Templeton Global ADR Equity SMA

FRANKLIN TEMPLETON

Separately Managed Accounts | Fact Sheet as of September 30, 2024

Investment overview

The Templeton Global ADR Equity SMA invests in global stocks with a market capitalization generally of $1 billion or greater at time of purchase. Industry weights are limited to approximately 20% of the total portfolio, and emerging markets typically range from 5% to 15%, with approximately 30% maximum. Accounts may invest in foreign securities only through American Depositary Receipts (ADRs).

Investment management team

Heather Waddell, CFA
Portfolio Manager
Industry since 1995

Matthew Nagle, CFA
Portfolio Manager
Industry since 1999

Peter Nori, CFA
Portfolio Manager
Industry since 1987

Investment philosophy

Compound value:

- We believe a forward-looking and price-disciplined approach to investing that focuses on company fundamentals as the driver of value creation have the potential to generate superior returns for clients over the long term.
- Compound value is a broad interpretation of value that balances forward-looking and price discipline.

Forward-looking

- Willing to predict change

Price-disciplined

- Drives risk and return

Independent-minded

- Contrarian when warranted

Fundamental

- Return on invested capital drives value

Long-term

- Allow time for value to emerge

Investment process

Industry perspective
Sustainability of growth and profitability given cyclical and structural changes

- **History**
- **Ecosystem**
- **Industry life cycle**
- **Cyclicality and sensitivities**
- **Profit pools**
- **Market share analysis**
- **Supply dynamics**
- **Disruption**
- **Regulation**
- **ESG**

Company analysis
Sustainability of the business model and number of pathways to value creation

- **Industry position**
- **Business model**
- **Competitive advantage(s)**
- **Reinvestment opportunities**
- **Management's effectiveness**
- **Adaptability**
- **Headwinds/Tailwinds**
- **ESG**

Financial modelling
Clarity of the investment case and conviction in long term forecasts

- **Revenue forecast**
- **Operating scale & efficiency**
- **Financial position & cost of capital**
- **Cash generation and use of cash**
- **Return on incremental invested capital**

Continuous review
Stability and conviction of the investment case

- **Progression on key investment factors**
- **Ongoing discussion with management and industry constituents**
- **Changes to industry structure**

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 September 30, 2024

Top Ten Equity Holdings (%)

	Portfolio
HCA Healthcare Inc	3.54
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	3.46
T-Mobile US, Inc.	3.33
UnitedHealth Group Incorporated	3.13
BP p.l.c. Sponsored ADR	3.05
Alphabet Inc. Class A	2.81
Shell Plc Sponsored ADR	2.64
CRH public limited company	2.58
Astrazeneca PLC Sponsored ADR	2.38
Aramark	2.31
Total	**29.22**

Sector Weightings (%)

	Portfolio	BM
Financials	25.06	16.22
Health Care	14.45	10.85
Industrials	10.93	10.64
Information Technology	10.00	24.50
Communication Services	8.32	7.75
Consumer Discretionary	8.22	10.65
Consumer Staples	6.08	6.35
Materials	5.81	4.07
Energy	5.69	4.00
Utilities	2.67	2.72
Real Estate	0.00	2.24
Cash & Cash Equivalents	2.77	0.00

Top Country (%)

	Portfolio	BM
United States	39.35	64.24
United Kingdom	15.28	3.31
Japan	7.25	5.01
France	6.36	2.55
Canada	6.15	2.75
Ireland	5.65	0.07
Germany	4.94	2.02
Taiwan	3.46	1.86
Cash & Cash Equivalents	2.77	0.00
Switzerland	2.14	2.22
Total	**93.35**	**84.02**

Market Capitalization (%)

	Portfolio
<10.0 Billion	2.39
10.0-25.0 Billion	15.76
25.0-50.0 Billion	18.61
50.0-100.0 Billion	19.47
100.0-200.0 Billion	18.47
>200.0 Billion	25.30

Characteristics

	Portfolio	BM
Price to Earnings (12-Month Trailing)	17.06x	22.39x
Price to Cash Flow	15.73x	13.45x
Price to Book	3.13x	3.20x
Dividend Yield	2.06%	1.81%
Weighted Average Market Capitalization (Millions USD)	$200,392	$574,739

‡ Source: Franklin Templeton. Portfolio characteristics are based on a model portfolio, not an actual client account. The model portfolio is a hypothetical portfolio whereby the portfolio characteristics are based on simulated trading and account activity of a client account invested in this strategy. The model portfolio assumes no withdrawals, contributions, or client-imposed restrictions. Portfolio characteristics of individual client accounts may differ from those of the model portfolio as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors.

Performance

Annualized Rates of Return – Pure Gross and Net of Fees (%) as of September 30, 2024 – PRELIMINARY – (Inception date: 11/30/1999)

	YTD*	1 Mth*	3 Mths*	1 Year	3 Year	5 Year	10 Year	20 Year	Since Incept
Templeton Global ADR Equity SMA–Pure Gross of Fees—(USD)	**17.76**	**0.78**	**7.17**	**27.21**	**8.98**	**11.58**	**6.94**	**7.19**	**5.95**
Templeton Global ADR Equity SMA–Net of Fees—(USD)	**15.21**	**0.53**	**6.40**	**23.57**	**5.81**	**8.41**	**4.50**	**4.99**	**3.89**
MSCI All Country World Index-NR—(USD)	18.66	2.32	6.61	31.76	8.09	12.19	9.39	8.33	6.04

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

	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Templeton Glbl ADR Eqty–Pure Gross of Fees—(USD)	17.76	15.91	-8.13	14.36	11.73	16.81	-13.28	20.60	6.46	-4.30	-0.83
Templeton Glbl ADR Eqty–Net of Fees—(USD)	15.21	12.56	-10.84	11.05	8.49	14.83	-14.67	18.60	4.52	-5.98	-2.62
MSCI All Country World Index-NR—(USD)	18.66	22.20	-18.36	18.54	16.25	26.60	-9.42	23.97	7.86	-2.36	4.16

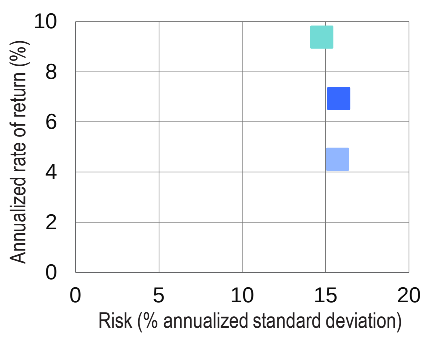
The strategy returns shown are preliminary composite returns, subject to future revision (downward or upward). Past performance is not a guarantee of future results. An investment in this strategy can lose value. Please visit www.franklintempleton.com for the latest performance figures. Investors cannot 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" 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 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.**

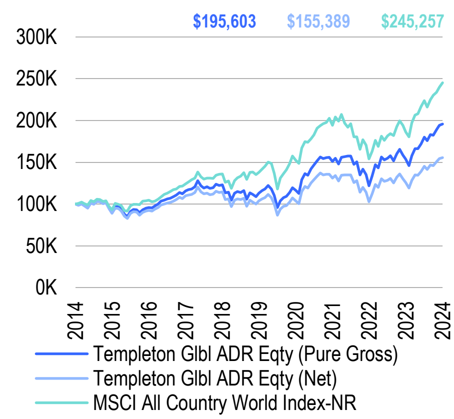
Performance Statistics[1] Preliminary (based on 10-year period ending September 30, 2024)

Risk/Return profile (%)

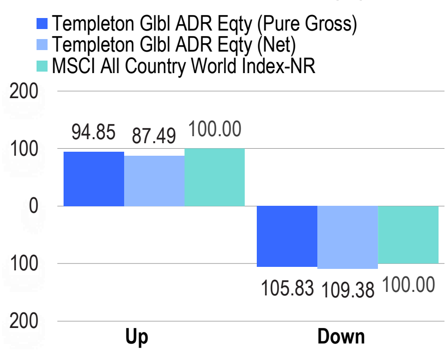


Templeton Glbl ADR Eqty (Pure Gross)	
Annualized Return (%)	6.94
Annualized Standard Deviation (%)	15.80
Templeton Glbl ADR Eqty (Net)	
Annualized Return (%)	4.50
Annualized Standard Deviation (%)	15.74
MSCI All Country World Index-NR	
Annualized Return (%)	9.39
Annualized Standard Deviation (%)	14.78

Growth of $100,000*



Up/Down market capture ratios (%)



Modern portfolio statistics

	Portfolio (Pure gross)	Portfolio (Net)	BM
Sharpe Ratio	0.40	0.25	0.57
Beta	1.01	1.01	N/A
Alpha (%)	-2.20	-4.42	N/A
R-Squared	0.89	0.89	N/A

	(+) Months	(-) Months
Pure Gross:	79	41
Net:	79	41

[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" 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.

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 fund and its benchmark. R-squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

What are the risks?

All investments involve risks, including possible loss of principal. Depository 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. **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. 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. 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.

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