

## Summary of Investment Objective

TEMIT seeks long-term capital appreciation through investment in companies operating in emerging markets or whose stocks are listed on the stock markets of such countries.

## Company Characteristics (31/03/13)

Launch Date	12/06/89
Benchmark	MSCI Emerging Markets Index (£)
Lead Manager	Mark Mobius
Total Net Assets	£2.30bn
Market Capitalisation	£2.10bn
Gearing	0%
Invested Assets	98.8%
Ongoing Charges Ratio (OCR) (31/03/13)	1.30%

## Pricing Information (31/03/13)

NAV (Cum-Income)	700.1p
Share Price	640.5p
Discount to NAV (Cum-Income)	-8.5%
Current Yield (net)	0.8%

## Pricing Information (12 Months to 31/03/13)

Highest NAV (Cum-Income)	743.2p
Lowest NAV (Cum-Income)	556.2p
Highest Share Price	678.0p
Lowest Share Price	505.0p

## Ratings

Morningstar™ Workstation Category:  
Global Emerging Markets Equity  
Morningstar™ Overall Rating: ★★★★★

## QUARTERLY PORTFOLIO INSIGHT - Three months to 31 March 2013

### MARKET OVERVIEW

Emerging markets, as a group, ended the first quarter of 2013 with positive returns mainly due to a weaker pound sterling. Concerns about the crisis in Cyprus and its impact on the eurozone debt crisis, however, led investors to adopt a more risk-adverse view towards emerging markets in the last few weeks of the period. The approval of a €10 billion bailout for Cyprus from the European Union and International Monetary Fund ended weeks of uncertainty and led markets to rebound in the final days of March. The MSCI Emerging Markets Index returned 5.4% in pound sterling terms in the first three months of 2013.

While emerging market funds recorded net outflows for the first time since mid-2012 in March, the amount, around US\$3 billion, paled in comparison to the US\$34 billion in net inflows in the first two months of 2013 and US\$55 billion overall in 2012 (fund flows calculated at a global level). In our view, emerging economies have generally remained stronger than many developed countries and thus should continue to perform in the longer term. In fact, in 10 of the last 12 years, emerging markets have outperformed developed markets, as represented by their respective MSCI indices (in US dollar terms).

Focusing on individual regions, Southeast Asian markets such as Indonesia and Thailand ended the quarter with double-digit gains, driven by domestic consumption and investment growth. The implementation of tightening measures in the property sector and higher inflation led Chinese equities to underperform their peers. In Latin America, the Mexican market benefited from its proximity to the US economy, hopes of structural reforms, a stronger peso, and the first interest rate cut since 2009, which brought the rate to a record low of 4.0%. Markets in Emerging Europe were among the weakest as worries over Cyprus led investors to avoid the region. The Czech Republic (where TEMIT has no holdings) and Poland were among the worst performers, ending the period with double-digit declines. Turkey, however, outperformed with a 15.8% return in pound sterling terms for the MSCI Turkey Index.

### INVESTMENT OUTLOOK

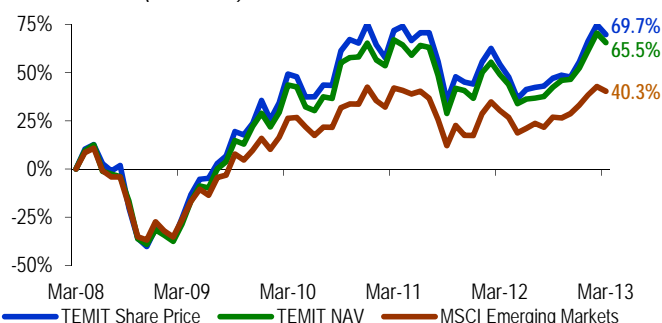
Emerging market equities have provided outstanding long-term performance against developed markets. Emerging markets have outperformed developed markets in 10 of the last 12 years. We believe that this outperformance will continue in the future. The major factor underpinning our confidence in emerging markets is their much higher rates of growth in Gross Domestic Product (GDP) when compared with developed markets. The finances of emerging market countries as a group, as measured by factors such as foreign reserves and debt-to-GDP levels, appear superior to those of many developed markets, while demographic factors in emerging nations today are also much more favourable. In spite of these positive factors, current valuations of emerging market companies have tended to be lower than those in developed markets. While high economic growth does not necessarily convert into high earnings and valuation growth, we believe that it offers the potential for superior long term returns.

In terms of our investment strategy, we continue to invest with a long-term horizon in companies that we believe are undervalued, fundamentally strong and growing. We remain positive on our key investment themes – consumer and commodities, and remain diligent and disciplined in our stock selection.

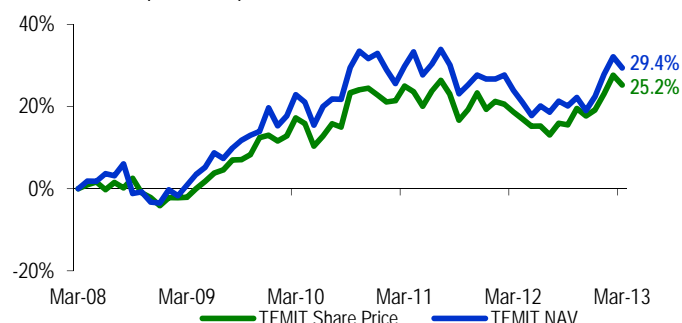
## PERFORMANCE (All figures below are total return and based in sterling)

For the three months to 31 March 2013, TEMIT's share price rose 9.1% compared to the MSCI Emerging Markets Index, which rose 5.4%<sup>1</sup>. **Please note that past performance is not a guide to future performance.**

### 5 Year Cumulative Performance<sup>1</sup> 31 March 2013 (rebased)



### 5 Year Relative Performance v MSCI Emerging Markets Index<sup>1</sup> 31 March 2013 (rebased)



## Cumulative Performance (%)<sup>1</sup>

31 March 2013

	3 Mths	6 Mths	Year To Date	1 Year	3 Years	5 Years	Since 31/07/89*	3 Years*	5 Years*	Since 31/07/89*
TEMIT (NAV)	8.7	16.2	8.7	11.1	15.3	65.5	2,529.6	4.9	10.6	14.8
TEMIT (Share Price)	9.1	15.4	9.1	10.0	13.8	69.7	2,063.3	4.4	11.2	13.9
MSCI Emerging Mkts Index	5.4	10.6	5.4	7.7	11.1	40.3	1,063.9	3.6	7.0	10.9

## Discrete Annual Performance (%)<sup>1</sup>

To end of March each year

	31/03/12 to 31/03/13	31/03/11 to 31/03/12	31/03/10 to 31/03/11	31/03/09 to 31/03/10	31/03/08 to 31/03/09
TEMIT (NAV)	11.1	-10.8	16.3	100.7	-28.5
TEMIT (Share Price)	10.0	-10.2	15.2	100.4	-25.5
MSCI Emerging Mkts Index	7.7	-8.2	12.4	71.6	-26.4

\* Annualised performance. \*The first available NAV was calculated as at 31/07/89. NAV, share price and index performance are all calculated from this date.

PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE.

1. Please see pages 5-6 for glossary and important information.

## TEMIT HOLDINGS

### 10 Largest Equity Issuers<sup>2</sup>

31 March 2013

Security	Sector	Country	Total Assets (%)
Brilliance China Automotive Holdings Ltd.	Consumer Discretionary	Hong Kong / China	8.9
Tata Consultancy Services Ltd.	Information Technology	India	5.0
Banco Bradesco SA, ADR, pfd	Financials	Brazil	4.7
Akbank TAS	Financials	Turkey	4.5
PT Astra International Tbk	Consumer Discretionary	Indonesia	4.4
Siam Commercial Bank PCL, fgn.	Financials	Thailand	4.4
Dairy Farm International Holdings Ltd.	Consumer Staples	Hong Kong / China	4.4
Itau Unibanco Holding SA, ADR	Financials	Brazil	4.4
Vale SA, ADR, pfd., A	Materials	Brazil	3.5
Kasikornbank PCL, fgn	Financials	Thailand	3.4
<b>TOTAL</b>			<b>47.6</b>

### Largest Contributors and Detractors to Performance

31 December 2012 – 31 March 2013

#### Top Security Contributors<sup>2</sup>

Security	Sector	Country	Contribution (%)
Tata Consultancy Services Ltd.	Information Technology	India	1.3
BK Central Asia	Financials	Indonesia	0.8
Dairy Farm International Holdings Ltd.	Consumer Staples	Hong Kong / China	0.8
Banco Bradesco SA, ADR, pfd	Financials	Brazil	0.7
Itau Unibanco Holding SA, ADR	Financials	Brazil	0.7

#### Top Security Detractors<sup>2</sup>

Security	Sector	Country	Contribution (%)
Vale SA, ADR, pfd., A	Materials	Brazil	-0.5
Sesa Goa Ltd.	Materials	India	-0.3
Peninsula Land Ltd.	Financials	India	-0.2
Impala Platinum Holdings Ltd.	Materials	South Africa	-0.2
Gazprom OAO ADS	Energy	Russia	-0.1

### Portfolio Turnover Rate<sup>3</sup>

12 months to 31 March 2013

	Turnover Rate (%)
Portfolio Turnover Rate (annualised)	4.7

### Portfolio Changes and Positioning

31 December 2012 – 31 March 2013

The Investment Manager takes a long-term investment view, evaluating a company's potential for earnings and growth over a five-year horizon. The investment process includes continual in-person company visits and extensive fundamental research to model a company's potential future earnings, cash flow and asset value relative to its stock price, reviewing the portfolio's stock selection and risk management on an on-going basis.

The Investment Manager reports the following principal changes in the portfolio:

#### Purchases

**Buenaventura** (New holding) – The addition of Buenaventura initiated exposure to Peru. Buenaventura is the largest precious metals company in Peru and a major holder of mining rights in the country. The company is engaged in the mining, processing, development and exploration of primarily gold and silver, as well as zinc, lead and copper. Its appealing valuations, strong balance sheet, high profit margins and return on equity contribute to the stock's attractiveness.

**Polnord** (Existing holding). Polnord is one of the largest real estate developers in Poland's residential and commercial property markets. Additions were made due to the company's attractive valuations.

**Vale SA, ADR, pfd., A** (Existing holding). Vale is one of the world's largest iron ore producers that is also engaged in various mining activities. The company is a beneficiary of the strong demand growth in emerging markets and the long-term uptrend in commodity prices.

#### Sales

**Brilliance China** (Partial sale). Brilliance China is a major automobile manufacturer in China with a joint venture with BMW for the production and selling of BMW 3- and 5-series in China. It is also TMIT's largest holding. Holdings were trimmed following a rise in the share price to take some profits.

**Siam Cement** (Partial sale). Siam Cement is the largest cement, petrochemicals and industrial paper producer in ASEAN (The Association of Southeast Asian Nations). It is also the largest industrial conglomerate in Thailand. Holdings were trimmed following a rise in the share price to take some profits.

#### Share Buy Backs

During the period, the Company bought back and cancelled 88,598 shares which amount to 0.2% of the issued share capital for a total consideration of £573,000.

### Market Capitalisation Breakdown (%)<sup>3</sup>

As at 31 March 2013

	Less than £1.5bn	£1.5bn to £5bn	Greater than £5bn	Cash
Market Capitalisation	7.0	24.8	67.1	1.2

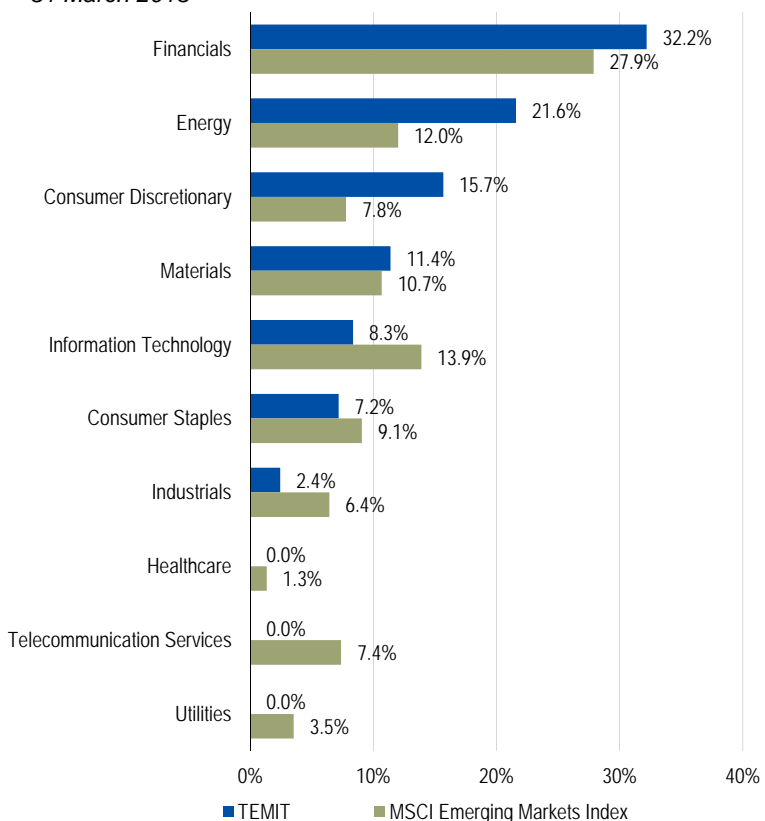
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2, 3. Please see pages 5-6 for glossary and important information.

## SECTOR INFORMATION

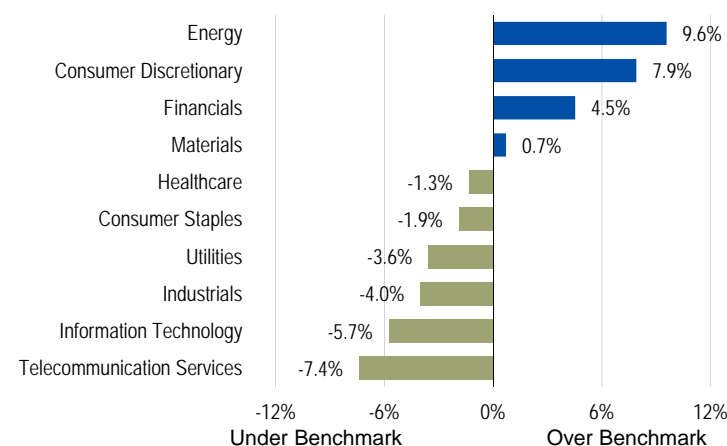
### Sector Weightings vs. Benchmark (%)<sup>4</sup>

31 March 2013



### Sector Overweights/Underweights vs. Benchmark (%)<sup>4</sup>

31 March 2013



### Largest Contributors and Detractors to Performance<sup>5</sup>

31 December 2012 – 31 March 2013

#### Top Sector Contributors

Sector	Contribution (%)
Financials	5.0
Information Technology	1.9
Consumer Staples	1.1
Consumer Discretionary	1.1
Energy	1.0

#### Top Sector Detractors

Sector	Contribution (%)
Materials	-1.0

## GEOGRAPHIC INFORMATION

### Split Between Markets<sup>4</sup>

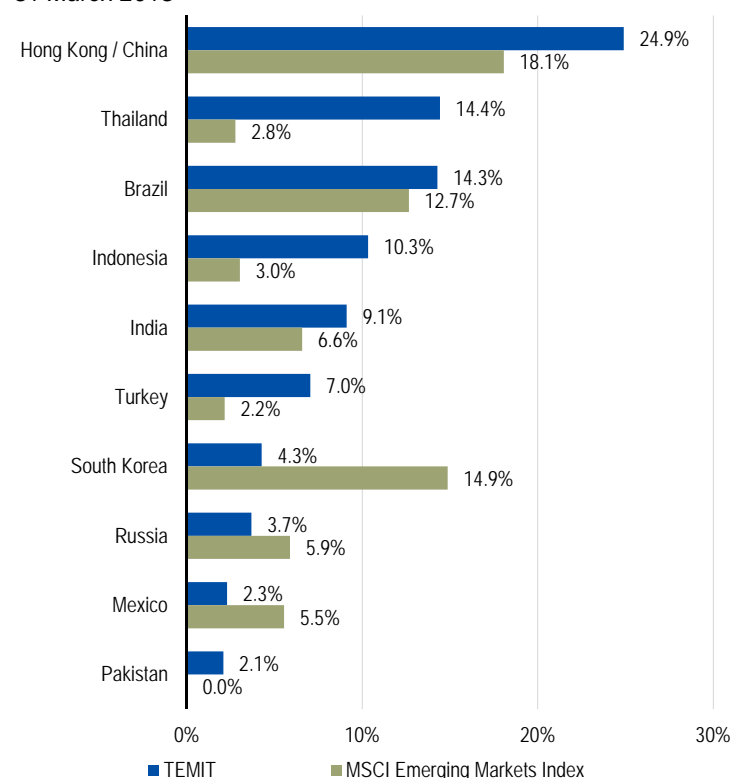
31 March 2013

% Split			
Emerging Markets	96.8	Frontier Markets	2.2
		Developed Markets*	1.0

\* Developed markets exposure represented by Austria

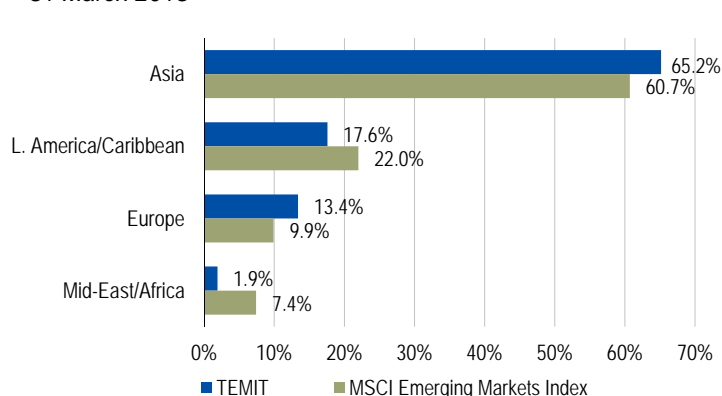
### 10 Largest Country Weightings vs. Benchmark (%)<sup>4</sup>

31 March 2013



### Regional Weightings vs. Benchmark (%)<sup>4</sup>

31 March 2013



### Largest Contributors and Detractors to Performance<sup>5</sup>

31 December 2012 – 31 March 2013

#### Top Country Contributors

Country	Contribution (%)
Thailand	2.5
China	2.1
Indonesia	1.7
India	1.1
Turkey	0.9

#### Top Country Detractors

Country	Contribution (%)
South Africa	-0.3
Russia	-0.2
Hungary	-0.0

## STATISTICS

(Please refer to glossary on page 5 for definitions of these items)

### Fundamental Portfolio Characteristics<sup>6</sup>

31 March 2013

	Price to Earnings	Price to Book Value	Price to Cash Flow	Dividend Yield	Average Market Cap (Millions)
TEMIT (Weighted Average)	12.4x	1.7x	7.1x	2.6%	£20,210
MSCI Emerging Markets Index (Weighted Average)	12.0x	1.4x	6.4x	2.8%	£30,137

### Risk Statistics<sup>7</sup>

31 March 2013

Risk Statistic	1 Year	3 Years (annualised)	Risk Statistic	1 Year	3 Years (annualised)	Risk Statistic	1 Year	3 Years
Alpha	2.03	1.34	R <sup>2</sup>	0.82	0.88	Maximum Gain	28.08	29.32
Beta	1.19	1.11	Sharpe Ratio	0.35	-0.03	Maximum Loss	-11.47	-22.87
Annualised Downside Risk	3.90	4.28	Annualised Tracking Error	6.29	6.75	Negative Months	4	16
Information Ratio (Relative)	0.38	0.12	Annualised Volatility	14.11	19.02	Positive Months	8	20

## INVESTMENT STYLE

- The Investment Manager and his group use in-depth company research to find securities in any emerging market country or industry sector, regardless of company size, that they believe are undervalued by the market, but have the potential to increase in value over time.
- Templeton Emerging Markets Investment Trust PLC (TEMIT) is actively managed, aiming to invest in those securities that the Investment Manager believes have the best potential to grow in value over a five year period. Although performance is measured against the MSCI Emerging Markets Index for reporting purposes, there is no requirement for the Investment Manager to invest in the same companies or in the same amount as the index. TEMIT's performance or portfolio positioning may therefore be very different to the index.
- TEMIT invests in emerging markets; these markets can experience significant and sudden changes in price and can carry a higher degree of risk than developed markets. An investment in TEMIT should be considered as long-term.

## INVESTMENT MANAGER AND GROUP

Mark Mobius, Ph.D., Executive Chairman, Templeton Emerging Markets Group.

The Templeton Emerging Markets Group is one of the pioneers of emerging market investing. Established in 1987, the Group has over 25 years of experience and now manages £35.3 billion in emerging markets assets for retail, institutional and professional investors across the globe (as at 31/03/13).

The Templeton Emerging Markets Group is one of the largest of its kind and has a presence in 18 offices around the world.

The Group includes 53 dedicated emerging markets portfolio managers, analysts and product specialists; senior members of the Group include Allan Lam, Tom Wu and Dennis Lim. Together on average, each of the Group's investment professionals has over 12 years of relevant industry experience, and has been with the company for over 9 years. Between them, the group speak 27 different languages and dialects (as at 31/03/13).



The Group's on the ground presence ensures that it is able to gain a better understanding of local issues affecting emerging markets companies around the globe.

## INVESTOR SUITABILITY

TEMIT may be appropriate for investors who want to invest in emerging markets and are willing to take some risk for the potential of strong capital growth over the long-term.

Emerging market companies can be more volatile than developed markets and an investment in TEMIT could occasionally change in value significantly over the short-term. Shareholders in TEMIT should therefore consider it as a long-term financial commitment.

Please refer to the latest annual report for more details of the risks associated with an investment in TEMIT.

## GLOSSARY OF TERMS

**Alpha** - Alpha measures the difference between a portfolio's actual returns and its expected performance, given its level of risk (as measured by beta). A positive alpha means that the portfolio has over performed, a negative alpha means the portfolio has under performed; for example, an alpha of 1.0 means the portfolio outperformed the market 1.0%.

**Beta** - Beta is a measure of a portfolio's sensitivity to market movements. It measures the relationship between a portfolio's excess return over an investment in a risk-free investment such as cash and the excess return of the benchmark index. For TMIT, this is the Investment Trusts Global Emerging Markets Universe. By definition, the beta of the benchmark (in this case, an index) is 1.00. Accordingly, a portfolio with a 1.10 beta has performed 10% better (after deducting the cash rate) than the index in up markets and 10% worse in down markets, assuming all other factors remain constant. A portfolio with a high beta will tend to move more than the benchmark, a portfolio with a low beta will tend to move less.

**Contributor** - The amount an individual stock, country or sector has added to the performance of the entire portfolio for a given period.

**Cumulative Performance** - The percentage increase or decrease of a portfolio's share price or NAV over a given time period, with net income (dividends) reinvested. The fund's performance is usually benchmarked against either a relevant index or sector.

**Detractor** - The amount an individual stock, country or sector has subtracted from the performance of the entire portfolio for a given period.

**Discrete Annual Performance** - The percentage increase or decrease of a portfolio's share price or NAV over a complete 12 month period, with net income (dividends) reinvested. The fund's performance is usually benchmarked against either a relevant index or sector.

**Dividend Yield** - The yield a company pays out to its shareholders in the form of dividends. It is calculated by the dividends paid per share over a year divided by the stock's price. For a vehicle like TMIT, which invests in a number of companies, this figure represents the weighted average annual dividend paid by all of the companies in which it invests. Because of share types, fees and other considerations, the dividend yield quoted here should not be used as an indication of the income to be received from this portfolio.

**Downside Risk** - Downside risk is a measurement which only considers negative returns. It is calculated as a downside deviation of returns below the Risk Free Rate (this is the amount a manager could expect to receive by investing in a "risk free" asset, such as with a cash deposit).

**Gearing** - Gearing (sometimes described as leverage)- a term used to describe the process of borrowing money for investment purposes in the expectation that the returns on the investments purchased using the borrowings exceeds the costs of those borrowings. It illustrates the effect that current prior charges may have on the value of the shareholder funds if the total assets were to rise or fall. A figure of 115 means that the shareholder funds are 15% geared and indicates the extra amount by which the shareholder funds would rise or fall if the total assets were to rise or fall. A figure of 100 means there is no gearing.

**Information Ratio** - This ratio divides the annualised average return for the portfolio by the Tracking Error (Relative). The higher the ratio, the better, as it reflects the extent to which a portfolio has outperformed the benchmark.

**Market Capitalisation** - The total market value of a company's shares. For a vehicle like TMIT, which invests in a number of companies, this is calculated by the share price on a certain date multiplied by the number of shares in issue.

**Market Cap (average)** - The weighted average of all the companies in which it invests.

**Maximum Gain** - The best possible investment period in the period analysed. This includes temporary down periods.

**Maximum Loss** - The worst possible investment period in the period analysed. This includes temporary up periods.

**NAV** - Net Asset Value, or the total value of the portfolio at any one time, including all shares and cash, divided by the number of shares in issue.

**Ongoing Charges Ratio ("OCR")** - From the year ending 31 March 2012, the Ongoing Charges Ratio ("OCR") replaces the Total Expense Ratio. Prior year numbers have not been restated as the ratios are not materially different. The OCR represents the annualised ongoing charges of the Company divided by the average daily net asset values of the Company for the year, and has been prepared in accordance with the AIC's recommended methodology.

**Portfolio Turnover Rate** - The frequency with which assets within a portfolio are bought and sold by the manager. Portfolio turnover is calculated by taking either the total amount of new securities purchased or the amount of securities sold - whichever is less - over a particular period, divided by the total Net Asset Value (NAV) of the portfolio. The measurement for a 12-month time period.

**Positive & Negative Periods** - This shows how many positive/negative months returns that a portfolio experiences across a period.

**Price to Book (P/B)** - The price per share of a stock divided by its book value (i.e. net worth) per share. For a portfolio, the ratio is the weighted harmonic average price/book ratio of the stocks it holds.

**Price to Cash Flow (P/CF)** - Supplements price/earnings ratio as a measure of relative value; it represents a weighted harmonic average of the price/cash flow ratios for the underlying portfolio holdings.

**Price to Earnings (P/E)** - The share price of a stock, divided by its per-share earnings over the past year. For a portfolio, it is the weighted harmonic average P/E ratio of the stocks in the portfolio. P/E is a good indicator of market expectations about a company's prospects; the higher the P/E, the greater the expectations for a company's future growth in earnings.

**R<sup>2</sup> - R<sup>2</sup> or R squared**, is an indication of how closely aligned the portfolio and the benchmark index are. R<sup>2</sup> ranges between 0 and 1, with 0 indicating a lot of difference and 1 indicating a perfect match. A value of 0.7 and upwards generally suggests that a portfolio's performance is very closely linked to the performance of the benchmark index.

**Share Price** - The cost of a unit of ownership in a company as purchased through the stock exchange.

**Sharpe Ratio** - Sharpe Ratio judges whether the relationship between a portfolio's risk and its return is good or bad. The underlying assumption is that a portfolio manager could invest in a riskless asset (such as cash), therefore the return of the risk free asset is deducted from the annualised average return. This net return is then divided by the total risk (annualised volatility). The higher the ratio the better the return for investors for the risk taken.

**Total Net Assets** - The total value of a company's shares. For a vehicle like TMIT, which invests in a number of companies, this is calculated by the Net Asset Value (NAV) on a certain date multiplied by the number of shares in issue.

**Tracking Error (Relative)** - Tracking Error (Relative) measures how much the return of the portfolio deviates from the benchmark index. The lower the tracking error of the portfolio, the more it resembles the benchmark in terms of risk and return characteristics.

**Trust** - A Trust, or Investment Trust, is a closed ended vehicle investing in a wide variety of underlying investments. Investment Trusts are traded in exactly the same way as any other equity on the London Stock Exchange. The price at which they are traded (share price) depends on the demand for the shares in the investment trust and is often at a variance with the value of their underlying holdings (or NAV).

**Volatility** - This is a statistical measure of the amount of movement in the price of a share or portfolio over a given period of time. If a portfolio's share price hardly moves over time, it is said to have a low volatility. Volatility is a simple measure of the consistency of returns.



## IMPORTANT INFORMATION

- Source for NAV Performance: Franklin Templeton Investments as at 31/03/13. NAV Performance is calculated NAV-NAV, GBP, net of fund management fees. Source for share price and index is ©Morningstar as at 31/03/13. Performance is calculated in GBP net of UK basic rate tax. **Past performance is not a guide to future performance.** Emerging markets can carry a higher degree of risk than developed markets.
- For the “10 Largest Equity Issuers”, please note that top ten equity holdings information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change. Holdings of the same issuers have been combined. The information provided is not a recommendation to purchase, sell, or hold any particular security. The securities identified do not represent TMIT’s entire holdings and in the aggregate may represent only a small percentage of such holdings. There is no assurance that securities purchased will remain in TMIT, or that securities sold will not be repurchased. In addition, it should not be assumed that any securities mentioned were or will prove to be profitable. Stocks mentioned in this report are not a solicitation to purchase those stocks, and are for example purposes only. The portfolio manager for TMIT reserves the right to withhold release of information with respect to holdings that would otherwise be included in a top 10 holdings list. “Top Security Contributors” and “Top Security Detractors” are holdings based on the last 3 months period. These securities do not represent all the securities purchased, sold or recommended, and the reader should not assume that investment in the security listed was or will be profitable. Holdings are subject to change, holdings of the same issuer have been combined. The information provided is not a recommendation to purchase, sell or hold any particular security. Source for “Top Security Contributors” and “Top Security Detractors”: FactSet Research System, Inc. three months as at 31/03/13. Profile data is calculated as a percentage of total. Holdings of the same issuer have been combined.
- Source for “Portfolio Turnover Rate” and “Market Capitalisation Breakdown”: Franklin Templeton Investments as at 31/03/13.
- Source for the Company’s “Split Between Markets”, “Geographic Information” and “Sector Information”: Franklin Templeton Investments as at 30/09/12. Holdings of the same issuer have been combined. Weightings as percent of total. Source for the benchmark’s “Geographic Information” and “Sector Information”, MSCI, as at 31/03/13. Geographic split between “Emerging Markets”, “Frontier Markets” and “Other” are as per MSCI index classifications. The MSCI Index, the primary benchmark for TMIT, is an equity index calculated by Morgan Stanley Capital International (MSCI). The index measures the total return (gross dividends are reinvested) of equity securities available to foreign (nonlocal) investors in the relevant geographic region as reflected in the name of the index or as defined by MSCI. Securities included in the index are weighted according to their Free Float adjusted market capitalisation (Price\*Shares outstanding\*Foreign Inclusion Factor). Percentage may not equal 100% due to rounding.
- Source for Country and Sector “Largest Contributors and Detractors to Performance”, FactSet Research System, Inc. as at 31/03/13. Profile data is calculated as a percentage of total. Holdings of the same issuer have been combined.
- Source for “Fundamental Portfolio Characteristics”: FactSet Research System, Inc. as at 31/03/13. The Price to Earnings, Price to Cash Flow and Price to Book Value calculations shown herein use harmonic means. Values less than 0.01 (i.e. negative value) are excluded and values in excess of 200x are capped at 200x. Yields above 100% are also excluded. For the benchmarks, no limits are applied to these ratios in keeping with the benchmark’s calculation methodology. Market capitalisation statistics are indicated in the base currency for the portfolio presenter.
- Source for “Risk Statistics”: Franklin Templeton Investments as at 31/03/13. Total return, annualised ratios (31/03/13). “Downside Risk” measure used is annualised downside deviation relative to the benchmark (MSCI Emerging Markets Index)

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The price of shares in TMIT and income from them can go down as well as up and you may not get back the full amount that you invested. **Past performance is not a guide to future performance.** Currency fluctuations will affect the value of overseas investments. When investing in a fund denominated in a currency other than sterling, your performance may also be affected by currency fluctuations. In emerging markets, the risks can be greater than in developed markets. TMIT primarily invests in equities, which may result in the returns being more volatile than other investments such as cash or bonds.

This document does not constitute or form part of an offer for shares or an invitation to apply for shares. An investment in TMIT entails risks which are described in the current Annual Report document. **Please consult your professional adviser before deciding to invest.** Performance figures are not based on audited financial statements and, unless indicated otherwise, assume reinvestment of interest and dividends. Data from third party sources may have been used in its preparation and Franklin Templeton Investments has not independently verified, validated or audited such data. A copy of the latest annual report and semi-annual report, if published thereafter can be obtained, free of charge, from Franklin Templeton Investments, The Adelphi, 1-11 John Adam Street, London, WC2N 6HT.

References to indices are made for comparative purposes only and are provided to represent the investment environment existing during the time periods shown. The performance of the index does not include the deduction of expenses and does not represent the performance of any Franklin Templeton fund. The indices include a greater number of securities than those held in the portfolio.

Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security’s issuing company. This methodology may cause small differences between portfolio’s reported characteristics and the portfolio’s actual characteristics. In practice, Franklin Templeton’s portfolio managers invest in the class or type of security which they believe is most appropriate at the time of purchase. The market capitalisation figures for both the portfolio and the benchmark are at the security level, not aggregated up to the main issuer. The dividend yield quoted here should not be used as an indication of the income to be received from this portfolio.

When comparing the performance of TMIT with the benchmark index, it is important to note that the securities in which TMIT invests may be substantially different than those represented by the benchmark index. Furthermore, an investment in TMIT represents an investment in a managed investment company in which certain charges and expenses, including management fees, are applicable. These charges and expenses are not applicable to indices. Lastly, please note that indices are unmanaged and are not available for direct investment. Certain data and other information shown have been supplied by outside sources. While we consider that information to be reliable, we give no assurance that such data and information is accurate or complete.

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