



Separately Managed Account

Franklin Income SMA

1Q 2026

Separately Managed Accounts (SMAs) are investment services provided by Franklin Templeton Private Portfolio Group, LLC ("FTPPG"), a federally registered investment advisor. Client portfolios are managed based on investment instructions or advice provided by one or more of the following Franklin Templeton affiliated subadvisors: Franklin Advisers, Inc. (Franklin Management is implemented by FTPPG, the designated subadvisor or, in the case of certain programs, the program sponsor or its designee.

These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified, and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these materials be preceded or accompanied by investment profiles or other documents, or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents and/or materials, please speak to your financial professional or contact your sponsor firm.

Merrill Lynch Disclosure



Investing involves risk including possible loss of principal. Information is current as of the date of this material.

Any opinions expressed herein are from a third party and are given in good faith, are subject to change without notice, and are considered correct as of the stated date of their issue.

Merrill Lynch, Pierce, Fenner & Smith Incorporated is not a tax or legal advisor. Clients should consult a personal tax or legal advisor prior to making any tax or legal related investment decisions.

Bank of America Corporation (“Bank of America”) is a financial holding company that, through its subsidiaries and affiliated companies, provides banking and investment products and other financial services .

Merrill Lynch, Pierce, Fenner & Smith Incorporated (also referred to as “MLPF&S” or “Merrill”) makes available certain investment products sponsored, managed, distributed or provided by companies that are affiliates of Bank of America Corporation (“BofA Corp.”). MLPF&S is a registered broker-dealer, registered investment adviser, Member SIPC and a wholly owned subsidiary of BofA Corp. Merrill Lynch Life Agency Inc. (“MLLA”) is a licensed insurance agency and a wholly owned subsidiary of BofA Corp.

This material does not take into account a client’s particular investment objectives, financial situations, or needs and is not intended as a recommendation, offer or solicitation for the purchase or sale of any security or investment strategy. Merrill offers a broad range of brokerage, investment advisory (including financial planning) and other services. There are important differences between brokerage and investment advisory services, including the type of advice and assistance provided, the fees charged, and the rights and obligations of the parties. It is important to understand the differences, particularly when determining which service or services to select. **For more information about these services and their differences, speak with your Merrill financial advisor.**

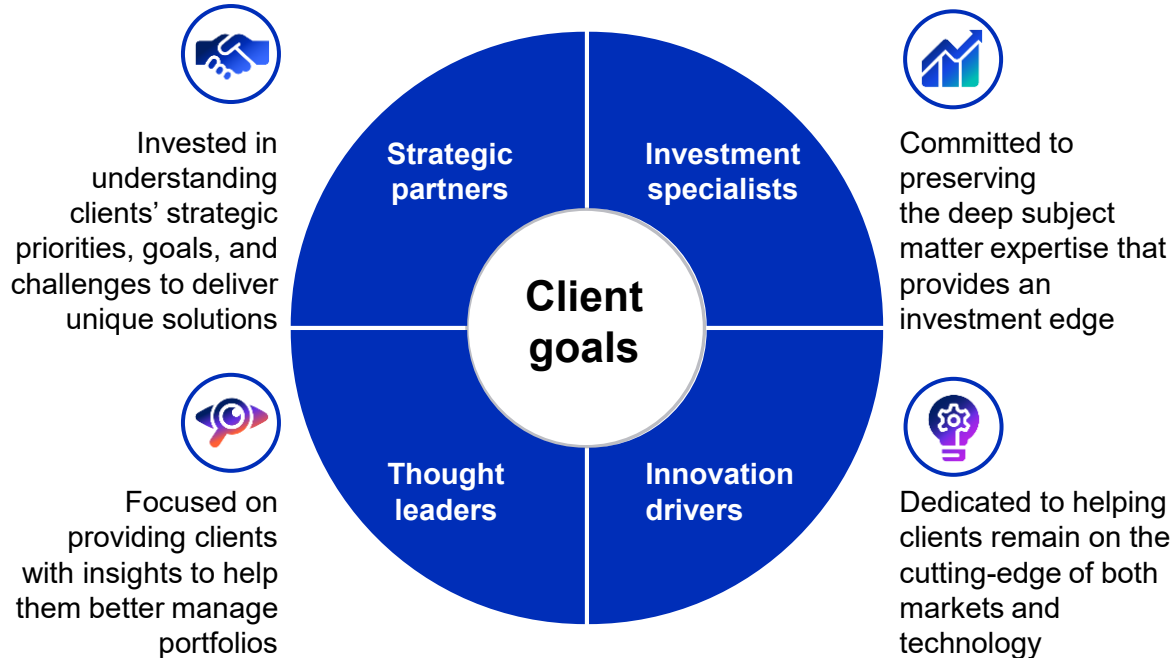
Nothing discussed or suggested in these materials should be construed as permission to supersede or circumvent any Bank of America, Merrill Lynch, Pierce, Fenner & Smith Incorporated policies, procedures, rules, and guidelines.

Investment products offered through MLPF&S and insurance and annuity products offered through Merrill Lynch Life Agency Inc.:

ARE NOT FDIC INSURED	MAY LOSE VALUE	ARE NOT BANK GUARANTEED
ARE NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY	ARE NOT DEPOSITS	ARE NOT A CONDITION TO ANY BANKING SERVICE OR ACTIVITY

Your trusted partner for what's ahead™

For our clients, we are:



At-a-glance

75+	years of asset management experience
\$1.7tn	total assets under management ¹
10	investment managers added to our platform since 2019
1,500+	investment professionals in 25+ countries
150	countries with clients

1. AUM is in USD as of March 31, 2026.

Investment specialization across public and private markets



Our Investment Capabilities (USD Billion)



Complemented by innovations in

Sustainable and Impact investing, ETFs, Custom Indexing, Frontier Risk Alternatives, and others

Our Investment Managers Asset Classes

Investment Manager	Asset Classes
Franklin Templeton (1947)	Equity, Fixed Income, Alternatives, Multi-Asset
Alcentra (2002)	Multi-Asset
Benefit Street Partners (2008)	Multi-Asset
Clarion Partners (1982)	Multi-Asset
ClearBridge Investments (2005)	Equity
Lexington Partners (1994)	Multi-Asset
Putnam Investments (1937)	Equity
Royce Investment Partners (1972)	Equity
Western Asset (1971)	Fixed Income

1. AUM is in USD as of March 31, 2026. Total AUM of \$1.7tn includes \$87.8 Billion in cash management that is not represented here.

Franklin Income

Flexible approach to income and growth opportunities



Seeks to provide a consistent stream of attractive monthly income.



Flexible allocation in pursuit of best opportunities.



Broad diversification across multiple asset classes.



Seasoned management team.

Franklin Income SMA Overview



Investment approach

Broad Opportunity Set

Seek investment opportunities across a range of asset classes and security types:

Equities

- Common
- Preferred

Equity Linked Notes (ELNs)

Convertibles

Fixed Income

- Treasuries
- Securitized (MBS/ABS)
- Investment Grade Corporates
- High Yield Corporates
- Bank Loans

Blend asset allocation views with security selection

- Top-down insights inform the investment team's asset allocation views.
- Security selection is driven by rigorous bottom-up fundamental research.

Focus on income and Growth Potential

- Looks across the capital structure for securities that offer attractive current income and long-term capital appreciation potential.
- Focus on investment opportunities where our fundamental views may differ from the market consensus.

The Franklin Income SMA utilizes both individual securities and shares of completion portfolios (no-fee mutual funds) managed by Franklin SMA's affiliate, Franklin Advisers, Inc. These portfolios were created specifically for, and are made available exclusively through, Franklin Templeton Separately Managed Accounts.

The information provided is an example of some of the types of securities that may be considered but is not intended to be a complete list. For product-specific investment guidelines, please consult each portfolio's legal offering and/or other documents.

Why Franklin Income SMA?



Key differentiators

Consistent and attractive level of income

- Maximize income while maintaining prospects for capital appreciation.

Diversified Across Multiple Asset Classes

- Opportunity set includes equity, hybrid securities (convertibles and equity-linked notes), range of fixed income sectors, and limited derivatives.
- Allows portfolio managers to seek consistent income via multiple sources.
- Provides opportunities to reduce portfolio volatility.

Dynamic Asset Allocation

- Portfolio routinely monitored and adjusted to adapt to changing markets.
- Allows portfolio managers to refine portfolio to align with the its intended outcome.

Backed by an Experienced Management Team

- Portfolio management team, led by CIO Ed Perks, has over 65 years of combined experience.
- They are supported by research teams representing Franklin Equity Group, Franklin Templeton Fixed Income, and Franklin Templeton Investment Solutions.

Franklin Income SMA

Fundamental bottom-up issuer research



Companies that we favor typically show strength in the following characteristics:



Investment considerations in allocating across the capital structure



Franklin Income SMA portfolio composition



The strategy seeks both income and capital appreciation by investing in a combination of stocks, convertible securities, fixed income securities and shares of completion portfolios.

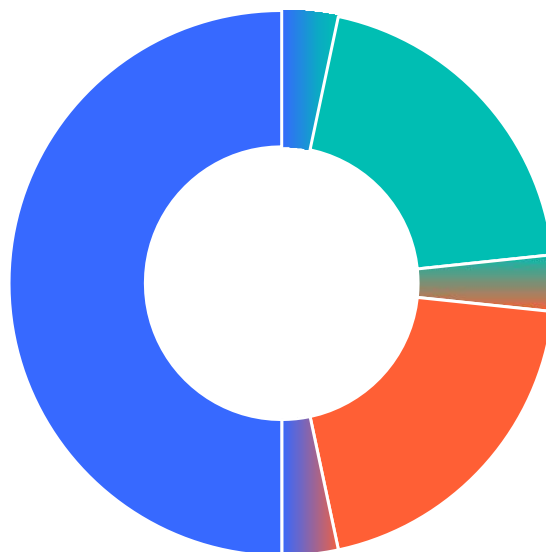
Franklin Income SMA Portfolio Structure

Individual securities and no-fee funds

Individual Securities

50–60% of the portfolio

- U.S. Treasuries
- Agency debentures
- Investment grade corporates
- Common stocks
- Preferred stocks
- American Depositary Receipts (ADR)



Equity & Hybrid Completion Portfolio

20–25% of the portfolio

- Common stocks
- Preferred stocks
- Equity-linked notes
- Convertibles
- Non-USD equities
- Equity derivatives (primarily options)

Fixed Income Completion Portfolio

20–25% of the portfolio

- High-yield corporates
- Floating-rate loans
- MBS/TBAs/ABS
- Non-USD Bonds
- Fixed-income derivatives (interest rate and credit)

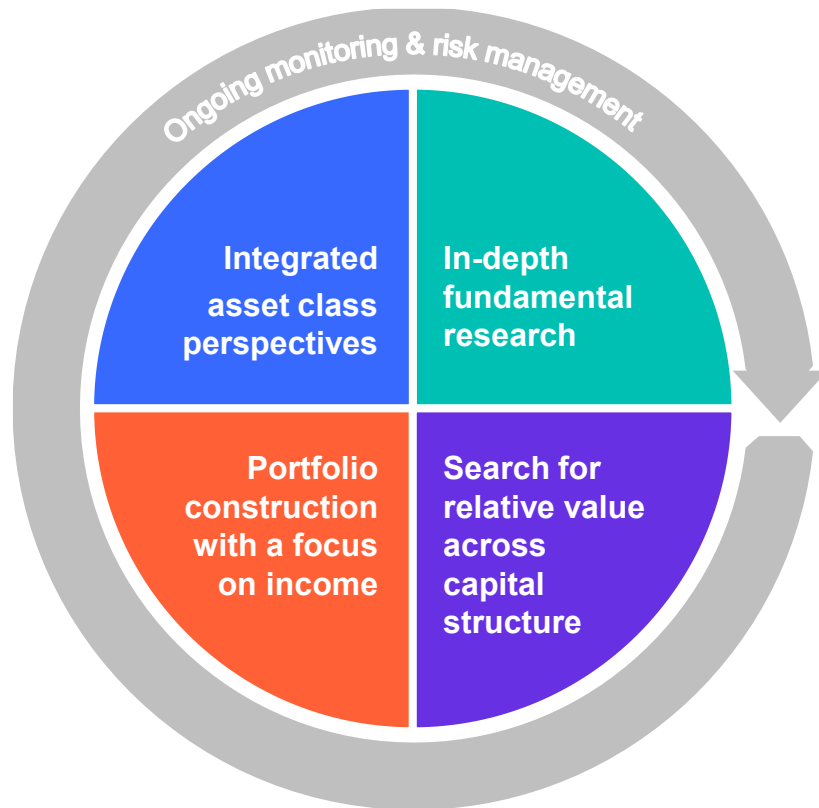
Diversification does not guarantee a profit or protect against a loss.

For illustrative purposes only. Allocations are subject to change.

The Franklin SMA Portfolio utilized both individual securities and shares of completion portfolios (no-fee mutual funds) managed by Franklin SMA's affiliate, Franklin Advisers, Inc. These portfolios were created specifically for, and are made available exclusively through, Franklin Templeton Separately Managed Accounts. The fund's prospectus describes the investment objective, strategies and risks of each completion portfolio and is available from your Franklin SMA Specialist and includes information on fund investment objectives, strategies and risks.

Franklin Income SMA investment process

Top-down perspective combined with fundamental research drives portfolio construction



Integrated asset class perspectives

- Proprietary macro, equity and fixed income research in combination with team discussion and debate lead to investment ideas for income and total return generation
- Process includes an evaluation of “market consensus” expectations vs. our fundamental view

In-depth fundamental research

- Thorough company analysis is conducted, with a focus on valuation, financial strength, market opportunity, competitive position, material ESG factors, and management experience

Search for relative value across capital structure

- Risk vs. reward scenarios are analyzed at the security level to determine the optimal opportunity for income and capital appreciation potential within the capital structure

Portfolio construction with a focus on income

- Portfolio managers leverage inputs from the research process to develop a portfolio that is diversified and carries an appropriate level of risk while seeking to maximize income consistent with the strategy’s objective

*The investment process may change over time. The characteristics set forth 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 investment objectives will be achieved.

Investment Risk Management



As stewards of our client’s capital, we are constantly searching for **greater transparency** into the drivers of investment risk in our strategies and assuring **alignment** with **investment team convictions** and **client expectations**.

Investment risk management at Franklin Templeton:

<ul style="list-style-type: none"> • Begins with the portfolio management team’s research process and the assessment of market and active risk • Is supported by integrated risk analytics for the portfolio management team’s use 	<ul style="list-style-type: none"> • Is strengthened by an independent team of risk specialists reporting to the CFO-independent of any portfolio management team • Serves multiple stakeholders including investors, portfolio managers, fund boards and regulators 	<ul style="list-style-type: none"> • Is powered by actionable insights from risk consultants and risk analysts located around the globe • Combines a mosaic of analytics, oversight protocols and collaborative consultation with portfolio managers
<p>Integrated</p>	<p>Independent</p>	<p>Insightful</p>

Because the Franklin Income SMA Portfolio includes shares of no-fee funds which may engage in a variety of investment strategies involving certain risks, the portfolio is subject to those same risks.

Management profile



Edward D. Perks, CFA

Chief Investment Officer, Franklin Income Investors
President, Franklin Advisers, Inc.
San Mateo, California, United States

Mr. Perks is president of Franklin Advisers, Inc. and chief investment officer of Franklin Income Investors. He also serves as lead portfolio manager of Franklin Income Fund and related portfolios, as well as Franklin Managed Income Fund. In addition, he is a member of the Franklin Templeton executive committee, a small group of the company's top leaders responsible for shaping the firm's overall strategy.

Mr. Perks joined Franklin Templeton in 1992. Prior to his current role, he served as the chief investment officer of Franklin Templeton Equity, with oversight of several Franklin Templeton equity teams. He has also served as chief investment officer of Franklin Equity Group, an evolution from his previous role as director of portfolio management. During his tenure with the firm, Mr. Perks experience has included equity, credit, and convertible securities research across a wide range of industries. He has also held lead portfolio manager roles for the Franklin Convertible Securities Fund and Franklin Equity Income Fund. He became portfolio manager of Franklin Income Fund in 2002 and Franklin Managed Income Fund in 2006.

Mr. Perks holds a bachelor of arts in economics and political science from Yale University. Mr. Perks also holds the Chartered Financial Analyst (CFA) designation.

Management profile



Brendan Circle, CFA

Senior Vice President

Portfolio Manager

San Mateo, California, United States

Brendan Circle is a senior vice president and portfolio manager for Franklin Income Investors.

Mr. Circle serves as a co-manager of Franklin Income Fund and related portfolios, as well as co-lead for Franklin Managed Income Fund.

Previously, Mr. Circle served as a research analyst for Franklin Templeton Fixed Income, focusing on high yield corporate bonds. Before joining Franklin Templeton in 2014, Mr. Circle worked as a senior portfolio management associate at PIMCO, specializing in Global Investment Grade Credit portfolio strategies.

Mr. Circle holds a bachelor of arts in economics from Princeton University and an MBA from the Booth School of Business at the University of Chicago. He also holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute and the CFA Society of San Francisco.

Management profile



Todd Brighton, CFA

Senior Vice President

Portfolio Manager

San Mateo, California, United States

Todd Brighton is a senior vice president and portfolio manager for Franklin Income Investors.

Mr. Brighton is a co-manager on a number of Franklin Templeton's income-oriented funds, including Franklin Income Fund and Franklin Income Focus ETF, INCM. Mr. Brighton is also the lead manager of one of the firm's first active equity ETFs, Franklin Income Equity Focus ETF, INCE.

Mr. Brighton joined Franklin Templeton in 2000. His previous responsibilities included the analysis of equity and equity-linked investments and the development of volatility-based strategies for the Franklin Equity Group. He began his career trading equities, equity derivatives, convertible securities and high yield bonds.

Mr. Brighton holds a bachelor of science degree in managerial economics from the University of California, Davis. He also holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute and the CFA Society of San Francisco.

What are the risks?



Franklin Income SMA

All investments involve risks, including possible loss of principal. The **allocation** of assets among different strategies, asset classes and investments may not prove beneficial or produce the desired results. **Fixed income securities** involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **Dividends** may fluctuate and are not guaranteed, and a company may reduce or eliminate its dividend at any time. **Equity securities** are subject to price fluctuation and possible loss of principal. Investments in **equity-linked notes** often have risks similar to their underlying securities, which could include management risk, market risk and, as applicable, foreign securities and currency risks. **Low-rated, high-yield bonds** are subject to greater price volatility, illiquidity and possibility of default. **Active management** does not ensure gains or protect against market declines. **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 **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.

Definitions

Index Definitions

The **Alerian MLP Index** is a composite of the 50 most prominent energy master limited partnerships (MLPs) and is calculated using a float-adjusted, capitalization-weighted methodology. Source: Alerian.

The **MSCI All Country World ex-US Growth Index** measures the performance of growth stocks in developed and emerging markets, excluding the US. 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.

The **MSCI All Country World Index** is a market capitalization-weighted index that is designed to measure equity market performance of developed and emerging markets. 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.

The **MSCI EAFE Index** is a free float-adjusted market capitalization-weighted index designed to measure developed market equity performance, excluding the U.S. and Canada. 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.

The **MSCI EAFE Growth Index** captures large- and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the U.S. and Canada. This report is not prepared or endorsed by MSCI.

The **MSCI Emerging Markets Index** captures large and mid cap representation across emerging markets. 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.

The **MSCI U.S.A. High Dividend Yield Index** is designed to reflect the performance of mid- and large-cap equities (excluding REITs) with higher dividend income, which is sustainable and persistent, than average dividend yields of securities in the MSCI USA Index. 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.

The **MSCI US REIT Index** is a free float-adjusted market capitalization weighted index that is comprised of equity Real Estate Investment Trusts (REITs). 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.

The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. Source: FTSE.

The **Russell 1000 Index** measures the performance of the large-cap segment of the U.S. equity universe. Source: FTSE.

The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. Source: FTSE.

The **Russell 2000 Growth Index** measures the performance of the small-cap growth segment of the U.S. equity universe. Source: FTSE.

The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe. Source: FTSE.

The **Russell 2000 Value Index** measures the performance of the small-cap value segment of the U.S. equity universe. Source: FTSE.

The **Russell 2500 Growth Index** measures the performance of those companies in the small/mid-cap Russell 2500 Index chosen for their growth orientation. Source: FTSE.

The **Russell 2500 Index** measures the performance of the small to midcap segment of the U.S. equity universe, commonly referred to as "SMID" cap. Source: FTSE.

The **Russell 2500 Value Index** measures the performance of U.S. companies in the small/mid-cap Russell 2500 Index chosen for their value orientation. Source: FTSE.

The **Russell 3000 Growth Index** measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. Source: FTSE.

The **Russell 3000 Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization. Source: FTSE.

The **Russell 3000 Value Index** measures the performance of the broad value segment of U.S. equity value universe. Source: FTSE.

The **Russell Microcap Index** measures the performance of the microcap segment of the U.S. equity market. Source: FTSE.

The **Russell Mid Cap Index** measures the performance of the mid-cap segment of the U.S. equity universe. Source: FTSE.

The **Russell Midcap Growth Index** measures the performance of the mid-cap growth segment of the U.S. equity universe. Source: FTSE.

The **S&P 500 Index** features 500 leading U.S. publicly traded companies, with a primary emphasis on market capitalization. Source: © S&P Dow Jones Indices LLC. All rights reserved.

The **S&P Global Infrastructure Index** includes listed infrastructure stocks from around the world across energy, transportation and utilities clusters. Source: © S&P Dow Jones Indices LLC. All rights reserved.

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

Definitions

Term definitions

Earnings before interest, taxes, depreciation and amortization (EBITDA) approximates a firm's operating cash flow by considering its earnings before interest, taxes, depreciation and amortization.

Free Cash Flow measures the cash remaining after accounting for a firm's cash expenditures to support its operations and maintain its capital assets.

Market Capitalization measures the number of outstanding common shares of a given corporation multiplied by the latest price per share.

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.

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.

The **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 the portfolio's historical adjusted performance.

Alpha is a measure of the difference between actual returns and expected performance, given the level of risk as measured by Beta, where **Beta** measures sensitivity to benchmark movements.

R-Squared measures the strength of the linear relationship between the portfolio and its benchmark. R-squared at 1.0 implies perfect linear relationship and zero implies no relationship exists.

Standard Deviation is based on quarterly data. Standard deviation is a measure of the variability of returns; the higher the standard deviation, the greater the range of performance (i.e., volatility).

The **Capture Ratios** measure a manager's composite performance relative to the benchmark, considering only those quarters that are either positive (Up) or negative (Down) for the benchmark.

An **Up Market Capture Ratio** greater than 1.0 indicates a manager who has outperformed the benchmark in the benchmark's positive quarters.

A **Down Market Capture Ratio** of less than 1.0 indicates a manager who has outperformed the relative benchmark in the benchmark's negative quarters.

Notes



FRANKLIN
TEMPLETON

Notes



FRANKLIN
TEMPLETON



This material is intended to be of general interest only and should not be construed as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy. It does not constitute legal or tax advice. This material may not be reproduced, distributed or published without prior written permission from Franklin Templeton.

The views expressed are those of the investment manager and the comments, opinions and analyses are rendered as at publication date and may change without notice. The underlying assumptions and these views are subject to change based on market and other conditions and may differ from other portfolio managers or of the firm as a whole. The information provided in this material is not intended as a complete analysis of every material fact regarding any country, region or market. There is no assurance that any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets will be realized.

Investments for the program(s) discussed herein are traded primarily in U.S. markets and unless otherwise noted, equity and fixed income investments for such program(s) are primarily of U.S. issuers. In addition, unless otherwise noted, indexes referred to herein represent groups of securities that are issued primarily by U.S. issuers.

IMPORTANT TAX INFORMATION:

Franklin Templeton, its affiliates, and its employees are not in the business of providing tax or legal advice to taxpayers. These materials and any tax-related statements are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties or complying with any applicable tax laws or regulations. Tax-related statements, if any, may have been written in connection with the “promotion or marketing” of the transaction(s) or matter(s) addressed by these materials, to the extent allowed by applicable law. Any such taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor.

Investments are not obligations of, and are not guaranteed by, FTPPG or any other Franklin Templeton affiliate or subsidiary; are not FDIC or government insured; and are subject to risks, including possible loss of the principal amount invested. Professional money management may not be suitable for all investors.

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.