FRANKLIN TEMPLETON INVESTMENTS

The Case for Separate Account Management

June 30, 2015

Investment Solution

In today's marketplace, investors have a wide array of options for their investments. Wealthy investors, however, may wish to consider the benefits of having their assets managed on a separate account basis.

CUSTOMIZATION

Separate account management provides access to professional money managers with the ability to have one's investments tailored to suit specific risk tolerances, return objectives, cash flow needs, etc. Separate account management provides the opportunity to establish investment parameters that can be employed to reflect the moral and ethical values of the client. Likewise, such investment parameters can be used to take into account any extraordinary economic exposure the client may already have.

TAXES[1]

With separate account management, each security can be used to establish a separate cost basis. This can be advantageous for minimizing tax liabilities by strategically recognizing capital gains and losses, gifting, etc. In addition, the client does not buy into built-up capital gains. Individuals should consult with their personal tax and legal advisors before making any tax- or legal-related decisions.

REPORTING

Customized client reports[2] are generated on a regular basis, usually quarterly. All security performance data reflects the actual holdings, capital contributions and withdrawals for each client's account.

INVESTMENT FLOWS

Not needing to maintain significant cash positions in order to satisfy potential shareholder liquidations, separately managed accounts are generally fully invested. Separate account management also minimizes the impact that the purchases and sales of other shareholders may have on one's portfolio holdings (e.g., being forced to sell securities in declining markets).

EXPENSES

Clients may be able to realize certain cost advantages through the utilization of separate account management since investments are not subject to sales loads and 12b-1 fees. With separate account management, the all-inclusive fee covers costs associated with management, administration, trading and custody of the client's account.[3]

1. Our ability to accept and/or complete tax loss requests is subject to our tax loss policies and dependent upon market conditions at the time of the request.
2. Reports may be generated by the investment manager or the separately managed account program sponsor. Please check with the program sponsor. Not all program sponsors may print customized reports.
3. All inclusive fees cover trading through the separately managed account sponsor, and do not cover any trading expenses through other broker/dealers.

Not FDIC Insured | May Lose Value | No Bank Guarantee

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Annual Total Returns of Key Asset Classes (USD) June 30, 2015

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD 2015
Real Estate 30.71%	Small Cap Value 14.02%	10-Year Treasury Bond 14.56%	Emerging Markets 56.28%	Real Estate 34.83%	Emerging Markets 34.54%	Real Estate 35.67%	Emerging Markets 39.78%	10-Year Treasury Bond 20.06%	Emerging Markets 79.02%	Small Cap Growth 29.09%	10-Year Treasury Bond 17.18%	Emerging Markets 18.63%	Small Cap Growth 43.30%	Real Estate 31.85%	Small Cap Growth 8.74%
Small Cap Value 22.83%	Real Estate 10.45%	Real Estate 2.66%	Small Cap Growth 48.54%	Emerging Markets 25.95%	Real Estate 14.06%	Emerging Markets 32.59%	Large Cap Growth 11.81%	Small Cap Value -28.92%	Mid Cap Growth 46.29%	Real Estate 28.47%	Real Estate 8.87%	Small Cap Value 18.05%	Mid Cap Growth 35.74%	S&P 500 13.66%	International Equity 5.88%
10-Year Treasury Bond 14.45%	10-Year Treasury Bond 4.04%	Emerging Markets -6.00%	Small Cap Value 46.03%	Small Cap Value 22.25%	International Equity 14.02%	International Equity 26.86%	International Equity 11.63%	Large Cap Value -36.85%	Large Cap Growth 37.21%	Mid Cap Growth 26.38%	Large Cap Growth 2.64%	International Equity 17.90%	Small Cap Value 34.52%	Large Cap Value 13.45%	Mid Cap Growth 4.18%
Large Cap Value 7.02%	Emerging Markets -2.37%	Small Cap Value -11.42%	Mid Cap Growth 42.71%	International Equity 20.70%	Mid Cap Growth 12.10%	Small Cap Value 23.48%	Mid Cap Growth 11.43%	S&P 500 -36.99%	Small Cap Growth 34.47%	Small Cap Value 24.50%	S&P 500 2.09%	Large Cap Value 17.51%	Large Cap Growth 33.48%	Large Cap Growth 13.05%	Large Cap Growth 3.96%
S&P 500 -9.11%	Large Cap Value -5.59%	Large Cap Value -15.52%	International Equity 39.17%	Large Cap Value 16.49%	Large Cap Value 7.05%	Large Cap Value 22.24%	10-Year Treasury Bond 9.72%	Large Cap Growth -38.44%	International Equity 32.46%	Emerging Markets 19.20%	Large Cap Value 0.39%	Real Estate 17.09%	Large Cap Value 32.53%	Mid Cap Growth 11.90%	Emerging Markets 3.12%
Mid Cap Growth -11.75%	Small Cap Growth -9.23%	International Equity -15.66%	Real Estate 37.08%	Mid Cap Growth 15.48%	Large Cap Growth 5.26%	S&P 500 15.78%	Small Cap Growth 7.05%	Small Cap Growth -38.54%	Real Estate 29.01%	Large Cap Growth 16.71%	Mid Cap Growth -1.65%	S&P 500 15.99%	S&P 500 32.36%	10-Year Treasury Bond 10.74%	S&P 500 1.23%
International Equity -13.96%	S&P 500 -11.88%	S&P 500 -22.10%	Large Cap Value 30.03%	Small Cap Growth 14.31%	S&P 500 4.91%	Small Cap Growth 13.35%	S&P 500 5.49%	Real Estate -39.83%	S&P 500 26.47%	Large Cap Value 15.51%	Small Cap Growth -2.91%	Mid Cap Growth 15.81%	International Equity 23.29%	Small Cap Growth 5.60%	Small Cap Value 0.76%
Small Cap Growth -22.43%	Mid Cap Growth -20.15%	Mid Cap Growth -27.41%	Large Cap Growth 29.75%	S&P 500 10.88%	Small Cap Value 4.71%	Mid Cap Growth 10.66%	Large Cap Value -0.17%	International Equity -43.06%	Small Cap Value 20.58%	S&P 500 15.09%	Small Cap Value -5.50%	Large Cap Growth 15.26%	Real Estate 1.31%	Small Cap Value 4.22%	10-Year Treasury Bond -0.51%
Large Cap Growth -22.43%	Large Cap Growth -20.42%	Large Cap Growth -27.88%	S&P 500 28.68%	Large Cap Growth 6.30%	Small Cap Growth 4.15%	Large Cap Growth 9.07%	Small Cap Value -9.78%	Mid Cap Growth -44.32%	Large Cap Value 19.69%	International Equity 8.21%	International Equity -11.73%	Small Cap Growth 14.59%	Emerging Markets -2.27%	Emerging Markets -1.82%	Large Cap Value -0.61%
Emerging Markets -30.61%	International Equity -21.21%	Small Cap Growth -30.26%	10-Year Treasury Bond 1.27%	10-Year Treasury Bond 4.90%	10-Year Treasury Bond 2.07%	10-Year Treasury Bond 1.34%	Real Estate -17.66%	Emerging Markets -53.18%	10-Year Treasury Bond -9.76%	10-Year Treasury Bond 8.01%	Emerging Markets -18.17%	10-Year Treasury Bond 4.13%	10-Year Treasury Bond -7.81%	International Equity -4.48%	Real Estate -5.69%

Best

Worst

- Small Cap Growth stocks are represented by the Russell 2000® Growth Index
- Small Cap Value stocks are represented by the Russell 2000® Value Index
- Mid Cap Growth stocks are represented by the Russell Midcap® Growth Index
- S&P 500® Index
- Large Cap Growth stocks are represented by the Russell 1000® Growth Index
- Large Cap Value stocks are represented by the Russell 1000® Value Index
- Real Estate stocks are represented by the Dow Jones Wilshire RES Index
- 10-Year Treasury Bond is represented by the Barclays 10-Year Treasury Index
- International Equity is represented by the MSCI EAFE Index
- Emerging Markets stocks are represented by the MSCI Emerging Markets Index

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Past performance does not guarantee future results and results may differ over future time periods.

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