

Separately Managed Accounts | Fact Sheet as of December 31, 2025

Investment overview

The Templeton Emerging Markets SMA seeks long-term capital growth by investing mainly in equity securities of emerging market companies, or those companies which derive a significant proportion of their revenues or profits from emerging economies.

Investment management team

Chetan Sehgal, CFA
Portfolio Manager
Industry since 1993

Andrew Ness
Portfolio Manager
Industry since 1995

Investment philosophy

A core emerging markets equity portfolio that focuses on three S's—Structural, Sustainable, and Stewardship, and seeks to deliver consistency in different market regimes over the long term.

Structural:

Seeking to capitalize on long-term structural opportunities (demographics, technology, consumption)

Sustainable:

Actively identify and invest in companies that we believe have sustainable earnings at a discount to their value

Stewardship:

Responsible stewards of clients' capital. Leverage deep relationships and constructive engagement to promote positive ESG change

Portfolio construction

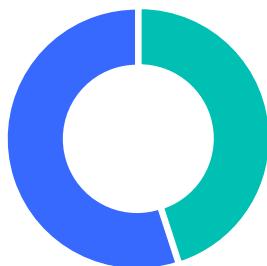
Balanced portfolio construction that results in an active portfolio of 60-80 companies driven primarily by stock specifics with low factor tilts and diversified economic drivers.

Portfolio composition

Individual securities

Typically, 20-40 securities

- ADRs and US listings
- 50-60% of SMA



No-fee fund (emerging markets equities)

Locally listed securities

- Provides access to securities where ADRs are unavailable or illiquid
- 40-50% of SMA

Investment process

Leveraging the breadth of Franklin Templeton Emerging Markets Equity Resources

STEP 1

Idea generation

Distinctive, collaborative, comprehensive

- The first stage is idea generation. We have a wide funnel of ideas as a result of FT EME's broad platform coverage and diverse set of strategies. As our on-the-ground analysts are part of the local culture, they are situated to identify promising trends ahead of the wider market.

STEP 2

Stock research

Broad perspective, local + global insights, balanced thesis

- The second stage is stock research, which leverages our informational advantage from longstanding local presence to form a 360-degree view of the individual companies, with a focus on the sustainability of the business model.

STEP 3

Portfolio construction

Research driven, risk aware

- The final stage is portfolio construction, drawing from the broad research platform. We aim to build a stock-driven portfolio reflecting our convictions that is diversified by economic drivers with low style or directional bias.

Risk Management-Embedded throughout the process.

Risk management is fully integrated within our process through deep company research, risk-aware portfolio construction, and systematic independent risk reviews.

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.

Portfolio Information

As of December 31, 2025

Top Ten Equity Holdings (%)

Portfolio	
Taiwan Semiconductor Manufacturing Co., Ltd.	9.35
SK hynix Inc.	6.13
Prosus N.V. Sponsored ADR	4.69
Samsung Electronics Co., Ltd.	4.66
ICICI Bank Limited Sponsored ADR	3.10
Alibaba Group Holding Limited Sponsored ADR	2.90
Tencent Holdings Ltd Unsponsored ADR	2.73
Grupo Financiero Banorte SAB de CV Sponsored ADR Class O	2.37
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	2.28
HDFC Bank Limited Sponsored ADR	2.15
Total	40.37

Sector Weightings (%)

	Portfolio	BM
Information Technology	31.26	28.27
Financials	20.61	22.28
Consumer Discretionary	15.10	11.69
Industrials	8.39	7.01
Communication Services	6.73	9.33
Health Care	4.04	3.10
Consumer Staples	1.87	3.72
Materials	1.82	7.09
Energy	1.70	3.88
Real Estate	1.17	1.34
Utilities	0.86	2.28
Cash & Other Net Assets	6.44	0.00

Top Country (%)

	Portfolio	BM
China	24.35	27.63
South Korea	19.30	13.32
Taiwan	17.22	20.60
India	9.68	15.30
Brazil	7.71	4.32
Cash & Cash Equivalents	6.44	0.00
United States	2.78	0.00
Mexico	2.38	1.94
South Africa	2.02	3.81
Hong Kong	1.94	0.00
Total	93.81	86.91

Characteristics

	Portfolio	BM
Return on Assets	9.17%	9.13%
Historical 3 Years Sales Growth	11.61%	14.33%
Price to Earnings (12-Month Forward)	13.55x	15.15x
Price to Earnings (12-Month Trailing)	14.32x	16.08x
Price to Cash Flow	5.42x	9.97x
Weighted Average Market Capitalization (Millions USD)	\$276,685	\$190,537

[†]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 December 31, 2025 – PRELIMINARY – (Inception date: 12/31/2001)

	YTD*	1 Mth*	3 Mths*	1 Year	3 Year	5 Year	10 Year	20 Year	Since Incept
Templeton Emerging Markets SMA—Pure Gross of Fees—(USD)	44.24	3.05	6.60	44.24	21.46	6.26	12.16	7.63	10.89
Templeton Emerging Markets SMA—Net of Fees—(USD)	40.15	2.81	5.83	40.15	17.97	3.16	8.91	4.50	7.68
MSCI Emerging Markets Index-NR—(USD)	33.57	2.99	4.73	33.57	16.40	4.20	8.42	5.99	8.98

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Templeton Emerging Mkts—Pure Gross of Fees—(USD)	44.24	8.67	14.31	-21.13	-4.16	20.20	29.08	-15.34	43.60	23.28
Templeton Emerging Mkts—Net of Fees—(USD)	40.15	5.52	11.01	-23.48	-6.97	16.73	25.39	-17.85	39.53	19.74
MSCI Emerging Markets Index-NR—(USD)	33.57	7.50	9.83	-20.09	-2.54	18.31	18.44	-14.58	37.28	11.19

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.

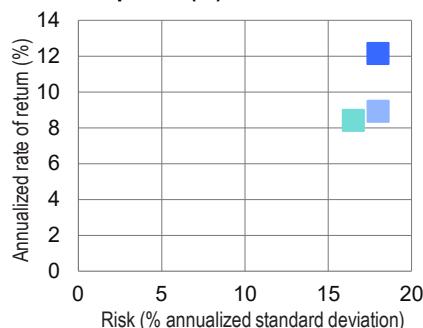
¹ Fees: Periods less than one year are not annualized. Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in U.S. dollars 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 10-year period ending December 31, 2025)

Risk/Return profile (%)



Templeton Emerging Mkts (Pure Gross)

Annualized Return (%) 12.16

Annualized Standard Deviation (%) 18.00

Templeton Emerging Mkts (Net)

Annualized Return (%) 8.91

Annualized Standard Deviation (%) 18.00

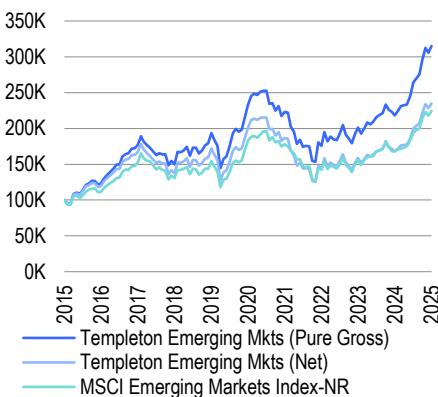
MSCI Emerging Markets Index-NR

Annualized Return (%) 8.42

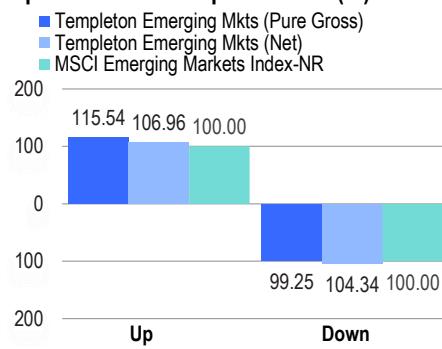
Annualized Standard Deviation (%) 16.51

Growth of \$100,000*

\$314,964 \$234,761 \$224,375



Up/Down market capture ratios (%)



Modern portfolio statistics

	Portfolio (Pure gross)	Portfolio (Net)	BM
Sharpe Ratio	0.61	0.44	0.44
Beta	1.06	1.06	N/A
Alpha (%)	3.31	0.31	N/A
R-Squared	0.94	0.94	N/A

(+) Months (-) Months

Pure Gross:	74	46
Net:	74	46

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 January 2022, the composite includes only SMA portfolios that are managed in accordance with the Templeton's strategy. Prior to January 2022, performance results were calculated using Templeton Emerging Markets 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 Emerging Markets SMA Composite may vary from the performance of the institutional Templeton Emerging Markets composite, especially over shorter time periods and during periods of extraordinary market conditions. The SMA portfolios are implemented through a combination of individual holdings along with an allocation to a no-load mutual fund share created to allow the portfolio managers to replicate the same themes and characteristics of our managed municipal institutional and mutual fund strategy. Members in the institutional composite typically hold individual securities.

What are the risks?

All investments involve risks, including possible loss of principal. The **investment style** may become out of favor, which may have a negative impact on performance. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **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. **Equity securities** are subject to price fluctuation and possible loss of principal. **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 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.

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