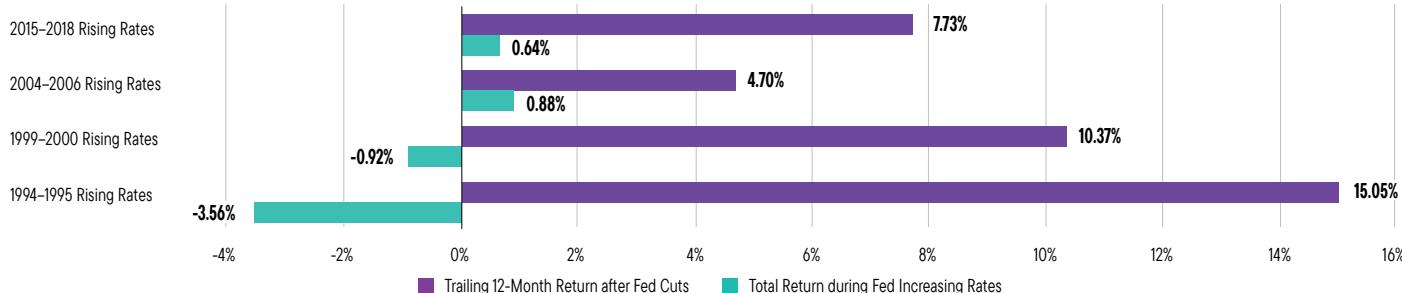


Franklin Municipal Ladders

Franklin Municipal Bond Ladders seek to deliver tax-free income opportunities while preserving capital and reducing interest rate risk.

A Municipal bond performance following a rate hiking cycle

Total Return in Munis during Federal Reserve (Fed) Rate Increases & Decreases¹



- Historically, the municipal bond market has enjoyed a robust trailing 12-month return after the Fed has cut interest rates.

Past performance is not an indicator or a guarantee of future performance. Rising Rate Cycle constitutes a start date of the first Federal Reserve Rate increase until the date of the final Federal Reserve Rate Increase. The rate increases listed are all the periods of rate increases until the most recent period from 2022–present.

1. Source: Bloomberg, 9/30/25.

B Full range of customizable laddered strategies

	1–3-Year SMA	1–7-Year SMA	1–15-Year SMA	5–20-Year SMA
AMT Exposure	Excluded	Excluded	Excluded	Excluded
Credit Quality	Minimum credit rating of A–			
Coupon Income	Choice to reinvest coupon income or receive cash	Choice to reinvest coupon income or receive cash	Choice to reinvest coupon income or receive cash	Choice to reinvest coupon income or receive cash
State Availability²	National, 20 state-specific portfolios; 6 state preference			
Number of Bonds³	Minimum 4 bonds every rung Minimum 14 positions	Minimum 2 bonds every rung Minimum 14 positions	Minimum 1 bond every rung Minimum 15 positions	Minimum 1 bond every rung Minimum 16 positions
Benchmark	Bloomberg Municipal 1–3-Year Index	Bloomberg Municipal 1–5-Year Blend	Bloomberg Municipal 1–15-Year Index	Bloomberg Municipal Bond Index

2. State-specific mandates include Arizona, California, Colorado, Connecticut, Florida, Louisiana, Massachusetts, Maryland, Michigan, Missouri, Minnesota, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Texas, Utah and Virginia. State-preference mandates include Alabama, Georgia, Hawaii, Indiana, Kentucky and South Carolina. Certain state-specific portfolios may not be available in all programs.

Additional state-specific portfolios may be available upon request and are subject to review. Strategy availability may vary by firm. For those strategies available at your firm, please contact your home office for details.

3. The number of bonds in a portfolio may vary by the timing of purchases and sales, changes in the purchase and sell list, general market conditions, and factors specific to each existing account due to client considerations. A concentration in a small number of holdings may increase risk exposure. Any decline in value of an individual bond may have a material impact on the account value.

C Portfolio characteristics

	Average Duration (Years)	Average Weighted Maturity (Years)	Average Coupon (%)	Yield to Worst (%)	Yield to Maturity (%)	Average Price
Franklin Municipal Ladder 1–3-Year SMA	1.62	1.71	5.00	2.41	2.41	\$104.29
Franklin Municipal Ladder 1–7-Year SMA	3.37	3.78	5.00	2.50	2.50	\$108.56
Franklin Municipal Ladder 1–15-Year SMA	5.61	7.60	4.94	2.95	3.09	\$109.52
Franklin Municipal Ladder 5–20-Year SMA	8.02	12.10	4.79	3.46	3.68	\$108.26

Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change. 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. Average coupon, yield to worst and yield to maturity are calculated without the deduction of fees and expenses.

Franklin Templeton Fixed Income

Pursing alpha from every angle

As active managers, we believe the best way to pursue alpha is by integrating three areas of expertise into our portfolios: top-down macroeconomic analysis, robust bottom-up fundamental sector analysis and quantitative science. We also believe risk should be optimized, not minimized.

Collaborative, specialized team with a focus on risk management

Our team of 190+ investment professionals are located in 20 markets. Our global presence helps us to connect deeply-rooted localized knowledge in providing global expertise to manage \$240 billion in assets.

Strategies that address numerous client needs

We offer investors a wide range of fixed income strategies spanning all major sectors and covering benchmark-aware and unconstrained portfolios, that seek to meet a diverse set of client needs.



Find out more at
www.franklintempleton.com

4. 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.

5. Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations ('NRSRO'), such as Standard & Poor's, Moody's and Fitch. The ratings are an indication of an issuer's credit worthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from all three agencies are available, the middle rating is used; when two are available, the lowest rating is used; and when only one is available, that rating is used. Foreign government bonds without a specific rating are assigned the country rating provided by an NRSRO, if available. The Not Rated category consists of ratable securities that have not been rated by an NRSRO. The Not Applicable category consists of nonratable securities (e.g., equities). Cash includes equivalents, which may be rated.

D Key statistics

Pricing Difference: Client vs. Institutional

Same Muni Bond, Same Day

Purchaser	Client	Institutional
Volume (in thousands)	30	6,000
Price	117.349	114.571
Markup	2.200	0.096
Yield	2.08%	2.36%

Trade date: 9/18/19. Ref CUSIP: 13063DRA8. Source: Bloomberg.

Credit Quality Allocation^{4,5} (%)

	1-3-Yr	1-7-Yr	1-15-Yr	5-20-Yr
AAA	70.24	43.18	43.54	38.38
AA	29.76	56.82	56.46	61.62

Average Annual Total Returns (%) (USD)

	3-Mth*	YTD*	1-Yr	3-Yr	5-Yr	Since Inception	Inception Date
Municipal Ladder 1-3-Year SMA – Pure Gross	0.99	2.75	2.71	—	—	2.78	12/31/2022
Municipal Ladder 1-3-Year SMA – Net	0.61	1.61	1.19	—	—	1.26	12/31/2022
Bloomberg Municipal 1-3-Year Index	1.18	3.14	3.08	3.52	—	3.28	—
Municipal Ladder 1-7-Year SMA – Pure Gross	1.73	3.62	2.91	3.54	0.87	1.22	12/31/2019
Municipal Ladder 1-7-Year SMA – Net	1.36	2.47	1.39	2.01	-0.62	-0.27	12/31/2019
Bloomberg Municipal 1-5-Year Blend	1.69	3.84	3.27	3.90	1.30	1.60	—
Municipal Ladder 1-15-Year SMA – Pure Gross	2.29	3.35	2.20	4.02	0.79	1.34	12/31/2019
Municipal Ladder 1-15-Year SMA – Net	1.91	2.21	0.69	2.48	-0.70	-0.16	12/31/2019
Bloomberg Municipal 1-15-Year Index	2.59	3.71	2.61	4.49	1.15	1.58	—
Municipal Ladder 5-20-Year SMA – Pure Gross	2.83	2.35	0.89	4.38	-0.11	0.75	12/31/2019
Municipal Ladder 5-20-Year SMA – Net	2.45	1.22	-0.60	2.84	-1.59	-0.74	12/31/2019
Bloomberg Municipal Bond Index	3.00	2.64	1.39	4.74	0.86	1.32	—

*Cumulative total returns.

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 ("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.

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.

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. **Liquidity risk** exists when securities or other investments become more difficult to sell, or are unable to be sold, at the price at which they have been valued. **Active management** does not ensure gains or protect against market declines. Portfolios focused on a **single state** are subject to greater risk of adverse economic and regulatory changes than a geographically diversified portfolio.

Sector Allocation⁴ (%)

	1-3-Yr	1-7-Yr	1-15-Yr	5-20-Yr
Local General Obligation	38.68	34.11	43.39	33.72
Utilities	18.13	6.78	19.14	12.04
State General Obligation	27.42	22.73	25.89	25.72
Special Tax	—	3.47	2.36	—
Lease	—	22.49	6.89	14.33
Education	7.78	2.05	—	8.36
Transportation	7.99	7.37	2.33	5.83