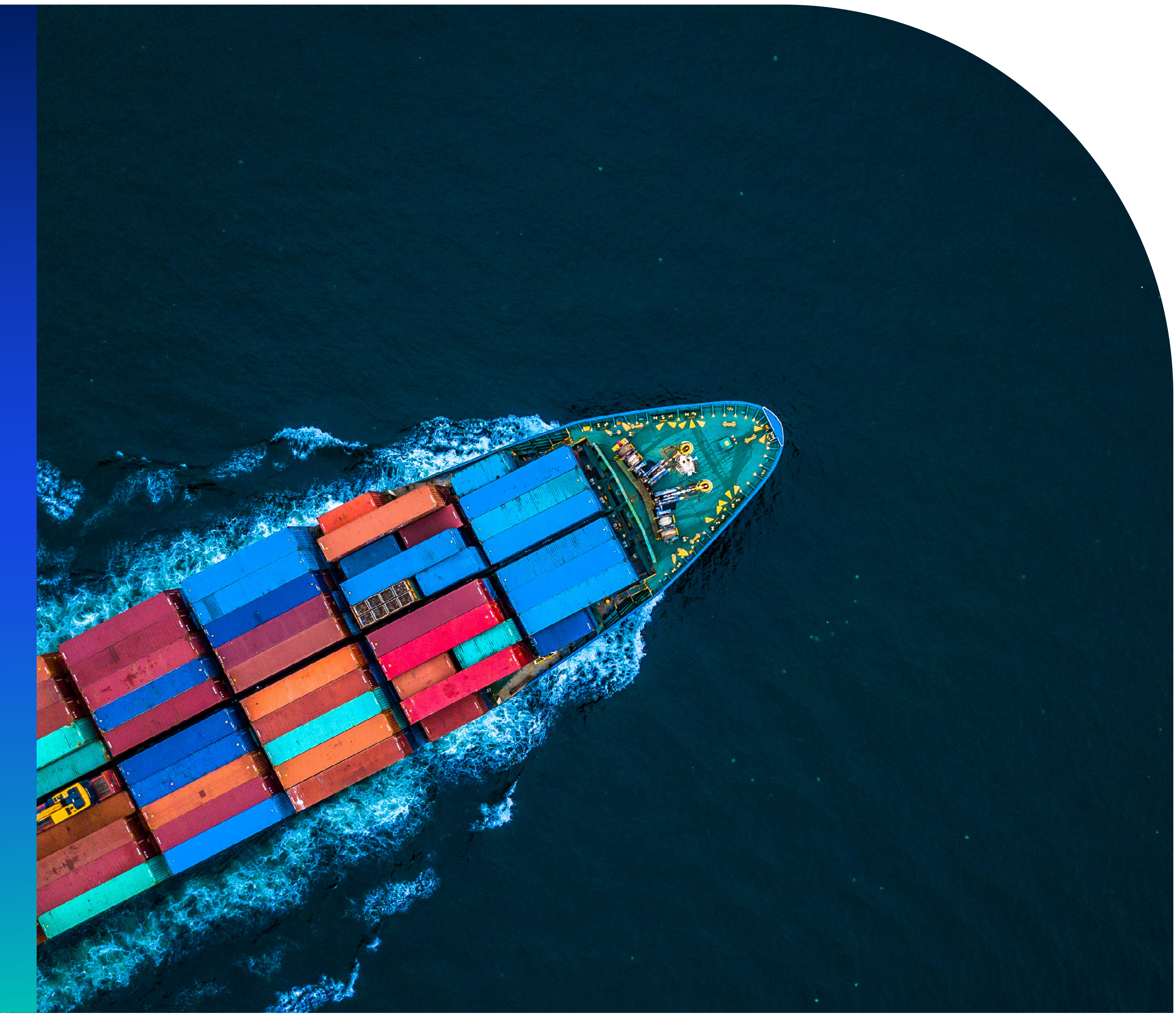
June 2026

Franklin Templeton Investment Solutions

Allocation Views

Optimistic on equities, mindful of inflation



Not FDIC Insured | No Bank Guarantee | May Lose Value

Summary

Strong corporate fundamentals and resilient growth fuel our continued optimism toward equities into June, despite persistent inflation and more restrictive monetary policy.

The capital expenditure (capex) super cycle is continuing unabated and benefiting a broad swath of companies involved in the artificial intelligence (AI) build out.

Investor concern around return on investment from that capex has been suppressed by double-digit earnings expectations, which have held forward price/earnings (PE) ratios at acceptable levels and fueled market momentum.

Restrictive policy is a headwind for risk assets, as are rising input costs, but we believe the ongoing strength of corporate earnings outweighs these concerns.

Within fixed income, a hawkish policy pivot, alongside rising term premia, has pushed US Treasury yields higher. This has closed the valuation gap with international developed market government bonds.

Macro themes

Steady growth

- Robust earnings expectations fuel an optimistic post-conflict outlook, although earnings breadth has moderated.
- The US economy has proven resilient, while labor market data has stabilized.
- Leading economic indicators look healthy, but we are monitoring the impact of higher input costs. Euro-area indicators are weaker than other regions.

Persistent inflation

- US inflation dynamics remain challenging. Core inflation is elevated, but some measures show pressures moderating.
- Core goods inflation is also above trend. Tariff pressures may have peaked but are currently offset by global supply chain tightness.
- We expect limited second order effects from the energy impulse, as conflict in Iran moves closer to a resolution.

Policy bifurcation

- There is an increasing bifurcation between supportive fiscal policy and restrictive monetary policy as markets assess the energy price shock.
- The Middle East conflict has catalyzed a recalibration of policy expectations, with a tightening bias in most regions including the United States.
- Fiscal policy is supporting growth but contributing to expanding deficits. US tax refunds are offsetting tariff headwinds, while energy support packages could also prove influential.

Portfolio positioning themes

Equity optimism

- Corporate fundamentals remain strong amid double-digit earnings growth expectations for the next 12 months.
- Conflict in the Middle East is moving toward resolution, and we would expect markets to look through any temporary setbacks.
- Sentiment and positioning have strengthened, but are not yet exuberant, remaining broadly supportive of risk assets.

Focus on US core equities

- We retain a preference for US large-cap equities, as artificial intelligence (AI) capital expenditure (capex) continues to drive equity markets.
- We trim emerging market (EM) equities exposure following recent strong performance but remain optimistic, amid healthy corporate fundamentals and exposure to AI themes.
- We have reduced exposure to Japanese equities, influenced by rising inflation pressures linked to higher import costs and fiscal stimulus effects.

Balancing duration exposure

- We expect demand destruction to have a greater impact on monetary policy decisions than market pricing suggests, decreasing the chance that central banks meet market hiking expectations.
- Resilient US growth and challenging inflation dynamics complicate Fed policy. We have added to US duration but remain underweight amid sustained upward pressure on yields.
- Excess returns for equities appear more attractive to us than credit, amid strong earnings and tight spreads.

Strong corporate fundamentals and resilient growth fuel our continued optimism toward equities into June, despite persistent inflation and more restrictive monetary policy expectations.

The capital expenditure (capex) super cycle is continuing unabated and benefiting a broad swath of companies involved in the artificial intelligence (AI) build out.

Investor concern around return on investment from that capex has been suppressed by double-digit earnings expectations, which have held forward price/earnings (PE) ratios at acceptable levels and fuelled market momentum.

Acceptable Ratios

Rapidly Rising Earnings Are Containing P/E Ratios Despite Lofty Valuations

Exhibit 1a: Forward Earnings-Per-Share (EPS) Growth Forecasts (Next 12 Months, % Y/Y)

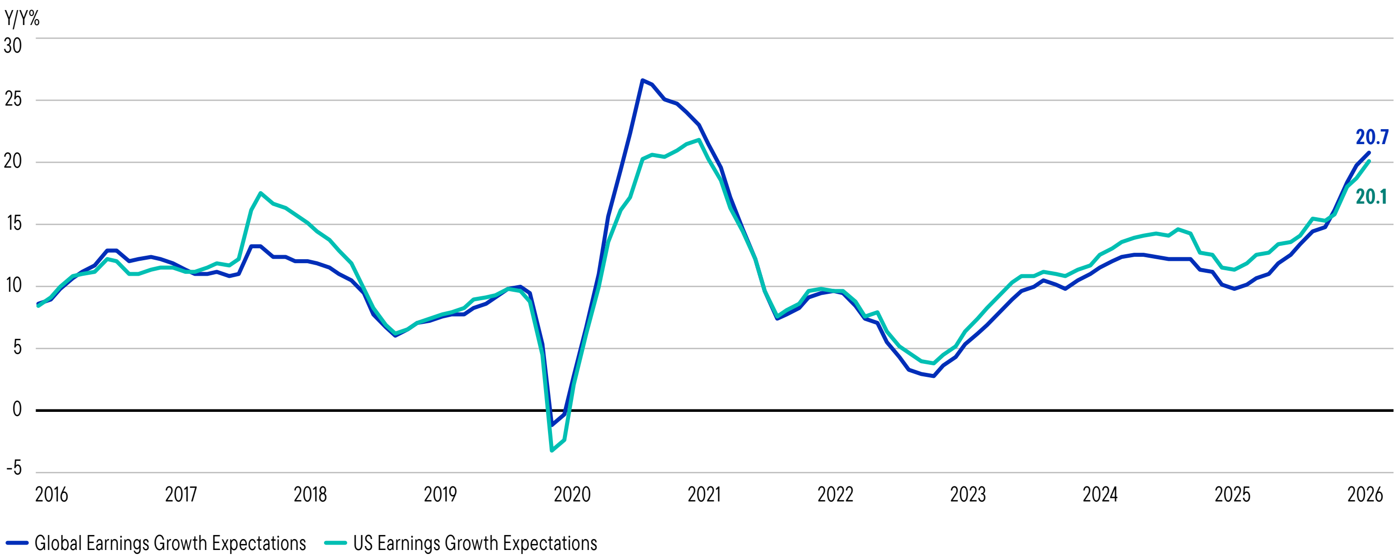
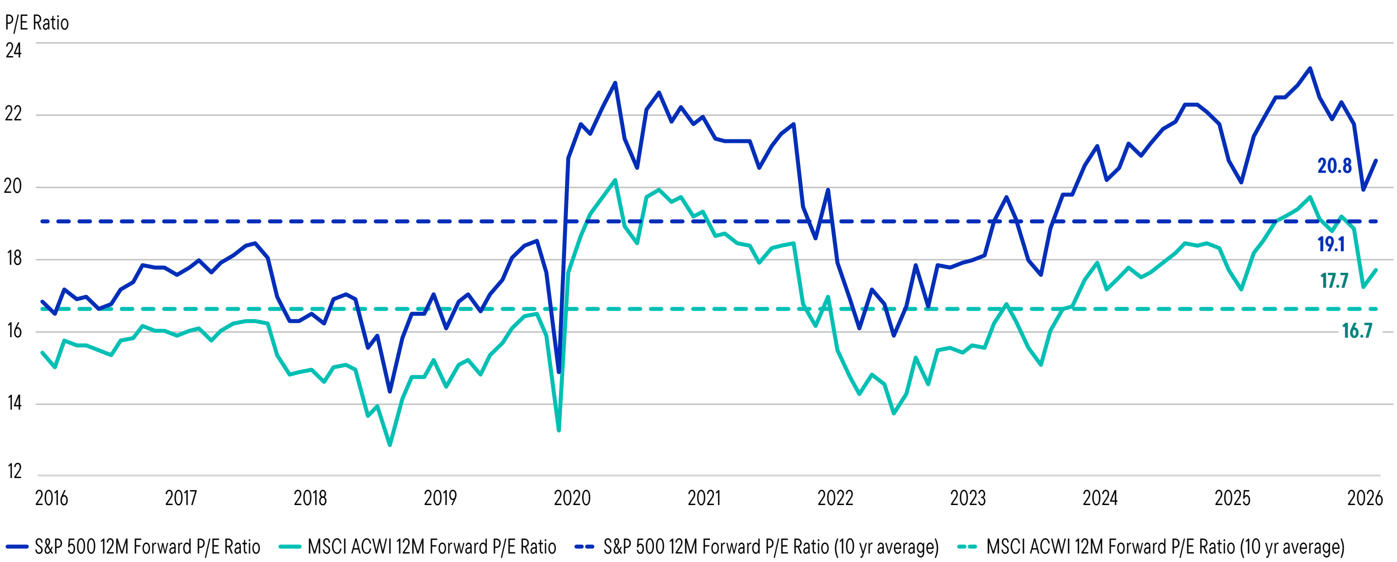


Exhibit 1b: Forward 12M Price/Earnings (P/E) Ratios vs 10 Year Averages



Sources: IBES, Macrobond. As of May 2026.

Rising inflation pressures

From a macro perspective, global growth has slowed to trend amid a weaker economic backdrop in Europe, China and other international markets, but growth remains relatively robust in the United States. The Atlanta Fed GDPNow model currently estimates US annual growth of 3.0%,[1] while multiple regional Fed models all forecast growth above 2.5%.

Purchasing Managers' Index (PMI) data show that US manufacturing activity remains resilient, despite some signs of weakness in the services sector, driven by higher input costs. Flash US PMI data from S&P Global reveals that steep energy cost increases caused lower sales in May, while also pushing up selling price inflation.[2] This likely influenced April's core personal consumption expenditure (PCE) inflation reading, which remained above target at 3.30%.[3]

These inflation pressures show no signs of easing and offer a counter argument to our optimistic view of equities, limiting our overweight positioning.

We must also assess the impact on markets of a hawkish tilt to policy across most major economies. Market expectations for interest-rate rises were triggered by the energy supply shock and have been excessive, in our view, supporting a relative preference for non-US duration.

However, central banks are still likely to raise rates over the next year to contend with higher inflation, particularly in stronger economies with stable labor markets.

Earnings driving markets

Restrictive policy is a headwind for risk assets, as are rising input costs, but we believe the ongoing strength of corporate earnings outweighs these concerns.

Global trailing earnings growth continues to rise and has now reached 16% (year-on-year), driven by EMs and North America.[4] Despite this high hurdle, forward earnings expectations remain robust, with global earnings expected to increase by 21% over the next 12 months.[5]

Consensus expectations for US large-cap earnings growth over the next year are above 20%, driven by the technology and energy sectors.

US earnings surprised to the upside by 17.5% in the first quarter, with revisions running in the 90th percentile versus a 20-year trend. The headline figure hides some bifurcation though, with the technology segment of the S&P 500 Index on pace to grow earnings by 60% (year-on-year). By comparison, the rest of the index is on track to grow earnings by just 11%.

These numbers highlight a clear concentration risk, dependent on continued capex from AI 'hyperscaler' companies such as Google, Amazon and Meta Platforms. Fortunately, we see no end to demand for the AI-augmented services they provide.

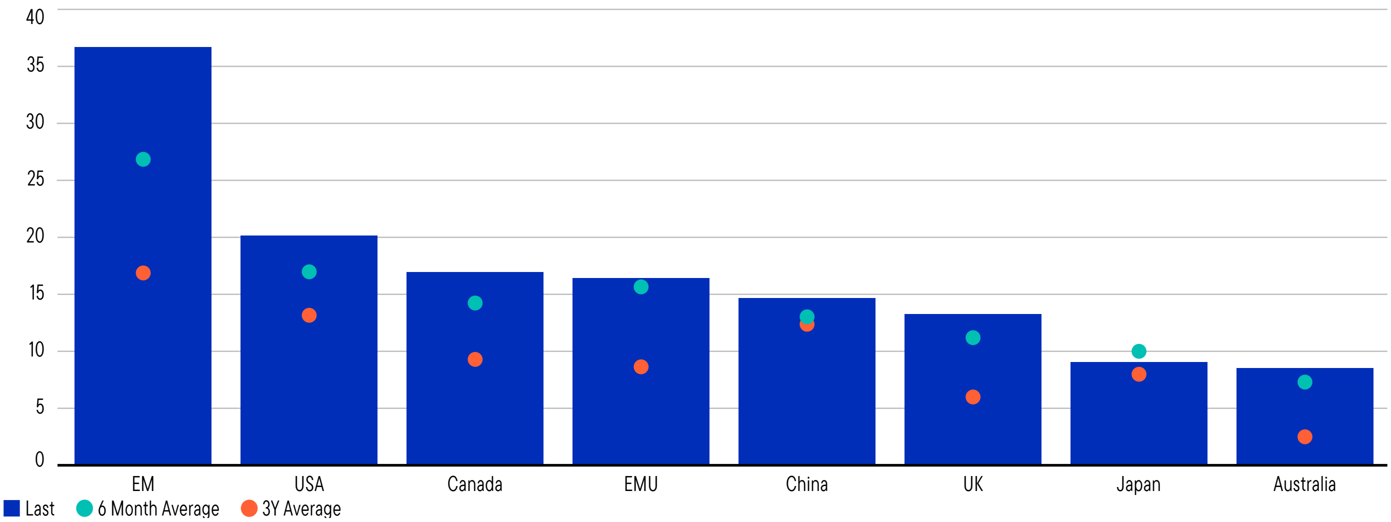
Rising earnings expectations are predicated on the massive profitability of AI capex beneficiaries that produce components critical for this AI infrastructure. Unstinting demand for these components combined with supply bottlenecks should see those profit margins continue to expand.

1. Source: Federal Reserve Bank of Atlanta GDP Now. June 1, 2026.
2. Source: S&P Global US Flash PMI. May 2026.
3. Source: Bureau of Economic Analysis. April 2026.
4. Source: Franklin Templeton Investment Solutions (FTIS). May 27, 2026.
5. Source: International Brokers Estimate System (IBES). As of May 15, 2026. There is no assurance that any estimate, forecast or projection will be realized.

Double-Digit Growth

US Earnings Growth Forecasts Have Been Revised Higher

Exhibit 2: Global Earnings Growth Estimates for the Next 12 Months (% Y/Y)



Sources: IBES, Macrobond. As of June 2, 2026.

Curbing enthusiasm for Japan and EMs

Japanese equities have benefited from the pro-growth policies of new Prime Minister Sanae Takaichi. Corporate reform and targeted fiscal stimulus have helped boost markets and improve macro conditions, influencing a 31% rise (in US dollar terms) for Japanese equities across the last 12 months.[6]

However, Japan's sensitivity to oil imports has eroded these advantages, as inflation pressures and input prices have risen. Higher inflation initially allowed companies to exert pricing power and boost their profit margins, but it has now become a drag on economic growth.

Fiscal stimulus designed to boost growth may add to inflation expectations and weaken the Japanese yen, further impacting the purchasing power of consumers and businesses. In addition, monetary policy normalization from the Bank of Japan will tighten financial conditions.

Higher input costs and supply chain bottlenecks are a particular problem for Japan's industrial economy. The two most influential sectors are industrials and consumer discretionary, accounting for 15.9% and 5.3% of the entire economy, respectively.[7] As a result, revisions to earnings growth expectations have begun to weaken, failing to keep pace with other regions.

Elsewhere, we remain optimistic on EM equities but have curbed our enthusiasm slightly following the strong equity market rally. EM gains have been influenced by the strength of the semiconductor sector, as highlighted by South Korea's Kospi 50 Index, up more than 300% across the last 12 months.[8]

The stunning success of companies such as SK Hynix, Samsung Electronics and Taiwan Semiconductor Manufacturing Company has added significant concentration risk to the EM region. While we believe the semiconductor trade will continue to perform strongly, we think the time has come to take profits and redistribute some of our equity risk.

6. Source: MSCI Japan Net Total Return USD Index. Indexes are unmanaged and one cannot directly invest in them. They do not include fees, expenses or sales charges. Past performance is not an indicator or guarantee of future results. MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.
7. Source: Tokyo Stock Price Index – TOPIX.
8. Source: Bloomberg. As of May 28, 2026.

The Power of Semiconductors

South Korean Stocks Have Risen by 300% in 12 Months

Exhibit 3: South Korea's Kospi 50 Index (Y/Y % Gains in US Dollar Terms)

Sources: KRX, Macrobond. As of June 1, 2026. **Past performance is not an indicator or guarantee of future results.**

Rebalancing duration exposure

Rising inflation pressures have changed market expectations for the fed funds rate, which is now forecast to rise at least once during the next year.

This hawkish pivot, alongside rising term premia, has pushed US Treasury yields higher. It has also closed the valuation gap with international developed market government bonds, where the energy cost shock had already led markets to price in multiple interest-rate rises.

Further upward yield pressure is being added by input costs. The ISM Prices Paid Index (indexed to 100) breached 80 for the first time since 2022, suggesting most US industries are paying increased prices for raw materials. A score of 50 is neutral.[9]

The rise in US Treasury yields since mid-April has pushed them close to fair value (when inflation and term premia are accounted for) suggesting to us a large underweight is unwarranted. As a result, we trimmed our underweight but retain a preference for international bonds where we continue to see a better value proposition.

Within international bonds, we have rebalanced our exposure to account for changing regional dynamics. Australian 10-year government bond yields rose above 5% in mid-May,[10] as inflation pressures led to aggressive tightening from the Reserve Bank of Australia (RBA).

This happened against a background of slowing growth linked to higher fuel prices, tight financial conditions and softer household spending. As a result, Australian duration looks attractive at current yields, particularly given the country's healthy fiscal situation, with a low debt burden and manageable deficits.

In contrast, we have trimmed exposure to Japanese government bonds due to a range of factors that are combining to push yields higher. Energy subsidies are countering elevated import and energy prices, which is in turn feeding inflation. Higher inflation and a weak Japanese yen are also encouraging the Bank of Japan (BoJ) to press ahead with monetary policy normalization.

In addition, fiscal stimulus and quantitative tightening (post-yield curve control) are all increasing the chances that yields could rise further from here.

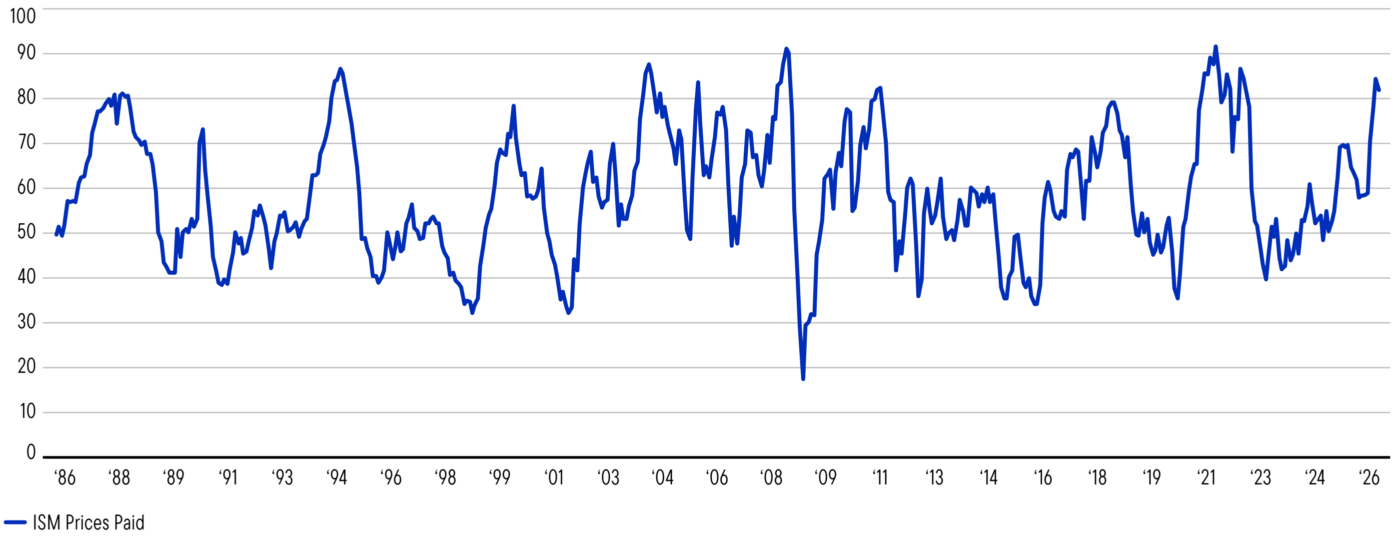
Elsewhere, elevated inflation risks and fiscal uncertainty are keeping upward pressure on yields in Europe and the United Kingdom. However, we remain overweight in these assets, as weak growth and deteriorating labor markets will make it difficult to sustain restrictive policy, in our view.

We also see value in Canadian bonds, where markets are pricing in multiple interest-rate hikes, despite inflation trending towards target. The Canadian economy also has greater insulation from energy cost and supply shocks than other economies, which may allow the Bank of Canada (BoC) to restrict further rate rises in support of a weak housing market.

Rising Input Costs

Raw Materials Costs Have Increased Sharply for US Industry

Exhibit 4: 40 Year Lookback (since May 31, 1986)



Source: Institute of Supply Management. As of May 31, 2026.

9. Source: ISM Manufacturing PMI Report. May 2026.
10. Source: Bloomberg. As of May 19, 2026.

Allocation settings views—June 2026

Pendulum settings reflect cross-asset-class views

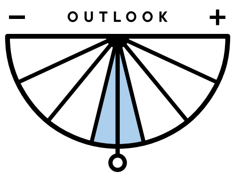
High level allocation tier

Asset class | **Conviction** | **Our viewpoint**

Equities

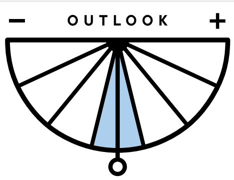
- Corporate fundamentals remain strong amid double-digit earnings growth expectations for the next 12 months.
- Tensions are likely to remain for some time, while energy supplies may also be restricted, but we would expect markets to look through any temporary setbacks.
- Sentiment and positioning have strengthened, but are not yet exuberant, remaining broadly supportive of risk assets.

Bonds



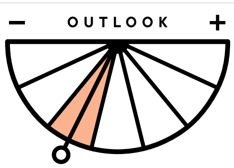
- The Middle East conflict has catalyzed a recalibration of policy expectations, with hikes now priced in for most regions including the United States.
- Inflation is proving to be sticky, which is likely to keep global real yields somewhat elevated. However, we expect demand destruction to play a greater role in monetary policy decisions than market pricing suggests.
- Resilient US growth and challenging inflation dynamics complicate Fed policy, in our view, supporting a rebalancing of duration exposure.

Alternatives



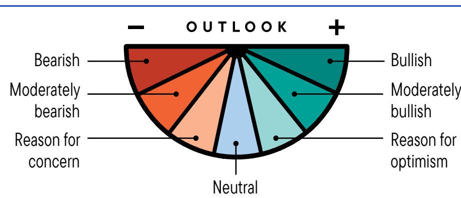
- Higher energy prices mean the risks attached to “Operation Epic Fury” are now adequately priced into markets.
- Beyond conflict in the Middle East, increased demand from AI offers long-term support to energy and industrial metals.
- Elsewhere, we see structural attractions in naturally diversifying alternatives such as private assets.

Cash



- Lower geopolitical left-tail risk and a desire to maintain risk appetite, means we retain overweight exposure to equities.
- That overweight to stocks is funded by an underweight to cash, in an environment where we are neutral on bonds but have added to duration amid more attractive yields.
- The requirement to lower portfolio interest-rate sensitivity has also moderated.

Understanding the pendulum graphic



Arrows represent any change since the last month end.

Allocation tier

Asset class | **Conviction** | **Our viewpoint**

Equity regions: Pendulum settings relative to equity asset class broadly

Growth

United States

- Corporate fundamentals (both trailing and forward) are supportive, while momentum is very strong for growth stocks.
- As the first quarter earnings season closes, S&P 500 corporate earnings are projected to grow nearly 30% year-on-year). The technology sector is on pace to grow earnings by 60% this quarter.
- However, expanding ‘hyperscaler’ capex does risk creating an earnings bubble.

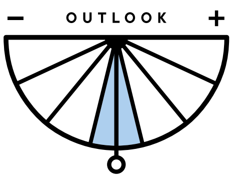
Value

United States

- AI capex spending on infrastructure build out has spread beyond the technology sector into cooling systems, land, construction and power to satisfy insatiable demand for AI-augmented services.
- US growth remains resilient while employment data has stabilized, bolstering investor sentiment and supporting the broader market.
- We favor large cap core equities, as a counter to market concentration and rising input prices.

Small-Cap Stocks

United States



- Earnings strength and attractive valuations support small-cap leadership, while the domestic US market is still broadly insulated from Middle East tensions.
- Fiscal stimulus has provided a floor for labor markets and consumption, despite waning consumer sentiment.
- However, the “K-shaped” economy favors high-income consumers and large businesses, while higher interest rates disproportionately impact smaller businesses.

International

Canada

- Canadian earnings growth forecasts appear healthy relative to other international developed markets. Large energy majors should see further improvement as higher energy prices expand margins.
- Some measures of economic activity improved in April, despite rising costs and supply chain tightness. Manufacturing PMIs showed an upturn with output and new orders rising.
- This positivity was offset somewhat by persistent inflation, rising unemployment and a tightening bias to policy.

Europe ex United Kingdom

- Economic growth indicators remain weak, impacted by rising input costs as well as structural weaknesses in Germany—including high energy costs, labor shortages and regulatory burdens.
- A subdued macro backdrop, higher energy prices and weak domestic demand could begin to weigh on eurozone equities. We have seen this reflected in thinner profit margins.
- Against this background, we retain an underweight to eurozone stocks as these markets have greater exposure to Middle East energy than their North American counterparts.

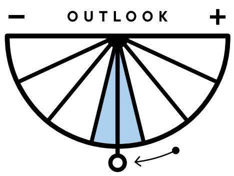
Allocation tier

Asset class | **Conviction** | **Our viewpoint**

United Kingdom

- UK consumers are saving more, while disposable income growth has fallen sharply into negative territory amid a weakening labor market.
- The United Kingdom is facing significant macro headwinds, including slowing economic growth and negative employment growth. Higher energy prices are beginning to exacerbate these factors by restricting policy support.
- UK earnings revisions are seeing a boost from energy names, while revisions breadth has improved. However, we prefer Canada as a portfolio hedge should energy prices remain at stretched levels.

Japan

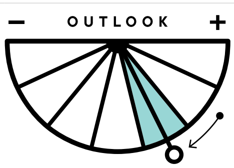


- Optimism towards Japanese equities has weakened with the ongoing passage of the Iran war, given sensitivity to oil imports.
- Earnings estimates have stagnated due to faltering confidence in the economy and concerns about reflationary fiscal policy.
- Medium-term structural drivers including corporate reform and targeted fiscal stimulus remain in place and offer some support to equity markets.

Australia

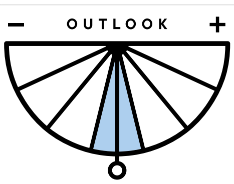
- Financials and materials stocks make up more than 65% of broad Australian equity indexes, helping the market to outperform throughout the recent conflict.
- An ensuing slowdown in credit growth from higher rates and lower growth is expected to weigh on banks' earnings going forward.
- More restrictive monetary policy may be required to reign in above trend inflation that could be fueled further by energy price shocks, thus dampening growth expectations.

Emerging ex China



- We trimmed EM equity exposure heading into June, against a background of strong recent performance and market concentration around AI hardware names.
- Earnings expectations continue to rise rapidly across EMs ex-China, but this which is being driven by significant hyper scaler capex on hardware components made in Asia.
- Earnings revisions appear positive, but revisions breadth has narrowed amid the success of the semiconductor industry in Asia.

China



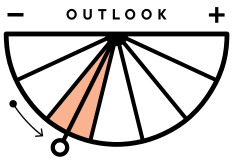
- China's economy remains K-shaped, with weak domestic demand offset by strong exports, reducing the urgency for stimulus.
- For equities, the outlook hinges on the domestic backdrop, with property weakness and persistent deflation continuing to weigh on sentiment.
- While new e-commerce regulations may help stabilize valuations at the margin, the broader backdrop of limited stimulus and uneven growth keeps us neutral.

Allocation tier

Asset class | **Conviction** | **Our viewpoint**

Fixed income sectors: Pendulum settings relative to fixed income asset class broadly

US Treasuries



- Markets are now pricing interest-rate rises from the Fed, as inflation becomes more of a concern and growth and labor markets remain resilient.
- As a result, US Treasury yields have risen and are now above fair value, in our view, making US duration more attractive.
- However, continued fiscal deficits and uncertainty around a new Fed regime may increase upward pressure on yields, keeping us underweight US duration.

Eurozone Government Bonds

- In Europe, we expect demand destruction to play a greater role in monetary policy decisions than market pricing suggests, reducing the chances of interest rate rises.
- Markets are pricing more than two hikes from the European Central Bank this year, leaving room for outperformance even if the ECB hikes once in June.
- Inflation and energy risks are currently enough to keep yields elevated, but weak demand, credit and wage momentum may curtail inflationary pressures, pushing yields lower over the medium term.

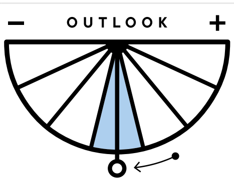
UK Government Bonds

- Ten-year Gilt yields are higher than fair value, in our view, while a less hawkish Bank of England increases their attractiveness.
- Slowing wage growth and weak labor market momentum are likely to further increase the attractiveness of UK Gilts.
- We expect demand destruction to play a greater role in monetary policy decisions than market pricing suggests, but political changes may put upward pressure on yields through increased spending and expanding fiscal deficits.

Canada Government Bonds

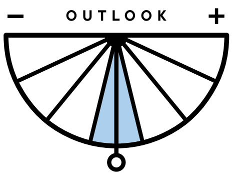
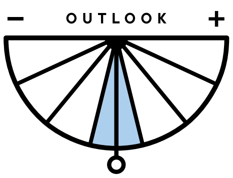
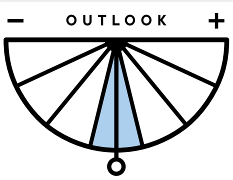
- The Bank of Canada (BoC) has prioritized inflation, regardless of whether it reduces demand and household spending, which could weaken economic activity.
- We think markets are pricing too many interest rate hikes from the BoC, given the economy's insulation from energy inflation and a weak housing market.
- The Canadian economy is improving, but a dependence on cyclical sectors and high exposure to US trade, could weigh on activity and support demand for duration.

Japan Government Bonds



- Japanese government bonds offer protection if growth slows or real incomes weaken due to higher energy costs.
- However, sticky inflation, rising inflation expectations and elevated import and energy prices put upward pressure on Japanese government bond yields.
- Continued monetary policy normalization and fiscal stimulus could see yields rise further, as would a reduction in demand for bonds linked to quantitative tightening.

Allocation tier

Asset class	Conviction	Our viewpoint
Australian Government Bonds		• Rising inflation concerns have led to a steep rise in yields. However, restrictive policy has added downside risks to growth, making duration attractive at current yields. • Growth is already expected to slow materially, with higher fuel prices, tighter financial conditions and softer household spending weighing on economic activity. • This leaves Australian government bonds looking more attractive on a relative basis, especially versus markets where fiscal and term-premium pressures are a larger headwind to duration.
Investment Grade		• The investment-grade sector has benefited from resilient corporate fundamentals and improved guidance. • Tight spreads make the risk/reward profile less attractive. • In addition, increased bond issuance by hyper scalers to fund AI capex has increased the supply of investment-grade credit in the market, driving down prices.
High Yield and Loans		• Excess returns on equities appear more attractive than credit, amid strong earnings and tight spreads. • Moreover, investors are not benefiting from the usual cushion of falling interest rates in this scenario. • We believe the balance of risk and rewards favors neutrality.
Emerging Market (EM) Debt		• We remain neutral on EM local-currency debt amid a strengthening US dollar and ongoing risks to macro stability in Asia. • EM local-currency debt still offers a compelling long-term opportunity, as fiscal and monetary policy stability, in tandem with corporate governance improvements, should help to boost inflows of foreign capital. • We see more current upside in equities, given strong earnings expectations in emerging markets.

Allocation Views

At **Franklin Templeton Investment Solutions (FTIS)**, we translate a wide variety of investor goals into portfolios powered by Franklin Templeton's best thinking around the globe. We serve a variety of institutional clients, ranging from sovereign wealth funds to public and private pension plans in addition to retail multi-asset clients around the world.

The hallmark of our approach is a central forum—the Investment Strategy and Research Committee (ISRC)—which generates a top-down view across asset classes and regions. Furthermore, it connects and synthesizes the bottom-up sector and regional insights of the global investment teams at Franklin Templeton. The ISRC also calibrates firmwide views with original analysis from our dedicated teams, which include both fundamental and quantitative research professionals.

FTIS actively engages with clients in an ongoing, collaborative partnership, to understand each client's particular needs and then to draw from our extensive global resources and capabilities to meet those goals. These portfolios are built, managed and monitored in the framework established by the ISRC, and undergo rigorous tests under multiple scenarios and market regimes.

Contributors

Brett Goldstein, CFA
Head of Multi-Asset

Thomas Nelson, CFA, CAIA
Head of Market Strategy

Miles Sampson, CFA
Head of Asset Allocation Research

WHAT ARE THE RISKS?

All investments involve risks, including possible loss of principal.

Equity securities are subject to price fluctuation and possible loss of principal. **Large-capitalization companies** may fall out of favor with investors based on market and economic conditions. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks.

Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **Low-rated, high-yield bonds** are subject to greater price volatility, illiquidity and possibility of default.

The allocation of assets among different strategies, asset classes and investments may not prove beneficial or produce the desired results. To the extent a strategy invests in companies in a specific country or region, it may experience greater volatility than a strategy that is more broadly diversified geographically.

Commodity-related investments are subject to additional risks such as commodity index volatility, investor speculation, interest rates, weather, tax and regulatory developments.

International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets.** The government's participation in the economy is still high and, therefore, **investments in China** will be subject to larger regulatory risk levels compared to many other countries.

Investing in privately held companies presents certain challenges and involves incremental risks as opposed to investments in public companies, such as dealing with the lack of available information about these companies as well as their general lack of liquidity.

Active management does not ensure gains or protect against market declines. **Diversification** does not guarantee a profit or protect against a loss.

Any **companies and/or case studies** referenced herein are used solely for illustrative purposes; any investment may or may not be currently held by any portfolio advised by Franklin Templeton. The information provided is not a recommendation or individual investment advice for any particular security, strategy, or investment product and is not an indication of the trading intent of any Franklin Templeton managed portfolio.

IMPORTANT LEGAL INFORMATION

This material is provided for general informational purposes only and should not be considered individualized investment advice, a recommendation or a solicitation to adopt any investment strategy. It does not constitute legal or tax advice. Franklin Templeton accepts no liability for losses arising from use of this material.

The views expressed are those of the investment manager as of the publication date and may change without notice. These opinions and analyses are based on certain assumptions, including market conditions that may change. They may differ from those of other portfolio managers or from the firm as a whole.

This material is not intended to provide a complete analysis of all material facts regarding any country, region or market. No assurance can be given that any forecast, projection or prediction regarding economies or financial markets will be realized. References to specific securities are for illustrative purposes only and should not be interpreted as recommendations or a solicitation to buy, sell, or hold any security.

Any research or analysis in this material has been prepared by Franklin Templeton for its own purposes and is provided incidentally. While the information included is believed to be reliable, its accuracy and completeness cannot be guaranteed, and it is subject to change without notice.

Past performance does not guarantee future results, or any profit or gain. All investments involve risks, including possible loss of principal.

Franklin Templeton offers environmental, social and governance (ESG) capabilities, though not all strategies or products incorporate ESG as part of the investment process.

Investment strategies and services may not be available in all jurisdictions. Please consult your financial professional or Franklin Templeton contact for further information.

Brazil: Issued by Franklin Templeton Brasil Ltda. Canada: Issued by Franklin Templeton Investments Corp. **Offshore Americas:** In the United States, this publication is made available by Franklin Templeton. **United States:** Issued by Franklin Templeton. **Investments are not FDIC insured; may lose value; and are not bank guaranteed.**

Europe: Issued by Franklin Templeton International Services S.à r.l., 8A, rue Albert Borschette, L-1246 Luxembourg. **Poland:** Issued by Templeton Asset Management (Poland) TFI S.A.; Rondo ONZ 1; 00-124 Warsaw. **Saudi Arabia:** Issued by Franklin Templeton Financial Company, 13512 Riyadh, Saudi Arabia. Regulated by CMA. License no. 23265-22. **South Africa:** Issued by Franklin Templeton Investments SA (PTY) Limited, which is authorised by the FSCA as a Financial Service Provider (No.44475). **Switzerland:** Issued by Franklin Templeton Switzerland Ltd, Talstrasse 41, CH-8001 Zurich. **Middle East & Africa (ex South Africa):** Issued by Franklin Templeton Investments (ME) Limited, which is regulated by the Dubai Financial Services Authority. Address: Franklin Templeton, The Gate, East Wing, Level 2, Dubai International Financial Centre, P.O. Box 506613, Dubai, U.A.E. Tel: +971(04) 428 4100. **United Kingdom:** Issued by Franklin Templeton Investment Management Limited (FTIML), registered office: Cannon Place, 78 Cannon Street, London EC4N 6HL.

Australia: Issued by Franklin Templeton Australia Limited (ABN 76 004 835 849) (Australian Financial Services License Holder No. 240827), Level 47, 120 Collins Street, Melbourne, Victoria 3000. **Hong Kong:** Issued by Franklin Templeton Investments (Asia) Limited. **Japan:** Issued by Franklin Templeton Japan Co., Ltd. **South Korea:** Issued by Franklin Templeton Investment Advisors Korea Co., Ltd. **Malaysia:** Issued by Franklin Templeton Asset Management (Malaysia) Sdn. Bhd. & Franklin Templeton GSC Asset Management Sdn. Bhd. **Singapore:** Issued by Templeton Asset Management Ltd. (UEN) 199205211E.

Access your local website at www.franklinresources.com/all-sites.

FRANKLIN TEMPLETON

© 2026 Franklin Templeton. All rights reserved.

US-GTM-10988558-10888558
ALLVI-0626