



Separately Managed Account

Franklin Templeton Balanced Income with Municipals Portfolios

2Q 2025

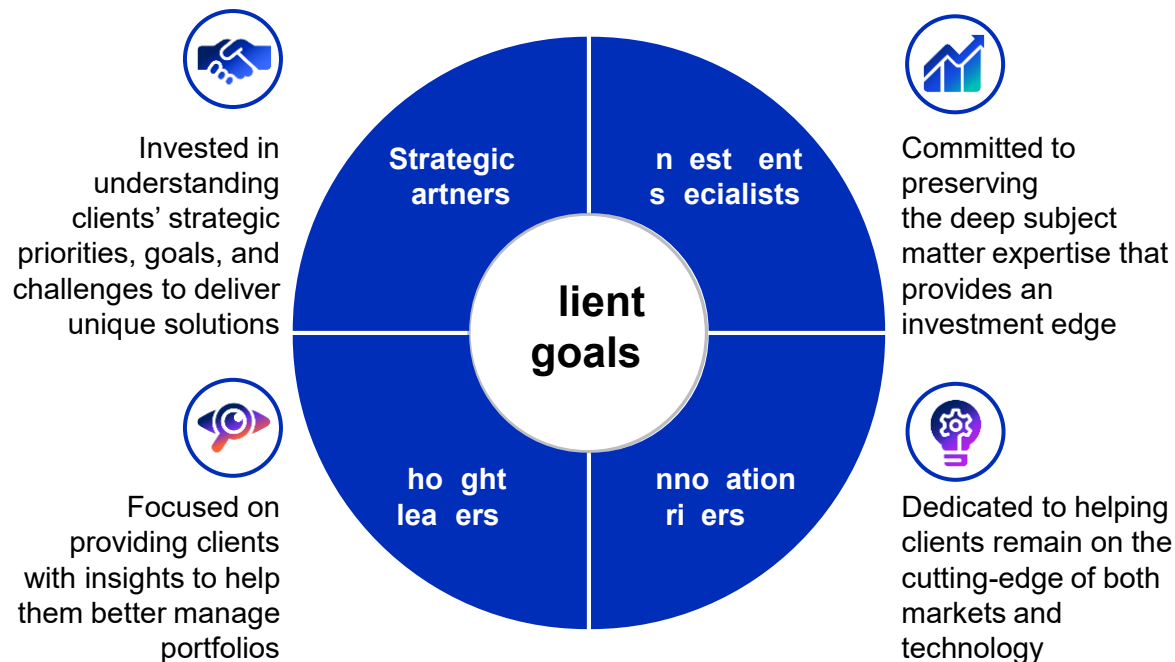
Separately Managed Accounts (SMAs) are investment services provided by Franklin Templeton Private Portfolio Group, LLC ("FTPPG"), a federally registered investment advisor. Client portfolios are managed based on investment instructions or advice provided by one or more of the following Franklin Templeton affiliated subadvisors: ClearBridge Investments, LLC, and Western Asset Management Company, LLC. Management is implemented by FTPPG, the designated subadvisor or, in the case of certain programs, the program sponsor or its designee.

These materials are being provided for illustrative and informational purposes only. 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.

our strategy partner for what's ahead TM



for our clients we are



at a glance

	years of asset management experience
tn	total assets under management ¹
	investment managers added to our platform since 2019
	investment professionals in 25+ countries
	countries with clients

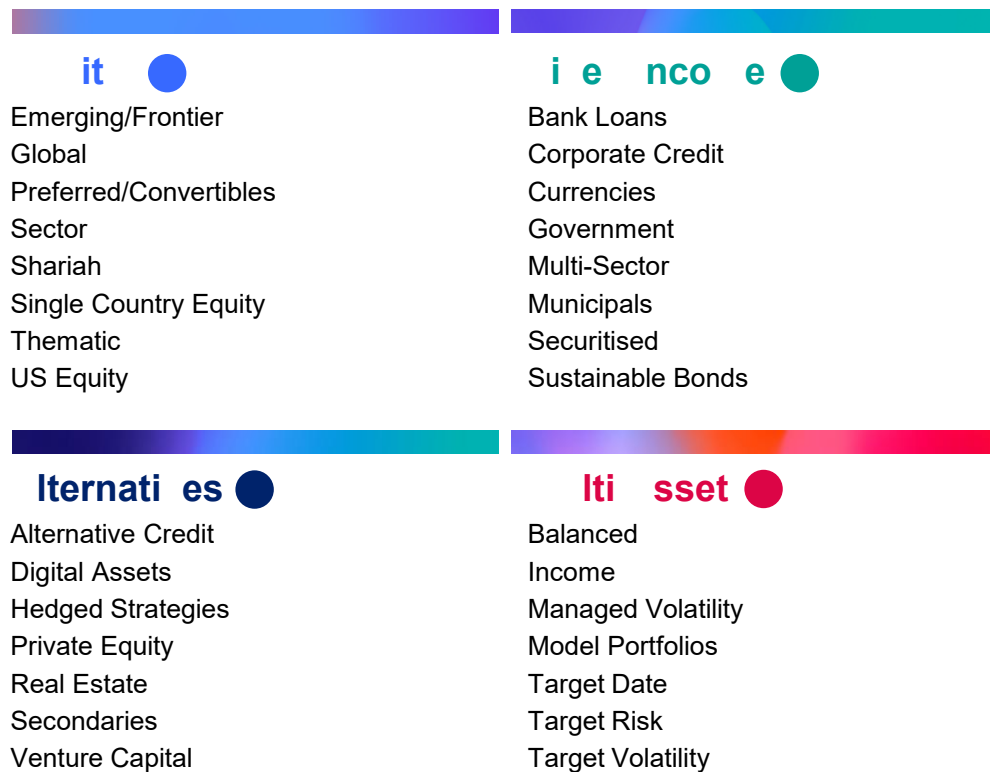
1. AUM is in USD as of 30 June 2025. Total AUM of \$1.6tn includes \$71.9 Billion in cash management that is not represented here.

Investment specialisation across

licances and private markets



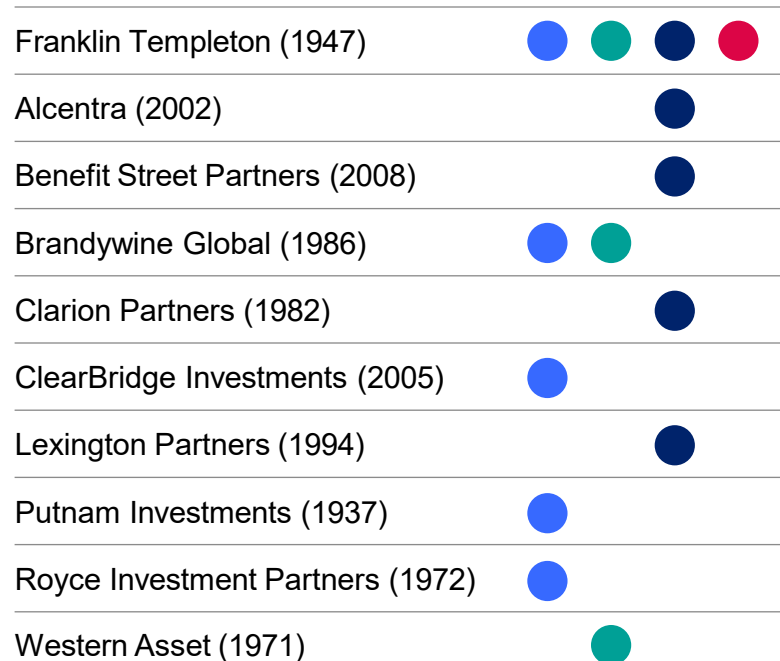
Investment capabilities (\$ billion)



Investment innovations in

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

Investment managers and asset classes



Franklin Templeton Balanced Income with Munis Portfolios



Overview

Franklin Templeton Balanced Income with Munis Portfolios pursue an objective of long-term growth and high current income through a combination of asset allocation and fundamental security analysis. ClearBridge Investments determines the portfolios' allocations among equities, fixed income securities and cash equivalents and also selects equity investments for the portfolios. Fixed income investments are managed on the basis of investment instructions furnished by Western Asset.

Objectives

The strategy seeks to:

- achieve long term capital growth.
- provide a high level of current income some of which is taxable and some of which is exempt from regular U.S. income tax.

Philosophy

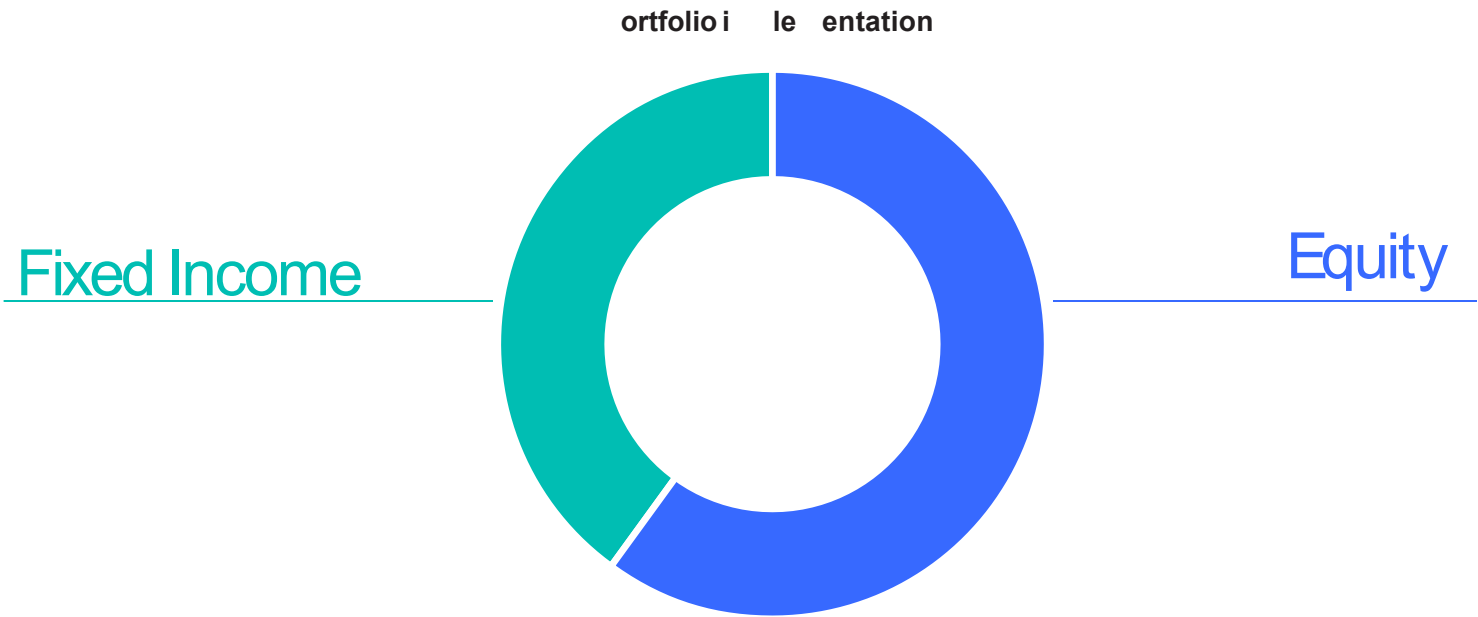
We believe:

- a combination of conservative capital growth and solid income may be achieved in a single portfolio by investing in high-quality, undervalued companies and high-quality municipal securities.
- blending top-down macroeconomic research with bottom-up fundamental analysis may enhance the portfolio's overall return.

What are the risks

Investments in all securities including possible loss of principal. Small and mid-cap stocks involve greater risks and volatility than large-cap stocks. 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. Illiquidity 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. The allocation of assets among different strategies, asset classes and investments may not prove beneficial or produce the desired results.

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- Two strategies are managed independently by the ClearBridge Team and the Municipals Team.
- Equity, fixed income and cash allocations are determined on a dynamic basis.
- Active equity sector rotation includes exposure to higher yielding stocks as well as convertible preferred stocks.
- Active municipal management seeks to provide greater returns/income, than passive buy-and-hold strategies.

An account's actual allocations to its equity and fixed income segments will vary over time as markets change. An account will be rebalanced to its target allocation in the event that the account's allocations to its equity and fixed income segments drift 10% or more from their target allocations. An account generally will not be rebalanced unless such 10% drift threshold is reached. However, cash flows into and out of an account will be applied towards the account's more underweight segment in order to bring such account's allocations back towards their target allocations.

For Illustrative Purposes Only. Asset allocations are approximate and subject to change. The investment process may change over time. The characteristics set forth 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 investment objectives will be achieved.

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STEP 1

Define the investment universe

Consider high-quality, tax-exempt municipal bonds best suited to client's objectives

STEP 2

Determine portfolio position

Determine interest-rate outlook by actively monitoring market and other data

STEP 3

Select securities and construct portfolio

Select municipal bonds from well-known, active issuers whose bonds have good market access and a large number of market makers

STEP 4

Ongoing monitoring

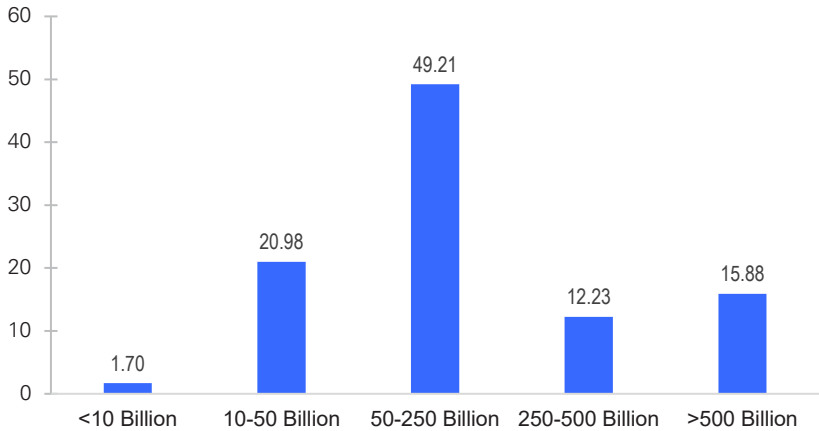
Actively manage the portfolio and adjust holdings as necessary to respond to changes in economic and market conditions and client's profile

Portfolio characteristics

As of 6/30/2025



Market Capitalization Breakdown (%)



Balanced Income with Munis

Portfolio characteristics

Portfolio characteristics	Balance with Portfolio
Number of Issuers	78
Estimated 3-5 Year EPS Growth	11.24%
Price to Earnings (12-Month Forward)	20.34x
Price to Book	6.18x
Dividend Yield	2.16%
Median Market Cap (Millions USD)	\$107,912
Weighted Average Market Capitalization (Millions USD)	\$358,238

Source: FactSet. Portfolio characteristics and market capitalization breakdown are based on a model portfolio, not an actual client account. The model portfolio is a hypothetical portfolio whereby the Portfolio characteristics and market capitalization breakdown 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 and market capitalization breakdown 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. **Please see appendix for term definitions.**

P/E ratio Year 1 and Long-term EPS growth are provided by I/B/E/S, are inherently limited and should not be used as an indication of future performance.

Yields and dividends represent past performance and there is no guarantee they will continue to be paid.

Portfolio characteristics As of 6/30/2025



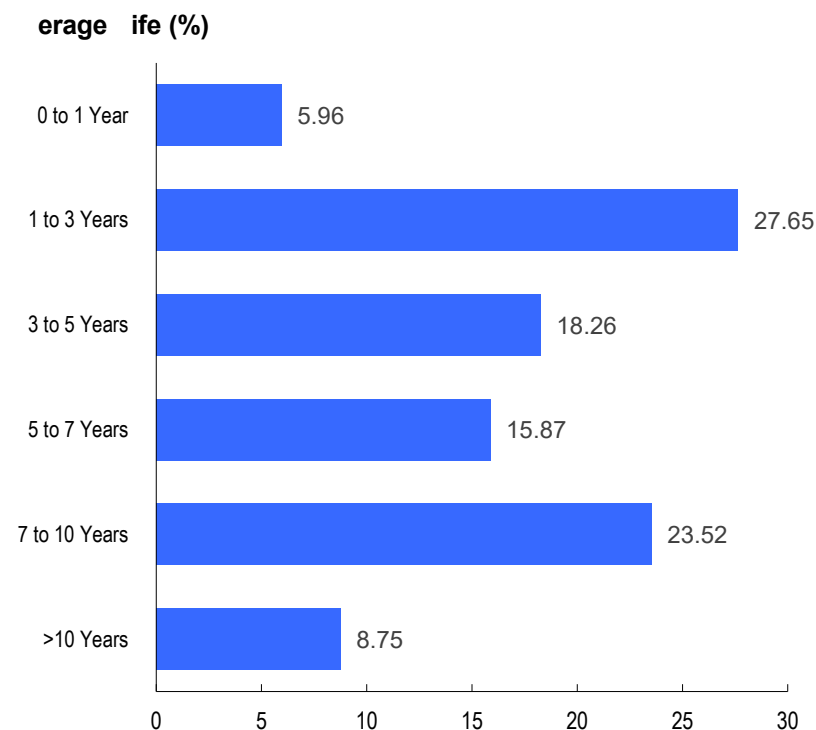
Sector weightings (%)	Balance with no fees
Information Technology	13.23
Financials	12.55
Industrials	9.84
Real Estate	8.35
Health Care	7.52
Consumer Staples	5.56
Energy	4.91
Communication Services	4.79
Utilities	3.59
Materials	2.30
Consumer Discretionary	1.81
Unassigned	23.10
Cash & Cash Equivalents	2.44

Portfolio holdings (%)	Balance with no fees
Marvell Technology Inc	2.71
JPMorgan Chase & Co	1.84
NextEra Energy Inc	1.64
Oracle Corp	1.57
PPL Corp	1.56
Union Pacific Corp	1.55
Emerson Electric Co	1.47
Equity LifeStyle Properties Inc	1.42
Meta Platforms Inc	1.39
Roche Holding AG	1.39
Total	

Source: FactSet. Weightings and holdings are based on a model portfolio, not an actual client account. The model portfolio is a hypothetical portfolio whereby the weightings and holdings 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. Weightings and holdings 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. **Please see appendix for term definitions.**

Fixed Income Portfolio Characteristics

As of 6/30/2025



Current Market Muni

Characteristics (%)	Current Market Muni
Effective Duration	4.53 Years
Yield to Worst	3.30%
Weighted Average Life	5.22 Years
Cash Flow	3.22%

Source: Western. **Sector weightings and portfolio characteristics are for a representative account for the equity portion and on the aggregate of individual client portfolios in the Current Market Muni program composites for the fixed income portion,** are for illustrative purposes only and are subject to change. Sector weightings and portfolio characteristics of individual client portfolios in these programs may differ, sometimes significantly, from those shown above. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the sectors or securities listed and should not be used as a sole basis to make any investment decisions. **Please see appendix for term definitions.**

Fixed Income Portfolio Characteristics

As of 6/30/2025



Credit Quality (%)	Current Market Value (%)
AAA	11.35
AA	59.83
A	28.82

Sector weightings (%)	Current Market Value (%)
Information Technology	13.23
Financials	12.55
Industrials	9.84
Real Estate	8.35
Health Care	7.52
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nn ali e rates of ret rn re gross an net of fees (%) as of June 30, 2025

	th	ths		ear	ear	ear	rs	ear	rs	ear
Balanced Income with Munis –Pure Gross of Fees—(USD)	3.36	2.89	0.74	8.39	10.41	10.69	9.14	8.15	8.81	7.33
Balanced Income with Munis –Net of Fees—(USD)	3.12	2.14	-0.74	5.25	7.21	7.48	5.97	5.01	5.65	4.21
Index Mix (70/30)—(USD)	2.67	3.06	4.77	10.68	9.71	10.02	7.49	7.15	8.90	6.77

alen ar ear total ret rns re gross an net of fees (%) ending December 31

Balanced Income with Munis –Pure Gross of Fees—(USD)	15.30	11.63	-7.70	21.11	7.82	23.34	-6.62	12.77	8.74	-0.97
Balanced Income with Munis –Net of Fees—(USD)	11.97	8.40	-10.41	17.63	4.69	19.80	-9.36	9.51	5.58	-3.87
Index Mix (70/30)—(USD)	9.98	9.44	-6.39	17.36	3.99	20.07	-5.18	10.46	11.92	-1.81

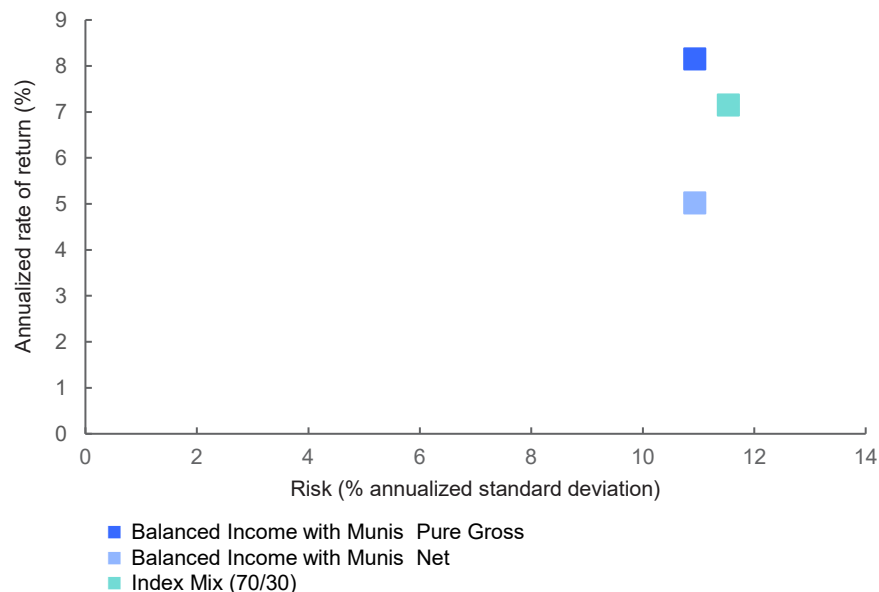
The **Index Mix** consists of the following: 70% Russell 1000 Value and 30% Bloomberg Managed Money Short/Intermediate 1-10 Year Index, prior to 7/2022, the Bloomberg 5-Year Municipal Bond Index. Periods less than one year are not annualized. Performance results are for the composite which includes all 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 are reduced by a model "wrap fee" (3.0% 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. Past performance is not a guarantee of future results. Please see appendix for GIPS® Report and term definitions.

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re gross an net of fees (based on 10-year period ending June 30, 2025)



o ern ortfolio statistics as of June 30, 2025

	Balanced Income with Munis Pure Gross	Balanced Income with Munis Net	Index Mix (70/30)
Annualized Return (%)	8.15	5.01	7.15
Annualized Standard Deviation (%)	10.93	10.93	11.53
Sharpe Ratio	0.59	0.32	0.48
Beta	0.92	0.92	N/A
Alpha (%)	1.34	-1.62	N/A
R-Squared	0.94	0.94	N/A

The **Index Mix** consists of the following: 70% Russell 1000 Value and 30% Bloomberg Managed Money Short/Intermediate 1-10 Year Index, prior to 7/2022, the Bloomberg 5-Year Municipal Bond Index. Alpha, Beta, Sharpe Ratio, and R-Squared are shown versus the Index. Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

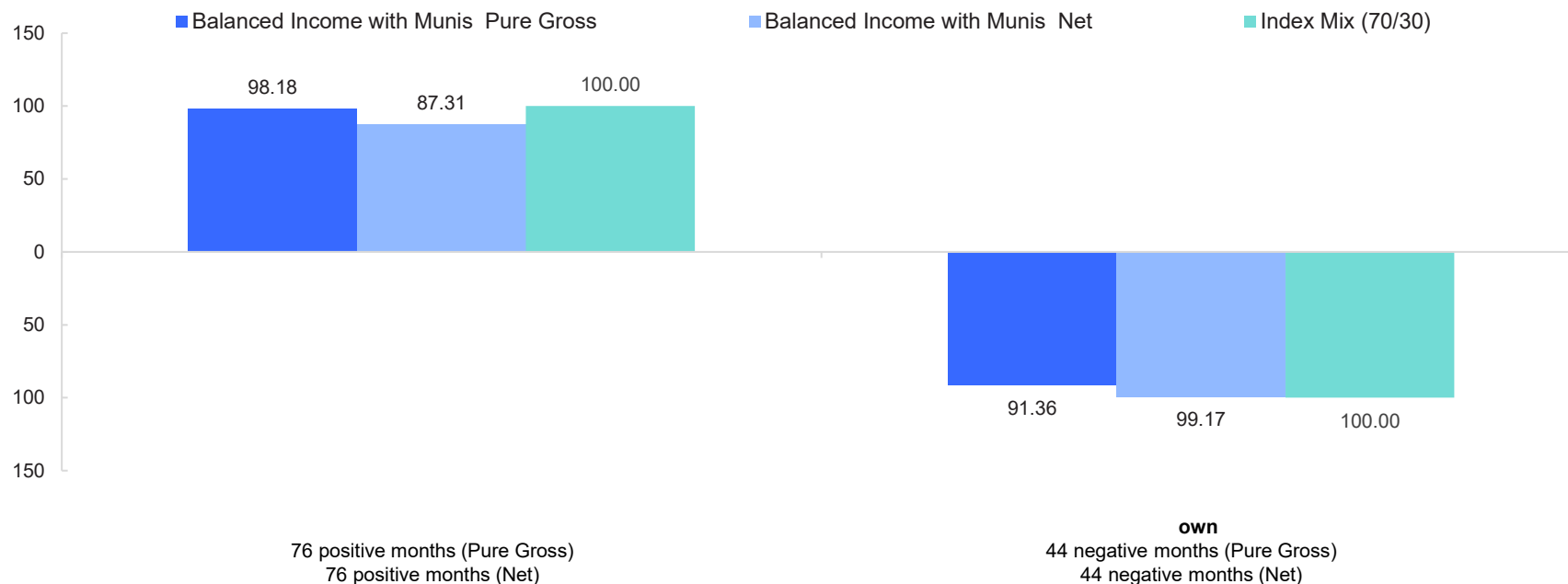
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own ar et ca t re ratios (%)



re ross an net of fees (based on 10-year period ending June 30, 2025)



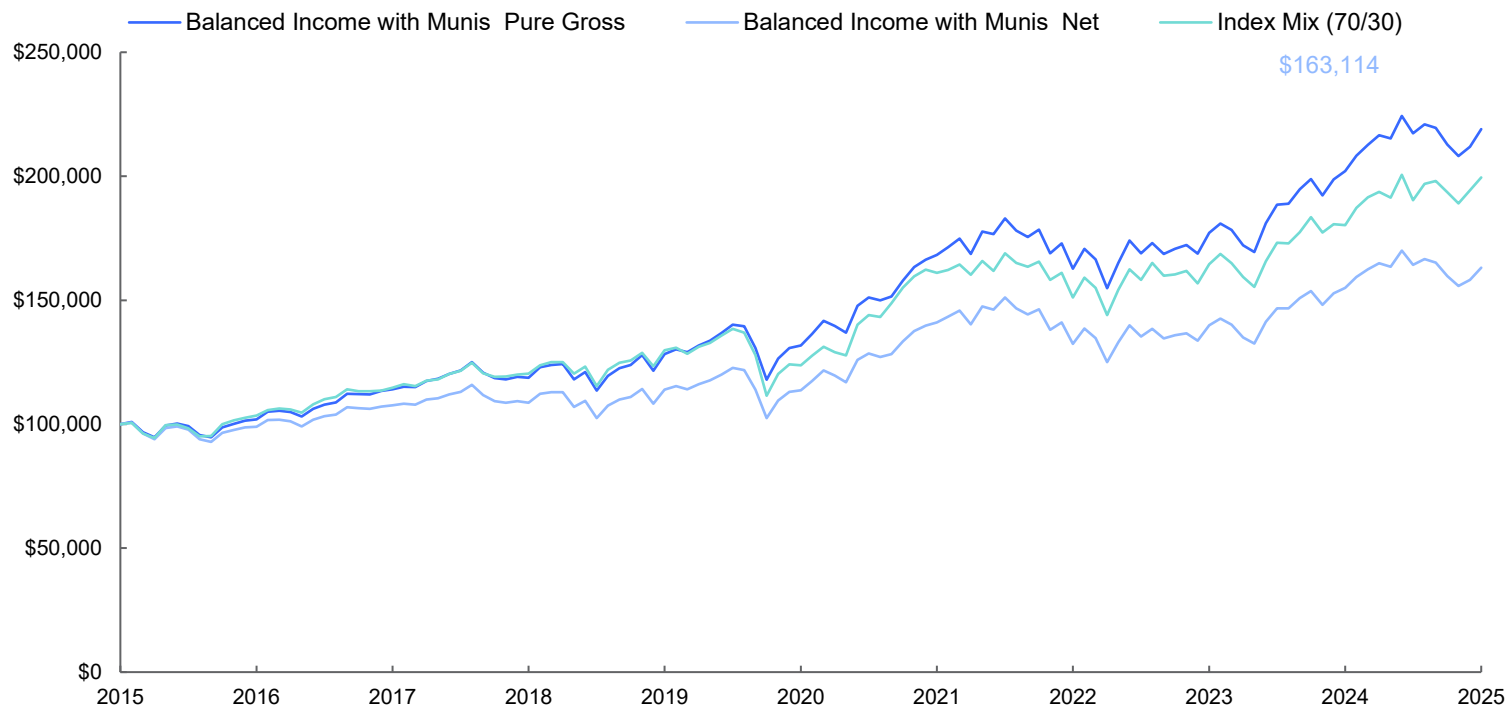
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re gross an net of fees (based on 10-year period ended June 30, 2025)



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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 are reduced by a model "wrap fee" (3.0% 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.

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Patrick McElroy, CFA

Director, Portfolio Manager

- Industry since 1993
- Firm since 2007
- Member of the CFA Institute
- Palisade Capital Management - Convertible Securities Research Analyst
- Jefferies & Co., Inc. — Convertible Securities and Equities Research Analyst
- Standard & Poor's — Research Associate, Fixed Income
- Donaldson, Lufkin and Jenrette Securities — Sales, Fixed Income Division
- MBA from New York University's Leonard N. Stern School of Business
- BS in Comprehensive Science and Math from Villanova University

Peter Vanderlee, CFA

Managing Director, Portfolio Manager

- Industry since 1999
- Firm since 1999
- New York University, Leonard N. Stern School of Business — MBA
- University of Technology, Eindhoven, Holland — MS in Math/Computer Science
- Member of the CFA Institute
- Predecessor organization — First Vice President
- Booz&Co — Program Director/Senior Associate
- Cap Gemini America — Senior Consultant

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Western Asset, one of the world's leading fixed income managers, was founded in 1971. With a focus on long-term fundamental value investing that employs a top-down, bottom-up approach, the firm has nine offices around the globe and deep experience across the range of fixed income sectors. Western Asset has been recognized for its emphasis on team management and intensive proprietary research, supported by robust risk management.

Composite Report



Franklin Templeton Balanced Income with Muni 70/30

Reporting Currency: USD

Strategy Inception Date: November 2003

Composite Creation Date: January 2013

Period	Total Return (Net)	Total Return (*Pure Gross)	Benchmark Return	Number of Portfolios	% of Wrap Fee Portfolios in the Composite	Composite Dispersion	Composite 3 Yr. St. Dev.	Benchmark 3 Yr. St. Dev.	Total Composite Assets at End of Period (USD million)	Percentage of Firm Assets	Total Firm Assets at End of Period (USD million)
2023	8.40%	11.63%	9.44%	124	100	0.48%	12.48%	12.80%	104.8	0.14%	75,344.4
2022	-10.41%	-7.70%	-6.39%	124	100	0.42%	14.70%	15.80%	99.8	0.15%	65,194.3
2021	17.63%	21.11%	17.36%	133	100	0.79%	12.41%	13.82%	127.4	0.16%	78,206.6
2020	4.69%	7.82%	3.99%	140	100	0.69%	13.23%	14.24%	115.7	0.17%	69,403.0
2019	19.80%	23.34%	20.07%	154	100	1.15%	8.83%	8.35%	128.1	0.21%	61,593.5
2018	-9.36%	-6.62%	-5.18%	174	100	0.50%	7.90%	7.46%	120.0	0.24%	50,961.6
2017	9.51%	12.77%	10.46%	175	100	0.55%	6.85%	6.95%	137.1	0.25%	53,956.9
2016	5.58%	8.74%	11.92%	178	100	0.62%	7.22%	7.41%	126.2	0.27%	46,104.9
2015	-3.87%	-0.97%	-1.81%	209	100	0.32%	6.95%	7.65%	155.9	0.37%	42,608.6
2014	3.87%	6.97%	10.36%	205	100	0.50%	n/a	n/a	160.1	0.38%	42,421.5

*Pure gross of fee returns do not reflect the deduction of any expenses, including transaction costs, and are presented as supplemental to the net of fee returns.

Compliance Statement:

Franklin Templeton Private Portfolio Group, LLC ("FTPPG") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. FTPPG has been independently verified for the periods January 1, 2013 - December 31, 2023. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedure for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Firm Information:

Franklin Templeton Private Portfolio Group, LLC ("FTPPG"), formerly known as Legg Mason Private Portfolio Group, LLC ("LMPPG"), is a wholly owned indirect subsidiary of Franklin Resources, Inc. ("Franklin"). In July 2020 Legg Mason, Inc., its parent company, was purchased by Franklin. FTPPG has used Subadvisers for all periods presented. FTPPG, together with its Subadvisers, provides investment advisory services primarily in investment programs sponsored by Sponsor Firms. The investment advisory services FTPPG and the Subadvisers provide differ depending on the type of Sponsor Firm investment program in which a client participates.

Composite Information:

The Franklin Templeton Balanced Income with Muni 70/30 composite consists of discretionary wrap accounts with an account minimum of US \$25,000. The strategy seeks an objective of long-term growth and high current income through a combination of asset allocation and fundamental security analysis. The main risks of this strategy are General Investment Risk, Small Cap Risk, Mid Cap Risk, Credit Risk, Interest Rate Risk, Illiquidity Risk and Asset Allocation Risk.

Input and Calculation Data:

The fee schedule currently in effect is 3.00% on all assets. Net of fee composite returns are calculated by reducing each monthly composite pure gross rate of return by the highest "bundled" fee charged (3.00%) annually, prorated to a monthly ratio. The "bundled" fee includes transaction costs, investment management, custodial, and other administrative fees. The internal dispersion of annual returns is measured by the asset-weighted standard deviation of portfolio returns included in the composite for the entire year. The three-year annualized ex-post standard deviation is not available prior to 2015 because the composite did not have 36 months of GIPS compliant data. Gross returns are used to calculate presented risk measures. The composite employs a 10% significant cash flow policy which started in January 2021. A list of composite and limited distribution pooled fund descriptions and a list of broad distribution pooled funds is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance is not necessarily indicative of future results. 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.

Primary Benchmark Information:

The composite uses a custom blended benchmark consisting of 70% Russell 1000® Value / 30% Bloomberg Managed Money Short/Intermediate (1-10 Yr) which is calculated by weighting the respective index returns monthly.

Additional Benchmark Information:

In July 2022 the Bloomberg Managed Money Short/Intermediate (1-10 Yr) Index replaced the Bloomberg U.S. Municipal Bond 5 Year Index.

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The **Alerian MLP Index** is a composite of the 50 most prominent energy master limited partnerships (MLPs) and is calculated using a float-adjusted, capitalization-weighted methodology. Source: Alerian.

The **MSCI All Country World ex-US Growth Index** measures the performance of growth stocks in developed and emerging markets, excluding the US. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

The **MSCI All Country World Index** is a market capitalization-weighted index that is designed to measure equity market performance of developed and emerging markets. Net Returns (NR) include income net of tax withholding when dividends are paid. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

The **MSCI EAFE Index** is a free float-adjusted market capitalization-weighted index designed to measure developed market equity performance, excluding the U.S. and Canada. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

The **MSCI Emerging Markets Index** captures large and mid cap representation across emerging markets. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

The **MSCI US REIT Index** is a free float-adjusted market capitalization weighted index that is comprised of equity Real Estate Investment Trusts (REITs). Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

The **MSCI US REIT Index** is a free float-adjusted market capitalization weighted index that is comprised of equity Real Estate Investment Trusts (REITs). Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. Source: FTSE.

The **Russell 1000 Index** measures the performance of the large-cap segment of the U.S. equity universe. Source: FTSE.

The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. Source: FTSE.

The **Russell 2000 Growth Index** measures the performance of the small-cap growth segment of the U.S. equity universe. Source: FTSE.

The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe. Source: FTSE.

The **Russell 2000 Value Index** measures the performance of the small-cap value segment of the U.S. equity universe. Source: FTSE.

The **Russell 2500 Growth Index** measures the performance of those companies in the small/mid-cap Russell 2500 Index chosen for their growth orientation. Source: FTSE.

The **Russell 2500 Index** measures the performance of the small to midcap segment of the U.S. equity universe, commonly referred to as "SMID" cap.

The **Russell 2500 Value Index** measures the performance of U.S. companies in the small/mid-cap Russell 2500 Index chosen for their value orientation. Source: FTSE.

The **Russell 3000 Growth Index** measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. Source: FTSE.

The **Russell 3000 Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization. Source: FTSE.

The **Russell 3000 Value Index** measures the performance of the broad value segment of U.S. equity value universe. Source: FTSE.

The **Russell Microcap Index** measures the performance of the microcap segment of the U.S. equity market. Source: FTSE.

The **Russell Mid Cap Index** measures the performance of the mid-cap segment of the U.S. equity universe. Source: FTSE.

The **Russell Midcap Growth Index** measures the performance of the mid-cap growth segment of the U.S. equity universe. Source: FTSE.

The **S&P 500 Index** features 500 leading U.S. publicly traded companies, with a primary emphasis on market capitalization. Source: © S&P Dow Jones Indices LLC. All rights reserved.

The **S&P Global Infrastructure Index** includes listed infrastructure stocks from around the world across energy, transportation and utilities clusters. Source: © S&P Dow Jones Indices LLC. All rights reserved.

Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

Definitions

Key Definitions

Earnings before interest taxes depreciation and amortization (EBITDA) approximates a firm's operating cash flow by considering its earnings before interest, taxes, depreciation and amortization.

Free cash flow measures the cash remaining after accounting for a firm's cash expenditures to support its operations and maintain its capital assets.

Market capitalization measures the number of outstanding common shares of a given corporation multiplied by the latest price per share.

Median market capitalization represents the value at which half the portfolio's market capitalization weight falls above, and half falls below.

Average market capitalization represents the average value of the companies held in the portfolio. When that figure is weighted, the impact of each company's capitalization on the overall average is proportional to the total market value of its shares.

Dividend yield is determined by dividing a stock's annual dividends per share by the current market price per share. Dividend yield is a financial ratio that shows how much a company pays out in dividends. **Dividend yield is calculated without the effect of fees and expenses**

Price is the previous day's closing price of the stock divided by the consensus earnings per share (EPS) of fiscal year 1 (FY1) provided by I/B/E/S. Forecasts are inherently limited and should not be relied upon as indicators of future performance.

The **Price to book** ratio (P/B) is a stock's price divided by the stock's per share book value.

Earnings per Share (EPS) is the portion of a company's profit allocated to each outstanding share of a common stock.

The **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 the portfolio's historical adjusted performance.

Beta is a measure of the difference between actual returns and expected performance, given the level of risk as measured by Beta, where **Beta** measures sensitivity to benchmark movements.

R-squared measures the strength of the linear relationship between the portfolio and its benchmark. R-squared at 1.0 implies perfect linear relationship and zero implies no relationship exists.

Standard deviation is based on quarterly data. Standard deviation is a measure of the variability of returns; the higher the standard deviation, the greater the range of performance (i.e., volatility).

The **Tracking Error** measure a manager's composite performance relative to the benchmark, considering only those quarters that are either positive (Up) or negative (Down) for the benchmark.

An **Alpha** greater than 1.0 indicates a manager who has outperformed the benchmark in the benchmark's positive quarters.

A **Beta** of less than 1.0 indicates a manager who has outperformed the relative benchmark in the benchmark's negative quarters.

Definitions



Index Definitions

The **Three Month Bill Index** is an unmanaged index of three-month Treasury bills. The index consists of an average of the last three-month U.S. Treasury bill issues.

The **Long Government Bond Index** is an index that measures the performance of all public U.S. government obligations with remaining maturities of approximately 1-3 years. Source: Bloomberg Indices.

The **Long Term () National Index** consists of a broad selection of investment-grade general obligation and revenue bonds of maturities from 1 to 17 years. Source: Bloomberg Indices.

The **Long Term Intermediate Sovereign Return Index** is an unmanaged index that measures the performance of intermediate (one to ten years) government and corporate fixed-rate debt issues. Source: Bloomberg Indices.

The **Long National Bond Index** is an unmanaged Index of municipal bonds with a remaining maturity of one to two years. Source: Bloomberg Indices.

The **Long National Bond Index** is an unmanaged index that tracks USD-denominated long-term, tax-exempt bond market with maturities of 4-6 years, including state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. Source: Bloomberg Indices.

The **Long National Bond Index** is a broad measure of the municipal bond market with maturities of at least one year. Source: Bloomberg Indices.

The **Long National Bond Index One Short Term Intermediate Index** measures the performance of the publicly traded municipal bonds that cover the USD-denominated short/intermediate term tax-exempt bond market, including state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. Source: Bloomberg Indices.

The **Long Synthetic 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. Source: Bloomberg Indices.

The **Long Synthetic Sovereign Return Index** measures the performance of US dollar denominated, fixed-rate, nominal U.S. Treasuries and U.S. agency debentures with maturities greater or equal than 1 year but less than 5 years. Source: Bloomberg Indices.

The **Long Synthetic Sovereign Return Index** is an index that tracks the performance of U.S. government and corporate bonds rated investment grade or better, with maturities of at least one year. Source: Bloomberg Indices.

The **Long Synthetic Intermediate Corporate Index** measures the performance of investment grade, fixed-rate, US dollar-denominated taxable corporate securities with maturities of 1-10 years. Source: Bloomberg Indices.

The **Long Synthetic Intermediate Corporate Index** measures the performance of the U.S. Treasury debentures with maturities of 1-10 years. Source: Bloomberg Indices.

The **Long Synthetic Intermediate Corporate Index** is a market-capitalization-weighted index including all U.S. Treasury notes and bonds with maturities greater than or equal to one year and less than three years. Source: The index data referenced herein is the property of Intercontinental Exchange ("ICE") and/or its licensors and has been licensed for use by Franklin Templeton. ICE and its licensors accept no liability in connection with this use.

Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

Definitions



Term definitions

Maturity date is the date at which a debt instrument is due and payable. A bond due to mature on January 1, 2025, will return the bondholder's principal and final interest payment when it reaches maturity on that date. Bond yields are frequently calculated on a yield-to-maturity basis.

Duration (modified duration) is the measure of the price sensitivity of a fixed income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows.

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.

Municipal bonds are ones where scheduled interest and principal payments are guaranteed by AAA-rated municipal bond insurers.

General obligation municipal bonds are backed by the credit and taxing power of the issuing jurisdiction rather than the revenue of a given project.

Revenue bonds are municipal bonds supported by the revenue from a specific project.

Refunded bonds are municipal bonds that are generally backed or secured by U.S. Treasury bonds.

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.

Average maturity is the average length of maturity for all fixed-rate debt instruments held in a portfolio.

Coupon rate is based on the portfolio's underlying holdings, which may differ and are subject to change. Coupon rate is the annual coupon payments paid by the issuer relative to a bond's face or par value.

Yield to maturity (YTM) - The rate of return anticipated on a bond if it is held until the maturity date. The calculation of YTM takes into account the current market price, par value, coupon interest rate and time to maturity.

Estimated average life - An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings.

The **Sharpe ratio** is a risk-adjusted measure that is calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical adjusted performance.

Beta is a measure of the difference between actual returns and expected performance, given the level of risk as measured by **Beta**, where Beta measures sensitivity to benchmark movements.

Slope measures the strength of the linear relationship between the portfolio and its benchmark. R-squared at 1.0 implies perfect linear relationship and zero implies no relationship exists.

Standard deviation is a measure of the variability of returns; the higher the standard deviation, the greater the range of performance (i.e., volatility).

The **alpha** measures a manager's composite performance relative to the benchmark, considering only those months that are either positive (Up) or negative (Down) for the benchmark.

An **alpha greater than 1.0** indicates a manager who has outperformed the benchmark in the benchmark's positive months.

An **alpha of less than 1.0** indicates a manager who has outperformed the relative benchmark in the benchmark's negative months.

Notes



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Notes



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