

**Franklin Templeton, Power Corporation of Canada and  
Great-West Lifeco Establish Strategic Partnership**

**Franklin Templeton to Acquire Putnam Investments**

May 2023



# Forward-Looking Statements

Statements in this presentation that are not historical facts are “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. When used in this presentation, words or phrases generally written in the future tense and/or preceded by words such as “will,” “may,” “could,” “expect,” “believe,” “anticipate,” “intend,” “plan,” “seek,” “estimate,” “preliminary” or other similar words are forward-looking statements.

Various forward-looking statements in this presentation relate to the strategic relationship between Franklin Resources, Inc. (“Franklin”), Great-West Lifeco Inc. (“Great-West”), the Power Corporation of Canada (“Power”, and together with Great-West and Power’s other subsidiaries, the “Power Group of Companies”) and the acquisition by Franklin of Putnam Investments (“Putnam”) from Great-West including regarding expected growth, client and stockholder benefits, key assumptions, timing of closing of the transaction, revenue realization, financial benefits or returns, accretion and integration costs. Forward-looking statements involve a number of known and unknown risks, uncertainties and other important factors, some of which are listed below, that could cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements. Important transaction related and other risk factors that may cause such differences include: (i) the occurrence of any event, change or other circumstances that could give rise to the termination of the acquisition agreement or the strategic relationship; (ii) the transaction closing conditions may not be satisfied in a timely manner or at all, including due to the failure to obtain regulatory and client approvals; (iii) the announcement and pendency of the acquisition may disrupt Putnam’s business operations (including the threatened or actual loss of employees, clients or suppliers); (iv) Franklin, Putnam or Power Group could experience financial or other setbacks if the transaction or strategic relationship encounters unanticipated problems; and (v) anticipated benefits of the acquisition or the strategic relationship, including the realization of revenue, accretion, and financial benefits or returns, may not be fully realized or may take longer to realize than expected.

Forward-looking statements involve a number of known and unknown risks, uncertainties and other important factors that may cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements, including market and volatility risks, investment performance and reputational risks, global operational risks, competition and distribution risks, third-party risks, technology and security risks, human capital risks, cash management risks, and legal and regulatory risks. For a detailed discussion of other risk factors, please refer to Power’s and Great-West’s recent filings, which are available for viewing at [www.sedar.com](http://www.sedar.com), and the risks, uncertainties and factors described in Franklin’s recent filings with the U.S. Securities and Exchange Commission (“SEC”), including, without limitation, those discussed under the headings “Risk Factors” and “Quantitative and Qualitative Disclosures About Market Risk” in Franklin’s most recent Annual Report on Form 10-K and subsequent periodic and current reports.

Any forward-looking statement made in this presentation speaks only as of the date on which it is made. Factors or events that could cause actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Franklin, Putnam and Power Group of Companies undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

# Transaction Summary

Franklin Templeton to form a long-term strategic partnership with the Power Corporation of Canada (“Power” and, together with its subsidiaries, the “Power Group of Companies”) and Great-West Lifeco, Inc. (“Great-West”). Franklin Templeton to acquire Putnam Investments (“Putnam”) from Great-West

1

**Establishment of a Long-Term Strategic Partnership between Franklin Templeton, Power and Great-West**  
*with initial \$25bn asset allocation<sup>1</sup>*

**Drives growth opportunities in attractive retirement, insurance and wealth channels; adds Great-West as a long-term strategic shareholder**

2

**Acquisition of Putnam**  
*increasing AUM by \$136bn<sup>2</sup>*

**Adds complementary investment capabilities with strong performance and enhances presence in the insurance and retirement sectors**

3

**Attractive Financial Profile and Pro Forma Impact**

**Maintains financial flexibility and enhances continued investment across our firm**

<sup>1</sup> To fund within 12 months of closing. <sup>2</sup> As of 04/30/23 and excludes \$33 billion of PanAgora, which is not a party to the transaction.

## 1

### Establishment of a Long-Term Strategic Partnership between Franklin Templeton, Power and Great-West

- Power holds controlling interests in Great-West and IGM Financial and has collective AUM/AUA of \$2.1tn<sup>1</sup>.
  - Great-West is a leader in global insurance, retirement, asset management and wealth management sectors including Empower in the US as well as Canada Life and Irish Life across Canada and Europe.
  - IGM Financial encompasses subsidiaries Mackenzie Financial and IG Wealth Management and has investments in Rockefeller Capital Management and China Asset Management Co.
- Great-West to provide initial long-term asset allocation of \$25bn to Franklin Templeton's specialist investment managers within 12 months
  - Meaningfully expands existing relationship with an important insurance client and aligns with Franklin Templeton's objective to further grow insurance client AUM
- As part of a long-term asset management partnership, additional AUM growth is expected over the next several years with Franklin Templeton joining Power's larger asset management, wealth management, retirement and insurance relationships
- Acquisition of Putnam from Great-West will be funded primarily through equity with Great-West becoming a long-term strategic shareholder in Franklin Resources, Inc., consistent with Great-West's continuing commitment to asset management
  - Acquisition adds \$136bn<sup>2</sup> of AUM with complementary capabilities and expected to add incremental run-rate operating income of approximately \$150mm by the end of the first year post-closing, inclusive of expected cost synergies
- Franklin Templeton's diverse specialist investment managers and wealth management business are complementary to the Power Group of Companies with numerous future opportunities to collaborate on a global scale

<sup>1</sup> As of 03/31/23 per Power Corporation of Canada 1Q 2023 Report, exchange rate between CAD / USD as of 03/31/23 per FactSet. <sup>2</sup> As of 04/30/23 and excludes \$33 billion of PanAgora, which is not a party to the transaction.

## 2 Acquisition of Putnam, a Global Asset Manager with Complementary Capabilities

- \$136bn<sup>1</sup> of total AUM with complementary and differentiated investment and distribution capabilities
  - Outstanding investment performance with greater than 80% of mutual fund assets in 4-star and 5-star rated funds<sup>2</sup>
  - Accelerates Franklin Templeton's growth through product additions in the retirement market (e.g., Target Date and Stable Value), further supported by the broader strategic partnership between Franklin Templeton and Power
  - Strengthens presence in U.S. retirement: With ~30% of Putnam's AUM in the retirement distribution channel, Putnam will increase Franklin Templeton's Defined Contribution ("DC") AUM to ~\$90bn<sup>1</sup>
    - U.S. corporate DC assets expected to grow to \$12.4tn by 2027<sup>3</sup>
  - Expands insurance assets: Brings Franklin Templeton's insurance related AUM to ~\$150bn<sup>1</sup>
    - ~\$5tn+ market for general account assets across U.S. Life & Health insurers as of YE 2021<sup>4</sup>
  - Adds further scale and potential for additional efficiencies within Franklin Templeton's mutual fund platform
    - Facilitates potential to re-position sub-scale funds across the combined fund range
- Execution plan designed to minimize disruption to investment teams and client relationships, consistent with Franklin Templeton's previous acquisitions
  - Franklin Templeton committed to a significant presence in Boston, complementing other key company locations

<sup>1</sup> AUM data as of 04/30/23. Putnam's AUM excludes \$33 billion of PanAgora, which is not a party to the transaction. <sup>2</sup> Morningstar data as of 04/30/23, Morningstar rated funds represent 54% of total AUM; Includes Y share performance and all share class assets; only funds with Class Y star ratings included. <sup>3</sup> Cerulli, U.S. Defined Contribution Distribution 2022. <sup>4</sup> U.S. Department of Treasury – Annual Report on the Insurance Industry.

## 3 Attractive Financial Profile and Pro Forma Impact

- Upfront purchase price of approximately \$925mm<sup>1</sup> paid primarily in stock, plus up to \$375mm in contingent consideration structured over years 3 – 7 and tied to revenue growth targets from the partnership
- Expected to add total run-rate adjusted operating income of approximately \$150mm after the first year post-closing, consistent with an ~30% operating margin, and inclusive of expected cost synergies
- Multi-year flows expected from the strategic partnership with Power Group of Companies
- Funding the acquisition through equity maintains financial flexibility and enhances continued investment across our business
  - Cash & Investments projected to remain at current level of approximately \$6.5bn with no issuance of new debt
  - Maintains capacity to continue pursuing additional alternative asset expertise and expand distribution opportunities
- Expected to be modestly accretive to adjusted EPS by the end of the first year after closing, inclusive of expected cost synergies
  - Any incremental share repurchases beyond those to offset employee share grants would accelerate this timeline
- Transaction structure to provide cash tax benefits with an expected present value in excess of \$100mm
- Of the equity issued to Great-West, shares representing 4.9% of Franklin Resources, Inc.'s common stock are subject to a 5-year lock-up
- Transaction expected to be completed in the fourth calendar quarter of 2023, subject to customary closing conditions

<sup>1</sup> Based on stock price as of close of May 30, 2023. Includes approximately \$825mm of Franklin Resources common stock plus \$100mm to be paid in cash 180 days after close.

# Long-Term Strategic Partnership with Power Group of Companies

## Power: Leading Financial Services Enterprise



- 6<sup>th</sup> largest life insurer in North America with \$1.9tn in assets under administration ("AUA");
- 71% owned by Power Corporation of Canada (PCC)

### Retirement



- 2<sup>nd</sup> largest U.S. retirement recordkeeper and wealth manager with over \$1.4tn AUA
- 100% owned by Great-West Lifeco

### Insurance & Wealth Management



- Diversified insurance, benefits and wealth management companies in Canada, UK and Ireland & Germany
- 100% owned by Great-West Lifeco



- Wealth management segment of IGM Financial with 1M+ clients (IGM Financial 66% owned by PCC)
- 100% owned by IGM Financial



- U.S. independent financial services advisory firm with \$100bn+ of client assets
- 20.5% owned by IGM Financial

### Asset Management



- Diversified Canadian asset manager with \$143bn in AUM
- 100% owned by IGM Financial



- Leading asset manager in China with \$258bn in AUM
- 28% owned by IGM Financial



- Leading asset manager in Ireland with \$110bn in AUM
- 100% owned by Great-West Lifeco



- Quantitative asset management firm with equity, multi-asset and risk parity strategies

### Consistent business philosophies...

- Long-term oriented investors
- Global footprint

- Leaders in financial service sectors

### ...mutually beneficial and multi-faceted partnership

- Meaningful asset commitments
- Complementary distribution platforms
- Equity ownership and structural incentives
- Experienced in executing organic and inorganic growth

## Franklin Templeton: Diversified Global Asset Manager

### Capabilities

#### Full range of capabilities through specialist investment managers ("SIM"), across asset classes and geographies

- Partnership to provide \$25bn of initial long-term commitments across various SIMs, including potential additional allocations to Franklin Templeton's alternative strategies

#### By Asset Class:

##### Fixed Income (\$510bn)



FRANKLIN  
TEMPLETON



WESTERN ASSET



##### Equity (\$442bn)



FRANKLIN  
TEMPLETON



Brandywine GLOBAL



##### Alternatives (\$257bn)



FRANKLIN  
TEMPLETON



CLARION PARTNERS



BENEFIT STREET PARTNERS



K2 ADVISORS

##### Multi-Asset (\$147bn)



FRANKLIN  
TEMPLETON

#### Other:

##### Wealth Management (\$33bn)



Fiduciary Trust International

### Distribution

#### Global distribution footprint with offices in 70 cities globally

- Specialist / generalist model focused on four regions located in 35 countries



■ U.S. ■ EMEA ■ APAC ■ Americas

# Historic Performance of Putnam and Pro Forma Highlights

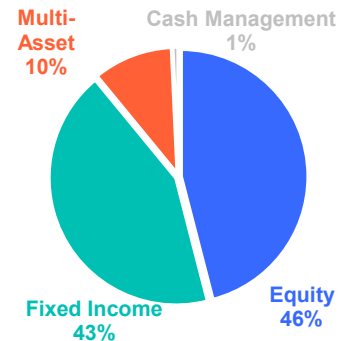
## Putnam Highlights

- Global asset management platform based in Boston with offices in Andover, London, Munich, Singapore and Tokyo
- \$136bn AUM with average fee rate ~36bps<sup>1</sup>
- Current annual net fee revenue of ~\$500mm
- Outstanding investment performance with experienced investment teams
  - Greater than 80% of mutual fund assets are in 4-star and 5-star rated funds<sup>2</sup>
  - Recognized in Barron's Best Fund Families 2022 for strong investment performance; the only firm to rank in the top 10 in 10-, 5- and 1-year periods
- Effective investment process leveraging a differentiated risk management approach
- Provides high-quality investment strategies complementary to Franklin Templeton products, including:
  - Fixed Income: Stable Value (\$18bn AUM) and Ultra-Short Duration (\$11bn AUM)
  - Equity: Large Cap Value (\$30bn AUM)
  - Target Date Funds: (\$6bn AUM)

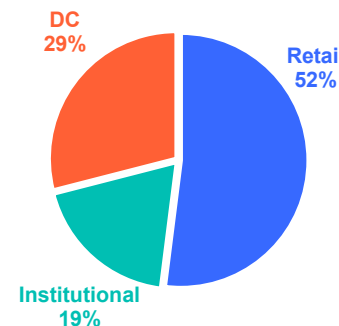
### AUM Asset Class Mix<sup>1</sup>

## Putnam

AUM<sup>1</sup>: \$136bn

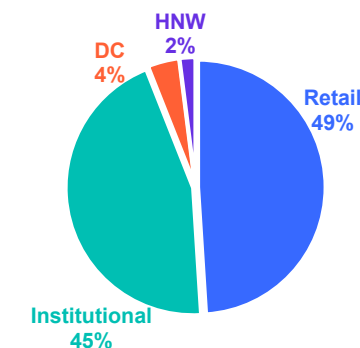
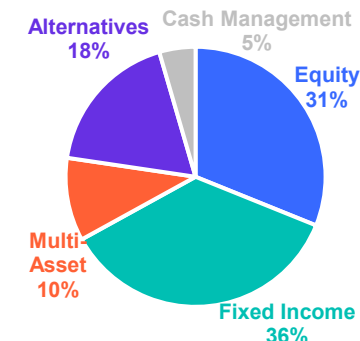


### AUM Channel Mix



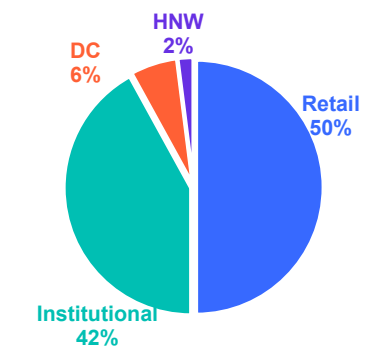
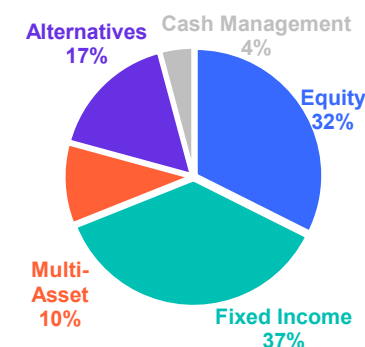
## Franklin Templeton

AUM<sup>1</sup>: \$1.42tn



## Pro Forma

AUM: \$1.56tn<sup>1</sup>  
(excludes \$25bn initial partnership AUM)



<sup>1</sup> AUM as of 04/30/23. Both AUM and fee rate exclude the impact of PanAgora, which is not a party to the transaction. Putnam institutional includes institutional, sub-advised and Japan AUM. Reflects \$50bn of Franklin DC AUM. <sup>2</sup> Morningstar data as of 04/30/23, Morningstar rated funds represent 54% of total AUM; Includes Y share performance and all share class assets; only funds with Class Y star ratings included.



# Summary Financial Impact

## Transaction Summary

- **Upfront Purchase Price:** Franklin Resources, Inc. to pay approximately \$825mm<sup>1</sup> in stock consideration at close and \$100mm in cash 180 days after closing for 100% of Putnam
  - Franklin Resources, Inc. to issue 33.3mm shares
- **Contingent Payments:** Up to \$375mm payable in cash for years 3 – 7 following closing, tied to the growth of the strategic partnership
  - Meaningful growth required to receive any contingent consideration
  - Maximum consideration payable if partnership revenue grows to the equivalent of 30%+ of Putnam current annual revenue
- **Seed Capital:** In addition, Franklin Templeton will acquire seed capital investments of ~\$165mm at closing
- **Employee Retention:** Franklin Templeton to implement long-term incentive and retention program to align interests of key Putnam employees
- **Tax Structure:** Transaction structured to allow Franklin Templeton to step up the tax basis of the acquired assets and create meaningful future cash tax benefits
- **Post-Transaction Ownership:** Great-West to remain a long-term shareholder in Franklin Resources, Inc.
  - 26.2mm shares (representing 4.9% ownership) are subject to 5-year lock-up
  - 7.1mm shares (representing 1.3% ownership) are subject to 180-day lock-up

## Pro Forma Financial Impact

- Expected to add total run-rate adjusted operating income of approximately \$150mm after the first year post-closing, consistent with an ~30% operating margin and inclusive of expected cost synergies
  - Approximately \$55 to \$75mm of non-recurring integration charges
- Expected to be modestly accretive to adjusted EPS by the end of the first year after closing, inclusive of expected cost synergies and newly issued shares
  - Any incremental share repurchases beyond those to offset employee share grants would accelerate this timeline
- Transaction structure to provide cash tax benefits with an expected present value in excess of \$100mm
- Transaction expected to be completed in the fourth calendar quarter of 2023, subject to customary closing conditions

<sup>1</sup> Based on stock price as of close of May 30, 2023.