

# Templeton International Insights ETF

TINS

Commentary | as of December 31, 2025

## Key Takeaways

- **Markets:** Global equity markets collectively posted moderate gains during the fourth quarter of 2025 and from the fund's inception on October 21, 2025, through year-end, marking a period of consolidation after the stronger advance seen in the third quarter.
- **Detractors:** For the period since the fund's inception on October 21, 2025, through December 31, 2025, the fund (Market Price return) slightly underperformed its benchmark, the MSCI All Country World ex-US Index-NR. Stock selection in the materials, energy and health care sectors detracted from relative performance for the period.
- **Contributors:** Stock selection in the financials, information technology and utilities sectors contributed to relative performance.
- **Outlook:** We remain broadly constructive on the longer-term outlook for equity markets, but the strength of 2025's rally suggests that some caution is appropriate in the coming months.

## Performance Review

- Global equity markets collectively posted moderate gains during the fourth quarter of 2025 and from the fund's inception on October 21, 2025, through year-end, marking a period of consolidation after the stronger advance seen in the third quarter. The fourth quarter unfolded against a backdrop of easing—but uneven—monetary policy expectations, greater stock-return dispersion across regions and sectors, and a rotation away from the most crowded growth investment themes. October experienced an extension of the post-summer stock rally as interest-rate cuts and generally resilient earnings supported risk appetite; November brought a pause as investors reassessed equity valuations and monetary policy timing; and December witnessed a stabilization of sentiment as central banks delivered broadly dovish outcomes while flagging increased data dependence into 2026.
- For the period since the fund's inception on October 21, 2025, through December 31, 2025, the fund (Market Price return) slightly underperformed its benchmark, the MSCI All Country World ex-US Index-NR. Stock selection in the materials, energy and health care sectors detracted from relative performance for the period.
- Japan-based Ebara, which makes products that provide solutions for energy efficiency, water treatment and climate resilience, was a significant detractor during the period. The company provides products and solutions used in treating wastewater in both urban and industrial areas, supporting water reuse and environmental protection. Its stock trades at a meaningful discount to its global peers, in our analysis, and we believe the company is positioned for growth with a management team focused on creating shareholder value.
- Stock selection in the financials, information technology and utilities sectors contributed to relative performance.
- Shares of UK utility SSE rose after the company raised £2 billion of equity alongside third-quarter 2025 results that reconfirmed its 2030 guidance and emphasized the sizable opportunity to build new transmission infrastructure over the next 10 years. Management's funding move and the confirmation of the 2030 plan materially reduced the financing overhang, and we believe the group's updated guidance implies that the dilution from the equity raise is likely to be more than offset by potentially higher earnings from an expanded transmission and distribution capex (capital expenditure) program.
- Geographically, stock selection in Europe, particularly Germany and Ireland, detracted significantly from relative performance for the period. Stock selection in Japan was a significant contributor to relative returns.

## Outlook

- We remain broadly constructive on the longer-term outlook for equity markets, but the strength of 2025's rally suggests that some caution is appropriate in the coming months.
- European equities' fourth-quarter outperformance reflected both structural sector advantages and a valuation buffer relative to US equities. Political and fiscal noise persisted, particularly in France, but the region's equity markets remained relatively insulated. Stocks were supported by a combination of defensive earnings profiles, sector composition, and improving policy clarity. Despite persistent skepticism, we believe the European economy looks poised for upside surprises in 2026.
- In Japan, the recent change in government has reinforced the policy backdrop for reform and long-term growth. Japan has begun to lift interest rates for the first time in decades, which signals the return of inflation and a normalization of economic conditions after a prolonged deflationary period. This environment is particularly constructive for Japanese banks, which we believe could benefit from steeper yield curves and improving profitability. In our view, a gradual recovery in the yen, following an extended period of weakness, could also support domestic sectors.
- Asia more broadly continues to benefit from a weaker US dollar and improving underlying momentum. We continue to find attractive bottom-up opportunities and expect to increase exposure as opportunities develop.

## Top Equity Issuers (% of Total)

Holding	Fund
ASTRAZENECA PLC	4.19
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	4.09
MITSUBISHI ELECTRIC CORP	3.33
BP PLC	3.23
SAMSUNG ELECTRONICS CO LTD	3.19
SSE PLC	3.17
ROYAL BANK OF CANADA	2.89
ING GROEP NV	2.77
SHELL PLC	2.73
ALIBABA GROUP HOLDING LTD	2.69

Average annual total returns and fund expenses (%) - as of December 31, 2025

Product	Ticker	Listed Exchange	3-Mo*	6-Mo*	YTD*	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross Expenses	Net Expenses	Inception Date
Market Price Return	TINS	NYSE Arca	—	—	—	—	—	—	—	3.11	0.55	0.55	10/21/2025
NAV Returns	—	—	—	—	—	—	—	—	—	3.73	0.55	0.55	10/21/2025
Benchmark	—	—	—	—	—	—	—	—	—	3.35	—	—	—

\*Cumulative total returns

Benchmark(s)

Benchmark =MSCI All Country World ex-US Index-NR

**Performance data quoted represents past performance, which does not guarantee future results.** Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expense or sales charges. Returns for periods of less than one year are not annualized. For current month-end performance, please visit [franklintempleton.com](http://franklintempleton.com). The total annual operating expenses are as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.

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. Depositary receipts are subject to international investment risk and potentially negative effects from currency exchange rates, foreign taxation and differences in auditing and other financial standards. To the extent the portfolio invests in a concentration of certain securities, regions or industries, it is subject to increased volatility. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. The portfolio is, or could become, 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. The manager may consider environmental, social and governance (ESG) criteria in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. The fund is newly organized, with a limited history of operations. These and other risks are discussed in the fund's prospectus.

Glossary

Capital Expenditure (capex) are funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment.

The yield curve shows the relationship between yields and maturity dates for a similar class of bonds.

Important Information

The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund's portfolio selection process. Holdings are subject to change.

ETFs and ETPs trade like stocks, fluctuate in market value and may trade at prices above or below the ETFs/ETPs net asset value. Brokerage commissions and ETF expenses will reduce returns. ETF/ETP shares may be bought or sold throughout the day at their market price, not their Net Asset Value (NAV), on the exchange on which they are listed. Shares of ETFs/ETPs are tradable on secondary markets and may trade either at a premium or a discount to their NAV on the secondary market. Canada: This content is intended only for Canadian institutional investors that qualify as "permitted clients" as defined in National Instrument 31-103 - Registration Requirements, Exemptions and Ongoing Registrant Obligations. U.S. securities laws generally limit a non-U.S. fund's purchase of a U.S. registered mutual fund or ETF/ETP (a "U.S. Fund") to no more than 3% of the U.S. Fund's voting stock. You should consult your legal counsel prior to investing in a U.S. Fund.

The MSCI All Country World Index ex US (MSCI ACWI Index ex US) is a market capitalization-weighted index designed to measure equity market performance of developed and emerging markets, excluding the U.S.

Net Returns (NR) include income net of tax withholding when dividends are paid. Source: 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.

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