

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

Annual Report and Accounts to 31 March 2026

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 2026, TEMIT’s net asset value (‘NAV’) total return was +6,438.0% compared to the benchmark total return of +2,285.3%.

The Company is governed by a Board of Directors that is 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

	2026	2025	3 Years Cumulative	5 Years Cumulative	10 Years Cumulative
Net Assets Value					
Total Return (cum-income) ^(a)	41.3%	8.8%	65.7%	38.2%	220.3%
Share Price Total Return ^(a)	48.6%	13.3%	76.6%	39.9%	250.4%
MSCI Emerging Markets Index ^{(a)(b)}	26.8%	5.8%	42.0%	25.4%	131.0%
Proposed Total Ordinary Dividend ^{(c)(d)(e)}	5.25p	5.25p	15.25p	23.85p	40.67p

^(a) A glossary of terms and 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 5.25 pence per share for the year ended 31 March 2026 has been proposed. This comprises the interim dividend of 2.00 pence per share paid by the Company on 30 January 2026 and the proposed final dividend of 3.25 pence per share.

^(d) 3, 5 and 10 year cumulative dividends include ordinary dividends that shareholders were entitled to in those periods. 10 year cumulative figure 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.

^(e) Financial years 2016 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.

Strategic report

The Directors present the Strategic Report for the year ended 31 March 2026, 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
2025–2026

	Year Ended 31 March 2026	Year Ended 31 March 2025
Net Asset Value Total Return (Cum-Income) ^(a)	41.3%	8.8%
Share Price Total Return ^(a)	48.6%	13.3%
MSCI Emerging Markets (Net Dividends) Index Total Return ^(a)	26.8%	5.8%
Total Net Assets (£ millions)	2,525.6	1,985.4

Net Asset Value (Pence per Share)	267.3	193.7
Share Price (Pence per Share)	245.5	169.6
Share Price Discount to Net Asset Value at Year End ^(a)	8.2%	12.4%
Average Share Price Discount to Net Asset Value Over the Year ^(a)	9.7%	13.8%
Ordinary Dividend ^(b) (Pence per Share)	5.25	5.25
Revenue Earnings ^(c) (Pence per Share)	5.39	5.41
Net Gearing ^(a)	1.2%	0.2%
Ongoing Charges Ratio ^(a)	0.86%	0.95%

Source: Franklin Templeton and FactSet.

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

^(b) An annual ordinary dividend of 5.25 pence per share for the year ended 31 March 2026 has been proposed. This comprises the interim dividend of 2.00 pence per share (2025: 2.00 pence per share) paid by the Company on 30 January 2026 and a proposed final dividend of 3.25 pence per share (2025: 3.25 pence per share).

^(c) The revenue earnings per share figures are shown in the Statement of Comprehensive Income and Note 7 of the Notes to the Financial Statements.

10 year record 2016-2026

Year Ended	Total Net Assets (£m)	Annual Dividend (£m)	Buy backs (£m)	NAV ^(a) (Pence per Share)	Share Price ^(a) (Pence per Share)	Year-End Discount ^(b) (%)	Annual Dividend ^(a) (Pence per Share)	Ongoing Charges Ratio ^(b) (%)
31 March 2016	1,562.3	24.1	93.6	104.8	90.8	13.4	1.65	1.22
31 March 2017	2,148.1	23.1	89.4	152.6	132.3	13.3	1.65	1.20
31 March 2018	2,300.8	40.0	72.5	169.2	148.6	12.2	3.00	1.12
31 March 2019	2,118.2	40.2	147.5	168.5	153.2	9.1	3.20	1.02
31 March 2020	1,775.7	45.9 ^(c)	69.9	146.5	131.4	10.3	3.80 ^(c)	1.02
31 March 2021	2,591.3	44.9 ^(c)	49.6	219.4	202.4	7.7	3.80 ^(c)	0.97
31 March 2022	2,100.4	44.8	3.6	178.2	156.4	12.2	3.80	0.97
31 March 2023	2,017.5	57.8	29.2	174.1	152.2	12.6	5.00	0.98
31 March 2024	2,034.9	55.4	65.9	182.5	154.4	15.4	5.00	0.97
31 March 2025	1,985.4	54.0 ^(d)	149.2	193.7	169.6	12.4	5.25 ^(d)	0.95
31 March 2026	2,525.6	49.7 ^(d)	166.7	267.3	245.5	8.2	5.25 ^(d)	0.86

Source: Franklin Templeton and FactSet.

^(a) Comparative figures for financial years 2016 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 terms and 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) Based on a proposed annual ordinary dividend of 5.25 pence per share for the year ended 31 March 2026. This comprises a proposed final dividend of 3.25 pence per share calculated using shares in issue as at 21 May 2026 and the interim dividend of 2.00 pence per share paid 30 January 2026.

Chairman's statement

Performance^(a)

^(a) See glossary of terms and alternative performance measures in the full Annual Report.

During the year to 31 March 2026 the performance of TEMIT was unusually strong, with a net asset value ('NAV') total return of +41.3% and a share price total return of +48.6%. These returns were well ahead of the benchmark's +26.8% and the Board would like to congratulate our Investment Managers for another excellent year.

We have always believed that emerging markets should be treated as a long-term investment and we caution that not too much emphasis should be placed on any one year. Over five and ten years, TEMIT has produced NAV total returns of +38.2% and +220.3% respectively, in both cases beating the benchmark returns which were +12.8% and +89.3%. The Managers long-term track record was recognised in May 2025 when Chetan Sehgal and Andrew Ness were awarded Citywire's highest rating of AAA, noting their consistent performance in managing TEMIT's portfolio.

The year has not been without its geopolitical challenges. US President Trump's "Liberation Day" was declared on the second day of the financial year. The announcement of the intention to impose widespread tariffs on imports into the United States from most countries was expected but both the levels and number of countries affected were much higher than predicted, leading to considerable investor anxiety and market volatility. By a year later, most of the tariffs have been struck down by the US Supreme

Court but the situation, and the US government's next steps, remain far from clear. China was clearly the key target of the US President but arguably it is too integrated into the global economy for economic sanctions to profit any party and, as seems increasingly apparent, it has the ability to play the long game whilst becoming less dependent on the US both as a supplier of technology and as a market for its products. As a result of the geopolitical tensions, both the NAV of the Company and its share price initially fell sharply but subsequently increased substantially over the summer, leading to a strong overall return for the first half of our accounting year, to the end of September.

Performance over the second half of our accounting year was, again, largely strong but towards the end of the period geopolitics again played a major part. The US and Israeli military attacks on Iran precipitated a sell-off in markets as it became apparent that Iran would continue to be able to impair the flow of oil from the region. Asia is particularly dependent on oil from the Middle East. As a result, over the month of March our NAV declined, tempering returns but still leaving us well ahead for the year.

Share price rating

Shareholders will also be pleased that the discount has again narrowed over the year, adding to the total return achieved. As has been stated previously the Board finds the persistence and scale of the discount at which the Company's shares have traded to their underlying NAV in recent years to be unsatisfactory. As previously noted, the Board's premise is that, whilst there are significant benefits to a closed ended vehicle, the fact that we are not required to return capital to shareholders does not mean that we should not do so, provided that this does not compromise the ability of the Company to meet its objectives such that, two years ago, we announced a series of measures with the intention of improving liquidity and returns for holders of TEMIT's shares and we have subsequently maintained this approach which is, in summary, commitments to:

- At least maintain the level of annual dividend of 5.00 pence per share;
- Repurchase up to £200 million of shares over the following 12 to 24 months;
- A conditional tender offer, under which TEMIT will tender for up to 25% of its shares if it underperforms its benchmark index over five years to March 2029; and
- A phased reduction in AIFM fees, which will result in fees of 1% on the first £1billion and 0.5% of any assets above that level with effect from 1 July 2026. Based on the NAV at the year end, the blended fee rate from 1 July would then be just under 0.7%.

In the year to 31 March 2026, TEMIT spent £166.7 million on share buybacks. Shares were bought back at an average discount of 10.2%, resulting in an aggregate increase in the NAV per share for remaining shareholders of 0.8%.

It is the Board's intention to repurchase up to £300 million of shares in the next twelve to twenty four months. This increased commitment reflects the increased market capitalisation of the Company.

In last year's Annual Report we noted that the discount had closed from 15.4% at the end of financial year 2024 to 12.4% at the end of March 2025. I am pleased to report that at the 31 March 2026 year-end the discount had further closed to 8.2%, despite the pressure on share prices and ratings in March resulting from the war in Iran.

I have stated in recent reports that the Board does not believe that share buybacks alone will eliminate the discount, but they will enhance liquidity and earnings to the benefit of all shareholders. For the discount to narrow, we believe that there are three important factors: renewed investor enthusiasm for emerging market equities; 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.

There is some evidence that investors' attention is moving towards emerging markets and away from the US. Valuations in the US market, particularly of the so-called "magnificent 7" technology stocks, have become stretched and there is recognition that US isolationism may ultimately lead to the country being a less attractive place to invest. Meanwhile, it remains the case that the 'magnificent 7' have a market capitalisation that is more than double that of the entire MSCI Emerging Markets Index. Not only is this a stark illustration of relative valuation levels but given the prevalence of 'passive' investment strategies tracking such indices, it also suggests a mismatch between investment flows and world GDP and growth.

Should these apparent valuation and weightings anomalies re-balance, renewed interest in emerging markets may be the driver of the strong absolute returns that TEMIT enjoyed over the last year and the further improvement in the share price rating.

TEMIT has for many years committed a sizeable budget to marketing the Company's shares, which is matched by a contribution from Franklin Templeton. TEMIT has a first-class website and regular updates and Franklin Templeton continues to develop effective new ways to communicate with existing and potential investors, including broadcast channels, digital media, print, press and social media, as well as direct communications. We were pleased TEMIT was again awarded "Best Marketing Campaign" by the Association of Investment Companies this year, with the citation: "The judges were impressed with the winning entry's imaginative and meaningful multi-channel campaign. The scientific approach and measurable results showed the effectiveness of the campaign and the impact on shareholders."

Revenue and dividends

Revenue earnings for the year under review were 5.39 pence per share. At the half-year stage we paid an unchanged interim dividend of 2.00 pence per share and we are also proposing an unchanged final dividend of 3.25 pence per share which will be subject to shareholder approval at the Annual General Meeting ('AGM'). The total dividend for the year will then be 5.25 pence per share and so again above the minimum commitment set out above and fully covered by revenue earned during the year.

Gearing

In January 2026 TEMIT renewed its £122 million multi-currency revolving credit facility with The Bank of Nova Scotia, London branch. The new loan facility is a rolling agreement and commercial terms will be reviewed every three years. It provides flexible debt which can be drawn in sterling, US dollars ('USD') and offshore renminbi (Chinese Yuan, 'CNH'). As at the end of March 2026, drawings were £40 million, USD 50 million (equivalent to £38 million) and CNH 300 million (equivalent to £33 million).

In mid-September 2025, the Board announced that it had authorised the Investment Managers to invest in equity options and equity Contracts for Difference. These investments will enable more flexibility and potentially lower costs in managing the portfolio's geared exposure to equities. To accommodate this, minor changes were made to the Company's investment policy which did not require approval by shareholders. The revised investment policy can be found in the full Annual Report or on TEMIT's website at www.temit.co.uk/resources/literature. As at the end of March, the Portfolio Manager had made three investments in covered call options and these are described in the full Annual Report.

Stewardship

Since TEMIT was launched over 36 years ago, our Investment Managers have always focused on the corporate governance of investee companies, which we believe has helped many companies to understand and attract international investors. Over the years, the level of investor attention on sustainability has grown and investment managers' broader approach to the stewardship of investors' capital and the companies in which they invest has come under increasing scrutiny. Our report on this subject is included in the full Annual Report. For those interested in exploring the subject in more depth, our Investment Managers have in recent years produced a comprehensive, dedicated Stewardship Report for TEMIT. This year's report is published simultaneously with this Annual Report and is available to download at www.temit.co.uk.

The Board

David Graham will retire at this year's AGM, having served as a Director for nine years and in line with our policy on Directors' tenure. David's wide-ranging experience in international investment management has proven invaluable to the Board and, on behalf of myself and my colleagues, I would like to thank him for his many thoughtful insights, his incisive questioning and the enthusiasm that he has brought to his role over the last nine years.

At the time of writing, we are in the process of recruiting a new Non-Executive Director and an announcement will be made in due course.

Annual General Meeting ('AGM')

I am pleased to extend an invitation to all shareholders to join us for our Annual General Meeting on 9 July 2026 at The Minster Building, 21 Mincing Lane, London EC3R 7AG.

The AGM is the central component of the governance of your Company where you have the opportunity of holding the Directors and Managers to account. The Board values any and all interactions with investors and it is disappointing that the AGM is attended by so few people.

This year we have taken some steps to make the AGM more accessible and to enhance the content with the objective of encouraging more people to attend. If these prove successful, we shall build on this in future years.

Firstly, as well as a presentation on emerging markets and our portfolio by the Investment Managers, this year we have also arranged a guest speaker, the highly respected financial journalist, Jeff Prestridge. Until recently, Jeff was the Money Editor-at-Large at the Daily Mail and Mail on Sunday, a position that he held since 2023. He previously served as Personal Finance Editor, having first joined the publication in 1994. His published articles have covered a broad range of personal finance topics including investments and investment strategy, pensions, tax and savings, mortgages, protection insurance and investment trusts. In addition to his work at the Mail titles, Jeff is a columnist and contributor to This is Money, Interactive Investor and FT Adviser.

Secondly, this year, for the first time, the AGM will be available live via an online streaming service. The Notice of AGM can be found in the full Annual Report. Shareholders will be able to follow proceedings and also to ask questions online. We will also make a recording available on our website for those shareholders who are not available at the time of the meeting.

Lastly, in common with many other listed companies, voting at the AGM will be by means of a poll. This will make the formal part of the meeting much more speedy and efficient than the traditional show of hands for each vote, giving us more time for presentations from our Portfolio Managers and guest speaker. Whether or not you intend to attend the meeting in person, 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

The Board and our Investment Managers believe that emerging markets should form a larger part of both market indices and investors' portfolios. According to the World Economic Forum, the markets in which TEMIT invest represent around half of the world's GDP^(a) and provide 65% of total economic growth^(b).

^(a)See glossary of terms and alternative performance measures in the full Annual Report.

^(b)Source: IMF World Economic Outlook, April 2025.

Sir John Templeton wrote "When I first started the Templeton Growth Fund in 1954, I already instinctively knew that international investing was the way to find the best bargain stocks with the most appreciation potential, and to protect myself from losses by being diversified". The rebalancing of economic power from the traditionally developed economies appears, in the long term, to be inexorable. Against this background an investment in emerging markets may well move from being viewed as a useful diversifier of risk to a key element of an investor's portfolio, with the risk being missing a multi-generational opportunity.

Whilst we acknowledge that there will be setbacks and returns will certainly not be linear, the renewed interest in emerging markets that I mention above could well be an early indicator of the opportunities presented by emerging markets beginning to bear fruit.

In memoriam

In April 2026 we were deeply saddened to learn of the passing of Dr. Mark Mobius, a pioneer of emerging markets investing and the founder of TEMIT.

Mark's vision and leadership were instrumental in shaping the Company from its launch in 1989, helping to establish it as the UK's leading emerging markets investment trust. Over many years, his disciplined, on-the-ground approach to investing and unwavering belief in the long-term potential of developing economies defined the Company's philosophy and success. Widely regarded as "the father of emerging markets investing", Mark built not only a remarkable investment legacy, but also a global perspective that continues to guide the Company today. His commitment to deep research, local insight and long-term value creation remains embedded in our approach.

Beyond his professional achievements, Mark was deeply respected for his intellectual curiosity, cultural openness and generosity of spirit. He inspired colleagues, investors and the broader investment community alike.

We were also saddened to hear of the passing of two former Directors of TEMIT. Sir Ronnie Hampel was a former Chairman of TEMIT, leading the Company following a reconstruction in 2003 to December 2007. He will be more widely remembered as a leading light in British Industry, having chaired ICI and leading a report which was widely acknowledged as bringing a pragmatic approach to modernising the function of company boards of directors.

Hamish Buchan will be remembered as a major figure in the investment trust industry. Having started work as an analyst in the sector in 1969, he dedicated his career not only to developing a deep understanding but also doing much to improve investment trusts, in particular the information available to investors. It is no surprise that later in his career he was in high demand as a non-executive director and TEMIT was fortunate to be able to secure his services.

Angus Macpherson

Chairman

2 June 2026

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 Templeton Global Investments ('TGI')^(a). TGI have managed the portfolio since TEMIT's inception and are pioneers in emerging markets equity investing. They bring more than 18 years of average industry experience along with local knowledge from over 100 investment professionals, based in 17 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 TGI.

^(a) In 2022, Templeton Global Investments ("TGI") was formed, integrating the trading, investment risk, Asia research and business development functions of Franklin Templeton Emerging Markets and Templeton Global Equity Group. Effective September 2025, the research teams of both groups were also fully integrated under TGI.

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 TGI, 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. He also serves as Deputy Director of Research for Templeton Global Investments.

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)

^(a)All benchmark performance as per the MSCI Emerging Markets (Net Dividends) Index.

Emerging markets advanced over the 12 months ended 31 March 2026. Most of the financial year was fraught with negativity and volatility, however emerging markets managed to overcome this. The MSCI Emerging Markets (Net Dividends) Index returned 26.8% in the 12-month period under review, while TEMIT delivered a net asset value total return of 41.3% (all performance figures are net total return in sterling terms)^(b). Full details of TEMIT's performance can be found in the full Annual Report.

^(b)See glossary of terms and alternative performance measures in the full Annual Report.

The reporting period started with Liberation Day, when the US imposed tariffs on most of its trading partners. This was a sweeping 10% baseline tariff, alongside "reciprocal" duties reaching as high as 50% for specific trading partners. Trade negotiations commenced, with China notably reacting with a "tit-for-tat" strategy, retaliating with matching tariffs. Most nations managed to lower their levies. In February 2026, the US Supreme Court then ruled that these tariffs were unconstitutional, and as of end February 2026, a 10% tariff rate was implemented across the board. Unlike the immediate aftermath of Liberation Day, where governments were scrambling to negotiate the level of tariffs with the United States, US trading partners are now avoiding clashes over the new tariffs.

Geopolitical tensions remained elevated over the past 12 months. US-China trade frictions were more pronounced in the early part of the period alongside the ongoing Russia-Ukraine conflict, with the Middle East unrest now emerging as the main flashpoint. On the last day of February 2026, the United States and Israel launched co-ordinated air strikes inside Iran targeting leadership, military infrastructure and strategic sites. Iran responded with missile and drone attacks, including on several Gulf countries, pulling the wider region directly into the conflict.

The closure of the Strait of Hormuz, which serves as a crucial maritime chokepoint, has impacted oil prices and international trade. This has resulted in higher risk aversion, pushed oil prices higher and raised the broader economic risk premium attached to Middle Eastern assets. In totality, these conflicts have increased geopolitical risks in recent years and, beyond their direct impact, have also contributed to volatility in commodity prices.

We remain watchful of these risks and incorporate them carefully into our investment decisions.

Artificial intelligence ('AI') continued to thrive in the 12-month period under review. AI is rapidly proliferating across sectors and is expected to drive strong demand for AI computing for many years to come, which should be structurally positive for the entire AI server supply chain. Some of the best performing emerging markets for this period were the technology-heavy markets of South Korea and Taiwan, where market expectations of returns from expenditure on AI had a major part to play.

All EM regions, as measured by the MSCI Emerging Markets Index, advanced. The reasons behind each country's equity market performance are detailed below for TEMIT's largest-weighted country exposures.

China/Hong Kong

Portfolio weighting 23.4%^(c)

Benchmark weighting 25.5%^(c)

TEMIT's largest market exposure, although the portfolio remained underweight relative to the benchmark. Chinese and Hong Kong equities rose by a net 1.5% in sterling terms over the 12-month period. The first six months started out strong, when outperformance was mainly driven by the notable easing of trade tensions with the United States, optimism in AI-related stocks and a drive to relieve production overcapacity in several industries (also known as anti-involution). However, fortunes changed in the last six months. The Politburo signalled a more restrained approach on 2026 stimulus, and the anti-involution drive lost momentum. Internet companies also weakened as accelerating AI investments pressured near-term free cash flows amid uncertain return profiles.

Our approach to Chinese equities continues to be selective. Reviewing the macroeconomic background, we have not yet observed any meaningful change in demand; and the declining and ageing population remains a key structural challenge. Our largest exposure to Chinese equities remains in internet platforms, which have strong cash generating core businesses and are available at attractive valuations. Most of these platforms are now investing in AI to drive additional growth as well as for cost efficiencies, although this will have an impact on medium term cash flows for these companies. Over the period, we have also increased our exposure to industrial companies. The global demand for power continues to rise, a trend accelerated by the energy needs of data centres supporting the AI boom. This has created a surge in demand for related infrastructure including energy storage batteries and related power equipment. We have added to Chinese industrial companies that are at the forefront of this trend, demonstrating leadership and experiencing strong growth in both their domestic market and, increasingly, through exports. Similarly, Chinese Electric Vehicle ('EV') manufacturers are leveraging their technological advantages to gain international market share, a trend that is anticipated to continue throughout 2026.

Taiwan

Portfolio weighting 23.0%^(c)

Benchmark weighting 22.5%^(c)

TEMIT's second-largest market exposure, where the portfolio was overweight versus the benchmark. The Taiwanese equity market performed well and ended the 12-month period with an impressive gain of 70.4% in sterling terms. The Taiwanese equity market has a tilt towards the technology sector, and the strong global AI rally lent a helping hand.

The largest holding in TEMIT's portfolio is Taiwan Semiconductor Manufacturing Company ('TSMC'), the global leader in semiconductor foundry. We have also added to other companies in the AI Supply chain, such as makers of power supply units and of printed circuit boards.

South Korea

Portfolio weighting 22.0%^(c)

Benchmark weighting 15.5%^(c)

TEMIT's third-largest market exposure, where the portfolio was overweight versus the benchmark. South Korean equities surged by 117% in sterling terms during the reporting period. This outperformance was led by the two leading semiconductor memory companies, driven by strong demand and rising memory prices. Leading automotive companies also performed well, bolstered by receding US tariff headwinds and optimism on their robotics businesses. Geopolitical tensions outside South Korea resulted in

increased military spending globally, and this flowed to the optimism on the country's defence companies. The industrials sector was the second-best performing sector for the year.

The appointment of South Korea's new president kicked off several market reforms, which were conducive to the country's equity market performance. These included amendments to the Commercial Act to boost corporate governance and increase stock market valuation. This added to an earlier government-led initiative that was launched in 2024, the 'Value-Up' Programme, which encourages listed companies to strengthen their shareholder return policies. The programme has been improved and strengthened since, which expanded corporate governance disclosure among other points.

Our overweight position in South Korea includes companies that are positioned to capture longer-term structural growth drivers in the form of semiconductors and AI (Samsung Electronics and SK Hynix), the green transition (Samsung SDI and LG Corp), next-generation mobility and robotics (Hyundai Motor) and the country's dominant internet search platform integrating e-commerce, payments and digital content (NAVER).

Brazil

Portfolio weighting 9.5%^(c)

Benchmark weighting 5.1%^(c)

TEMIT's fourth-largest market exposure, Brazil, delivered a robust 53% return over the reporting period driven by the anticipation of the beginning of an interest rate cut cycle, which commenced in March 2026, and low starting valuations. The country's leading oil producer, Petrobras (one of the top ten holdings in TEMIT's portfolio), also saw a surge in its share price towards the end of the period along with the increase in oil prices. However, the recent surge in oil prices could dampen the pace of interest rate cuts.

India

Portfolio weighting 8.5%^{(c)(d)}

Benchmark weighting 12.6%^(c)

TEMIT's fifth-largest market exposure. India's equity market declined by over 15% during the period as it faced several headwinds. US policy actions, notably doubled import levies and increased non-immigration visa fees, weighed heavily on the market. The fee hikes on visas combined with concerns over AI disruption to labour-intensive models pressured software services equities. Furthermore, the Middle East conflict drove oil prices higher, exacerbating fears of a widened current account deficit, margin compression and rising headline inflation.

Despite these challenges, India's underlying macroeconomic fundamentals improved. While energy prices posed external risks, domestic core inflation remained manageable and economic growth remained among the strongest across major economies. The market also saw brief, policy-driven rallies, supported by structural reforms such as the government's overhaul of the GST regime.

As valuations moderated over the past year, we capitalised on attractive entry points to initiate new positions in the portfolio. While India remains one of TEMIT's largest absolute country allocations, it is still underweight relative to the benchmark.

^(c)As at 31 March 2026.

^(d)TEMIT has indirect exposure to India through its holdings in Genpact and Cognizant Technology Solutions. If indirect exposure was included, TEMIT's total exposure to India would be 10.5%.

Other emerging markets

The emerging Europe, Middle East and Africa ('EMEA') region navigated a period of elevated geopolitical volatility in the past year. Escalating tensions in the Middle East disrupted key shipping corridors and drove energy prices higher, weighing heavily on equities in the Gulf states.

While these disruptions keep broader inflation risks in focus, the portfolio's limited Middle East exposure and diversified positioning mitigate idiosyncratic regional risk. We have historically maintained an underweight position to the Middle East given its inherent sensitivity to volatile oil cycles. That positioning remains in place.

Mexican equities gained from a combination of factors such as a weaker US dollar and rising commodity prices. Its central bank kept up with monetary easing during the year.

Investment strategy, portfolio changes and performance attribution

The following sections highlight the drivers of TEMIT's performance over the 12-month period. We continue to emphasise that our investment process selects companies based on their individual attributes and ability to generate attractive risk-adjusted returns.

Our investment philosophy is centred on seeking companies with sustainable earnings power trading at a discount to their intrinsic worth and to other investment opportunities in the market. We see high levels of leverage as a risk, avoiding companies with weak balance sheets.

As a bottom-up manager, the value-add that the team provides to its clients stems from superior stock selection. We focus on original, in-depth research of individual companies, drawing rich investment insights from the full breadth and depth of the investment platform, and we expect the dominant driver of the portfolio to be stock-specific risk. Therefore, all of our active decisions are made at the individual stock level, with sector and regional weightings a residual of this process.

Our well-resourced on the ground analysts are a key competitive advantage. Their local knowledge and language skills are instrumental in identifying emerging trends in markets including China, Brazil, and India. This local presence gives us greater insight into business models, supply chains, and competitive dynamics.

Input from our analysts is an integral part of the investment process. Their conversations with regulators and company management, views on industry trends and insights on management capabilities are incorporated into our estimates of a company's earnings power. They also enable us to separate short-term noise from long-term trends.

In the portfolio, we remain positioned in long-term themes including AI-related supply chains, digitalisation, healthcare and consumption. We remain focused on seeking and investing in companies which reflect our investment philosophy.

Performance Attribution Analysis %

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.

Year to 31 March

	2026	2025	2024	2023	2022
Net Asset Value Total Return ^(a)	41.3	8.8	7.9	0.8	(17.3)
Expenses Incurred	0.9	0.9	1.0	1.0	1.0
Gross Total Return ^(a)	42.2	9.7	8.9	1.8	(16.3)
Benchmark Total Return ^(a)	26.8	5.8	5.9	(4.9)	(7.1)
Excess return^(a)	15.4	3.9	3.0	6.7	(9.2)
Stock Selection	9.8	2.7	0.3	7.3	(10.2)
Sector Allocation	4.9	1.6	2.1	(0.4)	0.8
Currency	0.7	(0.7)	0.3	(0.2)	0.2
Share Buyback Impact	0.8	1.2	0.5	0.2	0.0
Residual Return ^(a)	(0.8)	(0.9)	(0.2)	(0.2)	–
Total Contribution	15.4	3.9	3.0	6.7	(9.2)

Source: FactSet and Franklin Templeton.

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

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

^(a)For the period 31 March 2025 to 31 March 2026.

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.

	Contribution to portfolio relative to MSCI Emerging Markets Index		Contribution to portfolio relative to MSCI Emerging Markets Index	
	Top Contributors	Top Detractors		
Overweight	SK Hynix	6.2	ICICI Bank	(1.7)
(TEMIT holds more than the index weight)	TSMC	1.7	Prosus	(1.4)
	Hyundai Motor	1.5	Genpact	(1.0)
	Samsung Life Insurance	1.2	Cognizant Technology Solutions	(0.8)
	Samsung Electronics	0.9	Budweiser Brewing Company APAC	(0.7)
	Grupo Financiero Banorte	0.9	Delivery Hero	(0.6)
	Itaú Unibanco	0.6	Bajaj Holdings & Investment	(0.5)
			China Merchants Bank	(0.5)

			ReNew Energy Global	(0.4)
Underweight (TEMIT has no holding or a holding smaller than the index weight)	Meituan	1.0	Delta Electronics	(0.8)
	Xiaomi	0.9		
	Tencent	0.8		

An overweight allocation to **SK Hynix** served the portfolio well. SK Hynix is a leading semiconductor memory manufacturer in a highly consolidated industry. Strong operating performance, rising memory prices and expectations of strong demand growth for high bandwidth memory ('HBM') used in AI chips boosted the stock price. We expect this trend to continue and hence maintain our conviction in the company.

A long-term holding of the portfolio, **TSMC**, was also among the top contributors for the period. TSMC is a global leader in advanced semiconductor logic chips which are used in a wide variety of solutions, including AI servers, smartphones, personal computers, automotive and industrial equipment. Its share price advanced on strong earnings growth and optimism over the company's business outlook driven by growing demand for AI chips. TSMC's unrivalled leadership in advanced chip manufacturing makes it a key beneficiary of the growth in demand for AI chips.

Also finishing higher was **Hyundai Motor**, a South Korea-based automobile company. It manufactures, sells and exports passenger cars, trucks and commercial vehicles. Risks to its operating environment dwindled due to a reduction in US tariffs on South Korean automobiles. Its robotics affiliate demonstrated advancements in humanoid robotics, which triggered a sharp surge in the group's share price. Our investment thesis in Hyundai Motor is backed by its resilient earnings and strong cash generation. It also offers exposure to the humanoid robotics thematic through its stake in Boston Dynamics.

ICICI Bank is a leading India-based private sector bank. The share price traded sideways for most of the year post a strong 2024, impacted by sector headwinds of lower loan growth and declining net interest margins. The share price further declined in March 2026 along with the broader Indian equity market due to macroeconomic headwinds driven by higher oil prices. A weaker Indian rupee also impacted performance during the period.

An off-benchmark holding in **Prosus**, a leading global investment company and the largest shareholder of Tencent (also held in the portfolio), was also a notable detractor. Prosus also owns multiple food delivery platforms, classified advertisements, payments and e-commerce companies. Its share price largely moved in line with Tencent's and fell over the year. Prosus' share price performance was also impacted by capital allocation concerns over some of its recent acquisitions.

Genpact is a US-listed technology services company that derives much of its earnings from services provided from India. The stock traded lower due to concerns around AI-related disruption. While the near-term outlook appears steady, there is uncertainty on the longer-term growth trajectory for the industry. Genpact has deep industry expertise and has been leveraging AI to develop new solutions as well as to lower costs. While valuations are attractive and seem to factor in much of the negativity, we remain watchful and continue to evaluate the impact of AI on companies in the software sector.

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

^(a)For the period 31 March 2025 to 31 March 2026.

This table shows the contribution of the overall portfolio returns of the different sectors within the TEMIT portfolio relative to the MSCI Emerging Markets Index.

	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	8.5	Industrials	(1.3)
	Consumer Discretionary	3.0		
	Health Care	1.1		
Underweight (TEMIT has no holding or a holding smaller than the index weight)	Financials	1.7	Materials	(0.9)
	Communication Services	1.1	Utilities	(0.2)
	Energy	0.5		
	Real Estate	0.3		
	Consumer Staples	0.3		

Stock selection in the **information technology, consumer discretionary** and **financials** sectors were key drivers of these sectors' relative contribution, but an overweight allocation to information technology played a supporting role in boosting TEMIT's performance relative to the benchmark index during the 12-month period under review. The overweight exposure to information technology is largely due to the portfolio's holdings in semiconductor and AI supply chain companies. As the AI investment theme accelerated, surging demand for AI-specific chips and infrastructure provided a significant tailwind, driving price appreciation for these holdings. Hyundai Motor led gains in the consumer discretionary sector, while the financials sector saw several top contributors: South Korea's leading life insurance company Samsung Life Insurance, leading Mexican financial institution Grupo Financiero Banorte and Brazil retail-focused bank Itaú Unibanco.

In contrast, stock selection and allocations in the **industrials, materials** and **utilities** sectors dampened TEMIT's relative performance. An underweight allocation in materials also ate into returns. The weakness in the industrials sector was mainly due to the portfolio's off-benchmark holding in Genpact (described above). A key cause of weakness in the utilities sector was due to the portfolio's holding in ReNew Energy Global, a leading Indian green power company. Its share price dropped after a member of the buyout consortium withdrew its offer, leading to the cancellation of the proposal deal to take the company private and delist it from US exchanges.

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

^(a)For the period 31 March 2025 to 31 March 2026.

This table shows the contribution of the overall portfolio returns by country relative to the MSCI Emerging Markets Index.

	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)	South Korea	7.7	United States	(1.8)
	Taiwan	1.2	Thailand	(0.5)
			Philippines	(0.2)
Underweight (TEMIT has no holding or a holding smaller than the index weight)	China/Hong Kong	2.4	South Africa	(0.3)
	India	2.0	United Arab Emirates	(0.1)
	Saudi Arabia	1.1		

By market, stock selection and allocations in **South Korea** (overweight) and **China/Hong Kong** (underweight) added to a positive contribution from an underweight allocation to India. Besides SK Hynix and Hyundai Motor, other South Korea-based contributors included the country's leading life insurance company Samsung Life Insurance and Samsung Electronics, one of the largest memory semiconductor manufacturers in the world.

The largest relative detractor was the **United States**, due to the portfolio's holdings in Cognizant Technology Solutions and Genpact. These companies are both US-listed companies that derive much of their earnings from services provided from India. We discussed Genpact above; Cognizant's share price decline was due to concerns around AI-related disruption. Other detractors included **Thailand** and the **Philippines**, largely due to stock selection, albeit to a smaller extent than the United States.

Outlook for emerging markets

The outlook for emerging markets equities is balanced between structural tailwinds and persistent geopolitical risks, resulting in a more selective and differentiated opportunity set rather than a broad-based rally.

Geopolitical risks remain elevated and are increasingly influential in shaping capital flows, commodity prices, and investor sentiment. Growth dynamics also vary significantly across regions and sectors.

In the past 12 months, we have experienced tensions in Asia (between China and the West), the Middle East, and Europe (Russia and Ukraine). The portfolio is relatively insulated from the direct effects of turmoil in the Middle East and Europe region due to our underweight exposure.

Visible supply chain disruptions, concerns over inflation and underlying regional economic growth are some obstacles that pertain to EM economies. Emerging Asia, in particular, is home to several nations which are heavily reliant on energy imports. Nations such as Indonesia, Thailand and the Philippines are experiencing surging fuel subsidy costs to keep prices stable and India, which is vulnerable to energy supply shocks, is facing risks of higher inflation. However, these are issues that the rest of the world faces as well, albeit to different extents.

US-China tensions remain a persistent feature of the external backdrop. We believe that while there may be ups and downs

in the relationship between both countries, disagreements will continue to feature. China, however, has shown that it has been able to manage the strained relationship well, but we think that the relationship is likely to remain fragile.

On the positive side, structural growth themes are evident, with Artificial Intelligence ('AI') being one of the key drivers. While there have been bouts of volatility in the AI trade, demand for AI continues to expand. This is driven by increased uptake, improvements in model performance and widening productivity gains.

AI-related investment continues to support the broader information technology sector. We believe that AI will continue to have a strong investment case across major emerging markets, benefiting companies across the supply chain including semiconductors, electronics manufacturing services, power supply and printed circuit board companies. This conviction drives our overweight position in the information technology sector. These companies are primarily in South Korea and Taiwan.

Besides traditional information technology enablers, companies across many sectors are utilising AI to enhance productivity and competitive positioning. Notably, Chinese online platform companies are transitioning away from legacy digital models, embedding proprietary AI tools directly into their core e-commerce and entertainment offerings to drive a more optimal user experience.

The electric power demands of AI are necessitating further investments in grid infrastructure, power generation, and energy storage. Chinese industrial companies across power transmission equipment, energy storage, and data centre engines are well-positioned to benefit from this cycle.

Domestically, several countries have implemented policies or are in the midst of reforms. We believe that these could provide us with an insight for the short and/or medium terms. We list our outlooks for the larger EM countries below.

China

China's central bank expects to ease its monetary policy in 2026 to support growth and domestic demand. China's gross domestic product ('GDP') growth target for 2026 is between 4.5% and 5%, and boosting domestic demand remains a top priority. This has taken the form of renewal of consumer goods trade-in programmes, and policies to support private investment and consumer spending. However, structural headwinds in China remain. These include a shrinking population and an aging society. In addition, the anti-involution campaign has lost momentum somewhat. Worries over excessive competition in several sectors, particularly e-commerce and food delivery, remain.

Brazil

Brazil's anticipated monetary easing cycle commenced in March, validating a core pillar of our macro recovery thesis. However, the recent surge in the prices of oil and other commodities could impact the pace of rate cuts. Beyond structurally reducing corporate borrowing costs and alleviating debt-servicing burdens, declining rates fundamentally diminish the entrenched appeal of local fixed income investments, catalysing a much-needed domestic capital rotation back into risk assets. This dynamic could support capital flow back into equities. Valuations remain attractive.

India

In 2025, the Indian government introduced a mix of monetary easing and fiscal/tax measures to support demand, including interest rate reductions and a major reform in its Goods and Services Tax ('GST') regime, which resulted in lower tax rates on consumer goods. With these moves, India has a suite of pro-growth policies that should yield their full effects in 2026. However, the Indian economy currently faces headwinds from higher oil prices, which remains a key risk.

The Indian economy is characterised by its large domestic market and limited dependence on trade exports. It has favourable demographics, rising income levels and evolving consumption patterns, which will drive discretionary spending and demand for more premium offerings. However, there is also a risk that technological advances in AI could adversely affect job opportunities in the country. We remain selective as we balance both the risks and opportunities in India.

Conclusion

In many ways, the uncertainties that we reported 12 months ago have remained. These topics continue to dictate broader market behaviour, resulting in near-term volatility and short-term price dislocations. The macroeconomic environment has been, and remains, decidedly tricky and intertwined with a multitude of headwinds and risks.

We continue to abide by our investment approach and seek opportunities across equity markets, focusing on companies that, in our assessment, have long-term earnings power.

Holding	Portfolio		Benchmark	Over/(Under)
	£'000	%	%	weight %
TSMC The world's largest semiconductor foundry company, which is based in Taiwan. Optimism regarding the growth potential from AI and a recovery in the demand for technology products have sent its share price soaring. We maintain a positive long-term view on TSMC and the semiconductor industry. AI can continue to experience strong growth, which should benefit semiconductor companies as they make up a key component of the AI supply chain. Beyond AI, semiconductors are essential components used in a myriad of industries.	425,276	16.6	13.3	3.3
SK Hynix A South Korean semiconductor company and a maker of memory chips used globally across a wide range of solutions. The company remains in a competitive position in high bandwidth memory ('HBM') chips, which are expected to continue to enjoy strong demand. We maintain our conviction, due to memory market tightness and SK Hynix's leadership position in the latest generation of the HBM market. The AI-driven memory cycle has led to a situation of dynamic random access memory ('DRAM') and HBM demand outpacing supply. This underpins strong pricing power and margin expansion. SK Hynix's execution and technology leadership has positioned the company to capture growth via adjusting its product mix and capital expenditure. Together, these reinforce long-term capacity and competitiveness.	184,060	7.2	2.8	4.4
Samsung Electronics One of the largest memory semiconductor manufacturers in the world, based in South Korea. It also manufactures a wide range of consumer and industrial electronics and equipment. It is one of the key manufacturers in the highly consolidated memory semiconductor industry and is benefitting from strong growth in demand for HBM chips for AI accelerators. It also appears to be increasing its share in the newer generation of memory chips for AI applications. At the same time, its foundry business has seen improving order flows, reflecting rising customer engagement.	166,512	6.5	5.7	0.8
Prosus 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 it is available at a discount to its NAV. Besides Tencent, Prosus also owns multiple food delivery platforms, classified advertisements, payments and e-commerce companies. Management's efforts to narrow the share price discount to NAV via share buybacks should also support returns.	83,012	3.2	-	3.2
ICICI Bank A leading India-based private sector bank. Its share price had seen sustained appreciation over a longer-term horizon but dropped in the last 12 months alongside the Indian equity market. Despite recent fluctuations, the stock has delivered significant gains over a five-year period. We believe that its strong franchise positioning leaves it well-placed to capture India's structural economic expansion.	67,284	2.6	0.7	1.9
Grupo Financiero Banorte Grupo Financiero Banorte is a leading financial institution in Mexico. Given the large percentage of unbanked population and rising digital payment penetration, we remain optimistic on the growth prospects of Mexico's banking sector. The bank generates positive economic value via a structurally high return on equity driven by its scale in Mexican retail and government banking, low-cost core deposits, disciplined pricing, and strong fee generation. Shareholder returns are also compelling with a high dividend yield.	65,173	2.5	0.3	2.2
MediaTek	61,418	2.4	0.7	1.7

MediaTek is a Taiwan-based chip designer for smartphones, computer peripherals, application-specific integrated circuits ('ICs') and multimedia ICs. MediaTek has a solid position in mobile computing chips and we believe that it should benefit from growth in demand for chips from IoT ('Internet of Things'), automotive, industrial, and wi-fi applications. The company is also expanding its operations into a diversified compute-chip provider, with additional growth potential from its emerging AI chip business via its partnership with Google (not a portfolio holding) and other potential customers.

Itaú Unibanco	57,790	2.3	0.4	1.9
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Itaú Unibanco is a Brazilian retail-focused bank providing a broad range of services such as cards, loans and insurance. In our view, the bank has a high-quality franchise and strong management team. The low penetration of financial products in Brazil provides an opportunity for the bank to increase its market share via its strong distribution network. In a competitive market, Itaú Unibanco has advantages thanks to its scale and is investing aggressively in technology to stay ahead of the competition.

Petrobras	55,550	2.2	0.8	1.4
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Petrobras is a Brazilian energy company engaged in the exploration, production, and distribution of oil and gas. The company is recognised worldwide for its oil exploration technology in ultra-deep waters. Our conviction hinges on the company's efficient asset base, characterised by a long reserve life and industry-leading production costs. These operational advantages result in strong free cash flow and a high dividend yield.

Tencent	55,525	2.2	3.9	(1.7)
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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. We believe that the company should be one of the key beneficiaries of AI across its business segments in China. Tencent has built its own ecosystem, leveraging its user traffic, customer relationships, content and capital strength. AI is expected to enhance Tencent's existing core businesses of online games, advertisements and fintech. The company's AI strategy seems pragmatic, with a clear path to monetisation.

Portfolio Changes by Country

Country	31 March 2025		Market Movement	31 March 2026		Total Return in Sterling	
	Market Value £m	Purchase £m		Market Value £m	TEMIT %	MSCI Emerging Markets Index %	
China/Hong Kong	549	154	(115)	13	601	6.5	1.5
Taiwan	335	52	(50)	253	590	78.3	70.4
South Korea	332	51	(211)	391	563	136.4	117.3
Brazil	172	20	(18)	68	242	49.9	53.1
India	293	83	(107)	(51)	218	(21.5)	(15.3)
South Africa	46	17	-	17	80	37.8	48.1
Mexico	43	5	(8)	25	65	72.6	53.8
United States	72	-	(3)	(17)	52	(23.8)	-
Thailand	64	2	(37)	4	33	13.5	39.8
Chile	20	-	-	9	29	49.0	39.4
Others	77	35	(32)	9	89	-	-
Total Investments	2,003	419	(581)	721	2,562		

Portfolio by Fair Value

Holding	Sector	Fair Value £'000 ^(a)	% of Portfolio
Brazil			

Itaú Unibanco ^{(b)(c)}	Financials	57,790	2.3
Petrobras ^(b)	Energy	55,550	2.2
Vale	Materials	47,735	1.9
Banco Bradesco ^{(b)(c)}	Financials	43,447	1.7
TOTVS	Information Technology	14,958	0.6
Hypera	Health Care	12,759	0.5
XP	Financials	9,651	0.3
		241,890	9.5
Chile			
Banco Santander Chile ^(c)	Financials	29,061	1.1
		29,061	1.1
China/Hong Kong			
Prosus ^(d)	Consumer Discretionary	83,012	3.2
Tencent	Communication Services	55,525	2.2
Alibaba	Consumer Discretionary	54,846	2.1
China Merchants Bank	Financials	51,583	2.0
BYD	Consumer Discretionary	51,382	2.0
Techtronic Industries ^(e) (Shares and Options)	Industrials	43,419	1.7
WuXi Biologics	Health Care	42,241	1.6
NARI Technology	Industrials	31,006	1.2
Ping An Insurance	Financials	28,085	1.1
Baidu	Communication Services	25,254	1.0
Budweiser Brewing Company APAC	Consumer Staples	21,843	0.9
NetEase	Communication Services	21,350	0.8
Trip.com	Consumer Discretionary	17,224	0.7
Weichai Power	Industrials	15,787	0.6
Haier Smart Home	Consumer Discretionary	13,029	0.5
Uni-President China	Consumer Staples	12,307	0.5
Kuaishou Technology	Communication Services	9,875	0.4
COSCO SHIPPING Ports	Industrials	7,034	0.3
JD.com	Consumer Discretionary	5,894	0.2
Daqo New Energy ^(c)	Information Technology	4,857	0.2
Greentown Service Group	Real Estate	3,269	0.1
Weifu High-Technology	Consumer Discretionary	2,018	0.1
		600,840	23.4
Hungary			
Gedeon Richter	Health Care	26,269	1.0
Wizz Air Holdings	Industrials	1,171	0.1
		27,440	1.1
India			
ICICI Bank	Financials	67,284	2.6
HDFC Bank	Financials	37,325	1.5
Eternal ^(f)	Consumer Discretionary	16,301	0.6
Bajaj Holdings & Investment	Financials	14,862	0.6
Infosys	Information Technology	12,413	0.5
ReNew Energy Global	Utilities	11,931	0.5
Pine Labs	Financials	8,737	0.3
Dr. Reddy's Laboratories	Health Care	8,670	0.3
Niva Bupa Health Insurance	Financials	7,002	0.3
MakeMyTrip	Consumer Discretionary	6,934	0.3
Ather Energy	Consumer Discretionary	6,234	0.2
ACC	Materials	6,036	0.2
Federal Bank	Financials	5,869	0.2
Brigade Enterprises	Real Estate	5,469	0.2
Asahi India Glass	Consumer Discretionary	1,864	0.1
Hemisphere Properties	Real Estate	1,234	0.1
HDB Financial Services	Financials	246	0.0
		218,411	8.5
Indonesia			
Astra International	Industrials	10,501	0.4
		10,501	0.4

Mexico			
Grupo Financiero Banorte	Financials	65,173	2.5
		65,173	2.5
Peru			
Intercorp Financial Services	Financials	11,779	0.5
		11,779	0.5
Philippines			
BDO Unibank	Financials	10,736	0.4
		10,736	0.4
Russia			
LUKOIL ^(g)	Energy	0.0	0.0
Sberbank of Russia ^(g)	Financials	0.0	0.0
		0.0	0.0
South Africa			
Discovery	Financials	40,846	1.6
Netcare	Health Care	20,714	0.8
Harmony Gold Mining	Materials	18,130	0.7
		79,690	3.1
South Korea			
SK Hynix	Information Technology	184,060	7.2
Samsung Electronics	Information Technology	166,512	6.5
Hyundai Motor	Consumer Discretionary	50,597	2.0
LG Corp	Industrials	39,432	1.5
NAVER	Communication Services	26,486	1.0
Doosan Bobcat	Industrials	21,151	0.9
Samsung Life Insurance	Financials	19,054	0.8
Delivery Hero	Consumer Discretionary	14,092	0.6
KakaoBank	Financials	10,636	0.4
Misto ^(h)	Consumer Discretionary	9,994	0.4
Hanmi Pharm	Health Care	8,715	0.3
Samsung SDI	Information Technology	8,557	0.3
Hankook Tire	Consumer Discretionary	2,879	0.1
KT Skylife	Communication Services	1,014	0.0
		563,179	22.0
Taiwan			
TSMC	Information Technology	425,276	16.6
MediaTek	Information Technology	61,418	2.4
Hon Hai Precision Industry	Information Technology	46,106	1.8
Lite-On Technology	Information Technology	31,994	1.2
Zhen Ding Technology	Information Technology	25,219	1.0
		590,013	23.0
Thailand			
Minor International	Consumer Discretionary	11,849	0.5
Kiatnakin Phatra Bank	Financials	9,999	0.4
Thai Beverage	Consumer Staples	5,630	0.2
Star Petroleum Refining	Energy	5,291	0.2
		32,769	1.3
Turkey			
BIM Birlesik Magazalar	Consumer Staples	8,442	0.3
		8,442	0.3
United Arab Emirates			
Emaar Development	Real Estate	10,092	0.4
Emirates Central Cooling Systems	Utilities	6,862	0.3
Spinneys	Consumer Staples	3,914	0.2
		20,868	0.9
United States			
Genpact ⁽ⁱ⁾	Industrials	26,805	1.0
Cognizant Technology Solutions ⁽ⁱ⁾	Information Technology	24,766	1.0
		51,571	2.0
Total Investments at Fair Value		2,562,363	100.0

- (a) Total portfolio fair value comprises equity investments of £2,562,364,000 less derivative liabilities of £1,000 per the Statement of Financial Position in the full Annual Report.
- (b) Preferred shareholders are entitled to dividends before ordinary shareholders.
- (c) US listed American Depository Receipt.
- (d) Prosus is an investment group whose net asset value is predominantly driven by its holding in Tencent.
- (e) The gross asset exposure of Techtronic Industries is £43,471,000, respectively, comprising market exposure to equity investments of £43,420,000, plus market exposure to derivative instruments of £51,000.
- (f) Zomato was renamed Eternal.
- (g) This company is fair valued at zero as a result of its trading being suspended on international stock exchanges. As at 31 March 2026, the Company held 888,726 shares in LUKOIL and 10,954,600 shares in Sberbank of Russia.
- (h) Fila was renamed Misto.
- (i) 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 2026	3.4	7.7	26.2	62.7
31 March 2025	3.6	9.2	27.7	59.5

Benchmark Market Capitalisation Breakdown %^(a)	Less than £1.5bn	£1.5bn to £5bn	£5bn to £25bn	Greater than £25bn
31 March 2026	0.0	5.6	35.9	58.5
31 March 2025	0.0	9.3	37.6	53.1

Source: FactSet Research System, Inc.

(a)The MSCI Emerging Markets (Net Dividends) Index.

Chetan Sehgal
Lead Portfolio Manager
2 June 2026

The investment managers' process

Investment philosophy and approach

TGI'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 clients' capital. TGI 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. TGI conducts in-depth proprietary company research with a long-term and independent perspective. TGI 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

TGI'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 TGI views as unsustainable factors such as short-term demand/supply imbalances or inorganic growth.

Investment process

The three broad stages of TGI'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 TGI's team of over 100 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, TGI'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. TGI analysts speak the local language and are part of the local culture and fabric of the countries where they conduct research.

2 Stock research

TGI 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, TGI seeks to gain insights into the quality and risks of companies. TGI's research platform currently has coverage of over 1,200 companies of which over 700 are in emerging markets countries using a proprietary and rigorous bottom-up research approach, along with extensive knowledge of the wider investment universe.

TGI'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. TGI has a strong emphasis on qualitative assessment.

The assessment of a company's 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. TGI 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

TGI 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 on stock selection, not style or currency factors.

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 45% of the portfolio which overall is well-diversified across the market cap spectrum.

Low turnover

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

Buy and sell discipline

TGI'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; TGI'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 involves exposure to a volatile asset class and therefore entails a higher degree of risk. Franklin Templeton applies a comprehensive and integrated approach to risk management across its portfolios, which is embedded throughout all stages of the investment process.

Investment risks are intentionally taken and clearly identified rather than indiscriminately minimised. Risk management is implemented in close collaboration with dedicated resources from Franklin Templeton's Investment Risk Management Group,

which operates independently from the portfolio management team. A range of risk management tools is employed to anticipate, measure and decompose the portfolio's active risk, supporting a clear understanding and ongoing management of 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).

Stewardship

Templeton Emerging Markets Investment Trust ('Temit') seeks to capture the 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 to understand the financial risks and opportunities that stem from 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 particular 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

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 impact materially on 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.

Our proprietary three-pillar ESG research framework is an assessment tool that has further enhanced our ability to identify financial risk and opportunities.

Operations

Assessing companies' commitment to managing material ESG risks and their long-term growth prospects and considering ESG factors in our valuation models.

Alignment

Assessing the alignment of companies' products and services to positive social and environmental outcomes.

Engagement

Identifying companies' potential for change 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 commitment to manage the ESG footprint of its operating model from the full Temit Stewardship Report 2026 to give shareholders a snapshot of the typical operations analysis undertaken. Case studies of alignment and engagement can also be found in the full Temit Stewardship Report 2026 at www.temit.co.uk.

The case study in this section aims to showcase our ESG research, focusing on a company that is a larger weight in the portfolio.

Operations case study: Environmental	SK Hynix
South Korean semiconductor company SK Hynix is among the global leaders in memory chip production.	
Materiality and risk:	
Natural resources and carbon footprints are financially material to semiconductor manufacturing. Advanced chip manufacturing requires significant volumes of electricity and ultra-pure water, increasing exposure to power price volatility, carbon regulation and water stress. As climate policy tightens and customers demand lower-carbon supply chains, companies face rising transition risks. These may include higher operating costs, additional capital expenditure and production disruptions.	
ESG thesis:	
<p>SK Hynix has a strong focus on climate transition and energy management, recognising carbon and electricity intensity as critical risk factors. It has implemented several initiatives to reduce operational emissions and improve energy efficiency^(a)</p> <ul style="list-style-type: none"> • SK Hynix has committed to achieving Net Zero by 2050 and maintaining Scope 1 and 2 emissions at the 2020 levels through to 2030, despite expected production growth driven by AI demand. • The company is actively reducing high-GWP (Global Warming Potential) process gas usage through optimisation and alternative gas adoption. Abatement systems are also being improved, with scrubber enhancements pushing treatment efficiency up to 99%. • Energy efficiency initiatives delivered 350 gigawatt-hour (GWh) of savings in 2024, exceeding internal targets. This was enabled by ISO 50001-certified energy management systems and AI-enabled optimisation. <p>SK Hynix has developed a robust strategy to manage climate transition risks, embedding oversight at the board and executive level while linking operational decarbonisation, renewable procurement and product energy efficiency improvements to long-term competitiveness.</p>	
Business Thesis:	
SK Hynix is among the top two global DRAM memory leaders by sales volume. It commands strong competitiveness and technological leadership in High Bandwidth Memory (HBM), a critical component for AI data centers. While the memory industry remains structurally volatile given its history of supply-demand mismatches, consolidation across the DRAM and NAND markets is gradually improving industry structure. At the same time, DRAM is evolving towards customisation for specific customer requirements, alongside the rapid growth of HBM driven by AI applications. These trends are reinforcing each other and should support a more stable earnings outlook for the memory market.	

^(a)Source: SK Hynix Sustainability Report 2025

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.

Climate Change

Emerging market (EM) governments will need to adopt growth-enhancing fiscal and structural reforms that promote low-emission resilient investments, backed by productive and cost-effective climate policies, to achieve climate-compatible development. Against this backdrop, our objective to understand the climate commitments of our investee companies for company research incorporates both local and global perspectives, recognising that the pace of decarbonisation and the associated strategies will differ globally.

Our investment process incorporates top-down policy and industry studies, bottom-up company research and comprehensive ESG analysis including climate considerations, all of which help to deepen our research insights. Factoring material environmental issues into our company forecasts can lead to adjustments in growth projections, margin expectations or discount rates. In addition, as active stewards of our clients' capital, engagement is a key tool that enables us to understand and facilitate a company's sustainability journey, where financially material, which is supported by a local footprint and access to management.

We do not rule out investing in companies in carbon intensive sectors, such as cement, steel, industrials and extractive industries. As a material sustainability issue, carbon emissions management can impact a company's business model in various ways, including carbon taxes, technology upgrades and compliance costs.

Climate Risk

The following case study discusses climate-related risks through our research of a large absolute carbon emitter.

Climate risk case study	Petrobras
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Petrobras is a government-controlled oil and gas company in Brazil.

Materiality and risk:

Climate risks are highly material for oil and gas companies. Given the sector’s carbon-intensive nature and long-lived assets, climate-related developments, such as changes to climate policies, carbon pricing and technologies, have the potential to materially impact the financial performance, capital allocations, and asset viability of oil and gas companies over the medium to long term.

ESG thesis:

Petrobras has implemented several initiatives to address its climate impact risks ^(a)

- Petrobras targets net zero operational emissions by 2050, net zero growth in operational emissions by 2030, and near net zero methane emissions by 2030. It links emissions performance to the variable compensation of all employees, including senior management. Additionally, it seeks to influence partners to adopt a 2050 net zero ambition for non-operating assets.
- Petrobras positions carbon capture and reinjection as a core strategic lever, targeting continued growth in offshore CO₂ reinjection capacity.
- US\$16.3bn (15% of capital expenditure) was allocated to decarbonisation, exploring hydrogen, biofuels, renewables and CCUS (carbon capture, utilisation and storage) technologies. Low-carbon R&D is expected to hit 30% of total R&D by 2029.
- The company is meanwhile expanding into carbon-neutral gasoline and renewable diesel, while developing sustainable aviation fuel and bioenergy value chains.

Petrobras has demonstrated a strengthening commitment to addressing emissions across its value chain, notably through diversification into alternative fuels and the establishment of near- and long-term operational targets. This signals a recognition of transition risk and the need to align strategy with decarbonisation pathways. However, given that use-phase emissions (Scope 3 Category 11) constitute most of its overall footprint, a more explicit ambition for value chain emissions would enhance credibility. Setting quantified medium- to long-term targets linked to the company’s outlook on affordability, availability and demand for alternative fuels would provide greater transparency on how its portfolio evolution is expected to translate into real-world emissions reductions.

Business thesis:

Petrobras holds a portfolio of high-quality, long-life oil reserves supported by structurally-low lifting costs. This underpins strong cash generation resilience. The company benefits from leading deep and ultra-deepwater expertise, which sustains competitive production economics, alongside a sizeable and efficient refining system. It maintains a solid proven reserve base and has emerged from a multi-year turnaround and deleveraging phase with a strengthened balance sheet, positioning it to support disciplined capital allocation and attractive shareholder returns. The investment case assumes moderate long-term oil prices and modest production growth, supported by continued capital discipline. Compared to its oil and gas sector peers, Petrobras has strong disclosure of its environmental risks, which has been reflected in the discount rate applied to its discounted cash flow.

^(a)Source: Petrobras Sustainability Report 2024

Effective engagement

We define effective engagement as a targeted dialogue with a company or regulator that seeks changes or improved outcomes related to financially material ESG topics as well as their disclosures. Each ESG engagement must have a specific and clearly-defined objective to measure progress against. This interaction entails a sustained, medium- to long-term dialogue, typically conducted through management meetings or written communications.

We may also reach out to gather ESG-related information, as part of our efforts to monitor investee companies’ strategy and practices. Collectively, our engagement activities provide a strong foundation for TGI to build relationships with companies as co-owners, which will in turn inform our investment processes and drive long-term value creation for our clients.

ESG Discussion	ESG Engagement
Clarifying View	Seeking Change or Improved Disclosure
This is a targeted interaction to gather material ESG information through a company call, meeting or a one-time short-term discussion.	This is a targeted interaction to influence change related to financially material ESG topics and risks, including improved ESG disclosures. Each ESG engagement must have a specific and clearly defined objective to measure progress against. This interaction entails a sustained, medium-to long-term dialogue.

Our engagements are often with decision makers who can affect positive changes at the board or senior management level; subject-matter experts may also be involved. We adopt a non-adversarial engagement approach, aiming for mutually beneficial outcomes if possible.

Engagement statistics

We focus our time and efforts on material issues that affect the sustainability of earnings, and a company’s operating model, including strategy. Our analysts are in continual dialogue with companies on a range of topics, including operational performance, competition landscape, business outlook and company financials, to name a few. There are also companies which we identify where we believe that dedicated discussions and engagements on ESG topics can impact long-term performance. Please see below a report on the nature and outcome of these meetings, where relevant. Given our long-term outlook, we build strong relationships with our investee companies as co-owners on our clients’ behalf.

For the 12 months ended 31 March 2026, of the 353 company engagements (including repeated meetings with certain companies), there were 27 tagged ESG interactions (14 ESG discussions and 13 ESG engagements) where detailed interactions were conducted with an investee company.

Below is an ESG engagement example with an investee company in South Korea.

Company: Samsung SDI (Korea) Global leader in advanced battery and materials solutions	Objectives: We have been engaging Samsung SDI on the potential disposal of its non-core holding, Samsung Display. While the disposal may be challenging to achieve without affecting the group structure, the stake is valued at approximately KRW5 trillion and may provide capital to support the company’s expansion in the electric vehicle battery market, which may be accretive to shareholder returns.
ESG engagement topic: Corporate governance – Shareholder protection and rights	Outcome: Dialogue taking place between TGI and entity In March 2025, we wrote a letter to Samsung SDI, expressing our concerns regarding the dilutive impacts of new share issuance and encouraging the company to monetise its stake in Samsung Display. The company acknowledged that they were considering a stake sale. In October 2025, when we enquired about its plans for asset disposal, the company responded that there was no definitive timeline for the potential disposal, contrary to what was said in its 1Q25 earnings announcement. There was no progress following this exchange until the beginning of 2026, when the company shared that the disposal of its Samsung Display stake would remain a key priority. We will continue to engage the company on its progress here.

Below is an ESG discussion example with an investee company in India.

Company: Eternal (India) Indian online food delivery and quick-commerce company	Materiality Fleet electrification is financially material to Eternal, which is dependent on a large delivery network, with fuel costs and regulatory exposure related to recent labour law reforms directly affecting its margins. Additionally, slow progress towards EV adoption may impact its emissions profile and the credibility of its climate commitments.
ESG discussion topic: Environmental – Transition risk	Discussion We sought an update from Eternal on its progress towards its stated target of transitioning to a 100% EV delivery fleet by 2030. Management indicated that EVs currently account for approximately 15% of its fleet, citing constraints including limited charging infrastructure, high upfront vehicle costs, and financing barriers that are slowing commercial adoption of electric two-wheelers. The current pace of adoption suggests execution risks relative to the 2030 target. We will continue to engage with Eternal to assess the credibility of its transition pathway, including interim milestones, capital allocation, and measures to address structural barriers to scaling up.

Proxy voting

In the year ended 31 March 2026, we voted on over 1,100 management proposals at annual and special general meetings for TEMIT. Most of the proposals which we voted on were related to companies’ director appointments, routine business proposals and capital structure-related proposals.

Of the votable management proposals, we voted “For” proposals 86% of the time and “Against” in another 13%. By proposal category, as a percentage of votes within each category and where we had a total of more than 20 votes, our votes against were largely concentrated on capital structure, management compensation, company articles and director-related matters. To ensure best practices, we referred to recommendations by third-party proxy voting services, such as ISS, where appropriate. However, we believe that we are also positioned to make our own assessments and judgements, in instances where we are better informed by our own research and interaction with management. We view votes against proposals as a formal way to communicate our views to management, and we do this based on our investment team’s assessment of each motion, in line with our clients’ best interests.

The number of resolutions proposed by shareholders (as distinct from a company’s governing board) is increasing around the world, particularly on environmental and social issues, although they remain relatively uncommon in emerging markets. We encountered several governance-related shareholder proposals over the year. For TEMIT’s portfolio, we voted “For” on 37 governance related shareholder proposals, representing 65% of all votable shareholder proposals. These were across several categories, such as director elections and company articles. We will continue to closely examine the merits of views raised by fellow shareholders and vote accordingly.

We encourage you to download the full TEMIT Stewardship Report 2026 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 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 which are financial contracts whose value is linked to the price of shares and include equity options and equity contracts for difference) where they believe that it is advantageous to do so including for gearing purposes.

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 will typically contain between 50 and 100 individual stocks but may, at times, contain fewer or more than this range. No more than 12% of the Company’s assets will be invested in the securities of any one issuer at the time of investment, save that any investment in unlisted securities of any one issuer will be limited to no more than 2% of the Company’s assets, measured at the time of investment.

The maximum borrowing (including any gearing generated through investing in derivatives) 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 UK 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 a Regulatory Information Service.

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 to achieve superior long-term growth for shareholders. TGI, 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 the potential for 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 impact materially 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 TGI's approach to stewardship and 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 stewardship and climate change can be found under 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 also 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 and JP Morgan as joint financial advisers and stockbrokers.

Covered Call Options

The portfolio managers have the ability to invest for TEMIT in 'covered call options' with the aim of increasing returns for shareholders.

A call option gives the buyer the right to buy shares in an underlying company at a fixed price at some point in the future. The fixed price is called the 'strike price'. By selling (or 'shorting') a covered call option, TEMIT sells to a counterparty the right to buy some of the shares that it owns.

When TEMIT sells a covered call option, it receives an amount (the 'premium') from the buyer in exchange for the buyer obtaining the right to buy the shares at the strike price.

A covered call option has a fixed life, with the final date of its life called the 'maturity date'.

- If on the maturity date the share price is below the option strike price, then the call option will expire. TEMIT will have received the option premium, enhancing investment returns, and will still own the underlying shares.
- If on the maturity date the share price is above the option strike price, then the owner of the option has the right to buy the shares under the option at the fixed strike price. If this happens, then TEMIT will have sold the return on the shares above the strike price, but it will have received the option premium.

The effect of covered call options then is that TEMIT receives an option premium but the upside on the returns on the underlying shares is limited to the option strike price as shown in the diagram in the full Annual Report.

If the price of the shares underlying a call option increases to the strike price or above, in practice TEMIT's fund managers will make a decision on whether to reinvest by (re)buying the shares. This will depend on their views on the likely further upside at the time and the company's prospects will be reassessed, as the prospects of all companies in the portfolio are regularly reassessed as new information comes to light.

As at 31 March 2026 TEMIT had written covered call options in Techtronic Industries. During the year the Company also wrote covered call options in Alibaba, which expired in March and Baidu, which were bought back prior to maturity.

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 loan was repaid in full at its maturity on 31 January 2025. The fixed term loan was denominated in pounds sterling and is disclosed in Note 11 of the Notes to the Financial Statements.

Revolving Credit Facility

On 30 January 2026, the Company entered into a £122 million multi-currency revolving loan facility with The Bank of Nova Scotia, London Branch. This loan facility is a rolling agreement with the option to terminate after one year and commercial terms will be reviewed every three years. Drawings may be in sterling, US dollars ('USD') or Chinese renminbi ('CNH'). As at 31 March 2026, tranches of £40 million, USD 50 million and CNH 300 million were drawn down from this facility. Further details of the facility are set out in Note 11 of the Notes to the Financial Statements.

The Company had no other debt as at 31 March 2026. The net gearing position was 1.2% (net of cash in the portfolio) at the year-end (2025: 0.2%)^(a).

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

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 AGM on 11 July 2024, when 99.3% of the votes cast were registered as votes in favour. The next continuation vote will take place at the 2029 AGM.

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 has 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 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 the prevailing 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. 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 2026, the Company held 60,000,000 shares in treasury (2025: 60,000,000 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.

	2026	2025
Shares Bought Back and Cancelled During the Year	79,922,725	89,989,892
Proportion of Share Capital Bought Back and Cancelled	7.8%	8.1%
Total Cost of Share Buybacks	£166.7m	£149.2m
The Benefit to NAV	£18.4m	£23.7m
The Percentage Benefit to NAV	0.8%	1.2%

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. The Board is fully committed to TEMIT's marketing and communications programme. There is a substantial annual marketing and communication budget, and the Manager makes a contribution to these costs.

TEMIT has received AIC Shareholder Communication awards for its effective campaigns and promotions in 2022, 2023, 2024 and 2025. Through innovative use of broadcast media and direct marketing, TEMIT's profile has been elevated, showcasing the Company's benefits and conveying the dynamic growth story of emerging markets to a wider audience. This follows a rebrand in January 2022, when 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 [x.com/temit](https://www.x.com/temit) for ongoing updates and announcements as we expand our social media presence.

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

In addition, TEMIT has an active communications programme. Our Investment Managers provide topical and informative comments to journalists, host media briefings and events 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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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:

- 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 to enter into a new 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 Investment Managers’ Report 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 in the portfolio.
			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	A continuation vote took place at the 2024 AGM, with

			years to allow shareholders to decide on the long-term future of the Company.	99.30% of votes cast in favour. The next continuation vote is scheduled to take place at the 2029 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 open channels of communication with shareholders.	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 questions for the Board to address at the Company's AGM. They are also welcome to contact the Chairman or other Board members at any time.
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 joint stockbrokers at every regular Board meeting. The stockbrokers provide 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 regular 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 Company Secretary between	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 superior long-term returns from investments and

			meetings as well as with other representatives of the Manager as and when it is deemed necessary.	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 TEMIT is 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 levels of fees paid.
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. They 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)

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

Net asset value and share price total return data is presented within the Financial Highlights along with the 10 Year Record.

The Chairman's Statement and the Investment Managers' 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 (GBP).

Share price discount to net asset value^(a)

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

Details of the Company's share price discount to net asset value are presented in the Financial Summary in the full Annual Report. On 21 May 2026, the latest practicable date for which information was available, the discount was 8.9%.

The Company has powers to buy back its shares as a discount control mechanism when the Board considers that this 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'.

Dividend and revenue earnings

Total income earned in the year was £65.6 million (2025: £70.4 million) which translates into net revenue earnings of 5.39 pence per share (2025: 5.41 pence per share), slightly lower compared to the prior year.

The Company paid an interim dividend of 2.00 pence per share on 30 January 2026. The Board is proposing a final dividend of 3.25 pence per share, making total ordinary dividends for the year of 5.25 pence per share.

Ongoing charges ratio^(a) ('OCR')

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

The OCR reduced to 0.86% for the year ended 31 March 2026, compared to 0.95% in the prior year. This was driven by the reduction in the AIFM fee rate as detailed in the Directors' Report and in the Chairman's Statement in the full Annual report and an uplift in the average net assets over the 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.

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 in 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 16 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, Geopolitical and Investment	<p>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.</p> <p>Geopolitical risk arises from political instability, conflict, policy intervention and regulatory actions that inherently affect market access, investability, valuation and liquidity across emerging markets. Such developments can give rise to sanctions, trade and capital restrictions, supply chain disruption and changes in inflationary conditions, which can increase market volatility, impair investor sentiment and impact the operating environment of investee companies.</p> <p>Investment risk refers to the possibility that an investment's actual returns may differ from the expected returns, potentially resulting in financial loss. As well as market and geopolitical risk, this risk is impacted by the decisions made by portfolio managers regarding sector, country allocation, and stock selection.</p>	<p>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.</p>

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. NAV performance may be more volatile and dividend payment less predictable, 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.
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 meets privately with the key personnel at least twice a year. The Board discusses this risk regularly with the Manager.
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.
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.
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.

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.

Emerging risks

The Board and the Investment Managers continue to monitor emerging developments that may affect the Company's portfolio, investability or operating environment, including developments that could amplify the principal risks. Geopolitical uncertainty remains an important area of focus, particularly where political instability, conflict, policy fragmentation and regulatory intervention increase the likelihood of sudden changes in market access, sanctions, trade restrictions or capital restrictions. The Board also continues to monitor the potential implications of rapid technological change, including developments in artificial intelligence, which may affect competitive dynamics, valuation, market structure and operational resilience across sectors and geographies relevant to the portfolio.

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 16 of the Notes to the Financial Statements. The Board evaluated various scenarios 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 £122 million multi-currency revolving credit facility. 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 2029 AGM, 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
2 June 2026

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 2026; 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
2 June 2026

Financial Statements

Statement of comprehensive income

For the year ended 31 March 2026

	Note	Year Ended 31 March 2026			Year Ended 31 March 2025		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net Gains/(Losses) on Investments and Foreign Exchange							
Net Gains on Investments at Fair Value	8	-	721,419	721,419	-	115,856	115,856
Net Gains on Derivative Instruments	9	-	105	105	-	-	-
Net Losses on Foreign Exchange		-	(3,848)	(3,848)	-	(403)	(403)
Income							
Dividends	2	62,296	1,204	63,500	65,353	3,944	69,297
Derivative Income	2	905	-	905	5,038	-	5,038
Other Income	2	2,360	-	2,360	-	-	-
		65,561	718,880	784,441	70,391	119,397	189,788
Expenses							
AIFM Fee	3	(4,547)	(13,640)	(18,187)	(4,792)	(12,620)	(17,412)
Other Expenses	4	(2,259)	-	(2,259)	(2,294)	-	(2,294)
		(6,806)	(13,640)	(20,446)	(7,086)	(12,620)	(19,706)
Profit Before Finance Costs and Taxation							
		58,755	705,240	763,995	63,305	106,777	170,082
Finance Costs	5	(816)	(2,448)	(3,264)	(700)	(1,885)	(2,585)
Profit Before Taxation							
		57,939	702,792	760,731	62,605	104,892	167,497
Tax (Expense)/Income	6	(5,206)	3,011	(2,195)	(4,682)	(9,119)	(13,801)
Profit for the Year							
		52,733	705,803	758,536	57,923	95,773	153,696
Profit Attributable to Equity Holders of the Company							
		52,733	705,803	758,536	57,923	95,773	153,696
Earnings per Share	7	5.39p	72.15p	77.54p	5.41p	8.95p	14.36p

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 revenue and capital columns represent supplementary information prepared in accordance with the Statement of Recommended Practice ('SORP') issued by the Association of Investment Companies ('AIC').

The Company does not have any other comprehensive income and, accordingly, profit attributable to equity holders of the Company, as disclosed above, is the same as the Company's total comprehensive income.

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

Statement of financial position

As at 31 March 2026

	Note	As at 31 March 2026 £'000	As at 31 March 2025 £'000
Non-Current Assets			
Investments at Fair Value Through Profit or Loss	8	2,562,364	2,002,617
Current Assets			
Amounts Held at Brokers		235	-
Trade and Other Receivables	10	9,538	8,374
Cash and Cash Equivalents		78,641	75,549
Total Current Assets		88,414	83,923
Current Liabilities			
Derivative Instrument Liabilities	9	(1)	-

Bank Loans	11	(110,683)	(80,000)
Other Payables	11	(5,495)	(4,406)
Provisions	12	(399)	(416)
Total Current Liabilities		(116,578)	(84,822)
Net Current Liabilities		(28,164)	(899)
Non-Current Liabilities			
Capital Gains Tax Provision	6	(8,615)	(16,276)
Total Assets Less Liabilities		2,525,585	1,985,442
Share Capital and Reserves			
Equity Share Capital	1(k), 13	50,245	54,241
Capital Redemption Reserve	1(k)	32,424	28,428
Capital Reserve	1(k)	1,873,826	1,334,729
Special Distributable Reserve	1(k)	433,546	433,546
Revenue Reserve	1(k)	135,544	134,498
Equity Shareholders' Funds		2,525,585	1,985,442
Net Asset Value Pence per Share ^(a)		267.3	193.7

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

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

The Financial Statements of Templeton Emerging Markets Investment Trust plc (company registration number SC118022) were approved for issue by the Board and signed on 2 June 2026.

Angus Macpherson
Chairman

Sarika Patel
Director

Statement of changes in equity

For the year ended 31 March 2026

	Note	Equity Share Capital £'000	Capital Redemption Reserve £'000	Capital Reserve £'000	Special Distributable Reserve £'000	Revenue Reserve £'000	Total £'000
Balance at 31 March 2024		60,932	21,737	1,388,186	433,546	130,462	2,034,863
Profit for the Year		-	-	95,773	-	57,923	153,696
Equity Dividends	14	-	-	-	-	(53,887)	(53,887)
Purchase and Cancellation of Own Shares	13	(4,500)	4,500	(149,230)	-	-	(149,230)
Cancellation of Treasury Shares	13	(2,191)	2,191	-	-	-	-
Balance at 31 March 2025		54,241	28,428	1,334,729	433,546	134,498	1,985,442
Profit for the Year		-	-	705,803	-	52,733	758,536
Equity Dividends	14	-	-	-	-	(51,687)	(51,687)
Purchase and Cancellation of Own Shares	13	(3,996)	3,996	(166,706)	-	-	(166,706)
Balance at 31 March 2026		50,245	32,424	1,873,826	433,546	135,544	2,525,585

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

Statement of cash flows

For the year ended 31 March 2026

	Note	For the Year to 31 March 2026 £'000	For the Year to 31 March 2025 £'000
Cash Flows From Operating Activities			
Profit Before Taxation		760,731	167,497
Adjustments to Reconcile Profit Before Taxation to Cash Used in Operations:			
Bank and Deposit Interest Income Recognised		(2,360)	(5,015)
Dividend Income Recognised		(63,500)	(69,297)
Derivative Income Recognised		(905)	-
Finance Costs		3,264	2,585
Net Gains on Investments at Fair Value	8	(721,419)	(115,856)
Net Gains on Derivative Instruments	9	(105)	-

Net Losses on Foreign Exchange		3,848	403
(Increase)/Decrease in Debtors		(154)	85
Increase in Creditors		533	10
Cash Used in Operations		(20,047)	(19,588)
Bank and Deposit Interest Received		2,366	5,089
Dividends Received		63,650	69,421
Derivative Income Recognised		1,010	-
Amounts Held at Brokers		(235)	-
Bank Overdraft Interest Paid		-	(2)
Tax Paid		(9,714)	(7,614)
Net Realised Losses/(Gains) on Foreign Currency Cash and Cash Equivalents		(1,327)	(82)
Net Cash Inflow From Operating Activities		35,703	47,224
Cash Flows From Investing Activities			
Purchases of Non-Current Financial Assets		(419,031)	(402,009)
Sales of Non-Current Financial Assets		578,392	509,268
Cash Flows From Investing Activities		159,361	107,259
Cash Flows From Financing Activities			
Equity Dividends Paid	14	(51,687)	(53,887)
Purchase and Cancellation of Own Shares		(166,176)	(149,034)
Repayment of Bank Loans – Fixed Term Loan ^(a)		-	(100,000)
Repayment of Bank Loans – Revolving Credit Facility		(40,000)	-
Drawdown of Bank Loans - Revolving Credit Facility		68,567	80,000
Interest and Fees Paid on Bank Loans		(3,543)	(2,165)
Proceeds from Share Forfeiture		(17)	821
Refund of Unclaimed Dividends		-	220
Charity Donations		-	(625)
Net Cash Outflow From Financing Activities		(192,856)	(224,670)
Net Increase/(Decrease) in Cash		2,208	(70,187)
Cash and Cash Equivalents at the Start of the Year		75,549	145,736
Net Unrealised Gains on Foreign Currency Cash and Cash Equivalents		884	0
Cash and Cash Equivalents at the End of the Year^(b)		78,641	75,549

^(a)The fixed term loan was repaid in full at its maturity on 31 January 2025.

^(b)Cash and cash equivalents at the end of the year comprises cash of £41.2 million (2025: £0.2 million) and cash equivalents of £37.4 million (2025: £75.3 million).

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

Changes in Liabilities Arising From Financing Activities

	Liabilities as at 31 March 2025	Cash Flows	Profit & Loss	Foreign Exchange Movement	Liabilities as at 31 March 2026
	£'000	£'000	£'000	£000	£'000
Revolving Credit Facility	80,000	28,567	-	2,116	110,683
- Interest and Fees Payable	767	(3,543)	3,264	-	488
Total Liabilities From Bank Loans	80,767	25,024	3,624	2,116	111,171

	Liabilities as at 31 March 2024	Cash Flows	Profit & Loss	Foreign Exchange Movement	Liabilities as at 31 March 2025
	£'000	£'000	£'000	£000	£'000
Revolving Credit Facility	-	80,000	-	-	80,000
- Interest and Fees Payable	-	(71)	838	-	767
Fixed Term Loan	100,000	(100,000)	-	-	-
- Interest and Fees Payable	349	(2,094)	1,745	-	-
Total Liabilities From Bank Loans	100,349	(22,165)	2,583	-	80,767

Notes to the financial statements
As at 31 March 2026

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 SORP for investment trusts issued by the AIC and updated in December 2025 insofar as the SORP is compatible with International Accounting Standards.

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 2025:

- IAS 21 Amendments: Lack of Exchangeability. This amendment clarifies when a currency is exchangeable and how to determine the exchange rate when it is not.

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:

<u>Accounting Standards</u>	<u>Effective Date for Annual Periods Beginning On or After</u>
Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18 – Presentation and disclosure in financial statements	1 January 2027

The Directors expect that the amendments listed above will have no material impact to the Financial Statements of the Company in the next reporting periods.

Going concern

The Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the period to 31 March 2028, 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 revolving credit loan facility. The Directors considered the principal and emerging risks and uncertainties disclosed in the full Annual Report.

At 31 March 2026, the Company had net current liabilities of £28,164,000 (31 March 2025: net current liabilities of £899,000). 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 loans under the £122 million multi-currency revolving credit facility. 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 accurately 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 or shortfall 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 and collateral related to option contracts are 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/Expenses are allocated to revenue except for:

- 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
- The AIFM fee and any finance costs, except for interest and fees on overdrafts, incurred are allocated 25% to revenue and 75% to capital in line with the Directors' expected long-term split of revenue and capital return from the Company's investment portfolio.

(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.

(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) Derivative instruments

When appropriate, permitted transactions in derivative instruments are used. Derivative transactions into which the Company may enter include written call option contracts. Derivatives are classified as other financial instruments and are initially accounted and measured at fair value on the date the derivative contract is entered into and subsequently measured at fair value as detailed below.

Options – the quoted traded price for the contract.

Where transactions are used to protect or enhance income, if the circumstances support this, the income and expenses derived are included in net income in the revenue column of the Statement of Comprehensive Income. Where such transactions are used to protect or enhance capital, if the circumstances support this, the income and expenses derived are included in gains and losses on derivative instruments in the capital column of the Statement of Comprehensive Income. Any positions on such transactions open at the year end are reflected on the Statement of Financial Position at their fair value within current assets or current liabilities.

Option premiums earned from written call options are recognised as revenue in the Statement of Comprehensive Income over the maturity of the instrument. Option premium income is recognised net of fees or commissions related to option contracts.

The cash collateral related to option contracts is shown in 'Amounts Held at Brokers' in the Statement of Financial Position.

(i) 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.

(j) 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 loans 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.

All financial assets and financial liabilities are recognised (or derecognised) on the date of the transaction using ‘trade date accounting’.

(k) Share capital and reserves

Equity Share Capital – represents the nominal value of the issued share capital. This reserve is not distributable.

Capital Redemption Reserve – represents the nominal value of shares repurchased and cancelled. This reserve is not distributable.

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. 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 transfer of the balances of the Share Premium Account and of the 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

	2026			2025		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Dividends^(a)						
International Dividends	62,296	1,204	63,500	65,234	3,944	69,178
UK Dividends	-	-	-	119	-	119
	62,296	1,204	63,500	65,353	3,944	69,297
Derivative Income						
Option Income	905	-	905	-	-	-
	905	-	905	-	-	-
Other Income						
Bank and Deposit Interest	2,360	-	2,360	5,015	-	5,015
Stock Lending Income	-	-	-	23	-	23
	2,360	-	2,360	5,038	-	5,038
Total	65,561	1,204	66,765	70,391	3,944	74,335

^(a)The Company received special dividends amounting to £2.8 million (2025: £8.6 million) of which £1.2 million (2025: £3.9 million) was classified as capital and £1.6 million (2025: £4.7 million) was classified as revenue.

3 AIFM Fee

	2026			2025		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
AIFM Fee	4,547	13,640	18,187	4,792	12,620	17,412

The AIFM fee is paid monthly and based on the month end total net assets of the Company. The previous fee structure applied prior to 1 July 2024 was 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. From 1 July 2025, the AIFM fee applied to the middle band rate for net assets between £1 billion and £2 billion was reduced to 0.60%, while the other rate bands remained the same, 1% of the first £1 billion of net assets and 0.50% of net assets over £2 billion. This adjustment formed an earlier modification from 1 July 2024 when the AIFM fee was reduced to 0.70% for the same middle rate band.

75% of the annual AIFM fee has been allocated to the capital account.

4 Other Expenses

	2026 £'000	2025 £'000
Custody Fees	523	502
Marketing Fees	403	352
Directors' Remuneration	355	344
Membership Fees	247	205
Depository Fees	198	169
Broker Fees	85	43
Auditor's Remuneration		
- Audit of the Annual Financial Statements	57	56
- Review of the Half Yearly Report	11	11
Tax Advisory Fees	160	175
Registrar Fees	45	172
Printing and Postage Fees	24	23
Other Expenses	151	242
Total	2,259	2,294

5 Finance Costs

	2026			2025		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Fixed Term Loan	-	-	-	488	1,257	1,745
Revolving Credit Facility	816	2,448	3,264	210	628	838
Bank Overdraft Interest	-	-	-	2	-	2
Total	816	2,448	3,264	700	1,885	2,585

6 Tax on Ordinary Activities

	2026			2025		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Irrecoverable Overseas Withholding Tax	5,206	-	5,206	4,682	-	4,682
Capital Gains Tax Paid	-	4,650	4,650	-	3,306	3,306
Total Current Tax	5,206	4,650	9,856	4,682	3,306	7,988
Capital Gains Tax Provision	-	(7,661)	(7,661)	-	5,813	5,813
Total	5,206	(3,011)	2,195	4,682	9,119	13,801

	2026 £'000	2025 £'000
Profit Before Taxation	760,731	167,497
Theoretical Tax at UK Corporation Tax Rate of 25%	190,183	41,874
Effects of:		
- Capital Element of Profit	(179,720)	(29,849)
- Irrecoverable Overseas Withholding Tax	5,206	4,682
- Excess Management Expenses	3,568	2,733
- Overseas Capital Gains Tax Paid	4,650	3,306
- Dividends Not Subject to Corporation Tax	(13,883)	(14,543)
- Movement in Overseas Capital Gains Tax Liability	(7,661)	5,813
- UK Dividends	-	(30)
- Overseas Tax Expensed	(148)	(185)
Actual Tax Charge	2,195	13,801

As at 31 March 2026 the Company had unutilised management expenses and non-trade deficits of £329.3 million carried forward (2025: £315.5 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 £82.3 million (2025: £78.8 million) based on a prospective corporation tax rate of 25% (2024: 25%).

Movement in Provision for Capital Gains Tax^(a)

	2026 £'000	2025 £'000
--	---------------	---------------

Balance Brought Forward	16,276	10,463
(Credit)/Charge For the Year	(3,011)	9,119
Capital Gains Tax Paid	(4,650)	(3,306)
Balance Carried Forward	8,615	16,276

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

7 Earnings per Share

	2026			2025		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Earnings	52,733	705,803	758,536	57,923	95,773	153,696

	2026			2025		
	Revenue pence	Capital pence	Total pence	Revenue pence	Capital pence	Total pence
Earnings per Share	5.39	72.15	77.54	5.41	8.95	14.36

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 978,257,253 (year to 31 March 2025: 1,070,018,105). There were no dilutive shares in issue during the year (year to 31 March 2025: none).

8 Financial Assets - Investments

	2026 £'000	2025 £'000
Opening Investments		
Book Cost	1,710,894	1,740,112
Net Unrealised Gains	291,723	255,120
Opening Fair Value	2,002,617	1,995,232
Movements in the Year		
Additions at Cost	419,311	399,390
Disposals Proceeds	(580,983)	(507,861)
Net Gains on Investments at Fair Value	721,419	115,856
	2,562,364	2,002,617
Closing Investments		
Book Cost	1,709,656	1,710,894
Net Unrealised Gains	852,708	291,723
Closing Investments	2,562,364	2,002,617

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 £511,000 (2025: £404,000) and transaction costs for the year on sales were £1,110,000 (2025: £879,000). The aggregate transaction costs for the year were £1,621,000 (2025: £1,382,000).

The Company received £580,983,000 (2025: £507,861,000) from investments sold in the year. The book cost of these investments when they were purchased was £420,549,000 (2025: £428,608,000). These investments have been revalued over time, and until they were sold, any unrealised gains or losses were included in the fair value of the investments.

	2026 £'000	2025 £'000
Net Gains on Investments at Fair Value Comprise:		
Net Realised Gains on Sale of Investments at Fair Value	160,433	79,253
Net Movement in Unrealised Gains	560,986	36,603
Net Gains on Investments at Fair Value	721,419	115,856

9 Derivative Instruments

	2026 £'000	2025 £'000
Net Gains on Derivative Instruments		
Net Change in Unrealised Gains on Options	105	-
	105	-
	2026 £'000	2025 £'000

Derivative Instruments Recognised in the Statement of Financial Position

Derivative Instruments Liabilities

Options	1	-
	1	-

10 Trade and Other Receivables

	2026	2025
	£'000	£'000
Dividends Receivable	8,003	8,153
Overseas Tax Recoverable	-	142
Sales Awaiting Settlement	1,357	55
Other Debtors	178	24
Total	9,538	8,374

11 Current Payables

	2026	2025
	£'000	£'000
Revolving Credit Facility Payable	110,683	80,000
AIFM Fee	1,740	1,446
Purchase of Investments for Future Settlement	1,328	1,048
Amounts Owed for Share Buybacks	1,188	658
Accrued Expenses	751	487
Interest and Fees on Revolving Credit Facility	488	767
Total	116,178	84,406

Revolving credit facility

On 31 January 2025, the Company entered into a £122 million multi-currency unsecured revolving credit facility (the 'facility') for a period of one year with The Bank of Nova Scotia, London Branch, which expired on 30 January 2026. On the same date, the Company entered into a new multi-currency revolving loan facility with the same entity. This is a rolling agreement with the option to terminate after one year and commercial terms will be reviewed every three years. Under the terms of the credit facility the lender has the right to terminate the credit facility within a period of less than 12 months from the reporting date therefore the bank loans are classified as current liabilities within the Statement of Financial Position.

From 30 January 2026, the commitment fee on unutilised commitments is a flat fee of 0.325% per annum. The previous fee was 0.40% per annum on undrawn balances.

Under the facility balances can be drawn down in GBP, USD or CNH. From 30 January 2026, the interest margin is 0.95% as follows: USD drawdowns incur interest at 0.95% per annum over the daily secured overnight financing rate ('SOFR') administered by the Federal Reserve Bank of New York, GBP drawdowns incur interest at 0.95% per annum over the daily sterling overnight index average ('SONIA') published by the Bank of England and CNH drawdowns incur interest at 0.95% per annum over the Hong Kong Interbank Offered Rate ('HIBOR') as quoted by the Hongkong and Shanghai Banking Corporation Limited. The previous fee structure was 1.10% per annum over the daily SOFR for USD drawdowns, 1.10% per annum over the daily SONIA for GBP drawdowns and 1.10% per annum over the HIBOR for CNH drawdowns.

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

As at 31 March 2026, £40 million, USD 50 million and CNH 300 million were outstanding loans drawn down from the revolving credit facility. Facility drawdowns are shown at amortised cost and revalued for exchange rate movements. Any gain or loss arising from changes in exchange rates is included in the capital reserves and shown in the capital column of the Statement of Comprehensive Income. Interest costs are charged to capital (75%) and revenue (25%) in accordance with the Company's accounting policies.

12 Provisions

	2026	2025
	£'000	£'000
Provision for claims arising from share forfeitures	399	416
Total	399	416

13 Equity Share Capital

	2026		2025	
	£'000	Number	£'000	Number
Ordinary Shares In Issue				
Opening Ordinary Shares of 5 Pence	51,241	1,024,828,725	55,741	1,114,818,617
Purchase and Cancellation of Own Shares	(3,996)	(79,922,725)	(4,500)	(89,989,892)
Closing Ordinary Shares of 5 Pence	47,245	944,906,000	51,241	1,024,828,725

	2026		2025	
	£'000	Number	£'000	Number
Ordinary Shares Held In Treasury				
Opening Ordinary Shares of 5 Pence	3,000	60,000,000	5,191	103,825,895
Cancellation of Shares	-	-	(2,191)	(43,825,895)
Closing Ordinary Shares of 5 Pence	3,000	60,000,000	3,000	60,000,000
Total Ordinary Shares In Issue and Held In Treasury at the End of the Year	50,245	1,004,906,000	54,241	1,084,828,725

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, 79,922,725 shares were bought back for cancellation at a cost of £166,706,000 (2025: 89,989,892 shares were bought back for cancellation at a cost of £149,230,200). All shares bought back in the year were cancelled, with none being placed in treasury (2025: no shares were placed into treasury).

In the prior year, 43,825,895 shares held in treasury were cancelled. Following cancellation, 60,000,000 shares remained in treasury.

14 Dividends

	2026		2025	
	Rate (pence)	£'000	Rate (pence)	£'000
Declared and Paid in the Financial Year				
Dividend on Shares:				
Final Dividends for the Years Ended 31 March 2025 and 31 March 2024	3.25	32,513	3.00	32,906
Interim Dividends for the Six-Month Periods Ended 30 September 2025 and 30 September 2024	2.00	19,174	2.00	20,981
Total	5.25	51,687	5.00	53,887
Proposed for Approval at the Company's AGM				
Dividend on Shares:				
Final Dividend for the Year Ended 31 March 2026	3.25	30,492		

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 3.25 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.

15 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 2026 and 31 March 2025 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 Note 3.

16 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. However, the Company invests in derivative instruments, such as written call options, for the purpose of generating additional returns.

100% (2025: 100%) of the Company's equity investment portfolio comprises securities listed on stock exchanges. The following market price sensitivity relates solely to these equity investments and excludes derivative positions. If share prices as at 31 March 2026 had decreased by 30% (2025: 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 £768,709,000 (2025: £600,785,000). A 30% increase (2025: 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 and derivative exposures;
- 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 Company's financial liabilities might comprise positions in derivative instruments in currencies other than its functional currency.

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

	Trade and Other Receivables	Cash at Bank ^(a)	Trade, Bank Loans, and Other Payables	Total Net Foreign Currency Exposure	Investments at Fair Value Through Profit or Loss	Derivative Instrument Assets/ (Liabilities)
Currency	£'000	£'000	£'000	£'000	£'000	£'000
Taiwan dollar	1,920	-	-	1,920	590,013	-
Korean Won	3,530	-	(1,328)	2,202	549,087	-
Hong Kong Dollar	82	-	-	82	417,354	(1)

US Dollar	1,520	37,911	(37,784)	1,647	235,692	-
Indian Rupee	-	-	(8,615)	(8,615)	190,876	-
Other	2,306	2,999	(33,057)	(27,752)	578,170	-
Total	9,358	40,910	(80,784)	(30,516)	2,561,192	(1)

^(a) Cash at Bank includes amounts held at brokers.

2025

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	Derivative Instrument Assets/(Liabilities) £000
Hong Kong Dollar	51	-	-	51	390,136	-
Taiwan Dollar	1,165	-	(406)	759	335,133	-
Korean Won	5,373	-	-	5,373	310,143	-
Indian Rupee	-	-	(16,312)	(16,312)	280,837	-
US Dollar	889	-	(609)	280	198,907	-
Euro	-	-	-	-	132,880	-
Other	872	48	(1)	919	352,538	-
Total	8,350	48	(17,328)	(8,930)	2,000,574	-

The above tables are based on the currencies in which the shares are denominated rather than the country of listing.

As at 31 March 2026, 64.7% (2025: 70.2%) of investments at fair value through profit or loss shown under US dollar and Hong Kong dollar exposure relate to Chinese companies whose shares are denominated in those currencies, notwithstanding that the underlying economic exposure of those businesses is to the Chinese yuan. The total exposure to Chinese yuan was £600.8 million (2025: £549.3 million), of which £82.6 million (2025: £42.2 million) comprised investments at fair value through profit or loss denominated in Chinese yuan and included within the 'Other currencies' category in the foreign currency exposure table above.

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.

	2026		2025	
	Revenue Return £'000	Capital Return £'000	Revenue Return £'000	Capital Return £'000
Taiwan Dollar	1,041	59,193	888	33,589
Korean Won	764	55,129	789	31,552
Hong Kong Dollar	190	41,744	72	39,013
US Dollar	50	23,734	54	19,979
Indian Rupee	193	18,226	243	26,452
Other	4,082	55,042	4,482	48,633
Total	6,320	253,068	6,528	199,218

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.

Interest rate risk profile

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

	2026 £'000	2025 £'000
Cash	78,641	75,549
Amounts Held at Brokers	235	-
Revolving Credit Facility	(110,683)	(80,000)
Net Exposure at Year End	(31,807)	(4,451)

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, amounts held at brokers and revolving credit facility were 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:

	2026		2025	
	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	512	(512)	555	(555)
Capital	(830)	830	(600)	600
Total	(318)	318	(45)	45

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 considered by the Board to be mitigated, given the large number of quoted investments held in the portfolio and the liquid nature of the portfolio of equity 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 2026, based on the earliest date on which payment can be required and current exchange rates as at the balance sheet date:

	2026			2025		
	In One Year or Less £'000	More Than One Year £'000	Total £'000	In One Year or Less £000	More Than One Year £000	Total £000
Revolving Credit Facility	114,871	-	114,871	84,596	-	84,596
Other Payables	5,406	-	5,406	4,055	-	4,055
Total	120,277	-	120,277	88,651	-	88,651

Counterparty and credit risk

Certain transactions in financial instruments 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 or derivative instrument contracts) 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, amounts held at brokers 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. Unrestricted 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 unrestricted 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.

There was no securities lending performed during the year (2025: the Company participated in a securities lending programme through the year. At 31 March 2025, the market value of the securities on loan and the corresponding collateral received were both nil.).

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 within 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 derivative instruments is shown below:

	31 March 2026				31 March 2025			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed Investments	2,562,364	-	-	2,562,364	2,002,617	-	-	2,002,617
Derivative Instrument Liabilities	1	-	-	1	-	-	-	-

The Company held two Level 3 securities as at 31 March 2026 (31 March 2025: two).

The investments in Russian securities, LUKOIL and Sberbank of Russia, continue to be fair valued at £nil (31 March 2025: £nil) and are 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.

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

	31 March 2026 £'000	31 March 2025 £'000
Opening Balance	-	-
Additions at Cost – Purchase of Level 3 Assets	-	37,952 ^(a)
Transfer from Level 3 Into Level 1	-	(55,095) ^(a)
Disposal Proceeds – Sale of Level 3 Assets	-	-
Net Gains on Investments at Fair Value	-	18,122
Net Losses on Foreign Exchange	-	(979)
Level 3 Closing Balance	-	-

^(a)Represents the investment in Swiggy which was acquired during the financial year ended 31 March 2025 and initially classified as Level 3 due to its unlisted status. Following an initial public offering and its subsequent listing on 13 November 2024, the holding in Swiggy was transferred from Level 3 to Level 1.

17 Significant Holdings in Investee Undertakings

As at 31 March 2026, TEMIT held 3% or more of the issued class of security in the following portfolio holding whose shares are admitted to trading.

Holding	31 March 2026		31 March 2025	
	% 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	13,029	-	-

18 Contingent Liabilities

No contingent liabilities existed as at 31 March 2026 or 31 March 2025.

19 Contingent Assets

No contingent assets existed as at 31 March 2026 or 31 March 2025.

20 Financial Commitments

No financial commitments existed as at 31 March 2026 or 31 March 2025.

21 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 2026, the Company had share capital and reserves of £2,525,585,000 (31 March 2025: £1,985,442,000). The Company's policies and procedures for managing capital are consistent with the previous year.

22 Events After the Reporting Period

Between 31 March 2026 and 21 May 2026, the net asset value of the Company rose 26.6% from £2,525,585,000 to £3,197,527,000 and the cum-income NAV per share rose 27.5% from 267.3p to 340.8p.

Between 1 April 2026 and 21 May 2026, the Company bought back and cancelled 3,312,050 ordinary shares at an average price of 305.9p per share.

The £40 million and CNH 300 million (equivalent to £33 million at the year-end) outstanding loans matured on 30 April 2026 and were subsequently rolled over to 30 July 2026.

The proposed final dividend has been disclosed in Note 14.

The statutory accounts for the period ended 31 March 2026 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

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