



Templeton World Balanced SMA

Templeton Separately Managed Accounts

Multi-Asset
Equity
September 30, 2020

Product Profile

Product Details¹

Inception Date	11/30/2002
Benchmark	Custom 65% MSCI AC World-NR + 35% Bloomberg Barclays Intermediate Government Index, MSCI All Country World Index-NR, Bloomberg Barclays US Government - Intermediate Index

For more information, please contact your Franklin Templeton separately managed account sales team at (800) 822-8464.

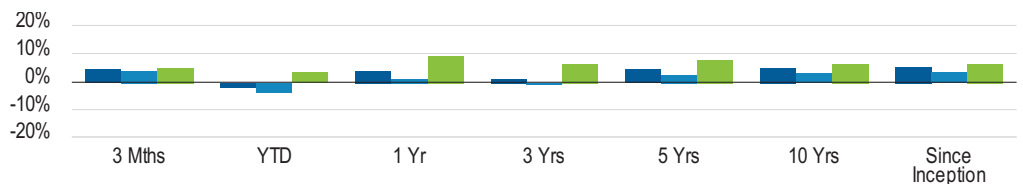
Overview

The strategy seeks long-term capital growth, current income and consistent rates of return by investing in approximately 65% stocks and 35% bonds. The strategy invests in the equity securities of companies located anywhere in the world, including emerging markets, and in high-quality bonds denominated in U.S. dollars.

Performance Data^{2,3,4,5}

Average Annual Total Returns (USD %)

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (11/30/2002)
Templeton World Balanced SMA Composite - Pure GROSS	4.72	-1.54	3.96	1.32	4.58	5.25	5.90
Templeton World Balanced SMA Composite - NET	3.95	-3.71	1.23	-0.73	2.58	3.27	3.92
Custom 65% MSCI AC World-NR + 35% Bloomberg Barclays Intermediate Government Index	5.37	3.64	9.61	6.44	7.91	6.59	6.76



- Templeton World Balanced SMA Composite - Pure GROSS
- Templeton World Balanced SMA Composite - NET
- Custom 65% MSCI AC World-NR + 35% Bloomberg Barclays Intermediate Government Index

Templeton Separately Managed Accounts claims compliance for the periods January 1, 2000 to the present. Any performance presented prior to that date is not in compliance. **Past performance is not an indicator or a guarantee of future performance.**

1. A composite is an aggregation of one or more portfolios into a single group that represents a particular investment objective or strategy. The composite return is the asset-weighted average of the performance results of all the fully discretionary portfolios in the composite. The composite return information provided herein includes the returns of Templeton Separately Managed Accounts, high-net-worth individual and institutional client portfolios and with respect to any periods prior to the inception of Templeton Separately Managed Accounts, reflects the performance of any such other portfolios.

2. Total returns presented assume reinvestment of any dividends, interest income, capital gains, or other earnings. Net-of-fee returns are reduced by the total "wrap fee" which includes trading expenses as well as investment management, administrative and custodial fees. Gross returns are Pure gross and do not reflect the deduction of any transaction costs, including trading costs. Returns over one year are annualized.

3. Source for Index: FactSet. Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

4. Custom 65% MSCI All Country World-NR + 35% Bloomberg Barclays Intermediate Government Index reflects the performance of Custom 65% MSCI All Country World + 35% Bloomberg Barclays Intermediate Government Index (gross returns) from fund inception through 12/31/2000 and the Custom 65% MSCI All Country World-NR + 35% Bloomberg Barclays Intermediate Government Index thereafter.

5. Net Returns (NR) include income net of tax withholding when dividends are paid.

Calendar Year Returns (USD %)⁶

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Templeton World Balanced SMA Composite - Pure GROSS	13.27	-9.39	15.09	4.94	-2.84	-0.06	21.22	15.86	-4.37	6.38
Templeton World Balanced SMA Composite - NET	11.32	-10.95	13.14	3.08	-4.59	-1.93	19.03	13.72	-6.15	4.43
Custom 65% MSCI AC World-NR + 35% Bloomberg Barclays Intermediate Government Index	18.93	-5.53	15.50	5.61	-0.91	3.66	13.91	11.13	-2.47	10.49

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

Portfolio Characteristics^{7,8}

	Portfolio	MSCI All Country World Index-NR
Price to Earnings (12-Month Trailing)	20.38x	24.03x
Price to Book	1.91x	2.48x
Price to Cash Flow	7.60x	13.70x
Market Capitalization (Millions in USD)	115,389	252,257

Portfolio Diversification

Top Ten Holdings⁹

Percent of Total

Top Holdings	Country	%
VERIZON COMMUNICATIONS INC	United States	2.30
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	Taiwan	2.14
COMCAST CORP	United States	1.75
WALT DISNEY CO/THE	United States	1.73
BERKSHIRE HATHAWAY INC	United States	1.70
FRESENIUS MEDICAL CARE AG & CO KGAA	Germany	1.61
KROGER CO	United States	1.49
LABORATORY CORP OF AMERICA HOLDINGS	United States	1.44
WHEATON PRECIOUS METALS CORP	Canada	1.35
HITACHI LTD	Japan	1.34

6. Pure gross does not reflect the deduction of any expenses, including trading costs.

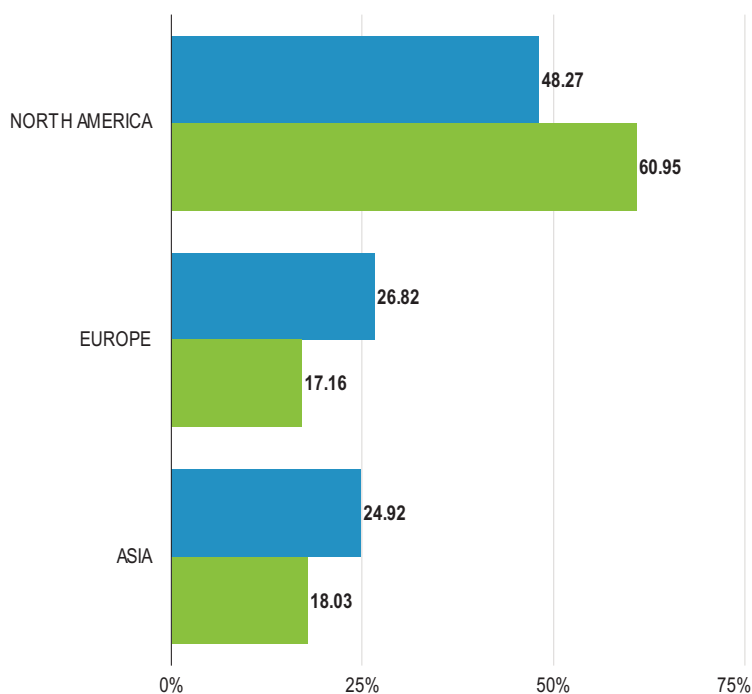
7. Source: FactSet. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted.

8. Source for Index: FactSet. Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

9. Holdings of the same issuers have been combined. Top ten holdings information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change. The information provided is not a recommendation to purchase, sell, or hold any particular security. The portfolio manager reserves the right to withhold release of information with respect to holdings that would otherwise be included.

Geographic Weighting vs. MSCI All Country World Index-NR^{10,11}

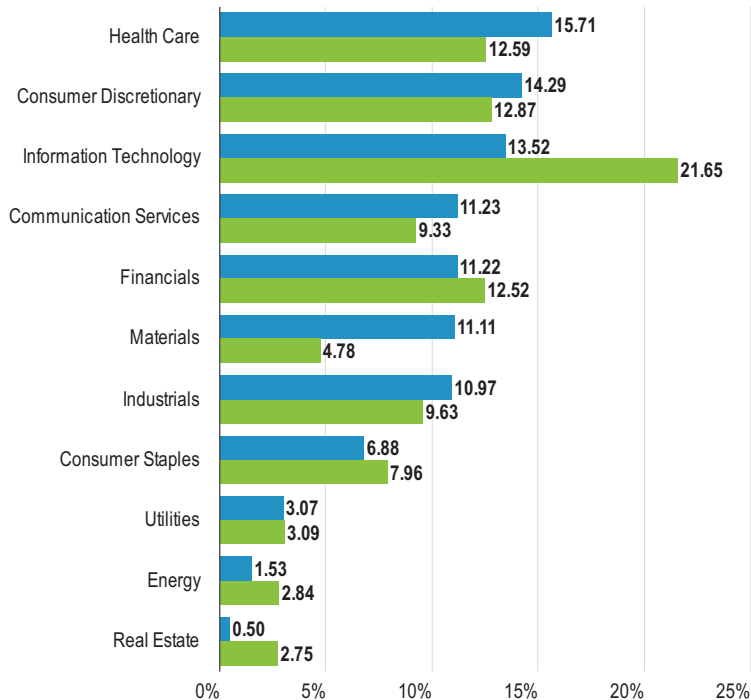
Percent of Equity



● Templeton World Balanced SMA Composite
● MSCI All Country World Index-NR

Sector Weighting vs. MSCI All Country World Index-NR^{12,13}

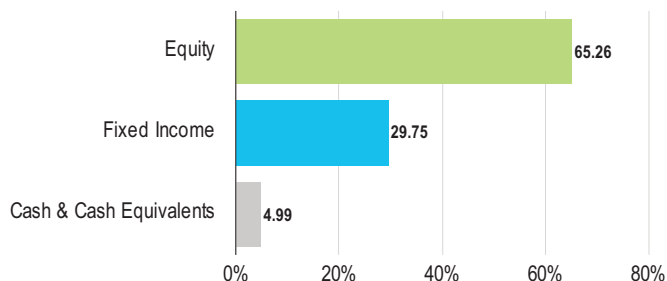
Percent of Total



● Templeton World Balanced SMA Composite
● MSCI All Country World Index-NR

Asset Allocation¹⁴

Percent of Total



Performance Statistics

Risk Statistics^{15,16,17,18}

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)	11.67	10.30	10.48	10.69
Tracking Error (%)	3.03	3.24	3.37	3.03
Information Ratio	-1.69	-1.03	-0.40	-0.28
Beta	1.09	1.10	1.16	1.06
Sharpe Ratio	-0.02	0.34	0.45	0.43

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10,12,14. Percentage may not equal 100% due to rounding. All holdings are subject to change.

11,13. Source for Index: FactSet. Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

15. Beta, Information Ratio and Tracking Error information are measured against the Custom 65% MSCI AC World-NR + 35% Bloomberg Barclays Intermediate Government Index.

16. Risk statistics are calculated using pure gross-of-fees. Pure gross does not reflect the deduction of any transaction costs, including trading costs. Returns over one year are annualized.

17. Custom 65% MSCI All Country World-NR + 35% Bloomberg Barclays Intermediate Government Index reflects the performance of Custom 65% MSCI All Country World + 35% Bloomberg Barclays Intermediate Government Index (gross returns) from fund inception through 12/31/2000 and the Custom 65% MSCI All Country World-NR + 35% Bloomberg Barclays Intermediate Government Index thereafter.

18. Net Returns (NR) include income net of tax withholding when dividends are paid.

Investment Philosophy

We believe that undervalued securities may be recognized by the market over time and that security prices can fluctuate more widely than underlying security values. We expect that value can be identified through superior, fundamental, bottom-up analysis. We adhere to Templeton's value-oriented, bottom-up, patient approach to equity investing.

The fixed income portion of the strategy managed by Franklin Separately Managed Accounts focuses on investments in high-quality bonds, seeking to take advantage of relative valuation differences between asset classes, sectors, issuers and individual bond issues, with the objective of producing a high level of current income and generating total return opportunities.

Investment Process

Templeton World Balanced SMA is structured with a goal of providing long-term capital appreciation and consistent rates of return by investing in approximately 65% stocks and 35% bonds under normal market conditions.

Templeton's equity approach begins with a search for value opportunities derived from a global universe of over 10,000 companies. Analysts perform in-depth analysis on stocks, which are further scrutinized by research teams. Approved stocks are added to the Bargain List and are considered for portfolio investment.

Franklin Separately Managed Accounts' disciplined, client-specific fixed income process includes using proprietary, relative value analysis to make top-down allocation decisions among U.S. Treasury securities, U.S. agency securities and corporate bonds. Managers and analysts then perform bottom-up, fundamental research that emphasizes credit quality and liquidity. Portfolios are constructed targeting benchmark neutral duration.

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Heather Waddell, CFA	23	25
Jacob K. Chu	19	24
Matthew Nagle, CFA	17	22
Peter Nori, CFA	33	33
Thomas Runkel, CFA	33	37

Glossary

Average Duration: The market-weighted average of the duration of bonds. Duration of each bond is the estimated percentage change in the bond's price for a 1% change in the bond's yield.

Average Weighted Maturity: An estimate of the number of terms to maturity, taking the possibility of early payments into account, for the underlying holdings. Maturity is expressed as a number of years.

Beta: A measure of the magnitude of a portfolio's past share-price fluctuations in relation to the ups and downs of the overall market (or appropriate market index). The market (or index) is assigned a beta of 1.00, so a portfolio with a beta of 1.20 would have seen its share price rise or fall by 12% when the overall market rose or fell by 10%.

Information Ratio: In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark.

Market Capitalization: A determination of a company's value, calculated by multiplying the total number of company stock shares outstanding by the price per share. Market capitalization is expressed in millions of USD.

Price to Book Value: The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the value represents a weighted average of the stocks it holds.

Price to Cash Flow: Supplements price/earnings ratio as a measure of relative value for a stock. For a portfolio, the value represents a weighted average of the stocks it holds.

Price to Earnings (12-mo Trailing): The share price of a stock, divided by its per-share earnings over the past year. For a portfolio, the value represents a weighted average of the stocks it holds.

Sharpe Ratio: To calculate a Sharpe ratio, an asset's excess returns (its return in excess of the return generated by risk-free assets such as Treasury bills) are divided by the asset's standard deviation.

Standard Deviation: A measure of the degree to which returns vary from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that performance will fluctuate from the average return.

Tracking Error: Measure of the deviation of the return of a product compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment is managed, the smaller the tracking error.

Important Legal Information

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Templeton Separately Managed Accounts (the “firm”) manages portfolios for high net worth individuals and institutional clients, applying a bottom-up, value oriented, long-term investment style, focusing on global and non-U.S. markets. Templeton Separately Managed Accounts is a division of Franklin Templeton Portfolio Advisors, Inc. (“FTPA”), a subsidiary of Franklin Resources, Inc. (“FRI”) and is a unit of the broader Templeton organization. At Templeton Separately Managed Accounts, brokerage, administrative, custodial and investment management fees may be charged together as a percentage of the portfolios’ assets (comprehensive fee or wrap-fee) or may in some instances be charged separately (unbundled fee). Effective July 1, 2014, Templeton Investment Counsel, LLC. (TICLLC) assumed responsibility for Templeton Separately Managed Accounts’ global and international equity SMA accounts. TICLLC is a sub-advisor to Templeton Separately Managed Accounts. Retail and Institutional separate accounts managed by affiliated Templeton entities are not included in the firm definition.

Templeton World Balanced SMA Composite consists of all the fully discretionary wrap-fee portfolios which have an objective that seeks current income with growth of capital by investing in global (U.S. and non-U.S.) equity and U.S. fixed income securities and for which the brokerage (including trading expenses), administrative, custodial, and investment management fees are charged together as a percentage of the portfolio’s assets (known as a comprehensive fee, wrap-fee or bundled fee). As the criterion for inclusion in this composite is that the portfolios have bundled fees (i.e. where commission costs are not charged separately), 100% of the accounts in the composite have bundled fees for all time periods presented. No account(s) in the composite use leverage or derivatives.

The primary benchmark for the composite is a blended index consisting of Custom 65% MSCI All Country World Index-NR + 35% Bloomberg Barclays Intermediate Government Index, which is rebalanced monthly. The MSCI All Country World Index-NR is a free float-adjusted market capitalization weighted equity index comprised of securities in MSCI’s developed and emerging market country-specific indexes. The Bloomberg Barclays U.S. Government Intermediate Index is a market value weighted fixed income index comprised of all publicly issued, non-convertible domestic debt of the U.S. government, any agency thereof, or any quasi-federal corporation and of corporate debt guaranteed by the U.S. government with minimum outstanding principal of \$1 million, minimum maturity of one year and maximum maturity of ten years.

All investments involve risks, including the loss of principal. Generally, investments offering the potential for higher returns are accompanied by a higher degree of risk. Stocks and other equities representing an ownership interest in a corporation have historically outperformed other asset classes over the long term but tend to fluctuate more dramatically over the shorter term. Small or relatively new companies can be particularly sensitive to changing conditions due to factors such as relatively small revenues, limited product lines, and small market share. Smaller-company stocks have historically exhibited greater price volatility than larger-company stocks, particularly over the short term. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Investments in emerging markets involve heightened risks related to the same factors and are less liquid. Bond prices are affected by interest rate changes. High-yield, lower-rated (junk) bonds generally have greater price swings and higher default risks. Investors should review their investment objectives, risk tolerance and liquidity needs before choosing a manager. Securities markets can fluctuate significantly in response to industry, financial or economic developments, and unexpected events, such as the spread of deadly diseases or disasters, can cause investor fear and panic, which can adversely affect companies, sectors and the market in general. There is no guarantee that investment strategies will work under all market conditions and investors should evaluate their ability to invest for the long term, especially during periods of market downturns.

The composite performance results are presented in U.S. Dollars and have been calculated using time-weighted total rates of return. For wrap fee composites, net of fee returns are net of actual total wrap fees. The total wrap fee includes brokerage fees (i.e. trading expenses), investment management, administrative and custodial fees. For portfolios where the actual total wrap fee is unknown, the highest model fee applicable for the strategy is used to calculate the net return. Any administrative or custodial fees charged to accounts over and above the wrap fee that are specifically identified as such fees are treated as cash withdrawals and do not negatively impact performance. Gross of fee returns for wrap fee composites are pure gross before wrap fees, including brokerage fees related to trading expenses for transactions executed through the sponsor. All returns assume the reinvestment of dividends, interest, and realized and unrealized capital gains and losses. Returns for periods of less than one year are not annualized. Periods greater than one year are shown as average annual total returns. Performance data is shown rounded to the nearest hundredth. **Past performance is not an indicator or a guarantee of future performance.**

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