

## Investment overview

The Western Asset Gov/Corp Portfolios invest primarily in securities within the Bloomberg U.S. Intermediate Government/Credit Index, including U.S. Treasury securities, federal agency securities, and investment-grade corporate bonds, to seek to maximize total return.

## Investment objective

### Seeks to:

Preserve principal and outperform passive investment strategies by investing primarily in intermediate-term corporate and U.S. government debt (including Treasuries and Agencies).

## Investment philosophy

### Long-term

### Active duration management

### Value-oriented

- Identify and favor sectors and issuers that are undervalued or out of favor in the market.

### Diversified strategies<sup>1</sup>

- Results do not depend on only one or two opportunities; multiple themes are employed in portfolios. Diversification seeks to limit the impact of a single adverse market event.
- Strive to add incremental value over time and potentially reduce volatility.

### Sector rotation

- The Gov/Corp Portfolios predominantly focus on investment-grade securities similar to those represented within the Bloomberg U.S. Intermediate Government/Credit Index.<sup>2</sup>

## 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

## 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.

<sup>1</sup> Diversification does not ensure a profit or protect against market loss.

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 that may add value to the portfolio.

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 December 31, 2025

Characteristics

	Portfolio
Effective Duration	3.73
	Years
Yield to Worst	3.92%
Weighted Average Life	4.19
	Years
Cash Flow	3.91%

Sector Weightings (%)

	Portfolio
Treasury	63.58
Investment-Grade Credit	36.42

Average Life (%)

	Portfolio
0 to 1 Year	2.52
1 to 3 Years	41.16
3 to 5 Years	28.00
5 to 7 Years	7.00
7 to 10 Years	21.32

† 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 the following Nationally Recognized Statistical Rating Organizations ("NRSRO"): Standard and Poor's ("S&P"), Moody's Investors Service ("Moody's"), Fitch Ratings, Ltd. In the event a portfolio security is rated by more than one NRSRO, the higher rating is shown. In the case where a security is not rated by an NRSRO, these are listed as "Non Rated". The credit quality of the investments in the Portfolio does not apply to the stability or safety of the Portfolio. These ratings may change over time. The Portfolio itself has not been rated by an NRSRO.

## Performance

### Annualized Rates of Return – Pure Gross and Net of Fees (%) as of December 31, 2025 – PRELIMINARY

	1 Mth	3 Mths	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	15 Year	20 Year	25 Yrs
Gov/Corp –Pure Gross of Fees—(USD)	-0.01	1.10	6.94	6.94	5.02	1.09	2.63	2.35	2.46	3.45	3.78
Gov/Corp –Net of Fees—(USD)	-0.13	0.73	5.37	5.37	3.47	-0.41	1.12	0.84	0.95	1.93	2.25
Bloomberg Intern US Gov/Credit Index—(USD)	0.09	1.20	6.97	6.97	5.06	0.96	2.54	2.29	2.38	3.16	3.62

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Gov/Corp –Pure Gross of Fees—(USD)	6.94	2.81	5.35	-7.53	-1.43	6.29	6.90	0.71	2.29	2.07
Gov/Corp –Net of Fees—(USD)	5.37	1.29	3.79	-8.91	-2.89	4.72	5.32	-0.78	0.78	0.56
Bloomberg Intern US Gov/Credit Index—(USD)	6.97	3.00	5.24	-8.23	-1.44	6.43	6.80	0.88	2.14	2.08

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](http://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.

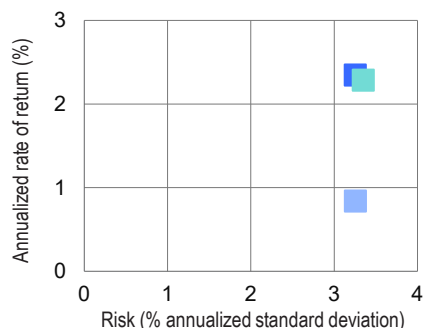
<sup>1</sup> **Fees:** Periods less than one year are not annualized. Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated 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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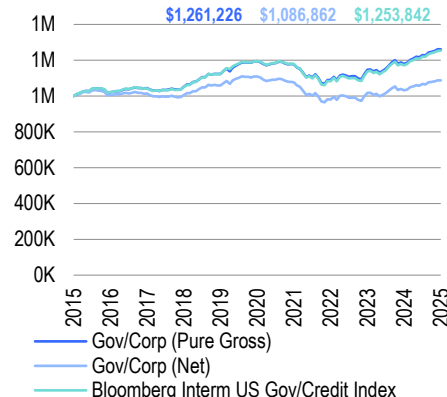
### Performance Statistics <sup>1</sup> Preliminary (based on 10-year period ending December 31, 2025)

#### Risk/Return profile (%)

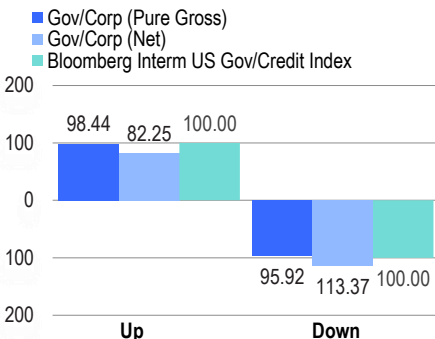


<span style="color: blue;">■</span> Gov/Corp (Pure Gross)	
Annualized Return (%)	2.35
Annualized Standard Deviation (%)	3.26
<span style="color: lightblue;">■</span> Gov/Corp (Net)	
Annualized Return (%)	0.84
Annualized Standard Deviation (%)	3.26
<span style="color: teal;">■</span> Bloomberg Intern US Gov/Credit Index	
Annualized Return (%)	2.29
Annualized Standard Deviation (%)	3.35

#### Growth of \$1,000,000\*



#### Up/Down market capture ratios (%)



#### Modern portfolio statistics

	Portfolio (Pure gross)	Portfolio (Net)	BM
Sharpe Ratio	0.05	-0.41	0.03
Beta	0.96	0.96	N/A
Alpha (%)	0.06	-1.42	N/A
R-Squared	0.98	0.98	N/A

	(+) Months	(-) Months
Pure Gross:	71	49
Net:	71	49

<sup>1</sup> 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 **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.

## 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. **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**.

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