FRANKLIN TEMPLETON | LEXINGTON PARTNERS

Franklin Lexington Private Markets Fund

Discover the potential of private equity

June 30, 2026

Not FDIC Insured | No Bank Guarantee | May Lose Value

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.

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Executive summary

Franklin Lexington Private Markets Fund ("FLEX")

FLEX provides simplified access to a portfolio of private equity through secondaries, co-investments, and primaries[1], designed for investors seeking long-term growth opportunities.

Description	A fully-funded, perpetual vehicle that provides investors with monthly subscriptions and quarterly redemptions up to 5% of NAV
Investment Approach	FLEX primarily invests in secondaries, with additional exposure to co-investments and primaries, targeting high-quality assets across transaction type, sector, sponsor, and geography
Secondaries Opportunity	The growing inventory of primary capital committed coupled with a persistent liquidity shortfall in private equity is presenting a structural secondary opportunity, with record transaction volumes in 2025
Result	Lexington is one of the largest managers of secondary acquisition and co-investment funds with more than $85[2] billion in total capitalization and an investment manager of Franklin Templeton, a US$1.79T[3] AUM global asset manager

As of June 30, 2026.

1. Please refer to key terms in the appendix for descriptions.
2. Total Capitalization includes $2.1 billion of FLEX NAV and $2.2 billion of FLEX-I NAV as of 5/31/26.
3. Source: Franklin Templeton. Month-end assets under management as of June 30, 2026.

Franklin Templeton and Lexington Partners Platform

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.

$294B[1]
Alternatives AUM

44
Years of experience

23
Offices across
4 continents

$1.79T[1]
Total firm AUM

1,200+
Global private markets focused employees

500+
Global private markets investment professionals

Private Markets AUM

$99B[1]
Private Credit

$101B[1]
Private Equity

$82B[1]
Real Assets

1. Source: Franklin Templeton. Month-end assets under management as of June 30, 2026. 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.

Lexington Partners at-a-glance[1]

With approximately $85 billion in total capitalization, Lexington Partners is one of the world's largest managers of secondary acquisition and co-investment[2] funds.

750+
Secondary transactions

5,300+
Secondary interests

800+
Primary[3] commitments

600+
Co-investments

210+
Employees across 9 global offices

28
Partners averaging 19 years together at Lexington

94
Investment professionals averaging 10 years of PE experience

1. As of July 31, 2026. Years with Lexington includes tenure at Lexington's predecessors. FLEX and FLEX-I NAV is as of 5/31/26.
2. 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.
3. Investments are made directly in newly formed private equity funds to gain exposure to privately held companies.

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

Pioneer and innovator

A pioneer in development of institutional secondary market three decades ago; created one of the first discretionary co-investment programs over two decades ago.

Experienced team

Lexington's 28 partners are among the most experienced and highly-regarded in the secondary and co-investment markets today, averaging 19 years together at Lexington.

Informational advantage

Invested in over 3,000 private investment funds and more than 600 co-investments. Lexington has assembled a proprietary database of information on over 950 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 July 31, 2026.

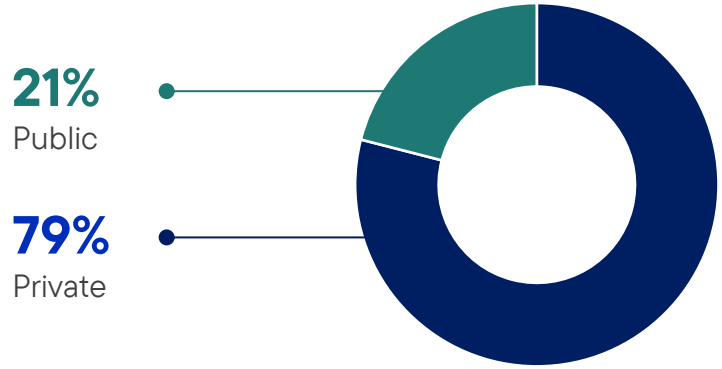
Why private equity and secondaries?

Value creation coming from private markets

Over the last two decades, companies are choosing to stay private for longer.

Companies are staying private for longer
Median age at IPO[1]

Broader opportunity set:
Public equity makes up a fraction of the total opportunity set

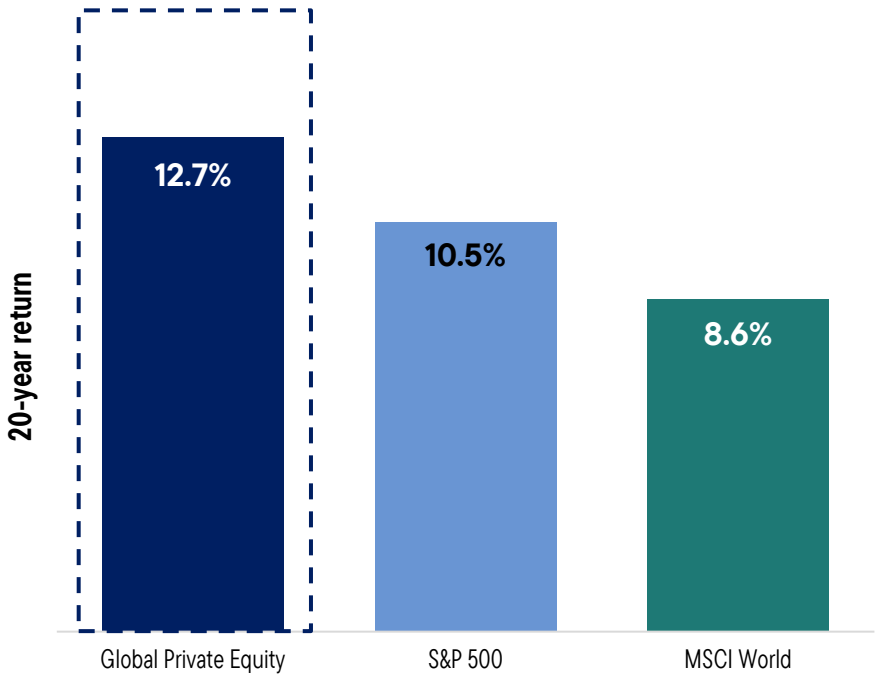


Number of global companies with revenue > $100m[2]

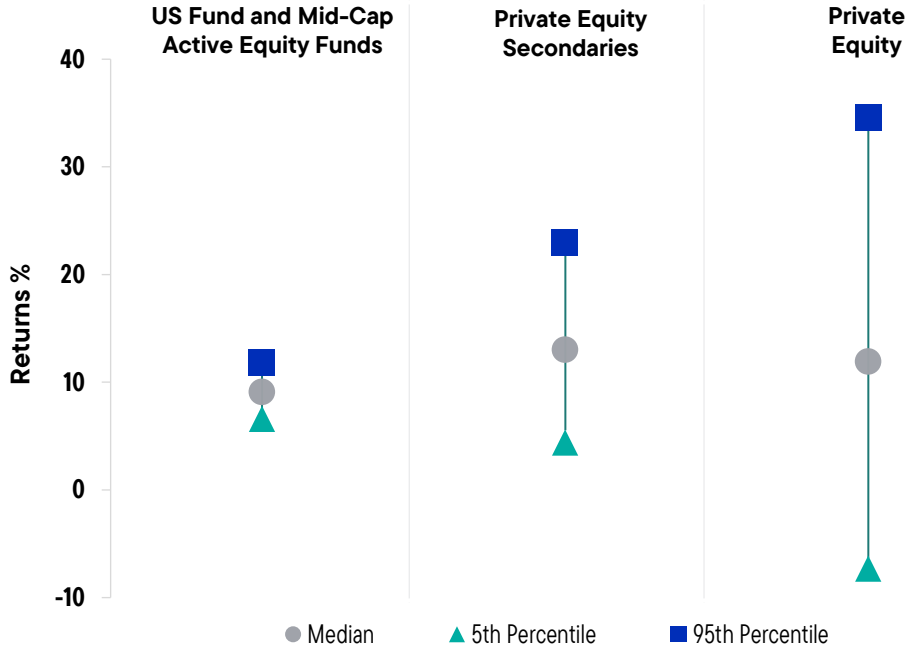
1. Source: University of Florida — Warrington College of Business - Jay Ritter IPO Data: Initial Public Offerings: Median Age of IPOs from 01/01/2000 to 12/31/2025. There can be no assurance that prior trends will continue in the future.
2. Source: Pitchbook. Represents the number of companies with annual revenues greater than US$100 million as of 03/26/2026.

Global private equity performance

Global Private Equity has historically demonstrated **consistent outperformance** over public markets over the past 20 years



Manager selection is critical in private markets. Compared to direct private equity, secondaries has historically provided **lower dispersion of returns**



Past performance does not predict future returns.
As of 03/31/2026.
Source: S&P Dow Jones Indices, MSCI Private Capital Solutions, Morningstar. Past performance is not indicative of future results, and there can be no assurances that historical trends will continue. Global private equity: MSCI Global Private Equity Closed-End Fund Index, S&P 500: S&P 500 Index, and MSCI World: MSCI World Index.

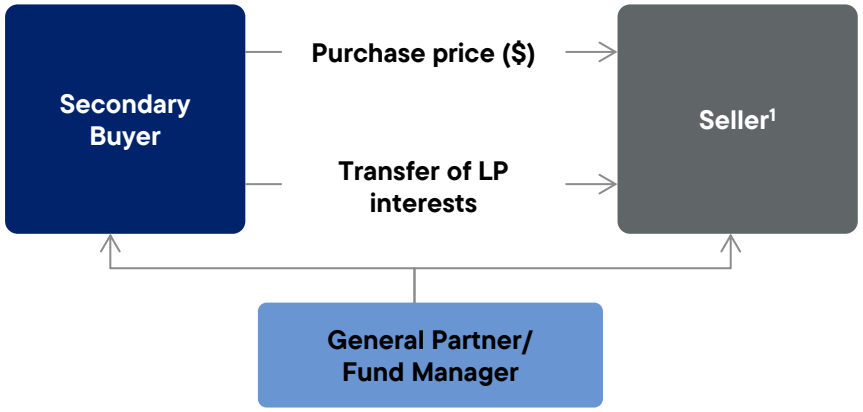
Key types of secondary transactions

What are Secondaries?

Secondary investments involve the acquisition of a private equity fund interest from one investor to another, with the buyer assuming the role of the limited partner (LP)

Limited Partner led (LP-led) transactions

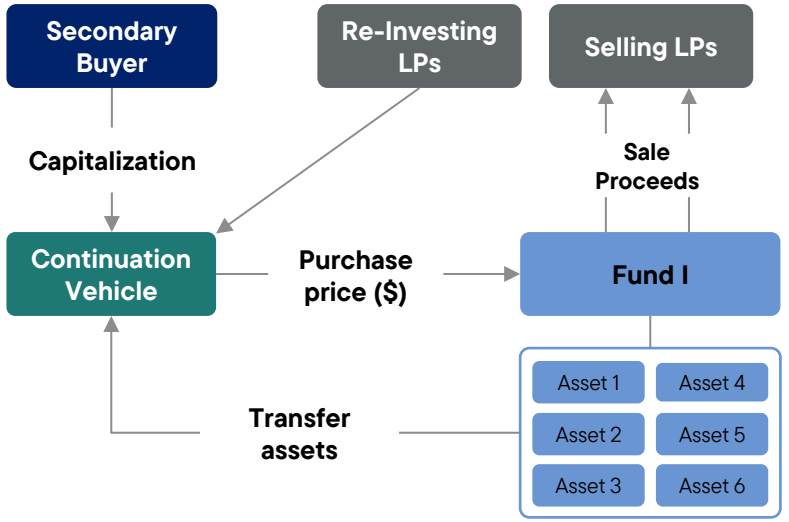
An original investor (the limited partner) sells its fund commitment to a secondary buyer, who assumes the LP's rights and obligations. Typically, this involves a portfolio of commitments.



Gives consent to the seller to allow the transfer to the buyer

General Partner led (GP-led) transactions

A GP sells one or more portfolio companies to a new fund, providing a liquidity option to existing LPs, and continues managing the assets through the new vehicle.



1. Seller includes insurance company, pension fund, endowment fund, etc.

Why do investors invest in secondary funds?

Private equity secondaries give investors the opportunity to gain private equity exposure

Potential benefits include:

1 Broad diversification[1]

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

2 Ability to buy known assets

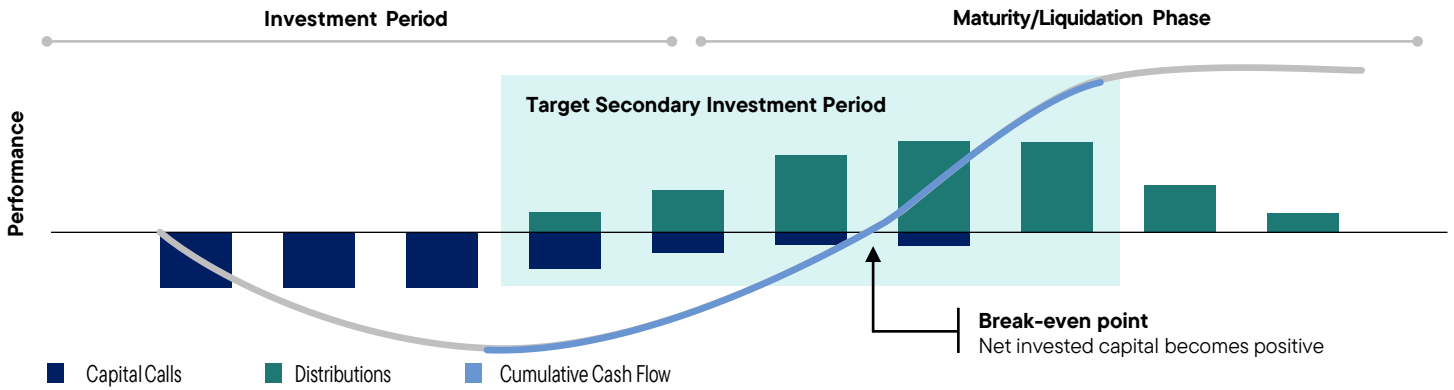
By purchasing interests in private investment funds when most or all of their capital has been invested, the blind pool risk associated with primary fund investing is reduced.

3 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.

4 Mitigation of primary J-curve[2]

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

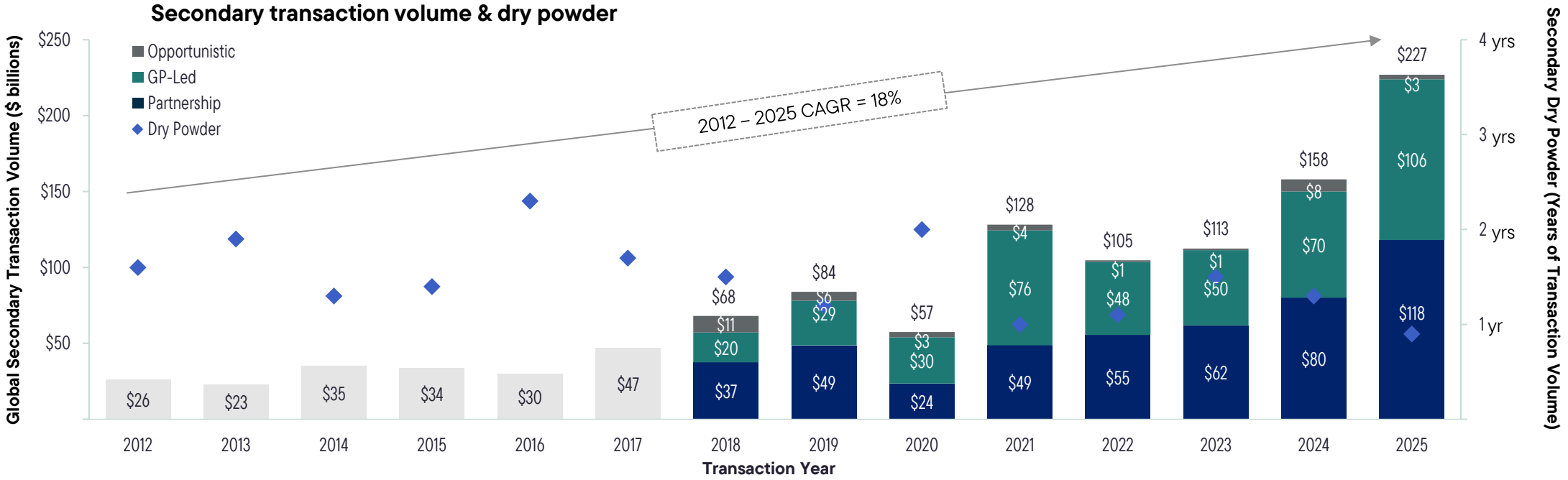


1. Diversification does not assure profit or protect against market loss.
2. Please refer to key terms in the appendix for descriptions.

Record transaction volumes in 2025

Secondary market evolution

- Regulatory-induced selling
- Institutional adoption and active portfolio management drives more $1BN+ LP portfolio sales
- Increased GP-Led adoption and rise of CVs
- Rise of mega LP portfolio sales



Sources: Lexington estimates (secondary transaction volume) as of March 2026, Preqin (dry powder), Jefferies Global Secondary Market Review as of January 2026. 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. All amounts shown are in USD.

Why Lexington Partners for private equity secondaries?

Lexington Partners: Substantial capital base

$85bn total capitalization

$4B Perpetually offered vehicles

Franklin Lexington Private Markets Fund ("FLEX")
Launch: December 2024

Franklin Lexington PE Secondaries Fund ("FLEX-I")[1]
Launch: March 2025

$61B Global Secondaries

Lexington Capital Partners I–X & Co-Managed Funds
(1990 - 2022)

$6B Middle Market Secondaries

Lexington Middle Market Investors I–IV & LEP
(2005 - 2017)

$14B Co-Investment Funds

Co-Investment Partners I–VI & Co-Investment Partners Europe
(1998 - 2024)

All amounts are in USD. Data as of July 31, 2026. Totals for each Lexington fund include other associated vehicles relating to such fund. Total commitments for Co-Investment Funds includes GP commitment. A Lexington affiliate, Lexington Advisors LLC, serves as a sub-advisor to FLEX, which is sponsored by Franklin Templeton. Franklin Advisers, Inc. manages the liquid sleeves of FLEX and of FLEX-I (where it serves as a sub-advisor). $85 billion total capitalization includes total FLEX and FLEX-I capital, including the liquidity sleeves. FLEX and FLEX-I NAV is as of 5/31/26. 1. FLEX-I is not available to US investors.

Dedicated and experienced team

Secondary & Co-Investment Investment Committee Members

Secondaries / CVs (74)

- **Wil Warren*** — Partner & President — 31 years
- **Pål Ristvedt** — Partner — 25 years
- **Victor Wu** — Partner — 25 years
- **Mark Andrew** — Partner — 19 years
- **Kirk Beaton** — Partner — 23 years
- **Jeffrey Bloom** — Partner, CVs — 16 years
- **Charles Bridgeland** — Partner — 16 years
- **Christophe Browne** — Partner, CVs — 2 years
- **Matt Hodan** — Partner — 15 years
- **Tim Huang** — Partner — 15 years
- **Jennifer Kheng** — Partner — 23 years
- **John Lee** — Partner — 12 years
- **Tom Newby** — Partner — 19 years
- **Clark Peterson*** — Partner — 17 years
- **Taylor Robinson*** — Partner — 18 years
- **John Rudge** — Partner — 25 years
- **Cullen Schannep** — Partner — 17 years
- **Peter Grape*** — Partner — 13 years
- **Simon Oak** — Partner — 17 years
- **Michael Skelly** — Partner — 16 years
- **Robert Burgren** — Managing Director — 12 years
- **Guillaume Caulier** — Managing Director — 16 years
- **Emma Inger** — Managing Director — 12 years
- **Jacob Rawel** — Managing Director — 13 years
- **Vanessa Rocchi** — Managing Director — 12 years
- **Renato Weiss** — Managing Director — 10 years
- **Sarah Cherian** — Director — 11 years
- **Thomas Dunn** — Director — 8 years
- **Thomas Heck** — Director — 8 years
- **Kevin Godin** — Director — 7 years
- **John Kim** — Director — 3 years
- **Wayne Lin** — Director — 8 years
- **Alexander Ogura** — Director — 8 years
- **Niklas Risberg** — Director — 10 years
- **Yunyan Sang** — Director — 11 years
- **Haroon Saqib** — Director — 6 years
- **Gus Thompson** — Director, CVs — 2 year

Co-Investment (20)

- **David Outcalt** — Partner — 33 years
- **Bart Osman** — Partner — 28 years
- **John Loverro** — Partner — 21 years
- **James Pitt** — Partner — 20 years
- **Craig Stevenson** — Partner — 18 years
- **Lutz Fuhrmann** — Partner — 14 years
- **Omar Jabri*** — Managing Director — 15 years
- **Philip Smelt** — Managing Director — 15 years
- **Sofia Mason** — Director — 10 years
- **Josh Oberman** — Director — 8 years
- **Eugene Wang** — Director — 8 years

*Indicates FLEX and FLEX-I Portfolio Managers

Global platform supported by

- **27** Investor relations professionals
- **14** Legal & Compliance professionals
- **50** Operations & IT professionals
- **3** Senior advisors
- **19** Average years tenure of Firm Partners
- **10** Average years tenure of MDs & Directors

As of July 2026. Reflects investment professionals director and above. Years with Lexington includes tenure at Lexington's predecessor. "CVs" denotes dedicated members of Lexington's continuation vehicle strategy. The Fund's portfolio managers have primary responsibility for management of the private assets of the Fund. The members of Lexington's Secondary and Co-Investment Investment Committees (which review and approve investments on behalf of Lexington's privately-offered funds and managed accounts) are also highlighted above because, in many instances, the Fund has invested, and is expected in the future to invest, in investment opportunities in which one or more Lexington private funds and/or managed accounts also participate. As described in the Fund's prospectus, when Lexington is presented with investment opportunities that fall within the investment objectives or strategy of the Fund and other Lexington investment funds and/or managed accounts, Lexington allocates such opportunities among the Fund and such other Lexington funds and/or managed accounts on a basis that Lexington reasonably determines in good faith to be fair and reasonable taking into account certain factors in accordance with its allocation policy. To be read in conjunction with the endnotes.

Relationships with High-Quality Managers Worldwide

Global Secondaries

~$13 billion of exposure

Middle Market Secondaries

~$2 billion of exposure

Co-Investment Funds

$3+ billion of exposure

Continuation Vehicle Funds

~$4 billion of exposure

Global Secondary Funds, Middle Market Secondary Funds, and Single Asset CV Transactions based on the underlying interests' Reported Value plus unfunded commitments as of 12/31/25 for LCP V-X and LMMI I-V, respectively. Transactions that are not fully closed remain subject to interim activity and pending allocations through date of closing. There can be no assurances that a pending or committed deal will be consummated at all, or in the manner currently expected. Twenty largest sponsor exposures excludes fund of funds ("FoF") sponsors and the underlying sponsors thereof. Co-investment program based on committed capital as of 12/31/25 for CIP III-V. Sponsor exposures are provided for informational purposes only, and there can be no assurance of the opportunities or types of opportunities available through any Lexington fund. To be read in conjunction with the endnotes.

The opportunity: Franklin Lexington Private Markets Fund

Franklin Lexington Private Markets Fund ("FLEX")

Market Opportunity – With record transaction volumes (over $227 billion in 2025), an expanding seller base, and a growing opportunity set, we believe the secondary market has entered a new era of growth[1]

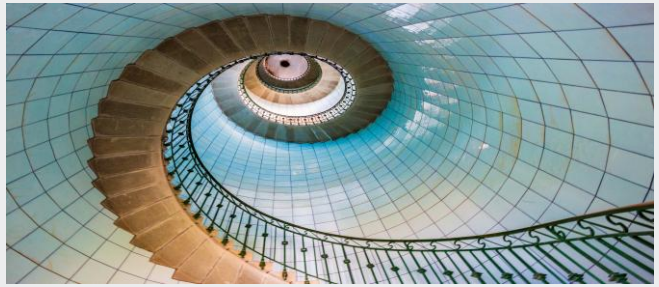
Holistic

FLEX provides exposure to a broad portfolio of high-quality private equity assets backed by leading sponsors, targeting secondaries (~80%) with the remainder in co-investments (~10-20%) and primaries (~5%).

Consistent

Over the past 36 years, Lexington's secondary team has invested across market cycles, leveraging a breadth of information and global sourcing networks.

Focused



Historically, Lexington has not used deal-level leverage and returns have been driven primarily by asset appreciation, not purchase discount alone.

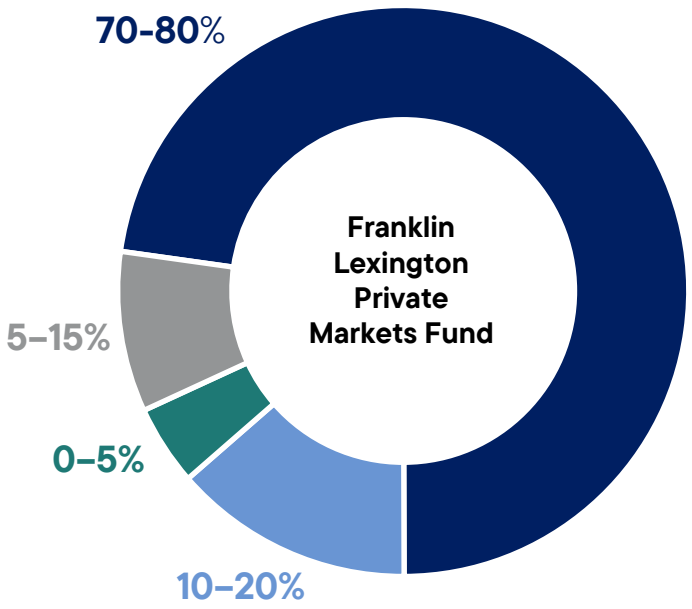
As of July 31, 2026, unless otherwise noted.

1. Source: Lexington estimates as of July 2026.

Franklin Lexington PE Secondaries Fund portfolio

A portfolio of private equity and other private assets seeking long-term capital appreciation

Expected asset allocation[1]



Secondaries

- Seek to acquire seasoned investments at a discount with diversified exposure across geographies, strategies and 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-Investments

- Seek to co-invest alongside high-quality sponsors and potentially enhance returns through long-term value creation

Primaries

- Seek to make primary commitments and potentially enhance returns through long-term value creation

Liquid Assets

- Provide liquidity to be used for potential redemptions and facilitate capital deployment
- Seek efficient management to minimize cash drag
- Managed by Franklin Advisers, Inc.
- Includes cash and cash equivalents, liquid fixed-income 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

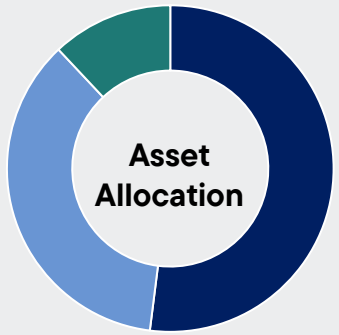
No assurances can be provided as to the liquidity of fund interests to potential investors.

1. Under normal market circumstances, FLEX intends to invest at least 80% of its assets in Private Assets and hold up to 20% of its assets in Liquid Assets.

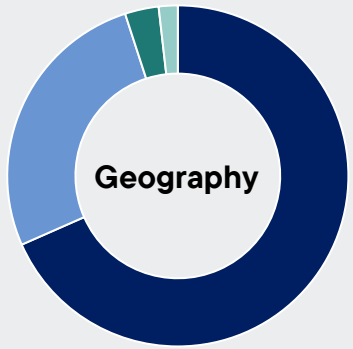
Current portfolio

Franklin Lexington Private Markets Fund

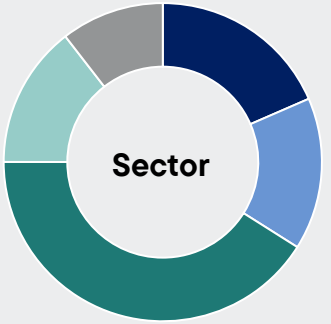
As of 06/30/2026 (% of Lexington Private Assets)



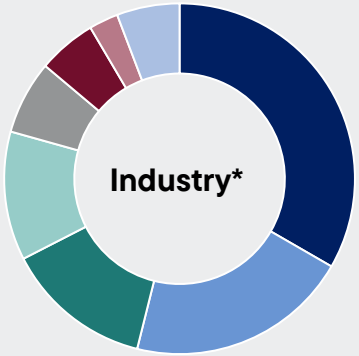
Partnership	52%
GP-Led	36%
Co-Investment	12%



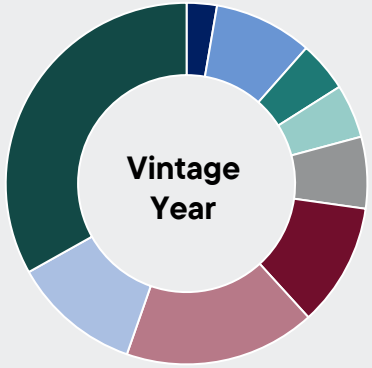
North America	68%
UK/Europe	27%
Asia-Pacific	3%
Latin America	2%



Mega Buyout	19%
Large Buyout	16%
Middle/Small Market Buyout	41%
Venture Capital	14%
Growth Capital	10%



Information Technology	33%
Industrials	21%
Health Care	14%
Financials	12%
Consumer Discretionary	7%
Consumer Staples	5%
Materials	3%
Other[2]	5%



2026	3%
2025	9%
2024	5%
2023	5%
2022	6%
2021	11%
2020	17%
2019	11%
Other[1]	33%

1. Other represents investments in vintages prior to 2019.

2. Other represents Communication Services (2%), Utilities (2%), Real Estate (1%), and Energy (<1%).

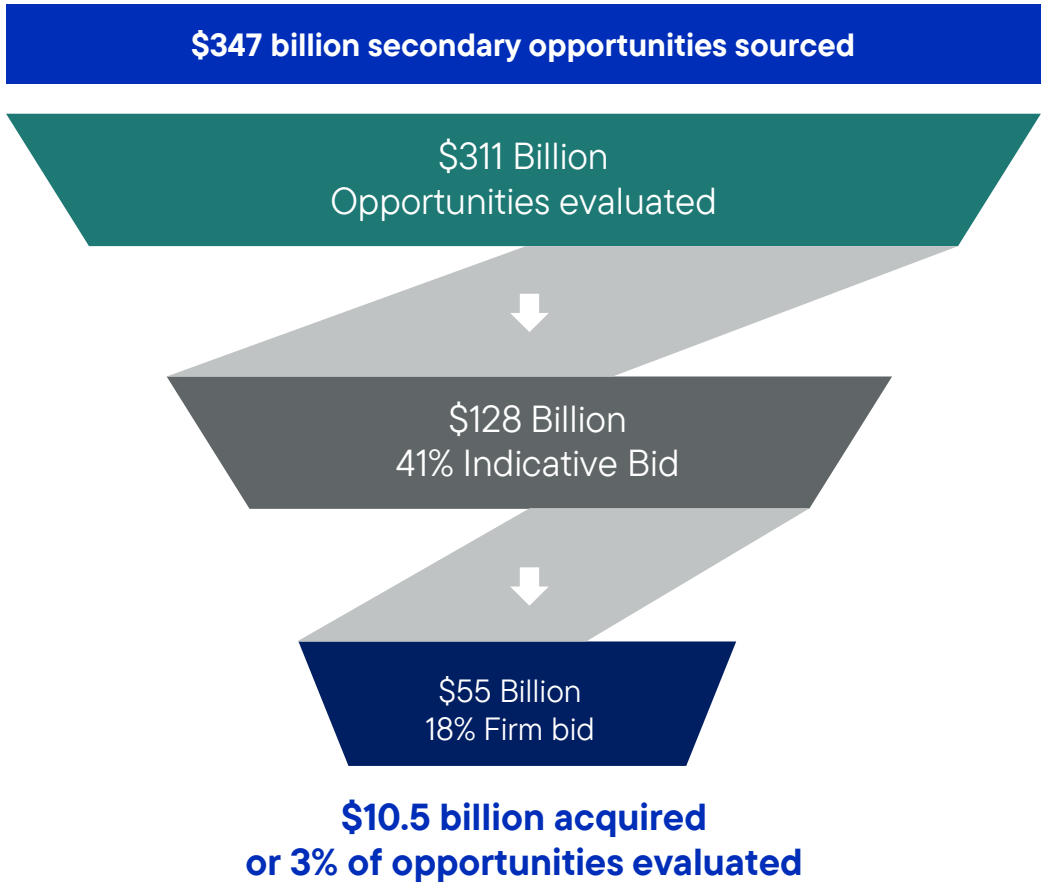
* Industry exposure represents the Fund's pro-rata share of the fair market value of each underlying portfolio company within each of the Fund's investments. Investments held via Fund-of-Fund interests have been excluded due to a lack of visibility into the ultimate underlying portfolio. This information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

Broad, flexible investment process allows the team to be highly selective

Lexington competitive advantages

- Scale of capital
- Reliable counterparty
- Complex deal experience
- Venture / Growth capabilities
- Sponsor relationships
- Global platform
- Tenured team
- Information access

2025 transaction selection



$10.5 billion acquired or 3% of opportunities evaluated

2025 Transaction Selection data is as of 03/31/2026 and based on market value plus unfunded commitments at acquisition. 2025 Lexington Acquired figure includes transactions in Lexington's drawdown funds that were IC approved as of 12/31/25. Includes discretionary co-invest accounts and syndications to co-investors. Includes FLEX and FLEX-I transactions closed as of 12/31/25 based on NAV plus unfunded commitments, not including co-investment deals. To be read in conjunction with the endnotes. There can be no assurances regarding the future investment opportunities available to any Lexington funds.

FLEX sponsor exposures

The top 10 and 25 GPs below represent 35% and 61%, respectively, of the current exposure in FLEX

Top 10 Sponsors

Advent
BainCapital
Berkshire Partners
Hg
Venture Capital Sponsor[1]
L Catterton
Pollen Street
TJC
inflexion
Vista

Remaining Top 15 Sponsors

AEA
APSE Capital
Castle Creek Capital
Freeman Spogli
General Atlantic
Hildred
Lake Star
Main Capital Partners
NMC New Mountain Capital
Quantum Capital Group
Rivean Capital
Venture Capital Sponsor[1]
TPG
Vitruvian Partners
VIG Partners

1. Sponsor name withheld due to confidentiality considerations. Based on current NAV plus unfunded of FLEX private assets as of 6/30/26. The 25 largest GP exposures excludes fund of funds ("FoF") sponsors and the underlying sponsors thereof. There is no guarantee that frequency / volume of any GP will continue in the same manner. GPs are provided for illustrative purposes only and are not representative of all of FLEX's GP relationships.

Historical performance

Fund Performance Summary (%)

Total Return (% as of June 30, 2026)

	NAV	1-Mth	3-Mth	6-Mth	1-Yr	Annualized Since Inception[1]
Class I	$32.53	0.37	2.81	5.31	14.96	19.03
Class D	$32.45	0.37	2.79	5.29	14.76	18.84
Class S	$32.13	0.34	2.65	4.97	14.07	18.07
Class M	$32.32	0.34	2.70	5.11	14.46	18.53

The Fund has limited operating history. 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.

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	• High: $500,000 - $5,000,000 • Qualified purchasers	• Low: $25,000 • Qualified clients
J-Curve & Capital Calls	• Negative returns in early years • Receive capital calls	• Reduced J-curve • No capital calls
Liquidity and offerings	• None: Long lock up terms with possible extensions • Limited offerings every three to five years	• Quarterly liquidity[1] • Monthly subscriptions
Tax Reporting	• Complex K-1 reporting	• Simplified 1099 reporting

1. 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.

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

Secondary market opportunity

Growing inventory and increasing turnover drive secondary growth

$3.4 vs. $6.1 trillion
Primary capital committed in 2012-2018 vs. 2019-2025

X

8.1% vs. 14.3%
$ Weighted average turnover in 2018 vs. 2025

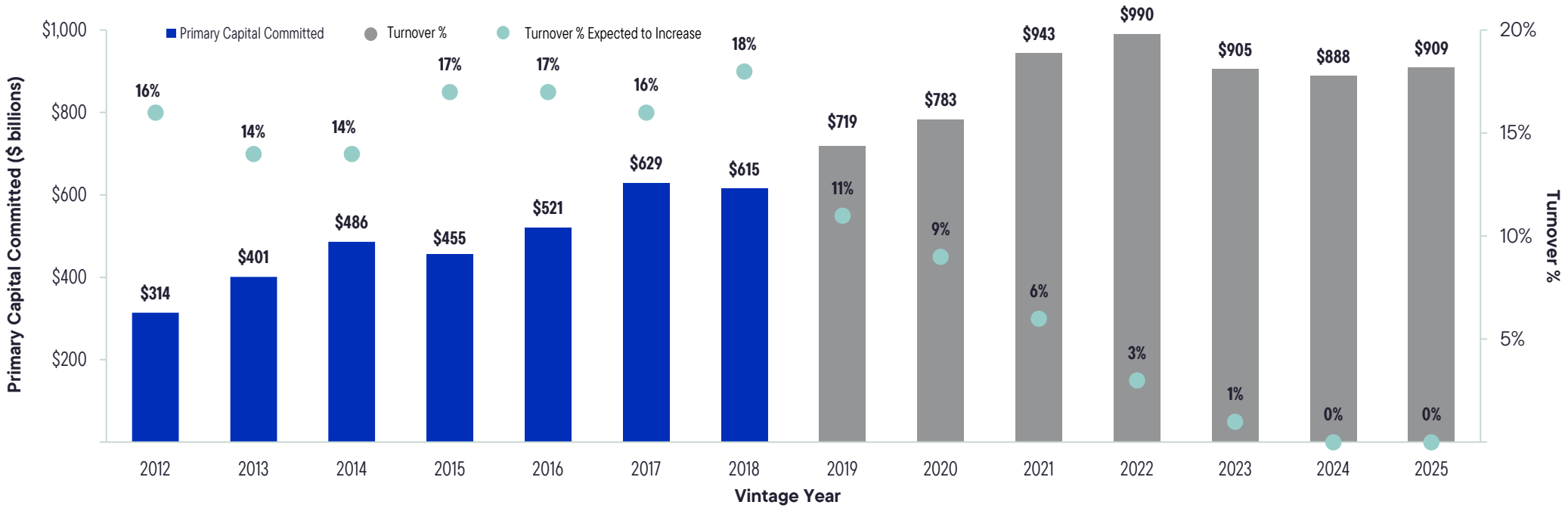
=

$275 vs. $880 billion
Secondary market opportunity in 2018 vs. 2025

79%
Increase in capital committed

77%
Increase in $ weighted average turnover

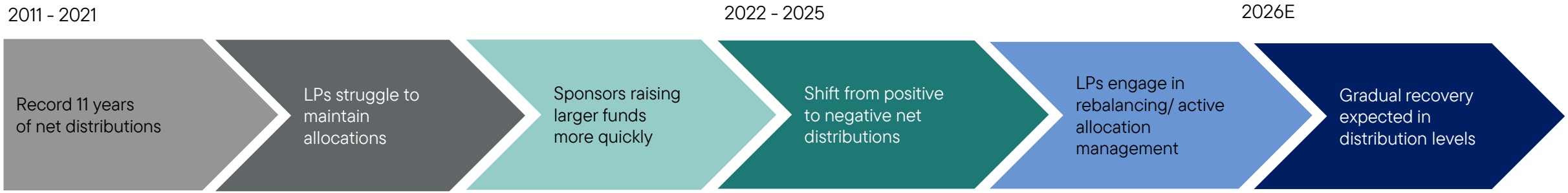
220%
Increase in secondary market opportunity



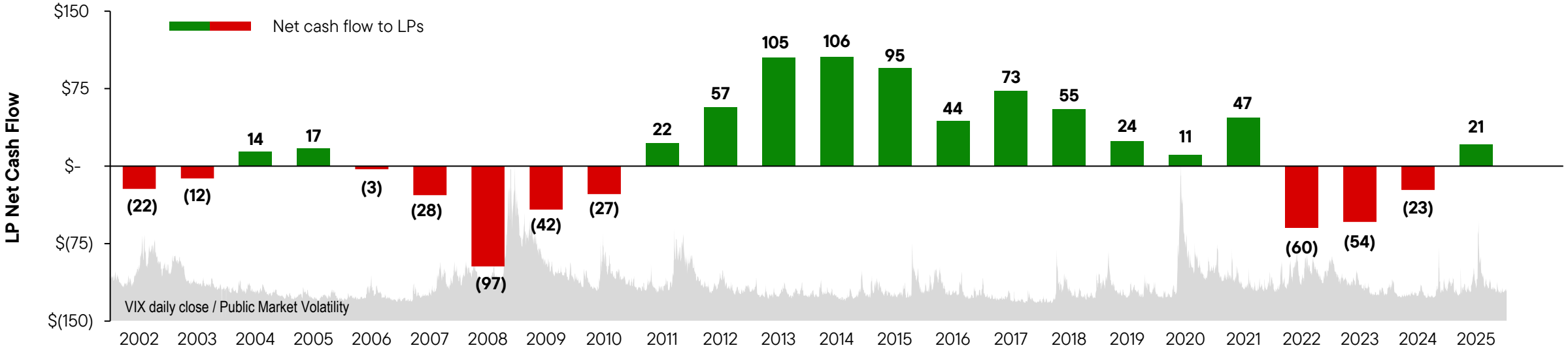
Sources: Preqin, Dow Jones Private Equity Analyst/LP Source, Invest Europe, AVCJ, LAVCA, and Lexington estimates as of 03/31/2026. Turnover percentages are based on Lexington estimates as of 03/31/2026. There can be no assurances that historical trends will continue. To be read in conjunction with the endnotes.

Private equity portfolio rebalancing

Elevated secondary transaction volume backdrop



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



Source: Cambridge Associates Benchmark Calculator, Preqin, Capital IQ. 2025 is as of March 2026. "Net Cash Flow to LPs" is defined as distributions less contributions. There can be no assurance that historical trends will continue. To be read in conjunction with the endnotes.

Secondary market observations

THEMES	Secondary volume/ capital imbalance	Market conditions and economic outlook	Secondary market discounts
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[1]	• Following the transition to a new U.S. administration, expectations rose for a more constructive backdrop for private equity–related M&A activity. While dealmaking improved modestly from 2024 levels, persistent volatility and constrained exit markets limited a broader recovery in primary transactions. • Against this backdrop, secondary market activity accelerated, as investors and sponsors increasingly turned to the secondary market as a practical and established mechanism to generate liquidity, manage portfolios, and reallocate capital. This dynamic underscores the growing maturity of the secondary market and its role as an essential component of today's private market ecosystem.	• 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

1. Lexington Partners. The views expressed are those of Lexington and are subject to change. There can be no assurance that historical trends will continue.

Case studies

Partnership deals

Project Duck – Partnership Deal

Transaction Summary

Seller	Middle Eastern Endowment
# of Interests / Sponsors	19+ / 10
# of Companies	280+
Closing Date	June 2026
Deal Size (FLEX)	$15M

Key Deal Highlights

Lexington Angle	✓ Served as the anchor buyout and venture buyer in a mosaic solution
Strong GP Coverage, High Asset Quality	✓ High-quality sponsors and underlying interests that Lexington knows well
Asset Selection	✓ Ability to select an attractive, diversified subset of assets including interests scarcely traded on the secondary market
Diversified Portfolio	✓ Attractive diversified North American, Europe, and Asia/RoW exposure

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

Project Duck represents 1% and Project Cavalier represents 2% of the holdings of the entire portfolio (100%), calculated as NAV plus unfunded at closing as a percentage of 6/30/26 NAV of $2.1B

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 and co-investment deals

Project Rapid – GP-led Deal

Transaction Summary

Sponsor	New Mountain Capital
Company Name	Real Chemistry
Closing Date	April 2025
Deal Size (FLEX)	$23M

Company Overview

Sector	Healthcare Technology
Geography	North America

Investment Highlights

Investment Thesis	✓ Investing in single-asset continuation vehicle of Real Chemistry
Quality Asset	✓ Provides marketing, advertising, analytics, medical research and data services to biopharma and healthcare clients to support the commercialization of pharmaceutical products post-FDA approval
Quality GP	✓ New Mountain Capital is a high-quality, mid-market buyout GP
Alignment	✓ Strong alignment in transaction
Lexington Angle	✓ Strong diligence access and existing asset familiarity ✓ Longstanding relationship with GP

Cogentrix Energy – Co-Investment

Transaction Summary

Sponsor	Quantum Energy Partners
Company Name	Cogentrix Energy
Closing Date	January 2025
Deal Size (FLEX)	$20M

Company Overview

Sector	Energy
Geography	North America

Investment Highlights

Investment Thesis	✓ Cogentrix manages high quality and efficient natural gas power plants that drive material cash flow generation
Market Trends	✓ Growing demand for electricity underpinned by expectations of onshoring, protectionism, electrification and AI trends
Sponsor Approach	✓ Quantum team has considerable industry experience in energy ✓ Severe lack of private capital available to back projects of this nature
Attractive Entry Valuation	✓ Entry point is meaningfully below the last five year average EBITDA multiple of public trading comparables

Project Rapid represents 1% and Cogentrix Energy represents 1% of the holdings of the entire portfolio (100%), calculated as NAV plus unfunded at closing as a percentage of 6/30/26 NAV of $2.1B.

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.

"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 dividend reinvestment plan "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.
The Fund is a 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.

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