2015 Unaudited Half Yearly Report

TEMPLETON EMERGING MARKETS INVESTMENT TRUST PLC

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Chairman's Statement

Overview

The six months ended 30 September 2015 were an extremely difficult period for emerging markets. The markets were volatile and fell substantially in value and a significant part of the gains achieved in recent years reversed over the period.

Over the six months, many emerging markets were dominated by the news from China. Since it initiated market reforms in the late 1970s, China has enjoyed spectacular economic growth and has become the world's second largest economy after the United States. The success of China has led it to become the lynchpin of growth in Asia and in other parts of the world. Recently, the Chinese government has sought to manage growth to move on from a period of rapid expansion based on low cost manufacturing towards a more balanced economy. In the long-term, this should be beneficial as growth becomes more sustainable; in the shorter term, the rate of economic growth in China should still exceed the average for the developed world.

Recent moves by the Chinese government have had the effect of slowing demand for commodities worldwide and, in the period under review, led to the deflation of bubbles in the country's domestic stock markets.

Other parts of the emerging world also suffered; notably Brazil in which TEMIT has substantial investments. This was partly driven by global factors such as the decline in commodity prices but also by some local effects.

These issues have negatively impacted markets with a reduction in share prices and investment in emerging markets funds. For the six months to 30 September 2015, our benchmark index recorded a decline of 18.8% on a total return basis in sterling.

Changes to the Investment Management Team

With effect from 1 October 2015, Carlos Hardenberg became the lead portfolio manager of TEMIT and he has relocated from Turkey to London. Carlos has considerable research and investment expertise in emerging markets having worked with the Templeton Emerging Markets Group ("TEMG") for 13 years.

He will work closely with Chetan Sehgal who also has considerable experience in emerging markets with 20 years at TEMG and whose key role will be to act as the Senior Research Analyst for TEMIT.

Dr. Mark Mobius, Executive Chairman of TEMG, will remain as a portfolio manager.

Further support will be provided by the entire TEMG of 53 dedicated portfolio managers and analysts located across 18 offices around the world.

The Board welcomes Carlos to his new role and looks forward to him providing a renewed focus, leading to successful investment returns, in the next stage of TEMIT's development.

Investment Performance

It is disappointing to report that TEMIT's investment return underperformed the benchmark over the six months under review by quite a margin. The portfolio has experienced significant headwinds and our Investment Manager explains in more detail in its review the reasons for recent performance, the changes which have been made and how the portfolio is positioned. Our Investment Manager has sought to review and refine the investment approach, and the number of changes to holdings is higher than we have experienced in recent years as the Investment Manager has sought better to position the portfolio for current market conditions.

	30 September 2015 (pence per share)	31 March 2015 (pence per share)	Capital Return[(a)] %	Total Return[(a)] %
Net Asset Value (Cum-Income)	455.2	641.2	(28.7)	(28.0)
Share Price	399.4	556.0	(27.8)	(27.0)
MSCI Emerging Markets Index[(b)]	–	–	(20.4)	(18.8)

(a) In sterling terms.

(b) All MSCI data is provided "as is". The portfolio described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the portfolio described herein. Copying or redistributing the MSCI data is strictly prohibited. Performance data is based on total returns, in sterling terms. Benchmark data source: FactSet as at 30 September 2015. For up-to-date performance information please visit our website, www.temit.co.uk. Past performance is not a guide to future performance.

TEMIT's primary objective of seeking long-term capital appreciation has been adversely affected by the recent stock market declines and the long-term performance to 30 September 2015 is summarised in the table below:

Long-Term Performance to 30 September 2015

	5 Years[(a)]		10 Years[(a)]		Since launch[(a)]	
	Cumulative %	Annualised %	Cumulative %	Annualised %	Cumulative %	Annualised %
Net Asset Value (Cum-Income)	(28.1)	(6.4)	+81.9	+6.2	+1,672.6	+11.6
Share Price	(31.7)	(7.3)	+84.6	+6.3	+1,473.0	+11.1
MSCI Emerging Markets Index	(11.8)	(2.5)	+83.1	+6.2	+864.3	+9.1

(a) In sterling terms.

On 13 November 2015, the latest date for which information was available, the NAV per share had risen by 4.4% to 475.3 pence and the share price by 4.9% to 418.8 pence.

Dividend

A dividend payment of 8.25 pence per share for the year ended 31 March 2015 was paid on 22 July 2015. TEMIT does not pay an interim dividend.

Revenue Earnings per Share in the first half have fallen by 31% over the same period last year principally as a result of lower dividend payouts by investee companies and the change in the composition of our investment portfolio. It is expected that this situation will continue into the second half and revenue Earnings per Share for the full year will be lower than last year.

The Company has substantial retained revenue reserves and, subject to unforeseen circumstances, the Directors expect to maintain the dividend payable for the year ending 31 March 2016 at 8.25p per share. In subsequent years the Directors will consider the appropriate rate of dividend in the light of the recovery of investee companies' distributions and the impact of changes in the investment portfolio.

Asset Allocation and Borrowing

The Company is nearly always fully invested as the Investment Manager aims to run the portfolio with only a small cash balance. However, at the end of the period, cash was 6.4% of total assets as a result of proceeds from sales of investments. Thus at 30 September 2015, 93.6% of TEMIT's assets were invested in equities (94.9% at 31 March 2015).

Borrowing facilities were not used during the six months to 30 September 2015, nor in recent years. Your Board regularly reviews its policy on gearing and feels that its continued cautious stance remains appropriate as the periods of volatility that are a feature of emerging market equity investment are generally unpredictable in both timing and extent.

Managing the Discount

During the six months to 30 September 2015, the Company's shares traded at discounts between 9.6% and 14.5% of the NAV with an average of 11.9%. At the end of the period the discount was 12.3%.

Recent market volatility and investment performance has led to pressure on TEMIT's share price and discount. Your Board actively monitors the discount to NAV and, when it believes it is in shareholders' best interests, exercises its right to buy back TEMIT shares, which it has done regularly in recent months. Buying back shares reduces the number of shares in issue with the aim of increasing demand, helping to reduce volatility in the discount and increase the value of the remaining shares for the benefit of all shareholders. During the six months to 30 September 2015, the Company bought back 10,701,600 shares at a total cost of £51.2 million at an average discount of 12.0% to the NAV. This has resulted in an uplift of 0.52% to NAV over the period.

The Board

At this year's Annual General Meeting, all Directors of the Company were re-elected to the Board. Neil Collins remains as our Senior Independent Director.

In June this year, I announced my intention to step down from the Board after eleven years. On 1 August 2015, Paul Manduca joined the Board as a non-executive Director and I am delighted to report that he takes over as Chairman on 20 November 2015. Paul brings to the Board a wealth of relevant experience, having had a long and successful career in asset management, both as a fund manager and as chief executive of fund management groups, including Threadneedle Asset Management, Rothschild Asset Management and Deutsche Asset Management Europe. Paul is currently the Chairman of Prudential plc, one of the world's leading financial services groups with a focus on emerging markets.

As this is my last report to shareholders before I step down from the Board on 20 November 2015, I would like to thank my colleagues on the Board, the team at Franklin Templeton, whose help and support have been invaluable and the Company's shareholders for their continued engagement and support.

Chairman's Statement (continued)

Investor Communication

Your Board and the Investment Manager are committed to keeping shareholders informed about the Company and welcome feedback and comment. I would encourage all shareholders to make full use of the facilities and materials available on the website, which is regularly updated with company information, performance and investment commentaries. The website gives you the option to subscribe to emails providing you with the latest news.

While we believe that the Investment Manager will be best placed to answer most enquiries, we understand that shareholders may on occasion wish to contact the Board directly. The Senior Independent Director and fellow Board Directors are happy to receive your comments or questions and can be reached through Winterflood Securities, the Company's brokers. Winterflood's contact details can be found on page 29 of this report.

Outlook

The sharp declines in emerging markets and in TEMIT's NAV over the last six months were not expected. Having experienced this, our Investment Manager has taken stock and as explained in the Report, the falls in markets have presented opportunities including in sectors which hitherto have been excluded as they appeared too expensive to consider. Although the adjustment to lower than anticipated rates of economic growth has been painful, your Board is encouraged by the actions the Investment Manager has taken to adjust to the new environment.

Peter Smith,
20 November 2015

Interim Management Report

Principal risks and uncertainties

The Company invests, where possible, directly in the stock markets of emerging markets. Its principal risks and uncertainties are therefore:

- Investment and Concentration risk;
- Market risk;
- Foreign currency risk;
- Credit risk;
- Operational and custody risk;
- Key personnel;
- Diversity; and
- Regulatory risk.

The Board has provided the Investment Manager with guidelines and limits for the management of these principal risks and uncertainties. Further information on these is given in the Strategic Report within the Annual Report and Audited Accounts for the year ended 31 March 2015, which is available on the Company's website (www.temit.co.uk). In the Board's view, these principal risks and uncertainties remain unchanged from 31 March 2015 and are equally applicable to the remaining six months of the financial year as they were to the six months under review.

Related party transactions

The Directors have reviewed the classification of related parties under the Association of Investment Companies SORP issued November 2014 and have concluded that Franklin Templeton entities previously considered as related parties in the Company's Report and Accounts for the year ended 31 March 2015, are no longer classified as related parties under IAS 24 (as adopted by the EU).

As a result, there were no transactions with related parties, other than the fees paid to the Directors, during the six months ended 30 September 2015 which have a material effect on the results or the financial position of the Company.

With effect from 1 October 2015, the Manager has delegated the role of investment management to Templeton Asset Management Ltd. and Franklin Templeton Investment Management Limited.

Going concern

The Company's assets consist of equity shares in companies listed on recognised stock exchanges and in most circumstances are realisable within a short timescale. Having made suitable enquiries, including considerations of the Company's investment objective, the nature of the portfolio, income and expenditure forecasts and the principal risks and uncertainties, the Directors are satisfied that the Company has adequate resources to continue to operate as a going concern for the foreseeable future and, as such, a going concern basis is appropriate in preparing the financial statements.

Interim Management Report (continued)

Statement of Directors' Responsibilities

The Disclosure and Transparency Rules (DTR) of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm that to the best of their knowledge:

(a) the condensed set of financial statements for the period ended 30 September 2015 have been prepared in accordance with the applicable International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted by the EU; and

(b) the Half Yearly Report includes a fair review of the information required by:

(i) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

(ii) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last annual report that could do so.

The Half Yearly Report was approved by the Board on 20 November 2015 and the above responsibility statement was signed on its behalf by

Peter Smith
Chairman
20 November 2015

Investment Manager's Report & Portfolio Review

Market Overview

Emerging markets experienced difficult conditions over the last six months as uncertainty over the timing of interest rate rises in the United States, concerns about slowing growth in China, political uncertainty and economic weakness in Brazil, depreciation in emerging market currencies against the US dollar and lower commodity prices created the perfect storm. While most developed and emerging markets reported declines, emerging markets in particular came under severe pressure with the MSCI Emerging Markets Index losing 18.8% for the six month period ended 30 September 2015. In comparison, the MSCI World Index declined by 9.7% (both in total return in sterling terms).

After rising to a period-high in April, Chinese equities experienced a sell-off. This sell-off was triggered by large numbers of initial public offerings that were a drain on investors' cash, the delay in inclusion of China "A" shares in MSCI indices and worries about stock valuations. The unwinding of margin positions exacerbated the downward pressure. The Chinese government responded with a wide range of measures aimed at supporting the market but struggled to achieve a sustained impact and indeed triggered a small devaluation in the renminbi. As China is a driver of growth in the region, these concerns had a particularly severe impact on Asian markets and currencies.

Indonesia experienced one of the largest falls, reflecting concerns both about the impact of weakening Chinese growth on commodity exports and the possibility that weakening investment flows could put pressure on the government's finances and the currency. Signs of a domestic economic slowdown in Thailand and an outbreak of the contagious disease Middle East Respiratory Syndrome (MERS) in South Korea added to external pressures on both markets. India showed more resilience than its regional peers supported by news of capital infusions in the country's banks, clarity on capital gains taxes and a larger-than-expected interest rate cut by the Central Bank.

Although the Pakistani market declined it was one of the best performers, supported by a number of factors including broadly positive corporate results, speculation that the proposed China-Pakistan Economic Corridor could result in substantial investment growth, the release of additional funding by the International Monetary Fund and interest rate cuts by the Central Bank.

An economy in recession, a decline in commodity prices, rising unemployment and political uncertainty exerted pressure on both Brazilian equities and currency, an effect given greater force by September's downgrading of the country's credit rating to junk status by Standard & Poor's.

Performance Attribution

For the six months ended 30 September 2015, the MSCI Emerging Markets Index declined by 18.8% in total return in sterling terms. In comparison, TEMIT's net asset value ("NAV") declined by 28.0%, also in total return in sterling terms.

Over the past six months in particular, we have scrutinised the portfolio to focus on how we can improve performance and ensure that we are well positioned to benefit from the anticipated recovery in emerging markets going forward. We have also looked in detail at how risks are assessed and controlled. This does not mean that we will become more "index aware" or seek further to track market indices. Rather we will seek to optimise our portfolio structure and better understand how and when to reduce or sell individual positions in the future.

Investment Manager's Report & Portfolio Review (continued)

It is very disappointing to report that over the past six months the performance of TEMIT's NAV was behind that of the MSCI Emerging Market Index during the six month period, largely because of stock selection in China, Thailand, Brazil and South Africa. An overweight exposure to Indonesia and stock selection in that country also had a negative impact. In terms of sectors, selection in consumer discretionary, financials, materials and energy detracted the most. Focusing on individual companies, **Brilliance China Automotive, Astra International** and **Kumba Iron Ore** were the largest detractors.

Contributors to TEMIT's performance relative to the benchmark included an overweight allocation to the United Kingdom (via the holding in Unilever), which is not part of the benchmark index. Lack of exposure to the Malaysian ringgit, which depreciated during the period, and good stock selection in South Korea had a positive impact. The portfolio's cash position also helped as a result of the weak market environment.

Companies which contributed to relative performance included **Unilever, Hyundai Development** and **Samsung Electronics,** which was added to the portfolio during the reporting period.

Performance Attribution Analysis %

Six months to 30 September 2015

Total Return (Net)[a]	(28.0)
Expenses[b]	0.6
Total Return (Gross)[c]	(27.4)
Benchmark Total Return[d]	(18.8)
Excess Return[e]	(8.6)
Sector Allocation	1.2
Stock Selection	(12.7)
Currency	2.6
Residual[f]	0.3
Total Portfolio Manager Contribution	**(8.6)**

Notes

(a) Total Return (Net) is the NAV return inclusive of dividends reinvested.

(b) Expenses incurred by the Company for the six months to 30 September 2015.

(c) Gross return is Total Return (Net) plus Expenses. Gross of fee performance is preferable for attribution and other value-added reporting as it evaluates the contribution of the Investment Manager.

(d) MSCI Emerging Markets (Total Return) Index, inclusive of dividends reinvested. Indices are comparable to gross returns as they include no expenses.

(e) Excess return is the difference between the gross return of the portfolio and the return of benchmark.

(f) The "Residual" represents the difference between the actual excess return and the excess return explained by the attribution model. This amount results from several factors, most significantly the difference between the actual trade price of securities included in actual performance and the end of day price used to calculate attribution.

Source: FactSet and Franklin Templeton Investments.

Largest company relative detractors and contributors to performance (%)[a]

Top Detractors	Relative Contribution to Portfolio	Share Price Total Return
Brilliance China Automotive	(1.9)	(39.9)
Astra International	(1.1)	(44.9)
Kumba Iron Ore	(0.9)	(56.8)
Banco Bradesco, ADR	(0.9)	(42.8)
Dairy Farm[b]	(0.8)	(36.0)

[a] For the period 31 March 2015 to 30 September 2015.

[b] Company not in the MSCI Emerging Markets Index.

Brilliance China Automotive has a joint venture with German car manufacturer BMW to produce vehicles under the BMW marque for sale in China. Current weakness in overall vehicle sales in China, pressure on margins in the luxury car market and higher costs associated with the opening of two new plants and promotion of three new model launches scheduled for late 2015 and 2016 played a role in reduced earnings in the first half of 2015. While we trimmed our holdings in the stock to reduce concentration and raise funds to invest in new opportunities, we believe that Brilliance is well positioned to benefit over time from the greater demand that we expect for luxury cars in China and thus we continue to maintain a significant exposure.

Astra International is an Indonesian conglomerate with key investments in the automotive, financial services, heavy equipment and agribusiness sectors. Its automotive division produces both cars and motorcycles under license from Toyota, Isuzu, Honda, and other global manufacturers. Muted second quarter corporate results and concerns that general macroeconomic weakness may impact auto sales in the near term coupled with a market-wide correction resulted in a weak share price performance. We continue to hold our position in the stock and expect ongoing reforms in Indonesia, continued economic growth and rising consumer wealth to lead to increased consumer demand for cars and financial services.

Kumba Iron Ore, a South African producer, where the share price declined by more than 50% in the reporting period amid weak iron ore prices and low confidence in a recovery in the near term. While we initially added to this stock over the reporting period, in view of the continued weakness in the sector and the company's decision to suspend dividends, we started to reduce our holdings shortly after the period end.

Top Contributors	Relative Contribution to Portfolio	Share Price Total Return
Unilever[b]	0.6	(3.2)
Hyundai Development	0.3	(12.3)
Samsung Electronics	0.3	(16.6)
SK Innovation	0.3	(5.7)
MCB Bank	0.2	(8.8)

[b] Company not in the MSCI Emerging Markets Index.

Investment Manager's Report & Portfolio Review (continued)

Listed in the UK, but with a significant exposure to emerging markets, **Unilever** performed relatively well. Better than expected second quarter results and expectations of continued demand in emerging markets supported the stock. We believe that this global consumer company is well positioned to benefit from the growing demand for personal care, food, refreshment and home care products from the billions of people in emerging markets.

Leading residential property developer, **Hyundai Development** is estimated to have the largest market share in the residential construction business in South Korea. Measures by the South Korean authorities to stimulate the housing market, coupled with interest rate cuts, resulting in record low interest rate levels, boosted investor sentiment in 2015. We used this opportunity to trim our holdings, realising gains and reducing concentration, allowing us to fund new investment opportunities.

Concerns about slowing growth in high-end smartphone demand provided us with an attractive entry price in leading global electronics manufacturer **Samsung Electronics** in South Korea at undemanding valuations. As the global macroeconomic environment improves, we expect the company's position as a global leader in pricing and quality of mobile, semiconductor and display technologies to allow the company to benefit from a recovery in demand in emerging markets.

Portfolio Changes & Investment Strategies

A full list of the portfolio holdings, sector and geographic breakdowns as at 30 September 2015 can be found on pages 16 to 21 of this report.

As discussed in the performance section above, we made a number of changes to the portfolio, particularly towards the end of the reporting period.

We increased our holdings in Brazil, a market that has underperformed significantly with losses of 30.3% and 44.6% (total return in sterling terms) respectively in the six and twelve month periods ended 30 September 2015, leading many investors to abandon this market. On the contrary, we see potential and followed Templeton's time tested approach of buying when others were selling because, taking a longer term view, we see investment opportunities today with valuations pushed down to attractive levels by market and currency declines. The Brazilian market, as represented by the MSCI Brazil Index, traded at a twelve month forward price to earnings ratio (P/E) of 10x, a price to book value ratio (P/BV) of 1x and a dividend yield of more than 4% at the end of September. The economy is in recession, inflation and interest rates as well as unemployment are high, while the real has devalued substantially. Furthermore, Standard & Poor's downgraded Brazil's credit rating to junk status and the political situation in the country is unclear. None of this is good news but it is during times like these that we have the opportunity to invest in quality stocks at undemanding prices. It is also important to remember that, by careful analysis, it is possible to find companies that can operate well in a less than perfect environment.

In Brazil, we have new holdings in consumer staple retailers such as **Lojas Americanas,** a leading discount department retail chain with low ticket prices and a reputation for selling products at fair prices, and **M. Dias Branco,** which produces and sells basic food items such as crackers, pasta and flour, may see greater demand for their products in a weaker macroeconomic environment. Another addition was **MAHLE Metal Leve,** an automotive parts manufacturer with German roots, which should benefit from the weaker real since exports account for about 50% of its net revenues. When investors sell stocks in a country indiscriminately, we are often in a position to buy stocks that have been sold off on weak market sentiment rather than poor fundamentals, which led us to add **TOTVS,** a premier software application provider, to the portfolio. **TOTVS** has clients in about 40 countries, diversified across a wide number of sectors. With the exception of iron ore producer, **Vale,** which was sold out of the portfolio on continued weakness in the sector amid concerns of weak demand trends, low prices and over supply, we maintained our existing positions in Brazil and used the market correction as an opportunity to add to our existing position in apparel manufacturer and retailer **CIA Hering**.

We maintain a positive outlook on the consumer sector in view of growing demand for goods and services and a large and growing population in emerging markets, coupled with rising incomes. As a result, we added to the portfolio a Chinese beverage and instant noodle manufacturer, **Uni-President China**, and **Massmart,** a South African retailer of food and alcohol, general merchandise, and home improvement equipment. Similarly, in India, we added **Bajaj Holdings & Investment** and **ICICI Bank. Bajaj Holdings'** key interests include Bajaj Auto, which is the second largest manufacturer of two wheel motorcycles as well as the largest manufacturer of three wheel automobiles in India, and Bajaj Finserv, which is involved in insurance as well as consumer financing, areas which have been benefiting from auto demand and strength in the general insurance and lending segments in the country . One of the largest private sector banks in India, **ICICI Bank** is a beneficiary of rising incomes, positive demographics which has led to greater demand for financial services such as loans, insurance, securities brokerage and mutual funds.

Additional purchases in India included **Reliance Industries,** one of India's largest companies with operations in hydrocarbon exploration and production, petroleum refining and marketing, petrochemicals, retail and telecommunications, and **Tata Chemicals,** the world's second largest soda ash producer and one of the world's top 5 sodium bicarbonate producers. With refining accounting for more than 50% of net profits, **Reliance Industries** is a beneficiary of low oil prices as well as strong product demand, while **Tata Chemicals'** growing focus on its consumer business continues to support this company's revenues.

Another area in which we initiated exposure during the reporting period is information technology. While traditionally expensive valuations have resulted in few purchases in this sector, the current market environment has created more attractive valuations. In addition to **TOTVS and Samsung Electronics** which are discussed above, we added to the portfolio: **SK Hynix** in South Korea, is one of the biggest DRAM (Dynamic Random Access Memory) manufacturers in the world; **Largan Precision,** a prominent Taiwanese smartphone lens manufacturer, which should benefit from the prevalent use of smartphones globally; and **Mail.Ru,** a leading Russian internet communications and entertainment company, which should benefit from a strong anticipated growth in Russian internet penetration.

An in-depth analysis of the energy and materials companies in the portfolio and a stringent review of our assumptions on price, demand and supply trends in commodities led us to reduce our exposure to these sectors. In addition to **Vale**, which was discussed earlier, we sold our holdings in **OMV** in Austria, **Siam Cement** in Thailand and **Tupras-Turkiye Petrol** in Turkey and reduced the existing position in **Aluminum Corp. of China** before selling out completely in October 2015.

We also completely exited from **Truworths International** in South Africa and **Nestlé Nigeria** in favour of the above discussed companies due to their more attractive fundamentals. Existing positions in **Tata Consultancy Services** in India, **Guangzhou Automobile Group** and **VTech,** both in China, were also reduced, realising gains and raising funds for the new investment opportunities discussed above.

Investment Manager's Report & Portfolio Review (continued)

One stock, a Chinese manufacturer and seller of infant formula milk, **Biostime International,** was added to the portfolio in August but, before we could build a meaningful position, the stock sharply appreciated to a record high on **Biostime's** purchase of a health supplement maker in September, leading us to sell our small position for a good profit.

Summary of Portfolio Changes

New Holding

Security	Country	Amount £(m)
Samsung Electronics	South Korea	37.8
SK Hynix	South Korea	34.5
ICICI Bank	India	22.7
TOTVS	Brazil	18.7
Uni-President China	Hong Kong/China	14.2
Reliance Industries	India	11.4
M. Dias Branco	Brazil	11.3
Largan Precision	Taiwan	10.9
Lojas Americanas	Brazil	8.1
Mail.Ru, GDR	Russia	6.0
MAHLE Metal Leve	Brazil	4.3
Biostime International[a]	Hong Kong/China	1.3
Bajaj Holdings & Investment	India	0.1
Tata Chemicals	India	0.1
Massmart	South Africa	–
Total		**181.4**

[a] A new holding was established in the period and was sold in September 2015.

Increased Holding

Security	Country	Amount £(m)
Impala Platinum	South Africa	22.4
Kumba Iron Ore	South Africa	11.8
Oil & Natural Gas	India	11.5
Sembcorp Marine	Singapore	11.5
CIA Hering	Brazil	8.0
PTT Exploration and Production	Thailand	4.3
Bank Danamon Indonesia	Indonesia	3.2
Oil & Gas Development	Pakistan	2.5
Buenaventura, ADR	Peru	2.5
Nestlé Nigeria	Nigeria	1.8
Tupras-Turkiye Petrol	Turkey	1.6
Arab Potash	Jordan	0.3
Total		**81.4**

Partial Sale

Security	Country	Amount £(m)
Hyundai Development	South Korea	53.9
Tata Consultancy Services	India	38.2
Aluminum Corp. of China, H	Hong Kong/China	23.0
Brilliance China Automotive	Hong Kong/China	19.8
Guangzhou Automobile Group, H	Hong Kong/China	15.0
VTech	Hong Kong/China	14.4
Impala Platinum	South Africa	11.9
SK Innovation	South Korea	8.3
Sembcorp Marine	Singapore	6.9
Bank Central Asia	Indonesia	4.4
MCB Bank	Pakistan	0.3
Arab Potash	Jordan	–
Total		**196.1**

Total Sale

Security	Country	Amount £(m)
Tupras-Turkiye Petrol	Turkey	37.4
Vale, ADR	Brazil	35.3
OMV	Austria	16.5
Truworths International	South Africa	14.3
Siam Cement	Thailand	4.2
Nestlé Nigeria	Nigeria	3.6
Biostime International[a]	Hong Kong/China	1.7
Total		**113.0**

[a] A new holding was established in the period and was sold in September 2015.

Investment Manager's Report & Portfolio Review (continued)

Outlook

Emerging markets, as an asset class, have had a tough time over the last 5 years. However, that is not to say that all emerging markets have declined. Markets such as China and India have reported positive returns in the three-year period ended September 2015. Emerging market equities as a whole, as represented by the MSCI Emerging Markets Index, however, look on track to record a third consecutive year of decline. The last time that this happened was in the 2000-2002 period. What followed then was five years of solid double-digit performances in 2003-2007. The key question is: are we going to see more years of poor emerging market performance or will there be a recovery in the coming year? Our view is on the positive side.

Emerging economies in general have experienced stronger economic growth trends than developed markets. This has been a consistent long-term theme, and one which we expect to continue in the foreseeable future. Even with major economies like Brazil and Russia in recession, emerging markets' growth in 2015 is expected to be comfortably in excess of that achieved by developed markets, with China and India driving Asia to particularly strong growth. In the current year, emerging markets in aggregate are estimated to be on course to grow by about 4.0% against 2.0% for developed markets. Emerging and Frontier markets account for 37% of the world's GDP, with developed markets making up the remaining 63%. We expect this ratio to change as emerging markets' growth continues to exceed that in developed markets going forward. In addition, what also makes emerging markets attractive to us is the fact that emerging market economies generally have much less debt and hold significantly higher foreign reserves compared to developed markets.

While Chinese equities have experienced declines over most of the reporting period, we think that this is likely to change in the future. China has experienced stronger economic growth than most of its emerging, and developed, market counterparts over the past decade, a trend that we expect to continue. A lot of attention has been given to slowing growth in China. It is worth repeating that the percentage increases in China's growth rate may be slowing but as the economic base continues to grow so the actual nominal amounts are increasing. Investors should also bear in mind that China has embarked on a dramatic reform programme that includes cutting down on corruption and making the economy more market-based, rather than being controlled by the central government. While these changes may result in a slowdown in the shorter term as the economy moves closer to a free market economy, consumer-led economic growth should be stimulated. Most importantly, the disciplines imposed by such a market structure strengthen the economy overall and launch it into a new growth path.

We believe that Thailand offers some attractive opportunities for investors. We do not anticipate that tragedies such as the August bomb attack in Bangkok will have more than a transitory impact on the economy. Meanwhile, a growing middle class population is driving an increasingly dynamic domestic economy, including a sophisticated financial sector, with growth underpinned by continuing migration from rural to more productive urban activities. In the shorter term, a number of significant economic stimulus programmes are planned, including both measures to increase the incomes of poorer sections of society and significant infrastructure spending projects, both of which should boost growth and possibly create specific potential investment opportunities. Thailand does have some issues, notably a still fluid and uncertain political structure. Nevertheless, our research suggests that a considerable number of Thai stocks are trading on valuations at odds with our assessment of their longer term potential.

Elsewhere, the South Korean market continues to possess attractive features for international investors. A powerful traditional export sector spans a range of products including consumer electronics and advanced technology, with levels of expertise placing the country's businesses among leaders globally in many fields. Thus, we continue to monitor potential opportunities in this market.

Brazil also remains a key market in the portfolio because we view the period when a market is out of favour as the best time to establish or expand positions. This is due to the fact that adverse sentiment can often drive markets well below their true value. Brazil is the largest investable market in Latin America. It is also a country with a large and growing consumer base. Brazil's economy is diversified and largely domestically driven, while its big consumer market creates opportunities for a wide range of companies such as those discussed above.

While market declines can be painful for investors, we think it is important to put these types of corrections in context, remain calm and look for potential opportunities. We look to use these times cautiously and selectively to add stocks to the portfolios. At the time of writing, we are particularly interested in consumer-oriented stocks in a number of emerging markets because that is where we expect growth in the long-term.

Carlos Hardenberg
Franklin Templeton Investment Management Limited
20 November 2015

Portfolio Holdings by Geography

As at 30 September 2015

Geographical analysis (by country of incorporation)

Country	Sector	Fair Value[a] £'000	% of Issued Share Class	MSCI Index[b] Weighting	% of net assets
BRAZIL					
Banco Bradesco, ADR[c][d]	Financials	40,731	0.5	0.5	2.9
CIA Hering	Consumer Discretionary	16,593	4.3	N/A	1.2
Itau Unibanco, ADR[d]	Financials	50,012	0.4	0.6	3.6
Lojas Americanas	Consumer Discretionary	6,338	0.7	0.1	0.5
M. Dias Branco	Consumer Staples	7,564	0.7	0.0	0.5
MAHLE Metal Leve	Consumer Discretionary	3,917	0.8	N/A	0.3
Petroleo Brasileiro, ADR[c][d]	Energy	12,730	0.1	0.4	0.9
TOTVS	Information Technology	11,604	1.4	0.0	0.8
		149,489			**10.7**
HONG KONG/CHINA					
Aluminum Corp. of China, H[e]	Materials	679	0.2	0.0	–
Brilliance China Automotive	Consumer Discretionary	123,801	3.2	0.1	8.8
China International Marine Containers, B[f]	Industrials	14,767	0.9	0.0	1.1
China Petroleum and Chemical, H[e]	Energy	28,548	0.3	0.5	2.0
Dairy Farm	Consumer Staples	50,708	0.9	N/A	3.6
Guangzhou Automobile Group, H[e]	Consumer Discretionary	27,406	2.3	0.1	1.9
Inner Mongolia Yitai Coal	Energy	9,229	1.3	0.0	0.7
PetroChina, H[f]	Energy	38,719	0.4	0.4	2.8
Uni-President China	Consumer Staples	14,841	0.5	N/A	1.1
Victory City International	Consumer Discretionary	12,135	6.2	N/A	0.9
VTech	Information Technology	52,574	2.7	N/A	3.7
		373,407			**26.6**

(a) Fair value represents the bid value of a security as required by International Financial Reporting Standards (IFRS).
(b) N/A: These stocks are not held by the MSCI Emerging Markets Index.
(c) Preferred shares.
(d) US listed American Depositary Receipt.
(e) Shares eligible for foreign investment on a Chinese stock exchange.
(f) Shares eligible for foreign investment on the Hong Kong stock exchange.

Country	Sector	Fair Value[a] £'000	% of Issued Share Class	MSCI Index[b] Weighting	% of net assets
INDIA					
Bajaj Holdings & Investment	Financials	124	0.0	N/A	–
ICICI Bank	Financials	22,141	0.1	0.1	1.6
Infosys Technologies	Information Technology	11,671	0.0	1.0	0.8
Oil & Natural Gas	Energy	28,448	0.1	0.1	2.0
Peninsula Land	Financials	3,588	5.6	N/A	0.3
Reliance Industries	Energy	11,098	0.0	0.5	0.8
Tata Chemicals	Materials	59	0.0	N/A	–
Tata Consultancy Services	Information Technology	27,589	0.1	0.6	2.0
		104,718			**7.5**
INDONESIA					
Astra International	Consumer Discretionary	46,725	0.5	0.2	3.3
Bank Central Asia	Financials	14,000	0.1	0.3	1.0
Bank Danamon Indonesia	Financials	19,673	1.6	0.0	1.4
		80,398			**5.7**
JORDAN					
Arab Potash	Materials	1,289	0.1	N/A	0.1
		1,289			**0.1**
PAKISTAN					
MCB Bank	Financials	55,967	3.5	N/A	4.0
Oil & Gas Development	Energy	15,422	0.5	N/A	1.1
		71,389			**5.1**
PERU					
Buenaventura, ADR[d]	Materials	26,843	2.5	0.0	1.9
		26,843			**1.9**
RUSSIA					
Gazprom, ADR[d]	Energy	23,956	0.0	0.7	1.7
Mail.Ru, GDR[g]	Information Technology	6,465	0.4	N/A	0.5
TMK	Energy	3,223	0.2	N/A	0.2
		33,644			**2.4**

[a] Fair value represents the bid value of a security as required by International Financial Reporting Standards (IFRS).

[b] N/A: These stocks are not held by the MSCI Emerging Markets Index.

[d] US listed American Depositary Receipt.

[g] UK listed Global Depositary Receipt.

Portfolio Holdings by Geography (continued)

Country	Sector	Fair Value[a] £'000	% of Issued Share Class	MSCI Index[b] Weighting	% of net assets
SINGAPORE					
Sembcorp Marine[h]	Industrials	8,974	0.4	N/A	0.6
		8,974			**0.6**
SOUTH AFRICA					
Impala Platinum	Materials	12,893	1.1	0.0	0.9
Kumba Iron Ore	Materials	20,000	1.7	0.0	1.4
Massmart	Consumer Staples	23	0.0	0.0	–
		32,916			**2.3**
SOUTH KOREA					
Hyundai Development	Industrials	36,929	1.6	0.1	2.6
Samsung Electronics	Information Technology	32,435	0.0	3.7	2.3
SK Hynix	Information Technology	28,824	0.2	0.5	2.1
SK Innovation	Energy	29,208	0.6	0.2	2.1
		127,396			**9.1**
TAIWAN					
Largan Precision	Information Technology	8,312	0.1	0.2	0.6
		8,312			**0.6**
THAILAND					
Kasikornbank	Financials	51,244	0.7	0.3	3.7
Kiatnakin Bank	Financials	12,465	2.7	N/A	0.9
Land and Houses	Financials	13,823	0.8	N/A	1.0
Land and Houses (warrants)	Financials	1,545	0.9	N/A	0.1
PTT	Energy	22,820	0.2	0.2	1.6
PTT Exploration and Production	Energy	18,970	0.4	0.1	1.4
Siam Commercial Bank	Financials	62,205	0.8	0.2	4.3
Univanich Palm Oil	Consumer Staples	7,726	5.0	N/A	0.6
		190,798			**13.6**
TURKEY					
Akbank	Financials	37,436	0.6	0.1	2.7
		37,436			**2.7**

[a] Fair value represents the bid value of a security as required by International Financial Reporting Standards (IFRS).
[b] N/A: These stocks are not held by the MSCI Emerging Markets Index.
[h] These companies, listed on stock exchanges in developed markets, have significant exposure to operations in emerging markets.

Country	Sector	Fair Value[a] £'000	% of Issued Share Class	MSCI Index[b] Weighting	% of net assets
UNITED KINGDOM					
Unilever[h]	Consumer Staples	66,365	0.2	N/A	4.7
		66,365			**4.7**
TOTAL INVESTMENTS		**1,313,374**			**93.6**
OTHER NET ASSETS		**89,734**			**6.4**
TOTAL NET ASSETS		**1,403,108**			**100.0**

[a] Fair value represents the bid value of a security as required by International Financial Reporting Standards (IFRS).

[b] N/A: These stocks are not held by the MSCI Emerging Markets Index.

[h] These companies, listed on stock exchanges in developed markets, have significant exposure to operations in emerging markets.

Market Capitalisation Breakdown[i] (%)	Less than £1.5bn	£1.5bn to £5bn	Greater than £5bn	Other Net Assets
30 September 2015	11.1	26.9	55.6	6.4
31 March 2015	7.8	32.9	54.2	5.1

[i] Market Capitalisation - The total market value of a company's shares. For a vehicle like TEMIT, which invests in a number of companies, this is calculated by the share price on a certain date multiplied by the number of shares in issue.

Source: FactSet Research System, Inc

Split Between Markets[j] (%)	30 September 2015	31 March 2015
Emerging Markets	83.1	86.2
Frontier Markets	5.2	4.2
Developed Markets[k]	5.3	4.5
Other Net Assets	6.4	5.1

[j] Geographic split between "Emerging Markets", "Frontier Markets" and "Developed Markets" are as per MSCI index classifications.

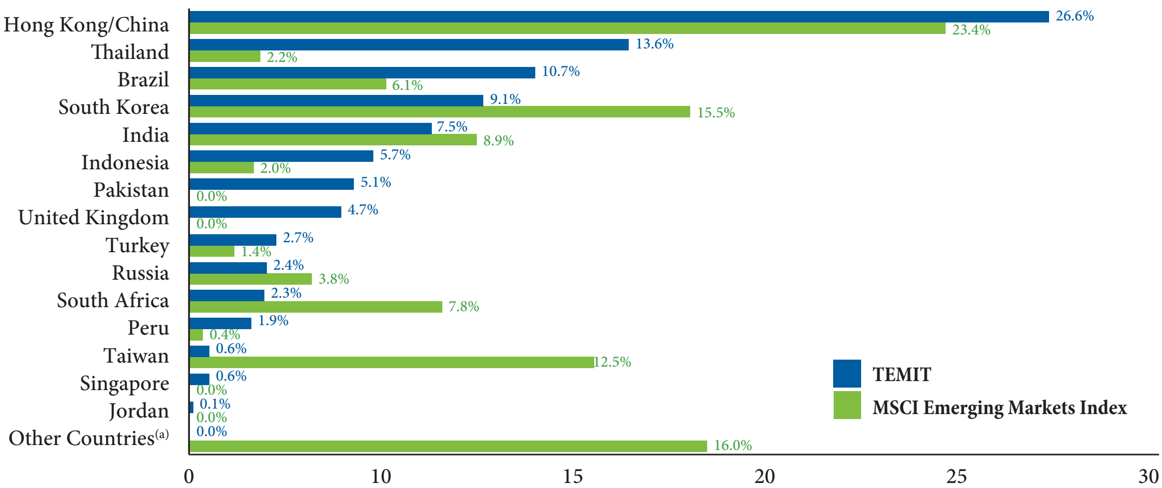
[k] Developed markets exposure represented by companies listed in the United Kingdom and Singapore.

Source: FactSet Research System, Inc

Geographic Asset Allocation

As at 30 September 2015

Country weightings vs benchmark (%)



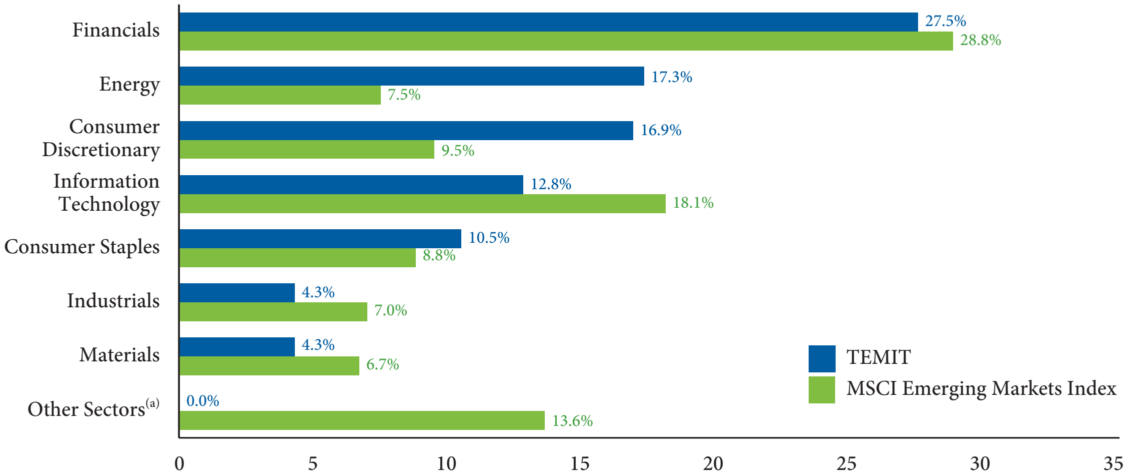
[a] Other countries held by the benchmark are Chile, Colombia, Czech Republic, Egypt, Greece, Hungary, Malaysia, Mexico, Philippines, Poland, Qatar and United Arab Emirates.

Country	31 March 2015 Market Value £m	Purchases £m	Sales £m	Market Movement £m	30 Sep 2015 Market Value £m	Total Return in sterling TEMIT %	MSCI Emerging Markets Index %
Hong Kong/China	620	16	(74)	(189)	373	(33.6)	(19.5)
Thailand	290	4	(4)	(99)	191	(34.1)	(21.8)
Brazil	226	50	(35)	(92)	149	(38.2)	(30.3)
South Korea	129	72	(62)	(12)	127	(8.6)	(16.8)
India	115	46	(38)	(18)	105	(14.6)	(11.9)
Other	561	75	(96)	(172)	368	—	—
Other Net Assets	104	—	—	(14)	90	—	—
Total	**2,045**	**263**	**(309)**	**(596)**	**1,403**		

Sector Asset Allocation

As at 30 September 2015

Sector weightings vs benchmark (%)



[a] Other sectors held by the benchmark are Health Care, Telecommunication Services and Utilities.

Sector	31 March 2015 Market Value £m	Purchases £m	Sales £m	Market Movement £m	30 Sep 2015 Market Value £m	Total Return in sterling TEMIT %	MSCI Emerging Markets Index %
Financials	540	26	(5)	(176)	385	(31.4)	(20.6)
Energy	374	31	(62)	(101)	242	(29.4)	(20.3)
Consumer Discretionary	410	20	(49)	(144)	237	(37.8)	(18.1)
Information Technology	162	108	(53)	(38)	179	(17.5)	(20.7)
Consumer Staples	162	29	(5)	(39)	147	(21.0)	(11.0)
Materials	175	37	(74)	(76)	62	(55.1)	(19.9)
Industrials	118	12	(61)	(8)	61	(11.6)	(16.5)
Other Net Assets	104	—	—	(14)	90	—	—
Total	**2,045**	**263**	**(309)**	**(596)**	**1,403**		

Income Statement

For the six months to 30 September 2015

	For the six months to 30 September 2015 (unaudited) Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments and foreign exchange			
Gains/(losses) on investments at fair value	–	(581,571)	(581,571)
Gains on foreign exchange	–	699	699
Revenue			
Dividends	27,885	–	27,885
Bank and deposit interest	213	–	213
	28,098	**(580,872)**	**(552,774)**
Expenses			
AIFM fee	(9,512)	–	(9,512)
Investment management fee	–	–	–
Other expenses	(1,007)	–	(1,007)
	(10,519)	**–**	**(10,519)**
Profit/(loss) before taxation	**17,579**	**(580,872)**	**(563,293)**
Tax expense	(2,257)	949	(1,308)
Profit/(loss) for the period	**15,322**	**(579,923)**	**(564,601)**
Profit/(loss) attributable to equity holders of the Company	**15,322**	**(579,923)**	**(564,601)**
Earnings per share	**4.87p**	**(184.26)p**	**(179.39)p**
Ongoing charge ratio			**1.21%**

Under the Company's Articles of Association the capital element of return is not distributable.

The total column is the Income Statement of the Company.

The supplementary revenue and capital return columns are both prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

There is no other income for this period and therefore no separate statement of comprehensive income has been presented.

The AIFM fee is payable to Franklin Templeton as Manager. Prior to 1 July 2014, the fee payable to Franklin Templeton was separated into an Investment Management Fee and a Secretarial Fee (contained within Other expenses).

Dividend Policy

In accordance with the Company's stated policy, no interim dividend is declared for the period.

An ordinary dividend of 8.25 pence per share for the year ended 31 March 2015, was paid on 22 July 2015 at a cost of £26,078,000.

For the six months to 30 September 2014 (unaudited)			Year ended 31 March 2015 (audited)		
Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
–	131,122	131,122	–	151,723	151,723
–	614	614	–	113	113
37,973	–	37,973	58,816	–	58,816
144	–	144	389	–	389
38,117	**131,736**	**169,853**	**59,205**	**151,836**	**211,041**
(5,748)	–	(5,748)	(16,735)	–	(16,735)
(4,944)	–	(4,944)	(4,944)	–	(4,944)
(1,915)	–	(1,915)	(3,082)	–	(3,082)
(12,607)	**–**	**(12,607)**	**(24,761)**	**–**	**(24,761)**
25,510	**131,736**	**157,246**	**34,444**	**151,836**	**186,280**
(3,086)	417	(2,669)	(4,591)	(2,172)	(6,763)
22,424	**132,153**	**154,577**	**29,853**	**149,664**	**179,517**
22,424	**132,153**	**154,577**	**29,853**	**149,664**	**179,517**
6.96p	**41.02p**	**47.98p**	**9.28p**	**46.54p**	**55.82p**
		1.20%			**1.20%**

Balance Sheet

As at 30 September 2015

	As at 30 September 2015 £'000 (unaudited)	As at 30 September 2014 £'000 (unaudited)	As at 31 March 2015 £'000 (audited)
Assets			
Non-current assets			
Investments at fair value through profit or loss	**1,313,374**	**1,893,509**	**1,941,161**
Current Assets			
Trade and other receivables	4,566	16,148	8,384
Cash	89,000	127,923	112,012
	93,566	**144,071**	**120,396**
Current Liabilities			
Trade and other payables	(2,723)	(2,090)	(14,264)
Capital gains tax provision	(1,109)	(304)	(2,262)
	(3,832)	**(2,394)**	**(16,526)**
Net Assets	**1,403,108**	**2,035,186**	**2,045,031**
Issued Share Capital and Reserves Attributable to Equity Shareholders			
Equity Share Capital	77,061	80,405	79,736
Capital Redemption Reserve	5,608	2,264	2,933
Special Distributable Reserve	433,546	433,546	433,546
Capital Reserve	792,294	1,421,045	1,423,461
Revenue Reserve	94,599	97,926	105,355
Equity Shareholders' Funds	**1,403,108**	**2,035,186**	**2,045,031**
Net Asset Value per share (in pence)	**455.2**	**632.8**	**641.2**

Statement of Changes in Equity

For the six months to 30 September 2015 (unaudited)

	Equity Share Capital £'000	Capital Redemption Reserve £'000	Special Distributable Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
Balance at 31 March 2014	**80,837**	**1,832**	**433,546**	**1,298,542**	**98,808**	**1,913,565**
Profit/(loss) for the period	–	–	–	132,153	22,424	154,577
Equity dividends	–	–	–	–	(23,373)	(23,373)
Unclaimed dividends[a]	–	–	–	–	67	67
Purchase and cancellation of own shares	(432)	432	–	(9,650)	–	(9,650)
Balance at 30 September 2014	**80,405**	**2,264**	**433,546**	**1,421,045**	**97,926**	**2,035,186**
Profit/(loss) for the period	–	–	–	17,511	7,429	24,940
Purchase and cancellation of own shares	(669)	669	–	(15,095)	–	(15,095)
Balance at 31 March 2015	**79,736**	**2,933**	**433,546**	**1,423,461**	**105,355**	**2,045,031**
Profit/(loss) for the period	–	–	–	(579,923)	15,322	(564,601)
Equity dividends	–	–	–	–	(26,078)	(26,078)
Purchase and cancellation of own shares	(2,675)	2,675	–	(51,244)	–	(51,244)
Balance at 30 September 2015	**77,061**	**5,608**	**433,546**	**792,294**	**94,599**	**1,403,108**

[a] Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

Cash Flow Statement

For the six months to 30 September 2015

	For the six months to 30 September 2015 £'000 (unaudited)	For the six months to 30 September 2014 £'000 (unaudited)	For the year to 31 March 2015 £'000 (audited)
Cash flows from operating activities			
Profit/(loss) before taxation	(563,293)	157,246	186,280
Adjustments for:			
(Gains)/losses on investments at fair value	581,571	(131,122)	(151,723)
Realised gains on foreign exchange	(699)	(614)	(113)
Stock dividends received in period	–	–	(863)
Decrease in debtors	1,496	3,407	1,447
Increase in creditors	(492)	(358)	(299)
Cash generated from operations	**18,583**	**28,559**	**34,729**
Tax paid	(2,462)	(3,086)	(5,222)
Net cash inflow from operating activities	**16,121**	**25,473**	**29,507**
Cash flows from investing activities			
Purchases of non-current financial assets	(274,162)	(117,953)	(243,494)
Sales of non-current financial assets	312,091	197,600	317,709
Net cash inflow from investing activities	**37,929**	**79,647**	**74,215**
Cash flows from financing activities			
Equity dividends paid	(26,078)	(23,373)	(23,373)
Unclaimed dividends	–	67	67
Purchase and cancellation of own shares	(50,984)	(10,172)	(24,685)
Net cash outflow from financing activities	**(77,062)**	**(33,478)**	**(47,991)**
Net increase/(decrease) in cash	**(23,012)**	**71,642**	**55,731**
Cash at the start of period	112,012	56,281	56,281
Cash at the end of period	**89,000**	**127,923**	**112,012**

Notes to the Financial Statements

For the six months to 30 September 2015

1 Basis of preparation

The Half Yearly Report for the period ended 30 September 2015 has been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting".

The Company adopted the Statement of Recommended Practice ("SORP") for investment trusts issued by the Association of Investment Companies ("AIC") issued in November 2014. Previously the financial statements were prepared in accordance with the SORP issued by the AIC in January 2009. There have been no material changes due to this adoption. The accounting policies applied to these half yearly accounts are consistent with those applied in the accounts for the twelve months ended 31 March 2015.

The financial information contained in this interim statement does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 30 September 2015 and 30 September 2014 have not been audited. The figures and financial information for the year ended 31 March 2015 are extracted from the latest published accounts and do not constitute the statutory accounts for that period. Those accounts have been delivered to the Registrar of Companies and included the Report of the Independent Auditors, which was unqualified and did not include a statement under sections 498(2) or 498(3) of the Companies Act 2006.

The Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

2 Earnings per share

	For the six months to 30 September 2015 £'000	For the six months to 30 September 2014 £'000	For the year to 31 March 2015 £'000
Revenue return	15,322	22,424	29,853
Capital return/(loss)	(579,923)	132,153	149,664
Total	**(564,601)**	**154,577**	**179,517**
Weighted average number of shares in issue	314,723,747	322,181,862	321,591,165
Revenue Return per share	4.87p	6.96p	9.28p
Capital Return per share	(184.26p)	41.02p	46.54p
Total return per share	**(179.39p)**	**47.98p**	**55.82p**

3 Shares repurchased

During the period to 30 September 2015 the Company bought back 10,701,600 shares for cancellation for a total consideration of £51,247,000. In the six months to 30 September 2014 the Company bought back 1,730,500 shares for cancellation for a total consideration of £9,650,000. For the twelve months to 31 March 2015 a total of 4,404,900 shares were bought back for cancellation at a cost of £24,745,000.

Notes to the Financial Statements (continued)

4 Tax

The total tax expense of £1.3m consists of a revenue tax expense of £2.3m and a capital tax credit of £1m. The revenue tax expense relates to irrecoverable overseas tax on dividends. The capital tax credit is comprised of a capital tax expense of £0.2m arising on short-term realised gains on Indian holdings and a capital tax credit of £1.2m arising from the decrease in the provision for deferred tax in relation to short-term unrealised gains on holdings in India and Pakistan.

5 Costs of Investment Transactions

During the period, expenses were incurred in acquiring or disposing of investments. The following costs of transactions are included in the gains/(losses) on investments:

	For the six months to 30 September 2015 £'000	For the six months to 30 September 2014 £'000	For the year to 31 March 2015 £'000
Purchase expenses	730	592	1,113
Sales expenses	1,045	521	855
Total expense	**1,775**	**1,113**	**1,968**

6 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.

– Non-current financial assets on the basis set out in the accounting policies.

– Cash at the face value of the account.

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).

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

Valuation hierarchy fair value through profit and loss

	30 September 2015				30 September 2014			
£000	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Listed investments	1,313,374	–	–	1,313,374	1,893,509	–	–	1,893,509

General Information

BOARD OF DIRECTORS

Peter A Smith* (Chairman)
Christopher D Brady*
Hamish N Buchan*
Neil Collins*
Peter O Harrison*
Beatrice Hollond*
Gregory E Johnson
Paul Manduca*†

*Independent non-executive
†Appointed 1 August 2015

REGISTERED OFFICE

5 Morrison Street
EDINBURGH
EH3 8BH
UK
(Registered No. SC118022)

MANAGER AND COMPANY SECRETARY

Franklin Templeton International Services S.à r.l.
8a rue Albert Borschette
L-1246
LUXEMBOURG

FINANCIAL ADVISERS AND STOCKBROKERS

Winterflood Securities Limited
The Atrium Building
Cannon Bridge
25 Dowgate Hill
LONDON
EC4R 2GA
UK

SOLICITORS

CMS Cameron McKenna LLP
Saltire Court
20 Castle Terrace
EDINBURGH
EH1 2EN
UK

AUDITOR

Deloitte LLP
Saltire Court
20 Castle Terrace
EDINBURGH
EH1 2DB
UK

GLOBAL CUSTODIAN

JPMorgan Chase Bank
25 Bank Street
LONDON
E14 5JP
UK

DEPOSITARY

J.P. Morgan Europe Limited
25 Bank Street
LONDON
E14 5JP
UK

REGISTRAR – UK

Equiniti Limited
Aspect House
Spencer Road
Lancing
WEST SUSSEX
BN99 6DA
UK

REGISTRAR – NEW ZEALAND

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
AUCKLAND 0622
NEW ZEALAND

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