



Nimble where it matters | Unparalleled in our ability to customize | Guided by long-term value creation

# Canvas Managed Options

**Managed Call Selling  
Stocks and Exchange Traded Funds**

Not FDIC Insured | May Lose Value | No Bank Guarantee

For our clients, we are:



**At-a-glance**



1. AUM is in USD as of 30 September 2025. Total AUM of \$1.6tn includes \$78.5 Billion in cash management that is not represented here.

# Investment specialization across public and private markets



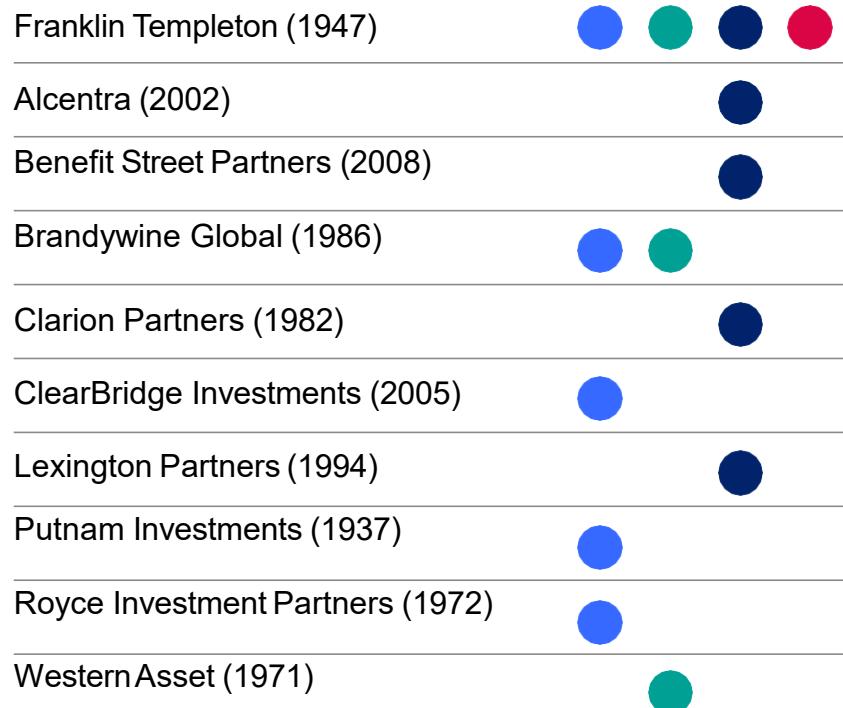
## Our Investment Capabilities (USD Billion)



## Complemented by innovations in

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

## Our Investment Managers Asset Classes



# Canvas Managed Options



# Canvas Managed Options

## Meet the team



### **Brad Berggren**

Co-Chief Investment Officer  
Portfolio Manager  
Canvas Managed Options

Brad joined Franklin Templeton in May of 2023 as part of its acquisition of volScout, LLC where he served as a Co-Founder and Managing Partner. Previously, he was a Managing Director of Alaia Capital/m+ funds (acquired by Axio Financial/iCapital) and a Managing Partner of Finance IQ.

From 2002-2016, Brad was the Founder, CEO and CIO of Parametric Risk Advisors (and its predecessor company, Managed Risk Advisors, which was acquired by Parametric and Eaton Vance ), an investment management business that specializes in separate account management of options-based strategies and development of investment strategies/products for prominent tax- exempt institutions and ultra-high net worth families.

Prior to founding Managed Risk Advisors, Brad was a founding member, Managing Director and COO of Bank of America's Equity Financial Products business which oversaw listed and OTC equity derivatives and convertible bond origination and trading.

Brad holds a Bachelor of Arts in History and Political Science from the University of Vermont.



### **Jonathan Orseck**

Co-Chief Investment Officer  
Portfolio Manager  
Canvas Managed Options

Jon joined Franklin Templeton in May of 2023 as part of its acquisition of volScout, LLC where he served as a Co-Founder and Managing Partner.

Jon was a partner and COO of Parametric Risk Advisors (and its predecessor company which was acquired by Parametric/Eaton Vance) from 2006 through 2020. From 2016 through 2020, Jon led the division and led Portfolio Management and Trading for Parametric's liquid alternative strategies. Prior to Parametric, Jon held senior roles in derivatives at Bank of America in NYC, Morgan Stanley, Royal Bank of Canada and Kidder Peabody.

Jon graduated from the University of Pennsylvania with a B.S. in Computer Science and earned a Masters in Business Administration from New York University Stern School of Business.

# Canvas Managed Options

## Meet the team



### **Roger Weber**

Chief Technology Officer  
Canvas Managed Options

Roger was the CTO of Parametric Risk Advisors from 2007 through 2018. Roger developed the market-leading technology platform used to manage derivative based SMAs and funds. Prior to joining Parametric, Roger was an Engineering Manager with BEA (acquired by Oracle) on the award-winning WebLogic Workshop product line.

Roger earned a B.S. in Computer Science from DeVry Institute.



### **Will Bergen**

VP, Client Portfolio Manager  
Canvas Managed Options

Will worked for Parametric from 2015-2021 where he was a member of the Portfolio Management team responsible for the firm's option overlay strategies. In that role, Will supported the team's sales, marketing, and operational efforts. More recently, Will held a role with the financial technology firm Mirador in their management consulting group. Will previously worked in the Investment Bank at the Royal Bank of Scotland and for a consulting division of Aon Hewitt.

Will graduated from Gettysburg College with a B.A. in Political Science.



### **Jake Kelly**

Head Trader  
Canvas Managed Options

Jake joined Canvas Managed Options in 2024. He oversees trading and operations for the firm's suite of option overlay strategies. Prior to joining Franklin, Jake was a trader for Cardinal Capital Management where he traded small and mid-cap equities. Jake previously worked for Bourgeon Capital Management and Bank of America, in similar capacities. Jake also served in the United States Marine Corps prior to pursuing his degree.

Jake graduated from the University of Connecticut with a B.S. in Financial Management.

# What is a Call Option?



# What is a Call Option?

## Call Option Definition

### Call option

Gives the buyer the right, but not the obligation, to **buy** the underlying stock or ETF<sup>1</sup> (the “Security”) on, or in some cases before<sup>2</sup>, a pre-determined date (the “expiration date”) for a pre-determined price (the “strike price”).

An investor in the Canvas Managed Options strategy will be a "Seller" of options.

### Call Option

| Buyer / Seller | Maximum potential gain   | Maximum potential loss |
|----------------|--------------------------|------------------------|
| Buyer          | Unlimited                | Upfront premium paid   |
| Seller         | Upfront premium received | Unlimited              |

**The maximum potential gain vs. maximum potential loss illustrates the asymmetric payoff profile of options**

The strategy consists of the selling and buying to close multiple call options and may not hold short call options to expiry. In such cases the investor's outcome may differ from the illustration on the following page and cash may be required to repurchase options either for a gain or a loss.

1. In the case of a cash settled index call option, the buyer is entitled to the positive value, if any, of the underlying index price minus the strike price.

2. Equity and ETF options are typically American style, meaning they can be exercised at Any time during the term of the option. Index options are typically European style, meaning they can only be exercise at Expiry of the option.

# What is a Covered Call Option?

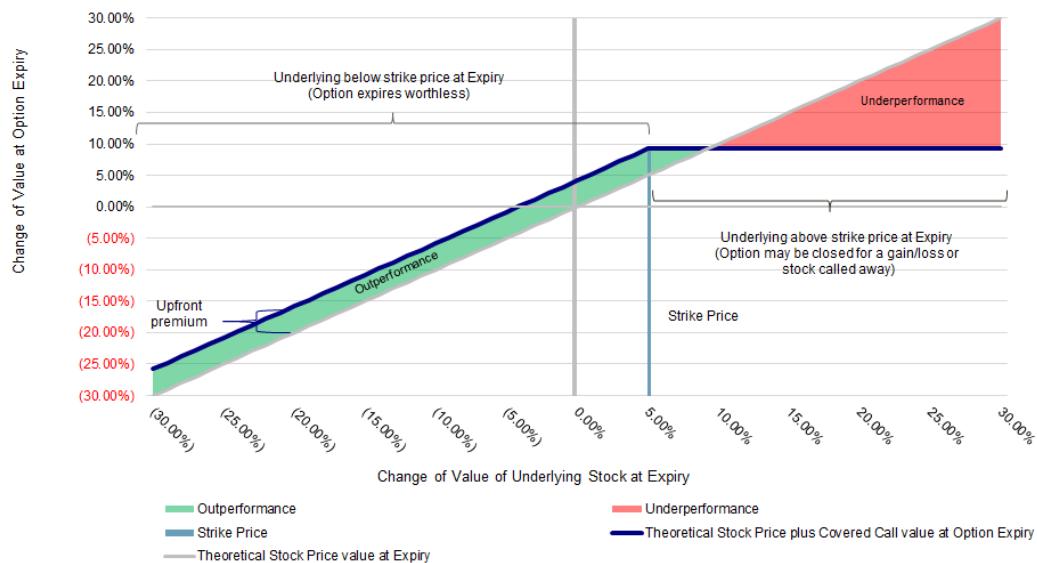
## Covered Call Definition



### Covered call

When an investor sells a call option on an underlying Security they already own, it is described as “covered”.

Theoretical Stock Price plus Covered Call value at Option Expiry



Source: Canvas Managed Options (1/1/26)

*This is a conceptual illustration of an unmanaged single trade held to maturity for educational purposes only.*

### Theoretical Call Option

Underlying stock: XYZ Stock  
Option Term: 3 Month  
Option Strike Price: 105.00%  
Option Premium %: 4.200%

### Call Option Outcomes At Expiry

|                            | Option Not Exercised | Option Is Exercised |
|----------------------------|----------------------|---------------------|
| Underlying Price at Expiry |                      |                     |
| Buyer Result               | Loss                 | Gain                |
| Seller Result              | Gain                 | Loss                |



If the Security finishes above the call strike at option expiry, the Security will be called away. To attempt to avoid that, the call option would need to be bought back prior to expiry (likely at a loss) which requires free cash in the account. If the account does not have free cash available, the seller would need to provide additional cash to potentially avoid a sale of their Security.

For illustrative purposes only.

Source: Canvas Managed Options (1/1/26)

# Managed Call Selling

What it is and who its for



# Managed Call Selling

## Definition



For an investor with the objective of selling their stock at the strike price, selling a single covered call and holding it until the option expiry may be an effective strategy.

However, many concentrated stock holders have longer term goals and objectives and may prefer not to sell their shares at the strike price.

Managed Call Selling is an investment strategy where Canvas Managed Options, acting as a fiduciary asset manager for the investor in a separately managed account, sells a series of covered call options and actively manages the risk by attempting to buy back call options that may be at risk of exercise.

While this strategy can reduce the risk of the underlying stock being called away (sold at the strike price), the strategy may introduce the risk of limiting potential upside participation of the underlying stock or ETF and the potential need for investors to add additional cash to the account to avoid having shares called away.

**Managed Call Selling attempts to provide the cash flow benefits of a covered call strategy and simultaneously attempts to reduce the risk of the investor's shares being called away.**

# Managed Call Selling

## Overview

### A unique and innovative approach to managed options investing



#### **A customizable risk, return, and diversification solution**

Throughout market cycles, options overlay solutions have the potential to enhance cash flow or mitigate downside risk while maintaining potential upside performance.



#### **Rigorous, rules-based approach**

Solutions adhere to a transparent, rules-based investment process, designed with strict guardrails to attempt to deliver cashflow enhancement and total return while managing risk through minimizing the effect of directional movements in the underlying equity.



#### **Deep industry experience**

Over 30 years of option experience, having helped create today's "risk-managed" options asset management business, along with designing and implementing industry leading research technology and strategies.

# Managed Call Selling

## Investment opportunity



Canvas Managed Options applies a strategic approach to Managed Call Selling, utilizing short-dated options to help investors meet their long-term goals. We adhere to a rules-based and transparent investment process, with the goal of delivering targeted outcomes and reducing volatility.

Holders of concentrated equity positions and diversified equity portfolios are inherently owners of equity volatility. Call option selling has the potential to monetize equity volatility while generating excess cashflow.

### Select features



#### Seeks to generate incremental cash flow and/or increase total return

We strive to maintain attractive risk-adjusted performance throughout varying market environments with the additional goal to maintain partial, continued upside performance in underlying asset during time of underlying appreciation



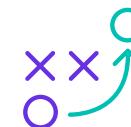
#### Rules-based risk management

Diversify exposures across tranches of options to partially mitigate potential date and time specific risk seeking to achieve optimal balance of risk and return through careful selection of option maturities and strikes



#### Cash management correlations

Potential outperformance when underlying assets are flat, decline, or modestly rise (may offset some need for liquidation to meet client cash needs); potential underperformance when underlying asset is significantly appreciating



#### Minimal disruption to asset allocation

Typically implemented as an option overlay; no changes are generally required to the underlying securities or portfolio

# Managed Call Selling

## Who's it for?



Clients use covered call selling for different reasons, in pursuit of varying objectives including, but not limited to:



Holders of low basis stock or core ETF positions, who rely on dividend income, and are looking for additional cash flow



Clients with long standing ties to concentrated stock positions who prefer not to diversify



Individuals who would like to systematically sell stock at specific price points



Those with concentrated stock who feel they would like to systematically diversify

The flexibility of Canvas Managed Options' proprietary Managed Call Selling implementation and technology platform allow our team to deliver a unique, individualized experience to clients at scale. Canvas Managed Options can accommodate each of the client scenarios listed above, while delivering a customized approach tailored to specific client needs.

# Managed Call Selling

Rules-based, Systematic Implementation with Robust Risk Controls



# Managed Call Selling

## Transparency and risk management

### How we choose options to sell

#### Risk-based option selection

- **Exchange traded options only:** Counterparty credit risk (premium payment only) limited to the Option Clearing Corporation ("OCC")
- **Laddered portfolio, sell calls once per week with an expiry of 5 weeks on 20% of the program size:** We attempt to diversify the portfolio to reduce the risk of any one option's outcome
- **Strike prices selected such that at time of sale, options have between a 15%–20% probability of being in-the-money at expiry:** No options sold when overall market volatility is excessively high or excessively low

### How we manage the risk of the options we sold

#### Simple and transparent real-time risk management

- **Option position closed during first 3 weeks after sale of option:** if the probability of the underlying Price At eXpiry ("PAX")<sup>1</sup> is greater than 70% for 2 consecutive days
- **Option position closed (during the last 2 weeks prior to expiry):** if the PAX is greater than 70%
- **Option position closed (during the last 3 days prior to expiry):** if the PAX is greater than 30%
- **Option position closed (at any time):** if it would be rational for the call option buyer to exercise the option before the option's maturity to capture the soon to be paid dividend

### Rules based strategy may result in consistent outcomes

#### Explainable and transparent performance

- **We sell options that we believe have the potential to end up in the money between 1 in 5, and 1 in 6 times:** we believe roughly 80%+ of the time the options will be profitable
- **Our strict risk management rules attempt to cut losses quickly:** we focus our attention on cutting losses quickly where ~20% of the time we believe options will end up in the money



### Experience matters

The Canvas Managed Options team has been specializing in managing risk-controlled option portfolios for nearly 20 years. Risk management is the DNA of our firm.

1. Statistical probability of Price at Expiry equals Black Scholes  $N(d_2)$ , taking into account the current underlying price, the option strike price, the assumed volatility, the time remaining to expiry and the assumed dividend yield. It represents the probability that the stock price will be at, or above, the strike price at the expiry of the option.

# Managed call selling

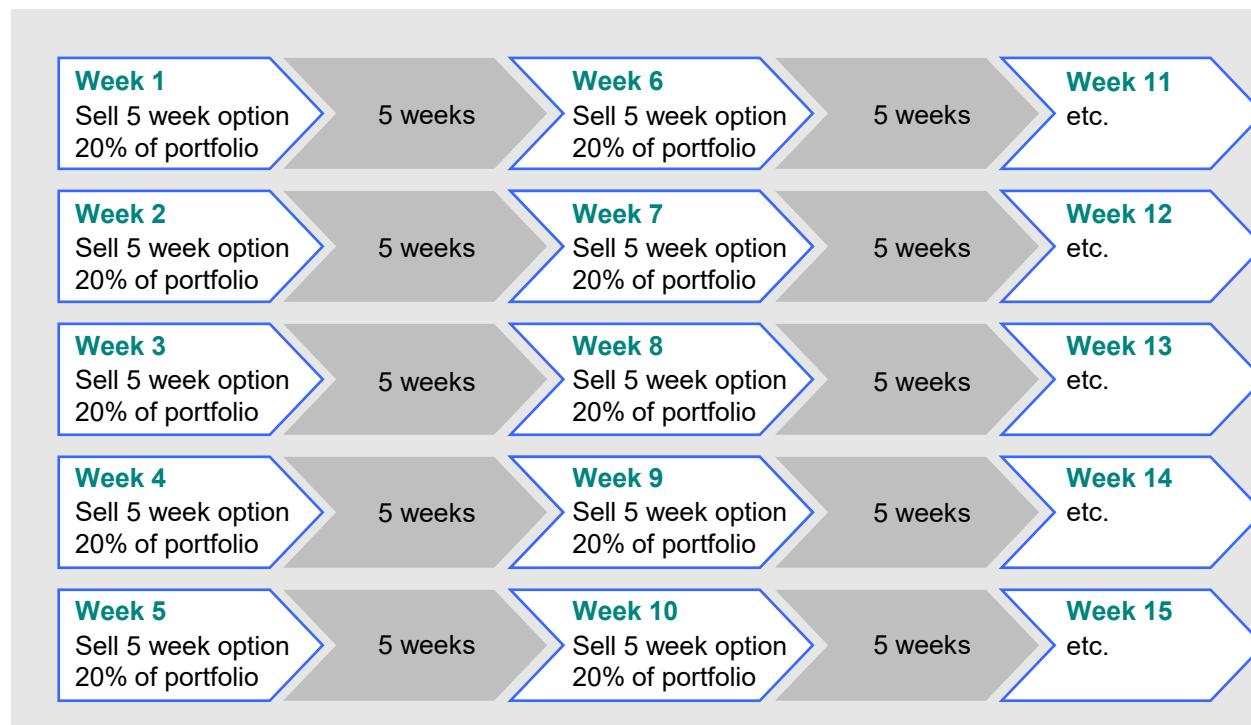
Thoughtful portfolio construction: A laddered portfolio



We expect the stock price to go above the call option strike price, also referred to as “in-the-money” for some of the call options we sell—selling multiple call options with different expiries and strike prices may help diversify the risk.

- We attempt to diversify and mitigate the date/time/price specific risk of 100% of the portfolio being exposed to a single option expiry.
- Building the portfolio with multiple smaller pieces or trades, commonly referred to as “Tranching”, may help to reduce that date/time/price specific risk.

## Canvas Managed Options Tranching



### Strategy minimums and requirements

- $\geq \$1,000,000$
- $\geq 500$  shares
- Weekly option expiries or liquidity sufficient for FLEX options

# Managed Call Selling

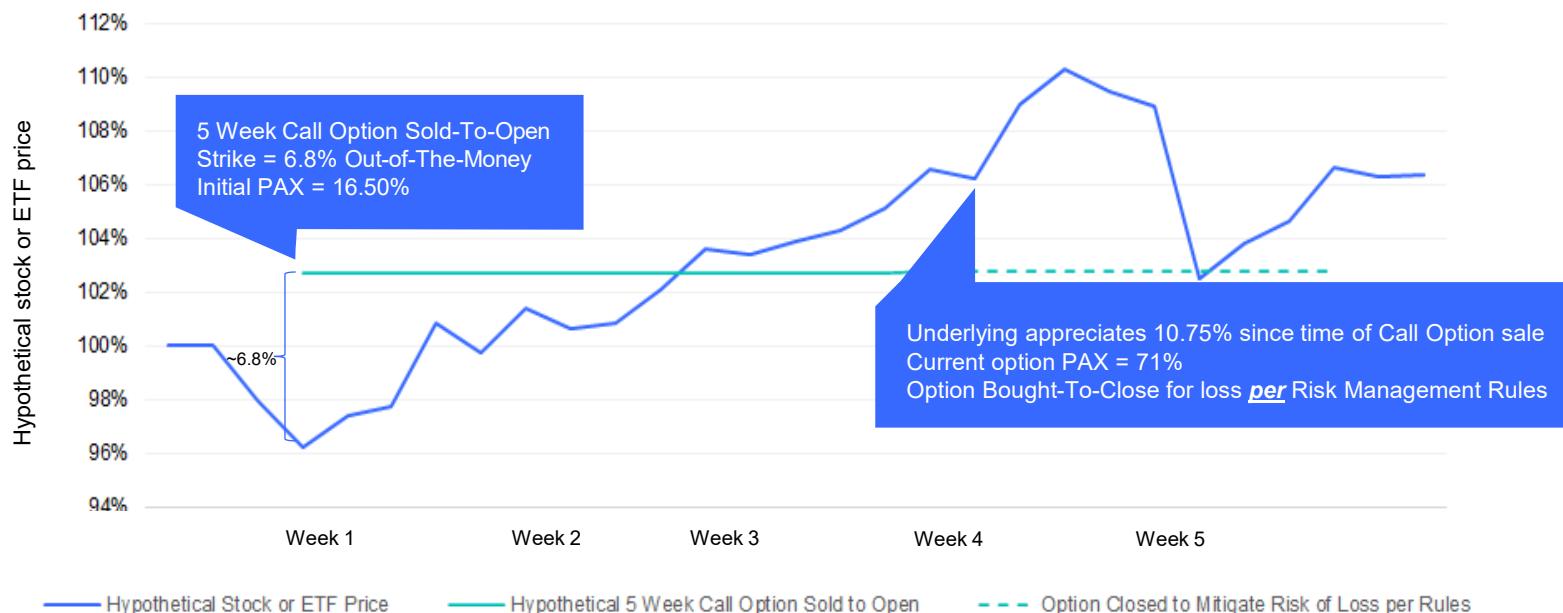
Thoughtful portfolio construction: Mitigating losses



What happens when, as expected, options do end up in-the-money approximately 20%, or more of the time?

- When the risk vs. reward profile according to our rules is no longer favorable to the client, we attempt to cut the losses quickly while they are still relatively small
- With well defined rules and responses, options going in-the-money are not to be feared, they are a known, expected part of a program and the small losses are realized allowing the portfolio to continue to appreciate

## Hypothetical call selling risk management with underlying stock or ETF price path example



Source: Canvas Managed Options (1/1/26)

The above chart is for illustrative and discussion purposes only. The hypothetical chart is an example that is intended to help illustrate one of Canvas Managed Options' risk management rules. This example may not be relied upon as investment advice or recommendations or any guarantee that the investment process will achieve its investment objective. Actual strike prices in the Canvas Managed Options Call Selling program may differ.

# Managed Call Selling

Customization at scale



Our default Managed Call Selling implementation seeks to:

- 1 | generate excess free cash flow in down, flat and moderately rising markets;
- 2 | maintain partial upside equity participation; and
- 3 | minimize the likelihood of any shares being called away

At the same time, our proprietary portfolio management platform allows clients to customize their portfolio and experience. Some examples include:



## Target stock sales

Client may identify quantity and price at which they would be willing to sell shares.

- Sell 5,000 shares at \$110 or higher
- Sell 5,000 shares at \$120 or higher
- Sell 5,000 shares each quarter at \$100 or higher



## Stock or strike level limits

Minimum strike price

- No call options sales with strike price lower than \$110

Minimum stock price

- No call options sales with stock below \$85



## Periodic

Freeze new option sales (continue risk management of open options).

- Client believes earnings announcement next month will be particularly good and instructs Canvas Managed Options not to sell any new options over earning announcement date but to continue to close any existing options as they normally would

Rules-based, systematic call selling with ability to customize to clients' specific needs

# Managed call selling

## Transparency and risk management

### A risk-managed solution

#### The case for risk management

- An option's value at expiry (that is not closed prior to expiry) is 100% the result of the level of the underlying asset at expiry
- A long-dated, losing option can overwhelm a portfolio and may not accurately represent the potential results of managing a diversified portfolio of shorter-dated, risk-managed options. It also may result in share sales or the need to borrow money against stock (incur margin debit)
- The upfront premium received for the sale of a call option is the **revenue component** of a call selling program; the potential option losses from market movements, the **liability component** of option selling, can be multiples of the upfront, fixed premium received

### Utilizing short-dated options to help investors meet their long-term goals

- No investors have an infinite investment time horizon. Many have significantly shorter investment time horizons (maybe 3 years)
- We incorporate common sense guardrails to minimize the effect of the underlying asset's directional movements
- We don't just focus on long-term results, but also attempt to minimize the impact of short-term drawdowns

### The Canvas Managed Options solution

- Thoughtful portfolio construction and risk management paradigm
- Option selection is risk-based targeting PAX with VIX (including when not to sell options)
- Multiple tranches diversify time specific risk and re-index to changing prices and volatility
- Risk management rules attempt to close losing positions before they have significant negative effect on portfolio
- Tranching and risk management result in portfolio rebalancing no less than weekly (and often inter-weekly)

# Appendix



# Canvas Managed Options



## General Strategy Management:

The Canvas Managed Options Managed Call Selling strategy is provided by O'Shaughnessy Asset Management, LLC an affiliate of Franklin Templeton, and a federally registered investment advisor.

Canvas Managed Options may rely on the investment objectives described in the call selling strategy investment management agreement and communicated to the client until such time as it shall receive written notice of the modification, alteration, or amendment of such investment objective.

When determining which options to sell and/or repurchase, Canvas Managed Options will consider factors including (but not limited to) option liquidity, maturity, volatility, interest rates, underlying dividends, and time to maturity.

## Fees:

The fee paid to O'Shaughnessy Asset Management is separate from and does not include the costs of stock and option commissions, clearing member trade agreement fees, exchange fees, dealer spreads (which are embedded in pricing) and other costs associated with the purchase or sale of securities, custodian fees, interest, taxes, and other portfolio expenses, which shall be the sole responsibility of client and shall be paid to parties other than O'Shaughnessy Asset Management. The custodian of the client account will debit the account for payments of any such fees payable to other parties.

Management fees will reduce the rate of return on any account or portfolio.

## Tax Implications:

Selling call options, and any potential asset sales required to satisfy call option settlements, may have both intended and unintended tax consequences for the investors. Investors are encouraged to seek the guidance of their own independent tax advisor prior to implementing a call selling program. Under no circumstance is O'Shaughnessy Asset Management offering tax advice.

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.

# Canvas Managed Options (continued)



## What are the Risks?

All investments are subject to certain risks, including possible loss of principal. There is no guarantee or assurance that the Managed Call Selling strategy will achieve its investment objective.

In a stock or ETF call sale, the seller receives an upfront premium in exchange for the obligation to sell a fixed number of stock or ETF shares on, or in some cases before, a specified time (option expiration) for a specified price (option strike price). The maximum loss is unlimited (it may be limited and/or offset by gains in the stock or ETF if it is a covered call).

### Risk of Loss /Opportunity Cost:

In a stock or ETF call sale, there exists the risk that:

- a) some, or all, of the client's stock or ETF shares may be sold (including the obligation to deliver stock or ETF shares even if the client does not own them);
- b) the client's stock or ETF, if they own the underlying security, may be capped and/or materially limited.

Call selling may also result in the sale of some, or all, of the underlying shares or ETFs or equities owned by the client, or alternatively the requirement of cash being contributed to the account to satisfy account obligations related to buying-to-close call options.

### No Guarantee of Performance:

Regardless of the appreciation or depreciation of the strategy's underlying security or securities, the call selling strategy may underperform a portfolio that is otherwise identical to the underlying securities or equities owned by the client but did not engage in the call selling strategy. The call selling strategy may underperform a portfolio that could be created by selling the equities owned by the client and re-investing the proceeds. There is no guarantee that the call selling strategy will be profitable on a gross or net of fees basis.

Call selling programs may result in losses during periods in which the underlying security or securities declines.

### Liquidity:

There is no guarantee a secondary market in options will be liquid. If Canvas Managed Options is unable to close positions prior to expiry the risk management techniques described herein may not be implemented as described resulting in outsized losses or resulting in the sale of collateral shares.

# Canvas Managed Options (continued)

## Not a hedge:

Investors selling call options have a maximum profit limited to the value of the premium received. Beyond the premium received, investors retain all the risk of the underlying portfolios and could suffer a loss of 100% of their equity holdings.

## Unlimited loss:

Investors selling call options accept the potential for unlimited loss as call options have no maximum value, or the risk of their shares being called away. For investors selling covered calls, their loss may be realized in the form of opportunity cost, with the possibility of their shares or ETFs being called away (and sold) at prices far below the market price of those shares or ETFs at the time of exercise.

## Options and Derivatives risk:

Canvas Managed Options and O'Shaughnessy Asset Management offer no guarantee that Canvas Managed Options, or any of the strategies illustrated herein, will be successful or meet their intended objectives. Market movements or events, both foreseen and unforeseen, may render any strategy unsuccessful and may result in unforeseen losses. Canvas Managed Options makes no representations regarding its ability to predict such movements.

The risk of the absence of a liquid secondary market related to any investment or strategy exists and such an absence of liquidity can result in significant loss. Client may be forced to liquidate collateral assets to raise cash to settle derivative positions.

Options are not suitable for all investors and carry additional risks. Investors must ensure that they have read and understood the current options risk disclosure document before entering any options transactions. In addition, investors should consult with a tax, legal and/or financial advisor prior to contemplating any derivative transactions. The options risk disclosure document can be accessed at the following web address:

***For risks relating to options, please refer to the "Characteristics and Risks of Standardized Options" which is available upon request from Canvas Managed Options or at <https://www.theocc.com/Company-Information/Documents-and-Archives/Options-Disclosure-Document>.***

# Important Information



**Prior to January 1, 2026, Canvas Managed Options were provided by Franklin Managed Options Strategies, LLC, an affiliate of Franklin Templeton and federally registered investment advisor.**

These materials are being provided as a general overview of the management team and philosophy and presented for illustrative and informational purposes only. It does not purport to address all of the legal, tax, financial or other considerations relevant to investors.

**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.**

The information contained in this piece is not a complete analysis of every material fact regarding the market and any industry sector, a security, or a portfolio and may contain errors and omissions. Statements of fact cited by Canvas Managed Options have been obtained from sources considered reliable, but no representation is made as to the completeness or accuracy. Because market and economic conditions are subject to rapid change, opinions provided are valid only as of the date of the material. Portfolio holdings and the Canvas Managed Options' analysis of these issuers, market sectors, and of the economic environment may have changed since the date of the material.

Any analysis or work product contained herein: i) has been provided to help the recipient make an informed investment decision; ii) may be based on subjective assessments and assumptions which may differ from the assessment or assumptions of others which may result in different conclusions; and iii) are not to be viewed as facts and should not be relied upon as an accurate representation of future events. Canvas Managed Options' opinions are not a recommendation or individual investment advice for any particular security, strategy, or investment product.

This presentation contains certain performance and statistical information. There is no assurance that employment of any of the strategies will result in the intended targets being achieved.

**Past performance is not an indicator or a guarantee of future performance.**

The performance of an individual portfolio may differ from that of a benchmark, representative account or composite included herein for various reasons, including but not limited to, the objectives, limitations or investment strategies of a particular portfolio.

Intended for Recipient only. O'Shaughnessy Asset Management and Franklin Templeton are not undertaking to provide impartial advice. Nothing herein is intended to provide fiduciary advice and have a financial interest.

**For more information contact:**

Canvas Managed Options  
100 First Stamford Place, 5th Floor  
Stamford, CT 06902

[CanvasOptions-info@franklintempleton.com](mailto:CanvasOptions-info@franklintempleton.com)  
(203) 987-5700

