



Investing in innovation: Franklin DynaTech SMA Franklin Separately Managed Accounts

Franklin DynaTech is a diversified growth strategy which has focused on investing in innovation since 1968.¹ The investment team researches, investigates, explores, studies and scrutinizes the greatest innovations of our time, looking for the best potential investments. They seek to identify those companies and industries with compelling products, new processes, strong management and disruptive technologies. Our investment team is headquartered near the heart of Silicon Valley, allowing the managers and analysts firsthand access to research and the opportunity to build relationships with companies at the forefront of innovation today.

The heart of the investment philosophy is the belief that innovation drives long-term wealth creation. Importantly, the team views the world today through an investment lens that spans decades of history.

Innovation is accelerating

We are living in a period of unprecedented economic change, often referred to as the fourth industrial revolution.² This affords us with a compelling backdrop in which to invest, as new companies, technologies and ideas are brought into the marketplace.

Innovation demands active management

In our view, innovation is one of the most misunderstood parts of the market and demands active management. New technologies, products and processes can impact our daily lives; however, their prospects as investments may vary significantly as the expectations of market participants change over time. Some innovations may be great investments today, or far in the future, or never at all.

Innovation is everywhere

The Franklin DynaTech investment team expects five platforms of growth, spanning myriad sectors and industries, to generate considerable economic value over the next five to ten years.

Franklin DynaTech: platforms of growth

Disruptive Commerce



- General commerce
- Media
- Sharing economy
- Verticals: travel, autos, real estate, etc.
- Transport & logistics
- ePayments
- Distributed lending

Genomic Advancements



- Sequencers & equipment
- Diagnostics
- Gene silencing or muting
- Gene editing
- Agriculture

Intelligent Machines



- Robotics
- 3D printing
- Internet of Things
- Automated driving
- Drones
- Health care implantables

Energy Transformation



- Solar, wind, nuclear, geothermal
- Grid hardening, smart grid & AI optimization
- Distributed generation & storage
- Electric vehicles



Exponential Data

- Artificial intelligence & machine learning
- Cloud computing
- Edge computing
- Data analysis
- Augmented & virtual reality
- Blockchain



For more information on Franklin DynaTech SMA,
please contact Franklin Templeton at (800) DIAL BEN/342-5236.

1. The SMA Composite has a more limited operating history than the Franklin DynaTech strategy.

2. Source: Schwab, Klaus. *The Fourth Industrial Revolution*. Currency, 2017. Print.

Franklin DynaTech SMA Composite³

As of March 31, 2026

Portfolio Characteristics (%)

Number of Holdings	66
Historical 3-Year Sales Growth	29.85
Price to Earnings (12-mo Forward)	36.42x
Market Capitalization (Millions USD)	1,640,041

Sector Allocation



Information Technology	51.69%
Consumer Discretionary	13.35%
Communication Services	13.11%
Health Care	8.67%
Industrials	5.43%
Financials	3.22%
Energy	0.59%
Cash & Cash Equivalents	3.94%

Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

3. 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.

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. **Equity securities** are subject to price fluctuation and possible loss of principal. The **investment style** may become out of favor, which may have a negative impact on performance. **Active management** does not ensure gains or protect against market declines. **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**. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. 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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Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

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