TEMPLETON EMERGING MARKETS INVESTMENT TRUST PLC
("TEMIT") ("the Company")

UNAUDITED HALF YEARLY REPORT TO 30 SEPTEMBER 2016

Chairman's Statement

Market Overview and Investment Performance

The six months under review saw a strong recovery in the performance of emerging markets. For UK based investors, this was accentuated by a substantial fall in the value of sterling following the result of the UK referendum to leave the European Union, leading to a marked increase of the value of overseas investments in sterling terms.

The table on page 1 sets out performance over the half year under review and over other key time periods. The Investment Manager reports in detail on the portfolio in the following pages. In particular, I would like to record that 30 September 2016 marks the first anniversary of the appointment of Carlos Hardenberg as lead portfolio manager of TEMIT, supported by Chetan Sehgal. Carlos has made an excellent start, with a NAV total return of 49% over the 12 months, compared with a benchmark total return of 37% (both in sterling terms). It would be unwise to expect such levels of both absolute and relative returns to be repeated regularly, but nevertheless the Board has confidence in the abilities of Carlos and the broader team at Franklin Templeton which supports him.

Revenue Earnings and Dividend

A dividend of 8.25 pence per share for the year ended 31 March 2016 was paid on 22 July 2016. TEMIT does not pay an interim dividend.

Revenue Earnings per share for the first half of the year were 5.18 pence per share, which is an increase of 6.4% over the same period last year. At the time of writing it is difficult to predict the level of net revenue income for the full year. The Company's expenses vary as over 90% of all costs, which are payable from our earnings, are subject to the movements in the net assets of the Company. The Directors will not make a dividend forecast at this stage but note that the Company has significant retained revenue reserves.

Managing the Discount

During the half year under review the Company's shares traded at discounts which ranged between 10.4% and 15.3%.

The Company continues to use share buy backs as a means of limiting volatility in the discount and over the half year has bought back shares on an almost daily basis. In total, we have bought back 9,953,371 shares at an average discount of 11.9%. An effect of buying back these shares at discounts to the prevailing NAV was to increase the NAV per share for remaining shareholders by 0.5%. We hope that if performance continues to improve this will lead to greater natural demand for the Company's shares.

Borrowing

As part of the Company's investment objective and policy, the Company may borrow up to 10% of its net assets. The Board previously envisaged such borrowings only being used in exceptional circumstances and for a short period; during the last 5 years the Board has not utilised any short term borrowing facility. The Board has debated the merits of the Company borrowing with the aim of increasing investment returns. While we recognise that gearing increases volatility, we have concluded that it may be in shareholders' interests to borrow at a time when the outlook for emerging markets remains positive and interest rates are low.

The Company is in detailed negotiation with a major international bank, which we expect will lead to a revolving credit facility to borrow up to £150 million. This facility will permit potential gearing of up to 7.8% of net assets as at the date of this report.

The Board

In the Annual Report, I stated that the Board has a succession plan which will see a number of changes over the next few years. As set out in the Annual Report, Simon Jeffreys duly joined the Board at the conclusion of the Annual General Meeting in July 2016.

The next stage in this plan was that David Graham joined the Board on 1 September 2016. David is a Chartered Accountant whose career has been mainly in investment management, with BlackRock and Lazard Investors. He has worked in Sydney, Hong Kong and Tokyo and served on the boards of domestic investment management companies in India, China, Thailand and Taiwan.

Outlook

It is encouraging to have witnessed strong investment returns over the last twelve months and it is apparent that interest among international investors in emerging markets has grown over that period. Investment is not without risk and political events such as the recent vote by the UK to leave the European Union and the possible effect of the US presidential election could well lead to volatility in investor sentiment and hence in share prices and currencies. However, the long term case for investing in emerging markets is strong and we remain encouraged by the Manager's improved investment performance.

Paul Manduca
Chairman
18 November 2016

Interim Management Report

Principal risks and uncertainties

The Company invests, where possible, directly in the stock markets of emerging markets. Its principal risks and uncertainties are therefore:

- Investment and Concentration risk;
- Market risk;
- Foreign currency risk;
- Credit risk;
- Operational and Custody risk;
- Key personnel;
- Diversity; and
- Regulatory risk.

The Board has provided the Investment Manager with guidelines and limits for the management of these principal risks and uncertainties. Further information on these is given in the Strategic Report within the Annual Report and Audited Accounts for the year ended 31 March 2016, which is available on the Company's website (www.temit.co.uk). In the Board's view, these principal risks and uncertainties are equally applicable to the remaining six months of the financial year as they were to the six months under review.

Related party transactions

There were no transactions with related parties other than the fees paid to the Directors, during the six months ended 30 September 2016 which have a material effect on the results or the financial position of the Company. Under the AIC SORP November 2014, the Franklin Templeton entities are not classified as related parties under IAS 24 (as adopted by the EU).

Going concern

The Company's assets consist of equity shares in companies listed on recognised stock exchanges and in most circumstances are realisable within a short timescale. Having made suitable enquiries, including considerations of the Company's investment objective, the nature of the portfolio, expenditure forecasts and the principal risks and uncertainties, the Directors are satisfied that the Company has adequate resources to continue to operate as a going concern for the foreseeable future and, as such, a going concern basis is appropriate in preparing the Financial Statements.

Statement of Directors' Responsibilities

The Disclosure and Transparency Rules of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm that to the best of their knowledge:

(a) the condensed set of financial statements, for the period ended 30 September 2016, have been prepared in accordance with the applicable International Accounting Standard (IAS) 34 ''Interim Financial Reporting'' as adopted by the EU; and

(b) the Half Yearly Report includes a fair review of the information required by:

(i) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

(ii) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last annual report that could do so.

The Half Yearly Report was approved by the Board on 18 November 2016 and the above responsibility statement was signed on its behalf by

Paul Manduca
Chairman
18 November 2016

Investment Manager's Report & Portfolio Review

Market Overview

Emerging markets are coming out of a "perfect storm" in which a number of factors had come together to depress markets over the past few years. After a gloomy start to 2016, emerging market equities have entered an upward trend which started in May 2016 and have seen strong fund inflows in recent months, as investors search for higher returns than those available in other asset classes. This has led emerging markets to outperform developed markets. We have seen a number of factors combine to make emerging markets an attractive asset class for investors to consider at this moment in time and for the future. The US dollar has stabilised, and this has largely benefitted emerging markets as it reduces the threat of a US dollar-denominated debt crisis. Many companies in emerging markets have issued debt in US dollars, making it harder to repay if the US dollar strengthens. Many emerging market countries are also making meaningful progress in structural reforms to stimulate growth and earnings. Moreover, there have also been signs of stability after a slowdown in the rate of growth in China's economy.

For investors based in the UK, the largely unexpected outcome of the "Brexit" vote has resulted in marked weakness in sterling, supporting a strong absolute performance in TEMIT's NAV and share price.

China and India recorded strong economic growth rates in the first half of 2016, with growth in the Indian economy continuing to outpace that of China. Russia's GDP recorded its best performance in 18 months with a better-than-expected second quarter decline, signalling a possible bottoming-out. The Brazilian economy, however, contracted for the ninth consecutive quarter in the three-month period ended June.

In the coming decades, successful emerging market enterprises and even countries are likely to be mostly those that secure pole position in the global race towards higher and more advanced technology development and adoption. A lot of ground breaking innovations in "bricks and mortar" industries such as retail, finance, and manufacturing are causing a tectonic shift in the global economy and, for the first time, companies based in emerging markets such as China, Taiwan, South Korea and others are among the leaders. Already today we observe, for instance, some of the most sophisticated components for advanced and ultra-light weight vehicles are made by emerging market firms. Modern power sources are being developed in emerging markets, branchless banking is being rolled out and e-commerce and online learning are widely adopted by emerging market consumers. We see opportunities both in some of the largest players such as Samsung Electronics[a] and Taiwan Semiconductor Manufacturing ("TSMC") as well as specialist, smaller niche players with world leading technology.

[a] After the reporting period ended Samsung reported the withdrawal of its Galaxy Note 7, which is Samsung's "phablet" phone/tablet following a series of issues. Note that this product is not Samsung's core smartphone, the Galaxy S7. The withdrawal did cause Samsung's share price to fall. Despite these testing times, we remain positive on Samsung on a long term perspective as the company has a good product mix which generates high profitability and a number of leading market positions both in its large domestic market and globally. We will, however, continue to monitor the situation closely, particularly how the failure of this niche product impacts the brand's reputation and other successful parts of the business.

Performance Attribution

As can be seen from the table below TEMIT's outperformance of the benchmark in the past six months was driven primarily by stock selection.

Performance Attribution Analysis %

Six Months to 30 September 2016	
Total Return (Net)[a]	29.6
Expenses[b]	0.6
Total Return (Gross)[c]	30.2
Benchmark Total Return[d]	21.7
Excess Return[e]	8.5
Sector Allocation	0.2
Stock Selection	7.9
Currency	0.4
Total Portfolio Manager Contribution	**8.5**

[a] Total Return (Net) is the NAV return inclusive of dividends reinvested.
[b] Expenses incurred by the Company for the six months to 30 September 2016.
[c] Gross Return is Total Return (Net) plus expenses. This is preferable for attribution analysis and other value-added reporting as it evaluates the contribution of the Investment Manager.
[d] MSCI Emerging Markets (Total Return) Index, inclusive of dividends reinvested. Indices are comparable to gross returns as they include no expenses.
[e] Excess return is the difference between the gross return of the portfolio and the return of the benchmark.

Source: FactSet and Franklin Templeton Investments.

Largest Company Relative Contributors to Performance

For the period 31 March 2016 to 30 September 2016

Largest Company Contributors	**% Share Price Total Return**	**% Relative Contribution to Portfolio**
Buenaventura, ADR	108.4	2.0
Banco Bradesco, ADR[(a)]	49.8	0.7
M. Dias Branco	143.1	0.7
NetEase, ADR	87.3	0.6
Itaú Unibanco, ADR[(a)]	42.8	0.6
CIA Hering[(a)]	55.9	0.4
Kumba Iron Ore[(a)(b)]	59.9	0.4
Samsung Electronics	40.6	0.4
Naspers, N	37.8	0.3
Yandex[(a)]	52.3	0.3

(a) Security not included in the MSCI Emerging Markets Index.
(b) Total sale during the period.

Buenaventura is the largest precious metals company in Peru and a major holder of mining rights in the country. It is engaged in the mining, processing, development and exploration primarily for gold and silver, as well as zinc, lead and copper. The company reported strong second-quarter results, driven by improved production and lower costs. A rebound in metal prices further supported sentiment in the stock.

Banco Bradesco is one of Brazil’s biggest financial conglomerates, providing a full range of banking and financial services. Second quarter earnings were in line with market expectations, but concerns about asset quality led to higher provisioning. The initiation of impeachment proceedings against President Dilma Rousseff, which required her to step down for up to 180 days pending the result, boosted investor confidence on rising hopes on Vice President Michel Temer, who took over as the country’s acting president. The stock participated in the substantial rally in Brazilian stocks during the reporting period, as appreciation in the Brazilian currency (the real), an improvement in business sentiment and generally positive economic data further supported equity prices in Brazil.

M. Dias Branco is Brazil’s leading manufacturer and seller of cookies, crackers and pasta. In addition to benefitting from greater investor confidence in the Brazilian equity market, strong second quarter sales and earnings boded well for the company.

TEMIT’s holdings in all three stocks were trimmed during the period to take profits and reinvest in stocks that we believe offer stronger opportunities for future growth.

Largest Company Detractors to Relative Performance

For the period 31 March 2016 to 30 September 2016

Largest Company Detractors	**% Share Price Total Return**	**% Relative Contribution to Portfolio**
Mail.Ru, GDR[(a)]	(10.4)	(0.3)
iMarketKorea[(a)]	(21.8)	(0.2)
KCB Group[(a)]	(20.8)	(0.2)
América Móvil, ADR[(a)]	(17.4)	(0.2)
China International Marine Containers	(13.3)	(0.2)
Youngone[(a)]	(11.2)	(0.2)
Daelim Industrial	5.2	(0.2)
China Construction Bank[(b)]	–	(0.2)
Petroleo Brasileiro, ADR[(b)]	–	(0.2)
Sberbank of Russia[(b)]	–	(0.2)

(a) Security not included in the MSCI Emerging Markets Index.
(b) Security not held by TEMIT.

Mail.Ru is one of the largest internet companies in Russia which operates social networking sites, instant messaging (“IM”) networks, email services and internet portals. Disappointing first half results, with profitability impacted by higher marketing costs to promote games, and a cautious management outlook for the second half of 2016 weighed on the share price performance. Weakness in the Russian economy also impacted consumer spending, affecting gaming revenues. We increased our position in the stock due to its dominant market position in Russia and merger and acquisition potential.

iMarket Korea is a procurement outsourcing company based on a B2B e-Marketplace platform. Its main business is to purchase materials, tools and equipment that are used for companies' MRO (Maintenance, Repair and Operation), and to supply those to companies and industries so that they can enhance the efficiency of purchase processes and lower costs. Disappointing first quarter results and concerns about a slowdown in business revenues from the Samsung group, a key client, affected the share price in the earlier part of the reporting period. However, an improvement in the operating profit margin and an increase in revenues from Samsung in the second quarter led the shares to rebound off its period-lows in the latter part of the period. Taking a long-term view on the stock, we continue to maintain our holding.

KCB Group is one of Kenya's largest banks in terms of assets, providing both retail and commercial banking services. The recent decision by the Kenyan Central Bank to cap lending rates depressed prices of all listed banks and raised many questions on how the decision would affect the sector's performance. Deterioration in asset quality and uncertainty surrounding a possible rights issue also impacted investor confidence. However, news that the company was in talks with companies such as Facebook, Apple and Alibaba on digital payments collaboration led the share price to rebound from its period-low at the end of the reporting period. We used the correction as an opportunity to increase our holding as the valuations became relatively more attractive.

Sector Contributors and Detractors

With the exception of industrials, which mildly detracted, all of the sectors had a positive impact on relative performance. Stock selection in materials, information technology (where an overweight position also helped), financials, consumer discretionary and staples contributed the most to performance. A rebound in commodity prices, improving investor confidence in emerging markets and demand for consumer goods and services supported the performance of these sectors. Positions in the industrials sector were increased during the period.

Geographical Contributors and Detractors

Geographically, stock selection and allocation in Peru (overweight relative to the Index), Brazil (overweight) and South Africa (underweight) supported relative returns. Underweight exposures to Mexico and Malaysia, where TEMIT had no holdings, also generated positive attribution returns. In contrast, our overweight positions in Kenya, which is not part of the benchmark index, and Russia, had a negative impact. Exposure to Brazil, South Africa, Russia, Kenya and Mexico have been reduced during the period.

Investment Strategy

While attention has been on a turnaround in sentiment over recent months, it is important to emphasise that we invest for the long term. As well as looking at the current situation, we focus in particular on how we expect a company to develop over the next five years or more, and what that indicates for value in the current share price. This means that as "value investors" we can, and do, invest, for example, in fast growing technology companies where we see a disconnect between current market values and potential.

Emerging economies in general are some of the world's most vibrant and fastest-growing economies. However, we believe that the challenges faced by some countries, sectors and companies, such as commodity or utility firms and the Chinese financial or real estate sectors, have at times obscured in investors' minds interesting opportunities within the emerging markets space.

For example, we believe that some mid-sized and smaller companies within emerging markets offer strong growth potential at attractive valuations. We also view this area as one that is overlooked by most investors, in part due to misconceptions regarding volatility, liquidity and scale. Further, there are several key positive attributes of emerging market small/mid-caps, both structural and tactical, which in aggregate we think support the inclusion of this asset class in TEMIT's investment portfolio.

In terms of markets, we are particularly interested in China at the moment following improving sentiment in the region. We are focused on the internet and technology sectors as we have found that many companies can enjoy strong structural growth as the economy shifts towards more online transactions, shopping and services. We also like some consumer-oriented companies, especially in the automobile sector and in sportswear. We look for opportunities in selected industries (largely those that are geared towards increasing consumption) that have gone through a consolidation, industries where barriers to entry have increased and where the competitive environment has become more benign.

Portfolio Changes

A full list of the portfolio holdings, sector and geographic breakdowns as at 30 September 2016 can be found on pages 14 to 20 of this report.

The current market volatility has allowed us to take advantage of some interesting opportunities, enabling us to reduce concentration and widen TEMIT's exposure to new areas. The Company now has investments in 97 companies compared with 56 companies as at 30 September 2015.

Information technology companies are particularly attractive in the current environment, especially as technology is becoming more integral and competitive in emerging markets. Taking a five-year view, the recent market correction has brought valuations down, in some cases, to more reasonable levels allowing us to invest in a number of information technology companies that would not previously have met our value criteria. In addition to adding **Alibaba**, one of the largest online and mobile commerce companies in the world, and **Sunny Optical Technology**, a major Chinese manufacturer of optical-related products, we also increased our holding in existing positions in **Naspers**, a global internet and entertainment group, **Taiwan Semiconductor Manufacturing**, the world's largest independent integrated circuit foundry, **Mail.Ru**, one of the biggest internet companies in Russia, as well as the leading global electronics manufacturer, **Samsung Electronics**. Our management style focuses on the prospects of individual stocks and in order to focus on the opportunities above we sold our holdings in **SK Hynix** in South Korea and **VTech** in Hong Kong, as well as reducing our positions in **Tata Consultancy Services** in India, and **NetEase** and **Baidu** in China.

Concerns about over-supply, demand and easing growth in major economies including China and India resulted in increased volatility in commodity prices in recent years. The prices of many commodities reached multi-year lows in early 2016, but are now showing signs of bottoming out. Selected commodity shares became even more attractively valued, especially as companies have begun to focus on streamlining and implementing cost-cutting measures to remain competitive. Elimination of excess capacity and closures of unproductive and inefficient companies also bode well for market leaders. An analysis of energy and materials companies in the portfolio and emerging markets universe and continuing review of our assumptions on price, demand and supply trends in commodities led us to reposition our holdings in these sectors. TEMIT added **Saudi Basic Industries Corporation** ("SABIC"), one of the largest petrochemical world producers and the principal steel manufacturer in the Middle East; **Norilsk Nickel**, the world's biggest nickel and palladium producer and one of the largest global producers of platinum; **LUKOIL**, a major Russian oil company; **Inner Mongolia Yitai Coal**, a key coal producer in China; **POSCO**, a leading South Korean steel producer; and **Industrias Peñoles**, the world's main producer of refined silver, and miner of precious metals including gold, to the portfolio. In repositioning the commodities exposure in the portfolio, we sold out of or reduced positions in **Oil & Gas Development** in Pakistan, **Oil & Natural Gas** in India, **Petroleo Brasileiro** and **Duratex** in Brazil, and conglomerate **SK Innovation** in South Korea, among others.

Another key theme in the emerging markets universe is the middle class population. We have been stressing the importance of the middle class consumer for a while now. They are becoming a very important contributor to growth in emerging markets. Moreover, we have seen a transition in the demands and wishes of the middle class population in emerging markets. The "new" middle class is no longer spending all of their income on necessities. They have reached a point where they are able to incur discretionary spending. Companies catering to consumers have been experiencing significant growth and this is expected to continue. Consumer spending, to us, not only includes consumer goods but also services such as banking, finance, and telecommunications. While easing global growth has interrupted the momentum in some countries, we expect the long-term growth in consumption in emerging markets to continue. Key additions included **IMAX**, one of the world's leading entertainment technology companies, specializing in immersive motion picture technologies; **Ping An Insurance Group**, a major insurance company in China; **BRF**, Brazil's leading food company; **Hyundai Wia**, a South Korean automotive components manufacturer; and **Hite Jinro**, a distiller in South Korea and the world's primary producer of soju. To raise funds for these opportunities and continue to ensure that the portfolio is adequately diversified, we reduced our holdings in the financial sector, where sales included **Banco Bradesco, Itaú Unibanco** and **BM&F Bovespa** in Brazil, **MCB Bank** in Pakistan, and **Akbank** in Turkey.

Full details of all the portfolio changes in the reporting period including new purchases, increases to existing holdings and partial or total sales are listed below.

New Purchases

Security	Country	Sector	Amount £(m)
Norilsk Nickel, ADR	Russia	Materials	21
Alibaba, ADR	Hong Kong/China	Information Technology	21
SABIC, Participatory Note	Saudi Arabia	Materials	20
LUKOIL, ADR	Russia	Energy	17
IMAX	United States	Consumer Discretionary	14
Ping An Insurance Group	Hong Kong/China	Financials	10
BRF	Brazil	Consumer Staples	10
Hyundai Wia	South Korea	Consumer Discretionary	7
Equity Group	Kenya	Financials	7

Security	Country	Sector	Amount £(m)
Bloomage Biotechnology	Hong Kong/China	Health Care	7
Hite Jinro	South Korea	Consumer Staples	6
Sunny Optical Technology	Hong Kong/China	Information Technology	5
Moneta Money Bank	Czech Republic	Financials	5
BDO Unibank	Philippines	Financials	5
Other (5 securities)			12
Total			**167**

Increased Holding

Security	Country	Sector	Amount £(m)
Naspers, N	South Africa	Consumer Discretionary	22
Taiwan Semiconductor Manufacturing	Taiwan	Information Technology	10
Mail.Ru, GDR	Russia	Information Technology	9
Samsung Electronics	South Korea	Information Technology	9
KCB Group	Kenya	Financials	8
Gedeon Richter	Hungary	Health Care	6
Daelim Industrial	South Korea	Industrials	6
Hanon Systems	South Korea	Consumer Discretionary	5
Other (15 securities)			23
Total			**98**

Partial Sale

Security	Country	Sector	Amount £(m)
Banco Bradesco, ADR	Brazil	Financials	41
Tata Consultancy Services	India	Information Technology	21
Guangzhou Automobile Group	Hong Kong/China	Consumer Discretionary	18
MCB Bank	Pakistan	Financials	17
Akbank	Turkey	Financials	16
Oil & Natural Gas	India	Energy	11
NetEase, ADR[(a)]	Hong Kong/China	Information Technology	10
Baidu, ADR	Hong Kong/China	Information Technology	9
Dairy Farm	Hong Kong/China	Consumer Staples	8
M. Dias Branco	Brazil	Consumer Staples	8
Itaú Unibanco, ADR	Brazil	Financials	7
Unilever	United Kingdom	Consumer Staples	7
MTN Group[(a)]	South Africa	Telecommunication Services	5
Other (7 securities)			15
Total			**193**

[(a)] Security was an increased holding and sold during the period.

Total Sale

Security	Country	Sector	Amount £(m)
SK Hynix	South Korea	Information Technology	32
Oil & Gas Development	Pakistan	Energy	17
Kumba Iron Ore	South Africa	Materials	15
VTech	Hong Kong/China	Information Technology	13
Dr. Reddy’s Laboratories[(a)]	India	Health Care	12
Petroleo Brasileiro, ADR	Brazil	Energy	9
Impala Platinum	South Africa	Materials	6
Other (3 securities)			7
Total			**111**

[(a)] Security was purchased and sold during the period.

Portfolio Holdings by Geography
As at 30 September 2016

Geographical analysis (by country of risk)

Country	Sector	Fair Value £'000	% of Issued Share Class	MSCI Index[(a)] Weighting	% of net assets
ARGENTINA					
MercadoLibre	Information Technology	9,352	0.1	N/A	0.5
		9,352			**0.5**
BRAZIL					
Banco Bradesco, ADR[(b)(c)]	Financials	20,525	0.1	N/A	1.1
BRF	Consumer Staples	13,203	0.1	0.3	0.7
Cetip	Financials	10,616	0.4	0.1	0.5
CIA Hering	Consumer Discretionary	30,216	4.4	N/A	1.6
Itaú Unibanco, ADR[(c)]	Financials	56,280	0.2	N/A	2.9
Lojas Americanas	Consumer Discretionary	13,289	0.7	0.0	0.7
M. Dias Branco	Consumer Staples	14,209	0.4	0.0	0.7
MAHLE Metal Leve	Consumer Discretionary	5,791	0.8	N/A	0.3
TOTVS	Information Technology	17,058	1.4	0.0	0.9
		181,187			**9.4**
CAMBODIA					
NagaCorp	Consumer Discretionary	14,670	1.2	N/A	0.8
		14,670			**0.8**
CZECH REPUBLIC					
Moneta Money Bank	Financials	4,621	0.4	N/A	0.2
		4,621			**0.2**
HONG KONG/CHINA					
Alibaba, ADR[(c)]	Information Technology	29,140	0.0	2.9	1.5
Baidu, ADR[(c)]	Information Technology	13,076	0.3	1.2	0.7
Bloomage Biotechnology	Health Care	7,316	1.6	N/A	0.4
Brilliance China Automotive	Consumer Discretionary	109,423	2.5	0.1	5.6
China International Marine Containers	Industrials	7,173	0.5	N/A	0.4
China Petroleum and Chemical, H	Energy	25,122	0.2	0.5	1.3
COSCO Pacific	Industrials	6,317	0.3	0.0	0.3
Dairy Farm	Consumer Staples	33,013	0.4	N/A	1.7
Guangzhou Automobile Group	Consumer Discretionary	3,657	0.2	0.1	0.2
Inner Mongolia Yitai Coal, B	Energy	4,460	0.5	N/A	0.2
MGM China	Consumer Discretionary	9,856	0.2	N/A	0.5

[(a)] N/A: Security not included in the MSCI Emerging Markets Index.
[(b)] Preferred shares.
[(c)] US listed American Depositary Receipt.

Country	Sector	Fair Value £'000	% of Issued Share Class	MSCI Index[(a)] Weighting	% of net assets
HONG KONG/CHINA (continued)					
NetEase, ADR[(c)]	Information Technology	26,054	0.0	0.5	1.4
Ping An Insurance Group	Financials	9,453	0.0	N/A	0.5
Sunny Optical Technology	Information Technology	7,379	0.2	N/A	0.4
Tencent	Information Technology	68,008	0.0	3.8	3.5
Uni-President China	Consumer Staples	15,391	0.7	N/A	0.8
Victory City International	Consumer Discretionary	3,553	3.4	N/A	0.2
Weifu High-Technology, B	Consumer Discretionary	2,975	1.0	N/A	0.2
		381,366			**19.8**
HUNGARY					
Gedeon Richter	Health Care	21,319	0.7	0.1	1.1
		21,319			**1.1**

INDIA					
Bajaj Holdings & Investments	Financials	4,289	0.2	N/A	0.2
Biocon	Health Care	1,976	0.1	N/A	0.1
Glenmark Pharmaceuticals	Health Care	7,394	0.2	0.0	0.4
ICICI Bank	Financials	34,686	0.2	0.1	1.8
Infosys Technologies	Information Technology	12,635	0.0	0.7	0.6
Oil & Natural Gas	Energy	24,880	0.1	0.1	1.3
Peninsula Land	Real Estate	444	0.7	N/A	–
Reliance Industries	Energy	16,030	0.0	0.5	0.8
Tata Chemicals	Materials	10,908	0.7	N/A	0.6
Tata Consultancy Services	Information Technology	8,917	0.0	0.4	0.5
Tata Motors	Consumer Discretionary	7,630	0.4	0.0	0.4
		129,789			**6.7**
INDONESIA					
Astra International	Consumer Discretionary	61,042	0.3	0.3	3.1
Bank Danamon Indonesia	Financials	35,761	1.6	0.0	1.9
		96,803			**5.0**
KENYA					
Equity Group	Financials	6,342	0.8	N/A	0.3
KCB Group	Financials	10,648	1.7	N/A	0.6
		16,990			**0.9**

[a] N/A: Security not included in the MSCI Emerging Markets Index.
[c] US listed American Depositary Receipt.

Country	**Sector**	**Fair Value £'000**	**% of Issued Share Class**	**MSCI Index Weighting** [a]	**% of net assets**
MEXICO					
América Móvil, ADR[c]	Telecommunication Services	5,584	0.0	N/A	0.3
Industrias Peñoles	Materials	3,227	0.0	0.1	0.2
Nemak	Consumer Discretionary	5,837	0.2	N/A	0.3
Telesites	Telecommunication Services	274	0.0	N/A	–
		14,922			**0.8**
NIGERIA					
Nigerian Breweries	Consumer Staples	558	0.0	N/A	–
		558			**–**
PAKISTAN					
MCB Bank	Financials	44,028	2.4	N/A	2.3
United Bank	Financials	2,843	0.2	N/A	0.1
		46,871			**2.4**
PERU					
Buenaventura, ADR[c]	Materials	71,832	2.4	0.1	3.7
		71,832			**3.7**
PHILIPPINES					
BDO Unibank	Financials	5,045	0.1	0.1	0.3
		5,045			**0.3**
RUSSIA					
Gazprom, ADR[c]	Energy	29,257	0.0	N/A	1.6
LUKOIL, ADR[c][d]	Energy	23,732	0.1	N/A	1.2
Mail.Ru, GDR[e]	Information Technology	18,643	1.1	N/A	1.0
Norilsk Nickel, ADR[c]	Materials	24,557	1.0	N/A	1.2
TMK, GDR[e]	Energy	4,747	0.2	N/A	0.2
Yandex	Information Technology	18,515	0.4	N/A	1.0
		119,451			**6.2**
SAUDI ARABIA					
SABIC, Participatory Note	Materials	21,424	0.0	N/A	1.1
Savola Group, Participatory Note	Consumer Staples	113	1.2	N/A	–
		21,537			**1.1**

[a] N/A: Security not included in the MSCI Emerging Markets Index.
[c] US listed American Depositary Receipt.
[d] Security listed on the London and Moscow Stock Exchanges.
[e] UK listed Global Depositary Receipt.

Country	Sector	Fair Value £'000	% of Issued Share Class	MSCI Index[a] Weighting	% of net assets
SOUTH AFRICA					
Massmart	Consumer Staples	16,686	1.2	0.0	0.9
MTN Group	Telecommunication Services	3,248	0.0	0.3	0.2
Naspers, N	Consumer Discretionary	76,610	0.1	1.9	3.9
		96,544			**5.0**
SOUTH KOREA					
Daelim Industrial	Industrials	22,531	1.1	0.1	1.2
Fila Korea	Consumer Discretionary	5,167	0.7	N/A	0.3
Hankook Tire	Consumer Discretionary	6,934	0.1	0.1	0.4
Hanon Systems	Consumer Discretionary	16,956	0.4	0.1	0.9
Hite Jinro	Consumer Staples	5,700	0.5	N/A	0.3
Hyundai Development	Industrials	41,091	1.5	0.1	2.1
Hyundai Wia	Consumer Discretionary	7,962	0.5	0.0	0.4
iMarketKorea	Industrials	4,856	1.5	N/A	0.3
Interpark	Consumer Discretionary	3,870	1.9	N/A	0.2
KT Skylife	Consumer Discretionary	6,296	1.2	N/A	0.3
POSCO	Materials	3,500	0.0	0.4	0.2
Samsung Electronics	Information Technology	112,041	0.1	3.6	5.7
SK Innovation	Energy	10,320	0.1	0.2	0.5
Youngone	Consumer Discretionary	7,491	0.7	N/A	0.4
		254,715			**13.2**
TAIWAN					
Catcher Technology	Information Technology	14,621	0.3	0.1	0.7
Hon Hai Precision Industry	Information Technology	39,766	0.1	1.0	2.1
Largan Precision	Information Technology	20,403	0.2	0.3	1.1
Pegatron	Information Technology	14,568	0.3	0.1	0.7
Taiwan Semiconductor Manufacturing	Information Technology	86,415	0.1	3.5	4.5
		175,773			**9.1**
THAILAND					
Kasikornbank	Financials	25,269	0.3	0.2	1.3
Kiatnakin Bank	Financials	20,009	2.0	N/A	1.1
Land and Houses	Real Estate	10,094	0.4	N/A	0.5
Land and Houses, Warrants	Real Estate	1,449	0.6	N/A	0.1
PTT Exploration and Production	Energy	8,412	0.1	N/A	0.5

[a] N/A: Security not included in the MSCI Emerging Markets Index.

Country	Sector	Fair Value £'000	% of Issued Share Class	MSCI Index[a] Weighting	% of net assets
THAILAND (continued)					
Siam Commercial Bank	Financials	17,744	0.2	N/A	0.9
Thai Beverages	Consumer Staples	12,052	0.1	N/A	0.6
Univanich Palm Oil	Consumer Staples	6,417	5.0	N/A	0.3
		101,446			**5.3**
TURKEY					
Akbank	Financials	8,848	0.1	0.1	0.5
		8,848			**0.5**
UNITED KINGDOM					
Unilever[f]	Consumer Staples	84,381	0.2	N/A	4.4
		84,381			**4.4**
UNITED STATES					
IMAX[f]	Consumer Discretionary	12,962	0.9	N/A	0.7
		12,962			**0.7**
TOTAL INVESTMENTS		**1,870,982**			**97.1**
OTHER NET ASSETS		**55,785**			**2.9**
TOTAL NET ASSETS		**1,926,767**			**100.0**

[a] N/A: Security not included in the MSCI Emerging Markets Index.
[f] These companies, listed on stock exchanges in developed markets, have significant earnings from emerging markets.

Market Capitalisation Breakdown[g] (%)	Less than £1.5bn	£1.5bn to £5bn	Greater than £5bn	Other Net Assets
30 September 2016	10.7	27.5	58.9	2.9
31 March 2016	12.5	27.6	54.8	5.1

(g) Market Capitalisation - The total market value of a company's shares. For a vehicle like TEMIT, 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.

Source: FactSetï

Split Between Markets[h] (%)	30 September 2016	31 March 2016
Emerging Markets	88.2	84.9
Frontier Markets	3.8	5.0
Developed Markets[i]	5.1	5.0
Other Net Assets	2.9	5.1

(h) Geographic split between "Emerging Markets", "Frontier Markets" and "Developed Markets" are as per MSCI index classifications.
(i) Developed markets exposure represented by companies listed in the United Kingdom and United States.

Source: FactSet

Geographic Asset Allocation
As at 30 September 2016

Country weightings vs benchmark (%)*

Country	TEMIT	MSCI Emerging Markets Index
Hong Kong/China	19.8%	27.0%
South Korea	13.2%	14.8%
Brazil	9.4%	7.4%
Taiwan	9.1%	12.1%
India	6.7%	8.5%
Russia	6.2%	3.7%
Thailand	5.3%	2.2%
Indonesia	5.0%	2.7%
South Africa	5.0%	7.1%
United Kingdom**	4.4%	0.0%
Peru	3.7%	0.4%
Pakistan**	2.4%	0.0%
Saudi Arabia**	1.1%	0.0%
Hungary	1.1%	0.3%
Kenya**	0.9%	0.0%
Cambodia**	0.8%	0.0%
Mexico	0.8%	3.7%
United States**	0.7%	0.0%
Turkey	0.5%	1.2%
Argentina**	0.5%	0.0%
Philippines	0.3%	1.3%
Czech Republic	0.2%	0.1%
Nigeria**	0.0%	0.0%

* Other countries held by the benchmark are Chile, Colombia, Egypt, Greece, Malaysia, Poland, Qatar and United Arab Emirates.

** Countries not held in the MSCI Emerging Markets Index.

						Total Return in sterling	
Country	**31 Mar 2016 Market Value £m**	**Purchases £m**	**Sales £m**	**Market Movement £m**	**30 Sep 2016 Market Value £m**	**TEMIT %**	**MSCI Emerging Markets Index %**
Hong Kong/China	309	51	(60)	81	381	27.0	26.5
South Korea	199	40	(38)	54	255	26.9	21.3
Brazil	170	10	(73)	74	181	69.2	40.4
Taiwan	127	10	—	39	176	28.5	25.6
India	140	11	(48)	27	130	26.2	21.6
Other	537	143	(85)	153	748	—	—
Other Net Assets	80	—	—	(24)	56	—	—
Total	**1,562**	**265**	**(304)**	**404**	**1,927**		

Sector Asset Allocation
As at 30 September 2016

Sector weightings vs benchmark (%)*

Sector	TEMIT	MSCI Emerging Markets Index
Information Technology	26.8%	23.9%
Consumer Discretionary	21.4%	10.6%
Financials	16.5%	23.7%
Consumer Staples	10.4%	7.9%
Energy	7.6%	7.3%
Materials	7.0%	6.4%
Industrials	4.3%	5.9%
Health Care	2.0%	2.6%
Real Estate	0.6%	2.7%
Telecommunication Services	0.5%	6.1%

* Other sector held by the benchmark is Utilities.

						Total Return in sterling	
Sector	**31 Mar 2016 Market Value £m**	**Purchases £m**	**Sales £m**	**Market Movement £m**	**30 Sep 2016 Market Value £m**	**TEMIT %**	**MSCI Emerging Markets Index %**
Information Technology	409	56	(85)	137	517	36.1	32.0
Consumer Discretionary	293	60	(20)	79	412	23.7	19.7
Financials	294	42	(86)	67	317	26.8	22.2
Consumer Staples	166	16	(23)	43	202	27.0	16.9
Energy	133	21	(40)	33	147	28.9	22.1
Materials	62	46	(26)	53	135	64.6	21.3
Industrials	72	6	(3)	7	82	9.3	12.3
Health Care	27	17	(13)	7	38	22.6	13.6
Real Estate[a]	12	1	(3)	2	12	20.0	—
Telecommunication Services	14	—	(5)	—	9	—	13.3
Other Net Assets	80	—	—	(24)	56	—	—
Total	**1,562**	**265**	**(304)**	**404**	**1,927**		

[a] A new sector classification was introduced to the industry on 1 September 2016. Land and Houses and Peninsula Land were previously included within Financials but have been reallocated to Real Estate due to this change.

Outlook

While the year is not yet over, we believe that the emerging markets' recovery is set to continue over the next few years. We see brighter prospects for investors in this area, and the long-term performance of emerging market equities continues to compare favourably to that of developed markets. The long term case for investing in emerging markets remains one based on rates of economic growth superior to those in the developed world, with rising personal wealth leading to greater spending power, improving infrastructure and, in some cases, world leading technology. As investment manager's we focus primarily on individual stocks and, as can be seen from the description of our management activities above, this does not lead us to favour any geographic region or sector but rather to focus on how current share prices compare with projected future growth.

While emerging markets remain sensitive to macroeconomic events and global monetary policy, equity markets appear to have begun to improve, and we believe that confidence is returning to investors.

Moreover, despite the recent increase in fund flows, investors remain considerably underweight in emerging markets, which we believe is supportive of further improvement in the share price ratings over the longer term.

Carlos Hardenberg
18 November 2016

Income Statement
For the six months to 30 September 2016

	For the six months to 30 September 2016 (unaudited)		
	Revenue £'000	**Capital £'000**	**Total £'000**
Gains/(losses) on investments and foreign exchange			
Gains/(losses) on investments at fair value	–	425,774	425,774
Gains/(losses) on foreign exchange	–	(1,275)	(1,275)
Revenue			
Dividends	27,986	–	27,986
Bank and deposit interest	48	–	48
	28,034	**424,499**	**452,533**
Expenses			
AIFM fee	(9,571)	–	(9,571)
Other expenses	(890)	–	(890)
	(10,461)	–	**(10,461)**
Profit/(loss) before taxation	**17,573**	**424,499**	**442,072**
Tax expense	(2,395)	(1,129)	(3,524)
Profit/(loss) for the period	**15,178**	**423,370**	**438,548**
Profit/(loss) attributable to equity holders of the Company	**15,178**	**423,370**	**438,548**
Earnings per share	**5.18p**	**144.71p**	**149.89p**
Ongoing charge ratio			**1.21%**

Under the Company's Articles of Association the capital element of return is not distributable.

The total column is the Income Statement of the Company.

The supplementary revenue and capital return columns are both prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

There is no other income for this period and therefore no separate statement of comprehensive income has been presented.

The Ongoing Charge Ratio (OCR) represents the annualised ongoing charges of the Company divided by the average daily net assets of the Company for the year.

The AIFM fee of 1.10% per annum is payable to Franklin Templeton as Manager.

Dividend Policy

In accordance with the Company's stated policy, no interim dividend is declared for the period.

An ordinary dividend of 8.25 pence per share for the year ended 31 March 2016 was paid on 22 July 2016 at a cost of £24,132,000.

For the six months to 30 September 2015 (unaudited)			Year ended 31 March 2016 (audited)		
Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
–	(581,571)	(581,571)	–	(388,315)	(388,315)
–	699	699	–	1,710	1,710
27,885	–	27,885	44,702	–	44,702
213	–	213	319	–	319
28,098	**(580,872)**	**(552,774)**	**45,021**	**(386,605)**	**(341,584)**
(9,512)	–	(9,512)	(17,535)	–	(17,535)
(1,007)	–	(1,007)	(1,910)	–	(1,910)
(10,519)	–	**(10,519)**	**(19,445)**	–	**(19,445)**
17,579	**(580,872)**	**(563,293)**	**25,576**	**(386,605)**	**(361,029)**
(2,257)	949	(1,308)	(3,772)	1,661	(2,111)
15,322	**(579,923)**	**(564,601)**	**21,804**	**(384,944)**	**(363,140)**
15,322	**(579,923)**	**(564,601)**	**21,804**	**(384,944)**	**(363,140)**
4.87p	**(184.26)p**	**(179.39)p**	**7.05p**	**(124.47)p**	**(117.42)p**
		1.21%			**1.22%**

Balance Sheet
As at 30 September 2016

	As at 30 September 2016 £'000 (unaudited)	As at 30 September 2015 £'000 (unaudited)	As at 31 March 2016 £'000 (audited)
Assets			
Non-current assets			
Investments at fair value through profit or loss	**1,870,982**	**1,313,374**	**1,482,238**
Current Assets			
Trade and other receivables	12,298	4,566	6,884
Cash	61,248	89,000	77,359
	73,546	**93,566**	**84,243**
Current Liabilities			
Trade and other payables	(16,409)	(2,723)	(3,890)
Capital gains tax provision	(1,352)	(1,109)	(326)
	(17,761)	**(3,832)**	**(4,216)**
Net Assets	**1,926,767**	**1,403,108**	**1,562,265**
Issued Share Capital and Reserves Attributable to Equity Shareholders			
Equity Share Capital	72,017	77,061	74,505
Capital Redemption Reserve	10,652	5,608	8,164
Special Distributable Reserve	433,546	433,546	433,546
Capital Reserve	1,318,417	792,294	944,961
Revenue Reserve	92,135	94,599	101,089
Equity Shareholders' Funds	**1,926,767**	**1,403,108**	**1,562,265**
Net Asset Value pence per share	**668.9**	**455.2**	**524.2**

Statement of Changes in Equity
For the six months to 30 September 2016 (unaudited)

	Equity Share Capital £'000	Capital Redemption Reserve £'000	Special Distributable Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
Balance at 31 March 2015	**79,736**	**2,933**	**433,546**	**1,423,461**	**105,355**	**2,045,031**
Profit/(loss) for the period	–	–	–	(579,923)	15,322	(564,601)
Equity dividends	–	–	–	–	(26,078)	(26,078)
Purchase and cancellation of own shares	(2,675)	2,675	–	(51,244)	–	(51,244)
Balance at 30 September 2015	**77,061**	**5,608**	**433,546**	**792,294**	**94,599**	**1,403,108**
Profit/(loss) for the period	–	–	–	194,979	6,482	201,461
Equity dividends*	–	–	–	–	8	8
Purchase and cancellation of own shares	(2,556)	2,556	–	(42,312)	–	(42,312)
Balance at 31 March 2016	**74,505**	**8,164**	**433,546**	**944,961**	**101,089**	**1,562,265**
Profit/(loss) for the period	–	–	–	423,370	15,178	438,548
Equity dividends	–	–	–	–	(24,132)	(24,132)
Purchase and cancellation of own shares	(2,488)	2,488	–	(49,914)	–	(49,914)
Balance at 30 September 2016	**72,017**	**10,652**	**433,546**	**1,318,417**	**92,135**	**1,926,767**

* Dividend returned to the Company for the shares bought back that were still outstanding on record date.

Cash Flow Statement
For the six months to 30 September 2016 (unaudited)

	For the six months to 30 September 2016 £'000 (unaudited)	For the six months to 30 September 2015 £'000 (unaudited)	For the year to 31 March 2016 £'000 (audited)
Cash flows from operating activities			
Profit/(loss) before taxation	442,072	(563,293)	(361,029)
Adjustments for:			
(Gains)/losses on investments at fair value	(425,774)	581,571	388,315
Realised (gains)/losses on foreign exchange	1,275	(699)	(1,710)
Stock dividends received in period	(797)	–	(749)
Increase in debtors	655	1,496	236
Increase/(decrease) in creditors	134	(492)	(327)
Cash generated from operations	**17,565**	**18,583**	**24,736**
Tax paid	(2,498)	(2,462)	(4,047)
Net cash inflow from operating activities	**15,067**	**16,121**	**20,689**
Cash flows from investing activities			
Purchases of non-current financial assets	(274,995)	(274,162)	(708,533)
Sales of non-current financial assets	317,995	312,091	772,668
Net cash inflow from investing activities	**43,000**	**37,929**	**64,135**
Cash flows from financing activities			
Equity dividends paid	(24,132)	(26,078)	(26,070)
Purchase and cancellation of own shares	(50,046)	(50,984)	(93,407)
Net cash outflow from financing activities	**(74,178)**	**(77,062)**	**(119,477)**
Net decrease in cash	**(16,111)**	**(23,012)**	**(34,653)**
Cash at the start of the period	77,359	112,012	112,012
Cash at the end of the period	**61,248**	**89,000**	**77,359**

Copies will be uploaded and available for viewing on the National Storage Mechanism, copies will also be posted to the website www.temit.co.uk and may also be requested during normal business hours from Client Dealer Services at Franklin Templeton Investment Management Limited on freephone 0800 305 306. A pdf version of the full Half Yearly Report to 30th September 2016 will be available by accessing the following hyperlink http://www.franklintempleton.co.uk/content-common/semi-annual-report/en_GB/local-GB/TEMIT-semi-annual-report.pdf

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