FRANKLIN TEMPLETON

Franklin Mutual Small-Mid Cap Value SMA

Separately Managed Accounts Factsheet | as of June 30, 2026

Investment overview

The strategy seeks long-term total return by investing at least 80% of its net assets in investments of small- and mid-capitalization companies, which are those with market capitalizations not exceeding either the highest market capitalization of the Russell 2500 Index or the 12-month average of the highest market capitalization in the Russell 2500 Index, whichever is greater at the time of purchase.

Investment philosophy

Strategy

- We are long-term, bottom-up investors looking for companies trading at attractive valuations relative to our estimate of their fundamental value.
- We seek undervalued small- and mid-capitalization companies with the following characteristics:
    - Well-managed companies with strong fundamentals that are available at discounted prices.
    - Stock prices that are low based on earnings, book value, cash flow or sales and relative to the market, a company's industry or a company's earnings record.
    - Recent sharp price declines but the potential for good long-term earning prospects.
    - Valuable intangibles not reflected in the stock price, such as franchises, underused or understated assets or cash, or patents and trademarks.
- We are buy-and-hold investors who generally seek to hold an investment for five or more years.

Benefits

- Small-Mid Cap Exposure. We aim to take advantage of the prospects particular to small- and mid-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 benefit from our veteran management team with extensive value-investing experience.

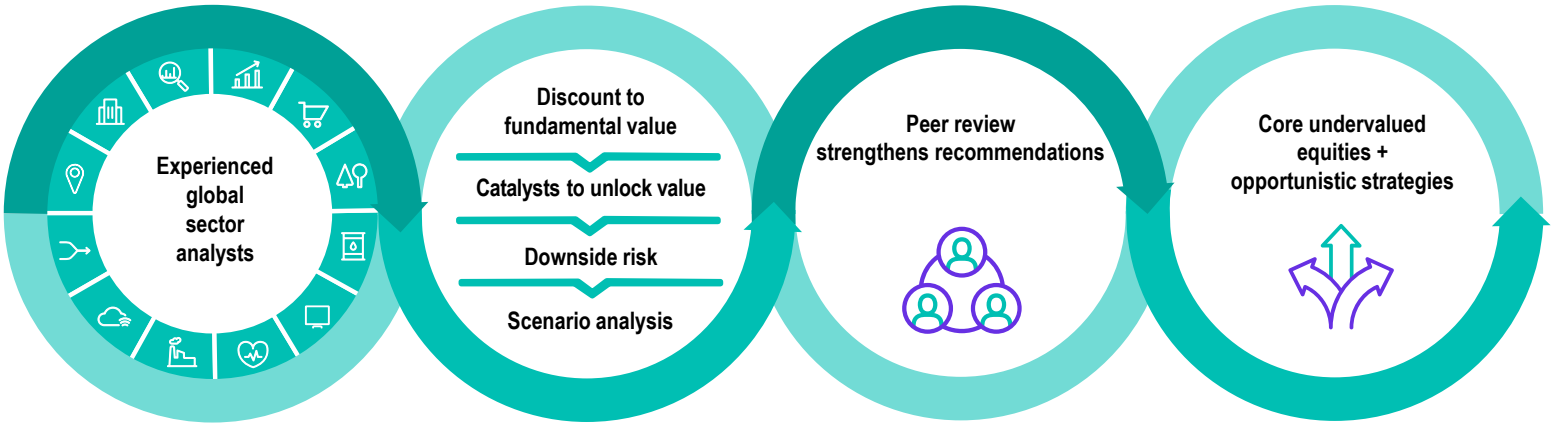
Investment management team

Steven Raineri
Portfolio Manager
Industry since 1993

Oliver H Wong
Portfolio Manager
Industry since 2005

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

Investment process



- Analyst-driven idea generation
- Bottom-up, unconstrained search for opportunities
- Focus on companies trading at market prices meaningfully below assessments of fundamental value

- In-depth proprietary analysis to understand business model, financials & competitive dynamics
- Consideration of downside risks, including environmental, social and governance (ESG) factors
- Assess current price relative to fundamental value & identify catalysts

- Team plays an integral role in the review of each investment idea
- Collaboration across sector, geography & strategy
- Focus on potential upside and downside risks

- Portfolio weightings result from bottom-up selection
- Opportunistic investments include distressed credit and merger arbitrage
- Active engagement with company management

INTEGRATED RISK MANAGEMENT

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 June 30, 2026

Top Ten Holdings (%)

	Portfolio
Ashland Inc.	3.41
SouthState Bank Corporation	3.00
ACI Worldwide, Inc.	2.85
Citizens Financial Group, Inc.	2.81
Columbia Banking System, Inc.	2.78
Dover Corporation	2.62
Bruker Corporation	2.61
Henry Schein, Inc.	2.51
Expand Energy Corporation	2.44
Oshkosh Corp	2.31
Total	**27.34**

Sector Weightings (%)

	Portfolio	BM
Industrials	23.38	19.44
Financials	18.51	20.37
Materials	11.63	6.03
Information Technology	10.68	10.04
Health Care	8.67	9.19
Consumer Discretionary	7.64	10.43
Energy	7.15	4.40
Utilities	3.92	3.90
Real Estate	2.29	9.48
Consumer Staples	2.00	4.15
Communication Services	0.00	2.56
Cash & Other Net Assets	4.12	0.00

Characteristics

	Portfolio	BM
Price to Earnings (12-Month Trailing)	20.25x	18.03x
Price to Cash Flow	10.56x	13.51x
Price to Book	2.06x	2.65x
Dividend Yield*	1.45%	1.75%
Weighted Average Market Capitalization (Millions USD)	$14,286	$9,239

Market Capitalization (%)

	Portfolio
<1.0 Billion	2.78
1.0-2.0 Billion	0.54
2.0-5.0 Billion	16.45
5.0-10.0 Billion	38.16
>10.0 Billion	42.07

‡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 June 30, 2026 – PRELIMINARY – (Inception date: 09/30/2022)

	1 Mth	3 Mths	YTD	1 Year	Since Incept
Franklin Mutual Small-Mid Cap Value SMA–Pure Gross of Fees—(USD)	**3.54**	**14.36**	**15.96**	**27.78**	**16.65**
Franklin Mutual Small-Mid Cap Value SMA–Net of Fees—(USD)	**3.29**	**13.55**	**14.30**	**24.12**	**13.28**
Russell 2500 Value Index—(USD)	4.20	18.50	24.16	38.54	25.13

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

	2025
Mutual Smid Cap Value–Pure Gross of Fees—(USD)	8.65
Mutual Smid Cap Value–Net of Fees—(USD)	5.49
Russell 2500 Value Index—(USD)	12.73

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.franklintempleton.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.**

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

What are the risks?

All investments involve risks, including possible loss of principal. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. **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**. 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.

Important Information

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

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