## Alternatives by FRANKLIN TEMPLETON.



## Franklin Lexington Private Markets Fund

Discover the potential of private equity

September 2025



#### What are the risks?

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 (NAV). 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.

**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 for an indefinite period of time. Shareholders should not expect to be able to sell their shares regardless of how the fund performs.

**Leverage Risk:** The use of leverage can increase the volatility of investment returns and subject a fund to magnified losses underlying investments decline in value. A fund with a higher leverage ratio will be more sensitive to volatility and more susceptible to losses due to declines in asset values, than a fund with a lower ratio.

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.

**Derivatives Risk:** Derivative instruments can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance.

#### **Table of content**

Company overview	4
Why private equity secondaries?	10
The opportunity: Franklin Lexington Private Market Fund	17
Case studies	25
Appendix	32

## **Company overview**

#### Franklin Templeton Private Markets overview

A global investment firm investing across private markets all over the world. Our scale enables us to invest in dynamic sectors positioned for long term growth.

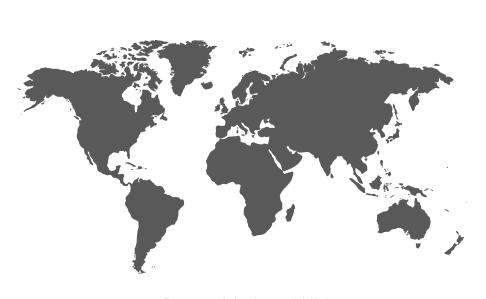
\$264B<sup>1</sup>

42+

Years of experience

23

Offices across 4 continents



Private Markets AUM

\$1.7T Total firm AUM

1,200+

Global private markets focused employees

500+

Global private markets investment professionals

\$85B Private Equity \$87B Private Credit \$78B Real Assets

<sup>&</sup>lt;sup>1</sup> Source: Franklin Templeton. Month-end assets under management as of September 30, 2025. Alternative assets may include liquid alternatives and other unconstrained strategies that are not defined as private market securities. AUM category classifications are subject to change without any notice.

#### Company overview

#### **Lexington Partners at-a-glance**

With approximately \$83 billion<sup>1</sup> in total capitalization, Lexington Partners is one of the world's largest managers of secondary acquisition and co-investment<sup>2</sup> funds

750+
Secondary transactions

5,000+ Secondary interests

700+
Primary³ commitments

600+
Co-investments



200+

Employees across 8 global offices

26

Partners averaging 19 years together at Lexington

88

Investment professionals averaging 10 years of PE experience

 $<sup>^{\</sup>rm 1}\,\text{As}$  of September 30, 2025. Years with Lexington includes predecessor.

<sup>&</sup>lt;sup>2</sup> 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.

<sup>&</sup>lt;sup>3</sup> Investments are made directly in newly formed private equity funds to gain exposure to privately held companies.

#### Company overview

## Lexington Partners: A pioneer and specialist in secondary private equity and co-investments



#### Experienced team

Lexington's 26 partners are experienced and highly-regarded in the secondary and co-investment markets today, averaging 19 years together at Lexington.



#### Pioneer and Innovator

A pioneer in the development of institutional secondary market three decades ago and created one of the first discretionary coinvestment programs over two decades ago.



#### Breadth of Information

Through Lexington's leadership in the global secondary and co-investment markets, having invested in over 3,000 private investment funds and more than 600 co-investments, Lexington has assembled a proprietary database of information on over 900 sponsors and over 50,000 underlying portfolio companies.

#### **Strategies**

Secondary • Co-investment

#### **Transactions**

Partnership • GP-led • Opportunistic • Direct Spin-outs • Equity co-investments

#### **Sector**

Buyout • Venture capital • Growth capital • Credit Mezzanine • Energy • Infrastructure

#### Geographies

North America • UK/Europe • Asia-Pacific Latin America

As of September 30, 2025.

#### Deep and experienced team

#### Lexington's secondary team (72)



Wil Warren Partner & President 31 years



Pål Ristvedt Partner 24 years



Victor Wu Partner 24 years



Mark Andrew Partner 18 years



Kirk Beaton Partner 22 years



Jeffrey Bloom Partner 15 years



Charlie Bridgeland Christophe Browne Partner 16 years



Matt Hodan Partner 14 years



Tim Huang Partner 14 years



Jennifer Kheng Partner 22 years



John Lee Partner 11 years



Tom Newby Partner 18 years



Clark Peterson Partner 16 years



**Taylor Robinson** Partner 17 years



John Rudge Partner 24 years



Partner 16 years



Cullen Schannep Jose Sosa del Valle Guillaume Caulier Partner 17 years



Peter Grape Managing Director Managing Director Managing Director Managing Director 15 years 12 years



Partner

1 year

Simon Oak 17 years



Jacob Rawel 12 years



Michael Skelly Managing Director 15 years



Managing Director 9 years



Robert Burgren Director 11 years



Sarah Cherian Director 10 years



**Thomas Dunn** Director 7 years



Emma Inger Director 11 years



John Kim Director 2 years



Alexander Ogura Director 7 years



Niklas Risberg Director 9 years



Vanessa Rocchi Director 11 years



Yunyan Sang Director 10 years



Haroon Sagib Director 5 years



**Gus Thompson** Director 1 year

19 Average years tenure of firm partners

Average years tenure of MDs and Directors

High retention since inception, fostering consistency of investment process and continuity of sponsor and sourcing relationships

#### Global platform supported by

co-investment professionals

investor relations professionals

legal & compliance professionals

senior advisors

#### Franklin Lexington Private Markets Fund

The fund provides simplified access to a diversified portfolio of private equity through secondaries, co-investments, and primaries<sup>1</sup>, designed for investors seeking long-term growth opportunities.



# Franklin Lexington Private Markets Fund



#### Deeply experienced and resourced team

- One of the most experienced secondary and co-investment teams globally, led by the firm's 26 partners who average 19 years together at Lexington
- Low senior turnover since inception, fostering retention of key sponsor and global sourcing relationships
- Global offices in key centers for private equity

#### Focus on long-term growth

- Seeks to deliver long-term capital appreciation for investors
- Acquire interests in private investment funds through negotiated secondary market purchases
- Disciplined investment process driven by informational advantage



#### Simple structure

- Perpetually offered
- \$25,000 minimum
- Monthly subscriptions
- Quarterly liquidity
- 1099 tax reporting
- No capital calls

## Why private equity secondaries?

#### Key types of secondary transactions



## Limited Partner led (LP-Partnership) transactions

An original investor, the 'limited partner' sells its commitment in a fund to a secondary buyer, who then takes on the rights and obligations of that LP in the existing fund. In most cases, the LP is selling a portfolio of commitments.

LP-led transactions provide current fund investors with liquidity (typically purchased at a discount) prior to the end of the investment lifecycle. Traditional LP-led transactions account for most of the secondary market.



## General Partner led (GP-led) transactions

A GP initiates the sale of one or more of its portfolio companies to a new fund, offering liquidity to LPs of the original fund. The GP typically continues to manage the portfolio investments through the new fund.

Within GP-led secondaries, single-asset continuation vehicle transactions are one of the fastest-growing areas within secondaries.

#### Why do investors invest in secondary funds?

#### Potential benefits include:



### Broad diversification<sup>1</sup>

Diversified portfolios by sponsor, fund, sector, strategy, geography, industry, company, and vintage year, which can potentially dampen volatility.



## Ability to buy known assets

By purchasing interests in private investment funds when most or all of their capital has been invested, the blind pool risk associated with primary fund investing is reduced.



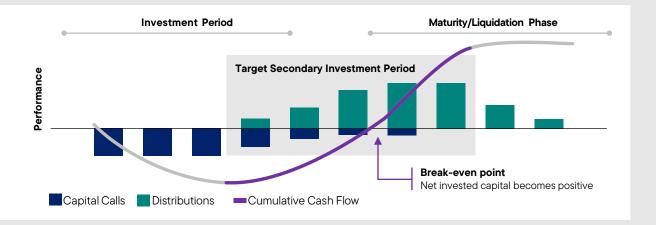
## Potential for earlier cash returns

By acquiring interests in established private investment funds, secondary funds generally receive earlier and more frequent distributions than a traditional primary fund. Distributions are not guaranteed; there is no assurance that the Fund will be able to pay distributions at a specific rate, or at all.



## Mitigation of primary J-curve<sup>2</sup>

By purchasing assets closer to their harvest stage and at a discount, investors can mitigate the J-curve effect associated with primary fund investing.



<sup>&</sup>lt;sup>1</sup> Diversification does not assure profit or protect against market loss.

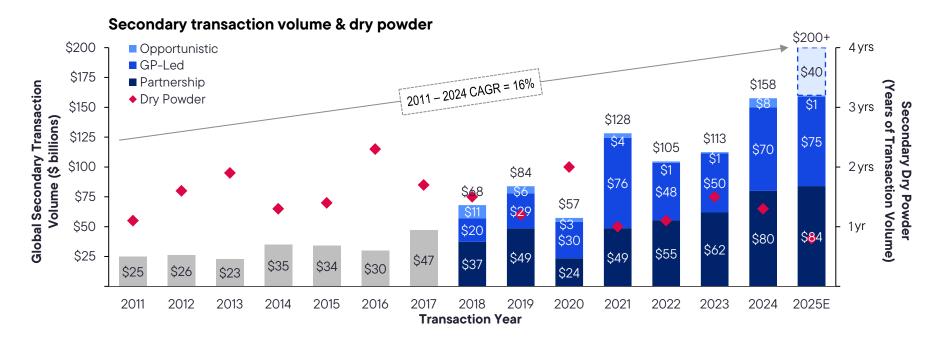
<sup>&</sup>lt;sup>2</sup> Please refer to key terms in the appendix for descriptions.

#### Why private equity secondaries?

#### **Record transaction volumes in 2025**

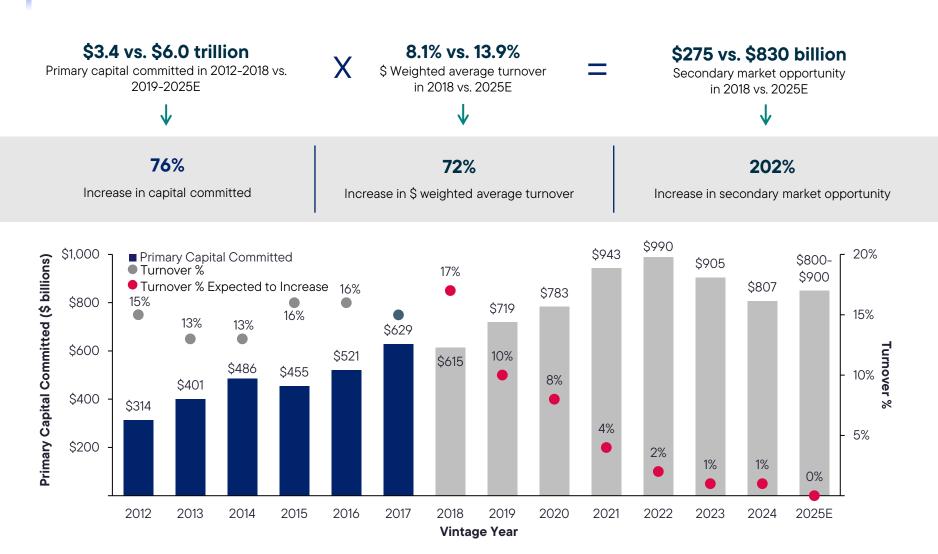
#### Secondary market evolution





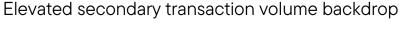
Source: Lexington estimates (secondary transaction volume) as of October 31, 2025, Preqin (dry powder). Secondary Transaction Volume is based on sale price plus unfunded commitments. Years of transaction volume is based on end of year dry powder divided by preceding year deal volume. Bottoms up dry powder analysis excludes dry powder for dedicated infrastructure and real estate secondary funds. Additional secondary capital raised is dependent on fundraising conditions over the near to medium-term. Views expressed are those of Lexington at the time of this presentation and are subject to change. There can be no assurance that historical trends will continue.

#### Growing inventory and increasing turnover drive secondary market growth



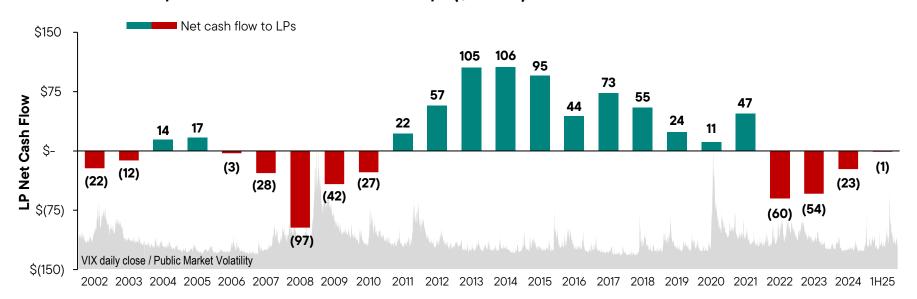
#### Why private equity secondaries?

#### Private equity portfolio rebalancing





#### Limited partner cash flow & NAV: U.S. & Europe (\$Billions)



Source: Cambridge Associates Benchmark Calculator, Preqin, Capital IQ 2025 is as of June 30, 2025. "Net Cash Flow to LPs" is defined as distributions less contributions. There can be no assurance that historical trends will continue.

#### **Secondary market observations**



#### **THEMES**

#### Secondary volume/ capital imbalance

#### **OBSERVATIONS**

- Limited Partners are seeking liquidity in the absence of distributions and are rebalancing portfolios versus allocation considerations and limits
- Growing pressure on sponsors to provide distributions is driving GP-led volume
- Secondary market remains undercapitalized versus significant supply of deal flow
- Secondary volume is expected to exceed 700 billion over the next five years<sup>1</sup>



### Market conditions and economic outlook

- The first half of 2025 unfolded against a complex and volatile macroeconomic backdrop shaped by shifting trade dynamics, ongoing geopolitical tensions, and persistent inflation. Within private equity, a rebound in M&A and IPO activity failed to materialize, distributions remained below historical averages, and fundraising continued to challenge many sponsors.
- Distribution activity below historic norms with traditional exit channels limited, and owners of private assets continued to seek to access the secondary market to generate nearterm liquidity.



#### Secondary market discounts

- Given the long-term, illiquid nature of private investment funds, secondary firms may be able to purchase fund interests at a discount to market value
- While a large discount does not necessarily signify an attractive deal, discounts may provide downside mitigation if values decline

The opportunity:
Franklin Lexington
Private Markets Fund

#### Franklin Lexington Private Markets Fund

A diversified portfolio of identified assets poised for value creation



#### Secondaries

- Seek to acquire seasoned investments at a discount with diversified exposure across geographies, strategies, sectors
- Potential to dampen J-curve effect, in which private equity funds often experience negative or low returns during their first several years of experience

#### Co-investment

- Seek to co-invest alongside sponsors in leading companies
- Typically, no management fee/performance fee paid to underlying managers
- Potential for capital appreciation

#### Primaries

- Ability to make commitments to leading global sponsors
- Potential return enhancer

#### Liquid Assets

- Provide liquidity to be used for potential redemptions
- Seek efficient management to minimize cash drag
- Managed by Franklin Advisers, Inc.
- Includes cash and cash equivalents, liquid fixedincome securities/other credit instruments, and other investment companies, including money market mutual funds and ETFs
- Under 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

#### **Historical performance**

#### Fund Performance Summary (%)

Cumulative Total Return (% as of September 30, 2025)

	NAV	1-Mth	3-Mth	6-Mth	YTD	Since Inception <sup>1</sup>
Class I	\$29.54	0.65	4.13	8.88	12.23	18.16
Class D	\$29.50	0.65	4.06	8.82	12.08	18.00
Class S	\$29.34	0.58	3.90	8.43	11.52	17.36
Class M	\$29.44	0.61	3.99	8.63	11.85	17.76

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.

19

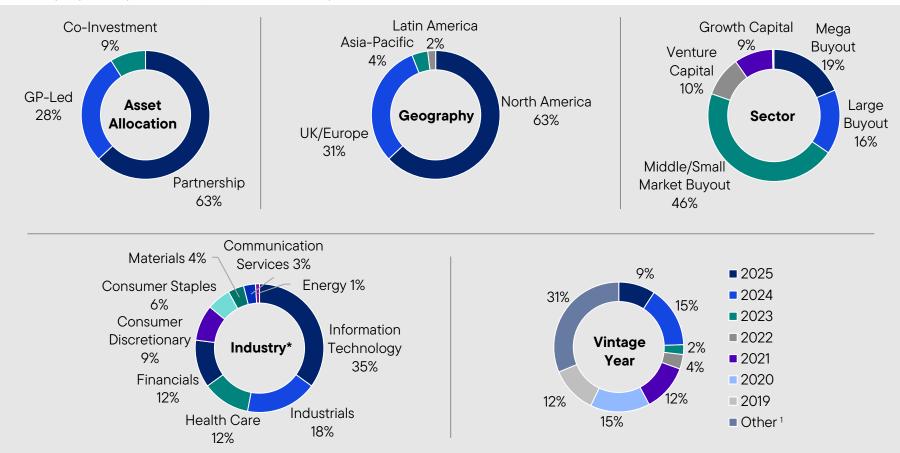
Expense Ratios (Gross/Net): Class I: 4.79% / 4.76%, Class D: 4.91% / 4.88%, Class S: 5.64% / 5.61%, Class M: 5.18% / 5.15%. See important disclosures for more details.

1. Since inception date is December 20, 2024.

#### **Current portfolio**

#### Franklin Lexington Private Markets Fund

As of 09/30/2025 (% of Lexington Private Assets)



<sup>1.</sup> Other represents investments in vintages prior to 2019.

20

<sup>\*</sup> Industry exposure represents the Fund's pro-rata share of the fair market value of each underlying portfolio company within each of the Fund's investments. Investments held via Fund-of-Fund interests have been excluded due to a lack of visibility into the ultimate underlying portfolio. This information is based on the most recent reporting provided by the underlying fund sponsors using Global Industry Classification Standards (GICS).

#### Giving the investor increased access to private markets

Simplified structure seeks to solve common barriers for individual investors accessing private equity.

	Traditional PE Fund	Franklin Lexington Private Markets Fund
Minimums & Eligibility	<ul><li>High: \$500,000 - \$5,000,000</li><li>Qualified purchasers</li></ul>	<ul><li>Low: \$25,000</li><li>Accredited investors and qualified clients</li></ul>
J-Curve & Capital Calls	<ul><li>Negative returns in early years</li><li>Receive capital calls</li></ul>	<ul><li>Reduced J-curve</li><li>No capital calls</li></ul>
Liquidity and offerings	<ul><li>None: Long lock up terms with possible extensions</li><li>Limited offerings every three to five years</li></ul>	<ul> <li>Quarterly liquidity<sup>1</sup></li> <li>Monthly subscriptions</li> </ul>
Tax Reporting	• Complex K-1 reporting	• Simplified 1099 reporting

<sup>&</sup>lt;sup>1</sup> 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.

## Disciplined investment process<sup>1</sup> that has been refined over the past 35 years



#### **Deal sourced**

Potential transactions are sourced globally by each of Lexington's offices based on coverage of institutional investors and intermediaries



## Screening and Pipeline Management

Potential transactions are evaluated and staffed in a weekly meeting to allocate resources and establish priorities across offices



#### Due diligence

Asset due diligence and underwriting is completed locally by Lexington coverage teams familiar with those assets and PE funds. Transactions are led and coordinated by one deal team which interfaces with the seller or intermediary while collecting asset underwriting by all involved Lexington professionals



#### Investment committee

Formal investment committee materials are prepared and presented by the deal team with input from all underwriters across Lexington offices. All Lexington investment professionals take part in IC discussion



#### Bid/Close

Once the investment committee approves a deal, and a transaction is negotiated and agreed with the seller. PSA<sup>2</sup> and Transfer Agreements are subsequently negotiated

<sup>&</sup>lt;sup>1</sup> Represents Lexington's typical secondary investment process.

<sup>&</sup>lt;sup>2</sup> Purchase and sale agreement.

#### Broad, flexible investment strategy allows the team to be highly selective<sup>1</sup>

#### 2025 YTD TRANSACTION SELECTION

#### Lexington process

#### \$327 billion secondary opportunities sourced

	\$9.4 billion acquired or 3% of opportunities evaluated <sup>2</sup>		
<ul> <li>Investment Committee approval</li> <li>Final risk assessment and due diligence / compliance review</li> <li>Syndication plan if applicable</li> </ul>	\$55 billion / 18% firm bid		
<ul> <li>Assessment of portfolio construction impact</li> <li>Initial financial modeling/due diligence</li> <li>Formation of strategic angle</li> <li>Utilization of local relationships</li> </ul>	\$129 billion / 43% indicative bid		
<ul> <li>Evaluation of strategic fit and existing coverage</li> <li>Discussion among offices</li> <li>Preliminary analysis and office allocation</li> </ul>	\$300 billion opportunities evaluated		

<sup>&</sup>lt;sup>1</sup>2025 transaction selection data is as of June 2025 and based on market value plus unfunded commitments at acquisition.

<sup>&</sup>lt;sup>2</sup> 2025 Lexington Acquired figure includes transactions in Lexington's drawdown funds that were IC approved as of 10/23/25. Includes discretionary co-invest accounts and syndications to co-investors. Includes FLEX transactions closed as of 08/31/25 based on NAV plus unfunded commitments, not including co-investment deals. Process bullets represent Lexington's typical secondary investment process.

#### **Summary of structure and key terms**

Structure	A 1933 & 1940 Act-registered, continuously offered fund		
Fund Objective	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 interests in secondaries private equity investments, with ability to allocate to 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.		
Investment Manager	Franklin Templeton Fund Adviser, LLC ("FTFA")		
Sub-Advisor	Lexington Advisors LLC (Private Assets) Franklin Advisers, Inc. (liquidity sleeve)		
Management Fee	1.25% annualized, on net assets of the fund		
Incentive Fee	12.5% (subject to a 5% annual hurdle and a high-water mark, with a catch-up)		
Repurchases	Target quarterly tender offers of up to 5% of the Fund's net assets, subject to approval of the Fund's board. Shares tendered for repurchase within the first year after purchase may be subject to a 2% early repurchase fee.		
Investor Eligibility	Must be a qualified client		
Subscriptions	Monthly		
Tax Reporting	1099 tax treatment		

#### Partnership deals

#### **Project Oscar - Partnership Deal Project Tree - Partnership Deal Transaction Summary Transaction Summary** Seller Canadian Public Pension Seller U.S. Institution # of Interests / Sponsors 9/6 # of Interests / Sponsors 15+ / 7+ # of Companies 70+ 300+ # of Companies Closing Date December 2024 Closing Date (est.) June 2025 Deal Size (FLEX) \$305M Deal Size (FLEX) \$173M **Key Deal Highlights Key Deal Highlights** Reliable counterparty reputation enabled Size and breadth of portfolio for sale required **Lexington Angle Lexington Angle** enhanced bid position large and experienced secondary buyer Strong existing GP coverage Some GPs are restrictive on approving transfer **GP Track Record** ✓ High-quality sponsors **GP** relationships of interests, but Lexington relationships enabled smooth process and acted as a differentiator ✓ Iterative process with ability to select **Transaction Dynamics** subset of attractive interests Negotiated purchase discount **Portfolio** Characteristics Diversified portfolio comprised of funds managed by high-quality sponsors **High-Quality** Attractive diversified North American and Exposure to over 300 companies across nine **Diversified Portfolio** Western Europe exposure industries

Project Oscar represents 19% and Project Tree represents 11% of the holdings of the entire portfolio (100%), calculated as NAV plus unfunded at closing as a percentage of 09/30/25 NAV of \$1.64B. Selected case studies in this Presentation 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. There is no assurance that similar investments will be made.

#### Partnership deals

#### **Project Panther - Partnership Deal** Project Allegro - Partnership Deal **Transaction Summary Transaction Summary** Seller Family Office Seller Corporate Pension # of Interests / Sponsors 14 / 7 # of Interests / Sponsors 65/9 # of Companies 100+ # of Companies 500+ Closing Date December 2024 Closing Date (est.) June 2025 Deal Size (FLEX) \$122M Deal Size (FLEX) \$88M **Key Deal Highlights Key Deal Highlights** One of two buvers approved for the entire Limited competition **Lexington Angle** marketed portfolio due to sizeable venture **Lexington Angle** ✓ Ability to select strong subset of assets capital exposure and restrictive sponsors from broader portfolio ✓ Provided a full solution for the entirety of the VC subset, which was the seller's strong Middle market buyout and growth GPs preference **GP Track Record** primarily exposed to consumer and Portfolio is comprised of venture capital information technology **VC Portfolio** and growth exposure where Lexington's Menlo Park office maintains strong coverage of many GPs **Transaction Dynamics** Motivated counterparty Negotiated meaningful purchase discount Portfolio Underlying companies are generally well **Characteristics** capitalized or profitable Strong diversification by vintage and **High-Quality** ✓ Largely contains exposure to enterprise geography with limited public exposure **Diversified Portfolio** software companies $(\sim 4\%)$

Project Panther represents 7% and Project Allegro represents 5% of the holdings of the entire portfolio (100%), calculated as NAV plus unfunded at closing as a percentage of 09/30/25 NAV of \$1.64B. Selected case studies in this Presentation 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. There is no assurance that similar investments will be made.

#### Partnership deal

#### **Project Precision - Partnership Deal**

#### **Transaction Summary**

Seller North American Public Pension
# of Interests / Sponsors 16+ / 11+
# of Companies 140+
Closing Date (est.) September 2025
Deal Size (FLEX) \$102M

#### **Key Deal Highlights**

**Lexington Angle** 

 Fast moving process where the agility of our team, our familiarity with a repeat seller to Lexington, our global GP relationships, and our scale provided an advantaged and dynamic bidding strategy

Portfolio Characteristics

- Scaled, diversified portfolio of predominantly high-quality buyout funds with GPs well-known to Lexington
- Strong diligence access; attractive discount and return profile in a competitive market

Project Precision represents 5% of the holdings of the entire portfolio (100%), calculated as NAV plus unfunded at closing as a percentage of 09/30/25 NAV of \$1.64B.

Selected case studies in this Presentation 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. Transaction summary statistics include interests scheduled to close by the end of the year. **Past performance is not indicative of future results.** There is no assurance that similar investments will be made.

#### **GP-led deals**

Project Sierra – GP-le	d Deal	Project Eagle – GP-le	ed Deal
Transaction Summary Sponsor	Berkshire Partners	Transaction Summary Sponsor	Inflexion
Company Name	AHEAD	# of Companies	4
Closing Date	January 2025	Closing Date (est.)	May 2025
Deal Size (FLEX)	\$56M	Deal Size (FLEX)	\$50M
Company Overview		Company Overview	
Sector	Information Technology	Sector	Consumer Discretionary, Health Care, Financials
Geography	North America	Geography	U.K. / Western Europe
Investment Highlights		Investment Highlights	
Investment Thesis	✓ IT Solutions provider in large and fragmented market with attractive tailwinds	Investment Thesis	<ul> <li>Lexington co-led a multi-asset continuation vehicle managed by Inflexion</li> </ul>
Actionable Value Creation Plan	<ul> <li>30+ year Lexington relationship with Berkshire</li> <li>Attractive, scale asset with multiple exit options</li> </ul>	Quality Asset	<ul> <li>High-quality and resilient portfolio of four assets with strong cash generation; actionable future value creation opportunities and multiple avenues to exit</li> </ul>
Alignment	<ul> <li>Strong management team with significant ownership in company</li> </ul>	Quality GP	<ul> <li>Leading middle-market PE firm in Europe focused on minority and majority stakes in high growth businesses across all sectors</li> </ul>
Attractive Entry Valuation	<ul> <li>✓ Sizable cross-fund Berkshire investment</li> <li>✓ Attractive entry valuation relative to public comparables</li> </ul>	Alignment	<ul> <li>Transaction terms were heavily negotiated by the lead buyers to construct a favorable transaction with strong sponsor alignment</li> </ul>
	23	Lexington Angle	✓ Given strong relationship and understanding of the GP, Lexington was the first party to be approached to discuss the opportunity

Project Sierra represents 3% and Project Eagle represents 3% of the holdings of the entire portfolio (100%), calculated as NAV plus unfunded at closing as a percentage of 09/30/25 NAV of \$1.64B. Selected case studies in this Presentation 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.** There is no assurance that similar investments will be made.

**Lexington Angle** 

#### **GP-led and co-investment deals**

#### **Project Flare - GP-led Deal Transaction Summary** Mid-market buyout GP Sponsor # of Companies April 2025 Closing Date (est.) \$40M Deal Size (FLEX) **Company Overview** Sector Consumer Discretionary and Industrials Geography North America **Investment Highlights** Investing in multi-asset continuation **Investment Thesis** vehicle of a tech-enabled micro-market vending operator and a provider of logistics and supply chain management solutions to the beer industry **Quality Asset** ✓ Leading companies with predictable revenues and competitive advantages Mid-market buyout GP focused exclusively **Quality GP** on consumer-related and distribution businesses Carried interest and GP commitment rolled into transaction

Longstanding relationship with GP

#### Jersey Mike's - Co-Investment

#### **Transaction Summary**

Lead Sponsor

Sector

Date

Blackstone Group Food & Beverage February 2025





#### **Company Overview**

- ✓ A leading franchisor of fast casual submarine sandwich shops with ~3,000 stores across 50 U.S. states and Canada
- Offers differentiated customer service and product quality, serving freshly sliced or grilled sandwiches with ingredients prepared on the same day
- √ 100% founder-owned

#### Investment Highlights —

- Large and growing fast casual restaurant industry has demonstrated recession-resistant demand through numerous cycles
- Several positive market tailwinds including increasing consumer preference for high-quality food options, convenience and delivery

Project Flare represents 2% and Jersey Mike's represents <1% of the holdings of the entire portfolio (100%), calculated as NAV plus unfunded at closing as a percentage of 09/30/25 NAV of \$1.64B. Selected case studies in this Presentation 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.** There is no assurance that similar investments will be made.

#### **GP-led deal**

#### **Project Hippo – GP-led Deal Transaction Summary** Mid-market buyout and growth capital GP Sponsor August 2025 Closing Date \$36M Deal Size (FLEX) **Portfolio Overview** Health Care Sector **United States** Geography **Key Deal Highlights** Investing in a single-asset continuation **Investment Thesis** vehicle, a leading provider of infusion and specialty pharmacy services High-quality and resilient business with reoccurring revenues. Supported by long-term **Quality Asset** secular tailwinds because of lower cost to insure and higher convenience than hospital setting Leading health care focused GP with **Quality GP** significant M&A and operational experience Sponsor alignment with incremental GP commitment and certain veto rights Strong relationship with GP and prior history **Lexington Angle** of conducting secondary transactions

Project Hippo represents 2% of the holdings of the entire portfolio (100%), calculated as NAV plus unfunded at closing as a percentage of 09/31/25 NAV of \$1.64B.

Selected case studies in this Presentation 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.** There is no assurance that similar investments will be made.

## Appendix **Key terms**

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.
J-curve	The "J-curve" is the term commonly used to describe the trajectory of a private equity fund's cashflows and returns. An important liquidity implication of the J-curve is the need for investors to manage their own liquidity to ensure they can meet capital calls on the front-end of the J-curve.

#### Important disclosures

**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 to or 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 NAV. Because the Incentive Fee is speculative, no Incentive Fee is presented for the initial year of operations.

**"Hurdle Amount"** means, for any quarter, that amount that results in a 5% annualized internal rate of return on the net asset value of the Fund as of the beginning of the quarter and the aggregate issue price of shares of the Fund issued during such quarter, taking into account: (i) the timing and amount of all distributions accrued or paid (without duplication) on all shares of the Fund minus Fund expenses (excluding Distribution and Servicing Fees); and (ii) all issuances of shares of the Fund over the period.

The ending net asset value of shares of the Fund used in calculating the internal rate of return will be calculated before giving effect to any allocation/accrual to the Incentive Fee and applicable expenses for the Distribution and Servicing Fees. For the avoidance of doubt, the calculation of the Hurdle Amount for any period will exclude any shares of the Fund repurchased during such period.

Except as described in Loss Recovery Account below, any amount by which Net Profits falls below the Hurdle Amount will not be carried forward to subsequent periods.

"Loss Recovery Account" means a memorandum account maintained by the Fund, which will have an initial balance of zero and will be (i) increased upon the close of each calendar quarter of the Fund by the amount of the net losses of the Fund for the quarter, before giving effect to any repurchases or distributions for such quarter, and (ii) decreased (but not below zero) upon the close of each calendar quarter by the amount of the net profits of the Fund for the quarter. For purposes of the Loss Recovery Account, the term "net losses" shall mean the amount by which (i) the sum of (A) the net asset value of the Fund as of the beginning of such quarter and (B) the aggregate issue price of shares of the Fund issued during such quarter (excluding any Shares of such class issued in connection with the reinvestment of dividends paid, or other distributions made, by the Fund through the DRIP) exceeds (ii) the sum of (X) the net asset value of the Fund as of the end of such quarter, (Y) the aggregate repurchase price of all shares repurchased by the Fund during such quarter and (Z) the amount of dividends and other distributions paid in respect of the Fund during such quarter and not reinvested in additional shares through the DRIP. Shareholders will benefit from the Loss Recovery Account in proportion to their holdings of Shares.

#### Important disclosures

For purposes of the "net losses" calculation, the net asset value shall include unrealized appreciation or depreciation of investments and realized income and gains or losses and expenses (including offering and organizational expenses). Incentive Fees are accrued monthly and paid quarterly. For purposes of calculating Incentive Fees, such accruals are not deducted from net asset value.

**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.

**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 Partnership. 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.

Franklin Lexington Private Markets Fund (the "Fund") is a newly organized, non-diversified, closed-end management investment company with limited operating history. The Fund is not designed to be a complete investment program. An investment in the Fund involves a high degree of risk and should be considered speculative. You could lose some or all of your investment. Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, a forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account.

#### Important disclosures

This is not an offer to sell, or a solicitation of an offer to buy, securities. Investment in real estate and real estate derivatives entails significant risk and is suitable only for certain qualified investors as part of an overall diversified investment strategy and only for investors able to withstand a total loss of investment. References to indexes are hypothetical illustrations of aggregate returns and do not reflect the performance of any actual investment. Investors cannot invest in an index. Past performance is not indicative of future results and a risk of loss exists. Any investor's actual returns may vary significantly from any aggregate returns set forth in this presentation.

Forward looking statements rely on a number of economic and financial variables and are inherently speculative. Such statements are based on complex calculations and formulas that contain substantial subjectivity. There can be no assurance that market conditions will perform according to any forecast or that any fund or account will achieve its objectives. Investors are cautioned not to place undue reliance on any forward-looking statements. Lexington Partners does not assume any obligation to update any forward-looking statements as a result of new information.

Such statements are believed to be accurate as of the date provided but are not guaranteed and are subject to change without notice. This material does not constitute investment advice and should not be viewed as a current or past recommendation to buy or sell any securities or to adopt any investment strategy. Lexington Partners does not provide tax or legal advice. Tax-related statements are based on Lexington Partners' understanding of the tax laws. Investors must seek the advice of their independent legal and tax counsel before investing. Certain information contained in this material may have been obtained or derived from independent sources believed to be reliable. Lexington Partners cannot guarantee the accuracy or completeness of such information and has not reviewed the assumptions on which such information is based.

© 2025 Franklin Distributors, LLC. Member FINRA/SIPC. All rights reserved.

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.

Franklin Templeton Fund Adviser, LLC is the investment manager of the Fund. Lexington Advisors LLC and Franklin Advisers, Inc. are the investment sub-advisers. © Franklin Distributors, LLC. Member FINRA/SIPC.

Franklin Distributors, LLC, Franklin Templeton Fund Adviser, LLC, Lexington Advisors LLC, and Franklin Advisers, Inc. are Franklin Templeton companies.

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Prospective investors should not construe the contents of this information as legal, tax, investment, or other advice. Each prospective investor should make its own inquiries and consult its own advisers as to legal, tax, regulatory, financial, accounting, and related matters concerning an investment in the Fund.

Franklin Templeton does not provide recommendations or asset allocation advice.



flexpe.com