





FRANKLIN
TEMPLETON

FRANKLIN MUNICIPAL BOND LADDERS

Invest with a Tax-Free Leader

Investment Objective Franklin municipal bond ladders are designed to deliver tax-free income from a portfolio of municipal securities with ladder maturities. Our strategy invests in high-quality bonds, seeking to take advantage of relative valuation differences between sectors, geographic regions, issuers and individual bond issues.

Investment Process

1.	2.	3.	4.	5.
Identify Ladder Structure 	Leverage Deep In-House Research 	Uncover Attractive Yield Opportunities 	Build a High Quality Portfolio 	Ongoing Portfolio and Credit Monitoring 
We review your current holdings and provide a comprehensive analysis of how they would be transitioned into a Franklin Laddered Municipal Portfolio. For new accounts incepting with cash, we will construct a portfolio, equally weighted across the rungs of the chosen ladder. The ladder rungs are determined by the account size at either 1 or 2 year rungs.	We employ a rigorous credit research process centered around a sector-specific, transaction driven model. Each analyst typically follows between one and three sectors and works with all of the portfolio managers in assessing primary and secondary market transactions and surveillance of current holdings.	We source opportunities in both the primary and secondary markets. Our presence as a leader in the space allows for institutional access to primary market supply as well as institutional-level execution when both buying and selling.	The team implements the investment strategy using a disciplined conservative approach, focusing on credits with strong fundamentals while avoiding riskier bonds and those subject to the alternative minimum tax.	We regularly monitor each client's portfolio as well as the municipal bond market to help ensure the portfolio continues to be appropriately positioned. A member of the team is available to review account holdings and performance upon request.

Why Invest in Municipal Ladders

- A diversified set of municipal bonds with staggered maturities may offer advantages over self-managed portfolios by creating a stable stream of income.
- Ladders can offer a stable, predictable source of cash flows generated by a portfolio of high-quality securities with known maturity dates.
- Laddered portfolios may help minimize the impact of rising interest rates by allowing any principal from maturing bonds to be reinvested at higher prevailing rates.
- Ladders represent a disciplined approach to credit selection and rigorous on-going monitoring that gives investor access to investment expertise through various credit cycles.

Why Franklin Municipal Ladders?

Credit Research

Opportunity to tap into the expertise of Franklin's credit research team who offer in-depth analysis and coverage across the entire municipal market.

Institutional Market Access and Pricing

Franklin is one of the largest municipal bond managers in the nation. Our broad presence in the market provides us greater access to inventory, helping us efficiently navigate the market to find bonds in appropriate sizes and at institutional prices.

Conservative Approach

We combine comprehensive research with a risk-aware approach as we seek to generate income and reduce volatility. We do not use leverage or invest in derivatives.

Portfolio Customization Options

Franklin offers a full range of customizable, laddered strategies across the maturity and duration spectrum. Franklin is committed to collaborating with you to address your objectives including; risk profile, cash flow, investment flexibility, and tax management goals.

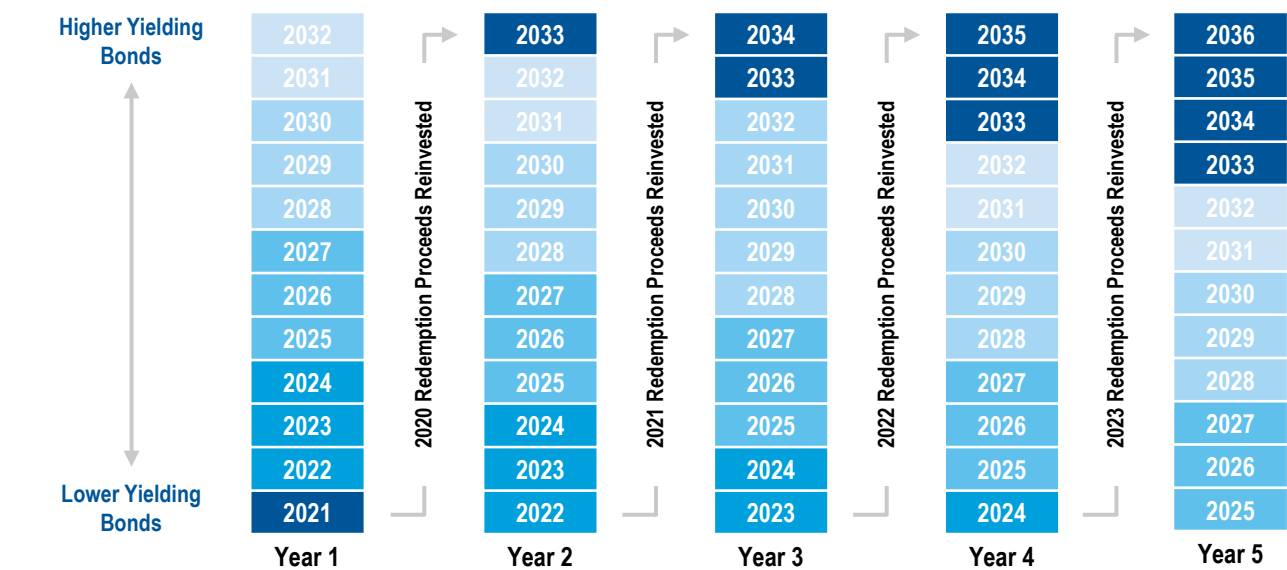
	Short Ladder 	Intermediate Ladder 	Long Ladder 
Maturity Target	1–7 Years	1–15 Years	5–20 Years
AMT Exposure	Excluded	Excluded	Excluded
Credit Quality	Minimum credit rating of A-	Minimum credit rating of A-	Minimum credit rating of A-
Coupon Income	Choice to reinvest coupon income or receive cash	Choice to reinvest coupon income or receive cash	Choice to reinvest coupon income or receive cash
Minimum Initial Investment	\$175K	\$175K	\$250K
State Availability¹	National, 7 State specific, 13 State Preference	National, 7 State specific, 13 State Preference	National, 7 State specific, 13 State Preference
Number of Bonds²	Minimum 2 bonds every rung Minimum 14 positions	Minimum 1 bond every rung Minimum 15 positions	Minimum 1 bond every rung Minimum 16 positions

1. State-specific mandates include California, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania. State preference mandates include Arizona, Colorado, Connecticut, Florida, Louisiana, Maryland, Missouri, Minnesota, North Carolina, Oregon, Texas, Utah, and Virginia. Additional state-specific portfolios may be available upon request and are subject to review.

2. The number of bonds in a portfolio may vary by the timing of purchases and sales, changes in the purchase and sell list, general market conditions, and factors specific to each existing account due to client considerations. A concentration in a small number of holdings may increase risk exposure. Any decline in value of an individual bond may have a material impact on the account value.

Mechanics of Climbing the Ladder

As bonds on each rung of the ladder mature, the principal plus interest (if desired) are typically reinvested into longer-dated, higher-yielding securities:



For illustrative purposes only. Minimum initial amount may vary.

Investment Team



Jeff Snyder
 Vice President/Senior Portfolio Manager
 Director of Portfolio Management & Trading
 Franklin Separately Managed Accounts
 San Mateo, California

Jeff is a Senior Portfolio Manager and Director of Portfolio Management and Trading (municipal bonds) for Franklin Separately Managed Accounts. His primary responsibilities include management of various municipal fixed income portfolios, including researching and selecting securities within established investment policy guidelines.



Nick Bucklin, CFA
 Vice President /Portfolio Manager
 Franklin Separately Managed Accounts
 San Mateo, California

Nick is a lead Portfolio Manager for Franklin Separately Managed Accounts. He is a member of the investment committee for the Franklin Intermediate Municipal Fixed Income SMA strategy.



Dylan Sanderson
 Portfolio Manager
 Franklin Separately Managed Accounts
 San Mateo, California

Dylan is a Portfolio Manager for Franklin Separately Managed Accounts. His primary responsibilities include management of various SMA municipal fixed income state specific portfolios, including researching and selecting securities within established investment policy guidelines.

IMPORTANT LEGAL INFORMATION

Investors should review their investment objectives, risk tolerance and liquidity needs before choosing a manager. There is no guarantee that investment strategies will work under all market conditions and investors should evaluate their ability to invest for the long-term, especially during periods of market downturns.

All investments are subject to certain risks, including possible loss of principal. Generally, investments offering the potential for higher returns are accompanied by a higher degree of risk. The primary risks inherent in this strategy include interest rate risk and credit risk. Securities markets can fluctuate significantly in response to industry, financial or economic developments, and unexpected events, such as the spread of deadly diseases or disasters, can cause investor fear and panic, which can adversely affect companies, sectors and the market in general. Investors should review their investment objectives, risk tolerance and liquidity needs before choosing a manager. There is no guarantee that investment strategies will work under all market conditions and investors should evaluate their ability to invest for the long term, especially during periods of market downturns.

Franklin Separately Managed Accounts is a division of Franklin Templeton Portfolio Advisors, Inc., a subsidiary of Franklin Resources, Inc., a global investment management organization operating as Franklin Templeton.



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