FRANKLIN TEMPLETON

Templeton International Climate Change SMA

Separately Managed Accounts Factsheet | as of June 30, 2026

Investment overview

The Templeton International Climate Change SMA seeks to contribute towards climate change mitigation and adaptation, while seeking capital appreciation, by investing in equity securities of companies that provide solutions for the mitigation and/or adaptation for climate change risk or which are in the process of making their business models more resilient to long-term risks presented by climate change and resource depletion.

Investment philosophy

We believe mitigating climate change is one of the key challenges facing humanity. This will impact all industries globally, requiring significant investment and adaptation, establishing new winners and losers, and creating opportunities beyond just environmental sectors. For these reasons, we believe an effective climate change strategy should invest across the entire universe of opportunities, including:

• **Solutions:** Companies with majority of revenues from products and services that reduce emissions, improve resource efficiency, and/or protect against the physical consequences of climate change. Solutions represent >50% of the strategy assets and are generally associated with one of the following themes: renewable energy, energy efficiency, sustainable transportation, water & waste management, and sustainable forestry and agriculture.

• **Resilient:** Companies with relatively low carbon and resource intensity and solutions offerings representing <50% of revenues.

• **Transitioning**: Companies with moderate to high emissions or resource intensity that are transitioning to Solutions or Resilient.

Investment management team

Craig Cameron, CFA
Portfolio Manager
Industry since 2010

Tina Sadler, CFA
Portfolio Manager
Industry since 1996

Herbert J. Arnett Jr.
Portfolio Manager
Industry since 1994

Investment process

1. Investment universe
- Proprietary climate screen, ~4,000 stocks
- Exclusions, ~200 companies
- Universe reduced to ~700 stocks

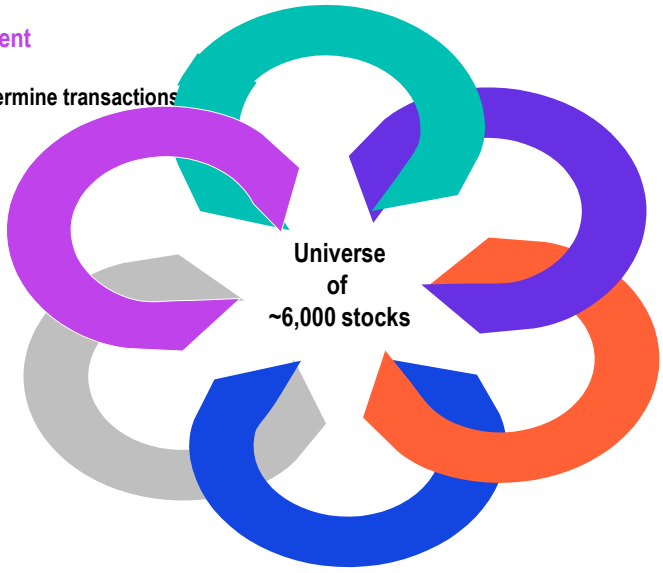
2. ESG & value filters
- Valuation screens
- Universe of ~200 stocks identified

3. In-Depth Research
- Climate change analysis
- Fundamental valuation analysis
- Engagement
- ~150 stocks

4. Team evaluation
- High conviction ideas identified
- Buy/hold list of ~100 stocks

5. Portfolio construction
- 30-40 stock portfolio

6. Monitoring/Risk management
- Ongoing review of portfolio
- Stock risk/reward helps determine transactions



The investment process may change over time. The characteristics set forth above are intended as a general illustration of some of the criteria the strategy team considers in selecting securities for client portfolios. There is no guarantee that investment objectives will be achieved.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

Portfolio Information‡

As of June 30, 2026

Top Ten Equity Holdings (%)

	Portfolio
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	7.43
INFINEON TECHNOLOGIES AG	6.64
STANDARD CHARTERED PLC	6.00
ING GROEP NV	5.26
BE SEMICONDUCTOR INDUSTRIES NV	5.15
SSE PLC	4.67
SMURFIT WESTROCK PLC	4.60
VESTAS WIND SYSTEMS AS	4.56
CIE DE SAINT-GOBAIN SA	4.30
LLOYDS BANKING GROUP PLC	4.05
Total	**52.66**

Sector Weightings (%)

	Portfolio	BM
Industrials	28.82	14.07
Information Technology	22.58	22.85
Financials	17.07	24.19
Utilities	11.26	3.12
Materials	8.90	6.43
Health Care	5.82	6.88
Consumer Discretionary	1.50	7.46
Consumer Staples	0.00	5.11
Energy	0.00	4.34
Communication Services	0.00	4.29
Real Estate	0.00	1.27
Cash & Other Net Assets	4.05	0.00

Top Country (%)

	Portfolio	BM
United Kingdom	21.09	8.33
France	17.51	5.80
Germany	11.07	5.11
Netherlands	10.39	3.74
Taiwan	7.45	9.15
Switzerland	5.18	5.59
Ireland	4.60	0.23
Denmark	4.56	0.99
Cash & Cash Equivalents	4.05	0.00
Japan	3.42	13.75
Total	**89.32**	**52.71**

Market Capitalization (%)

	Portfolio
10.0-25.0 Billion	17.43
25.0-50.0 Billion	29.61
50.0-100.0 Billion	27.26
100.0-200.0 Billion	12.98
>200.0 Billion	12.72

Characteristics

	Portfolio	BM
Price to Earnings (12-Month Trailing)	24.13x	18.57x
Price to Cash Flow	12.93x	18.86x
Price to Book	2.58x	4.26x
Dividend Yield*	1.70%	2.22%
Weighted Average Market Capitalization (Millions USD)	$257,466	$274,822

‡ Source: Franklin Templeton. Portfolio characteristics and sector weightings are based on representative accounts within the composite. Portfolio characteristics and sector weightings of individual client portfolios in the program may differ, sometimes significantly, from those shown above. Assumes no client-imposed restrictions. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the sectors listed and should not be used as a sole basis to make any investment decisions.

Performance

Annualized Rates of Return – Pure Gross and Net of Fees (%) as of June 30, 2026 – PRELIMINARY – (Inception date: 07/31/2018)

	YTD*	1 Mth*	3 Mths*	1 Year	3 Year	5 Year	Since Incept
Templeton International Climate Change SMA–Pure Gross of Fees—(USD)	**25.63**	**1.00**	**16.73**	**45.09**	**20.81**	**10.56**	**12.74**
Templeton International Climate Change SMA–Net of Fees—(USD)	**23.85**	**0.75**	**15.92**	**40.97**	**17.33**	**7.36**	**9.47**
MSCI All Country World ex-US Index-NR—(USD)	13.68	-0.59	14.49	27.66	18.82	8.79	8.78

Calendar-Year Total Returns – Pure Gross and Net of Fees (%) ending December 31

	YTD	2025	2024	2023	2022	2021	2020	2019
Templeton Intl Climate Change–Pure Gross of Fees—(USD)	25.63	35.45	-1.46	21.30	-18.22	4.67	35.54	26.42
Templeton Intl Climate Change–Net of Fees—(USD)	23.85	31.59	-4.34	17.81	-20.65	1.62	31.67	22.80
MSCI All Country World ex-US Index-NR—(USD)	13.68	32.39	5.53	15.62	-16.00	7.82	10.65	21.51

The strategy returns shown are preliminary composite returns, subject to future revision (downward or upward). Past performance is not a guarantee of future results. An investment in this strategy can lose value. Please visit www.franklintempleton.com for the latest performance figures. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

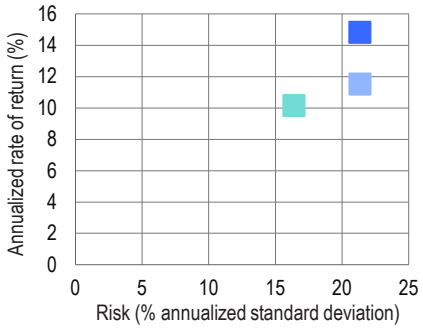
[1] **Fees:** Periods less than one year are not annualized. Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in U.S. dollars and assume reinvestment of any dividends, interest income, capital gains, or other earnings. The composite may include account(s) that are gross of fees and pure gross of fees. "Pure" gross-of-fee returns do not reflect the deduction of any expenses, including transaction costs. A traditional (or "true") gross-of-fee return reflects performance after the reduction of transaction costs but before the reduction of the investment advisory fee. The gross-of-fee return may include a blend of "true" gross-of-fee returns for non-wrap accounts and "pure" gross-of-fee returns for wrap accounts. Net-of-fee returns is reduced by a model "wrap fee" (3.0% is the maximum anticipated wrap fee for equity and balanced portfolios) which includes trading expenses as well as investment management, administrative and custodial fees. The model wrap fee used represents the highest anticipated wrap fee applicable to the strategy. Actual fees and account minimums may vary.

For fee schedules, contact your financial professional, or if you enter into an agreement directly with Franklin Templeton Private Portfolio Group, LLC ("FTPPG"), refer to FTPPG's Form ADV Part 2A disclosure document. Management and performance of individual accounts may vary for reasons that include the existence of different implementation practices and model requirements in different investment programs. **To obtain specific information on available products and services or a GIPS® Report, contact your Franklin Templeton separately managed account sales team at (800) DIAL BEN/342-5236. Franklin Templeton claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.**

See last page for **Additional Performance Calculation Information.**

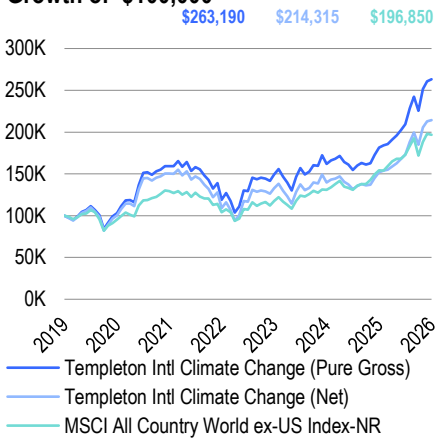
Performance Statistics [1] Preliminary (based on 7-year period ending June 30, 2026)

Risk/Return profile (%)

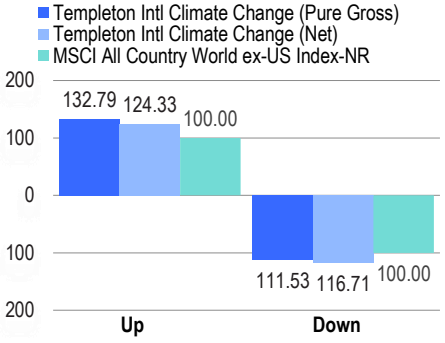


Templeton Intl Climate Change (Pure Gross)	
Annualized Return (%)	14.83
Annualized Standard Deviation (%)	21.35
Templeton Intl Climate Change (Net)	
Annualized Return (%)	11.50
Annualized Standard Deviation (%)	21.35
MSCI All Country World ex-US Index-NR	
Annualized Return (%)	10.16
Annualized Standard Deviation (%)	16.39

Growth of $100,000*



Up/Down market capture ratios (%)



Modern portfolio statistics

	Portfolio (Pure gross)	Portfolio (Net)	BM
Sharpe Ratio	0.62	0.49	0.50
Beta	1.21	1.21	N/A
Alpha (%)	3.41	0.40	N/A
R-Squared	0.86	0.86	N/A

	(+) Months	(-) Months
Pure Gross:	50	34
Net:	50	34

[1] Source: Franklin Templeton.

*For illustrative purposes only. Assumes no withdrawals or contributions. These statistics are based on pure gross and net-of-fees quarterly composite returns, were calculated assuming reinvestment of dividends and income, and take into account both realized and unrealized capital gains and losses.

Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in U.S. dollars and assume reinvestment of any dividends, interest income, capital gains, or other earnings. The composite may include account(s) that are gross of fees and pure gross of fees. "Pure" gross-of-fee returns do not reflect the deduction of any expenses, including transaction costs. A traditional (or "true") gross-of-fee return reflects performance after the reduction of transaction costs but before the reduction of the investment advisory fee. The gross-of-fee return may include a blend of "true" gross-of-fee returns for non-wrap accounts and "pure" gross-of-fee returns for wrap accounts. Net-of-fee returns is reduced by a model "wrap fee" (3.0% is the maximum anticipated wrap fee for equity and balanced portfolios) which includes trading expenses as well as investment management, administrative and custodial fees. The model wrap fee used represents the highest anticipated wrap fee applicable to the strategy. Actual fees and account minimums may vary.

Terms and definitions:

Dividend yield is determined by dividing a stock's annual dividends per share by the current market price per share. Dividend yield is a financial ratio that shows how much a company pays out in dividends. **Dividend yield is calculated without the deduction of fees and expenses.**

P/E (Year 1) is the previous day's closing price of the stock divided by the consensus earnings per share (EPS) of fiscal year 1 (FY1) provided by I/B/E/S. Forecasts are inherently limited and should not be relied upon as indicators of future performance.

The **price-to-book ratio (P/B)** is a stock's price divided by the stock's per share book value. Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of a common stock.

Weighted median market capitalization represents the value at which half the portfolio's market capitalization weight falls above, and half falls below.

Weighted average market capitalization represents the average value of the companies held in the portfolio. When that figure is weighted, the impact of each company's capitalization on the overall average is proportional to the total market value of its shares.

Market capitalization measures the number of outstanding common shares of a given corporation multiplied by the latest price per share.

Standard deviation measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk.

The **up-capture ratio** measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are positive in the benchmark. An up-capture ratio of more than 100 indicates a manager who outperforms the relative benchmark in the benchmark's positive quarters.

The **down-capture ratio** is the ratio of the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark. A down-capture ratio of less than 100 indicates a manager who outperforms the relative benchmark in the benchmark's negative quarters and protects more of a portfolio's value during down markets.

Alpha is a measure of performance vs. a benchmark on a risk-adjusted basis. A positive alpha of 1.0 means the portfolio has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%. Alpha is a measure of the difference between actual returns and expected performance measuring sensitivity to index movements.

Beta measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark.

Sharpe ratio is a risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better a portfolio's historical risk-adjusted performance.

R-squared measures the strength of the linear relationship between a portfolio and its benchmark. R-squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

Additional Performance Calculation Information

Beginning August 2021, the composite includes only SMA portfolios that are managed in accordance with the Templeton's strategy. Prior to August 2021, performance results were calculated using Templeton International Climate Change Composite which was comprised of institutional accounts. Net total returns were calculated by reducing the institutional gross-of fees performance by the highest bundle fee of 3%. Templeton follows substantially the same investment philosophy, strategies and processes in managing Templeton SMA portfolios that it does in managing institutional Templeton portfolios. The performance of Templeton International Climate Change SMA Composite may vary from the performance of the institutional Templeton International Climate Change composite, especially over shorter time periods and during periods of extraordinary market conditions.

What are the risks?

All investments involve risks, including possible loss of principal. 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. Equity securities** are subject to price fluctuation and possible loss of principal. The managers' **environmental, social and governance (ESG) strategies** may limit the types and number of investments available and, as a result, may forgo favorable market opportunities or underperform strategies that are not subject to such criteria. There is no guarantee that the strategy's ESG directives will be successful or will result in better performance. To the extent the portfolio invests in a **concentration of certain securities, regions or industries,** it is subject to increased volatility. **Liquidity risk** exists when securities or other investments become more difficult to sell, or are unable to be sold, at the price at which they have been valued. **Active management** does not ensure gains or protect against market declines. The portfolio is **non-diversified** and may invest in a relatively small number of issuers, which may negatively impact the performance and result in greater fluctuation in value. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. The **investment style** may become out of favor, which may have a negative impact on performance.

Important Information

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