FRANKLIN TEMPLETON

Separately Managed Account

Franklin Templeton Balanced Income Portfolios

3Q 2026

Separately Managed Accounts (SMAs) are investment services provided by Franklin Templeton Private Portfolio Group, LLC ("FTPPG"), a federally registered investment advisor. Client portfolios are managed based on investment instructions or advice provided by one or more of the following Franklin Templeton affiliated subadvisors: ClearBridge Investments, LLC, and Western Asset Management Company, LLC. Management is implemented by FTPPG, the designated subadvisor or, in the case of certain programs, the program sponsor or its designee.

These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified, and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these materials be preceded or accompanied by investment profiles or other documents, or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents and/or materials, please speak to your financial professional or contact your sponsor firm.

Not FDIC Insured | No Bank Guarantee | May Lose Value

FRANKLIN TEMPLETON

Your trusted partner for what's ahead™

Our approach is built around the client. As a strategic partner, we bridge today's needs with tomorrow's opportunities by:

Solving for complex priorities and long-term goals.

Supporting portfolios with actionable, data-driven insights.

Scaling cutting-edge technology to drive innovation and growth.

AUM is in USD as of September 30, 2026.

Diverse Investment Capabilities

Public Markets

Active equity platform built on fundamental research, team stability, and aiming toward long-term value creation.

Active fixed income platform built on macro expertise, rigorous credit research and risk management, while seeking long-term capital preservation.

Digital Assets

Research, portfolios and infrastructure for crypto trading and tokenized real-world assets.

Private Markets

Specialists in alternative credit, secondary private equity, real estate, and venture capital seeking to deliver absolute returns.

Multi Asset Solutions

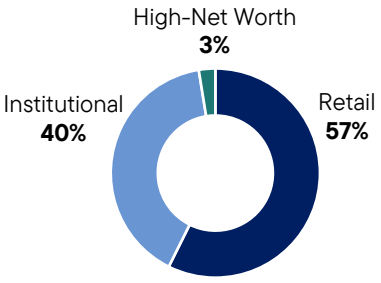
Leader in multi-asset, quantitative, and hedged solutions, offering clients a single point of access to public and private market capabilities.

Firm Highlights

- Founded in 1947
- **$1.8 trillion** of assets under management
- **1,500+** investment professionals globally
- Serving clients in **150** countries with offices in **30+** countries
- **Public company discipline** with the long-term patience of a partnership

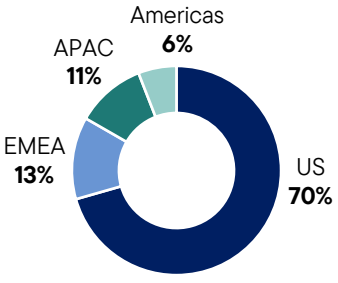
$1.8 trillion of AUM

AUM by **Client Type**



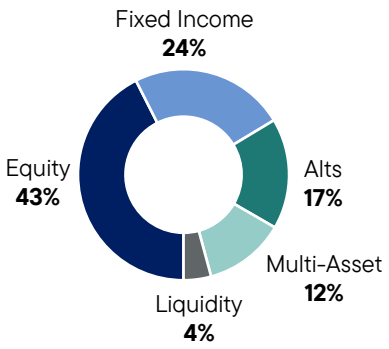
~$720bn
managed for institutions

AUM by **Region**

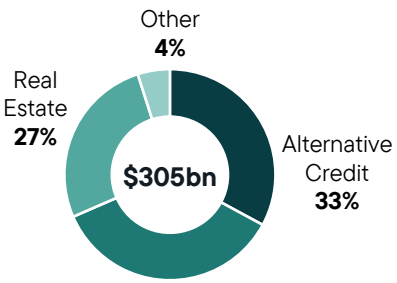


~$523bn
of non-US AUM

AUM by **Asset Class**



Alternative AUM by **Strategy**



36%
Secondary Private Equity

Investment specialization across public and private markets

Our investment capabilities

Equity
$764bn

Emerging/Frontier
Global convertibles | Sector
Single country | Thematic
US equity | Shariah

- Franklin Templeton (1947)
- ClearBridge Investments (2005)
- Putnam Investments (1937)
- Royce Investment Partners (1972)

Fixed Income
$503bn[1]

Bank loans | Corporate credit
Emerging markets | Currencies
Municipals | Government
Sustainable bonds | Short duration
Liquidity[2] | Stable value
Multi-sector | Securitized | Sukuk

- Franklin Templeton (1947)

Alternatives
$305bn

Alternative credit | Private credit
Digital assets | Hedged strategies
Private equity | Real estate
Secondaries | Venture capital

- Franklin Templeton (1947)
- Benefit Street Partners (2008)
- Clarion Partners (1982)
- Lexington Partners (1994)

Multi-Asset
$224bn

Balanced | Income
Model portfolios | Target date
Target risk | Target volatility | Shariah

- Franklin Templeton (1947)

Complemented by innovations in: Tax-managed, systematic, custom indexing, long-short, frontier risk, and others.

AUM is in USD as of September 30, 2026.
1. Fixed income assets under management includes $76bn in liquidity assets.
2. Liquidity represents cash management assets invested in strategies seeking principal preservation, liquidity and competitive money market yields.

Franklin Templeton Balanced Income Portfolios

Overview

Franklin Templeton Balanced Income Portfolios pursue an objective of long-term growth and high current income through a combination of asset allocation and fundamental security analysis. ClearBridge Investments determines the portfolio's allocations among equities, fixed income securities and cash equivalents and also selects equity investments for the portfolios. Fixed income investments are managed on the basis of investment instructions furnished by Western Asset.

Philosophy

We believe that:

- A combination of steady income and conservative capital growth may be achieved in a single portfolio.
- Blending top-down macroeconomic research with bottom-up fundamental analysis may enhance the portfolio's overall return.

Asset allocation

- Diversify across equity, fixed income and cash allocations.

Objectives

The strategy seeks to:

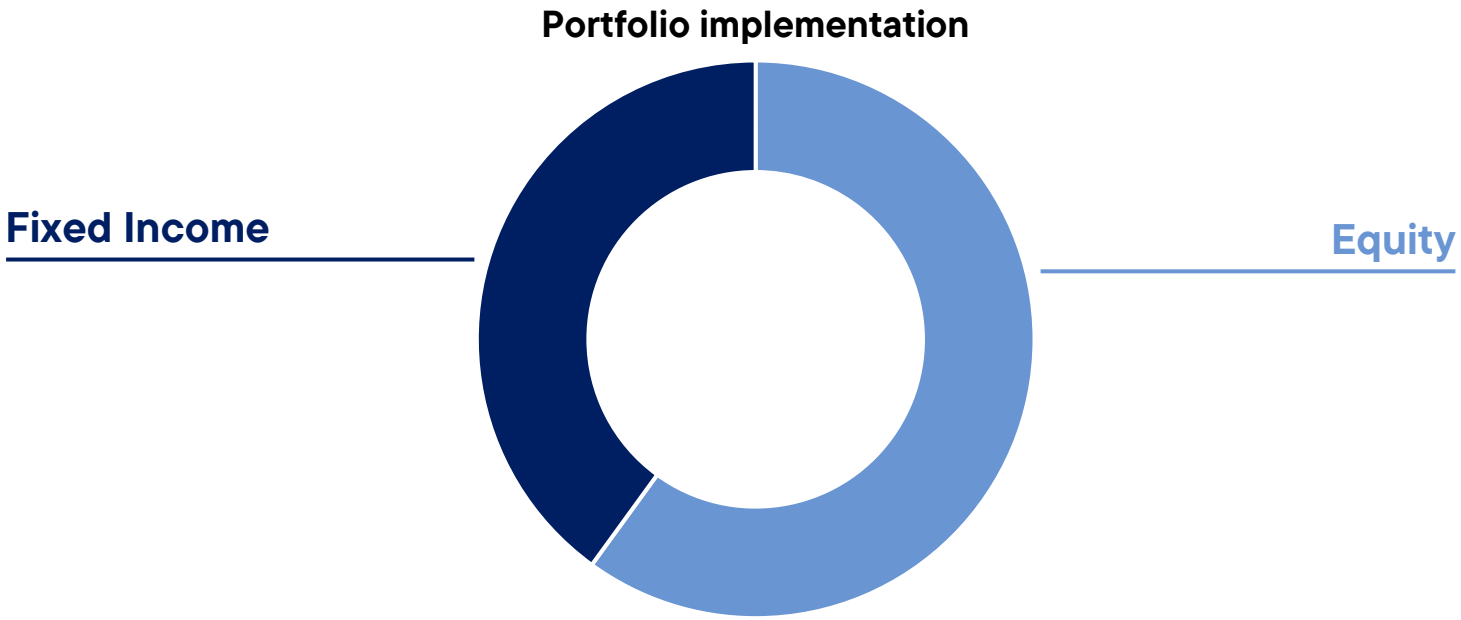
- Provide a high level of current income by investing in high-quality, undervalued companies and select fixed income instruments.
- Achieve long-term capital growth.
- Outperform a 70/30 blend of the Russell 1000 Value Index and the Bloomberg U.S. Intermediate Treasury Bond Index.

Franklin Templeton Balanced Income Portfolios

Investment process

Portfolio Implementation Balanced Income Portfolios

- Diversify across equity, fixed income and cash allocations.
- Active equity sector rotation includes exposure to higher-yielding stocks.
- The managers may sometimes hold significant cash reserves as a portion of the portfolio while waiting for buying opportunities.



For Illustrative Purposes Only. Asset allocations are approximate and subject to change.

An account's actual allocations to its equity and fixed income segments will vary over time as markets change. An account will be rebalanced to its target allocation in the event that the account's allocations to its equity and fixed income segments drift 10% or more from their target allocations. An account generally will not be rebalanced unless such 10% drift threshold is reached. However, cash flows into and out of an account will be applied towards the account's more underweight segment in order to bring such account's allocations back towards their target allocations.

The investment process may change over time.

The characteristics set forth 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 investment objectives will be achieved.

Franklin Templeton Balanced Income Portfolios

Investment process

STEP 1

Define the investment universe

Consider common stocks, convertible and non-convertible preferred stocks, convertible bonds, ADRs, real estate investment trusts (REITs), U.S. Treasuries, U.S. Government agency securities, and, to a limited extent, ETFs.

STEP 2

Evaluate stocks using proprietary discipline

Perform top-down macroeconomic research to drive sector weightings and emphasize industry themes and trends.

STEP 3

Base selection on fundamental security analysis and stress a current income and long-term value orientation

- Equity and equity-related investments may include common stocks, preferred stocks, convertible bonds, ETFs, ADRs, and REITs. Focus on companies with healthy balance sheets selling at or near book value and at prices that do not accurately reflect cash flows, tangible assets, or management skills.
- Fixed income investments may include U.S. Treasuries and U.S. Government agency securities. Fixed-income investments have an average maturity of 10 years or less.

STEP 4

Fundamental Analysis

- Re-examine when technicals/ fundamentals deteriorate, full growth potential is reached, material insider buying/selling is apparent or to capitalize on temporary bond mispricing.
- Adeptly assesses market conditions and at times hold significant amounts of cash reserves as a portion of the portfolio while waiting for buying opportunities.

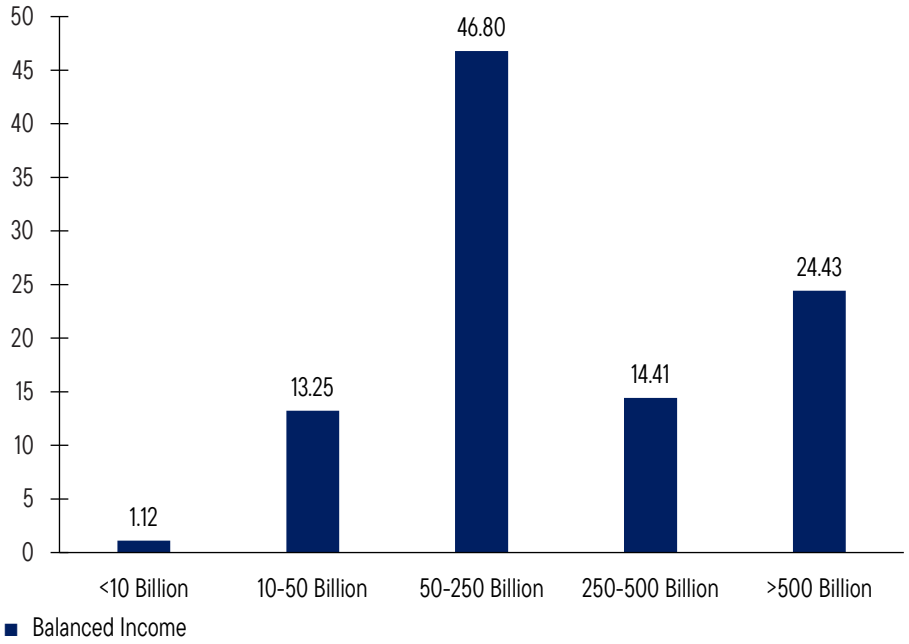
The investment process may change over time. The characteristics set forth are intended as a general illustration of some of the criteria the strategy team considers in selecting securities for client portfolios. There is no guarantee investment objectives will be achieved.
Investments may include ETFs representing U.S. securities markets, industry and market capitalization sectors, non-U.S. country and regional markets, and other types of non-U.S. markets and sectors. In addition, a client will bear a proportionate share of the separate fees and expensed incurred by any ETF in which the clients' account is invested.

Equity portfolio characteristics

Balanced Income

As of 9/30/2026

Market capitalization breakdown in USD (%)



Portfolio characteristics	Portfolio
Number of Issuers	69
Estimated 3-5 Year EPS Growth	16.59%
Price to Earnings (12-Month Forward)	20.61x
Price to Book	5.54x
Dividend Yield	2.15%
Median Market Cap (Millions USD)	$166,899
Weighted Average Market Capitalization (Millions USD)	$691,772

Source: FactSet. Portfolio characteristics and market capitalization breakdown are based on a model portfolio, not an actual client account. The model portfolio is a hypothetical portfolio whereby the Portfolio characteristics and market capitalization breakdown are based on simulated trading and account activity of a client account invested in this strategy. The model portfolio assumes no withdrawals, contributions or client-imposed restrictions. Portfolio characteristics and market capitalization breakdown of individual client accounts may differ from those of the model portfolio as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors. **Please see appendix for term definitions.**

P/E ratio Year 1 and Long-term EPS growth are provided by I/B/E/S, are inherently limited and should not be used as an indication of future performance.

Yields and dividends represent past performance and there is no guarantee they will continue to be paid.

Equity portfolio characteristics

Balanced Income

As of 9/30/2026

Sector Weightings	Portfolio %
Information Technology	14.19
Financials	11.26
Industrials	10.14
Energy	9.53
Real Estate	6.88
Health Care	6.49
Consumer Staples	4.77
Communication Services	2.98
Utilities	2.71
Materials	2.28
Consumer Discretionary	0.48
Unassigned	24.04
Cash & Cash Equivalents	4.24

Top holdings (%)	Portfolio %
Apple Inc	3.48
Microsoft Corp	2.53
Williams Cos Inc/The	2.17
JPMorgan Chase & Co	2.12
Union Pacific Corp	1.80
Alphabet Inc	1.65
Blackrock Inc	1.64
Emerson Electric Co	1.61
Eaton Corp PLC	1.58
Freeport-McMoRan Inc	1.54
Total	**20.10**

Source: FactSet. Weightings and holdings are based on a model portfolio, not an actual client account. The model portfolio is a hypothetical portfolio whereby the weightings and holdings are based on simulated trading and account activity of a client account invested in this strategy. The model portfolio assumes no withdrawals, contributions or client-imposed restrictions. Weightings and holdings of individual client accounts may differ from those of the model portfolio as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors. **Please see appendix for term definitions.**

Fixed Income portfolio characteristics

GSM 5-Year
As of 9/30/2026

Sector weightings	Portfolio %
Treasury	100.00

Characteristics	Portfolio
Effective Duration	3.51 Years
Yield to Worst	4.99%
Weighted Average Life	3.96 Years
Cash Flow	4.99%

Source: Western Asset. Portfolio characteristics and weightings listed are based on representative accounts and assumes no withdrawals, contributions, or client-imposed restrictions. Portfolio characteristics and weightings of individual client accounts may differ from those of the representative accounts as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors. **Please see appendix for term definitions.**
Yield to Worst is calculated without the deduction of fees and expenses.

Performance

Annualized rates of return – pure gross and net of fees (%) as of September 30, 2026	1 Mth	3 Mths	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	15 Year	20 Year	25 Yrs
Balanced Income –Pure Gross of Fees—(USD)	-3.23	-1.38	4.79	5.67	12.14	7.50	9.14	8.80	9.07	7.44	7.44
Balanced Income –Net of Fees—(USD)	-3.48	-2.11	2.50	2.60	8.89	4.38	5.97	5.65	5.91	4.32	4.32
Index Mix (70/30)—(USD)	-2.65	1.33	12.78	16.18	15.10	8.59	9.12	8.57	9.62	7.06	7.39

Calendar-year total returns – pure gross and net of fees (%) ending December 31	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Balanced Income –Pure Gross of Fees—(USD)	6.44	15.76	11.86	-8.25	20.77	8.52	23.60	-6.56	12.57	9.20
Balanced Income –Net of Fees—(USD)	3.35	12.42	8.63	-10.95	17.29	5.37	20.05	-9.31	9.31	6.03
Index Mix (70/30)—(USD)	13.09	10.81	9.45	-7.29	16.65	4.69	20.02	-5.23	9.81	12.40

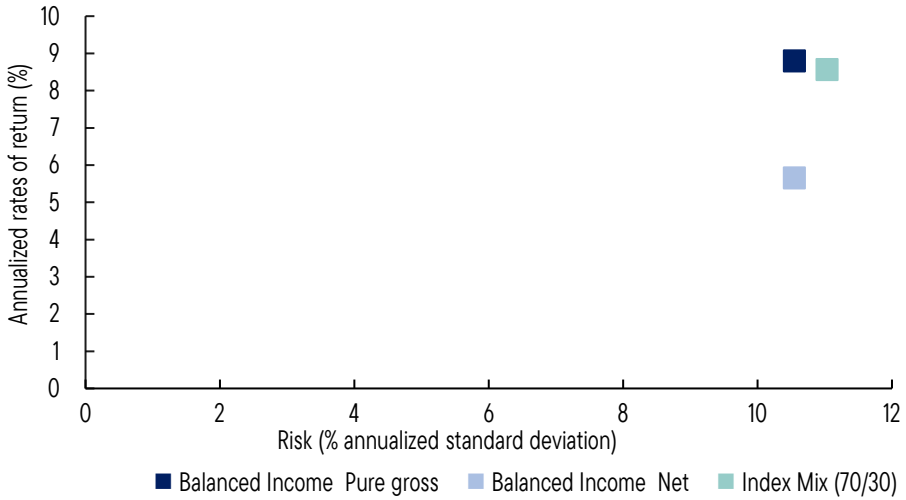
The **Index Mix** consists of the following: 70% Russell 1000 Value and 30% Bloomberg Intermediate Treasury Bond Index.
Periods less than one year are not annualized. Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment 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 are 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. Past performance is not a guarantee of future results. Please see appendix for GIPS® Report and term definitions.

Risk/return profile

Balanced Income vs Index Mix (70/30)

As of 9/30/2026

Pure gross and net of fees (based on 10-year period ending 9/30/2026)



Modern portfolio statistics	Pure gross	Net	Index
Annualized Return (%)	8.80	5.65	8.57
Annualized Standard Deviation (%)	10.55	10.55	11.03
Sharpe Ratio	0.62	0.34	0.58
Beta	0.92	0.92	N/A
Alpha (%)	0.68	-2.26	N/A
R-Squared	0.92	0.92	N/A

The **Index Mix** consists of the following: 70% Russell 1000 Value and 30% Bloomberg Intermediate Treasury Bond Index.
Alpha, Beta, Sharpe Ratio, and R-Squared are shown versus the Index. Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

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 are 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.

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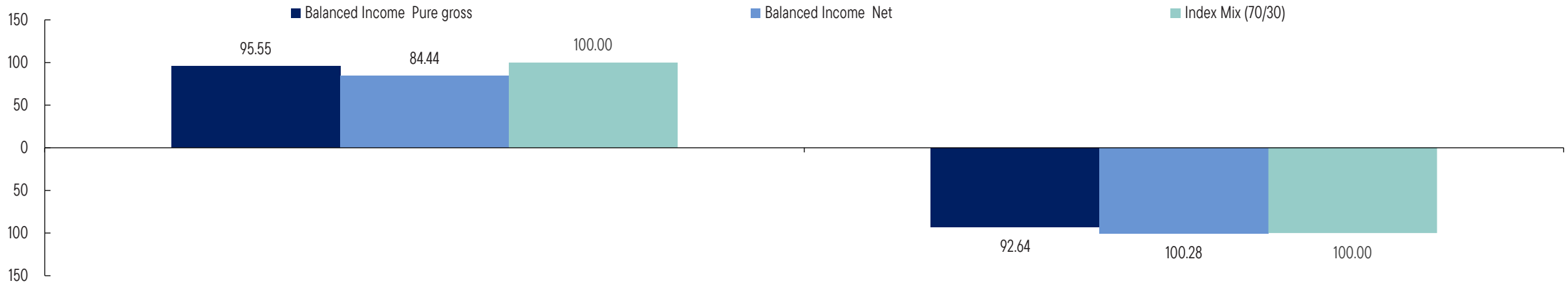
Up down market capture ratios (%)

Pure gross (based on 10-year period ending September 30, 2026)



Up
80 positive months (Pure gross)
80 positive months (Net)

Down
40 negative months (Pure gross)
40 negative months (Net)

The **Index Mix** consists of the following: 70% Russell 1000 Value and 30% Bloomberg Intermediate Treasury Bond Index.
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 are 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.
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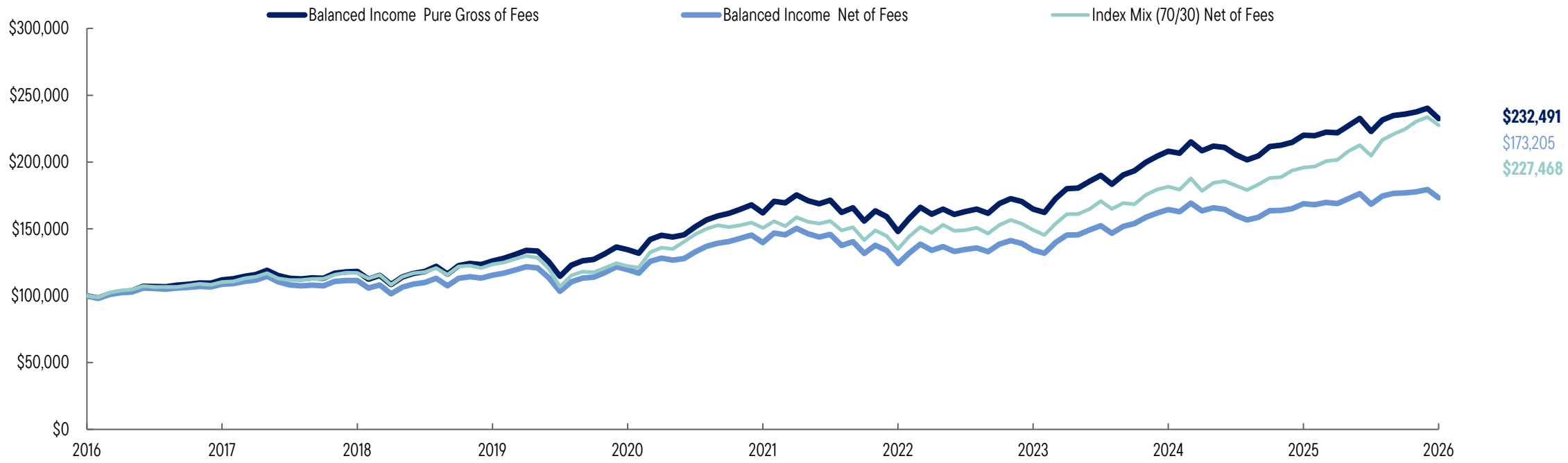
Growth of $100,000

Pure gross and net of fees (based on 10-year period ending September 30, 2026)



The **Index Mix** consists of the following: 70% Russell 1000 Value and 30% Bloomberg Intermediate Treasury Bond Index.
For illustrative purposes only. Assumes no withdrawals or contributions. These statistics are based on gross and net-of-fees monthly composite returns, were calculated assuming reinvestment of dividends and income, and take into account both realized and unrealized capital gains and losses.

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 are 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.
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Investment management team

Patrick McElroy, CFA

Director, Portfolio Manager

- Industry since 1993
- Firm since 2007
- Member of the CFA Institute
- Palisade Capital Management—Convertible Securities Research Analyst
- Jefferies & Co., Inc.—Convertible Securities and Equities Research Analyst
- Standard & Poor's—Research Associate, Fixed Income
- Donaldson, Lufkin and Jenrette Securities—Sales, Fixed Income Division
- MBA from New York University's Leonard N. Stern School of Business
- BS in Comprehensive Science and Math from Villanova University

Peter Vanderlee, CFA

Managing Director, Portfolio Manager

- Industry since 1999
- Firm since 1999
- New York University, Leonard N. Stern School of Business—MBA
- University of Technology, Eindhoven, Holland—MS in Math/Computer Science
- Member of the CFA Institute
- Predecessor organization—First Vice President
- Booz&Co—Program Director/Senior Associate
- Cap Gemini America—Senior Consultant

Investment management team

Western Asset Management is one of the world's leading global fixed income managers. Founded in 1971, the firm is known for team management and proprietary research, supported by robust risk management and a long-term fundamental value approach.

What are the risks?

Franklin Templeton Balanced Income Portfolios

All investments involve risks, including possible loss of principal. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. **Fixed income securities** involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **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. The **allocation** of assets among different strategies, asset classes and investments may not prove beneficial or produce the desired results.

GIPS Composite Report

Franklin Templeton Balanced Income 70/30

Reporting Currency: USD

Strategy Inception Date: January 1994 | **Composite Creation Date: January 2013**

Period	Total Return (Net)	Total Return (*Pure Gross)	Benchmark Return	Number of Portfolios	% of Wrap Fee Portfolios in the Composite	Composite Dispersion	Composite 3 Yr. St. Dev.	Benchmark 3 Yr. St. Dev.	Total Composite Assets at End of Period (USD million)	Percentage of Firm Assets	Total Firm Assets at End of Period (USD million)
2024	12.42%	15.76%	10.81%	1,076	100	0.49%	12.27%	12.68%	447.8	0.57%	79,007.4
2023	8.63%	11.86%	9.45%	1,100	100	0.43%	12.32%	12.36%	409.4	0.54%	75,344.4
2022	-10.95%	-8.25%	-7.29%	1,192	100	0.24%	14.34%	15.13%	418.6	0.64%	65,194.3
2021	17.29%	20.77%	16.65%	1,192	100	0.56%	11.94%	13.12%	497.0	0.64%	78,206.6
2020	5.37%	8.52%	4.69%	1,263	100	0.52%	12.75%	13.53%	449.2	0.65%	69,403.0
2019	20.05%	23.60%	20.02%	1,394	100	0.99%	8.70%	8.16%	464.9	0.75%	61,593.5
2018	-9.31%	-6.56%	-5.23%	1,527	100	0.51%	7.88%	7.37%	429.8	0.84%	50,961.6
2017	9.31%	12.57%	9.81%	1,630	100	0.51%	6.93%	6.90%	516.9	0.96%	53,956.9
2016	6.03%	9.20%	12.40%	1,728	100	0.59%	7.32%	7.38%	523.0	1.13%	46,104.9
2015	-4.15%	-1.26%	-2.16%	1,958	100	0.24%	6.93%	7.48%	573.8	1.35%	42,608.6

*Pure gross of fee returns do not reflect the deduction of any expenses, including transaction costs, and are presented as supplemental to the net of fee returns.

Compliance Statement:
Franklin Templeton Private Portfolio Group, LLC ("FTPPG") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. FTPPG has been independently verified for the periods January 1, 2013 - December 31, 2024. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedure for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Firm Information:
Franklin Templeton Private Portfolio Group, LLC ("FTPPG"), formerly known as Legg Mason Private Portfolio Group, LLC ("LMPPG"), is a wholly owned indirect subsidiary of Franklin Resources, Inc. ("Franklin"). In July 2020 Legg Mason, Inc., its parent co mpany, was purchased by Franklin. FTPPG has used Subadvisers for all periods presented. FTPPG, together with its Subadvisers, provides investment advisory services primarily in investment programs sponsored by Sponsor Firms. The investment advisory services FTPPG and the Subadvisers provide differ depending on the type of Sponsor Firm investment program in which a client participates.

Composite Information:
The Franklin Templeton Balanced Income 70/30 composite consists of discretionary wrap accounts with an account minimum of US $25,000. The strategy seeks an objective of long-term growth and high current income through a combination of asset allocation and fundamental security analysis. The main risks of this strategy are General Investment Risk, Small Cap Risk, Mid Cap Risk, Illiquidity Risk, Credit Risk, Interest Rate Risk and Asset Allocation Risk.

Input and Calculation Data:
The fee schedule currently in effect is 3.00% on all assets. Net of fee composite returns are calculated by reducing each monthly composite pure gross rate of return by the highest "bundled" fee charged (3.00%) annually, prorated to a monthly ratio. T he "bundled" fee includes transaction costs, investment management, custodial, and other administrative fees. The internal dispersion of annual returns is measured by the asset-weighted standard deviation of portfolio returns included in the composite for the entire year. Gross returns are used to calculate presented risk measures. The composite employes a 10% significant cash flow policy which started in January 2021. A list of composite and limited distribution pooled fund descriptions and a list of broad distribution pooled funds is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance is not necessarily indicative of future results. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor doe s it warrant the accuracy or quality of the content contained herein.

Primary Benchmark Information:
The composite uses a custom blended benchmark consisting of 70% Russell 1000® Value / 30% Bloomberg US Intermediate Treasury which is calculated by weighting the respective index returns monthly.

Definitions

Index definitions

The **Alerian MLP Index** is a composite of the 50 most prominent energy master limited partnerships (MLPs) and is calculated using a float-adjusted, capitalization-weighted methodology. Source: Alerian.

The **MSCI All Country World ex-US Growth Index** measures the performance of growth stocks in developed and emerging markets, excluding the US. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

The **MSCI All Country World Index** is a market capitalization-weighted index that is designed to measure equity market performance of developed and emerging markets. Net Returns (NR) include income net of tax withholding when dividends are paid. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

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The **MSCI EAFE Growth Index** captures large- and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the US and Canada**.** This report is not prepared or endorsed by MSCI.

The **MSCI Emerging Markets Index** captures large and mid cap representation across emerging markets. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

The **MSCI USA. High Dividend Yield Index** is designed to reflect the performance of mid- and large-cap equities (excluding REITs) with higher dividend income, which is sustainable and persistent, than average dividend yields of securities in the MSCI USA Index. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

The **MSCI US REIT Index** is a free float-adjusted market capitalization weighted index that is comprised of equity Real Estate Investment Trusts (REITs). Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the US equity universe. Source: FTSE.

The **Russell 1000 Index** measures the performance of the large-cap segment of the US equity universe. Source: FTSE.

The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the US equity universe. Source: FTSE.

The **Russell 2000 Growth Index** measures the performance of the small-cap growth segment of the US equity universe. Source: FTSE.

The **Russell 2000 Index** measures the performance of the small-cap segment of the US equity universe. Source: FTSE.

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

The **Russell 2500 Growth Index** measures the performance of those companies in the small/mid-cap Russell 2500 Index chosen for their growth orientation. Source: FTSE.

The **Russell 2500 Index** measures the performance of the small to midcap segment of the US equity universe, commonly referred to as "SMID" cap. Source: FTSE

The **Russell 2500 Value Index** measures the performance of US companies in the small/mid-cap Russell 2500 Index chosen for their value orientation. Source: FTSE.

The **Russell 3000 Growth Index** measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. Source: FTSE**.**

The **Russell 3000 Index** measures the performance of the 3,000 largest US companies based on total market capitalization. Source: FTSE.

The **Russell 3000 Value Index** measures the performance of the broad value segment of US equity value universe. Source: FTSE.

The **Russell Microcap Index** measures the performance of the microcap segment of the US equity market. Source: FTSE.

The **Russell Mid Cap Index** measures the performance of the mid-cap segment of the US equity universe. Source: FTSE.

The **Russell Midcap Growth Index** measures the performance of the mid-cap growth segment of the US equity universe. Source: FTSE.

The **S&P 500 Index** features 500 leading US publicly traded companies, with a primary emphasis on market capitalization. Source: © S&P Dow Jones Indices LLC. All rights reserved.

The **S&P Global Infrastructure Index** includes listed infrastructure stocks from around the world across energy, transportation and utilities clusters. Source: © S&P Dow Jones Indices LLC. All rights reserved.

Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

Definitions

Term definitions

Earnings before interest, taxes, depreciation and amortization (EBITDA) approximates a firm's operating cash flow by considering its earnings before interest, taxes, depreciation and amortization.

Free Cash Flow measures the cash remaining after accounting for a firm's cash expenditures to support its operations and maintain its capital assets.

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

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.

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.

The **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 the portfolio's historical adjusted performance.

Alpha is a measure of the difference between actual returns and expected performance, given the level of risk as measured by Beta, where **Beta** measures sensitivity to benchmark movements.

R-Squared measures the strength of the linear relationship between the portfolio and its benchmark. R-squared at 1.0 implies perfect linear relationship and zero implies no relationship exists.

Standard Deviation is based on quarterly data. Standard deviation is a measure of the variability of returns; the higher the standard deviation, the greater the range of performance (i.e., volatility).

The **Capture Ratios** measure a manager's composite performance relative to the benchmark, considering only those quarters that are either positive (Up) or negative (Down) for the benchmark.

An **Up Market Capture Ratio** greater than 1.0 indicates a manager who has outperformed the benchmark in the benchmark's positive quarters.

A **Down Market Capture Ratio** of less than 1.0 indicates a manager who has outperformed the relative benchmark in the benchmark's negative quarters.

Definitions

Index definitions

The **Citi 3-Month T-Bill Index** is an unmanaged index of three-month Treasury bills. The index consists of an average of the last three-month U.S. Treasury bill issues.

The **Bloomberg Government Bond 1-3 Year Index** is an index that measures the performance of all public U.S. government obligations with remaining maturities of approximately 1-3 years. Bloomberg Indices.

The **Bloomberg 1-15 Year Blend (1-17) Municipal Bond Index** consists of a broad selection of investment-grade general obligation and revenue bonds of maturities from 1 to 17 years. Source: Bloomberg Indices.

The **Bloomberg Intermediate U.S. Government/Credit Index** is an unmanaged index that measures the performance of intermediate (one to ten years) government and corporate fixed-rate debt issues. Source: Bloomberg Indices.

The **Bloomberg Municipal 1 Year Index** is an unmanaged Index of municipal bonds with a remaining maturity of one to two years. Source: Bloomberg Indices.

The **Bloomberg Municipal 5 Year Index** is an unmanaged index that tracks USD-denominated long-term, tax-exempt bond market with maturities of 4-6 years, including state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. Source: Bloomberg Indices.

The **Bloomberg Municipal Bond Index** is a broad measure of the municipal bond market with maturities of at least one year. Source: Bloomberg Indices.

The **Bloomberg Municipal Managed Money Short Intermediate Index** measures the performance of the publicly traded municipal bonds that cover the USD-denominated short/intermediate term tax-exempt bond market, including state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. Source: Bloomberg Indices.

The **Bloomberg U.S. Aggregate Index** is comprised of investment-grade, U.S. dollar-denominated government, corporate, and mortgage- and asset-backed issues having at least one year to maturity. Source: Bloomberg Indices.

The **Bloomberg U.S. Government 1-5 Year Index** measures the performance of US dollar denominated, fixed-rate, nominal U.S. Treasuries and U.S. agency debentures with maturities greater or equal than 1 year but less than 5 years. Source: Bloomberg Indices.

The **Bloomberg U.S. Government/Credit Bond Index** is an index that tracks the performance of U.S. government and corporate bonds rated investment grade or better, with maturities of at least one year. Source: Bloomberg Indices.

The **Bloomberg U.S. High Yield Very Liquid Index (VLI)** is a component of the US Corporate High Yield Index designed to track a more liquid component of the U.S. dollar-denominated, high-yield, fixed-rate corporate bond market. Source: Bloomberg Indices.

The **Bloomberg U.S. Intermediate Corporate Index** measures the performance of investment grade, fixed-rate, US dollar-denominated taxable corporate securities with maturities of 1-10 years. Source: Bloomberg Indices.

The **Bloomberg U.S. Intermediate Treasury Index** measures the performance of the U.S. Treasury debentures with maturities of 1-10 years. Source: Bloomberg Indices.

The **ICE BofA 1-3 Year Treasury Index** is a market-capitalization-weighted index including all U.S. Treasury notes and bonds with maturities greater than or equal to one year and less than three years. Source: The index data referenced herein is the property of Intercontinental Exchange ("ICE") and/or its licensors and has been licensed for use by Franklin Templeton. ICE and its licensors accept no liability in connection with this use.

Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

Definitions

Term definitions

Maturity is the date at which a debt instrument is due and payable. A bond due to mature on January 1, 2025, will return the bondholder's principal and final interest payment when it reaches maturity on that date. Bond yields are frequently calculated on a yield-to-maturity basis.

Duration (Modified Duration) is the measure of the price sensitivity of a fixed income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows.

Yield to Worst (YTW) is based on a portfolio's current holdings on one specific day, is gross of all portfolio expenses, and is calculated based on assumptions that prepayment occurs if the bond has called or put provisions, and the issuer can offer a lower coupon rate based on current market rates. If market rates are higher than the current yield of a bond, the YTW calculation will assume no prepayments are made, and YTW will equal the yield to maturity. The YTW will be the lowest of yield to maturity or yield to call (if the bond has prepayment provisions). The YTW of a bond portfolio is the market-weighted average of the YTWs of all the bonds in the portfolio. **Yield to Worst is calculated without the deduction of fees and expenses.**

Insured municipal bonds are ones where scheduled interest and principal payments are guaranteed by AAA-rated municipal bond insurers.

General Obligation municipal bonds are backed by the credit and taxing power of the issuing jurisdiction rather than the revenue of a given project.

Revenue bonds are municipal bonds supported by the revenue from a specific project.

Pre-refunded bonds are municipal bonds that are generally backed or secured by U.S. Treasury bonds.

Effective Duration is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change.

Average Maturity is the average length of maturity for all fixed-rate debt instruments held in a portfolio.

Average Coupon based on the portfolio's underlying holdings, which may differ and are subject to change. Coupon rate is the annual coupon payments paid by the issuer relative to a bond's face or par value. **Average Coupon is calculated without the deduction of fees and expenses.**

Yield to Maturity: The rate of return anticipated on a bond if it is held until the maturity date. The calculation of YTM takes into account the current market price, par value, coupon interest rate and time to maturity. **Yield to Maturity is calculated without the deduction of fees and expenses.**

Weighted Average Life: An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings.

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

Alpha is a measure of the difference between actual returns and expected performance, given the level of risk as measured by **Beta**, where Beta measures sensitivity to benchmark movements.

R-Squared measures the strength of the linear relationship between the portfolio and its benchmark. R-squared at 1.0 implies perfect linear relationship and zero implies no relationship exists.

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A **Down-Market Capture Ratio** of less than 1.0 indicates a manager who has outperformed the relative benchmark in the benchmark's negative months.

Notes

Notes

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