FRANKLIN TEMPLETON

Franklin Templeton Dividend Strategy Balanced Portfolios (60/40)

Separately Managed Accounts Factsheet | as of June 30, 2026

Investment overview

Franklin Templeton Dividend Strategy Balanced Portfolios aim to meet long-term financial goals with dividend income, dividend income growth and long-term capital appreciation while utilizing high-quality bonds to manage portfolio volatility.

Investment objective

The strategy seeks to:

- Provide dividend income.
- Achieve growth of dividend income.
- Achieve long-term capital appreciation.
- Utilize fixed income as an anchor to manage volatility in the overall portfolio and to provide income and total return.

Investment philosophy

We believe that:

- A total return portfolio that has exposure to companies that either pay an existing dividend or have the potential to pay and/or significantly grow their dividends has the potential to outperform over the long term when combined with the potential added stability of bonds.
- Competitive risk-adjusted returns may be achieved by investing in select large- and mid-cap companies and by seeking to limit portfolio turnover to capitalize on potential for long-term growth.

Management team

ClearBridge Investments is a well-established global investment manager focusing on proprietary research and fundamental investing. With over 60 years of experience building portfolios for clients seeking income solutions, high active share or low volatility, long-tenured portfolio managers provide strong leadership in a centralized investment structure.

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.

Western Asset team-managed approach

- Team unites groups of specialists dedicated to different market sectors.
- Each group of sector specialists utilizes their expertise in bottom-up analysis of each portfolio sector.

Investment management team

John Baldi
Managing Director
Portfolio Manager
Industry since 1999

Michael Clarfeld, CFA
Managing Director
Portfolio Manager
Industry since 2000

Diane Keady
Managing Director
Portfolio Manager
Industry since 2000

Active share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

Investment process

STEP 1

Equity investment process

Idea generation

- Targets an investment universe comprised of industry leaders and global champions in secularly attractive industries with strong balance sheets, brand and market presence
- Focuses on companies that offer robust dividend growth and sustainable payout ratios

STEP 2

Equity investment process

Fundamental analysis

- Performs proprietary analysis on companies across all market sectors -- includes business model evaluation, financial and management analysis to better determine valuation
- Conducts traditional fundamental research with the goal of answering the question, "Can this company grow and sustain its dividend?"

STEP 3

Equity investment process

Portfolio construction

- Typical portfolio consists of 40–60 securities with relatively low turnover (15–25%)
- Limits position size to 1–3%
- Emphasizes diversification over relative sector positioning

STEP 4

Equity investment process

Risk management

- Takes a team approach to monitoring the portfolio
- Attempts to mitigate risk through stock selection of high-quality business with low leverage/financial risk and avoiding those with material binary risk (e.g. biotech)
- Limits weighting in sectors with outsized exposure to single-factor risk (e.g. E&P)

Fixed income investment process

Interest rate exposure/ duration weighting

Western Asset's investment team comprehensively analyzes a variety of domestic and international macroeconomic factors to establish a duration target.

Fixed income investment process

Term structure weighting

The Firm carefully employs strategies in an attempt to take advantage of changes in the yield curve's shape and shifts in the relationship among short-, intermediate-, and long-maturity securities.

Fixed income investment process

Sector allocation

Western Asset seeks to add value to a portfolio by actively rotating between the Treasury and Agency sectors.

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 June 30, 2026

Top Ten Holdings (%)

	Portfolio
Williams Cos Inc/The	4.46
ExxonMobil Holdings Corp	3.95
Microsoft Corp	3.43
Alphabet Inc	3.39
NVIDIA Corp	2.86
Nestle SA	2.79
Air Products and Chemicals Inc	2.70
Apollo Global Management Inc	2.69
Unilever PLC	2.57
Marsh & McLennan Cos Inc	2.51
Total	**31.34**

Equity Sector Weightings (%)

	Portfolio
Financials	17.54
Information Technology	15.29
Industrials	11.51
Health Care	11.27
Communication Services	9.34
Energy	8.41
Consumer Staples	8.25
Materials	6.27
Real Estate	4.58
Consumer Discretionary	2.92
Utilities	2.75
Cash & Cash Equivalents	1.87

Equity Characteristics

	Portfolio
Number of Issuers	50
Estimated 3-5 Year EPS Growth	10.08%
Price to Earnings (12-Month Forward)	18.19x
Price to Book	7.86x
Dividend Yield	2.17%
Median Market Cap (Millions USD)	$144,754
Weighted Average Market Capitalization (Millions USD)	$638,784

Equity Market Capitalization (%)

	Portfolio
<10 Billion	0.00
10-50 Billion	10.74
50-250 Billion	48.83
250-500 Billion	13.27
>500 Billion	27.16

Fixed Income Characteristics

	Portfolio
Effective Duration	3.62 Years
Yield to Worst	4.21%
Weighted Average Life	4.03 Years
Cash Flow	4.21%

Fixed Income Sector Weightings (%)

	Portfolio
Treasury	100.00

‡ Portfolio characteristics and composition are currently inaccessible for the Dividend Strategy Balanced portfolio. In lieu of this, the portfolio characteristics shown for Dividend Strategy portfolio (Source: FactSet) are based on a model portfolio for the equity portion and for the GSM 5-Year portfolio (Source: Western Asset) are based on representative accounts for the fixed income portion.

Source: FactSet. Portfolio characteristics listed 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.

Source: Western Asset. Portfolio characteristics listed are based on representative accounts and assumes no withdrawals, contributions, or client-imposed restrictions. Portfolio characteristics of individual client accounts may differ from those of the representative accounts as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors.

Portfolio characteristics are subject to change at any time. Portfolio characteristics of individual client portfolios in the program may differ, sometimes significantly, from those shown above.

Performance

Annualized Rates of Return – Pure Gross and Net of Fees (%) as of June 30, 2026 – PRELIMINARY

	1 Mth	3 Mths	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	15 Year	20 Year
Dividend Strategy Bal (60/40)–Pure Gross of Fees—(USD)	0.11	4.19	4.22	9.62	10.34	7.39	8.34	8.28	8.48	7.96
Dividend Strategy Bal (60/40)–Net of Fees—(USD)	-0.14	3.43	2.69	6.44	7.14	4.27	5.19	5.14	5.34	4.83
Index Mix (60/40)—(USD)	-0.54	9.10	6.29	14.28	13.93	8.50	10.35	9.97	9.42	8.20

Calendar-Year Total Returns – Pure Gross and Net of Fees (%) ending December 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Dividend Strategy Bal (60/40)–Pure Gross of Fees—(USD)	10.53	11.56	10.68	-6.68	16.24	6.86	19.80	-1.95	11.97	9.64
Dividend Strategy Bal (60/40)–Net of Fees—(USD)	7.33	8.33	7.48	-9.42	12.89	3.76	16.36	-4.81	8.73	6.46
Index Mix (60/40)—(USD)	13.38	15.59	17.20	-13.70	15.78	14.16	20.60	-1.80	13.15	7.64

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" (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.

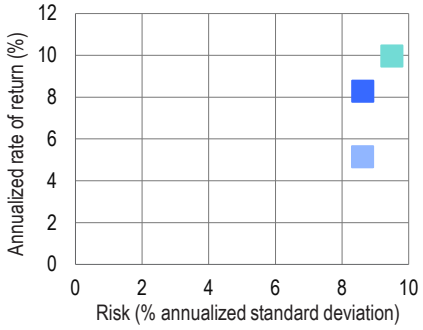
For fee schedules, contact your financial professional, or if you enter into an agreement directly with Franklin Templeton Private Portfolio Group, LLC ("FTPPG"), refer to FTPPG's Form ADV Part 2A disclosure document. Management and performance of individual accounts may vary for reasons that include the existence of different implementation practices and model requirements in different investment programs. **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. ClearBridge Investments, LLC 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.**

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. 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.

The index mix consists 60% S&P 500 Index and 40% Bloomberg U.S. Intermediate Treasury Bond Index.

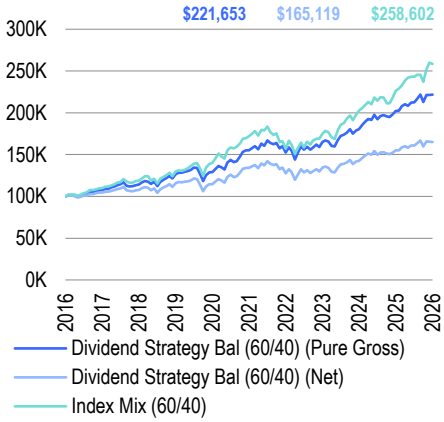
Performance Statistics [1] Preliminary (based on 10-year period ending June 30, 2026)

Risk/Return profile (%)



Dividend Strategy Bal (60/40) (Pure Gross)	
Annualized Return (%)	8.28
Annualized Standard Deviation (%)	8.62
Dividend Strategy Bal (60/40) (Net)	
Annualized Return (%)	5.14
Annualized Standard Deviation (%)	8.62
Index Mix (60/40)	
Annualized Return (%)	9.97
Annualized Standard Deviation (%)	9.50

Growth of $100,000*



[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" (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.

Terms and definitions:

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.

P/E (Year 1) 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.

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

Weighted 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.

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

Average coupon 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.

Maturity is the date at which a debt instrument is due and payable. A bond due to mature on January 1, 2010, 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 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 call 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.

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

What are the risks?

All investments involve risks, including possible loss of principal. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. The managers' **environmental, social and governance (ESG) strategies** may limit the types and number of investments available and, as a result, may forgo favorable market opportunities or underperform strategies that are not subject to such criteria. There is no guarantee that the strategy's ESG directives will be successful or will result in better performance.

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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