



FRANKLIN
TEMPLETON

Franklin Separately Managed Accounts

March 31, 2020

Franklin Municipal Green Bond SMA Composite

Fact Sheet

Product Details¹

Inception Date: 10/31/2018

Benchmarks: Bloomberg Barclays Municipal
1-15 Year Index

INVESTMENT MANAGEMENT TEAM

Nick Bucklin, CFA

Vice President
Portfolio Manager
Portfolio Advisors
Years with Firm: 12
Years Industry Experience: 12

Daniel Workman, CFA

Vice President
Portfolio Manager
Franklin Advisors, Inc.
Years with Firm: 16
Years Industry Experience: 17

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

INVESTMENT PHILOSOPHY

The management team focus their investments in municipal bonds whose proceeds are used to support various green projects. The strategy seeks to deliver a high level of income exempt from federal taxes, allocating capital in a way to promote environmental sustainability.

INVESTMENT PROCESS

Franklin Templeton's municipal bond department has developed its own internal Green Bond evaluation methodology, keeping with the firm's responsible investing policies. The evaluation process serves to gauge the credibility of the Green Bond designation and ensure that the investment is aligned with the strategy's objective of investing in projects dedicated to promoting environmental sustainability. The International Capital Market Association publishes the Green Bond Principles (GBP), which are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond. However, Franklin's ultimate evaluation does not require following the GBP.²

The management team is focused on assessing the authenticity and intentionality of the Green Bond designation. As a first step in the evaluation process, Franklin Templeton evaluates whether the issuer has demonstrated that the proceeds of a particular bond issue are being used for projects or programs dedicated to environmental sustainability. These projects and programs should generally fall into one of the ten eligible categories outlined in the GBP including:

- Renewable energy
- Energy efficiency
- Pollution prevention and control
- Environmentally sustainable management of living natural resources and land use
- Terrestrial and aquatic biodiversity conservation
- Clean transportation
- Sustainable water and wastewater management
- Climate change adaptation
- Eco-efficient and/or circular economy adapted products, production technologies and processes
- Green buildings

By focusing on the use-of-proceeds, Franklin Templeton is able to tailor its evaluation of the Green Bond designation. In addition, the selection framework also incorporates disclosure and reporting policies, environmental impact, and external verification. The process also strives to include an impact analysis, when possible.

PORTFOLIO COMPOSITION

Eligible securities: US municipal bonds.

State: Nationally diversified and can invest in all 50 states.

Maturity: This strategy will generally adhere to the Intermediate Municipal SMA strategy guidelines. However, there will be instances where the account invests in bonds with maturities longer than 15 years, and/or shorter than five years. The strategy will likely have a longer average maturity than our traditional 5 to 15-year intermediate maturity strategy.

Rating: Investment grade only.

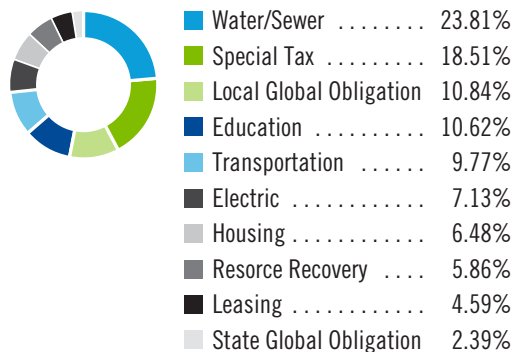
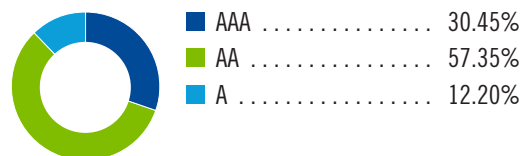
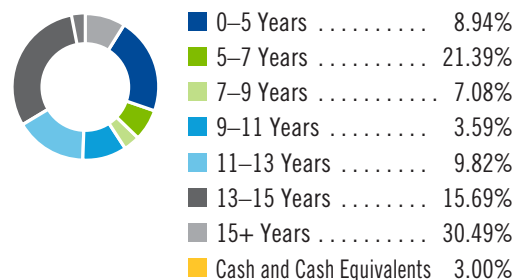
Green Bond Designation: Most, if not all, securities in the portfolio will be labeled as Green Bonds in the governing bond documents. For those bonds that aren't labeled or verified as Green, the team will independently analyze and determine whether it is Green and appropriate for the mandate.²

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 Franklin Separately Managed Accounts, high-net-worth individual and institutional client portfolios and with respect to any periods prior to the inception of Franklin Separately Managed Accounts, reflects the performance of any such other portfolios.

2. Any bond not labeled a "green bond" that we purchase will, in our judgment, meet the definition of a "green bond" in the International Capital Market Association's June 2018 publication, "Green Bond Principles: Voluntary process Guidelines for Issuing Green Bonds."

PORTFOLIO CHARACTERISTICS³Franklin Municipal Green
Bond SMA Composite

Average Coupon	4.55%
Yield to Worst	1.79%
Yield to Maturity	2.44%
Average Price	\$119.37
Average Wighted Maturity (Years)	12.98
Average Duration (Years)	6.35
Numer of Holdings	48

SECTOR ALLOCATION
(% of Total)⁴CREDIT QUALITY ALLOCATION
(% of Total)^{4,5}MATURITY ALLOCATION
(% of Total)⁴

3. 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.

4. 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. Cash and equivalents is deemed to have a 0% Maturity and Duration, be Non-Callable and have an AAA rating. The allocation of existing accounts may differ from the allocation used for new accounts due to differences in the timing of purchases and sales, changes in the purchase and sell list during the course of a quarter, and factors specific to each existing account due to client considerations.

5. Securities, except for those labeled Not Rated ("NR"), are assigned ratings by one or more Nationally Recognized Statistical Rating Organizations ("NRSRO"), such as Standard & Poor's, Moody's and Fitch, that can be considered by the investment manager as part of its independent securities analysis. When ratings from multiple agencies are available, the highest is used, consistent with the portfolio investment process. Ratings reflect an NRSRO's opinion of an issuer's creditworthiness and typically range from AAA (highest) to D (lowest). The Refunded category consists of refunded bonds secured by U.S. government or other high-quality securities and not rerated by an NRSRO. The NR category consists of ratable securities that have not been rated by an NRSRO.

GLOSSARY

Average Coupon: The average interest rate stated on the securities held by a portfolio.

Average Duration: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. The weighted average duration of a fund reflects the effective duration of the underlying issues, based on the size of each holding.

Average Price: The average price of the securities held by a portfolio, excluding cash and collateralized debt obligations.

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.

Yield to Maturity: The average Yield to Maturity ('YTM') also known as the 'Gross Redemption Yield' or 'Redemption Yield'. The rate of return anticipated on a bond if it is held until the maturity date. YTM is considered a long-term bond yield expressed as an annual rate. The calculation of YTM takes into account the current market price, par value, coupon interest rate and time to maturity. It is also assumed that all coupons are reinvested at the same rate.

Yield to Worst: The average yield to maturity if the worst possible bond repayment takes place. If market yields are higher than the coupon, the yield to worst would assume no prepayment. If market yields are below the coupon, the yield to worst would assume prepayment. In other words, yield to worst assumes that market yields are unchanged. Normally this value is not aggregated since it varies but if a weighted average value is used for a portfolio then the figure will reflect the values of the underlying issues, based on the size of each holding.

Important Legal Information

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

Franklin Separately Managed Accounts (the "firm") manages domestic equity and fixed income portfolios for high net worth individuals and institutional clients, applying a bottom-up, research-oriented process that utilizes proprietary screening models and top-down risk controls in managing its portfolios. Franklin 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 Franklin organization. At Franklin Separately Managed Accounts, brokerage, administrative, custodial and investment management fees are charged together as a percentage of the portfolios' assets (comprehensive fee or "wrap-fee") or may in some instances be charged separately (unbundled fee). Retail and Institutional separate accounts managed by affiliated Franklin entities are not included in the firm definition.

Franklin Municipal Green Bond SMA Composite consists of all fully discretionary accounts which invest in municipal bonds that support environmental sustainability and stewardship. The strategy is designed to deliver a high level of income exempt from federal taxes while pursuing the mission of environmental sustainability. All accounts in this composite have the brokerage (including trading expenses), administrative, custodial, and investment management fees charged together as a percentage of the portfolios' assets ("wrap fee") for all time periods presented.

The primary benchmark for this composite is the Bloomberg Barclays Municipal Bond 1-15 Year Index, which is a market value weighted index engineered for the long-term tax-exempt bond market. The index is a broad measure of the municipal bond market with maturities of at least one year.

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. The primary risks inherent in this strategy include interest rate risk and credit risk. Issuers of lower-rated or "high yield" debt securities are not as strong financially as those with higher credit ratings and the prices of high yield debt securities generally fluctuate more than those of higher credit quality. 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.

Information is supplemental to the historical performance of the Franklin Intermediate Municipal SMA Composite, comprising the portfolios of all of 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. Returns over one year are annualized. All returns assume the reinvestment of dividends, interest, and realized and unrealized capital gains and losses. Performance data is shown rounded to the nearest hundredth. Returns for periods of less than one year are not annualized. Periods greater than one year are shown as average annual total returns. **Past performance is not an indicator or a guarantee of future performance.**

Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. As a firm with many mutual funds with unique investment objectives that are subject to varying regulatory requirements based on domicile of jurisdiction, the firm considers many of its mutual funds to be single account composites, for which the objective is as stated in each respective fund's prospectus. 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.

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Franklin Templeton (FT) is not undertaking to provide impartial advice. Nothing herein is intended to provide fiduciary advice. FT has a financial interest.



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