

Templeton Emerging Markets Investment Trust PLC

INFORMATION FOR INVESTORS

This document is issued by Franklin Templeton Investment Trust Management Limited (the ‘Manager’ or the ‘AIFM’) solely in order to make certain particular information available to investors in Templeton Emerging Markets Investment Trust PLC (the ‘Company’ / ‘TEMIT’) before they invest, in accordance with the requirements of the Financial Conduct Authority (‘FCA’) Rules implementing the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (the ‘AIFM Directive’ or ‘AIFMD’) in the United Kingdom (‘UK’). It is made available to investors (‘investors’ or ‘shareholders’) in the Company by being made available at www.temit.co.uk.

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

Regulatory Status of the Company

The Company is an alternative investment fund (“AIF”) for the purposes of the AIFM Directive and is incorporated as public limited company in Scotland.

The Company’s shares are listed on the premium segment of the Official List of the UK Listing Authority (“UKLA”) and are admitted to trading on the main market of the London Stock Exchange and of New Zealand stock exchange. The Company is subject to the provisions of its Articles of Association, the UKLA Listing, Prospectus and Disclosure Rules, the AIC Corporate Governance Code and the Companies Act 2006.

The Company’s Articles of Association are binding on the Company and its shareholders and set out the respective rights and restrictions attaching to the Company’s shares.

The rights and restrictions apply to all shares equally. 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. The Company’s Articles of Association are available at [TEMIT Articles of Association July 2020.pdf](#).

Limited purpose of this document

This document is not being issued for any purpose other than to make certain required regulatory disclosures to investors and, to the fullest extent permitted under applicable law and regulations, the Company and the Manager 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 or dispose of 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 trust 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 information decision in relation to an investment in or disposal of the Company's shares.

No advice

The Company and the Manager 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 other matters. Prospective investors may rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or 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.

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.

Investment Objective and Policy

The Company's objective is to achieve long-term capital appreciation through investment in companies in emerging markets or companies which earn a significant amount of their revenues in emerging markets but are domiciled in, or listed on, stock exchanges in developed countries. The Company's investment policy is available at [TEMIT IP](#).

As a closed-ended investment fund whose shares are admitted to the Official List under Chapter 15 of the UKLA Listing Rules, the Company is required to obtain the prior approval of its shareholders to any material change to its published investment policy. Accordingly, the Company will not make any material change to its published investment policy without the approval of its shareholders by ordinary resolution. The Company will announce any such change through a Regulatory Information Service.

Any change in investment strategy or investment policy which does not amount to a material change to its published investment policy may be made by the Company without shareholder approval.

Investment Restrictions & Guidelines

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

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

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

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

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

Leverage

As explained above, the Company may employ borrowings and derivatives as leverage.

In pursuing this policy, the Company has in place the following credit facilities:

- a five-year £100 million loan at a fixed rate of 2.089% with Scotiabank Europe PLC, and
- a three-year £120 million unsecured multi-currency revolving loan facility with The Bank of Nova Scotia, London Branch.

The Manager has been granted discretion by the Board to draw down the revolving loan facility as investment opportunities arise, subject to overall supervision by the Board, and subject to the overall gearing limit in TEMIT’s investment policy.

The amount of leverage employed by the Company will be disclosed in the Company’s Annual Report and Financial Statements.

Distribution Policy

The Company’s dividend policy is to pay two dividends per year, an interim dividend declared at the time that the half year results are announced, and a final dividend declared at the time that the annual results are announced. The final dividend will be subject to shareholder approval at the Annual General Meeting each year. The payment of dividends in accordance with this dividend policy is subject always to market conditions and the Company’s financial position and outlook.

ADMINISTRATION AND MANAGEMENT OF THE COMPANY

The AIFM, Company Secretary and Administrator

The AIFM is Franklin Templeton Investment Trust Management Limited, incorporated in Scotland with registered number SC460631 and having its registered office at 5 Morrison Street, Edinburgh, Scotland, EH3 8BH. The AIFM is also the Company Secretary and Administrator.

The main secretarial duties involve compliance with statutory and regulatory obligations which the Company must observe. All Directors have access to the advice of the Company Secretary, who is responsible for advising the Board on all governance matters. The appointment of the Company Secretary was discussed and approved by the Board and the secretarial activity is reviewed on an annual basis.

AIFM Fees

The current annual fee rate for the services provided by FTIS, including investment management, risk management, secretarial and administration services, is 1% of net assets up to £1 billion and 0.80% of net assets above £1 billion. The agreement between the Company and FTIS may be terminated by either party, given one year's notice, but in certain circumstances the Company may be required to pay compensation to FTIS of an amount up to one year's fee in lieu of notice. No compensation is payable if at least one year's notice of termination is given.

More details in respect of the management fee arrangements are given in the Annual Report and Audited Accounts which can be found at [TEMIT-Annual-Report-31-03-2021.pdf](#).

The Depository

J.P. Morgan Europe Limited performs the role of depository and JPMorgan Chase Bank performs the role of custodian. The agreements in place may be terminated by either party giving the other 90 days' notice.

The Auditor

Ernst & Young LLP, who registered office is at 1 More London Place, London, SE1 2AF, provides audit services to the Company, being appointed initially in 2019 and reappointed after it. The fees payable to the Auditor shall be determined by the Board.

The Registrar

Equiniti Limited, whose registered office is at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, UK, has been appointed as the Company's Registrar in UK and Computershare Investor Services Limited whose registered office is at 159 Hurstmere Road, Takapuna, Auckland 0622, New Zealand has been appointed as the Company's Registrar in New Zealand.

The Registrar's duties include the maintenance of the Company's register of shareholders and the processing of any transfer of shares. The fees payable to the Registrar shall be determined by the Board.

Delegations of functions by the AIFM

The role of investment management delegated to Templeton Asset Management Ltd ("TAML") and Franklin Templeton Investment Management Limited ("FTIML"). Portfolio managers from TAML and FTIML form part of the wider Franklin Templeton Emerging Markets Equity group ("FTEME").

Any conflicts of interest that may arise from such delegations are managed and resolved fairly, and in line with the Company's obligations to act in the best interests of shareholders.

SHAREHOLDER INFORMATION

Annual Report and Financial Statements

Copies of the Company's latest annual and interim reports may be accessed at www.temit.co.uk.

Publication of net asset values

The latest net asset value of the Company may be accessed via www.temit.co.uk. The Company also publishes its net asset values on a daily basis via a Regulatory Information Service.

Valuation Policy

The Company classifies its equity investments based on their contractual cash flow characteristics and the Company's business model for managing the assets. The Company's business is investing in financial assets with a view to profiting from their total return in the form of revenue and capital growth. This portfolio of financial assets is managed, and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided internally on that basis to the Company's Directors and other key management personnel. Equity investments fail the contractual cash flows test so are measured at fair value. Accordingly, upon initial recognition, all of the Company's non-current asset investments are held at "fair value through profit or loss". They are included initially at fair value, which is taken to be their cost excluding expenses incidental to the acquisition.

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

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

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

Historical performance of the Company

Details of the Company's historical financial performance are provided in the Company's annual reports and accounts and monthly factsheets, which are available at www.temit.co.uk.

Investors should note that past performance of the Company is not necessarily indicative of future performance. Investors may not get back the amount invested.

Purchases and sales of shares by investors

The Company's shares are admitted to the Official List of the UKLA and to trading on the main market of the London Stock Exchange. Accordingly, the Company's shares may be purchased and sold on the main market of the London Stock Exchange and New Zealand stock exchange. The Board monitors closely the discount and discusses discount strategy with the Manager and the Company's stockbroker at every regular Board meeting. The stockbroker provides a summary of the discount and market conditions to the Board and Manager at the close of each trading day in London.

Fair Treatment of Investors

The legal and regulatory regime to which the Company and the Directors are subject ensures the fair treatment of investors. The UKLA Listing Rules require that the Company treats all shareholders of the same class of shares equally.

In particular, as directors of a company incorporated in the United Kingdom, the Directors have certain statutory duties under the Companies Act 2006 with which they must comply. These include a duty upon

each Director to act in the way she or he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.
No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors.
The Company's ordinary shares rank equally.

Risk Management

The Board has carried out a robust assessment of the principal and emerging risks facing the Company. The risks are summarised in the Company's annual reports and accounts, which are available at www.temit.co.uk.

Key Information Document

A Key Information Document is available by visiting www.temit.co.uk.

Amendment of this document

When there is a material change to the information contained in this document, it shall be updated. Otherwise, it will be reviewed and updated annually.

Dated: 1 October 2021