

**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.	

<b>Inception Date</b>	12 June 1989
<b>Fund Factsheet Link</b>	<a href="http://tools.morningstar.co.uk/uk/cefreport/default.aspx?SecurityToken=FOGBR05WML%5D2%5D0%5DFCGBR%24%24ALL">http://tools.morningstar.co.uk/uk/cefreport/default.aspx?SecurityToken=FOGBR05WML%5D2%5D0%5DFCGBR%24%24ALL</a>

Management	
<b>Manager Name</b>	<b>Start Date</b>
Chetan Sehgal	1 February 2018
Andrew Ness	17 September 2018

Investment Style Details	
<b>Equity Style</b>	
<b>Market Capitalisation</b>	<b>% of Equity</b>
Giant	73.60%
Large	16.08%
Medium	8.65%
Small	1.68%
Micro	0.00%

Top 10 Holdings		
<b>Total number of holdings</b>	79	
<b>Assets in Top 10 Holdings</b>	59.61%	
<b>Name</b>	<b>Sector</b>	<b>% of Assets</b>
Taiwan Semiconductor Manufacturing Co Ltd	Technology	11.99%
Samsung Electronics Co Ltd	Technology	11.27%
Alibaba Group Holding Ltd ADR	Consumer Cyclical	9.33%
Tencent Holdings Ltd	Communication Services	9.30%
NAVER Corp	Communication Services	4.19%
ICICI Bank Ltd	Financial Services	3.26%
Naspers Ltd Class N	Communication Services	3.19%
LG Corp	Technology	2.66%
Media Tek Inc	Technology	2.36%
Unilever PLC	Consumer Defensive	2.08%

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Volatility Measurements	
3-Yr Std Dev (volatility)	17.56%
3-Yr Mean Return (average)	11.68%

## FUND PERFORMANCE

Performance from 1 January 2016 to 28 February 2021:

	2016	2017	2018	2019	2020	2021
Templeton Emerging Markets Investment Trust	47.85%	32.49%	-10.70%	27.12%	17.09%	5.26%
iShares MSCI EM ETF	33.56%	24.43%	-9.25%	12.62%	14.69%	1.37%

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	38.60%	39.29%	175.08%	33.82%
iShares MSCI EM ETF	26.69%	17.70%	97.20%	15.58%

*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....

Templeton are pioneers in emerging markets helping to establish the asset class, and with over 30 years' experience. They have significant support behind them, with teams across 14 countries and over 80 investment professionals. The fund has had periods of underperformance but over the long term this continues to significantly outperform.

They look for those companies with sustainable earnings power at a discount to their intrinsic worth. As an overlay they have a long history of active engagement and EST integration. They have a more blended approach to enable the strategy to deliver returns across a value and growth driven market.

There are many outdated perceptions of emerging markets:

1. Emerging market institutions have made policy improvements that should contribute to increased resilience during times of stress – net cash positions, lower levels of debt and better capital discipline
2. The nature of emerging market economies has shifted towards domestic consumption and technology
3. Emerging market companies are leapfrogging established models through innovation and technology

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Effectively this is an area of high-quality growth stories and COVID has not changed this. In fact, this should continue and many of these economies have benefited. Emerging markets is not about materials, energy, and industrials, but consumer discretionary, consumer staples, IT and communication services.

It is worth adding that with COVID many of the economies have been less impacted, perhaps due to younger populations and less obesity. There has been little impact (if any) to the banking system, economies have less debt across household, company and sovereign and earnings have been more resilient. Added to this is that valuations are lower, and they will benefit from the general uplift in global growth.

There are many opportunities, including ecommerce, improving corporate governance, opportunities across market cap and premiumization. By active engagement they can get better outcomes for investors. They have made very few changes in the last 12 months as they invest in best ideas and this has really changed.

The portfolio is driven by stock selection and knowing the companies is important. They like family-owned businesses but will consider state owned where the outcome is aligned to investors. Types of companies they like include Apollo Hospital, who through digital innovation can provide medical expertise to a wider population, Flat Glass, a leading global company providing glass on solar panels and Lego Chem who are leading Korean Biotech company.

We talked about what changes investors perception of emerging markets and they think this will come. This time around, the world will see it come out stronger and more intact than in the past, and stronger and cheaper than many of their western counterparts. That should drive a rotation.

In summary, this is one of the leading emerging market teams and certainly a fund for consideration. Performance is strong and a blended approach helps in long term performance. There will still be some cross over with other strategies and this may be something to consider.

*The source of information in this note has been provided by Templeton and is correct as at March 2021. 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.*