

This document is issued by Franklin Templeton International Services S.à r.l. ("FTIS") in order to make certain particular information available to existing investors in the Alternative Investment Fund ("the Company" or "TEMIT") noted below before they invest, in accordance with the requirements of the Alternative Investment Fund Managers Directive. It is made available to existing investors by being available at www.temit.co.uk.

FTIS has its registered office at 8A rue Albert Borschette, L-1246, Luxembourg and which is registered with the RCS under number 36.979.

Potential investors in the Company's shares may wish to consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Templeton Emerging Markets Investment Trust PLC

INVESTOR DISCLOSURE DOCUMENT

IMPORTANT INFORMATION

Regulatory status of the Company

Templeton Emerging Markets Investment Trust PLC ("TEMIT" or "the Company") is an "alternative investment fund" ("AIF") for the purposes of the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (the "AIFM Directive").

The Company's shares are listed on the premium segment of the Official List of the UK Listing Authority and are admitted to trading on the main market of the London Stock Exchange and the New Zealand Stock Exchange. The Company is subject to its articles of association, the Listing Rules, the Disclosure and Transparency Rules, the UK Corporate Governance Code and the Companies Act 2006. The Company is listed on the London Stock Exchange and is not authorised or regulated by the Financial Conduct Authority.

The provisions of the Company's articles of association are binding on the Company and its shareholders. The articles of association set out the respective rights and restrictions attaching to the Company's shares. These rights and restrictions apply equally to all shareholders. All shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the Company's articles of association. The Company's articles of association are governed by Scots law.

Limited purpose of this document

This document is not being issued for any purpose other than to make certain, required regulatory disclosures to existing investors and, to the fullest extent permitted under applicable law and regulations, the Company and its Directors will not be responsible to persons other than the Company's shareholders for their use of this document, nor will they be responsible to any person (including the Company's shareholders) for any use which they may make of this document other than to inform a decision to invest in shares in the Company.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Company's shares.

This document is not a prospectus and it is not intended to be an invitation or inducement to any person to engage in any investment activity. This document may not include (and it is not intended to include) all the information which investors and their professional advisers may require for the purpose of making an informed decision in relation to an investment in the Company and its shares.

No advice

The Company and its Directors are not advising any person in relation to any investment or other transaction involving shares in the Company. Recipients must not treat the contents of this document or any subsequent communications from the Company, or any of its affiliates, officers, directors, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment in shares.

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Overseas investors

The distribution of this document in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. The shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan. Accordingly, the shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Company is not registered under the United States Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such Act.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares.

Risk profile / Risk management systems

The current risk profile of the Company, including the risks the Company is or may be exposed to, is described within the risk and risk management related content of the Annual Report for the year end March 31, 2019. The Annual Report also includes detailed information about the sensitivity of the Company to certain risks. The purpose of this document is to provide supplemental information to shareholders in the context of the Alternative Investment Fund Managers Directive (“AIFMD”) and has to be considered in conjunction with the risk management information already provided in the Annual Report.

The AIFM of the Company has established a permanent risk management function to ensure that effective risk management policies and procedures are in place and to monitor the risks and compliance with risk limits. The AIFM has a risk management process document filed with the regulator of the AIFM and risk management policy’s which cover the risks associated with the AIF and the adequacy and effectiveness of this framework is reviewed and approved at least annually. Regular reporting is prepared and reviewed by the AIFM’s Senior Management. The Board of TEMIT Plc is informed regularly about the risk profile and the risk measures monitored.

For each relevant risk area, risk limits are set by the AIFM which take into account the objectives, strategy and risk profile of the AIF including the risk linked to the use of a borrowing facility to invest into assets. These limits are monitored regularly as required by the nature of the risk area, and the sensitivity of the portfolio to key risks is undertaken periodically as appropriate to ascertain the impact of changes in key variables to the AIF. Exceptions from limits monitoring and stress testing would be reported to the Board of TEMIT Plc immediately along with remedial measures being taken.

The use of the borrowing facility explained within the leverage section of this document may adversely impact the Company. If the returns from the assets purchased with the proceeds of the loan facility do not cover the cost of borrowing or if the assets purchased decrease in value and the market value at the time of disposal is below the amount borrowed to purchase them the impact on the Company’s value could be negative. Currency fluctuations between the borrowing currency and the asset currency may also impact the performance adversely given that the Company doesn’t hedge currency risk. The risks are limited through the leverage limit set and the ongoing review of asset performance.

TEMIT’s assets consist mainly of listed securities and the principal risks in relation to the AIF are therefore market related and include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. Further details in relation to the nature and extent of these risks are already described in more detail in the Directors report and section 13 of the Notes to the Financial Statements.

Diversification and concentration limits are set for market risk and are monitored daily.

Amongst other measures considered regularly by the Investment Manager, the AIFM is assessing and monitoring market risk through relative Value at Risk (VaR) calculated using the Monte Carlo approach. Value at Risk (VaR) is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR can be defined as the predicted loss a portfolio can experience at a specified confidence level (e.g. 99%) over a given period of time (e.g. 20 days).

The VaR calculations are based on a confidence level of 99% with a holding period of not greater than 1 month (20 days) and a historical observation period of not less than 1 year (250 days). A 99% 1 month VaR means that the expectation is that 99% of the time over a 1 month period the Fund will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk.

The AIFM uses the relative VaR methodology. Relative VaR is simply the absolute VaR of the portfolio

divided by the absolute VaR of the benchmark. The benchmark that is used is the one that is most representative of the AIF's strategy and likely risk exposures.

The relative VaR ratio (using the MSCI Emerging Market Index) as at 31 March 2019 was 0.98.

The minimum, maximum and average relative VaR ratio observed during the period 1 April 2018 and 31 March 2019 are:

Minimum: 0.78

Maximum: 1.00

Average: 0.96

The figures observed during the period indicate that the risk, measured by the VaR methodology, was close to the one of the benchmark indicated above.

It is noted that the use of this VaR methodology, as any other statistical risk measure, has limitations. There is some probability that the loss could be greater than the VaR amounts and therefore the AIFM can neither guarantee that losses will not exceed the VaR indicated, nor that losses in excess of the VaR amounts will not occur more frequently. Risk statistics are subject to fluctuations and historical figures may not reflect current or future portfolio characteristics or could be translated into any performance outlook.

The AIFM assesses on a regular basis the sensitivity of the TEMIT Plc portfolio in relation to a general market drop of the MSCI Emerging Market index.

TEMIT's equity trading activity is conducted on a Delivery versus Payment basis ("DVP") with approved counterparties only, minimising counterparty exposure. Any counterparty is subject to a review and approval process prior to any trading activity. The risk function of the AIFM prepares and assesses counterparty exposure reports regularly and reviews reporting provided by FTIs Counterparty Credit Committee. As of 31 March 2019 TEMIT Plc is subject to counterparty risk arising from cash balances held and structured notes purchased to gain exposure to specific markets.

No risk limits set by the AIFM in coordination with the Board of the Company have been exceeded or were likely to be exceeded in the period since 1 April 2018.

Liquidity Risk

As at March 31, 2019, the Fund did not hold any assets subject to special arrangements arising from their illiquid nature.

There are no new arrangements for managing the liquidity/liquidity risk of the Company.

TEMIT's closed end structure has relatively low liquidity requirements, reducing the impact of potential illiquidity in the portfolio. The risk function of the AIFM performs a regular assessment of the asset liquidity status using liquidity market data from different sources to ensure that the portfolio is sufficiently liquid in normal and exceptional market conditions.

Shares in the Company are not redeemable and shareholders do not have the right to require their shares to be purchased by the Company. Accordingly, the liquidity management policy ensures that the Company's investment portfolio is sufficiently liquid to meet the following principal obligations:

- the Company's operating and financing expenses: in practice, these expenses are typically covered by dividends received from the Company's investments;
- the possible need to repay borrowings at short notice, which would require to be met by the sale of assets and
- the need to repay borrowings from the new credit facility used for investment purpose.

Leverage under AIFMD considerations

The leverage definition under AIFMD is wider than the traditional gearing definition applied. In accordance with the EU Commission Delegated Regulation (EU) No 231/13 (the "AIFM Regulation") leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of Company's exposure to its net asset value and is calculated on both a gross and commitment method.

Under the gross method, exposure represents the sum of the Company's positions (including all holdings like ordinary shares) after deduction of cash balances and cash equivalents, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and cash equivalents and after certain hedging and netting positions are offset against each other if applicable.

As indicated in the Directors report, at year end, the Company had drawn £ 124.7 million which are repayable within one year. The Investment Manager is not using derivatives to hedge any risks as of 31 March 2019.

On 31 January 2017, the Company entered into a 3-year £150 million un-secured multicurrency revolving loan facility with The Bank of Nova Scotia, London Branch. The size of the facility was increased on 3 September 2018 to £220 million. Under the facility, up to £220 million may be borrowed, and drawings are available in pounds sterling, US dollars and Chinese renminbi. The maximum amount of Chinese renminbi which may be drawn down is the equivalent of £44 million. The purpose of the facility is to allow the investment manager to borrow within the limits set for investment purposes.

There is no guarantee that the amounts borrowed and invested will create positive returns in which case interest payments and loan repayments will reduce the value of the Company.

The rights of any lenders to the Company to receive payments of interest or repayments of principal will be senior to those of the Shareholders. Consequently, the Company might have to sell portfolio securities to meet interest or principal payments at a time when fundamental investment considerations would not favor such sales. Also, the terms of any borrowings may contain provisions that limit certain activities of the Fund including the ability to make distributions.

The maximum incremental level of leverage approved by the Board of the Company which the AIFM is entitled to employ on behalf of the Company for AIFMD monitoring and reporting purposes is 25% which, considering 100% of long assets held in the portfolio, relates to a ratio of 1.25 (or 125%) for both the gross method and the commitment method. In accordance with the AIFM agreement, any changes to these limits will be agreed in advance between the AIFM and the Company. The leverage limits are set by the AIFM and approved by the Board and are in line with

the maximum leverage levels permitted in the Company's Articles of Association.

There was no change to the level of leverage applied for AIFMD monitoring and reporting purposes since 1 April 2018.

TEMIT holds a certificate participatory note (CRTP) issued by HSBC Bank PLC and traded on the London Stock Exchange. These securities fall under the AIFMD leverage definition and need to be considered within the AIFMD leverage figure calculation. As of March 31st the amount borrowed by the fund and reportable under the AIFMD leverage figure calculation equated to 5.89% of the fund's total net assets.

The actual level of leverage recorded under the requirements of AIFMD for 31 March 2019 is 1.06 (or 105.89%) using the "commitment" method and 1.02 (or 102.24%) using the "gross" method. Under the gross method cash and cash equivalents are excluded from calculation while amounts borrowed are included as required by the relevant regulation.

Schedule 1 - Securities Lending Disclosure

The Company may for the purpose of generating additional capital or income or for reducing costs or risks or otherwise engage in securities lending transactions using securities held in the portfolio from time to time. Initially, JPMorgan Chase Bank, N.A., London Branch, has been appointed to act as lending agent for securities lending on behalf of the Company. Additional lending agents may be used in future.

The lending agent generally receives a fee of up to 10% of the gross revenue generated as a result of lending the securities for its services, the remainder of the revenue being received and retained by the Company. Any incremental income generated from securities lending transactions will be accrued.

The Company may distribute income gross of expenses. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital.

Exposure to securities lending transactions

The expected level of exposure to securities lending transactions amounts to 5% of the Company's net assets, subject to a maximum of 50%

The Company will be entitled to request the return of securities lent at all times, although in certain situations, the counterparty may no longer hold the securities or otherwise be unable to return them and instead be obliged to return replacement securities.

The securities lending agent receives a fee of up to 10% of the gross revenue generated as a result of the lent securities for its services, the remainder of the revenue being received and retained by the Company. Any incremental income generated from securities lending transactions will be accrued to the Company.

Costs and revenues of securities lending transactions

Direct and indirect operational costs and fees arising from securities lending transactions may be deducted from the revenue delivered to the Company. These costs and fees shall not include hidden revenue. All the revenues arising from such transactions, net of direct and indirect operational costs, will be returned to the Company. The Company will report in its annual report details of the revenues arising from securities lending transactions for the entire reporting period together with the direct and indirect operational costs and fees incurred in that period. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers or other financial institutions or intermediaries and may be related parties to J.P. Morgan Europe Limited who act as the depositary ("Depositary").

Counterparties

The counterparties to securities lending transactions are selected following an initial analysis, and subsequent annual review thereafter, of financial statements, company announcements, credit ratings and other market information which includes general market movements. Consistent with the emerging market driven investment objective(s) of the Company, no pre-determined legal status, geographical criteria or credit rating is applied, although these elements are typically taken into account in the selection process.

Collateral

Collateral received by the Company in relation to any of these transactions may offset net exposure by the counterparty if it complies with the requirements set out below.

Eligible collateral for securities lending transactions are negotiable debt obligations issued by governments (such as Australia, Belgium, Canada, Denmark, France, Germany, the Netherlands,

Norway, New Zealand, Sweden, Switzerland, the United States, the United Kingdom, etc.), having a credit rating of at least AA- from S&P and/or Aa3 from Moody's, respectively and denominated in the official currency of the relevant country and issued on the relevant domestic market (but excluding derivatives of other securities and inflation-linked securities). No predetermined maturity criteria apply.

Valuation of Collateral

The collateral required to cover any counterparty risk exposure is determined in accordance with market standard securities lending master agreements, that require collateral and risk exposure to be marked to market daily using the last available market prices and depending on the current market exposure and collateral balance, the collateral may be subject to variation margin movement where the Company is required to either receive collateral from, or post collateral to the counterparty. The market standard securities lending master agreements do not require fixed haircuts or maturities to be applied to assets that can be provided as collateral because the amount of collateral that is required is equal to or greater than 102% of the total risk exposure. For this reason, no review of the applicable haircut levels is undertaken in the context of the daily valuation.

The value of the securities received as collateral will be equal to, or greater than, 102% of the amount of the counterparty risk exposure. Collateral value is reduced by a percentage (a "haircut") which provides for short term fluctuations in the value of the collateral. Net exposures are calculated daily subject to the terms of the agreements, which may include a minimum transfer amount. Collateral levels may fluctuate between the Company and the counterparty depending on the market movement of the exposure.

Securities Lending Risk

This section explains some of the risks that apply to all the Company with respect to securities lending. It does not purport to be a complete explanation and other risks may also be relevant from time to time. In particular, the Company's performance may be affected by changes in market and/or economic and political conditions, and in legal, regulatory and tax requirements. No guarantee or representation is made that the investment programme will be successful and there can be no assurance that the Company's investment objective(s) will be attained.

The entering by the Company into securities lending transactions, involves certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

The Company may reinvest any cash collateral received from borrowers. There is a risk that the value or return of any reinvested cash collateral may decline below the amount owed to those borrowers, and those losses may exceed the amount earned by the Company on lending the securities. This may also create volatility and introduce market exposures inconsistent with the objectives of the Company.

Counterparty risk

Counterparty risk is the risk to each party of a contract that the counterparty will fail to perform its contractual obligations and/or to respect its commitments under the term of such contract, whether due to insolvency, bankruptcy or other cause.

When security lending transactions are entered into, the Company may find itself exposed to risks arising from the solvency of its counterparties and from their inability to respect the conditions of these contracts.

Investors must notably be aware that in case of default, bankruptcy or insolvency of the borrower of securities lent by the Company, there is a risk of delay in recovery (that may restrict the ability of the Company to meet delivery obligations under security sales or payment obligations arising from sale requests) or even loss of rights in collateral received, which risks are mitigated by a careful creditworthiness analysis of borrowers to determine their degree of risk for said borrowers to

become involved in insolvency/bankruptcy proceedings within the timeframe contemplated by the loan. If the borrower of securities lent by the Company fails to return these securities there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral or the illiquidity on the market in which the collateral is traded.

Operational Risk

The Company may be exposed to operational risks, being the risks that operational processes, including those related to the safekeeping of assets, valuation and transaction processing may fail, resulting in losses. Potential causes of failure may arise from human errors, physical and electronic system failures and other business execution risks as well as external events.

Custody Risk

The Depositary is liable to the Company or its Investors for the loss of financial instruments (including any collateral) held in custody by the Depositary or any of its delegates. The Depositary is, however, not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary is also liable to the Company or its Investors for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its duties in accordance with applicable laws.

Conflicts of Interest

In carrying out its functions, the Depositary is required to act honestly, fairly, professionally, independently and solely in the interest of the Shareholders.

As part of the normal course of global custody business, the Depositary may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping and related services. Within a multi-service banking group such as JPMorgan Chase Group, from time to time conflicts may arise between the Depositary and its safekeeping delegates, for example, where an appointed delegate is an affiliated group company and is providing a product or service to the Company and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related custodial products or services it provides to the Company, for instance foreign exchange, securities lending, pricing or valuation services. Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company (under applicable laws including the AIFM Directive) and will treat the Company fairly and such that, so far as is practicable, any contracts with service providers are entered into on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of Depositary's depositary functions from its other potentially conflicting tasks and by the Depositary adhering to its own conflicts of interest policy.

Reuse of Collateral

In accordance with market standard securities lending master agreements, when securities are lent to a borrower, the borrower will obtain, either (i) a full legal title to the securities it receives, under a title transfer collateral arrangement; or (ii) a right to use the securities it receives, under a security collateral arrangement.

As required by Article 15 of the Securities Financing Transactions Regulation, the Company will be informed in writing by the borrowers of the risks and consequences that may be involved in either (i) concluding a title transfer collateral arrangement; and (ii) granting a right of use of collateral provided under a security collateral arrangement; as summarized below:

- All rights, including any proprietary rights that the Company may have had, in those financial instruments will be replaced by an unsecured contractual claim for delivery of equivalent financial instruments subject to the terms of the relevant securities lending master agreement;
- The borrower will not hold financial instruments in accordance with client asset rules and any asset protection rights will not apply (for example, the financial instruments will not be segregated from our assets and will not be held subject to a trust);
- If the borrower enters insolvency or defaults under the relevant securities lending master agreement the Company's claim against the borrower for delivery of equivalent financial instruments will not be secured and will be subject to the terms of the relevant securities lending master agreement and applicable law and, accordingly, the Company may not receive such equivalent financial instruments or recover the full value of the financial instruments (although the Company's exposure may be reduced to the extent that the borrower has liabilities to it which can be set off or netted against or discharged by reference to the borrowers obligation to deliver equivalent financial instruments to the Company);
- In the event that a resolution authority exercises its powers under any relevant resolution regime in relation to a borrower any rights the Company may have to take any action against the borrower, such as to terminate the relevant securities lending master agreement, may be subject to a stay by the relevant resolution authority and:
 - a. the Company's claim for delivery of equivalent financial instruments may be reduced (in part or in full) or converted into equity; or
 - b. a transfer of assets or liabilities may result in the Company's claim on the borrower, or the borrowers claim on the Company, being transferred to different entities although the Company may be protected to the extent that the exercise of resolution powers is restricted by the availability of set-off or netting rights;
- Subject to the terms of the relevant securities lending master agreement, (i) the Company will not be entitled to exercise any voting, consent or similar rights attached to the financial instruments and (ii) the borrower will have no obligation to inform you of any corporate events or actions in relation to those financial instruments;
- If the borrower is unable to readily obtain equivalent financial instruments to deliver to the Company at the time required, the Company may be unable to fulfil its settlement obligations under any other transaction it has entered into in relation to those financial instruments;
- The Company will not be entitled to receive any dividends, coupon or other payments, interests or rights (including securities or property accruing or offered at any time) payable in relation to those financial instruments, although the Company may be credited with a payment by reference to such dividend, coupon or other payment (a "manufactured payment");
- The tax treatment applicable to (i) financial instruments (and any equivalent financial instruments) that have been lend or used as collateral and (ii) manufactured payments may differ from the tax treatment in respect of the original dividend, coupon or other payment in relation to those financial instruments.

Local Restrictions

To facilitate the lending of a broad range of the Company's assets, the Company may lend securities in multiple jurisdictions, including emerging market jurisdictions. These jurisdictions allow securities to be loaned in accordance with a wide variety of jurisdiction specific rules and regulations, that require certain provisions including, specific documentation, disclaimers, representations, powers of attorney, indemnities and in some cases, they may specifically require the appointment of certain agents to perform various duties. This may result in additional costs and charges being applied to the Company to enable it to lend securities in these jurisdictions. The Company may be exposed to risks that are outside its control – for example legal and regulatory

risks from investments in countries with unclear and changing laws or the lack of established or effective avenues for legal redress. The Company may be subject, without any notice to the shareholders, to more restrictive regulatory regimes potentially preventing the Company from making the fullest possible use of the investment limits.

Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the Company could be substantial and adverse. The Company may be exposed to the risk of terrorist actions, to the risk that economic and diplomatic sanctions may be in place or imposed on certain States and military action may be commenced. The impact of such events is unclear but could have a material effect on general economic conditions and market liquidity. Investors are reminded that in certain circumstances their right to redeem shares may be suspended.