

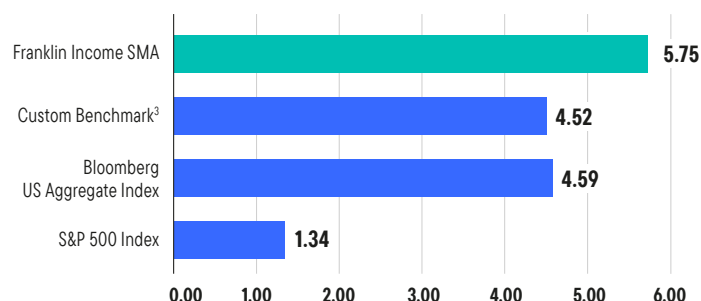
Franklin Income SMA

Flexible, diversified portfolio of equity, fixed income and hybrid securities focused on maximizing income while maintaining prospects for capital appreciation.

A Active level of income

Franklin Income SMA Yield vs. Yields Across Different Asset Classes^{1,2}

As of March 31, 2025



This chart is for illustrative purposes only. Past performance does not guarantee future results.

- The ability to make tactical shifts between stocks, hybrid and fixed income securities has the potential to provide compelling returns and above average income.
- An actively managed portfolio of diverse, income-generating securities can provide a solid, core position for retirement income needs or a great complement to traditionally allocated portfolios.


1. Sources: MSCI, S&P, Bloomberg, FactSet.


2. Portfolio Yield is a weighted average figure calculated using the following data points/methodology: **1. Common Stocks/Convertible Securities/Preferred Stocks:** Dividend Yield (annualizing the most recent or announced dividend); **2. Bonds:** If a bond is trading below par, utilize Yield-to-Worst (YTW). YTW is calculated based on assumptions that prepayment occurs if the bond has call or put provisions and the issuer can offer a lower coupon rate based on current market rates. If market rates are higher than the current yield of a bond, the YTW calculation will assume no prepayments are made, and YTW will equal the yield to maturity. The YTW will be the lowest of yield to maturity or yield to call (if the bond has prepayment provisions). If a bond is trading above par then utilize Current Yield (Bond Coupon divided by Bond Price); **3. SMACs:** Dividend Yield (annualizing the most recent dividend). This calculation does not include any capital gains distributions. Portfolio yield is not guaranteed and is subject to change.


3. Custom benchmark is composed of the Blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg High Yield Very Liquid Index + 25% Bloomberg US Aggregate Index.

B Flexible investment approach to income and growth opportunities

Franklin Income's approach is guided by three key tenets:

 **1 | Strive for competitive and consistent yields**

 **2 | Seek diversified sources of income⁴**

 **3 | Broad opportunity set**

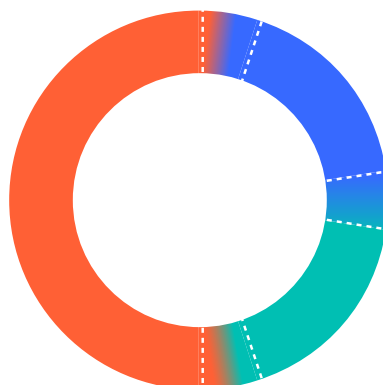
Franklin Income SMA Portfolio Structure

Individual securities and no-fee funds

Individual Securities

50%-60% of the portfolio

- US 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

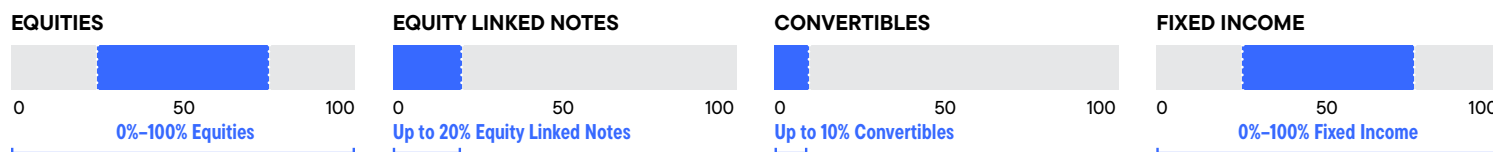
20%-25% of the portfolio

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

The Franklin Income SMA Portfolio 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 funds' prospectus is available from your Franklin SMA Specialist and includes information on fund investment objectives, strategies and risks.

C Dynamically managed⁵

While the SMA does not have formal asset allocation targets, exposures typically fall within the blue ranges shown below:



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

5. Allocations subject to change. All investments involve risk, including loss of principal, and there is no guarantee that investment objectives will be met.

Not FDIC Insured | No Bank Guarantee | May Lose Value

Managed by Franklin Income Investors

We take a flexible and diversified approach that adjusts to changing market conditions in the pursuit of income opportunities.

- A focus on delivering a consistent and attractive level of income.
- Actively managed portfolios diversified across equities, hybrid securities and fixed income.
- Proven experience managing multi-asset income strategies since 1948 and with more than \$92B* in assets under management.

*As of March 31, 2025.

Also available as:
Mutual Fund



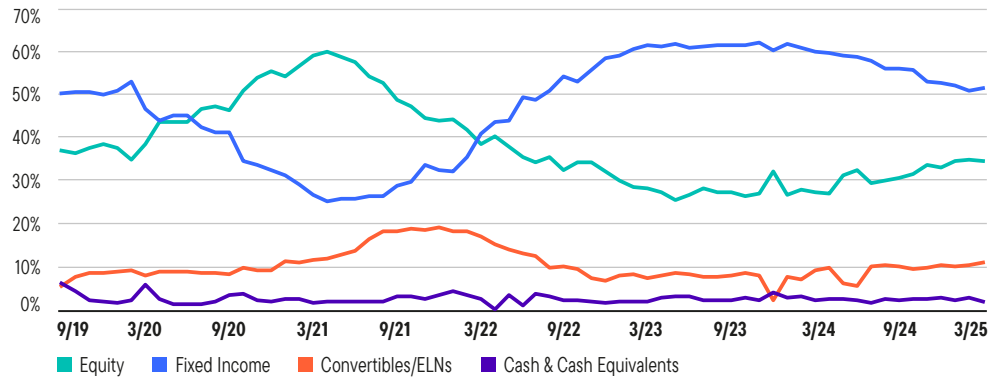
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D Key statistics

As of March 31, 2025

Dynamic Asset Allocation⁶



Average Annual Total Returns (%) (USD)

	1-Yr	3-Yr	5-Yr	Since Incep. (6/30/19)
Pure Gross of Fees	7.24	4.00	11.58	8.26
Net of Fees	4.13	0.97	8.35	5.11
Benchmark ³	7.08	4.78	8.35	5.68

Statistics⁴

Net Assets	\$1.38 Billion
Weighted Avg. Life	6.02 Years
Average Duration	4.36 Years
Number of Issuers	178
Distribution Frequency	Monthly

Top Ten Holdings Across Asset Classes (%)⁵

United States Treasury Note/Bond	6.76
Federal Home Loan Mortgage Corp.	3.60
Community Health Systems Inc.	2.43
Boeing Co.	2.20
Chevron Corp.	2.13
Exxon Mobil Corp.	2.11
Tenet Healthcare Corp.	2.05
JPMorgan Chase & Co.	2.01
CVS Health Corp.	1.93
Broadcom Inc.	1.86

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.

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 US 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" (3.0% is the maximum anticipated wrap fee for equity and balanced portfolios), 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.

6. Based on a representative account of the Franklin Income SMA Composite. Asset allocation, statistics and holdings of individual client portfolios in the program may differ, sometimes significantly, from those shown above. Assumes no client-imposed restrictions. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the sectors listed and should not be used as a sole basis to make any investment decisions.

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Risks: 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.

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