



Templeton World Balanced SMA Composite

Value
Multi-Asset
June 30, 2019

Templeton Separately Managed Accounts

Product Profile

Product Details¹

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

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

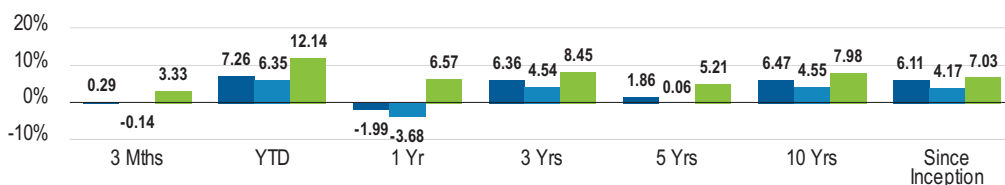
Overview

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}

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	0.29	7.26	-1.99	6.36	1.86	6.47	6.11
Templeton World Balanced SMA Composite - NET	-0.14	6.35	-3.68	4.54	0.06	4.55	4.17
Custom 65% MSCI AC World + 35% Bloomberg Barclays Intermediate Government Index	3.33	12.14	6.57	8.45	5.21	7.98	7.03



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

Performance data represents past performance, which does not guarantee future results. 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.

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 represents the returns of **Templeton Separately Managed Accounts** high-net-worth individual and institutional client portfolios.

2. "Pure" gross does not reflect the deduction of any expenses, including trading costs, and is provided as supplemental information.

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. Periods shorter than one year are shown as cumulative total returns.

Calendar Year Returns (USD %)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Templeton World Balanced SMA Composite - Pure GROSS	-9.39	15.09	4.94	-2.84	-0.06	21.22	15.86	-4.37	6.38	17.70
Templeton World Balanced SMA Composite - NET	-10.95	13.14	3.08	-4.59	-1.93	19.03	13.72	-6.15	4.43	15.44
Custom 65% MSCI AC World + 35% Bloomberg Barclays Intermediate Government Index	-5.25	15.90	6.01	-0.57	4.02	14.30	11.55	-2.14	10.84	22.42

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Portfolio Characteristics^{5,6}

	Portfolio	MSCI All Country World Index
Price to Earnings (12-Month Trailing)	13.99x	17.54x
Price to Book	1.38x	2.29x
Price to Cash Flow	6.43x	11.23x
Market Capitalization (Millions in USD)	86,218	130,537

Portfolio Diversification

Top Ten Holdings⁷

Percent of Total

Top Holdings	Country	%
VERIZON COMMUNICATIONS INC	United States	2.13
BNP PARIBAS SA	France	2.10
WHEATON PRECIOUS METALS CORP	Canada	2.07
ING GROEP NV	Netherlands	2.01
COMCAST CORP	United States	1.88
ENI SPA	Italy	1.81
ISHARES MSCI SOUTH KOREA ETF		1.79
WELLS FARGO & CO	United States	1.78
DEUTSCHE TELEKOM AG	Germany	1.78
SANOFI	France	1.68

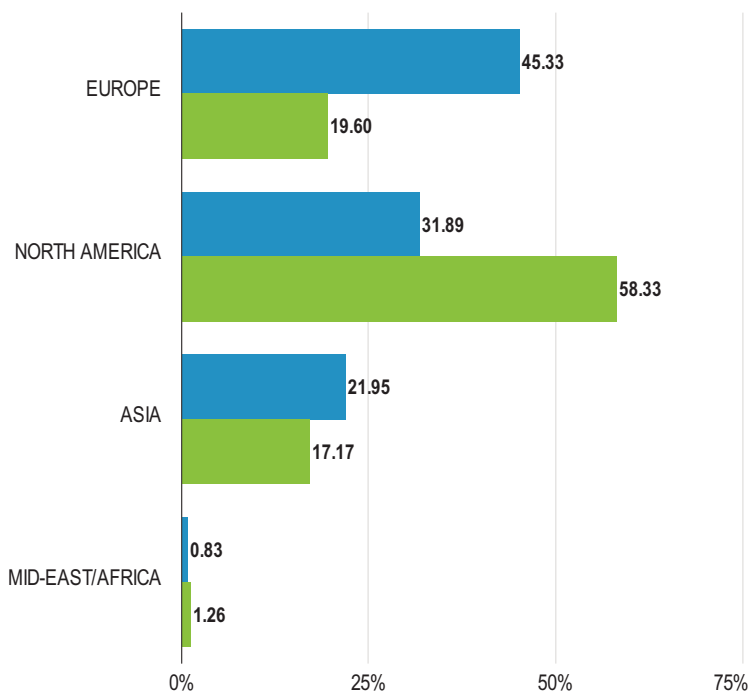
5. Source: FactSet. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted.

6. 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.

7. 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 for the fund 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^{8,9}

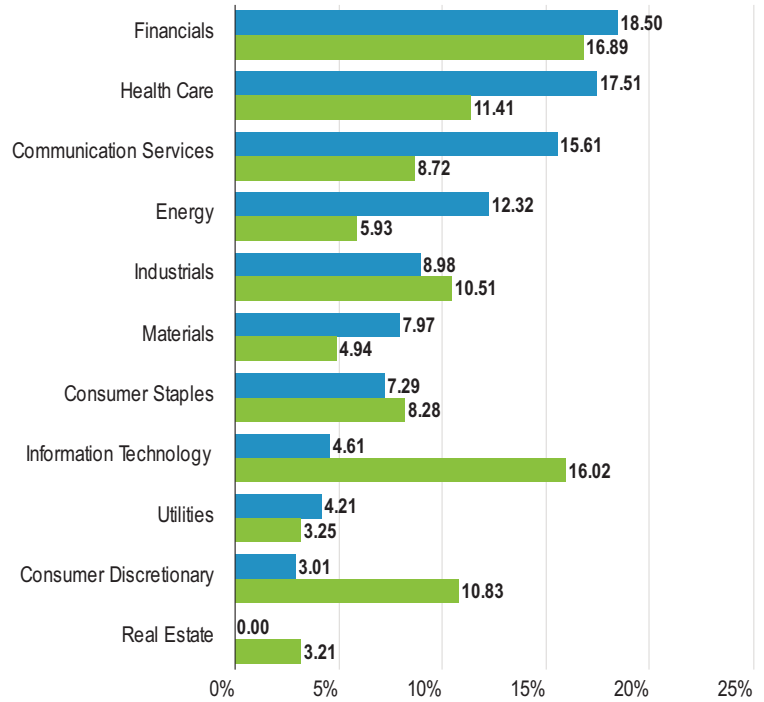
Percent of Equity



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

Sector Weighting vs. MSCI All Country World Index^{10,11}

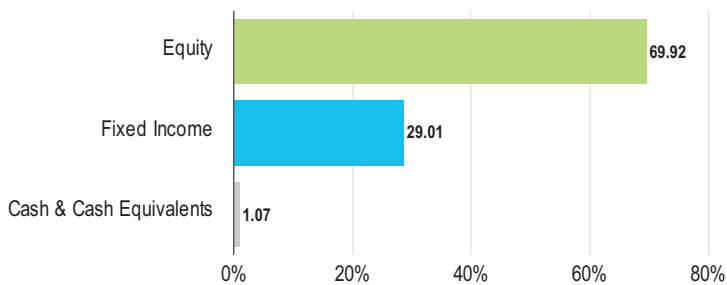
Percent of Total



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

Asset Allocation¹²

Percent of Total



Supplemental Performance Statistics

Supplemental Risk Statistics^{13,14}

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)	9.02	9.41	10.58	10.55
Tracking Error (%)	3.34	3.29	3.32	3.06
Information Ratio	-0.63	-1.02	-0.46	-0.30
Beta	1.20	1.21	1.19	1.07
Sharpe Ratio	0.55	0.11	0.57	0.46

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8,10,12. Information is historical and may not reflect current or future portfolio characteristics. Percentage may not equal 100% due to rounding. All holdings are subject to change.

9,11. 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.

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

14. Information is supplemental to the historical performance of the Templeton World Balanced SMA Composite, comprising the portfolios of all the sponsors following that mandate, and is based on "pure" gross-of-fees. "Pure" gross does not reflect the deduction of any expenses, including trading costs, and is provided as supplemental information. Returns over one year are annualized.

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, EVP, Portfolio Manager, Research Analyst	22	24
Jacob K. Chu, Vice President	18	23
Matthew Nagle, CFA, EVP, Portfolio Manager, Research Analyst	15	20
Peter Nori, CFA, EVP, Portfolio Manager, Research Analyst	32	32
Thomas Runkel, CFA, VP/ Portfolio Manager	32	36

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**Templeton Separately Managed Accounts claims compliance with the Global Investment Performance Standards (GIPS®).**

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-adviser to Templeton Separately Managed Accounts. Retail and Institutional separate accounts managed by affiliated Templeton entities are not included in the firm definition. Templeton Separately Managed Accounts was previously known as Templeton Portfolio Advisors prior to June 30, 2012. Templeton Portfolio Advisors was previously known as the Templeton Private Client Group prior to October 1, 2004.

The information and opinions stated are as of 06/30/2019, and are based on the Templeton World Balanced SMA Composite, unless otherwise indicated, and do not represent a complete analysis of every material fact concerning any industry, security or investment. Statements of fact have been obtained from sources deemed reliable, but no representation is made as to their completeness or accuracy. The opinions expressed are not intended as individual investment advice or as recommendation of any particular security, strategy or investment product. The securities identified do not represent an account’s entire holdings and in the aggregate may represent only a small percentage of such holdings. There is no assurance that securities purchased will remain in an account’s portfolio, or that securities sold will not be repurchased. In addition, it should not be assumed that any securities transactions discussed were or will prove to be profitable.

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. Global balanced portfolios are structured to provide investors with long-term capital appreciation and consistent rates of return by investing in a balanced portfolio of global stocks and domestic bonds under normal market conditions. Foreign investing, especially in developing countries, has additional risks such as currency and market volatility and political or social instability. Due to the nature of the investments in the fixed income portion of the strategy, interest rate risk is a primary risk of this strategy. For accounts in the Templeton World Balanced SMA Comprehensive Fee Composite, Templeton Separately Managed Accounts has engaged as a sub-adviser, an affiliated Franklin Templeton entity, Franklin Separately Managed Accounts. Franklin Separately Managed Accounts has been engaged as a sub-adviser for all time periods shown.

All returns are presented in U.S. dollars and have been calculated using time-weighted total rates of return. Net-of-fees returns have been reduced by the total “wrap-fee” which includes brokerage fees (including trading expenses), administrative, custodial and investment management fees. Gross performance returns presented are “pure” gross-of-fees returns, which are before wrap fees, including brokerage fees related to trading expenses for transactions executed through the sponsor. “Pure” gross-of-fees returns are presented as supplemental information only. Both net- and “pure” gross-of-fees returns assume the reinvestment of dividends, interest, and realized and unrealized capital gains and losses. **Past performance is not an indicator or a guarantee of future performance.**

The primary benchmark for the composite is a blended index consisting of 65% MSCI All Country World Index and 35% Bloomberg Barclays U.S. Government Intermediate Index which is rebalanced monthly. The MSCI All Country World Index 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 10 years.

Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

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Additional information regarding the firm’s policies and procedures for calculating and reporting performance results is available upon request. To receive a complete list of composite descriptions and/or a presentation that adheres to the GIPS® standards for any composite, contact your Franklin Templeton separately managed account sales team at (800) 822-8464 or visit www.franklintempleton.com.

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