FRANKLIN TEMPLETON

Franklin Core Plus SMA

Separately Managed Accounts Factsheet | as of March 31, 2026

Investment overview

The Franklin Core Plus SMA seeks to provide a high level of current income by investing in investment grade securities across fixed income sectors. Its secondary goal is capital appreciation over the long term.

Investment objective

Diversified, Active, Risk Focused

- Diversified exposure to core fixed income markets
- Actively managed with out of benchmark allocation for increased return potential
- Differentiated portfolio construction that seeks to deliver a consistent range of outcomes

Investment universe

Diversified allocation includes out of benchmark sectors such as high yield corporate credit, securitized credit, and emerging market debt

- Duration: Flexible but constrained relative to the BBG US Aggregate Bond Index
- Credit quality: Primarily investment grade
- Primary allocation: U.S. Treasuries, Agency MBS, Investment Grade Corporate Credit

Management adds value through:

- Sector rotation
- Security selection
- Yield curve and duration positioning
- Relative Value and basis trades

Investment management team

Patrick A. Klein, CFA
Portfolio Manager
Industry since 2006

Marc Kremer, CFA
Portfolio Manager
Industry since 1988

Jacob K. Chu
Portfolio Manager
Industry since 1996

Albert W Chan, CFA
Portfolio Manager
Industry since 2003

Tina Chou, CFA
Portfolio Manager
Industry since 2003

For investors subject to the alternative minimum tax, a portion of interest income may be taxable. Capital gains are generally taxable. For investors subject to the alternative minimum tax, a portion of interest income may be taxable. Capital gains are generally taxable.

Investment process

A repeatable investment process designed to take advantage of multidisciplinary collaboration to pursue consistent outcomes

Fundamental research

- Macro views set the backdrop for forecasting sector performance
- Sector teams forecast sector performance based on rigorous fundamental-based analysis
- Reconciliation between macro views, fundamental views, and cross sector considerations to arrive at high conviction spread forecasts across all sectors

Risk management

- Monitor variety of risk metrics, including: duration times spread (DTS), contribution to duration (CTD), and portfolio volatility, not solely tracking error
- View security selection through a spread volatility lens
- Stress test portfolios to mitigate downside risks

Portfolio construction

- Employ active management approach focused on exploiting market inefficiencies to generate outperformance
- Custom risk sectors add granularity of risk allocation and risk controls
- Combine best ideas to build a portfolio that utilizes embedded constraints aimed to provide consistent performance

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 March 31, 2026

Characteristics

	Portfolio
Effective Duration	5.96 Years
Average Weighted Maturity	7.58 Years
Yield to Maturity	5.84%
Yield to Worst	5.80%
Weighted Average Coupon	4.07%
Weighted Average Price	104.44

Sector Weightings (%)

	Portfolio
MBS Passthrough	29.07
Industrial	28.61
Treasury	22.24
Financial Institutions	10.32
Exchange Traded	9.01
Utility	5.51
OTC	4.87
Commercial Mortgage Backed Securities	1.81
Agency	0.08
Collateralized Mortgage Obligation	1.24
Cash & Cash Equivalents	1.17

Credit Quality (%)

	Portfolio
AAA	2.83
AA	53.10
A	13.54
BBB	20.68
BB	8.90
B	5.72
NR	0.10
Not Applicable	18.02

Average Maturity (%)

	Portfolio
0 to 1 Year	7.43
1 to 2 Years	6.45
2 to 3 Years	10.63
3 to 5 Years	39.63
5 to 7 Years	10.29
7 to 10 Years	24.78
10 to 15 Years	0.78
15 to 20 Years	6.01
20 to 30 Years	7.83
30+ Years	0.00

Average Coupon, Current Yield, Yield to Maturity, and Yield to Worst are calculated without the deduction of fees and expenses.

‡ 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.

Yield figures quoted should not be used as an indication of the income that has or will be received. Yield figures are based on the portfolio's underlying holdings and do not represent a payout of the portfolio. Past performance is not an indicator or a guarantee of future performance.

Credit Quality is a measure of a bond issuer's ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security's rating as provided by S&P Global Ratings, Moody's Investors Service and/or Fitch Ratings, Inc. and typically range from AAA (highest) to D (lowest), or an equivalent and/or similar rating. For this purpose, if two or more of the agencies have assigned differing ratings to a security, the highest rating is used. Securities that are unrated by all three agencies are reflected as such. The credit quality of the investments in the portfolio does not apply to the stability or safety of the portfolio. The methodology used for the calculation of credit quality ratings displayed may differ from the methodology for monitoring investment limits, if applicable. **Please note, the portfolio itself has not been rated by an independent rating agency**.

Performance

Annualized Rates of Return – Pure Gross and Net of Fees (%) as of March 31, 2026 – PRELIMINARY – (Inception date: 7/31/2025)

	YTD*	1 Mth*	3 Mths*	Since Incept
Franklin Core Plus SMA–Pure Gross of Fees—(USD)	**-0.07**	**-1.48**	**-0.07**	**3.31**
Franklin Core Plus SMA–Net of Fees—(USD)	**-0.44**	**-1.61**	**-0.44**	**2.17**
Bloomberg U.S. Aggregate Index—(USD)	-0.05	-1.76	-0.05	3.10

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” (1.5% 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.

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 Templeton 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.**

Due to the integration of GIPS firms, predecessor firms may have a different claim of compliance date. Performance presented prior to January 1, 2004, is not in compliance.

[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” (1.5% is the maximum anticipated wrap fee for fixed income 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.

Terms and definitions:

Weighted Average Life: An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings.

Effective Duration is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change.

Duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes.

Yield to worst (YTW) is based on a portfolio's current holdings on one specific day, is gross of all portfolio expenses, and is calculated based on assumptions that prepayment occurs if the bond has called 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). The YTW of a bond portfolio is the market-weighted average of the YTWs of all the bonds in the portfolio.

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.

The **Bloomberg US Aggregate Index** is comprised of investment-grade, U.S. dollar-denominated government, corporate, and mortgage- and asset-backed issues having at least one year to maturity.

What are the risks?

All investments involve risks, including possible loss of principal. 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. **Changes in the credit rating** of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. **Low-rated, high-yield bonds** are subject to greater price volatility, illiquidity and possibility of default. **Floating-rate loans and debt securities** are typically rated below investment grade and are subject to greater risk of default, which could result in loss of principal. **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. Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large 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.

Important Information

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.

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