



FRANKLIN TEMPLETON

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FOR IMMEDIATE RELEASE

Franklin Resources, Inc. Announces First Quarter Results

San Mateo, CA, February 1, 2022 – Franklin Resources, Inc. (the “Company”) [NYSE: BEN] today announced net income¹ of \$453.2 million or \$0.88 per diluted share for the quarter ended December 31, 2021, as compared to \$665.7 million or \$1.30 per diluted share for the previous quarter, and \$345.3 million or \$0.67 per diluted share for the quarter ended December 31, 2020. Operating income was \$557.7 million for the quarter ended December 31, 2021, as compared to \$531.5 million for the previous quarter and \$409.1 million in the prior year. The previous quarter included a tax benefit² of \$155.1 million or \$0.30 per diluted share due to the release of certain tax reserves primarily related to the closure of Internal Revenue Service audits and increases in our ability to utilize certain tax attributes resulting from the integration of our business.

As supplemental information, the Company is providing certain adjusted performance measures which are based on methodologies other than generally accepted accounting principles. Adjusted net income³ was \$553.6 million and adjusted diluted earnings per share³ was \$1.08 for the quarter ended December 31, 2021, as compared to \$644.6 million and \$1.26 for the previous quarter, and \$373.4 million and \$0.73 for the quarter ended December 31, 2020. Adjusted operating income³ was \$685.9 million for the quarter ended December 31, 2021, as compared to \$647.1 million for the previous quarter and \$549.9 million in the prior year.

“Our first fiscal quarter results reflect the continued progress we are making on a number of important fronts,” said Jenny Johnson, President and CEO of Franklin Resources, Inc. “We continue to diversify our business across products, geographies, vehicles, and asset classes to create broader sources of revenue and growth potential. All asset classes saw improved long-term net flows for the quarter and alternatives posted a 10th consecutive quarter of net long-term inflows.

“Our financial flexibility continues to allow us to make strategic investments in the key areas of focus driving industry growth, including alternatives, SMAs, wealth management, and ESG – all areas where we reached record highs in AUM. During the quarter, we announced the acquisition of Lexington Partners, a global leader in secondary private equity and co-investments, and we closed the acquisition of O’Shaughnessy Asset Management, which complements our existing strengths in SMAs and expands our custom solutions capabilities. This month, we will welcome Anne Simpson to our organization as Global Head of Sustainability. This notable hire demonstrates our commitment to being a global leader in stewardship and sustainability.”

	Quarter Ended		% Change	Quarter Ended	% Change
	31-Dec-21	30-Sep-21	Qtr. vs. Qtr.	31-Dec-20	Year vs. Year
Financial Results					
<i>(in millions, except per share data)</i>					
Operating revenues	\$ 2,224.0	\$ 2,181.0	2%	\$ 1,995.1	11%
Operating income	557.7	531.5	5%	409.1	36%
Operating margin	25.1%	24.4%		20.5%	
Net income ¹	\$ 453.2	\$ 665.7	(32%)	\$ 345.3	31%
Diluted earnings per share	0.88	1.30	(32%)	0.67	31%
<u>As adjusted (non-GAAP):³</u>					
Adjusted operating income	\$ 685.9	\$ 647.1	6%	\$ 549.9	25%
Adjusted operating margin	39.8%	39.0%		37.2%	
Adjusted net income	\$ 553.6	\$ 644.6	(14%)	\$ 373.4	48%
Adjusted diluted earnings per share	1.08	1.26	(14%)	0.73	48%
Assets Under Management					
<i>(in billions)</i>					
Ending	\$ 1,578.1	\$ 1,530.1	3%	\$ 1,498.0	5%
Average ⁴	1,554.2	1,552.9	0%	1,443.8	8%
Long-term net flows	24.1	(9.9)		(4.5)	

Total assets under management (“AUM”) were \$1,578.1 billion at December 31, 2021, up \$48.0 billion or 3% during the quarter due to \$24.1 billion of long-term net inflows, \$10.4 billion of net market change, distributions and other, \$7.7 billion from acquisitions and \$5.8 billion of cash management net inflows.

Cash and cash equivalents and investments were \$5.8 billion at December 31, 2021, as compared to \$5.9 billion at September 30, 2021. Including the Company’s direct investments in consolidated investment products, cash and cash equivalents and investments were \$6.8 billion at December 31, 2021, as compared to \$6.9 billion at September 30, 2021. Total stockholders’ equity was \$12.2 billion at December 31, 2021, as compared to \$11.8 billion at September 30, 2021. The Company had 502.5 million shares of common stock outstanding at December 31, 2021, as compared to 501.8 million shares outstanding at September 30, 2021. The Company repurchased 0.7 million shares of its common stock for a total cost of \$21.7 million during the quarter ended December 31, 2021.

Conference Call Information

A written commentary on the results by Jenny Johnson, President and CEO; Matthew Nicholls, Executive Vice President and CFO; and Adam Spector, Executive Vice President, Head of Global Distribution will be available via investors.franklinresources.com today at approximately 8:30 a.m. Eastern Time.

Ms. Johnson and Messrs. Nicholls and Spector will also lead a live teleconference today at 11:00 a.m. Eastern Time to answer questions. Access to the teleconference will be available via investors.franklinresources.com or by dialing (833) 350-1245 in the U.S. and Canada or (236) 712-2205 internationally. A replay of the teleconference can also be accessed by calling (800) 585-8367 in the U.S. and Canada or (416) 621-4642 internationally using access code 8799701, after 2:00 p.m. Eastern Time on February 1, 2022 through February 8, 2022, or via investors.franklinresources.com.

Analysts and investors are encouraged to review the Company's recent filings with the U.S. Securities and Exchange Commission and to contact Investor Relations at (650) 312-4091 before the live teleconference for any clarifications or questions related to the earnings release or commentary.

FRANKLIN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF INCOME
Unaudited

	Three Months Ended December 31,		% Change
(in millions, except per share data)	2021	2020	
Operating Revenues			
Investment management fees	\$ 1,760.5	\$ 1,540.4	14%
Sales and distribution fees	398.2	396.9	0%
Shareholder servicing fees	47.7	49.4	(3%)
Other	17.6	8.4	110%
Total operating revenues	2,224.0	1,995.1	11%
Operating Expenses			
Compensation and benefits	802.6	725.5	11%
Sales, distribution and marketing	510.1	506.5	1%
Information systems and technology	123.8	116.5	6%
Occupancy	56.3	55.7	1%
Amortization of intangible assets	58.3	58.2	0%
General, administrative and other	115.2	123.6	(7%)
Total operating expenses	1,666.3	1,586.0	5%
Operating Income	557.7	409.1	36%
Other Income (Expenses)			
Investment and other income, net	57.0	77.2	(26%)
Interest expense	(19.3)	(29.7)	(35%)
Investment and other income of consolidated investment products,net	104.7	91.1	15%
Expenses of consolidated investment products	(4.2)	(10.4)	(60%)
Other income, net	138.2	128.2	8%
Income before taxes	695.9	537.3	30%
Taxes on income ²	151.1	142.5	6%
Net income	544.8	394.8	38%
Less: net income attributable to			
Redeemable noncontrolling interests	7.5	18.7	(60%)
Nonredeemable noncontrolling interests	84.1	30.8	173%
Net Income Attributable to Franklin Resources, Inc.	\$ 453.2	\$ 345.3	31%
Earnings per Share			
Basic	\$ 0.89	\$ 0.67	33%
Diluted	0.88	0.67	31%
Dividends Declared per Share	\$ 0.29	\$ 0.28	4%
Average Shares Outstanding			
Basic	489.8	491.1	0%
Diluted	490.6	491.7	0%
Operating Margin	25.1%	20.5%	

FRANKLIN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF INCOME
Unaudited

(in millions, except per share data)	Three Months Ended		% Change	Three Months Ended		
	31-Dec-21	30-Sep-21		30-Jun-21	31-Mar-21	31-Dec-20
Operating Revenues						
Investment management fees	\$ 1,760.5	\$ 1,705.5	3%	\$ 1,697.3	\$ 1,598.4	\$ 1,540.4
Sales and distribution fees	398.2	408.1	(2%)	416.9	413.6	396.9
Shareholder servicing fees	47.7	55.6	(14%)	50.5	55.7	49.4
Other	17.6	11.8	49%	8.2	8.8	8.4
Total operating revenues	2,224.0	2,181.0	2%	2,172.9	2,076.5	1,995.1
Operating Expenses						
Compensation and benefits	802.6	742.1	8%	771.4	732.3	725.5
Sales, distribution and marketing	510.1	526.5	(3%)	531.0	541.8	506.5
Information systems and technology	123.8	130.3	(5%)	121.8	117.5	116.5
Occupancy	56.3	54.0	4%	54.6	53.8	55.7
Amortization of intangible assets	58.3	57.9	1%	58.0	57.9	58.2
General, administrative and other	115.2	138.7	(17%)	158.0	116.9	123.6
Total operating expenses	1,666.3	1,649.5	1%	1,694.8	1,620.2	1,586.0
Operating Income	557.7	531.5	5%	478.1	456.3	409.1
Other Income (Expenses)						
Investment and other income, net	57.0	67.5	(16%)	52.9	67.1	77.2
Interest expense	(19.3)	(14.1)	37%	(25.7)	(15.9)	(29.7)
Investment and other income of consolidated investment products, net	104.7	157.8	(34%)	61.0	111.2	91.1
Expenses of consolidated investment products	(4.2)	(4.7)	(11%)	(10.9)	(5.2)	(10.4)
Other income, net	138.2	206.5	(33%)	77.3	157.2	128.2
Income before taxes	695.9	738.0	(6%)	555.4	613.5	537.3
Taxes on income ²	151.1	(4.8)	NM	83.8	128.1	142.5
Net income	544.8	742.8	(27%)	471.6	485.4	394.8
Less: net income (loss) attributable to						
Redeemable noncontrolling interests	7.5	29.7	(75%)	33.7	12.0	18.7
Nonredeemable noncontrolling interests	84.1	47.4	77%	(0.5)	91.6	30.8
Net Income Attributable to Franklin Resources, Inc.	\$ 453.2	\$ 665.7	(32%)	\$ 438.4	\$ 381.8	\$ 345.3
Earnings per Share						
Basic	\$ 0.89	\$ 1.31	(32%)	\$ 0.86	\$ 0.74	\$ 0.67
Diluted	0.88	1.30	(32%)	0.86	0.74	0.67
Dividends Declared per Share	\$ 0.29	\$ 0.28	4%	\$ 0.28	\$ 0.28	\$ 0.28
Average Shares Outstanding						
Basic	489.8	488.9	0%	489.2	490.5	491.1
Diluted	490.6	489.7	0%	489.9	490.9	491.7
Operating Margin	25.1%	24.4%		22.0%	22.0%	20.5%

AUM AND FLOWS

(in billions)	Three Months Ended December 31,		% Change
	2021	2020	
Beginning AUM	\$ 1,530.1	\$ 1,418.9	8%
Long-term inflows	107.0	96.1	11%
Long-term outflows	(82.9)	(100.6)	(18%)
Long-term net flows	24.1	(4.5)	NM
Cash management net flows	5.8	(10.2)	NM
Total net flows	29.9	(14.7)	NM
Acquisitions	7.7	—	NM
Net market change, distributions and other ⁵	10.4	93.8	(89%)
Ending AUM	\$ 1,578.1	\$ 1,498.0	5%
Average AUM	\$ 1,554.2	\$ 1,443.8	8%

AUM BY ASSET CLASS

(in billions)	31-Dec-21	30-Sep-21	% Change	30-Jun-21	31-Mar-21	31-Dec-20
Fixed Income	\$ 642.1	\$ 650.3	(1%)	\$ 658.1	\$ 642.3	\$ 669.9
Equity	563.4	523.6	8%	536.9	511.9	495.7
Alternative	154.3	145.2	6%	140.8	131.1	127.1
Multi-Asset	154.0	152.4	1%	153.0	148.2	141.1
Cash Management	64.3	58.6	10%	63.3	65.4	64.2
Total AUM	\$ 1,578.1	\$ 1,530.1	3%	\$ 1,552.1	\$ 1,498.9	\$ 1,498.0
Average AUM for the Three-Month Period	\$ 1,554.2	\$ 1,552.9	0%	\$ 1,531.0	\$ 1,497.9	\$ 1,443.8

AUM AND FLOWS - UNITED STATES AND INTERNATIONAL

(in billions)	As of and for the Three Months Ended					
	31-Dec-21	% of Total	30-Sep-21	% of Total	31-Dec-20	% of Total
Long-Term Inflows						
United States	\$ 82.4	77%	\$ 58.6	70%	\$ 69.9	73%
International	24.6	23%	24.6	30%	26.2	27%
Total long-term inflows	\$ 107.0	100%	\$ 83.2	100%	\$ 96.1	100%
Long-Term Outflows						
United States	\$ (59.4)	72%	\$ (66.5)	71%	\$ (65.6)	65%
International	(23.5)	28%	(26.6)	29%	(35.0)	35%
Total long-term outflows	\$ (82.9)	100%	\$ (93.1)	100%	\$ (100.6)	100%
AUM						
United States	\$ 1,186.5	75%	\$ 1,140.2	75%	\$ 1,088.5	73%
International	391.6	25%	389.9	25%	409.5	27%
Total AUM	\$ 1,578.1	100%	\$ 1,530.1	100%	\$ 1,498.0	100%

AUM AND FLOWS BY ASSET CLASS

(in billions)

for the three months ended December 31, 2021	Fixed Income	Equity	Alternative	Multi-Asset	Cash Management	Total
AUM at October 1, 2021	\$ 650.3	\$ 523.6	\$ 145.2	\$ 152.4	\$ 58.6	\$ 1,530.1
Long-term inflows	43.7	46.1	6.1	11.1	—	107.0
Long-term outflows	(35.6)	(33.4)	(3.1)	(10.8)	—	(82.9)
Long-term net flows	8.1	12.7	3.0	0.3	—	24.1
Cash management net flows	—	—	—	—	5.8	5.8
Total net flows	8.1	12.7	3.0	0.3	5.8	29.9
Acquisitions	—	4.6	0.8	2.3	—	7.7
Net market change, distributions and other ⁵	(16.3)	22.5	5.3	(1.0)	(0.1)	10.4
AUM at December 31, 2021	\$ 642.1	\$ 563.4	\$ 154.3	\$ 154.0	\$ 64.3	\$ 1,578.1

(in billions)

for the three months ended September 30, 2021	Fixed Income	Equity	Alternative	Multi-Asset	Cash Management	Total
AUM at July 1, 2021	\$ 658.1	\$ 536.9	\$ 140.8	\$ 153.0	\$ 63.3	\$ 1,552.1
Long-term inflows	40.8	29.1	4.5	8.8	—	83.2
Long-term outflows	(46.1)	(35.4)	(2.9)	(8.7)	—	(93.1)
Long-term net flows	(5.3)	(6.3)	1.6	0.1	—	(9.9)
Cash management net flows	—	—	—	—	(3.9)	(3.9)
Total net flows	(5.3)	(6.3)	1.6	0.1	(3.9)	(13.8)
Acquisition	3.5	—	—	—	—	3.5
Net market change, distributions and other ⁵	(6.0)	(7.0)	2.8	(0.7)	(0.8)	(11.7)
AUM at September 30, 2021	\$ 650.3	\$ 523.6	\$ 145.2	\$ 152.4	\$ 58.6	\$ 1,530.1

(in billions)

for the three months ended December 31, 2020	Fixed Income	Equity	Alternative	Multi-Asset	Cash Management	Total
AUM at October 1, 2020	\$ 656.9	\$ 438.1	\$ 122.1	\$ 129.4	\$ 72.4	\$ 1,418.9
Long-term inflows	42.0	41.5	3.3	9.3	—	96.1
Long-term outflows	(47.9)	(40.2)	(2.9)	(9.6)	—	(100.6)
Long-term net flows	(5.9)	1.3	0.4	(0.3)	—	(4.5)
Cash management net flows	—	—	—	—	(10.2)	(10.2)
Total net flows	(5.9)	1.3	0.4	(0.3)	(10.2)	(14.7)
Net market change, distributions and other ⁵	18.9	56.3	4.6	12.0	2.0	93.8
AUM at December 31, 2020	\$ 669.9	\$ 495.7	\$ 127.1	\$ 141.1	\$ 64.2	\$ 1,498.0

Supplemental Non-GAAP Financial Measures

As supplemental information, we are providing performance measures for “adjusted operating income,” “adjusted operating margin,” “adjusted net income” and “adjusted diluted earnings per share,” each of which is based on methodologies other than generally accepted accounting principles (“non-GAAP measures”). Management believes these non-GAAP measures are useful indicators of our financial performance and may be helpful to investors in evaluating our relative performance against industry peers as these measures exclude the impact of consolidated investment products (“CIPs”) and mitigate the margin variability related to sales and distribution revenues and expenses across multiple distribution channels globally. These measures also exclude performance-based investment management fees which are fully passed through as compensation and benefits expense per the terms of a previous acquisition by Legg Mason and have no impact on net income. These non-GAAP measures also exclude acquisition-related expenses, certain items which management considers to be nonrecurring, unrealized investment gains and losses included in investment and other income (losses), net, and the related income tax effect of these adjustments, as applicable. These non-GAAP measures also exclude the impact on compensation and benefits expense from gains and losses on investments made to fund deferred compensation plans and on seed investments under certain historical revenue sharing arrangements, which is offset in investment and other income (losses), net.

“Adjusted operating income,” “adjusted operating margin,” “adjusted net income” and “adjusted diluted earnings per share” are defined below, followed by reconciliations of operating income, operating margin, net income attributable to Franklin Resources, Inc. and diluted earnings per share on a U.S. GAAP basis to these non-GAAP measures. Non-GAAP measures should not be considered in isolation from, or as substitutes for, any financial information prepared in accordance with U.S. GAAP, and may not be comparable to other similarly titled measures of other companies. Additional reconciling items may be added in the future to these non-GAAP measures if deemed appropriate.

Adjusted Operating Income

We define adjusted operating income as operating income adjusted to exclude the following:

- Elimination of operating revenues upon consolidation of investment products.
- Acquisition-related retention compensation.
- Impact on compensation and benefits expense from gains and losses on investments related to deferred compensation plans and seed investments, which is offset in investment and other income (losses), net.
- Other acquisition-related expenses including professional fees, technology costs and fair value adjustments related to contingent consideration liabilities.
- Amortization and impairment of intangible assets, if any.
- Special termination benefits related to workforce optimization initiatives related to past acquisitions and specific initiatives announced by the Company.

Adjusted Operating Margin

We calculate adjusted operating margin as adjusted operating income divided by adjusted operating revenues. We define adjusted operating revenues as operating revenues adjusted to exclude the following:

- Acquisition-related performance-based investment management fees which are passed through as compensation and benefits expense.
- Sales and distribution fees and a portion of investment management fees allocated to cover sales, distribution and marketing expenses paid to the financial advisers and other intermediaries who sell our funds on our behalf.
- Elimination of operating revenues upon consolidation of investment products.

Adjusted Net Income

We define adjusted net income as net income attributable to Franklin Resources, Inc. adjusted to exclude the following:

- Activities of CIPs, including investment and other income (losses), net, and income (loss) attributable to noncontrolling interests, net of revenues eliminated upon consolidation of investment products.
- Acquisition-related retention compensation.
- Other acquisition-related expenses including professional fees, technology costs and fair value adjustments related to contingent consideration liabilities.
- Amortization and impairment of intangible assets, if any.
- Special termination benefits related to workforce optimization initiatives related to past acquisitions and specific initiatives announced by the Company.
- Net gains or losses on investments related to deferred compensation plans which are not offset by compensation and benefits expense.
- Unrealized investment gains and losses other than those that are offset by compensation and benefits expense.
- Interest expense for amortization of Legg Mason debt premium from acquisition-date fair value adjustment.
- Net income tax expense of the above adjustments based on the respective blended rates applicable to the adjustments.

Adjusted Diluted Earnings Per Share

We define adjusted diluted earnings per share as diluted earnings per share adjusted to exclude the per share impacts of the adjustments applied to net income in calculating adjusted net income.

In calculating adjusted operating income, adjusted operating margin, adjusted net income and adjusted diluted earnings per share, we adjust for activities of CIPs because the impact of consolidated products is not considered reflective of the underlying results of our operations. We adjust for acquisition-related retention compensation, other acquisition-related expenses, amortization and impairment of intangible assets, if any, and interest expense for amortization of the Legg Mason debt premium to facilitate comparability of our operating results with the results of other asset management firms. We adjust for special termination benefits related to workforce optimization initiatives related to past acquisitions and specific initiatives announced by the Company because these items are deemed nonrecurring. In calculating adjusted net income and adjusted diluted earnings per share, we adjust for unrealized investment gains and losses included in investment and other income (losses), net and net gains or losses on investments related to deferred compensation plans which are not offset by compensation and benefits expense because these items primarily relate to seed and strategic investments which have been and are generally expected to be held long term.

The calculations of adjusted operating income, adjusted operating margin, adjusted net income and adjusted diluted earnings per share are as follows:

(in millions)	Three Months Ended		
	31-Dec-21	30-Sep-21	31-Dec-20
Operating income	\$ 557.7	\$ 531.5	\$ 409.1
Add (subtract):			
Elimination of operating revenues upon consolidation of investment products*	8.3	6.1	5.7
Acquisition-related retention	40.0	34.5	43.5
Compensation and benefits expense from gains (losses) on deferred compensation and seed investments, net	4.2	(1.2)	14.1
Other acquisition-related expenses	14.7	13.0	11.9
Amortization of intangible assets	58.3	57.9	58.2
Special termination benefits	2.7	5.3	7.4
Adjusted operating income	\$ 685.9	\$ 647.1	\$ 549.9
Total operating revenues	\$ 2,224.0	\$ 2,181.0	\$ 1,995.1
Add (subtract):			
Acquisition-related pass through performance fees	(0.4)	—	(16.0)
Sales and distribution fees	(398.2)	(408.1)	(396.9)
Allocation of investment management fees for sales, distribution and marketing expenses	(111.9)	(118.4)	(109.6)
Elimination of operating revenues upon consolidation of investment products*	8.3	6.1	5.7
Adjusted operating revenues	\$ 1,721.8	\$ 1,660.6	\$ 1,478.3
Operating margin	25.1%	24.4%	20.5%
Adjusted operating margin	39.8%	39.0%	37.2%

<i>(in millions, except per share data)</i>	Three Months Ended		
	31-Dec-21	30-Sep-21	31-Dec-20
Net income attributable to Franklin Resources, Inc.	\$ 453.2	\$ 665.7	\$ 345.3
Add (subtract):			
Net (income) loss of consolidated investment products*	10.0	(17.1)	21.2
Acquisition-related retention	40.0	34.5	43.5
Other acquisition-related expenses	15.1	13.0	10.1
Amortization of intangible assets	58.3	57.9	58.2
Special termination benefits	2.7	5.3	7.4
Net (gains) losses on deferred compensation plan investments not offset by compensation and benefits expense	(0.3)	1.1	(1.2)
Unrealized investment losses (gains)	1.8	(99.1)	(95.9)
Interest expense for amortization of debt premium	(6.3)	(22.1)	(6.0)
Net income tax (expense) benefit of adjustments	(20.9)	5.4	(9.2)
Adjusted net income	\$ 553.6	\$ 644.6	\$ 373.4
Diluted earnings per share	\$ 0.88	\$ 1.30	\$ 0.67
Adjusted diluted earnings per share	1.08	1.26	0.73

* The impact of CIPs is summarized as follows:

<i>(in millions)</i>	Three Months Ended		
	31-Dec-21	30-Sep-21	31-Dec-20
Elimination of operating revenues upon consolidation	\$ (8.3)	\$ (6.1)	\$ (5.7)
Other income, net	72.5	78.4	20.3
Less: income attributable to noncontrolling interests	74.2	55.2	35.8
Net income (loss)	\$ (10.0)	\$ 17.1	\$ (21.2)

Notes

1. Net income represents net income attributable to Franklin Resources, Inc.
2. Taxes on income for the quarter ended September 30, 2021 includes a tax benefit of \$155.1 million due to the release of certain tax reserves primarily related to the closure of Internal Revenue Service audits and increases in our ability to utilize certain tax attributes resulting from the integration of our business. For the quarter ended June 30, 2021, taxes on income includes a \$23.1 million tax benefit from a valuation allowance release for interest expense carryforwards in the U.K.
3. “Adjusted operating income,” “adjusted operating margin,” “adjusted net income” and “adjusted diluted earnings per share” are based on methodologies other than generally accepted accounting principles. See “Supplemental Non-GAAP Financial Measures” for definitions and reconciliations of these measures.
4. Average AUM represents monthly average AUM.
5. Net market change, distributions and other includes appreciation (depreciation), distributions to investors that represent return on investments and return of capital, and foreign exchange revaluation.

Franklin Resources, Inc. (NYSE: BEN) is a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 165 countries. Franklin Templeton’s mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the Company brings extensive capabilities in equity, fixed income, multi-asset solutions and alternatives. With offices in more than 30 countries and approximately 1,300 investment professionals, the California-based company has over 70 years of investment experience and approximately \$1.6 trillion in AUM as of December 31, 2021. The Company posts information that may be significant for investors in the Investor Relations and News Center sections of its website, and encourages investors to consult those sections regularly. For more information, please visit investors.franklinresources.com.

Forward-Looking Statements

Some of the statements herein may include forward-looking statements that reflect our current views with respect to future events, financial performance and market conditions. Such statements are provided under the “safe harbor” protection of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts and generally can be identified by words or phrases written in the future tense and/or preceded by words such as “anticipate,” “believe,” “could,” “depends,” “estimate,” “expect,” “intend,” “likely,” “may,” “plan,” “potential,” “seek,” “should,” “will,” “would,” or other similar words or variations thereof, or the negative thereof, but these terms are not the exclusive means of identifying such statements.

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 pandemic-related risks, 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. While forward-looking statements are our best prediction at the time that they are made, you should not rely on them and are cautioned against doing so. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other possible future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. They are neither statements of historical fact nor guarantees or assurances of future performance. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them.

These and other risks, uncertainties and other important factors are described in more detail in our recent filings with the U.S. Securities and Exchange Commission, including, without limitation, in Risk Factors and Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended September 30, 2021 and our subsequent Quarterly Reports on Form 10-Q. If a circumstance occurs after the date of this press release that causes any of our forward-looking statements to be inaccurate, whether as a result of new information, future developments or otherwise, we undertake no obligation to announce publicly the change to our expectations, or to make any revision to our forward-looking statements, to reflect any change in assumptions, beliefs or expectations, or any change in events, conditions or circumstances upon which any forward-looking statement is based, unless required by law.

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