

Goals Optimization Engine[®]

Dynamic Personalization
for Goals-Based Investing



FRANKLIN
TEMPLETON

Rising to the Challenge with True Goals-Based Investing

Wealth managers face a crowded landscape and high expectations. To meet clients' requests for personalized investing solutions, they often rely on frameworks that focus on minimizing risk of volatility.

GOE®
by Franklin Templeton



But now, they have more options to meet clients' needs. Offering a true, goals-based investing framework can help wealth managers stand apart from the competition while meeting or even exceeding clients' expectations.

Franklin Templeton's Goals Optimization Engine® (GOE®), a powerful investing framework based on Harry M. Markowitz-award winning research¹, gives wealth managers that competitive edge.

A true, goals-based investing framework can help wealth managers stand apart from the competition and exceed client expectations.

Personalization for More Clients and Multiple Goals

GOE® bridges the gap between goals-based wealth management theory and practice. It provides a system to manage individual portfolios for each investor. GOE® empowers advisors to create unique portfolios not just for every investor, but also for every financial goal an investor has, whether it's saving for college tuition, saving for retirement or buying a vacation home. Through GOE®, a level of **personalization once considered impractical can now be offered at scale** to a wide array of investors. This includes investors with smaller account balances—advisors can now offer more customization to these investors in an efficient manner and cultivate the advisor-investor relationship as their balances grow over time.



Personalize



Solve



Manage + Adapt



Advise + Optimize

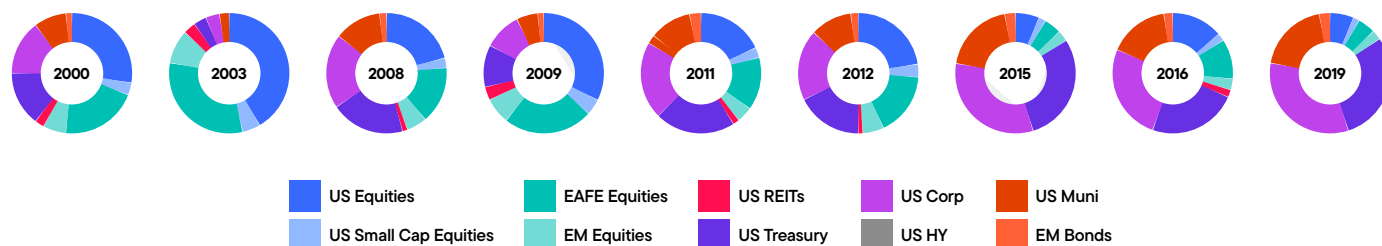
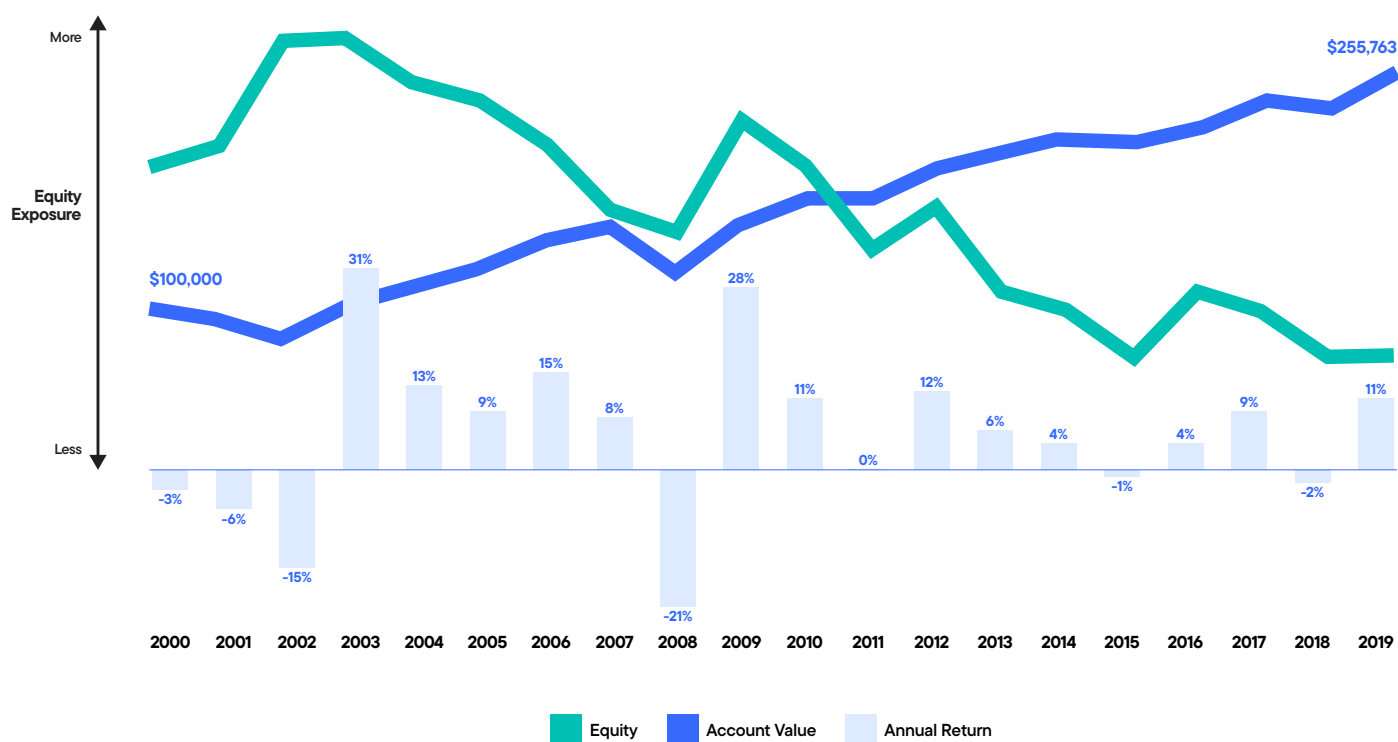
1. A New Approach to Goals-Based Wealth Management, by Sanjiv R. Das, Daniel Ostrov, Anand Radhakrishnan and Deep Srivastav received the 2018 Harry M. Markowitz Award from the Journal of Investment Management and New Frontier Advisors, LLC. This is an annual award honoring Dr. Harry M. Markowitz, a Nobel laureate in economics, for his legacy and to support future research and innovation in practical asset management. Candidates are taken from among papers published in the Journal of Investment Management each year. No compensation was paid for consideration for this award.

Managing and Optimizing Allocations Over Time

GOE® evaluates an investor's circumstances, including starting wealth, target wealth, risk capacity and goal tenure, and provides consumption advice, noting limiting factors toward goal achievement. Advisors can also encourage their clients to disclose any tucked-away assets, inspiring more holistic goals-based discussions that can help an advisors optimize wealth management for their clients. With information-gathering and analysis complete, GOE® then recommends a portfolio and, through dynamic programming, adjusts allocations based both on market conditions and the investor's financial situation. Adjusting asset mixes over time based on these key variables **seeks to maximize the probability of reaching each goal**, resulting in a more tailored approach than those offered by frameworks that rebalance to a risk target.

GOE® In Action *Hypothetical Example*

Starting Value \$100K | Goal Target \$230K | Time Horizon 20 Years | Investor Risk Profile Aggressive | Loss Threshold \$100K



For illustration only. There is no assurance that any solution or strategy will be successful, or that any client's investment objective will be met. In addition, there can be no assurance that market or economic scenarios, risk/return expectations or models will prove to be accurate. This hypothetical illustration is intended for use with Institutions, Consultants, and Financial Professionals only. It is not for distribution to the public. The account balances and annual returns depicted are hypothetical, back-tested performance results, do not represent the actual account or trading of any investor and have other inherent limitations. See appendix for additional information on hypothetical analysis.



Empowering Advisors with Insights, Integration and Peace of Mind

GOE®'s evaluations and recommendations give advisors more information and insights to share with their clients, making for smarter, richer conversations. GOE® empowers wealth managers to leverage their own expertise with customizable features: Advisors can configure sources of capital market expectations, frequency of reallocation and products used for portfolio construction. With a flexible API, GOE® integrates into firms' existing systems for a smooth, intuitive experience for advisors and, in addition, offers a client-friendly interface for firms that choose to offer an investor-led journey. GOE® also provides a consistent framework for asset allocation and portfolio selection, ensuring a uniform process throughout a firm and easing concerns about audits and regulatory examinations.

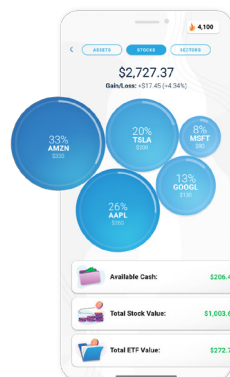
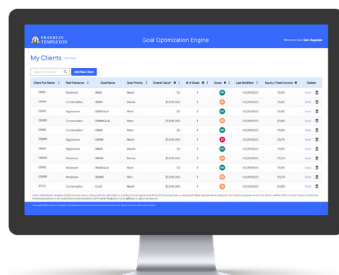
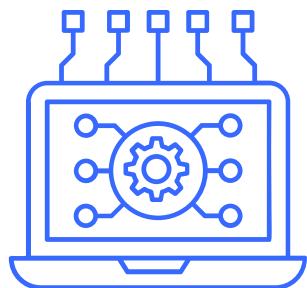
Your Ultimate Outsourced CIO Solution

GOE®'s goals-based investment framework is powered by the high-quality, institutional investment expertise of Franklin Templeton. And, with open-architecture flexibility, you can select your own custom models and investment products, or simply outsource the risk by leveraging Franklin Templeton's Multi-Asset team-managed model portfolios. Choose from a variety of flexible portfolio composition and underlying investment options:

- Franklin Models and Investment Products
- Franklin Models and Partner-Selected Investment Products
- Custom Models and Partner-Selected Product

How GOE® Integrates Into Your System

GOE® can be plugged into a firm's infrastructure to allow access to the investment recommendations, and to provide their clients with personalized, scalable advice. Just pick the deployment option that's right for you.



GOE® API Connectivity

Flexible API allows GOE® to be integrated directly into your existing systems and workflows

- Work with Franklin Templeton's skilled distribution and implementation staff on integration and deployment
- Client-side interface, using API calls for probability scoring, portfolio selection, and trading instructions

GOE® Advisor Portal

A low/no-code, light-lift way to get your advisors quick access to GOE®

- Packaged as a SaaS solution
- Hosted by Franklin Templeton but fully white-labeled to match your plan
- Run client planning scenarios in minutes to produce asset allocation & client-friendly reports
- Open-architecture portfolios with pricing advantages for Franklin Templeton strategies

Mobile Wealth SDK

Out-of-the-box, goals-based digital wealth & investments solution from Franklin Templeton, FinTron and Apex

- Fully white-labeled mobile app experience to match your brand
- Or, integrate the SDK as a widget in your existing app
- Choice of modules, including GOE®, Self-Directed Brokerage, Crypto, Financial Education, and Rewards
- Apex trade execution, clearing and custody
- Open-architecture portfolios with pricing advantages for Franklin Templeton strategies

End-to-End Support from Your Team at Franklin Templeton

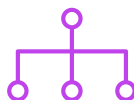
Franklin Templeton's Global Digital Strategy and Wealth Management team is committed to ensuring our customers' success with GOE® and all our solutions. Our implementation staff brings a tremendous amount of expertise **to helping clients with everything from operations to marketing to deployment**. Choose the level of service you'd prefer—high-touch, firmly in the background or anywhere in between—and we're happy to provide it. It's about what best fits your needs.



**Technologists/Product
Experts**



**Digital Sales
Specialists**



**Deployment
Leads**



**Client
Success**

Interested In Learning More?

We're happy to walk you through our GOE® demo. Email DigitalWealthSpecialists@franklintempleton.com.

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All investments are subject to risks, including possible loss of principal. Generally, investments offering potential for higher returns are accompanied by a higher degree of risk. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Bonds and other debt obligations are affected by changes in interest rates, and the creditworthiness of their issuers. High-yield, lower-rated (junk) bonds generally have greater price swings and higher default risks. Foreign investing, especially in emerging markets, has additional risks such as currency and market volatility and political and social instability. These, and other risks to which particular funds may be subject, such as specialized industry sectors or use of complex securities, are discussed in each fund's prospectus. Performance of a portfolio may vary significantly from the performance of an index, as a result of transactions costs, expenses and other factors.

The hypothetical illustration's purpose is to depict how GOE would have changed the portfolio allocation in pursuit of a defined goal from 2000-2019. In this example, GOE annually revisits the allocation decision and makes changes seeking to maximize probability of successfully reaching the investor's goal target of \$230k. Factors affecting allocation changes include market performance (e.g., bursting of dotcom bubble, global financial crisis, extended bull market) and goal parameters (e.g., target wealth, goal fundedness, remaining time horizon, etc.). Assumptions and Inherent limitations: The hypothetical performance results were generated by the retroactive application of GOE to historical asset class returns (represented by Morningstar category average returns, which reflect the impact of fees) and were produced with the benefit of hindsight. Results generally include reinvestment of dividends and other earnings. Actual GOE implementations use ETFs and/or mutual funds to represent the asset classes and may have higher fees and/or lower returns than the corresponding Morningstar category average. For the time periods depicted, GOE was not operating and the initial offer of GOE took place after the periods covered in the illustration. Also, because trades have not actually been executed, these results do not account for the impact, if any, of certain market factors that may have affected investment decisions or associated market assumptions at the time. The illustration assumes no capital infusions or withdrawals were made following the initial investment amount, no changes were made to the goal, or risk tolerance, time horizon or other GOE inputs during the period. Return and volatility expectations for various asset classes employed by GOE at December 2020 were in place throughout the period shown. These results are shown net of an annual model advisory fee of 10 basis points for GOE's asset allocation services but does not reflect the deduction of brokerage or other commissions, mutual fund exchange fees, and any other expenses that a client would have paid. No representation is being made that any account will or is likely to achieve profits or losses similar to these being shown. The performance depicted does not guarantee future results, which may vary.