

Franklin Templeton Digital Assets

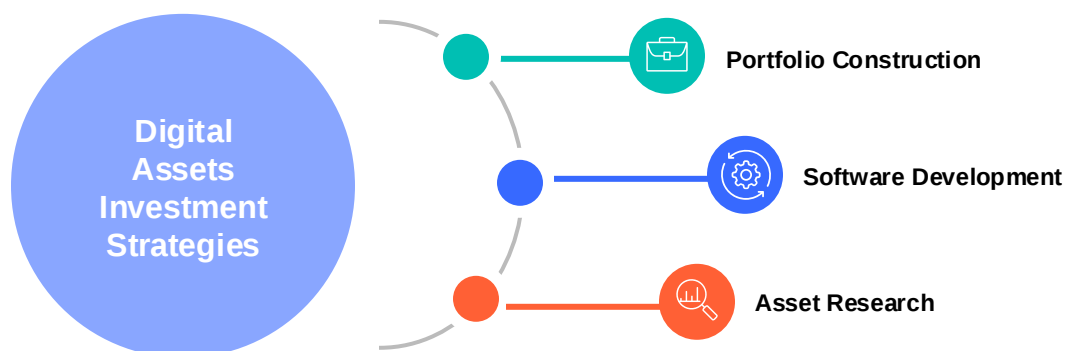
We believe that the journey to mass adoption of digital assets could be similar to the proliferation of new technologies in the late 1990s and early 2000s. In fact, given that current crypto user growth parallels early internet user growth rates¹, and that crypto still represents a small value share of the market, the market opportunity within this emerging asset class cannot be ignored.

Dedication to Digital Assets

At Franklin Templeton, we have been building digital asset expertise since 2018. Our dedicated independent group is immersed in intensive research and technical development of new products. We engage in digital asset networks and develop platforms, product expertise and strategy differentiation to help clients achieve investment in the digital asset ecosystem.

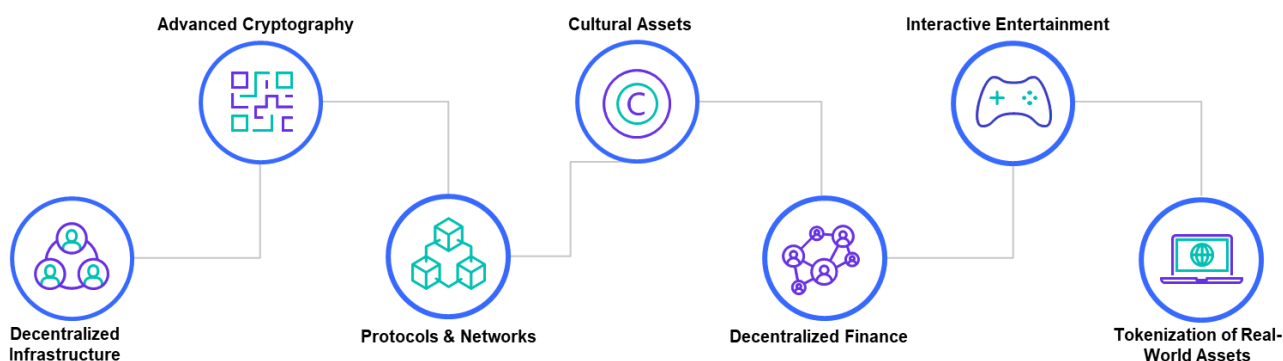
Digital Assets Investment Strategies

Our diverse range of strategies focus on selecting and investing in portfolios of digital assets across a variety of mandates, from index-oriented to rules-based and fully discretionary strategies. Our framework includes in-depth research to identify protocols that in our view, have the power to disrupt the market through the creation of new blockchain-enabled technologies.



Blockchain Venture Capital

We are committed to generating long-term capital appreciation via venture capital investing in private, early-stage blockchain-focused companies globally. Our digital asset discovery process starts with deep value research to produce high conviction investments in private companies that we believe will use blockchain to do something better, faster and cheaper. Our primary focus is blockchain, and we invest in founders that are pushing boundaries and possibilities in the areas of:



Digital Assets Technology

We strongly believe that blockchain technology will create operational efficiencies and expand the current investible asset universe. We are devoted to uncovering these new investment opportunities to build better portfolios and solutions for our clients.

Our team of developers created the Benji platform, a full service blockchain-based technology stack, which enabled our 2021 launch of the first U.S.-registered mutual fund to use a public blockchain to process transactions and record share ownership (ie. tokenized fund). Our technology stack includes a digital transfer agent that leverages multiple public blockchains to carry out its recordkeeping function for the fund, and a digital wallet that enables token holders to gain fund exposure.

Why Franklin Templeton for Digital Assets?

“We believe they are an asset class that has a great deal of thematic tailwinds as industries begin to unlock the potential of blockchain and new types of digital assets are created.” – Roger Bayston, Head of Digital Assets

The Franklin Templeton Digital Assets team is a digitally native product creator that has:

- Technical Talent: Expertise in traditional Quantitative finance and data engineering with access to talent possessing deep knowledge in AI and Machine Learning data methods
- Digital Asset Management Tools: Built a proprietary system to manage digital asset strategies
- A Research Network: Industry insight through strategic investments that inform product research and development
- Domain Knowledge: Strategic investments in early-stage blockchain-focused companies and operating FT validator nodes on multiple blockchains
- TradFi Expertise: 40 years of portfolio management experience in financial markets while working alongside stakeholders including global regulators

Franklin Templeton Digital Assets



Development dedicated to infrastructure that supports tokenized assets



Digital asset investment strategies



Blockchain venture capital



Supporting blockchain networks through node operations

What are the risks?

All investments involve risk, including loss of principal. There are risks associated with the issuance, redemption, transfer, custody, and record keeping of shares maintained and recorded primarily on a blockchain. For example, **shares that are issued using blockchain technology** would be subject to risks, including the following: **blockchain is a rapidly-evolving regulatory landscape**, which might result in security, privacy or other regulatory concerns that could require changes to the way transactions in the shares are recorded. The fund's **yield** may be affected by changes in interest rates and changes in credit ratings. These and other risks are discussed in the fund's prospectus.

