics:

Core style
The strategy aims to deliver outperformance irrespective of market direction. The portfolio construction process leads to the majority of active risk being focused on stock selection, not style or currency factors.

Quality and growth but not at excessive valuation levels
The philosophy typically leads to a portfolio with higher quality and growth than the aggregate of the benchmark index.

High conviction portfolio
The top 10 holdings typically account for over 40% of the portfolio which overall is well-diversified across the market cap spectrum.

Low turnover
FTEME's high conviction and long-term approach means that the typical annual portfolio turnover is less than 20%.

Buy and sell discipline
FTEME's buy discipline is primarily designed to ensure that the portfolio managers buy when they have both conviction in a business and it is trading below its intrinsic value; FTEME's sell discipline is designed to capture the opposite. All holdings are regularly reviewed to ensure that analyst recommendations are up to date and accurately reflect any changes in company fundamentals. In this way, ongoing fundamental research drives all buy and sell decisions.

Investment risk management

Investment in emerging markets equities inevitably involves risk in a volatile asset class. Franklin Templeton uses a comprehensive approach to managing risks within its portfolios and this approach is inherent in all aspects of the investment process. Investment risks are to be identified and intentional, not minimised. Risk management is embedded through all stages of the investment process, in collaboration with dedicated resources from Franklin Templeton's Investment Risk Management Group, which is independent from the portfolio management team. Various risk management tools are used to predict and decompose the portfolio's active risk in order to understand and manage the portfolio's active risk profile.

For additional information with respect to the AIFM risk management framework, please read the Investor Disclosure Document on our website (www.temit.co.uk).

Stewardship

Templeton Emerging Markets Investment Trust ('TEMIT') seeks to capture the growth potential of emerging markets companies by employing a bottom-up security selection process with a long-term perspective. We aim to be a responsible steward of our clients' capital—that is why we integrate Environmental, Social and Governance ('ESG') factors into our investment research process to understand the financial risks and opportunities that stem from governance and sustainability issues.

Whilst governance and sustainability issues are analysed in our research, the findings are not binding on the stock selection process. TEMIT does not pursue any particular sustainable targets (e.g., carbon reduction) or objectives.

Being responsible stewards of our clients' capital is reflected in:

How we **act as investors**

- ESG integration
- Company engagement
- Policy advocacy

How we **treat our clients**

- Putting clients first
- Being responsible fiduciaries of our clients' capital

How we **behave as a business**

- Building relationships
- Achieving quality results
- Working with integrity

Integrating ESG factors
As part of TEMIT's stock research process, ESG factors are researched alongside other important factors, such as company earnings power, competitive positioning and management quality. These factors are likely to impact materially on the operating performance or financial conditions of a company. This deepens our understanding of the companies we research; it also guides us in our engagement activities over a range of issues, better informing our research insights, as we strive to protect shareholder value.

Our proprietary three-pillar ESG research framework is an assessment tool that has further enhanced our ability to identify financial risk and opportunities.

Intentionality

Assessing companies' intentionality toward managing material ESG risks and their long term growth prospects and considering ESG factors in our valuation models.

Alignment

Assessing the alignment of companies' products and services to positive social and environmental outcomes.

Transition

Identifying companies' transition potential and monitoring their incremental progress, using our on-the-ground capabilities and experience as active owners to foster positive change.

Please find below a case study of a company's intentionality to manage the ESG footprint of its operating model from the full TEMIT Stewardship Report 2025 to give shareholders a snapshot of the typical intentionality analysis undertaken. Case studies of alignment and transition can also be found in the full TEMIT Stewardship Report 2025 at www.temit.co.uk.

Thai Beverage (ThaiBev)

One of Southeast Asia's largest beverage companies and the largest in Thailand.

ESG Topic: Water management

Materiality and Risk:

Companies in the Alcoholic Beverages industry require a large amount of clean water for production. They are potentially exposed to water supply disruptions that could significantly impact operations and increase costs. These risks can be managed by improving water management through increased efficiency and recycling, particularly in regions with baseline water stress

ESG Thesis:

ThaiBev places strong emphasis on sustainable water management. Recognising water as a critical resource, ThaiBev has implemented several initiatives to ensure efficient and responsible water use.

- ThaiBev aims to replenish 100% of water used in its Thai beverage products by 2040 and reduce water intensity by 7% by 2030, with a 5.33% reduction achieved as of 2024.[a]
- In 2024, ThaiBev reduced water usage by 8.8%, reused 2.7%, and recycled 4.7% of the total water withdrawn.[b]
- All ThaiBev production facilities are certified with the ISO 14001 environmental management standard.
- ThaiBev collaborates with suppliers in water-stressed areas to minimise water consumption, identifying 46% of key suppliers in high-stress regions.

Business Thesis:

ThaiBev holds a 90% share in Thailand's low-end spirits market and 40% in the beer market, benefiting from strong brand awareness and robust distribution. Despite limited pricing power, it maintains higher margins due to lower advertising and promotional (A&P) spending. ThaiBev controls 40% of Thailand's beer market but faces intense competition here, while significant A&P spending keeps margins relatively low. Overall, ThaiBev's strategic positioning and efficient operations underscore its market dominance and growth prospects.

[a] Source: Sustainability Report 2024, ThaiBev
[b] Ibid

TEMIT's research process includes a structured analysis of governance and sustainability issues. Whilst governance and sustainability issues are analysed in our research, the findings are not binding on the stock selection process. TEMIT does not pursue any sustainable targets (e.g., carbon reduction) or objectives.

Climate Change

Emerging market (EM) governments will need to adopt growth-enhancing fiscal and structural reforms that promote low-emission resilient investments, backed by productive and cost-effective climate policies, to achieve climate-compatible development. Against this backdrop, our objective to understand the climate commitments of our investee companies for company research incorporates both local and global perspectives, recognizing that the pace of decarbonization and the associated strategies will differ globally.

Our investment process incorporates top-down policy and industry studies, bottom-up company research and comprehensive ESG analysis including climate considerations, all of which help to deepen our research insights. Factoring material environmental issues into our company forecasts can lead to adjustments in growth projections, margin expectations or discount rates. In addition, as active stewards of our clients' capital, engagement is a key tool that enables us to understand and facilitate a company's sustainability journey, where financially material, which is supported by a local footprint and access to management.

We do not rule out investing in companies in carbon intensive sectors, such as cement, steel, industrials and extractive industries. As a material sustainability issue, carbon emissions management can impact a company's business model in various ways, including carbon taxes, technology upgrades and compliance costs.

Climate Risk

Weichai Power

Specialising in the production and sales of diesel engines, automobiles, and automobile components.

ESG Observations and Analysis:

- Weichai Power has launched several initiatives to enhance its environmental profile:
- Weichai Power invests in R&D to enhance engine technology, develop new energy industries, and optimize its industrial structure.
- In partnership with Bosch, Weichai launched the "Giving Everything to Protect the Blue Sky" campaign to reduce emissions and promote green development.
- Weichai is building a "National-Level Green Factory" to advance green and low-carbon transformation and implement sustainable practices.
- KION, Weichai's European subsidiary, targets a 4.2% annual reduction in Scope 1 and 2 GHG emissions and a 2.5% reduction in Scope 3 emissions by 2030, aiming for zero carbon emissions by 2050.

ESG Thesis:

Weichai Power is committed to achieving carbon peaking by 2030 and carbon neutrality by 2060. As its ESG initiatives continue, we believe that Weichai Power is progressing well in achieving its emissions goals. The same commitment extends across the group. Subsidiaries of Weichai, such as Shaanxi Heavy Duty Automobile and KION Group, also have specific targets for reducing energy consumption and emissions.

Business Thesis:

Weichai Power, a leader in diesel and LNG engines, is diversifying into construction machinery, agricultural equipment, generator, and vessel engines, while pioneering hydrogen technology with fuel cell products and trucks. It plans to build an electric powertrain supply chain and launch electric and hybrid trucks. Synergies with its European subsidiary KION, a key player in forklifts and supply chain solutions, will enhance growth and efficiency in both markets.

Active ownership

As investors with a significant presence in emerging markets, FTEME's active ownership efforts are a key part of the overall approach to stewardship and sustainability. FTEME analysts conduct almost 2,000 company meetings a year across the investment platform using its industry-leading research footprint across emerging markets, where FTEME seek to gain a number of fundamental and sustainability insights. We believe that our engagement efforts are key to developing a detailed understanding of companies and improving outcomes for shareholders as well as stakeholders more broadly.

Effective engagement

In 2024, we redefined what we mean by engagement, distinguishing between seeking change at a company and a discussion with a company when it related to sustainability and governance issues. Our proprietary Emerging Markets Research Database (EMDB), where we document our research and record our company interactions, was adjusted accordingly. This enabled us to enhance our practice and outcomes; build more consistency and transparency; and improve reporting to our clients.

With this updated framework, we had 340 company meetings this past year, comprising discussions and engagement with management across a range of topics. This allowed us to better understand the businesses' intentions and initiatives. We also shared our views on the risks and opportunities that may affect the companies' long-term success. The following section details our discussions and engagement activities involving ESG topics over the year.

ESG Discussion	ESG Engagement
Clarifying View	**Seeking Change or Improved Disclosure**
This is a targeted interaction to gather material ESG information through a company call, meeting or a one-time short-term discussion.	This is a targeted interaction to influence change related to material ESG topics and risks, including improved ESG disclosures. Each ESG engagement must have a specific and clearly defined objective to measure progress against. This interaction entails a sustained, medium-to long-term dialogue.

To coordinate and oversee the engagement efforts of our platform of 70+ investment professionals across 13 countries, we also created the FTEME Engagement Group comprising seven regional coordinators from the research analyst team. This group includes a representative from each key region that will bring cross-border perspectives and provide guidance on best practices.

Engagement statistics

We focus our time and efforts on material issues that affect the sustainability of earnings, and a company's operating model, including strategy. Our analysts are in continual dialogue with companies on a range of topics, including operational performance, competition landscape, business outlook and company financials, to name a few. There are also companies which we identify where we believe that dedicated discussions and engagements on ESG topics can impact long-term performance. A full report on the nature and outcome of these meetings, where relevant is available in the Stewardship Report available at www.temit.co.uk. Given our long-term outlook, we build strong relationships with our investee companies as co-owners on our clients' behalf.

For the 12 months ended 31 March 2025, of the 340 company engagements, there were 60 tagged ESG interactions, 22 ESG discussions and 38 ESG engagements, where detailed interactions were conducted with an investee company.

This table records the independent milestones to measure our process to an objective set in our ESG engagements.

Below is an ESG engagement example with an investee company in China.

Company:	Objectives:
WuXi Biologics A global leader in open-access biologics technology	We wrote to the board of WuXi Biologics to express our concern about the potential implications of the Biosecure Act in the US, which aims to prohibit contracting with certain biotechnology firms deemed national security risks, including WuXi AppTec and its subsidiaries such as WuXi Biologics.

	We urged the board to take proactive steps to alleviate the impact and put in place a suitable plan to safeguard stakeholder interests.
ESG engagement topic:	**Outcome: Plan formulated**
Corporate Governance – Strategic risk and communication	Our letter was followed by a call with WuXi Biologics' management, which shared plans to ensure normal business operation and protect shareholders' rights. This may entail changing its corporate governance structure to clear its association with WuXi AppTec and become a more global entity. Our engagement continued throughout 2024 as we monitored the steps taken to mitigate the potential impact.

Proxy voting
In the year ended 31 March 2025, FTEME voted on over 1,000 management proposals at annual and special general meetings for TEMIT.

Of the voteable management proposals, we voted "For" proposals 91% of the time and "Against" in another 9%. By proposal category, as a percentage of votes within each category and where we had a total of 10 votes or more, our votes against were largely concentrated on capital structure, management compensation, company articles and strategic transactions.

FTEME view votes against proposals as a formal way to communicate our views to management, and we undertake them based on our investment team's assessment of each motion, in line with our clients' best interests.

The number of resolutions proposed by shareholders (as distinct from a company's governing board) is increasing around the world, particularly on environmental and social issues, although they remain relatively uncommon in emerging markets. We encountered several governance-related shareholder proposals over the year. For TEMIT's portfolio, we voted "For" on 15 governance related shareholder proposals. These were across several categories, such as director elections and audit related. We will continue to closely examine the merits of views raised by fellow shareholders and vote accordingly.

We encourage you to download the full TEMIT Stewardship Report 2025 from www.temit.co.uk for further, detailed information.

Business review

Strategy and business model

Company purpose and objective
TEMIT's purpose is to provide both private and institutional investors with the opportunity for capital appreciation via a professionally managed vehicle focused on listed equity investments in emerging markets.

The objective of TEMIT is to provide long-term capital appreciation via exposure to global emerging markets, supported by a culture of both strong customer service and corporate governance.

Investment policy
The Company seeks long-term capital appreciation through investment in companies listed in emerging markets or companies which earn a significant amount of their revenues in emerging markets but are domiciled in, or listed on, stock exchanges in developed countries ('Emerging Markets Companies').

It is expected that the majority of investments will be in listed equities. However, up to 10% of the Company's assets may be invested in unlisted securities. In addition, while it is intended that the Company will normally invest in equity instruments, the Investment Managers may invest in equity-related investments (such as convertibles or derivatives) where they believe that it is advantageous to do so.

The portfolio may frequently be overweight or underweight in certain investments compared with the MSCI Emerging Markets (Net Dividends) Index (the 'Benchmark') and may be concentrated in a more limited number of sectors or geographical areas than the Benchmark. Investments may be made in Emerging Markets Companies outside the Benchmark that meet the investment criteria.

Whilst there are no specific restrictions on investment in any one sector or geographic area, the portfolio will be managed in a way which aims to spread investment risk. The portfolio may contain between 50 and 100 individual stocks but may, at times, contain fewer or more than this range. No more than 12% of the Company's assets will be invested in the securities of any one issuer at the time of investment, save that any investment in unlisted securities of any one issuer will be limited to no more than 2% of the Company's assets, measured at the time of investment.

The maximum borrowing will be limited to 20% of the Company's net assets, measured at the time of borrowing.

No more than 10%, in aggregate, of the value of the Company's assets will be invested in other listed closed-ended investment funds.

In accordance with the UK Listing Rules, the Company will not make any material change to its published investment policy without the prior approval of the UK's Financial Conduct Authority ('FCA') and the approval of its shareholders by ordinary resolution. Any material change would be announced by the Company through the London Stock Exchange.

Distribution policy
The Company will ensure that its total annual dividends will be paid out of the profits available for distribution under the provisions of the relevant laws and regulations and will be at least sufficient to enable it to qualify as an investment trust under the Corporation Tax Act 2010 and the ongoing requirements of The Investment Trust (Approved Company) (Tax) Regulations 2011. If the Company has received an exceptional level of income in any accounting year, the Board may elect to pay a special dividend. The primary focus of the investment policy is on generating capital returns, the Company does not target a particular level of income and there is no guarantee that dividend levels will be maintained from one year to the next.

The Company will normally pay two dividends per year, an interim dividend declared at the time when the half yearly results are announced, and a final dividend proposed at the time when the annual results are announced. The final dividend will be subject to shareholder approval at the AGM each year.

The Company may also distribute capital by means of share buybacks when the Board believes that it is in the best interests of shareholders to do so. The share buyback programme will be subject to shareholder approval at each AGM.

Business model
The Company has no employees and all of its Directors are non-executive. The Company delegates its day-to-day activities to third parties.

Since 1 October 2021, Franklin Templeton Investment Trust Management Limited ('FTITML', 'AIFM' or the 'Manager') has been the Company's AIFM and Company Secretary.

The Board is responsible for all aspects of the Company's affairs, including the setting of parameters for the monitoring of the investment strategy and the review of investment performance and policy. It also has responsibility for overseeing all strategic policy issues, namely dividend, gearing, share issuance and buybacks, share price and discount/premium monitoring, corporate governance matters and engagement with all the Company's stakeholders.

Strategy
The Company seeks to achieve its objective by following a strategy focused on the following:

Performance

At the heart of the strategy is the appointment and retention of capable investment management professionals, whose aim is to identify value and achieve superior long-term growth for shareholders. FTEME, under the leadership of Chetan Sehgal, continues to apply the same core investment philosophy that has driven TEMIT's performance since the Company's launch. The investment team aims to achieve long-term capital appreciation for shareholders seeking exposure to global emerging markets by investing in companies that they believe offer long-term sustainable growth and good value, combined with strong management and sound governance.

Investment Process and Environmental, Social and Governance ('ESG') Considerations

As part of TEMIT's stock research process, ESG factors are researched alongside other important factors, such as company earnings power, competitive positioning and management quality. These factors are likely to materially impact the operating performance or financial conditions of a company. This deepens our understanding of the companies we research; it also guides us in our engagement activities over a range of issues, better informing our research insights, as we strive to protect shareholder value.

As TEMIT is an investment trust, the key ESG consideration is the stewardship of its portfolio of investments. The Board has reviewed and fully supports FTEME's approach to stewardship, which is described under 'TEMIT's approach to stewardship' in the full Annual Report. It receives regular reports on Franklin Templeton's policies and controls.

TEMIT has no greenhouse gas emissions to report from the operations of the Company, as all of its activities are outsourced to third parties. While as an investment trust TEMIT is exempt from disclosures recommended by the Task Force on Climate-related Financial Disclosures ('TCFD'), Franklin Templeton continues to develop metrics for our carbon footprint. Further information on our approach to climate change can be found under 'TEMIT's approach to stewardship' above and in more detail in the full Stewardship Report, available on our website (www.temit.co.uk).

TEMIT has no employees and is not an organisation that provides goods or services as defined in the Modern Slavery Act 2015 and thus the Company considers that the Act does not apply. The Company's own supply chain consists predominantly of professional services advisers.

Culture and Values

The Board believes in a culture of openness and constructive challenge in its interactions with the Manager and other service providers. The Board aims to maintain open and regular communication with shareholders, as set out under Communication in the full Annual Report.

The Company is committed to acting professionally, fairly and with integrity in all of its business dealings and relationships. The Board has a zero-tolerance policy towards bribery and looks to ensure that its service providers and associated persons have effective policies and procedures designed to actively prevent bribery which are proportionate, and risk based. In relation to the corporate offence of failing to prevent tax evasion, it is the Company's policy to conduct all business in an honest and ethical manner. The Company takes a zero-tolerance approach to any facilitation of tax evasion whether under UK law or under the law of any foreign country. The Board notes that the Manager has a robust whistleblowing policy in place.

Information on the Company's approach to Diversity is set out in the Directors' Report in the full Annual Report.

Liquidity

The shares issued by the Company are traded on the London and New Zealand stock exchanges. The Company has engaged Winterflood Securities and JP Morgan as joint financial advisers and stockbrokers.

Gearing

Fixed Term Loan

On 31 January 2020, the Company entered into a five-year £100 million loan at a fixed rate of 2.089% with Scotiabank Europe plc. The loan was repaid in full at its maturity on 31 January 2025. The fixed term loan was denominated in pounds sterling. Full details of the loan are set out in Note 10 of the Notes to the Financial Statements.

Revolving Credit Facility

On 31 January 2025, the Company entered into a one-year £122 million multi-currency revolving loan facility with The Bank of Nova Scotia, London Branch. Drawings may be in sterling, US dollars or Chinese renminbi ('CNH'). As at 31 March 2025, £80 million was drawn down from this facility in sterling. Further details of the facility are set out in Note 10 of the Notes to the Financial Statements.

The Company has no other debt as at 31 March 2025. The net gearing position was 0.2% (net of cash in the portfolio) at the year-end (2024: 0.0%)[a].

The Board continues to monitor the level of gearing and currently considers borrowing of up to 20% of net assets to be appropriate, measured at the time of borrowing.

(a) A glossary of alternative performance measures is included in the full Annual Report.

Affirmation of Shareholder Mandate

In accordance with the Company's Articles of Association, the Board must seek shareholders' approval every five years for TEMIT to continue as an investment trust. This allows shareholders the opportunity to decide on the long-term future of the Company. The last continuation vote took place at the AGM on 11 July 2024, when 99.30% of the votes cast were registered as votes in favour. The next continuation vote will take place at the 2029 AGM.

Stability – Share Buybacks and Conditional Tender Offer

The Company has powers to buy back its shares as a discount control mechanism and when this is in the best interests of the Company's shareholders and has a Conditional Tender Offer. The share price discount to net asset value is discussed under Key Performance Indicators in the full Annual Report.

Under the Conditional Tender Offer, if over the five-year period from 31 March 2024 to 31 March 2029 the Company's net asset value total return fails to exceed the benchmark total return, the Board will put forward proposals to shareholders to undertake a tender offer for up to 25 per cent of the issued share capital of the Company, at the discretion of the Board.

Any such tender offer will be at a price equal to the then prevailing net asset value less two per cent (and less the costs of the tender offer). There will be no tender offer if the Company's net asset value total return exceeds the benchmark total return (MSCI Emerging Markets (Net Dividends) Index) over the five-year period. Any tender offer would take place following the Company's 2029 AGM and will also be conditional on shareholders approving the continuation vote in 2029 which is described under 'Affirmation of Shareholder Mandate' above.

A key point in the Investment Managers' mandate is to take a long-term view of investments and one of the advantages of a closed-end fund is that the portfolio structure is not disrupted by large inflows or outflows of cash. However, the Board and the Investment Managers recognise that the returns experienced by shareholders are in the form of movements in the share price, which are not directly linked to NAV movements, and the shares may trade at varying discounts or premiums to NAV. Many shareholders, both professional and private investors, have expressed a view that a high level of volatility in the discount is undesirable and that the Company should continue its active share buyback programme. A less volatile discount, and hence share price, is seen as important to investors. For this reason, TEMIT uses share buybacks selectively with the intention of limiting volatility in the share price. Details of the share buybacks are included in the following table. All shares bought back in the year were cancelled, with none being placed in treasury. In addition, the Company cancelled 43,825,895 shares which were previously held in treasury, and as at 31 March 2025, the Company held 60,000,000 shares in treasury (2024: 103,825,895 shares in treasury). Company cancelled 43,825,895 shares which were previously held in treasury, and as at 31 March 2025, the Company held 60,000,000 shares in treasury (2024: 103,825,895 shares in treasury).

Discount management is reviewed regularly by the Board to ensure that it remains effective in the light of prevailing market conditions. The Conditional Tender Offer will not affect the Board's current approach to discount management. The Board will continue to exercise the Company's right to buy back shares when it believes this to be in shareholders' interests and with the aim of reducing volatility in the discount.

	2025	**2024**
Shares Bought Back and Cancelled During the Year	89,989,892	44,319,755
Proportion of Share Capital Bought Back and Cancelled	8.1%	3.8%
Total Cost of Share Buybacks	£149.2m	£65.9m
The Benefit to NAV	£23.7m	£10.6m
The Percentage Benefit to NAV	1.16%	0.54%

Communication

The Board and Manager aim to ensure that investors are kept updated regularly about the performance of TEMIT and of emerging markets through clear communication and updates as detailed in this section. The Board is fully committed to TEMIT's marketing and communications programme. There is a substantial annual marketing and communication budget, and expenditure by TEMIT is matched by a contribution to costs from the Manager.

TEMIT has received AIC Shareholder Communication awards for its 'Your Future is Emerging' campaigns in 2022, 2023 and 2024. Through innovative use of broadcast media and direct marketing, TEMIT's profile has been elevated, showcasing the Company's benefits and conveying the dynamic growth story of emerging markets to a wider audience. This follows a rebrand in January 2022, when TEMIT unveiled a fresh corporate identity, establishing a unique brand for the Company for the first time.

TEMIT seeks to keep shareholders updated on performance and investment strategy through its Annual and Half Yearly Reports, along with monthly factsheets and manager commentaries, which are available on the Company's website - temit.co.uk - offering a wealth of updates, stock story videos, articles, portfolio details, and essential documents. Connect with @TEMIT on Twitter / X for ongoing updates and announcements as we expand our social media presence.

The Board encourages registration to our monthly email that keeps subscribers appraised of the latest performance, insights and announcements.

In addition, TEMIT has an active communications programme. Our Investment Managers provide topical and informative comments to journalists, host media briefings and events and publish articles on issues relevant to investing in emerging markets. The Investment Managers meet regularly with professional investors and analysts and host interactive webinars. At each AGM the Investment Managers make a presentation with the opportunity for all shareholders to ask questions.

The Chairman regularly meets major shareholders to discuss investment performance and developments in corporate governance. We try to engage with a wide spectrum of our shareholders and aim to address their concerns as far as practically possible. Shareholders are welcome to contact the Chairman or the Senior Independent Director at any time via temitcosec@franklintempleton.com.

Section 172 Report – Promoting the success of the Company

The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain how they have discharged their duties under Section 172(1) of the Companies Act 2006 in promoting the success of their companies for the benefit of 'members as a whole' and having regard for all stakeholders.

Section 172 Matter	1. The likely consequences of any decision in the long term.
	2. The interests of the Company's employees.
	3. The need to foster the Company's business relationships with suppliers, customers and others.
	4. The impact of the Company's operations on the community and the environment.
	5. The desirability of the Company maintaining a reputation for high standards of business conduct.
	6. The need to act fairly between members of the Company.
Board's Statement	1. The Board is focused on promoting the long-term success of the Company and regularly reviews the Company's long-term strategic objectives, including consideration of the impact of the Investment

	Managers' actions on the marketability and reputation of the Company and the likely impact on the Company's stakeholders of the Company's strategy.
	2. The Company has no direct employees.
	3. The Board's approach to its key stakeholders is set out below.
	4. The Board's approach is set out in the section on Investment Process and ESG Considerations under Strategy and Business Model in the full Annual Report.
	5. The Board's approach is set out in 'Culture and Values' in the full Annual Report.
	6. The Board's approach to its key stakeholders is set out below.

In addition to the primary focus of the Board, and with due regard to its obligations under Section 172 of the Companies Act 2006, the following important matters were considered at Board meetings during the year:

- Recruitment of Sarika Patel as a non-executive Director;
- Changes to the risk matrix, monitoring such changes carefully and introducing alternative mitigating controls where necessary and practicable to support the operation of an effective control environment;
- Review of the marketing plan with the Manager;
- Review of the share buyback programme;
- Review of the dividend policy; and
- Review of the gearing facility and in particular the decision to enter into a new revolving credit facility.

The Board considers the main stakeholders in the Company to be its shareholders and its service providers, the principal one of which is its Manager, along with its investee companies. A summary of the key areas of engagement undertaken by the Board with its main stakeholders in the year under review and how Directors have acted upon this to promote the long-term success of the Company are set out in the following table.

Stakeholders	Area of Engagement	Consideration	Engagement	Outcome
Shareholders and Potential Investors	Company Objective	Delivering on the Company's objective to shareholders over the long term.	The Company's objective and investment policy are set out in the full Annual Report. The Company's performance against its objective is regularly reviewed by the Board, taking account of views expressed by shareholders. The Company holds a continuation vote every five years to allow shareholders to decide on the long-term future of the Company.	The Investment Managers' commentary in the full Annual Report gives a full commentary on the Company's portfolio as well as on the approach and considerations undertaken by the Investment Managers for stock selection within the portfolio. A continuation vote took place at the 2024 AGM, with 99.30% of votes cast in favour. The next continuation vote is scheduled to take place at the 2029 AGM.
Shareholders and Potential Investors	Dividend	The objective of the Company is to provide long term capital appreciation, however, the Board recognises the importance of dividend income to many shareholders.	The Board reviews regularly the level of dividends, taking account of the income generated by the Company's portfolio and the availability of reserves. In considering the sustainability of the dividend and of the Company, the Board reviews the models supporting the going concern assessment and viability statement.	Dividend payments are discussed in the Chairman's Statement in the full Annual Report.
Shareholders and Potential Investors	Communication with Shareholders	The Board understands the importance of communication with its shareholders and maintains open channels of communication with shareholders.	Working closely with the Manager, the Board ensures that there is a variety of regular communication with shareholders.	Full details of all Board and Manager communication are included in the full Annual Report. Shareholders are invited to submit questions for the Board to address at the Company's AGM.

Shareholders and Potential Investors	Discount Management	To smooth the volatility in the discount.	The Board monitors the discount closely and discusses discount strategy with the Investment Managers and the Company's joint stockbrokers at every regular Board meeting. The stockbrokers provide a summary of the discount and market conditions to the Board and Investment Managers at the close of each trading day in London. The Board also meets with the Investment Managers to discuss the Company's marketing strategy to ensure effective communication with existing shareholders and to consider strategies to create additional demand for the Company's shares.	TEMIT continues to adopt an active buy back policy and has a Conditional Tender Offer. Details of these can be found under 'Stability – Share Buybacks and Conditional Tender Offer' in the full Annual Report. Further details of the current discount and discount management are detailed in the Chairman's Statement under 'Share price rating' in the full Annual Report.
Manager	Communication Between the Board and the Manager	The Board's oversight of the Manager is very important.	The Manager attends all regular Board meetings where it reviews and discusses performance reports, changes in the portfolio composition and risk matrix. The Board receives timely and accurate information from the Manager and engages with the Investment Managers and the Company Secretary between meetings as well as with other representatives of the Manager as and when it is deemed necessary.	The Board operates in a supportive and open manner, challenging the activity of the Manager and its results. The Board believes that the Company is well managed and the Board places great value on the experience of the Investment Managers to deliver superior long-term returns from investments and on the other functions of the Manager to fulfil their roles effectively.
Third-party Service Providers	Engagement with Service Providers	The Board acknowledges the importance of ensuring that the Company's service providers are delivering a suitable level of service, that the service level is sustainable and that they are fairly remunerated for their service.	As an investment company all services are outsourced to third-party providers. The Board considers the support delivered by service providers including the quality of the service, succession planning and any potential interruption of service or other potential risks.	The Manager maintains the overall day-to-day relationship with the service providers and the Board undertakes an annual review of the performance of the Company's service providers. This review also includes the level of fees paid. The Board meets with service providers as and when considered necessary.
Investee Companies	Engagement with Investee Companies	The relationship between the Company and the investee companies is very important.	On behalf of the Company the Investment Managers engage with investee companies implementing corporate governance principles and discuss the portfolio with the Board on a quarterly basis.	The Investment Managers have a dedicated research team that is employed in making investment decisions and when voting at shareholder meetings of investee companies.

Key performance indicators

The Board considers the following to be the key performance indicators ('KPIs') for the Company:

- Net asset value and share price total return over various periods, compared to its benchmark;
- Share price discount to net asset value;
- Dividend and revenue earnings; and
- Ongoing charges ratio.

The 10 Year Record of the KPIs is shown in the full Annual Report.

Net asset value and share price total return[(a)]

Net asset value and share price total return data is presented within the Financial Highlights along with the 10 Year Record in the full Annual Report.

The Chairman's Statement and the Investment Managers' Report in the full Annual Report include further commentary on the Company's performance.

Performance of the Company's portfolio is measured in pounds sterling (GBP) against the MSCI Emerging Markets (Net Dividends) Index.
(a) A glossary of alternative performance measures is included in the full Annual Report.

Share price discount to net asset value[(a)]

Details of the Company's share price discount to net asset value are presented within the Financial Summary in the full Annual Report. On 16 May 2025, the latest practicable date for which information was available, the discount was 15.7%.

The Company has powers to buy back its shares as a discount control mechanism when it is in the best interests of the Company's shareholders and has a Conditional Tender Offer mechanism. These are described under 'Stability – Share Buybacks and Conditional Tender Offer' in the full Annual Report.

(a) A glossary of alternative performance measures is included in the full Annual Report.

Dividend and revenue earnings

Total income earned in the year was £70.4 million (2024: £71.9 million) which translates into net revenue earnings of 5.41 pence per share (2024: 5.18 pence per share), an increase of 4.4% over the prior year.

The Company paid an interim dividend of 2.00 pence per share on 31 January 2025. The Board is proposing a final dividend of 3.25 pence per share, making total ordinary dividends for the year of 5.25 pence per share.

Ongoing charges ratio[(a)] ('OCR')

The OCR reduced to 0.95% for the year ended 31 March 2025, compared to 0.97% in the prior year. This was largely driven by the AIFM fee reduction as detailed within the Chairman's Statement in the full Annual Report and an uplift in the average net assets over the year. The OCR has been calculated in line with the Association of Investment Companies ('AIC') recommended methodology.

Costs associated with the purchase and sale of investments are taken to capital and are not included in the OCR. Transaction costs are disclosed in Note 8 of the Notes to the Financial Statements.

(a) A glossary of alternative performance measures is included in the full Annual Report.

Principal and emerging risks

At least quarterly, the Board reviews with the AIFM and the Investment Managers a wide range of risk factors that may impact the Company. A full review of risks and internal controls is held every September by the Audit and Risk Committee. These reviews include a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. These are summarised in the table below.

Further explanation of the monitoring of risk and uncertainties is covered within the Report of the Audit and Risk Committee in the full Annual Report. Information on the risks that TEMIT is subject to, including additional financial and valuation risks, are also detailed in Note 15 of the Notes to the Financial Statements.

Due to the nature of the Company's business, investment risk is a key focus and is reviewed on an ongoing basis by the Investment Managers as part of every investment decision. Further information on this process is detailed in the full Annual Report.

	Principal Risk	**Mitigation**
Market, Geopolitical and Investment	Market risk arises from volatility in the prices of the Company's investments, from the risk of volatility in global markets arising from macroeconomic and geopolitical circumstances and conditions. Many of the companies in which TEMIT invests are, by reason of the locations in which they operate, exposed to the risk of political	The Board reviews regularly and discusses with the Investment Managers the portfolio, the Company's investment performance and the execution of the investment policy against the long-term objectives of the Company. The Manager's independent risk team performs systematic risk analysis, including country and

	or economic change. In addition, sanctions, exchange controls, tax or other regulations introduced in any country in which TEMIT invests may affect its income and the value and the marketability of its investments. Emerging markets can be subject to greater price volatility than developed markets. Geopolitical risk was highlighted by moves by the United States to impose widespread tariffs on imports, the continuing Russian war on Ukraine, the escalating trade war between the United States and China and military tensions over the Taiwan Strait, the continuing conflict between Israel and Hamas and the recent spike in tension between India and Pakistan. All of these factors have depressed investor sentiment and the Russian invasion of Ukraine has impacted global trade posed by supply shocks, sanctions, higher levels of inflation and volatility in asset prices. Investment risk refers to the possibility that an investment's actual returns may differ from the expected returns, potentially resulting in financial loss. As well as market and geopolitical risk, this risk is impacted by the decisions made by portfolio managers regarding sector, country allocation, and stock selection.	industry specific risk monitoring, as well as stress testing of the portfolio's resilience to geopolitical shocks. The Manager's legal and compliance team monitors sanctions. Where TEMIT is affected, adherence to all sanctions and restrictions is ensured by this team. The Board also regularly reviews reports from the Manager's risk, legal and compliance teams.
Technology	Failure or breach of the security of information technology systems of the Company's service providers may entail risk of financial loss, disruption to operations or damage to the reputation of the Company.	The Company benefits from Franklin Templeton's technology framework designed to mitigate the risk of a cyber security breach. For key third-party providers, the Audit and Risk Committee receives regular independent reports on their technology control environment.
Concentration	Concentration risk arises from investing in relatively few holdings, few sectors or a restricted geographic area. NAV performance may be more volatile and dividend payment less predictable, than with a greater number of securities.	The Board reviews regularly the portfolio composition/ asset allocation and discusses related developments with the Investment Managers and the independent risk management team. The Investment Compliance team of the Investment Managers monitors concentration limits and highlights any concerns to portfolio management for remedial action.
Key Personnel	The ability of the Company to achieve its objective is significantly dependent upon the expertise of the Investment Managers and their ability to attract and retain suitable staff.	The Manager endeavours to ensure that the principal members of its management teams are suitably incentivised, participate in strategic leader programmes and monitor key succession planning metrics. The Board meets privately with the key personnel at least twice a year. The Board discusses this risk regularly with the Manager.
Foreign Currency	Currency exchange rate movements may affect TEMIT's performance. In general, if the value of sterling increases compared with a foreign currency, an investment traded in that foreign currency will be worth less in sterling terms. This can have a negative effect on the Company's performance.	The Board monitors currency risk as part of the regular portfolio and risk management oversight. TEMIT does not hedge currency risk.
Discount Risk	The discount/premium at which the Company's shares trade relative to its net asset value can change. The risk of a widening discount, and/or related volatility, could reduce shareholder returns and confidence in the Company.	The Board monitors the level of discount/premium at which the shares trade and has an active investor relations programme. The Company has authority to buy back its existing shares when deemed by the Board to be in the best interests of the Company and its shareholders.
Regulatory	The Company is an Alternative Investment Fund ('AIF') and is listed on both the London and New Zealand stock exchanges. The Company operates	The Board, with the assistance of the Manager, ensures that the Company complies with all applicable laws and regulation and its internal risk

	in an increasingly complex regulatory environment and faces numerous regulatory risks. Breaches of regulations could lead to a number of detrimental outcomes and reputational damage.	and control framework reduces the likelihood of breaches happening.
Sustainability and Climate Change	The Company's portfolio, and also the Company's service providers and the Investment Managers, are exposed to risks arising from governance and sustainability issues, including climate change. To the extent that such a risk occurs, or occurs in a manner that is not anticipated by the Investment Managers, there may be a sudden, material negative impact on the value of an investment, and the operations or reputation of the Investment Managers.	The Investment Managers consider that sustainability risks are relevant to the returns of the Company. The Manager has implemented a policy in respect of the integration of sustainability and climate change risks in its investment decision making process. The Board receives regular reports on the policies and controls in place on ESG considerations. The Board has reviewed and fully supports the Franklin Templeton Stewardship Statement and its Sustainable Investing Principles and Policies.
Operational and Custody	Like many other investment trust companies, TEMIT has no employees. The Company therefore relies upon the services provided by third parties and is dependent upon the control systems of the Investment Managers and of the Company's other service providers. The security, for example, of the Company's assets, dealing procedures, accounting records and maintenance of regulatory and legal requirements depends on the effective operation of these systems.	The Manager's systems are regularly tested and monitored and an internal controls report, which includes an assessment of risks together with an overview of procedures to mitigate such risks, is prepared by the Manager and reviewed by the Audit and Risk Committee. J.P. Morgan Europe Limited is the Company's depositary. Its responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and borrowing requirements. The depositary is liable for any loss of financial instruments held in custody and will ensure that the custodian and any sub-custodians segregate the assets of the Company. The depositary oversees the custody function performed by JPMorgan Chase Bank. The custodian provides a report on its key controls and safeguards (SOC 1/ SSAE 16/ ISAE 3402) that is independently reported on by its auditor, PwC. The Board reviews regular operational risk management reporting provided by the Investment Managers.

Emerging risks

The key emerging risk faced by the Company during the year under review was the possible effects of the United States moving to a more protectionist and isolationist stance in its relations with the rest of the world. The Board and Investment Managers continue to monitor the investment strategy response, along with the continuing ramifications of the Russian invasion of Ukraine, and tensions between the United States and China, as noted under the market and geopolitical risk above. The Board also continues to monitor the potential risks on the portfolio and investee companies posed by the dramatic progress of Artificial Intelligence ('AI').

Viability statement

The Board considers viability as part of its continuing programme of monitoring risk. In preparing the Viability Statement, in accordance with the UK Corporate Governance Code and the AIC Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the 12 months required by the 'Going Concern' provision.

The Board has considered the Company's business and investment cycles and is of the view that five years is a suitable time horizon to consider the continuing viability of the Company, balancing the uncertainties of investing in emerging markets securities against having due regard to viability over the longer term.

In assessing the Company's viability, the Board has performed a robust assessment of controls over the principal risks. The Board considers, on an ongoing basis, each of the principal and emerging risks as noted above and set out in Note 15 of the Notes to the Financial Statements. The Board evaluated various scenarios of possible future circumstances including a material increase in expenses and a continued significant and prolonged fall in emerging equity markets. The Board also considered the latest assessment of the portfolio's liquidity. The Board monitors income and expense projections for the Company, with the majority of the expenses being predictable and modest in comparison with the assets of the Company.

The Company foresees no issues with meeting interest payments and current liabilities relating to the £122 million multi-currency revolving credit facility which matures on 30 January 2026. A significant proportion of the Company's expenses is the ad valorem AIFM fee, which would naturally reduce if the market value of the Company's assets were to fall.

Considering the above, and with careful consideration given to the current market situation, the ramifications of continuing geopolitical tensions and the challenges posed by climate change, the Board has concluded that there is a reasonable expectation that, assuming that there will be a successful continuation vote at the 2029 AGM, the Company will be able to continue to operate and meet its liabilities as they fall due over the next five years.

Future strategy

The Company was founded, and continues to be managed, based on a long-term investment strategy that seeks to generate superior returns from investments, principally in the shares of carefully selected companies in emerging markets.

The Company's results will be affected by many factors including political decisions, economic factors, the performance of investee companies and the ability of the Investment Managers to choose investments successfully as well as the current challenges.

The Board and the Investment Managers continue to believe in investment with a long-term horizon in companies that are undervalued by stock markets, but which are fundamentally strong and growing. It is recognised that, at times, extraneous political, economic and company-specific and other factors will affect the performance of investments, but the Company will continue to take a long-term view in the belief that patience will be rewarded.

By order of the Board
Angus Macpherson
6 June 2025

Statement of directors' responsibilities

In respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations. Details of the Directors and members of the committees are reported in the full Annual Report.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare the Financial Statements in accordance with UK adopted International Accounting Standards.

Under company law the Directors must be satisfied that the Financial Statements give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the period.

In preparing these Financial Statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements of UK adopted International Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Assess the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website (www.temit.co.uk). Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Responsibility statement

Each of the Directors, who are listed in the full Annual Report, confirms that to the best of their knowledge:

- The Financial Statements, which have been prepared in accordance with UK adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company for the year ended 31 March 2025; and

- The Chairman's Statement, Strategic Report and the Report of the Directors include a fair review of the information required by 4.1.8R to 4.1.11R of the FCA's Disclosure Guidance and Transparency Rules; and

- The Annual Report and Audited Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and include a description of the principal risks and uncertainties.

By order of the Board
Angus Macpherson
6 June 2025

Financial Statements

Statement of comprehensive income
For the year ended 31 March 2025

		Year Ended 31 March 2025			Year Ended 31 March 2024		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net Gains/(Losses) on Investments and Foreign Exchange							
Net Gains on Investments at Fair Value	8	–	115,856	115,856	–	94,636	94,636
Net Losses on Foreign Exchange		–	(403)	(403)	–	(817)	(817)
Income							
Dividends	2	65,353	3,944	69,297	65,350	6,560	71,910
Other Income	2	5,038	–	5,038	6,536	–	6,536
		70,391	**119,397**	**189,788**	**71,886**	**100,379**	**172,265**
Expenses							
AIFM Fee	3	(4,792)	(12,620)	(17,412)	(5,130)	(11,970)	(17,100)
Other Expenses	4	(2,294)	–	(2,294)	(1,774)	–	(1,774)
		(7,086)	**(12,620)**	**(19,706)**	**(6,904)**	**(11,970)**	**(18,874)**
Profit Before Finance Costs and Taxation		**63,305**	**106,777**	**170,082**	**64,982**	**88,409**	**153,391**
Finance Costs	5	(700)	(1,885)	(2,585)	(751)	(1,747)	(2,498)
Profit Before Taxation		**62,605**	**104,892**	**167,497**	**64,231**	**86,662**	**150,893**
Tax Expense	6	(4,682)	(9,119)	(13,801)	(5,366)	(5,201)	(10,567)
Profit for the Year		**57,923**	**95,773**	**153,696**	**58,865**	**81,461**	**140,326**
Profit Attributable to Equity Holders of the Company		**57,923**	**95,773**	**153,696**	**58,865**	**81,461**	**140,326**
Earnings per Share	7	**5.41p**	**8.95p**	**14.36p**	**5.18p**	**7.17p**	**12.35p**

- Under the Company's Articles of Association, the capital element of return is not distributable.
- The total column of this statement represents the profit and loss account of the Company.
- The accompanying notes are an integral part of the Financial Statements.

Statement of financial position
As at 31 March 2025

	Note	As at 31 March 2025 £'000	As at 31 March 2024 £'000
Non-Current Assets			
Investments at Fair Value Through Profit or Loss	8	**2,002,617**	**1,995,232**
Current Assets			
Trade and Other Receivables	9	8,374	10,759
Cash and Cash Equivalents		75,549	145,736
Total Current Assets		**83,923**	**156,495**
Current Liabilities			
Bank Loan	10	(80,000)	(100,000)
Other Payables	10	(4,406)	(6,401)
Provisions	11	(416)	–
Total Current Liabilities		**(84,822)**	**(106,401)**

Net Current (Liabilities)/Assets		**(899)**	**50,094**
Non-Current Liabilities			
Capital Gains Tax Provision	6	(16,276)	(10,463)
Total Assets Less Liabilities		**1,985,442**	**2,034,863**
Share Capital and Reserves			
Equity Share Capital	12, 1(j)	54,241	60,932
Capital Redemption Reserve	1(j)	28,428	21,737
Capital Reserve	1(j)	1,334,729	1,388,186
Special Distributable Reserve	1(j)	433,546	433,546
Revenue Reserve	1(j)	134,498	130,462
Equity Shareholders' Funds		**1,985,442**	**2,034,863**
Net Asset Value Pence per Share[(a)]		193.7	182.5

(a) Based on shares in issue excluding shares held in treasury.
The accompanying notes are an integral part of the Financial Statements.

The Financial Statements of Templeton Emerging Markets Investment Trust plc (company registration number SC118022) were approved for issue by the Board and signed on 6 June 2025.

Angus Macpherson
Chairman

Simon Jeffreys
Director

Statement of changes in equity
For the year ended 31 March 2025

	Note	**Equity Share Capital £'000**	**Capital Redemption Reserve £'000**	**Capital Reserve £'000**	**Special Distributable Reserve £'000**	**Revenue Reserve £'000**	**Total £'000**
Balance at 31 March 2023		**63,148**	**19,521**	**1,372,654**	**433,546**	**128,634**	**2,017,503**
Profit for the Year		–	–	81,461	–	58,865	140,326
Equity Dividends	13	–	–	–	–	(57,037)	(57,037)
Purchase and Cancellation of Own Shares	12	(2,216)	2,216	(65,929)	–	–	(65,929)
Balance at 31 March 2024		**60,932**	**21,737**	**1,388,186**	**433,546**	**130,462**	**2,034,863**
(Loss)/Profit for the Year		–	–	95,773	–	57,923	153,696
Equity Dividends	13	–	–	–	–	(53,887)	(53,887)
Purchase and Cancellation of Own Shares	12	(4,500)	4,500	(149,230)	–	–	(149,230)
Cancellation of Treasury Shares	12	(2,191)	2,191	–	–	–	–
Balance at 31 March 2025		**54,241**	**28,428**	**1,334,729**	**433,546**	**134,498**	**1,985,442**

The accompanying notes are an integral part of the Financial Statements.

Statement of cash flows
For the year ended 31 March 2025

	Note	**For the Year to 31 March 2025 £'000**	**For the Year to 31 March 2024 £'000**
Cash Flows From Operating Activities			
Profit Before Taxation		**167,497**	**150,893**
Adjustments to Reconcile Profit Before Taxation to Cash Used in Operations:			
Bank and Deposit Interest Income Recognised		(5,015)	(6,518)
Dividend Income Recognised		(69,297)	(71,910)
Finance Costs		2,585	2,498
Net Gains on Investments at Fair Value	8	(115,856)	(94,636)
Net Losses on Foreign Exchange		403	817
Decrease/(Increase) in Debtors		85	(23)
Increase/(Decrease) in Creditors		10	(29)
Cash Used in Operations		**(19,588)**	**(18,908)**
Bank and Deposit Interest Received		5,089	6,434
Dividends Received		69,421	71,024
Bank Overdraft Interest Paid		(2)	(2)

Tax Paid		(7,614)	(9,945)
Net Realised Losses on Foreign Currency		(82)	(435)
Net Cash Inflow From Operating Activities		**47,224**	**48,168**
Cash Flows From Investing Activities			
Purchases of Non-Current Financial Assets		(402,009)	(463,750)
Sales of Non-Current Financial Assets		509,268	553,641
Net Cash Inflow From Investing Activities		**107,259**	**89,891**
Cash Flows From Financing Activities			
Equity Dividends Paid	13	(53,887)	(57,037)
Purchase and Cancellation of Own Shares		(149,034)	(65,784)
Repayment of Fixed Term Loan		(100,000)	–
Drawdown of Revolving Credit Facility		80,000	–
Interest and Fees Paid on Bank Loans		(2,165)	(2,490)
Proceeds from Share Forfeiture		821	–
Refund of Unclaimed Dividends		220	–
Charity Donations		(625)	–
Net Cash Outflow From Financing Activities		**(224,670)**	**(125,311)**
Net (Decrease)/Increase in Cash		**(70,187)**	**12,748**
Cash at the Start of the Year		145,736	132,988
Net Unrealised Gains/(Losses) on Foreign Currency Cash and Cash Equivalents		0	0
Cash at the End of the Year		**75,549**	**145,736**

The accompanying notes are an integral part of the Financial Statements.

Reconciliation of Liabilities Arising From Bank Loans

	Liabilities as at 31 March 2024 £'000	**Cash Flows £'000**	**Profit & Loss £'000**	**Liabilities as at 31 March 2025 £'000**
Revolving Credit Facility	–	80,000	-	80,000
- Interest and Fees Payable	–	(71)	838	767
Fixed Term Loan	100,000	(100,000)	-	-
- Interest and Fees Payable	349	(2,094)	1,745	-
Total Liabilities From Bank Loans	**100,349**	**(22,165)**	**2,583**	**80,767**

	Liabilities as at 31 March 2023 £'000	**Cash Flows £'000**	**Profit & Loss £'000**	**Liabilities as at 31 March 2024 £'000**
Revolving Credit Facility	–	–	–	–
- Fees Payable	–	(401)	401	–
Fixed Term Loan	100,000	–	–	100,000
- Interest and Fees Payable	343	(2,089)	2,095	349
Total Liabilities From Bank Loans	**100,343**	(2,490)	2,496	**100,349**

Notes to the financial statements
As at 31 March 2025

1 Accounting Policies

(a) Basis of preparation

The Financial Statements of the Company have been prepared in accordance with UK adopted International Accounting Standards. The Financial Statements have also been prepared in accordance with the Statement of Recommended Practice ('SORP') for investment trusts issued by the Association of Investment Companies ('AIC') and updated in July 2022 insofar as the SORP is compatible with International Accounting Standards.

The Financial Statements have been prepared on the historical cost basis, except for the measurement at fair value of certain financial instruments. All financial assets and financial liabilities are recognised (or derecognised) on the date of the transaction using 'trade date accounting'. The principal accounting policies adopted are set out below.

Adoption of new and revised Accounting Standards

At the date of authorisation of these Financial Statements, the following standards were assessed to be relevant and are effective for annual periods beginning on or after 1 January 2024:

- IAS 1 Amendments: Classification of Liabilities as Current or Non-Current. This amendment is designed to help preparers determine whether debt and other liabilities in the statement of financial position with an uncertain settlement date should be classified as current or non-current.

The amendments listed above did not have any impact on the amounts recognised in the current reporting period.

At the date of authorisation of these Financial Statements, the following standards and interpretations which have not been applied in these Financial Statements were in issue but not yet applicable:

Accounting Standards	Effective Date for Annual Periods Beginning On or After
IAS 21 Amendments: Lack of Exchangeability	1 January 2025

The Directors expect that the amendments listed above will have either no impact or that any impact will not be material to the Financial Statements of the Company in the next reporting periods.

Going concern

The Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the period to 31 March 2027, which is at least 12 months from the date of the approval of these Financial Statements. The Directors reviewed income forecasts covering the next two financial years, including interest and fees arising from the revolving credit loan facility. The Directors considered the principal and emerging risks and uncertainties disclosed in the full Annual Report.

At 31 March 2025, the Company had net current liabilities of £899,000 (31 March 2024: net current assets of £50,094,000). In addition, the Company holds a portfolio of largely liquid assets that, if required, can be sold to maintain adequate cash balances to meet its expected cash flows, including current liabilities relating to the loans under the £122 million multi-currency revolving credit facility which will mature on 30 January 2026. The Directors also reviewed scenarios of a significant drop in value of the assets and noted that in those scenarios they would still be significantly higher than the Company's liabilities. They have also confirmed the resiliency of the Company's key service providers and are satisfied that their contingency plans and working arrangements are sustainable.

The Board has established a framework of prudent and effective controls performed periodically by the Audit and Risk Committee, which enable risks to be assessed and managed. Therefore, the going concern basis has been adopted in preparing the Company's Financial Statements. The Going Concern statement is set out in the full Annual Report.

Functional currency

As the Company is a UK investment trust, whose share capital is issued in the UK and denominated in sterling, the Directors consider that the functional currency of the Company is sterling.

Estimates, assumptions and judgements

There have been no significant estimates, assumptions or judgements for the year.

In preparing these Financial Statements, the Directors have considered the impact of climate change as a principal risk as set out in the full Annual Report and have concluded that there was no further impact of climate change to be considered as the investments are valued based on market pricing. In line with UK adopted International Accounting Standards the investments are valued at fair value, which for the Company are the bid prices quoted on the relevant stock exchange at the date of the Statement of Financial Position and therefore reflect market participants' views of climate change risk on the investments held.

(b) Presentation of statement of comprehensive income

To reflect accurately the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented within the Statement of Comprehensive Income. In accordance with the Company's Articles of Association, net capital profits may not be distributed by way of dividend. Additionally, the net revenue is the measure that the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 1158 of the Corporation Tax Act 2010.

(c) Income

Dividends receivable on equity shares are treated as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available, dividends are recognised on their due date. Provision is made for any dividends not expected to be received.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend is recognised in the revenue column of the Statement of Comprehensive Income. Any excess in the value of the shares received over the amount of the cash dividend forgone is recognised in the capital column of the Statement of Comprehensive Income.

Special dividends receivable are treated as repayment of capital or as revenue depending on the facts of each particular case. Interest on bank deposits is recognised on an accrual basis.

Stock lending income is shown gross of associated costs and recognised in revenue as earned.

(d) Expenses

All expenses are accounted for on an accrual basis and are charged through the revenue and capital sections of the Statement of Comprehensive Income according to the Directors' expectation of future returns except as follows:

- Expenses relating to the purchase or disposal of an investment are treated as capital. Details of transaction costs on purchases and sales of investments are disclosed in Note 8; and

- Expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. From 1 October 2024, the allocation of the annual AIFM fee to the capital account was changed from 70% to 75%, with the remainder being allocated to revenue. The Board believes that this is more reflective of the expected long-term split of returns between capital and revenue.

(e) Finance costs

Finance costs relating to bank loans are accounted for on an accrual basis using the effective interest method in the Statement of Comprehensive Income according to the Directors' expectations of future returns. Finance costs relate to interest and fees on bank loans and overdrafts. From 1 October 2024, the allocation of finance costs to the capital account, except for interest and fees on overdrafts, was changed from 70% to 75%. The Board believes that this is more reflective of the expected long-term split of returns between capital and revenue.

(f) Taxation

The tax expense represents the sum of current and deferred tax. Tax receivables will be recognised when it is probable that the benefit will flow to the entity and the benefit can be reliably measured. In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Statement of Comprehensive Income is the 'marginal basis'. Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Statement of Comprehensive Income, then no tax relief is transferred to the capital return column.

Deferred taxation is recognised in respect of all taxable temporary differences that have originated but not reversed at the year-end date, where transactions or events that result in an obligation to pay more tax in the future or rights to pay less tax in the future have occurred at the year-end date.

This is subject to deferred tax assets only being recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Deferred tax assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise.

Due to the Company's status as an investment trust company, and its intention to continue to meet the eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of The Investment Trust (Approved Company) (Tax) Regulations 2011, the Company has not provided deferred tax in respect of UK corporation tax on any capital gains and losses arising on the revaluation or disposal of investments. Where appropriate, the Company provides for deferred tax in respect of overseas taxes on any capital gains arising on the revaluation of investments.

The carrying amount of deferred tax assets is reviewed at each year-end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(g) Investments held at fair value through profit or loss

The Company classifies its equity investments based on their contractual cash flow characteristics and the Company's business model for managing the assets. The Company's business is investing in financial assets with a view to profiting from their total return in the form of revenue and capital growth. This portfolio of financial assets is managed, and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided internally on that basis to the Company's Directors and other key management personnel. Equity investments do not meet the contractual cash flows test so are measured at fair value. Accordingly, upon initial recognition, all the Company's non-current asset investments are held at 'fair value through profit or loss'. They are included initially at fair value, which is taken to be their cost excluding expenses incidental to the acquisition.

Subsequently, the investments are valued at ‘fair value’, which is measured as follows:

The fair value of financial instruments at the year-end date is, ordinarily, based on the latest quoted bid price at, or before, the US market close (without deduction for any of the estimated future selling costs), if the instrument is held in active markets. This represents a Level 1 classification under IFRS 13. For all financial instruments not traded in an active market or where market price is not deemed representative of fair value, valuation techniques are employed to determine fair value. Valuation techniques include the market approach (i.e. using recent arm’s length market transactions adjusted as necessary and reference to the market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis making use of available and supportable market data as possible).

Gains and losses arising from changes in fair value are included in the net profit or loss for the period as a capital item in the Statement of Comprehensive Income.

(h) Foreign currencies

Transactions involving foreign currencies are translated to sterling (the Company’s functional currency) at the spot exchange rates ruling on the date of the transactions. Assets and liabilities in foreign currencies are translated at the rates of exchange at the year-end date. Foreign currency gains and losses are included in the Statement of Comprehensive Income and allocated as capital or income depending on the nature of the transaction giving rise to the gain or loss.

(i) Financial instruments

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value.

Bank loans are classified as financial liabilities at amortised cost. They are initially measured as the proceeds net of direct issue costs and subsequently measured at amortised cost. Interest payable on the bank loan is accounted for on an accrual basis in the Statement of Comprehensive Income. The amortisation of direct issue costs is accounted for on an accrual basis in the Statement of Comprehensive Income using the effective interest method.

(j) Share capital and reserves

Equity Share Capital – represents the nominal value of the issued share capital. This reserve is not distributable.

Capital Redemption Reserve – represents the nominal value of shares repurchased and cancelled. This reserve is not distributable.

Capital Reserve – gains and losses on realisation of investments; changes in fair value of investments which are readily convertible to cash, without accepting adverse terms; realised exchange differences of a capital nature; changes in the fair value of investments that are not readily convertible to cash, without accepting adverse terms; and the amounts by which other assets and liabilities valued at fair value differ from their book value are within this reserve. Additionally, from 1 October 2024 75% (prior to 1 October 2024: 70%) of the annual AIFM fee and finance costs are charged to this reserve in accordance with accounting policies 1(d) and 1(e). Purchases of the Company’s own shares are funded from the realised component of the Capital Reserve. The Company’s Articles of Association preclude it from making any distribution of capital profits by way of dividend. If treasury shares are subsequently cancelled, the nominal value is transferred out of Equity Share Capital and into the Capital Redemption Reserve.

Special Distributable Reserve – reserve created upon the transfer of the balances of the Share Premium Account and of the Capital Redemption Reserve in December 2008. This reserve is fully distributable.

Revenue Reserve – represents net income earned that has not been distributed to shareholders. This reserve is fully distributable.

Income recognised in the Statement of Comprehensive Income is allocated to applicable reserves in the Statement of Changes in Equity.

2 Income

	2025			2024		
	Revenue £’000	**Capital £’000**	**Total £’000**	**Revenue £’000**	**Capital £’000**	**Total £’000**
Dividends[(a)]						
International Dividends	65,234	3,944	69,178	64,489	6,560	71,049
UK Dividends	119	–	119	861	–	861
	65,353	**3,944**	**69,297**	**65,350**	**6,560**	**71,910**
Other Income						
Bank and Deposit Interest	5,015	–	5,015	6,518	–	6,518
Stock Lending Income	23	–	23	18	–	18
	5,038	**–**	**5,038**	**6,536**	**–**	**6,536**

Total	**70,391**	**3,944**	**74,335**	**71,886**	**6,560**	**78,446**

(a) The Company received special dividends amounting to £8.6 million (2024: £8.2 million) of which £3.9 million (2024: £6.6 million) was classified as capital and £4.7 million (2024: £1.6 million) was classified as revenue.

3 AIFM Fee

	2025			2024		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
AIFM Fee	**4,792**	**12,620**	**17,412**	**5,130**	**11,970**	**17,100**

The AIFM fee is paid monthly and based on the month end total net assets of the Company. From 1 July 2024, the AIFM fee was reduced to 1% of the first £1 billion of net assets, 0.70% of net assets between £1 billion and £2 billion, and 0.50% of net assets over £2 billion. The previous fee structure was 1% of the first £1 billion of net assets, 0.75% of net assets between £1 billion and £2 billion, and 0.50% of net assets over £2 billion.

From 1 October 2024, 75% of the annual AIFM fee has been allocated to the capital account, with the remainder being allocated to revenue. The previous allocation was 70%.

4 Other Expenses

	2025 £'000	**2024 £'000**
Custody Fees	502	432
Marketing Fees	352	344
Directors' Remuneration	344	333
Membership Fees	205	171
Tax Advisory Fees/(Tax Advisory Fees Net of Refund)	175	(98)
Registrar Fees	172	117
Depository Fees	169	166
Auditor's Remuneration		
- Audit of the Annual Financial Statements	56	55
- Review of the Half Yearly Report	11	10
Broker Fees	43	40
Printing and Postage Fees	23	17
Other Expenses	242	187
Total	**2,294**	**1,774**

5 Finance Costs

	2025			2024		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Fixed Term Loan	488	1,257	1,745	629	1,466	2,095
Revolving Credit Facility	210	628	838	120	281	401
Bank Overdraft Interest	2	–	2	2	–	2
Total	**700**	**1,885**	**2,585**	**751**	**1,747**	**2,498**

6 Tax on Ordinary Activities

	2025			2024		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Irrecoverable Overseas Withholding Tax	4,682	–	4,682	5,366	–	5,366
Capital Gains Tax Paid	–	3,306	3,306	–	4,482	4,482
Total Current Tax	**4,682**	**3,306**	**7,988**	**5,366**	**4,482**	**9,848**
Capital Gains Tax Provision	–	5,813	5,813	–	719	719
Total	**4,682**	**9,119**	**13,801**	**5,366**	**5,201**	**10,567**

	2025 £'000	**2024 £'000**
Profit Before Taxation	167,497	150,893
Theoretical Tax at UK Corporation Tax Rate of 25%	41,874	37,723
Effects of:		
- Capital Element of (Profit)/Loss	(29,849)	(25,095)

- Irrecoverable Overseas Withholding Tax	4,682	5,366
- Excess Management Expenses	2,733	2,224
- Overseas Capital Gains Tax Paid	3,306	4,482
- Dividends Not Subject to Corporation Tax	(14,543)	(14,421)
- Movement in Overseas Capital Gains Tax Liability	5,813	719
- UK Dividends	(30)	(215)
- Overseas Tax Expensed	(185)	(216)
Actual Tax Charge	**13,801**	**10,567**

As at 31 March 2025 the Company had unutilised management expenses and non-trade deficits of £315.3 million carried forward (2024: £304.4 million). These balances have been generated because a large part of the Company's income is derived from dividends which are not taxed. Based on current UK tax law, the Company is not expected to generate taxable income in a future period in excess of deductible expenses for that period and, accordingly, is unlikely to be able to reduce future tax liabilities by offsetting these excess management expenses. These excess management expenses are therefore not recognised as a deferred tax asset of £78.8 million (2024: £76.1 million) based on a prospective corporation tax rate of 25% (2024: 25%). The UK corporation tax rate is currently 25%.

Movement in Provision for Capital Gains Tax[a]

	2025 £'000	**2024 £'000**
Balance Brought Forward	10,463	9,744
Charge For the Year	9,119	5,201
Capital Gains Tax Paid	(3,306)	(4,482)
Balance Carried Forward	**16,276**	**10,463**

(a) A provision for deferred capital gains tax has been recognised in relation to unrealised gains for holdings in India.

7 Earnings per Share

	2025			**2024**		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Earnings	57,923	95,773	**153,696**	58,865	81,461	**140,326**

	2025			**2024**		
	Revenue pence	**Capital pence**	**Total pence**	**Revenue pence**	**Capital pence**	**Total pence**
Earnings per Share	5.41	8.95	**14.36**	5.18	7.17	**12.35**

The earnings per share is based on the profit attributable to equity holders and on the weighted average number of shares in issue, excluding shares held in treasury, during the year of 1,070,018,105 (year to 31 March 2024: 1,136,517,365).

8 Financial Assets - Investments

	2025 £'000	**2024 £'000**
Opening Investments		
Book Cost	1,740,112	1,705,635
Net Unrealised Gains	255,120	287,140
Opening Fair Value	**1,995,232**	**1,992,775**
Movements in the Year		
Additions at Cost	399,390	463,628
Disposals Proceeds	(507,861)	(555,807)
Net Gains on Investments at Fair Value	115,856	94,636
	2,002,617	**1,995,232**
Closing Investments		
Book Cost	1,710,894	1,740,112
Net Unrealised Gains	291,723	255,120
Closing Investments	**2,002,617**	**1,995,232**

All investments have been recognised at fair value with gains and losses recorded through the Statement of Comprehensive Income. Transaction costs for the year on purchases were £404,000 (2024: £546,000) and transaction costs for the year on sales were £978,000 (2024: £1,210,000). The aggregate transaction costs for the year were £1,382,000 (2024: £1,756,000).

	2025 £'000	**2024 £'000**
Net Gains/(Losses) on Investments at Fair Value Comprise:		
Net Realised Gains on Sale of Investments at Fair Value	79,253	126,656

Net Movement in Unrealised Gains/(Losses)	36,603	(32,020)
Net Gains on Investments at Fair Value	**115,856**	**94,636**

9 Trade and Other Receivables

	2025 £'000	2024 £'000
Dividends Receivable	8,153	8,277
Overseas Tax Recoverable	142	516
Sales Awaiting Settlement	55	1,783
Other Debtors	24	183
Total	**8,374**	**10,759**

10 Current Payables

	2025 £'000	2024 £'000
Revolving Credit Facility Payable	80,000	–
AIFM Fee	1,446	1,369
Purchase of Investments for Future Settlement	1,048	3,667
Interest and Fees on Revolving Credit Facility	767	–
Amounts Owed for Share Buybacks	658	462
Accrued Expenses	487	554
Fixed Term Loan	–	100,000
Interest and Fees on Fixed Term Loan	–	349
Total	**84,406**	**106,401**

Fixed term loan

On 31 January 2020, the Company entered into a term loan (the 'term loan') for a period of five years with Scotiabank Europe plc for £100 million. With effect from 28 September 2022, the term loan was transferred by novation from Scotiabank Europe plc to The Bank of Nova Scotia, London Branch. All other contractual terms and conditions remained the same. The term loan was fully repaid upon its maturity on 31 January 2025.

The term loan incurred interest at the fixed rate of 2.089%. Under the conditions of the term loan, the net assets were not to be less than £1,015 million and the adjusted net asset coverage to all borrowings was not to be less than 3.5:1.
The facility was shown at amortised cost. From 1 October 2024, interest costs were charged to capital (75%) and revenue (25%). This is in accordance with the Company's revised accounting policies. Previously, interest costs were charged to capital (70%) and revenue (30%). The Board believes that this is more reflective of the expected long-term split of returns between capital and revenue.

Revolving credit facility

On 31 January 2025, the Company entered into a £122 million multi-currency unsecured revolving credit facility (the 'facility') for a period of one year with The Bank of Nova Scotia, London Branch.

The fee on unutilised commitments is a flat fee of 0.40% per annum.

Under the facility balances can be drawn down in GBP, USD or CNH. The interest margin is 1.10% as follows: USD drawdowns incur interest at 1.10% per annum over the daily secured overnight financing rate ('SOFR') administered by the Federal Reserve Bank of New York, GBP drawdowns incur interest at 1.10% per annum over the daily sterling overnight index average ('SONIA') published by the Bank of England and CNH drawdowns incur interest at 1.10% per annum over the Hong Kong Interbank Offered Rate ('HIBOR') as quoted by the Hongkong and Shanghai Banking Corporation Limited.

Under the terms of the facility, the net assets cannot be less than £1,015 million and the adjusted net asset coverage to all borrowings cannot be less than 3.5:1.

On 31 January 2025, the Company drew down £80 million in GBP from the revolving credit facility, of which £40 million is repayable within three months. The remaining £40 million is repayable within six months. Facility drawdowns are shown at amortised cost and revalued for exchange rate movements. Any gain or loss arising from changes in exchange rates is included in the capital reserves and shown in the capital column of the Statement of Comprehensive Income. Interest costs are charged to capital (75%) and revenue (25%) in accordance with the Company's accounting policies.

11 Provisions

	2025 £'000	2024 £'000
Provision for claims arising from share forfeitures	416	–
Total	**416**	**–**

The Company completed a shareholder tracing exercise for unidentified shareholdings and completed a legal forfeiture and disposal exercise. This resulted in £821,000 and £220,000 being returned to the Company for forfeited shares and unclaimed dividends, respectively. A donation of £625,000 was subsequently made by the Company to four charities selected by the Board. The remaining £416,000 will be kept for a period of 3 years in the case that verified ownership is established. Further details can be found in the full Annual Report.

12 Equity Share Capital

	2025		2024	
Ordinary Shares In Issue	**£'000**	**Number**	**£'000**	**Number**
Opening Ordinary Shares of 5 Pence	55,741	1,114,818,617	57,957	1,159,138,372
Purchase and Cancellation of Own Shares	(4,500)	(89,989,892)	(2,216)	(44,319,755)
Closing Ordinary Shares of 5 Pence	**51,241**	**1,024,828,725**	**55,741**	**1,114,818,617**

	2025		2024	
Ordinary Shares Held In Treasury	**£'000**	**Number**	**£'000**	**Number**
Opening Ordinary Shares of 5 Pence	5,191	103,825,895	5,191	103,825,895
Cancellation of Shares	(2,191)	(43,825,895)	–	–
Closing Ordinary Shares of 5 Pence	**3,000**	**60,000,000**	**5,191**	**103,825,895**
Total Ordinary Shares In Issue and Held In Treasury at the End of the Year	**54,241**	**1,084,828,725**	**60,932**	**1,218,644,512**

The Company's shares (except those held in treasury) have unrestricted voting rights at all general meetings, are entitled to all of the profits available for distribution by way of dividend and are entitled to repayment of all of the Company's capital on winding up.

During the year, 89,989,892 shares were bought back for cancellation at a cost of £149,230,200 (2024: 44,319,755 shares were bought back for cancellation at a cost of £65,929,000). All shares bought back in the year were cancelled, with none being placed in treasury (2024: no shares were placed into treasury).

On 25 March 2025, 43,825,895 shares held in Treasury were cancelled. Following cancellation, 60,000,000 shares remained in Treasury.

13 Dividends

	2025		2024	
	Rate (pence)	**£'000**	**Rate (pence)**	**£'000**
Declared and Paid in the Financial Year				
Dividend on Shares:				
Final Dividends for the Years Ended 31 March 2024 and 31 March 2023	3.00	32,906	3.00	34,562
Interim Dividends for the Six-Month Periods Ended 30 September 2024 and 30 September 2023	2.00	20,981	2.00	22,475
Total	**5.00**	**53,887**	**5.00**	**57,037**
Proposed for Approval at the Company's AGM				
Dividend on Shares:				
Final Dividend for the Year Ended 31 March 2025	**3.25**	**33,046**	**3.00**	**33,138**

Dividends are recognised when the shareholders' right to receive the payment is established. In the case of the final dividend, this means that it is not recognised until approval is received from shareholders at the AGM. The proposed final dividend of 3.25 pence per share will be funded from the revenue reserve and the payment of this dividend will not threaten the going concern or viability of the Company.

14 Related Party Transactions

There were no transactions with related parties, other than the fees paid to the Directors and the AIFM during the financial years ended 31 March 2025 and 31 March 2024 respectively, which have a material effect on the results or the financial position of the Company. Details of fees paid to the Directors and details of the fee paid to the AIFM are included in the full Annual Report.

15 Risk Management

In pursuing the Company's objective, as set out in the full Annual Report, the Company holds a number of financial instruments which are exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction in the profits available for dividends.

The main risks arising from the Company's financial instruments are investment and concentration risk, market risk (which comprises market price risk, foreign currency risk and interest rate risk), liquidity risk and counterparty and credit risk.

The objectives, policies and processes for managing these risks, and the methods used to measure the risks, are set out below. These policies have remained unchanged since the beginning of the year to which these Financial Statements relate.

Investment and concentration risk

The Company may invest a greater portion of its assets than the benchmark in the securities of one issuer, securities of a particular country, or securities within one sector. As a result, there is the potential for an increased concentration of exposure to economic, business, political or other changes affecting similar issues or securities, which may result in greater fluctuation in the value of the portfolio. Investment risk and a certain degree of concentration risk is a known and necessary effect of the stated investment approach in line with the investment policy. The Directors regularly review the portfolio composition and asset allocation and discuss related developments with the Investment Managers. Security, country, and sector concentrations are monitored by the Manager's risk and compliance teams on a regular basis and any concerns are highlighted to the Investment Managers for remedial action and brought to the attention of the Directors.

Market price risk

Market risk arises mainly from uncertainties about future prices of financial instruments held. It represents the potential loss that the Company might suffer through holding market positions in the face of price movements.

The Directors meet quarterly to consider the asset allocation of the portfolio and to discuss the risks associated with particular securities, countries or sectors. The Investment Managers select securities in the portfolio in accordance with the investment policy, and the overall asset allocation parameters described above, and seek to ensure that individual stocks also meet the intended risk/reward profile.

The Company does not use derivative instruments to hedge the investment portfolio against market price risk.

100% (2024: 100%) of the Company's investment portfolio is listed on stock exchanges. If share prices as at 31 March 2025 had decreased by 30% (2024: 30% decrease) with all other variables remaining constant, the Statement of Comprehensive Income capital return and the net assets attributable to equity shareholders would have decreased by £600,785,000 (2024: £598,570,000). A 30% increase (2024: 30% increase) in share prices would have resulted in a proportionate equal and opposite effect on the above amounts, on the basis that all other variables remain constant.

Foreign currency risk

Currency translation movements can significantly affect the income and capital value of the Company's investments, as the majority of the Company's assets and income are denominated in currencies other than sterling, which is the Company's functional currency.

The Investment Managers have identified three principal areas where foreign currency risk could affect the Company:

- Movements in rates affect the value of investments;
- Movements in rates affect short-term timing differences; and
- Movements in rates affect the income received.

The Company does not hedge the sterling value of investments that are priced in other currencies. The Company may be subject to short-term exposure to exchange rate movements, for instance where there is a difference between the date on which an investment purchase or sale is entered into and the date on which it is settled.

The Company receives income in currencies other than sterling and the sterling values of this income can be affected by movements in exchange rates. The Company converts all receipts of income into sterling on or near the date of receipt. However, it does not hedge or otherwise seek to avoid rate movement risk on income accrued but not received.

The fair value of the Company's items denominated in a foreign currency as at 31 March are shown below:

2025

Currency	Trade and Other Receivables £'000	Cash at Bank £'000	Trade, Bank Loans, and Other Payables £'000	Total Net Foreign Currency Exposure £'000	Investments at Fair Value Through Profit or Loss £'000
Hong Kong dollar	51	–	–	51	390,136
Taiwan dollar	1,165	–	(406)	759	335,133
Korean won	5,373	–	–	5,373	310,143

Indian rupee	–	–	(16,312)	(16,312)	280,837
US dollar	889	–	(609)	280	198,907
Euro	–	–	–	–	132,880
Other	872	48	(1)	919	352,538

2024

Currency	Trade and Other Receivables £'000	Cash at Bank £'000	Trade, Bank Loans, and Other Payables £'000	Total Net Foreign Currency Exposure £'000	Investments at Fair Value Through Profit or Loss £'000
Korean won	–	–	–	–	426,407
Hong Kong dollar	1,783	1	–	1,784	371,454
Taiwan dollar	516	–	–	516	358,245
Indian rupee	–	–	–	–	246,587
US dollar	–	–	–	–	183,034
Other	–	99	(3,667)	(3,568)	382,705

The above tables are based on the currencies of the country where shares are listed rather than the underlying currencies of the countries where the companies earn revenue.

As at 31 March 2025, 70.2% (2024: 69.3%) of investments denominated in US dollar, Hong Kong dollar and Euro are Chinese companies with exposure to the Chinese yuan. The total exposure to Chinese yuan was £549.3 million (2024: £490.3 million), out of which £42.2 million (2024: £33.0 million) were investments denominated in Chinese yuan.

Foreign currency sensitivity

The following table illustrates the foreign currency sensitivity on the revenue and capital return. The revenue return impact represents the impact on total income (which is mainly comprised of dividend income) had sterling strengthened relative to all currencies by 10% throughout the year.

The capital return impact represents the impact of the financial assets and liabilities of the Company if sterling had strengthened by 10% relative to all currencies on the reporting date. With all other variables held constant, the revenue and capital return would have decreased by the below amounts.

	2025		2024	
	Revenue Return £'000	Capital Return £'000	Revenue Return £'000	Capital Return £'000
Hong Kong Dollar	72	39,013	655	37,324
Taiwan Dollar	888	33,589	1,253	35,876
Korean Won	789	31,552	853	42,641
Indian Rupee	243	26,452	237	24,659
US Dollar	54	19,979	789	18,303
Other	4,482	48,633	2,663	37,914
Total	**6,528**	**199,218**	**6,450**	**196,717**

A 10% weakening of sterling against all currencies would have resulted in an equal and opposite effect on the above amounts.

Interest rate risk

The Company is permitted to invest in interest bearing securities. Any change to the interest rates relevant to particular securities may result in income either increasing or decreasing, or the Investment Managers being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held and the interest payable on bank loans when interest rates are reset.

The fixed term loan incurred a fixed rate of interest and was carried at amortised cost rather than fair value. Hence, movements in interest rates would not affect net asset values, as reported under the Company's accounting policies.

Interest rate risk profile

The exposure of the financial assets and liabilities to floating interest rate risks at 31 March is shown below:

	2025 £'000	2024 £'000

Cash	75,549	145,736
Bank loans – Revolving Credit Facility	(80,000)	–
Net Exposure at Year End	**(4,451)**	**145,736**

Exposures vary throughout the year as a consequence of changes in the make-up of the net assets of the Company. Cash balances are held on call deposit and earn interest at the bank's daily rate. The Company's net assets are sensitive to changes in interest rates on borrowings. There was no exposure to fixed interest investment securities during the year or at the year end.

Interest rate sensitivity

If the above level of cash and revolving credit facility were maintained for a year and interest rates were 100 basis points higher or lower, the net profit after taxation would be impacted by the following amounts:

	2025		**2024**	
	100 Basis Points Increase in Rate £'000	**100 Basis Points Decrease in Rate £'000**	**100 Basis Points Increase in Rate £'000**	**100 Basis Points Decrease in Rate £'000**
Revenue	555	(555)	1,457	(1,457)
Capital	(600)	600	–	–
Total	**(45)**	**45**	**1,457**	**(1,457)**

Liquidity risk

The Company's assets comprise mainly securities listed on the stock exchanges of emerging economies. Liquidity can vary from market to market and some securities may take a significant period to sell. As a closed ended investment trust, liquidity risks attributable to the Company are less significant than for an open-ended fund.

The risk of the Company not having sufficient liquidity at any time to meet its obligations associated with financial liabilities is considered by the Board to be mitigated, given the large number of quoted investments held in the portfolio and the liquid nature of the portfolio of investments.
The Investment Managers review liquidity at the time of making each investment decision and monitor the evolving liquidity profile of the portfolio regularly.

The below table details the maturity profile of the Company's financial liabilities as at 31 March 2025, based on the earliest date on which payment can be required and current exchange rates as at the balance sheet date:

As at 31 March 2025	**In One Year or Less £'000**	**More Than One Year and Not Later Than Two Years £'000**	**More Than Two Years and Not Later Than Three Years £'000**	**More Than Three Years £'000**	**Total £'000**
Revolving Credit Facility	84,596	–	–	–	84,596
Fixed Term Loan	–	–	–	–	–
Other Payables	4,055	–	–	–	4,055
Total	**88,651**	**–**	**–**	**–**	**88,651**

As at 31 March 2024	**In One Year or Less £'000**	**More Than One Year and Not Later Than Two Years £'000**	**More Than Two Years and Not Later Than Three Years £'000**	**More Than Three Years £'000**	**Total £'000**
Revolving Credit Facility	–	–	–	–	–
Fixed Term Loan	102,095	–	–	–	102,095
Other Payables	6,052	–	–	–	6,052
Total	**108,147**	**–**	**–**	**–**	**108,147**

Counterparty and credit risk

Certain transactions in securities that the Company enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (in relation to sale or declared dividend) after the Company has fulfilled its responsibilities. The Company only buys and sells through brokers which have been approved by the Investment Managers as an acceptable counterparty. Limits are set as to the maximum exposure to any individual broker that may exist at any time. Total exposure is compared to monetary limits that vary based on the size and creditworthiness of the counterparty. Counterparty spreads and capital ratios are reviewed periodically. The amounts under trade and other receivables and cash and cash equivalents shown in the Statement of Financial Position represent the maximum credit risk exposure at the year end.

The Company has an ongoing contract with its custodian (JPMorgan Chase Bank) for the provision of custody services.

As part of the annual risk and custody review, the Company reviewed the custody services provided by JPMorgan Chase Bank and concluded that, while there are inherent custody risks in investing in emerging markets, the custody network employed by TEMIT has appropriate controls in place to mitigate those risks, and that these controls are consistent with recommended industry practices and standards.

Securities held in custody are held in the Company's name or to its accounts. Details of holdings are received and reconciled monthly. Cash is actively managed by Franklin Templeton and is typically invested in overnight time deposits in the name of TEMIT with an approved list of counterparties. Any excess cash not invested will remain in a JPMorgan Chase interest bearing account. There is no significant risk on debtors and accrued income or tax at the year end.

During the year, the Company participated in a securities lending programme through JPMorgan as the lending agents. All securities on loan are Level 1 financial instruments, and their value is determined by reference to the trading prices on the stock market. As at 31 March 2025, the market value of the securities on loan and the corresponding collateral received were as follows:

	31 March 2025		31 March 2024	
Counterparty	**Market Value of Securities on Loan £'000**	**Market Value of Collateral Received £'000**	**Market Value of Securities on Loan £'000**	**Market Value of Collateral Received £'000**
Merrill Lynch International	–	–	3,831	5,082
UBS	–	–	211	276
Total	**–**	**–**	**4,042**	**5,358**

The maximum aggregate value of securities on loan at any time during the year was £3,887,541 (2024: £5,892,895). Full details of the collateral received is noted in the full Annual Report.

Fair value

Fair values are derived as follows:

- Where assets are denominated in a foreign currency, they are converted into the sterling amount using period-end rates of exchange;
- Investments held by the Company on the basis set out in the accounting policies included in Note 1; and
- Other financial assets and liabilities at the carrying value which is a reasonable approximation of the fair value.

The tables below analyse financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1. Quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2. Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and

Level 3. Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The hierarchy valuation of listed investments through profit and loss is shown below:

	31 March 2025				31 March 2024			
	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Listed Investments	2,002,617	–	– [(a)]	**2,002,617**	1,995,232	–	–[(a)]	**1,995,232**

(a) As at 31 March 2025 investments in Russian securities, LUKOIL and Sberbank of Russia, continue to be fair valued at zero and classified as Level 3 due to the inability of the Company to access the local Moscow equity markets and the very limited access to the over-the-counter market. The fair value of these investments is based on a liquidity discount of 100% to the last traded price for an exit price of zero.

The following table presents the movement in Level 3 investments for the year ended:

	31 March 2025 £'000	**31 March 2024 £'000**
Opening Balance	–	–
Additions at Cost – Purchase of Level 3 Assets	37,952[(a)]	–
Transfers From Level 3 Into Level 1	(55,095)[(a)]	–
Disposal Proceeds – Sale of Level 3 Assets	–	(7,766)[(b)]
Net Gains on Investments at Fair Value	18,122	7,766
Net Losses on Foreign Exchange	(979)	–

Level 3 Closing Balance	**–**	**–**

(a) Represents the investment in Swiggy which was acquired during the year and initially classified as Level 3 due to its unlisted status. Following an initial public offering and its subsequent listing on 13 November 2024, the holding in Swiggy was transferred from Level 3 to Level 1.
(b) Represents the sale of the holding in Yandex on 23 May 2023 for £7,766,000.

The fixed term loan was shown at amortised cost within the Statement of Financial Position. If the fixed term loan was shown at fair value the impact would be:

	31 March 2025 £'000	**31 March 2024 £'000**
Fixed Term Loan at Amortised Cost	–	100,000
Fixed Term Loan at Fair Value	–	96,770
Increase in Net Assets	**–**	**3,230**

The fair value of the fixed term loan included in the table above was calculated by aggregating the expected future cash flows which was discounted at a rate comprising the sum of the SONIA rate plus a spread. The fixed term loan at fair value was classed as Level 2. The fixed term loan matured on 31 January 2025.

16 Significant Holdings in Investee Undertakings

As at 31 March 2025, TEMIT had no significant holdings of 3% or more of the issued class of security within the portfolio whose shares are admitted to trading. As at 31 March 2024, TEMIT held 3% or more of the issued class of security in the following portfolio holding whose shares are admitted to trading:

	31 March 2025		**31 March 2024**	
Holding	**% of Issued Security Class Held by TEMIT**	**Fair Value £'000**	**% of Issued Security Class Held by TEMIT**	**Fair Value £'000**
Haier Smart Home	–	–	3.0	9,072

17 Contingent Liabilities

No contingent liabilities existed as at 31 March 2025 or 31 March 2024.

18 Contingent Assets

No contingent assets existed as at 31 March 2025 or 31 March 2024.

19 Financial Commitments

No financial commitments existed as at 31 March 2025 or 31 March 2024.

20 Capital Management Policies and Procedures

The Company's objective is to provide long-term capital appreciation for private and institutional investors seeking exposure to global emerging markets, supported by a culture of both strong customer service and corporate governance.

The Board monitors and regularly reviews the structure of the Company's capital on an ongoing basis. This review includes the investment performance and outlook, discount management mechanisms including share buybacks, gearing and the extent to which revenue in excess of that which is required to be distributed under the investment trust rules should be retained.

The Company's investment policy allows borrowing of up to 20% of net assets, measured at the time of borrowing.

As at 31 March 2025, the Company had share capital and reserves of £1,985,442,000 (31 March 2024: £2,034,863,000). The Company's policies and procedures for managing capital are consistent with the previous year.

21 Events After the Reporting Period

The £40m tranche of debt matured on 30 April 2025, this was partly replaced by borrowing CNH 300million, equivalent to £30.9 million at the time of drawdown.

The proposed final dividend, which is disclosed in Note 13.

The statutory accounts for the period ended 31 March 2025 received an audit report which was unqualified, did not include a reference to any matters to which the Auditors drew attention by way of emphasis without qualifying the report, and did not contain statements under section 498(2) and (3) of the Companies Act 2006, and will be delivered to the Registrar of Companies.

The Annual Report and Accounts will be sent to Shareholders shortly. Copies will be uploaded and available for viewing on the National Storage Mechanism, copies will also be posted to the website www.temit.co.uk and may also be requested during normal business hours from Client Dealer Services at Franklin Templeton Investment Management Limited on freephone 0800 305 306.

For further information please e-mail temitcosec@franklintempleton.com