Stock Exchange Announcement
Statement of Annual Results
TEMPLETON EMERGING MARKETS INVESTMENT TRUST PLC
("TEMIT" or "the Company")
Legal Entity Identifier 5493002NMTB70RZBXO96

Templeton Emerging Markets Investment Trust plc

Annual Report and Accounts to 31 March 2024

Introducing TEMIT

Launched in June 1989, Templeton Emerging Markets Investment Trust plc ('TEMIT' or the 'Company') is an investment trust that invests principally in emerging markets companies with the aim of delivering capital growth to shareholders over the long term. While the majority of the Company's shareholders are based in the UK, shares are traded on both the London and New Zealand stock exchanges. From its launch to 31 March 2024, TEMIT's net asset value ('NAV') total return was +4,155.4% compared to the benchmark total return of +1,752.0%.

The Company is governed by a Board of Directors who are committed to ensuring that shareholders' best interests, considering the wider community of stakeholders, are at the forefront of all decisions. Under the guidance of the Chairman, the Board of Directors is responsible for the overall strategy of the Company and monitoring its performance.

Financial highlights

	2024	2023	3 Years Cumulative	5 Years Cumulative	10 Years Cumulative
Net Assets Value Total Return (cum-income)[a]	**7.9%**	**0.8%**	**(10.0)%**	**23.4%**	**89.5%**
Share Price Total Return[a]	**4.9%**	**0.5%**	**(16.9)%**	**16.5%**	**84.7%**
MSCI Emerging Markets Index[a][b]	**5.9%**	**(4.9)%**	**(6.5)%**	**15.1%**	**76.5%**
Proposed Total Ordinary Dividend[c]	**5.00p**	**5.00p**			

(a) A glossary of alternative performance measures is included in the full Annual Report.
(b) Source: MSCI. The Company's benchmark is the MSCI Emerging Markets (Net Dividends) Index.
(c) An annual ordinary dividend of 5.00 pence per share for the year ended 31 March 2024 has been proposed. This comprises the interim dividend of 2.00 pence per share paid by the Company on 26 January 2024 and the proposed final dividend of 3.00 pence per share.

Strategic report

The Directors present the Strategic Report for the year ended 31 March 2024, which incorporates the Chairman's Statement, and has been prepared in accordance with the Companies Act 2006.

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed in their duty to promote the success of the Company for shareholders' collective benefit, and having regard for the interests of all stakeholders, by bringing together in one place key information about the Company's strategy, the risks it faces, how it is performing and the outlook.

Financial Summary
2023-2024

	Year Ended 31 March 2024	Year Ended 31 March 2023	Change
Net Asset Value Total Return (Cum-Income)[a]	7.9%	0.8%	
Share Price Total Return[a]	4.9%	0.5%	
MSCI Emerging Markets (Net Dividends) Index Total Return[a]	5.9%	(4.9)%	
Total Net Assets (£ millions)	2,034.9	2,017.5	0.9%
Net Asset Value (Pence per Share)	182.5	174.1	4.8%
Share Price (Pence per Share)	154.4	152.2	1.4%
Share Price Discount to Net Asset Value at Year End[a]	15.4%	12.6%	
Average Share Price Discount to Net Asset Value Over the Year[a]	13.9%	13.0%	
Ordinary Dividend[b] (Pence per Share)	5.00	5.00	
Revenue Earnings[c] (Pence per Share)	5.18	5.72	
Net Gearing[a]	0.0%	0.0%	
Ongoing Charges Ratio[a]	0.97%	0.98%	

Source: Franklin Templeton and FactSet.
(a) A glossary of alternative performance measures is included in the full Annual Report.
(b) An annual ordinary dividend of 5.00 pence per share for the year ended 31 March 2024 has been proposed. This comprises the interim dividend of 2.00 pence per share (2023: 2.00 pence per share) paid by the Company on 26 January 2024 and a proposed final dividend of 3.00 pence per share (2023: 3.00 pence per share).
(c) The revenue earnings per share figures are shown in the Statement of Comprehensive Income in the full Annual Report and Note 7 of the Notes to the Financial Statements.

10 year record
2014-2024

Year Ended	Total Net Assets (£m)	NAV[a] (Pence per Share)	Share Price[a] (Pence per Share)	Year-End Discount[b] (%)	Revenue Earnings[a] (Pence per Share)	Annual Dividend[a] (Pence per Share)	Ongoing Charges Ratio[b] (%)
31 March 2014	1,913.6	118.4	105.4	10.9	1.83	1.45	1.30
31 March 2015	2,045.0	128.2	111.2	13.3	1.86	1.65	1.20
31 March 2016	1,562.3	104.8	90.8	13.4	1.41	1.65	1.22
31 March 2017	2,148.1	152.6	132.3	13.3	1.32	1.65	1.20
31 March 2018	2,300.8	169.2	148.6	12.2	3.18	3.00	1.12
31 March 2019	2,118.2	168.5	153.2	9.1	3.45	3.20	1.02
31 March 2020	1,775.7	146.5	131.4	10.3	4.88	3.80[c]	1.02

31 March 2021	2,591.3	219.4	202.4	7.7	5.73	3.80[c]	0.97
31 March 2022	2,100.4	178.2	156.4	12.2	3.44	3.80	0.97
31 March 2023	2,017.5	174.1	152.2	12.6	5.72	5.00	0.98
31 March 2024	2,034.9	182.5	154.4	15.4	5.18	5.00[d]	0.97

Source: Franklin Templeton and FactSet.

(a) Comparative figures for financial years 2014 to 2021 have been retrospectively adjusted following the sub-division of each existing ordinary share of 25 pence into five ordinary shares of 5 pence each on 26 July 2021.

(b) A glossary of alternative performance measures is included in the full Annual Report.

(c) Excludes the special dividend of 0.52 pence per share for the year ended 31 March 2020 and the special dividend of 2.00 pence per share for the year ended 31 March 2021.

(d) An annual ordinary dividend of 5.00 pence per share for the year ended 31 March 2024 has been proposed. This comprises the interim dividend of 2.00 pence per share paid by the Company on 26 January 2024 and a proposed final dividend of 3.00 pence per share.

Chairman's statement

'Over the year under review, our Investment Managers produced a commendable +7.9% NAV total return, which was 2.0 percentage points higher than the benchmark index.'

Angus Macpherson
Chairman

It is a great pleasure to deliver to you my first statement since assuming the role of Chairman in January. All of the Board members would like to thank my predecessor Paul Manduca for his excellent contribution in leading the Board and steering the Company over the last nine years. We wish Paul well in his current and future endeavours.

I have been involved with emerging markets for most of my career. During that time, I have considered Templeton Emerging Markets Investment Trust, your Company, as a pioneer of the asset class and the most widely recognised and admired investment vehicle of its type. Its achievements speak for themselves: from its launch 35 years ago, it has provided a NAV total return of +4,155.4% compared to a benchmark total return over the same period of only +1,752.0%.

At the moment, some of the forces that drove this performance - globalisation, free trade and geopolitical stability following the fall of the Berlin wall - are under threat. China, the largest and most successful emerging market, is a cause of increasing alarm to western governments. This has translated into less compelling returns for the asset class. Since 2000 emerging market equities have returned more to shareholders than world stock markets overall, but most of that outperformance occurred in the first decade of the 21st century and in the most recent ten years this trend has reversed.

Your Manager and Board are optimistic about emerging markets in the longer term but acknowledge that significant challenges are adversely impacting the appetite of investors for emerging market equities as an asset class at this time.

Performance[a]

Over the year under review, our Investment Managers produced a commendable +7.9% NAV total return, which was 2.0 percentage points higher than the benchmark index.

The share price performance of the Company did not reflect this positive performance, delivering a total return of only +4.9%, as the discount the shares trade to their underlying net asset value widened from 12.6% to 15.4%. We believe that this mainly reflects investor appetite for emerging markets.

(a) See Glossary of Alternative Performance Measures in the full Annual Report.

Share price rating

This discount is extremely unsatisfactory and of considerable concern to the Board. Your Company is not alone in experiencing such a discount: at the end of March 2024 the average investment trust discount was 15.6%, compared with 3.2% three years previously[b]. This does not alter the fact that investors have recently only been willing to buy £1 of emerging market equities for around 85p. While the cause is evidently a lack of buyers for the Company's shares, the solution is harder to achieve.

(b) Source: Winterflood (data provided by Refinitiv).

The Board believes that there are three important factors which can narrow the discount: renewed investor enthusiasm for emerging market equities after a period in the doldrums (investor psychology is notoriously cyclical); a company structure with investment performance that makes it attractive relative to other investment vehicles; and an enhanced profile through marketing that increases awareness amongst new investors.

Two of these three factors, the performance of the Company and its marketing efforts, have been strong. The Portfolio Managers, Chetan Sehgal and Andrew Ness, have delivered outperformance. This year, the Company received an Income and Growth award rating from Kepler Investment Trust Intelligence. Kepler's annual ratings are intended to highlight investment trusts that have demonstrated attractive and consistent performance over the long term, using the unique advantages of the investment trust structure to benefit shareholders.

Our Manager has also been active in promoting TEMIT's shares to existing and potential investors via a variety of traditional and online channels. In recent years they have made great advances particularly in digital marketing. Additionally, our Portfolio Managers participate in a range of activities, including presentations to investor groups and meetings with key journalists. The Board was pleased again to be recognised by the AIC in its awards for shareholder communication in September 2023, for the second consecutive year.

So the missing factor to a natural and positive re-rating for our shares is a return to favour for emerging markets more generally. We cannot influence this but our objective is to continue to lay the foundations through appropriate structural mechanisms, strong performance and ongoing marketing, so that the Company can enjoy the benefit of buying interest when sentiment towards emerging markets improves.

Shareholder returns

There are a number of levers at the disposal of the Board which have been put in place to make the shares of the Company relatively more attractive: a commitment to at least maintain the dividend; a share buyback programme for up to £200.0 million; a further conditional tender offer; and amendments to the Company's management fee arrangements.

Dividends

An interim dividend of 2.00 pence per share was paid at the half year stage and the Board is proposing an unchanged final dividend of 3.00 pence per share, taking the total for the year to 5.00 pence per share. The proposed full year dividend yield will amount to 3.2%, based on the share price as at 31 March 2024. This compares with net revenue earnings for the year under review of 5.18 pence per share, which was a little lower than the preceding year.

Over the course of the last five years, including this year's proposed final dividend, the Company has paid aggregated dividends[a] of £249.0 million or 23.92 pence per share to shareholders. Over five years, we will then have returned circa 15.6% of the share price on 31 March 2019 to shareholders in dividends.

(a) Includes special dividends of 0.52 pence per share for the year ended 31 March 2020 and 2.00 pence per share for the year ended 31 March 2021 which related respectively to an extraordinary distribution from Brilliance China Automotive and a tax reclaim.

The Company has accumulated significant distributable reserves over the years and the Board intends to at least maintain the dividend at the current level of 5.00 pence per share for next five years and will, if necessary, use reserves to do so. This equates to a total minimum distribution over the next five years of £278.7 million on the basis of the number of shares in issue as at 31 March 2024, and equivalent to 16.2% of the Company's market capitalisation as at 31 March 2024.

Share buybacks

The Board does not believe that share buybacks narrow the discount to NAV in anything other than the short term. However, the Board remains steadfast in its view that share buybacks are important in providing liquidity to shareholders and enhancing returns. In the Board's view an investment manager needs a very high level of conviction to purchase a new holding when shares of the Company can be purchased at a wide discount to NAV. In total over the last year, £65.9 million was allocated to share buybacks, representing 3.8% of the outstanding share capital. All buybacks were executed at a discount to the prevailing NAV and this resulted in an increase in the NAV of 0.54% to the benefit of continuing shareholders.

Over the past five years, the Company has purchased 142.3 million[a] shares for £218.2 million. In aggregate these share buybacks resulted in an increase in the NAV of 1.5% to the benefit of continuing shareholders.

(a) Adjusted for the sub-division of each share into five shares on 26 July 2021.

In view of the wide discount that the shares are trading to their underlying NAV the Board has decided that it will substantially increase the rate of share buybacks and, if the discount persists, intends to repurchase up to £200.0 million of shares at open market value over the next 12 to 24 months and continue at a suitable rate as required thereafter. This should enhance returns for continuing shareholders and provide improved liquidity for those wishing to realise their investment.

Conditional tender offer

31 March 2024 also marked the point at which we measured performance over five years for our conditional tender offer. In 2019, the Board announced that if the NAV total return over five years did not exceed that of the benchmark index, then the Company would implement a conditional tender offer for up to 25% of the issued share capital at a price equal to the net asset value less two per cent (less the costs of the tender offer). The Board is pleased to report that the NAV total return over the period was +23.4%, which was 8.3 percentage points higher than that of the benchmark index, representing annualised outperformance of over 1.6% per annum. As a result, the conditions for triggering the tender offer were not met.

The Board and Manager believe in active management to generate excess return. As a consequence, we have decided to offer a new conditional tender. If over the five-year period from 31 March 2024 to 31 March 2029 the Company's net asset value total return fails to exceed the benchmark total return then the Board will put forward proposals to shareholders to undertake a tender offer for up to 25 per cent of the outstanding share capital at the discretion of the Board. Any such tender offer will be at a price equal to the then prevailing net asset value less two per cent (less the costs of the tender offer). As with the previous conditional tender offer, any tender offer will also be conditional on shareholders approving the continuation vote in 2029 and would take place following the Company's 2029 annual general meeting ('AGM').

Fees

The Board recognises the commitment of its Manager to provide on-the-ground presence across global emerging markets. It also recognises the industry-wide pressure on management fees. The Board's measured response is a phased change in fees between now and mid-2026.

Current fee rates:

- 1% of the first £1 billion of net assets;
- 0.75% of net assets between £1 billion and £2 billion; and
- 0.5% of net assets over £2 billion.

With effect from 1 July 2024 and 1 July 2025, the middle rate band for net assets between £1 billion and £2 billion will reduce to 0.7% and then 0.6% respectively.

With effect from 1 July 2026:

- 1% of the first £1 billion of net assets;
- 0.5% of net assets over £1 billion.

Based on the current net asset value of approximately £2 billion, this will result in the blended fee rate reducing from approximately 0.875% today to 0.75% in 2026.

Over the last five years in aggregate £467.2 million has been returned to shareholders through dividends and share buybacks, some 22.1% of net assets at the start of the five-year period. If the tender offer had been triggered and taken up this would have risen to £965.7 million or the equivalent of some 45.6% of net assets at the start of the period.

Going forward, we believe that the Investment Managers are well positioned to deploy capital in emerging market equities to the benefit of Company shareholders. The Board believes that the measures announced above represent an even greater commitment over the next five years to underpin the returns to shareholders through dividends, a more aggressive buyback programme, a new conditional tender offer, and lower fees.

Gearing

The Board believes that gearing is one of tools that closed ended investment vehicles like TEMIT can use to differentiate themselves from open ended vehicles. At times of high conviction market exposure can be increased through increasing gearing. The Board is currently reviewing our approach to gearing with Franklin Templeton. Historically, TEMIT had two facilities: a fixed rate loan of £100.0 million at an attractive rate of interest which is set to mature in January 2025 and a £120.0 million revolving credit facility. When the latter facility matured in January 2024 the Board opted not to renew it because at the time the Investment Managers were not using the facility and interest rates had risen substantially since the facility was first set up. The Board and Investment Managers are exploring alternative forms of gearing such as Contracts for Difference and other derivatives. We will communicate with shareholders when this review is concluded.

Stewardship

Since TEMIT was launched in the late 1980s, our Investment Managers have had a strong focus on the corporate governance of investee companies, which we believe has helped many companies to understand and attract international investors. Details of the Investment Managers' process are included in the full Annual Report, along with a summary of the approach to Environmental, Social and Governance ('ESG') considerations. While sustainability has garnered increasing attention in recent years, it has always represented one element of a multi-faceted investment process. To comprehensively illustrate the wide range of analysis and activities undertaken, two years ago the Investment Managers started to produce an annual dedicated Stewardship Report for TEMIT, and this initiative continues to receive a favourable response from shareholders and industry experts. This year's report was published simultaneously with this Annual Report and is available to download at www.temit.co.uk.

The Board

Following my appointment the Board comprises four men and two women, a composition that we recognise falls below best practice in gender diversity. We intend to address this as Directors retire in due course, prioritising the enhancement of the Board's diversity while remaining attentive to the best interests of our shareholders. Our aim is to ensure that the Board maintains a robust blend of skills, knowledge, and experience.

Annual General Meeting and continuation vote

I am pleased to extend an invitation to all shareholders to join us for our AGM on 11 July 2024 at Stationers' Hall in London. We look forward to welcoming those shareholders who are able to come to the meeting.

The Company's Articles of Association stipulate that the Board must seek shareholders' approval every five years for its continuation, and a continuation vote is scheduled for this year's AGM. This vote coincides with the 35th anniversary of TEMIT's launch. As mentioned in the discussion of the conditional tender offer above, performance over the last five-yearly cycle has been strong. Furthermore, over the 35 years since TEMIT's inception returns have been exceptional. The NAV total return has been over 40-fold, compared with a 17-fold return for our benchmark index. In light of the long-term track record and the strength of the investment management team, the Board unanimously recommends that shareholders vote in favour of continuation.

Whether you intend to attend the meeting in person or not, you are strongly encouraged to submit your votes on the AGM resolutions in advance of the meeting. Submitting votes by proxy does not preclude you attending the meeting or changing your vote if you do subsequently decide to attend the AGM. If you have any questions, please send these by email to temitcosec@franklintempleton.com or via www.temit.co.uk./investor/contact-us in advance of the meeting. You are also welcome to use these contact details should you have a question at any other time. Any questions that we receive will be considered and, if appropriate, responses will be provided on our website www.temit.co.uk.

Outlook - risks and opportunities

While there has been a significant deterioration in the geopolitical environment, the Board considers that the equity markets in which TEMIT invests are less expensive than those of developed markets, while the prospects for economic growth in emerging markets are superior. Those two factors should make emerging market equities very appealing for long-term investment.

The most immediate challenge is China, which is around 25% of our benchmark index. The combination of increasing tensions with the US, changes in domestic policy and the poor performance of the Chinese economy are together causing concerns about the wisdom of investment in China.

Given the significant exposure of our portfolio to China the Board met in China and Hong Kong in March 2024 with some of the analysts who assist our Portfolio Managers. Franklin Templeton has extensive and impressive research resources in the region and provided the Board with deep insights into the range of investment opportunities that they are considering. The Investment Managers' view, which we share, is that while these risks are very real, asset prices are substantially discounted for them.

Additionally, the Board and Investment Managers believe that China is probably too integrated into the global economy for economic sanctions to profit any party. However, the risks, while remote, are large and it would be imprudent to ignore them.

At the point investors perceive these risks to have moderated, it is reasonable to assume that shareholders will once again be rewarded with the returns they used to earn from investing in the most exciting, fastest growing economies in the world.

Angus Macpherson
Chairman

7 June 2024

The investment managers

TEMIT's Investment Management is delegated to Franklin Templeton Investment Management Limited ('FTIML') and Templeton Asset Management Ltd ('TAML') (together, the 'Investment Managers'). Portfolio Managers from FTIML and TAML form part of the wider Franklin Templeton Emerging Markets Equity group ('FTEME'). FTEME have managed the portfolio since TEMIT's inception and are pioneers in emerging markets equity investing. They bring more than 35 years of experience and local knowledge from over 70 investment professionals, based in 14 countries around the world.

The team has a collaborative investment process where all analysts and portfolio managers work together to contribute to investment returns. They meet regularly, both formally and informally, to debate and exchange ideas, investment themes and enrich their understanding of the markets by drawing on local insights to build a global perspective and context to their thinking. They also benefit from the broader resources available throughout Franklin Templeton.

The Portfolio Managers for TEMIT, Chetan Sehgal (lead) and Andrew Ness, are senior executives in FTEME.

Portfolio Managers

Chetan Sehgal
CFA

Chetan is the lead Portfolio Manager of TEMIT and is based in Singapore.

As part of his broader responsibilities within FTEME, Chetan is also the director of portfolio management. In this capacity, he is responsible for the overall Global Emerging Markets strategies, providing guidance and thought leadership, co-ordinating appropriate resources and coverage, and leveraging the group's expertise to add value across products within the strategies.

Chetan joined Franklin Templeton in 1995 from Credit Rating Information Services of India Ltd, where he was a senior analyst.

Chetan holds a B.E. Mechanical (Hons) from the University of Bombay and a postgraduate diploma in Management from the Indian Institute of Management in Bangalore, where he specialised in finance and business policy and graduated as an institute scholar. Chetan speaks English and Hindi and is a Chartered Financial Analyst ('CFA') Charterholder.

Andrew Ness
ASIP

Andrew Ness is a Portfolio Manager of TEMIT and is based in Edinburgh.

Prior to joining Franklin Templeton in September 2018, Andrew was a Portfolio Manager at Martin Currie. He began his career at Murray Johnstone in 1994 and worked with Deutsche Asset Management in both London and New York before joining Scottish Widows Investment Partnership in 2007.

Andrew holds a B.A. (Hons) in Economics and an MSc in Business Economics from the University of Strathclyde in the UK. He is an Associate Member of the UK Society of Investment Professionals and a member of the CFA Institute.

The investment managers' report

Review of performance[a]

Emerging markets advanced over the 12 months ended 31 March 2024. The macroeconomic environment, however, has been challenging, given ongoing geopolitical conflicts and high interest rates. The information technology sector was one of the key drivers of returns during the period, led by expectations of a recovery in demand. The emergence of widely-available artificial intelligence ('AI') has been a catalyst for growth in certain segments of the emerging markets economies such as South Korea and Taiwan. The MSCI Emerging Markets Index returned +5.9% for the 12-month period under review, while TEMIT delivered a net asset value total return of +7.9% (all figures are net total return in pounds sterling)[b]. Full details of TEMIT's performance can be found in the full Annual Report.

(a) All benchmark performance as per the MSCI Emerging Markets (Net Dividends) Index.
(b) See Glossary of Alternative Performance Measures in the full Annual Report.

By region, emerging markets in Latin America produced positive returns and, overall, fared better than markets in Asia and EMEA (Europe, the Middle East and Africa). Latin America saw an improvement in its general economic environment, giving rise to interest-rate cuts by central banks. Equities in the EMEA region also rose. While higher oil prices, driven by supply concerns, provided some support to Middle Eastern equities, concerns about the Israel-Hamas conflict and a higher-for-longer interest-rate environment in the United States limited gains. Emerging market Asia also advanced, but at a much slower pace than its above-mentioned peers. A slower-than-expected recovery in the information technology sector featured for most of 2023, impacting the technology-heavy countries of South Korea and Taiwan, but optimistic growth projections due to AI spurred investor interest. India logged gains amid improving macroeconomic indicators and robust corporate earnings, but concerns over China's recovery continued to weigh on the region.

China/Hong Kong

TEMIT's largest allocation by country was in stocks listed in China or Hong Kong, although the allocation was lower than the proportion of China/Hong Kong in the benchmark index. Chinese equities fell by almost 19% in sterling terms over the 12-month period. Concerns about the country's slow consumption recovery and geopolitical tensions between China and the West impacted investor sentiment. Its property sector woes, plagued by liquidity worries and a lack of demand, also featured heavily during the reporting period. A downgrade of China's credit outlook and lack of strong stimulus from the China Economic Work Conference and National People's Congress pressured Chinese equities further. Government efforts to stabilise the equity markets and regulatory intervention to shore up investor sentiment were insufficient to reverse the losses that the Chinese equity market had suffered. While being alert to the risks of investing in China we do, however still see the potential for positive returns in China and opportunities in Chinese equities. In particular the internet industry, to which the portfolio has sizeable exposure, has adjusted to the new operating environment as China eased its regulatory crackdown on the industry. The potential for the Chinese government's policies to support their economy is now more evident, and we believe that this may be a driver of performance.

South Korea

TEMIT's second-largest market position was South Korea, where the portfolio had a higher allocation than the benchmark. South Korean equities rose by more than 11% during the reporting period, as the technology-heavy market's earlier struggles due to weakening demand for technology products were quickly overturned by a rally in the information technology sector. Expectations of a recovery in the semiconductor cycle and an improving outlook for technology stocks, particularly from increased interest and enduring optimism around AI, propelled gains. A short-selling ban and the country's Corporate Value-Up Programme, which plans to encourage and support companies to return more capital to shareholders and improve governance to reduce the valuation discount for South Korean companies, also supported the outperformance of the country's equity market. South Korea is less exposed to geopolitical risks as compared to China, and the country is home to several companies that are broadly expected to benefit from the secular trends of digitalisation and decarbonisation, such as technology-related companies, and firms in the value chain of electric vehicle ('EV') production.

Taiwan

The Taiwanese market also performed well, ending the reporting period with a gain of more than 25%. The technology-heavy and export-oriented country experienced a recovery in its technology exports, which lifted performance together with AI-induced growth expectations. However, Taiwan's central bank went against global trends and raised benchmark interest rates in March 2024. TEMIT's allocation to Taiwan is marginally higher than the benchmark, with a difference of less than 1%. The portfolio's exposure to the country is largely attributable to its semiconductor industry and TEMIT's largest portfolio holding, Taiwan Semiconductor Manufacturing Company ('TSMC'). Besides being an essential component of electronic devices used in various sectors and industries, the emergence of AI should drive further demand for TSMC's advanced chips. We maintain a positive long-term view on Taiwan's semiconductor industry.

India

India was TEMIT's fourth-largest exposure at the end of March 2024. Indian equities rose by nearly 34% over the 12-month period, benefitting from reducing inflation, improving economic indicators and strong corporate earnings. Favourable results for the incumbent government in state elections and expectations of relatively high gross domestic product ('GDP') and corporate earnings growth also boosted the country's equity market. India has two growth drivers: strong domestic consumption and infrastructure investments. While higher energy prices remain a risk to India's near-term outlook, the diversification of its power sources should eventually ease pressure from imported energy and inflation in the long term. India also stands to benefit from rising geopolitical tensions, where the United States, the European Union and Japan are adopting a 'derisking' strategy by realigning their supply chains and strengthening bilateral relations with their allies. India is itself a solution to manufacturers in developed markets seeking to diversify their supply chains, underpinned by its sizeable and youthful population and positive government policies leading to infrastructure investments (thus attracting more foreign direct investments).

Brazil

Equities in Brazil experienced some volatility within the 12 months under review but ultimately finished the reporting period with gains of more than 24%. For the first six months of the period, Brazilian equities reacted favourably to improvements in the country's macroeconomic environment, where inflation reached a new 12-month low and the country experienced stronger-than-expected GDP growth. While these two datapoints continued to improve thereafter, the country's inflation rose slightly more than consensus expectations in February 2024, and sequential GDP growth in the last quarter for 2023 stagnated. However, the Brazilian government displayed confidence in the country's macroeconomic outlook, expecting economic growth to exceed 2% in 2024 with inflation moderating to the midpoint of the central bank's target range. The approval of the country's new fiscal framework and the subsequent commencement of the central bank's interest rate easing cycle overcame some negativity stemming from concerns about changes to the country's taxation regulations, which could potentially impact corporate earnings. Interest-rate cuts also helped to drive the performance of the country's equity market.

Investment strategy, portfolio changes and performance attribution

The following sections show how TEMIT's exposure to individual stocks, to regions and to countries accounted for its investment performance over the period. We continue to emphasise that our investment process selects companies based on their individual attributes and ability to generate risk-adjusted returns for investors, rather than taking a high-level view of sectors, countries, or geographic regions to determine our investment allocations.

Our investment style is centred on finding companies with sustainable earnings power and whose shares trade at a discount relative to their intrinsic worth and to other investment opportunities in the market. We also pay close attention to risks.

We continue to utilise our research-based and active approach to help us to find companies that have high standards of corporate governance, respect their shareholders and also allow us to understand the local intricacies that may determine consumer trends and habits. Utilising our large team of analysts, we aim to maintain close contact with the board and senior management of existing and potential investments and believe in engaging constructively with our investee companies.

All of these factors require us to conduct detailed analyses of potential returns versus risks with a time horizon of typically five years or more.

Our well-resourced, locally based teams remain a key competitive advantage. This local presence allows us to understand business models, competitive dynamics, and supply chain issues. We have also managed to get insights into regulatory conversations and management capabilities, which are factored into our analysis. We view our locally based teams, which are armed with vast knowledge of the respective countries' macroeconomic issues and views on the ground as vital sources of input into the investment process. This complements our global presence, which allows us to analyse short-term uncertainties and determine if these are reflective of cyclical or structural trends.

In the portfolio, we remain positioned in long-term growth themes including consumption of premium goods and services and the use of digital devices, health care and technology. We focus on companies reflecting our philosophy of owning good quality businesses, with long-term sustainable earnings power and share prices at a discount to intrinsic worth. We see high levels of leverage as a risk and continue to avoid companies with weak balance sheets.

Performance Attribution Analysis %

Year to 31 March

	2024	**2023**	**2022**	**2021**	**2020**
Net Asset Value Total Return[(a)]	7.9	0.8	(17.3)	54.5	(11.2)
Expenses Incurred	1.0	1.0	1.0	1.0	1.0
Gross Total Return[(a)]	8.9	1.8	(16.3)	55.5	(10.2)
Benchmark Total Return[(a)]	5.9	(4.9)	(7.1)	42.3	(13.5)
Excess return[(a)]	**3.0**	**6.7**	**(9.2)**	**13.2**	**3.3**
Stock Selection	0.3	7.3	(10.2)	6.0	(2.0)
Sector Allocation	2.1	(0.4)	0.8	6.5	3.3
Currency	0.3	(0.2)	0.2	0.6	1.8
Share Buyback Impact	0.5	0.2	0.0	0.3	0.4
Residual Return[(a)]	(0.2)	(0.2)	-	(0.2)	(0.2)
Total Contribution	**3.0**	**6.7**	**(9.2)**	**13.2**	**3.3**

Source: FactSet and Franklin Templeton.
(a) A glossary of alternative performance measures is included in the full Annual Report.

This table sets out the results of a detailed analysis of the returns produced by the TEMIT portfolio, how this compares with the theoretical returns available from the benchmark index and factors affecting the comparison with the returns of the benchmark index.

Top 10 Contributors and Detractors to Relative Performance by Security (%)[(a)]

	Top Contributors	**Contribution to portfolio relative to MSCI Emerging Markets Index**	**Top Detractors**	**Contribution to portfolio relative to MSCI Emerging Markets Index**
Overweight (TEMIT holds more than the index weight)	TSMC	1.3	Guangzhou Tinci Materials Technology	(1.2)
	Petroleo Brasileiro	1.3	Alibaba	(1.0)
	Samsung Life Insurance	1.1	WuXi Biologics	(0.8)
	MediaTek	0.8	Samsung SDI	(0.7)
	Brilliance China Automotive	0.8	Genpact	(0.6)
	Zomato	0.7	Prosus	(0.6)

	Itaú Unibanco	0.6	One97 Communications	(0.5)
	ICICI Bank	0.6	Baidu	(0.5)
	Techtronic Industries	0.5	Daqo New Energy	(0.5)
			NAVER	(0.4)
Underweight (TEMIT has no holding or a holding smaller than the index weight)	POSCO	0.8		

(a) For the period 31 March 2023 to 31 March 2024.

This table sets out the results of a detailed analysis of the returns produced by individual securities in the TEMIT portfolio, and how this has affected the overall returns produced by the portfolio compared with theoretical returns available from the benchmark index.

TSMC is the world's largest semiconductor foundry company. Its chips are used in a wide variety of solutions including personal computers, automotive and industrial equipment, and smartphones. An optimistic outlook coupled with in-line or better-than-expected sales and earnings data released during the period supported TSMC's share price. Expectations of healthy revenue growth driven by demand from AI applications, as well as recovery in the demand for smartphones and personal computers, further supported sentiment in the stock.

Finishing higher over the 12-month period were the shares of **Petroleo Brasileiro ('Petrobras')**. Its shares generally remained on an upward trend over most of the period. The company announced a new shareholder return policy and raised gasoline and diesel prices, which alleviated some investor concerns regarding its capital allocation and pricing policy. An increase in crude oil prices and improving investor confidence regarding policy risks continued to support its share price well. However, dividends in March 2024 missed consensus expectations, which led to a moderate fall in the share price. We continue to favour Petrobras in the oil and gas industry, given its large cash generation and high dividend yields.

The shares of **Samsung Life Insurance** also performed well over the period, logging most of its gains in the first quarter of 2024. Samsung Life Insurance is the leading life insurance company in South Korea and owns a meaningful stake in Samsung Electronics. Its share price rallied in the latest quarter amid the country's Corporate Value-Up Programme and hopes that this would lead to better shareholder return policy.

Guangzhou Tinci Materials Technology, a China-based producer of electrolytes for EV batteries, saw its stock price fall over the period. Earnings for the company have been impacted due to an oversupply in the industry and declining lithium prices. Slower growth in EV demand as well as an increase in industry capacity for electrolytes have led to higher competition for the company. The company remains among the lowest cost producers in the industry.

The shares of **Alibaba**, a Chinese e-commerce company, also declined and rendered it a key detractor. Investor concerns about a slower demand recovery, higher competition, and the lack of strategic clarity after the company cancelled and/or delayed plans for a spinoff and initial public offering ('IPO') of some of its key businesses drove its share price lower. While the stock has seen significant derating over the past couple of years, the company continues to generate significant cash flows. The company has a strong buyback policy and we expect returns from here to be supported by such corporate actions.

WuXi Biologics is a Chinese specialist biotechnology contract development and manufacturing organisation. The share price declined in the later part of last year after the company made a downward revision to its guidance. The release of a draft US Senate bill, which aims to sanction WuXi AppTec (not a portfolio holding) and related companies led to a further decline in the share price. The company has denied the allegations and is engaging with various stakeholders. While there is uncertainty, we believe there is a pathway to avoid sanctions and are engaged with the company.

Contributors and Detractors to Relative Performance by Sector (%)[a]

	Top Contributors	Contribution to portfolio relative to MSCI Emerging Markets Index	Top Detractors	Contribution to portfolio relative to MSCI Emerging Markets Index
Overweight (TEMIT holds more than the index weight)	Information Technology	1.5	Health Care	(0.4)
	Communication Services	0.4		
	Financials	0.3		
	Industrials	0.1		
Underweight (TEMIT has no holding or a holding smaller than the index weight)	Energy	0.6	Utilities	(0.3)
	Real Estate	0.2	Materials	(0.1)
	Consumer Discretionary	0.1		
	Consumer Staples	0.0		

(a) For the period 31 March 2023 to 31 March 2024.

This table sets out the results of a detailed analysis of the returns produced by the industrial sectors of the holdings in the TEMIT portfolio, and how this has affected the overall returns produced by the portfolio compared with theoretical returns available from the benchmark index.

A favourable overweight allocation in the **information technology** sector added to TEMIT's performance relative to its benchmark index during the 12-month period under review. TSMC (described above) and MediaTek (a Taiwan-based chip designer for smartphones and other technology devices) are examples of companies that aided relative returns. Holdings in the **energy** sector were also a source of TEMIT's outperformance of its benchmark, with Petrobras providing notable strength within the sector. Stock selection in the **communication services** sector also contributed to relative results.

In contrast, holdings in the **materials, health care and utilities** sectors detracted from relative performance, alongside an underweight allocation in utilities and materials. While the weakness in the materials sector was largely due to an overweight allocation in Guangzhou Tinci (described above), a weak property market in China also affected several related China-based portfolio holdings such as Beijing Oriental Yuhong Waterproof Technology, a producer of waterproof materials and engineering solutions used in real estate and China Resources Building Materials Technology, which is engaged in the production and sales of cement and aggregates. In the health care sector, WuXi Biologics was a key laggard (described above).

Contributors and Detractors to Relative Performance by Country (%)[a]

	Top Contributors	Contribution to portfolio relative to MSCI Emerging Markets Index	Top Detractors	Contribution to portfolio relative to MSCI Emerging Markets Index
Overweight (TEMIT holds more than the index weight)	Taiwan	2.2	United States	(0.4)
	South Korea	1.8	Cambodia	(0.2)
	Brazil	1.4		

	Russia	0.4		
Underweight (TEMIT has no holding or a holding smaller than the index weight)	South Africa	0.2	India	(2.4)
			Poland	(0.3)
			China/Hong Kong	(0.2)

(a) For the period 31 March 2023 to 31 March 2024.

This table sets out the results of a detailed analysis of the returns produced by the country of risk of the holdings in the TEMIT portfolio, and how this has affected the overall returns produced by the portfolio compared with theoretical returns available from the benchmark index.

By markets, holdings in **Taiwan, South Korea and Brazil** were beneficial, adding on to the positive contribution from overweight allocations. Once again, TSMC and MediaTek aided relative returns in Taiwan. While Samsung Life Insurance provided great support to South Korea's relative performance, steel product manufacturer POSCO played a supporting role. POSCO's share price rallied amid investor optimism about the company's increased longer-term targets for its battery materials business. In Brazil, besides Petrobras, retail-focused bank Itaú Unibanco also helped relative performance due to financial results that were generally in-line or exceeded consensus expectations for its first to third fiscal quarters of 2023.

Russia also contributed to relative returns. All Russian securities have been valued at zero since 4 March 2022. However, during the first six months of the financial year, an opportunity arose to dispose of TEMIT's holding in Yandex (Russia's largest search engine, which also offers a wide range of other online services in areas such as e-commerce) via an over-the-counter trade, which led to Russia being a top contributor to relative performance. The two remaining Russian securities, LUKOIL and Sberbank of Russia, continue to be fair valued at zero throughout the year.

Conversely, **India** was the top detractor from relative returns due to a combination of stock selection and an underweight exposure. Financial companies such as One97 Communications and HDFC Bank were among reasons for the relative underperformance. Guangzhou Tinci, Alibaba, and WuXi Biologics (all discussed above) were large drags on returns in **China**. An off-benchmark allocation in the **United States** dragged performance lower by a decline in the share price of Genpact, a US-listed technology services company that derives much of its earnings from services provided from India.

Top 10 Holdings
As at 31 March 2024

	Portfolio		Benchmark	Over/(Under)
Holding	**£'000**	**%**	**%**	**weight %**
TSMC[(a)] TSMC is the world's largest semiconductor foundry company based in Taiwan. The emergence of AI and expectations of a recovery in the demand for technology products contributed to a turnaround in TSMC's stock price. Driven by structural growth in demand for computing and the company's technology leadership, we remain confident in the resilience of the TSMC business model.	252,050	12.6	8.3	4.3
Samsung Electronics	133,737	6.7	4.6	2.1

Samsung Electronics is one of the largest memory semiconductor manufacturers in the world. It also manufactures a wide range of consumer and industrial electronics and equipment. The memory sector is currently seeing an upturn in its fortunes driven by the rapid increase in demand for high bandwidth memory which is used in AI applications. With the migration to more complex technologies required for the more advanced products, the industry has also seen supply curtailment which augurs well for the prospects of commodity memory products as well. We continue to believe that memory companies will be a significant beneficiary of the AI revolution and that Samsung Electronics will remain a leader in this industry.				
ICICI Bank ICICI Bank is a leading India-based private sector bank, it was the portfolio's third largest holding. The share price has seen sustained appreciation over the past years and the bank has been a key contributor to overall fund performance. This highlights the value of our longer-term, fundamentally driven investment process, which we continue to employ. The bank with its strong franchise remains well positioned to benefit from the India growth story.	102,879	5.2	0.9	4.3
Alibaba Alibaba is the leading e-commerce company in China. While intensified competition and weak macroeconomic performance in China has impacted the growth outlook for its e-commerce business, its other businesses such as cloud, fintech, local commerce and international e-commerce have significant potential. These could offer either growth opportunities or the possibility for improvement in profitability. While the stock has experienced a significant derating over the past couple of years, the company continues to generate significant cash flows. The company has a strong buyback policy and we expect returns from here to be supported by corporate actions.	78,403	3.9	2.0	1.9
Tencent Tencent is the largest gaming, communication, and social entertainment platform in China. It has a major presence in online games, digital advertising, video, music and live-streaming, fintech and other businesses such as cloud computing. The company should be a key beneficiary of AI across its business segments. The company seems to have adjusted well to the changing regulatory environment and slowing Chinese economy and continues to deliver strong cash flows, albeit at a much slower rate of growth. Tencent has also significant public and private investments in China and globally. Trading at attractive	76,441	3.8	3.6	0.2

valuations, the company has been proactively undertaking share buybacks, which further enhances earnings per share.				
Prosus Prosus is a leading global investment company and the largest shareholder of Tencent, a Chinese technology company. We see Prosus as a good proxy for Tencent exposure and is available at a discount to its net asset value ('NAV'). The company also has holdings in leading food delivery platforms globally. Management's effort to narrow the share price discount to NAV via buybacks should also support returns.	63,881	3.2	-	3.2
Samsung Life Insurance Samsung Life Insurance is the largest life insurance company in South Korea and is growing in the field of health insurance. With the increase in interest rates in the recent past and the steady move to more health-related products the company has been able to improve its profitability. It also owns a majority stake in the credit card business of the Samsung Group and has smaller stakes in the securities and the fire and marine businesses. Most notably it has a significant stake in Samsung Electronics, a world leading company which is currently benefitting from an upswing in the prospects of its main memory business. The Corporate Value-Up programme initiated by the South Korean government should provide incentives to improve distributions to shareholders.	59,216	3.0	0.1	2.9
Petrobras Petrobras is a leading oil and gas company in Brazil, recognised worldwide for its oil exploration in ultra-deep waters. It is a low-cost producer and has long life oil reserves. It remains our preferred pick in the oil and gas industry globally, given its large cash generation and high dividend yield.	59,136	3.0	0.9	2.1
NAVER NAVER is a South Korean internet search and advertising company. It also has business interests in e-commerce, financial services, and entertainment content. We believe that NAVER is in a good position to build a thriving ecosystem integrating e-commerce, payments and digital content based on its solid foundation in search and advertising. Its leadership position in AI solutions in South Korea should also provide the company with additional cost efficiencies and growth opportunities.	53,165	2.7	0.3	2.4
MediaTek MediaTek, listed in Taiwan, is a world-leading chip designer for smartphones and other technology devices. It should be a key beneficiary from growth in demand for chips from IoT ('Internet of Things'), automotive, industrial, and wi-fi applications. It should also be a beneficiary of the proliferation of new AI applications in	51,090	2.6	0.8	1.8

various technology devices, which could require on-device AI computing.

(a) At time of investment this holding was less than 12% of the Company's assets.

Portfolio Changes by Country

Country	31 March 2023 Market Value £m	Purchase £m	Sales £m	Market Movement £m	31 March 2024 Market Value £m	Total Return in Sterling TEMIT %	Total Return in Sterling MSCI Emerging Markets Index %
China/Hong Kong	616	148	(126)	(148)	490	(21.0)	(18.8)
South Korea	398	107	(140)	61	426	18.2	11.8
Taiwan	316	32	(91)	101	358	41.7	25.6
India	226	66	(87)	42	247	17.3	33.9
Brazil	155	24	(26)	33	186	36.8	24.3
United States	67	15	(16)	(4)	62	(5.8)	-
Thailand	49	10	-	(10)	49	(16.7)	(18.2)
Mexico	30	34	(25)	9	48	17.5	16.2
Hungary	20	11	(3)	2	30	20.7	44.2
South Africa	13	12	-	(5)	20	(24.6)	(7.6)
Other	103	5	(42)	13	79	-	-
Total Investments	**1,993**	**464**	**(556)**	**94**	**1,995**		

Portfolio by Fair Value

Holding	Sector	Fair Value £'000	% of Portfolio
Brazil			
Petrobras[(a)]	Energy	59,136	3.0
Itaú Unibanco[(a)(b)]	Financials	44,608	2.2
Banco Bradesco[(a)(b)]	Financials	33,418	1.7
Vale	Materials	25,890	1.3
Oncoclinicas do Brasil Servicos Medicos	Health Care	8,132	0.4
Hypera	Health Care	8,122	0.4
TOTVS	Information Technology	7,032	0.3
		186,338	**9.3**
Cambodia			
NagaCorp	Consumer Discretionary	3,772	0.2
		3,772	**0.2**
Chile			
Banco Santander Chile[(b)]	Financials	18,105	0.9
		18,105	**0.9**
China/Hong Kong			
Alibaba[(c)]	Consumer Discretionary	78,403	3.9
Tencent	Communication Services	76,441	3.8

Prosus[d]	Consumer Discretionary	63,881	3.2
Techtronic Industries	Industrials	39,071	2.0
China Merchants Bank	Financials	37,137	1.9
Baidu	Communication Services	28,067	1.4
Guangzhou Tinci Materials Technology	Materials	20,220	1.0
Ping An Insurance	Financials	16,424	0.8
Uni-President China	Consumer Staples	15,115	0.8
Brilliance China Automotive	Consumer Discretionary	14,774	0.7
NetEase	Communication Services	14,749	0.7
Meituan	Consumer Discretionary	12,547	0.6
Daqo New Energy[b]	Information Technology	11,999	0.6
Wuxi Biologics	Health Care	11,254	0.6
Haier Smart Home	Consumer Discretionary	9,072	0.5
Ping An Bank	Financials	8,259	0.4
H&H Group	Consumer Staples	6,979	0.3
Beijing Oriental Yuhong Waterproof Technology	Materials	4,507	0.2
COSCO SHIPPING Ports	Industrials	4,453	0.2
China Resources Building Materials Technology[e]	Materials	3,582	0.2
China Resources Land	Real Estate	3,412	0.2
Chervon Holdings	Consumer Discretionary	2,526	0.1
Greentown Service Group	Real Estate	2,390	0.1
BAIC Motor	Consumer Discretionary	2,072	0.1
Weifu High-Technology	Consumer Discretionary	1,684	0.1
JD.com	Consumer Discretionary	1,255	0.1
		490,273	**24.5**
Hungary			
Gedeon Richter	Health Care	21,486	1.1
Wizz Air Holdings	Industrials	8,979	0.5
		30,465	**1.6**
India			
ICICI Bank	Financials	102,879	5.2
HDFC Bank	Financials	44,499	2.2
Infosys Technologies	Information Technology	21,760	1.1
Bajaj Holdings & Investments	Financials	17,004	0.8
Federal Bank	Financials	15,183	0.8
ACC	Materials	14,455	0.7
Zomato	Consumer Discretionary	13,450	0.7
One97 Communications	Financials	12,376	0.6
Hindalco Industries	Materials	4,981	0.2
		246,587	**12.3**
Indonesia			
Astra International	Industrials	10,459	0.5
		10,459	**0.5**
Kenya			
East African Breweries	Consumer Staples	592	0.0

		592	0.0
Mexico			
Grupo Financiero Banorte	Financials	44,681	2.2
Nemak	Consumer Discretionary	3,541	0.2
Grupo Aeroportuario del Centro	Industrials	0.0	0.0
		48,222	**2.4**
Peru			
Intercorp Financial Services	Financials	8,150	0.4
		8,150	**0.4**
Philippines			
BDO Unibank	Financials	10,247	0.5
		10,247	**0.5**
Russia			
LUKOIL(f)	Energy	0.0	0.0
Sberbank of Russia(f)	Financials	0.0	0.0
		0.0	**0.0**
South Africa			
Netcare	Health Care	13,324	0.7
Discovery	Financials	6,774	0.3
		20,098	**1.0**
South Korea			
Samsung Electronics	Information Technology	133,737	6.7
Samsung Life Insurance	Financials	59,216	3.0
NAVER	Communication Services	53,165	2.7
LG	Industrials	43,201	2.2
Samsung SDI	Information Technology	38,948	2.0
SK Hynix	Information Technology	33,054	1.7
Doosan Bobcat	Industrials	22,419	1.1
Soulbrain	Materials	17,790	0.9
Fila	Consumer Discretionary	11,068	0.6
LegoChem Biosciences	Health Care	7,500	0.4
Hankook Tire	Consumer Discretionary	4,865	0.2
KT Skylife	Communication Services	1,444	0.1
		426,407	**21.6**
Taiwan			
TSMC	Information Technology	252,050	12.6
MediaTek	Information Technology	51,090	2.6
Hon Hai Precision Industry	Information Technology	42,316	2.1
Yageo	Information Technology	12,789	0.6
		358,245	**17.9**
Thailand			
Kasikornbank	Financials	23,534	1.2
Thai Beverage	Consumer Staples	7,514	0.4
Star Petroleum Refining	Energy	6,346	0.3
Kiatnakin Phatra Bank	Financials	6,319	0.3
Minor International	Consumer Discretionary	5,062	0.3
		48,775	**2.5**
United Arab Emirates			
Emirates Central Cooling Systems	Utilities	8,577	0.4

		8,577	**0.4**
United Kingdom			
Unilever[g]	Consumer Staples	17,821	0.9
		17,821	**0.9**
United States			
Genpact[g]	Industrials	31,600	1.6
Cognizant Technology Solutions[g]	Information Technology	30,499	1.5
		62,099	**3.1**
Total Investments		**1,995,232**	**100.0**

(a) Preferred shareholders are entitled to dividends before ordinary shareholders.
(b) US listed American Depository Receipt.
(c) TEMIT holds shares in this company listed on the Hong Kong stock exchange and American Depository Receipts listed on the New York stock exchange.
(d) This company is listed in the Netherlands. The classification of China/Hong Kong is due to most of its revenue coming from its holding in Tencent.
(e) 'China Resources Cement' was renamed to 'China Resources Building Materials Technology'.
(f) This company is fair valued at zero as a result of its trading being suspended on international stock exchanges.
(g) This company, listed on a stock exchange in a developed market, has significant exposure to operations from emerging markets.

Market Capitalisation Breakdown %	**Less than £1.5bn**	**£1.5bn to £5bn**	**£5bn to £25bn**	**Greater than £25bn**
31 March 2024	4.6	12.6	23.3	59.5
31 March 2023	5.2	11.3	23.1	60.4

Split Between Markets %[a]	**31 March 2024**	**31 March 2023**
Emerging Markets	95.8	94.5
Developed Markets[b]	4.0	5.0
Frontier Markets	0.2	0.5

Source: FactSet Research System, Inc.
(a) Geographic split between 'Emerging markets', 'Frontier markets', 'Developed markets' are as per MSCI index classifications.
(b) Developed market exposure represented by companies listed in United Kingdom and United States which have significant exposure to operations in emerging markets.

In investing, a developed market is a country that is most developed in terms of its economy and capital markets. To be classified as a developed market, the country must be high income, but this also includes openness to foreign ownership, ease of capital movement, and efficiency of market institutions. An emerging market is a market that has some characteristics of a developed market, but does not fully meet its standards. This includes markets that may become developed markets in the future or were in the past. The term 'frontier market' is used for developing countries with smaller, riskier, or more illiquid capital markets than 'emerging'.

Outlook for emerging markets

The first quarter of 2024 has seen a recovery after a period of volatility. We believe that the current investment backdrop is conducive for emerging market equities. Potential interest rate cuts and better earnings growth for 2024 are expected to be tailwinds for emerging markets when they are implemented.

While interest rates are expected to be higher for longer, we believe that they will eventually moderate as goods inflation has started declining in most markets. Our overweight positions in Latin America-especially Brazil, where real rates remain high-reflect our view on interest rates.

AI has seen a boom led by the development of large language models. This has been facilitated by the advancement in semiconductor chips. New applications have emerged. We expect growth in this sector to be structural, driven by the adoption of Al solutions in both enterprise and consumer applications. This should benefit the Al supply chain. Many of the semiconductor and hardware companies catering to the Al industry are based in emerging markets and we remain overweight in that sector. We also remain overweight in South Korea and are well-invested in Taiwan to play these megatrends.

Meanwhile, the EV supply chain is currently experiencing a material slowdown in growth expectations as many consumers and governments have yet to fully embrace the advantages of their deployment. Although we remain aligned with the longer-term growth outlook for EVs, we have lowered our exposure to the EV value chain.

India and Middle Eastern countries have continued to see good economic growth. India is holding General Elections this year, and we expect political stability to continue. Valuations in many of the sectors in India remain elevated and we are currently underweight in that market, with most of our exposure being to the private sector banks. We remain opportunistic in our deployment of capital to the Middle East region, taking advantage of the boom in the IPO market in many of those countries.

The Chinese economy seems to have stabilised with signs of policy support, even though the property sector and government finances are still very feeble. In addition, we continue to see the western countries reduce their dependence on Chinese supply chains. All these factors continue to impinge on valuations in the China equity market and we remain underweight in China. Most of our exposure is to the internet-related names in China where companies continue to generate cash and have elevated shareholder return policies.

It is an interesting time to look at emerging markets. Despite the dynamic nature of emerging markets, we believe that several enduring themes persist. First, we believe their structural growth potential remains superior, driven by an expanding and diverse investment universe with appealing valuations. Second, while navigating challenges such as the COVID-19 pandemic and geopolitical risks, emerging economies have demonstrated remarkable resilience, emphasising the potential for robust growth. Finally, strategic policy decisions, ongoing reforms, and innovation will shape the future of these markets, offering what we believe are significant opportunities for economic progress and investment gains in the years ahead. In summary, emerging markets have evolved, embracing innovation, technology, and diversification. As pivotal players in the global trade map, their adaptability and growth trajectory position them as key drivers of the world economy, making them, in our opinion compelling investment opportunities for investors globally.

Chetan Sehgal
Lead Portfolio Manager

7 June 2024

The investment managers' process

Investment philosophy and approach

FTEME's long-term approach is driven by the 3 S's, seeking ***Structural*** growth opportunities in emerging markets, investing in businesses with ***Sustainable*** earnings power at a discount to intrinsic worth, and believing in responsible ***Stewardship*** of client capital. FTEME seeks to capture the growth potential of emerging market companies and believes that this is best achieved by employing a bottom-up and fundamental security selection process. FTEME conducts in-depth proprietary company research with a long-term and independent perspective. FTEME believes in the responsible stewardship of clients' capital and that governance and sustainability issues create risks and opportunities for companies. ESG analysis is therefore integrated as a key element of fundamental bottom-up analysis.

TEMIT's performance in different market environments

FTEME's approach aims for outperformance over the long term. The investment strategy tends to produce stronger performance when company fundamentals are the primary driver for stock returns, where a focus on stock selection should produce superior results. Performance may be less strong in highly sentiment-driven market environments, when investors focus more on the overall economic picture rather than company fundamentals.

This can also be the case when the market is overly short-term oriented, and rewards companies driven by what FTEME views as unsustainable factors such as short-term demand/supply imbalances or inorganic growth.

Investment process

The three broad stages of FTEME's investment process comprise: idea generation, stock research, and portfolio construction and management; with governance and sustainability considerations and risk management fully integrated at all stages.

1 Idea generation

The key source of idea generation is FTEME's team of over 70 analysts and portfolio managers located around the globe. Their experience and expertise allow them to identify trends which they may want to explore further through company research. In addition, FTEME's local presence, network and understanding of local dynamics may help to identify trends and opportunities that other market participants may filter out through standard quantitative screens. FTEME analysts speak the local language and are part of the local culture and fabric of the countries where they conduct research.

2 Stock research

FTEME analysts conduct rigorous analysis to assess whether a company has sustainable earnings power, and to establish a proprietary estimate of its intrinsic worth. By integrating ESG analysis with traditional business and financial analysis, FTEME seeks to gain insights into the quality and risks of companies. FTEME's research platform currently has coverage of over 700 companies across emerging markets using a proprietary and rigorous bottom-up research approach, along with extensive knowledge of the wider investment universe.

FTEME's research analysts form detailed views of companies by collecting and analysing a variety of information. The team conducts detailed quantitative financial analysis by building in-depth company models to evaluate financial strength and profitability, and to project future earnings and cash flow. Industry demand and supply models are incorporated in the analysis, as well as country and currency macro considerations. FTEME has a strong emphasis on qualitative assessment.

The assessment of ability to sustain stable or growing economic profits over time is typically driven by a combination of factors, including (i) sound business models; (ii) sustainable competitive advantages; (iii) management foresight; and (iv) low debt levels. Earnings power is the demonstrable ability to generate sustainable economic profit into the future in areas which could be beyond the current scope of operations. The analysts look for real earnings growth by focusing on economic earnings and cash flows rather than reported earnings, and differentiating between operational earnings and financial earnings. They evaluate internal versus external drivers to earnings and prefer companies with earnings which can be affected through management action.

A key element of earnings power is therefore quality, as signified by (i) products and services with low regulatory and macro risk; (ii) financial strength; and (iii) management strength.

Each research recommendation may incorporate several valuation methods extending typically over a three to five-year horizon. FTEME aims to clarify the risk/reward balance of a company by conducting sensitivity analysis, stress-testing, and scenario analysis. It seeks to identify what the market consensus expectations are for a stock and how the team's fundamental views may differ.

3 Portfolio construction

FTEME seeks to build a high-conviction stock-centric portfolio that is primarily driven by company-specific factors and focused on the long term. A bottom-up approach to stock selection is used, with country and sector allocations a residual of this process.

Portfolio style and characteristics
The strategy typically displays the following characteristics:

Core style
The strategy aims to deliver outperformance irrespective of market direction. The portfolio construction process leads to the majority of active risk being focused.

Quality and growth but not at excessive valuation levels
The philosophy typically leads to a portfolio with higher quality and growth than the aggregate of the benchmark index.

High conviction portfolio
The top-10 holdings typically account for over 40% of the portfolio which overall is well-diversified across the market cap spectrum.

Low turnover
FTEME's high conviction and long-term approach means that the typical annual portfolio turnover is less than 20%.

Buy and sell discipline
FTEME's buy discipline is primarily designed to ensure that the portfolio managers buy when they have both conviction in a business and it is trading below its intrinsic value; FTEME's sell discipline is designed to capture the opposite. All holdings are regularly reviewed to ensure that analyst recommendations are up to date and accurately reflect any changes in company fundamentals. In this way, ongoing fundamental research drives all buy and sell decisions.

Investment risk management

Investment in emerging markets equities inevitably involves risk in a volatile asset class. Franklin Templeton uses a comprehensive approach to managing risks within its portfolios and this approach is inherent in all aspects of the investment process. Investment risks are to be identified and intentional, not minimised. Risk management is embedded through all stages of the investment process, in collaboration with dedicated resources from Franklin Templeton's Investment Risk Management Group of over 80 risk management professionals, which is independent from the portfolio management team. Various risk management tools are used to predict and decompose the portfolio's active risk in order to understand and manage the portfolio's active risk profile.

For additional information with respect to the AIFM risk management framework, please read the Investor Disclosure Document on our website (www.temit.co.uk.)

TEMIT's approach to stewardship

TEMIT's research process includes a structured analysis of governance and sustainability issues.

TEMIT seeks to capture growth potential of emerging markets companies by employing a bottom-up security selection process with a long-term perspective. We aim to be a responsible steward of our clients' capital-that is why we integrate Environmental, Social and Governance ('ESG') factors into our investment research process, as a key element of fundamental, bottom-up analysis, to understand the risks and opportunities that stem from governance and sustainability issues. Responsible stewardship is not a single act but a continuous process that includes engagement and voting.

Whilst governance and sustainability issues are analysed in our research, the findings are not binding on the stock selection process. TEMIT does not pursue any sustainable targets (e.g., carbon reduction) or objectives.

Being responsible stewards of our clients' capital is reflected in:

How we **act as investors**

- ESG research integration
- Company engagement and proxy voting
- Policy advocacy

How we **treat our clients**

- Putting clients first
- Being responsible fiduciaries of our clients' capital

How we **behave as a business**

- Building relationships
- Working with integrity

Integrating ESG factors
Analyses of governance and sustainability issues are embedded components of our rigorous fundamental bottom-up research. This allows us to identify those business models most likely to resist competitive pressure and understand management's ability to generate sustainable returns.

Our proprietary three-pillar ESG research framework is an assessment tool that has further enhanced our approach to sustainability and is codified within our analytical database.

Intentionality

Assessing companies' intentionality toward managing material ESG factors with our proprietary scoring system and linking ESG factors into our valuation models.

Alignment

Mapping the alignment of companies' products and services to positive social and environmental outcomes and UN Sustainable Development Goals ('SDGs').

Transition

Identifying companies' transition potential and monitoring their incremental progress, using our on-the-ground capabilities and experience as active owners to foster positive change.

Please find below a case study of a company's intentionality to manage the ESG footprint of its operating model from the full Stewardship Report for TEMIT to give shareholders a snapshot of the typical intentionality analysis undertaken. Case studies of alignment and transition can also be found in the full Stewardship Report for TEMIT.

Grupo Financiero Banorte
Offers financial services to individuals and corporates in Mexico.

ESG Topic Cybersecurity

Materiality and Risk
The safeguarding of personal customer data is a critical aspect of digital banking activities. Data breach and cyberattacks may disrupt operations and impact customer loyalty, affecting market share and long-term growth. Cybersecurity issues may also incur penalties, liabilities and compliance costs. Amid a rapidly expanding digital ecosystem, the protection of customers' personal identifiable information is a key ESG factor for the banking sector.

Analysis
- Banorte created a dedicated cyber-crisis management team.
- Integrity Committee and the Cyber Risk Subcommittee meet regularly to monitor the central mitigation systems.
- The company has formed a strategic alliance with Google Cloud to strengthen its cybersecurity ecosystem.
- Regular employee training and system drills are conducted to raise awareness and address audit requirements.
- Reflecting its efforts, the company has earned various certifications, such as the Normalización y Certificación ('NYCE') personal data protection certification and the International Organization for Standardization and the International Electrotechnical Commission ('ISO' and 'IEC') 27001:2013 standard.

ESG Thesis
Amid a push for digital transformation, Banorte has established procedures and policies for cybersecurity and other key ESG issues--such as climate change, human capital, and corporate governance--that are overseen by the board and executive team, ensuring effective integration into its core business strategy (2023-2025 priority plan in place). Banorte is also aligned with national and international sustainability initiatives, such as the Equator Principles and Principles for Responsible Investment[a].

(a) Banorte: https://investors.banorte.com/en/sustainability/sustainability-strategy/sustainable-finances

TEMIT's research process includes a structured analysis of governance and sustainability issues. Whilst governance and sustainability issues are analysed in our research, the findings are not binding on the stock selection process. TEMIT does not pursue any sustainable targets (e.g., carbon reduction) or objectives.

Nature and biodiversity
In 2023, the threat of 'biodiversity loss and ecosystem collapse' continued to rise up the economic agenda and was identified as the third most severe perceived risk to economies and societies over the next 10 years by the World Economic Forum[a].

(a) World Economic Forum Global Risks Perception Survey 2023-2024

Global risks ranked by severity over the long term (10 years):

1	Extreme weather events	**6**	Adverse outcomes of AI technologies
2	Critical change to Earth systems	**7**	Involuntary migration
3	Biodiversity loss and ecosystem collapse	**8**	Cyber insecurity
4	Natural resource shortages	**9**	Societal polarisation
5	Misinformation and disinformation	**10**	Pollution

As nature loss presents a significant risk to corporate and financial stability, it is a key area for us as active managers to promote a direct dialogue with those businesses materially exposed.

We view the biodiversity challenge as a natural extension of our climate efforts. A deep understanding of the rapid changes taking place in the Earth's physical systems, and the impact these changes will have on the economy, will prove vital to the successful allocation of capital today and into the future. Since last year's report, we have developed a framework to formalise the integration of nature and biodiversity-related considerations into our investment process. This will help us to deepen our research, learn more about our investee companies most exposed to nature and biodiversity loss, and be additive to our engagement process. More details on this can be found in the full Stewardship Report for TEMIT.

Climate change

Within emerging markets, the landscape varies considerably, ranging from countries that have announced meaningful carbon targets to those that have yet to declare any significant policies. TEMIT does not pursue a climate change objective. Structured analysis of ESG factors, including climate considerations, are part of TEMIT's research process but are not binding on stock selection. Our objective is to understand the climate commitments of investee companies incorporating both local and global perspectives, recognising that the pace of decarbonisation and the associated strategies will differ across countries and cultures.

Where material, TEMIT integrates climate change/carbon analysis into its bottom-up research process, focusing on assessing the impact on long-term business values. This is part of the holistic approach of integrating ESG analysis with traditional financial analysis so that we can gain valuable insights into the quality and risks of businesses in which TEMIT invests.

The investment team looks at climate risks and opportunities closely for relevant sectors and geographies where climate change plays an important role. This includes integrating climate related factors into estimates, models and valuations for those businesses materially exposed to the issue.

In the full Stewardship Report for TEMIT available on our website (www. temit.co.uk) we profile companies exposed to climate opportunities and climate risks.

Climate opportunities

The transportation sector is still a major contributor to greenhouse gas (GHG) emissions, accounting for 20% of global CO2 emissions in 2023[a]. Electric Vehicles (EV) offer a cleaner alternative, and their batteries rely heavily on electrolytes. Battery electric passenger vehicles (BEV) sales continue to grow and are on track to post 13.3 million units worldwide in 2024, compared with an estimated 9.6 million in 2023[b].

- Guangzhou Tinci Materials Technology manufactures fine chemicals and new materials, including Li-ion battery materials. It is the world's largest electrolyte supplier for EV batteries, with over 40% market share in China in 2022.
- Guangzhou Tinci has made great advances in developing independent new additives and formulations. These products are widely used in new energy vehicles to solve key battery problems such as achieving a longer range, and the ability to withstand high and low temperatures. Guangzhou Tinci also has a battery-recycling business, focusing on the recovery of lithium iron phosphate batteries.
- As a result, the company has built a circular production model. By-products in one process are reused as raw materials in another. This not only solves the environmental problem of hazardous chemicals and by-products, but also greatly reduces the cost of procuring and disposing of raw materials.

(a) Statista, 18/12/23 - https://www.statista.com/topics/7476/transportation-emissions-worldwide/#topicOverview
(b) SPGlobal, 20/12/23 - https://www.spglobal.com/mobility/en/research-analysis/2024-ev-forecast-the-supply-chain-charging-network-and-battery.html#:~:text=S%26P%20Global%2Mobility's%202024%20global,%2C%20for%2012%25%20market%20share.

Climate risks

We do not rule out investing in companies in carbon-intensive sectors, such as the metals and mining industry.

Focus on metals and mining: Clean energy infrastructure requires substantial material inputs. Demand for each of the five key critical minerals-lithium, cobalt, nickel, copper and neodymium-is expected to increase 1.5 to 7 times by 2030 in the Net Zero Emissions by 2050 Scenario ('NZE') as clean technology deployment soars[(a)]. While energy transition minerals have relatively high emission intensities, there are ways to minimise these emissions through switching fuel sources, using low-carbon electricity and making efficiency improvements. Integrating environmental concerns in the early stages of project planning can help ensure sustainable practices throughout the project life cycle.

- Hindalco Industries, one of India's largest non-ferrous metals companies, and an industry leader in aluminium and copper, has adopted Internal Carbon Pricing ('ICP') to monitor the cost of carbon, in preparation for regulations, emissions trading, and low-carbon growth initiatives.
- The company aims to reduce specific energy consumption and GHG emissions by 25% by 2025, as part of its target to achieve carbon neutrality by 2050[(b)].
- Coal is one of its primary energy sources for its Indian operations. Replacing that with a renewable energy source is difficult due to the challenges in reliability. While challenges persist, we recognise Hindalco's efforts to address climate-related risks and move towards its carbon net neutral goal. The company has set up interim targets and provides regular disclosures through periodic reports and quarterly conference calls.

Our portfolio managers also seek to understand the carbon risk profile at a portfolio level to understand its carbon risk exposures. This includes carbon exposure broken down by sector and stock. The data helps with the engagement agenda.

(a) IEA: https://www.iea.org/reports/energy-technology-perspectives-2023/mining-and-materials-production
(b) Hindalco, Natural Capital: https://www.hindalco.com/integrated-annual-report2022-23/pdf/natural-capital.pdf

To determine the portfolio's exposure to carbon related risks, we assess the WACI metric-which measures carbon intensity on a normalised basis for better comparison among companies. With that, we observe the following:

- TEMIT's portfolio carbon risk is concentrated among a small number of companies, with the top five companies in terms of carbon intensity representing 2.0% of the portfolio and accounting for 59.2% of the portfolio WACI.
- In sector terms, 47.7% of the portfolio WACI contribution comes from the materials sector; on a relative basis, the effect is neutral. The utilities sector is the largest positive contributor to WACI relative to the benchmark, as TEMIT is underweight in this high emitting sector.
- China Resources Building Materials Technology and ACC have the largest carbon intensities in TEMIT's portfolio, representing 0.9% of the portfolio but accounting for 43.4% of the portfolio WACI.
- TSMC's carbon intensity is low. However, since it represents 12.6% of the portfolio, it is the second highest in terms of contribution to the portfolio WACI, after ACC.

Over the 1-year period, the portfolio's carbon footprint remained stable and specifically WACI has been consistently below the benchmark. The interim variability is caused by changes in both positioning as well as updates in emissions data.

The reduction in ending weight for China Resources Building Materials Technology, the sale of POSCO and a change in methodology in emissions calculation for LG Corp led to a decline in the portfolio WACI. The purchase of ACC, the purchase of and subsequent update by MSCI to estimated emissions data (previously not covered) for Emirates Central Cooling Systems and a change from estimated to reported emissions data for Daqo New Energy by MSCI offset some of the decline in the portfolio WACI.

Active ownership

As investors with a significant presence in emerging markets, our active ownership efforts are a key part of our overall approach to stewardship. Our analysts conduct almost 2,000 company meetings a year, and this year 377 with TEMIT holdings, using our industry-leading research footprint across emerging markets, where we seek to gain a number of fundamental and sustainability insights. We believe that our engagement efforts are key to developing a detailed understanding of companies and improving outcomes for shareholders as well as stakeholders more broadly.

Engagement statistics
Our analysts are in continual dialogue with companies on a range of topics, ranging from operational performance, competition landscape, business outlook, company financials, to name a few. There are also companies we identify where dedicated discussion on ESG topics is necessary and we report the nature and outcome of these meetings. For the 12 months ended 31 March 2024, there were 34 tagged ESG interactions by type where detailed discussions were conducted with an investee company. These are summarised below:

ESG Issue	**Objectives and Process**	**Outcome**
Identify material ESG issues and rationale for engagement	Set goal and/or rationale for the engagement and approach	Review outcomes, next steps and investment thesis

ESG Discussion by Engagement Type	**Number of Interactions**	**Percentage of Interactions**
Environmental	**7**	**20.6%**
Carbon Risk and Climate Change	4	11.8%
Environmental Consideration	3	8.8%
Social	**6**	**17.6%**
Human and Social Capital	6	17.6%
Governance	**21**	**61.8%**
Corporate Governance	11	32.4%
Strategic Risk and Communication	10	29.4%
Total	**34**	**100%**

Note: Engagement statistics refer to 12 months ended 31 March 2024.

ESG Discussion Outcome	**Number of Interactions**	**Percentage of Interactions**
Contact made by FTEME	5	15%
Contact acknowledged by entity	8	23%
Dialogue taking place between FTEME and entity	10	29%
Plan formulated	6	18%
Plan implemented by entity	3	9%
Measured and validated outcome	2	6%
No progress	0	0%
Total	**34**	**100%**

Below is an ESG engagement example with an investee company in China.

Ping An Insurance
A financial conglomerate offering insurance, banking, brokerage and other financial services.

ESG Engagement Topic Social - human and social capital

Objectives

- We were concerned that Ping An's staff turnover rate was high, at28%. A stable and competent workforce is key to sustaining strategic growth, service quality, innovations and customer loyalty.

- Therefore, we engaged with Ping An to better understand the reasons behind the turnover, and to discuss ways to improve turnover stability over time.

Outcome

- Ping An explained that the turnover rate was relatively high in the telesales team. Excluding this factor, the overall turnover would be more normal, at 10-15%.
- Technology is a major differentiator for Ping An versus industry peers, but it also means Ping An faces tough competition for tech talent, resulting in higher turnover.
- We discussed with the company how to improve its turnover rate with better hiring practices and staff training. We will continue to monitor for improvements.

Proxy voting

In the year ended 31 March 2024, we voted on over 870 management proposals at annual and special general meetings for TEMIT.

Of the voteable management proposals, we voted 'For' proposals 85% of the time and 'Against' in another 14%. By proposal category, as a percentage of votes within each category and where we had a total of 10 votes or more, our votes against were largely concentrated on management compensation, capital structure, strategic transactions and director-related proposals.

We view votes against proposals as a formal way to communicate our views to management, and we undertake them based on our investment team's assessment of each motion in line with clients' best interests.

'Other' votes were cast on proposals such as say-on-pay frequency. Additionally, we have abstained or withheld a vote due to a lack of company disclosure.

The number of resolutions proposed by shareholders is increasing around the world, particularly on environmental and social issues, although they remain relatively uncommon in emerging markets. We will continue to closely examine the merits of views raised by fellow shareholders and vote accordingly.

Effective engagement for the year ahead

As we strive for continuous improvement in our investment process, we have been improving our platform for more effective engagement, seeking to: enhance our practice and outcomes; build more consistency and transparency; and improve reporting to our clients.

Looking ahead, we are enhancing our existing engagement recording infrastructure, focusing on our proprietary Emerging Markets Research Database ('EMDB'), which houses our research and the three-pillar framework. Given our longstanding heritage and local presence across emerging markets, our engagement efforts extend beyond companies to policymakers-we are enhancing EMDB to capture these interactions as well. To coordinate and oversee the engagement efforts of our broader platform of 70+ investment professionals across 14 countries, we also created an FTEME Engagement Group comprising 7 regional coordinators from the research analyst team. This group includes a representative from each key region that will bring cross-border perspectives and provide guidance on best practices.

We encourage you to download the full Stewardship Report for TEMIT from www.temit.co.uk for further, detailed information.

Business review

Strategy and business model

Company purpose and objective

TEMIT's purpose is to provide both private and institutional investors with the opportunity for capital appreciation via a professionally managed vehicle focused on listed equity investments in emerging markets.

The objective of TEMIT is to provide long-term capital appreciation via exposure to global emerging markets, supported by a culture of both strong customer service and corporate governance.

Investment policy

The Company seeks long-term capital appreciation through investment in companies listed 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 ('Emerging Markets Companies').

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 Managers may invest in equity-related investments (such as convertibles or derivatives) where they believe that it is advantageous to do so.

The portfolio may frequently be overweight or underweight in certain investments compared with the MSCI Emerging Markets (Net Dividends) 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 may 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.

In accordance with the Listing Rules, the Company will not make any material change to its published investment policy without the prior approval of the UK's Financial Conduct Authority ('FCA') and the approval of its shareholders by ordinary resolution. Any material change would be announced by the Company through the London Stock Exchange.

Distribution policy

The Company will ensure that its total annual dividends will be paid out of the profits available for distribution under the provisions of the relevant laws and regulations and will be at least sufficient to enable it to qualify as an investment trust under the Corporation Tax Act 2010 and the ongoing requirements of The Investment Trust (Approved Company) (Tax) Regulations 2011. If the Company has received an exceptional level of income in any accounting year, the Board may elect to pay a special dividend. The primary focus of the investment policy is on generating capital returns, the Company does not target a particular level of income and there is no guarantee that dividend levels will be maintained from one year to the next.

The Company will normally pay two dividends per year, an interim dividend declared at the time when the half yearly results are announced, and a final dividend proposed at the time when the annual results are announced. The final dividend will be subject to shareholder approval at the AGM each year.

The Company may also distribute capital by means of share buybacks when the Board believes that it is in the best interests of shareholders to do so. The share buyback programme will be subject to shareholder approval at each AGM.

Business model

The Company has no employees and all of its Directors are non-executive. The Company delegates its day-to-day activities to third parties.

Since 1 October 2021, Franklin Templeton Investment Trust Management Limited ('FTITML', 'AIFM' or the 'Manager') has been the Company's AIFM and Company Secretary.

The Board is responsible for all aspects of the Company's affairs, including the setting of parameters for the monitoring of the investment strategy and the review of investment performance and policy. It also has responsibility for overseeing all strategic policy issues, namely dividend, gearing, share issuance and buybacks, share price and discount/premium monitoring, corporate governance matters and engagement with all the Company's stakeholders.

Strategy
The Company seeks to achieve its objective by following a strategy focused on the following:

Performance

At the heart of the strategy is the appointment and retention of capable investment management professionals, whose aim is to identify value and achieve superior long-term growth for shareholders. FTEME, under the leadership of Chetan Sehgal, continues to apply the same core investment philosophy that has driven TEMIT's performance since the Company's launch. The investment team aims to achieve long-term capital appreciation for shareholders seeking exposure to global emerging markets by investing in companies that they believe offer long-term sustainable growth and good value, combined with strong management and sound governance.

Investment Process and Environmental, Social and Governance ('ESG') Considerations

As part of TEMIT's stock research process, ESG factors are researched alongside other important factors, such as company earnings power, competitive positioning and management quality. These factors are likely to materially impact the operating performance or financial conditions of a company. This deepens our understanding of the companies we research; it also guides us in our engagement activities over a range of issues, better informing our research insights, as we strive to protect shareholder value.

As TEMIT is an investment trust, the key ESG consideration is the stewardship of its portfolio of investments. The Board has reviewed and fully supports FTEME's approach to stewardship, which is described under 'TEMIT's approach to stewardship' in the full Annual Report. It receives regular reports on Franklin Templeton's policies and controls.

TEMIT has no greenhouse gas emissions to report from the operations of the Company, as all of its activities are outsourced to third parties. While as an investment trust TEMIT is exempt from disclosures recommended by the Task Force on Climate-related Financial Disclosures ('TCFD'), Franklin Templeton continues to develop metrics for our carbon footprint. Further information on our approach to climate change can be found under 'TEMIT's approach to stewardship' above and in more detail in the full Stewardship Report, available on our website (www.temit.co.uk).

TEMIT has no employees and is not an organisation that provides goods or services as defined in the Modern Slavery Act 2015 and thus the Company considers that the Act does not apply. The Company's own supply chain consists predominantly of professional services advisers.

Culture and Values

The Board believes in a culture of openness and constructive challenge in its interactions with the Manager and other service providers. The Board aims to maintain open and regular communication with shareholders, as set out under Communication in the full Annual Report.

The Company is committed to acting professionally, fairly and with integrity in all of its business dealings and relationships. The Board has a zero-tolerance policy towards bribery and looks to ensure that its service providers and associated persons have effective policies and procedures designed to actively prevent bribery which are proportionate, and risk based. In relation to the corporate offence of failing to prevent tax evasion, it is the

Company's policy to conduct all business in an honest and ethical manner. The Company takes a zero-tolerance approach to any facilitation of tax evasion whether under UK law or under the law of any foreign country. The Board notes that the Manager has a robust whistleblowing policy in place.

Information on the Company's approach to Diversity is set out in the Directors' Report in the full Annual Report.

Liquidity

The shares issued by the Company are traded on the London and New Zealand stock exchanges. The Company has engaged Winterflood Securities as financial adviser and stockbroker, and to act as a market maker in the shares of the Company.

Gearing

Fixed Term Loan

On 31 January 2020, the Company entered into a five-year £100 million loan at a fixed rate of 2.089% with Scotiabank Europe plc. The fixed term loan is denominated in pounds sterling and will remain in place until 31 January 2025. Full details of the loan are set out in Note 10 of the Notes to the Financial Statements.

Revolving Credit Facility

On 31 January 2020, the Company entered into a three-year £120 million unsecured multi-currency revolving loan facility with The Bank of Nova Scotia, London Branch. Drawings may be in sterling, US dollars or Chinese renminbi ('CNH'). The facility matured on 30 January 2024 and the undrawn commitment was not renewed. Further details of the facility are set out in Note 10 of the Notes to the Financial Statements.

The Company has no other debt as at 31 March 2024 except for the £100 million fixed term loan. The net gearing position was 0.0% (net of cash in the portfolio) at the year-end (2023: 0.0%) which means that the cash held by the Company is equal to or higher than the total bank loans.

The Board continues to monitor the level of gearing and currently considers borrowing of up to 20% of net assets to be appropriate, measured at the time of borrowing.

Affirmation of Shareholder Mandate

In accordance with the Company's Articles of Association, the Board must seek shareholders' approval every five years for TEMIT to continue as an investment trust. This allows shareholders the opportunity to decide on the long-term future of the Company. The last continuation vote took place at the 2019 AGM, when 99.95% of the votes cast were registered as votes in favour. The next continuation vote will take place at this year's AGM on Thursday 11 July 2024 and the Board unanimously recommends that shareholders vote in favour of continuation.

Stability - Share Buybacks and Conditional Tender Offer

The Company has powers to buy back its shares as a discount control mechanism and when this is in the best interests of the Company's shareholders and in 2019 introduced a Conditional Tender Offer. The share price discount to net asset value is discussed under Key Performance Indicators in the full Annual Report.

Under the Conditional Tender Offer, if over the five-year period from 31 March 2019 to 31 March 2024 the Company's net asset value total return had failed to exceed the benchmark total return, the Board would have put forward proposals to shareholders to undertake a tender offer for up to 25 per cent of the issued share capital of the Company, at the discretion of the Board. The net asset value total return over the five years to 31 March 2024 exceeded that of the benchmark and so the Conditional Tender Offer introduced in 2019 was not triggered.

The Board has agreed to run a further Conditional Tender Offer such that if over the five-year period from 31 March 2024 to 31 March 2029 the Company's net asset value total return fails to exceed the benchmark total return, the Board will put forward proposals to shareholders to undertake a tender offer for up to 25 per cent of the issued share capital of the Company, at the discretion of the Board.

Any such tender offer will be at a price equal to the then prevailing net asset value less two per cent (and less the costs of the tender offer). There will be no tender offer if the Company's net asset value total return exceeds the benchmark total return (MSCI Emerging Markets (Net Dividends) Index) over the five-year period. Any tender offer would take place following the Company's 2029 AGM and will also be conditional on shareholders approving the continuation vote in 2029 which is described under 'Affirmation of Shareholder Mandate' above.

A key point in the Investment Managers' mandate is to take a long-term view of investments and one of the advantages of a closed-end fund is that the portfolio structure is not disrupted by large inflows or outflows of cash. However, the Board and the Investment Managers recognise that the returns experienced by shareholders are in the form of movements in the share price, which are not directly linked to NAV movements, and the shares may trade at varying discounts or premiums to NAV. Many shareholders, both professional and private investors, have expressed a view that a high level of volatility in the discount is undesirable and that the Company should continue its active share buyback programme. A less volatile discount, and hence share price, is seen as important to investors. For this reason, TEMIT uses share buybacks selectively with the intention of limiting volatility in the share price and where buybacks are in the best interests of shareholders. Details of the share buybacks are included in the following table. All shares bought back in the year were cancelled, with none being placed in treasury. As at 31 March 2024, the Company held 103,825,895 shares in treasury (2023: 103,825,895 shares in treasury).

Discount management is reviewed regularly by the Board to ensure that it remains effective in the light of prevailing market conditions. The Conditional Tender Offer will not affect the Board's current approach to discount management. The Board will continue to exercise the Company's right to buy back shares when it believes this to be in shareholders' interests and with the aim of reducing volatility in the discount.

	2024	**2023**
Shares Bought Back and Cancelled During the Year	44,319,755	19,758,613
Proportion of Share Capital Bought Back and Cancelled	3.8%	1.7%
Total Cost of Share Buybacks	£65.9m	£29.2m
The Benefit to NAV	£10.6m	£4.6m
The Percentage Benefit to NAV	0.54%	0.23%

Communication

The Board and Manager aim to ensure that investors are kept updated regularly about the performance of TEMIT and of emerging markets through clear communication and updates as detailed in this section. The Board is fully committed to TEMIT's marketing programme. There is a substantial annual marketing and communication budget, and expenditure by TEMIT is matched by a contribution to costs from the Manager.

TEMIT has received AIC Shareholder Communication awards for its 'Your Future is Emerging' campaigns in both 2022 and 2023. Through innovative use of broadcast media, TEMIT's profile has been elevated, showcasing the Company's benefits and conveying the dynamic growth story of emerging markets to a wider audience. Additionally, in January 2022, TEMIT unveiled a fresh corporate identity, establishing a unique brand for the Company for the first time.

TEMIT seeks to keep shareholders updated on performance and investment strategy through its Annual and Half Yearly Reports, along with monthly factsheets and manager commentaries, which are available on the Company's website - temit.co.uk - offering a wealth of updates, stock story videos, articles, portfolio details, and essential documents. Connect with @TEMIT on Twitter / X for ongoing updates and announcements as we expand our social media presence.

The Board encourages registration to our monthly email that keeps subscribers appraised of the latest performance, insights and announcements.

TEMIT has an active public relations programme. Our Investment Managers provide comments to journalists, host media briefings and publish articles on issues relevant to investing in emerging markets. The Investment Managers meet regularly with professional investors and analysts and host interactive webinars. At each AGM the Investment Managers make a presentation with the opportunity for all shareholders to ask questions.

The Chairman regularly meets major shareholders to discuss investment performance and developments in corporate governance. We try to engage with a wide spectrum of our shareholders and aim to address their concerns as far as practically possible. Shareholders are welcome to contact the Chairman or the Senior Independent Director at any time via temitcosec@franklintempleton.com.

Section 172 Report - Promoting the success of the Company

The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain how they have discharged their duties under Section 172(1) of the Companies Act 2006 in promoting the success of their companies for the benefit of 'members as a whole' and having regard for all stakeholders.

Section 172 Matter	1. The likely consequences of any decision in the long term.
	2. The interests of the Company's employees.
	3. The need to foster the Company's business relationships with suppliers, customers and others.
	4. The impact of the Company's operations on the community and the environment.
	5. The desirability of the Company maintaining a reputation for high standards of business conduct.
	6. The need to act fairly between members of the Company.
Board's Statement	1. The Board is focused on promoting the long-term success of the Company and regularly reviews the Company's long-term strategic objectives, including consideration of the impact of the Investment Managers' actions on the marketability and reputation of the Company and the likely impact on the Company's stakeholders of the Company's strategy.
	2. The Company has no direct employees.
	3. The Board's approach to its key stakeholders is set out below.
	4. The Board's approach is set out in the section on Investment Process and ESG Considerations under Strategy and Business Model in the full Annual Report.
	5. The Board's approach is set out in 'Culture and Values' in the full Annual Report.
	6. The Board's approach to its key stakeholders is set out below.

In addition to the primary focus of the Board, and with due regard to its obligations under Section 172 of the Companies Act 2006, the following important matters were considered at Board meetings during the year:

- Recruitment of Angus Macpherson as a non-executive Director and Chairman;
- Changes to the risk matrix, monitoring such changes carefully and introducing alternative mitigating controls where necessary and practicable to support the operation of an effective control environment;
- Review of the marketing plan with the Manager;
- Review of the share buyback programme;
- Review of the dividend policy; and
- Review of the gearing facility and in particular the decision not to renew the revolving credit facility.

The Board considers the main stakeholders in the Company to be its shareholders and its service providers, the principal one of which is its Manager, along with its investee companies. A summary of the key areas of engagement undertaken by the Board with its main stakeholders in the year under review and how Directors have acted upon this to promote the long-term success of the Company are set out in the following table.

Stakeholders	Area of Engagement	Consideration	Engagement	Outcome

Shareholders and Potential Investors	Company Objective	Delivering on the Company's objective to shareholders over the long term.	The Company's objective and investment policy are set out in the full Annual Report. The Company's performance against its objective is regularly reviewed by the Board, taking account of views expressed by shareholders. The Company holds a continuation vote every five years to allow shareholders to decide on the long-term future of the Company.	The Investment Managers' commentary in the full Annual Report gives a full commentary on the Company's portfolio as well as on the approach and considerations undertaken by the Investment Managers for stock selection within the portfolio. A continuation vote took place at the 2019 AGM, with 99.95% of votes cast in favour. The next continuation vote is taking place at this year's AGM.
Shareholders and Potential Investors	Dividend	The objective of the Company is to provide long term capital appreciation, however, the Board recognises the importance of dividend income to many shareholders.	The Board reviews regularly the level of dividends, taking account of the income generated by the Company's portfolio and the availability of reserves. In considering the sustainability of the dividend and of the Company, the Board reviews the models supporting the going concern assessment and viability statement.	Dividend payments are discussed in the Chairman's Statement in the full Annual Report.
Shareholders and Potential Investors	Communication with Shareholders	The Board understands the importance of communication with its shareholders and maintains	Working closely with the Manager, the Board ensures that there is a variety of regular communication with shareholders.	Full details of all Board and Manager communication are included in the full Annual Report. Shareholders are invited to submit

		open channels of communication with shareholders.		questions for the Board to address at the Company's AGM.
Shareholders and Potential Investors	Discount Management	To smooth the volatility in the discount.	The Board monitors the discount closely and discusses discount strategy with the Investment Managers 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 Investment Managers at the close of each trading day in London. The Board also meets with the Investment Managers to discuss the Company's marketing strategy to ensure effective communication with existing shareholders and to consider strategies to create additional demand for the Company's shares.	TEMIT continues to adopt an active buy back policy and has a Conditional Tender Offer. Details of these can be found under 'Stability - Share Buybacks and Conditional Tender Offer' in the full Annual Report. Further details of the current discount and discount management are detailed in the Chairman's Statement under 'Share price rating' in the full Annual Report.
Manager	Communication Between the Board and the Manager	The Board's oversight of the Manager is very important.	The Manager attends all Board meetings where it reviews and discusses performance reports, changes in the portfolio composition and risk matrix. The Board receives timely and accurate information from the Manager and engages with the Investment Managers and	The Board operates in a supportive and open manner, challenging the activity of the Manager and its results. The Board believes that the Company is well managed and the Board places great value on the experience of the Investment Managers to deliver

			the Company Secretary between meetings as well as with other representatives of the Manager as and when it is deemed necessary.	superior long-term returns from investments and on the other functions of the Manager to fulfil their roles effectively.
Third-party Service Providers	Engagement with Service Providers	The Board acknowledges the importance of ensuring that the Company's service providers are delivering a suitable level of service, that the service level is sustainable and that they are fairly remunerated for their service.	As an investment company all services are outsourced to third-party providers. The Board considers the support delivered by service providers including the quality of the service, succession planning and any potential interruption of service or other potential risks.	The Manager maintains the overall day-to-day relationship with the service providers and the Board undertakes an annual review of the performance of the Company's service providers. This review also includes the level of fees paid. The Board meets with service providers as and when considered necessary.
Investee Companies	Engagement with Investee Companies	The relationship between the Company and the investee companies is very important.	On behalf of the Company the Investment Managers engage with investee companies implementing corporate governance principles and discuss the portfolio with the Board on a quarterly basis.	The Investment Managers have a dedicated research team that is employed in making investment decisions and when voting at shareholder meetings of investee companies.

Key performance indicators

The Board considers the following to be the key performance indicators ('KPIs') for the Company:

- Net asset value and share price total return over various periods, compared to its benchmark;
- Share price discount to net asset value;
- Dividend and revenue earnings; and
- Ongoing charges ratio.

The 10 Year Record of the KPIs is shown in the full Annual Report.

Net asset value and share price total return[(a)]
Net asset value and share price total return data is presented within the Financial Highlights in the full Annual Report along with the 10 Year Record in the full Annual Report.

The Chairman's Statement and the Investment Managers' Report in the full Annual Report include further commentary on the Company's performance.

Performance of the Company's portfolio is measured in pounds sterling (GBP) against the MSCI Emerging Markets (Net Dividends) Index. In previous Annual and Half Yearly Reports, performance data has been presented using the version of the MSCI Emerging Markets Index calculated on the basis that gross dividends (that is, without assuming the deduction of any local taxes) were reinvested. In this Annual Report, performance data is presented using the version of the MSCI Emerging Markets Index which assumes that dividends net of local taxes are reinvested and we will use that version of the index, which we refer to as the MSCI Emerging Markets (Net Dividends) Index, in all publications from now on. We believe that this change will make the performance of TEMIT more comparable with similar investment trusts that use a 'Net Dividend' benchmark. This also better reflects the potential tax treatment of TEMIT as the MSCI Emerging Markets (Net Dividends) Index takes account of the local taxes that are charged on dividends included in the index. For the avoidance of doubt, the change in benchmark described above will not affect the investment decision-making process of the Investment Managers.

Share price discount to net asset value[(a)]
Details of the Company's share price discount to net asset value are presented within the Financial Summary in the full Annual Report. On 23 May 2024, the latest practicable date for which information was available, the discount was 14.3%.

The Company has powers to buy back its shares as a discount control mechanism when it is in the best interests of the Company's shareholders and has a Conditional Tender Offer mechanism. These are described under 'Stability - Share Buybacks and Conditional Tender Offer' in the full Annual Report.

Dividend and revenue earnings
Total income earned in the year was £71.9 million (2023: £80.6 million) which translates into net revenue earnings of 5.18 pence per share (2023: 5.72 pence per share), a decrease of 10.8% over the prior year.

The Company paid an interim dividend of 2.00 pence per share on 26 January 2024. The Board is proposing a final dividend of 3.00 pence per share, making total ordinary dividends for the year of 5.00 pence per share.

Ongoing charges ratio[(a)] **('OCR')**
The OCR reduced to 0.97% for the year ended 31 March 2024, compared to 0.98% in the prior year. The OCR has been calculated in line with the Association of Investment Companies ('AIC') recommended methodology.

Costs associated with the purchase and sale of investments are taken to capital and are not included in the OCR. Transaction costs are disclosed in Note 8 of the Notes to the Financial Statements.

(a) A glossary of alternative performance measures is included in the full Annual Report.

Principal and emerging risks

At least quarterly, the Board reviews with the AIFM and the Investment Managers a wide range of risk factors that may impact the Company. A full review of risks and internal controls is held every September by the Audit and Risk Committee. These reviews include a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. These are summarised in the table below.

Further explanation of the monitoring of risk and uncertainties is covered within the Report of the Audit and Risk Committee in the full Annual Report. Information on the risks that TEMIT is subject to, including additional financial and valuation risks, are also detailed in Note 14 of the Notes to the Financial Statements.

Due to the nature of the Company's business, investment risk is a key focus and is reviewed on an ongoing basis by the Investment Managers as part of every investment decision. Further information on this process is detailed in the full Annual Report.

	Principal Risk	Mitigation
Market and Geopolitical	Market risk arises from volatility in the prices of the Company's investments, from the risk of volatility in global markets arising from macroeconomic and geopolitical circumstances and conditions. Many of the companies in which TEMIT invests are, by reason of the locations in which they operate, exposed to the risk of political or economic change. In addition, sanctions, exchange controls, tax or other regulations introduced in any country in which TEMIT invests may affect its income and the value and the marketability of its investments. Emerging markets can be subject to greater price volatility than developed markets. Geopolitical risk was highlighted by the Russian war on Ukraine, the escalating trade war between the United States and China and military tensions over the Taiwan Strait, and the conflict between Israel and Hamas which broke out in October 2023. All of these factors have depressed investor sentiment and the Russian invasion of Ukraine has impacted global trade posed by supply shocks, sanctions, higher levels of inflation and volatility in asset prices.	The Board reviews regularly and discusses with the Investment Managers the portfolio, the Company's investment performance and the execution of the investment policy against the long-term objectives of the Company. The Manager's independent risk team performs systematic risk analysis, including country and industry specific risk monitoring, as well as stress testing of the portfolio's resilience to geopolitical shocks. The Manager's legal and compliance team monitors sanctions. Where TEMIT is affected, adherence to all sanctions and restrictions is ensured by this team. The Board also regularly reviews reports from the Manager's risk, legal and compliance teams.
Technology	Failure or breach of the security of information technology systems of the Company's service providers may entail risk of financial loss, disruption to operations or damage to the reputation of the Company.	The Company benefits from Franklin Templeton's technology framework designed to mitigate the risk of a cyber security breach. For key third-party providers, the Audit and Risk Committee receives regular independent reports on their technology control environment.
Concentration	Concentration risk arises from investing in relatively few holdings, few sectors or a restricted geographic area. Performance may be more volatile than with a greater number of securities.	The Board reviews regularly the portfolio composition/ asset allocation and discusses related developments with the Investment Managers and the independent risk management team. The Investment

		Compliance team of the Investment Managers monitors concentration limits and highlights any concerns to portfolio management for remedial action.
Sustainability and Climate Change	The Company's portfolio, and also the Company's service providers and the Investment Managers, are exposed to risks arising from governance and sustainability issues, including climate change. To the extent that such a risk occurs, or occurs in a manner that is not anticipated by the Investment Managers, there may be a sudden, material negative impact on the value of an investment, and the operations or reputation of the Investment Managers.	The Investment Managers consider that sustainability risks are relevant to the returns of the Company. The Manager has implemented a policy in respect of the integration of sustainability and climate change risks in its investment decision making process. The Board receives regular reports on the policies and controls in place on ESG considerations. The Board has reviewed and fully supports the Franklin Templeton Stewardship Statement and its Sustainable Investing Principles and Policies.
Foreign Currency	Currency exchange rate movements may affect TEMIT's performance. In general, if the value of sterling increases compared with a foreign currency, an investment traded in that foreign currency will be worth less in sterling terms. This can have a negative effect on the Company's performance.	The Board monitors currency risk as part of the regular portfolio and risk management oversight. TEMIT does not hedge currency risk.
Discount Risk	The discount/premium at which the Company's shares trade relative to its net asset value can change. The risk of a widening discount, and/or related volatility, could reduce shareholder returns and confidence in the Company.	The Board monitors the level of discount/premium at which the shares trade and has an active investor relations programme. The Company has authority to buy back its existing shares when deemed by the Board to be in the best interests of the Company and its shareholders.
Operational and Custody	Like many other investment trust companies, TEMIT has no employees. The Company therefore relies upon the services provided by third parties and is dependent upon the control systems of the Investment Managers and of the Company's other service providers. The security, for example, of the Company's assets, dealing procedures, accounting records and maintenance of regulatory and legal requirements depends on the effective operation of these systems.	The Manager's systems are regularly tested and monitored and an internal controls report, which includes an assessment of risks together with an overview of procedures to mitigate such risks, is prepared by the Manager and reviewed by the Audit and Risk Committee. J.P. Morgan Europe Limited is the Company's depositary. Its responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and

		borrowing requirements. The depositary is liable for any loss of financial instruments held in custody and will ensure that the custodian and any sub-custodians segregate the assets of the Company. The depositary oversees the custody function performed by JPMorgan Chase Bank. The custodian provides a report on its key controls and safeguards (SOC 1/ SSAE 16/ISAE 3402) that is independently reported on by its auditor, PwC. The Board reviews regular operational risk management reporting provided by the Investment Managers.
Key Personnel	The ability of the Company to achieve its objective is significantly dependent upon the expertise of the Investment Managers and their ability to attract and retain suitable staff.	The Manager endeavours to ensure that the principal members of its management teams are suitably incentivised, participate in strategic leader programmes and monitor key succession planning metrics. The Board discusses this risk regularly with the Manager.
Regulatory	The Company is an Alternative Investment Fund ('AIF') and is listed on both the London and New Zealand stock exchanges. The Company operates in an increasingly complex regulatory environment and faces numerous regulatory risks. Breaches of regulations could lead to a number of detrimental outcomes and reputational damage.	The Board, with the assistance of the Manager, ensures that the Company complies with all applicable laws and regulation and its internal risk and control framework reduces the likelihood of breaches happening.

Emerging risks

The key emerging risk faced by the Company during the year under review was the possible effects of the conflict between Israel and Hamas on stability in the Middle East and wider world. The Board and Investment Managers continue to monitor the investment strategy response, along with the continuing ramifications of the Russian invasion of Ukraine, and tensions between the United States and China, as noted under the market and geopolitical risk above. The Board also continues to monitor the potential risks on the portfolio and investee companies posed by the dramatic progress of Artificial Intelligence ('AI').

Viability statement

The Board considers viability as part of its continuing programme of monitoring risk. In preparing the Viability Statement, in accordance with the UK Corporate Governance Code and the AIC Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the 12 months required by the 'Going Concern' provision.

The Board has considered the Company's business and investment cycles and is of the view that five years is a suitable time horizon to consider the continuing viability of the Company, balancing the uncertainties of investing in emerging markets securities against having due regard to viability over the longer term.

In assessing the Company's viability, the Board has performed a robust assessment of controls over the principal risks. The Board considers, on an ongoing basis, each of the principal and emerging risks as noted above and set out in Note 14 of the Notes to the Financial Statements. The Board evaluated various scenarios of possible future circumstances including a material increase in expenses and a continued significant and prolonged fall in emerging equity markets. The Board also considered the latest assessment of the portfolio's liquidity. The Board monitors income and expense projections for the Company, with the majority of the expenses being predictable and modest in comparison with the assets of the Company.

The Company foresees no issues with meeting interest payments and current liabilities relating to the £100 million fixed term loan which matures on 31 January 2025. A significant proportion of the Company's expenses is the ad valorem AIFM fee, which would naturally reduce if the market value of the Company's assets were to fall.

Considering the above, and with careful consideration given to the current market situation, the ramifications of continuing geopolitical tensions and the challenges posed by climate change, the Board has concluded that there is a reasonable expectation that, assuming that there will be a successful continuation vote at the 2024 AGM in July, the Company will be able to continue to operate and meet its liabilities as they fall due over the next five years.

Future strategy

The Company was founded, and continues to be managed, based on a long-term investment strategy that seeks to generate superior returns from investments, principally in the shares of carefully selected companies in emerging markets.

The Company's results will be affected by many factors including political decisions, economic factors, the performance of investee companies and the ability of the Investment Managers to choose investments successfully as well as the current challenges.

The Board and the Investment Managers continue to believe in investment with a long-term horizon in companies that are undervalued by stock markets, but which are fundamentally strong and growing. It is recognised that, at times, extraneous political, economic and company-specific and other factors will affect the performance of investments, but the Company will continue to take a long-term view in the belief that patience will be rewarded.

By order of the Board

Angus Macpherson
7 June 2024

Statement of directors' responsibilities

In respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations. Details of the Directors and members of the committees are reported in the full Annual Report.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare the Financial Statements in accordance with UK adopted International Accounting Standards.

Under company law the Directors must be satisfied that the Financial Statements give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the period.

In preparing these Financial Statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements of UK adopted International Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Assess the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website (www.temit.co.uk). Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Responsibility statement

Each of the Directors, who are listed in the full Annual Report, confirms that to the best of their knowledge:

- The Financial Statements, which have been prepared in accordance with UK adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company for the year ended 31 March 2024; and
- The Chairman's Statement, Strategic Report and the Report of the Directors include a fair review of the information required by 4.1.8R to 4.1.11R of the FCA's Disclosure Guidance and Transparency Rules; and
- The Annual Report and Audited Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and include a description of the principal risks and uncertainties.

By order of the Board

Angus Macpherson
7 June 2024

Financial Statements

Statement of comprehensive income

For the year ended 31 March 2024

		Year Ended 31 March 2024			Year Ended 31 March 2023		
		Revenue	Capital	Total	Revenue	Capital	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000

	Note						
Net Gains/(Losses) on Investments and Foreign Exchange							
Net Gains/(Losses) on Investments at Fair Value	8	-	94,636	94,636	-	(54,645)	(54,645)
Net Losses on Foreign Exchange		-	(817)	(817)	-	(442)	(442)
Income							
Dividends	2	65,350	6,560	71,910	77,463	8,431	85,894
Other Income	2	6,536	-	6,536	3,088	-	3,088
		71,886	**100,379**	**172,265**	**80,551**	**(46,656)**	**33,895**
Expenses							
AIFM Fee	3	(5,130)	(11,970)	(17,100)	(5,232)	(12,209)	(17,441)
Other Expenses	4	(1,774)	-	(1,774)	(1,979)	-	(1,979)
		(6,904)	**(11,970)**	**(18,874)**	**(7,211)**	**(12,209)**	**(19,420)**
Profit/(Loss) Before Finance Costs and Taxation		**64,982**	**88,409**	**153,391**	**73,340**	**(58,865)**	**14,475**
Finance Costs	5	(751)	(1,747)	(2,498)	(962)	(2,239)	(3,201)
Profit/(Loss) Before Taxation		**64,231**	**86,662**	**150,893**	**72,378**	**(61,104)**	**11,274**
Tax Expense	6	(5,366)	(5,201)	(10,567)	(5,520)	(3,232)	(8,752)
Profit/(Loss) for the Year		**58,865**	**81,461**	**140,326**	**66,858**	**(64,336)**	**2,522**
Profit/(Loss) Attributable to Equity Holders of the Company		**58,865**	**81,461**	**140,326**	**66,858**	**(64,336)**	**2,522**
Earnings per Share	7	**5.18p**	**7.17p**	**12.35p**	**5.72p**	**(5.50)p**	**0.22p**

- Under the Company's Articles of Association, the capital element of return is not distributable.
- The total column of this statement represents the profit and loss account of the Company.
- The accompanying notes are an integral part of the Financial Statements.

Statement of financial position

As at 31 March 2024

	Note	As at 31 March 2024 £'000	As at 31 March 2023 £'000
Non-Current Assets			
Investments at Fair Value Through Profit or Loss	8	**1,995,232**	**1,992,775**
Current Assets			
Trade and Other Receivables	9	10,759	7,886
Cash and Cash Equivalents		145,736	132,988
Total Current Assets		**156,495**	**140,874**
Current Liabilities			
Bank Loan		(100,000)	-
Other Payables		(6,401)	(6,402)
Total Current Liabilities	10	**(106,401)**	**(6,402)**
Net Current Assets		**50,094**	**134,472**
Non-Current Liabilities			
Capital Gains Tax Provision	6	(10,463)	(9,744)
Other Payables Falling Due After More than One Year		-	(100,000)
Total Assets Less Liabilities		**2,034,863**	**2,017,503**

Share Capital and Reserves			
Equity Share Capital	11	60,932	63,148
Capital Redemption Reserve	1(j)	21,737	19,521
Capital Reserve	1(j)	1,388,186	1,372,654
Special Distributable Reserve	1(j)	433,546	433,546
Revenue Reserve	1(j)	130,462	128,634
Equity Shareholders' Funds		**2,034,863**	**2,017,503**
Net Asset Value Pence per Share[(a)]		182.5	174.1

(a) Based on shares in issue excluding shares held in treasury.

The Financial Statements of Templeton Emerging Markets Investment Trust plc (company registration number SC118022) were approved for issue by the Board and signed on 7 June 2024.

Angus Macpherson
Chairman

Simon Jeffreys
Director

(b)
Statement of changes in equity

For the year ended 31 March 2024

	Note	Equity Share Capital £'000	Capital Redemption Reserve £'000	Capital Reserve £'000	Special Distributable Revenue £'000	Revenue Reserve £'000	Total £'000
Balance at 31 March 2022		**64,136**	**18,533**	**1,466,197**	**433,546**	**117,978**	**2,100,390**
(Loss)/Profit for the Year		-	-	(64,336)	-	66,858	2,522
Equity Dividends	12	-	-	-	-	(56,202)	(56,202)
Purchase and Cancellation of Own Shares	11	(988)	988	(29,207)	-	-	(29,207)
Balance at 31 March 2023		**63,148**	**19,521**	**1,372,654**	**433,546**	**128,634**	**2,017,503**
Profit for the Year		-	-	81,461	-	58,865	140,326
Equity Dividends	12	-	-	-	-	(57,037)	(57,037)
Purchase and Cancellation of Own Shares	11	(2,216)	2,216	(65,929)	-	-	(65,929)
Balance at 31 March 2024		**60,932**	**21,737**	**1,388,186**	**433,546**	**130,462**	**2,034,863**

The accompanying notes are an integral part of the Financial Statements.

Statement of cash flows

For the year ended 31 March 2024

	Note	For the Year to 31 March 2024 £'000	For the Year to 31 March 2023 £'000
Cash Flows From Operating Activities			

Profit Before Taxation		**150,893**	**11,274**
Adjustments to Reconcile Profit Before Taxation to Cash Used in Operations:			
Bank and Deposit Interest Income Recognised		(6,518)	(3,082)
Dividend Income Recognised		(71,910)	(85,894)
Finance Costs		2,498	3,201
Net (Gains)/Losses on Investments at Fair Value	8	(94,636)	54,645
Net Losses on Foreign Exchange		817	442
(Increase)/Decrease in Debtors		(23)	12
Decrease in Creditors		(29)	(310)
Cash Used in Operations		**(18,908)**	**(19,712)**
Bank and Deposit Interest Received		6,434	3,082
Dividends Received		71,024	86,727
Bank Overdraft Interest Paid		(2)	(2)
Tax Paid		(9,945)	(5,971)
Net Realised (Losses)/Gains on Foreign Currency Cash and Cash Equivalents		(435)	179
Net Cash Inflow From Operating Activities		**48,168**	**64,303**
Cash Flows From Investing Activities			
Purchases of Non-Current Financial Assets		(463,750)	(465,539)
Sales of Non-Current Financial Assets		553,641	548,504
Net Cash Inflow From Investing Activities		**89,891**	**82,965**
Cash Flows From Financing Activities			
Equity Dividends Paid	12	(57,037)	(56,202)
Purchase and Cancellation of Own Shares		(65,784)	(30,453)
Repayment of Revolving Credit Facility		-	(50,000)
Interest and Fees Paid on Bank Loans		(2,490)	(3,457)
Net Cash Outflow From Financing Activities		**(125,311)**	**(140,112)**
Net Increase in Cash		**12,748**	**7,156**
Cash at the Start of the Year		132,988	125,855
Net Unrealised Losses on Foreign Currency Cash and Cash Equivalents		0	(23)
Cash at the End of the Year		**145,736**	**132,988**

The accompanying notes are an integral part of the Financial Statements.

Reconciliation of Liabilities Arising From Bank Loans

	Liabilities as at 31 March 2023 £'000	**Cash Flows £'000**	**Profit & Loss £'000**	**Liabilities as at 31 March 2024 £'000**
Revolving Credit Facility	-	-	-	-
- Fees Payable	-	(401)	401	-
Fixed Term Loan	100,000	-	-	100,000
- Interest and Fees Payable	343	(2,089)	2,095	349
Total Liabilities From Bank Loans	**100,343**	**(2,490)**	**2,496**	**100,349**

	Liabilities as at 31 March 2022 £'000	**Cash Flows £'000**	**Profit & Loss £'000**	**Liabilities as at 31 March 2023 £'000**
Revolving Credit Facility	50,000	(50,000)	-	-
- Interest and Fees Payable	249	(1,351)	1,102	-

Fixed Term Loan	100,000	-	-	100,000
- Interest and Fees Payable	352	(2,106)	2,097	343
Total Liabilities From Bank Loans	**150,601**	**(53,457)**	**3,199**	**100,343**

Notes to the financial statements

As at 31 March 2024

1 Accounting Policies

(a) Basis of preparation

The Financial Statements of the Company have been prepared in accordance with UK adopted International Accounting Standards. The Financial Statements have also been prepared in accordance with the Statement of Recommended Practice ('SORP') for investment trusts issued by the Association of Investment Companies ('AIC') and updated in July 2022 insofar as the SORP is compatible with International Accounting Standards.

The Financial Statements have been prepared on the historical cost basis, except for the measurement at fair value of certain financial instruments. All financial assets and financial liabilities are recognised (or derecognised) on the date of the transaction using 'trade date accounting'. The principal accounting policies adopted are set out below.

Adoption of new and revised Accounting Standards

At the date of authorisation of these Financial Statements, the following standards were assessed to be relevant and are effective for annual periods beginning on or after 1 January 2023:

- IAS 1 Amendments: Disclosure of Accounting Policies. This amendment is to help preparers decide which accounting policies to disclose in their Financial Statements.
- IAS 8 Amendments: Definition of Accounting Estimates. This amendment is designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.

The amendments listed above did not have any impact on the amounts recognised in the current reporting period.

At the date of authorisation of these Financial Statements, the following standards and interpretations which have not been applied in these Financial Statements were in issue but not yet applicable:

Accounting Standards	Effective Date for Annual Periods Beginning On or After
IAS 1 Amendments: Non-current Liabilities with Covenants	1 January 2024

The Directors expect that the amendments listed above will have either no impact or that any impact will not be material to the Financial Statements of the Company in the next reporting periods.

Going concern

The Directors have a reasonable expectation that, assuming that there will be a successful continuation vote at the AGM in July 2024, the Company has sufficient resources to continue in operational existence for the period to 31 March 2026, which is at least 12 months from the date of the approval of these Financial Statements. The Directors reviewed income forecasts covering the next two financial years, including interest and fees arising from the debt facility. The Directors considered the principal and emerging risks and uncertainties disclosed in the full Annual Report.

At 31 March 2024, the Company had net current assets of £50,094,000 (31 March 2023: net current assets of £134,472,000). In addition, the Company holds a portfolio of largely liquid assets that, if required, can be sold to maintain adequate cash balances to meet its expected cash flows, including current liabilities relating to the £100 million fixed term loan which matures 31 January 2025. The Directors also reviewed scenarios of a significant drop in value of the assets and noted that in those scenarios they would still be significantly higher than the Company's liabilities. They have also confirmed the resiliency of the Company's key service providers and are satisfied that their contingency plans and working arrangements are sustainable.

The Board has established a framework of prudent and effective controls performed periodically by the Audit and Risk Committee, which enable risks to be assessed and managed. Therefore, the going concern basis has been adopted in preparing the Company's Financial Statements. The Going Concern statement is set out in the full Annual Report.

Functional currency

As the Company is a UK investment trust, whose share capital is issued in the UK and denominated in sterling, the Directors consider that the functional currency of the Company is sterling.

Estimates, assumptions and judgements

There have been no significant estimates, assumptions or judgements for the year.
In preparing these Financial Statements, the Directors have considered the impact of climate change as a principal risk as set out in the full Annual Report and have concluded that there was no further impact of climate change to be considered as the investments are valued based on market pricing. In line with UK adopted International Accounting Standards the investments are valued at fair value, which for the Company are the bid prices quoted on the relevant stock exchange at the date of the Statement of Financial Position and therefore reflect market participants' views of climate change risk on the investments held.

(b) Presentation of statement of comprehensive income

To reflect better the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented within the Statement of Comprehensive Income. In accordance with the Company's Articles of Association, net capital profits may not be distributed by way of dividend. Additionally, the net revenue is the measure that the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 1158 of the Corporation Tax Act 2010.

(c) Income

Dividends receivable on equity shares are treated as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available, dividends are recognised on their due date. Provision is made for any dividends not expected to be received.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend is recognised in the revenue column of the Statement of Comprehensive Income. Any excess in the value of the shares received over the amount of the cash dividend forgone is recognised in the capital column of the Statement of Comprehensive Income.

Special dividends receivable are treated as repayment of capital or as revenue depending on the facts of each particular case. Interest on bank deposits is recognised on an accrual basis.

Stock lending income is shown gross of associated costs and recognised in revenue as earned.

(d) Expenses

All expenses are accounted for on an accrual basis and are charged through the revenue and capital sections of the Statement of Comprehensive Income according to the Directors' expectation of future returns except as follows:

- Expenses relating to the purchase or disposal of an investment are treated as capital. Details of transaction costs on purchases and sales of investments are disclosed in Note 8; and
- Expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. 70% of the annual AIFM fee has been allocated to the capital account.

(e) Finance costs

Finance costs relating to bank loans are accounted for on an accrual basis using the effective interest method in the Statement of Comprehensive Income according to the Directors' expectations of future returns. Finance costs relate to interest and fees on bank loans and overdrafts. 70% of the finance costs, except for interest and fees on overdrafts, have been allocated to the capital account.

(f) Taxation

The tax expense represents the sum of current and deferred tax. Tax receivables will be recognised when it is probable that the benefit will flow to the entity and the benefit can be reliably measured. In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Statement of Comprehensive Income is the 'marginal basis'. Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Statement of Comprehensive Income, then no tax relief is transferred to the capital return column.

Deferred taxation is recognised in respect of all taxable temporary differences that have originated but not reversed at the year-end date, where transactions or events that result in an obligation to pay more tax in the future or rights to pay less tax in the future have occurred at the year-end date.

This is subject to deferred tax assets only being recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Deferred tax assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise.

Due to the Company's status as an investment trust company, and its intention to continue to meet the eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of The Investment Trust (Approved Company) (Tax) Regulations 2011, the Company has not provided deferred tax in respect of UK corporation tax on any capital gains and losses arising on the revaluation or disposal of investments. Where appropriate, the Company provides for deferred tax in respect of overseas taxes on any capital gains arising on the revaluation of investments.

The carrying amount of deferred tax assets is reviewed at each year-end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(g) Investments held at fair value through profit or loss

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 do not meet the contractual cash flows test so are measured at fair value. Accordingly, upon initial recognition, all 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.

(h) Foreign currencies

Transactions involving foreign currencies are translated to sterling (the Company's functional currency) at the spot exchange rates ruling on the date of the transactions. Assets and liabilities in foreign currencies are translated at the rates of exchange at the year-end date. Foreign currency gains and losses are included in the Statement of Comprehensive Income and allocated as capital or income depending on the nature of the transaction giving rise to the gain or loss.

(i) Financial instruments

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value.

Bank loans are classified as financial liabilities at amortised cost. They are initially measured as the proceeds net of direct issue costs and subsequently measured at amortised cost. Interest payable on the bank loan is accounted for on an accrual basis in the Statement of Comprehensive Income. The amortisation of direct issue costs is accounted for on an accrual basis in the Statement of Comprehensive Income using the effective interest method.

(j) Share capital and reserves

Equity Share Capital - represents the nominal value of the issued share capital. This reserve is undistributable.

Capital Redemption Reserve - represents the nominal value of shares repurchased and cancelled. This reserve is undistributable.

Capital Reserve - gains and losses on realisation of investments; changes in fair value of investments which are readily convertible to cash, without accepting adverse terms; realised exchange differences of a capital nature; changes in the fair value of investments that are not readily convertible to cash, without accepting adverse terms; and the amounts by which other assets and liabilities valued at fair value differ from their book value are within this reserve.

Additionally, 70% of the annual AIFM fee and finance costs are charged to this reserve in accordance with accounting policies 1(d) and 1(e).

Purchases of the Company's own shares are funded from the realised component of the Capital Reserve. The Company's Articles of Association preclude it from making any distribution of capital profits by way of dividend. If treasury shares are subsequently cancelled, the nominal value is transferred out of Equity Share Capital and into the Capital Redemption Reserve.

Special Distributable Reserve - reserve created upon the balance transfer of the Share Premium Account and Capital Redemption Reserve in December 2008. This reserve is fully distributable.

Revenue Reserve - represents net income earned that has not been distributed to shareholders. This reserve is fully distributable.

Income recognised in the Statement of Comprehensive Income is allocated to applicable reserves in the Statement of Changes in Equity.

2 Income

	2024			2023		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Dividends[(a)]						
International Dividends	64,489	6,560	71,049	76,287	8,431	84,718
UK Dividends	861	-	861	1,176	-	1,176
	65,350	**6,560**	**71,910**	**77,463**	**8,431**	**85,894**
Other Income						
Bank and Deposit Interest	6,518	-	6,518	3,082	-	3,082
Stock Lending Income	18	-	18	6	-	6
	6,536	**-**	**6,536**	**3,088**	**-**	**3,088**
Total	**71,886**	**6,560**	**78,446**	**80,551**	**8,431**	**88,982**

(a) The Company received special dividends amounting to £8.2 million (2023: £11.0 million) of which £6.6 million (2023: £8.4 million) was classified as capital and £1.6 million (2023: £2.6 million) was classified as revenue.

3 AIFM Fee

	2024			2023		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
AIFM Fee	**5,130**	**11,970**	**17,100**	**5,232**	**12,209**	**17,441**

The AIFM fee is paid monthly and based on the month end total net assets of the Company. From 1 July 2022, the AIFM fee was reduced to 1% of the first £1 billion of net assets, 0.75% of net assets between £1 billion and £2 billion, and 0.50% of net assets over £2 billion. The previous fee structure was 1% of net assets up to £1 billion and 0.80% of net assets above £1 billion.

70% of the annual AIFM fee has been allocated to the capital account.

4 Other Expenses

	2024 £'000	**2023 £'000**
Custody Fees	432	526
Marketing Fees	344	321
Directors' Remuneration	333	303
Membership Fees	171	180
Depository Fees	166	148
Registrar Fees	117	86
Auditor's Remuneration		
- Audit of the Annual Financial Statements	55	52
- Review of the Half Yearly Report	10	10
Broker Fees	40	36

Printing and Postage Fees	17	13
(Tax Advisory Fees Net of Refund)/Tax Advisory Fees	(98)	187
Other Expenses	187	117
Total	**1,774**	**1,979**

5 Finance Costs

	2024			2023		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Fixed Term Loan	629	1,466	2,095	629	1,468	2,097
Revolving Credit Facility	120	281	401	331	771	1,102
Bank Overdraft Interest	2	-	2	2	-	2
Total	**751**	**1,747**	**2,498**	**962**	**2,239**	**3,201**

6 Tax on Ordinary Activities

	2024			2023		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Irrecoverable Overseas Withholding Tax	5,366	-	5,366	5,520	-	5,520
Capital Gains Tax Paid	-	4,482	4,482	-	2,693	2,693
Total Current Tax	**5,366**	**4,482**	**9,848**	**5,520**	**2,693**	**8,213**
Capital Gains Tax Provision	-	719	719	-	539	539
Total	**5,366**	**5,201**	**10,567**	**5,520**	**3,232**	**8,752**

	2024 £'000	**2023 £'000**
Profit Before Taxation	150,893	11,274
Theoretical Tax at UK Corporation Tax Rate of 25% (2023: 19%)	37,723	2,142
Effects of:		
- Capital Element of (Profit)/Loss	(25,095)	8,865
- Irrecoverable Overseas Withholding Tax	5,366	5,520
- Excess Management Expenses	2,224	2,539
- Overseas Capital Gains Tax Paid	4,482	2,693
- Dividends Not Subject to Corporation Tax	(14,421)	(13,152)
- Movement in Overseas Capital Gains Tax Liability	719	539
- UK Dividends	(215)	(224)
- Overseas Tax Expensed	(216)	(170)
Actual Tax Charge	**10,567**	**8,752**

As at 31 March 2024 the Company had unutilised management expenses and non-trade deficits of £304.4 million carried forward (2023: £295.5 million). These balances have been generated because a large part of the Company's income is derived from dividends which are not taxed. Based on current UK tax law, the Company is not expected to generate taxable income in a future period in excess of deductible expenses for that period and, accordingly, is unlikely to be able to reduce future tax liabilities by offsetting these excess management expenses. These excess management expenses are therefore not recognised as a deferred tax asset of £76.1 million (2023: £73.9 million) based on a prospective corporation tax rate of 25% (2023: 25%). The UK corporation tax rate is currently 25% with effect from 1 April 2023.

Movement in Provision for Capital Gains Tax[a]

	2024 £'000	2023 £'000
Balance Brought Forward	9,744	9,205
Charge For the Year	5,201	3,232
Capital Gains Tax Paid	(4,482)	(2,693)
Balance Carried Forward	**10,463**	**9,744**

(a) A provision for deferred capital gains tax has been recognised in relation to unrealised gains for holdings in India.

7 Earnings per Share

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Earnings	58,865	81,461	**140,326**	66,858	(64,336)	**2,522**

	2024			2023		
	Revenue pence	Capital pence	Total pence	Revenue pence	Capital pence	Total pence
Earnings per Share	5.18	7.17	**12.35**	5.72	(5.50)	**0.22**

The earnings per share is based on the profit attributable to equity holders and on the weighted average number of shares in issue, excluding shares held in treasury, during the year of 1,136,517,365 (year to 31 March 2023: 1,169,095,903).

8 Financial Assets - Investments

	2024 £'000	2023 £'000
Opening Investments		
Book Cost	1,705,635	1,732,693
Net Unrealised Gains	287,140	391,837
Opening Fair Value	**1,992,775**	**2,124,530**
Movements In the Year		
Additions at Cost	463,628	466,037
Disposals Proceeds	(555,807)	(543,147)
Net Gains/(Losses) on Investments at Fair Value	94,636	(54,645)
	1,995,232	**1,992,775**
Closing Investments		
Book Cost	1,740,112	1,705,635
Net Unrealised Gains	255,120	287,140
Closing Investments	**1,995,232**	**1,992,775**

All investments have been recognised at fair value with gains and losses recorded through the Statement of Comprehensive Income. Transaction costs for the year on purchases were £546,000 (2023: £638,000) and transaction costs for the year on sales were £1,210,000 (2023: £1,068,000). The aggregate transaction costs for the year were £1,756,000 (2023: £1,706,000).

	2024 £'000	2023 £'000
Net Gains/(Losses) on Investments at Fair Value Comprise:		
Net Realised Gains on Sale of Investments at Fair Value	126,656	50,052
Net Movement in Unrealised Losses	(32,020)	(104,697)
Net Gains/(Losses) on Investments at Fair Value	**94,636**	**(54,645)**

9 Trade and Other Receivables

	2024 £'000	2023 £'000
Dividends Receivable	8,277	7,391
Sales Awaiting Settlement	1,783	-
Overseas Tax Recoverable	516	419
Other Debtors	183	76
Total	**10,759**	**7,886**

10 Current Payables

	2024 £'000	2023 £'000
Bank Loan	100,000	-
Purchase of Investments for Future Settlement	3,667	3,790
AIFM Fee	1,369	1,396
Accrued Expenses	554	556
Amounts Owed for Share Buybacks	462	317
Interest and Fees on Fixed Term Loan	349	343
Total	**106,401**	**6,402**

Fixed term loan

On 31 January 2020, the Company entered into a term loan (the 'term loan') for a period of five years with Scotiabank Europe plc for £100 million. With effect from 28 September 2022, the term loan was transferred by novation from Scotiabank Europe plc to The Bank of Nova Scotia, London Branch. All other contractual terms and conditions remain the same.
The term loan bears interest at the fixed rate of 2.089%. Under the conditions of the term loan, the net assets shall not be less than £1,015 million and the adjusted net asset coverage to all borrowings shall not be less than 3.5:1.

The facility is shown at amortised cost. Interest costs are charged to capital (70%) and revenue (30%) in accordance with the Company's accounting policies.

Revolving credit facility

On 31 January 2020, the Company entered into a £120 million multi-currency unsecured revolving credit facility (the 'facility') for an initial period of three years with The Bank of Nova Scotia, London Branch, subsequently this was extended for one year to 30 January 2024. The undrawn commitment was not renewed and expired on 30 January 2024.

From 31 January 2023, the commitment fee on unutilised commitments was a flat fee of 0.40% per annum. The previous fee structure was 0.40% per annum charged on undrawn balances in excess of £60 million and 0.35% per annum on any undrawn portion below £60 million.

Under the facility balances could be drawn down in GBP, USD or CNH. From 31 January 2023, the interest margin was 1.20% as follows: USD drawdowns bore interest at 1.20% per annum over the daily secured overnight financing rate ('SOFR') administered by the Federal Reserve Bank of New York, while any GBP drawdowns bore interest at 1.20% per annum over the daily sterling overnight index average ('SONIA') published by the Bank of England. The rate for any CNH drawdowns was 1.20% per annum over the Hong Kong Interbank Offered Rate. The previous fee structure was 1.125% per annum over the daily SOFR for USD drawdowns, 1.125% per annum over the daily SONIA for GBP drawdowns and 1.125% per annum over the Hong Kong Interbank Offered Rate for CNH drawdowns. GBP drawdowns were also charged a credit adjustment spread, which was removed following the amendment of the agreement on 31 January 2023.

Under the terms of the facility, the net assets would not be less than £1,015 million and the adjusted net asset coverage to all borrowings would not be less than 3.5:1.

There were no drawdowns on the revolving credit facility during the year (2023: £50 million was repaid). Any facility drawdown was shown at amortised cost and revalued for exchange rate movements. Any gain or loss arising from changes in exchange rates was included in the capital reserves and shown in the capital column of the Statement of Comprehensive Income. Interest costs were charged to capital (70%) and revenue (30%) in accordance with the Company's accounting policies.

11 Equity Share Capital

	2024		2023	
Ordinary Shares In Issue	**£'000**	**Number**	**£'000**	**Number**
Opening Ordinary Shares of 5 Pence	57,957	1,159,138,372	58,945	1,178,896,985
Purchase and Cancellation of Own Shares	(2,216)	(44,319,755)	(988)	(19,758,613)
Closing Ordinary Shares of 5 Pence	**55,741**	**1,114,818,617**	**57,957**	**1,159,138,372**
	2024		**2023**	
Ordinary Shares Held In Treasury	**£'000**	**Number**	**£'000**	**Number**
Opening Ordinary Shares of 5 Pence	5,191	103,825,895	5,191	103,825,895
Closing Ordinary Shares of 5 Pence	5,191	103,825,895	5,191	103,825,895
Total Ordinary Shares In Issue and Held In Treasury at the End of the Year	**60,932**	**1,218,644,512**	**63,148**	**1,262,964,267**

The Company's shares (except those held in treasury) have unrestricted voting rights at all general meetings, are entitled to all of the profits available for distribution by way of dividend and are entitled to repayment of all of the Company's capital on winding up.

During the year, 44,319,755 shares were bought back for cancellation at a cost of £65,929,000 (2023: 19,758,613 shares were bought back for cancellation at a cost of £29,207,000). All shares bought back in the year were cancelled, with none being placed in treasury (2023: no shares were placed into treasury).

12 Dividends

	2024		2023	
	Rate (pence)	**£'000**	**Rate (pence)**	**£'000**
Declared and Paid in the Financial Year Dividend on Shares:				
Final Dividends for the Years Ended 31 March 2023 and 31 March 2022	3.00	34,562	2.80	32,941
Interim Dividends for the Six-Month Periods Ended 30 September 2023 and 30 September 2022	2.00	22,475	2.00	23,261
Total	**5.00**	**57,037**	**4.80**	**56,202**
Proposed for Approval at the Company's AGM Dividend on Shares:				
Final Dividend for the Year Ended 31 March 2024	**3.00**	**33,138**		

Dividends are recognised when the shareholders' right to receive the payment is established. In the case of the final dividend, this means that it is not recognised until approval is received from shareholders at the AGM. The proposed final dividend of 3.00 pence per share will be funded from the revenue reserve and the payment of this dividend will not threaten the going concern or viability of the Company.

13 Related Party Transactions

There were no transactions with related parties, other than the fees paid to the Directors and the AIFM during the financial years ended 31 March 2024 and 31 March 2023 respectively, which have a material effect on the results or the financial position of the Company. Details of fees paid to the Directors and details of the fee paid to the AIFM are included in the full Annual Report.

14 Risk Management

In pursuing the Company's objective, as set out in the full Annual Report, the Company holds a number of financial instruments which are exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction in the profits available for dividends.

The main risks arising from the Company's financial instruments are investment and concentration risk, market risk (which comprises market price risk, foreign currency risk and interest rate risk), liquidity risk and counterparty and credit risk.

The objectives, policies and processes for managing these risks, and the methods used to measure the risks, are set out below. These policies have remained unchanged since the beginning of the year to which these Financial Statements relate.

Investment and concentration risk

The Company may invest a greater portion of its assets than the benchmark in the securities of one issuer, securities of a particular country, or securities within one sector. As a result, there is the potential for an increased concentration of exposure to economic, business, political or other changes affecting similar issues or securities, which may result in greater fluctuation in the value of the portfolio. Investment risk and a certain degree of concentration risk is a known and necessary effect of the stated investment approach in line with the investment policy. The Directors regularly review the portfolio composition and asset allocation and discuss related developments with the Investment Managers. Security, country, and sector concentrations are monitored by the Manager's risk and compliance teams on a regular basis and any concerns are highlighted to the Investment Managers for remedial action and brought to the attention of the Directors.

Market price risk

Market risk arises mainly from uncertainties about future prices of financial instruments held. It represents the potential loss that the Company might suffer through holding market positions in the face of price movements.

The Directors meet quarterly to consider the asset allocation of the portfolio and to discuss the risks associated with particular securities, countries or sectors. The Investment Managers select securities in the portfolio in accordance with the investment policy, and the overall asset allocation parameters described above, and seek to ensure that individual stocks also meet the intended risk/reward profile.

The Company does not use derivative instruments to hedge the investment portfolio against market price risk.

100% (2023: 100%) of the Company's investment portfolio is listed on stock exchanges. If share prices as at 31 March 2024 had decreased by 30% (2023: 30% decrease) with all other variables remaining constant, the Statement of Comprehensive Income capital return and the net assets attributable to equity shareholders would have decreased by £598,570,000 (2023: £597,833,000). A 30% increase (2023: 30% increase) in share prices would have resulted in a proportionate equal and opposite effect on the above amounts, on the basis that all other variables remain constant.

Foreign currency risk

Currency translation movements can significantly affect the income and capital value of the Company's investments, as the majority of the Company's assets and income are denominated in currencies other than sterling, which is the Company's functional currency.

The Investment Managers have identified three principal areas where foreign currency risk could affect the Company:

- Movements in rates affect the value of investments;
- Movements in rates affect short-term timing differences; and
- Movements in rates affect the income received.

The Company does not hedge the sterling value of investments that are priced in other currencies. The Company may be subject to short-term exposure to exchange rate movements, for instance where there is a difference between the date on which an investment purchase or sale is entered into and the date on which it is settled.

The Company receives income in currencies other than sterling and the sterling values of this income can be affected by movements in exchange rates. The Company converts all receipts of income into sterling on or near the date of receipt. However, it does not hedge or otherwise seek to avoid rate movement risk on income accrued but not received.

The fair value of the Company's items denominated in a foreign currency as at 31 March are shown below:

2024

Currency	Trade and Other Receivables £'000	Cash at Bank £'000	Trade, Bank Loans, and Other Payables £'000	Total Net Foreign Currency Exposure £'000	Investments at Fair Value Through Profit or Loss £'000
Korean Won	-	-	-	-	426,407
Hong Kong Dollar	1,783	1	-	1,784	371,454
Taiwan Dollar	516	-	-	516	358,245
Indian Rupee	-	-	-	-	246,587
US Dollar	-	-	-	-	183,034
Other	-	99	(3,667)	(3,568)	382,705

2023

Currency	Trade and Other Receivables £'000	Cash at Bank £'000	Trade, Bank Loans, and Other Payables £'000	Total Net Foreign Currency Exposure £'000	Investments at Fair Value Through Profit or Loss £'000
Hong Kong Dollar	-	-	(1,786)	(1,786)	421,688
Korean Won	5,561	-	(1,834)	3,727	397,800
Taiwan Dollar	1,494	98	-	1,592	316,317
US Dollar	420	-	-	420	232,164
Indian Rupee	-	-	-	-	226,039
Other	320	4,680	(72)	4,928	366,798

The above tables are based on the currencies of the country where shares are listed rather than the underlying currencies of the countries where the companies earn revenue.

As at 31 March 2024, 69.3% (2023: 68.8%) of the investments shown as US dollar and Hong Kong dollar are Chinese companies with exposure to the Chinese yuan. The total exposure to Chinese yuan was £490.3 million (2023: £616.3 million), out of which £33.0 million (2023: £109.4 million) were investments denominated in Chinese yuan.

Foreign currency sensitivity

The following table illustrates the foreign currency sensitivity on the revenue and capital return. The revenue return impact represents the impact on total income (which is mainly comprised of dividend income) had sterling strengthened relative to all currencies by 10% throughout the year.

The capital return impact represents the impact of the financial assets and liabilities of the Company if sterling had strengthened by 10% relative to all currencies on the reporting date. With all other variables held constant, the revenue and capital return would have decreased by the below amounts.

	2024		2023	
	Revenue Return £'000	Capital Return £'000	Revenue Return £'000	Capital Return £'000
Korean Won	853	42,641	1,008	40,153
Hong Kong Dollar	655	37,324	657	41,990
Taiwan Dollar	1,253	35,876	1,226	31,791
Indian Rupee	237	24,659	241	22,604
US Dollar	789	18,303	917	23,258
Other	2,663	37,914	3,580	37,173
Total	**6,450**	**196,717**	**7,629**	**196,969**

A 10% weakening of sterling against all currencies would have resulted in an equal and opposite effect on the above amounts.

Interest rate risk

The Company is permitted to invest in interest bearing securities. Any change to the interest rates relevant to particular securities may result in income either increasing or decreasing, or the Investment Managers being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held and the interest payable on bank loans when interest rates are reset.

The fixed term loan incurs a fixed rate of interest and is carried at amortised cost rather than fair value. Hence, movements in interest rates will not affect net asset values, as reported under the Company's accounting policies.

Interest rate risk profile

The exposure of the financial assets and liabilities to floating interest rate risks at 31 March is shown below:

	2024 £'000	2023 £'000
Cash	145,736	132,988
Net Exposure at Year End	**145,736**	**132,988**

Exposures vary throughout the year as a consequence of changes in the make-up of the net assets of the Company. Cash balances are held on call deposit and earn interest at the bank's daily rate. The Company's net assets are sensitive to changes in interest rates on borrowings. There was no exposure to fixed interest investment securities during the year or at the year end.

Interest rate sensitivity

If the above level of cash was maintained for a year and interest rates were 100 basis points higher or lower, the net profit after taxation would be impacted by the following amounts:

	2024		2023	
	100 Basis Points Increase in Rate £'000	100 Basis Points Decrease in Rate £'000	100 Basis Points Increase in Rate £'000	100 Basis Points Decrease in Rate £'000
Revenue	1,457	(1,457)	1,330	(1,330)
Total	**1,457**	**(1,457)**	**1,330**	**(1,330)**

Liquidity risk

The Company's assets comprise mainly securities listed on the stock exchanges of emerging economies. Liquidity can vary from market to market and some securities may take a significant period to sell. As a closed ended investment trust, liquidity risks attributable to the Company are less significant than for an open-ended fund.

The risk of the Company not having sufficient liquidity at any time to meet its obligations associated with financial liabilities is not considered by the Board to be significant, given the large number of quoted investments held in the portfolio and the liquid nature of the portfolio of investments.

The Investment Managers review liquidity at the time of making each investment decision and monitor the evolving liquidity profile of the portfolio regularly.

The below table details the maturity profile of the Company's financial liabilities as at 31 March 2024, based on the earliest date on which payment can be required and current exchange rates as at the balance sheet date:

As at 31 March 2024	In One Year or Less £'000	More Than One Year and Not Later Than Two Years £'000	More Than Two Years and Not Later Than Three Years £'000	More Than Three Years £'000	Total £'000
Fixed Term Loan	102,095	-	-	-	102,095
Revolving Credit Facility	-	-	-	-	-
Other Payables	6,052	-	-	-	6,052
Total	**108,147**	**-**	**-**	**-**	**108,147**

As at 31 March 2023	In One Year or Less £'000	More Than One Year and Not Later Than Two Years £'000	More Than Two Years and Not Later Than Three Years £'000	More Than Three Years £'000	Total £'000
Fixed Term Loan	2,089	102,095	-	-	104,184
Revolving Credit Facility	401	-	-	-	401
Other Payables	6,059	-	-	-	6,059
Total	**8,549**	**102,095**	**-**	**-**	**110,644**

Counterparty and credit risk

Certain transactions in securities that the Company enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (in relation to sale or declared dividend) after the Company has fulfilled its responsibilities. The Company only buys and sells through brokers which have been approved by the Investment Managers as an acceptable counterparty. Limits are set as to the maximum exposure to any individual broker that may exist at any time. Total exposure is compared to monetary limits that vary based on the size and creditworthiness of the counterparty. Counterparty spreads and capital ratios are reviewed periodically. The amounts under trade and other receivables and cash and cash equivalents shown in the Statement of Financial Position represent the maximum credit risk exposure at the year end.

The Company has an ongoing contract with its custodian (JPMorgan Chase Bank) for the provision of custody services.

As part of the annual risk and custody review, the Company reviewed the custody services provided by JPMorgan Chase Bank and concluded that, while there are inherent custody risks in investing in emerging markets, the custody network employed by TEMIT has appropriate controls in place to mitigate those risks, and that these controls are consistent with recommended industry practices and standards.

Securities held in custody are held in the Company's name or to its accounts. Details of holdings are received and reconciled monthly. Cash is actively managed by Franklin Templeton and is typically invested in overnight time deposits in the name of TEMIT with an approved list of counterparties. Any excess cash not invested will remain in a JPMorgan Chase interest bearing account. There is no significant risk on debtors and accrued income or tax at the year end.

During the year, the Company participated in a securities lending programme through JPMorgan as the lending agents. All securities on loan are Level 1 financial instruments, and their value is determined by reference to the trading prices on the stock market. As at 31 March 2024, the market value of the securities on loan and the corresponding collateral received were as follows:

	31 March 2024		31 March 2023	
Counterparty	**Market Value of Securities on Loan £'000**	**Market Value of Collateral Received £'000**	**Market Value of Securities on Loan £'000**	**Market Value of Collateral Received £'000**
Merrill Lynch International	3,831	5,082	543	739
UBS	211	276	-	-
Citigroup	-	-	17	22
Total	**4,042**	**5,358**	**560**	**761**

The maximum aggregate value of securities on loan at any time during the year was £5,892,895 (2013: £9,470,125). Full details of the collateral received is noted in the full Annual Report.

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;
- Investments held by the Company on the basis set out in the accounting policies included in Note 1; and
- Other financial assets and liabilities at the carrying value which is a reasonable approximation of the fair value.

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); and

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

The hierarchy valuation of listed investments through profit and loss is shown below:

	31 March 2024				31 March 2023			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed Investments	1,995,232	-	-[(a)]	**1,995,232**	1,992,775	-	-[(a)]	**1,992,775**

(a) As at 31 March 2024 investments in Russian securities, LUKOIL and Sberbank of Russia, continue to be fair valued at zero and classified as Level 3 due to the inability of the Company to access the local Moscow equity markets and the very limited access to the over-the-counter market. The fair value of these investments is based on a liquidity discount of 100% to the last traded price for an exit price of zero. As at 31 March 2023, the Company's holding in Yandex was also fair valued at zero and subsequently sold on 23 May 2023.

The following table presents the movement in Level 3 investments for the year ended:

	31 March 2024 £'000	31 March 2023 £'000
Opening Balance	-	20,803
Transfers From Level 3 Into Level 1	-	(17,734)
Disposal Proceeds - Sale of Level 3 Assets	(7,766)[(a)]	(1,613)[(b)]
Net Gains/(Losses) on Investments at Fair Value	7,766	(1,456)
Level 3 Closing Balance	**-**	**-**

(a) Represents the sale of the holding in Yandex on 23 May 2023 for £7,766,000.
(b) Represents the sale of the holdings in Gazprom on 25 April 2022 for £617,000, and the sale of VK on 9 March 2023 for £996,000.

The fixed term loan is shown at amortised cost within the Statement of Financial Position. If the fixed term loan was shown at fair value the impact would be:

	31 March 2024 £'000	31 March 2023 £'000
Fixed Term Loan at Amortised Cost	100,000	100,000
Fixed Term Loan at Fair Value	96,770	94,470
Increase in Net Assets	**3,230**	**5,530**

The fair value of the fixed term loan included in the table above is calculated by aggregating the expected future cash flows which are discounted at a rate comprising the sum of the SONIA rate plus a spread. The fixed term loan at fair value is classed as Level 2.

15 Significant Holdings in Investee Undertakings

As at 31 March 2024, TEMIT held 3% or more of the issued class of security in the following portfolio holding whose shares are admitted to trading:

	31 March 2024		31 March 2023	
Holding	% of Issued Security Class Held by TEMIT	Fair Value £'000	% of Issued Security Class Held by TEMIT	Fair Value £'000
Haier Smart Home	3.0	9,072	-	-

16 Contingent Liabilities

No contingent liabilities existed as at 31 March 2024 or 31 March 2023.

17 Contingent Assets

No contingent assets existed as at 31 March 2024 or 31 March 2023.

18 Financial Commitments

No financial commitments existed as at 31 March 2024 or 31 March 2023.

19 Capital Management Policies and Procedures

The Company's objective is to provide long-term capital appreciation for private and institutional investors seeking exposure to global emerging markets, supported by a culture of both strong customer service and corporate governance.

The Board monitors and regularly reviews the structure of the Company's capital on an ongoing basis. This review includes the investment performance and outlook, discount management mechanisms including share buybacks, gearing and the extent to which revenue in excess of that which is required to be distributed under the investment trust rules should be retained.

The Company's investment policy allows borrowing of up to 20% of net assets, measured at the time of borrowing.

As at 31 March 2024, the Company had share capital and reserves of £2,034,863,000 (31 March 2023: £2,017,503,000). The Company's policies and procedures for managing capital are consistent with the previous year.

20 Events After the Reporting Period

The only material post balance sheet event is in respect of the proposed final dividend, which is disclosed in Note 12.

The statutory accounts for the period ended 31 March 2024 received an audit report which was unqualified, did not include a reference to any matters to which the Auditors drew attention by way of emphasis without qualifying the report, and did not contain statements under section 498(2) and (3) of the Companies Act 2006, and will be delivered to the Registrar of Companies.

The Annual Report and Accounts will be sent to Shareholders shortly. Copies will be uploaded and available for viewing on the National Storage Mechanism, copies will also be posted to the website www.temit.co.uk and may also be requested during normal business hours from Client Dealer Services at Franklin Templeton Investment Management Limited on freephone 0800 305 306.

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