

WHERE DO YOU WANT TO BUY?

The transaction costs for individual investors in the municipal bond market typically range from 0.5% to 3.0% and, in some cases, the mark-up or mark-down may exceed 3.0%.

What Does This Mean to You?

\$5,000 bonds @ 2% = \$100 mark-up
\$10,000 bonds @ 2% = \$200 mark-up
\$100,000 bonds @ 2% = \$2,000 mark-up
\$1,000,000 bonds @ 2% = \$20,000 mark-up

PRICING KNOWLEDGE:

WHAT IS THE RIGHT PRICE TO PAY?

ABC BOND EXAMPLE—CA State General Obligation

Coupon	6.00%
Maturity	3/1/33
Trade Date	1/8/20
High	\$100.82
Low	\$100.47
Spread	\$0.35

XYZ BOND EXAMPLE—NY State General Obligation

Coupon	5.00%
Maturity	8/1/26
Trade Date	1/3/20
High	\$100.34
Low	\$100.09
Spread	\$0.25



1. The mark-up represented by each step can be .25 to 1 percentage point per bond.

FRANKLIN TEMPLETON:¹ A TAX-FREE LEADER

- \$67 billion in municipal bond assets under management²
- One of the largest municipal bond fund managers in the nation³
- 17 research analysts and 14 portfolio managers⁴
- Sector-specific expertise
- Approximately 2,400 obligors covered by analysts

WHO NEEDS FRANKLIN TEMPLETON'S EXPERTISE?

- Investors wanting to avoid large spreads and mark-ups
- Investors concerned with pricing knowledge
- Investors and advisors who realize they do not have the time to properly manage a municipal bond portfolio, given the complexities of the market
- Investors seeking continuous portfolio maintenance
- Investors concerned with taxes

Trades as reported by © 2020 Municipal Securities Rulemaking Board (MSRB).

1. Franklin Templeton includes Franklin Separately Managed Accounts and its affiliates.

2. As of 12/31/19. Municipal bond assets under management figure includes U.S. retail municipal bond fund assets and separately managed accounts.

3. Source: Strategic Insight, ICI. As of 12/31/19.

4. As of 12/31/19. Franklin Separately Managed Accounts and Franklin are defined as separate firms within the broader Franklin organization for the purpose of GIPS® compliance. Franklin Separately Managed Accounts, part of the Franklin Templeton Fixed Income Group, manages separately managed account portfolios for high-net-worth individuals and institutional clients.

Before investing in municipal bonds, you should understand the risks involved, including interest rate risk, credit risk and market risk. The value of the portfolio will fluctuate based on the value of the underlying securities, and you may lose some or all of your principal.

Please contact your tax advisor regarding the suitability of tax-exempt investments in your portfolio, the applicability of local taxes and the Alternative Minimum Tax to municipal bond income, and any gains or losses on sales prior to maturity.

COMPLIANCE STATEMENT

All investments are subject to certain risks. Generally, investments offering the potential for higher returns are accompanied by a higher degree of risk. Before investing in municipal bonds, you should understand the risks involved, including interest rate risk, credit risk and market risk. Please contact your tax advisor regarding the suitability of tax-exempt investments in your portfolio, the applicability of local taxes and the Alternative Minimum Tax to municipal bond income, and any gains or losses on sales prior to maturity. Investors should review their investment objectives, risk tolerance and liquidity needs before choosing a manager. 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. **Past performance does not guarantee future results and results may differ over future time periods.**

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