



Franklin Municipal Ladder 1-7 Year SMA

Municipals
Fixed Income
December 31, 2020

Franklin Separately Managed Accounts

Product Profile

Product Details¹

Inception Date	12/31/2019
Benchmark	Bloomberg Barclays Municipal 1-5 Year Blend

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

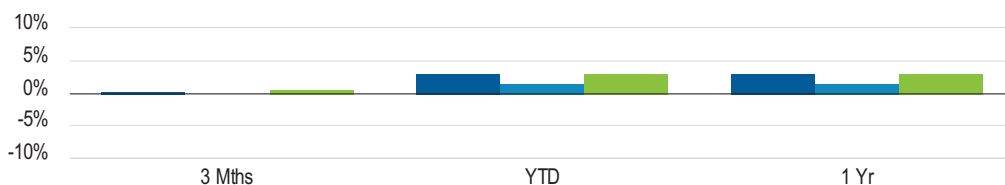
Overview

The portfolio seeks a high level of current income by investing across different municipal issuers. At least every other year in the ladder will have a muni position with a corresponding maturity in that year for the complete maturity range of the strategy.

Composite Performance Data²

Average Annual Total Returns (USD %)

	3 Mths	YTD	1 Yr	Since Inception (12/31/2019)
Franklin Municipal Ladder 1-7 Year SMA - GROSS	0.33	3.04	3.04	
Franklin Municipal Ladder 1-7 Year SMA - NET	-0.04	1.52	1.52	
Bloomberg Barclays Municipal 1-5 Year Blend	0.44	3.15	3.15	



- Franklin Municipal Ladder 1-7 Year SMA - Gross of Fees
- Franklin Municipal Ladder 1-7 Year SMA - Net of Fees
- Bloomberg Barclays Municipal 1-5 Year Blend

Past performance is not an indicator or a guarantee of future performance.

Representative Portfolio Characteristics^{3,4}

	Portfolio	Bloomberg Barclays Municipal 1-5 Year Blend
Number of Holdings	8	17741
Yield to Maturity	0.70%	0.75%
Yield to Worst	0.30%	0.45%
Average Coupon	4.51%	4.61%
Average Price	111.70	112.32

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. Performance information is based on the Franklin Municipal Ladder 1-7 Year SMA Composite. Total returns are presented inclusive of transaction costs and assume reinvestment of any dividends, interest income, capital gains, or other earnings. 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. This results in a net-of-fees return for which transaction costs are deducted twice. Returns over one year are annualized.

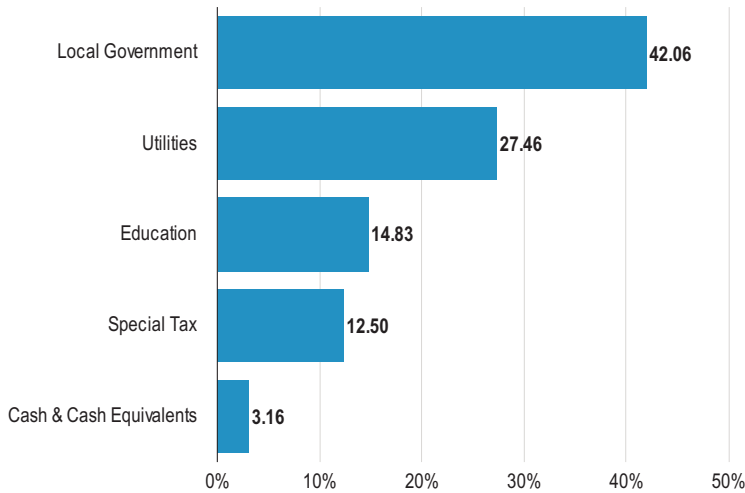
3. Based on a representative account taken from the Franklin Municipal Ladder 1-7 Year SMA. A representative portfolio may vary significantly from other similarly managed separate accounts, depending on a variety of factors, such as portfolio size, specific investment guidelines and inception date of the account.

4. 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.**

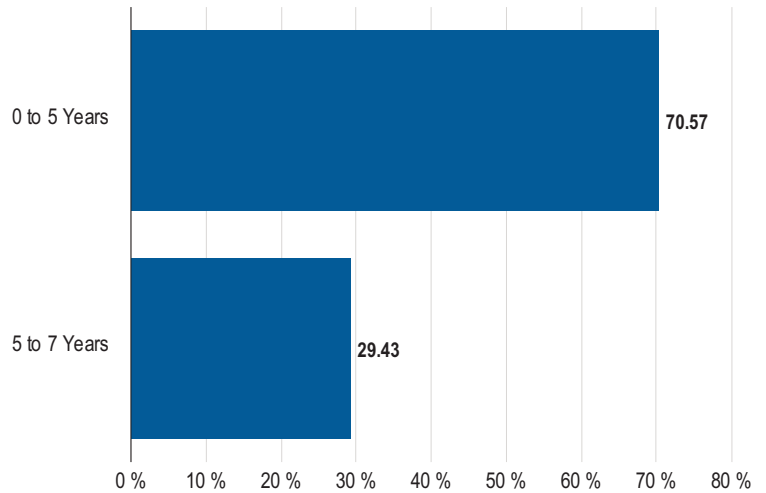
Not FDIC Insured | May Lose Value | No Bank Guarantee

Representative Portfolio Diversification⁵

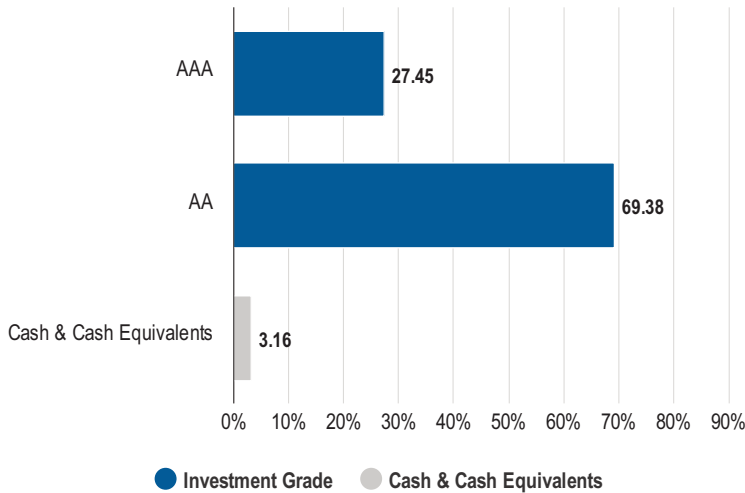
Sector Weightings⁶
Percent of Total



Maturity Allocation⁷
Percent of Total



Credit Quality Ratings^{8,9}
Percent of Total



Investment Philosophy






Franklin municipal bond ladders are designed to deliver tax-free income opportunities by investing across different municipal issuers. Our strategy invests in high-quality bonds, seeking to take advantage of relative valuation differences between sectors, geographic regions, issuers and individual bond issues.

5. Based on a representative account taken from the Franklin Municipal Ladder 1-7 Year SMA. A representative portfolio may vary significantly from other similarly managed separate accounts, depending on a variety of factors, such as portfolio size, specific investment guidelines and inception date of the account.

6,7,9. Percentage may not equal 100% due to rounding. All holdings are subject to change.

8. 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 security 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 rated by an NSRO. The Not Rated category consists of ratable securities that have not been rated by an NRSRO. The Not Applicable category consists of securities that only have a short-term rating and are not cash equivalents. Cash includes equivalents, which may be rated. All holdings are subject to change.

Investment Process

1.	2.	3.	4.	5.
Identify Ladder Structure 	Leverage Deep In-House Research 	Uncover Attractive Yield Opportunities 	Build a High Quality Portfolio 	Ongoing Portfolio and Credit Monitoring 
<p>We review your current holdings and provide a comprehensive analysis of how they would be transitioned into a Franklin Laddered Municipal 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.</p>	<p>We employ a rigorous credit research process centered around a sector-specific, transaction driven model. Each analyst typically follows between one and three sectors and works with all of the portfolio managers in assessing primary and secondary market transactions and surveillance of current holdings.</p>	<p>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.</p>	<p>The team implements the investment strategy using a disciplined conservative approach, focusing on credits with strong fundamentals while avoiding riskier bonds and those subject to the alternative minimum tax.</p>	<p>We regularly monitor each client's portfolio as well as the municipal 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.</p>

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Jeff Snyder	23	23
Dylan G. Sanderson	17	17
Nicholas K. Bucklin, CFA	12	13

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.

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.

Average Price: The average price stated on the securities held by a portfolio.

Yield to Maturity: 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 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.

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Franklin Municipal Ladder 1-7 Year SMA Composite consists of all fully discretionary accounts that seek a high level of current tax-free income by investing in a diversified portfolio of municipal securities with maturities between one and seven years. Brokerage (including trading expenses), administrative, custodial, and investment management fees are charged separately. No account(s) in the composite use leverage or derivatives.

The primary benchmark for Franklin Municipal Ladder 1-7 Year SMA Composite is the Bloomberg Barclays Municipal Bond 1-5 Year Blend Index, which is a sector market value capitalization weighted fixed income index comprised of general obligation, revenue, insured and pre-refunded/escrowed municipal bonds selected to be representative of the market with maturities of 1 to 6 years.

All investments involve risks, including possible loss of principal. 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. Before investing in municipal bonds, you should understand the risks involved, including interest rate risk, credit risk and market risk. Please contact your tax professional 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. 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.

The composite performance results are presented in U.S. Dollars and have been calculated using time-weighted total rates of return. Gross and net total returns are net of actual transaction costs. 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. This results in a net return for which transaction costs are deducted twice. Dividends, interest income and capital gains are net of any applicable withholding taxes. Account portfolios are valued daily at fair market value on a trade date basis, and market values include accrued income for fixed income securities and accrued dividends for equity securities based on ex-dividend date and are adjusted for all cash flows. All returns assume the reinvestment of dividends, interest, and realized and unrealized capital gains and losses. Returns for periods of less than one year are not annualized. Periods greater than one year are shown as average annual total returns.

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