FRANKLIN TEMPLETON

Franklin U.S. Government Ladder 1-10 Year SMA

Separately Managed Accounts Factsheet | as of September 30, 2026

Investment overview

The Franklin Fixed Income team manages portfolios composed of laddered U.S. government securities. We seek to provide current income with principal stability. At least every other year in the ladder will have a bond position with a corresponding maturity in that year for the complete maturity range of the strategy

Investment objective

Seeks:

- Current income consistent with preservation of capital.
- Active management with a goal towards security selection

Investment principles:

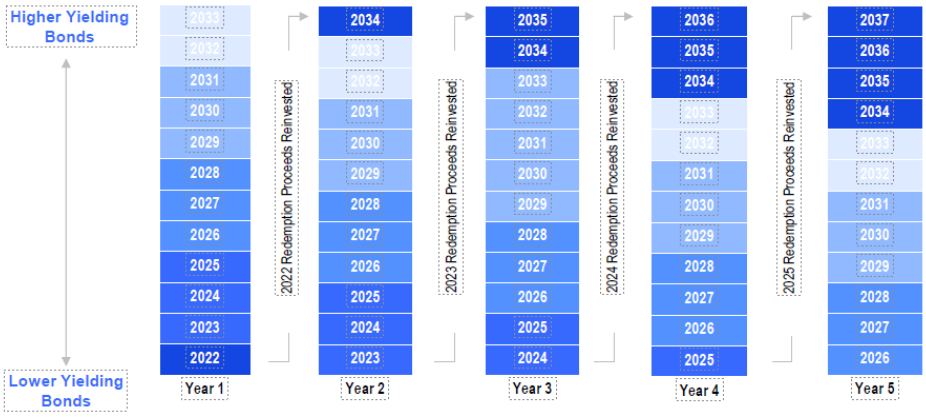
Seeking to deliver consistent, maximum risk-adjusted performance for clients.

We believe marrying quantitative science with fundamentals-based active management provides us the insights and competitive edge to navigate challenging investment environments, generate consistent alpha, and serve our clients better.

- **Bridge:** Multi-disciplinary collaboration (economists, portfolio managers, fundamental analysts, quant analysts, traders) results in a systematic process that integrates and synthesizes data in a manner that translates and communicates information in a consistent manner.
- **Complement:** Quantitative analysis serves as the starting point for discussion and debate, not the end point, and provides breadth while fundamental analysis provides depth. Quantitative approaches can identify patterns in enormous amounts of data and cover the entire investable universe while active fundamental analysis provides a deep understanding of the complexity individual issuers and securities.
- **Guide:** Embedded quantitative processes makes results more consistent, reproduceable, and amenable to analysis and improvement.

Mechanics of Laddered Portfolio

As bonds on each rung of the ladder mature, the principal plus interest (if desired) are typically reinvested into longer-dated, higher-yielding securities:



Investment management team

Jacob K Chu
Portfolio Manager
Industry since 1988

Marc S Kremer
Portfolio Manager
Industry since 1996

Albert W Chan
Portfolio Manager
Industry since 1988

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

Investment process

STEP 1

Identify ladder structure

Current holdings are reviewed, and a comprehensive analysis is provided of how they would be transitioned into a Franklin Laddered Portfolio. For new accounts incepting with cash, we will construct a portfolio, equally weighted across the rungs of the chosen ladder with different issuers. The ladder rungs are determined by the account size at either 1- or 2-year rungs.

STEP 2

Uncover attractive yield opportunities

We source opportunities in both the primary and secondary markets. Our presence as a leader in the space allows for institutional access to primary market supply as well as institutional-level execution when both buying and selling.

STEP 3

Build a high-quality portfolio

The team implements the investment strategy using a disciplined conservative approach, focusing on high-quality U.S. Treasury and U.S. Agency securities.

STEP 4

Ongoing Portfolio and credit monitoring

We regularly monitor each client's portfolio as well as the bond market to help ensure the portfolio continues to be appropriately positioned. A member of the team is available to review account holdings and performance upon request.

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 September 30, 2026

Characteristics

	Portfolio
Effective Duration	3.88 Years
Average Weighted Maturity	4.45 Years
Yield to Maturity	4.92%
Yield to Worst	4.92%
Weighted Average Coupon	2.81%
Weighted Average Price	91.27

Sector Weightings (%)

	Portfolio
U.S. Treasury	98.05
Cash & Cash Equivalents	1.95

Credit Quality (%)

	Portfolio
AAA	1.95
AA	98.05

Average Maturity (%)

	Portfolio
0 to 2 Years	28.33
2 to 4 Years	19.64
4 to 6 Years	15.98
6 to 8 Years	20.21
8+ Years	15.85

Average Coupon, Current Yield, Yield to Maturity, and Yield to Worst are calculated without the deduction of fees and expenses.

‡Source: Franklin Templeton. Portfolio characteristics and sector weightings are based on representative accounts within the composite. Portfolio characteristics and sector weightings of individual client portfolios in the program may differ, sometimes significantly, from those shown above. Assumes no client-imposed restrictions. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the sectors listed and should not be used as a sole basis to make any investment decisions.

Yield figures quoted should not be used as an indication of the income that has or will be received. Yield figures are based on the portfolio's underlying holdings and do not represent a payout of the portfolio. Past performance is not an indicator or a guarantee of future performance.

Credit Quality is a measure of a bond issuer's ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security's rating as provided by S&P Global Ratings, Moody's Investors Service and/or Fitch Ratings, Inc. and typically range from AAA (highest) to D (lowest), or an equivalent and/or similar rating. For this purpose, the manager assigns each security the middle rating from these three agencies. When only two agencies provide ratings, the lower of the two ratings will be assigned. When only one agency assigns a rating, that rating will be used. Foreign government bonds without a specific rating are assigned a country rating, if available. Securities that are unrated by all three agencies are reflected as such. The credit quality of the investments in the portfolio does not apply to the stability or safety of the portfolio. The methodology used for the calculation of credit quality ratings displayed may differ from the methodology for monitoring investment limits, if applicable.
Please note, the portfolio itself has not been rated by an independent rating agency.

Performance

Annualized Rates of Return – Pure Gross and Net of Fees (%) as of September 30, 2026 – PRELIMINARY – (Inception Date: 06/30/2020)

	YTD*	1 Mth*	3 Mths*	1 Year	3 Year	5 Year	Since Incept
Franklin U.S. Government Ladder 1-10 Year SMA–Pure Gross of Fees—(USD)	**-1.88**	**-1.77**	**-2.16**	**-0.87**	**3.59**	**0.45**	**0.06**
Franklin U.S. Government Ladder 1-10 Year SMA–Net of Fees—(USD)	**-2.97**	**-1.90**	**-2.53**	**-2.34**	**2.06**	**-1.03**	**-1.42**
Bloomberg U.S. Intermediate Treasury Index—(USD)	-1.46	-1.53	-1.69	-0.33	3.78	0.55	0.25

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

	YTD	2025	2024	2023	2022	2021
Franklin US Govt Ladder 1-10 Yr–Pure Gross of Fees—(USD)	-1.88	6.65	2.02	4.41	-7.91	-2.09
Franklin US Govt Ladder 1-10 Yr–Net of Fees—(USD)	-2.97	5.09	0.51	2.87	-9.28	-3.54
Bloomberg Interm Treas Index—(USD)	-1.46	6.51	2.42	4.28	-7.77	-1.72

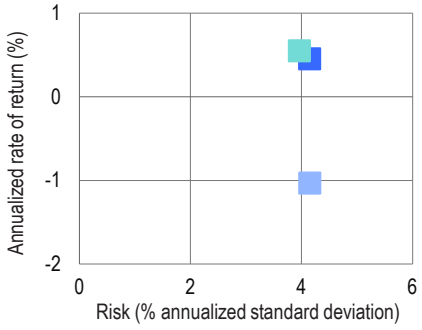
The strategy returns shown are preliminary composite returns, subject to future revision (downward or upward). Past performance is not a guarantee of future results. An investment in this strategy can lose value. Please visit www.franklintempleton.com for the latest performance figures. Investors cannot 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" (1.5% 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. Franklin Templeton 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.**

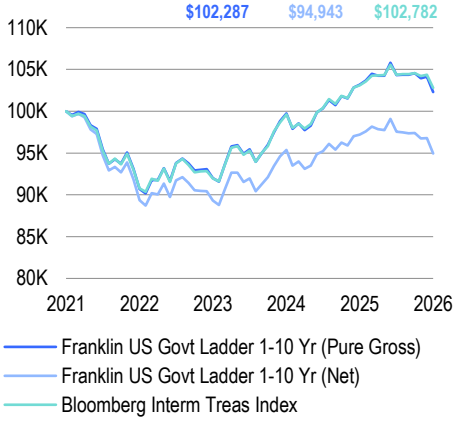
Performance Statistics [1] Preliminary (based on 5-year period ending September 30, 2026)

Risk/Return profile (%)

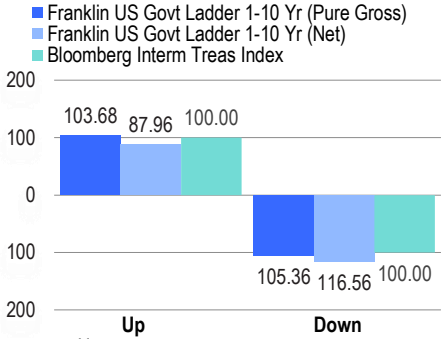


Franklin US Govt Ladder 1-10 Yr (Pure Gross)	
Annualized Return (%)	0.45
Annualized Standard Deviation (%)	4.15
Franklin US Govt Ladder 1-10 Yr (Net)	
Annualized Return (%)	-1.03
Annualized Standard Deviation (%)	4.15
Bloomberg Interm Treas Index	
Annualized Return (%)	0.55
Annualized Standard Deviation (%)	3.96

Growth of $100,000*



Up/Down market capture ratios (%)



Modern portfolio statistics

	Portfolio (Pure gross)	Portfolio (Net)	BM
Sharpe Ratio	-0.79	-1.15	-0.81
Beta	1.04	1.04	N/A
Alpha (%)	0.05	-1.43	N/A
R-Squared	0.99	0.99	N/A

	(+) Months	(-) Months
Pure Gross:	35	25
Net:	35	25

[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" (1.5% is the maximum anticipated wrap fee for fixed income 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:

Weighted Average Life: An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings.

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.

Duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes.

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.

Standard deviation measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk.

The **up-capture ratio** measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are positive in the benchmark. An up-capture ratio of more than 100 indicates a manager who outperforms the relative benchmark in the benchmark's positive quarters.

The **down-capture ratio** is the ratio of the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark. A down-capture ratio of less than 100 indicates a manager who outperforms the relative benchmark in the benchmark's negative quarters and protects more of a portfolio's value during down markets.

Alpha is a measure of performance vs. a benchmark on a risk-adjusted basis. A positive alpha of 1.0 means the portfolio has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%. Alpha is a measure of the difference between actual returns and expected performance measuring sensitivity to index movements.

Beta measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark.

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 a portfolio's historical risk-adjusted performance.

R-squared measures the strength of the linear relationship between a fund and its benchmark. R-squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

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. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **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. **Liquidity 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. **Active management** does not ensure gains or protect against market declines. The portfolio is **non-diversified** and may invest in a relatively small number of issuers, which may negatively impact the performance and result in greater fluctuation in value. The manager may consider **environmental, social and governance (ESG)** criteria in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated.

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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