



A smarter approach to US equity investing

Franklin US Equity Index



It is not possible to invest directly in an index

Not FDIC Insured | No Bank Guarantee | May Lose Value

What is the Franklin US Equity Index?

Developed by the quantitative investment experts at Franklin Templeton, the Franklin US Equity Index is a rules-based quantitative index that invests in high-quality US large-cap stocks. With a targeted approach that seeks to deliver strong risk-adjusted returns while limiting downside exposure, it helps provide the confidence to stay invested in the US stock market and harness its full long-term growth potential.



The index's design provides exposure to three powerful benefits:



Smarter approach

The index targets the factors our proprietary research has shown to be the most reliable indicators of a stock's future performance and uses them to select attractively valued stocks poised for strong performance.



Downside mitigation

After a loss, it takes a greater gain to fully recover. Because the index seeks to minimize losses in times of market volatility, it is better positioned to provide higher total returns as market conditions stabilize.



Consistent returns

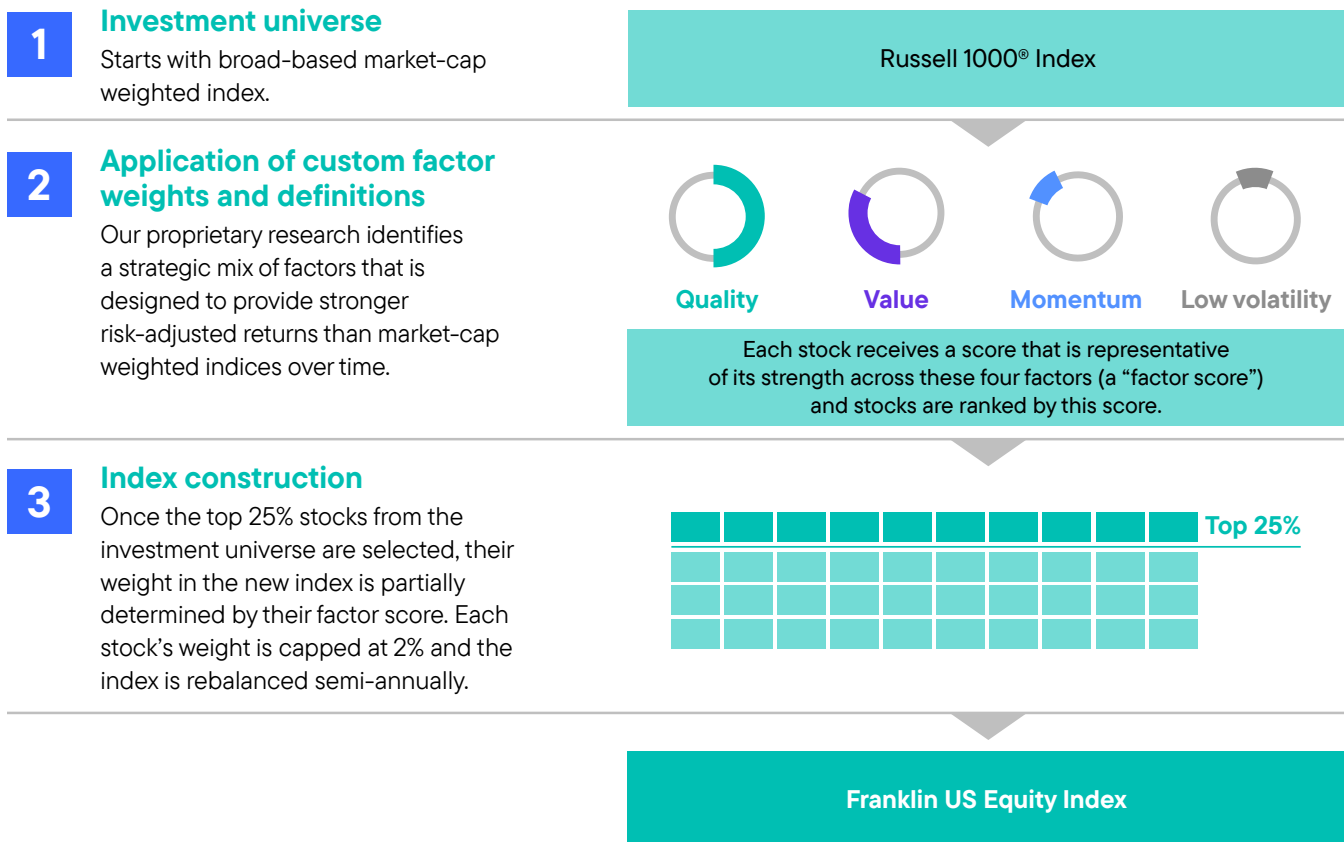
Designed to minimize drawdowns and lower overall volatility, the index positions investors to pursue long-term growth and have the confidence to stay invested for the future.



Smarter approach

Investing in the US stock market is one of the most effective ways to save for the future. Many strategies follow traditional market-cap-weighted indices that offer a market snapshot. But is casting a wide net the smartest way to invest?

The Franklin US Equity Index was designed to outpace traditional indices. It selects only the highest-quality US large-cap stocks, based on factors that our proprietary research has determined to be the most reliable indicators of future performance. The index can also periodically add or remove a stock, so it can better navigate evolving markets.



What is a factor?

Think of a factor as a DNA marker of an investment that causes it to respond to certain events, driving it to behave the way it does over time.

For illustrative and discussion purposes only. It is not possible to invest directly in an index.



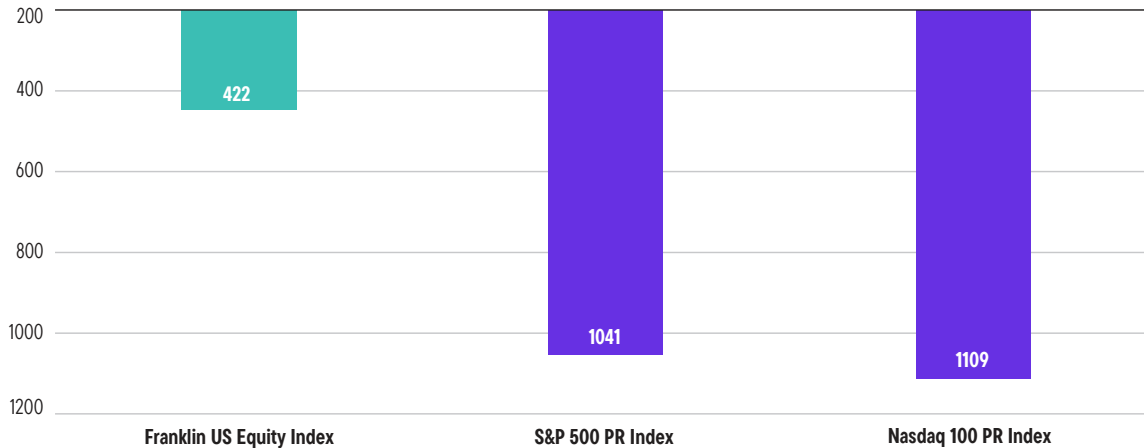
Downside mitigation

After a loss, it takes a greater gain to fully recover, so it's crucial to minimize losses in the first place. That's why the Franklin US Equity Index aims to provide strong downside mitigation in times of market volatility. It's a strategy with proven results.

Better downside mitigation

Backtested rolling daily 1 year losses greater than -10%¹

June 30, 1998 to December 31, 2024

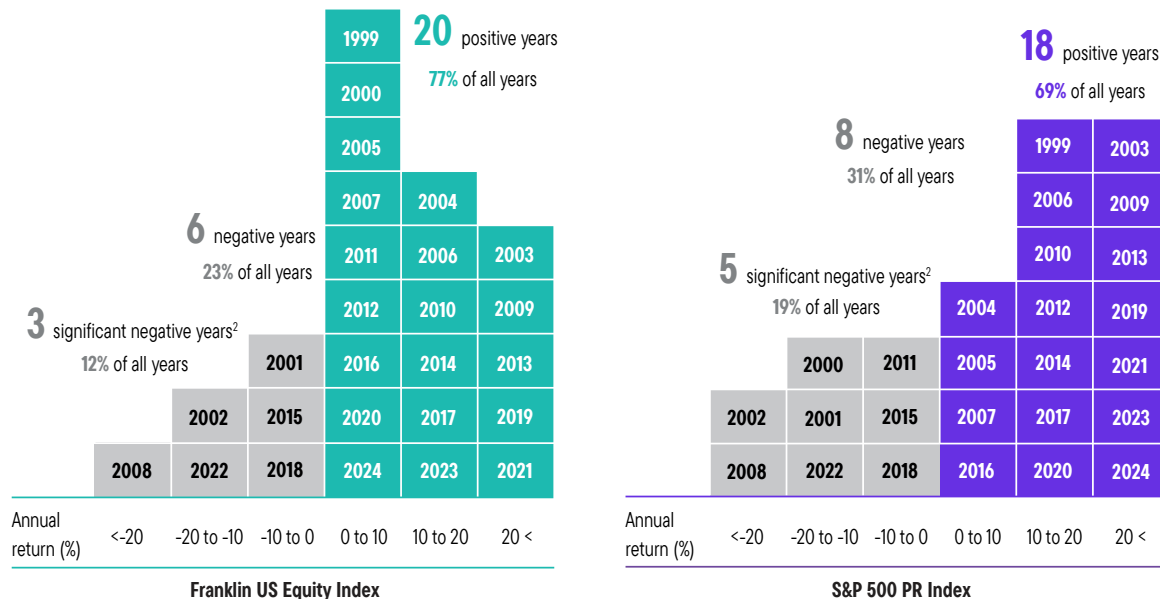


The Franklin US Equity Index has **half as many daily 1-year losses** as traditional indices.

Less downside means more upside

Backtested annual dispersion of returns

January 1, 1999 to December 31, 2024



The Franklin US Equity Index also has **fewer down years** and **more positive years** than the S&P 500.

1. Backtested rolling daily 1-year returns of Franklin US Equity Index vs. S&P 500 PR Index and Nasdaq 100 PR Index.

2. Significant negative years defined as performance less than -10%

Source: Bloomberg. The Franklin US Equity Index is a price return index. All information for the index prior to its launch date is backtested, based on the methodology that was in effect on the **launch date of December 16, 2016**. Backtested performance, which is subject to inherent limitations because it reflects application of an index methodology and selection of index constituents in hindsight. No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, backtested returns. The performance data does not reflect the deduction of any fees/charges and assumes reinvestment of interest or dividends. **Past performance information is not indicative or a guarantee of future results.**



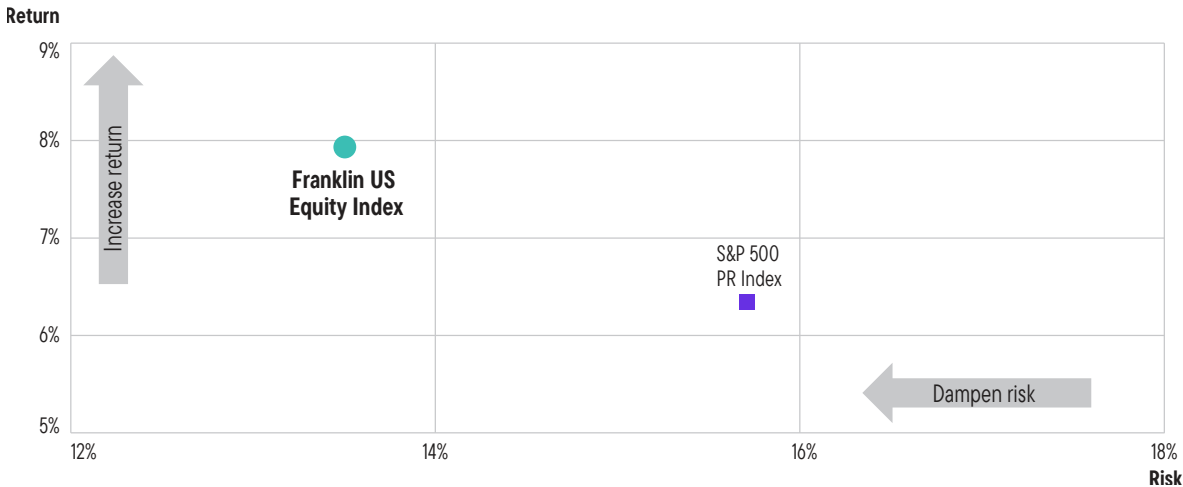
Consistent returns

The quest for lower risk can often come at the expense of returns. But the Franklin US Equity Index aims to achieve both—maximizing gains while minimizing volatility. For more than 20 years, we've captured a better risk-return balance than the S&P 500.

Maximized gains, minimized volatility

Backtested risk/return profile

June 30, 1998 to December 31, 2024

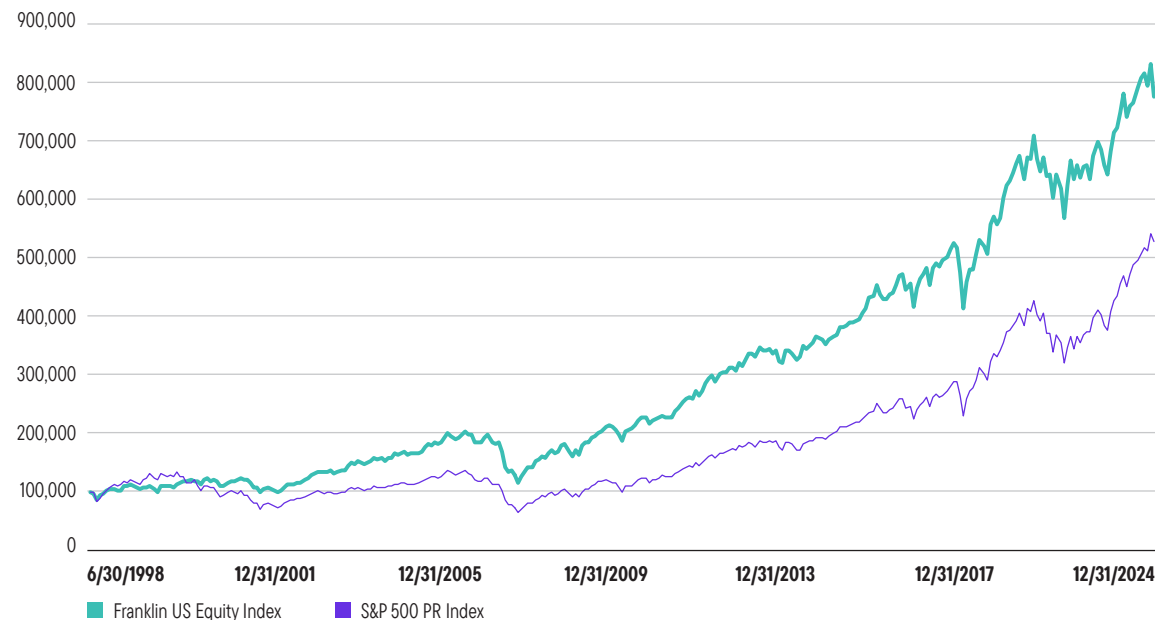


Compared with the S&P 500, the Franklin US Equity Index has captured **124% of returns** with **only 85% of the volatility** since 1998.

Higher quality means higher performance

Backtested cumulative performance

June 30, 1998 to December 31, 2024



With its consistent returns and downside mitigation, the Franklin US Equity Index positions investors to pursue long-term growth. It's a smarter approach that provides the confidence to stay invested in the US stock market and save for the future.

As of December 31, 2024.

Source: Bloomberg. The Franklin US Equity Index is a price return index. All information for the index prior to its launch date is backtested, based on the methodology that was in effect on the **launch date of December 16, 2016**. Backtested performance, which is subject to inherent limitations because it reflects application of an index methodology and selection of index constituents in hindsight. No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, backtested returns. The performance data does not reflect the deduction of any fees/charges and assumes reinvestment of interest or dividends. **Past performance information is not indicative or a guarantee of future results.**



FRANKLIN
TEMPLETON

For more information about the Franklin US Equity Index:



(800) DIAL BEN/342-5236



www.franklinusequityindex.com

IMPORTANT INFORMATION

It is not possible to invest directly in an index. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. Inclusion of a security within an index is not a recommendation by Franklin or FTSE Russell to buy, sell, or hold such security.

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. Individuals seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

The Franklin US Equity Index (the "Index"), is calculated and maintained by FTSE Russell which aims to reflect the performance of a Franklin Templeton strategy. The Index is licensed for use by life insurance and annuity carriers ("Carriers"). Such Carriers' annuity products are not in any way sponsored, endorsed, sold or promoted by Franklin Templeton, Russell or the London Stock Exchange Group companies ("LSEG") (together the "Licensor Parties") and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of an Index (upon which a Carrier's annuity products are based), (ii) the figure at which an Index is said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of an Index for the purpose to which it is being put in connection with a Carrier's annuity product. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to an Index to any Carrier or to its clients. Each Index is calculated by Russell or its agent. None of the Licensor Parties shall be (a) liable (whether in negligence or otherwise) to any person for any error in an Index or (b) under any obligation to advise any person of any error therein. Franklin Templeton®, Franklin®, Franklin US Equity Index and the corresponding logos are trademarks of Franklin Templeton. Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

Fixed indexed annuities are insurance contracts, not registered securities or stock market investments. Fixed indexed annuities are not invested in the Index itself, but rather interest is credited based on the performance of the Index and the rules prescribed in the insurers index crediting strategy. Fixed indexed annuities are not issued by Franklin.

This information should not be relied upon as investment advice, research, or a recommendation by Franklin regarding (i) any products tied to the Index, (ii) the use or suitability of the Index, or (iii) any security in particular.

This material is strictly for illustrative and educational purposes and should not be construed as a recommendation to purchase or sell, or an offer to sell or a solicitation of an offer to buy any product or security or to use any index. There is no guarantee that any strategies utilizing the Index will be effective or successful. Multi-asset indices and diversification do not promise any level of performance, success, or guarantee against loss of principal. Any data for the period prior to index inception consists of pre-inception data calculated by retroactively applying the Index methodology. Simulated returns and pre-inception data are hypothetical and included for illustrative purposes only. Performance based on hypothetical returns prior to index inception and actual returns thereafter.

The Index is a price return index.

Backtesting and other statistical analysis material that is provided in connection with the Index use simulated analysis and hypothetical circumstances to estimate how it may have performed prior to its actual existence. The results obtained from "backtesting" information should not be considered indicative of the actual results that might be obtained from an investment or participation in a financial instrument or transaction referencing the Index. Neither Franklin nor FTSE Russell provide assurance or guarantee that the products linked to the Index will operate or would have operated in the past in a manner consistent with these materials. The hypothetical historical levels have inherent limitations. Alternative simulations, techniques, modeling or assumptions might produce significantly different results and prove to be more appropriate. Actual results will vary, perhaps materially, from the simulated returns presented in this document.

The hypothetical performance information presented herein does not reflect the results of actual trading and calculation of the Index levels and performance do not reflect the fees and expenses that an investor would pay. These fees and expenses would cause the actual and backtested performance of the Index to be lower. For example, if an investor invested \$100,000 in an investment product that returned 10% (\$10,000 in gains) over a 12-month period and was charged an asset-based fee of 1.5% at the end of the period on the investment plus gains (a \$1,650 fee), the investor's net return would be 8.35% (\$8,350). Over three years, an annual 1.5% fee taken at the end of each year with the same assumed 10% return per year would result in a cumulative gross return of 33.10% but a net return (after \$5,375 in fees) of 27.2%.

WHAT ARE THE RISKS?

Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. During times of extreme market volatility, the Index will not be able to eliminate market losses or capture all market gains.