



FRANKLIN TEMPLETON

One Franklin Parkway
San Mateo, CA 94403-1906
tel (650) 312-2000
investors.franklinresources.com

Contact: Franklin Resources, Inc.
Investor Relations: Brian Sevilla (650) 312-4091
Media Relations: Matt Walsh (650) 312-2245
investors.franklinresources.com

FOR IMMEDIATE RELEASE

Franklin Resources, Inc. Announces First Quarter Results

San Mateo, CA, January 30, 2019 – Franklin Resources, Inc. (the “Company”) [NYSE: BEN] today announced net income¹ of \$275.9 million or \$0.54 per diluted share for the quarter ended December 31, 2018, as compared to \$502.5 million or \$0.96 per diluted share for the previous quarter, which included an \$89.6 million or \$0.17 per diluted share reduction of the estimated income tax charge² resulting from enactment of the Tax Cuts and Jobs Act of 2017 (the “Tax Act”). The mark-to-market of the Company’s investment portfolio led to nonoperating losses that contributed to the decline in net income for the quarter ended December 31, 2018. The Company had a net loss¹ of \$583.3 million or \$1.06 per diluted share for the quarter ended December 31, 2017, which included an estimated income tax charge² of \$1.1 billion or \$1.94 per diluted share resulting from the Tax Act. Operating income was \$411.5 million for the quarter ended December 31, 2018, as compared to \$478.7 million for the previous quarter and \$581.1 million in the prior year.

“Volatility dominated global markets in the first fiscal quarter,” said Greg Johnson, Chairman and CEO of Franklin Resources, Inc. “However, we believe periods of volatility are when active, professional investment management matters most. Despite the numerous ups and downs of the market, we’re seeing examples of strengthening investment performance.

“Over the past several years, we have made significant investments to drive company growth in the areas of investment management, distribution, multi-asset solutions, technology and new products. Additionally, the acquisition of Benefit Street Partners provides us with new investment capabilities in private credit that complement our existing alternatives and fixed income platforms, and positions us well in a growing market. While we will continue to invest strategically in areas that are vital to our ongoing success and future growth, additional work is now being done to offset those expenses.”

The Company also announced that the acquisition of Benefit Street Partners L.L.C. (“BSP”), a leading alternative credit manager, is expected to close on February 1, 2019. Following the close, Tom Gahan will be appointed Head of Alternatives for Franklin Templeton, in addition to maintaining his role as CEO and CIO of BSP.

| | Quarter Ended | | % Change | Quarter Ended | % Change |
|---|---------------|------------|---------------|---------------|---------------|
| | 31-Dec-18 | 30-Sep-18 | Qtr. vs. Qtr. | 31-Dec-17 | Year vs. Year |
| Financial Results | | | | | |
| <i>(in millions, except per share data)</i> | | | | | |
| Operating revenues | \$ 1,411.5 | \$ 1,527.2 | (8%) | \$ 1,615.5 | (13%) |
| Operating income | 411.5 | 478.7 | (14%) | 581.1 | (29%) |
| Operating margin | 29.2% | 31.3% | | 36.0% | |
| Net income (loss) ¹ | \$ 275.9 | \$ 502.5 | (45%) | \$ (583.3) | NM |
| Diluted earnings (loss) per share | 0.54 | 0.96 | (44%) | (1.06) | NM |
| Assets Under Management | | | | | |
| <i>(in billions)</i> | | | | | |
| Ending | \$ 649.9 | \$ 717.1 | (9%) | \$ 753.8 | (14%) |
| Average ³ | 683.2 | 724.3 | (6%) | 752.7 | (9%) |
| Net flows | (7.3) | (13.6) | | (2.3) | |

Total assets under management (“AUM”) were \$649.9 billion at December 31, 2018, down \$67.2 billion or 9% during the quarter due to \$59.9 billion of net market change, distributions and other, and \$7.3 billion of net outflows.

Cash and cash equivalents and investments were \$7.8 billion at December 31, 2018, as compared to \$8.0 billion at September 30, 2018. Total stockholders’ equity was \$10.1 billion at December 31, 2018, as compared to \$10.2 billion at September 30, 2018. The Company had 511.5 million shares of common stock outstanding at December 31, 2018, as compared to 519.1 million shares outstanding at September 30, 2018. During the quarter ended December 31, 2018, the Company repurchased 10.7 million shares of its common stock for a total cost of \$326.9 million.

Conference Call Information

A commentary on the results by Chairman and CEO Greg Johnson and CFO and Executive Vice President Ken Lewis will be available today at approximately 8:30 a.m. Eastern Time. Access to the commentary will be available via investors.franklinresources.com.

Johnson and Lewis will also lead a live teleconference today at 11:00 a.m. Eastern Time to answer questions of a material nature. Access to the teleconference will be available via investors.franklinresources.com or by dialing (877) 407-8293 in the U.S. and Canada or (201) 689-8349 internationally. A replay of the teleconference can also be accessed by calling (877) 660-6853 in the U.S. and Canada or (201) 612-7415 internationally using access code 13686183, after 2:00 p.m. Eastern Time on January 30, 2019 through February 28, 2019.

Analysts and investors are encouraged to review the Company’s recent filings with the U.S. Securities and Exchange Commission and to contact Investor Relations at (650) 312-4091 before the live teleconference for any clarifications or questions related to the earnings release or commentary.

FRANKLIN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF INCOME
Unaudited

| | Three Months Ended December 31, | | % |
|---|------------------------------------|-------------------|-----------|
| | 2018 | 2017 | |
| <i>(in millions, except per share data and AUM)</i> | | | |
| Operating Revenues | | | |
| Investment management fees | \$ 971.8 | \$ 1,113.6 | (13%) |
| Sales and distribution fees | 354.8 | 417.8 | (15%) |
| Shareholder servicing fees | 55.1 | 54.9 | 0% |
| Other | 29.8 | 29.2 | 2% |
| Total operating revenues | 1,411.5 | 1,615.5 | (13%) |
| Operating Expenses | | | |
| Sales, distribution and marketing | 444.5 | 528.7 | (16%) |
| Compensation and benefits | 355.0 | 332.5 | 7% |
| Information systems and technology | 60.9 | 55.0 | 11% |
| Occupancy | 31.2 | 29.4 | 6% |
| General, administrative and other | 108.4 | 88.8 | 22% |
| Total operating expenses | 1,000.0 | 1,034.4 | (3%) |
| Operating Income | 411.5 | 581.1 | (29%) |
| Other Income (Expenses) | | | |
| Investment and other income (losses), net | (59.1) | 81.3 | NM |
| Interest expense | (6.4) | (10.8) | (41%) |
| Other income (expenses), net | (65.5) | 70.5 | NM |
| Income before taxes | 346.0 | 651.6 | (47%) |
| Taxes on income ² | 86.0 | 1,223.5 | (93%) |
| Net income (loss) | 260.0 | (571.9) | NM |
| Less: net income (loss) attributable to | | | |
| Nonredeemable noncontrolling interests | (0.5) | (0.1) | 400% |
| Redeemable noncontrolling interests | (15.4) | 11.5 | NM |
| Net Income (Loss) Attributable to Franklin Resources, Inc. | \$ 275.9 | \$ (583.3) | NM |
| Earnings (Loss) per Share | | | |
| Basic | \$ 0.54 | \$ (1.06) | NM |
| Diluted | 0.54 | (1.06) | NM |
| Dividends Declared per Share | \$ 0.26 | \$ 0.23 | 13% |
| Average Shares Outstanding | | | |
| Basic | 510.3 | 550.7 | (7%) |
| Diluted | 510.8 | 550.7 | (7%) |
| Operating Margin | 29.2% | 36.0% | |
| AUM (in billions) | | | |
| Ending | \$ 649.9 | \$ 753.8 | (14%) |
| Average | 683.2 | 752.7 | (9%) |
| Net flows | (7.3) | (2.3) | |

FRANKLIN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF INCOME

Unaudited

| <i>(in millions, except per share data and employees)</i> | Three Months Ended | | % Change | Three Months Ended | | |
|---|--------------------|-----------------|--------------|--------------------|-----------------|-------------------|
| | 31-Dec-18 | 30-Sep-18 | | 30-Jun-18 | 31-Mar-18 | 31-Dec-17 |
| Operating Revenues | | | | | | |
| Investment management fees | \$ 971.8 | \$ 1,058.9 | (8%) | \$ 1,077.9 | \$ 1,117.1 | \$ 1,113.6 |
| Sales and distribution fees | 354.8 | 380.8 | (7%) | 391.4 | 409.8 | 417.8 |
| Shareholder servicing fees | 55.1 | 51.8 | 6% | 53.9 | 61.3 | 54.9 |
| Other | 29.8 | 35.7 | (17%) | 35.4 | 29.6 | 29.2 |
| Total operating revenues | 1,411.5 | 1,527.2 | (8%) | 1,558.6 | 1,617.8 | 1,615.5 |
| Operating Expenses | | | | | | |
| Sales, distribution and marketing | 444.5 | 489.7 | (9%) | 499.8 | 521.5 | 528.7 |
| Compensation and benefits | 355.0 | 345.1 | 3% | 357.5 | 355.5 | 332.5 |
| Information systems and technology | 60.9 | 68.3 | (11%) | 62.5 | 58.1 | 55.0 |
| Occupancy | 31.2 | 34.6 | (10%) | 30.5 | 34.1 | 29.4 |
| General, administrative and other | 108.4 | 110.8 | (2%) | 105.2 | 92.9 | 88.8 |
| Total operating expenses | 1,000.0 | 1,048.5 | (5%) | 1,055.5 | 1,062.1 | 1,034.4 |
| Operating Income | 411.5 | 478.7 | (14%) | 503.1 | 555.7 | 581.1 |
| Other Income (Expenses) | | | | | | |
| Investment and other income (losses), net | (59.1) | 10.4 | NM | (33.8) | 87.4 | 81.3 |
| Interest expense | (6.4) | (5.8) | 10% | (22.1) | (10.0) | (10.8) |
| Other income (expenses), net | (65.5) | 4.6 | NM | (55.9) | 77.4 | 70.5 |
| Income before taxes | 346.0 | 483.3 | (28%) | 447.2 | 633.1 | 651.6 |
| Taxes on income ² | 86.0 | 7.0 | NM | 91.8 | 150.2 | 1,223.5 |
| Net income (loss) | 260.0 | 476.3 | (45%) | 355.4 | 482.9 | (571.9) |
| Less: net income (loss) attributable to | | | | | | |
| Nonredeemable noncontrolling interests | (0.5) | (31.7) | (98%) | (1.6) | 24.5 | (0.1) |
| Redeemable noncontrolling interests | (15.4) | 5.5 | NM | (45.0) | 15.2 | 11.5 |
| Net Income (Loss) Attributable to Franklin Resources, Inc. | \$ 275.9 | \$ 502.5 | (45%) | \$ 402.0 | \$ 443.2 | \$ (583.3) |
| Earnings (Loss) per Share | | | | | | |
| Basic | \$ 0.54 | \$ 0.96 | (44%) | \$ 0.75 | \$ 0.79 | \$ (1.06) |
| Diluted | 0.54 | 0.96 | (44%) | 0.75 | 0.78 | (1.06) |
| Dividends Declared per Share | \$ 0.26 | \$ 0.23 | 13% | \$ 0.23 | \$ 3.23 | \$ 0.23 |
| Average Shares Outstanding | | | | | | |
| Basic | 510.3 | 520.9 | (2%) | 533.0 | 545.0 | 550.7 |
| Diluted | 510.8 | 521.5 | (2%) | 533.5 | 545.5 | 550.7 |
| Operating Margin | 29.2% | 31.3% | | 32.3% | 34.3% | 36.0% |
| Employees | 9,717 | 9,691 | 0% | 9,784 | 9,448 | 9,462 |

AUM AND FLOWS

| <i>(in billions)</i> | Three Months Ended December 31, | | % Change |
|---|------------------------------------|-----------------|--------------|
| | 2018 | 2017 | |
| Beginning AUM | \$ 717.1 | \$ 753.2 | (5%) |
| Long-term sales | 21.7 | 28.1 | (23%) |
| Long-term redemptions | (42.4) | (39.4) | 8% |
| Long-term net exchanges | (0.5) | (0.1) | 400% |
| Long-term reinvested distributions | 13.9 | 9.1 | 53% |
| Net flows | (7.3) | (2.3) | 217% |
| Net market change, distributions and other ⁴ | (59.9) | 2.9 | NM |
| Ending AUM | \$ 649.9 | \$ 753.8 | (14%) |

AUM BY INVESTMENT OBJECTIVE

| <i>(in billions)</i> | 31-Dec-18 | 30-Sep-18 | % Change | 30-Jun-18 | 31-Mar-18 | 31-Dec-17 |
|---|-----------------|-----------------|-------------|-----------------|-----------------|-----------------|
| Equity | | | | | | |
| Global/international | \$ 166.0 | \$ 194.4 | (15%) | \$ 201.0 | \$ 202.7 | \$ 212.0 |
| United States | 97.1 | 115.2 | (16%) | 109.6 | 106.6 | 109.4 |
| Total equity | 263.1 | 309.6 | (15%) | 310.6 | 309.3 | 321.4 |
| Multi-Asset/Balanced | 124.8 | 138.9 | (10%) | 137.7 | 137.6 | 142.7 |
| Fixed Income | | | | | | |
| Tax-free | 62.0 | 63.9 | (3%) | 65.6 | 67.0 | 69.4 |
| Taxable | | | | | | |
| Global/international | 147.7 | 150.6 | (2%) | 154.5 | 165.0 | 163.7 |
| United States | 42.2 | 44.8 | (6%) | 46.6 | 48.2 | 50.0 |
| Total fixed income | 251.9 | 259.3 | (3%) | 266.7 | 280.2 | 283.1 |
| Cash Management | 10.1 | 9.3 | 9% | 9.1 | 10.4 | 6.6 |
| Total AUM | \$ 649.9 | \$ 717.1 | (9%) | \$ 724.1 | \$ 737.5 | \$ 753.8 |
| Average AUM for the Three-Month Period | \$ 683.2 | \$ 724.3 | (6%) | \$ 731.7 | \$ 751.8 | \$ 752.7 |

AUM AND FLOWS - UNITED STATES AND INTERNATIONAL ⁵

| <i>(in billions)</i> | As of and for the Three Months Ended | | | | | |
|------------------------------------|--------------------------------------|-------------|------------------|-------------|------------------|-------------|
| | 31-Dec-18 | % of Total | 30-Sep-18 | % of Total | 31-Dec-17 | % of Total |
| Long-Term Sales | | | | | | |
| United States | \$ 12.1 | 56% | \$ 11.8 | 52% | \$ 11.9 | 42% |
| International | 9.6 | 44% | 10.7 | 48% | 16.2 | 58% |
| Total long-term sales | \$ 21.7 | 100% | \$ 22.5 | 100% | \$ 28.1 | 100% |
| Long-Term Redemptions | | | | | | |
| United States | \$ (26.4) | 62% | \$ (22.9) | 58% | \$ (22.7) | 58% |
| International | (16.0) | 38% | (16.3) | 42% | (16.7) | 42% |
| Total long-term redemptions | \$ (42.4) | 100% | \$ (39.2) | 100% | \$ (39.4) | 100% |
| AUM | | | | | | |
| United States | \$ 433.7 | 67% | \$ 482.0 | 67% | \$ 497.2 | 66% |
| International | 216.2 | 33% | 235.1 | 33% | 256.6 | 34% |
| Total AUM | \$ 649.9 | 100% | \$ 717.1 | 100% | \$ 753.8 | 100% |

AUM AND FLOWS BY INVESTMENT OBJECTIVE

(in billions)

| for the three months ended December 31, 2018 | Equity | | | Fixed Income | | | | Cash Management | Total |
|--|--------------------------|------------------|------------------------------|----------------|-------------------------------------|-----------------------------|----------------|--------------------|-------|
| | Global/ International | United States | Multi- Asset/ Balanced | Tax-Free | Taxable Global/ International | Taxable United States | | | |
| AUM at October 1, 2018 | \$ 194.4 | \$ 115.2 | \$ 138.9 | \$ 63.9 | \$ 150.6 | \$ 44.8 | \$ 9.3 | \$ 717.1 | |
| Long-term sales | 4.3 | 4.0 | 2.8 | 1.6 | 7.4 | 1.6 | — | 21.7 | |
| Long-term redemptions | (9.7) | (6.3) | (6.8) | (3.9) | (12.1) | (3.6) | — | (42.4) | |
| Long-term net exchanges | (0.4) | 0.1 | (0.2) | (0.2) | 0.2 | — | — | (0.5) | |
| Long-term reinvested distributions | 4.4 | 5.0 | 1.9 | 0.5 | 1.8 | 0.3 | — | 13.9 | |
| Net flows | (1.4) | 2.8 | (2.3) | (2.0) | (2.7) | (1.7) | — | (7.3) | |
| Net market change, distributions and other ⁴ | (27.0) | (20.9) | (11.8) | 0.1 | (0.2) | (0.9) | 0.8 | (59.9) | |
| AUM at December 31, 2018 | \$ 166.0 | \$ 97.1 | \$ 124.8 | \$ 62.0 | \$ 147.7 | \$ 42.2 | \$ 10.1 | \$ 649.9 | |

(in billions)

| for the three months ended September 30, 2018 | Equity | | | Fixed Income | | | | Cash Management | Total |
|--|--------------------------|------------------|------------------------------|----------------|-------------------------------------|-----------------------------|---------------|--------------------|-------|
| | Global/ International | United States | Multi- Asset/ Balanced | Tax-Free | Taxable Global/ International | Taxable United States | | | |
| AUM at July 1, 2018 | \$ 201.0 | \$ 109.6 | \$ 137.7 | \$ 65.6 | \$ 154.5 | \$ 46.6 | \$ 9.1 | \$ 724.1 | |
| Long-term sales | 4.3 | 4.5 | 3.8 | 1.2 | 7.2 | 1.5 | — | 22.5 | |
| Long-term redemptions | (11.5) | (5.9) | (5.4) | (2.7) | (10.0) | (3.7) | — | (39.2) | |
| Long-term net exchanges | (0.3) | 0.4 | 0.1 | (0.1) | (0.2) | — | — | (0.1) | |
| Long-term reinvested distributions | 0.2 | 0.1 | 1.1 | 0.5 | 1.0 | 0.3 | — | 3.2 | |
| Net flows | (7.3) | (0.9) | (0.4) | (1.1) | (2.0) | (1.9) | — | (13.6) | |
| Net market change, distributions and other ⁴ | 0.7 | 6.5 | 1.6 | (0.6) | (1.9) | 0.1 | 0.2 | 6.6 | |
| AUM at September 30, 2018 | \$ 194.4 | \$ 115.2 | \$ 138.9 | \$ 63.9 | \$ 150.6 | \$ 44.8 | \$ 9.3 | \$ 717.1 | |

(in billions)

| for the three months ended December 31, 2017 | Equity | | | Fixed Income | | | | Cash Management | Total |
|--|--------------------------|------------------|------------------------------|----------------|-------------------------------------|-----------------------------|---------------|--------------------|-------|
| | Global/ International | United States | Multi- Asset/ Balanced | Tax-Free | Taxable Global/ International | Taxable United States | | | |
| AUM at October 1, 2017 | \$ 209.8 | \$ 107.2 | \$ 143.3 | \$ 71.0 | \$ 165.0 | \$ 50.6 | \$ 6.3 | \$ 753.2 | |
| Long-term sales | 5.9 | 3.6 | 3.5 | 1.5 | 11.1 | 2.5 | — | 28.1 | |
| Long-term redemptions | (11.6) | (5.5) | (5.8) | (3.2) | (10.2) | (3.1) | — | (39.4) | |
| Long-term net exchanges | 0.1 | — | 0.1 | (0.2) | (0.3) | 0.2 | — | (0.1) | |
| Long-term reinvested distributions | 2.0 | 3.4 | 1.7 | 0.5 | 1.2 | 0.3 | — | 9.1 | |
| Net flows | (3.6) | 1.5 | (0.5) | (1.4) | 1.8 | (0.1) | — | (2.3) | |
| Net market change, distributions and other ⁴ | 5.8 | 0.7 | (0.1) | (0.2) | (3.1) | (0.5) | 0.3 | 2.9 | |
| AUM at December 31, 2017 | \$ 212.0 | \$ 109.4 | \$ 142.7 | \$ 69.4 | \$ 163.7 | \$ 50.0 | \$ 6.6 | \$ 753.8 | |

Notes

1. Net income (loss) represents net income (loss) attributable to Franklin Resources, Inc.
2. Taxes on income for the quarter ended December 31, 2017 includes an estimated income tax charge of \$1.1 billion resulting from enactment of the Tax Cuts and Jobs Act of 2017, which was based on information available as of December 31, 2017. The estimate decreased by \$0.8 million, \$9.7 million, \$89.6 million and \$0.4 million during the quarters ended March 31, 2018, June 30, 2018, September 30, 2018 and December 31, 2018, and may be further adjusted in the future upon issuance of additional technical guidance, legislative updates from states on tax reform, and the completion of the Company's tax return filings for fiscal year 2018.
3. Average AUM represents simple monthly average AUM.
4. Net market change, distributions and other includes appreciation (depreciation), distributions to investors that represent return on investments and return of capital, foreign exchange revaluation and net cash management.
5. International includes North America-based advisors serving non-resident clients.

Franklin Resources, Inc. is a global investment management organization operating as Franklin Templeton. Franklin Templeton provides global and domestic investment management to retail, institutional and sovereign wealth clients in over 170 countries. Through specialized teams, the Company has expertise across all asset classes – including equity, fixed income, alternative and custom solutions. The Company's more than 600 investment professionals are supported by its integrated, worldwide team of risk management professionals and global trading desk network. With offices in more than 30 countries, the California-based company has over 70 years of investment experience and \$649.9 billion in AUM as of December 31, 2018. The Company posts information that may be significant for investors in the Investor Relations and News Center sections of its website, and encourages investors to consult those sections regularly. For more information, please visit investors.franklinresources.com.

Forward-Looking Statements

Statements in this press release regarding Franklin Resources, Inc. ("Franklin") and its subsidiaries, which are not historical facts, are "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. When used in this press release, words or phrases generally written in the future tense and/or preceded by words such as "will," "may," "could," "expect," "believe," "anticipate," "intend," "plan," "seek," "estimate" or other similar words are forward-looking statements.

Forward-looking statements involve a number of known and unknown risks, uncertainties and other important factors, some of which are listed below, that could cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements. While forward-looking statements are our best prediction at the time that they are made, you should not rely on them and are cautioned against doing so. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. They are neither statements of historical fact nor guarantees or assurances of future performance.

These and other risks, uncertainties and other important factors are described in more detail in Franklin's recent filings with the U.S. Securities and Exchange Commission, including, without limitation, in Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations in Franklin's Annual Report on Form 10-K for the fiscal year ended September 30, 2018 and Franklin's subsequent Quarterly Report on Form 10-Q:

- Volatility and disruption of the capital and credit markets, and adverse changes in the global economy, may significantly affect our results of operations and may put pressure on our financial results.
- The amount and mix of our AUM are subject to significant fluctuations.
- We are subject to extensive, complex, overlapping and frequently changing rules, regulations, policies, and legal interpretations.
- Global regulatory and legislative actions and reforms have made the regulatory environment in which we operate more costly and future actions and reforms could adversely impact our financial condition and results of operations.
- Failure to comply with the laws, rules or regulations in any of the jurisdictions in which we operate could result in substantial harm to our reputation and results of operations.
- Changes in tax laws or exposure to additional income tax liabilities could have a material impact on our financial condition, results of operations and liquidity.
- Any significant limitation, failure or security breach of our information and cyber security infrastructure, software applications, technology or other systems that are critical to our operations could disrupt our business and harm our operations and reputation.

- Our business operations are complex and a failure to properly perform operational tasks or the misrepresentation of our services and products, or the termination of investment management agreements representing a significant portion of our AUM, could have an adverse effect on our revenues and income.
- We face risks, and corresponding potential costs and expenses, associated with conducting operations and growing our business in numerous countries.
- We depend on key personnel and our financial performance could be negatively affected by the loss of their services.
- Strong competition from numerous and sometimes larger companies with competing offerings and products could limit or reduce sales of our products, potentially resulting in a decline in our market share, revenues and income.
- Changes in the third-party distribution and sales channels on which we depend could reduce our income and hinder our growth.
- Our increasing focus on international markets as a source of investments and sales of our products subjects us to increased exchange rate and market-specific political, economic or other risks that may adversely impact our revenues and income generated overseas.
- Harm to our reputation or poor investment performance of our products could reduce the level of our AUM or affect our sales, and negatively impact our revenues and income.
- Our future results are dependent upon maintaining an appropriate level of expenses, which is subject to fluctuation.
- Our ability to successfully manage and grow our business can be impeded by systems and other technological limitations.
- Our inability to successfully recover should we experience a disaster or other business continuity problem could cause material financial loss, loss of human capital, regulatory actions, reputational harm, or legal liability.
- Regulatory and governmental examinations and/or investigations, litigation and the legal risks associated with our business, could adversely impact our AUM, increase costs and negatively impact our profitability and/or our future financial results.
- Our ability to meet cash needs depends upon certain factors, including the market value of our assets, operating cash flows and our perceived creditworthiness.
- We are dependent on the earnings of our subsidiaries.

Any forward-looking statement made by us in this press release speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

###