



2H25 U.S. Equity & Macro Outlook

Liberation Day Recovery...Now What?

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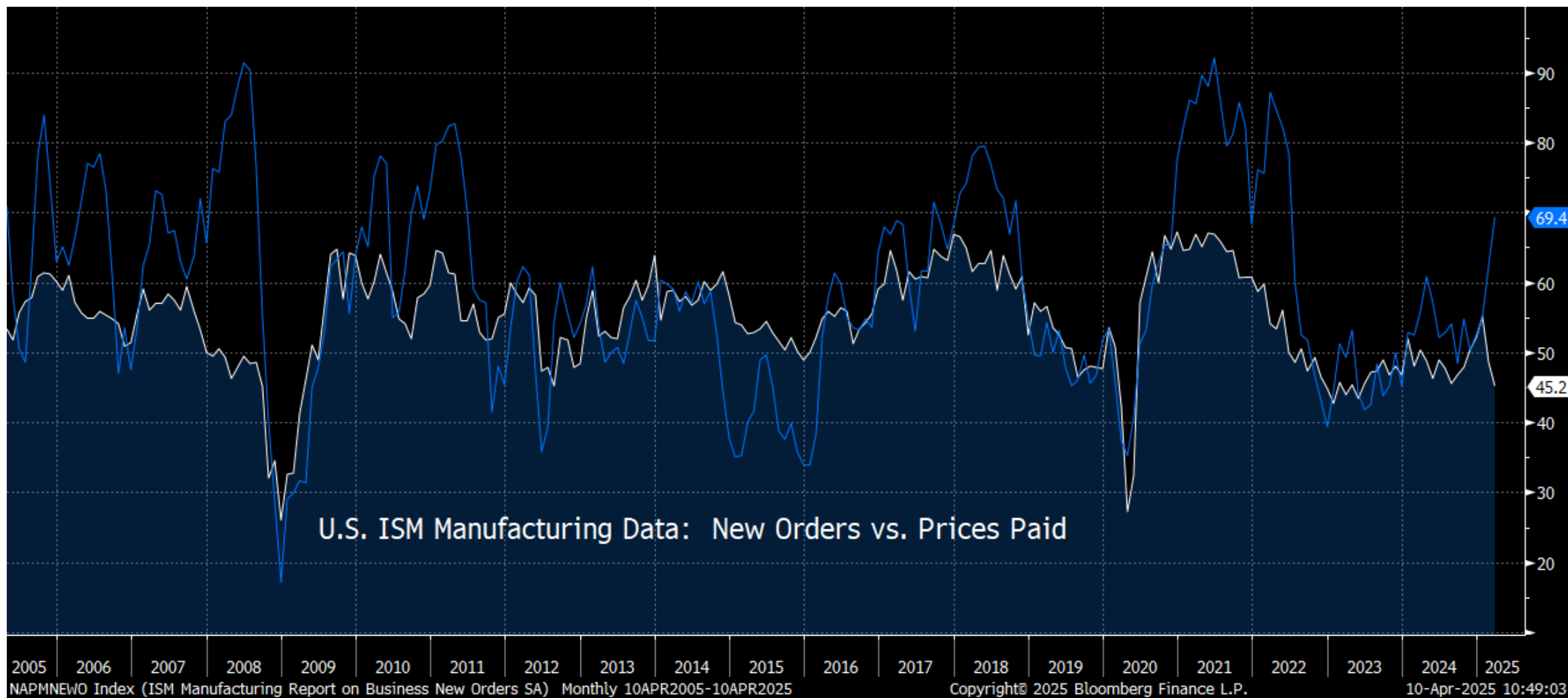
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Franklin Equity Group

June 2025

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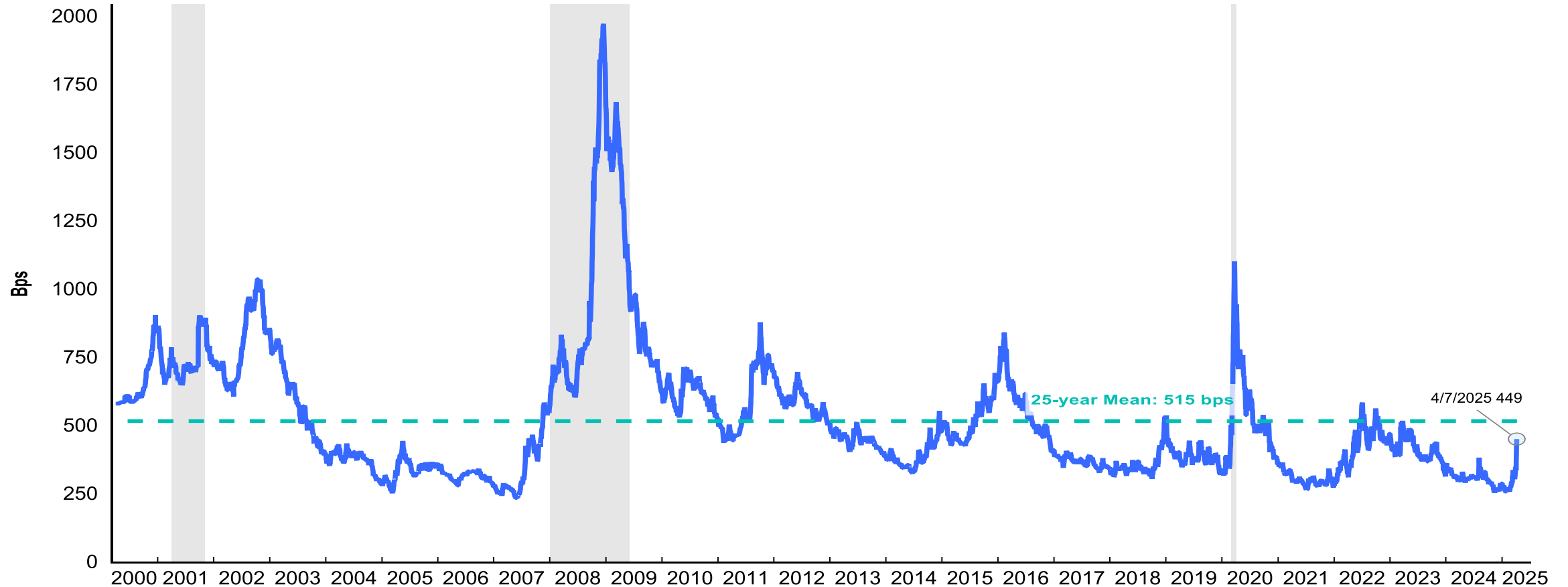
Source: Bloomberg.

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HY Spreads NOT Pricing Recession

United States High Yield Spread

Bloomberg US Corporate High Yield Index
25-year Period Ending 4/7/2025

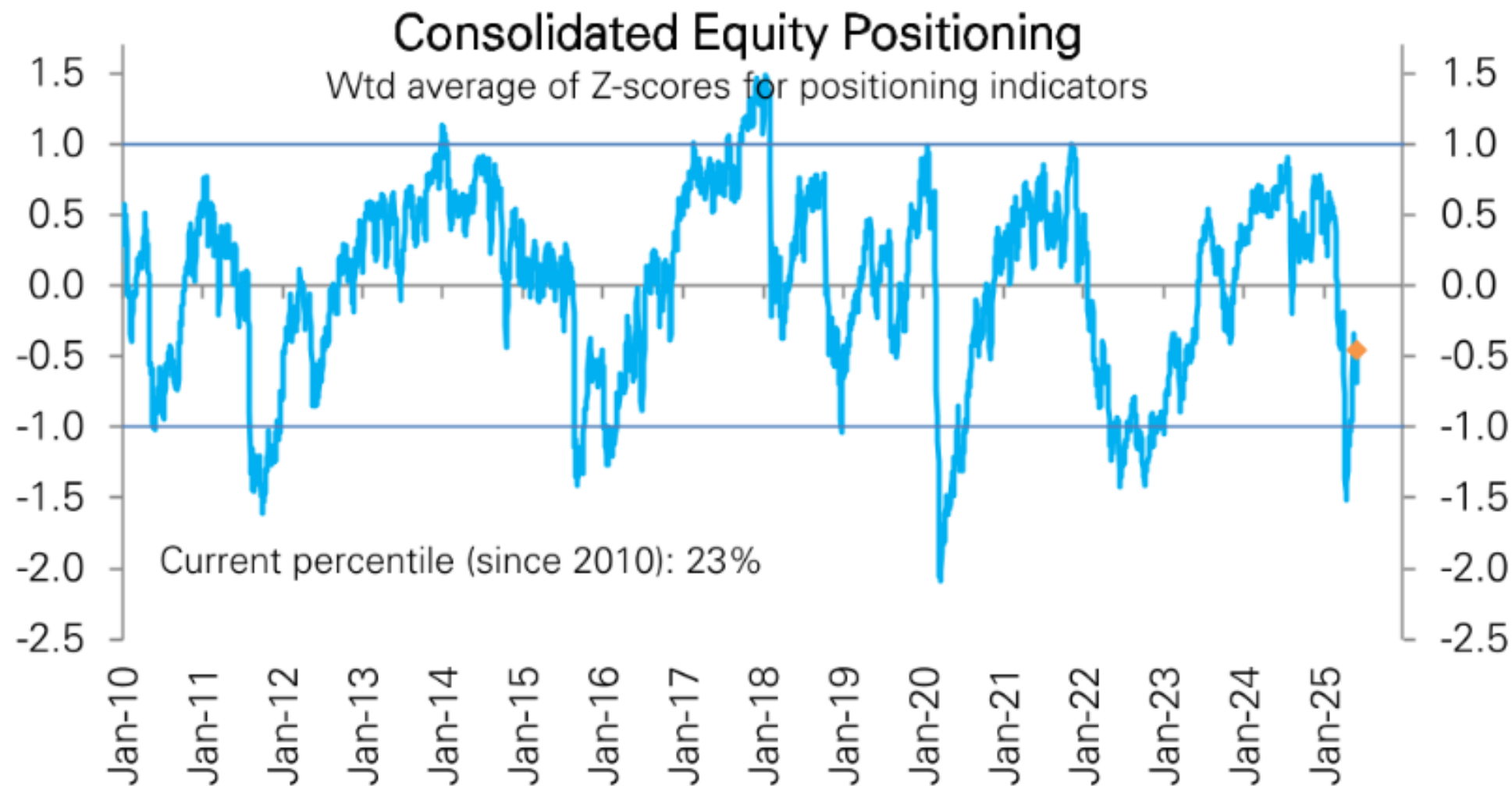


Past performance does not predict future return.

Source: Bloomberg, Macrobond. As of 4/7/2025.

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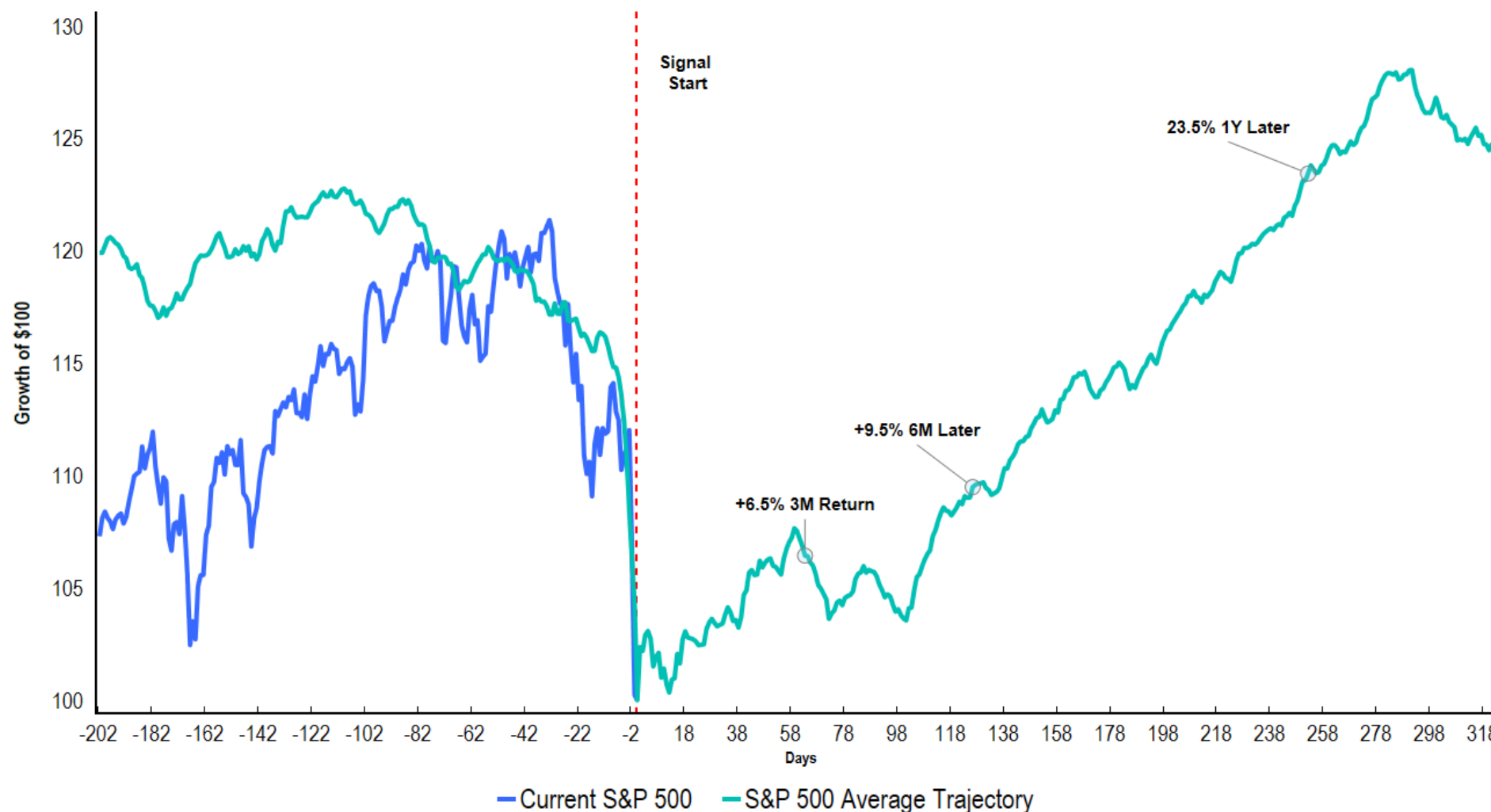
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*Weights based on explanatory power in regression of equity performance on indicators

S&P 500 Trajectory Following Extremely Oversold Breadth Signal

Signal: Less Than 1.5% of S&P 500 Stocks Are Above Their 10 Day Average



Source: Franklin Templeton Institute, S&P Global, Bloomberg, Macrobond. As of 4/8/2025.
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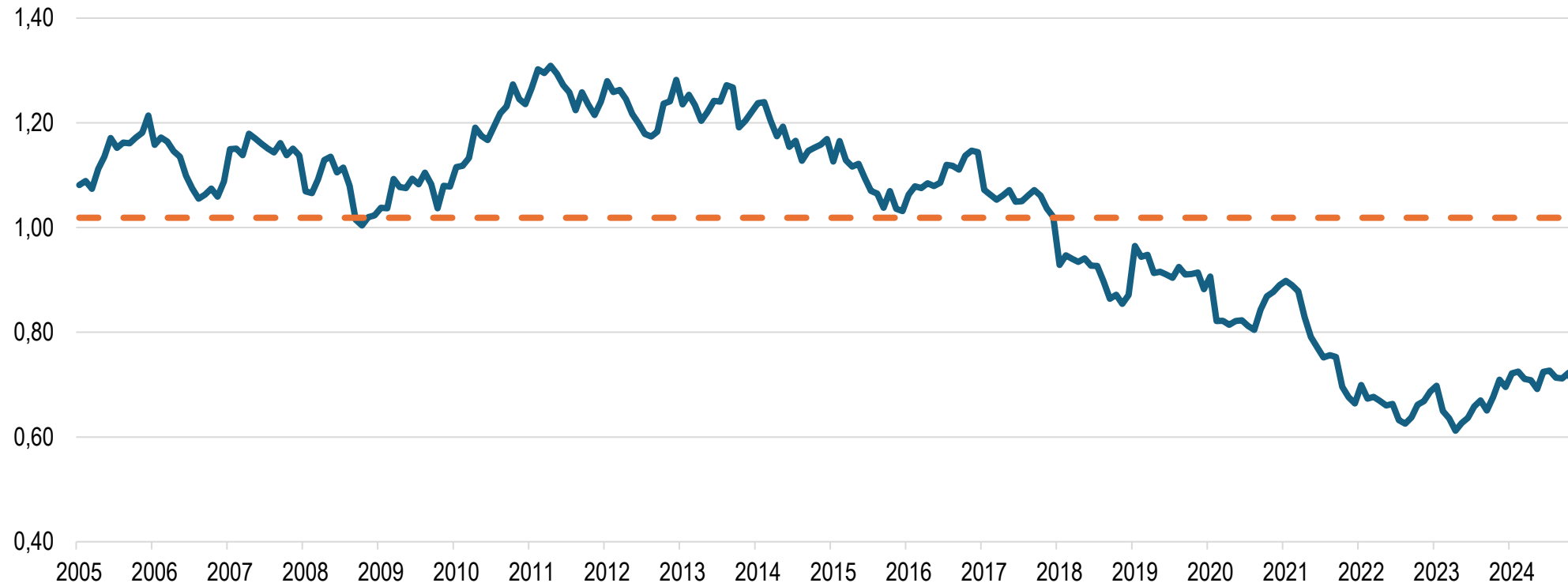
Opportunities beyond Mega-Cap

Mid-Cap Growth Relative Valuations to Large Growth Near Historic Lows

S&P Mid Cap 400 - LTM P/E Relative to S&P 500

Trailing 20-Year Period ended 1Q25

Relative P/E (LTM)



Average:
1.02

Past performance does not predict future return.

Source: FactSet.

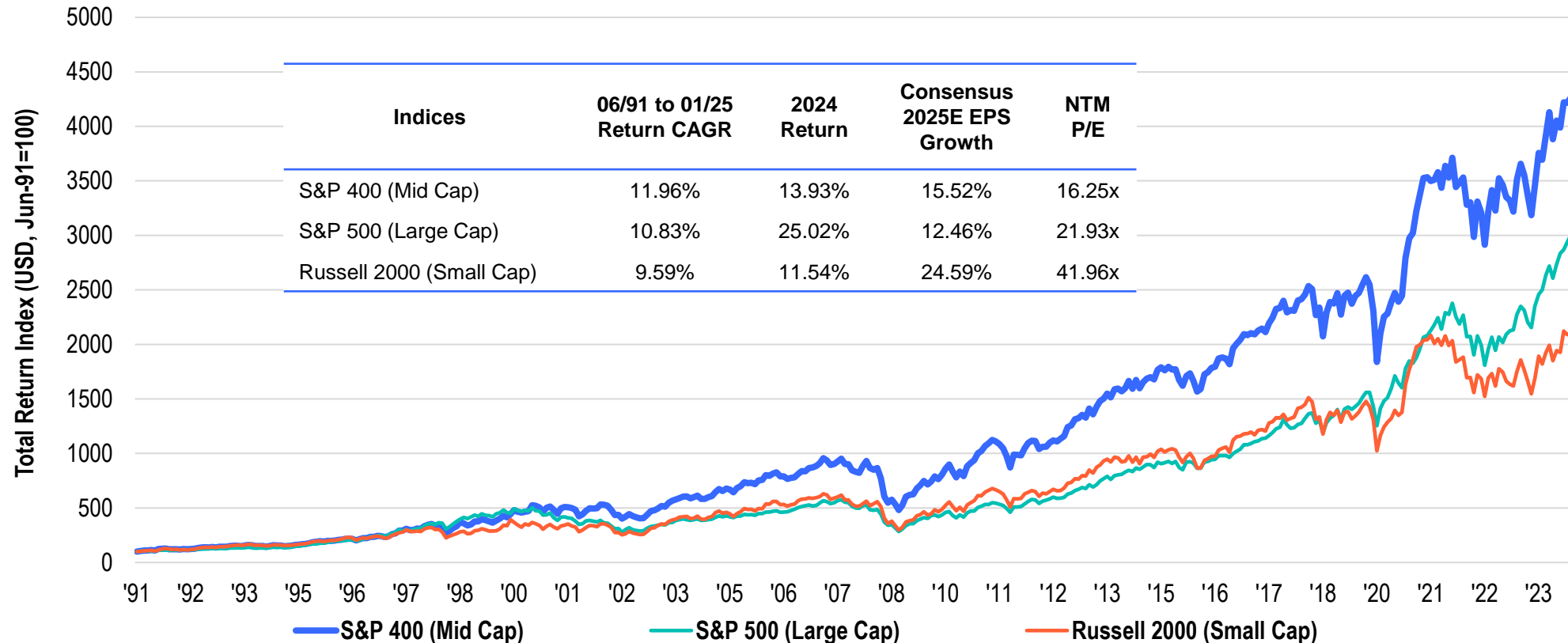
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Mid-Cap – Sweet spot of growth investing long-term

Total Return Performance

30 June 1991 to 31 January 2025



Past performance does not predict future return.

Source: FactSet, S&P Dow Indices, Russell Indices, FactSet Estimates.

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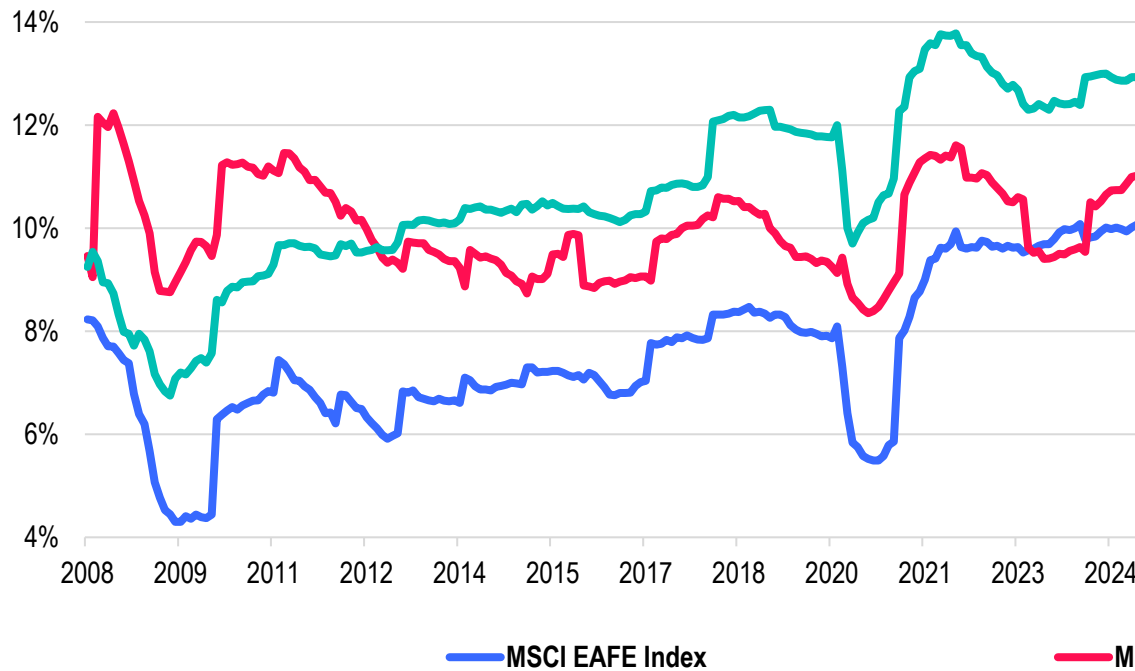
Consistently higher US corporate profitability contributes to valuation premium

US companies are expected to maintain higher levels of profitability relative to rest of world

Return on equity metrics reflect differences in profit drivers in the US relative to other regions

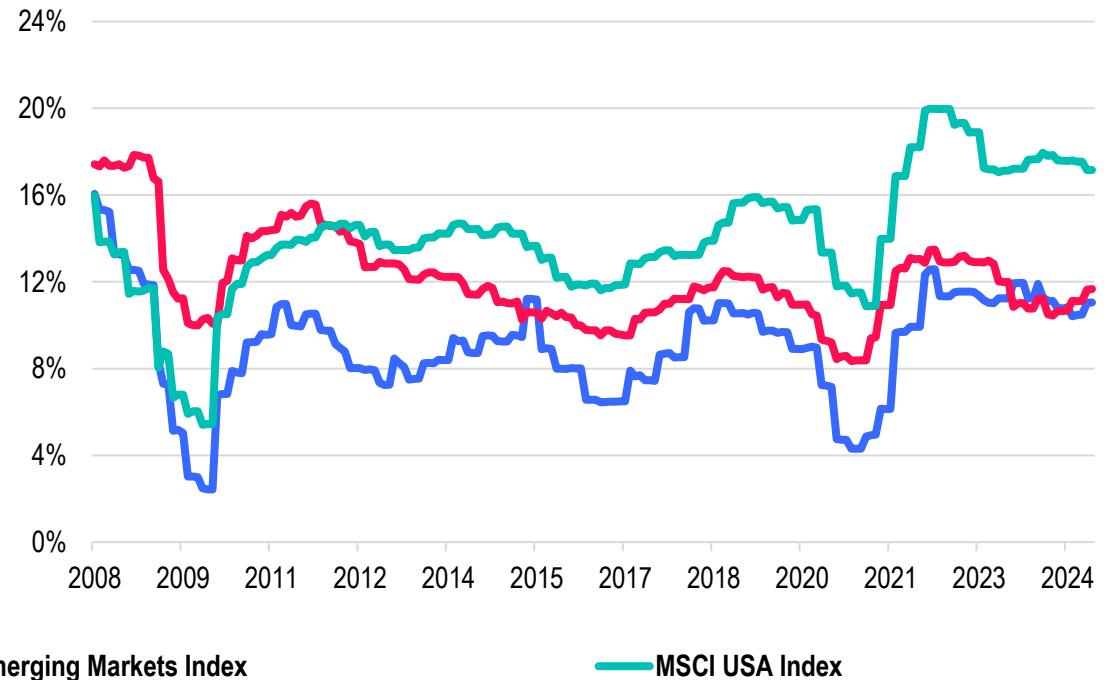
MSCI Indices: 12-month Forward Net Profit Margin

1 January 2008 - 31 December 2024



MSCI Regions: Trailing 12-month Return on Equity (ROE)

1 January 2008 - 31 December 2024



Past performance does not predict future return.

Source: Bloomberg. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

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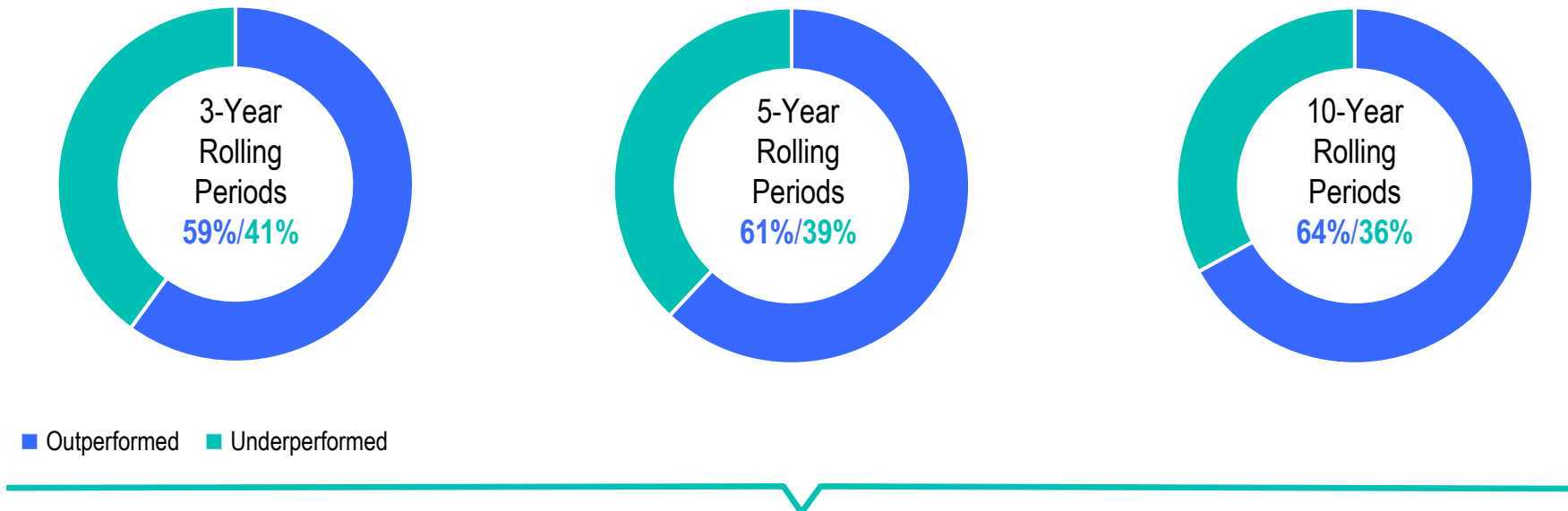
Consistency of Returns over Time

The importance of long-term investing

Rolling Returns: Franklin U.S. Opportunities Fund – A Acc USD vs. Morningstar EAA Fund US Large-Cap Growth Equity Peer Group Average

20-year period ended 31 March 2025

Past performance does not predict future return



Over longer holding periods, Franklin U.S. Opportunities Fund has historically outperformed its Morningstar peer group average.

Information displaying is based on the Luxembourg-domiciled FTIF Franklin U.S. Opportunities Fund.

Source: Morningstar Direct. See www.franklintempletondatasources.com for additional data provider information.

All performance data shown is in the Fund currency stated and net of management fees, sales charges and other commissions, taxes and other relevant costs paid by the investor are not included in the calculations.

The Fund offers other share classes subject to different fees and expenses, which will affect their performance. Please see the prospectus for details.

When performance for either the portfolio or its benchmark has been converted, different foreign exchange closing rates may be used between the portfolio and its benchmark.

The Fund's returns may increase or decrease as a result of changes to foreign exchange rates.

The value of shares in the Fund and income received from it can go down as well as up, and investors may not get back the full amount invested.

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