FRANKLIN TEMPLETON

Templeton International Insights ETF

TINS | **Commentary | as of March 31, 2026**

Key Takeaways

- **Markets**: Global equities collectively declined over the first quarter of 2026, with the MSCI All Country World Index falling for the period, as a sharp drawdown in March more than offset gains earlier in the period.
- **Contributors**: Stock selection in the industrials and information technology sectors and an overweight and stock selection in the energy sector contributed to relative performance for the quarter.
- **Detractors:** Stock selection in the health care, consumer staples and financials sectors detracted from relative performance for the quarter.
- **Outlook:** Our focus remains on selectively deploying capital into high-quality businesses that we believe have been indiscriminately sold off but retain strong long-term fundamentals.

Top Equity Issuers (% of Total)

Holding	Fund
ASTRAZENECA PLC	4.72
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	4.50
BP PLC	4.38
SAMSUNG ELECTRONICS CO LTD	4.34
SSE PLC	3.66
SHELL PLC	3.03
EURONEXT NV	2.79
ROYAL BANK OF CANADA	2.70
SANOFI SA	2.67
ING GROEP NV	2.67

Performance Review

- Global equities collectively declined over the first quarter of 2026, with the MSCI All Country World Index falling for the period, as a sharp drawdown in March more than offset gains earlier in the period. Market performance was influenced by a significant rotation in leadership, with value outperforming growth and smaller-capitalization stocks holding up better than large caps. As measured by MSCI indexes in US-dollar terms, global value stocks generally rose, materially outperforming global growth stocks, which fell significantly, while global small caps delivered positive returns despite the broader market decline. This shift reflected a sustained move away from US mega-cap concentration and long-duration growth assets. The quarter unfolded in three distinct phases: an initial rotation-driven rally in January, followed by heightened dispersion and AI-related uncertainty during February, and culminating in a sharp risk-off environment in March driven by geopolitical escalation and an energy price shock.
- Stock selection in the industrials and information technology sectors and an overweight and stock selection in the energy sector contributed to relative performance for the quarter.
- UK-based integrated oil and gas conglomerate BP performed strongly due to a sharp rise in oil prices, driven by geopolitical disruption linked to the Iran war. As a company highly exposed to hydrocarbons, BP benefited directly from this commodity strength, which supported investor sentiment and lifted the share price. In addition, its strategic pivot back toward oil and gas reinforced the positive momentum, with many investors viewing the shift as better aligned with the current energy environment. This combination of higher oil prices and a more conventional energy focus underpinned the stock's strong performance during the quarter.
- Stock selection in the health care, consumer staples and financials sectors detracted from relative performance for the quarter.
- ICON, one of the world's largest contract research organizations, declined sharply in February after disclosing that an internal accounting investigation found preliminary evidence that revenue for fiscal years 2023 and 2024 may have been overstated by up to two percent annually. The announcement led to a delay in fourth-quarter and full-year 2025 results and raised the prospect of financial restatements. Given ICON's scale, even a two percent overstatement represents a material dollar amount, with implications for earnings quality, profit margins and reported growth. While clearly disappointing, such accounting issues are inherently difficult to foresee, and our sell discipline was applied promptly, resulting in a full exit from the position.
- Geographically, stock selection in Asia, particularly Japan, contributed to relative performance for the quarter. Stock selection and an underweight in Canada detracted from relative results.

Outlook

- The market environment shifted materially over the quarter, with the combination of accelerating AI disruption and the escalation of the conflict in Iran introducing both structural and macro uncertainty. In early April, oil prices began to retrace following the announcement of a temporary ceasefire and the reopening of key shipping routes. However, we believe oil prices could stabilize above pre-conflict levels, reflecting ongoing geopolitical risk and structurally tighter supply. At the same time, emerging concerns around credit conditions, particularly within banking, suggest that parts of the market may be underestimating downside risks should financial conditions tighten further.
- At a portfolio level, our focus remains on selectively deploying capital into high-quality businesses that we believe have been indiscriminately sold off but retain strong long-term fundamentals. We are also orienting the portfolio toward businesses that we believe have greater exposure to tangible assets and lower risk of structural obsolescence. This reflects a shift away from the post-Global Financial Crisis (GFC) preference for asset-light, intangible-driven models, as we believe higher inflation, geopolitical instability and accelerating technological disruption could be beneficial for companies with pricing power, asset backing and more durable competitive positions.

Average annual total returns and fund expenses (%) - as of March 31, 2026

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	2.75	—	2.75	—	—	—	—	5.94	0.55	0.55	10/21/2025
NAV Returns	—	—	1.04	—	1.04	—	—	—	—	4.81	0.55	0.55	10/21/2025
Benchmark	—	—	-0.71	—	-0.71	—	—	—	—	2.62	—	—	—

*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.*
Net Asset Value (NAV) returns are based on the NAV of the ETF; Market Price returns are based upon the official closing price of the ETF's shares. Returns are average annualized total returns, except for those periods of less than one year, which are cumulative. Market Price returns are calculated using the closing price as of 4 p.m. Eastern time on each trading day (when NAV is normally determined for most funds), and do not represent the returns you would receive if you traded shares at other times. Performance for the ETF and its benchmark index are as of the ETF's last trading day before the end of the period.Since shares of the Fund did not trade in the secondary market until after the Fund's inception, for the period from inception to the first day of secondary trading October 23, 2025, the NAV of the Fund is used as a proxy for the Market Price to calculate market returns.
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

Duration is a measure of the sensitivity of a bond's price to changes in interest rates.

The **global financial crisis (GFC)** refers to the period of extreme stress in global financial markets and banking systems between mid 2007 and early 2009.

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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.

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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.

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Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at www.franklintempleton.com. Please read it carefully.