

Stock Exchange Announcement
Templeton Emerging Markets Investment Trust PLC
("Temit" or "the Company")
Legal Entity Identifier 5493002NMTB70RZBXO96

**TEMIT ANNOUNCES KEY INITIATIVES TO HEIGHTEN DEMAND FOR
SHARES**

After careful consideration and ahead of its annual results announcement, the Temit Board is pleased to announce four key initiatives which aim to increase demand for the Company's shares.

These initiatives are:

- **Enhanced share buybacks:** a share buyback programme for up to £200 million of shares over the next 12 to 24 months, representing up to 10% of current net assets;
- **Dividends:** a commitment to distribute £278 million (based on the number of shares in issue as at the 31 March 2024 year-end) over the next five years, by at least maintaining the dividend at 5 pence per share for five years;
- **Conditional tender offer:** A new performance-related conditional tender offer measured over the next five years for 25% of the company's shares, equivalent to £498 million of the Net Asset Value ('NAV') as at 31 March 2024; and
- **Management fees:** A phased reduction in management fees over the next two years.

Angus Macpherson, Chairman of Temit, said: 'The Board does not believe that the discount at which the Company's shares trade relative to their underlying NAV adequately reflects the Company's strong investment performance. In a determined effort to improve the rating of our shares we are today announcing measures which can significantly increase the scale of future distributions to shareholders through a combination of buybacks, dividends, and a new conditional tender offer alongside reduced management fees.'

Taken together these measures represent an appreciable proportion of the Company's value and our objective is to provide investors with a greater degree of confidence that they will be able to realise value from their investment whether from strong performance, increased cash distributions, reduced costs, increased liquidity or through a share tender at close to NAV per share depending on investment performance.'

Enhanced share buyback programme

Over the past five years, the Company has repurchased 142.3 million shares for £218.2 million. In aggregate these share buybacks resulted in a meaningful uplift in NAV per share for continuing shareholders.

The Board is determined to substantially increase the rate of share buybacks and, if the discount persists, intends that the Company will repurchase up to £200 million of shares over the next 12 to 24 months, and continue at a suitable rate as required thereafter.

Dividend commitment

An interim dividend of 2 pence per share was paid at the half-year stage and the Board is proposing an unchanged final dividend of 3 pence per share, taking the total dividend for the year to 31 March 2024 to 5 pence per share.

The Board intends to at least maintain the dividend at 5 pence per share for the next five years and will, if necessary, use its substantial reserves to do so. This equates to a total minimum distribution over the next five years of £278 million on the basis of the number of shares in issue, and equivalent to 16.2% of the Company's market capitalisation, both as at 31 March 2024.

Conditional tender offer

Over the five years to 31 March 2024 the NAV total return for the Company was +23.4%, which was 8.3 percentage points higher than that of the benchmark index. As a result of this strong performance, the conditions for triggering the Company's performance related tender offer at that time were not met.

The Board has confidence that NAV returns in excess of the benchmark index can continue but has resolved to offer a new performance-related conditional tender. Therefore, if, over the five-year period to 31 March 2029, the Company's NAV total return fails to exceed the benchmark total return then the Board will put forward proposals to shareholders to undertake a tender offer for up to 25 per cent. of issued share capital at a price equal to the then prevailing net asset value less two per cent (less costs), at the discretion of the Board.

Reduced management fees

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

Current fee rates:

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

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

With effect from 1 July 2026

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

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

Our focus on shareholder returns

Over the last five years, in aggregate £467.2 million has been returned to shareholders through dividends and share buybacks, which represents 22.1% of net assets at the start of the five-year period. If the first tender offer had been triggered and taken up in full, this would have risen to £966 million or the equivalent of some 45.6% of net assets at the start of the period.

The Board believes that the measures announced above represent a robust undertaking over the next five years to amplify the returns to shareholders through a more aggressive buyback programme, lower management fees, a dividend commitment and a new conditional tender offer.

The Company intends to announce its annual results for the year to 31 March 2024 on 7 June 2024.

TEMIT is an award-winning investment trust with over £2 billion in assets under management, which has helped investors access the dynamic growth of emerging markets economies around the world since 1989. The Company is managed by Franklin Templeton's specialist Emerging Markets Equity team, consisting of 70 analysts spread across 14 countries. The team has unparalleled access to identify

investment opportunities beyond the mainstream, often before they are recognised by the broader market.

This announcement contains information that is inside information for the purposes of the Market Abuse Regulation (EU) No 596/2014 as implemented in the UK. The person responsible for arranging for the release of this announcement on behalf of the Company is Franklin Templeton Investment Trust Management Limited.

Enquiries: for further information please e-mail temitcosec@franklintempleton.com

Notes:

Data based where appropriate on TEMIT's net asset value of £2.035 billion as at 31 March 2024 and on 1.114 billion shares in issue as at 31 March 2024.

Amount returned to shareholders over the last five years includes a proposed final dividend of 3.0p per share for the year to 31 March 2024, includes special dividends and excludes the final dividend for the year to 31 March 2019.