

Separately Managed Accounts | Fact Sheet as of December 31, 2025

Investment overview

The Franklin Small Cap Value SMA seeks long term total return by investing in small capitalization value-oriented equities. Small-capitalization companies are defined as companies with market capitalizations, at time of purchase, not exceeding either the highest market capitalization in the Russell 2000 Index or the 12-month average of the highest market capitalization in the Russell 2000 Index, whichever is greater.

Investment philosophy

We believe that investing in small-capitalization companies at attractive valuations can provide solid, long-term results for our clients.

- We target investments in historically successful companies, with sustainable business models, good corporate governance and low debt, that we believe are temporarily trading at depressed levels relative to future earnings power, book value, industry peers or other factors.
- We seek to balance risk and reward in the portfolio with a focus on delivering compelling risk-adjusted results.
- We consider ourselves buy-and-hold investors who generally seek to hold an investment for three to five or more years on average.

Benefits

- **Small-Cap Exposure.** We aim to take advantage of the prospects particular to small-cap companies, which may not exist among larger companies.
- **Broad Market Exposure.** We invest in a variety of companies across multiple sectors and industries.
- **Value Expertise.** Investors can benefit from our veteran management team with extensive value investing experience.

Investment management team

Steven Rainei
Portfolio Manager
Industry since 1995

Christopher Meeker, CFA
Portfolio Manager
Industry since 1999

Nicholas Karzon, CFA
Portfolio Manager
Industry since 2010

Investment process

STEP 1

Initial screen

Screen initial universe of more than 3,000 stocks to search for small-cap value companies with low long-term debt/equity ratio and one or more ratios such as:

- Low price/earnings ratio
- Low price/book ratio
- Low price/cash flow ratio

STEP 2

Individual company analysis

Identify companies with:

- Strong balance sheet
- Effective, shareholder-friendly management
- Viable products or services
- Valuable customer franchises and other intangibles
- Ownership of valuable trademarks, trade names, distribution networks
- Other special factors that suggest a company may be a takeover or turnaround candidate.
- Set target sell price

STEP 3

Accumulate subject to price

- Our value discipline makes us price-sensitive buyers
- Our ability to accumulate a full position is often subject to opportunistic purchases during times of market volatility

STEP 4

Construct and monitor portfolio

- Monitor fundamentals
- Review portfolio holdings
- Review target price

Ongoing screening of stock universe and monitoring of current portfolio

The investment process may change over time. The characteristics set forth above are intended as a general illustration of some of the criteria the strategy team considers in selecting securities for client portfolios. There is no guarantee that investment objectives will be achieved.

Portfolio Information

As of December 31, 2025

Top Ten Holdings (%)

Portfolio	
ACI WORLDWIDE INC	3.14
VONTIER CORP	2.77
CNO FINANCIAL GROUP INC	2.76
ENVISTA HOLDINGS CORP	2.72
GAP INC/THE	2.68
MKS INC	2.59
COLUMBIA BANKING SYSTEM INC	2.59
REGAL REXNORD CORP	2.56
MATTEL INC	2.51
BREAD FINANCIAL HOLDINGS INC	2.50
Total	26.83

Sector Weightings (%)

Portfolio	BM
Financials	30.30
Industrials	18.90
Consumer Discretionary	15.08
Information Technology	12.99
Materials	8.15
Health Care	4.66
Energy	3.15
Real Estate	2.59
Utilities	1.62
Communication Services	0.00
Consumer Staples	0.00
Cash & Other Net Assets	1.61
	2.56
	0.00

Market Capitalization (%)

Portfolio	
<1.0 Billion	5.39
1.0-2.0 Billion	11.60
2.0-5.0 Billion	32.62
5.0-10.0 Billion	46.92
>10.0 Billion	3.47

Characteristics

Portfolio	BM
Price to Earnings (12-Month Trailing)	18.14x
Price to Cash Flow	8.88x
Price to Book	1.70x
Dividend Yield*	1.75%
Weighted Average Market Capitalization (Millions USD)	\$5,081
	\$3,334

*Source: Franklin Templeton. Portfolio characteristics and sector weightings are based on representative accounts within the composite. Portfolio characteristics and sector weightings of individual client portfolios in the program may differ, sometimes significantly, from those shown above. Assumes no client-imposed restrictions. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the sectors listed and should not be used as a sole basis to make any investment decisions.

Performance

Annualized Rates of Return – Pure Gross and Net of Fees (%) as of December 31, 2025 – PRELIMINARY – (Inception date: 2/28/2021)

	YTD*	1 Mth*	3 Mths*	1 Year	3 Year	Since Incept
Franklin Small Cap Value SMA–Pure Gross of Fees—(USD)	6.90	1.81	4.65	6.90	12.61	8.52
Franklin Small Cap Value SMA–Net of Fees—(USD)	3.80	1.57	3.89	3.80	9.35	5.37
Russell 2000 Value Index—(USD)	12.59	0.18	3.26	12.59	11.73	6.06

Calendar-Year Total Returns – Pure Gross and Net of Fees (%) ending December 31

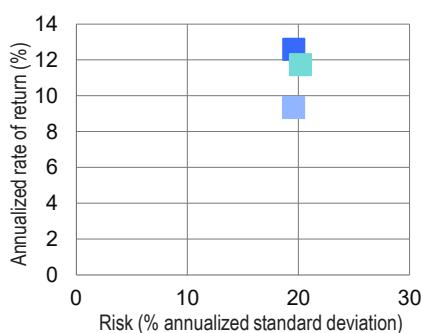
	2025	2024	2023	2022
Franklin Small Cap Value SMA–Pure Gross of Fees—(USD)	6.90	15.19	15.95	-7.81
Franklin Small Cap Value SMA–Net of Fees—(USD)	3.80	11.86	12.60	-10.53
Russell 2000 Value Index—(USD)	12.59	8.05	14.65	-14.48

The strategy returns shown are preliminary composite returns, subject to future revision (downward or upward). Past performance is not a guarantee of future results. An investment in this strategy can lose value. Please visit www.frankltempleton.com for the latest performance figures. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

1 Fees: Periods less than one year are not annualized. Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in U.S. dollars and assume reinvestment of any dividends, interest income, capital gains, or other earnings. The composite may include account(s) that are gross of fees and pure gross of fees. "Pure" gross-of-fee returns do not reflect the deduction of any expenses, including transaction costs. A traditional (or "true") gross-of-fee return reflects performance after the reduction of transaction costs but before the reduction of the investment advisory fee. The gross-of-fee return may include a blend of "true" gross-of-fee returns for non-wrap accounts and "pure" gross-of-fee returns for wrap accounts. Net-of-fee returns is reduced by a model "wrap fee" (3.0% is the maximum anticipated wrap fee for equity and balanced portfolios) which includes trading expenses as well as investment management, administrative and custodial fees. The model wrap fee used represents the highest anticipated wrap fee applicable to the strategy. Actual fees and account minimums may vary. For fee schedules, contact your financial professional, or if you enter into an agreement directly with Franklin Templeton Private Portfolio Group, LLC ("FTPPG"), refer to FTPPG's Form ADV Part 2A disclosure document. Management and performance of individual accounts may vary for reasons that include the existence of different implementation practices and model requirements in different investment programs. To obtain specific information on available products and services or a GIPS® Report, contact your Franklin Templeton separately managed account sales team at (800) DIAL BEN/342-5236. Franklin Templeton claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Performance Statistics¹ Preliminary (based on 3-year period ending December 31, 2025)

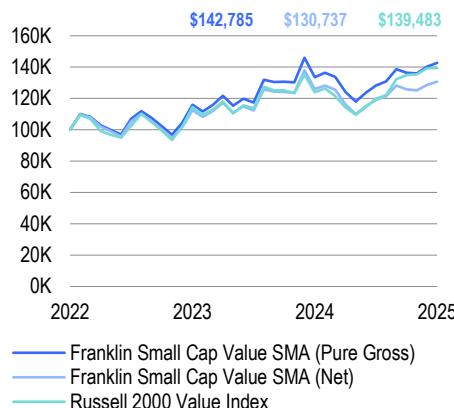
Risk/Return profile (%)



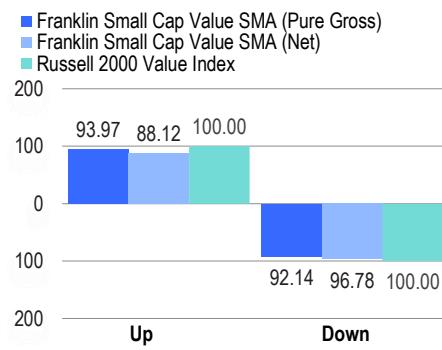
Franklin Small Cap Value SMA (Pure Gross)

Annualized Return (%)	12.61
Annualized Standard Deviation (%)	19.58
Franklin Small Cap Value SMA (Net)	
Annualized Return (%)	9.35
Annualized Standard Deviation (%)	19.58
Russell 2000 Value Index	
Annualized Return (%)	11.73
Annualized Standard Deviation (%)	20.20

Growth of \$100,000*



Up/Down market capture ratios (%)



Modern portfolio statistics

	Portfolio (Pure gross)	Portfolio (Net)	BM
Sharpe Ratio	0.45	0.30	0.40
Beta	0.94	0.94	N/A
Alpha (%)	1.15	-1.80	N/A
R-Squared	0.94	0.94	N/A

	(+) Months	(-) Months
Pure Gross:	20	16
Net:	20	16

¹ Source: Franklin Templeton.

*For illustrative purposes only. Assumes no withdrawals or contributions. These statistics are based on pure gross and net-of-fees quarterly composite returns, were calculated assuming reinvestment of dividends and income, and take into account both realized and unrealized capital gains and losses.

Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in U.S. dollars and assume reinvestment of any dividends, interest income, capital gains, or other earnings. The composite may include account(s) that are gross of fees and pure gross of fees. "Pure" gross-of-fee returns do not reflect the deduction of any expenses, including transaction costs. A traditional (or "true") gross-of-fee return reflects performance after the reduction of transaction costs but before the reduction of the investment advisory fee. The gross-of-fee return may include a blend of "true" gross-of-fee returns for non-wrap accounts and "pure" gross-of-fee returns for wrap accounts. Net-of-fee returns is reduced by a model "wrap fee" (3.0% is the maximum anticipated wrap fee for equity and balanced portfolios) which includes trading expenses as well as investment management, administrative and custodial fees. The model wrap fee used represents the highest anticipated wrap fee applicable to the strategy. Actual fees and account minimums may vary.

Terms and definitions:

Dividend yield is determined by dividing a stock's annual dividends per share by the current market price per share. Dividend yield is a financial ratio that shows how much a company pays out in dividends. **Dividend yield is calculated without the deduction of fees and expenses.**

P/E (Year 1) is the previous day's closing price of the stock divided by the consensus earnings per share (EPS) of fiscal year 1 (FY1) provided by I/B/E/S. Forecasts are inherently limited and should not be relied upon as indicators of future performance.

The **price-to-book ratio (P/B)** is a stock's price divided by the stock's per share book value. Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of a common stock.

Weighted median market capitalization represents the value at which half the portfolio's market capitalization weight falls above, and half falls below.

Weighted average market capitalization represents the average value of the companies held in the portfolio. When that figure is weighted, the impact of each company's capitalization on the overall average is proportional to the total market value of its shares.

Market capitalization measures the number of outstanding common shares of a given corporation multiplied by the latest price per share.

Standard deviation measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk.

The **up-capture ratio** measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are positive in the benchmark. An up-capture ratio of more than 100 indicates a manager who outperforms the relative benchmark in the benchmark's positive quarters.

The **down-capture ratio** is the ratio of the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark. A down-capture ratio of less than 100 indicates a manager who outperforms the relative benchmark in the benchmark's negative quarters and protects more of a portfolio's value during down markets.

Alpha is a measure of performance vs. a benchmark on a risk-adjusted basis. A positive alpha of 1.0 means the portfolio has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%. Alpha is a measure of the difference between actual returns and expected performance measuring sensitivity to index movements.

Beta measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark.

Sharpe ratio is a risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better a portfolio's historical risk-adjusted performance.

R-squared measures the strength of the linear relationship between a portfolio and its benchmark. R-squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

The **Russell 2000 Value Index** measures the performance of the small-cap value segment of the U.S. equity universe. Source: FTSE.

What are the risks?

All investments involve risks, including possible loss of principal. To the extent the portfolio invests in a concentration of certain securities, regions or industries, it is subject to increased volatility. **Depository receipts** are subject to international investment risk and potentially negative effects from currency exchange rates, foreign taxation and differences in auditing and other financial standards. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. **Equity securities** are subject to price fluctuation and possible loss of principal. **Liquidity risk** exists when securities or other investments become more difficult to sell, or are unable to be sold, at the price at which they have been valued. **Active management** does not ensure gains or protect against market declines. **Real estate investment trusts (REITs)** are closely linked to the performance of the real estate markets. REITs are subject to illiquidity, credit and interest rate risks, and risks associated with small- and mid-cap investments. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. The **investment style** may become out of favor, which may have a negative impact on performance. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated.

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