

SHINING A LIGHT ON THE.....
Templeton Emerging Markets Investment Trust

AT A GLANCE

| Investment Objective |
|--|
| To provide long-term capital appreciation for its investors through investment in companies operating in emerging markets or whose shares are listed on the stock markets of such countries. Investment will generally be made directly in the stock markets of emerging countries and the funds of Company will normally be invested in equity investments. |

| | |
|----------------------------|---|
| Inception Date | 12 June 1989 |
| Fund Factsheet Link | http://tools.morningstar.co.uk/uk/cefreport/default.aspx?SecurityToken=FOGBR05WML%5D2%5D0%5DFCGBR%24%24ALL |

| Management | |
|---------------------|-------------------|
| Manager Name | Start Date |
| Chetan Sehgal | 1 February 2018 |
| Andrew Ness | 17 September 2018 |

| Investment Style Details | |
|------------------------------|--------------------|
| Equity Style | |
| Market Capitalisation | % of Equity |
| Giant | 67.13% |
| Large | 20.91% |
| Medium | 8.43% |
| Small | 2.94% |
| Micro | 0.59% |

| Top 10 Holdings | | |
|---|------------------------|--------------------|
| Total number of holdings | 82 | |
| Assets in Top 10 Holdings | 46.91% | |
| Name | Sector | % of Assets |
| Taiwan Semiconductor Manufacturing Co Ltd | Technology | 8.26% |
| Samsung Electronics Co Ltd | Technology | 7.64% |
| Tencent Holdings Ltd | Technology | 7.56% |
| Alibaba Group Holding Ltd ADR | Consumer Cyclical | 6.42% |
| ICICI Bank Ltd | Financial Services | 4.13% |
| NAVER Corp | Communication Services | 2.86% |
| Unilever PLC | Consumer Defensive | 2.64% |
| PJSC Lukoil ADR | Energy | 2.55% |
| Brilliance China Automotive Holdings Ltd | Consumer Cyclical | 2.46% |
| Itau Unibanco Holding SA ADR | Financial Services | 2.39% |

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| Volatility Measurements | |
|----------------------------|--------|
| 3-Yr Std Dev (volatility) | 15.05% |
| 3-Yr Mean Return (average) | 6.95% |

FUND PERFORMANCE

Performance from 1 January 2014 to 29 February 2020:

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------|---------|--------|--------|---------|--------|---------|
| Templeton Emerging Markets Investment Trust | 4.96% | -23.95% | 47.85% | 32.49% | -10.70% | 27.12% | -11.07% |
| iShares MSCI EM ETF | 2.62% | -11.15% | 33.56% | 24.43% | -9.25% | 12.62% | -8.23% |

Performance over 12 months, 3 years, 5 years and since fund manager inception.

| | 1 year | 3 years | 5 years | Since fund manager inception |
|---|--------|---------|---------|------------------------------|
| Templeton Emerging Markets Investment Trust | 3.28% | 22.35% | 44.81% | -3.44% |
| iShares MSCI EM ETF | -0.01% | 9.00% | 31.95% | -8.77% |

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

These updates have been written at the time of the Coronavirus Pandemic in 2020 which has impacted the global financial markets in a way that has never been seen before.

In the last update we discussed how the trust had gone through a period of underperformance and then a new team had come into place. It is still early days, but they have appeared to have been able to turn things around. The latest update was at a period of uncertainty and therefore much of this update will focus on that.

The discussion was again with Andrew Ness who started by saying this time will pass, things will recover but the environment will likely be different. They believe they have a strong emerging market team of over 80 people across 16 different time zones. In terms of the companies they invest in these are sound business models with sustainable earnings power.

They have seen some recovery over the last few days but during this time the index has moved + / - 4%, displaying extreme volatility. The fund has benefited from having exposure to gaming and tech companies but some exposures to banks have been hit. They have been adding to their higher conviction Brazilian Banks and IT holdings.

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They do not see many changes and believe most of the long-term holdings will remain. The focus is on what the world looks like after this in terms of supply chains and behavioural changes (the use of technology, online training etc).

China is the place to focus on - with a return to normality online spending is back up to normal levels, migration trends are picking up and manufacturing is expected to normalise. There are certain sectors which will take longer to recover, including home sales, car sales and travel. With no vaccine there is a risk that it starts to spike again.

The trust has minimal exposure to oil stocks although they continue to hold Lukoil, which they see as a strong business, with no debt and strong cashflow.

They expect a significant downgrade in earnings across many companies but see this as passing and that things will recover. The message remains that the world will be different and over the coming months it will be clearer as to what this will look like.

In summary, this is a brief overview reflecting the current uncertainty. The team remain positive and believe the fund is positioned well for the recovery when it comes.

The source of information in this note has been provided by Templeton and is correct as at March 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.