FRANKLIN TEMPLETON

Franklin Resources, Inc.

Third Quarter 2026 Results

July 31, 2026 | Investor Presentation

Forward-looking Statements and Non-GAAP Financial Information

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 pages 22 through 24 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, 2025 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.

Third Quarter 2026 Business Highlights

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AUM & Flows	

AUM & Flows

- AUM of $1.79 trillion reflects investment capabilities across public and private markets
- Long-term inflows totaled $122.0 billion, up 3.2% from prior quarter and 61.4% from the prior year quarter
- Another consecutive quarter of positive long-term net flows, with $18.4 billion in the third quarter and $63.3 billion fiscal year-to-date
- Positive long-term net flows across all asset classes and every region, demonstrating broad-based momentum across the business
- International AUM grew to a record ~$525 billion
- Institutional pipeline of won but unfunded mandates reached a record $28.6 billion, an increase of $8.4 billion from the prior quarter

Key Areas of Growth

- **Alternative** AUM increased to a record of $294.2 billion, inclusive of $3.0 billion in realizations and distributions
  - Fundraised $11.8 billion in Alternatives, including $10.3 billion in private market assets, which was diversified across secondary private equity, alternative credit, real estate, and venture strategies
  - Fiscal year-to-date private markets fundraising reached $33.0 billion
  - **Franklin Templeton Private Markets**: Evergreen series designed for the wealth management channel reached $8.9 billion in AUM across Lexington Partners, Benefit Street Partners, and Clarion Partners
- **Record AUM across investment vehicles**
  - **ETF** AUM reached $75.6 billion, increasing 23% from the prior quarter, with $7.1 billion of net inflows
    - Active ETF AUM reached $33.2 billion, and comprised 61% of ETF net flows
  - **Retail SMA** AUM was $187.6 billion with net inflows of $4.4 billion
    - **Canvas**® (custom portfolio solutions) AUM reached $30.3 billion with $3.7 billion in net inflows
- **Digital Assets** AUM of $3.2 billion, inclusive of $2.4 billion in tokenized funds and $0.6 billion in crypto ETFs
  - Completed acquisition of 250 Digital and launched Franklin Crypto
  - Announced partnership with MoonPay, a global financial technology company, to expand institutional access to tokenized money market funds
  - Announced collaboration with Payward and Kraken, a unified financial infrastructure platform, to tokenize select ETF products

Investment Performance

- 50% or more **mutual funds and ETFs AUM** outperformed peer median in the 1-, 3-, 5-, and 10-year periods; approximately half of AUM rated 4- or 5-stars by Morningstar
- 55% or more **strategy composite AUM** outperformed benchmarks in the 3-, 5-, and 10-year periods

Third Quarter 2026 Financial Summary[1]

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Key metrics

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

	Q3 2026	Q2 2026	Q3 2025
Ending AUM[2]	$1,791.6	$1,682.1	$1,611.8
Average AUM[2]	1,750.0	1,701.6	1,565.2
Adj. revenue	1,816.6	1,752.5	1,593.2
Investment management revenues	*1,654.5*	*1,586.6*	*1,463.4*
Performance fees	*74.4*	*86.9*	*58.5*
Adj. operating income	508.9	474.6	377.8
Adj. pre-tax net income	570.6	544.3	391.4
Adj. net income	386.3	384.5	263.4
Adj. diluted EPS	0.72	0.71	0.49
Adj. effective fee rate[3]	37.9 bps	37.8 bps	37.5 bps
Adj. operating margin	28.0%	27.1%	23.7%

- **AUM** of $1.79 trillion increased 6.5% from the prior quarter due to positive impact of markets and long-term net inflows. Average AUM increased 2.8% due to positive impact of markets and long-term net inflows during the quarter
- **Adjusted effective fee rate**[3] ("EFR") of 37.9 bps compared to 37.8 bps in the prior quarter
- **Adjusted operating revenue** increased 3.7% from the prior quarter primarily due to higher average AUM, the impact of an additional calendar day, and higher catch-up fees in private markets, partially offset by lower performance fees
- **Adjusted operating income** increased 7.2% from the prior quarter primarily due to higher adjusted operating revenue, and the realization of cost savings initiatives, partially offset by higher incentive compensation and higher fundraising costs
- **Adjusted operating margin** of 28.0% increased from 27.1% in the prior quarter
- **Adjusted net income and EPS** increased 0.5% and 1.4%, respectively, from the prior quarter primarily due to higher adjusted operating income, partially offset by a higher tax rate and lower adjusted other income

1) For the reconciliations from US GAAP to non-GAAP measures see pages 22 through 24 and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods, please refer to historical earnings presentations available at franklinresources.com.
2) Excludes ~$14.0 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 monthly average AUM for the period.

Third Quarter 2026

AUM and Investment Performance

Diversified AUM and Adjusted Operating Revenue

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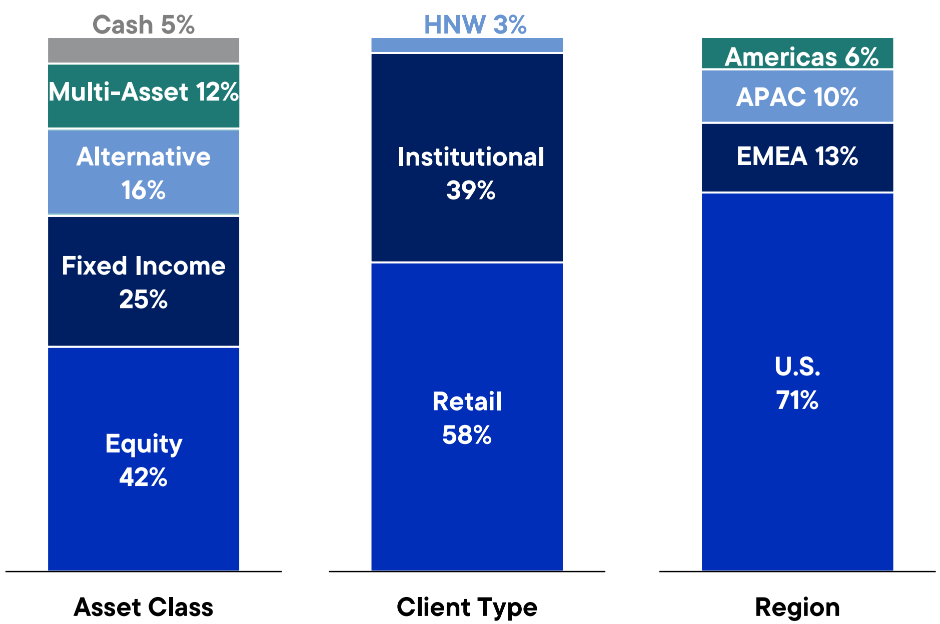
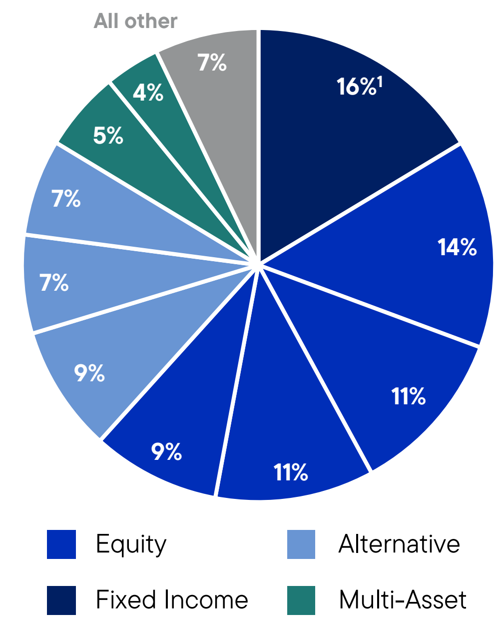
Diversified by Asset Class, Client Type, and Region

AUM of $1.79 trillion as of June 30, 2026



Q3 Adjusted Operating Revenue by Investment Group

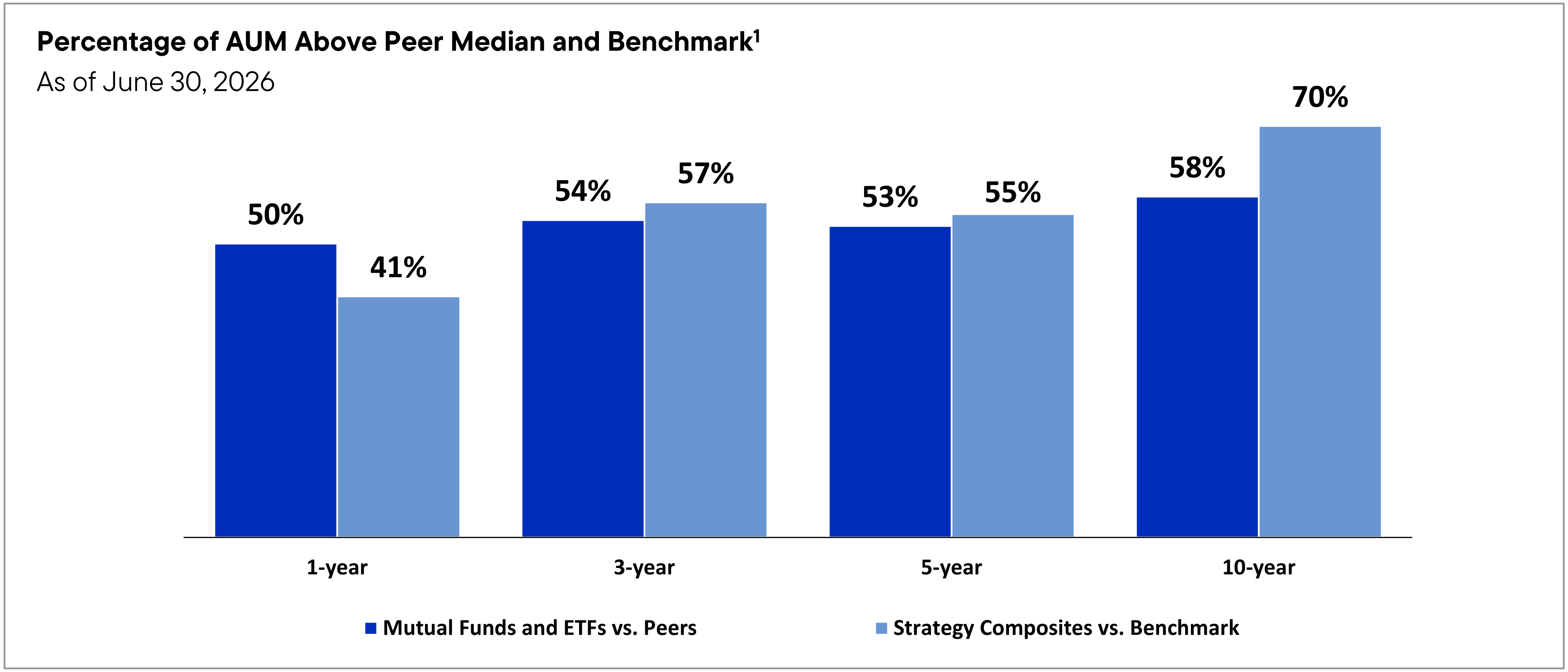
Quarter ended June 30, 2026



- Our AUM and adjusted operating revenue are diversified across asset class, client type, region, and investment group

1) Fixed Income investment groups were combined into one.

Investment Performance



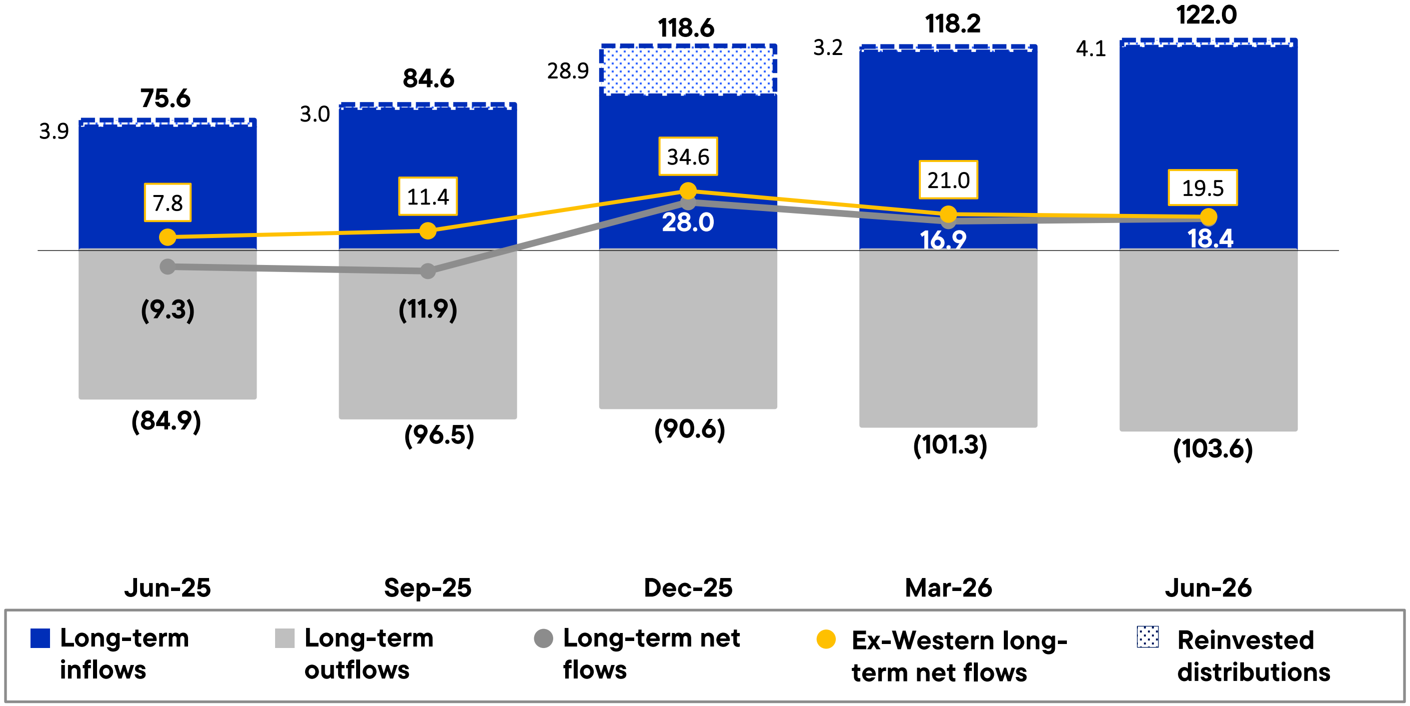
- **Mutual Funds and ETFs**: 50% or more of mutual funds and ETFs AUM outperformed peer median across all periods. Compared to the prior quarter, investment performance remained flat in the 10-year period and declined in the 1-, 3-, and 5-year periods. The declines in the 1- and 5-year periods were driven primarily by one of our largest funds managed for yield
  - 47% of AUM rated 4- or 5-stars by Morningstar
- **Strategy Composites**: 55% or more of strategy composite AUM outperformed benchmarks across the 3-, 5-, and 10-year periods. Compared to the prior quarter, investment performance improved in the 3-year period, declined in the 1- and 5- year periods, and was flat in the 10-year period. The decline in the 1-year period was primarily driven by US equity and liquidity strategies

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 51%, respectively, of the firm's total AUM as of June 30, 2026. Mutual funds and ETFs performance is sourced from Morningstar and measures the percentage of ranked fund AUM in the top two quartiles of their peer groups. Mutual Funds and ETFs AUM measured for the 1-, 3-, 5-, and 10-year periods represents 40%, 40%, 39%, and 36%, respectively, of the firm's total AUM as of June 30, 2026.

AUM and Flows[1]

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

Total AUM: $1.79 trillion[2]



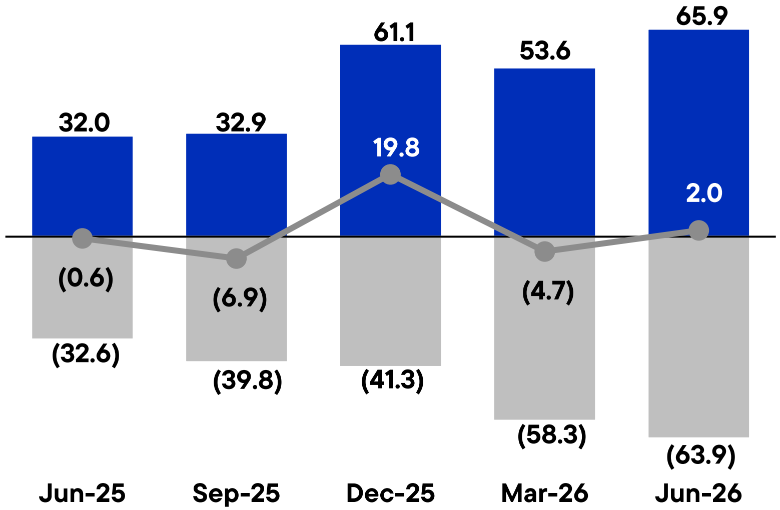
- Long-term inflows increased 3.2% from the prior quarter and 61.4% from the prior year quarter
- Long-term net inflows of $18.4 billion included $1.1 billion of net outflows at Western
- Institutional pipeline of won but unfunded mandates reached record $28.6 billion, up $8.4 billion from the prior quarter. The pipeline remains diversified by asset class and across our investment groups

1) Excludes cash management.
2) Excludes ~$14.0 billion of AUM in our China joint venture.

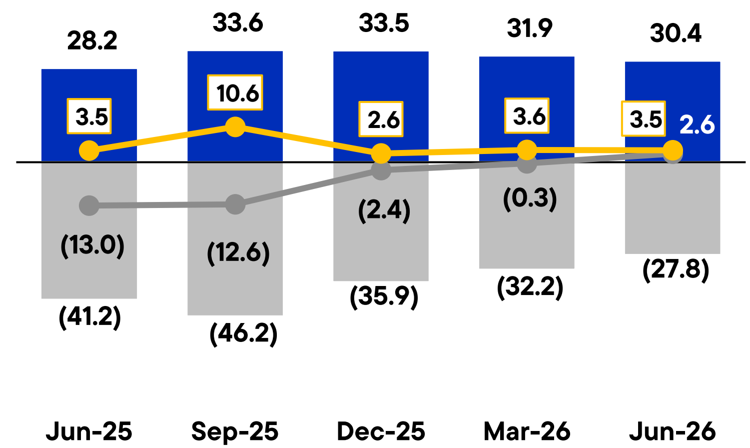
AUM and Flows

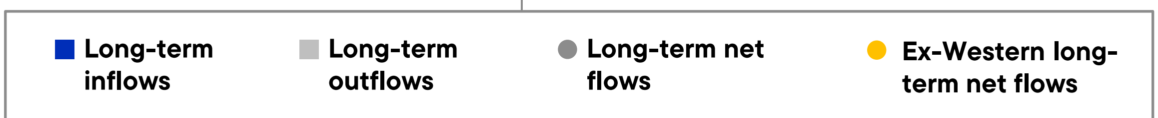
(In US$ billions, for the three months ended)

Equity: $757 billion



Fixed Income: $441 billion





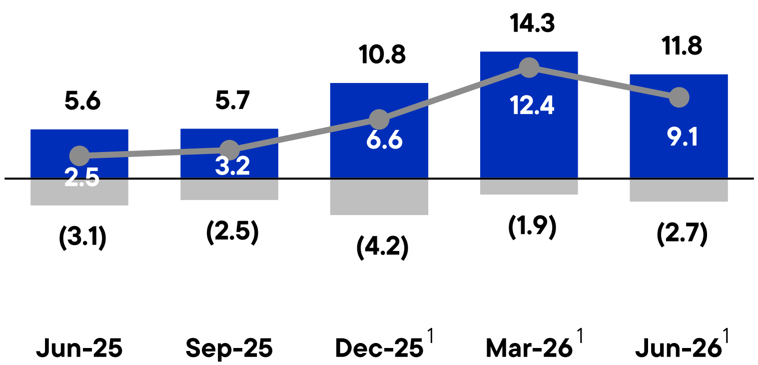
- Equity net inflows were $2.0 billion
- Positive net flows into U.S. large cap value and core, international equity, infrastructure, and systematic strategies

- Fixed income net inflows were $2.6 billion. Excluding Western, fixed income net inflows were $3.5 billion
- Excluding Western, fixed income generated positive net flows for 10 consecutive quarters
- Positive net flows into enhanced liquidity, muni, multi-sector, stable value, and highly customized strategies

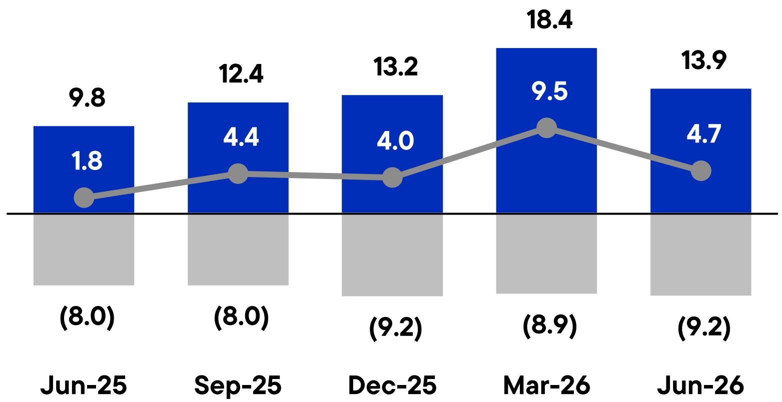
AUM and Flows

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

Alternative: $294 billion



Multi-Asset: $219 billion



Long-term inflows | Long-term outflows | Long-term net flows

- $11.8 billion was fundraised in the quarter, which includes $10.3 billion in private market assets[2], representing both fee and non-fee generating capital
- Fundraising was diversified across secondary private equity, alternative credit, real estate, venture, and liquid strategies
- Aggregate realizations and distributions[3] were $3.0 billion

- Multi-asset net inflows were $4.7 billion led by positive net inflows into Canvas, Franklin Income Fund, and Franklin Templeton Investment Solutions

See page 18 for additional detail

1) Beginning fiscal year 2026, non-fee generating uncalled capital commitments, which were previously included in net market change, distributions, and other, are reflected in long-term inflows in the period the capital is committed.
2) Fundraising represents subscriptions, commitments and other increases in available capital in AUM this quarter. Includes Collateralized Loan Obligations ("CLOs").
3) Alternative realizations & distributions exclude client-driven redemptions, which are included in alternative outflows.

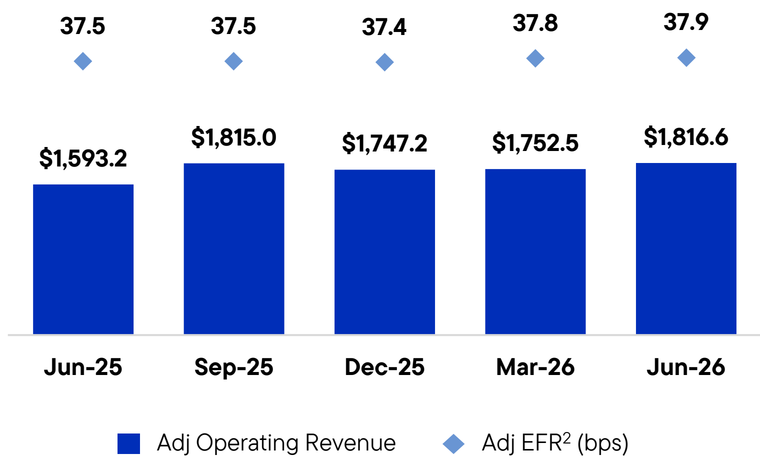
Third Quarter 2026

Financial Results

Financial Results[1]

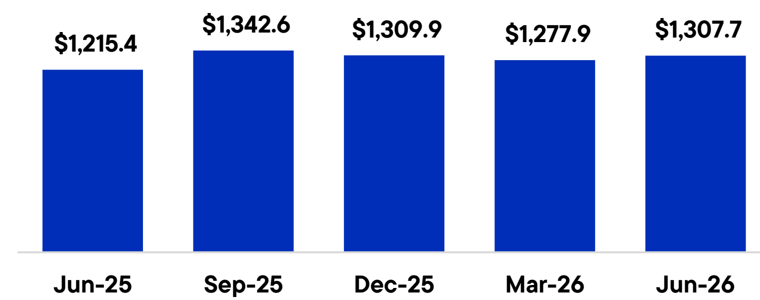
(Non-GAAP in US$ millions except EFR)

Adjusted Operating Revenue and Effective Fee Rate[2]



- Adjusted operating revenue increased 3.7% from the prior quarter primarily due to higher average AUM, the impact of an additional calendar day, and higher catch-up fees in private markets, partially offset by lower performance fees
- Adjusted operating revenue increased 14% from the prior year quarter primarily due to higher average AUM and higher catch-up fees in private markets, partially offset by the impact of Western
- Adjusted investment management fees increased 4.3% from the prior quarter and increased 13.1% from the prior year quarter
- Adjusted performance fees were $74.4 million compared to $86.9 million in the prior quarter and $58.5 million in the prior year quarter
- Adjusted EFR[2] of 37.9 bps compared to 37.8 bps in the prior quarter, and 37.5 bps in the prior year quarter

Adjusted Operating Expenses



- Adjusted operating expenses increased 2.3% from the prior quarter primarily due to higher incentive compensation, higher sales and fundraising expenses, and higher advertising expense, partially offset by the realization of cost savings initiatives
- Adjusted operating expenses increased 7.6% from the prior year quarter primarily due to higher incentive compensation, higher sales and fundraising expenses, and higher spend on strategic initiatives, partially offset by the realization of cost savings initiatives

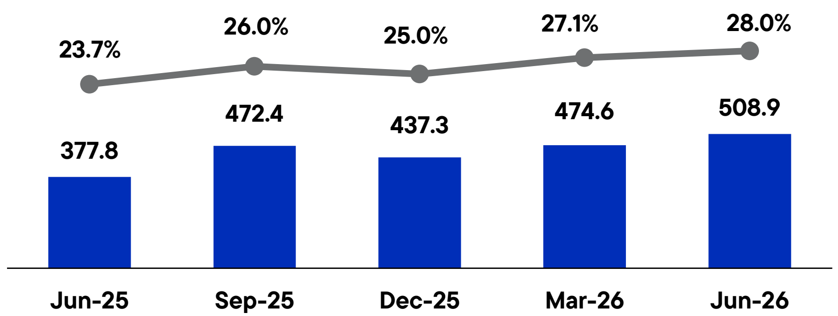
1) For the reconciliations from US GAAP to non-GAAP measures see pages 22 through 24 and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods, please refer to historical investor presentations available at franklinresources.com.
2) The adjusted effective fee rate is annualized adjusted investment management fees, excluding performance fees, divided by simple monthly average AUM for the period.

Financial Results[1]

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

US GAAP	Jun-25	Sep-25[2]	Dec-25	Mar-26	Jun-26[3]
Operating Income	154.1	85.4	281.0	323.3	215.8
Operating Margin	7.5%	3.6%	12.1%	14.1%	9.2%

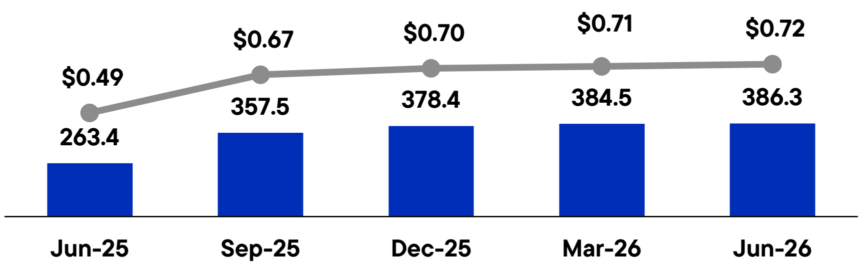
Adjusted Operating Income and Adjusted Operating Margin



- Adjusted operating income increased 7.2% from the prior quarter primarily due to higher adjusted operating revenue, and the realization of cost savings initiatives, partially offset by higher incentive compensation and higher sales and fundraising expenses
- Adjusted operating income increased 34.7% from the prior year quarter primarily due to higher adjusted operating revenue and the realization of cost savings initiatives, partially offset by the impact of Western, higher sales and fundraising expenses, and higher spend on strategic initiatives
- Adjusted operating margin of 28.0% compared to 27.1% in prior quarter and 23.7% in the prior year quarter

US GAAP	Jun-25	Sep-25[2]	Dec-25	Mar-26	Jun-26[3]
Net Income	92.3	117.6	255.5	268.2	171.5
Diluted EPS	$0.15	$0.21	$0.46	$0.49	$0.31

Adjusted Net Income and Adjusted Diluted Earnings Per Share



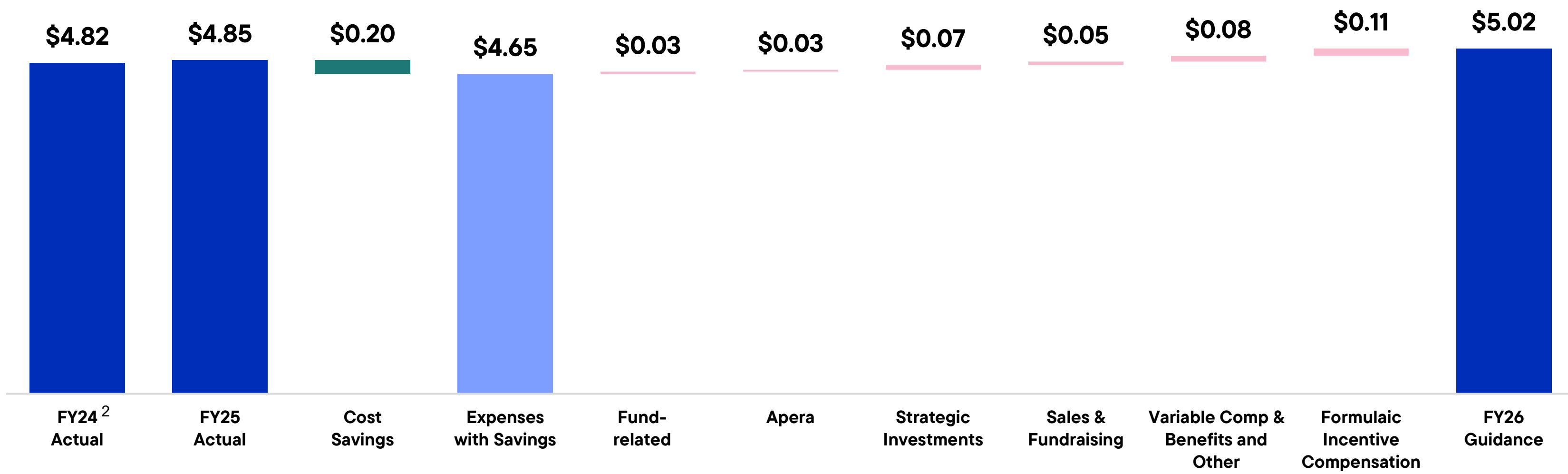
- Adjusted net income and EPS increased 0.5% and 1.4%, respectively, from the prior quarter primarily due to higher adjusted operating income, partially offset by a higher tax rate and lower adjusted other income
- Adjusted net income and EPS increased 46.7% and 46.9%, respectively, from the prior year quarter primarily due to higher adjusted operating income and higher adjusted other income

1) For the reconciliations from US GAAP to non-GAAP measures see pages 22 through 24 and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods, please refer to historical investor presentations available at franklinresources.com.
2) US GAAP financial results include a non-cash impairment charge of $200 million related to indefinite-lived intangible assets for certain mutual fund contracts managed by Western.
3) US GAAP financial results include a charge related to a regulatory settlement of $100 million and non-cash impairment charges of $33 million primarily related to indefinite-lived intangible assets for certain mutual fund contracts, partially offset by reversal of compensation expense for the forfeiture of certain equity awards.

Illustrative 2026 Adjusted Operating Expense Bridge[1]

(Non-GAAP in US$ billions)

Excludes performance fee related expenses



- Continued expense discipline, combined with investing for growth
- At June 30, 2026 market levels, fiscal year 2026 expenses are expected to be slightly higher than fiscal year 2025 due to higher sales and fundraising expenses, as well as variable and formulaic incentive compensation reflecting higher AUM and revenue, along with investment performance

1) See slide 25 for assumptions.
2) FY24 includes an additional quarter of Putnam for comparability.

Capital Management

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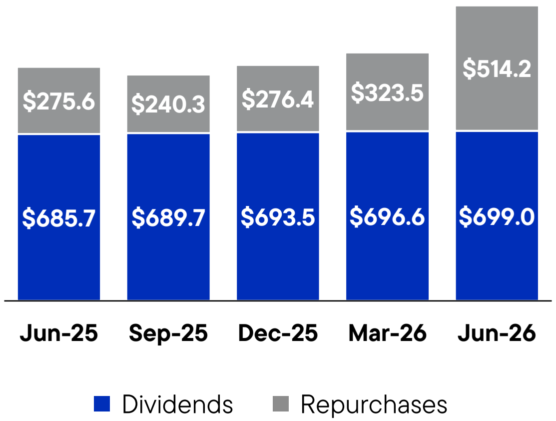
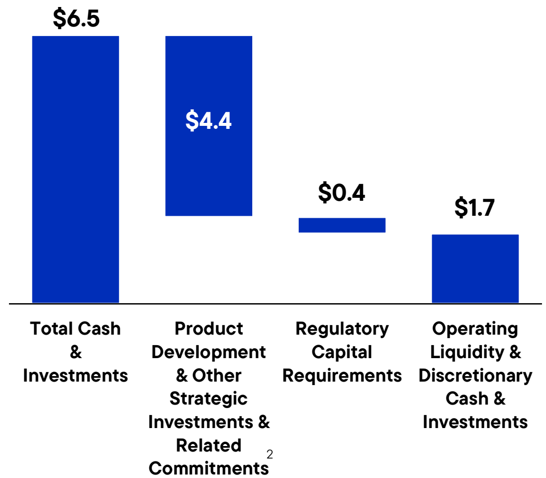
Dividends and Share Repurchases

(In US$ millions, for the trailing twelve months ended)



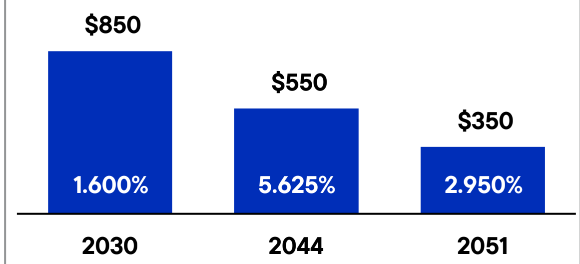
Allocation of Cash and Investments[1]

(In US$ billions, as of June 30, 2026)



Senior Notes[3]

(In US$ millions, as of June 30, 2026)



Shareholder Return

- In May, we announced a quarterly cash dividend of $0.33 per share, a 3.1% increase over the prior year quarter
- We returned $521.5 million to shareholders including $348.1 million in share repurchases and $173.4 million in dividends. We repurchased 6.2 million shares from Great-West for $208 million (the excess shares above their 4.9% lock-up). We typically plan to repurchase shares to offset employee-related equity issuances throughout the year. In addition, when possible, we opportunistically repurchase shares taking into account debt maturities, acquisition-related payments, and general market conditions

Liquidity

- Total cash and investments of $6.5 billion[1] as of June 30, 2026 compared to $6.2 billion as of March 31, 2026 after funding share repurchases and dividends, and regulatory settlement
- ~$700 million of nominal cash tax benefits available related to acquisitions, which we expect to realize over the next 15 years

Debt

- As of June 30, 2026, we maintained senior debt with an aggregate principal amount due of $1.75 billion[3] and $500 million drawn on our $1.5 billion revolving credit facility[4]
- Interest on debt and the revolving credit facility was $17.8 million compared to $19.6 million in the prior quarter and $23.0 million in the prior year quarter

1) Includes our direct investments in Consolidated Investment Products of $1.2 billion and ~$380 million of employee-owned and other third-party investments made through partnerships, ~$434 million of investments related to long-term repurchase agreements and other net financing arrangements, and ~$409 million of cash and investments related to deferred compensation plans.
2) Includes $1.3 billion of undrawn capital commitments to funds that is currently held as cash.
3) Excludes fair value adjustments from purchase accounting.
4) On July 30, 2026, the outstanding balance of our revolving credit facility was $700 million and we increased the capacity of the facility by adding an option to increase the commitment by a maximum of $500 million. We also extended the term to July 30, 2031.

Appendix

AUM and Flows[1]

(In US$ billions)

	Jun 30, 2026	Mar 31, 2026	% Change	Jun 30, 2025	% Change
Beginning AUM	$1,682.1	$1,684.0	(0.1%)	$1,540.6	9.2%
Long-term inflows	122.0	118.2	3.2%	75.6	61.4%
Long-term outflows	(103.6)	(101.3)	2.3%	(84.9)	22.0%
Long-term net flows	**18.4**	**16.9**	**8.9%**	**(9.3)**	**NM**
Cash management net flows	(7.0)	11.4	NM	2.7	NM
Total net flows	**11.4**	**28.3**	**(59.7%)**	**(6.6)**	**NM**
Acquisitions (Disposition)	0.1	-	NM	(0.2)	NM
Net market change, dist. & other	98.0	(30.2)	NM	78.0	25.6%
Ending AUM	**$1,791.6**	**$1,682.1**	**6.5%**	**$1,611.8**	**11.2%**
Average AUM[2]	**$1,750.0**	**$1,701.6**	**2.8%**	**$1,565.2**	**11.8%**

1) Excludes ~$14.0 billion of AUM in our China joint venture.
2) Average AUM for the quarter is calculated as the average of the month-end AUM for the trailing four months.

Alternative AUM Roll Forward
(In US$ billions)

Three Months Ended Jun 30, 2026

	Private Markets[1]	Liquid & Other	Total
Beginning Balance	**$263.3**	**$19.5**	**$282.8**
Fundraising[2]	10.3	1.5	11.8
Outflows	(1.3)	(1.4)	(2.7)
Net Flows	**9.0**	**0.1**	**9.1**
Acquisitions	-	0.1	0.1
Realizations & distributions[3]	(2.9)	(0.1)	(3.0)
Net market change, FX, other	4.7	0.5	5.2
Ending AUM	**$274.1**	**$20.1**	**$294.2**

- $11.8 billion was fundraised in the quarter, which includes $10.3 billion in private market assets[1], representing both fee and non-fee generating capital
- Aggregate realizations and distributions[3] were $3.0 billion
- Fee-generating represents 80% of alternative AUM

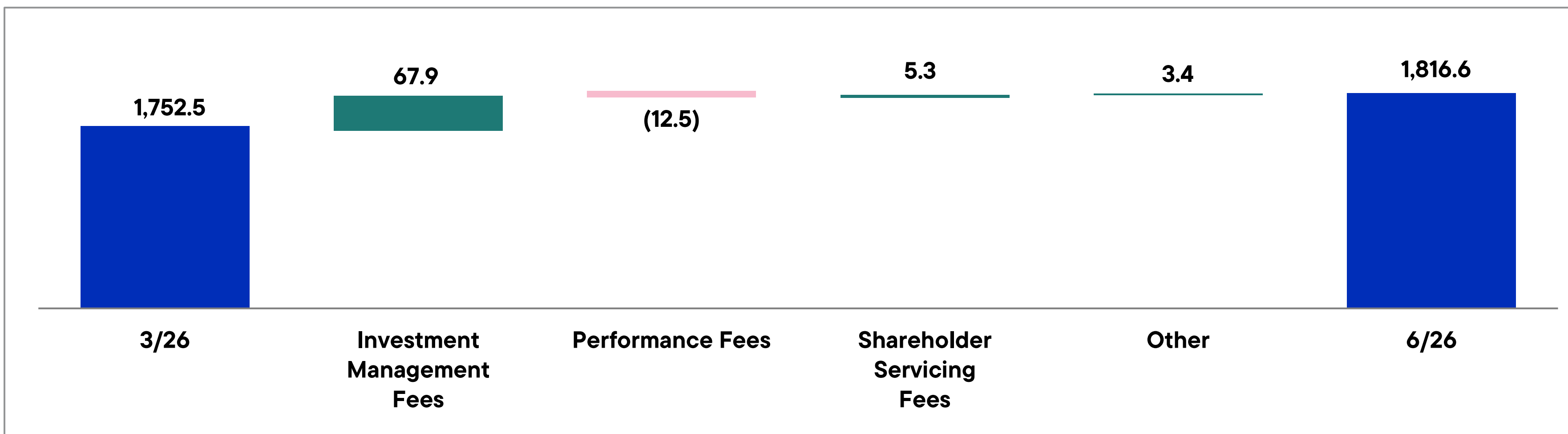
1) Private markets includes CLOs.
2) Fundraising represents subscriptions, commitments, and other increases in available capital in AUM this quarter.
3) Alternative realizations & distributions exclude client-driven redemptions, which are included in alternative outflows.

Financial Results

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

Revenues[1]	Jun-26 US GAAP	Adjustments	Jun-26 Adjusted	Mar-26 Adjusted	Jun-26 Adjusted vs. Mar-26 Adjusted	Jun-25 Adjusted	Jun-26 Adjusted vs. Jun-25 Adjusted
Investment management fees, ex. performance fees	1,788.1	(133.6)	1,654.5	1,586.6	4.3%	1,463.4	13.1%
Performance fees	78.1	(3.7)	74.4	86.9	(14.4%)	58.5	27.2%
Sales and distribution fees	404.5	(404.5)	-	-	NM	-	NM
Shareholder servicing fees	74.3	-	74.3	69.0	7.7%	59.9	24.0%
Other	13.4	-	13.4	10.0	34.0%	11.4	17.5%
Total Operating Revenues	**2,358.4**	**(541.8)**	**1,816.6**	**1,752.5**	**3.7%**	**1,593.2**	**14.0%**
Effective fee rate[2]			*37.9 bps*	*37.8 bps*		*37.5 bps*	

Adjusted Operating Revenues – Quarters Ended March 31, 2026 and June 30, 2026



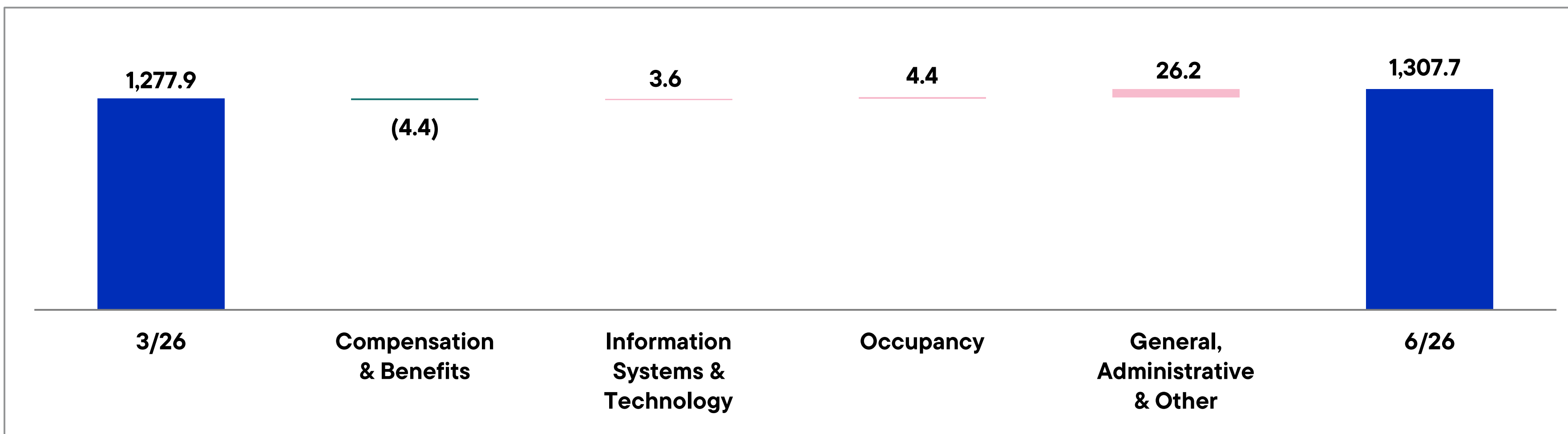
1) For the reconciliations from US GAAP to non-GAAP measures see pages 22 through 24 and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods, please refer to historical earnings investor presentations available at franklinresources.com.
2) The adjusted effective fee rate is annualized adjusted investment management fees, excluding performance fees, divided by simple monthly 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]	Jun-26 US GAAP	Adjustments	Jun-26 Adjusted	Mar-26 Adjusted	Jun-26 Adjusted vs. Mar-26 Adjusted	Jun-25 Adjusted	Jun-26 Adjusted vs. Jun-25 Adjusted
Compensation & benefits	958.5	(89.9)	868.6	873.0	(0.5%)	809.9	7.2%
Sales, distribution & marketing	555.4	(555.4)	-	-	NM	-	NM
Information systems & technology	160.8	(4.5)	156.3	152.7	2.4%	153.3	2.0%
Occupancy	71.4	0.1	71.5	67.1	6.6%	69.5	2.9%
Amortization of intangible assets	50.7	(50.7)	-	-	NM	-	NM
Impairment of intangible assets	33.0	(33.0)	-	-	NM	-	NM
General, administrative & other	312.8	(101.5)	211.3	185.1	14.2%	182.7	15.7%
Total Operating Expenses	**2,142.6**	**(834.9)**	**1,307.7**	**1,277.9**	**2.3%**	**1,215.4**	**7.6%**

Adjusted Operating Expenses – Quarters Ended March 31, 2026 and June 30, 2026



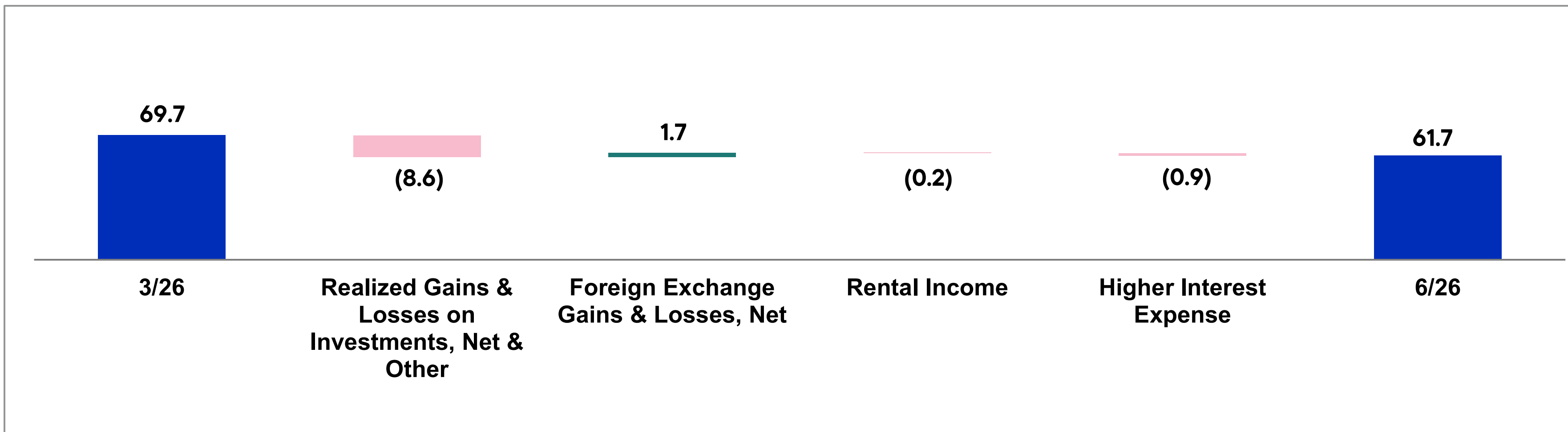
1) For the reconciliations from US GAAP to non-GAAP measures see pages 22 through 24 and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods, please refer to historical investor presentations available at franklinresources.com.

Financial Results

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

Other Income (Expense), Net[1]	Jun-26 US GAAP	Adjustments	Jun-26 Adjusted	Mar-26 Adjusted	Jun-26 Adjusted vs. Mar-26 Adjusted	Jun-25 Adjusted	Jun-26 Adjusted vs. Jun-25 Adjusted
Investment and other income, net	131.0	(44.1)	86.9	94.0	(7.6%)	44.4	95.7%
Interest expense	(23.5)	(1.7)	(25.2)	(24.3)	3.7%	(30.8)	(18.2%)
Investment and other income (losses) of CIPs	54.8	(54.8)	-	-	NM	-	NM
Expenses of CIPs	(7.2)	7.2	-	-	NM	-	NM
Other Income (Expense), Net	**155.1**	**(93.4)**	**61.7**	**69.7**	**(11.5%)**	**13.6**	**353.7%**

Adjusted Other Income – Quarters Ended March 31, 2026 and June 30, 2026



1) For the reconciliations from US GAAP to non-GAAP measures see pages 22 through 24 and the Supplemental Non-GAAP Financial Measures section of the earnings release. For prior periods, please refer to historical investor presentations available at franklinresources.com.

Reconciliation of US GAAP results to Non-GAAP Results

Three months ended June 30, 2026

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	Regulatory Settlement	Tax Expense of Adjustments	Non-GAAP Basis
Revenues										
Investment management fees	**1,866.2**	17.3	(150.9)	(3.7) [1]	-	-	-	-	-	**1,728.9**
Sales and distribution fees	**404.5**	-	(404.5)	-	-	-	-	-	-	**-**
Shareholder servicing fees	**74.3**	-	-	-	-	-	-	-	-	**74.3**
Other	**13.4**	-	-	-	-	-	-	-	-	**13.4**
Total Operating Revenues	**2,358.4**	**17.3**	**(555.4)**	**(3.7)**	**-**	**-**	**-**	**-**	**-**	**1,816.6**
Expenses										
Compensation and benefits	**958.5**	-	-	19.9 [1]	(77.2)	-	(32.6)	-	-	**868.6**
Sales, distribution and marketing	**555.4**	-	(555.4)	-	-	-	-	-	-	**-**
Information systems and technology	**160.8**	-	-	(4.5)	-	-	-	-	-	**156.3**
Occupancy	**71.4**	-	-	0.1	-	-	-	-	-	**71.5**
Amortization of intangible assets	**50.7**	-	-	(50.7)	-	-	-	-	-	**-**
Impairment of intangible assets	**33.0**	-	-	(33.0)	-	-	-	-	-	**-**
General, administrative and other	**312.8**	-	-	(1.5)	-	-	-	(100.0)	-	**211.3**
Total Operating Expenses	**2,142.6**	**-**	**(555.4)**	**(69.7)**	**(77.2)**	**-**	**(32.6)**	**(100.0)**	**-**	**1,307.7**
Operating Income	**215.8**	**17.3**	**-**	**66.0**	**77.2**	**-**	**32.6**	**100.0**	**-**	**508.9**
Other Income (Expense)										
Investment and other income (losses) net	**131.0**	(26.8)	-	(0.6)	-	(5.1)	(11.6)	-	-	**86.9**
Interest expense	**(23.5)**	-	-	(1.7)	-	-	-	-	-	**(25.2)**
Investment and other income (losses) of CIPs, net	**54.8**	(54.8)	-	-	-	-	-	-	-	**-**
Expenses of CIPs	**(7.2)**	7.2	-	-	-	-	-	-	-	**-**
Total Other Income (Expense)	**155.1**	**(74.4)**	**-**	**(2.3)**	**-**	**(5.1)**	**(11.6)**	**-**	**-**	**61.7**
Income before taxes	**370.9**	**(57.1)**	**-**	**63.7**	**77.2**	**(5.1)**	**21.0**	**100.0**	**-**	**570.6**
Taxes on income	**115.6**	-	-	-	-	-	-	-	**38.4**	**154.0**
Net income	**255.3**	**(57.1)**	**-**	**63.7**	**77.2**	**(5.1)**	**21.0**	**100.0**	**(38.4)**	**416.6**
Less: Net income (loss) attributable to noncontrolling interests	**83.8**	(57.1)	-	-	-	(1.6)	5.2	-	**-**	**30.3**
Net Income Attributable to Franklin Resources, Inc.	**171.5**	**-**	**-**	**63.7**	**77.2**	**(3.5)**	**15.8**	**100.0**	**(38.4)**	**386.3**
Less: allocation of earnings to participating nonvested stock and stock unit awards	**11.1**									**14.4**
Net Income Available to Franklin Resources, Inc. Common Stockholders	**160.4**									**371.9**
Diluted EPS	**$0.31**				**Adjusted Diluted EPS**					**$0.72**
Avg. Diluted Shares Outstanding	**516.0**				**Avg. Diluted Shares Outstanding**					**516.0**
Operating Margin	**9.2%**				**Adjusted Operating Margin**					**28.0%**

1) Includes $3.7 million of performance fees that were passed through as compensation per the terms of the acquisition agreements.

Reconciliation of US GAAP results to Non-GAAP Results

Three months ended March 31, 2026

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	**1,819.3**	15.5	(147.4)	(13.9) [1]	-	-	-	-	**1,673.5**
Sales and distribution fees	**396.6**	-	(396.6)	-	-	-	-	-	**-**
Shareholder servicing fees	**69.0**	-	-	-	-	-	-	-	**69.0**
Other	**10.0**	-	-	-	-	-	-	-	**10.0**
Total Operating Revenues	**2,294.9**	**15.5**	**(544.0)**	**(13.9)**	**-**	**-**	**-**	**-**	**1,752.5**
Expenses									
Compensation and benefits	**964.7**	-	-	(42.1) [1]	(30.2)	-	(19.4)	-	**873.0**
Sales, distribution and marketing	**544.0**	-	(544.0)	-	-	-	-	-	**-**
Information systems and technology	**157.6**	-	-	(4.9)	-	-	-	-	**152.7**
Occupancy	**67.1**	-	-	-	-	-	-	-	**67.1**
Amortization of intangible assets	**50.6**	-	-	(50.6)	-	-	-	-	**-**
General, administrative and other	**187.6**	-	-	(2.5)	-	-	-	-	**185.1**
Total Operating Expenses	**1,971.6**	**-**	**(544.0)**	**(100.1)**	**(30.2)**	**-**	**(19.4)**	**-**	**1,277.9**
Operating Income	**323.3**	**15.5**	**-**	**86.2**	**30.2**	**-**	**19.4**	**-**	**474.6**
Other Income (Expense)									
Investment and other income (losses) net	**56.0**	10.1	-	4.9	-	31.8	(8.8)	-	**94.0**
Interest expense	**(19.9)**	-	-	(4.4)	-	-	-	-	**(24.3)**
Investment and other income (losses) of CIPs, net	**96.5**	(96.5)	-	-	-	-	-	-	**-**
Expenses of CIPs	**(10.2)**	10.2	-	-	-	-	-	-	**-**
Total Other Income (Expense)	**122.4**	**(76.2)**	**-**	**0.5**	**-**	**31.8**	**(8.8)**	**-**	**69.7**
Income before taxes	**445.7**	**(60.7)**	**-**	**86.7**	**30.2**	**31.8**	**10.6**	**-**	**544.3**
Taxes on income	**99.1**	-	-	-	-	-	-	**36.7**	**135.8**
Net income	**346.6**	**(60.7)**	**-**	**86.7**	**30.2**	**31.8**	**10.6**	**(36.7)**	**408.5**
Less: Net income (loss) attributable to noncontrolling interests	**78.4**	(60.1)	-	-	-	(0.9)	6.6	**-**	**24.0**
Net Income Attributable to Franklin Resources, Inc.	**268.2**	**(0.6)**	**-**	**86.7**	**30.2**	**32.7**	**4.0**	**(36.7)**	**384.5**
Less: allocation of earnings to participating nonvested stock and stock unit awards	**16.3**								**15.3**
Net Income Available to Franklin Resources, Inc. Common Stockholders	**251.9**								**369.2**
Diluted EPS	**$0.49**				**Adjusted Diluted EPS**				**$0.71**
Avg. Diluted Shares Outstanding	**518.2**				**Avg. Diluted Shares Outstanding**				**518.2**
Operating Margin	**14.1%**				**Adjusted Operating Margin**				**27.1%**

1) Includes $13.9 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 June 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	**1,640.8**	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.

Illustrative 2026 Adjusted Operating Expense Bridge

FRANKLIN TEMPLETON

Assumptions

- Assumes all expenses not specifically identified in the graph remain unchanged in aggregate. All estimates assume no market changes after June 30, 2026. Excludes performance fee incentive compensation and performance fee related third-party expenses
- Cost Savings – Reflects previously announced incremental FY26 expense savings initiatives related to integrations and ongoing corporate efficiencies
- Fund-related – Reflects expected incremental expenses to FY25 of transfer agency, fund administration, and related service fees, which have associated increases in revenue
- Apera – Reflects expected FY26 expenses of the Apera business, which was acquired on October 1, 2025
- Strategic Investments – Reflects expected incremental expenses to FY25 of ongoing strategic growth initiatives including investments in artificial intelligence, alternative wealth management capabilities, ETF expansion, technology platform implementation, and targeted distribution initiatives
- Sales & Fundraising – Reflects expected incremental expenses to FY25 associated with FY26 fundraising activity and new product launches, including placement fees, platform fees, commissions and related compensation, and other related expenses. Estimate is based on $40 billion of fundraising in FY26
- Variable Compensation & Benefits and Other – Reflects expected incremental expenses to FY25 associated with higher employee benefits costs, mark-to-market on deferred compensation, increased deferred compensation awards, and other variable costs
- Formulaic Incentive Compensation – Reflects expected increase in incentive compensation based on firm performance and formulaic incentive plans factoring in AUM, market appreciation, and investment performance through June 30, 2026