Client Relationship Summary

May 12, 2022

Franklin Advisers, Inc. ("FAV"), Franklin Mutual Advisers, LLC ("FMA"), Franklin Templeton Institutional, LLC ("FTILLC"), Franklin Templeton Investment Management Limited ("FTIML"), Franklin Templeton Investments Corp ("FTIC"), Franklin Templeton Portfolio Advisors, Inc. ("FTPA")[1], Templeton Asset Management Limited ("TAML"), Templeton Global Advisors Limited ("TGAL") and Templeton Investment Counsel, LLC ("TIC") are each registered with the Securities and Exchange Commission as an investment adviser, and are wholly-owned subsidiaries (directly or indirectly) of Franklin Resources, Inc., a holding company that, together with its subsidiaries, operates under the Franklin Templeton® and/or subsidiary brand names. There are other types of financial services professionals (e.g., broker-dealers) that offer different fees and services, and it is important for you to understand the differences. Free and simple tools that allow you to research firms and financial professionals are available at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

Our firm provides discretionary investment advisory services to retail investors through separately managed accounts (a "**Separate Account**") as well as in connection with third-party wrap fee programs offered to retail investors ("**SMA Programs**"). Additionally, FAV provides these services to certain retail investors through electronic programs, one offered through FAV's Goals Optimization Engine (the "**GOE Program**") and the other offered to U.S. residents by downloading, where available, the MyFi mobile device application (the "**MyFi Program**"). These electronic programs use a proprietary investment algorithm to develop a portfolio of one or more funds based on the information you provide to us, such as your risk tolerance, and, in the GOE Program, your investment goal(s) and other factors. The MyFi Program portfolios consist entirely of one or more funds for which our firm serves as investment adviser or sub-adviser ("**Affiliated Funds**"), and certain GOE Program portfolios will include or consist entirely of Affiliated Funds.

In acting as a discretionary adviser or sub-adviser, we determine which investments your account will purchase, hold or sell. Certain advisers also arrange for the selection of broker-dealers and the execution and settlement of trades when agreed to in your investment management agreement, and such activities are performed in accordance with that agreement, our internal policies, commercial practice, and applicable law.

We review your portfolios in Separate Accounts and SMA Programs in accordance with your investment guidelines. The frequency, depth, and nature of account reviews are often determined pursuant to the terms of the investment management agreement with the client (or in the case of certain SMA Programs, with the SMA Program sponsor), or by the mandate selected by you and your particular needs. Under the GOE Program, the proprietary investment algorithm reassesses and rebalances your portfolio at pre-determined intervals and every time you provide updated information. Under the MyFi Program, the proprietary investment algorithm reassesses and rebalances your portfolio when you provide updated risk tolerance information, which we remind you to review annually, and the program also evaluates your portfolio quarterly and rebalances it if any holding is greater than 5% off from the target asset allocation.

Each of the Separate Accounts, the SMA Programs, the GOE Program and the MyFi Program require a minimum initial investment amount, unless special circumstances are present, such as the existence of a related account already managed by one of our advisers or an affiliate. *See Items 4 and 7 of your adviser's Form ADV Part 2A brochure (the "Brochure"), available at www.franklintempleton.com/CRS, for more information about all of that adviser's services and minimum investment requirements.*

Questions to consider asking us	**- Given my financial situation, should I choose an investment advisory service? Why or why not?** **- How will you choose investments to recommend to me?** **- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?**

[1] FTPA intends to de-register with the Securities and Exchange Commission as an investment adviser on or around the end of the summer of 2022.

What fees will I pay?

Fee arrangements (including amount and frequency of assessment) vary by client and/or product and are based on several different factors. Investment management fees for Separate Accounts and SMA Programs are generally calculated under contractual agreements as a percentage of the market value of assets under management. Asset-based fees for SMA Programs are generally higher than a typical asset-based advisory fee as they include most transaction costs and fees to a broker-dealer or bank that has custody of such assets. The SMA Program sponsor's Form ADV brochure generally contains specific information on program fees. Fees charged for utilizing the GOE Program vary based on the value of assets under management and the degree to which a portfolio is composed of Affiliated Funds; although, in some cases there will be a minimum monthly fee. No fees are charged for utilizing the MyFi Program; however, your portfolio in the program will consist of Affiliated Funds for which we earn advisory and other fees.

Where we receive higher fees from certain accounts, there will be an economic incentive, even if we do not act on such incentive, to favor such accounts over accounts paying lower fees. Similarly, the more assets in a client's account the more we will receive in fees, and therefore we have an incentive to encourage clients to increase the assets in their account. *These and other conflicts of interest are discussed more fully in your adviser's Brochure, available at www.franklintempleton.com/CRS*.

In addition to the fees described above, Separate Account clients typically bear other costs associated with their accounts or portfolio investments, including, but not limited to: custody fees; brokerage costs; auditing fees; transfer agency fees; taxes, duties and other governmental charges (including regulatory, licensing and filing expenses and fees, and the costs and expenses for their preparation); and transfer and registration fees or similar expenses. Similarly, SMA Program clients, in addition to the program sponsor's inclusive or "wrap" fee, are subject to additional costs and fees, including, but not limited to: commissions on transactions executed by a non-designated broker-dealer, expenses of underlying investment pools, and certain costs or charges imposed by the sponsor or a third party. With respect to accounts that invest in Affiliated Funds, these accounts will also indirectly bear the Affiliated Fund fees and expenses as fund shareholders. Moreover, while assets invested in fee-paying Affiliated Funds are generally excluded from any management fee charged to your account, accounts under the GOE Program will generally be charged an additional or separate fee for services provided to your account with respect to those assets that are in addition to, rather than duplicative of, the services that we or our affiliates provide to an Affiliated Fund.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. *Read more about the fees your account will or may incur in Item 5 of your adviser's Brochure, available at www.franklintempleton.com/CRS*.

Questions to consider asking us	**Help me understand how these fees and costs might affect my investments. If I give you $10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

The MyFi Program and certain Separate Accounts, SMA Programs and GOE Program portfolios invest some or all of a client's assets into Affiliated Funds, which creates a conflict of interest in certain circumstances where we receive investment advisory and other fees from the Affiliated Fund but not from unaffiliated funds or other securities (although any investments in such unaffiliated securities are still generally subject to the fees applicable to those securities). While assets invested in Affiliated Funds are generally excluded from any management fee charged to your account, those assets are subject to the Affiliated Fund's fees applicable to all investors in such fund, some or all of which we will receive, and, in the cases noted above, additional service fees. The receipt of such fees presents a conflict of interest in providing investment advice based on the compensation to be received rather than client interests.

From time to time we may also recommend that you buy an asset from, or sell an asset to, our firm (commonly called a "principal transaction"). These transactions present an inherent conflict of interest because we are on both sides of the

transaction. We will comply with applicable legal requirements to conduct such a transaction including, when required, notifying you in writing of the transaction and obtaining your consent.

As another example, portfolio managers and other investment professionals of our advisers are permitted to manage their personal investment accounts, subject to limitations under Franklin Templeton's personal investments and insider trading policy. This activity will, from time to time, give rise to conflicts of interest because these individuals have access to confidential information concerning the security holdings, trading activities and financial circumstances of some or all of an adviser's clients.

These and other conflicts are discussed further in your adviser's Brochure, available at www.franklintempleton.com/CRS, including in Item 11.

Questions to consider asking us	**How might your conflicts of interest affect me, and how will you address them?**

How do your financial professionals make money?

Our investment professionals receive a base salary, discretionary cash incentive bonus (both cash and equity), additional restricted equity compensation opportunities, and a benefits package. Reviewed annually, compensation is based on individual measured performance, team- and business-unit performance, the salary range for an investment professional's level of responsibility based on third-party provided compensation information, and our firm's guidelines. Generally, our investment professionals are not directly provided financial incentives to favor one retail investor's account over another. However, the structure of certain investment professional's compensation may give rise to potential conflicts of interest, as their base pay and bonus tend to increase with additional and more complex responsibilities that, in certain instances, include increased assets under management. As such, there may be an indirect relationship between our investment professionals' sales and relationship management efforts and their discretionary bonus.

Do you or your financial professionals have legal or disciplinary history?

Yes, with respect to FAV, FTIC, FTIML and TAML, and no with respect to the other advisers listed in the introduction of this relationship summary. Visit www.Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Questions to consider asking us	**As a financial professional, do you have any disciplinary history? For what type of conduct?**

If you have any questions about the contents of this relationship summary, would like to request up-to-date information, or for copies of your Adviser's Brochure or this relationship summary, please contact Global Client Service Support via email at GlobalClientServiceSupportAmericas@franklintempleton.com or by calling 650-312-3000.

Questions to consider asking us	**- Who is my primary contact person? Are they a representative of an investment adviser or a broker-dealer?** **- Who can I talk to if I have concerns about how this person is treating me?**

Exhibit to Client Relationship Summary

This Client Relationship Summary was amended as of May 12, 2022 by making the following material amendments:

1) Added footnote to the Client Relationship Summary to reflect that FTPA intends to de-register with the Securities and Exchange Commission as an investment adviser on or around the end of the summer of 2022.
2) Added disclosure to the Client Relationship Summary relating to potential conflicts of interest arising from personal trading.

Item 1 Cover Page

FRANKLIN ADVISERS, INC.
FRANKLIN MUTUAL ADVISERS, LLC
FRANKLIN TEMPLETON INSTITUTIONAL, LLC
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
FRANKLIN TEMPLETON INVESTMENTS CORP.
TEMPLETON ASSET MANAGEMENT LTD.
TEMPLETON GLOBAL ADVISORS LIMITED
TEMPLETON INVESTMENT COUNSEL, LLC

www.franklintempleton.com

INVESTMENT ADVISER REGISTRATION
FORM ADV PART 2A: FIRM BROCHURE

FOR SEPARATELY MANAGED ACCOUNT AND UNIFIED MANAGED ACCOUNT CLIENTS

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*This brochure provides information about the qualifications and business practices of the entities listed above (each, an "**Adviser**" and collectively, the "**Advisers**"), each of which is registered with the United States Securities and Exchange Commission (the "**SEC**") as an investment adviser. The Advisers, collectively, along with Franklin Resources, Inc. ("**Franklin Resources**") and its other subsidiaries (including certain other SEC registered investment advisers that separately have their own Form ADV Part 2A), are referred to in this document as "**Franklin Templeton**." Due to space restrictions, the business addresses and contact information for the Advisers are provided on the following page. While each Item herein discusses the qualifications and business practices of the Advisers, additional information specific to any certain Adviser is also identified in each Item, when applicable. The information herein about the Advisers primarily focuses on the services they provide as sub-advisers to clients and program sponsors in connection with third-party investment adviser, broker-dealer and other financial services firm separately managed accounts, unified managed accounts or other wrap fee programs (collectively, "**SMA Programs**"). Each Adviser has a separate Brochure containing information about the advisory services it provides to other clients (the "**Non-SMA Program Brochure**"), which are available upon request.*

*If you have any questions about the contents of this brochure, please contact Global Client Service Support ("**GCSS**") via email at **GlobalClientServiceSupportAmericas@franklintempleton.com**. The information in this brochure has not been approved or verified by the SEC or by any state securities authority or regulator, and being a registered investment adviser does not imply a certain level of skill or training.*

May 11, 2022

Additional information about each of the Advisers is available on the SEC's website at: ***www.adviserinfo.sec.gov.***

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Item 2 Material Changes

As permitted under the Instructions for Part 2A of Form ADV, the Advisers have elected to prepare separate brochures for their clients who participate in SMA Programs and for all other clients. The information herein discusses the services the Advisers provide to clients who participate in SMA Programs. The applicable brochure containing information about each Adviser's non-SMA Program advisory services is available upon request.

In addition to the above noted change, other material changes made on or after the date of the last annual update of the Advisers' brochures are summarized below.

Item 4: Advisory Services – Updated the Advisers' assets under management.

Item 5: Fees and Compensation – Updated the Advisers' standard fee schedules for clients participating in SMA Programs.

Item 7: Types of Clients – Updated list of investment minimums for the strategies offered by the Advisers in acting as sub-advisers to SMA Programs.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss – List of investment strategies and associated risk factors revised to provide information solely about strategies offered by the Advisers in acting as sub-advisers to SMA Programs.

Item 10: Other Financial Industry Activities and Affiliations – Added disclosure to note that effective July 1, 2022, the Advisers' affiliate, Legg Mason Private Portfolio Group, LLC, will begin providing certain support services to each Adviser with respect to certain SMA Programs for which they act as sub-adviser. Added information about the Advisers' affiliate, Fiduciary Trust Company International, which provides custodial services to certain client accounts.

Item 15: Custody – Revised disclosure to note the Advisers may be deemed to have custody of the assets in a client's account if their affiliate, Fiduciary Trust Company International, serves as the account's custodian.

Clients may request a copy of the current version of our brochure at no cost by contacting GCSS via email at ***GlobalClientServiceSupportAmericas@franklintempleton.com***.

Item 3 Table of Contents

Item 1 Cover Page i
Item 2 Material Changes iii
Item 3 Table of Contents iv
Item 4 Advisory Business 1
Item 5 Fees and Compensation 8
Item 6 Performance-Based Fees and Side-By-Side Management 17
Item 7 Types of Clients 19
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss 24
Item 9 Disciplinary Information 46
Item 10 Other Financial Industry Activities and Affiliations 46
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading 50
Item 12 Brokerage Practices 59
Item 13 Review of Accounts 67
Item 14 Client Referrals and Other Compensation 67
Item 15 Custody 68
Item 16 Investment Discretion 68
Item 17 Voting Client Securities 69
Item 18 Financial Information 72

Item 4 Advisory Business

INTRODUCTION TO FRANKLIN TEMPLETON

The Advisers are wholly-owned subsidiaries (whether directly or indirectly) of Franklin Resources, a holding company with subsidiaries that operate under the Franklin Templeton® and/or subsidiary brand names. Franklin Resources is a global investment management organization, and the various distinct brand names it offers investment services and products under include, but are not limited to, Franklin®, Templeton®, Legg Mason®, Benefit Street Partners®, Brandywine Global Investment Management®, Clarion Partners®, ClearBridge Investments®, Fiduciary Trust International™, Franklin Bissett®, Franklin Mutual Series®, K2®, LibertyShares®, Martin Currie®, Royce® Investment Partners and Western Asset Management Company®. Franklin Resources, through current and predecessor subsidiaries, has been engaged in the investment management and related services business for more than 70 years.

Franklin Resources' common stock is traded on the New York Stock Exchange under the ticker symbol "BEN" and is included in the Standard & Poor's 500 Index.

INTRODUCTION TO FRANKLIN ADVISERS, INC. ("FAV")

FAV is a California corporation formed on October 31, 1985 and is based in San Mateo, California. FAV is a wholly-owned subsidiary of Franklin Resources.

INTRODUCTION TO FRANKLIN MUTUAL ADVISERS, LLC ("FMA")

FMA is a Delaware limited liability company formed on March 31, 1999 and based in Short Hills, New Jersey. FMA is a wholly-owned subsidiary of Franklin Resources.

INTRODUCTION TO FRANKLIN TEMPLETON INSTITUTIONAL, LLC ("FTILLC")

FTILLC is a Delaware limited liability company formed on October 9, 2001 and based in New York, New York. FTILLC is a wholly-owned subsidiary of Franklin Resources.

INTRODUCTION TO FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED ("FTIML")

FTIML is a company incorporated in England on April 3, 1985 with a principal place of business in London, England and a branch office conducting investment advisory business in Edinburgh, Scotland. FTIML is a wholly-owned subsidiary of Franklin Templeton Global Investors Limited, which is a wholly-owned subsidiary of Legg Mason Global Holdings Ltd., which is 24% owned by Templeton International, Inc., a wholly-owned subsidiary of Templeton Worldwide, Inc., which is a wholly-owned subsidiary of Legg Mason, Inc., which is a wholly-owned subsidiary of Franklin Resources, and 76% owned by ETP Holdings (Cayman) Ltd., which is a wholly-owned subsidiary of Templeton International, Inc., which is a wholly-owned subsidiary of Templeton Worldwide, Inc., which is a wholly-owned subsidiary of Legg Mason, Inc., which is a wholly-owned subsidiary of Franklin Resources.

INTRODUCTION TO FRANKLIN TEMPLETON INVESTMENTS CORP. ("FTIC")

FTIC is a Canadian corporation formed on December 31, 2000 and based in Ontario, Canada. FTIC is a wholly-owned subsidiary of Templeton International, Inc., which is a wholly-owned subsidiary of Templeton Worldwide, Inc., which is a wholly-owned subsidiary of Legg Mason, Inc., which is a wholly-owned subsidiary of Franklin Resources.

INTRODUCTION TO TEMPLETON ASSET MANAGEMENT LTD. ("TAML")

TAML is a Singaporean corporation formed on September 28, 1992 and based in Singapore. TAML is a wholly-owned subsidiary of Franklin Templeton Capital Holdings Private Limited, which is 74% owned by Templeton International, Inc., a wholly-owned subsidiary of Templeton Worldwide, Inc., which is a wholly-owned subsidiary of Legg Mason, Inc., which is a wholly-owned subsidiary of Franklin Resources, and 26% owned by ETP Holdings (Cayman) Ltd., which is a wholly-owned subsidiary of Templeton International, Inc., which is a wholly-owned subsidiary of Templeton

Worldwide, Inc., which is a wholly-owned subsidiary of Legg Mason, Inc., which is a wholly-owned subsidiary of Franklin Resources.

INTRODUCTION TO TEMPLETON GLOBAL ADVISORS LIMITED ("TGAL")

TGAL is a Bahamian corporation formed on July 17, 1992 and based in Nassau, Bahamas. TGAL is a wholly-owned subsidiary of Templeton Global Holdings Limited, which is a wholly-owned subsidiary of Templeton International, Inc., which is a wholly-owned subsidiary of Templeton Worldwide, Inc., which is a wholly-owned subsidiary of Legg Mason, Inc., which is a wholly-owned subsidiary of Franklin Resources.

INTRODUCTION TO TEMPLETON INVESTMENT COUNSEL, LLC ("TICLLC")

TICLLC is a Delaware limited liability company formed on December 21, 2000 and based in Fort Lauderdale, Florida. TICLLC is a wholly owned subsidiary of Templeton Worldwide, Inc., which is a wholly-owned subsidiary of Legg Mason, Inc., which is a wholly-owned subsidiary of Franklin Resources.

ADVISORY SERVICES OF THE ADVISERS

The Advisers collectively provide investment advisory and portfolio management services under investment management agreements with clients in jurisdictions worldwide. This includes acting as sub-adviser with respect to certain clients and program sponsors ("**Sponsors**") in connection with third-party investment adviser, broker-dealer and other financial services firm separately managed accounts ("**SMAs**"), unified managed accounts ("**UMAs**") or other wrap fee programs (collectively, "**SMA Programs**"), which is discussed more fully below.

Other clients also include registered open-end and closed-end funds and unregistered funds (collectively, "**Funds**"), as well as separate accounts ("**Separate Accounts**"), which typically include Separate Accounts for institutional and high net-worth clients. In the United States, the Advisers provide advice to investment companies registered with the SEC pursuant to the Investment Company Act of 1940 (the "**1940 Act**"), including exchange-traded funds ("**ETFs**") ("**U.S. Registered Funds**"), pooled investment vehicles with U.S. resident investors that are exempt from registration under the 1940 Act ("**Private Funds**"), and Separate Accounts. In addition, certain Advisers' assets under management include assets in funds or accounts that are sold outside of the United States. Certain Advisers manage, advise or sub-advise certain investment products sponsored by other companies ("**Sub-Advised Accounts**"), which may be sold to investors under the brand names of those other companies or on a co-branded basis. One or more Advisers also provide model investment portfolios to unaffiliated investment advisers and other financial institutions for use in connection with their advisory programs to their clients, and advisory or sub-advisory services through electronic or software advisory programs, each of which uses a proprietary investment algorithm to develop a portfolio for the client, or the client of an electronic advisory program sponsor, based on information provided by or on behalf of such client. For more information about these types of clients outside of SMA Programs and the services provided to them, please see the Advisers' Non-SMA Program Brochures, which are available on request.

The Advisers provide investment management services under agreements with or with respect to each of their SMA Program clients, Fund, Sub-Advised Account, Separate Account and other types of clients referenced herein (collectively, "**Accounts**"), as applicable. Investment management services include services to managed accounts with full investment discretion, and to advisory accounts with no investment discretion. Typically, Accounts are managed on a fully discretionary basis. Certain Accounts managed by the Advisers invest in funds and accounts managed by affiliated or unaffiliated investment advisers.

With respect to Accounts for which an Adviser has been appointed to provide discretionary investment management services, the Adviser will determine which securities the Accounts will purchase, hold or sell. In addition, the Advisers typically take various steps to implement such decisions, including arranging for the selection of broker-dealers and the execution and settlement of trades in accordance with applicable criteria set forth in the investment management agreement for each Account, internal policies, commercial practice, and applicable law. With respect to any Account for which an Adviser has been appointed to provide non-discretionary investment management services, the Adviser will make recommendations as to which securities the Accounts

should purchase, hold or sell. In such cases, the Adviser may or may not perform trading activities for an Account depending on the authority provided by the client. When providing investment management services, each Adviser will perform or obtain research as it deems necessary or as agreed with the client. Please see Item 16 ("Investment Discretion") for details of the circumstances in which clients can place limitations on the Advisers' discretionary authority.

Potential or actual conflicts of interest will, from time to time, arise in allocating investment opportunities among the Advisers' Accounts. Conflicts of interest in relation to such allocation determinations are further discussed in Item 6 ("Performance-Based Fees and Side-By-Side Management"), Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Trading") and Item 12 ("Brokerage Practices").

SMA Programs

The Advisers act as sub-advisers to one or more affiliated registered investment advisers (an "**SMA Contracting Adviser**"), including, but not limited to, Legg Mason Private Portfolio Group, LLC ("**LMPPG**") and, through June 30, 2022, Franklin Templeton Portfolio Advisors, Inc. ("**FTPA**"), with respect to a limited number of clients and Sponsors in connection with SMA Programs. Often, but not in all cases, the Sponsor charges the client a comprehensive or wrap fee calculated as a percentage of the value of the assets under management to cover the services it provides. The wrap fee SMA Programs for which each Adviser currently serves as a sub-adviser are identified under Section 5.I.(2) of such Adviser's Form ADV, Part 1A. The Advisers typically do not compensate Sponsors for their inclusion in an SMA Program or for introductions of clients through an SMA Program.

In most SMA Programs, the Sponsor is responsible for establishing the financial circumstances, investment objectives and investment restrictions applicable to each client, often through a client questionnaire or profile and discussions with the client, and executing a program contract with the client (often referred to as "**Single Contract SMA Programs**"). The Advisers will provide advice pursuant to the terms of an investment management agreement executed with the applicable SMA Contracting Adviser and/or the Sponsor. In some programs (often referred to as "**Dual Contract SMA Programs**"), clients will also be required to execute a separate agreement directly with the applicable SMA Contracting Adviser.

A client's program agreement with the Sponsor generally establishes the services to be provided to the client by or on behalf of the Sponsor, which may include, among other things: (i) manager selection; (ii) trade execution for transactions executed through the Sponsor, often without a transaction-specific commission or charge; (iii) custodial services; (iv) periodic monitoring of investment managers; and (v) performance reporting and account statements. For a description of services offered under a wrap fee program, clients in SMA Programs may request from the Sponsor a copy of Part 2A, Appendix 1 of the Sponsor's Form ADV. Please see Item 12 ("Brokerage Practices – SMA Program Brokerage Transactions") for further discussion with respect to clause (ii) above.

An SMA Program client typically selects (in its program agreement with the Sponsor) an investment strategy for an Adviser to utilize in connection with its management of the account. The applicable SMA Contracting Adviser and/or Adviser will, from time to time, require a minimum account size for such Adviser's investment strategies, which vary among programs. SMA Program accounts following the same investment strategy typically hold to a large extent the same or similar securities, subject to any reasonable investment restrictions imposed by the client and as agreed upon by the applicable SMA Contracting Adviser and Adviser. In addition, since the comprehensive or wrap fee covers the cost of trades executed through the Sponsor, the applicable SMA Contracting Adviser or Adviser will generally effect transactions for SMA Program accounts with the program's designated broker-dealer. However, in seeking best execution, the applicable SMA Contracting Adviser and/or Adviser will, from time to time, effect trades away from the SMA Program's designated broker-dealer at its discretion. An exception to the foregoing is with respect to equity strategies of the Advisers for which LMPPG serves as SMA Contracting Adviser ("**LMPPG Implemented Adviser Equity Strategies**"), in which case LMPPG's general practice is to aggregate trades for execution through a single broker-dealer other than the SMA Sponsor. Please see Item 12 ("Brokerage Practices – SMA Program Brokerage Transactions") for more information.

As noted above, the Sponsor often charges the client a comprehensive or wrap fee calculated as a percentage of the value of the assets under management to cover the services it provides. The wrap fee often, but not always, includes the advisory fees charged by the applicable SMA Contracting Adviser and Adviser through the program. Where the advisory fees charged by the applicable SMA Contracting Adviser and Adviser are included in the wrap fee, the Sponsor generally collects the wrap fee from the client and remits the advisory fee to the applicable SMA Contracting Adviser, who pays all or substantially all of this amount to such Adviser. In Dual Contract SMA Programs, the applicable SMA Contracting Adviser's fee typically is paid directly by the client pursuant to a separate agreement between such SMA Contracting Adviser and the client, and such SMA Contracting Adviser then pays all or substantially all of this amount to such Adviser, and clients are not charged additional fees. Please see Item 5 ("Fees and Compensation") for further explanation.

In certain instances, the investment management services the Advisers provide in connection with SMA Programs are discretionary. In discretionary SMA Programs, each Adviser has authority and is generally responsible for causing the portion of each SMA Program client's account that is managed by such Adviser to engage in transactions that are appropriate for the selected strategy.

Certain Advisers also provide non-discretionary services, as sub-advisers to a SMA Contracting Adviser, through UMA programs where such Advisers generally provide one or more "model" investment portfolios ("**Model Portfolios**") on an ongoing basis, and the Sponsor of the UMA program (the "**UMA Sponsor**") or its appointed "overlay" manager, rather than the applicable SMA Contracting Adviser or Adviser, makes discretionary investment decisions and executes trades on behalf of its underlying clients. In some cases, the UMA Sponsor will retain the Advisers to provide periodic or ongoing advice, research and asset allocation recommendations to update the Model Portfolio. The Model Portfolios will, in certain circumstances, consist of a portfolio comprised entirely or partially of funds (typically U.S. Registered Funds) sponsored by the Advisers or their affiliates and/or other securities and investment products, including third-party funds; in other instances, Model Portfolios are generally comprised of recommendations for investments in specified equity securities, such as shares of common stock. In these UMA programs, the applicable SMA Contracting Adviser receives a fee from the Sponsor, rather than program clients, and pays a portion to the applicable Adviser for the non-discretionary services provided to the Sponsor. Subject to applicable law and regulation, these fees are in addition to the fees the Advisers and their affiliates earn for providing services to the funds that may comprise the Model Portfolios and any fees charged by the UMA program and UMA Sponsor, including, in certain cases, wrap fees. The Sponsor or overlay manager, and not the applicable SMA Contracting Adviser or Adviser, is the investment adviser and fiduciary for the accounts of clients of such programs. The Model Portfolios that these Advisers provide are generally created for a hypothetical investor with investment objectives specified by the UMA Sponsor, and these Advisers do not individualize the model portfolio to the needs of any specific UMA Sponsor client or account type. While the Sponsor or the overlay manager of the investor is generally expected to implement the Model Portfolios as the SMA Contracting Adviser and Adviser advises, under the terms of certain UMA Programs, neither such Adviser nor the applicable SMA Contracting Adviser has control over whether or how the UMA Sponsor (or the overlay manager) chooses to use the model portfolio. As a general matter, the UMA Sponsor has the sole responsibility to (i) determine whether a model is suitable and appropriate for the investor, and (ii) tailor the model, as necessary, to fit an investor's financial situation and objectives and any reasonable restrictions imposed by the client. To the extent consistent with applicable law, the applicable Advisers and the SMA Contracting Advisers do not treat a UMA Sponsor's underlying accounts or clients as their own advisory clients. The assets under such UMA programs are included under the "Non-Discretionary" category below.

The Advisers providing Model Portfolio services will, from time to time, have interests that conflict with the interests of investors investing in a Model Portfolio pursuant to a UMA program. For example, these Advisers and their affiliates receive asset-based and other fees for providing advisory and other services to the Funds that they manage, including those Funds that they may select to form a part of a Model Portfolio. These Advisers, therefore, will have an incentive to include one or more Affiliated Funds (as defined below in Item 5 – Fees and Compensation – Other Fees and Expenses) in any Model Portfolio. In addition, to the extent the profitability of a particular Fund is greater than the profitability of another product, these Advisers will have an incentive to include the most profitable product in the Model Portfolio. These Advisers may construct Model Portfolios

without considering the universe of potential funds sponsored by persons not affiliated with Franklin Templeton ("**Third Party Funds**"), even though there may (or may not) be Third Party Funds that are more appropriate for inclusion in such Model Portfolios, including available Third Party Funds in the applicable asset classes that have lower fees and expenses, greater performance or other favorable terms relative to an Affiliated Fund. In certain arrangements, including in model programs offered by Sponsors of SMA Programs, the SMA Contracting Adviser, an Adviser or their affiliate pays a model program Sponsor or its affiliate various fees in connection with the model program, such as model set up and maintenance fees, data analytics fees, and support fees allowing for the delivery of the Model Portfolio on the Sponsor's platform.

The SMA Contracting Advisers and the Advisers have adopted policies and procedures designed to help ensure that any non-discretionary investment advice is communicated to Sponsors and/or clients on a timely basis so that there is an opportunity for trades in applicable recommended securities to be executed for both the SMA Contracting Advisers' and/or the Advisers' discretionary clients, and by the Sponsor (or its overlay manager) for its clients, in a fair manner. Please see Item 12 ("Brokerage Practices – SMA Program Brokerage Transactions") for more information.

The Advisers, in conjunction with the SMA Contracting Advisers, will, from time to time, make available through the SMA Programs certain of the same or similar strategies that are available to Separate Account clients or through Funds; however, not all of the Advisers' strategies are available through SMA Programs and not every strategy that is available through a particular SMA Program will be available through other SMA Programs. Further, the manner in which the SMA Contracting Adviser and the Advisers execute a strategy through an SMA Program may differ from how that same or a similar strategy is executed through another SMA Program or for a Fund or Separate Account client because of, for instance, the need to adhere to restrictions (*e.g.*, alcohol, tobacco, gambling, weapons) imposed by the client and agreed upon by the applicable SMA Contracting Adviser and the Advisers, the liquidity of security constituents and their relative position size among various Accounts, or the execution of trades through the SMA Program's designated broker-dealer. Accordingly, the performance of a strategy available through an SMA Program may differ from the performance of the same or a similar strategy that is executed through another SMA Program or for a Fund or Separate Account client.

While the Sponsor is responsible for most aspects of the relationship with an SMA Program client, the Advisers' personnel who are knowledgeable about the SMA Program account and its management will be reasonably available to clients for consultation, upon a client's request, as required by applicable law or as agreed between the SMA Contracting Adviser, an Adviser and the Sponsor. All SMA Program clients and prospective clients should carefully review the terms of the agreement with the Sponsor and/or the SMA Contracting Adviser (if applicable) and the relevant SMA Program brochure to understand the terms, services, minimum account size and any additional fees or expenses associated with an SMA Program account.

ADVISORY SERVICES OF FAV

In addition to providing investment advisory and portfolio management services as a sub-adviser with respect to clients and Sponsors in connection with SMA Programs, as described above, FAV provides investment advisory and portfolio management services to U.S. Registered Funds (including ETFs) and Non-U.S. Registered Funds, Private Funds, Separate Accounts, certain Sub-Advised Accounts, as well as through model delivery programs and electronic advisory programs. FAV also offers multi-asset class portfolios structured as "Manager-of-Managers" arrangements, where various portions of an Account (a "**Sleeve**") are managed by underlying managers selected by FAV, who may include FAV, FAV's affiliates or an unaffiliated investment manager ("**Underlying Managers**"). All or a portion of the assets in a Sleeve may be invested in a Fund by the Sleeve's Underlying Manager. These multi-asset class portfolios are from time to time offered to clients through SMA Programs as well as outside of SMA Programs. Further information about FAV's non-SMA Program advisory services is discussed in its Non-SMA Program Brochure, which is available upon request.

ADVISORY SERVICES OF FMA

In addition to providing investment advisory and portfolio management services as a sub-adviser with respect to clients and Sponsors in connection with SMA Programs, as described above, most of FMA's advisory business consists of providing investment advisory and portfolio management

services to U.S. Registered Funds and Non-U.S. Registered Funds, as well as Separate Accounts. FMA also manages, advises or sub-advises certain Sub-Advised Accounts. Further information about these non-SMA Program advisory services is discussed in FMA's Non-SMA Program Brochure, which is available upon request.

ADVISORY SERVICES OF FTILLC

In addition to providing investment advisory and portfolio management services as a sub-adviser with respect to clients and Sponsors in connection with SMA Programs, as described above, FTILLC provides investment advisory and portfolio management services to U.S. Registered Funds and Non-U.S. Registered Funds, as well as Private Funds and Separate Accounts. FTILLC also manages, advises or sub-advises certain Sub-Advised Accounts. FTILLC also serves as investment adviser to certain separately managed account wrap fee programs that are sponsored by non-U.S. third-party broker-dealers and offered only outside of the United States. Further information about these non-SMA Program advisory services is discussed in FTILLC's Non-SMA Program Brochure, which is available upon request.

ADVISORY SERVICES OF FTIML

In addition to providing investment advisory and portfolio management services as a sub-adviser with respect to clients and Sponsors in connection with SMA Programs, as described above, FTIML provides investment advisory and portfolio management services to U.S. Registered Funds and Non-U.S. Registered Funds, as well as Private Funds and Separate Accounts. FTIML also manages, advises or sub-advises certain Sub-Advised Accounts. Further information about these non-SMA Program advisory services is discussed in FTIML's Non-SMA Program Brochure, which is available upon request.

ADVISORY SERVICES OF FTIC

In addition to providing investment advisory and portfolio management services as a sub-adviser with respect to clients and Sponsors in connection with SMA Programs, as described above, FTIC provides investment advisory and portfolio management services to U.S. Registered Funds and Non-U.S. Registered Funds, as well as Separate Accounts. FTIC also serves as investment adviser to certain separately managed account wrap fee programs that are sponsored by non-U.S. third-party broker-dealers and offered only outside of the United States. Further information about these non-SMA Program advisory services is discussed in FTIC's Non-SMA Program Brochure, which is available upon request.

ADVISORY SERVICES OF TAML

In addition to providing investment advisory and portfolio management services as a sub-adviser with respect to clients and Sponsors in connection with SMA Programs, as described above, TAML provides investment advisory and portfolio management services to U.S. Registered Funds and Non-U.S. Registered Funds, as well as Private Funds and Separate Accounts. TAML may, from time to time, also manage, advise or sub-advise certain Sub-Advised Accounts. Further information about these non-SMA Program advisory services is discussed in TAML's Non-SMA Program Brochure, which is available upon request.

While TAML has experience managing a range of investment strategies, one of its significant strategies is advising private equity and public equity investments in emerging and frontier countries. TAML has experience investing in emerging countries, and members of TAML's original portfolio management team launched Franklin Templeton's first dedicated emerging markets equity fund in 1987.

ADVISORY SERVICES OF TGAL

In addition to providing investment advisory and portfolio management services in connection with SMA Programs, as described above, TGAL provides investment advisory and portfolio management services to U.S. Registered Funds and Non-U.S. Registered Funds, as well as Separate Accounts. TGAL also manages, advises or sub-advises certain Sub-Advised Accounts. Further information about these non-SMA Program advisory services is discussed in TGAL's Non-SMA Program Brochure, which is available upon request.

ADVISORY SERVICES OF TICLLC

In addition to providing investment advisory and portfolio management services as a sub-adviser with respect to clients and Sponsors in connection with SMA Programs, as described above, TICLLC provides investment advisory and portfolio management services to U.S. Registered Funds and Non-U.S. Registered Funds, as well as Private Funds and Separate Accounts. TICLLC also manages, advises or sub-advises certain Sub-Advised Accounts. Further information about these non-SMA Program advisory services is discussed in TICLLC's Non-SMA Program Brochure, which is available upon request.

SERVICES OF AFFILIATES

Franklin Templeton operates its investment management business through the Advisers, as well as through multiple affiliates of the Advisers, some of which are investment advisers registered with the SEC, some of which are registered with non-U.S. regulatory authorities, and some of which are registered with multiple regulatory authorities. An Adviser uses the services of appropriate personnel of one or more of its affiliates for investment advice, portfolio execution and trading, and/or client servicing in their local or regional markets or in their areas of special expertise, except to the extent restricted by the client under its investment management agreement, or if inconsistent with applicable law. Arrangements among affiliates take a variety of forms, including delegation arrangements, formal sub-advisory arrangements, and servicing agreements. In these circumstances, the client with whom an Adviser has executed the investment management agreement will typically require that the Adviser remain fully responsible for the Account from a legal and contractual perspective. No additional fees are charged for the affiliates' services except as disclosed in the investment management agreement. Please see Item 10 ("Other Financial Industry Activities and Affiliations") for more details.

ASSETS UNDER MANAGEMENT

The Advisers provide management services or continuous and regular supervisory services for the Accounts that they manage. As part of these overall services, the Advisers will typically provide one or more of the following: (i) management services as an adviser to an Account, (ii) management services as a sub-adviser to an affiliated or unaffiliated adviser managing or supervising an Account, (iii) continuous and regular supervisory services for an Account where management services have been delegated by an Adviser to an affiliated adviser, (iv) management services as a co-manager to an Account for which an affiliated adviser also provides management services or (v) non-discretionary management services, which for certain Advisers include a UMA or similar program.

As of March 31, 2022, the Advisers managed the following amounts, in U.S. dollars, on a discretionary and non-discretionary basis across all of their clients:

Adviser	Discretionary	Non-Discretionary*	Total**
FAV	$383,097,379,622	$743,902,582	$383,841,282,204
FMA	$44,510,003,376	$111,788,033	$44,621,791,409
FTILLC	$26,015,140,174	$175,667,672	$26,190,807,846
FTIML	$24,016,998,677	$774,660,608	$24,791,659,284
FTIC	$18,679,660,412	$2,010,851,373	$20,690,511,785
TAML	$26,011,837,289	$269,403,105	$26,281,240,394
TGAL	$27,102,347,419	$434,510	$27,102,781,930
TICLLC	$10,597,066,994	$32,092,646	$10,629,159,640

* Non-discretionary assets under management described in this item will reflect Account assets for which the applicable Adviser has neither discretionary authority nor responsibility for arranging or effecting the purchase or sale of recommendations provided to and accepted by the client or Sponsor. Any Account assets for which such Adviser provides solely asset allocation

recommendations without continuous and regular monitoring of holdings within the client's portfolio are not included in this item.

** differs from Regulatory Assets Under Management ("**RAUM**") disclosed in Item 5.F of the applicable Adviser's Form ADV Part 1A due to specific calculation instructions for RAUM.

Assets under management described in this item may include assets that an affiliated adviser is also reporting on its Form ADV.

Item 5 Fees and Compensation

ADVISORY FEES

Investment management fees are generally calculated under contractual arrangements with the Advisers' clients as a percentage of the market value of assets under management. Annual rates vary by investment objective and type of services provided.

With respect to SMA Programs, the Sponsor's program brochure generally contains information on minimum account sizes and fees payable to the Sponsor and participating investment managers and/or model providers. Accordingly, minimum account size and fees will, from time to time, vary from program to program or within a single program based on, among other things, investment strategy. The Advisers receive from the applicable SMA Contracting Adviser all or substantially all of the annualized fee received by such SMA Contracting Adviser from the Sponsors or the client, as applicable, typically paid quarterly, based on the value of the assets in the clients' accounts.

Fee arrangements for clients of the Advisers other than through SMA Programs are based on a number of different factors, including investment mandate, services performed, and account/relationship size. To the extent permitted under the Investment Advisers Act of 1940 (the "**Advisers Act**") and other applicable law, the Advisers can negotiate and charge performance fees or special allocations in addition to asset-based fees in connection with Accounts. In addition, fees and allocations can be fixed, fixed plus performance, or performance only. Please refer to Item 6 ("Performance-Based Fees and Side-by-Side Management") for additional discussion of performance-based fees and allocations.

The Advisers are not generally required to provide notice to, or obtain the consent of, one client when waiving, reducing or varying fees or modifying other contractual terms with any other client. However, some Separate Account clients and SMA Program Sponsors will, from time to time, seek to negotiate most favored nation ("**MFN**") clauses in their investment management agreements with an Adviser or SMA Contracting Adviser, as applicable. These clauses typically require the Adviser or SMA Contracting Adviser, as applicable, to notify a client with an MFN clause if that Adviser or SMA Contracting Adviser subsequently enters into an agreement with a similar client that provides a more favorable fee rate or certain other contractual terms than those in place with the client or Sponsor who has the MFN clause at that time. Once notified, the client can elect to either adopt or reject the more favorable terms or, usually when the MFN clause relates only to fees, require that any more favorable fee rate terms be extended automatically to the client. The applicability of an MFN clause will typically depend on the degree of similarity between Accounts. An Adviser or SMA Contracting Adviser, as applicable, will typically consider a number of factors when determining similarity between Accounts, including the type of client, the scope of investment discretion, reporting and other servicing requirements, the amount of assets under management, the fee structure and the particular investment strategy selected by each client. An Adviser or SMA Contracting Adviser, as applicable, typically does not agree to an MFN clause in its agreements with clients or Sponsors that would extend to terms in the investment management agreements between that Adviser's affiliates and their clients. The Advisers and SMA Contracting Advisers have sole discretion over whether or not to grant any MFN clause in all circumstances.

At the sole discretion of the Advisers, certain directors, officers, employees or strategic business associates of the Advisers, the Advisers' affiliates or their respective clients will have their investment management fees, performance-based fees and/or special allocations waived or reduced in connection with their investment into Accounts.

FEE SCHEDULES

Generally, the Advisers' standard fee schedule for serving as a sub-adviser to the SMA Contracting Advisers through certain SMA Programs is set out below (normally calculated as a percentage of the value of assets under management, and typically calculated monthly or quarterly, or as agreed with each client). The Advisers, in conjunction with the SMA Contracting Advisers, will from time to time also offer certain strategies through an SMA Program without setting a standard fee schedule.

In situations where an Adviser serves as a sub-adviser to the SMA Contracting Advisers through certain SMA Programs, the Adviser's fees may be less than the fees it receives for advising similar Accounts outside of these programs. However, clients should be aware that the total fees and expenses associated with an SMA Program may exceed those which might be available if the services were acquired separately. In Dual Contract SMA Programs, fees paid by a client to the SMA Contracting Advisers may be in addition to the separate fees that a client pays to the program Sponsor. Clients should contact their program Sponsor for more information on the total fees payable to the applicable SMA Contracting Adviser and the Adviser in connection with a SMA Program.

Single Contract SMA Programs

As discussed above, in a Single Contract SMA Program, the client enters into an agreement with the client's Sponsor that covers investment advisory services the SMA Contracting Adviser and one or more of the Advisers provide.

In the case of SMA Programs where the SMA Contracting Adviser is responsible for providing full discretionary portfolio management, implementation and trade placement services with respect to client accounts, the Advisers generally receive all or substantially all of the fees from the Sponsor (via the SMA Contracting Adviser) at the following rates or within the following ranges depending upon the portfolio selected by the client:

Adviser(s)	Investment Management Portfolio	Fee Rates or Ranges
FAV	Franklin Templeton Alternative Completion Franklin Templeton Diversified Risk ESG Small Account Solutions Franklin Templeton Diversified Risk Portfolios Franklin Templeton Diversified Risk Trust Portfolios Franklin Templeton Global Equity ESG Franklin Templeton Global Growth and Income Franklin Templeton Strategic Real Return	0.00% - 0.20%
	Franklin Templeton Core Multi Manager ESG Franklin Templeton Multi-Manager HNW ESG Equity Portfolio Franklin Templeton Multi-Manager HNW Portfolios	0.00% - 0.40%
	Franklin Corporate Ladder 1-5 Year Franklin Corporate Ladder 1-10 Year Franklin Municipal Ladder 1-7 Year Franklin Municipal Ladder 1-15 Year Franklin Municipal Ladder 5 -20 Year Franklin U.S. Government Ladder 1-5 Year Franklin U.S. Government Ladder 1-10 Year	0.07%

Adviser(s)	Investment Management Portfolio	Fee Rates or Ranges
	Franklin U.S. Government Ladder 5-20 Year	
	Franklin Custom Muni Franklin Intermediate Fixed Income Franklin Intermediate Government Bond Franklin Intermediate Investment Grade Credit Franklin Intermediate Municipal Franklin Limited Maturity Municipal Franklin Long Maturity Municipal Franklin Municipal Green Bond*	0.15% - 0.25%
	Franklin Templeton Low Volatility High Dividend Equity	0.20% - 0.40%
	Franklin Municipal Enhanced Income**	0.25%
	Franklin Income	0.34%
	Franklin Concentrated Core Franklin DynaTech Franklin Equity Income Franklin Growth Opportunities Franklin Rising Dividends Franklin U.S. Focused Growth	0.40% - 0.42%
	Franklin Small Cap Growth	0.50%
FMA	Franklin Mutual Beacon Franklin Mutual Large Cap Value	0.42%
	Franklin Small Cap Value	0.50%
FTILLC	Franklin International Growth Equity ADR	0.40% - 0.42%
FTIML, FTIC and TGAL (co-managed)	Templeton International Climate Change	0.43%
FTIML and TAML (co-managed)	Templeton Emerging Markets	0.50%
TICLLC	Templeton Global ADR Equity Templeton International ADR Equity	0.45% - 0.60%

* Franklin Municipal Green Bond may be made available within an LMPPG “balanced portfolio” alongside other affiliated advisers. See LMPPG’s brochure for more information.

**Also known as “Franklin Multi-Strategy Municipal” by certain clients of Managed Account Advisors LLC in Merrill Lynch Investment Advisory Program.

In the case of discretionary model programs, the Advisers generally receive all or substantially all of the fees from the Sponsor (via the SMA Contracting Adviser) at the following rates or within the following ranges depending upon the portfolio selected by the client:

Adviser(s)	Investment Management Portfolio	Fee Rates or Ranges
FAV	Franklin Templeton Alternative Completion Franklin Templeton Diversified Risk ESG Small Account Solutions Franklin Templeton Diversified Risk Portfolios Franklin Templeton Diversified Risk Trust Portfolios Franklin Templeton Global Equity ESG Franklin Templeton Global Growth and Income Franklin Templeton Strategic Real Return	0.00% - 0.20%
	Franklin Templeton Core Multi Manager ESG Franklin Templeton Multi-Manager HNW ESG Equity Portfolio Franklin Templeton Multi-Manager HNW Portfolios	0.00% - 0.40%
	Franklin Templeton Low Volatility High Dividend Equity	0.20% - 0.40%
	Franklin Concentrated Core Franklin Equity Income Franklin U.S. Focused Growth	0.28%
	Franklin Growth Opportunities Franklin Rising Dividends	0.28% - 0.30%
	Franklin DynaTech	0.28% - 0.31%
	Franklin Small Cap Growth	0.40%
FMA	Franklin Mutual Large Cap Value	0.28%
	Franklin Mutual Beacon	0.30%
	Franklin Small Cap Value	0.35%
FTILLC	Franklin International Growth Equity ADR	0.30%
FTIML, FTIC and TGAL (co-managed)	Templeton International Climate Change	0.33%
FTIML and TAML (co-managed)	Templeton Emerging Markets	0.45%
TGAL	Templeton Foreign ADR Only	0.30%

Adviser(s)	Investment Management Portfolio	Fee Rates or Ranges
TICLLC	Templeton International ADR Equity	0.25% - 0.40%
	Templeton Global ADR Equity	0.30%

In the case of non-discretionary model programs, the Advisers generally receive all or substantially all of the fees from the Sponsor (via the SMA Contracting Adviser) at the following rates or within the following ranges depending upon the portfolio selected by the client:

Adviser(s)	Investment Management Portfolio	Fee Rates or Ranges
FAV	Franklin Templeton Alternative Completion Franklin Templeton Diversified Risk ESG Small Account Solutions Franklin Templeton Diversified Risk Portfolios Franklin Templeton Diversified Risk Trust Portfolios Franklin Templeton Global Equity ESG Franklin Templeton Global Growth and Income Franklin Templeton Strategic Real Return	0.00% - 0.20%
	Franklin Templeton Core Multi Manager ESG Franklin Templeton Multi-Manager HNW ESG Equity Portfolio Franklin Templeton Multi-Manager HNW Portfolios	0.00% - 0.40%
	Franklin Templeton Low Volatility High Dividend Equity	0.20% - 0.40%
	Franklin Concentrated Core Franklin Equity Income Franklin U.S. Focused Growth	0.28%
	Franklin Growth Opportunities Franklin Rising Dividends	0.28% - 0.30%
	Franklin DynaTech	0.28% - 0.31%
	Franklin Small Cap Growth	0.40%
FMA	Franklin Mutual Large Cap Value	0.28%
	Franklin Mutual Beacon	0.30%
	Franklin Small Cap Value	0.35%
FTILLC	Franklin International Growth Equity ADR	0.30%
FTIML, FTIC and TGAL	Templeton International Climate Change	0.33%

Adviser(s)	Investment Management Portfolio	Fee Rates or Ranges
(co-managed)		
FTIML and TAML (co-managed)	Templeton Emerging Markets	0.45%
TGAL	Templeton Foreign ADR Only	0.30%
TICLLC	Templeton International ADR Equity	0.25% - 0.40%
	Templeton Global ADR Equity	0.30%

Dual Contract SMA Programs

In a Dual Contract SMA Program, the client enters into an investment management agreement directly with the applicable SMA Contracting Adviser and a separate agreement with the client's Sponsor. For Dual Contract SMA Programs, the Advisers generally receive all or substantially all of the fees from the SMA Contracting Adviser at the following rates or within the following ranges depending upon the portfolio selected by the client.

Adviser(s)	Investment Management Portfolio	Fee Rates or Ranges
FAV	Franklin Templeton Alternative Completion Franklin Templeton Diversified Risk ESG Small Account Solutions Franklin Templeton Diversified Risk Portfolios Franklin Templeton Diversified Risk Trust Portfolios Franklin Templeton Global Equity ESG Franklin Templeton Global Growth and Income Franklin Templeton Strategic Real Return	0.00% - 0.20%
	Franklin Templeton Core Multi Manager ESG Franklin Templeton Multi-Manager HNW ESG Equity Portfolio Franklin Templeton Multi-Manager HNW Portfolios	0.00% - 0.40%
	Franklin Corporate Ladder 1-5 Year Franklin Corporate Ladder 1-10 Year Franklin Municipal Ladder 1-7 Year Franklin Municipal Ladder 1-15 Year Franklin Municipal Ladder 5 -20 Year Franklin U.S. Government Ladder 1-5 Year Franklin U.S. Government Ladder 1-10 Year Franklin U.S. Government Ladder 5-20 Year	0.10%
	Franklin Templeton Low Volatility High Dividend Equity	0.20% - 0.40%

Adviser(s)	Investment Management Portfolio	Fee Rates or Ranges
	Franklin Municipal Enhanced Income*	0.25%
	Franklin Custom Muni Franklin Intermediate Fixed Income Franklin Intermediate Government Bond Franklin Intermediate Investment Grade Credit Franklin Intermediate Municipal Franklin Limited Maturity Municipal Franklin Long Maturity Municipal Franklin Municipal Green Bond**	0.30% on first $5 million 0.25% on next $5 million 0.20% on next $40 million 0.15% over $50 million
	Franklin Concentrated Core Franklin DynaTech Franklin Equity Income Franklin Growth Opportunities Franklin Income Franklin Rising Dividends Franklin U.S. Focused Growth	0.60% on first $1 million 0.55% on next $2 million 0.50% on next $7 million 0.45% over $10 million
	Franklin Small Cap Growth	0.90% on first $10 million 0.85% on next $40 million 0.80% on next $50 million 0.75% on assets over $100 million
FMA	Franklin Mutual Beacon Franklin Mutual Large Cap Value Franklin Small Cap Value	0.50%
FTILLC	Franklin International Growth Equity ADR	0.60% on first $1 million 0.55% on next $2 million 0.50% on next $7 million 0.45% over $10 million
FTIML, FTIC and TGAL (co-managed)	Templeton International Climate Change	0.50%
FTIML and TAML (co-managed)	Templeton Emerging Markets	0.50%

Adviser(s)	Investment Management Portfolio	Fee Rates or Ranges
TICLLC	Templeton Global ADR Equity Templeton International ADR Equity	0.75% on first $25 million 0.55% on next $25 million 0.50% on next $50 million 0.40% on next $150 million 0.35% on next $250 million 0.30% on assets over $500 million

* Also known as "Franklin Multi-Strategy Municipal" by certain clients of Managed Account Advisors LLC in Merrill Lynch Investment Advisory Program.

** Franklin Municipal Green Bond may be made available within an LMPPG "balanced portfolio" alongside other affiliated advisers. See LMPPG's brochure for more information.

The Advisers' standard fee schedule with respect to their clients outside of SMA Programs can be found in their respective Non-SMA Program Brochures, which are available upon request, or, with respect to Funds, such Fund's applicable offering documents. In some cases, fees will be negotiated.

TIMING AND PAYMENT OF ADVISORY FEES

The timing of fee payments with respect to Accounts for which an Adviser serves as sub-adviser through an SMA Program will be negotiated with each client by the SMA Contracting Advisers (in the case of Dual Contract SMA Programs) and/or the Sponsor. Asset-based fees are generally paid monthly or quarterly and are calculated on the value of the Account's net assets under management or, in the case of UMAs managed by the program sponsor, the value of the assets in accounts utilizing the Adviser's model investment portfolio(s).

Except as separately negotiated or as otherwise disclosed, management fees in connection with SMA Programs are calculated in most cases as a percentage of assets under management and are payable monthly or quarterly in advance based on the month- or quarter-end market value or on the average value for the fee period. Where an Adviser has agreed with a client to calculate fees based on the value of assets at the end of a particular fee period, the Adviser will typically, unless otherwise instructed, pro-rate its fees to take into account capital contributions or withdrawals made by the client (with the exception of contributions or withdrawals below a threshold amount determined by the Adviser) during the relevant month or quarter. Although clients typically elect to pay fees by authorizing their custodian to pay their Adviser out of their account assets pursuant to a pre-agreed fee schedule, some clients request their Adviser to bill them directly for fees incurred. Accounts generally are subject to a minimum fee, determined by applying the client's fee schedule to the applicable minimum portfolio size. If an Adviser manages multiple Accounts for a client (or group of related clients), the assets of these Accounts will, under certain circumstances, be aggregated for purposes of taking advantage of available breakpoint fee reductions.

In the event of a termination of a relationship where a client is paying fees in advance, the relevant Adviser will issue the client a refund of unearned fees already paid, if any, typically determined based on the number of days after the date of termination within the relevant payment period. To the extent fees have been earned but not yet billed, such fees will be pro-rated and owed by the client, which could include after the date of termination.

Additional information about the timing of fee payments for clients outside of SMA Programs is discussed in the Advisers' Non-SMA Program Brochures, which are available upon request.

OTHER FEES AND EXPENSES

Generally

In addition to the fees described above, clients of the Advisers typically bear other costs associated with their Accounts or portfolio investments, including, but not limited to: (i) custodial charges, brokerage fees/costs, commissions, other transaction costs and related costs, certain consulting fees, auditing fees, and transfer agency fees, (ii) interest expenses, (iii) taxes, duties and other governmental charges (including regulatory, licensing and filing expenses and fees, costs and expenses for preparation therefor), (iv) transfer and registration fees or similar expenses, (v) costs associated with foreign exchange transactions, (vi) other portfolio expenses (including, without limitation, research, risk modeling and software expenses), (vii) costs, expenses and fees (including investment advisory and other fees charged by the investment advisers of funds in which the client invests) associated with products or services that may be related to such investments and (viii) extraordinary expenses or costs that a client incurs from time to time. With respect to services used in connection with making, holding and divesting investments (which, depending on the circumstances, include, but are not limited to, custodial, securities lending, brokerage, futures, banking, consulting or third-party advisory services), each client will be required to establish business relationships with relevant service providers or other counterparties based on the client's own credit standing. The Advisers will not have any obligation to allow their credit to be used in connection with the establishment of such relationships, nor is it expected that such service providers or counterparties will consider or rely on the Advisers' credit in evaluating the client's creditworthiness. When the Advisers believe it is beneficial for an Account, an affiliate of the Advisers will be engaged to oversee the activities of an unaffiliated service provider, such as in provision of administrative services. In these circumstances, the Advisers' affiliate generally collects the fees for such services from the client, retains a portion as compensation for providing oversight activities, and remits the remainder of the fee to the unaffiliated service provider. Clients will also generally incur brokerage costs. See Item 12 ("Brokerage Practices") for discussion on brokerage, including fees/costs associated therewith.

Under certain circumstances, an Adviser will, on behalf of certain clients, invest in pooled investment vehicles, including U.S. Registered Funds. Subject to applicable law and regulation and the terms of their agreements, clients will generally bear the costs and expenses charged by these investment vehicles to their investors, such as management and administrative fees, in addition to the Adviser's management fees (subject to any adjustment as described below). In some cases, an Adviser may determine it is appropriate to invest a portion of a client's assets into other funds for which the Adviser or an affiliate of the Adviser serves as investment adviser or sub-adviser ("**Affiliated Funds**"). This might be appropriate where, for example, the Affiliated Fund provides a more efficient and cost-effective way to diversify an account. Such an arrangement creates a conflict of interest for the Adviser to the extent that the Adviser has an incentive to recommend investments in one of the Affiliated Funds rather than in unaffiliated funds or other securities. The Adviser or its affiliates will, under certain circumstances, receive investment advisory and other fees from the Affiliated Funds but not from unaffiliated funds or other securities (although any investments in such securities would generally be subject to the advisory fees applicable to the securities). The Advisers seek to mitigate the potential conflict by excluding any assets invested in Affiliated Funds from the management fee charged by an Adviser to the Account or rebating a portion of such fee attributable to investments in Affiliated Funds, unless otherwise agreed with a client (for example, where a client receives separate asset allocation or other advisory services at the Account level) or disclosed to a client and subject to applicable law. Those assets that are invested in Affiliated Funds are instead subject to the Affiliated Fund's fees and charges applicable to all investors in such fund, as disclosed in the Affiliated Fund's current prospectus or other relevant offering documents. As a result, the Advisers or their affiliates will indirectly receive advisory and other fees paid by those clients as investors of an Affiliated Fund. While the management fees charged to the Account with respect to such assets are excluded or rebated (unless otherwise agreed or disclosed), the client would generally still bear any operating expenses of the Account. This and other conflicts as well as similar arrangements with respect to investments in Affiliated Funds and conflicts associated therewith are further discussed in Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – Conflicts Related to Investment in Affiliated Funds and Affiliated Accounts").

Other Fees and Expenses Related to SMA Programs

SMA Program clients are often subject to fees, expenses and charges in addition to the Sponsor's comprehensive or wrap fee (*e.g.*, commissions on transactions executed by a broker-dealer other than the Sponsor or the program's designated broker-dealer(s) such as those incurred in connection with LMPPG Implemented Adviser Equity Strategies, expenses with respect to investments in pooled vehicles, dealer mark-ups or mark-downs on principal transactions, and certain costs or charges imposed by the Sponsor or a third-party, such as odd-lot differentials, exchange fees and transfer taxes mandated by law). With respect to UMA programs, an Adviser's fee from the applicable SMA Contracting Adviser is based on the value of the assets in accounts managed by the UMA Sponsor utilizing such Adviser's Model Portfolios. In certain arrangements, neither the applicable SMA Contracting Adviser nor the Adviser receives a fee from the UMA Sponsor with respect to Model Portfolios that recommend investments in Affiliated Funds. Instead, the Adviser and its affiliates receive compensation from the Affiliated Funds, including with respect to UMA program client assets invested therein. Where a Model Portfolio invests in funds or other investment products, clients are typically subject to fees, expenses and charges imposed by such funds and other investment products. These are in addition to any advisory (or other) fees paid by the clients of the UMA Sponsor.

Other Fees and Expenses Related to FAV - Underlying Manager Fees And Transition-Related Costs In Manager-Of-Managers Arrangements

In the case of a Manager-of-Managers arrangement, the client typically will pay separate investment advisory fees to the Underlying Manager of each Sleeve, which may include FAV or its affiliates, in addition to the investment advisory fee paid to FAV for providing services to the Account as a whole. The rates of such fees among the Underlying Managers, including FAV and its affiliates, will vary from time to time. Where all Sleeves are managed by FAV or its affiliates, some clients from time to time will pay a single fee to FAV with the understanding that FAV will compensate each affiliate separately.

If FAV elects to replace an Underlying Manager, a client may temporarily hold certain investments (*e.g.*, due to an underlying fund's satisfaction of a redemption out of such fund on an in-kind basis) during the transition period. Unless the successor Underlying Manager indicates that it is willing to accept such investments, FAV will seek to liquidate these investments as soon as practicable. The Account will bear the transaction costs associated with such liquidation as well as any market impact on the value of the liquidated investments.

Item 6 Performance-Based Fees and Side-By-Side Management

The Advisers manage different types of Accounts with a variety of fee arrangements and charge performance-based fees or allocations with respect to certain clients in addition to management fees. These are described in more detail under Item 5 ("Fees and Compensation") above. Clients in SMA Programs and U.S. Registered Funds, for example, generally pay management fees based on a fixed percentage of assets under management, whereas Separate Accounts and Private Funds typically have more varied fee structures, including potentially a combination of asset- and performance-based compensation.

Side-by-side management by an Adviser of Funds, Separate Accounts, Sub-Advised Accounts and other Accounts creates potential conflicts of interest, including those associated with any differences in fee structures, as well as other economic interests the Adviser or its supervised persons will, in certain circumstances, have in an Account managed by the Adviser.

When an Adviser receives performance-based fees or allocations, the reward for strong investment returns can incentivize the Adviser to make investments that are riskier or more speculative than it would otherwise make. The prospect of achieving higher compensation from a Private Fund or Separate Account that pays performance-based fees or allocations than from an Account that does not pay such fees (*e.g.*, clients in SMA Programs) provides an Adviser with an incentive to favor the Private Fund or Separate Account when, for example, placing securities transactions that the Adviser believes could more likely result in favorable performance. Similarly, a significant proprietary investment held by an Adviser or an affiliate in an Account creates an incentive for the Adviser to favor such Account relative to other Accounts. In addition, the application of tax laws

affecting performance-based fees or allocations can create incentives and affect the behavior of an Adviser and its personnel with respect to holding or disposing of Account investments. Please see Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – Potential Conflicts Relating to Advisory and Other Activities – Allocation of Investment Opportunities") for more information regarding conflicts of interest related to allocation of investment opportunities.

The Advisers seek to conduct their business by treating all clients equally and by appropriately managing conflicts of interest that arise when conducting transactions involving multiple clients. The Advisers do this by disclosing potential conflicts to their clients and by implementing policies and procedures reasonably designed to address those conflicts. The Advisers have implemented a number of policies and procedures designed to address side-by-side management and the potential conflicts of interest that arise when a portfolio manager or different portfolio managers within a single investment adviser or investment group manage multiple funds and investment accounts for advisory clients. Examples of situations that create the potential for conflicts of interest are discussed below.

A potential conflict of interest can arise if an Adviser sells short a security in one Account while simultaneously advising another Account to hold the same security long. The Advisers may have a legitimate reason for engaging in such inconsistent transactions. For example, the investment objectives of the two Accounts may differ. Nonetheless, the Advisers could be viewed as harming the performance of the Account with the long position for the benefit of the Account with the short position if the short sale caused the market value of the security to drop. To alleviate this potential conflict of interest, the Advisers have implemented policies and procedures to deny a short sale request in certain circumstances. Please see Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Trading") for additional information regarding conflicts arising from clients investing alongside other clients.

The Advisers will at times have different valuation processes for the Accounts they or their affiliates advise. Consequently, a U.S. Registered Fund and an Account that hold the same security may value that security differently. Different valuations of the same security could lead to questions about whether an Adviser acted appropriately. For example, an Adviser could be perceived as placing a higher valuation on a security held in an Account merely to increase its performance-based compensation from that Account. To address this conflict, an Adviser must document an explanation for any differences in the valuation of securities held by, for example, both a U.S. Registered Fund and another Account managed by the Adviser and/or its affiliates. The explanation provided must be reviewed and approved by the valuation committee formed to provide oversight and administration of the fair valuation policies and procedures adopted by the Advisers (the "**Valuation Committee**"). Please see Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Trading") for further discussion on conflicts of interest related to valuation of investments.

Aggregation and allocation of transactions and investment opportunities are other areas where potential conflicts of interest will arise. The Advisers, from time to time, aggregate orders of their clients to effect a larger transaction with the aim of reducing transaction costs. The Advisers must then allocate the securities among the participating Accounts. Although aggregation of transactions is permissible, potential conflicts of interest exist in the aggregation and allocation of client transactions. For example, an Adviser could be viewed as allocating securities that it anticipates will increase in value to certain favored clients, especially those that pay a performance-based fee to that Adviser. Similarly, if a portfolio manager identifies a limited investment opportunity that is suitable for several Funds or Accounts, a single Fund or Account may not be able to take full advantage of that opportunity due to an allocation of that opportunity across all eligible Funds and other Accounts. In other limited investment opportunities, including some privately offered investments, where the investment opportunity is suitable for multiple and different types of clients, allocation will, from time to time, be based on alternative methodologies designed to comply with applicable law and ensure fair and consistent treatment of such clients. The Advisers have implemented trade aggregation and allocation procedures designed to address these potential conflicts of interest. These procedures require that an average price be used for multiple executions of a particular security through the same broker on the same terms on the same day and describe the allocation methodologies to be applied as well as permissible exceptions from standard allocation methods that must be pre-approved by a designated trading desk compliance officer.

Please see Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – Potential Conflicts Relating to Advisory and Other Activities – Allocation of Investment Opportunities") for further discussions on conflicts of interest related to allocation of investment opportunities and Item 12 ("Brokerage Practices – Aggregation and Allocation of Trades") for further discussions on aggregation and allocation of trades.

Item 7 Types of Clients

The Advisers currently provide investment advisory and portfolio management services under investment management agreements to clients in jurisdictions worldwide. This includes acting as sub-adviser with respect to certain clients and Sponsors in connection with SMA Programs. Other clients also include registered open-end and closed-end funds and unregistered funds as well as Separate Accounts. In addition, certain Advisers' assets under management include assets in funds that are sold outside of the United States, including those that are similar to U.S. Registered Funds ("**Non-U.S. Registered Funds**") and those that are similar to U.S.-domiciled Private Funds. Certain Advisers also provide sub-advisory services to Sub-Advised Accounts sponsored by other companies, which may be sold to the public under the brand names of those other companies or on a co-branded basis. Additionally, at least one Adviser provides model investment portfolios to certain unaffiliated investment advisers and other financial institutions for use in connection with advisory service programs they provide to their clients, as well as advisory services through electronic programs using proprietary investment algorithms. For more information about these types of clients outside of SMA Programs, please see the Advisers' Non-SMA Program Brochures, which are available upon request.

FAV CLIENTS

FAV provides investment advisory and portfolio management services as sub-adviser with respect to a limited number of clients and Sponsors in connection with SMA Programs, as described above. SMA Program clients typically include individual and high net-worth clients and Sponsors of SMA Programs.

FAV also manages, advises or sub-advises U.S. Registered Funds (including ETFs) and Non-U.S. Registered Funds, as well as Private Funds, Separate Accounts, as well as through model delivery programs and electronic advisory programs.

FAV's assets under management also include assets in funds that are sold outside of the United States, and whose investment objectives vary. FAV provides investment management services to vehicles, including SICAV and OEIC funds, contract-type funds and open-ended investment companies organized in Luxembourg and the United Kingdom, which are distributed in non-U.S. marketplaces, as well as investment management or sub-advisory services to locally organized funds or advisers to such funds in various countries outside the United States.

Separate Account clients include institutional and high net-worth clients. With respect to its institutional Separate Account clients, FAV's institutional clients include, from time to time, corporations and other business entities, charitable foundations, endowment funds, insurance companies, state or municipal entities, sovereign wealth funds and foreign official institutions, and government and corporate defined contribution and pension plans. Additional information about FAV's non-SMA Program advisory services is discussed in its Non-SMA Program Brochure, which is available upon request.

FMA CLIENTS

FMA provides investment advisory and portfolio management services as sub-adviser with respect to a limited number of clients and Sponsors in connection with SMA Programs, as described above. SMA Program clients typically include individual and high net-worth clients and Sponsors of SMA Programs.

FMA also provides investment advisory and portfolio management services to U.S. Registered Funds and Non-U.S. Registered Funds, as well as Separate Accounts. FMA also manages, advises or sub-advises certain Sub-Advised Accounts. Its Separate Account clients are typically insurance companies, but also include other types of institutional clients from time to time. FMA's assets under management are also held in funds that are sold outside of the United States, and whose investment objectives vary, but are largely international, global equity and global fixed-income

oriented. FMA's assets under management also include a state-created 529 plan trust. Additional information about FMA's non-SMA Program advisory services is discussed in its Non-SMA Program Brochure, which is available upon request.

FTILLC Clients

FTILLC provides investment advisory and portfolio management services as sub-adviser with respect to a limited number of clients and Sponsors in connection with SMA Programs, as described above. SMA Program clients typically include individual and high net-worth clients and Sponsors of SMA Programs. FTILLC also serves as investment adviser to certain separately managed account wrap fee programs that are sponsored by non-U.S. third-party broker-dealers and offered only outside of the United States.

FTILLC also provides investment advisory and portfolio management services to U.S. Registered Funds and Non-U.S. Registered Funds, as well as Private Funds and Separate Accounts. FTILLC also manages, advises or sub-advises certain Sub-Advised Accounts.

Separate Account clients include institutional and high net-worth clients. With respect to its institutional Separate Account clients, FTILLC's institutional clients include, from time to time, corporations and other business entities, charitable foundations, endowment funds, insurance companies, state or municipal entities, sovereign wealth funds and foreign official institutions, and government and corporate defined contribution and pension plans.

FTILLC offers both U.S. and non-U.S. fixed income and equity investment strategies to institutional clients using a variety of investment styles, including growth, value, core and enhanced equity, and targeted to specific market capitalization ranges, including small-, mid-, small/mid-, large- and all-cap, as well as geographic and industry sectors which can be tailored to meet the specific needs of clients. FTILLC also offers alternative asset (including multi-asset) Separate Account strategies to institutional clients. Additional information about FTILLC's non-SMA Program advisory services is discussed in its Non-SMA Program Brochure, which is available upon request.

FTIML CLIENTS

FMA provides investment advisory and portfolio management services as sub-adviser with respect to a limited number of clients and Sponsors in connection with SMA Programs, as described above. SMA Program clients typically include individual and high net-worth clients and Sponsors of SMA Programs.

FTIML also provides investment advisory and portfolio management services to U.S. Registered Funds and Non-U.S. Registered Funds, as well as Private Funds and Separate Accounts. FTIML also manages, advises or sub-advises certain Sub-Advised Accounts.

FTIML's assets under management also include assets in funds that are sold outside of the United States, and whose investment objectives vary, but are largely international, global equity and global fixed-income oriented.

FTIML provides investment management services to institutional Separate Account clients, which include, from time to time, corporations and other business entities, charitable foundations, endowment funds, insurance companies, state or municipal entities, sovereign wealth funds and foreign official institutions, and government and corporate defined contribution and pension plans. Additional information about FTIML's non-SMA Program advisory services is discussed in its Non-SMA Program Brochure, which is available upon request.

FTIC CLIENTS

FTIC provides investment advisory and portfolio management services as sub-adviser with respect to a limited number of clients and Sponsors in connection with SMA Programs, as described above. SMA Program clients typically include individual and high net-worth clients and Sponsors of SMA Programs. FTIC also serves as investment adviser to certain separately managed account wrap fee programs that are sponsored by non-U.S. third-party broker-dealers and offered only outside of the United States.

FTIC also provides investment advisory and portfolio management services to U.S. Registered Funds and Non-U.S. Registered Funds, as well as Separate Accounts. FTIC's assets under management also include assets in funds that are sold outside of the United States, and whose

investment objectives vary, but are largely international, global equity and global fixed-income oriented.

Separate Account clients include institutional clients, which include, from time to time, corporations and other business entities, charitable foundations, endowment funds, insurance companies, sovereign wealth funds and foreign official institutions, and government and corporate defined contribution and pension plans. Additional information about FTIC's non-SMA Program advisory services is discussed in its Non-SMA Program Brochure, which is available upon request.

TAML CLIENTS

TAML provides investment advisory and portfolio management services as sub-adviser with respect to a limited number of clients and Sponsors in connection with SMA Programs, as described above. SMA Program clients typically include individual and high net-worth clients and Sponsors of SMA Programs.

TAML also provides investment advisory and portfolio management services to U.S. Registered Funds and Non-U.S. Registered Funds, as well as Private Funds and Separate Accounts. TAML may, from time to time, also manage, advise or sub-advise certain Sub-Advised Accounts.

TAML's assets under management also include assets in funds that are sold outside of the United States, and whose investment objectives vary, but are largely international, global equity and global fixed-income oriented. TAML provides investment management services to vehicles, including SICAV funds, contract-type funds and open-ended investment companies organized in Luxembourg and the United Kingdom, which are distributed in non-U.S. marketplaces, as well as to locally organized funds in various countries outside the United States.

TAML also provides investment management and related services to a number of closed-end investment companies whose shares are traded on various major U.S. stock exchanges.

Separate Account clients include institutional and high net-worth clients. With respect to its institutional Separate Account clients, TAML's institutional clients include, from time to time, corporations and other business entities, insurance companies, sovereign wealth funds and foreign official institutions, and government and corporate defined contribution and pension plans. Additional information about TAML's non-SMA Program advisory services is discussed in its Non-SMA Program Brochure, which is available upon request.

TGAL CLIENTS

TGAL provides investment advisory and portfolio management services as sub-adviser with respect to a limited number of clients and Sponsors in connection with SMA Programs, as described above. SMA Program clients typically include individual and high net-worth clients and Sponsors of SMA Programs.

TGAL also provides investment advisory and portfolio management services to U.S. Registered Funds and Non-U.S. Registered Funds, as well as Separate Accounts. TGAL also manages, advises or sub-advises certain Sub-Advised Accounts.

Separate Account clients include institutional and high net-worth clients. With respect to its institutional Separate Account clients, TGAL's institutional clients include, from time to time, corporations and other business entities, charitable foundations, endowment funds and insurance companies. Additional information about TGAL's non-SMA Program advisory services is discussed in its Non-SMA Program Brochure, which is available upon request.

TICLLC Clients

TICLLC provides investment advisory and portfolio management services as sub-adviser with respect to a limited number of clients and Sponsors in connection with SMA Programs, as described above. SMA Program clients typically include individual and high net-worth clients and Sponsors of SMA Programs.

TICLLC also provides investment advisory and portfolio management services to U.S. Registered Funds and Non-U.S. Registered Funds, as well as Private Funds and Separate Accounts. TICLLC also manages, advises or sub-advises certain Sub-Advised Accounts.

TICLLC's assets under management also include assets in funds that are sold outside of the United States, and whose investment objectives vary, but are largely international and global equity oriented.

Separate Account clients include institutional and high net-worth clients. With respect to its institutional Separate Account clients, TICLLC's institutional clients include, from time to time, corporations and other business entities, charitable foundations, endowment funds, insurance companies, state or municipal entities, sovereign wealth funds and foreign official institutions, and government and corporate defined contribution and pension plans and profit sharing plans. Additional information about TICLLC's non-SMA Program advisory services is discussed in its Non-SMA Program Brochure, which is available upon request.

USE AND PROVISION OF CLIENT INFORMATION AND CONFIDENTIALITY CLAUSES IN INVESTMENT MANAGEMENT AGREEMENTS

An Adviser will at times include a Separate Account client's name in a representative or sample client list prepared by the Adviser with the client's consent.

The Advisers are not generally required to provide notice to, or obtain the consent of, any client for use or disclosure of Account information to third parties, provided such use does not disclose the client's name or other personal information. This may include information relating to the Advisers' investment experience with respect to an Account or an Account's performance, composite and representative Account performance presentations, marketing materials, attribution and research analyses, statistical and data compilations, or similar materials.

In various circumstances, an Adviser will disclose information to third parties that include a client's name, account number or other account information (including non-public information), including, but not limited to: (i) in connection with the performance of the Adviser's services under the respective investment management agreement (including, but not limited to, providing trading and other account information to brokers, third-party administrators, consultants, auditors and other counterparties, and the preparation and printing of client account statements and reports by third parties), (ii) if required by law or regulatory authority, including, but not limited to, any subpoena, administrative, regulatory or judicial demand or court order, or (iii) in connection with the bylaws or equivalent governing documents of any issuer in which the Account is invested. While the Advisers are not generally required to provide notice or obtain consent in these situations, certain clients may have provisions in their investment management agreements that require the Advisers to provide notice of certain types of disclosures or disclosure requests. However, any such notice will be limited to the extent permitted by applicable law, court order or regulation.

INVESTMENT MINIMUMS

With respect to SMA Programs, the Sponsor's program brochure generally contains information on minimum account sizes and fees payable to the Sponsor and participating investment managers and/or model providers, including the Advisers and the SMA Contracting Advisers. Accordingly, minimum account size and fees will, from time to time, vary from program to program or within a single program based on, among other things, investment strategy. However, the minimum account size with respect to SMA Programs for which the Advisers serve as a sub-adviser are listed below. Franklin Templeton Multi-Asset Class portfolios with allocations to SMA portfolios may have significantly higher investment minimums than that indicated below. In some cases, account minimums will be negotiated or waived at the SMA Contracting Adviser's discretion. For information about account minimums for clients outside of SMA Programs, please see the Advisers' Non-SMA Program Brochures, which are available upon request.

Adviser(s)	Investment Management Portfolio	Investment Minimum
FAV	Franklin Templeton Diversified Risk ESG Small Account Solutions Franklin Templeton Global Growth and Income	$5,000
	Franklin Templeton Alternative Completion Franklin Templeton Core Multi Manager ESG	$25,000

Adviser(s)	Investment Management Portfolio	Investment Minimum
	Franklin Templeton Diversified Risk Portfolios Franklin Templeton Diversified Risk Trust Portfolios Franklin Templeton Global Equity ESG Franklin Templeton Strategic Real Return	
	Franklin Templeton Low Volatility High Dividend Equity	$50,000
	Franklin Concentrated Core Franklin DynaTech Franklin Equity Income Franklin Growth Opportunities Franklin Intermediate Fixed Income Franklin Intermediate Government Bond Franklin Rising Dividends Franklin Small Cap Growth Franklin U.S. Government Ladder 1-5 Year Franklin U.S. Government Ladder 1-10 Year Franklin U.S. Government Ladder 5-20 Year	$100,000
	Franklin Corporate Ladder 1-5 Year Franklin Corporate Ladder 1-10 Year	$125,000
	Franklin U.S. Focused Growth	$150,000
	Franklin Income Franklin Intermediate Investment Grade Credit Franklin Intermediate Municipal Franklin Limited Maturity Municipal Franklin Municipal Ladder 1-7 Year Franklin Municipal Ladder 1-15 Year	$175,000
	Franklin Long Maturity Municipal Franklin Municipal Enhanced Income* Franklin Municipal Ladder 5-20 Year	$250,000
	Franklin Municipal Green Bond**	$500,000
	Franklin Templeton Multi-Manager HNW ESG Equity Portfolio Franklin Templeton Multi-Manager HNW Portfolios	$750,000
	Franklin Custom Muni	$3,000,000
FMA	Franklin Mutual Beacon Franklin Mutual Large Cap Value	$50,000

Adviser(s)	Investment Management Portfolio	Investment Minimum
	Franklin Small Cap Value	$100,000
FTILLC	Franklin International Growth Equity ADR	$100,000
FTIML, FTIC and TGAL (co-managed)	Templeton International Climate Change	$50,000
FTIML and TAML (co-managed)	Templeton Emerging Markets	$50,000
TGAL	Templeton Foreign ADR Only	$100,000
TICLLC	Templeton Global ADR Equity Templeton International ADR Equity	$100,000

*Also known as "Franklin Multi-Strategy Municipal" by certain clients of Managed Account Advisors LLC in Merrill Lynch Investment Advisory Program.

** Franklin Municipal Green Bond may be made available within an LMPPG "balanced portfolio" alongside other affiliated advisers. See LMPPG's brochure for more information.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

The Accounts advised by the Advisers accommodate a variety of investment goals and risk tolerances – from capital appreciation (with more growth-oriented strategies) to capital preservation (with fixed-income strategies). In seeking to achieve an Account's specific investment objectives, each portfolio emphasizes different strategies and invests in different types of securities. The Advisers do not typically seek to recommend a particular type of security to a client. The following describes the specific methods of analysis and investment strategies of the Advisers for their SMA Program clients. For more information about the specific methods of analysis and investment strategies of the Advisers' non-SMA Program clients, please see the Advisers' Non-SMA Program Brochures.

The Advisers utilize various investment strategies for their SMA Program clients. The Advisers' investment management services incorporate fundamental investment research and valuation analyses, including original economic, political, industry and company research, and analyses of suppliers, customers and competitors. Company research includes the utilization of such sources as company public records and other publicly available information, management interviews, company-prepared information, and company visits and inspections. In addition, research services provided by brokerage firms are used to support the Advisers' findings.

THE ADVISERS' INVESTMENT STRATEGIES

Strategies used by the Advisers in acting as a sub-adviser to SMA Programs include:

Franklin Concentrated Core

The Franklin Concentrated Core SMA strategy is a core-focused U.S. equity portfolio leveraging both quantitative and qualitative investment capabilities within the Franklin Templeton Investment Solutions Group. Starting with an investment universe of stocks held across multiple fundamentally oriented Franklin Templeton investment strategies, the Concentrated Core SMA investment team creates a 40 to 50 stock portfolio optimized for quality, value and momentum factors.

Risks include but are not limited to: Blend Style Investing; Concentration; Cybersecurity Risks; Equity Securities; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss. See “Investment Risks” below for explanations of these risks.

Franklin Corporate Ladder

The investment management team manages portfolios composed primarily of investment grade corporate credit issues. Using a bottom-up, relative value strategy, the team seeks to provide capital appreciation with a high level of current income. At least every other year in the ladder will have a bond position with a corresponding maturity in that year for the complete maturity range of the strategy. Franklin bond ladders seek to deliver income opportunities from a portfolio of corporate securities with laddered maturities. The strategy invests in fundamentally strong corporate issuers, seeking to take advantage of relative valuation differences between industries, issuers and individual bond issues. Currently, 1-5 year and 1-10 year maturity ranges are available in this strategy.

Risks include but are not limited to: Concentration; Credit; Cybersecurity Risks; Debt Securities; Extension; Inflation; Interest Rate; LIBOR Transition; Liquidity; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; Valuation Risk. See “Investment Risks” below for explanations of these risks.

Franklin Custom Muni

Franklin Custom Muni Portfolios are customized portfolios of municipal securities that are professionally managed in accordance with specific investment guidelines developed by the client in conjunction with the client’s financial advisor and FAV based on the client’s circumstances, financial needs, and objectives. Such guidelines may address one or more of the following: maturity and duration limitations applicable to overall portfolio or to individual holdings, credit quality specifications applicable to overall portfolio, including high-yield and actions that must be taken in the event of credit downgrades; individual issuer concentration limitations; sector exposure limitations or restrictions; exposure guidelines, limitations or restrictions for specific states; limitations or restrictions with respect to securities subject to alternative minimum tax (AMT); ability to invest in securities other than tax-free municipal securities, including without limitation taxable municipal bonds, corporate bonds, U.S. Treasury or agency securities, preferred stock and variable rate demand notes; the extent to which portfolio should focus on “total return” or “income generation targets” limitations on realization of short-term or long-term capital gains; and target levels of cash or short-term maturity instruments.

Risks include but are not limited to: Concentration; Credit; Cybersecurity Risks; Debt Securities; Extension; High-Yield Debt Securities; Illiquidity of Underlying Funds; Inflation; Interest Rate; Investing in Funds; LIBOR Transition; Liquidity; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; State and U.S. Territories; Valuation Risk. See “Investment Risks” below for explanations of these risks.

Franklin DynaTech

Franklin DynaTech is a high growth strategy that focuses its investments on innovation. The portfolio management team seeks to identify companies that are leaders in innovation, take advantage of new technologies, have superior management, and/or benefit from new industry conditions in the dynamically changing global economy. The strategy is free to invest in any company of any size, sector, or country (using ADRs only) that the team believes is at the forefront of innovation. Portfolio positioning is a direct result of the investment team’s fundamental bottom-up security selection process.

Risks include but are not limited to: Concentration; Cybersecurity Risks; Equity Securities; Growth Style Investing; Management; Market; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies. See “Investment Risks” below for explanations of these risks.

Franklin Equity Income

The Franklin Equity Income strategy is a fundamentally driven strategy which focuses on income generation with capital appreciation by investing predominantly in equity and equity-related

securities. The strategy aims to invest in a broadly diversified portfolio of equity securities that the investment manager considers to be financially strong, with a focus on "blue chip" companies.

Risks include but are not limited to: Blend Style Investing; Concentration; Cybersecurity Risks; Equity Securities; Income; Interest Rate; Management; Market; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss. See "Investment Risks" below for explanations of these risks.

Franklin Growth Opportunities

Franklin Growth Opportunities is a growth strategy focused on best-in-class companies that are levered to multi-year growth trends, emerging profit cycles, and digital transformation themes. The portfolio typically invests across the market cap spectrum in U.S. equities that meet FAV's investment criteria of growth, quality, and valuation.

Risks include but are not limited to: Concentration; Consumer Discretionary Companies; Cybersecurity Risks; Equity Securities; Growth Style Investing; Healthcare Companies; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies; Technology Companies. See "Investment Risks" below for explanations of these risks.

Franklin Income

The Franklin Income strategy is a fundamentally driven, flexible asset allocation portfolio that invests in a diversified portfolio of debt and equity securities, with the primary goal of income generation with prospects for capital appreciation. The strategy may shift its investments from one asset class to another based on the investment manager's analysis of the best opportunities for the portfolio in a given market. Equity securities in which the strategy invests in consists primarily of common stocks; debt securities include a variety of fixed, floating and variable rate instruments. The portfolio will invest in Completion Portfolios (no-fee mutual funds) sub-advised by FAV. The Equity Completion Portfolio may include common and preferred stock, equity-linked securities, including equity-linked notes, non-USD equities, and equity derivatives. The Equity Completion Portfolio may purchase or write option contracts to earn additional income for the portfolio. The Fixed Income Completion Portfolio may include high yield bonds, bank loans, mortgage and asset backed securities, non-USD bonds, and fixed income derivatives. The Fixed Income Completion Portfolio may invest in high yield corporate bonds that are below investment grade (rated lower than BBB).

Risks include but are not limited to: Asset Allocation; Credit; Cybersecurity Risks; Debt Securities; Dividend-Oriented Companies; Equity Securities; Equity-Linked Notes; Extension; High-Yield Debt Securities; Interest Rate; LIBOR Transition; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; Value Style Investing. See "Investment Risks" below for explanations of these risks.

Franklin Intermediate Fixed Income

The Franklin Intermediate Fixed Income strategy focuses on investments in high-quality bonds, seeking to take advantage of relative valuation differences between asset classes, sectors, issuers and individual bond issues, with the objective of producing a high level of current income and generating total return opportunities. The strategy seeks to provide high current income consistent with preservation of capital. The investment process aims to produce "alpha" from superior sector allocation, security selection, and macro positions. The strategy brings together Franklin Templeton Fixed Income macro, fundamental, and quantitative research in a core fixed income offering. The strategy focuses on investment grade debt securities and government and corporate debt securities.

Risks include but are not limited to: Concentration; Credit; Cybersecurity Risks; Debt Securities; Extension; Inflation; Interest Rate; LIBOR Transition; Liquidity; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; Valuation Risk. See "Investment Risks" below for explanations of these risks.

Franklin Intermediate Government Bond

The investment management team manages portfolios composed primarily of intermediate maturity U.S. Government securities. Using a risk-managed, top-down/bottom-up approach via active

management of duration, yield curve, sector allocation and issue selection, FAV seeks to provide capital appreciation along with current income.

Risks include but are not limited to: Concentration; Cybersecurity Risks; Debt Securities; Extension; Inflation; Interest Rate; LIBOR Transition; Liquidity; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; Valuation Risk. See “Investment Risks” below for explanations of these risks.

Franklin Intermediate Investment Grade Credit

The investment management team manages portfolios composed primarily of investment grade corporate/credit issues. Using a bottom-up, relative value strategy, FAV seeks to provide capital appreciation with a high level of current income.

Risks include but are not limited to: Concentration; Credit; Cybersecurity Risks; Debt Securities; Extension; Inflation; Interest Rate; LIBOR Transition; Liquidity; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; Valuation Risk. See “Investment Risks” below for explanations of these risks.

Franklin Intermediate Municipal

The investment management team manages portfolios composed primarily of high-quality intermediate-term municipal bonds. Using a bottom-up, income-focused strategy, FAV seeks to offer capital preservation and appreciation, along with a high level of current tax-free income. The strategy seeks to provide investors with as high a level of income exempt from federal income taxes as is consistent with prudent investment management and the preservation of investors’ capital. The portfolio can be offered as either a national portfolio, or, for a limited number of states, either a state-specific portfolio or state-preference portfolio. For state-specific portfolios, FAV seeks to invest all or substantially all of the portfolio in municipal securities the income from which is exempt from state income taxes in the specified state. For state-preference portfolios, FAV emphasizes investments in municipal securities the income from which is exempt from state income taxes in the specified state but may also invest in municipal securities the income from which is not exempt from state income taxes in the specified state.

Risks include but are not limited to: Concentration; Credit; Cybersecurity Risks; Debt Securities; Extension; Inflation; Interest Rate; LIBOR Transition; Liquidity; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; State and U.S. Territories; Valuation Risk. See “Investment Risks” below for explanations of these risks.

Franklin International Growth Equity ADR

The Franklin International Growth Equity ADR strategy seeks capital appreciation by investing predominantly in the equity securities of mid-and large capitalization companies outside the United States with long-term growth potential.

Risks include but are not limited to: Concentration; Cybersecurity Risks; Developing and Emerging Market Countries; Equity Securities; Growth Style Investing; Management; Market; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies. See “Investment Risks” below for explanations of these risks.

Franklin Limited Maturity Municipal

The investment management team manages portfolios composed primarily of high-quality limited maturity municipal bonds. Using a bottom-up, income-focused strategy, FAV seeks to offer capital preservation and appreciation, along with a high level of current tax-free income. The strategy seeks to provide investors with as high a level of income exempt from federal income taxes as is consistent with prudent investment management and the preservation of investors’ capital. The portfolio can be offered as either a national portfolio, or, for a limited number of states, either a state-specific portfolio or state-preference portfolio. For state-specific portfolios, FAV seeks to invest all or substantially all of the portfolio in municipal securities the income from which is exempt from state income taxes in the specified state. For state-preference portfolios, FAV emphasizes investments in municipal securities the income from which is exempt from state income taxes in the specified state but may also invest in municipal securities the income from which is not exempt from state income taxes in the specified state.

Risks include but are not limited to: Concentration; Credit; Cybersecurity Risks; Debt Securities; Extension; Inflation; Interest Rate; LIBOR Transition; Liquidity; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; State and U.S. Territories; Valuation Risk. See "Investment Risks" below for explanations of these risks.

Franklin Long Maturity Municipal

The investment management team manages portfolios composed primarily of high quality long-term municipal bonds. Using a bottom-up, income-focused strategy, FAV seeks to offer capital preservation and appreciation, along with a high level of current tax-free income. The strategy seeks to provide investors with as high a level of income exempt from federal income taxes as is consistent with prudent investment management and the preservation of investors' capital. The portfolio can be offered as either a national portfolio, or, for a limited number of states, either a state-specific portfolio or state-preference portfolio. For state-specific portfolios, FAV seeks to invest all or substantially all of the portfolio in municipal securities the income from which is exempt from state income taxes in the specified state. For state-preference portfolios, FAV emphasizes investments in municipal securities the income from which is exempt from state income taxes in the specified state but may also invest in municipal securities the income from which is not exempt from state income taxes in the specified state.

Risks include but are not limited to: Concentration; Credit; Cybersecurity Risks; Debt Securities; Extension; Inflation; Interest Rate; LIBOR Transition; Liquidity; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; State and U.S. Territories; Valuation Risk. See "Investment Risks" below for explanations of these risks.

Franklin Municipal Enhanced Income

The investment management team manages portfolios composed primarily of high-quality intermediate-term municipal bonds combined with an allocation to higher yielding, lower quality exposures via a zero fee commingled vehicle. Using a bottom-up, income-focused strategy, FAV seeks to offer capital preservation and appreciation along with a high level of current tax-free income. The portfolio can be offered as a state-specific portfolio in California and as a state-preference portfolio which emphasizes investments in municipal securities the income from which is exempt from state income taxes in the specified state but may also invest in municipal securities the income from which is not exempt from state income taxes in the specified state. This strategy is also known as "Franklin Multi-Strategy Municipal" by certain clients of Managed Account Advisors LLC in Merrill Lynch Investment Advisory Program.

Risks include but are not limited to: Concentration; Credit; Cybersecurity Risks; Debt Securities; Extension; High-Yield Debt Securities; Illiquidity of Underlying Funds; Inflation; Interest Rate; Investing in Funds; LIBOR Transition; Liquidity; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; State and U.S. Territories; Valuation Risk. See "Investment Risks" below for explanations of these risks.

Franklin Municipal Green Bond

The investment management team manages portfolios composed primarily of high quality long-term municipal bonds. Using a bottom-up, income-focused strategy, FAV seeks to offer capital preservation and appreciation, along with a high level of current tax-free income, maximizing income exempt from federal income taxes to the extent consistent with prudent investing and the preservation of shareholders' capital. The strategy invests at least 80% of its net assets in municipal green bonds. The portfolio invests in projects and programs that target, among other things, renewable energy, energy efficiency, pollution prevention and control, environmentally sustainable management of living natural resources and land use, clean transportation, sustainable water and wastewater management and green buildings. Franklin Municipal Green Bond may be made available within an LMPPG "balanced portfolio" alongside other affiliated advisers. See LMPPG's brochure for more information.

Risks include but are not limited to: Concentration; Credit; Cybersecurity Risks; Debt Securities; ESG Investing Risk; Extension; Inflation; Interest Rate; LIBOR Transition; Liquidity; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; State and U.S. Territories; Valuation Risk. See "Investment Risks" below for explanations of these risks.

Franklin Municipal Ladders

The portfolio seeks a high level of current income by investing across different municipal issuers. At least every other year in the ladder will have a muni position with a corresponding maturity in that year for the complete maturity range of the strategy. Franklin municipal bond ladders are designed to deliver tax-free income opportunities by investing across different municipal issuers. Our strategy invests in high-quality bonds, seeking to take advantage of relative valuation differences between sectors, geographic regions, issuers and individual bond issues. Currently, 1-7 year, 1-15 year, and 5-20 year maturity ranges are available in this strategy. The portfolio can be offered as either a national portfolio, or, for a limited number of states, either a state-specific portfolio or state-preference portfolio. For state-specific portfolios, Franklin seeks to invest substantially all, or all of the portfolio in municipal securities the income from which is exempt from state income taxes in the specified state. For state-preference portfolios, Franklin emphasizes investments in municipal securities the income from which is exempt from state income taxes in the specified state but may also invest in municipal securities the income from which is not exempt from state income taxes in the specified state.

Risks include but are not limited to: Concentration; Credit; Cybersecurity Risks; Debt Securities; Extension; Inflation; Interest Rate; LIBOR Transition; Liquidity; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; State and U.S. Territories; Valuation Risk. See “Investment Risks” below for explanations of these risks.

Franklin Mutual Beacon

The Franklin Mutual Beacon strategy seeks capital appreciation by focusing mainly on undervalued mid-cap and large-cap equity securities with a significant portion of its assets in foreign securities.

Risks include but are not limited to: Concentration; Depositary Receipts; Equity Securities; ESG Investing Risk; LIBOR Transition; Liquidity; Management; Market; Merger Arbitrage Securities; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies; Value Style Investing. See “Investment Risks” below for explanations of these risks.

Franklin Mutual Large Cap Value

The Franklin Mutual Large Cap Value strategy aims to achieve long-term capital appreciation by investing principally in U.S. equity and convertible debt securities. The strategy may also seek to invest in the securities of companies involved in mergers, consolidations, liquidations and reorganizations.

Risks include but are not limited to: Concentration; Cybersecurity Risks; Equity Securities; ESG Investing Risk; LIBOR Transition; Liquidity; Management; Market; Merger Arbitrage Securities; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies; Value Style Investing. See “Investment Risks” below for explanations of these risks.

Franklin Rising Dividends

Franklin Rising Dividends is a core equity strategy providing exposure to U.S. stocks with dividend growth histories and prospects. With its focus on dividend growth, investing in high-yielding stocks or providing steady income is not the primary objective of the strategy. While there is a quantitative aspect to the security screening process, portfolio holdings are based on a fundamental and qualitative assessment by the investment team, and the portfolio weights reflect portfolio manager conviction around the surety and magnitude of future dividend increases.

Risks include but are not limited to: Concentration; Cybersecurity Risks; Dividend-Oriented Companies; Equity Securities; Management; Market; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies. See “Investment Risks” below for explanations of these risks.

Franklin Small Cap Growth

The Franklin Small Cap Growth strategy is a growth portfolio which primarily invests the equity securities of small-cap companies. Small-cap companies are defined as companies with market capitalizations not exceeding (i) $1.5 billion or (ii) the highest market capitalization in the Russell 2000 Index, whichever is greater, at the time of purchase. FAV uses fundamental, “bottom-up” research to seek companies meeting its criteria of growth potential, quality and valuation. The

investment team uses fundamental research to evaluate competitive structures of entire industries, and targets companies with strong and improving competitive positions in attractive markets. An Account using this strategy, from time to time, may have significant positions in particular sectors such as information technology (including technology equipment and hardware, technology services, software and internet services), healthcare, consumer discretionary and industrials.

Risks include but are not limited to: Concentration; Consumer Discretionary Companies; Cybersecurity Risks; Equity Securities; Growth Style Investing; Healthcare Companies; Industrials Companies; Liquidity; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies; Technology Companies. See "Investment Risks" below for explanations of these risks.

Franklin Small Cap Value

The strategy seeks long-term total return by investing at least 80% of its net assets in investments of small-capitalization companies, which are those with market capitalizations not exceeding either the highest market capitalization of the Russell 2000 Index or the 12-month average of the highest market capitalization in the Russell 2000 Index, whichever is greater at the time of purchase. FMA targets investments in historically successful companies, with sustainable business models, good corporate governance and low debt, that it believes are temporarily trading at depressed levels relative to future earnings power, book value, industry peers or other factors. FMA seeks to balance risk and reward in the portfolio with a focus on delivering compelling risk-adjusted results. Accounts using this strategy are viewed by FMA as buy-and-hold investors who generally seek to hold an investment for three to five or more years on average.

Risks include but are not limited to: Concentration; Cybersecurity Risks; Equity Securities; ESG Investing Risk; Management; Market; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; REITs; Risk of Loss; Small and Midsize Capitalization Companies; Value Style Investing; See "Investment Risks" below for explanations of these risks.

Franklin Templeton Alternative Completion

The Franklin Templeton Alternative Completion Portfolio is a global allocation strategy that seeks to complement traditional equity and fixed income by investing in alternative mutual funds and ETFs that offer more flexibility than traditional investment constraints. The portfolio combines non-traditional fixed income and equity strategies that have low correlation to each other into a single strategy that seeks to provide return potential regardless of market direction. The portfolio's asset allocation of the strategy is generally reviewed and adjusted on an annual basis.

Risks include but are not limited to: Asset Allocation; Blend Style Investing; Credit; Cybersecurity Risks; Derivative Instruments; Developing and Emerging Market Countries; Equity Securities; Extension; Inflation; Interest Rate; Investing in Funds; Investing in Underlying Funds; LIBOR Transition; Liquidity; Management; Market; Non-Diversification; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; Small and Midsize Capitalization Companies; Tracking Error and ETF Management Risk; Valuation Risk. See "Investment Risks" below for explanations of these risks.

Franklin Templeton Core Multi Manager

The Franklin Templeton Core Multi Manager strategies are asset allocation models that offer six risk-based portfolios that seek to produce portfolio returns in line with risk and return objectives by investing in mutual funds and ETFs that meet specific ESG criteria. The six risk-based models combine actively managed and passive strategies with equity and fixed income levels ranging between 0% and 100%. The portfolios are able to include an allocation to alternative investments. The six risk-based portfolios may incorporate a tactical allocation component that reallocates assets to take advantage of shorter-term opportunities in the market. All underlying strategies in the universe must meet certain ESG criteria. The portfolios' strategic asset allocation is generally reviewed and adjusted on an annual basis, while the universe of strategies is reviewed semiannually to ensure ESG standards are met.

Allocation Level	Franklin Templeton Core Multi Manager
100 Equity ESG Model	Generally targets 100% equity exposure

Allocation Level	Franklin Templeton Core Multi Manager
80 EQ/20 FI ESG Model	Generally targets 80% equity exposure
60 EQ/40 FI ESG Model	Generally targets 60% equity exposure
40 EQ/60 FI ESG Model	Generally targets 60% fixed income exposure
20 EQ/80 FI ESG Model	Generally targets 80% fixed income exposure
100 Fixed Income ESG Model	Generally targets 100% fixed income exposure

Risks include but are not limited to: Asset Allocation; Blend Style Investing; Credit; Cybersecurity Risks; Derivative Instruments; Developing and Emerging Market Countries; Equity Securities; ESG Investing Risk; Extension; High-Yield Debt Securities; Inflation; Interest Rate; Investing in Funds; Investing in Underlying Funds; LIBOR Transition; Liquidity; Management; Market; Mortgage Securities; Multi-Manager Risk; Non-Diversification; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; Small and Midsize Capitalization Companies; Tracking Error and ETF Management Risk; Valuation Risk. See "Investment Risks" below for explanations of these risks.

Franklin Templeton Diversified Risk ESG Small Account Solutions

The Franklin Templeton Diversified Risk ESG Small Account Solutions are asset allocation models that offer six risk-based portfolios that seek to produce portfolio returns in line with risk and return objectives by investing in mutual funds and ETFs that meet specific ESG criteria, subject to a 5% minimum allocation to an individual mutual fund or ETF. The six risk-based models combine actively managed and passive strategies with equity and fixed income levels ranging between 0% and 100%. The portfolios are able to include an allocation to alternative investments. The six risk-based portfolios may incorporate a tactical allocation component that reallocates assets to take advantage of shorter-term opportunities in the market. All underlying strategies in the universe must meet certain ESG criteria. The portfolios' strategic asset allocation is generally reviewed and adjusted on an annual basis, while the universe of strategies is reviewed semiannually to ensure ESG standards are met.

Risk Level	Franklin Templeton Diversified Risk ESG Small Account Solutions
Aggressive	Generally targets 100% equity exposure
Growth	Generally targets 80% equity exposure
Moderate Growth	Generally targets 60% equity exposure
Conservative Growth	Generally targets 60% fixed income exposure
Conservative	Generally targets 80% fixed income exposure
Fixed Income	Generally targets 100% fixed income exposure

Risks include but are not limited to: Asset Allocation; Blend Style Investing; Credit; Cybersecurity Risks; Derivative Instruments; Developing and Emerging Market Countries; Equity Securities; ESG Investing Risk; Extension; High-Yield Debt Securities; Inflation; Interest Rate; Investing in Funds; Investing in Underlying Funds; LIBOR Transition; Liquidity; Management; Market; Mortgage Securities; Non-Diversification; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; Small and Midsize Capitalization Companies; Tracking Error and ETF Management Risk; Valuation Risk. See "Investment Risks" below for explanations of these risks.

Franklin Templeton Diversified Risk Portfolios

The Franklin Templeton Diversified Risk Portfolios are asset allocation models that offer six risk-based portfolios that seek to produce portfolio returns in line with risk and return objectives by investing in mutual funds and ETFs. The six risk-based models combine actively managed and

passive strategies with equity and fixed income levels ranging between 0% and 100%. The portfolios typically include an allocation to alternative investments. The six risk-based portfolios include a tactical allocation component that reallocates assets to take advantage of shorter-term opportunities in the market. The portfolios' strategic asset allocation is generally reviewed and adjusted on an annual basis.

Risk Level	Franklin Templeton Diversified Risk Portfolios
Aggressive	Generally targets 90% equity exposure
Growth	Generally targets 80% equity exposure
Moderate Growth	Generally targets 60% equity exposure
Conservative Growth	Generally targets 40% equity exposure
Conservative	Generally targets 70% fixed income exposure
Fixed Income	Generally targets 90% fixed income exposure

Risks include but are not limited to: Asset Allocation; Blend Style Investing; Credit; Cybersecurity Risks; Derivative Instruments; Developing and Emerging Market Countries; Equity Securities; Extension; High-Yield Debt Securities; Inflation; Interest Rate; Investing in Funds; Investing in Underlying Funds; LIBOR Transition; Liquidity; Management; Market; Mortgage Securities; Non-Diversification; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; Small and Midsize Capitalization Companies; Tracking Error and ETF Management Risk; Valuation Risk. See "Investment Risks" below for explanations of these risks.

Franklin Templeton Diversified Risk Trust Portfolios

The Franklin Templeton Diversified Risk Trust Portfolios are asset allocation models that offer eight risk-based portfolios that seek to produce portfolio returns in line with their stated risk and return objectives by investing in mutual funds and ETFs. The eight risk-based models combine actively managed and passive strategies with equity and fixed income levels ranging between 0% and 100%. The portfolios typically include an allocation to alternative investments and a dedicated allocation to income generating active holdings. The eight risk-based portfolios include a tactical allocation component that tilts assets to take advantage of shorter-term opportunities in the market. The portfolios' strategic asset allocation is generally reviewed and adjusted on an annual basis.

Risk Level	Franklin Templeton Diversified Risk Trust Portfolios
Aggressive Growth	Generally targets 97% equity exposure
Capital Growth	Generally targets 75% equity exposure
Growth and Income	Generally targets 60% equity exposure
Balanced	Generally targets 50% equity exposure
Conservative Growth	Generally targets 55% fixed income exposure
Capital Preservation	Generally targets 72% fixed income exposure
Core Fixed Income	Generally targets 100% fixed income exposure
Tax-Aware Fixed Income	Generally targets 100% fixed income exposure

Risks include but are not limited to: Asset Allocation; Blend Style Investing; Credit; Cybersecurity Risks; Derivative Instruments; Developing and Emerging Market Countries; Equity Securities; Extension; High-Yield Debt Securities; Inflation; Interest Rate; Investing in Funds; Investing in Underlying Funds; LIBOR Transition; Liquidity; Management; Market; Mortgage Securities; Non-

Diversification; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; Small and Midsize Capitalization Companies; Tracking Error and ETF Management Risk; Valuation Risk. See “Investment Risks” below for explanations of these risks.

Franklin Templeton Global Equity ESG

The Franklin Templeton Global Equity ESG portfolio is a diversified equity portfolio which allocates to an optimized combination of actively managed ESG-focused mutual funds and ETFs. The portfolio provides balanced exposure across growth, high dividend, low volatility, international and emerging market equities. The result is a complementary portfolio of diversified equities emphasizing ESG investment criteria. The portfolio’s strategic asset allocation is generally reviewed and adjusted on an annual basis.

Risks include but are not limited to: Asset Allocation; Blend Style Investing; Cybersecurity Risks; Developing and Emerging Market Countries; Equity Securities; ESG Investing Risk; Investing in Funds; Investing in Underlying Funds; Liquidity; Management; Market; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies; Tracking Error and ETF Management Risk. See “Investment Risks” below for explanations of these risks.

Franklin Templeton Global Growth and Income

The Franklin Templeton Global Growth and Income portfolio is a diversified multi-asset portfolio which allocates to an optimized combination of ETFs in order to meet its objectives of balancing growth, income, and portfolio risk. The portfolio provides balanced exposure across growth, value, infrastructure, international and emerging market equities and fixed income securities. The result is a diversified portfolio that seeks to pay a higher than benchmark income while seeking growth at a reasonable risk level. The portfolio’s strategic asset allocation is generally reviewed and adjusted on an annual basis.

Risks include but are not limited to: Asset Allocation; Blend Style Investing; Credit; Cybersecurity Risks; Developing and Emerging Market Countries; Equity Securities; Extension; High-Yield Debt Securities; Inflation; Infrastructure, Energy and Power-Related Companies; Interest Rate; Investing in Funds; Investing in Underlying Funds; LIBOR Transition; Liquidity; Management; Market; Non-Diversification; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; Small and Midsize Capitalization Companies; Tracking Error and ETF Management Risk; Valuation Risk. See “Investment Risks” below for explanations of these risks.

Franklin Templeton Low Volatility High Dividend Equity

The Franklin Templeton Low Volatility High Dividend Equity strategy uses a “passive” or indexing investment approach to achieve its investment objective. The strategy is designed to track the investment results of a particular index which seeks to provide more stable income through investments in stocks of profitable companies with relatively high dividend yields and lower price and earnings volatility. The index is based on a proprietary methodology created and sponsored by FAV. Stocks in the index must have demonstrated profitability over the last four fiscal quarters as a whole. Stocks whose yields are not supported by earnings are excluded from the index. The index’s components are reconstituted annually and rebalanced quarterly. The index is designed to provide a strong yield component while seeking to achieve superior risk-adjusted returns versus the market.

Risks include but are not limited to: Asset Allocation; Concentration; Consumer Discretionary Companies; Cybersecurity Risks; Derivative Instruments; Dividend-Oriented Companies; Equity Securities; Highly Volatile Markets; Index-Related; Investing in Underlying Funds; Liquidity; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; REITs; Risk of Loss; Small and Midsize Capitalization Companies; Valuation Risk. See “Investment Risks” below for explanations of these risks.

Franklin Templeton Multi-Manager HNW ESG Equity Portfolio

The Franklin Templeton Multi-Manager HNW ESG Equity Portfolio is a diversified equity portfolio which allocates to an optimized combination of actively managed ESG-focused SMAs. The Portfolio provides balanced exposure across growth, value, international and emerging market equities. The result is a complementary portfolio of diversified equities emphasizing ESG

investment criteria. The Portfolio's strategic asset allocation is generally reviewed and adjusted on an annual basis.

Risks include but are not limited to: Asset Allocation; Blend Style Investing; Cybersecurity Risks; Developing and Emerging Market Countries; Equity Securities; ESG Investing Risk; Management; Market; Multi-Manager Risk; Non-Diversification; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies. See "Investment Risks" below for explanations of these risks.

Franklin Templeton Multi-Manager HNW Portfolio

The Franklin Templeton Multi-Manager HNW Portfolios are a suite of asset allocation models that offer five risk-based multi-asset Portfolios that seek to produce portfolio returns in-line with their stated risk and return objectives by investing in SMAs, mutual funds, and ETFs. The five risk-based models utilize actively managed strategies with equity and fixed income levels ranging between 0% and 90%. The Portfolios also include a 10% allocation to strategies categorized as liquid alternative investments. The portfolios provide investors exposure to a diversified range of assets and factors including equity value, equity growth, low-volatility equity, equity dividends, international equity, emerging markets equity, credit, and interest rate duration. The Portfolios' strategic asset allocation is generally reviewed and adjusted on an annual basis.

Risk Level	Franklin Templeton Multi-Manager HNW Portfolios
90/0/10	Generally targets 90% equity exposure
80/10/10	Generally targets 80% equity exposure
70/20/10	Generally targets 70% equity exposure
60/30/10	Generally targets 60% equity exposure
50/40/10	Generally targets 50% equity exposure

Risks include but are not limited to: Asset Allocation; Blend Style Investing; Credit; Cybersecurity Risks; Developing and Emerging Market Countries; Equity Securities; Extension; Investing in Funds; Investing in Underlying Funds; Inflation; Interest Rate; LIBOR Transition; Management; Market; Multi-Manager Risk; Non-Diversification; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; Small and Midsize Capitalization Companies; Tracking Error and ETF Management Risk. See "Investment Risks" below for explanations of these risks.

Franklin Templeton Strategic Real Return

The Franklin Templeton Strategic Real Return SMA strategy combines tactical asset allocation and a broad range of asset classes to seek to hedge against increases in U.S. inflation and achieve long-term real return. The strategy allocates its assets among mutual funds and ETFs that the Fund's adviser believes generally complement each other and have various inflation-hedging qualities as determined by FAV. The portfolio's strategic asset allocation is generally reviewed and adjusted on an annual basis.

Risks include but are not limited to: Asset Allocation; Concentration; Credit; Cybersecurity Risks; Derivative Instruments; Developing and Emerging Market Countries; Equity Securities; Extension; High-Yield Debt Securities; Interest Rate; Investing in Funds; Leverage; Liquidity; Management; Market; Multi-Manager Risk; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Quantitative Model Risk; REITs; Risk of Loss; Short Selling Risk; Small and Midsize Capitalization Companies; Tracking Error and ETF Management Risk; Valuation Risk. See "Investment Risks" below for explanations of these risks.

Franklin U.S. Focused Growth

Franklin U.S. Focused Growth seeks capital appreciation by investing in a concentrated portfolio of equity securities. The strategy seeks high-quality companies that the investment team considers to be poised for revenue, earnings or asset growth, and whose valuations do not fully reflect their long-term growth potential relative to business and financial risks.

Risks include but are not limited to: Concentration; Cybersecurity Risks; Equity Securities; Growth Style Investing; Management; Market; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies. See "Investment Risks" below for explanations of these risks.

Franklin U.S. Government Ladders

The investment management team manages portfolios composed of laddered U.S. Government securities. FAV seeks to provide current income with principal stability. At least every other year in the ladder will have a bond position with a corresponding maturity in that year for the complete maturity range of the strategy. The bond ladders seek to deliver current income with principal stability from a portfolio of securities with laddered maturities. The strategy invests in high-quality U.S. Treasury and U.S. Agency securities. Currently, 1-5 year, 1-10 year, and 5-20 year maturity ranges are available in this strategy.

Risks include but are not limited to: Concentration; Cybersecurity Risks; Debt Securities; Extension; Inflation; Interest Rate; LIBOR Transition; Liquidity; Management; Market; Outbreaks, Pandemics and Other Public Health Issues; Prepayment; Risk of Loss; Valuation Risk. See "Investment Risks" below for explanations of these risks.

Templeton Emerging Markets

The Templeton Emerging Markets strategy seeks long-term capital appreciation by investing primarily in equities of companies in emerging markets. The strategy may also invest in companies that trade in emerging markets, or that trade elsewhere in the world and earn at least 50% of their revenue from production or sales in emerging markets.

Risks include but are not limited to: Blend Style Investing; China Companies; Concentration; Cybersecurity Risks; Depositary Receipts; Developing and Emerging Market Countries; Equity Securities; ESG Investing Risk; Frontier Market Countries; Highly Volatile Markets; Index-Related; Infrastructure, Energy and Power-Related Companies; Liquidity; Management; Market; Non-Diversification; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies; Valuation Risk. See "Investment Risks" below for explanations of these risks.

Templeton Foreign ADR Only

The strategy employs a non-U.S. equity investment objective and accounts may only invest in foreign securities in the form of American Depository Receipts and foreign stocks traded in U.S. markets. For purposes of the portfolio's investments, foreign securities means those securities issued by companies: (i) whose principal securities trading markets are outside the U.S.; (ii) that derive 50% or more of their total revenue from either goods or services produced or sales made in markets outside the U.S.; (iii) that have 50% or more of their assets outside the U.S.; (iv) that are linked to non-U.S. Dollar currencies; or (v) that are organized under the laws of, or with principal offices in, a country other than the United States.

Risks include but are not limited to: Cybersecurity Risks; Depositary Receipts; Developing and Emerging Market Countries; Equity Securities; Index-Related; Infrastructure, Energy and Power-Related Companies; Liquidity; Management; Market; Non-Diversification; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies; Valuation Risk; Value Style Investing. See "Investment Risks" below for explanations of these risks.

Templeton Global ADR Equity

The strategy seeks long-term capital growth by investing in the equity securities of companies located anywhere in the world, including emerging markets. In Templeton Global ADR Only portfolios, for investments outside of the U.S. the portfolio managers will only invest in American Depository Receipts. In Templeton Global ORD portfolios, for investments outside of the United States, the portfolio managers will primarily invest in American Depository Receipts, but may also invest in U.S.-traded ordinary shares.

Risks include but are not limited to: Cybersecurity Risks; Depositary Receipts; Developing and Emerging Market Countries; Equity Securities; Index-Related; Infrastructure, Energy and Power-Related Companies; Liquidity; Management; Market; Non-Diversification; Non-U.S. Securities;

Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies; Valuation Risk; Value Style Investing. See "Investment Risks" below for explanations of these risks.

Templeton International Climate Change

The strategy seeks to contribute towards climate change mitigation and adaptation, while seeking capital appreciation, by investing in equity securities of companies that provide solutions for the mitigation and/or adaptation of climate change risk or which are in the process of making their business models more resilient to long-term risks presented by climate change and resource depletion.

Risks include but are not limited to: Cybersecurity Risks; Depositary Receipts; Developing and Emerging Market Countries; Equity Securities; ESG Investing Risk; Index-Related; Infrastructure, Energy and Power-Related Companies; Liquidity; Management; Market; Non-Diversification; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies; Valuation Risk; Value Style Investing. See "Investment Risks" below for explanations of these risks.

Templeton International ADR Equity

The strategy seeks long-term capital growth by investing in the equity securities of companies outside the United States, including emerging markets. For investments outside of the United States the portfolio managers will primarily invest in American Depository Receipts, but may also invest in U.S.-traded ordinary shares. In Templeton International ADR Only portfolios, for investments outside of the United States the portfolio managers will only invest in American Depository Receipts. In Templeton International ORD portfolios, for investments outside of the United States, the portfolio managers will primarily invest in American Depository Receipts, but may also invest in U.S.-traded ordinary shares.

Risks include but are not limited to: Cybersecurity Risks; Depositary Receipts; Developing and Emerging Market Countries; Equity Securities; Index-Related; Infrastructure, Energy and Power-Related Companies; Liquidity; Management; Market; Non-Diversification; Non-U.S. Securities; Outbreaks, Pandemics and Other Public Health Issues; Risk of Loss; Small and Midsize Capitalization Companies; Valuation Risk; Value Style Investing. See "Investment Risks" below for explanations of these risks.

INVESTMENT RISKS

Particular investment strategies or investments in different types of securities or other investments involve specific risks, including risk of loss, that clients should be prepared to bear. The risks involved, and their degree of significance, for different Accounts will vary based on each Account's investment strategy and the type of securities or other investments held in the Account. The following is a list of certain of the material risks, listed alphabetically, related to the significant investment strategies used by the Advisers for their SMA Program clients, and, with respect to Manager-of-Managers arrangements, by the underlying managers. Not all possible risks are described below.

Asset Allocation – The Advisers' ability to achieve their investment goal may depend upon their skill in determining a portfolio's asset allocation mix and/or selecting sub-advisers. There is the possibility that the Advisers' evaluations and assumptions regarding asset classes and the selected sub-advisers will not be successful in view of actual market trends.

Blend Style Investing – A "blend" strategy results in investments in both growth and value stocks, or in stocks with characteristics of both. Growth stock prices reflect projections of future earnings or revenues and can fall dramatically if the company fails to meet those projections. With respect to value stocks, if other investors fail to recognize the company's value, or favor investing in faster-growing companies, value stocks may not increase in value as anticipated by the Adviser or may decline even further.

China Companies – Certain investments in Chinese companies may be made through a special structure known as a VIE. In a VIE structure, foreign investors will only own stock in a shell company rather than directly in the VIE, which must be owned by Chinese nationals (and/or Chinese companies) to obtain the licenses and/or assets required to operate in a restricted or

prohibited sector in China. The value of the shell company is derived from its ability to consolidate the VIE into its financials pursuant to contractual arrangements that allow the shell company to exert a degree of control over, and obtain economic benefits arising from, the VIE without formal legal ownership. While VIEs are a longstanding industry practice and are well known by Chinese officials and regulators, the structure historically has not been formally recognized under Chinese law and it is uncertain whether Chinese officials or regulators will withdraw their implicit acceptance of the structure. It is also uncertain whether the contractual arrangements, which may be subject to conflicts of interest between the legal owners of the VIE and foreign investors, would be enforced by Chinese courts or arbitration bodies. Prohibitions of these structures by the Chinese government, or the inability to enforce such contracts, from which the shell company derives its value, would likely cause the VIE-structured holding(s) to suffer significant, detrimental, and possibly permanent losses, and in turn, adversely affect an Account's returns and net asset value.

Concentration – Concentrating investments in a particular country, region, market, industry or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting that country, region, market, industry or asset class. A portfolio concentrating in a single state or jurisdiction is subject to greater risk of adverse economic, market, political or social conditions and regulatory changes than a portfolio with broader geographical diversification. Similarly, in the event of economic or political turmoil or a deterioration of diplomatic relations in a region or country where a substantial portion of an Account's assets are invested, the portfolio may experience substantial illiquidity or reduction in the value its investments. Moreover, adverse conditions in a certain region, country, market or industry can adversely affect securities of issuers in other regions, countries, markets or industries whose economies appear to be unrelated. Accounts that specialize in investing in a particular industry or region of the world may be required to continue to invest in a particular industry or geographic area even if it is performing poorly.

Consumer Discretionary Companies – Companies in the consumer discretionary sector could be affected by, among other things, overall economic conditions, interest rates, consumer confidence, and disposable income.

Credit – An issuer of debt securities may fail to make interest payments and repay principal when due, in whole or in part. Changes in an issuer's financial strength, the market's perception of the issuer's financial strength or in an issuer's securities' or a government's credit rating may affect a security's value. While some securities are backed by the full faith and credit of the U.S. government or other issuing government, guarantees of principal and interest do not apply to market values or yields. Substantial losses may be incurred on debt securities that are inaccurately perceived to present a different amount of credit risk by the market, the Advisers or the rating agencies than such securities actually do. The Advisers may make investments in high-yield debt securities (including loans) and unrated securities of similar credit quality that involve greater risk of a complete loss of the investment, or delays of interest and principal payments, than higher-quality debt securities.

Cybersecurity Risks – The Advisers, service providers to the Accounts and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Accounts and their investors, despite the efforts of the Adviser and the Accounts' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Accounts and their investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Advisers, the Accounts' service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Advisers' systems to disclose sensitive information in order to gain access to the Advisers' data or that of their clients. A successful penetration or circumvention of the security of the Advisers' systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Accounts, the Advisers or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss, among others. In addition, the Advisers may incur substantial costs related to forensic analysis of the origin and scope of a

cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse investor reaction or litigation. Similar types of operational and technology risks are also present for the companies in which the Accounts invest, which could have material adverse consequences for such companies, and may cause the Accounts' investments to lose value.

Debt Securities – In general, a debt security represents a loan of money to the issuer by the purchaser of the security. A debt security typically has a fixed payment schedule that obligates the issuer to pay interest to the lender and to return the lender's money over a certain time period. Debt securities are all generally subject to interest rate, credit, income and prepayment risks and, like all investments, are subject to liquidity and market risks to varying degrees depending upon the specific terms and type of security. The Advisers attempt to reduce credit and market risk through diversification and ongoing credit analysis of each issuer, as well as by monitoring economic developments, but there can be no assurance that it will be successful at doing so.

Depositary Receipts – Depositary receipts are subject to many of the risks of the underlying securities. The Account could be exposed to the credit risk of the custodian or financial institution, and in cases where the issuer's home country does not have developed financial markets, greater market risk. In addition, the depository institution may not have physical custody of the underlying securities at all times and may charge fees for various services, including forwarding dividends and interest and corporate actions. There may also be delays in receiving dividend and interest payments or in the ability to exercise any shareholder rights. Moreover, there may be an increased possibility of untimely responses to certain corporate actions of the issuer in an unsponsored depositary receipt program. Accordingly, there may be less information available regarding issuers of securities underlying unsponsored programs and there may not be a correlation between this information and the market value of the depositary receipts.

Derivative Instruments – The performance of derivative instruments (such as forwards, options, swaps and futures) depends largely on the performance of an underlying instrument, such as a currency, security, interest rate or index, and such derivatives often have risks similar to their underlying instrument, in addition to other risks. Derivatives involve costs and can create economic leverage in an Account portfolio that may result in significant volatility and cause the Account to participate in losses (as well as enable gains) in an amount that exceeds the initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Other risks include illiquidity, mispricing or improper valuation of the derivative instrument, and imperfect correlation between the value of the derivative and the underlying instrument so that the intended benefits may not be realized. Their successful use will usually depend on the Advisers' ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments, move in an unexpected manner, especially in unusual or extreme market conditions, the Account may not realize the anticipated benefits of the transaction and it may realize losses, which could be significant. If the Advisers are not successful in using such derivative instruments, the Account's performance may be worse than if the Advisers had not used such derivative instruments at all. When a derivative is used for hedging, the change in value of the derivative may also not correlate specifically with the currency, security, interest rate, index or other risk being hedged. There is also the risk, especially under extreme market conditions, that an instrument, which usually would operate as a hedge, provides no hedging benefits at all. In addition, there is the risk that a counterparty will not settle a transaction in accordance with its terms for reasons such as the counterparty has a credit or liquidity problem. This risk is heightened if the Account buys and sells derivative instruments in over-the-counter markets.

Developing and Emerging Market Countries – The Advisers may cause an Account to directly or indirectly make investments in developing and emerging market countries. These investments are subject to all of the risks of investing in non-U.S. securities generally (see the "Non-U.S. Securities" risk below), and have additional heightened risks due to a lack of established legal, political, business and social frameworks to support securities markets, including: less social, political and economic stability; delays in settling portfolio securities transactions; less transparent and established taxation policies; currency and capital controls; greater sensitivity to interest rate changes; pervasiveness of corruption and crime; less developed regulatory or legal structures; currency exchange rate volatility; trade disputes; and inflation, deflation or currency devaluation. Also, many developing and emerging market countries have a high dependence on a small group

of markets or even a single market. In addition, the existing governments in the relevant countries could take actions that could negatively impact such investments, including nationalization, expropriation, imposition of confiscatory taxation or regulation or imposition of withholding taxes. The economies of many of the developing and emerging market countries are still in the early stages of modern development and are subject to abrupt and unexpected change.

Dividend-Oriented Companies – Companies that have historically paid regular dividends to shareholders may decrease or eliminate dividend payments in the future. A decrease in dividend payments by an issuer may result in a decrease in the value of the issuer's stock and less available income for the portfolio.

Equity Securities – Equity securities represent a proportionate share of the ownership of a company. Their value is based on the success of the company's business and the value of its assets, as well as general market conditions, including changes in economic conditions, growth rates, profits, interest rates, and the market's perception of the company's securities. The purchaser of an equity security typically receives an ownership interest in the company as well as certain voting rights. The owner of an equity security may participate in a company's success through the receipt of dividends, which are distributions of earnings by the company to its owners. Equity security owners may also participate in a company's success or lack of success through increases or decreases in the value of the company's shares.

Equity-Linked Notes – Investments in equity-linked notes ("**ELNs**") often have risks similar to their underlying securities, which could include management risk, market risk and, as applicable, non-U.S. securities and currency risks. In addition, ELNs are in note form and therefore subject to certain debt securities risks, such as interest rate and credit risks. Should the prices of the underlying securities move in an unexpected manner, an Account may not achieve the anticipated benefits of an investment in an ELN, and may realize losses, which could be significant, including the entire principal investment in the ELN. ELNs are also subject to counterparty risk, which is the risk that the issuer of the ELN will default or become bankrupt and fail to repay the principal amount of, or income from, the investment. Investments in ELNs are also subject to liquidity risk, which may make ELNs difficult to sell and value. In addition, ELNs may exhibit price behaviour that does not correlate with the underlying securities or a fixed-income investment.

ESG Investing Risk – An Account or strategy subject to environmental, social, and governance ("**ESG**") policy guidelines and restrictions could underperform Accounts invested in a similar strategy without the same restrictions because the ESG guidelines may require the Adviser to avoid or liquidate a well-performing security because it does not meet the ESG criteria. The criteria related to an Account's ESG methodology may result in the Account foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, or selling securities for ESG reasons when it might be otherwise disadvantageous for it to do so. An Account's application of ESG-related considerations may affect the portfolio's exposure to certain issuers, industries, sectors or other characteristics and may impact the relative performance of the portfolio – positively or negatively – depending on the relative performance of such investments. Views on what constitutes "ESG investing," and therefore what investments are appropriate for an Account that has an ESG investment approach, may differ among investment advisers and investors. In evaluating an issuer, the Advisers are dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause the Advisers to incorrectly assess an issuer's business practices with respect to ESG practices. Socially responsible norms differ by region, and an issuer's ESG practices or the Advisers' assessment of an issuer's ESG practices may change over time.

Extension – Some debt securities, particularly mortgage-backed securities, are subject to the risk that the debt security's effective maturity is extended because calls or prepayments are less or slower than anticipated, particularly when interest rates rise. When that occurs, the effective maturity date of the Account's investment may be extended, resulting in an increase in interest rate sensitivity to that of a longer-term instrument. Such extension may also effectively lock-in a below market interest rate and reduce the value of the debt security.

Frontier Market Countries – Frontier market countries generally have smaller economies and even less developed capital markets than traditional developing markets, and, as a result, the risks of investing in developing market countries are magnified in frontier market countries. The magnification of risks is the result of: potential for extreme price volatility and illiquidity in frontier

markets; government ownership or control of parts of the private sector and of certain companies; trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the frontier market countries or their trading partners; and the relatively new and unsettled securities laws in many frontier market countries.

Growth Style Investing – Growth stock prices reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails to meet those projections. Prices of these companies' securities may be more volatile than other securities, particularly over the short term.

Healthcare Companies – The activities of healthcare companies may be funded or subsidized by federal and state governments. If government funding and subsidies are reduced or discontinued, the profitability of these companies could be adversely affected. Healthcare companies may also be affected by government policies on healthcare reimbursements, regulatory approval for new drugs and medical products, and similar matters. They are also subject to the risks associated with the reform of the healthcare system through legislation.

High-Yield Debt Securities – Issuers of lower-rated or high-yield debt securities (including loans) and unrated securities of similar credit quality ("high-yield debt instruments" or "junk bonds") are not as strong financially as those issuing higher credit quality debt securities. These issuers are more likely to encounter financial difficulties because they may be more highly leveraged, or because of other considerations. In addition, high yield debt securities generally are more vulnerable to changes in the relevant economy, such as a recession or a sustained period of rising interest rates, that could affect their ability to make interest and principal payments when due. The prices of high-yield debt instruments generally fluctuate more than higher-quality securities. High-yield debt instruments are generally more illiquid (harder to sell) and harder to value. Less public information and independent credit analysis are typically available about high-yield debt securities, and therefore they may be subject to greater risk of default.

Highly Volatile Markets – The prices of securities and derivative instruments, including futures and options prices, may be highly volatile. Price movements of securities, forward contracts, futures contracts, and other derivative contracts in which Accounts may directly or indirectly invest are influenced by, among other things: interest rates; changing supply and demand relationships; trade, fiscal, monetary, regulatory and exchange control programs and policies of governments; and U.S. and international political and economic events and policies. In addition, governments from time to time intervene, directly and/or by regulation, in certain markets, particularly those in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Accounts also are subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses.

Illiquidity of Underlying Funds – The underlying funds in which a Fund of Funds will invest generally will not be registered as investment companies and interests therein are subject to legal or other restrictions on transfer. It may be impossible for the Advisers to redeem Fund of Funds' interests in such underlying funds when desired or to realize their fair value in the event of such redemptions. Certain underlying funds may permit redemptions only on a semi-annual, annual, or less frequent basis or be subject to "lock-ups" (where investors are prohibited from redeeming their capital for a specified period following investment in such fund) and/or "gates" (where redemption at any given redemption date is restricted to a specified percentage of such underlying fund's assets). In addition, underlying funds are typically able to suspend redemptions by their investors under a variety of circumstances. Further, some underlying funds may limit or suspend redemptions with respect to "side pocket" investments (where an underlying fund classifies a particular investment as "illiquid" or "designated" and investors generally cannot receive their allocable share until such investment is liquidated or otherwise realized). Each such investment will be accounted for by such underlying fund separately from all such fund's other investments and will generally be carried at cost until liquidated or marked-to-market. Illiquidity in underlying funds may affect the ability of a Fund of Funds to make redemptions of its investors' interests or shares.

Income – Distributions from an Account may decline when prevailing interest rates fall, when the Account experiences defaults on debt securities it holds or when the Account realizes a loss upon the sale of a debt security. An Account's income generally declines during periods of falling benchmark interest rates because the Account must reinvest the proceeds it receives from existing

investments (upon their maturity, prepayment, amortization, sale, call, or buy-back) at a lower rate of interest or return.

Index-Related – There is no assurance that the underlying index for certain ETFs will be determined, composed or calculated accurately. Such underlying index generally relies on various sources of information to assess the criteria of issuers included in such underlying index, including information that may be based on assumptions and estimates. The Adviser cannot ensure that such underlying index's calculation methodology or sources of information will provide an accurate assessment of included issuers or that the included issuers will provide the market exposure the Adviser seeks. In addition, certain underlying indexes rely on the multi-factor stock selection processes of the underlying index's third-party owner, which the Adviser cannot ensure will enhance performance, and may even detract from performance in some market environments, perhaps for extended periods. Gains, losses or costs to an Account caused by errors in the underlying index may therefore be borne by the client.

Industrials Companies The stock prices of companies in the industrials sector are affected by supply and demand both for their specific product or service and for industrials sector products in general. Companies in the industrials sector may be adversely affected by changes in government regulation, world events and economic conditions. In addition, these companies are at risk for environmental damage and product liability claims. Companies in this sector could be adversely affected by commodity price volatility, changes in exchange rates, imposition of export or import controls, increased competition, depletion of resources, technological developments and labor relations.

Inflation – The market price of debt securities generally falls as inflation increases because the purchasing power of the future income and repaid principal is expected to be worth less when received. Debt securities that pay a fixed rather than variable interest rate are especially vulnerable to inflation risk because variable-rate debt securities may be able to participate, over the long term, in rising interest rates which have historically corresponded with long-term inflationary trends.

Infrastructure, Energy and Power-Related Companies – Infrastructure, energy and power-related companies may be subject to a variety of factors that may adversely affect their business or operations, including high interest costs in connection with capital construction programs, high leverage, costs associated with environmental and other regulations, the effects of economic slowdown, surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors. Other factors that may affect the operations of infrastructure, energy and power-related companies include difficulty in raising capital in adequate amounts on reasonable terms in periods of high inflation and unsettled capital markets, inexperience with and potential losses resulting from a developing deregulatory environment, increased susceptibility to terrorist acts or political actions, and general changes in market sentiment towards infrastructure, energy and/or power assets.

Interest Rate – When interest rates rise, debt security prices generally fall. The opposite is also generally true: debt security prices rise when interest rates fall. Interest rate changes on the whole are influenced by a number of factors including government policy, monetary policy, inflation expectations, perceptions of risk, and supply of and demand for bonds. In general, securities with longer maturities are more sensitive to these interest rate changes. A rise in interest rates also has the potential to cause investors to rapidly sell fixed income securities. A substantial increase in interest rates may also have an adverse impact on the liquidity of a debt security, especially those with longer maturities or durations. Securities with longer maturities or durations or lower coupons or that make little (or no) interest payments before maturity tend to be more sensitive to interest rate changes. During low interest rate environments, the risk that interest rates will rise is increased. Such increases may expose fixed income markets to heightened volatility and reduced liquidity for certain fixed income investments, particularly those with longer maturities.

Investing in Funds – Certain accounts may invest in shares of funds as part of their core investment strategy or to gain exposure to certain asset classes. Funds are actively or passively managed portfolios that invest in a particular strategy, index, asset class or other objective defined by each fund for a management fee. Investing in funds generally carry the same risks as investing directly in the underlying assets, but carry additional expenses in the form of management fees, distribution fees, brokerage expenses, shareholder service fees and/or other fees and expenses

imposed or incurred by the funds, with a proportionate share borne by investors. Performance will be reduced by these costs and other expenses, which clients typically pay in addition to an Adviser's advisory fees. Additionally, investments in ETFs may trade at a premium or discount to the ETF's net asset value or an ETF may not replicate exactly the performance of the benchmark index it seeks to track.

Investing in Underlying Funds – Certain Private Funds invest primarily in other affiliated or unaffiliated investment vehicles (each a "**Fund of Funds**"). Because the investments made by a Fund of Funds are concentrated in the underlying funds it selects, and the Fund of Funds' performance is directly related to the performance of the underlying funds held by it, the ability of a Fund of Funds to achieve its investment goal is directly related to the ability of the underlying funds to meet their investment goals. In addition, shareholders of a Fund of Funds will indirectly bear the fees and expenses of the underlying funds. Depending on the size of the investment made by a Fund of Funds in an underlying fund and the timing of the redemption of such investment, an underlying fund could be forced to alter its portfolio assets significantly to accommodate a large redemption order. This could negatively impact the performance of the underlying fund as it may have to dispose prematurely of portfolio assets that have not yet reached a desired market value, resulting in a loss to the underlying fund. An underlying fund may engage in frequent trading of its portfolio securities, which may indirectly impact the Fund of Funds' investment performance, particularly through increased brokerage and other transaction costs and taxes. Additionally, when valuing Funds of Funds and other products or accounts which invest in privately placed pooled investment vehicles managed by third-parties or other underlying funds sponsored by third-party managers, the Advisers generally rely on pricing information provided by the private fund or the fund's manager or other service provider. While the Advisers expect that such persons will provide appropriate valuations, certain investments will likely be complex or difficult to value. The Advisers may also perform their own valuation analysis, but generally will not independently assess the accuracy of such valuations. Moreover, the Advisers may be unable to determine whether the underlying fund or its manager is following the investment program described in the underlying fund's offering documents. The investment risks described above are the principal risks of the Fund of Funds and the underlying funds in which it invests.

LIBOR Transition– Certain Accounts will invest in financial instruments that may have floating or variable rate calculations for payment obligations or financing terms based on the London Interbank Offered Rate ("**LIBOR**"), which is the benchmark interest rate at which major global banks lend to one another in the international interbank market for short-term loans. It was originally anticipated that LIBOR would be discontinued by the end of 2021 and would cease to be published after that time. Although many LIBOR rates were phased out at the end of 2021 as originally intended, a selection of widely used USD LIBOR rates will continue to be published until June 2023 in order to assist with the transition. The impact of the discontinuation of LIBOR and the transition to an alternative rate on an Account's portfolio remains uncertain. There can be no guarantee that financial instruments that transition to an alternative reference rate will retain the same value or liquidity as they would otherwise have had.

Liquidity – Liquidity risk exists when the markets for particular securities or types of securities are or become relatively illiquid so that it is or becomes more difficult to sell the security, partially or in full, at the price at which the security was valued. Illiquidity may result from political, economic or issuer-specific events; changes in a specific market's size or structure, including the number of participants; or overall market disruptions. Securities with reduced liquidity or that become illiquid involve greater risk than securities with more liquid markets. Market quotations for illiquid securities may be volatile and/or subject to large spreads between bid and ask prices. Reduced liquidity may have an adverse impact on market price and the ability to sell particular securities when necessary to meet liquidity needs, which may arise or increase in response to a specific economic event or because of a desire to purchase particular investments or a belief that a higher level of liquidity would be advantageous. An investment may become illiquid if the Adviser and its affiliates receive material non-public information about the issuer or the investment. To the extent that a significant portion of an issuer's outstanding securities is held, greater liquidity risk will exist than if the issuer's securities were more widely held.

Management – The investment strategies, techniques and risk analyses employed, while designed to enhance returns, may not produce the desired results. The assessment of a particular security

or assessment of market, interest rate or other trends could be incorrect, which can result in losses (realized and/or unrealized).

Market – The market value of securities or other investments managed by the Advisers will go up and down, sometimes rapidly or unpredictably. Investments may decline in value due to factors that affect an individual issuer (such as the result of supply and demand) or a particular industry or sector. A security's or other investment's market value may also go up and down due to general market activity or other results of supply and demand unrelated to the issuer, such as real or perceived adverse economic conditions, changes in interest rates or exchange rates, or adverse investor sentiment generally. In addition, extraordinary events and their aftermaths, such as epidemics and pandemics; natural, environmental or man-made disasters; financial, political or social disruptions; terrorism and war; and other tragedies or catastrophes, can cause investor fear and panic, which can adversely affect the economies of many companies, sectors, nations, regions and the market in general, in ways that cannot necessarily be foreseen. This is a basic risk associated with all securities. During a general downturn in the markets, multiple asset classes may decline in value. When markets perform well, there can be no assurance that securities or other investments will participate in or otherwise benefit from the advance.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by a portfolio managed by the Advisers.

U.S. and global financial markets and the broader current financial environment have recently been characterized by uncertainty, volatility and instability as a result of global events, including the "financial crisis" of 2008-2009 and the continuing "COVID-19 pandemic." These financial market fluctuations have the tendency to reduce the availability of attractive investment opportunities and may affect the Accounts' ability to make investments and the value of the investments held by the Accounts. There can be no assurance that the market will, in the future, become more liquid than it is at present and it may well be volatile for the foreseeable future. The duration and ultimate effect of recent market conditions and whether such conditions may worsen cannot be predicted and there can be no assurances that conditions in the financial markets will not worsen or adversely affect one or more of an Account's investments.

Merger Arbitrage Securities– A merger or other restructuring, or a tender or exchange offer, proposed or pending at the time a portfolio invests in merger arbitrage securities may not be completed on the terms or within the time frame contemplated, which may result in losses to the Account.

Mortgage Securities – Mortgage securities differ from conventional debt securities because principal is paid back periodically over the life of the security rather than at maturity. Investors may receive unscheduled payments of principal due to voluntary prepayments, refinancings or foreclosures on the underlying mortgage loans. Because of prepayments, mortgage securities may be less effective than some other types of debt securities as a means of "locking in" long-term interest rates and may have less potential for capital appreciation during periods of falling interest rates. A reduction in the anticipated rate of principal prepayments, especially during periods of rising interest rates, may increase or extend the effective maturity of mortgage securities, making them more sensitive to interest rate changes, subject to greater price volatility, and more susceptible than some other debt securities to a decline in market value when interest rates rise.

Multi-Manager Risk – Certain Advisers employ a multi-manager strategy where the Adviser monitors each underlying manager in the arrangement as well as the overall management of the Account. In such arrangements, the Adviser and each underlying manager make investment decisions for Accounts independently from one another. It is possible that the investment styles used by an underlying manager will not always be complementary to those used by other underlying managers, which could adversely affect the performance of the Account. There can be no assurance that the use of a multi-manager approach will not result in losses by certain underlying managers offsetting any profits achieved by others. In addition, underlying managers may, from time to time, compete with the others for the same positions. Conversely, one underlying manager may buy the same securities that another underlying manager sells. Therefore, the client would bear the cost of these trades without accomplishing any investment purpose.

Non-Diversification – Non-diversification of investments means a portfolio may invest a large percentage of its assets in securities issued by or representing a small number of issuers. As a result, the portfolio's performance may depend on the performance of a smaller number of issuers, and it may be more sensitive to a single economic, business, political, regulatory or other occurrence than a more diversified portfolio might be.

Non-U.S. Securities – Directly or indirectly investing in non-U.S. securities typically involves more risks than investing in U.S. securities, and includes risks associated with: (i) political and economic developments – the political, economic and social policies or structures of some countries may be less stable and more volatile than those in the United States, (ii) trading practices – government supervision and regulation of non-U.S. security and currency markets, trading systems and brokers may be less than in the United States, (iii) availability of information – non-U.S. issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers and information may be less timely and/or reliable than information provided by U.S. issuers, (iv) limited markets – the securities of certain non-U.S. issuers may be less liquid (harder to sell) and more volatile, and (v) currency exchange rate fluctuations and policies. In addition, there is risk of unfavorable tax policies, including but not limited to, substantial, punitive or confiscatory tax increases; withholding and other non-U.S. taxes on income (including capital gains or other amounts); taxation on a retroactive basis; sudden or unanticipated changes in non-U.S. tax laws; financial transaction taxes; denial or delay of the realization of tax treaty benefits; and the payment of non-U.S. taxes not available for credit or deduction when passed through to shareholders. Although not typically subject to currency exchange rate risk, depositary receipts may be subject to the same risks as non-U.S. securities generally. The risks of investments outside the United States may be greater in developing countries or emerging market countries. Certain of the foregoing risks also may apply to securities of U.S. companies with significant non-U.S. operations.

Outbreaks, Pandemics and Other Public Health Issues – In general, unexpected local, regional or global events, such as the spread of infectious illnesses or other public health issues and their aftermaths, could have a significant adverse impact on the Advisers' operations (including the ability of the Advisers to find and execute suitable investments) and therefore the Accounts' potential returns. In addition, such infectious illness outbreaks, as well as any restrictive measures implemented to control such outbreaks, could adversely affect the economies of many nations or the entire global economy, the financial condition of individual issuers or companies (including those that are held by, or are counterparties or service providers to, the Accounts) and capital markets in ways that cannot necessarily be foreseen, and such impact could be significant and long term. Moreover, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. If such events occur, an Account's exposure to a number of other risks described elsewhere in this brochure can increase.

For example, an outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and later detected globally, causing the World Health Organization to declare it a pandemic. This coronavirus has caused global distress and market volatility and uncertainty, and it resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations of services, supply chain disruptions, lower consumer demand and disruptions or suspensions of business activities across a wide range of industries (including causing the Advisers and other service providers to certain Accounts to implement business contingency plans). As of the date of this brochure, the long-term economic fallout of COVID-19 is difficult to predict, and the outbreak could adversely affect the Accounts' investments and/or the Advisers' operations.

Prepayment – An issuer of debt securities may make unscheduled prepayments of principal, which means the holder of those debt securities loses anticipated interest. Prepayments generally increase when interest rates fall for fixed-rate investments, and when interest rates rise for floating or variable rate securities.

Quantitative Model Risk – When executing an investment strategy using various proprietary quantitative or investment models, securities or other financial instruments selected can perform differently than expected, or from the market as a whole, as a result of a model's component factors, the weight placed on each factor, changes from the factors' historical trends, and technical issues

in the construction, implementation and maintenance of the models (*e.g.*, data problems, software issues, etc.). A model's assumptions or its data inputs may be inaccurate from the outset or may become inaccurate as a result of many factors, such as changes in market structure, increased government intervention in markets or growth in assets managed in accordance with similar investment strategies. Moreover, the use of computers in collating information or developing and operating a quantitative or investment model does not assure the success of the model because a computer is merely an aid in compiling and organizing trade information. Accordingly, there can be no assurance that a model will achieve its objective.

REITs – The performance of a Real Estate Investment Trust ("**REIT**") depends on the types, values and locations of the properties it owns and how well those properties are managed. A decline in rental income may occur because of extended vacancies, increased competition from other properties, tenants' failure to pay rent or poor management, changes in general and local economic conditions, property taxes and changes in laws related to the use of real estate in certain areas. Because a REIT may be invested in a limited number of projects or in a particular market segment, it may be more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. Loss of status as a qualified REIT under the U.S. federal tax laws could adversely affect the value of a particular REIT or the market for REITs as a whole. In addition, equity REITs are affected by changes in the value of the underlying property owned by the trusts, while mortgage REITs are affected by the quality of the properties to which they have extended credit. Equity and mortgage REITs are dependent upon the REITs management skill. REITs may not be diversified and are subject to the risks of financing projects

Risk of Loss – All investments involve the risk of the loss of capital. No guarantee or representation is made that any Account will achieve its investment objective or avoid losses. The value of a security can go up or down more than the market as a whole and can perform differently from the value of the market as a whole, often due to disappointing earnings reports by an issuer, unsuccessful products or services, loss of major customers, major litigation against the issuer, changes in government regulations affecting the issuer or the competitive environment, or investor sentiment. While each Account has its own investment objectives and strategies, there are risks associated with investing in general.

Small and Midsize Capitalization Companies – Securities issued by small and midsize capitalization companies may be more volatile in price than those of larger capitalization companies and involve substantial risks. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development and limited or less developed product lines and markets. In addition, small and midsize capitalization companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

State and U.S. Territories – Certain Accounts may directly or indirectly invest predominantly in state-specific municipal securities, in which case, events in that specific state are likely to affect the Account's investments and its performance by increasing price volatility, market yield and taxes owed on income earned. These events may include economic or political policy changes, tax base erosion, state constitutional limits on tax increases, budget deficits and other financial difficulties, and changes in the credit ratings assigned to municipal issuers of that state.

Technology Companies – Companies in the technology sector have historically been volatile due to the rapid pace of product change and development within the sector. For example, their products and services may not prove commercially successful or may become obsolete quickly. In addition, delays in or cancellation of the release of anticipated products or services may also affect the price of a technology company's stock. Technology companies are subject to significant competitive pressures, such as new market entrants, aggressive pricing and tight profit margins. The activities of these companies may also be adversely affected by changes in government regulations, worldwide technological developments or investor perception of a company and/or its products or services. The stock prices of companies operating within this sector may be subject to abrupt or erratic movements.

Tracking Error and ETF Management Risk – ETFs trade like stocks, fluctuate in market value and may trade at prices above or below the ETF's net asset value. ETF shares may be bought or sold throughout the day at their market price on the exchange on which they are listed. However,

there can be no guarantee that an active trading market for ETF shares will develop or be maintained, or that their listing will continue or remain unchanged. While the shares of ETFs are tradable on secondary markets, they may not readily trade in all market conditions and may trade at significant discounts due to market forces. Certain ETFs are designed to track a specified market index; however, in some cases an ETF's return may deviate from the specified index. Other ETFs are actively managed and are therefore subject to management risk. Furthermore, unlike traditional open-end funds, investors generally cannot purchase ETF shares from, or redeem ETF shares with, the ETF sponsor. Rather, only specified large blocks of ETF shares called "creation units" can be purchased from, or redeemed with, the ETF sponsor. For more information on any ETF, investors should carefully consider the ETF's investment goals, risks, sales charges and expenses before investing. An ETF's prospectus contains this and other information.

Valuation Risk – An Account may directly or indirectly invest in securities for which reliable market quotations are not available. The process of valuing such securities is based on inherent uncertainties, and the resulting values may differ from values that would have been determined had readily available market quotations been available. As a result, the values placed on such securities by the Advisers may differ from values placed on such securities by other investors or a client's custodian and from prices at which such securities may ultimately be sold. Where appropriate, third-party pricing information, which may be indicative of, or used as an input in determining, fair value may be used, but such information may at times not be available regarding certain assets or, if available, may not be considered reliable. Even if considered reliable, such third-party information might not ultimately reflect the price obtained for that security in a market transaction, which could be higher or lower than the third-party pricing information. In addition, an Account may rely on various third-party sources to calculate its market value. As a result, the Account is subject to certain operational risks associated with reliance on service providers and service providers' data sources.

Value Style Investing – A value stock may not increase in price as anticipated by the Advisers, and may even decline in value, if other investors fail to recognize the company's value and do not become buyers (or they become sellers), the markets favor faster-growing companies, or the factors that the Advisers believe will increase the price of the security do not occur.

Item 9 Disciplinary Information

There are no reportable legal or disciplinary events for FMA, FTILLC, FTIML, TAML, TGAL or TICLLC.

With respect to FAV and FTIC, on July 2, 2020, following an offer of settlement, the SEC entered an order instituting administrative and cease-and-desist proceedings pursuant to Section 9(f) of the 1940 Act and Sections 203(e) and 203(k) of the Advisers Act, making findings, and imposing remedial sanctions and a cease-and-desist order against these Advisers (the "**Order**"). In the Order, the SEC found that at different points during the period of October 2013 to September 2016, these Advisers caused certain Franklin Templeton funds (the "**Subject Funds**") to make investments in certain unaffiliated ETFs (the "**Subject ETFs**") in excess of the limits of Section 12(d)(1) of the 1940 Act. In addition, as to FAV, the SEC found (1) FAV did not implement certain of the Subject Funds' policies and procedures designed to prevent such violations, thereby causing such Subject Funds to violate Rule 38a-1(a) of the 1940 Act; and (3) in determining not to reimburse certain of the Subject Funds for losses that resulted from the corrective sale of one of the Subject ETFs by offsetting gains realized from the corrective sale of the two other Subject ETFs, FAV did not follow its policies and procedures and did not disclose material information to the Subject Funds' board, thereby violating Section 206(2) and Section 206(4) and Rule 206(4)-7 of the Advisers Act. FAV later reported the losses to the relevant Subject Funds' board and fully reimbursed such Subject Funds for the losses, including interest. Neither FAV nor FTIC admitted nor denied the SEC's findings in the Order. For purposes of settlement, both FAV and FTIC consented to the entry of the Order and agreed to pay civil monetary penalties of $250,000 and $75,000, respectively, and FAV received a censure.

Item 10 Other Financial Industry Activities and Affiliations

The Advisers are wholly-owned subsidiaries (whether directly or indirectly) of Franklin Resources, a holding company with its various subsidiaries that operates under the Franklin Templeton and/or subsidiary brand names.

The Advisers have certain business arrangements with related persons/companies that are material to the Advisers' advisory business or to their clients, including those described in this Item 10 ("Other Financial Industry Activities and Affiliations"). In some cases, these business arrangements will, from time to time, create a potential conflict of interest, or appearance of a conflict of interest between the Advisers and a client. Please see Item 4 ("Advisory Business") for additional information on services of affiliates.

Recognized conflicts of interest are discussed in Item 6 ("Performance-Based Fees and Side-By-Side Management") above and Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Trading") and Item 12 ("Brokerage Practices") below.

The Advisers have arrangements with one or more of the following types of related persons that may be considered material to their advisory business or to their clients.

RELATED BROKER-DEALERS

The Advisers are under common control with Franklin Distributors, LLC ("**FD, LLC**"), Royce Fund Services, LLC ("**RFS**"), Clarion Partners Securities, LLC ("**CPS**") and Templeton/Franklin Investment Services, Inc. ("**TFIS**"), all of which are SEC registered broker-dealers and are members of the Financial Industry Regulatory Authority ("**FINRA**"). FD, LLC is also registered with the Commodity Futures Trading Commission ("**CFTC**") as an introducing broker and is a member of the National Futures Association ("**NFA**").

FD, LLC is a limited purpose broker-dealer that serves as an underwriter and distributor for Franklin's U.S. Registered Funds and 529 college savings plans. Furthermore, FD, LLC serves as a placement agent for Franklin affiliated private funds. FD, LLC also serves as broker-dealer of record on certain accounts of Fund shareholders that are held directly with the Fund's transfer agents. FD, LLC registered staff principally engage in wholesaling and marketing activities. FD, LLC does not make recommendations to purchase or sell fund shares to retail investors.

Underwriting and distribution fees are earned primarily by distributing Funds pursuant to distribution agreements between FD, LLC and the Funds. Under each distribution agreement, the Fund's shares are offered and sold on a continuous basis and certain costs associated with underwriting and distributing the Fund's shares may be incurred, including the costs of developing and producing sales literature, shareholder reports and prospectuses.

RFS is the distributor of The Royce Fund and Royce Capital Fund, two open-end U.S. registered management investment companies with 13 separate series between them. RFS is also a wholly-owned subsidiary of Royce & Associates LP, a subsidiary of Franklin Resources, and may provide solicitation and other related services for one or more of Royce's privately offered accounts. RFS does not execute any securities transactions for client portfolios.

CPS is wholly owned by Clarion Partners, LLC, a subsidiary of Franklin Resources ("**Clarion Partners**"), and provides distribution services with respect to the private funds sponsored and advised by Clarion Partners. CPS does not hold client accounts or take in investor monies. CPS does not provide brokerage services in connection with transactions involving securities.

TFIS presently does not provide any services.

In addition, certain of the Advisers' employees are registered representatives of FD, LLC. Please see Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Trading") for a discussion of the associated conflicts.

In addition to the above, certain non-U.S. affiliates of the Advisers act as placement agents with respect to the distribution of certain Private Funds to Private Fund investors outside the United States.

U.S. REGISTERED FUNDS

Certain Advisers serve as investment adviser to one or more U.S. Registered Funds, as noted in Item 7 ("Types of Clients") and as described in such Advisers' Non-SMA Program Brochure.

RELATED SERVICE PROVIDERS TO SMA PROGRAMS

FTPA has engaged LMPPG to act as a service provider to FTPA with respect to certain of the SMA Programs for which the Advisers act as a sub-adviser to FTPA. Under this engagement, LMPPG

provides operational support, portfolio implementation and communication, and model delivery services on behalf of FTPA and the Advisers (the "**Support Services**"). LMPPG has retained Market Street Advisors, Inc., dba "Archer," a company not affiliated with the Advisers, FTPA or LMPPG, to provide some or all of the Support Services as its delegate. In exchange for the Support Services, FTPA pays LMPPG a blended fee depending on the Account's assets under management and Account type (*e.g.*, SMA Program client under an equity strategy, SMA Program client under a fixed income strategy or UMA program client). Such fees are paid by FTPA out of its own resources.

Effective July 1, 2022, each of the Advisers will engage LMPPG as a service provider to each Adviser with respect to the SMA Programs for which the Adviser acts as a sub-adviser to LMPPG. Under this engagement, LMPPG provides Support Services and has retained Archer to provide some or all of the Support Services as its delegate. In exchange for the Support Services, each Adviser pays LMPPG a blended fee depending on the Account's assets under management and Account type (*e.g.,* SMA Program client under an equity strategy, SMA Program client under a fixed income strategy or UMA program client). Such fees are paid by each Adviser out of its own resources.

RELATED INVESTMENT ADVISERS

The Advisers will, under certain circumstances, enter into a sub-advisory arrangement with, or refer a client to, an investment adviser affiliate, including from time to time another Adviser, capable of meeting the client's specific investment needs. One or more of these affiliated investment advisers may be serving as a commodity trading advisor ("**CTA**") and/or a commodity pool operator ("**CPO**") that is either registered or exempt from registration with the CFTC. The Advisers as well as other investment adviser affiliates are affiliated with each other through the common control of Franklin Resources, and certain of these advisory entities share certain supervised persons, portfolio management personnel and investment research with each other.

The Advisers will, from time to time, use the services of appropriate personnel of one or more of their affiliates for investment advice, portfolio execution and trading, and client servicing in their local or regional markets or their areas of special expertise, except to the extent restricted by the client or pursuant to its investment management agreement, or inconsistent with applicable law. In carrying out the requested services for an Adviser, portfolio management personnel of the Adviser's affiliates will, from time to time, recommend to, or invest on behalf of, the affiliates' clients in securities that are the subject of recommendations to, or discretionary trading on behalf of, the Adviser's clients. Arrangements among affiliates take a variety of forms, including delegation arrangements, formal sub-advisory agreements or servicing agreements. In these circumstances, the client with whom an Adviser has executed the investment management agreement will typically require that the Adviser remain fully responsible for the Account from a legal and contractual perspective. No additional fees are charged for the affiliates' services except as disclosed in the investment management agreement or Fund offering documents. These relationships will, from time to time, present potential conflicts of interest relating to the Advisers' activities. Please see Item 6 ("Performance-Based Fees and Side-By-Side Management") and Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Trading") for additional information.

PRIVATE FUNDS

For the Advisers who manage Private Funds, these funds are typically structured as U.S. and/or non-U.S. limited partnerships, limited liability companies, collective investment trusts and/or exempted companies in order to meet the legal, regulatory and tax demands of Private Fund investors. An Adviser or an affiliate thereof typically acts as general partner, managing member, trustee, investment manager and/or otherwise exercises investment discretion with respect to these Private Funds in which investors are solicited to invest. Entities affiliated with the Advisers will also, from time to time, invest in and/or provide services other than advice (including, but not limited to, administration, organizing and managing business affairs, executing and reconciling trades, preparing financial statements and providing audit support, preparing tax-related schedules or documents, legal support, sales and investor relations support, diligence and valuation services) to such Private Funds, in some cases for a fee separate and apart from the advisory fee. Franklin Templeton's personnel, including employees of the Advisers' affiliates, usually also serve on the board of directors of certain Private Funds. A Private Fund (other than those organized as a

collective investment trust) will typically pay or reimburse the Advisers or their affiliates for certain organizational and initial offering expenses related to the Private Fund. Further information can be found in the private placement memorandum or other offering documents for each Private Fund.

CFTC Registrations

With respect to FMA, FTIC, FTILLC, FTIML, TAML, TGAL and TICLLC, the derivatives used by these Advisers will often include certain financial derivatives deemed by the CFTC to be "commodity interests," such as futures, options on futures, swaps and certain foreign exchange contracts. The Advisers listed in the preceding sentence are not registered with the CFTC as a CTA, based on their determination that they may rely on certain exemptions from registration provided by the Commodity Exchange Act ("**CEA**") and the rules thereunder. The CFTC has not passed upon the availability of these exemptions to these Advisers.

Certain of the U.S. Registered Funds and, if applicable, Private Funds managed by these Advisers are commodity pools for which the applicable Adviser is the CPO. As the CPO for certain U.S. Registered Funds, such Adviser is excluded from having to register as a CPO with the CFTC and the related requirements, pursuant to Rule 4.5 under the CEA or other provisions under the CEA and the rules of the CFTC. When acting as CPO for certain Private Funds, where applicable, such Adviser is exempt from registration and related requirements pursuant to CEA Rule 4.13(a)(3) or other provisions under the CEA and the rules of the CFTC.

With respect to FAV, it is a member of the NFA and is registered with the CFTC as a CTA. However, FAV is generally exempt from the CFTC's disclosure and recordkeeping requirements applicable to registered CTAs under various exemptions on which it relies, including, but not limited to, CFTC Rule 4.7.

Certain of the U.S. Registered Funds and Private Funds managed by FAV are commodity pools for which FAV is the CPO. As the CPO for certain U.S. Registered Funds, FAV is either (i) registered as a CPO with the CFTC, but exempt from certain reporting and disclosure requirements pursuant to Rule 4.12(c) under the CEA, or (ii) excluded from the need to register and the related requirements, pursuant to Rule 4.5 under the CEA or other provisions under the CEA and the rules of the CFTC. As the CPO for certain Private Funds, FAV is either (i) registered as a CPO, but exempt from certain reporting, recordkeeping and disclosure requirements pursuant to Rule 4.7 under the CEA or (ii) exempt from the need to register and related requirements pursuant to CEA Rule 4.13(a)(3) or other provisions under the CEA and the rules of the CFTC. FAV's activities as a CPO or a CTA enable FAV to use commodities as part of certain Private Funds' and Registered Funds' investment strategies and do not pose a conflict with FAV's investment advisory business.

In addition, certain of FAV's and FTILLC's management persons have also registered as associated persons of FAV to the extent necessary or appropriate to perform their responsibilities, and/or as associated persons of an affiliated entity that is registered with the CFTC as a CPO and/or a CTA.

AFFILIATED CUSTODIAN

From time to time a client's Account will use the Advisers' affiliate, Fiduciary Trust Company International ("**FTCI**"), to provide custodial services to the client in connection with the Advisers' management of such Account. When a client chooses to use FTCI as its custodian, FTCI will charge fees to the client for its custodial services; however, the Advisers do not receive any fees or compensation in connection with its recommendation or the client's use of FTCI's services.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS OF FAV

Related Broker-Dealers

One or more of FAV's management persons are registered with FINRA as a registered representative of an affiliated broker-dealer of FAV.

Manager-of-Managers Arrangements

FAV offers Manager-of-Managers arrangements to certain Accounts. There are circumstances in such arrangements where FAV has a conflict of interest to recommend that more assets be allocated to a Sleeve managed by itself or an affiliate, or to allocate to Sleeves with higher fees, because FAV or such affiliate would receive additional compensation. Please see Item 5 ("Fees

and Compensation – Other Fees and Expenses – Other Fees and Expenses Related to FAV - Underlying Manager Fees and Transition-Related Costs In Manager-Of-Managers Arrangements") for more information regarding fees charged in Manager-of-Managers arrangements.

FAV addresses such conflicts of interest in several ways. First, the asset allocation and Underlying Manager selection and retention advice provided by FAV is based on a combination of quantitative and fundamental and market-related investment analyses. Additionally, any asset allocation decisions are subject to any guidelines established between FAV and the client for the Account (e.g., target asset allocations, allocation bands, or limitations on the aggregate investments that may be made in Funds or Sleeves managed by FAV or its affiliates). Likewise, FAV's asset allocation and fund/manager selection is subject to specific quantitative and qualitative criteria and/or the review and oversight of the client or its designee and may be subject to the prior approval of the client (in the case of a non-discretionary client relationship). In addition to the foregoing, FAV seeks to act in accordance with its fiduciary obligations to each client when making allocation recommendations.

Proprietary Index Methodologies and Self-Indexing Funds

From time to time FAV will develop an index using a proprietary methodology. With respect to certain Affiliated Funds that seek to track the investment results of one or more of such indices (each a "**Self-Indexing Fund**"), FAV's activities relating to the development of, and any subsequent changes to, these underlying indices could raise concerns regarding the potential ability of FAV to manipulate the underlying indices to the benefit or detriment of the Self-Indexing Funds or other Affiliated Funds. FAV further recognizes the potential for conflicts of interest that arise for FAV and certain of its personnel who have access to, or knowledge of, changes to an underlying index's composition methodology or the constituent securities in an underlying index prior to the time that the holdings of the Self-Indexing Funds are publicly disseminated. This information could be deemed material, non-public information. FAV believes that protections under the 1940 Act, its Code of Ethics and FAV's policies and procedures, including applicable "firewall" procedures, help to mitigate these potential conflicts of interest. Please see Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Trading") for additional information regarding the Code of Ethics for FAV and the other Advisers.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS OF FTILLC

Related Broker-Dealers

One or more of FTILLC's management persons are registered with FINRA as a registered representative of an affiliated broker-dealer of FTILLC.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

CODE OF ETHICS SUMMARY

Franklin Resources has adopted the Franklin Resources Code of Ethics and Business Conduct (the "**Code of Ethics**"), which is applicable to all officers, directors, and employees of Franklin Resources and its U.S. and non-U.S. subsidiaries and affiliates, including the Advisers. The Advisers are also subject to the Franklin Templeton Personal Investments and Insider Trading Policy (the "**Personal Investments Policy**"), which serves as a code of ethics adopted by Franklin Templeton pursuant to Rule 204A-1 under the Advisers Act and Rule 17j-1 of the 1940 Act. A brief description of the main provisions of the Personal Investments Policy follows.

The Personal Investments Policy states that the interests of the Advisers' clients are paramount and come before any employee. All Covered Employees (as defined below) are required to conduct themselves in a lawful, honest and ethical manner in their business practices and to maintain an environment that fosters fairness, respect and integrity.

"**Covered Employees**" include the Advisers' partners, officers, directors (or other persons occupying a similar status or performing similar functions), and employees, as well as any other person who provides advice on behalf of the Advisers and are subject to the supervision and control of the Advisers. The personal investment activities of Covered Employees must be conducted in a manner that avoids actual or potential conflicts of interest with the clients of the Advisers. Covered

Employees are required to use their positions with the Advisers and any investment opportunities they learn of because of their positions with the Advisers in a manner consistent with their fiduciary duties to use such opportunities and information for the benefit of the Advisers' clients and with applicable laws, rules and regulations. In addition, the Personal Investments Policy states that information concerning the security holdings and financial circumstances of the Advisers' clients is confidential and Covered Employees are required to safeguard this information.

Additionally, Access Persons, a subset of Covered Employees, are required to provide certain periodic reports on their personal securities transactions and holdings. "**Access Persons**" are those persons who have access to non-public information regarding the securities transactions of the Advisers' funds or clients; are involved in making securities recommendations to clients; have access to securities recommendations that are non-public; or have access to non-public information regarding the portfolio holdings of funds for which an Adviser serves as an investment adviser or a sub-adviser or any fund whose investment adviser or principal underwriter controls an Adviser, is controlled by an Adviser or is under common control with an Adviser. The Advisers' Access Persons must obtain pre-clearance from the Compliance Department before buying or selling any security (other than those not requiring pre-clearance under the Personal Investments Policy). The Personal Investments Policy also requires pre-clearance before investing in a private investment or purchasing securities in a limited offering. The Personal Investments Policy generally prohibits Access Persons from investing in initial public offerings ("**IPOs**"); however, such investments may be permissible in certain circumstances or jurisdictions with prior approval from the Compliance Department.

To avoid actual or potential conflicts of interest with the Advisers' clients, certain transactions and practices are prohibited by the Personal Investments Policy. These include: front-running, trading parallel to a client, trading against a client, using proprietary information for personal transactions, market timing, and short selling Franklin Resources stock and the securities of Franklin Templeton closed-end funds.

The Personal Investments Policy requires prompt internal reporting of suspected and actual violations of the Personal Investments Policy. In addition, violations of the Personal Investments Policy are referred to the Director of Global Compliance and/or the Chief Compliance Officer as well as the relevant management personnel.

The Advisers maintain a "restricted list" of securities in which the Advisers' personnel generally may not trade. The restricted list is updated as necessary and is intended to prevent the misuse of material, non-public information by their employees. In addition to continuous monitoring, the Compliance Department will conduct forensic testing or auditing of reported personal securities transactions to ensure compliance with the Personal Investments Policy.

No Covered Employee or Access Person may trade while in possession of material, non-public information ("**MNPI**") or communicate MNPI to others.

Information is considered material if there is a substantial likelihood that a reasonable investor would consider the information to be important in making his or her investment decision, or if it is reasonably certain to have a substantial effect on the price of the company's securities. Information is non-public until it has been effectively communicated to the marketplace. If the information has been obtained from someone who is betraying an obligation not to share the information (*e.g.*, a company insider), that information is very likely to be non-public.

The Advisers have implemented a substantial set of personal investing procedures designed to avoid violation of the Personal Investments Policy.

Copies of the Personal Investments Policy are available to any client or prospective client upon request by emailing GCSS at ***GlobalClientServiceSupportAmericas@franklintempleton.com***.

POTENTIAL CONFLICTS RELATING TO ADVISORY AND OTHER ACTIVITIES

The Advisers and their affiliates engage in a broad range of activities, including investment activities for their own account and for the accounts of others and providing transaction-related, investment advisory, management and other services. In addition, while the Advisers are typically not themselves a general partner of any limited partnership, one or more of their affiliates often serve as a manager, general partner or trustee or in a similar capacity of a partnership, trust or other collective investment vehicle in which the Advisers' clients are solicited to invest. In the ordinary

course of an Adviser conducting its activities for a client, the interests of a client will, from time to time, conflict with the interests of the Adviser, other clients and/or their respective affiliates. Potential or actual conflicts of interest arise, from time to time, in (i) principal transactions, (ii) investments by the Advisers or their employees for their personal accounts, (iii) client investment in entities affiliated with an Adviser or in which an Adviser or an affiliate has an interest, (iv) allocation of investment opportunities and expenses, (v) diverse membership among investors in a client Account, and (vi) diversity of client base, among others. In addition, while the Advisers are part of the Franklin Templeton organization, the Advisers have their own clients. Although an Adviser may focus primarily on an investment strategy different from other Advisers, clients of the Adviser and such other Advisers will, from time to time, invest in the same company or issuer, including in the same security or in different securities of such company or issuer. In such circumstances, interests of the Adviser's clients will, at times, therefore conflict with the interests of the clients of the other Advisers. In addition, the interests of and between the Advisers themselves will at times be in conflict. These and other conflicts of interest are more fully described below.

The Advisers manage assets of clients in accordance with the investment mandate selected by the clients and applicable law and will seek to give advice to, and make investment decisions for, such clients that the Advisers reasonably believe to be in the best interests of such clients. The Advisers have implemented policies and procedures that are reasonably designed to appropriately identify, disclose, limit and/or mitigate conflicts of interest. Additional limits and mitigants of conflicts are identified below. Any review of a conflict of interest will take into consideration the interests of the relevant Accounts, the circumstances giving rise to the conflict, applicable policies and procedures of the Advisers, and applicable laws.

The following discussion is not a complete list of conflicts to which the Advisers or clients are subject. In addition, other conflicts are discussed elsewhere in this brochure.

Principal Transactions

From time to time the Advisers may recommend, to the extent permitted by law, that clients buy an asset from, or sell an asset to, the Advisers or their affiliates. These transactions involving the purchase and sale of assets are commonly referred to as "principal transactions." A principal transaction may also be deemed to occur if an Adviser and/or an affiliate owns a substantial portion of a Fund and that Fund participates in a transaction with another client. Principal transactions present an inherent conflict of interest because an Adviser and/or one or more of its affiliates are on both sides of such transactions. To the extent that an Adviser engages in a principal transaction covered by Section 206(3) of the Advisers Act, the Adviser will comply with the requirements of Section 206(3) of the Advisers Act, including that the Adviser will notify the applicable client (or an independent representative thereof) in writing of the transaction and obtain the client's consent (or the consent of an independent representative thereof). The Advisers seek to alleviate the conflict of interest posed by principal transactions with procedures requiring pre-clearance of any principal transaction by the Compliance Department and ensuring requisite client consent has been received.

On occasion and subject to applicable law and a Private Fund's governing documents, an Adviser that advises a Private Fund or a related person (including the Adviser's affiliates, officers, directors or employees) may purchase investments on behalf of and in anticipation of opening a Private Fund that will hold such investment. Such investments are typically then transferred to the Private Fund.

Personal Trading

Management of personal accounts by a portfolio manager or other investment professionals will, from time to time, give rise to potential conflicts of interest. The Advisers have adopted the Personal Investments Policy, which they believe contains provisions reasonably designed to prevent a wide range of prohibited activities by portfolio managers and others with respect to their personal trading activities, as well as certain additional compliance procedures that are designed to address these and other types of conflicts. However, there is no guarantee that the Personal Investment Policy or such additional compliance procedures will detect and/or address all situations where an actual or potential conflict arises.

Conflicts Related to Investments in Securities of Companies in Which an Adviser, an Affiliate or Another Account Holds Interests

The Advisers will, from time to time, recommend to clients, or buy or sell for Accounts, securities in which the Advisers or their affiliates have a material financial interest. Such financial interests include, among other things, seed capital contributed by an Adviser or an affiliate to a Fund that such Adviser manages, or an actual investment by an Adviser or an affiliate in the Fund or in third-party vehicles in which the Adviser or a related person has a financial interest. The Advisers or their related persons may also purchase or sell for themselves securities or other investments that one or more advisory clients own, previously owned, or may own in the future, subject to the Personal Investments Policy, other policies and procedures of the Advisers, and applicable law.

Under certain circumstances and to the extent permitted by applicable law, certain Accounts will invest directly or indirectly in the securities of companies in which a related person of the Adviser, for itself or its clients, has an equity, debt, or other interest. For example, an Adviser's affiliate may have contributed seed capital to a Private Fund or other Account that the Adviser concludes should co-invest in the same company with another Private Fund or other Account managed by the Adviser. In addition, an affiliate or a related person of an Adviser may make a strategic investment in a company (such as a company in the financial technology industry) that an Adviser separately determines is a prudent investment for an Account to make. Accordingly, an Adviser's management of its client's assets will, in certain circumstances, benefit the interests of members of the Adviser and/or its affiliates.

With respect to a particular Account, the Advisers are not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that the Advisers and "access persons," as defined by applicable federal securities laws, may buy or sell for their own account or for the accounts of any other fund. Additionally, the Advisers are permitted to invest in securities held by any Accounts they manage, subject to applicable policies and procedures adopted by the Advisers and applicable law.

Conflicts Related to Investing Alongside Other Accounts

Under certain circumstances, an Account will make an investment in which one or more other Accounts are expected to participate, or already have made, or will seek to make, an investment in the same security. Such Accounts may have conflicting interests and objectives in connection with such investments, including with respect to views on the operations or activities of the issuer involved, the targeted returns from the investment and the timeframe for, and method of, exiting the investment. When making such investments, an Adviser may do so in a way that favors one Account over another Account, even if both Accounts are investing in the same security at the same time. For example, if two Accounts have different time horizons, and the Account with a shorter time horizon sells its interest first, this sale could affect the value of the investment in the company held by the Account with the longer time horizon. There will also be cases where Accounts (typically, certain Private Funds) invest on a "parallel" basis (*i.e.*, proportionately in all transactions at substantially the same time and on substantially the same terms and conditions).

The Advisers have no obligation to provide the same investment advice or to purchase or sell the same securities for each Account. Differing facts and circumstances among Accounts will, from time to time, result in an Adviser and one or more of its related persons giving advice and taking action with respect to one Account they manage, or for their own account, that differs from action taken on behalf of other Accounts they manage. However, such differing actions are subject to applicable policies and procedures adopted by the Advisers and are guided by the Advisers' fiduciary duties to act in each account's best interests. For example, in certain circumstances, clients will seek to take an opposite investment position (*e.g.*, a long position versus a short position) in the same security held by other clients (or proprietary accounts), but policies and procedures of the Advisers' prohibit such opposite positions in certain circumstances.

Certain Advisers serve as sub-adviser to various Sub-Advised Accounts, some of which have an investment goal and strategy similar to that of other types of client Accounts for which such Advisers serve as investment adviser. Even when there is similarity in investment goal and strategy, investment performance and portfolio holdings may vary between these Accounts, potentially significantly, as a result of, among other things, differences in: (i) inception dates, (ii) cash flows, (iii) asset allocation, (iv) security selection, (v) liquidity, (vi) income distribution or income retention,

(vii) fees, (viii) fair value pricing procedures, (ix) diversification methodology, (x) use of different foreign exchange rates, (xi) use of different pricing vendors, (xii) ability to access certain markets due to country registration requirements, (xiii) legal restrictions or custodial issues, (xiv) legacy holdings in the Account, (xv) availability of applicable trading agreements such as ISDAs, (xvi) futures agreements or other trading documentation, (xvii) restrictions placed on the Account (including country, industry or environmental and social governance restrictions) and (xviii) other operational issues that impact the ability of an Account to trade in certain instruments or markets.

Please see Item 6 ("Performance-Based Fees and Side-By-Side Management") for additional information regarding conflicts related to side-by-side management of different Accounts.

Conflicts Related to Investing in Different Levels of the Capital Structure

Potential conflicts exist in certain uses of multiple strategies by an Adviser. For example, conflicts will arise in cases where different Accounts invest in different parts of an issuer's capital structure, including circumstances in which one or more Accounts own private securities or obligations of an issuer and one or more other Accounts own or seek to acquire securities of the same issuer. For instance, an Account may acquire a loan, loan participation or a loan assignment of a particular borrower in which one or more other Accounts have an equity investment, or may invest in senior debt obligations of an issuer for one Account and junior debt obligations or equity of the same issuer for another Account. In such and other similar situations, an Adviser may take actions with respect to the assets held by one Account that are adverse to the other Accounts, for example, by foreclosing on loans, disposing of equity, or by exercising rights to purchase or sell to an issuer, causing an issuer to take actions adverse to certain classes of securities. In these situations, decisions over items such as whether to make the investment, exercise certain rights, or take or determine not to take an action, proxy voting, corporate reorganization, how to exit an investment, bankruptcy or similar matters (including, for example, whether to trigger an event of default or the terms of any workout) will result in conflicts of interest.

Conflicts Related to Use of Information

The Advisers receive and generate various kinds of portfolio company data and other information, including those related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. This information may, in certain instances, include MNPI received or generated in connection with efforts on behalf of an Account's investment (or prospective investment) to better enable the Adviser to anticipate macroeconomic and other trends, and otherwise develop investment strategies. Information barriers and/or confidentiality or similar arrangements entered into by an Adviser with companies or other sources of information will limit such Adviser's ability to internally share and use such information. The Advisers rely on these barriers in some instances to mitigate potential conflicts of interest, to preserve confidential information and to prevent the inappropriate flow of MNPI and confidential information. When not limited from using this information, the Advisers are likely in certain instances to use such information in a manner that could provide a material benefit to certain other Accounts (or the Advisers and/or their affiliates) without equally benefiting the Account(s) from which such information was obtained. In addition, the Advisers have an incentive to pursue investments in companies based on the data and information expected to be received or generated by such companies. Subject to applicable law and confidentiality obligations, the Advisers have in the past and are likely in the future to utilize such information to benefit certain Accounts (or the Advisers and/or their affiliates) in a manner that may otherwise present a conflict of interest.

Conflicts Related to Investment in Affiliated Funds and Affiliated Accounts

An Adviser, where appropriate (including in compliance with any applicable investment guidelines or restrictions) and in accordance with applicable laws and regulations, will at times purchase on behalf of the Adviser's clients, or recommend to the Adviser's clients that they purchase, shares of Affiliated Funds, or invest their assets in other portfolios managed by the Advisers or their affiliates ("**Affiliated Accounts**"). Conflicts of interest arise when investing a client's assets into Affiliated Funds or Affiliated Accounts. For example, as a shareholder in a pooled investment vehicle, a client will generally pay a proportionate share of the vehicle's fees and expenses. Investment by a client in an Affiliated Fund or Affiliated Account could therefore result in the client, depending on the circumstances and subject to applicable law, directly or indirectly paying advisory (or other) fees to the Affiliated Fund or Affiliated Account in addition to any fees it pays to the Adviser for

managing the client's Account. Moreover, in certain circumstances, the Adviser will receive some or all of such advisory (or other) fees from an affiliate, including on occasion via a fee sharing or referral arrangement. The client investment will also, from time to time, be subject to other fees and expenses charged to the Affiliated Fund or Affiliated Account by other parties. Similarly, an Adviser's client who invests into an Affiliated Account that is a Separate Account managed by another Adviser would be subject to any advisory fees charged by that Adviser to the Separate Account. If a client does not want its Account assets to be invested in Affiliated Funds and/or Affiliated Accounts, then the client should notify its Adviser to discuss modifying its investment guidelines. The Advisers' Separate Account clients are also permitted to invest directly in certain Affiliated Funds (including U.S. Registered Funds) or Affiliated Accounts independent of their Separate Account without paying additional Separate Account management fees to the Advisers.

In order to avoid duplication of fees, the Advisers typically exclude any assets invested in Affiliated Funds or Affiliated Accounts from the management fee charged by the Advisers to the Account, unless otherwise agreed with a client (for example, where a client requests additional allocation services at the Account level) or disclosed to a client, and subject to applicable law.

Conflicts Related to Trading for Multiple Accounts

Franklin Templeton generally endeavors to aggregate same-day client trades in the same security for Accounts under the management of an Adviser's portfolio management team. However, from time to time, an Adviser will manage or implement a portfolio decision on behalf of a client ahead of, or contemporaneously with, portfolio decisions of another client. In these circumstances, market impact, liquidity constraints, or other factors could result in one of the clients receiving less favorable pricing or trading results, paying higher transaction costs, or being otherwise disadvantaged. Similarly, from time to time, an Adviser or an affiliate will buy or sell securities for clients before or at about the same time that such Adviser or affiliate buys or sells the same securities for its own account(s); however, to mitigate the conflicts associated with such trades, Franklin Templeton has adopted policies and procedures applicable to the Advisers requiring such buy or sell orders to generally be aggregated. Please see Item 12 ("Brokerage Practices – Aggregation and Allocation of Trades") for more information regarding aggregation of transactions.

Conflicts Related to Service Providers

An Adviser will, in its discretion, contract with a related person of the Adviser, including related broker-dealers, administrators and/or transfer agents, to perform services for the Adviser in connection with its provision of advisory services to its clients. In these circumstances, the related person may perform such services itself, or it may engage an unaffiliated service provider that it oversees to provide the services. Similarly, an Adviser, in its discretion, at times recommends to its clients that they contract services with a related person of the Adviser or an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. An Adviser will engage a related person to provide such services when it believes such engagement is beneficial to the Account, such as providing efficiencies in information sharing and higher quality of service. However, the Adviser also has an incentive, even if it does not act on such incentive, to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost. Similarly, in hindsight, circumstances could be construed that the Adviser was not as incentivized to pursue remedies and enforce rights against affiliated service providers as compared to unaffiliated service providers, and the Adviser may be incentivized to agree to more favorable compensation terms with an affiliated service provider than with an unaffiliated service provider.

In certain circumstances, conflicts of interest will also arise with respect to investments by an Adviser, its affiliates, or an Account in a service provider. For example, the Advisers will, under certain circumstances, have an incentive to pursue investments in companies where an Adviser or its affiliates are, or could become, a customer of the companies' services, or vice versa.

Where appropriate and permitted under an Account's governing documents or investment management agreement, an Adviser will, from time to time, recommend that such Account file claims or threaten action against other parties. To the extent such party is a service provider, vendor, distributor or placement agent for the Adviser or its affiliates, the Adviser will at times have an incentive not to recommend such action. The Advisers address such conflicts of interest by

acting on behalf of their clients in accordance with their fiduciary obligations to each client. Accordingly, the Advisers' general practice is not to take into account the fact that an issuer is a client, service provider, vendor, distributor, or placement agent when making investment decisions or deciding to file claims or pursue legal actions.

Conflicts Related to Affiliated Broker Dealers

Broker-dealers and placement agents related to the Advisers and their employees, to the extent such broker-dealers and placement agents receive compensation in connection with the sale of interests in the Accounts, will have an economic incentive with respect to recommending products and services offered by the Advisers. However, other than with respect to certain U.S. Registered Funds, where the related broker-dealer or placement agent receives compensation through either a front end or contingent-deferred sales charge (or load) paid by certain share classes, as disclosed in the applicable U.S. Registered Fund's prospectus, the Advisers will bear the costs of any such compensation (*i.e.*, it will not be borne by the Accounts or the investors therein). In addition, related broker-dealers and placement agents will have an incentive to recommend products and services of the Advisers over other products and services as a result of being a part of the Franklin Templeton organization.

In addition, as noted above in Item 10 ("Other Financial Industry Activities and Affiliations – Related Broker-Dealers"), certain Advisers' employees are registered representatives of FD, LLC. While these employees do not receive commissions in connection with the sale of interests in the Funds, they will under certain circumstances receive performance-based compensation from the Adviser in connection with the sale of interests in the Funds. As a result, these employees will have an economic incentive to recommend products and services of the Advisers over other products and services.

Allocation of Investment Opportunities

The Advisers have discretion to allocate investment opportunities among their clients subject only to each Account's respective investment guidelines, the Advisers' duty to act in good faith and applicable law. The advisory contracts entered into by the Advisers with each client do not entitle clients to obtain the benefit of any particular investment opportunity that is developed by the Advisers, or their officers or employees, where the Advisers determine in good faith that such client should not invest.

In general, the Advisers have discretion to determine whether a particular security or instrument is an appropriate investment for each Account, based on the Account's investment objectives, investment restrictions and trading strategies. Accounts with investment restrictions that preclude investing in new, unseasoned or small capitalization issuers will generally not participate in IPOs or private equity transactions, including those that are expected to trade at a premium in the secondary market. Moreover, even an Account that is not explicitly precluded from making such investments may not participate if doing so would be inconsistent with its investment guidelines. In addition, Accounts with a specific mandate will at times receive first priority for securities falling within that mandate. As a result, certain Accounts managed by the Advisers or their affiliates may have greater opportunities to invest in private equity transactions or IPOs. In the event that an IPO or private equity transaction is oversubscribed, securities will be allocated among eligible Accounts according to procedures designed to comply with the requirements and restrictions of applicable law and provide equitable treatment to all such Accounts over time. Subject to the above, allocation is done for each Account on a pro rata or other objective basis. The Advisers have implemented the Equity Trade Allocation Policy and Procedures (as defined below) designed to provide that all clients for whom such investments are appropriate receive a fair opportunity over time to participate in IPOs or private equity transactions. To the extent permitted by applicable law and regulations, additional care and caution is exercised if one of the Accounts participating in a limited investment opportunity is an affiliated Account, including specific compliance approval when affiliated Accounts are participating in an IPO or a private equity transaction. Please see Item 6 ("Performance-Based Fees and Side-By-Side Management") and Item 12 ("Brokerage Practices – Aggregation and Allocation of Trades") for more information regarding aggregation and allocation of transactions.

Allocations to any Account in which the interests of the Advisers, their officers, directors, employees or affiliates collectively meet or exceed 5% of the Account's economic value shall be governed by procedures and policies adopted by Franklin Templeton reasonably designed to ensure that buy

and sell opportunities are allocated fairly among clients (the "**Equity Trade Allocation Policy and Procedures**"). These Accounts will, in certain circumstances, be deemed affiliated persons of the Advisers by reason of the collective 5% or greater ownership interest of the Advisers' insiders and the Advisers' registered mutual fund clients, if any. Transactions for and allocations to these accounts are given special scrutiny because of the inherent conflict of interest involved. All exceptions to standard allocation/rotation procedures involving such affiliated accounts are monitored and recorded.

If securities traded for affiliated accounts are also the subject of trading activity (i) by an Adviser's advised mutual fund, or (ii) by other non-mutual fund client accounts, the securities traded for the affiliated accounts are generally aggregated, to the extent permitted by applicable law and regulations, for trading with the Adviser's advised mutual fund or other non-mutual fund client accounts.

The Advisers face potential conflicts when allocating the assets of a client to one or more Affiliated Funds or Affiliated Accounts. For example, in hindsight and despite good intention, circumstances could be construed that such allocation conferred a benefit upon the Affiliated Fund, Affiliated Account or an Adviser to the detriment of the Advisers' client, or vice versa.

Allocation of Fees and Expenses

A conflict of interest will, from time to time, arise with respect to an Adviser's determination of whether certain costs or expenses (or portions thereof) that are incurred are expenses for which a client Account is responsible, or are expenses that should be borne by one or more other Accounts or the Adviser or its affiliates. For example, an Adviser will have an incentive to allocate expenses to a client Account that does not pay incentive compensation and to classify expenses as borne by a client Account as opposed to the Adviser's. This conflict of interest is diminished by the terms of the investment management agreement between the client and the Adviser, which generally states which fees and expenses may be charged to the Account versus paid for by the Adviser or its affiliates. In addition, the Advisers seek to allocate shared expenses in a fair and reasonable manner over time among clients in accordance with applicable agreements and policies and procedures. Nonetheless, because such allocations require judgments as to methodology that the Adviser makes in good faith but in its sole discretion, the portion of an expense that the Adviser allocates to a client Account will not necessarily reflect the relative benefit derived by that Account in each instance.

Allocation of Adviser Resources

The Advisers and their affiliates manage numerous funds and accounts. The Advisers' services are not exclusive to any of their clients, and the Advisers do render similar or other services to other persons and entities.

In order for an Adviser to adhere to applicable fiduciary obligations to its clients as well as to address and/or alleviate conflicts of interest or regulatory issues, it may not be possible or appropriate for an Adviser to allocate to a particular Account all of the resources that might be relevant to make particular investment decisions for such Account. These resource limitations could result in an Adviser making investment or other decisions for a particular Account that are different from the decisions it would make if there were no limitations. Although an Adviser's personnel will devote as much time to each investment as deemed appropriate, they may have conflicts in allocating their time and services among each investment and other clients advised by the Adviser or other Advisers.

To the extent that an Adviser receives performance fees or incentive allocations from an Account or otherwise receives higher fees than it does with respect to other Accounts generally, the Adviser will have an economic incentive, even if the Adviser does not act on such incentive, to allocate additional resources or investment professionals to such Account and, to the extent such resources are limited, away from other Accounts. In practice, however, allocation of additional resources or investment professionals will generally be guided by the Advisers' fiduciary duties to act in each Account's best interests. See Item 6 ("Performance-Based Fees and Side-By-Side Management") for more details on performance-based fees or incentive allocations.

Gifts, Entertainment and Intangible and Other Benefits

The Advisers and their personnel receive certain gifts, entertainment and intangible and/or other benefits arising or resulting from their activities on behalf of Accounts. For example, to the extent permitted by Franklin Templeton's Gift & Entertainment Policy, the Advisers and their personnel and/or other affiliates will, in certain instances, receive meals, tickets to events (such as sports or the theater), or similar benefits of reasonable value and discounts on products and services provided by broker-dealers or counterparties for the Accounts, service providers to the Accounts and/or companies in which their Accounts are invested, as applicable. In addition, airline travel or hotel stays incurred as fund or operating expenses (although these are typically Adviser expenses) sometimes result in "miles" or "points" or credit in loyalty/status programs. Such gifts, entertainment and other benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to the relevant Adviser and/or such personnel (and not the clients, investors and/or their investments).

Conflicts Related to Valuation of Investments

The Advisers will, from time to time, value securities or assets in Accounts or provide assistance in connection with such valuation, which at times creates an incentive to influence the valuation of certain investments. For example, an Adviser could be incentivized to employ valuation methodologies or take other actions that: (i) improve an Account's track record, (ii) minimize losses from investments that have experienced a permanent impairment that must be returned prior to receiving performance-based or incentive fees or allocations or (iii) increase fees payable to the Adviser or its affiliates. Similarly, an Adviser will at times be incentivized to hold onto investments that have poor prospects for improvement in order to receive ongoing fees in the interim and, potentially, additional compensation (for example, performance-based fees or incentive allocations) if such asset's value appreciates in the future. To address these conflicts of interest, the Advisers' have implemented policies and procedures that are reasonably designed to determine the fair value of investments in good faith, without consideration of the Advisers' pecuniary, investment or other interests and in accordance with applicable law. Additionally, the Advisers have established the Valuation Committee to oversee and administer the application of these policies and procedures to the Advisers' Accounts.

Trading Restrictions and Other Restrictions on Investment Activity

From time to time, the Advisers will be restricted from purchasing or selling, or will otherwise restrict or limit their advice, with respect to securities or other instruments on behalf of their clients. These restrictions may be the result of regulatory or legal requirements applicable to the Advisers, their affiliates or their clients, and/or internal policies, including those related to such regulatory and legal requirements. These restrictions may adversely impact the investment performance of client Accounts.

For example, if the Advisers are provided with MNPI with respect to a potential portfolio company as described under the heading "Conflicts Related to Use of Information" above, restrictions or limitations on initiating or recommending certain types of transactions will apply. Accordingly, should an employee come into possession of MNPI with respect to an issuer, such employee, his or her employing Adviser, and any other Advisers (unless separated from the employee and the employee's Adviser by an information barrier) generally will be prohibited from communicating such information to, or using such information for the benefit of, clients. This prohibition could limit the ability of clients to buy, sell or hold certain investments, thereby limiting the investment opportunities or exit strategies available to clients. Similarly, no employee who is aware of MNPI that relates to any other company or entity in circumstances in which such person is deemed to be an insider or is otherwise subject to restrictions under federal securities laws may buy or sell securities of that company or otherwise take advantage of, or pass on to others, such MNPI in violation of applicable law. An Adviser shall have no obligation or responsibility to disclose such information to, or use such information for the benefit of, any person (including Accounts that it advises). Moreover, the Advisers have implemented procedures, including information barriers in certain cases, that are designed to control the flow of and prohibit the misuse of such information by the Advisers, their employees and on behalf of Accounts.

In other circumstances, the Advisers are limited by one or more restricted lists of securities and issuers that are subject to certain trading prohibitions due to the Advisers' business activities (*e.g.,*

service on the board of the applicable company as an outside director by a Franklin Templeton or applicable Fund director, officer or employee) or other regulatory limitations (*e.g.,* trading volume, ownership limitations). An Account will, in most circumstances, be unable to buy or sell certain securities until the restriction is lifted, which could disadvantage the Account. In addition, holdings in the securities or other instruments of an issuer by the Advisers will, in certain situations, affect the ability of an Account that it advises to make certain acquisitions of or enter into certain transactions with such issuer.

Similarly, where the Advisers invest in securities issued by companies that operate in certain regulated industries or in certain emerging or international markets, or are subject to corporate or regulatory ownership restrictions, there may be limits on the aggregate amount that the Advisers can invest. For instance, the Advisers may be restricted from investing an amount that would require the grant of a license or other regulatory or corporate consent, or if doing so would violate the Advisers' internal policies. As a result, an Adviser on behalf of its clients may limit purchases, sell existing investments, or otherwise restrict or limit the exercise of rights (including voting rights) when the Adviser, in its sole discretion, deems it appropriate in light of potential regulatory or other restrictions on ownership or other consequences resulting from reaching investment thresholds or investment restrictions.

In those circumstances where ownership thresholds or limitations must be observed, the Advisers seek to equitably allocate limited investment opportunities among their Accounts over time. If the Accounts' holdings of an issuer exceed an applicable threshold and the Advisers are unable to obtain relief to enable the continued holding of such investments, it may be necessary to sell down these positions to meet the applicable limitations, possibly during deteriorating market conditions and/or at a loss to the client. Please see further discussion of allocation of investment opportunities under Item 12 ("Brokerage Practices"). Other ownership thresholds may trigger reporting requirements to governmental and regulatory authorities, and such reports may entail the disclosure of the identity of an Adviser's client or its intended strategy with respect to such security or asset.

Conflicts Related to Voting and Exercise of Proxies

The Advisers generally manage proxy voting on behalf of their Accounts in accordance with their fiduciary obligations. Nonetheless, the Advisers will, from time to time, have conflicts with respect to the exercise of proxies, consents and similar rights. For example, the Advisers or their affiliates may receive service fees from companies whose management is soliciting proxies or the Advisers may have business or personal relationships with participants in proxy contests, corporate directors or candidates for directorships. In addition, an Adviser will at times restrict or otherwise limit its governance or voting rights with respect to an Account's investment in order to avoid certain regulatory consequences that could result in additional costs and disclosure obligations for, or impose restrictions on, the Adviser, its affiliates and/or other Accounts. This could have a negative impact on the clients whose voting rights are limited. Please refer to Item 17 ("Voting Client Securities") for additional detail on the Advisers' proxy voting policy.

Item 12 Brokerage Practices

BEST EXECUTION

The Advisers have adopted policies and procedures that address best execution with respect to equity and fixed income investments and provide guidance on brokerage allocation. The policies and procedures are reasonably designed to ensure (i) that execution services meet the quality standards established by the Advisers' trading teams and are consistent with established policies, (ii) the broadest flexibility in selecting which broker-dealers can provide best execution, (iii) evaluation of the execution capabilities of, and the quality of execution services received from, broker-dealers effecting portfolio transactions for the Advisers' clients, and (iv) the identification and resolution of potential conflicts of interest.

The policies and procedures for equity transactions outline the criteria that the trading team at each global location uses to determine which broker-dealer(s) have provided the highest quality execution services over a particular time period. These include a periodic review of brokerage allocations, the rationale for selecting certain broker-dealers, and a review of historical broker-dealer transactions to test application of the Advisers' best execution procedures.

While the Advisers generally seek competitive commission rates for equity transactions, they do not necessarily pay the lowest commission or commission equivalent; nor will they select broker-dealers solely on the basis of purported or posted commission rates, or seek competitive bidding for the most favorable commission rate in advance. In an effort to maximize value for their clients, the Advisers will seek to obtain the best combination of low commission rates relative to the quality of execution and other brokerage services received. Transactions involving specialized services or expertise on the part of the broker-dealer may result in higher commissions or their equivalents.

The policies and procedures for fixed income transactions reflect the same general fiduciary principles that are covered in the equity transaction policies and procedures, but also address the special considerations for executing transactions in fixed income securities. Since trading fixed income securities is fundamentally different from trading in equity securities in that the Advisers will generally deal directly with market makers, the Advisers consider different factors when assessing best execution. In these transactions, the Advisers typically effect trades on a net basis, and do not pay the market maker any commission, commission equivalent or markup/markdown other than the spread.

The Advisers' traders for both fixed income and equity investments are responsible for determining which qualified broker-dealers will provide best execution, taking into account the best combination of price and intermediary value given the client's strategies and objectives.

The Advisers may also engage in derivative transactions that are entered into under a negotiated agreement with a counterparty or futures commission merchant, including, but not limited to, swaps, futures, forwards and options. The agreements to trade these instruments must be in place prior to effecting a transaction. If the Advisers are unable to negotiate acceptable terms with a counterparty or are restricted from engaging certain counterparties for an Account, for example, based on an Adviser's assessment of a counterparty's creditworthiness and financial stability at any given time, the universe of counterparties that the Advisers can choose from will be limited and the standard for best execution may vary with the type of security or instrument involved in a particular transaction. The policies and procedures for equity and fixed income transactions also address the aggregation and allocation principles established by the Advisers for derivatives trading.

BROKERAGE FOR CLIENT REFERRALS

If consistent with their duty to seek best execution, the Advisers will, from time to time, use broker-dealers that refer account clients to the Advisers or an affiliate. To the extent that these referrals result in an increase in assets under management, the Advisers or their affiliates will likely benefit. Therefore, a potential conflict exists that an Adviser could have an incentive to select or recommend a broker-dealer based on its interest in receiving client referrals rather than obtaining best execution on behalf of its clients.

In order to manage this potential conflict of interest, the Advisers do not enter into agreements with, or make commitments to, any broker-dealer that would bind the Advisers to compensate that broker-dealer through increased brokerage transactions for client referrals or sales efforts; nor will the Advisers use step-out transactions or similar arrangements to compensate selling brokers for their sales efforts.

POLICY ON USE OF CLIENT COMMISSIONS

While not applicable to Accounts established under SMA Programs, when appropriate under their discretionary authority and consistent with their duty to seek best execution, the Advisers or their related persons will, from time to time, direct brokerage transactions for other types of Accounts to broker-dealers that provide the Advisers with research and/or brokerage products and services. The brokerage commissions from client transactions that are used to pay for research or brokerage services in addition to basic execution services are referred to here as "**client commissions**."

In the United States, broker-dealers typically bundle research with their trade execution services. The research provided can be either proprietary (created and provided by the executing broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third party but provided by the executing broker-dealer). To the extent permitted by applicable law, the Advisers will, from time to time, use client commissions to obtain both proprietary and third-party research as well as certain brokerage products and services. The receipt of research in exchange for client commissions benefits the Advisers by allowing the Advisers to

supplement their own research and analysis and also gain access to specialists from a variety of securities firms with expertise on certain companies, industries, areas of the economy, and market factors without the Advisers having to pay for such services and resources. The Advisers believe that this research provides an overall benefit to their clients.

The Advisers become eligible for client commission credits by sending trades and paying trade commissions to broker-dealers ("**Client Commission Arrangement Broker-Dealers**") who both execute the trades and provide the Advisers with research and other brokerage products and services. These products and services come in a variety of forms including: (1) research reports generated by the broker-dealer, (2) conferences with representatives of issuers, and (3) client commission credits that can be used to obtain research reports or services from others. The portion of any trade commission on a particular trade attributable to the client commission research or other brokerage products and services cannot be identified at an individual account level.

Listed in alphabetical order below are the ten Client Commission Arrangement Broker-Dealers from whom the Advisers and certain of their affiliates generated the most client commission credits. Additional Client Commission Arrangement Broker-Dealers are also used to a lesser degree, and therefore the following list is subject to change periodically. This and the above information are intended to satisfy the alternative reporting option for Form 5500, Schedule C.

JP Morgan Securities Inc.
Credit Suisse Securities (USA) Inc.
Bank of America/Merrill Lynch
Virtu Financial, Inc.
Sanford C. Bernstein & Co., LLC
Citigroup Global Markets Inc.
Morgan Stanley & Co.
Rosenblatt Securities Inc.
RBC Dominion Securities Inc.

Section 28(e) of the U.S. Securities Exchange Act of 1934 provides a safe harbor that allows an investment adviser to pay for research and brokerage services with the client commission dollars generated by account transactions. The Advisers currently acquire only the types of products or services that qualify for the safe harbor. Research and brokerage services acquired with client commissions permitted under the safe harbor include, but are not limited to:

- reports, statistical data, publications and other information on the economy, industries, sectors, individual companies or issuers, which may include research provided by proxy voting services;
- software and communications services related to the execution, clearing and settlement of securities transactions;
- software that provides analyses of securities portfolios;
- statistical trade analysis;
- reports on legal developments affecting portfolio securities;
- registration fees for conferences and seminars;
- consultation with analysts, including research conference calls and access to financial models;
- investment risk analyses, including political and credit risk;
- investment risk measurement systems and software;
- analyses of corporate responsibility issues; and
- market data services, such as those which provide price quotes, last sale prices and trading volumes.

Examples of specific products and services received within the last year include those provided by Bloomberg, Thomson Reuters, FactSet, MSCI/Barra and Standard and Poor's. Services may also include access to information providers who are part of what may be referred to as an "expert network." Firms providing such a service often facilitate consultations among researchers, investment professionals, and individuals with expertise in a particular field or industry, such as doctors, academics and consultants. Access to expert networks is particularly helpful in understanding sectors of the market that are highly complex or technical in nature. The Advisers

have developed controls in support of existing policies and procedures governing the use of expert networks and the information they may provide to the Advisers.

If a product or service used by the Advisers provides both research and non-research benefits, the Advisers will generally consider it as a mixed-use item and will pay for the non-research portion with cash from their own resources, rather than client commissions. The Advisers will then allocate the cost of the product between client commissions and cash according to their anticipated use. Although the allocation between client commissions and cash is not a precise calculation, the Advisers make a good faith effort to reasonably allocate such services, and maintain records detailing the mixed-use research, services and products received and the allocation between the research and non-research portions, including payments made by client commissions and cash. It is not ordinarily possible to place an exact dollar value on the special execution or on the research services the Advisers receive from dealers effecting transactions in portfolio securities.

The Advisers will typically select a broker-dealer based on their assessment of the broker-dealer's trade execution services and their belief that the research, information and other services the broker-dealer provides will benefit Accounts. As a result, broker-dealers selected by the Advisers will, from time to time, be paid a commission rate for effecting portfolio transactions for Accounts (not including Accounts established under SMA Programs) in excess of amounts other broker-dealers would have charged for effecting similar transactions if the Advisers determine that the commission is reasonable in relation to the value of the brokerage and/or research services provided, viewed either in terms of a particular transaction or the Advisers' overall duty to their discretionary Accounts.

While the Advisers may negotiate commission rates and prices with certain broker-dealers with the expectation that they will be providing brokerage or research services, the Advisers will not enter into any agreement or understanding with any broker-dealer that would obligate the Advisers to direct a specific amount of brokerage transactions or commissions in return for such services. Research services are one of the factors considered when determining the amount of commissions to be allocated to a specific broker-dealer. As a result, the Advisers will have an incentive to select or recommend a broker-dealer based on the Advisers' interest in receiving research or other products or services, rather than on a client's interest in receiving the most favorable commission rate.

Certain broker-dealers state in advance the amount of brokerage commissions they require for particular services. If the Advisers do not meet the threshold for a desired product, they may either direct accumulated research commissions as part of a client commission arrangement with an executing broker-dealer to pay the research provider or the Advisers may pay cash.

The Advisers, to the extent consistent with best execution and applicable regulations, will, from time to time, direct trades to a broker-dealer with instructions to execute the transaction and have a third-party broker-dealer or research provider provide client commission products and/or services to the Advisers. This type of commission-sharing arrangement allows the Advisers to pay part of the commission on the trade to a broker-dealer that can provide better execution and the other part of the commission to another broker-dealer from which the Advisers receive research or other services.

Some clients permit the Advisers to use Client Commission Arrangement Broker-Dealers but prohibit the Advisers from using the commissions generated by their Accounts to acquire third-party and proprietary research services. While these clients may not experience lower transaction costs than other clients, they are likely to benefit from the research acquired using other clients' commissions because most research services are available to all investment personnel, regardless of whether they work on Accounts that generate client commissions eligible for research acquisition. The Advisers do not seek to use research services obtained with client commissions solely for the specific Account that generated the client commissions and will, from time to time, share that research with the Advisers' affiliates. As a result, the Advisers' Accounts (including, from time to time, Accounts established under SMA Programs) benefit from research services obtained with client commissions generated by client accounts of other advisers within Franklin Templeton. The Advisers do not attempt to allocate the relative costs or benefits of research among Accounts because they believe that, in the aggregate, the research they receive assists the Advisers in fulfilling their overall duty to all clients.

In the case of Accounts that are covered by the European Union's revised Markets in Financial Instruments Directive ("**MiFID II**"), Franklin Templeton pays for third-party investment research out of its own resources. To the extent these Accounts' orders are aggregated with the orders of clients whose commissions pay for research, clients participating in such aggregated orders may not pay a pro rata share of all costs (*i.e.*, research payments) associated with such orders, and these Accounts and other non-research paying clients may realize the price and execution benefits of the aggregated order while benefiting from the research acquired by Franklin Templeton, although all clients will pay the same average security price and execution costs.

AGGREGATION AND ALLOCATION OF TRADES

Generally, all same day client trades in the same security for Accounts under the management of an Adviser's portfolio management team will be aggregated in a single order (sometimes called "block trading") unless aggregation is inefficient or is restricted by client direction, type of Account or other limitation. All Accounts that participate in a block transaction will participate on a pro rata, relative order size, percentage, or other objective basis. Notwithstanding the foregoing, trades for most ETFs are not aggregated as part of a block transaction with non-ETF Accounts; however, trades for an ETF may be blocked with trades for other ETFs. Potential conflicts of interest exist with respect to the aggregation and allocation of client transactions. For example, the Advisers could be viewed as allocating securities that they anticipate will increase in value to certain favored clients, especially those that pay a performance-based fee. Please see Item 6 ("Performance-Based Fees and Side-By-Side Management") for additional information.

There are instances where purchase or sale orders, or both, are placed simultaneously on behalf of the Advisers' Accounts and by accounts advised by other Advisers or the Advisers' affiliates. In these instances, the Advisers will aggregate the purchase or sale order in a block trade for execution in accordance with established procedures. Generally, for each participating account, the block transactions are averaged as to price and allocated as to amount in accordance with daily purchase or sale orders actually placed for the account. Orders may be aggregated to facilitate best execution, as well as to aid in negotiating more favorable brokerage commissions beneficial to all accounts.

The Advisers will, from time to time, also aggregate orders for clients that permit client commission arrangements with clients that do not permit such arrangements. In these cases, the Advisers aggregate the orders to obtain best execution and do not seek a research credit for the portion of the trade that is executed for clients that do not permit such arrangements. As noted above, such circumstances may result in the non-research-paying clients (including those covered by MiFID II) realizing the price and execution benefits of the aggregated order while benefiting from the research acquired by Franklin Templeton. Generally, with the exception of those Accounts that are subject to MiFID II, all Accounts whose trades are aggregated will pay the same commission levels.

From time to time, aggregation will not be possible because a security or other instrument is thinly traded or otherwise not able to be aggregated and allocated among all clients seeking the investment opportunity, and clients may be limited in, or precluded from, participating in an aggregated trade. Also, an issuer in which clients wish to invest may have threshold limitations on aggregate ownership interests arising from legal or regulatory requirements or company ownership restrictions (*e.g.*, poison pills or other restrictions in organizational documents), which may have the effect of limiting the potential size of the investment opportunity and thus the ability of clients to participate in the opportunity.

In making allocations of fixed income and other limited investment opportunities, the Advisers must address specific considerations. For example, the Advisers may not be able to acquire the same security at the same time for more than one Account, may not be able to acquire the amount of the security to meet the desired allocation amounts for each Account, or, alternatively, in order to meet the desired allocation amount for each Account, the Advisers may be required to pay a higher price or obtain a lower yield for the security. As a result, the Advisers will take into consideration one or more factors in making such allocations as part of their standard methodology, including, but not limited to:

- Investment objectives
- Relative cash position of Accounts
- Client tax status

- Regulatory restrictions
- "Round Lot" limitations when placing orders
- Emphasis or focus of particular Accounts
- Risk position of the Accounts
- Specific overriding client instructions
- Existing portfolio composition and applicable industry, sector, or capitalization weightings
- Client sensitivity to turnover
- Stage in the life cycle of the investment opportunity
- Structure of the investment opportunity

While pro rata allocation by order size is the most common form of allocation, to help ensure that the Advisers' clients have fair access to trading opportunities over time, certain trades will be placed by an alternative standard allocation or an objective methodology other than the standard methodology. Other objective methodologies are permissible provided they are employed with general consistency, operate fairly and are properly documented. In situations where orders cannot be aggregated, greater transaction costs may result, and prices may vary among Accounts. See "Client-Directed Brokerage Transactions" below. In addition, certain non-U.S. markets require trades to be executed on an account-by-account basis. As portfolio transactions in such markets cannot be block traded, prices may vary among Accounts.

CLIENT-DIRECTED BROKERAGE TRANSACTIONS

The Advisers do not routinely recommend, request or require that a client direct trading orders to any specific broker-dealer. However, the Advisers will, in certain circumstances, accommodate special requests from a client directing the Advisers to use a particular broker-dealer to execute portfolio transactions for its Account. This may include the use of expense reimbursement and commission recapture arrangements, where certain broker-dealers rebate a portion of an Account's brokerage commissions (or spreads on fixed income or principal trades) directly to the client's Account, or apply the amount against an Account's expenses. Clients may also ask the Advisers to seek reduced brokerage commissions with some or all broker-dealers used to execute their trades.

Specific client instructions on the use of a particular broker-dealer limit an Adviser's discretionary authority, and the Adviser may not be in a position to freely negotiate commission rates or spreads, or select broker-dealers on the basis of best price and execution. In addition, transactions for a client that directs brokerage may not be combined or blocked with orders for the same securities for other Accounts managed by the Advisers. These trades will generally be placed at the end of block trading activity for a particular security and executed after discretionary trades. Accordingly, client-directed transactions are vulnerable to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for the block order. Under these circumstances, the client may be subject to higher commissions, greater spreads, or less favorable net prices than might be the case if the Advisers had the authority to negotiate commission rates or spreads, or to select broker-dealers based solely on best execution considerations. Therefore, where a client directs an Adviser to use a particular broker-dealer to execute trades, or imposes limits on the terms under which such Adviser may engage a particular broker-dealer, such Adviser will not, in certain circumstances, be able to obtain best execution for such client-directed trades.

FOREIGN EXCHANGE TRANSACTIONS

Some clients require transactions in currencies other than their base currency to permit the purchase or sale of non-U.S. securities, to repatriate the proceeds of such trades (as well as related dividends, interest payments or tax reclaims) and to convert cash inflows back to their base currency. Typically, these foreign exchange ("**FX**") transactions will be conducted either by the client's custodian bank as part of the FX transaction services offered to its custody clients, or by the client's investment adviser through a third-party broker. In some cases, a client may require that its custodian bank execute all FX transactions for its Account, or particular markets (or certain instruments in particular markets) may be restricted such that FX transactions in those currencies can only be executed by the client's custodian bank.

Generally, FX transactions related to portfolio trades in unrestricted markets are performed by the Advisers for their clients. FX transactions related to portfolio trades in restricted markets, and for income repatriation, are generally the responsibility of the respective client's custodian bank.

For certain Accounts, and with respect to FMA, its client Accounts typically, the Advisers will be responsible for the repatriation of income (including, for some of these Accounts, the decision whether to repatriate the income or leave it in local currency based on investment outlook) and for arranging FX transactions in one or more restricted markets. The Advisers will typically perform the income repatriation for these Accounts in unrestricted markets and the client's custodian bank will generally carry out FX transactions and repatriation (through a sub-custodian bank domiciled in the foreign country) in restricted markets. The Advisers do not have the ability to control any FX transactions performed by the client's custodian bank and assume no responsibility for the execution or oversight of FX transactions conducted by the client's custodian bank.

Whether a market is considered to be restricted will depend on a number of factors, including, but not limited to, country-specific statutory requirements, structural risks, and operational issues. Whether a market is restricted or unrestricted can also change over time and varies depending on the type of transaction. Accordingly, the Advisers will consult from time to time with third parties, including broker-dealers and custodians, to determine, in good faith, whether a market is considered restricted.

For certain Funds, including U.S. Registered Funds, where the custodian is appointed by the Fund, the applicable Adviser reviews FX activity performed by the custodian. In its review, the Adviser may rely on information provided by a third-party industry vendor. Typically, the analysis is carried out on a post-trade basis only and seeks to focus on trends over a period of time as an indicator of FX execution quality, rather than on individual transactions in a Fund's portfolio. However, with respect to Accounts for which FX transactions are performed by the client's custodian bank, the applicable Adviser does not monitor the execution quality of the FX transactions performed by the client's custodian bank. In exceptional circumstances, an Adviser will agree with a client to monitor certain FX activity performed by the client's custodian bank for that Account. In doing so, the Adviser may rely on information provided by a third party.

SMA PROGRAM BROKERAGE TRANSACTIONS

BEST EXECUTION

The Advisers have been engaged to provide discretionary and non-discretionary sub-advisory investment management services to one or more of the SMA Contracting Advisers through SMA Programs. Generally, the all-inclusive wrap fee charged to clients by the Sponsor of the SMA Program (usually a broker-dealer, bank or other financial institution) covers execution charges only when transactions are executed through the Sponsor. On transactions with broker-dealers other than the Sponsor, clients will also be responsible for any and all commissions, commission equivalents, markup/markdown charges, and fees charged by the executing broker-dealer, as well as any trade away fees charged by the Sponsor, in addition to the SMA Program wrap fee. Commissions, commission equivalents, markup/markdown charges, and other fees charged by an executing broker-dealer other than the Sponsor are typically reflected in the total net price for the SMA trade (as opposed to broken out separately for non-SMA orders) to provide a means to compensate the broker-dealer for its services in executing the trade. In this circumstance, these other fees are not separately identified on the trade confirmations the client or the Sponsor receives.

Where Advisers have responsibility to execute trades, Franklin Templeton trading personnel consider these SMA arrangements when attempting to secure the best combination of price and intermediary value given the strategies and objectives of the client. This process can be highly subjective because of the inherent difficulties in measuring and assessing execution quality and best execution, especially in SMA Programs. As a result, the Advisers will, in certain circumstances, only be able to assess patterns of execution quality by evaluating the trading process and trade data over a period of time, rather than on a trade-by-trade basis, which could lead to disparities between execution price and/or quality relative to other accounts managed by the Advisers or their affiliates.

AGGREGATION AND ALLOCATION OF TRADES FOR SMA PROGRAMS

With respect to certain SMA Programs with a fixed income strategy, the relevant trading personnel will, in certain circumstances, determine that best execution under the circumstances favors placing trades through broker-dealers other than the Sponsor, despite the wrap fee only covering execution charges through the Sponsor. In this case, orders for trades executed through broker-dealers other than the Sponsor may be aggregated or blocked for execution in accordance with established procedures. Generally, for each Account, such block transactions are averaged as to price and allocated as to amount in accordance with daily purchase or sale orders actually placed for such Account. However, as discussed above, in such cases clients are generally responsible for, in addition to the SMA Program wrap fee charged to clients by the Sponsor, any and all commissions, commission equivalents, markup/markdown charges, trade away fees and other fees on such trades, whether broken out separately or reflected in the total net price for the trade.

With respect to SMA Programs with an equity strategy where an Adviser serves as a sub-adviser to FTPA, trades will in almost all instances be placed through the SMA Sponsor. With respect to SMA Programs with an LMPPG Implemented Adviser Equity Strategy, trades will be placed in accordance with LMPPG's trading and other brokerage procedures, including, in most cases, aggregating trades for execution through a single broker-dealer other than the SMA Sponsor. Further information about FTPA's and LMPPG's trading and other brokerage practices can be found in Item 12 (Brokerage Practices) of their respective Form ADV Part 2A brochure, which is available upon request.

Where SMA Program transactions are executed through the Sponsor, such transactions will not be aggregated for execution purposes with orders for the same securities for other accounts managed by the Advisers or their affiliates through other broker-dealers. As discussed above, this method will typically be used where trading personnel determine that it is likely to produce the best execution under the circumstances for the broadest segment of clients, typically measured by assets and/or number of accounts. In these circumstances, it is possible that transactions executed through the Sponsor will be subject to price movements (particularly for large orders or orders in more thinly traded securities) that can result in clients receiving a price that is less (or more) favorable than the price obtained for orders placed without regard to the SMA arrangements or restrictions.

COMMUNICATION OF TRADE INSTRUCTIONS AND RECOMMENDATIONS

With respect to SMA Programs employing an equity strategy where the Advisers act as sub-advisers to FTPA (including non-discretionary model portfolios in an equity strategy), FTPA implements procedures to simultaneously communicate trade orders, investment instructions and recommendations, and periodic updates to model portfolios to any SMA Sponsor and/or the SMA Program's designated broker-dealer that is responsible for portfolio implementation, trade placement or trade execution and to their own trading desk (with respect to the Advisers' and FTPA's other applicable clients). Such simultaneous communication includes communication to and from LMPPG for the SMA Programs where LMPPG is providing the Support Services.

Where the Advisers and/or the applicable SMA Contracting Adviser provide non-discretionary investment services to a UMA program, such as model portfolios and periodic updates to models, and communicates related recommendations on a simultaneous basis, the UMA Sponsor or its appointed overlay manager is responsible for determining trading activity and completing trades for client accounts. In certain cases, implementation practices of such parties (*e.g.,* accepting instructions or recommendations only once daily or only during particular times of the day) or other operational matters may delay the communication of investment instructions or recommendations. Similarly, required portfolio implementation work may delay communication of trade orders to a program's designated broker for execution. Due to such potential delays, trades by the UMA Sponsor or its appointed overlay manager could take place contemporaneously or after investment advisory decisions and/or trades are made for similarly situated accounts of the Advisers and/or their affiliates. As a result, prices would vary among client Accounts, and the first Accounts to trade, including clients in SMA Programs, will, in some cases, receive more or less favorable prices than later-traded Accounts.

With respect to SMA Programs employing a fixed income strategy, trades will typically be placed according to an alternating sequence or rotation system (*e.g.*, sequential or random determination

of order placement/order execution on the order date) due to the nature of the type of securities involved. This rotation system is intended to provide all clients with fair and equitable access to trading opportunities over time. Generally, any rotation system applied to such Accounts is applicable to both discretionary and non-discretionary Accounts that are traded through the SMA Sponsor. Notwithstanding the foregoing, under certain circumstances, departures from the rotation system will occur due to one or more specified factors. Moreover, the ability to seek best execution in certain investment strategies (*e.g.*, fixed-income bond strategies) may not be reasonably compatible with the rotation system. In these circumstances, the applicable Adviser and the applicable SMA Contracting Adviser may seek to aggregate trades among applicable Accounts in accordance with its procedures, taking into account relevant considerations. Departures from the rotation system, however, could result in the Accounts departing from the rotation receiving prices that are more or less favorable than if the rotation was followed.

Item 13 Review of Accounts

The Advisers manage investment portfolios for each of their clients. Generally, the portfolios under an Adviser's management are reviewed by one or more portfolio managers who are responsible to their respective Chief Investment Officer (or other, similar senior investment professional), either directly or indirectly. Such review may be made with respect to an Adviser's clients' investment objectives and policies, limitations on the types of instruments in which each of its clients may invest and concentration of investments in particular industries or types of issues. There is no general rule regarding the number of Accounts assigned to a portfolio manager. The frequency, depth, and nature of Account reviews are often determined by negotiation with individual clients pursuant to the terms of each client's investment management agreement or by the mandate selected by the client and the particular needs of each client. Written reports of portfolio breakdown, transactions and performance are typically provided to clients no less frequently than quarterly. Additional trade reports may be available upon request.

Item 14 Client Referrals and Other Compensation

The Advisers or a related person, from time to time, enter into referral fee arrangements to compensate affiliated and non-affiliated persons for referring or otherwise recommending its investment advisory services to potential clients. To the extent required, such arrangements would be governed by the policy on use of solicitors and client referrals adopted by the Advisers and entered into in accordance with Rule 206(4)-3 under the Advisers Act and other applicable law. The compensation paid may consist of a cash payment computed as a flat fee; a percentage of an Adviser's (or an affiliate's) advisory fee, performance fee or carried interest; or some other method of computation agreed upon between the parties. For some Accounts, primarily certain Private Funds, a third-party distributor will be compensated by way of a retrocession that is specified in the applicable selling or referral agreement. Retrocession is a term used to describe an on-going fee payable by the Adviser to the third-party distributor so long as such assets placed by the third-party distributor remain invested in the Account. To the extent allowed under applicable law, the Advisers' Code of Ethics and the policies and procedures (including the Anti-Corruption Policy) of the Advisers, their affiliates, and/or a particular broker-dealer, the Advisers or a related person will, from time to time, (i) pay broker-dealer sponsors for training seminars, conferences and other educational events, (ii) pay travel and lodging expenses relating to financial advisers' attendance at an Adviser's due diligence meetings, (iii) give certain business-related gifts or gratuities and/or pay reasonable expenses relating to meals and/or entertainment for financial advisers, and (iv) make a contribution in connection with a charitable event or to a charitable organization sponsored, organized or supported by a broker-dealer or its representatives, on behalf of such broker-dealer or its representatives, or to which such broker-dealer or its affiliates provides professional services.

With respect to certain Advisers that serve SMA Program clients, such Advisers receive fees, directly or indirectly, from the sponsor of the SMA Program for all services rendered by such Advisers to the SMA Program clients, including, on occasion, out of the sponsor's own resources. As such, these Advisers may be considered to receive cash compensation from a non-client in connection with giving advice to SMA Program clients. Similarly, in certain cases where an Adviser serves as a sub-adviser, the Adviser will, from time to time, receive advisory fees from the primary investment manager rather than directly from the investment advisory client. In certain arrangements, including in model delivery programs offered by Sponsors of SMA Programs, the

applicable Adviser or its affiliate pays the Sponsor or its affiliate various fees in connection with the model delivery program, such as model set up and maintenance fees, data analytics fees and support fees allowing for the delivery of the model portfolio on the Sponsor's platform.

For details regarding economic benefits provided to the Advisers by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Trading") above.

Item 15 Custody

From time to time, FTPA may act as investment manager, or an Adviser may act as sub-adviser, with respect to SMA Programs where an SMA Program client retains FTCI to act as custodian for the Account, in which case FTPA or the Adviser will be deemed by the SEC to have custody of the assets in that Account. As a result, such client, where required, will receive account statements directly from FTCI as custodian for the Account, which should be carefully reviewed.

Item 16 Investment Discretion

Generally, the Advisers have discretionary authority to supervise and direct the investment of the assets under their management, without obtaining prior specific client consent for each transaction. This investment discretion is granted by written authority of the client in the investment management agreement between the client and an Adviser and is subject to such limitations as a client may impose by notice in writing and as agreed to by the Adviser. To the extent an Adviser has discretionary authority over assets of a Sub-Advised Account, such authority is granted in an advisory agreement between the Adviser and the Sub-Advised Account and/or the manager of such Sub-Advised Account. Under their discretionary authority, the Advisers will generally make the following determinations in accordance with the investment management agreement, the client's investment restrictions, the Advisers' internal policies, commercial practice, and applicable law, without prior consultation or consent before a transaction is effected:

- Which securities or other instruments to buy or sell;
- The total amount of securities or other instruments to buy or sell;
- The broker-dealer or counterparty used to buy or sell securities or other instruments; and/or
- The prices and commission rates at which transactions are effected.

When an Adviser believes engagement will be beneficial, it may, in the Adviser's sole discretion unless otherwise agreed, submit a shareholder proposal to, or otherwise actively engage with, the issuer of securities held in one or more Accounts. An Adviser may also delegate its discretionary authority to a sub-adviser where the Adviser believes, in its sole discretion, that such delegation would be beneficial unless it is prohibited under the investment management agreement or under applicable law. The Advisers will consider a variety of factors including, but not limited to, costs when considering whether to engage in such activities.

The Advisers may, in an Adviser's sole discretion, accept the initial funding of an Account with one or more securities in-kind. Subject to the terms of the investment management agreement and applicable law, the Advisers will use good faith efforts to liquidate any such securities that the Advisers do not elect to keep as part of such Account, and shall not be liable for any investment losses or market risk associated with such liquidation.

LIMITATIONS ON DISCRETION

Certain Advisers provide non-discretionary services to Accounts, pursuant to which the Advisers provide a client with research, model portfolios or advice with respect to purchasing, selling, or holding particular investments. Accounts for which the Advisers do not have investment discretion may or may not include the authority to trade for the Account and are subject to any additional limitations that are imposed by a client in writing. For certain Accounts where the Advisers do not have investment discretion or trading authority, a conflict of interest will exist for the Advisers to delay a recommendation to buy or sell if the Advisers believe that the execution of such recommendation could have a material impact on pending trades for Accounts for which the Advisers hold investment discretion. Conversely, trades may be executed for discretionary clients in advance of executions for non-discretionary clients, potentially disadvantaging the non-discretionary clients where there is a timing difference related to the provision of advice to a non-

discretionary client for consideration and that client's determination of whether or not to act on the advice.

The Advisers may, in an Adviser's sole discretion, accept one or more categories of investment restrictions requested in writing by clients. In the case of investment restrictions based on social, environmental or other criteria, unless otherwise agreed to with a client, the Advisers' compliance with such restrictions will be based on good faith efforts and can be satisfied by using either a third-party service to screen issuers against such restrictions, or a combination of other market data services (such as Bloomberg and FactSet) and internal research.

The investment guidelines applicable to an Account are typically based on the Account being fully funded. During funding or transition phases, or where there are unusual market conditions, an Adviser's inability to comply with restrictions related to holding limitations, sector allocations and investment diversification shall not, unless otherwise agreed with a client, be considered a breach of the investment management agreement between such Adviser and its client. Moreover, investment restrictions are looked to at the time of investment unless otherwise agreed with the client in writing, and variances to the investment guidelines such as market movements (including exchange rates), the exercise of subscription rights, late settlement as a result of custodial action or inaction, a material increase or reduction in assets due to contributions or withdrawals by the client, or a change in the nature of an investment are generally not considered to be a breach of the investment management agreement unless specifically agreed to in writing.

SWEEP VEHICLES

Generally, uninvested cash held in an Account will be automatically moved or "swept" temporarily by the client's custodian into one or more money market mutual funds or other short-term investment vehicles offered by such custodian. Sweep arrangements are typically made between the client and the client's custodian, and the client is responsible for selecting the sweep vehicle. The Advisers' sole responsibility in this regard, unless specifically directed otherwise in the client's investment management agreement or by separate agreement, is to issue standing instructions to the custodian to automatically sweep excess cash in the Account into the sweep vehicle. In circumstances where the client has not made arrangements with its custodian, the Advisers may consult with the client regarding an appropriate sweep vehicle from those made available by the custodian; however, the client will ultimately select the desired sweep vehicle. In exceptional circumstances, the Advisers will select the appropriate sweep vehicle from those made available by the custodian. However, the Advisers do not actively manage the residual cash in Accounts and will not be responsible for monitoring the sweep vehicle into which such residual cash is swept.

Whether sweep arrangements are made between the client and its custodian or in consultation with the Advisers, any client whose assets are swept into an unaffiliated money market mutual fund or other short-term investment vehicle will continue to pay the Adviser's regular advisory fee on the entire Account, plus the client may pay a management fee to the manager of such fund or short-term investment vehicle on the portion of the Account's assets invested in the money market mutual fund or short-term investment vehicle.

PARTICIPATION IN LEGAL PROCEEDINGS

For all SMA Program clients and Sponsors, neither the SMA Contracting Adviser, nor any Adviser acting as a sub-adviser to the SMA Programs, renders any legal advice to, or takes action on behalf of, SMA Program clients or Sponsors with respect to legal proceedings involving or relating to transactions, securities, or other investments in an SMA Program client's Account or with respect to a Sponsor's SMA Program, including, without limitation: class, representative or other group actions, regulatory recovery funds, or bankruptcy proceedings. Accordingly, neither the SMA Contracting Adviser, nor any Adviser acting as a sub-adviser to the SMA Programs, will initiate or pursue opportunities to participate in such legal proceedings for SMA Program clients or Sponsors.

Item 17 Voting Client Securities

PROXY VOTING POLICIES & PROCEDURES

The Advisers have delegated their administrative duties with respect to voting proxies for client equity securities to the proxy group within Franklin Templeton Companies, LLC (the "**Proxy Group**"), an affiliate and wholly-owned subsidiary of Franklin Resources.

All proxies received by the Proxy Group will be voted based upon the Advisers' instructions and/or policies. To assist it in analyzing proxies, the Advisers subscribe to one or more unaffiliated third party corporate governance research services that provide in-depth analyses of shareholder meeting agendas, vote recommendations, recordkeeping and vote disclosure services (each a "**Proxy Service**"). Although Proxy Service analyses are thoroughly reviewed and considered in making a final voting decision, the Advisers do not consider recommendations from a Proxy Service or any other third party to be determinative of an Adviser's ultimate decision (except as otherwise discussed in an Adviser's brochure). Rather, the Advisers exercise their independent judgment in making voting decisions. The Advisers vote proxies solely in the best interests of the client, the Fund investors or, where employee benefit plan assets subject to the Employee Retirement Income Security Act of 1974 ("**ERISA**") are involved, in the best interests of plan participants and beneficiaries (collectively, "**Advisory Clients**") unless (i) the power to vote has been specifically retained by the named fiduciary in the documents in which the named fiduciary appointed an Adviser or (ii) the documents otherwise expressly prohibit an Adviser from voting proxies. As a matter of policy, the officers, directors and Access Persons of the Advisers and the Proxy Group will not be influenced by outside sources whose interests conflict with the interests of Advisory Clients.

The Advisers are affiliates of a large, diverse financial services firm with many affiliates and each Adviser makes its best efforts to mitigate conflicts of interest. However, conflicts of interest can arise in situations where the issuer of the equity securities that are the subject of the proxy vote is a client, a significant vendor to Franklin Templeton, a distributor of Franklin Templeton proprietary investment products, or a broker-dealer, or when an employee or director of an Adviser serves as an officer or director of the issuer. Moreover, as a general matter, the Advisers take the position that relationships between an issuer and certain affiliates acquired in the Legg Mason, Inc. transaction that do not use the "Franklin Templeton" name ("**Legg Mason Affiliates**") (e.g., an investment management relationship between the issuer and a Legg Mason Affiliate) do not present a conflict of interest for the Advisers in voting proxies with respect to such issuer because: (i) the Advisers operate as independent business units from the Legg Mason Affiliates business units, and (ii) informational barriers exist between the Advisers and the Legg Mason Affiliates.

Material conflicts of interest are identified by the Proxy Group based upon analyses of various sources. The Proxy Group gathers and analyzes this information on a best efforts basis, as much of this information is provided directly by individuals and groups other than the Proxy Group, and the Proxy Group relies on the accuracy of the information it receives from such parties.

In situations where a material conflict of interest is identified, the decision on how to resolve the conflict will be made in accordance with the Proxy Group's conflict of interest procedures, and the Proxy Group will, under certain circumstances, vote consistently with the voting recommendation of a Proxy Service or send the proxy directly to the relevant Advisory Clients with the Adviser's voting recommendation.

In certain circumstances, Separate Accounts are permitted to direct their votes in a particular solicitation pursuant to the applicable investment management agreement. A client that wishes to direct its vote in a particular solicitation shall give reasonable prior written notice to the relevant Adviser indicating such intention and provide written instructions directing the Adviser or the Proxy Group to vote in regard to the particular solicitation. Where such prior written notice is received, the Proxy Group (or the Adviser if applicable) will vote proxies in accordance with such written instructions received from the client.

The Advisers will inform clients that have not delegated voting responsibility to the Advisers, but that have requested voting advice, about the Adviser's views on such proxy votes.

In certain SMA Programs, typically where the Sponsor has not elected for the applicable Adviser to do so or where the applicable Adviser only provides non-discretionary management services to the SMA Program, the relevant Adviser will not be delegated the responsibility to vote proxies held by the SMA Program accounts. Instead, the SMA Program Sponsor or another service provider will generally vote these proxies. Clients in SMA Programs should contact the SMA Program Sponsor for a copy of the SMA Program Sponsor's proxy voting policies.

Each issue is considered on its own merits, and the Advisers will not support the position of the company's management in any situation where they deem that the ratification of management's position would adversely affect the investment merits of owning that company's shares.

Certain of the Advisers' Accounts follow a smart beta strategy, are passively managed to track a particular securities index, or employ a quantitative strategy. These include Accounts managed systematically to either (i) track a specified securities index (including but not limited to ETFs) or (ii) seek to achieve other stated investment objectives.

In the case of Accounts tracking an index, the primary criteria for determining whether a security should be included (or continue to be included) in an investment portfolio is whether such security is a representative component of the securities index that the Account is seeking to track. For other systematically-managed Accounts that do not track a specific index, the Advisers' proprietary methodologies will from time to time rely on a combination of quantitative, qualitative, and behavioral analysis rather than fundamental security research and analyst coverage that an actively-managed portfolio would ordinarily employ. Accordingly, absent client direction, in light of the high number of positions held by such Accounts, and the considerable time and effort that would be required to review proxy statements and ISS or Glass Lewis recommendations, the Advisers, with respect to such Accounts, will from time to time review ISS' non-US Benchmark guidelines, ISS' specialty guidelines (in particular, ISS' Sustainability guidelines), or Glass Lewis' US guidelines (the "**ISS and Glass Lewis Proxy Voting Guidelines**") and determine, consistent with the best interest of their clients, to provide standing instructions to the Proxy Group to vote proxies according to the recommendations of ISS or Glass Lewis.

The Advisers, however, retain the ability to vote a proxy differently than ISS or Glass Lewis recommends if they determine that it would be in the client's best interests (for example, where an issuer files additional solicitation materials after a Proxy Service has issued its voting recommendations but sufficiently before the vote submission deadline and these materials would reasonably be expected to affect the Advisers' voting determination).

The Proxy Group is part of the Franklin Templeton Companies, LLC Corporate Legal Department and is overseen by legal counsel. For each shareholder meeting, a member of the Proxy Group will consult with the research analyst(s) that follows the security and will provide the analyst(s) with the agenda, Proxy Service analyses, recommendations and any other information provided to the Proxy Group. Except in situations identified as presenting material conflicts of interest or as otherwise discussed in an Adviser's brochure (if applicable), the Advisers' research analyst(s) and relevant portfolio manager(s) are responsible for making the final voting decision based on their review of the agenda, Proxy Service analyses, proxy statements, their knowledge of the company and any other information publicly available. In the case of a material conflict of interest, the final voting decision will be made in accordance with the conflict procedures, as described above. Except in cases where the Proxy Group is voting consistently with the voting recommendations of an independent third-party service provider, the Proxy Group must obtain voting instructions from the Advisers' research analyst(s), relevant portfolio manager(s), legal counsel and/or an Advisory Client prior to submitting the vote.

The Advisers will attempt to process every proxy they receive for all U.S. and non-U.S. securities. However, there may be situations in which the Advisers are unable to successfully vote a proxy, or choose to not vote a proxy, such as where: (i) a proxy ballot was not received from the custodian bank, (ii) a meeting notice was received too late, (iii) there are fees imposed upon the exercise of a vote and the Account's Adviser has determined that such fees outweigh the benefit of voting, (iv) there are legal encumbrances to voting, including blocking restrictions in certain markets that preclude the ability to dispose of a security if the Account's Adviser votes a proxy or where such Adviser is prohibited from voting by applicable law, economic or other sanctions or other regulatory or market requirements, including, but not limited to, effective powers of attorney, (v) additional documentation or the disclosure of beneficial owner details is required, (vi) the Account's Adviser held shares on the record date but has sold them prior to the meeting date, (vii) the Account held shares on the record date, but the client closed the Account prior to the meeting date, (viii) proxy voting service is not offered by the custodian in the market, (ix) due to either system error or human error, the Account's Adviser's intended vote is not correctly submitted, (x) the Account's Adviser believes it is not in the best interests of the Advisory Client to vote the proxy for any other reason

not enumerated herein or (xi) a security is subject to a securities lending or similar program that has transferred legal title to the security to another person.

Even if the Advisers use reasonable efforts to vote a proxy on behalf of their Advisory Clients, such vote or proxy may be rejected because of (i) operational or procedural issues experienced by one or more third parties involved in voting proxies in such jurisdictions, (ii) changes in the process or agenda for the meeting by the issuer for which the Account's Adviser does not have sufficient notice, or (iii) the exercise by the issuer of its discretion to reject the vote of an Account's Adviser. In addition, despite the best efforts of the Proxy Group and its agents, there may be situations where the Advisers' votes are not received, or properly tabulated, by an issuer or the issuer's agent.

In certain circumstances, the Advisers or their affiliates will, on behalf of one or more of the U.S. Registered Funds and Non-U.S. Registered Funds advised by the Advisers or their affiliates, determine to use their best efforts to recall any security on loan where the Advisers or their affiliates (i) learn of a vote on a material event that may affect a security on loan, and (ii) determine that it is in the best interests of such Funds to recall the security for voting purposes. The Advisers will not generally make such efforts on behalf of other Advisory Clients, or notify such clients or their custodians that the Advisers or their affiliates have learned of such a vote.

The Proxy Group is responsible for maintaining the documentation that supports the Advisers' voting decision. Such documentation typically includes, but is not limited to, any information provided by Proxy Services and, with respect to any issuer that presents a potential conflict of interest, any board or audit committee memoranda describing the position it has taken. The Proxy Group will, from time to time, use an outside service such as a Proxy Service to support this recordkeeping function. All records will be retained in either hard copy or electronically for at least five years, the first two of which will be on-site at the offices of Franklin Templeton Companies, LLC. Advisory Clients may view an Adviser's complete proxy voting policies and procedures on-line at *www.franklintempleton.com*, request copies of their proxy voting records and the Advisers' complete proxy voting policies and procedures by calling the Proxy Group at 1-954-527-7678 or send a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group.

FAV'S PROXY VOTING IN MANAGER-OF-MANAGERS ARRANGEMENTS

In the case of a Manager-of-Managers arrangement, each Underlying Manager will typically exercise proxy voting authority over the securities in the Sleeve managed by such Underlying Manager. FAV is expected to exercise proxy voting authority over the securities in any Sleeve that it manages.

Item 18 Financial Information

Not applicable.