FRANKLIN TEMPLETON | WESTERN ASSET

Western Asset Tax Aware Portfolios

Separately Managed Accounts Factsheet | as of September 30, 2026

Investment overview

Western Asset Tax Aware Portfolios seeks to provide investors with high quality after-tax income opportunities and total returns by investing in investment-grade municipal, treasury, and corporate credit obligations. The strategy leverages Western Asset's investment process, incorporating themes across duration, curve and structural complexities of the municipal market.

Investment objective

Seeks to:

Deliver attractive after-tax income and total return opportunities and seeks to outperform the Bloomberg Municipal 1-15 Year Bond Index over a full market cycle.

Investment philosophy

After-Tax Income Opportunities

- Access to full investment grade fixed income opportunity set across Municipals, Treasuries, and Corporates allow for diversified after-tax income opportunities across distinct sectors that can provide relative value

Access to Western Asset's Best Fixed Income Ideas

- The strategy benefits from Western Asset's macro resources which inform duration, curve, and credit positioning, as well as Western Asset's fixed income sector specialist teams that can provide value through security selection across municipal and taxable sectors

Client Flexibility and Customization

- 100% individual bond solution provides opportunity for client customization and potential tax savings through investment in in-state municipal securities, as well as efficient tax-loss harvesting opportunities through investment in more liquid fixed income sectors

Key differentiators

The Western Asset difference

- Western Asset is a globally integrated fixed income manager committed to understanding the needs of each client, identifying investment solutions and delivering superior long-term investment results.
- Western Asset Management is a leader in fixed income SMA management, with over $22 billion across tax-exempt and taxable strategies
- Exclusive focus on fixed income management provides a unique perspective of continued relative valuation of various fixed income asset classes.
- Institutional-caliber buying power, trading expertise, and technology contribute to customization and favorable execution in markets where access to inventories is increasingly difficult.
- Client-facing resources willing to engage.

Management team

Western Asset, one of the world's leading fixed income managers, was founded in 1971. With a focus on long-term fundamental value investing that employs a top-down, bottom-up approach, the firm has nine offices around the globe and deep experience across the range of fixed income sectors. Western Asset has been recognized for its emphasis on team management and intensive proprietary research, supported by robust risk management.

Western Asset team-managed approach

- Team unites groups of specialists dedicated to different market sectors.
- Each group of sector specialists utilizes their expertise in bottom-up analysis of each portfolio sector.

[1] Diversification does not assure a profit or protect against market loss.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

Investment process

STEP 1

Incorporation of client considerations

Western Asset's investment process begins with the establishment of objectives and guidelines, incorporating state, sector, liquidity and/or gain/loss considerations.

STEP 2

Interest rate and curve positioning

Western Asset's investment team incorporates a comprehensive firmwide macro process, utilizing a variety of domestic and international macroeconomic factors to establish duration and curve positioning.

Structure: The macro views and forward-looking fixed income analytics inform structure opportunities including coupon dynamics and exploit mispriced call options.

STEP 3

Sector allocation

The strategy employs Western Asset's best ideas across sectors of the municipal bond market with input from sector specialists.

STEP 4

Issue selection

Using a bottom-up process, Western Asset seeks to identify issuers with improving credit characteristics or securities where investors are compensated for underlying risk factors.

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 September 30, 2026

Characteristics

	Portfolio
Effective Duration	6.78 Years
Yield to Worst	4.84%
Current Yield	4.59%
Weighted Average Life	8.49 Years
Cash Flow	4.66%

Sector Weightings (%)

	Portfolio
Leasing	13.94
Local General Obligation	13.37
Treasury	13.31
Transportation	13.28
Education	9.21
Hospital/Healthcare	8.35
Water & Sewer	6.09
State General Obligation	5.00
Power	4.11
Special Tax	4.03
IG Credit-Finance	3.17
IG Credit-Industrials	3.08
Industrial Revenue	3.06

Credit Quality (%)

	Portfolio
AAA	9.21
AA	45.09
A	37.82
BBB	7.87
NR	0.00

Average Life (%)

	Portfolio
0 to 1 Year	1.39
1 to 3 Years	9.46
3 to 5 Years	11.06
5 to 7 Years	16.49
7 to 10 Years	19.64
10 to 15 Years	37.07
>15 Years	4.89

‡ Source: Western Asset. Portfolio characteristics listed are based on representative accounts and assumes no withdrawals, contributions, or client-imposed restrictions. Portfolio characteristics 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.

Credit Quality is a measure of a bond issuer's ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security's rating as provided by S&P Global Ratings, Moody's Investors Service and/or Fitch Ratings, Inc. and typically range from AAA (highest) to D (lowest), or an equivalent and/or similar rating. For this purpose, if two or more of the agencies have assigned differing ratings to a security, the highest rating is used. Securities that are unrated by all three agencies are reflected as such. The credit quality of the investments in the portfolio does not apply to the stability or safety of the portfolio. The methodology used for the calculation of credit quality ratings displayed may differ from the methodology for monitoring investment limits, if applicable. **Please note, the portfolio itself has not been rated by an independent rating agency**.

Performance

Rates of Return – Pure Gross and Net of Fees (%) as of September 30, 2026 – (Inception date: 7/1/2024) – PRELIMINARY

	1 Mth	3 Mths	YTD	1 Year	Since Incept
Tax Aware–Pure Gross of Fees—(USD)	-3.29	-5.00	-3.35	-1.72	1.41
Tax Aware–Net of Fees—(USD)	-3.42	-5.36	-4.43	-3.17	-0.09
Bloomberg Muni 1-15 Yr Index—(USD)	-3.74	-5.09	-3.77	-2.41	1.22

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

	2025
Tax Aware–Pure Gross of Fees—(USD)	5.09
Tax Aware–Net of Fees—(USD)	3.54
Bloomberg Muni 1-15 Yr Index—(USD)	5.18

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" (1.5% is the maximum anticipated wrap fee for fixed income 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.

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Terms and definitions:

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

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.

Duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes.

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.

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 fund and its benchmark. R-squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

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

What are the risks?

All investments involve risk, including the loss of principal, and there is no guarantee that investment objectives will be met. Fixed income securities are subject to interest rate and credit risk, which is a possibility that the issuer of a security will be unable to make interest payments and repay the principal on its debt. As interest rates rise, the price of fixed income securities falls. Investments may also be made in mortgage-backed, asset-backed securities and taxable municipal securities. **Asset-backed securities** generally decrease in value as a result of interest rate increases but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments. **Mortgage-backed securities** involve additional risk over more traditional fixed-income investments, including interest rate risk, implied call and extension risks; and the possibility of premature return of principal due to mortgage prepayment, which can reduce expected yield and lead to price volatility. **Foreign securities**, where permitted, are subject to the additional risks of fluctuations in foreign exchange rates, changes in political and economic conditions, foreign taxation, and differences in auditing and financial standards. These risks are magnified in the case of investments in **emerging markets.**

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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