FRANKLIN TEMPLETON | WESTERN ASSET

Western Asset Enhanced Cash SMA Portfolios

Separately Managed Accounts Factsheet | as of June 30, 2026

Investment overview

The Western Asset Enhanced Cash SMA invests in short-term investment-grade securities with a maximum portfolio duration of two years or less and benchmark to a variety of short-term indexes, such as the Citi 3-Month Treasury Bill Index and the Bloomberg 1-3 Year Government Bond Index.

Investment objective

Seeks:
Total return superior to money market investments.

Investment philosophy

We believe that:
Active portfolio management within a low-volatility corporate liquidity framework can help preserve capital, maintain liquidity and maximize total return.

Representative short-term investment guidelines

Eligible investment include the following:

- Taxable commercial paper
- U.S. government and agency securities
- Yankee, sovereign and Eurodollar debt
- AAA-rated asset-backed securities
- U.S. agency collateralized mortgage obligations
- Corporate debt securities
- Cash sweep vehicles
- Taxable and tax-exempt municipal bond

The average effective duration of the portfolio should not exceed a range of 1-2 years, with a maximum life on any individual issue not to exceed a range of 2-5 years.

Except for U.S. government and agency securities, all investments in any one issue (liabilities of a single issuer) must not exceed 5% of the portfolio value at the time of purchase.

The minimum major rating category of any instrument in the portfolio is "A."

Within the above-mentioned guidelines, the investment manager has the latitude to determine the maturity, structure, duration and composition of the portfolio. This statement of investment guidelines will be reviewed on a periodic basis and can be changed at any time upon proper written notice.

Key differentiators

Team-managed approach

- Utilizes a team of sector specialists

Leverage Western Asset Management resources

- Institutional-caliber buying power and trading expertise
- Access to proprietary credit research team
- Exclusive focus on fixed income management

Ability to customize the portfolio to meet client constraints

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.

For tax-exempt securities, certain investors may be subject to the Federal Alternative Minimum Tax, and state and local taxes may apply. Capital gains, if any, are fully taxable. Depends on individual tax situation. Please see "Important tax information" on the last page.

Note: The guidelines provided above are general in nature. The program manager may, to a limited extent, invest in other securities entailing additional risks beyond those highlighted in this profile.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

Investment process

STEP 1

Interest rate exposure/duration weighting
Western Asset's investment team comprehensively analyzes a variety of domestic and international macroeconomic factors to establish a duration target

STEP 2

Term structure weighting
The Firm carefully employs strategies in an attempt to take advantage of changes in the yield curve's shape and shifts in the relationship between short-, intermediate- and long-maturity securities.

STEP 3

Sector allocation
Western Asset believes that value can be added to a portfolio by actively rotating among, and within, different sectors of the bond market. The investment team studies the fundamental factors that influence sector spread relationships.

STEP 4

Issue selection
Using a bottom-up process, the Firm seeks to identify companies with changing credit characteristics and securities that are undervalued and out of favor due to unusual circumstances.

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

Characteristics

	Portfolio
Effective Duration	1.75 Years
Yield to Worst	4.43%
Weighted Average Life	1.89 Years
Cash Flow	4.37%

Sector Weightings (%)

	Portfolio
Credit	78.20
Agency	11.91
Asset-Backed Securities	4.57
Residential Mortgage-Backed Securities	1.47
Other Cash	3.86

Average Life (%)

	Portfolio
0 to 1 Year	26.55
1 to 3 Years	54.69
3 to 5 Years	18.76

‡ 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

Annualized Rates of Return – Pure Gross and Net of Fees (%) as of June 30, 2026 – PRELIMINARY

	1 Mth	3 Mths	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	15 Year	20 Year	25 Yrs
Enhanced Cash SMA –Pure Gross of Fees—(USD)	0.13	0.70	1.17	3.68	4.91	2.91	2.70	2.38	2.00	2.42	2.53
Enhanced Cash SMA –Net of Fees—(USD)	0.00	0.33	0.42	2.15	3.36	1.40	1.18	0.87	0.49	0.90	1.01
Index Mix—(USD)	0.18	0.65	1.26	3.49	4.62	2.80	2.41	2.09	1.54	1.92	2.07

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Enhanced Cash SMA –Pure Gross of Fees—(USD)	5.70	4.48	5.25	-1.59	-0.14	2.85	3.39	1.77	1.25	1.38
Enhanced Cash SMA –Net of Fees—(USD)	4.15	2.94	3.69	-3.04	-1.62	1.33	1.86	0.26	-0.24	-0.12
Index Mix—(USD)	4.78	4.74	4.79	-1.18	-0.28	1.86	2.92	1.72	0.64	0.57

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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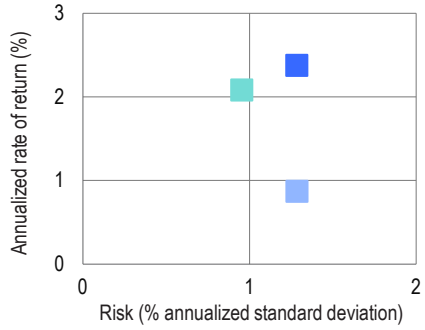
The Index Mix consists of 50% Citi 3-Month U.S. Treasury Bill Index and 50% Bloomberg 1-3 Year Government Bond Index.

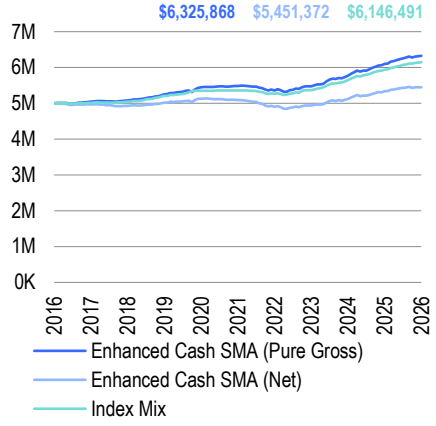
Performance Statistics [1] Preliminary (based on 10-year period ending June 30, 2026)

Risk/Return profile (%)

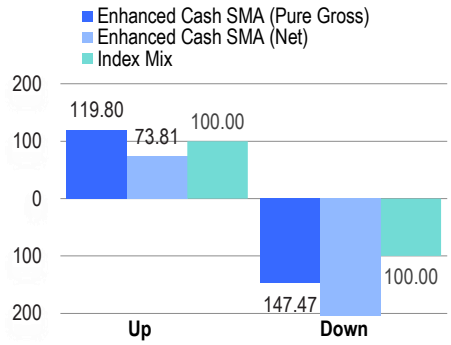


Enhanced Cash SMA (Pure Gross)	
Annualized Return (%)	2.38
Annualized Standard Deviation (%)	1.29
Enhanced Cash SMA (Net)	
Annualized Return (%)	0.87
Annualized Standard Deviation (%)	1.29
Index Mix	
Annualized Return (%)	2.09
Annualized Standard Deviation (%)	0.95

Growth of $5,000,000*



Up/Down market capture ratios (%)



Modern portfolio statistics

	Portfolio (Pure gross)	Portfolio (Net)	BM
Sharpe Ratio	-0.01	-1.17	-0.32
Beta	1.13	1.13	N/A
Alpha (%)	0.33	-1.15	N/A
R-Squared	0.54	0.54	N/A

	(+) Months	(-) Months
Pure Gross:	90	30
Net:	90	30

[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" (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.

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 **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.

What are the risks?

All investments involve risks, including possible loss of principal. 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. **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**.

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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