Franklin Resources, Inc.

Preliminary Fourth Quarter and Fiscal Year 2025 Results

November 7, 2025 | Investor Presentation

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Forward-looking statements and non-GAAP financial information

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This commentary contains forward-looking statements that involve a number of known and unknown risks, uncertainties and other important factors. This commentary also contains non-GAAP financial measures. For the reconciliations from US GAAP to non-GAAP measures, refer to the appendix to this commentary and the “Supplemental Non-GAAP Financial Measures” section of the earnings release.

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 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 US 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, 2024 and our subsequent Quarterly Reports on Form 10-Q and current reports on Form 8-K. If a circumstance occurs after the date of this presentation 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.

The information in this commentary is provided solely in connection with this commentary, and is not directed toward existing or potential investment advisory clients or fund shareholders.

Fiscal Year 2025 Business Highlights

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AUM & Flows

- AUM of $1.66 trillion comprised of investment capabilities across public and private markets
  - Diversified by specialist investment manager, asset class, vehicle, and geography
- Long-term inflows increased 7.8% to $343.9 billion from the prior year
- Long-term net outflows were $97.4 billion compared to $32.6 billion in the prior year
  - Excluding Western Asset Management ("Western"), long-term net inflows of $44.5 billion compared to $16.0 billion in the prior year, with eight consecutive quarters of positive net flows
  - Strong net inflows in alternatives and multi-assets with a combined total of $25.7 billion
  - Franklin Templeton Fixed Income more than doubled net inflows from the prior year. Excluding Western, fixed income net inflows were $17.3 billion
- Institutional pipeline of won but unfunded mandates of $20.4 billion with record fundings in the quarter

Alternatives

- Fundraised $26.2 billion in alternatives, including $22.9 billion in private markets broadly distributed across strategies
  - Alternative AUM increased to $263.9 billion[1] after $13.9 billion in realizations and distributions
- Franklin Templeton Private Markets: Perpetual funds designed for wealth channel clients with $5.5 billion in AUM across Lexington, Benefit Street Partners, Clarion and K2
  - Franklin Lexington Private Markets Funds ("FLEX") raised $2.7 billion since launch in January
- **Infrastructure**: In September, announced strategic partnership with three leading institutional infrastructure investment firms, Actis, Copenhagen Infrastructure Partners, and DigitalBridge
- Closed **Apera Asset Management** acquisition on October 1, 2025, a pan-European private credit firm with $6.1 billion in AUM, bringing pro forma private credit AUM to $95 billion

Vehicle Diversification

- Strong growth across vehicles driven by record positive net flows in retail SMAs, ETFs and Canvas® contributing to AUM growth of 13%, 56%, and 71%, respectively, from the prior year
- **ETFs:** AUM of $49.1 billion up 56% from the prior year with $13.7 billion of net inflows; 16 consecutive positive quarters of net flows
  - 14 ETFs with over $1 billion in AUM
- **Retail SMA:** AUM of $164.5 billion up 13% from the prior year with $2.7 billion in net inflows; excluding Western, net inflows of $9.6 billion
  - **Canvas®**: AUM of $16.3 billion, up 71% from the prior year with $4.7 billion of net inflows; positive quarters of net flows since acquisition

1) $270 billion in AUM including $6.1 billion of AUM from Apera Asset Management acquisition closed October 1, 2025.

Fiscal Year 2025 Business Highlights

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Investment Performance

- Over half of **mutual fund/ETF** AUM outperformed peer median in all periods
- Over half of **composite** AUM outperformed its benchmark in all periods

International

- International AUM of nearly $500 billion and excluding Western, positive long-term net flows of $10.7 billion
- Appointed Trustee and Manager of the $1.68 billion National Investment Fund of the Republic of Uzbekistan, extending track record in managing strategic investment mandates in emerging markets
- Expanded or established multi-billion dollar relationships with clients in each of our regions
- Won *Central Banking's* Asset Manager Award 2025 recognizing our track record working with Central Banks

Insurance and Retirement

- **Insurance and retirement** AUM of over $600 billion
  - Over $125 billion of Defined Contribution AUM
- Partnering with Empower on a program paving the way for private market investments to be included in Defined Contribution retirement plans
- Multiple insurance sub-advisory mandates funded totaling $15.7 billion with a strong pipeline

Digital and Technology

- Digital Assets AUM of $1.7 billion, up 75% from the beginning of the year, including $0.8 billion in tokenized funds and $0.8 billion in crypto ETFs
  - Launched intraday yield and daily yield payout feature on Benji, our tokenized money market fund in June
  - Strategic partnership with Binance aimed to develop digital asset initiatives and products
- Implemented **Artificial Intelligence** applications across investment management, sales, marketing, and operations to improve efficiency in the research process, lift sales, and scale operations
- Unifying public markets investment technology and implementation of platform is on track

Fourth Quarter 2025 Financial Highlights[1]

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Key metrics

(in US$ millions, except AUM in billions and per share data)

	Q4 2025	% Change vs. Q3 2025	% Change vs. Q4 2024
Ending AUM[2]	$ 1,661.2	3.1%	-1.0%
Average AUM[2]	1,633.7	4.4%	-2.0%
Adj. revenue	1,815.0	13.9%	5.7%
Adj. operating income	472.4	25.0%	4.6%
Adj. pre-tax net income	514.4	31.4%	6.3%
Adj. net income	357.5	35.7%	13.4%
Adj. diluted EPS	0.67	36.7%	13.6%
Adj. effective fee rate[3]	37.5 bps	37.5 bps	37.4 bps
Adj. operating margin	26.0%	23.7%	26.3%

- Adjusted revenues increased 13.9% from the prior quarter and 5.7% from the prior year quarter. Adjusted performance fees were $177.9 million compared to $58.5 million in the prior quarter and $72.0 million in the prior year quarter
- Adjusted effective fee rate[3] ("EFR") of 37.5 bps compared to 37.5 bps in the prior quarter and 37.4 bps in the prior year quarter
- Adjusted operating income increased 25.0% from the prior quarter primarily due to elevated performance fees, and higher average AUM. Adjusted operating income increased 4.6% from the prior year quarter primarily due to elevated performance fees and the realization of cost savings initiatives, partially offset by the impact of Western and higher spend on strategic initiatives
- Adjusted net income and EPS increased 35.7% and 36.7%, respectively, from the prior quarter primarily due to higher adjusted operating income and adjusted other income, and a lower tax rate. Adjusted net income and EPS increased 13.4% and 13.6%, respectively, from the prior year quarter primarily due to higher adjusted operating income and adjusted other income, and a lower tax rate
- Our GAAP results for the current quarter and prior year quarter include a $200.0 million and $389.2 million, respectively, non-cash impairment of an indefinite-lived intangible asset related to certain mutual fund contracts managed by Western
- At quarter-end, our balance sheet reflected cash and investments of $6.7[4] billion after returning $238 million to shareholders through dividends and share repurchases

1) For the reconciliations from US GAAP to non-GAAP measures see the appendix to this commentary and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical earnings commentaries available at franklinresources.com. 2) Excludes approximately $14.6 billion of AUM in our China joint venture. 3) The adjusted effective fee rate is annualized adjusted investment management fees, excluding performance fees, divided by simple average AUM for the period. 4) Includes our direct investments in Consolidated Investment Products of $1.2 billion and approximately $350 million of employee-owned and other third-party investments made through partnerships, $394 million of investments related to long-term repurchase agreements and other net financing arrangements, and $455 million of cash and investments related to deferred compensation plans.

Fiscal Year 2025 Financial Highlights[1]

FRANKLIN TEMPLETON

Key metrics

(in US$ millions, except AUM in billions and per share data)

	FY 2025	% Change vs. FY 2024
Ending AUM[2]	$ 1,661.2	-1.0%
Average AUM[2]	1,606.7	2.6%
Adj. revenue	6,701.1	2.1%
Adj. operating income	1,640.2	-4.3%
Adj. pre-tax net income	1,744.2	-7.2%
Adj. net income	1,195.8	-6.3%
Adj. diluted EPS	2.22	-7.5%
Adj. effective fee rate	37.5 bps	38.3 bps
Adj. operating margin	24.5%	26.1%

- Adjusted operating revenues increased 2.1% from the prior year primarily due to an additional quarter of Putnam, higher average AUM, and higher performance fees, partially offset by the impact of Western outflows. Adjusted performance fees of $364.6 million increased from $293.4 million in the prior year
- Adjusted EFR was 37.5 bps compared to 38.3 bps. The decline is primarily driven by the growth in lower fee categories such as ETFs, Canvas and multi-asset solutions, mitigated by lower fee Western outflows and increasing flows into higher fee alternative asset strategies
- Adjusted operating income declined 4.3% from the prior year primarily due to the impact of Western and higher spend on strategic initiatives, partially offset by the realization of cost savings initiatives and higher adjusted operating revenues
- Adjusted net income and EPS declined 6.3% and 7.5%, respectively, from the prior year primarily due to lower adjusted operating income and lower adjusted other income
- Our GAAP results for fiscal years 2025 and 2024 include a $200.0 million and $389.2 million, respectively, non-cash impairment of an indefinite-lived intangible asset related to certain mutual fund contracts managed by Western
- At year-end, our balance sheet reflected cash and investments of $6.7[4] billion after funding the repayment of debt and other acquisition-related payments and returning $930 million to shareholders through dividends and share repurchases

1) For the reconciliations from US GAAP to non-GAAP measures see the appendix to this commentary and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical earnings commentaries available at franklinresources.com. 2) Excludes approximately $14.6 billion of AUM in our China joint venture. 3) Includes our direct investments in Consolidated Investment Products of $1.2 billion and approximately $350 million of employee-owned and other third-party investments made through partnerships, $394 million of investments related to long-term repurchase agreements and other net financing arrangements, and $455 million of cash and investments related to deferred compensation plans.

5-Year Plan

Year 1 Progress Report

Strong Execution on 5-Year Plan in FY 2025

Year 1 Progress Report

	5-year Goals	FY'25 Update
Investment Mgmt	Improve Investment Performance	• Over half of **mutual fund/ETF AUM** outperformed peer median and over half of **composite** AUM outperformed its benchmark in all periods • Simplified investment management teams to strengthen talent development and management in public markets
	Investment Product Optimization	• Made progress on optimizing product line up to sharpen focus on scalable, high-demand strategies
	Leverage capabilities across public and private markets to deliver solutions	• Partnering with Empower on a program paving the way for private market investments to be included within Defined Contribution retirement plans
Private Markets	Fundraise $100B across private markets	• Fundraised $22.9 billion across private markets
	Expand wealth management channel globally	• Over 20% of fundraising in private markets from the wealth management channel
	Add additional capabilities (Infrastructure) Globalize certain strategies	• Announced infrastructure partnership with three leading firms (Actis, DigitalBridge and Copenhagen Infrastructure) • Apera acquisition expands direct lending capabilities across Europe's lower middle market
Distribution	Leadership	• Daniel Gamba appointed as Co-President and Chief Commercial Officer
	Focus on strategic partnerships	• Multiple insurance sub-advisory mandates funded totaling $15.7 billion
	Continue growth in retail sales	• FY'25 positive net flows of $15.8 billion in the retail channel; ex-Western, net inflows grew 4x YoY from $9.6 billion to $39.2 billion
	Expand retail SMA offering Scale ETFs (3x) Scale Canvas (5x)	• Increased SMA AUM by 13% to $164.5 billion with $2.7 billion in net inflows; excluding Western, net inflows of $9.6 billion • Increased ETF AUM by 56% to $49.1 billion; $13.7 billion of net inflows • Increased Canvas AUM by 71% to $16.3 billion; $4.7 billion of net inflows
	Double solutions AUM	• Increased Solutions AUM by 11% to $98 billion • Hired Rich Nuzum to lead the expansion of the OCIO business

Strong Execution on 5-Year Plan in FY 2025

Year 1 Progress Report

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		5-year Goals	FY'25 Update
	Capital Mgmt	Continued return of capital to shareholders	• Returned $930M to shareholders through dividends ($690M) and share repurchases ($240M)
	Capital Mgmt	Additional balance sheet investments in support of organic growth	• Continued to make investments in support of organic growth with $2.8 billion of seed capital and co-investments
	Capital Mgmt	Opportunistic M&A where organic growth is not realistic to reach market relevant position	• Announced Apera Asset Management acquisition • Acquired minority stake in Envestnet, the largest Turnkey Asset Management Program
	Operational Integration & Expense Mgmt	Margin expansion to 30%+ and disciplined expense management	• On path to increase FY'26 margin by achieving $200M of run-rate annualized cost savings while continuing to invest in strategic initiatives
	Operational Integration & Expense Mgmt	Simplify investment operations and increase collaboration across Specialist Investment Managers ("SIMs")	• Unification of investment management technology platform is on track • Integrated functions of certain SIMs to simplify investment operations and increase collaboration
Other Growth Areas	Private Wealth Mgmt	Double size of our AUM through organic investments and targeted M&A	• Increased AUM to $43B with a strong pipeline • Appointed Adam Spector as CEO
Other Growth Areas	Digital /Tech	Grow digital assets and digital wealth platforms	• Increased tokenized and digital AUM by 75% to $1.7 billion from FY'24 • Launched intra-day yield and daily yield payout in tokenized MMF • Strategic partnership with Binance, the largest global crypto exchange, aimed to develop digital assets initiatives and products
Other Growth Areas	Digital /Tech	Implement AI across functions	• Implemented AI across sales, marketing, operations, and investment management

Selected Focus Areas from 5-Year Plan

Year 1 Progress Report

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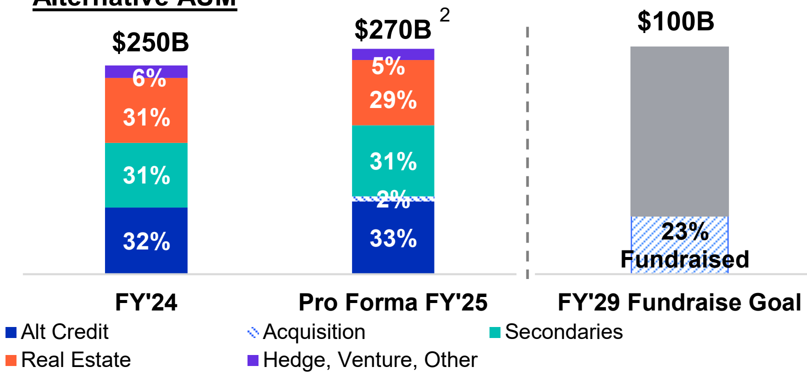
Market Opportunity	Franklin Templeton's Positioning

Alternatives AUM and revenue projected to grow at 9% CAGR

- Projected to reach more than 50% of global industry revenues by 2029E[1]

- One of the largest managers of alternative assets
- Meaningful AUM in key alternative strategies
- $26.2B fundraised in Alternatives, including $22.9B in Private Markets
- Distributions and realizations of $13.9B

Alternative AUM

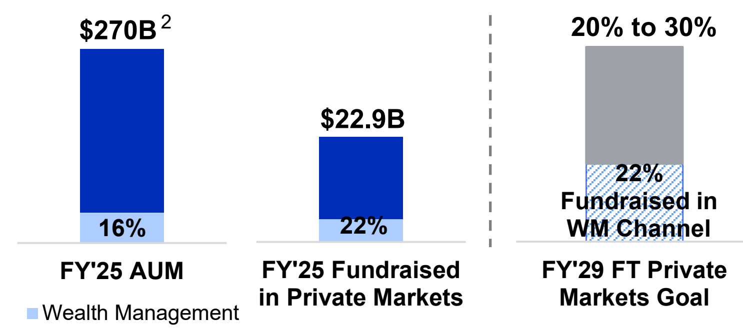


Democratization of Alternatives in the wealth management channel

- Total Addressable Market projected to be ~$5T from $1T[3] today

- Momentum achieved by dedicated Alternatives Specialists working in partnership with Generalists
- 3 cornerstone perpetual fund offerings in secondary PE, RE debt and RE equity with scale
- FLEX funds raised $2.7B

Alternative AUM and Wealth Management Channel

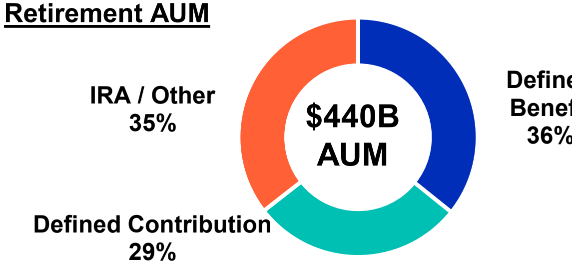


Alternatives in retirement

- $3T of Total Addressable Market in alternatives in US Defined Contribution market over next decade[4]

- Manage $125B+ in Defined Contribution and $440B in total retirement
- Announced partnership with Empower to add alternatives in retirement

Retirement AUM



1) BCG. Global Asset Management Report 2025: From Recovery to Reinvention. April 2025. 2) Pro forma for the Apera Asset Management acquisition on October 1, 2025.3) Goldman Sachs 2025 Outlook Report. TAM based on if alternative allocations rise to 15% of advisor intermediate assets (from 3%). 4) As of 2024. Investment Company Institute. Represents 10% alternative allocation in US Defined Contribution market ($12T in assets).

Selected Focus Areas from 5-Year Plan

Year 1 Progress Report

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Market Opportunity

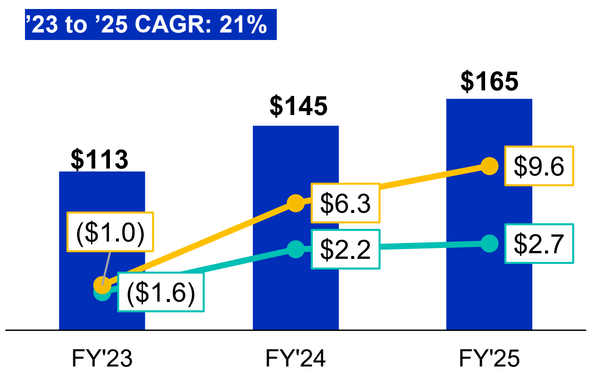
Franklin Templeton's Positioning

Customization, direct ownership and tax efficiency driving investors to SMAs

- SMA assets grew to $4.15T; assets expected to double by 2030[1]

- Retail SMAs have grown at a 21% CAGR since FY'23
- Offer a broad range of over 200 unique high quality SMA strategies

Retail SMA AUM
(US$ in billions)

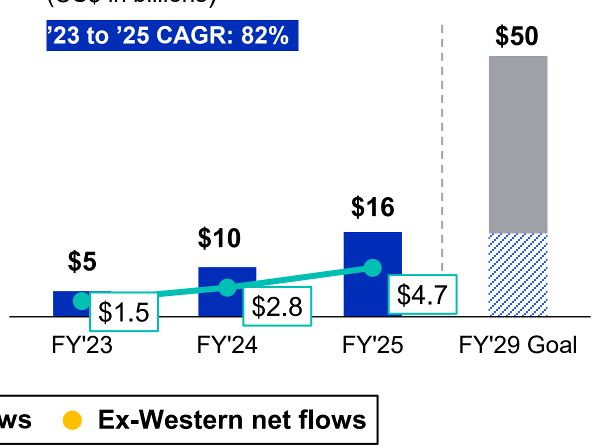


Custom and direct indexing is the fastest growing component of Retail SMAs

- Over the last 2 years, industry assets in Direct Indexing SMAs grew from $517B to $1T[1]

- Canvas AUM has scaled by 3.3x since FY'23
- Partner firms increased from 67 in 2023 to over 150 today
- Financial advisors using Canvas increased from 205 in 2023 to over 1,100 today

Canvas AUM[2]
(US$ in billions)



1) Cerulli CQ2 2025. 2) Majority of Canvas AUM also included in Retail SMA AUM.

Selected Focus Areas from 5-Year Plan

Year 1 Progress Report

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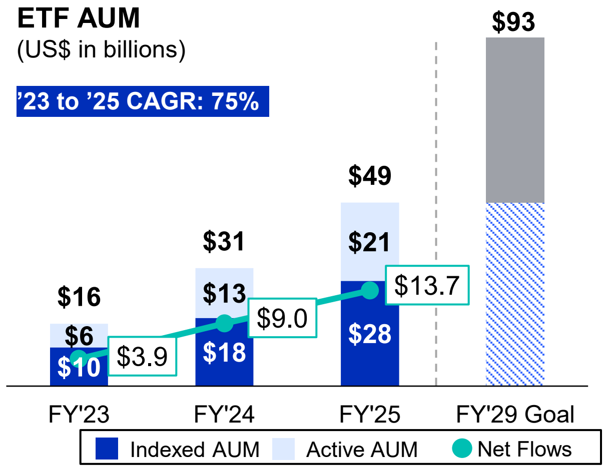
Market Opportunity	Franklin Templeton's Positioning

Active ETFs have emerged as a mainstream product

- Active ETFs constitute 10% of industry AUM but account for 37% of flows and nearly a quarter of revenues CYTD June 2025[1]
- US Active ETF industry at $1T and grew 51% from prior year[2]

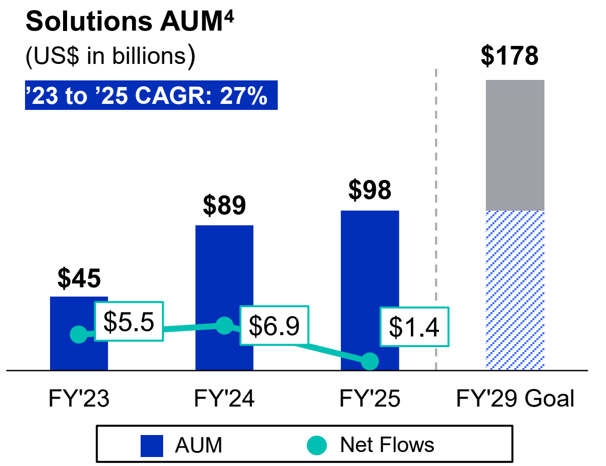
- ETF AUM has grown at a CAGR of 75% since FY'23
- 16 consecutive quarters of net inflows
- Over 50% of ETF flows in active strategies
- 14 ETFs over $1B in AUM



Industry shift to customized investment solutions to deliver personalization at scale

- Solutions expected to grow at 11% CAGR from 2024 to 2029E[3]

- Solutions AUM has grown at a 27% CAGR since FY'23[4]
- Gross sales increased 25% from the prior year
- Hired Rich Nuzum to lead the expansion of the OCIO business
- Solutions across public and private markets



1) McKinsey & Company. Asset Management in 2025: The Great Convergence. July 2025. 2) Broadridge. 3) Morgan Stanley and Oliver Wyman, "Thinning the Herd: The Race for Relevance Fueling M&A". September 2025. Solutions includes LDI, OCIO, Target Date Fund, Target Maturity and other outcome-oriented products. 4) Investment Solutions includes assets managed by other teams as well as AUA ($4.3 billion in FY 2024). FY'24 includes the addition of K2 ($11 billion) and Putnam ($13 billion). Investment Solutions CAGR excludes the FY'24 additions of K2 and Putnam.

Selected Focus Areas from 5-Year Plan
Year 1 Progress Report

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Market Opportunity

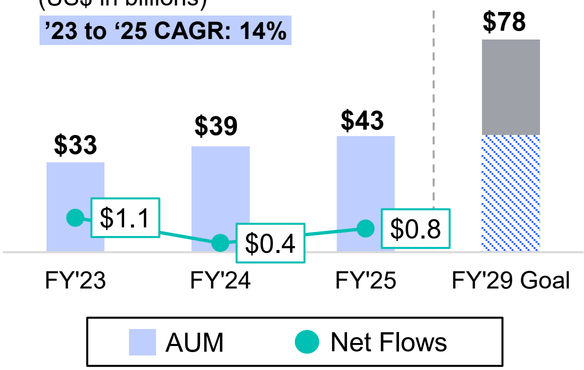
Wealth Management represents an attractive business model due to stable, recurring revenue and profitability

- Global financial wealth projected to grow at a 6% CAGR to 2029[1]
- Bank-based wealth management models growth 5-year CAGR from 2020 to 2024 is 7.9%[2]
- Industry retention rate of 97%[3]

Franklin Templeton's Positioning

- Adam Spector appointed CEO of Fiduciary Trust International
- One of our priorities is to further accelerate the growth of our private wealth management business through organic investments and acquisitions
- Fiduciary Trust International retention rate of 98%

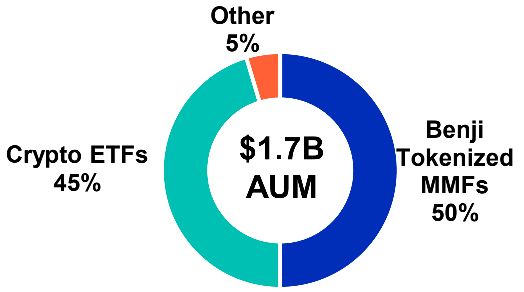
Private Wealth Management (Fiduciary Trust International)
(US$ in billions)



Potential exponential growth opportunity in digital assets

- Tokenized real-world assets projected to grow from $0.6 trillion today to $18.9T by 2033 with a CAGR of 53%[4]

- Only global asset manager able to offer digitally native on-chain mutual fund tokenization
- Benji Tokenized MMFs: Offer four wrappers of tokenized US government MMF across four different jurisdictions
- Binance Partnership: Announced a partnership with the largest global crypto exchange gaining access to the platform's 270 million user wallets



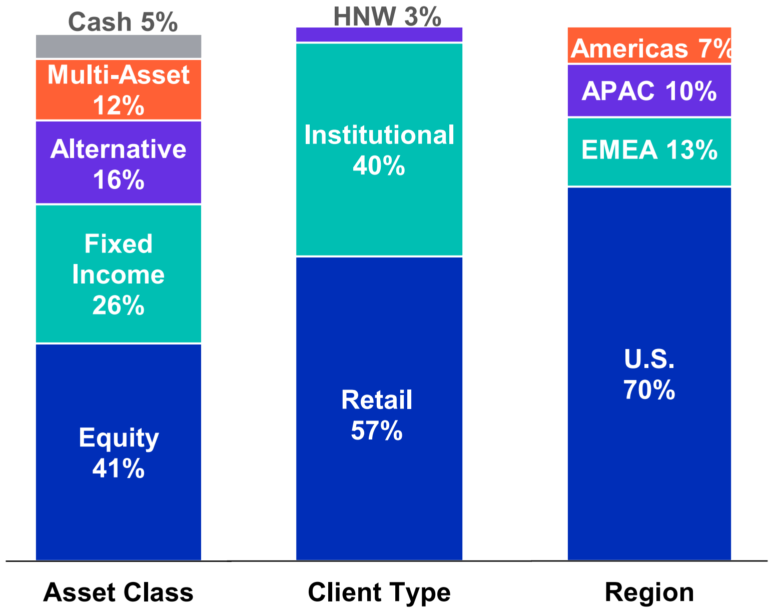
1) BCG. Global Wealth Report June 2025. 2) Cerulli Report. U.S. Private Banks & Trust Companies 2025. 3) Tiburon CEO Summit XLVIII. 4) BCG. Approaching the Tokenization Tipping Point April 2025.

Fourth Quarter and Fiscal Year 2025 AUM and Investment Performance

AUM and Adjusted Revenue Diversification

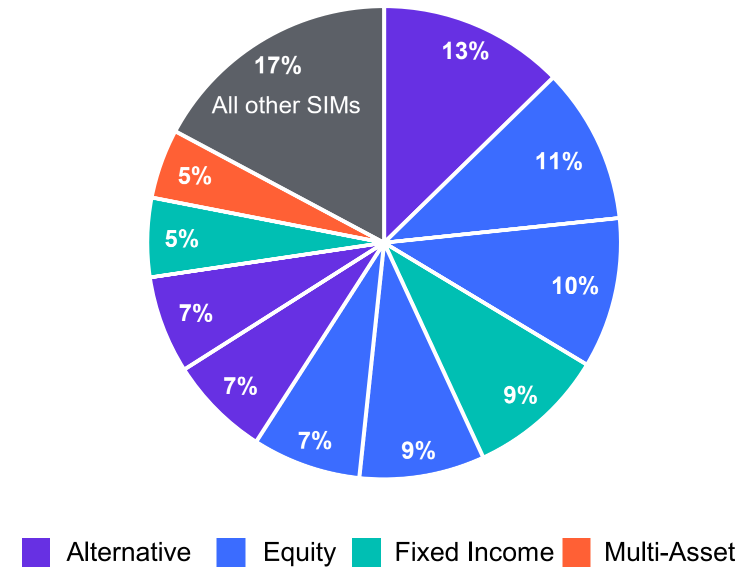
Diversified by asset class, client type, and region

AUM of $1.66 trillion as of September 30, 2025



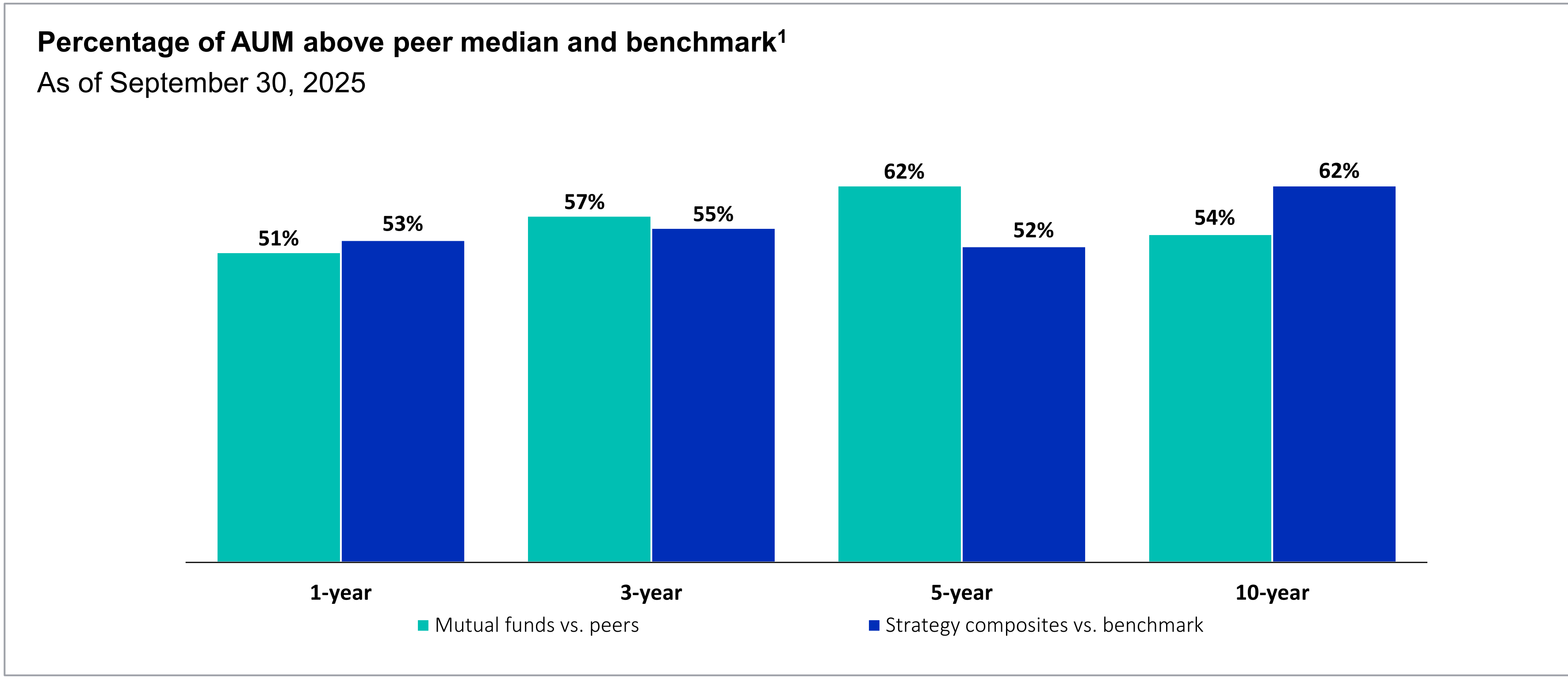
Q4 Adjusted Operating Revenue by SIM

As of September 30, 2025



- Our AUM is diversified across asset class, client type, region, and investment teams

Investment Performance



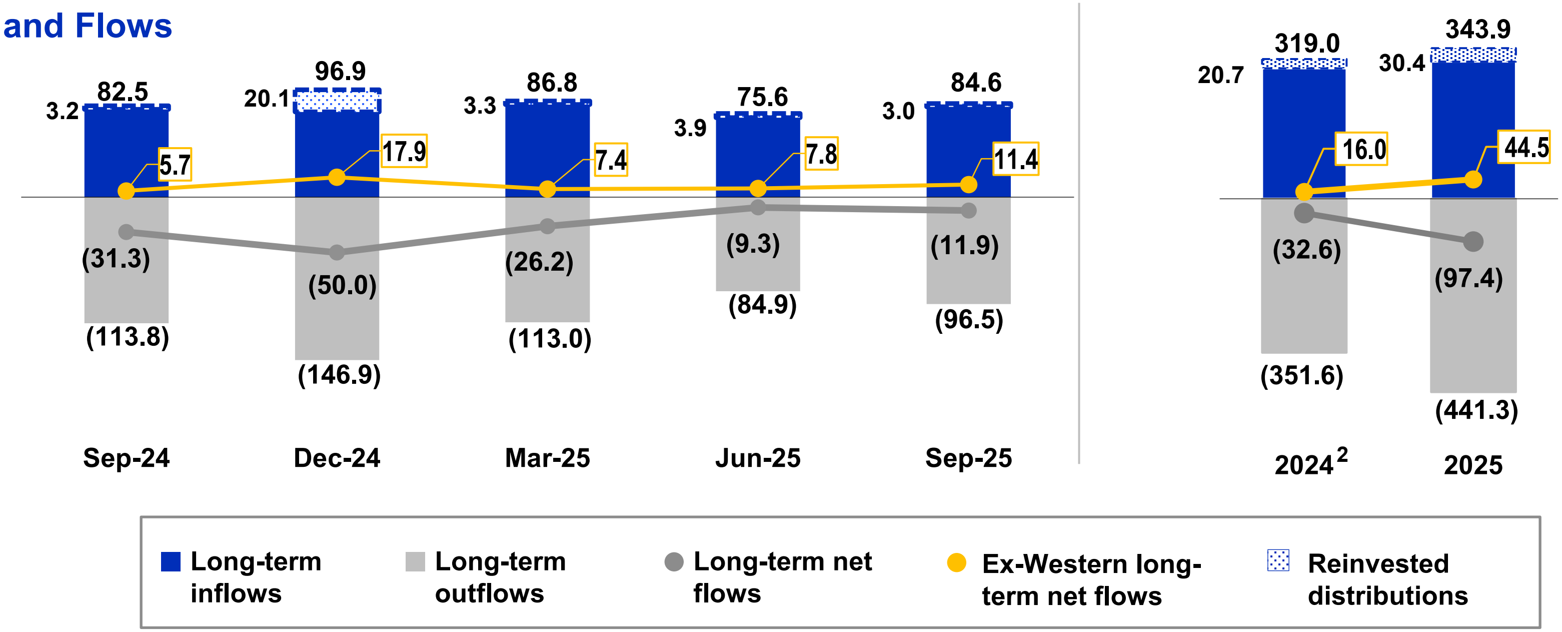
- **Mutual Funds**: Over half of mutual fund/ETF AUM outperformed peer median in all periods. Compared to prior year, investment performance significantly improved in the 5-year due certain global equity and US taxable fixed income strategies. Investment performance decreased in 1- and 3-year periods due to the categorization of one of our largest funds managed for yield. Compared to prior quarter, investment performance significantly improved in the 1-year period, primarily due to certain equity strategies.
- **Strategy Composites**: Over half of composite AUM outperformed their benchmarks in all periods. Compared to prior year, investment performance improved in the 3-year period due to fixed income and slightly declined in the other periods. Compared to prior quarter, investment performance significantly improved in the 1-year and stayed relatively in line in other periods.

1) Benchmark comparisons are based on each strategy's composite returns (composites may include retail SMA and mutual fund assets managed as part of the same strategy) as compared to a market index that has been selected to be generally consistent with the investment objectives of the account. Multi-asset strategies that lack benchmarks consistent with their investment objectives are excluded. Composite AUM measured for the 1-, 3-, 5-, and 10-year periods represent 56%, 55%, 55%, and 50%, respectively, of the firm's total AUM as of September 30, 2025. Mutual fund performance is sourced from Morningstar and measures the percentage of ranked fund AUM in the top two quartiles of their peer groups. Mutual Fund AUM measured for the 1-, 3-, 5-, and 10-year periods represents 40%, 39%, 39%, and 36%, respectively, of the firm's total AUM as of September 30, 2025.

Long-term flows[1]

(In US$ billions)

AUM and Flows



FQ4:

- Long-term net outflows include $23.3 billion of net outflows at Western. Excluding Western, long-term net inflows were $11.4 billion, an increase from $7.8 billion in the prior quarter and $5.7 billion in the prior year quarter

FY 2025:

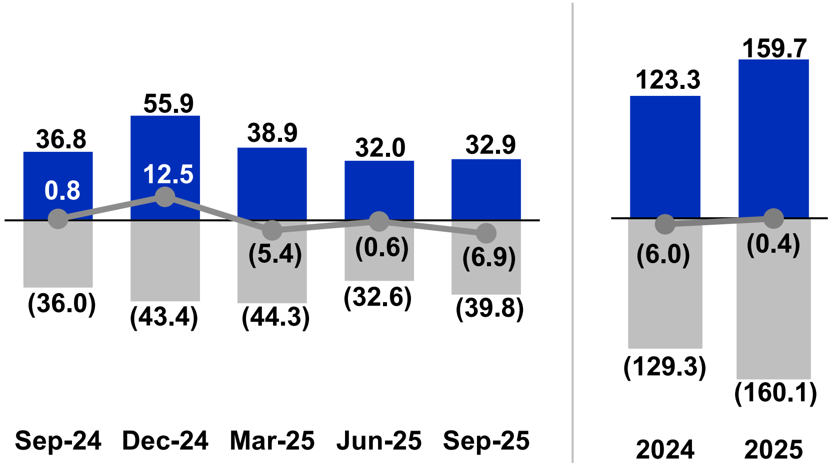
- Long-term inflows of $343.9 billion, a 7.8% increase from the prior year. Long-term inflows increased across Alternatives, Multi-Asset, and Equities year over year
- Long-term net outflows were $97.4 billion and reinvested distributions were $30.4 billion. Excluding Western, long-term net flows were positive at $44.5 billion, up from $16.0 billion in the prior year
- Eight consecutive quarters of positive net flows excluding Western
- At year-end, our institutional pipeline of won but unfunded mandates was $20.4 billion with elevated fundings in the quarter. The pipeline remains diversified by asset class and across specialist investment managers

1) Excludes all cash management flows. 2) Acquisition of Putnam closed January 1, 2024.

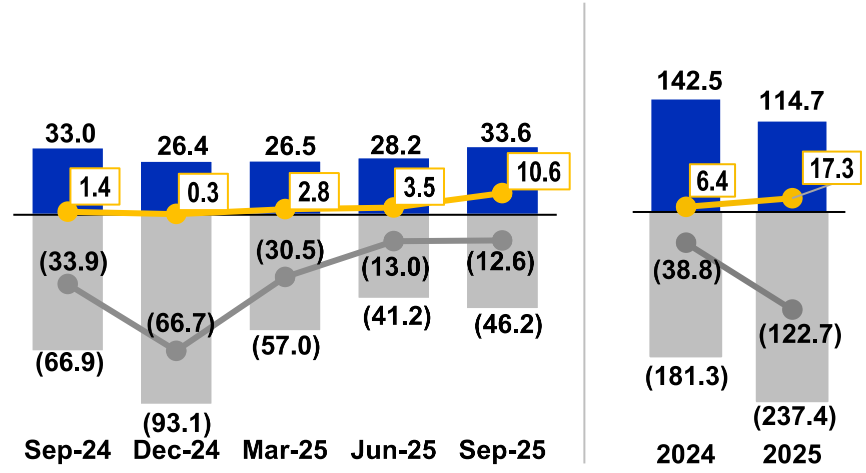
AUM and Flows

(in US$ billions, for the three months ended)

Equity: $686 billion



Fixed Income: $439 billion



Long-term inflows | Long-term outflows | Long-term net flows | Ex-Western long-term net flows

FQ4:

- Equity net outflows were $6.9 billion. Positive net flows into Large Cap Value, Smart Beta, Infrastructure, Equity Income, Custom Solutions, and Mid Cap Growth strategies

FY 2025:

- Equity net outflows improved to $0.4 billion. Positive net flows into Large Cap Value, Smart Beta, Infrastructure, Equity International Equity Income, All Cap-Core, and Mid Cap Growth strategies
- Inflows improved by 23% driven by Large Cap Value and ETFs

FQ4:

- Fixed income net outflows were $12.6 billion. Excluding Western, fixed income net inflows were $10.6 billion
- Positive net flows into Core Bond, Emerging Markets, Munis, Enhanced Liquidity, Stable Value, and High Yield strategies

FY 2025:

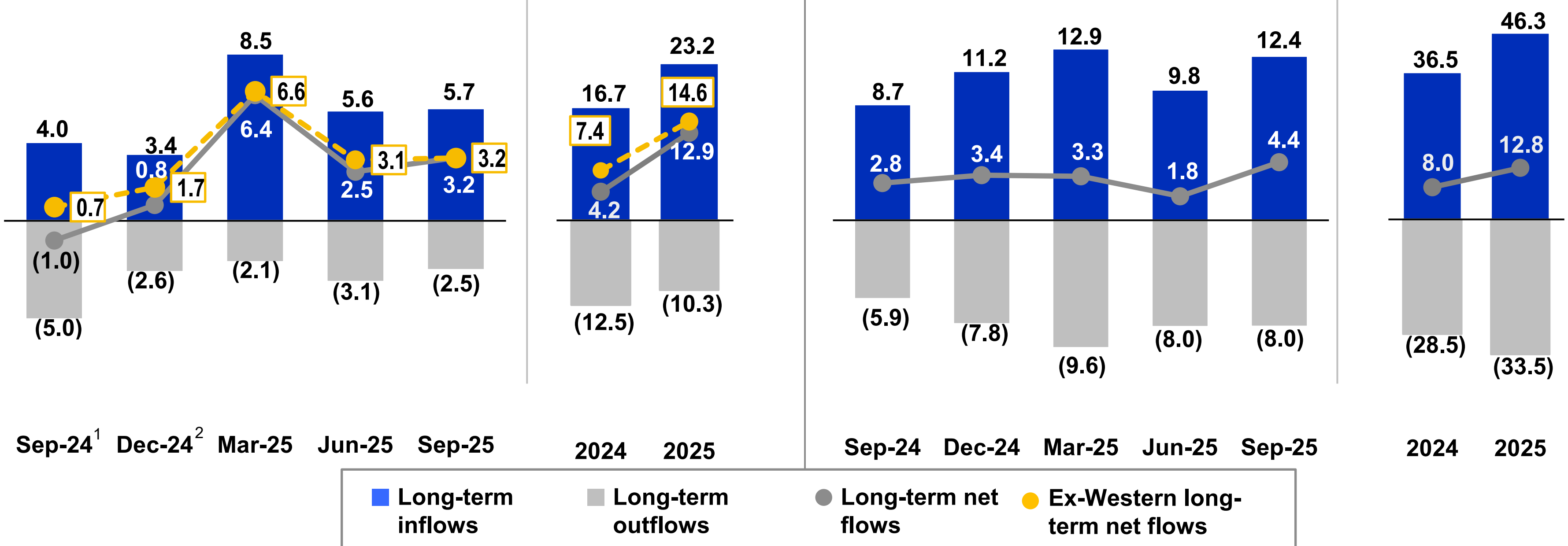
- Fixed income net outflows were $122.7 billion. Excluding Western, fixed income net inflows were $17.3 billion
- Positive net flows into Munis and Stable Value strategies
- Franklin Templeton Fixed Income more than doubled net inflows from the prior year
- Excluding Western, fixed income generated positive net flows for seven consecutive quarters

AUM and Flows

(in US$ billions, for the three months ended)

Alternative: $264 billion

Multi-Asset: $194 billion



FQ4:

- $5.7 billion of inflows[3] represents fee generating capital raised or called in this quarter
- $7.8 billion was fundraised, which includes $7.2 billion in private markets assets[4]. Aggregate realizations and distributions[5] of $4.3 billion

FY 2025:

- $23.2 billion of inflows[3] represents fee generating capital raised or called in the fiscal year
- $26.2 billion was fundraised, which includes $22.9 billion in private market assets[4], representing both fee and non-fee generating capital. Aggregate realizations and distributions[5] of $13.9 billion

FQ4:

- Multi-asset net inflows were $4.4 billion led by positive net flows into the Franklin Income Fund, Canvas, Fiduciary Trust International, and Franklin Templeton Investment Solutions

FY 2025:

- Multi-asset net inflows were $12.8 billion driven by positive net flows into the Franklin Income Fund, Canvas, Franklin Templeton Investment Solutions, and Fiduciary Trust International

1) Western outflows included ($1.5) billion related to Macro Opps fund closure in Q4 2024. 2) Long-term inflows and outflows were each revised from previously reported amounts to reflect fund activity of $0.9 billion settling in January 2025. The revision did not impact net flows or ending AUM. 3) Inflows only include fee generating capital; fundraises in non-fee generating capital are represented in net market change, dist. & other. 4) Private markets includes secondary private equity, alternative credit including collateralized loan obligations ("CLOs"), real estate and venture. Fundraising represent subscriptions, commitments and other increases in available capital in non-fee generating or fee generating AUM this quarter. 5) Alternative realizations & distributions exclude client-driven redemptions, which are included in alternative outflows.

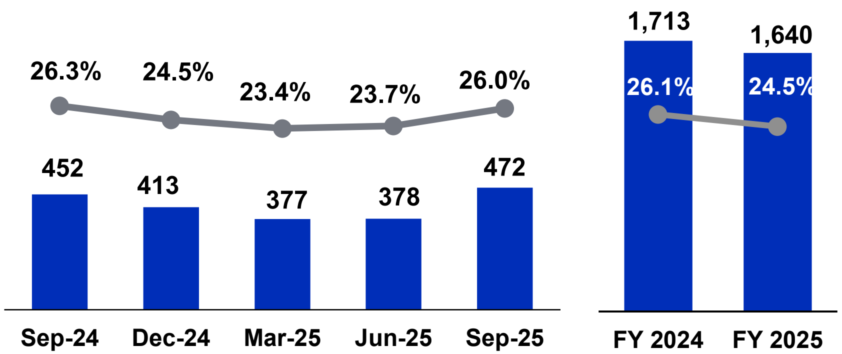
Fourth Quarter and Fiscal Year 2025 Financial Results

Financial Results[1]

(GAAP and non-GAAP in US$ millions except per share data, for the three and twelve months ended)

US GAAP	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	FY2024	FY2025
Operating Income[2]	(150.7)	219.0	145.6	154.1	85.4	407.6	604.1
Operating Margin	(6.8%)	9.7%	6.9%	7.5%	3.6%	4.8%	6.9%

Adjusted operating income and adjusted operating margin



FQ4

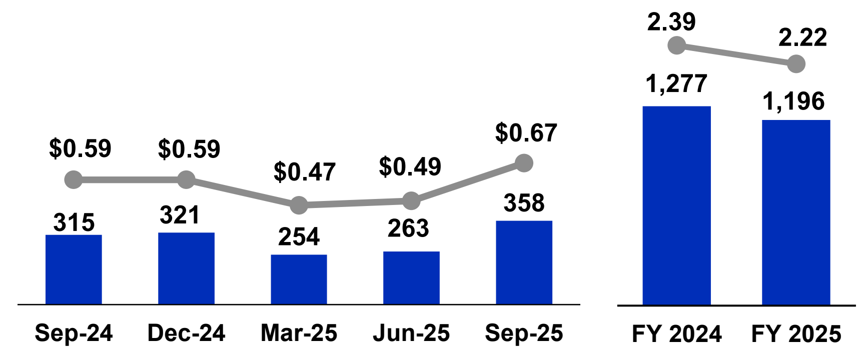
- Adjusted operating income increased 25.0% from the prior quarter primarily due to elevated performance fees and higher average AUM
- Adjusted operating income increased 4.6% from the prior year quarter primarily due to elevated performance fees, and the realization of cost savings initiatives, partially offset by the impact of Western and higher spend on strategic initiatives

FY 2025

- Adjusted operating income declined 4.3% from the prior year primarily due to the impact of Western and higher spend on strategic initiatives, partially offset by the realization of cost savings initiatives and higher adjusted operating revenues

US GAAP	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	FY2024	FY2025
Net Income[2]	(84.7)	163.6	151.4	92.3	117.6	464.8	524.9
Diluted EPS	($0.19)	$0.29	$0.26	$0.15	$0.21	$0.85	$0.91

Adjusted net income and adjusted diluted earnings per share



FQ4

- Adjusted net income and EPS increased 35.7% and 36.7%, respectively, from the prior quarter primarily due to higher adjusted operating income and adjusted other income, and a lower tax rate. The increase in adjusted other income is primarily due to lower foreign exchange losses and higher income on investments
- Adjusted net income and EPS increased 13.4% and 13.6%, respectively, from the prior year quarter primarily due to higher adjusted operating income and adjusted other income, and a lower tax rate. Adjusted other income increased from the prior year quarter primarily due to lower foreign exchange losses, partially offset by lower income on investments

FY 2025

- Adjusted net income and EPS declined 6.3% and 7.5%, respectively, from the prior year primarily due to lower adjusted operating income and lower adjusted other income. Adjusted other income declined from the prior year primarily due to lower income on investments, partially offset by lower foreign exchange losses

1) For Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical earnings commentaries available at franklinresources.com. 2) The three and twelve months ended September 30, 2025 and 2024 include a non-cash impairment charge of $200.0M and $389.2M, respectively, related to indefinite-lived intangible assets for certain mutual fund contracts managed by Western.

Financial Results[1]

(Non-GAAP in US$ millions except EFR)

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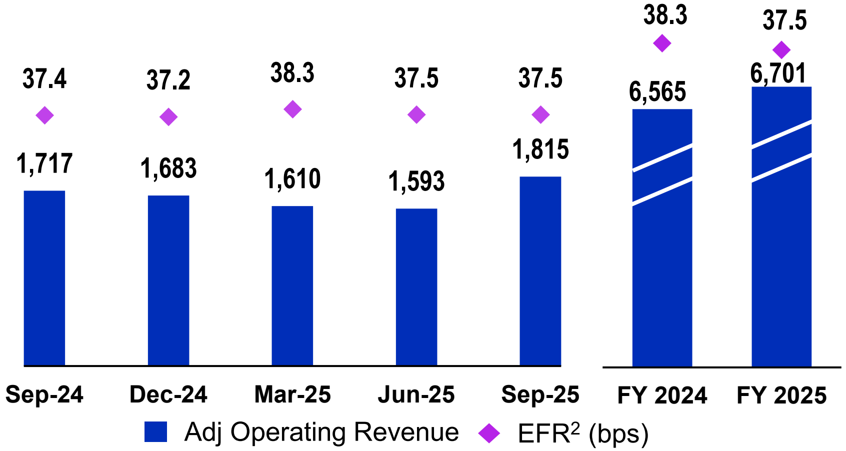
Adjusted operating revenue and effective fee rate [2]



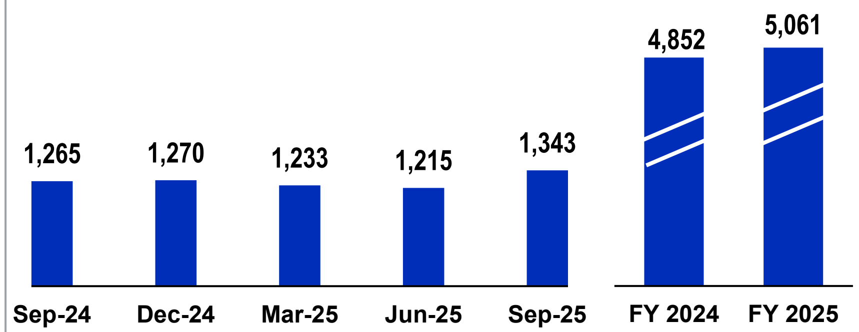
FQ4

- Adjusted operating revenue increased 13.9% from the prior quarter primarily due to elevated performance fees and higher average AUM. Adjusted operating revenue increased 5.7% from the prior year quarter primarily due to higher adjusted performance fees and higher average AUM, partially offset by the impact of Western outflows
- Adjusted performance fees were $177.9 million compared to $58.5 million in the prior quarter and $72.0 million in the prior year quarter

FY 2025

- Adjusted operating revenues increased 2.1% from the prior year primarily due to an additional quarter of Putnam, higher average AUM, and higher performance fees, partially offset by the impact of Western outflows
- Adjusted performance fees of $364.6 million increased from $293.4 million in the prior year

Adjusted operating expenses



FQ4

- Adjusted operating expenses increased 10.5% from the prior quarter primarily due to higher incentive compensation on higher revenues, higher performance fee incentive compensation and performance fee related third-party expenses, higher professional fees, partially offset by realization of cost savings
- Adjusted operating expenses increased 6.1% from the prior year quarter primarily due to higher performance fee incentive compensation and performance fee related third-party expenses, and higher incentive compensation on higher revenues, partially offset by realization of cost savings initiatives

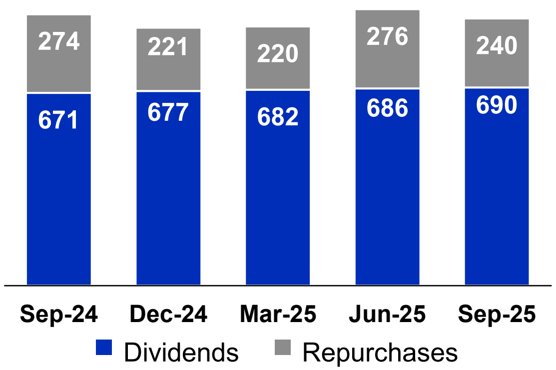
FY 2025

- Excluding performance fee compensation and adjusting for an additional quarter of Putnam expenses in fiscal 2025, operating expenses were substantially similar to fiscal year 2024
- Adjusted operating expenses increased 4.3% from the prior year primarily due to an additional quarter of Putnam, higher incentive compensation on higher revenues and sales, and higher spend on strategic initiatives, partially offset by the realization of cost savings initiatives

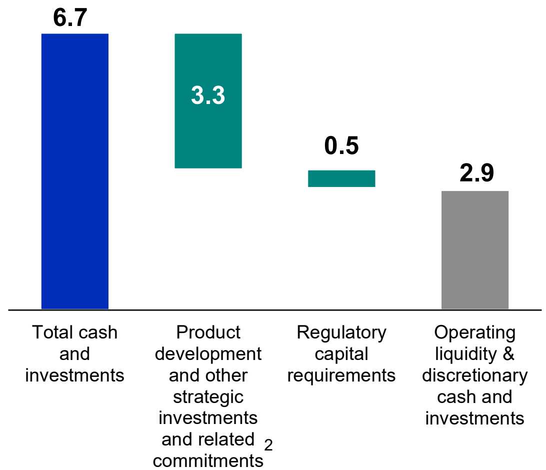
1) For the reconciliations from US GAAP to non-GAAP measures see the appendix to this commentary and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical earnings commentaries available at franklinresources.com. 2) The adjusted effective fee rate is annualized adjusted investment management fees, excluding performance fees, divided by simple average AUM for the period.

Capital Management

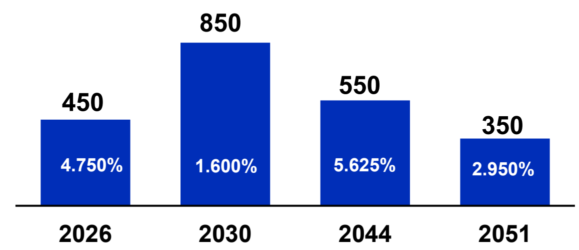
Dividends and share repurchases
(In US$ millions, for the trailing twelve months ended)



Allocation of cash and investments[1]
(In US$ billions, as of September 30, 2025)



Debt[3]
(In US$ millions, as of September 30, 2025)



Shareholder Return

- In August, we announced a quarterly cash dividend of $0.32 per share, a 3.2% increase over the dividends paid for the prior year quarter
- During the quarter, we returned $238 million to shareholders including $171 million in dividends and $67 million in share repurchases. We typically plan to repurchase shares to offset employee-related equity issuances throughout the year

Liquidity

- Total cash and investments were $6.7 billion as of September 30, 2025[1] after funding dividends and share repurchases, other acquisition-related payments, and repaying senior notes due March 2025 in the current year
  - Approximately $700 million of nominal cash tax benefits available related to acquisitions, which we expect to realize over the next 15 years
  - Undrawn $1.1 billion revolving credit facility. In September 2025, we repaid all of our outstanding revolving credit facility of $300 million

Debt

- As of September 30, 2025, we maintained senior debt with an aggregate principal amount due of $2.2 billion[3]
- This quarter, interest due to debt holders was $21.8 million compared to $23.0 million in the prior quarter and $22.3 million in the prior year quarter

1) May not foot due to rounding. Includes our direct investments in consolidated investment products of $1.2 billion and approximately $350 million of employee-owned and other third-party investments made through partnerships, approximately $394 million of investments related to long-term repurchase agreements and other net financing arrangements, and approximately $455 million of cash and investments related to deferred compensation plans.
2) Includes undrawn capital commitments of $521 million. 3) Excludes fair value adjustments from purchase accounting.

Appendix

AUM and Flows

(In US$ billions)[1]	Three months ended Sept 30, 2025	Jun 30, 2025	% Change	Twelve months ended September 30, 2025	2024	% Change
Beginning AUM	$ 1,611.8	$ 1,540.6	4.6%	$ 1,678.6	$ 1,374.2	22.2%
Long-term inflows	84.6	75.6	11.9%	343.9	319.0	7.8%
Long-term outflows	(96.5)	(84.9)	(13.7%)	(441.3)	(351.6)	(25.5%)
Long-term net flows	**(11.9)**	**(9.3)**	28.0%	**(97.4)**	**(32.6)**	(198.8%)
Cash management net flows	7.2	2.7	166.7%	12.6	2.7	366.7%
Total net flows	**(4.7)**	**(6.6)**	28.8%	**(84.8)**	**(29.9)**	183.6%
Acquisitions/(Dispositions)	-	(0.2)	NM	(0.2)	148.3	NM
Net market change, dist. & other	54.1	78.0	(30.6%)	67.6	186.0	(63.7%)
Ending AUM	**$ 1,661.2**	**$ 1,611.8**	**3.1%**	**$ 1,661.2**	**$ 1,678.6**	**(1.0%)**
Average AUM	**$ 1,633.7**	**$ 1,565.2**	**4.4%**	**$ 1,606.7**	**$ 1,565.8**	**2.6%**

1) Excludes approximately $14.6 billion of AUM in our China joint venture.

Alternative AUM Roll Forward

(in US$ billions)

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Three months and fiscal year ended September 30, 2025

	Three Months Ended September 30, 2025			Fiscal Year Ended September 30, 2025		
	Private Markets[1]	Liquid & Other	Total	Private Markets[1]	Liquid & Other	Total
Beginning AUM	**$237.6**	**$20.7**	**$258.4**	**$227.8**	**$22.1**	**$249.9**
Fundraising[1]	7.2	0.7	7.8	22.9	3.3	26.2
Outflows	(1.1)	(1.4)	(2.5)	(5.2)	(5.1)	(10.4)
Realizations & distributions[2]	(4.3)	(0.0)	(4.3)	(13.2)	(0.7)	(13.9)
Net market change, FX, other	5.0	(0.5)	4.5	12.1	(0.1)	12.0
Ending AUM	**$244.4**	**$19.4**	**$263.9**	**$244.4**	**$19.4**	**$263.9**

- $7.8 billion was fundraised in the quarter, which includes $7.2 billion in private market assets[1], representing both fee and non-fee generating capital
  - $5.7 billion of inflows (on page 19) represents fee-generating capital raised or called in this quarter
  - Aggregate realizations and distributions[2] were $4.3 billion
- $26.2 billion was fundraised in FY 2025, which includes $22.9 billion in private market assets[1]
  - Aggregate realizations and distributions were $13.9 billion

1) Private markets includes secondary private equity, alternative credit including collateralized loan obligations ("CLOs"), real estate and venture. Fundraising represent subscriptions, commitments and other increases in available capital in non-fee generating or fee generating AUM this quarter. 2) Alternative realizations & distributions exclude client-driven redemptions, which are included in alternative outflows.

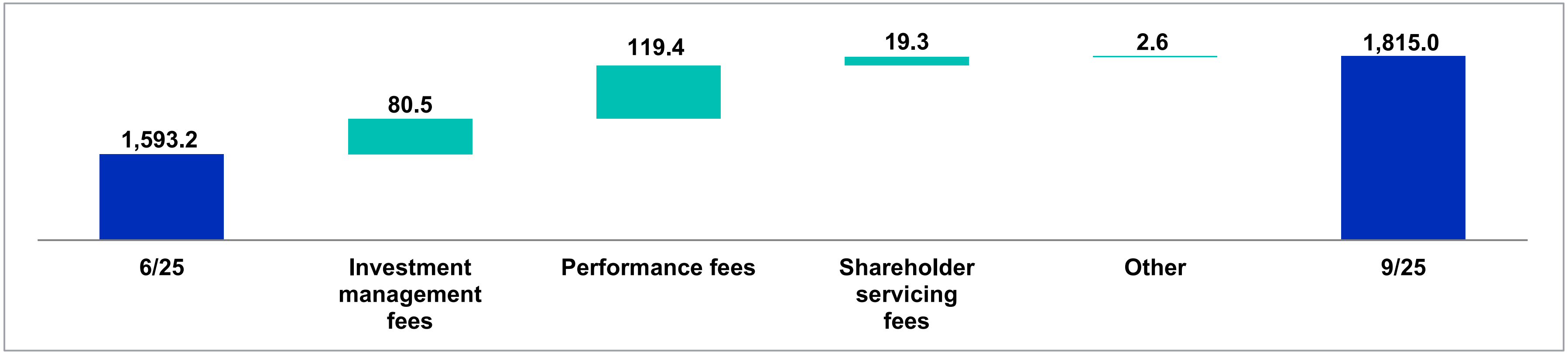
Financial Results

(GAAP and non-GAAP in US$ millions except per share data, for the three months ended)

Revenues[1]

	Sep-25 US GAAP	Adjustments	Sep-25 Adjusted	Jun-25 Adjusted	Sep-25 Adjusted vs. Jun-25 Adjusted	Sep-24 Adjusted	Sep-25 Adjusted vs. Sep-24 Adjusted
Investment management fees, ex. performance fees	1,668.2	(124.3)	1,543.9	1,463.4	6%	1,567.5	(2%)
Performance fees	199.9	(22.0)	177.9	58.5	204%	72.0	147%
Sales and distribution fees	382.4	(382.4)	-	-	NM	-	NM
Shareholder servicing fees	79.2	-	79.2	59.9	32%	67.0	18%
Other	14.0	-	14.0	11.4	23%	10.0	40%
Total Operating Revenues	**2,343.7**	**(528.7)**	**1,815.0**	**1,593.2**	**14%**	**1,716.5**	**6%**
Effective fee rate[2]			*37.5 bps*	*37.5 bps*		*37.4 bps*	

Adjusted Operating Revenues – Quarters Ended June 30, 2025 and September 30, 2025



1) For the reconciliations from US GAAP to non-GAAP measures see the appendix to this commentary and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical earnings commentaries available at franklinresources.com. 2) The adjusted effective fee rate is annualized adjusted investment management fees, excluding performance fees, divided by simple average AUM for the period.

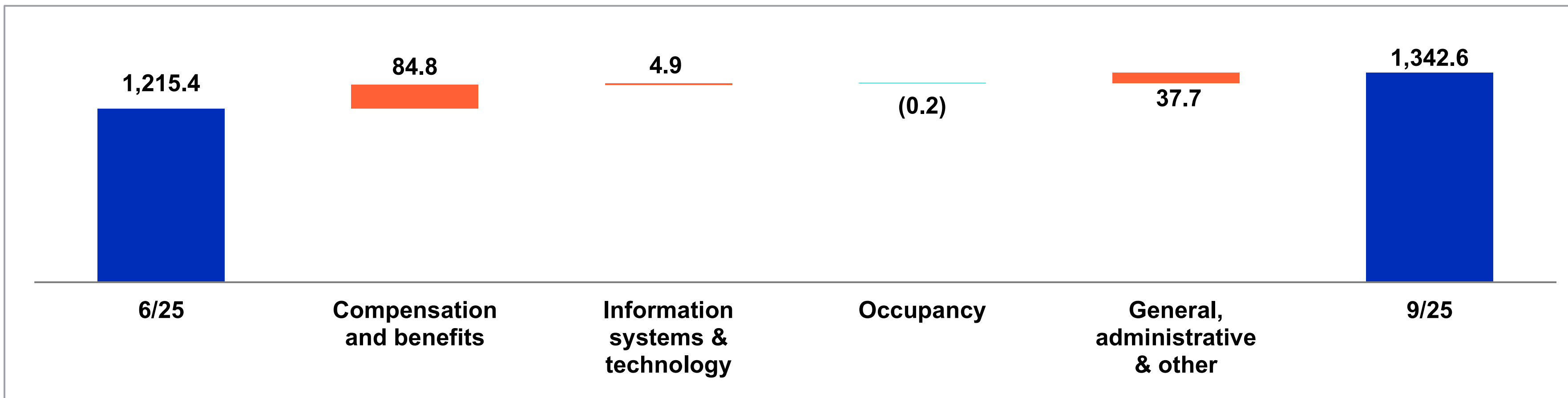
Financial Results

(GAAP and non-GAAP in US$ millions except per share data, for the three months ended)

Expenses[1]

	Sep-25 US GAAP	Adjustments	Sep-25 Adjusted	Jun-25 Adjusted	Sep-25 Adjusted vs. Jun-25 Adjusted	Sep-24 Adjusted	Sep-25 Adjusted vs. Sep-24 Adjusted
Compensation & benefits	1,005.7	(111.0)	894.7	809.9	10%	845.5	6%
Sales, distribution & marketing	519.8	(519.8)	-	-	NM	-	NM
Information systems & technology	166.2	(8.0)	158.2	153.3	3%	152.5	4%
Occupancy	72.4	(3.1)	69.3	69.5	(0%)	76.0	(9%)
Amortization of intangible assets	69.2	(69.2)	-	-	NM	-	NM
Impairment of intangible assets	202.2	(202.2)	-	-	NM	-	NM
General, administrative & other	222.8	(2.4)	220.4	182.7	21%	190.9	15%
Total Operating Expenses	**2,258.3**	**(915.7)**	**1,342.6**	**1,215.4**	**10%**	**1,264.9**	**6%**

Adjusted Operating Expenses – Quarters Ended June 30, 2025 and September 30, 2025



1) For the reconciliations from US GAAP to non-GAAP measures see the appendix to this commentary and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical earnings commentaries available at franklinresources.com.

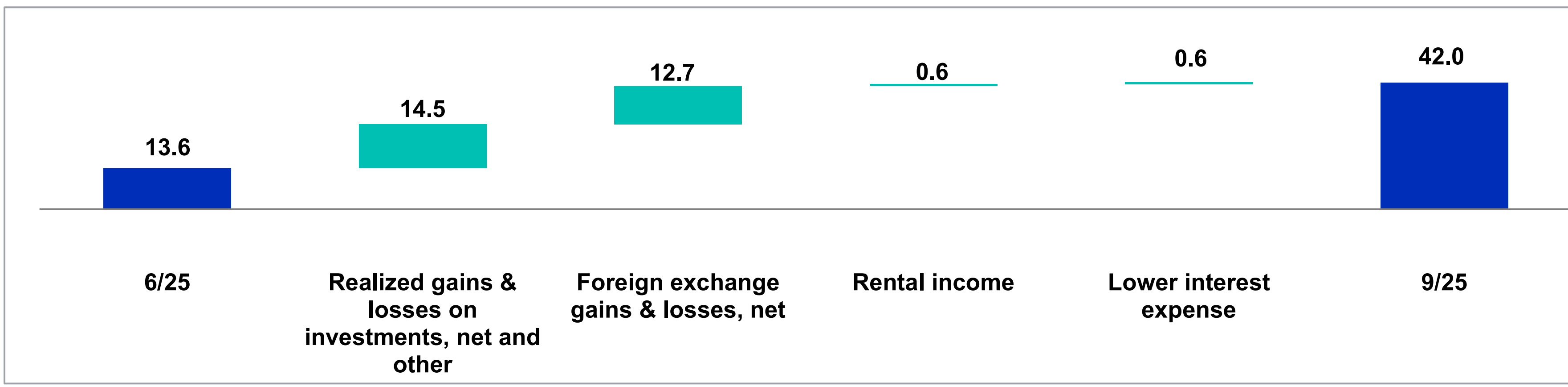
Financial Results

(GAAP and non-GAAP in US$ millions except per share data, for the three months ended)

Other Income (Expense), Net[1]

	Sep-25 US GAAP	Adjustments	Sep-25 Adjusted	Jun-25 Adjusted	Sep-25 Adjusted vs. Jun-25 Adjusted	Sep-24 Adjusted	Sep-25 Adjusted vs. Sep-24 Adjusted
Investment and other income, net	84.8	(12.6)	72.2	44.4	63%	61.7	17%
Interest expense	(25.2)	(5.0)	(30.2)	(30.8)	(2%)	(29.4)	3%
Investment and other income (losses) of CIPs	123.1	(123.1)	-	-	NM	-	NM
Expenses of CIPs	(13.8)	13.8	-	-	NM	-	NM
Other Income (Expense), Net	**168.9**	**(126.9)**	**42.0**	**13.6**	**209%**	**32.3**	**30%**

Adjusted Other Income – Quarters Ended June 30, 2025 and September 30, 2025



1) For the reconciliations from US GAAP to non-GAAP measures see the appendix to this commentary and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods please refer to historical earnings commentaries available at franklinresources.com.

Reconciliation of US GAAP results to Non-GAAP Results

Three months ended September 30, 2025

(in US$ millions except per share data)	US GAAP Basis	Consolidated Investment Products	Sales, Distribution and Marketing	Acquisition-Related	Special Termination Plan	Unrealized Investment (Gains) Losses	Deferred Comp Plan and Other	Tax Expense of Adjustments	Non-GAAP Basis
Revenues									
Investment management fees	**1,868.1**	13.1	(137.4)	(22.0)[1]	-	-	-	-	**1,721.8**
Sales and distribution fees	**382.4**	-	(382.4)	-	-	-	-	-	**-**
Shareholder servicing fees	**79.2**	-	-	-	-	-	-	-	**79.2**
Other	**14.0**	-	-	-	-	-	-	-	**14.0**
Total Operating Revenues	**2,343.7**	**13.1**	**(519.8)**	**(22.0)**	**-**	**-**	**-**	**-**	**1,815.0**
Expenses									
Compensation and benefits	**1,005.7**	-	-	(53.3)[1]	(25.0)	-	(32.7)	-	**894.7**
Sales, distribution and marketing	**519.8**	-	(519.8)	-	-	-	-	-	**-**
Information systems and technology	**166.2**	-	-	(8.0)	-	-	-	-	**158.2**
Occupancy	**72.4**	-	-	(3.1)	-	-	-	-	**69.3**
Amortization of intangible assets	**69.2**	-	-	(69.2)	-	-	-	-	**-**
Impairment of intangible assets	**202.2**	-	-	(202.2)	-	-	-	-	**-**
General, administrative and other	**222.8**	-	-	(2.4)[1]	-	-	-	-	**220.4**
Total Operating Expenses	**2,258.3**	**-**	**(519.8)**	**(338.2)**	**(25.0)**	**-**	**(32.7)**	**-**	**1,342.6**
Operating Income	**85.4**	**13.1**	**-**	**316.2**	**25.0**	**-**	**32.7**	**-**	**472.4**
Other Income (Expense)									
Investment and other income (losses) net	**84.8**	49.9	-	12.0	-	(54.8)	(19.7)	-	**72.2**
Interest expense	**(25.2)**	-	-	(5.0)	-	-	-	-	**(30.2)**
Investment and other income (losses) of CIPs, net	**123.1**	(123.1)	-	-	-	-	-	-	**-**
Expenses of CIPs	**(13.8)**	13.8	-	-	-	-	-	-	**-**
Total Other Income (Expense)	**168.9**	**(59.4)**	**-**	**7.0**	**-**	**(54.8)**	**(19.7)**	**-**	**42.0**
Income before taxes	**254.3**	**(46.3)**	**-**	**323.2**	**25.0**	**(54.8)**	**13.0**	**-**	**514.4**
Taxes on income	**65.8**	-	-	-	-	-	-	**65.2**	**131.0**
Net income	**188.5**	**(46.3)**	**-**	**323.2**	**25.0**	**(54.8)**	**13.0**	**(65.2)**	**383.4**
Less: Net income (loss) attributable to noncontrolling interests	**70.9**	(54.1)	-	-	-	2.7	6.4	**-**	**25.9**
Net Income Attributable to Franklin Resources, Inc.	**117.6**	**7.8**	**-**	**323.2**	**25.0**	**(57.5)**	**6.6**	**(65.2)**	**357.5**
Less: allocation of earnings to participating nonvested stock and stock unit awards	**10.3**								**11.3**
Net Income Available to Franklin Resources, Inc. Common Stockholders	**107.3**								**346.2**
Diluted EPS	**$0.21**				**Adjusted Diluted EPS**				**$0.67**
Avg. Diluted Shares Outstanding	**515.4**				**Avg. Diluted Shares Outstanding**				**515.4**
Operating Margin	**3.6%**				**Adjusted Operating Margin**				**26.0%**

1) Includes $22.0 million of performance fees that were passed through as compensation and sub-advisory expense per the terms of the acquisition agreement.

Reconciliation of US GAAP results to Non-GAAP Results

Three months ended June 30, 2025

FRANKLIN TEMPLETON

(in US$ millions except per share data)	US GAAP Basis	Consolidated Investment Products	Sales, Distribution and Marketing	Acquisition-Related	Special Termination Plan	Unrealized Investment (Gains) Losses	Deferred Comp Plan and Other	Tax Expense of Adjustments	Non-GAAP Basis
Revenues									
Investment management fees	**1,640.8**	12.0	(128.8)	(2.1)[1]	-	-	-	-	**1,521.9**
Sales and distribution fees	**351.9**	-	(351.9)	-	-	-	-	-	**-**
Shareholder servicing fees	**59.9**	-	-	-	-	-	-	-	**59.9**
Other	**11.4**	-	-	-	-	-	-	-	**11.4**
Total Operating Revenues	**2,064.0**	**12.0**	**(480.7)**	**(2.1)**	**-**	**-**	**-**	**-**	**1,593.2**
Expenses									
Compensation and benefits	**901.1**	-	-	(50.0)[1]	(27.0)	-	(14.2)	-	**809.9**
Sales, distribution and marketing	**480.7**	-	(480.7)	-	-	-	-	-	**-**
Information systems and technology	**162.7**	-	-	(9.4)	-	-	-	-	**153.3**
Occupancy	**69.5**	-	-	-	-	-	-	-	**69.5**
Amortization of intangible assets	**112.2**	-	-	(112.2)	-	-	-	-	**-**
General, administrative and other	**183.7**	-	-	(1.1)	0.1	-	-	-	**182.7**
Total Operating Expenses	**1,909.9**	**-**	**(480.7)**	**(172.7)**	**(26.9)**	**-**	**(14.2)**	**-**	**1,215.4**
Operating Income	**154.1**	**12.0**	**-**	**170.6**	**26.9**	**-**	**14.2**	**-**	**377.8**
Other Income (Expense)									
Investment and other income (losses) net	**23.4**	5.0	-	2.5	-	16.2	(2.7)	-	**44.4**
Interest expense	**(25.8)**	-	-	(5.0)	-	-	-	-	**(30.8)**
Investment and other income (losses) of CIPs, net	**35.9**	(35.9)	-	-	-	-	-	-	**-**
Expenses of CIPs	**(11.0)**	11.0	-	-	-	-	-	-	**-**
Total Other Income (Expense)	**22.5**	**(19.9)**	**-**	**(2.5)**	**-**	**16.2**	**(2.7)**	**-**	**13.6**
Income before taxes	**176.6**	**(7.9)**	**-**	**168.1**	**26.9**	**16.2**	**11.5**	**-**	**391.4**
Taxes on income	**59.9**	-	-	-	-	-	-	**43.8**	**103.7**
Net income	**116.7**	**(7.9)**	**-**	**168.1**	**26.9**	**16.2**	**11.5**	**(43.8)**	**287.7**
Less: Net income (loss) attributable to noncontrolling interests	**24.4**	(11.8)	-	-	-	5.0	6.7	**-**	**24.3**
Net Income Attributable to Franklin Resources, Inc.	**92.3**	**3.9**	**-**	**168.1**	**26.9**	**11.2**	**4.8**	**(43.8)**	**263.4**
Less: allocation of earnings to participating nonvested stock and stock unit awards	**13.3**								**11.2**
Net Income Available to Franklin Resources, Inc. Common Stockholders	**79.0**								**252.2**
Diluted EPS	**$0.15**				**Adjusted Diluted EPS**				**$0.49**
Avg. Diluted Shares Outstanding	**516.5**				**Avg. Diluted Shares Outstanding**				**516.5**
Operating Margin	**7.5%**				**Adjusted Operating Margin**				**23.7%**

1) Includes $2.1 million of performance fees that were passed through as compensation per the terms of the acquisition agreement.

Reconciliation of US GAAP results to Non-GAAP Results

Three months ended September 30, 2024

FRANKLIN TEMPLETON

(in US$ millions except per share data)	US GAAP Basis	Consolidated Investment Products	Sales, Distribution and Marketing	Acquisition-Related	Special Termination Plan	Unrealized Investment (Gains) Losses	Deferred Comp Plan and Other	Tax Expense of Adjustments	Non-GAAP Basis
Revenues									
Investment management fees	**1,766.2**	12.7	(128.9)	(10.5) [1]	-	-	-	-	**1,639.5**
Sales and distribution fees	**368.0**	-	(368.0)	-	-	-	-	-	**-**
Shareholder servicing fees	**67.0**	-	-	-	-	-	-	-	**67.0**
Other	**10.0**	-	-	-	-	-	-	-	**10.0**
Total Operating Revenues	**2,211.2**	**12.7**	**(496.9)**	**(10.5)**	**-**	**-**	**-**	**-**	**1,716.5**
Expenses									
Compensation and benefits	**940.8**	-	-	(56.8) [1]	(12.0)	-	(26.5)	-	**845.5**
Sales, distribution and marketing	**496.9**	-	(496.9)	-	-	-	-	-	**-**
Information systems and technology	**177.4**	-	-	(24.9)	-	-	-	-	**152.5**
Occupancy	**77.7**	-	-	(1.7)	-	-	-	-	**76.0**
Amortization of intangible assets	**83.8**	-	-	(83.8)	-	-	-	-	**-**
Impairment of intangible assets	**389.2**	-	-	(389.2)	-	-	-	-	**-**
General, administrative and other	**196.1**	-	-	(5.2)	-	-	-	-	**190.9**
Total Operating Expenses	**2,361.9**	**-**	**(496.9)**	**(561.6)**	**(12.0)**	**-**	**(26.5)**	**-**	**1,264.9**
Operating Income (Loss)	**(150.7)**	**12.7**	**-**	**551.1**	**12.0**	**-**	**26.5**	**-**	**451.6**
Other Income (Expense)									
Investment and other income (losses) net	**95.3**	1.7	-	(0.6)	-	(16.1)	(18.6)	-	**61.7**
Interest expense	**(25.0)**	-	-	(4.4)	-	-	-	-	**(29.4)**
Investment and other income (losses) of CIPs, net	**46.2**	(46.2)	-	-	-	-	-	-	**-**
Expenses of CIPs	**(12.0)**	12.0	-	-	-	-	-	-	**-**
Total Other Income (Expense)	**104.5**	**(32.5)**	**-**	**(5.0)**	**-**	**(16.1)**	**(18.6)**	**-**	**32.3**
Income (loss) before taxes	**(46.2)**	**(19.8)**	**-**	**546.1**	**12.0**	**(16.1)**	**7.9**	**-**	**483.9**
Taxes on income	**9.5**	-	-	-	-	-	-	**130.9**	**140.4**
Net income (loss)	**(55.7)**	**(19.8)**	**-**	**546.1**	**12.0**	**(16.1)**	**7.9**	**-**	**343.5**
Less: Net income (loss) attributable to noncontrolling interests	**29.0**	-	-	-	-	7.8	8.5	**-**	**28.3**
Net Income (Loss) Attributable to Franklin Resources, Inc.	**(84.7)**	**(19.8)**	**-**	**546.1**	**12.0**	**(23.9)**	**(0.6)**		**315.2**
Less: allocation of earnings to participating nonvested stock and stock unit awards	**11.0**								**12.1**
Net Income (Loss) Available to Franklin Resources, Inc. Common Stockholders	**(95.7)**								**303.1**
Diluted EPS	**$ (0.19)** [2]				**Adjusted Diluted EPS**				**$0.59**
Avg. Diluted Shares Outstanding	**516.2**				**Avg. Diluted Shares Outstanding**				**517.0**
Operating Margin	**-6.8%**				**Adjusted Operating Margin**				**26.3%**

1) Includes $10.5 million of performance fees that were passed through as compensation per the terms of the acquisition agreement. 2) GAAP EPS calculation uses basic weighted average shares outstanding due to net loss.

Reconciliation of US GAAP results to Non-GAAP Results

Twelve months ended September 30, 2025

(in US$ millions except per share data)	US GAAP Basis	Consolidated Investment Products	Sales, Distribution and Marketing	Acquisition-Related	Special Termination Plan	Unrealized Investment (Gains) Losses	Deferred Comp Plan and Other	Tax Expense of Adjustments	Non-GAAP Basis
Revenues									
Investment management fees	**6,981.8**	50.7	(536.2)	(109.4) [1]	-	-	-	-	**6,386.9**
Sales and distribution fees	**1,474.7**	-	(1,474.7)	-	-	-	-	-	**-**
Shareholder servicing fees	**264.5**	-	-	-	-	-	-	-	**264.5**
Other	**49.7**	-	-	-	-	-	-	-	**49.7**
Total Operating Revenues	**8,770.7**	**50.7**	**(2,010.9)**	**(109.4)**	**-**	**-**	**-**	**-**	**6,701.1**
Expenses									
Compensation and benefits	**3,818.2**	-	-	(269.1) [1]	(69.7)	-	(78.8)	-	**3,400.6**
Sales, distribution and marketing	**2,010.9**	-	(2,010.9)	-	-	-	-	-	**-**
Information systems and technology	**643.6**	-	-	(35.9)	-	-	-	-	**607.7**
Occupancy	**286.3**	-	-	(3.1)	-	-	-	-	**283.2**
Amortization of intangible assets	**406.5**	-	-	(406.5)	-	-	-	-	**-**
Impairment of intangible assets	**226.6**	-	-	(226.6)	-	-	-	-	**-**
General, administrative and other	**774.5**	-	-	(5.1) [1]	-	-	-	-	**769.4**
Total Operating Expenses	**8,166.6**	**-**	**(2,010.9)**	**(946.3)**	**(69.7)**	**-**	**(78.8)**	**-**	**5,060.9**
Operating Income	**604.1**	**50.7**	**-**	**836.9**	**69.7**	**-**	**78.8**	**-**	**1,640.2**
Other Income (Expense)									
Investment and other income (losses) net	**212.8**	53.8	-	18.6	-	(41.3)	(26.7)	-	**217.2**
Interest expense	**(94.9)**	-	-	(18.3)	-	-	-	-	**(113.2)**
Investment and other income (losses) of CIPs, net	**108.4**	(108.4)	-	-	-	-	-	-	**-**
Expenses of CIPs	**(43.6)**	43.6	-	-	-	-	-	-	**-**
Total Other Income (Expense)	**182.7**	**(11.0)**	**-**	**0.3**	**-**	**(41.3)**	**(26.7)**	**-**	**104.0**
Income before taxes	**786.8**	**39.7**	**-**	**837.2**	**69.7**	**(41.3)**	**52.1**	**-**	**1,744.2**
Taxes on income	**237.9**	-	-	-	-	-	-	**209.0**	**446.9**
Net income	**548.9**	**39.7**	**-**	**837.2**	**69.7**	**(41.3)**	**52.1**	**(209.0)**	**1,297.3**
Less: Net income (loss) attributable to noncontrolling interests	**24.0**	32.1	-	-	-	16.4	29.0	**-**	**101.5**
Net Income Attributable to Franklin Resources, Inc.	**524.9**	**7.6**	**-**	**837.2**	**69.7**	**(57.7)**	**23.1**	**(209.0)**	**1,195.8**
Less: allocation of earnings to participating nonvested stock and stock unit awards	**53.2**								**48.2**
Net Income Available to Franklin Resources, Inc. Common Stockholders	**471.7**								**1,147.6**
Diluted EPS	**$0.91**				**Adjusted Diluted EPS**				**$2.22**
Avg. Diluted Shares Outstanding	**517.4**				**Avg. Diluted Shares Outstanding**				**517.4**
Operating Margin	**6.9%**				**Adjusted Operating Margin**				**24.5%**

1) Includes $109.4 million of performance fees that were passed through as compensation and sub-advisory expense per the terms of the acquisition agreement. .

Reconciliation of US GAAP results to Non-GAAP Results

Twelve months ended September 30, 2024

(in US$ millions except per share data)	US GAAP Basis	Consolidated Investment Products	Sales, Distribution and Marketing	Acquisition-Related	Special Termination Plan	Unrealized Investment (Gains) Losses	Deferred Comp Plan and Other	Tax Expense of Adjustments	Non-GAAP Basis
Revenues									
Investment management fees	**6,822.2**	47.2	(481.9)	(97.5) [1]	-	-	-	-	**6,290.0**
Sales and distribution fees	**1,381.0**	0.2	(1,381.2)	-	-	-	-	-	**-**
Shareholder servicing fees	**229.3**	-	-	-	-	-	-	-	**229.3**
Other	**45.5**	-	-	-	-	-	-	-	**45.5**
Total Operating Revenues	**8,478.0**	**47.4**	**(1,863.1)**	**(97.5)**	**-**	**-**	**-**	**-**	**6,564.8**
Expenses									
Compensation and benefits	**3,831.1**	-	-	(361.1) [1]	(75.8)	-	(93.9)	-	**3,300.3**
Sales, distribution and marketing	**1,863.1**	-	(1,863.1)	-	-	-	-	-	**-**
Information systems and technology	**620.1**	-	-	(43.8)	-	-	-	-	**576.3**
Occupancy	**325.4**	-	-	(29.9)	-	-	-	-	**295.5**
Amortization of intangible assets	**338.2**	-	-	(338.2)	-	-	-	-	**-**
Impairment of intangible assets	**389.2**	-	-	(389.2)	-	-	-	-	**-**
General, administrative and other	**703.3**	-	-	(23.7)	-	-	-	-	**679.6**
Total Operating Expenses	**8,070.4**	**-**	**(1,863.1)**	**(1,185.9)**	**(75.8)**	**-**	**(93.9)**	**-**	**4,851.7**
Operating Income	**407.6**	**47.4**	**-**	**1,088.4**	**75.8**	**-**	**93.9**	**-**	**1,713.1**
Other Income (Expense)									
Investment and other income (losses) net	**395.5**	12.8	-	(0.1)	-	(65.1)	(64.4)	-	**278.7**
Interest expense	**(97.2)**	-	-	(14.7)	-	-	-	-	**(111.9)**
Investment and other income (losses) of CIPs, net	**149.9**	(149.9)	-	-	-	-	-	-	**-**
Expenses of CIPs	**(32.6)**	32.6	-	-	-	-	-	-	**-**
Total Other Income (Expense)	**415.6**	**(104.5)**	**-**	**(14.8)**	**-**	**(65.1)**	**(64.4)**	**-**	**166.8**
Income before taxes	**823.2**	**(57.1)**	**-**	**1,073.6**	**75.8**	**(65.1)**	**29.5**	**-**	**1,879.9**
Taxes on income	**215.3**	-	-	-	-	-	-	**271.7**	**487.0**
Net income	**607.9**	**(57.1)**	**-**	**1,073.6**	**75.8**	**(65.1)**	**29.5**	**(271.7)**	**1,392.9**
Less: Net income (loss) attributable to noncontrolling interests	**143.1**	(53.2)	-	-	-	(13.6)	39.9	**-**	**116.2**
Net Income Attributable to Franklin Resources, Inc.	**464.8**	**(3.9)**	**-**	**1,073.6**	**75.8**	**(51.5)**	**(10.4)**	**(271.7)**	**1,276.7**
Less: allocation of earnings to participating nonvested stock and stock unit awards	**32.6**								**54.8**
Net Income Available to Franklin Resources, Inc. Common Stockholders	**432.2**								**1,221.9**
Diluted EPS	**$0.85**				**Adjusted Diluted EPS**				**$2.39**
Avg. Diluted Shares Outstanding	**510.3**				**Avg. Diluted Shares Outstanding**				**510.3**
Operating Margin	**4.8%**				**Adjusted Operating Margin**				**26.1%**

1) Includes $97.5 million of performance fees that were passed through as compensation per the terms of the acquisition agreement.