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Franklin Templeton and Lexington Partners Launch First Registered Tender Offer Private Equity Secondaries Fund for U.S. Wealth Channel

Franklin Lexington Private Markets Fund (FLEX) offers access to institutional domain via new perpetual offering

SAN MATEO, CA, January 13, 2025 – Franklin Templeton announced today the launch of its first continuously offered fund focused on secondary private equity investments. Co-advised by Franklin Templeton and Lexington Partners, a pioneer in the private equity secondary and co-investment markets, the Franklin Lexington Private Markets Fund ("FLEX") provides simplified access to a diversified portfolio of private equity investments acquired through secondary transactions and co-investments in new private equity transactions alongside leading sponsors.

Designed for wealth channel clients seeking long-term growth opportunities, FLEX offers access to an asset class that until recently was primarily available to institutional investors. The new fund comes to market with $904.5 million in assets under management (AUM) through an initial partnership with two leading U.S.-based wealth management firms.

"Heading into 2025, selecting the right investment partner is more important than ever," said Wil Warren, Partner and President of Lexington Partners, a specialist investment manager of Franklin Templeton. "We are pleased to announce the formation of FLEX, a product designed to provide a diversified portfolio of private investment fund interests and co-investments to a broader investor base. FLEX complements our institutional drawdown funds, which currently represent $72.4 billion in assets, and reflects our commitment to delivering strong, risk-adjusted returns. By leveraging our experience and leadership in private markets, FLEX will play a pivotal role in our long-term strategy to expand our capital base and enhance value creation for our investors."

Lexington estimates that 2024 was the fourth consecutive year in which secondary industry volume surpassed $100 billion. With the IPO market stalled and distributions slowed, institutions may find themselves accessing the secondary market for liquidity. These market dynamics are also driving the growth of continuation vehicle transactions whereby private equity sponsors are utilizing the secondary market to capitalize these deals.

Franklin Templeton believes that secondary private equity looks attractive as it provides several potential advantages for the wealth channel. In particular, individual investors could benefit from the shorter period before receiving distributions as well as diversification of general partners, vintages, geographies and industries.

"We are dedicated to being a trusted partner to our investors in FLEX," said Dave Donahoo, Head of U.S. Wealth Management Alternatives. "This addition to the Alternatives by Franklin Templeton product range builds on our robust line-up of institutional capabilities delivered in perpetual wrappers for the wealth community. We are excited to continue expanding the ways we support our most strategic partnerships."

FLEX is registered under the Investment Company Act of 1940 as a closed-end tender offer fund and features lower minimum investments than the private equity funds available to institutional investors as well as 1099 tax reporting, monthly subscriptions and quarterly liquidity.

With more than 40 years of experience in alternatives and nearly 400 alternative investment professionals around the world, Franklin Templeton is one of the largest managers in alternative assets globally. The firm's alternatives assets represent 15% (US$250 billion) of Franklin Templeton's $1.68 trillion in total assets under management as of September 30, 2024.Its specialist investment managers, each with deep domain expertise, provide a diverse range of alternative asset capabilities including private credit and real estate debt from Benefit Street Partners-Alcentra, real estate equity from Clarion Partners, hedged strategies from Franklin Templeton Investment Solutions and pre-IPO growth equity investments from Franklin Venture Partners in addition to Lexington's offerings.

About Lexington Partners
Lexington Partners is one of the world's largest and most successful managers of secondary private equity and co-investment funds. Lexington helped pioneer the development of the institutional secondary market over 30 years ago and created one of the first independent, discretionary co-investment programs 26 years ago.

Lexington has total capital in excess of $76 billion and has acquired over 5,000 interests through more than 1,000 transactions. Lexington's global team is strategically located in major centers for private equity and alternative asset investing across North America, Europe, Asia and Latin America. Additional information can be found at www.lexingtonpartners.com.

About Franklin Templeton
Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 150 countries. Franklin Templeton's mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company offers specialization on a global scale, bringing extensive capabilities in fixed income, equity, alternatives and multi-asset solutions. With more than 1,500 investment professionals, and offices in major financial markets around the world, the California-based company has over 75 years of investment experience and approximately $1.6 trillion in assets under management as of December 31, 2024. For more information, please visit franklintempleton.com and follow us on LinkedIn, X and Facebook.

Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, and summary prospectus, if available, at www.franklintempleton.com or contact your Franklin Templeton representative. Please read the prospectus carefully before investing.

Discussions referenced herein are the opinion of the investment manager and there is no assurance that any estimate, forecast or projection will be realized.

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Alternative investment strategies (such as private credit, private equity and real estate) are complex and speculative, entail significant risk and should not be considered a complete investment program. Depending on the product invested in, such investments and strategies may provide for only **limited liquidity** and are suitable only for persons who can afford to lose the entire amount of their investment. Private investments present certain challenges and involve incremental risks as opposed to investments in public companies, such as dealing with the lack of available information about these companies as well as their general lack of liquidity. There also can be no assurance that companies will list their securities on a securities exchange, as such, the lack of an established, liquid secondary market for some investments may have an adverse effect on the market value of those investments and on an investor's ability to dispose of them at a favorable time or price. **Diversification** does not ensure against loss.

Private equity secondaries are transactions that offer liquidity solutions to owners of interests in private equity and other alternative investment funds. **Private equity primary investments** are made directly in newly formed private equity funds to gain exposure to privately held companies.

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