



Franklin Intermediate Investment Grade Credit SMA

Fact Sheet

INVESTMENT MANAGEMENT TEAM**Tom Runkel, CFA**

Vice President

Director of Portfolio Strategies

Years with Firm/in Industry: 32/36

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Years with Firm/in Industry: 18/23

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INVESTMENT PHILOSOPHY

The strategy focuses on investments in high quality bonds, seeking to take advantage of relative valuation differences between sectors, issuers and individual bond issues, with the objective of producing a high level of current income and generating total return opportunities.

INVESTMENT PROCESS

In choosing investments, our intermediate fixed income team follows a disciplined, client-specific process that includes using proprietary, relative value analysis to make top-down allocation decisions among investment grade credit securities. Managers and analysts then perform bottom-up, fundamental research that emphasizes credit quality and liquidity. Portfolios are constructed targeting benchmark neutral duration.

Our portfolio managers do not attempt to make interest rate bets through extending or reducing portfolio duration. Rather, they seek to add value primarily through asset allocation and security selection. Further, each client account is evaluated for risk tolerance, income and liquidity needs, maturity date and sector restrictions.

BENCHMARK

Bloomberg Barclays U.S. Intermediate Credit Bond Index

MODEL PORTFOLIO CHARACTERISTICS^{1,2}

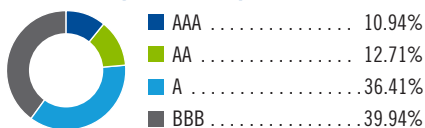
	Intermediate Investment Grade Credit SMA	Bloomberg Barclays U.S. Intermediate Credit Bond Index
Weighted Average Coupon	3.29%	3.49%
Weighted Average Current Yield	3.19%	3.37%
Weighted Average Yield to Worst	2.51%	2.66%
Weighted Average Yield to Maturity	2.51%	2.68%
Weighted Average Price (USD)	\$103.06	\$103.48
Weighted Average Maturity	4.63	4.76
Average Duration	3.97	4.16
Number of Holdings	32	4,424

FTI is not undertaking to provide impartial advice. Nothing herein is intended to provide fiduciary advice. FTI has a financial interest.

Not FDIC Insured | May Lose Value | No Bank Guarantee

Past performance is not an indicator or a guarantee of future performance.
Please refer to back page for important compliance information.

MODEL PORTFOLIO BREAKDOWN

SECTOR (% of Total)^{1,2}QUALITY (% of Total)^{1,2,3}MATURITY (% of Total)^{1,2}

EXPLANATORY NOTES

The information and opinions stated are as of June 30, 2019 and are based on the composite, unless otherwise indicated.

1. Figures may not add up to 100% due to rounding. Cash and equivalents is deemed to have a 0% Maturity and Duration, be Non-Callable and have an AAA rating. Portfolio characteristics, maturity breakdown, sector breakdown and quality breakdown are based on the Franklin Portfolio Advisors Intermediate Investment Grade Credit model portfolio, representative of the investment strategy. The model portfolio represents the expected allocation that would be used for new accounts coming in, updated as of the end of each quarter. 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, general market conditions, and factors specific to each existing account due to client considerations. The calculation for a weighted average and breakdowns are based on market value weights.

2. Information is supplemental to the historical performance of the Franklin Intermediate Investment Grade Credit SMA Composite, comprising the portfolios of all sponsors following that mandate. Net-of-fees and "pure" gross-of-fees performance for that composite is available upon request.

3. Quality Weightings: Ratings shown are assigned by one or more Nationally Recognized Statistical Credit Rating Organizations ("NRSRO"), such as Standard & Poor's, Moody's and Fitch. The ratings are an indication of an issuer's creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from all three agencies are available, the middle rating is used; when two are available, the lowest rating is used; and when only one is available, that rating is used. Foreign government bonds without a specific rating are assigned to the country rating provided by an NRSRO, if available. The AA category includes unrated cash equivalents maturing in 7 days or less. The NR category consists of rateable securities that have not been rated by an NRSRO. The N/A category may encompass negative cash, net currency forwards, negative derivative exposure (market value), and nonrateable securities (e.g., equities).

COMPLIANCE STATEMENT

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. ("FPA"), 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 Separately Managed Accounts was previously known as Franklin Portfolio Advisors prior to June 30, 2012. Franklin Portfolio Advisors was previously known as the Franklin Private Client Group prior to October 1, 2004.

Franklin Intermediate Investment Grade Credit SMA Composite consists of all fully discretionary accounts with an intermediate taxable fixed income investment grade objective and for which the brokerage (including trading expenses), administrative, custodial, and investment management fees are charged together as a percentage of the portfolios' assets ("wrap fee"). The strategy seeks to generate a high level of current income as well as offer total return potential by investing in U.S. investment grade bonds. All accounts in the composite have a wrap fee (also known as a bundled or "comprehensive" fee) for all time periods presented. The primary risks inherent in this strategy include interest rate risk and credit risk from the credit component of the strategy. Between June 30, 2012 and December 31, 2012, the composite name was Franklin Intermediate Investment Grade Credit SMA Wrap Fee Composite. Prior to June 30, 2012, the composite name was FPA Intermediate Investment Grade Credit Composite—Wrap Fee.

The primary benchmark for this composite is the Bloomberg Barclays U.S. Intermediate Credit Bond Index. The benchmark is an unmanaged index and is broadly indicative of the style of the composite and is provided for comparative purposes only to represent the investment environment existing during the time periods shown. The benchmark is a market-value weighted index that consists of dollar-denominated, investment-grade, publicly-issued securities with a maturity between one and ten years, a minimum amount outstanding of \$250 million, and that are issued by both corporate issuers and non-corporate issuers.

The information contained in this piece is not a complete analysis of every material fact regarding the market and any industry sector, a security or a portfolio. Statements of fact cited by the manager have been obtained from sources considered reliable but no representation is made as to the completeness or accuracy. Because market and economic conditions are subject to rapid change, opinions provided are valid only as of the date of the material. Portfolio holdings and the manager's analysis of these issuers, market sectors, and of the economic environment may have changed since the date of the material. The manager's opinions are intended solely to provide insight into how the manager analyzes securities and are not a recommendation or individual investment advice for any particular security, strategy or investment product.

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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