Media Release
2 June 2022

Franklin Templeton to Acquire Alcentra from BNY Mellon

- *Transaction will double the size of Benefit Street Partners' assets under management to $77 billion*
- *Increase Franklin Templeton's alternative assets under management to $257 billion*
- *BNY Mellon and Alcentra will continue distribution and asset servicing relationship*

Franklin Resources, Inc. [NYSE:BEN], a global investment management organization operating as Franklin Templeton, and The Bank of New York Mellon Corporation [NYSE:BK] ("BNY Mellon") today announced that Franklin Templeton has entered into a definitive agreement to acquire BNY Alcentra Group Holdings, Inc. (together with its subsidiaries, "Alcentra") from BNY Mellon.

One of the largest European credit and private debt managers, Alcentra has $38 billion in assets under management ("AUM") with global expertise in senior secured loans, high yield bonds, private credit, structured credit, special situations and multi-strategy credit strategies.

Through this acquisition, Franklin Templeton's U.S. alternative credit specialist investment manager, Benefit Street Partners ("BSP"), will expand its alternative credit capabilities and presence in Europe, doubling its assets under management to $77 billion globally. The transaction will also continue to strengthen the breadth and scale of Franklin Templeton's alternative asset strategies and brings firmwide alternative assets under management to $257 billion after the transaction closes.

"We're delighted to announce the acquisition of Alcentra and look forward to welcoming its talented team to our firm," said Jenny Johnson, President and CEO of Franklin Templeton.

"We have been deliberate in building our alternative asset management capabilities over recent years and the acquisition of Alcentra is an important aspect of our alternative asset strategy – the expansion into alternative European credit. Alternative investments represent a significant diversification tool for our clients and an area of increasing importance for both individual and institutional investors. This acquisition expands our long-standing relationship with BNY Mellon, and we are pleased that the structure of the transaction achieves objectives for both Franklin Templeton and BNY Mellon in the context of current market conditions."

The transaction is expected to be completed early in the first calendar quarter of 2023, subject to customary closing conditions, including certain regulatory approvals. The acquisition will be funded from Franklin Templeton's existing balance sheet resources and is expected to be immediately accretive to adjusted earnings per share. Franklin Templeton will pay $350 million in cash at close and up to a further $350 million in contingent consideration dependent on the achievement of certain performance thresholds over the next four years. In addition, Franklin Templeton has committed to purchase all seed capital investments from BNY Mellon related to Alcentra which, as of March 31, 2022, were valued at approximately $305 million. The seed capital investments will be valued at the time of close to determine the final seed capital purchase amount. An investor presentation on the transaction is available via investors.franklintempleton.com.

Upon closing, BNY Mellon Investment Management will continue to offer Alcentra's capabilities in BNY Mellon's sub-advised funds and in select regions via its global distribution platform, and BNY Mellon will provide Alcentra with ongoing asset servicing support. At close, BNY Mellon expects the transaction to increase BNY Mellon's Common Equity Tier 1 capital by approximately $0.5 billion.

Founded in 2002, Alcentra employs a disciplined, value-oriented approach to evaluating individual investments and constructing portfolios across its investment strategies on behalf of more than 500 institutional investors. Alcentra's dedicated and highly experienced team of approximately 180 professionals is based in its London headquarters, as well as in New York and Boston.

Tom Gahan, CEO of BSP and Head of Franklin Templeton Alternatives, added, "We believe the addition of Alcentra will elevate Franklin Templeton and BSP to a leading position in global alternative credit. Alcentra is highly complementary to our existing U.S. capabilities, with no overlap in Europe. This partnership will unlock new opportunities to offer broader global credit solutions to our clients who are increasingly allocating capital to this growing asset class. We look forward to working closely with the Alcentra team."

Hanneke Smits, CEO of BNY Mellon Investment Management, said, "We're extremely pleased to be strengthening the partnership with Franklin Templeton and continuing to offer Alcentra's credit capabilities as part of the broad range of alternative solutions we already offer today. We look forward to ongoing collaboration with the combined institution through distribution and further building on BNY Mellon's existing asset servicing arrangement."

Jon DeSimone, CEO of Alcentra, added, "Today's announcement is the beginning of an exciting new chapter for Alcentra as a dynamic credit partner for our investors. BNY Mellon has provided strong support over the years and has contributed significantly to our growth with assets under management doubling since 2014. The global combination of Franklin Templeton and BSP's highly complementary capabilities will enable us to collectively provide clients with solutions across the credit spectrum."

Morgan Stanley & Co. LLC and UBS Investment Bank served as financial advisors to Franklin Templeton and Willkie Farr & Gallagher LLP served as legal counsel. Ardea Partners served as financial advisor to BNY Mellon and Sullivan & Cromwell LLP served as legal counsel.

About Franklin Templeton
Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 155 countries. Franklin Templeton's mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company offers boutique specialization on a global scale, bringing extensive capabilities in fixed income, equity, alternatives, and multi-asset solutions. With offices in more than 30 countries and approximately 1,300 investment professionals, the California-based company has 75 years of investment experience and approximately $1.5 trillion in assets under management as of April 30, 2022. For more information, please visit franklinresources.com.

About Benefit Street Partners
Benefit Street Partners L.L.C. is a leading credit-focused alternative asset management firm with approximately $39 billion in assets under management as of March 31, 2022. BSP manages assets across a broad range of complementary credit strategies, including private/opportunistic debt, structured credit, high yield, special situations, long-short liquid credit and commercial real estate debt. Based in New York, the BSP platform was established in 2008. BSP is a wholly owned subsidiary of Franklin Resources, Inc. For further information, please visit www.benefitstreetpartners.com.

About BNY Mellon
BNY Mellon is a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment lifecycle. Whether providing financial services for institutions, corporations or individual investors, BNY Mellon delivers informed investment and wealth management and investment services in 35 countries. As of March 31, 2022, BNY Mellon had $45.5 trillion in assets under custody and/or administration, and $2.3 trillion in assets under management. BNY Mellon can act as a single point of contact for clients looking to create, trade, hold, manage, service, distribute or restructure investments. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation (NYSE: BK). Additional information is available on www.bnymellon.com. Follow us on Twitter @BNYMellon or visit our newsroom at www.bnymellon.com/newsroom for the latest company news.

About Alcentra
Founded in 2002, Alcentra is one of Europe's largest and longest tenured managers of private debt with $38 billion in assets under management as of April 30, 2022 (including accounts managed by Alcentra NY, LLC, Alcentra Limited, and assets managed by Alcentra personnel for affiliates under dual officer arrangements). Strategies include senior loans, high yield bonds, private credit, structured credit, special situations, and multi-strategy credit. Alcentra is a subsidiary of The Bank of New York Mellon Corporation and is headquartered in London, with offices in New York and Boston.

Forward-Looking Statements
Statements in this press release that 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," "preliminary" or other similar words are forward-looking statements.

Various forward-looking statements in this press release relate to the acquisition by Franklin Resources, Inc. ("Franklin") of Alcentra from BNY Mellon, including regarding expected scale opportunities, operating efficiencies and results, growth, client and stockholder benefits, key assumptions, timing of closing of the transaction, revenue realization, cost and expense synergies, financial benefits or returns, accretion and integration costs, an increase to BNY Mellon's Common Equity Tier 1 capital and the freeing up of seed capital.

These forward-looking statements are based upon current beliefs and expectations and are subject to 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. Important transaction-related and other risk factors that may cause such differences include, but are not limited to the following: (i) the occurrence of any event, change or other circumstances that could give rise to the termination of the acquisition agreement; (ii) the transaction closing conditions may not be satisfied in a timely manner or at all, including due to the failure to obtain Alcentra regulatory and client approvals; (iii) the announcement and pendency of the acquisition may disrupt Alcentra's business operations (including the threatened or actual loss of employees, clients or suppliers); (iv) Alcentra could experience financial or other setbacks if the transaction encounters unanticipated problems; (v) anticipated benefits of the transaction, including the realization of revenue, accretion, financial benefits or returns, the expected increase to BNY Mellon's Common Equity Tier 1 capital and the freeing up of seed capital,may not be fully realized or may take longer to realize than expected; (vi) the performance thresholds for the contingent consideration may not be satisfied, in whole or in part; and (vii) Franklin may be unable to successfully integrate Alcentra's businesses with those of Franklin or to integrate the businesses within the anticipated timeframe.

Other important factors that may affect Franklin's business or the combined business' future operating results, include, but are not limited to the following: (i) volatility and disruption of the capital and credit markets, and adverse changes in the global economy, may significantly affect Franklin's results of operations and may put pressure on Franklin's financial results; (ii) the amount and mix of AUM are subject to significant fluctuations; (iii) the significant risk of asset volatility from changes in the global financial, equity, debt and commodity markets; (iv) harm to Franklin's, or Alcentra's, reputation may negatively impact revenues and income; (v) Franklin may review and pursue other strategic transactions that could pose risks to Franklin's business operations; (vi) strong competition from numerous and sometimes larger companies with competing offerings and products could limit or reduce sales of Franklin's products, potentially resulting in a decline in their market share, revenues and income; (vii) the ability to manage and grow Franklin's business and the combined business successfully can be impeded by systems and other technological limitations; (viii) dependence on key personnel could negatively affect financial performance; (ix) the businesses are subject to extensive, complex, and frequently changing rules, regulations, policies, and legal interpretations; (x) Franklin's contractual obligations may subject it to indemnification costs and liability to third parties; (xi) any significant limitation, failure or security breach of information and cyber security infrastructure, software applications, technology or other systems that are critical to operations could disrupt the businesses and harm operations and reputation; and (xii) regulatory and governmental examinations and/or investigations, litigation and the legal risks associated with the businesses, could adversely impact AUM, increase costs and negatively impact profitability and/or Franklin's future financial results.

For a detailed discussion of other risk factors regarding Franklin and BNY Mellon, please refer to the risks, uncertainties and factors described in Franklin's and BNY Mellon's recent filings with the U.S. Securities and Exchange Commission, including, without limitation, Franklin's and BNY Mellon's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q and subsequent periodic and current reports.

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

For all media queries or for more information on this topic, please contact:

Simrita Virk

E: simrita.virk@shedconnect.com