Franklin Lexington Private Markets Fund

March 2026 I Quarterly Update

Fund Overview

Summary

Franklin Lexington Private Markets Fund (the "Fund") provides simplified access to a portfolio of private equity through secondaries, co-investments, and primaries,[1] designed for investors seeking long-term growth opportunities.

Strategy

The Fund's investment objective is to seek long-term capital appreciation. In pursuing its investment objective, the Fund intends to invest in a portfolio of private equity and other private assets (collectively, "Private Assets"). The Fund has the flexibility to invest in Private Assets across asset types, including but not limited to buyout, growth, venture, credit, mezzanine, infrastructure, energy and other real assets (i.e., assets that have physical properties, such as natural resources, infrastructure and commodities), subject to compliance with its investment strategies and restrictions and applicable law, including the 1940 Act. The Fund expects to principally invest in Private Assets by acquiring assets through secondary private equity transactions and through private equity co-investments and, to a lesser degree, primary commitments to private equity funds. During normal market conditions, it is generally not expected that the Fund will hold more than 20% of its net assets in liquid assets for extended periods of time.

Fund Snapshot

Fund Structure	A 1933 & 1940 Act-registered, continuously offered fund
Fund Inception Date	12/20/2024
Management Fee	1.25% annualized, on net assets of the Fund
NAV Frequency	Monthly
Subscriptions	Monthly
Tax Reporting	1099 tax treatment
Liquidity[2]	Quarterly tender offer of up to 5% of total outstanding shares
Investor Eligibility	Must be a qualified client

Fund Highlights

Since the Fund's first close on December 20, 2024, we are proud to share that:

- The constructed portfolio consists of 235 interests with exposure to approximately 2,050 companies, totaling $2.0 billion of net asset value ("NAV"), which has been compiled across 71 transactions;
- Partnership transactions account for 55% of the Fund's investment portfolio while general partner ("GP")-led transactions account for 34% and co-investments comprise the remaining 11%;
- The Fund is diversified across investment styles with 75% in buyout, 14% in venture, and 11% in growth capital and geographies with 67% in North America, 28% in U.K./Europe, 3% in Asia-Pacific, and 2% in Latin America.
- As of March 31, 2026, the Fund's portfolio is 83% private assets and 17% liquid assets.

[1] Please refer to important disclosures for descriptions.

[2] Franklin Templeton intends to recommend that the Fund conduct quarterly tender offers of up to 5% of the Fund's net assets, subject to the approval of the Fund's board in its sole discretion. There can be no assurance that the Fund will conduct tender offers in any particular period and shareholders may be unable to tender any or all shares for repurchase for an indefinite period of time. Shareholders should not expect to be able to sell their shares regardless of how the Fund performs. Shares tendered for repurchase within the first year after purchase may be subject to a 2% early repurchase fee.

Market Commentary[1]

Momentum in the secondary market has carried into 2026, following a second consecutive record year for transaction volume in 2025, further cementing the market's role as a core liquidity solution within private markets. The secondary market has continued to evolve into an essential and institutionalized part of the private equity ecosystem—providing liquidity and flexibility for investors seeking to actively manage portfolios, as well as for sponsors managing longer-duration assets.

In the first quarter of 2026, approximately $40 billion of secondary transaction volume was completed, down 11% from the year prior but still well above historic averages.[2] Activity has been led by GP-led transactions, which accounted for roughly 55% of total volume. We believe this elevated share of GP-led activity reflects continued demand for flexible solutions to extend ownership of high-quality assets and generate distributions in a still-constrained exit environment. Limited partner ("LP")-led transactions represented the remaining 45% of volume, as buyers remained active but increasingly selective amid evolving market conditions.[2]

While broader private equity dealmaking has shown signs of gradual recovery, pressure on traditional exit pathways has persisted. As a result, continuation vehicles remain a central portfolio management tool, allowing sponsors to retain strong-performing companies while offering liquidity options to existing investors. This dynamic continues to reinforce the structural growth of the GP-led market and highlights the increasing sophistication of secondary solutions. At the same time, the macroeconomic backdrop has remained uncertain, shaped by factors including escalating U.S.–Iran tensions, volatility in oil markets, ongoing policy and trade developments, and rapid advancements in artificial intelligence. Public markets have responded quickly to these developments, while private markets have adjusted more gradually. Together, it is our view that these forces are influencing how investors evaluate risk, sector exposure, and long-term value creation opportunities.

As the secondary market continues to evolve in both scale and complexity, we are maintaining a disciplined and selective approach, carefully underwriting across transaction types (size, geography, GP-led vs. LP-led, fund life stage, etc.) where we feel we have a competitive advantage. We continue to emphasize asset quality, pricing, and alignment as we evaluate LP-led, GP-led, and co-investment opportunities.

Lexington has consistently pursued a disciplined and flexible investment strategy, maintaining a defensive portfolio construction philosophy that we believe has served us well. With traditional exit routes likely to remain constrained for an extended period, we believe our experience and scale position us well to capitalize on opportunities across both LP-led and GP-led transactions.

We also believe the current co-investment environment remains attractive. Capital constraints and private equity overallocation have led many LPs to reduce co-investment activity, while a challenging fundraising environment and elevated cost of debt have increased sponsor demand for third-party equity. Despite ongoing market uncertainty, we believe conditions remain compelling for experienced and disciplined co-investors.

[1] Source: Lexington estimates derived from proprietary market study of global secondary transactions completed each year.
[2] PJT – Q1 2026 Secondary Market Insight.

Performance Summary

As of March 31, 2026, the Fund delivered an annualized return, since inception, of 20.50% (Class I shares). The Fund's performance is driven by a combination of asset appreciation and purchase discount. While the initial performance of the Fund was largely driven by discount, asset appreciation now comprises over half of the return attribution from inception to date. Over time, we expect that purchase discount will represent approximately 20-35% of the Fund's gross portfolio gain with the remaining 65-80% attributable to asset appreciation, in line with the long-term gain attributions of our global secondary funds. Lexington adheres to a rigorous and disciplined investment process focused on identifying and acquiring high-quality assets that are poised for future growth. By acquiring high-quality assets, we believe the Fund's portfolio is constructed to weather market volatility and provide our investors with strong, long-term, risk-adjusted return potential.

Total Return (% as of March 31, 2026)

	NAV	1-Mth	3-Mth	6-Mth	1-Yr	Annualized Since Inception[1]
Class I	$31.64	1.12	2.43	7.38	16.93	20.50
Class D	$31.57	1.12	2.43	7.29	16.75	20.29
Class S	$31.30	1.03	2.25	6.96	15.97	19.49
Class M	$31.47	1.09	2.34	7.17	16.42	20.00

Case Studies

Project Millennium – Partnership Deal

Transaction Summary

Seller	U.S. Institution
# of Interests / Sponsors	20 / 2
# of Companies	400+
Closing Date (est.)	December 2025
Deal Size (FLEX)	$85M

Key Deal Highlights

Lexington Angle
- ✓ Curated portfolio as a part of a mosaic solution consisting of high-quality venture exposure

GP Track Record
- ✓ High-quality venture and growth sponsors

Transaction Dynamics
- ✓ Bilateral negotiation with seller
- ✓ Negotiated meaningful purchase discount

Portfolio Characteristics
- ✓ Majority enterprise software exposure
- ✓ Primarily late-stage venture & growth exposure with significant cash runway

Project Cavalier – Partnership Deal

Transaction Summary

Seller	U.S. Public Pension
# of Interests / Sponsors	15 / 10
# of Companies	150+
Closing Date (est.)	December 2025
Deal Size (FLEX)	$32M

Key Deal Highlights

Lexington Angle
- ✓ Strong sponsor and fund coverage; ability to negotiate an optimal subset of assets with the seller at an attractive discount

Transaction Dynamics
- ✓ Bilateral negotiation with seller
- ✓ Negotiated meaningful purchase discount

Portfolio Characteristics
- ✓ Diversified portfolio across sector and geography
- ✓ Exposure to over 150 companies across 10 industries
- ✓ Vintage diversification across fund and company vintage

Performance data quoted represents past performance, which does not guarantee future results. Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit www.flexpe.com.
Expense Ratios (Gross/Net): Class I: 4.79% / 4.76%, Class D: 4.91% / 4.88%, Class S: 5.64% / 5.61%, Class M: 5.18% / 5.15%. See important disclosures for more details.
[1] Since inception date is December 20, 2024.
Please see important disclosures at the end of this document for further information.

Important disclosures

Project Millennium represents 4% and Project Cavalier represents 2% of the holdings of the entire portfolio (100%), calculated as NAV plus unfunded at closing as a percentage of 03/31/26 NAV of $2.0B. Selected case studies in this document may not be representative of all transactions of a given type or of investments generally and are intended to be illustrative of some investment techniques or transaction types that may be used by FLEX or a Lexington fund. Each deal size is estimated based on NAV plus unfunded commitments at close. There can be no assurances that the deal sizes shown will not change. **Past performance is not indicative of future results.**

References to Specific Investments: Any case studies (or other selected transactions) in this Presentation are presented for informational purposes only and are intended to be illustrative of the types of investments that have been made by the Lexington funds and/or that may be made by the Fund. However, there can be no assurances that any investments of the type included in the case studies or otherwise featured herein will be available to or approved by the investment committee of the Lexington Secondary Funds.

BEFORE INVESTING, CAREFULLY CONSIDER THE FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. YOU CAN FIND THIS AND OTHER INFORMATION IN ITS PROSPECTUS AT WWW.FLEXPE.COM. PLEASE READ THE PROSPECTUS CAREFULLY.

Secondaries: Private equity secondaries are transactions that offer liquidity solutions to owners of interests in private equity and other alternative investment funds. **Co-investment:** Direct equity co-investment refers to an investment structure in which a private equity firm (General Partner) and direct co-investors collectively invest in portfolio companies. **Primaries:** Investments are made directly in newly formed private equity funds to gain exposure to privately held companies.

Redemptions/tender offers: Franklin Templeton intends to recommend that the Fund conduct quarterly tender offers of up to 5% of the Fund's net assets, subject to the approval of the Fund's board in its sole discretion. There can be no assurance that the Fund will conduct tender offers in any particular period and shareholders may be unable to tender any or all shares for repurchase in a periodic repurchase offer or for an indefinite period of time. Shareholders should not expect to be able to sell their shares regardless of how the Fund performs.

Gross expense ratio: The gross expense ratio reflects the total annual operating expenses for the share class shown, prior to the deduction of any waiver or reimbursement. Actual expenses may be higher and may impact portfolio returns.

Net expense ratio: The net expense ratio reflects total expenses after any fee waivers, implemented expense caps or reimbursements and also incentive fees. Management fee payable by the Fund as of October 2, 2025 will be at the annual rate of 1.25%. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice. Expense ratios are as of the most recent prospectus or annual report please see the prospectus for additional details.

Incentive fee: The incentive fee will be charged on a quarterly basis (and at certain other times). The incentive fee is equal to 12.50% of the excess, if any, of (i) the net profits of the Fund for the relevant period over (ii) the then balance, if any, of the sum of the hurdle amount and the loss recovery account. Incentive fees are accrued monthly and paid quarterly. For purposes of calculating incentive fees, such accruals are not deducted from net asset value. Because the incentive fee is speculative, no incentive fee is presented for the initial year of operations.

Early repurchase fee: A 2.00% early repurchase fee payable to the Fund may be charged with respect to the repurchase of shares at any time prior to the day immediately preceding the one-year anniversary of a shareholder's purchase of the shares (on a "first in-first out" basis). The early repurchase fee will be retained by the Fund for the benefit of the remaining shareholders.

Sales load: No upfront sales load will be paid with respect to Class S Shares, Class D Shares, Class I Shares or Class M Shares, however, if you buy Class S Shares, Class D Shares or Class M Shares through certain financial intermediaries, they may directly charge you transaction or other fees, including upfront placement fees or brokerage commissions, in such amount as they may determine, provided that selling agents limit such charges to a 3.0% cap on NAV for Class D Shares, a 3.0% cap on NAV Class S Shares and a 3.0% cap on NAV for Class M Shares.

Investment risk: Past performance is no guarantee of future results. All investments involve risk, including loss of principal. Franklin Lexington Private Markets Fund (the "Fund") is subject to a high degree of risk; specific risk considerations are listed below.

Concentration risk: An investment should be considered long-term within a multi-asset portfolio and should not be viewed individually as a complete investment program.

Liquidity risks: The Fund should be viewed as a long-term investment, as it is inherently illiquid and suitable only for investors who can bear the risks associated with the limited liquidity of the Fund. Limited liquidity is provided to shareholders only through the Fund's quarterly repurchase offers for no more than 5% of the Fund's shares outstanding at net asset value. There is no guarantee these repurchases will occur as scheduled, or at all. Shareholders may not be able to sell their shares in the Fund at all or at a favorable price.

Fund distributions: Distributions are not guaranteed and are subject to change.

Private market investment risks: The Fund may be able to invest in private securities that are illiquid and thinly traded, which may limit the manager's ability to sell such securities at their fair market value or when necessary to meet the portfolio's liquidity needs. To the extent the Fund invests in privately held companies, they 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.

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FTFA is the investment manager of the Fund. Lexington Advisors LLC and Franklin Advisers, Inc. are the investment sub-advisers.