

**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	64.60%
Large	23.31%
Medium	10.27%
Small	1.82%
Micro	0.00%

Top 10 Holdings		
<b>Total number of holdings</b>	75	
<b>Assets in Top 10 Holdings</b>	55.66%	
<b>Name</b>	<b>Sector</b>	<b>% of Assets</b>
Taiwan Semiconductor Manufacturing Co Ltd	Technology	12.35%
Samsung Electronics Co Ltd	Technology	9.89%
Alibaba Group Holding Ltd ADR	Consumer Cyclical	6.88%
Tencent Holdings Ltd	Communication Services	6.31%
ICICI Bank Ltd	Financial Services	5.09%
NAVER Corp	Communication Services	4.07%
Media Tek Inc	Technology	3.13%
PJSC Lukoil ADR	Energy	2.75%
Sberbank of Russia PJSC ADR	Financial Services	2.65%
China Merchants Bank Co Ltd	Financial Services	2.55%

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Volatility Measurements	
3-Yr Std Dev (volatility)	17.66%
3-Yr Mean Return (average)	10.56%

## FUND PERFORMANCE

Performance from 1 January 2016 to 30 November 2021:

	2016	2017	2018	2019	2020	2021
<b>Templeton Emerging Markets Investment Trust</b>	47.85%	32.49%	-10.70%	27.12%	17.09%	-6.40%
<b>MSCI EM NR USD</b>	32.63%	25.40%	-9.27%	13.86%	14.65%	-1.16%

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

	1 year	3 years	5 years	Since fund manager inception
<b>Templeton Emerging Markets Investment Trust</b>	-0.81%	35.14%	71.75%	18.99%
<b>MSCI EM NR USD</b>	3.63%	25.83%	48.77%	13.60%

*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 see themselves as long term focused, fundamental stock pickers, with a valuation discipline. They will not buy a stock at any price. They are looking for sustainable earnings and structural opportunities and aim to perform across different market environments. They have one of the largest emerging market teams which has meant that having people on the ground they have continued to be able to visit sites and do due diligence during COVID.

They take a long-term view of performance, although they are aware that in the short-term performance has dropped back. Some of the detractors to performance include China Brilliance, which suspended its shares in March 2021. They continue to monitor the business which is a joint venture with BMW.

Other stocks that have come under pressure are Alibaba and Tencent. Both are well diversified and resilient businesses with strong balance sheets, and they believe that the clamp down in China is coming to an end and these will re-rate. Although they are underweight China compared to the index, they have started to add on weakness of share prices.

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The strategy tends to invest across different industries and countries and so provides a well-diversified portfolio. They are overweight South Korea and Taiwan and are happy to back their convictions. Some of the largest holdings include TSMC, Samsung, Alibaba, Tencent and ICICI Bank. They have larger weights to semiconductors and technology hardware, which reflects their view that emerging market economies are moving to a more digitised environment.

They also hold emerging market banks as they see this is a play on the growth of the consumer as they move into the middle-income bracket.

They are cautiously optimistic about the future for emerging markets, with China coming to the end of the crackdown on different sectors, a drop in COVID mortality, and greater vaccination rollout. The volatility has created opportunities in share prices and they have been taking advantage of this.

The board recently approved a move for the trust to hold Pre-IPOs. They are not looking to be private equity type investors but only invest where there is a clear part and suitable attractive opportunities for investors.

We discussed the large holding in Samsung and the management. They explained that a lot has changed with the government pushing for more transparency and stewardship codes. There is also pressure from foreign investors and local investment houses, not just with Samsung but other large Korean firms. With Samsung they are seeing change to align with shareholders, and they believe this will lead to re-rating. Ultimately if things change then they will sell.

In summary, we continue to believe that this is one of the main emerging market funds for investors to consider. It is if anything a good benchmark when comparing to other strategies. We continue to hold on our watchlist.

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