

**Supplement dated March 31, 2023**  
**to**  
**September 30, 2022 Investment Adviser Registration Form ADV Part**  
**2A: Firm Brochure**  
**of**  
**FRANKLIN ADVISERS, INC.**

This document is effective as of March 31, 2023 (the “**Effective Date**”) and supplements the accompanying Investment Adviser Registration Form ADV Part 2A: Firm Brochure for Franklin Advisers, Inc. (“**FAV**”), dated September 30, 2022 (the “**Brochure**”). Any inconsistent disclosure in the Brochure is superseded by the contents of this document. Defined terms not defined herein shall have the same meaning as in the Brochure.

Within the quarter following the Effective Date, FAV is expected to begin offering an additional suite of single contract non-discretionary model portfolios that each consist of a portfolio comprised entirely of 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**”), that pursue global multi-asset, U.S. multi-asset and U.S. equity strategies (collectively, the “**New Medium Term Fund Model Portfolios**”), as described in further detail below under Item 4 (“Advisory Business – Advisory Services of FAV – Model Delivery Programs”). In connection with these additions, the below disclosures supplement the Brochure.

## **Item 4      Advisory Business**

### **ADVISORY SERVICES OF FAV**

#### **Model Delivery Programs**

The New Medium Term Fund Model Portfolios are initially expected to be offered through an unaffiliated Model Program Sponsor who has retained FAV to provide the model portfolios on a non-discretionary basis in connection with newly established Model Programs. The Model Program Sponsor has appointed a third-party “overlay” manager to make all discretionary investment decisions and execute trade on behalf of its underlying clients. FAV treats the discretionary overlay manager as its sole advisory client with respect to the New Medium Term Fund Model Portfolios. FAV does not have any responsibility to determine whether a New Medium Term Fund Model Portfolio is suitable and appropriate for any investor in the Model Program. FAV does not receive a fee from the Model Program Sponsor or the discretionary overlay manager for its services, because the New Medium Term Fund Model Portfolios will have a significant allocation to Affiliated Funds. The structure, attributes, and roles and responsibilities of parties in the arrangement for the New Medium Term Fund Model Portfolios, including with respect to matters concerning the use of Affiliated Funds and associated conflicts, are as described in “Model Delivery Programs” section of the current Brochure (and is incorporated by reference herein), except as supplemented with the additional features described below.

In constructing and rebalancing the New Medium Term Fund Model Portfolios, FAV will recommend investing a significant portion into Affiliated Funds and a significant portion in specified Third-Party Funds (“**Select Third-Party Funds**”), which initially will consist of Third-Party Funds that managed or advised by Massachusetts Financial Services Company and/or its affiliated advisers (“**Select Third-Party Fund Manager**”), to the extent suitable funds are available in the relevant asset class. The New Medium Term Fund Model Portfolios are also expected to include allocations to other Third-Party Funds, including passively managed third-party ETFs.

Because the sales and marketing of the New Medium Term Fund Model Portfolios will be supported by affiliates of the Select Third-Party Fund Manager, FAV, subject to its fiduciary duties, will seek to allocate up to 50% of each New Medium Term Fund Model Portfolio's model portfolio to Select Third-Party Funds. The universe of Select Third-Party Funds in which the New Medium Term Fund Model Portfolios may invest is determined by FAV, who subject to its fiduciary duties, evaluates the Select Third-Party Funds and selects those it believes most appropriate for investment by the New Medium Term Fund Model Portfolios. In considering the sales and marketing support services that affiliates of the Select Third-Party Fund Manager will provide, FAV expects to allocate significant portions of the New Medium Term Fund Model Portfolios to Select Third-Party Funds (as well as Affiliated Funds), even though there may be other Third-Party Funds that are more appropriate for inclusion in such Model Portfolios, including other available Third-Party Funds in the applicable asset classes that have lower fees and expenses, greater performance or other favorable terms relative to a Select Third-Party Fund and/or an Affiliated Fund. FAV would indirectly benefit from sales and marketing services of the affiliates of the Select Third-Party Fund Manager to the extent that they lead to increased assets in the New Medium Term Fund Model Portfolios, which in turn would lead to increased assets under management in Affiliated Funds that will comprise a significant portion of the New Medium Term Fund Model Portfolios. FAV or its affiliates receive investment management fees and other asset-based compensation (including shareholding servicing and transfer agent services) from Affiliated Funds that increase when assets under management in Affiliated Funds grow. Therefore, FAV has an incentive to recommend and give preference to Select Third-Party Funds relative to other Third-Party Funds.

At any time, in its sole discretion, FAV may determine to cease investing in the initial group of Select Third-Party Funds and, from time to time, instead allocate, subject to its fiduciary duties, to a new set of Select Third-Party Funds that are managed or advised by a different unaffiliated adviser, whose affiliates may support the sales and marketing of the model portfolios. Because the discretionary overlay manager will be FAV's sole advisory client initially and through the operation of the Model Program, the sales and marketing services with respect to the New Medium Term Fund Model Portfolios will not involve the referral of new advisory clients to FAV, or the offering of advisory services to prospective new clients of FAV.

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 Select Third-Party Funds").

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

### **POTENTIAL CONFLICTS RELATING TO ADVISORY AND OTHER ACTIVITIES**

#### **Conflicts Related to Investment in Select Third-Party Funds**

In selecting investments for the New Medium Term Fund Model Portfolios, FAV has an incentive to recommend and give preference to Select Third-Party Funds because affiliates of the Select Third-Party Fund Manager provide sales and marketing support services with respect to the New Medium Term Fund Model Portfolios in connection with the Model Program. FAV would indirectly benefit from sales and marketing services of the affiliates of the Select Third-Party Fund Manager to the extent that they lead to increased assets in the New Medium Term Fund Model Portfolios, which in turn would lead to increased assets under management in Affiliated Funds that will comprise a significant portion of the New Medium Term Fund Model Portfolio. FAV or its affiliates receive investment management fees and other asset-based compensation (including shareholding servicing and transfer agent services) from Affiliated Funds that increase when assets under management in Affiliated Funds grow. This conflict is mitigated by the 50% limit on the portion of each New Medium Term Fund Model Portfolio that can be allocated to the Select

Third-Party Funds at the time of each rebalance, and by FAV's fiduciary duty to exercise due care and diligence in selecting investments for the New Medium Term Fund Model Portfolios.

Because the discretionary overlay manager will be FAV's sole advisory client initially and through the operation of the Model Program, the sales and marketing services with respect to the New Medium Term Fund Model Portfolios will not involve the referral of new advisory clients to FAV, or the offering of advisory services to prospective new clients of FAV.