Franklin Templeton Digital Assets Core

As of June 30, 2022

Strategy Overview

At Franklin Templeton, our dedicated independent group has been building digital assets expertise since 2018, developing platforms, product expertise and strategy differentiation to help clients achieve investment in the digital assets ecosystem. Franklin Templeton Digital Assets Core seeks to provide capital appreciation through a typical exposure of 10-15 digital assets weighted by market capitalization that pass Franklin Templeton's selection process.

The Franklin Templeton Digital Assets investment team reviews digital assets based on various factors including market capitalization, protocol type and volume. The team includes digital assets based on our proprietary tokenomics scoring system, which excludes stablecoins and meme coins. The resulting portfolio typically targets 10-15 digital assets and is ordinarily rebalanced monthly.

Methodology

The Franklin Templeton Digital Assets investment team does the following:

- ✓ Selects potential digital assets for inclusion based on market capitalization, volume and liquidity thresholds
- ✓ Conducts further analysis on this set of digital assets through our proprietary tokenomics scoring system
- ✓ Synthesizes research and identifies high quality digital assets for investment

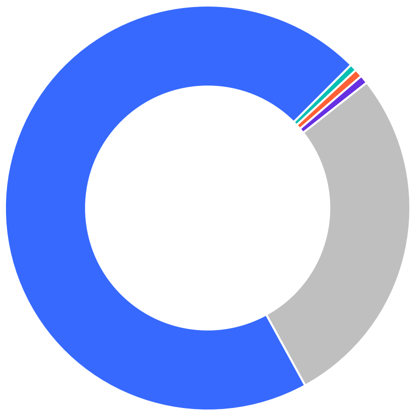
Portfolio Characteristics

As of June 30, 2022

Holdings

Ticker	Name	Weight
BTC	Bitcoin	69.25%
ETH	Ethereum	26.15%
SOL	Solana	1.65%
MATIC	Polygon	0.61%
LINK	Chainlink	0.52%
UNI	Uniswap	0.45%
XTZ	Tezos	0.24%
MANA	Decentraland	0.22%
SAND	The Sandbox	0.19%
FIL	Filecoin	0.19%
AAVE	Aave	0.16%
AXS	Axie Infinity	0.15%
GRT	The Graph	0.12%
FTM	Fantom	0.10%

Sector Allocation



The investment process may change over time.
The characteristics set forth above are intended as a general illustration of some of the criteria the strategy team considers in selecting assets for client portfolios. There is no guarantee that investment objectives will be achieved. Allocations are subject to change. Actual underlying allocations may vary over time as markets change.
Portfolio characteristics are based on a model portfolio, not an actual client account. The model portfolio is a hypothetical portfolio whereby the portfolio characteristics are based on simulated trading and account activity of a client account invested in this strategy. The model portfolio assumes no withdrawals, contributions or client-imposed restrictions. Portfolio characteristics of individual client accounts may differ from those of the model portfolio as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors. Weight based on market cap as of June 30, 2022. Percentage may not total 100% due to rounding. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

Key Terms

Investment Strategy	Franklin Templeton Digital Assets Core	**Ownership**	Direct ownership (The client is the sole legal owner of the digital assets).
Structure	Separately Managed Account	**Required Minimum Investment**	$50,000

What should I know before investing?

All investments involve risk, including the loss of principal. Certain Accounts will invest in cryptocurrencies, such as, but not limited to, Bitcoin or Ethereum, as well as other digital representations of value or rights (including for investment, finance or idle cash purposes). Such assets or investments may be transferred and stored electronically, using distributed ledger technology or other technology, and may include but are not limited to any decentralized application tokens and blockchain-based tokens and other digital assets, or instruments for the purchase of such, including but not limited to token rights agreements, token warrants and other instruments (together with cryptocurrencies, "**Digital Assets**"). Investments in Digital Assets are subject to many specialized risks and considerations, including but not limited to risks relating to (i) immature and rapidly developing technology underlying Digital Assets, (ii) security vulnerabilities of this technology, (iii) credit risk of Digital Asset exchanges that may hold an Account's Digital Assets in custody, (iv) regulatory uncertainty around the rules governing Digital Assets, Digital Asset exchanges and other aspects and parties involved with Digital Asset transactions, (v) high volatility in the value/price of Digital Assets, (vi) unclear acceptance of some or all Digital Assets by users and global marketplaces, and (vii) manipulation or fraud resulting from the pseudo-anonymous manner in which ownership of Digital Assets is recorded and managed.

Additional risks applicable to Digital Assets Strategies include:

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

Concentration risk: 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.

Cybersecurity risk: Portfolio manager(s), service providers to the portfolios 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 portfolio and their investors, despite the efforts of the portfolio manager(s) and 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 portfolios and their investors.

Liquidity risk: 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 risk: The market value of securities or other investments 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.

Non-diversification risk: 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.

New strategy risk: The Franklin Templeton Digital Assets Core strategy has no operating history and is being first offered to client accounts during the third quarter of 2022.

Volatility risk: Trading prices for Digital Assets have historically been highly volatile. The value of the Digital Assets held by an account could decline rapidly, including to zero. Digital Assets have not been in existence long enough to assess the volatility of market cycles with any precision and an investment in an account may turn out to be substantially worthless. Investors should be prepared for volatile market swings and prolonged bear markets.

Unlisted securities risk: Unlisted securities (i.e., securities not listed on a stock exchange or other markets and for which no liquid secondary trading market exists) may involve a high degree of business and financial risk and may result in substantial losses. The companies underlying such securities may have relatively limited operating and profit histories. Many of these companies may also need substantial additional capital to support expansion or to achieve or maintain a competitive position and there is no assurance that capital will be available to finance such needs. In the absence of a liquid trading market for unlisted securities, they will be difficult to value. It is also possible that such investments will be difficult to liquidate when desired, which may limit the ability to realize their full value. Although it is generally desirable that unlisted securities become listed in due course, there can be no assurance that this will be the case, or that sufficient liquidity for substantial shareholdings will be available following listing.

Valuation: The strategy 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.

For complete details on the strategy's risk factors, refer to Form ADV Part 2A.

Glossary

Stablecoin: A digital asset where the value is tied, to that of another currency, commodity or financial instrument.
Tokenomics: The topic of understanding the supply, demand and economics characteristics of digital assets.
Meme coins: A digital asset that's inspired by an internet meme or viral image.

Important Information

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