

Great-West Lifeco announces sale of Putnam Investments to Franklin Templeton

Transaction unlocks the value of Putnam, and facilitates the continued focus of Lifeco's U.S. strategy on retirement and personal wealth

Lifeco, Power, and Franklin Templeton will enter into a strategic partnership to drive value for all stakeholders

- Great-West Lifeco has agreed to sell Putnam Investments to Franklin Templeton, a leading at-scale and diversified global asset manager with a broad range of investment and distribution capabilities
- The transaction unlocks the value of Putnam Investments and facilitates the continued focus of Lifeco's U.S. strategy on retirement and personal wealth
- Great-West Lifeco will hold a 4.9% interest in Franklin Templeton on a long-term basis and will retain its controlling interest in PanAgora, a leading quantitative asset manager, complementing its ownership in other North American and European asset managers
- Great-West Lifeco to allocate initial US\$25 billion of AUM to Franklin Templeton

WINNIPEG – May 31, 2023 – Great-West Lifeco Inc. ("Lifeco") [TSX: GWO] today announced that Franklin Resources, Inc. [NYSE: BEN], operating as Franklin Templeton, one of the world's largest independent and diversified asset managers, has agreed to acquire Putnam Investments from Lifeco. The total potential transaction consideration and retained value is estimated to be US\$1.7-1.8 billion. Franklin Templeton will pay upfront consideration of US\$950 million-1.0 billion, consisting of 33.33 million Franklin Templeton shares at closing and US\$100 million in cash 6 months after closing, and up to US\$375 million payable between 3 and 7 years after close, tied to the growth of the partnership. Lifeco will retain PanAgora, and realize the value of Putnam's seed capital, which, together with closing adjustments, are estimated to be worth US\$375-425 million. Lifeco will also retain certain deferred tax assets related to Putnam.

Lifeco, Power Corporation of Canada ("Power") [TSX: POW], and Franklin Templeton have entered a strategic partnership to distribute Franklin Templeton products for the benefit of clients, distribution partners, and shareholders. Lifeco will provide an initial long-term asset allocation amount of US\$25 billion assets under management (AUM)¹ to Franklin's specialist investment managers within 12 months of closing with the potential for that amount to increase over the next several years.

"Franklin Templeton is a diversified global asset management firm, well-positioned to take Putnam's strengths to the next level," said Paul Mahon, President and Chief Executive Officer of Lifeco. "As client needs for asset management continue to evolve, Franklin Templeton's scale and breadth, together with Putnam's complementary capabilities will drive positive outcomes for our companies, our clients, and our investors."

Mr. Mahon continued, "This transaction furthers Lifeco's strategy of building and extending strategic partnerships with best-in-class asset managers to support our clients' retirement, group benefits, and personal wealth management needs."

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¹ Assets Under Management (AUM) is a non-GAAP financial measure. Additional information regarding this measure for Great-West Lifeco is incorporated by reference and can be found in the Non-GAAP Financial Measures and Ratios section of Great-West Lifeco Q1 2023 MD&A, which can be accessed at www.sedar.com.

“This is a compelling transaction for Franklin Templeton, and we are excited about the numerous opportunities that will be unlocked by this long-term strategic partnership with Power and Lifeco,” said Jenny Johnson, President and CEO of Franklin Templeton. “Power and Lifeco are global leaders across financial services, particularly wealth, insurance, and retirement channels. With outstanding investment performance, Putnam will add complementary capabilities to our existing specialist investment managers to meet the varied needs of our clients and will increase Franklin Templeton’s defined contribution AUM. We are pleased to welcome Lifeco as a strategic investor, along with the impressive team at Putnam Investments.”

“Combining Putnam’s asset management business with Franklin Templeton’s scaled and diversified platform is an exceptional opportunity for our company,” said Mr. Robert Reynolds, Chief Executive Officer of Putnam Investments. “Critical to this transaction is the strong alignment between our organizations. We share a client-centric culture, a core belief in active management, a collaborative and research-based investment approach, and a long-held commitment to fundamental investment principles. Together, we will continue serving our clients and upholding our commitment to them and their needs. We look forward to joining Franklin Templeton in the next phase of our growth.”

The transaction is expected to close in the fourth quarter of 2023, contingent on regulatory and other customary conditions. Lifeco has agreed to retain shares representing approximately 4.9% of outstanding Franklin Templeton stock for a minimum 5-year period.

Morgan Stanley & Co. LLC and Rockefeller Capital Management served as financial advisors and Sullivan & Cromwell LLP served as legal counsel to Lifeco and Putnam Investments.

Conference call and webcast details

Lifeco will hold a conference call and webcast on the transaction on **Wednesday, May 31 at 10:00 a.m. ET**. The call and webcast can be accessed through greatwestlifeco.com/news-events/events or by phone at:

- Participants in North America: 1-800-319-4610
- Participants in the Toronto area: 1 416-915-3239

Following the call, the webcast and presentation will be available at greatwestlifeco.com. The replay of the call will be available until June 30, 2023 by calling **1-855-669-9658** or **1-604-674-8052** (passcode: 0234).

About Putnam Investments

Founded in 1937, Putnam Investments is a global money management firm with over 85 years of investment experience. At the end of January 2023, Putnam had over US\$170 billion in assets under management. Putnam has offices in Boston, London, Munich, Singapore, Sydney and Tokyo. For more information, visit putnam.com.

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 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 over 75 years of investment experience and approximately US\$1.4 trillion in assets under management as of April 30, 2023. For more information, please visit franklinresources.com.

About Great-West Lifeco Inc.

Great-West Lifeco is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. We operate in Canada, the United States and Europe under the brands Canada Life, Empower, Putnam Investments, and Irish Life. At the end of 2022, our companies had approximately 31,000 employees, 234,500 advisor relationships, and thousands of distribution partners – all serving over 38 million customer relationships across these regions. Great-West Lifeco trades on the Toronto Stock Exchange (TSX) under the ticker symbol GWO and is a member of the Power Corporation group of companies. To learn more, visit greatwestlifeco.com.

Cautionary Note regarding Forward-Looking Information

This release contains forward-looking information. Forward-looking information includes statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "will", "may", "expects", "anticipates", "intends", "plans", "believes", "estimates", "objective", "target", "potential" and other similar expressions or negative versions thereof. Forward-looking information includes, without limitation, statements about the timing and completion of the proposed sale of Putnam Investments, the timing and payment of contingent consideration under the proposed sale, expected benefits to Great-West Lifeco ("Lifeco", or the "Company"), Putnam and Franklin Templeton resulting from the proposed transaction and strategic partnership (including but not limited to statements about the economic value of Putnam, value creation and realization, growth opportunities, investment and distribution capabilities, and equity participation in Franklin Templeton), statements about the financial impact to the Company of the proposed sale, statements about future distributions/allocations under the proposed strategic partnership, and other statements concerning the Company and the operations, business, financial condition, expected financial performance, ongoing business strategies or prospects, and possible future actions of the Company, Putnam and Franklin Templeton.

Forward-looking statements are based on expectations, forecasts, estimates, predictions, projections and conclusions about future events that were current at the time of the statements and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally, including the insurance, asset management, personal wealth and retirement industries. This information has been provided to the reader to give an indication of the Company's current expectations concerning the impact of the proposed sale of Putnam Investments and such statements may not be suitable for other purposes. They are not guarantees of future performance, and the reader is cautioned that actual events and results could differ materially from those expressed or implied by forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance that they will prove to be correct. In all cases, whether or not actual results differ from forward-looking information may depend on numerous factors, developments and assumptions, including, without limitation, achievement or waiver of conditions to closing of the proposed sale of Putnam Investments, assumptions around sales, fee rates, asset breakdowns, lapses, plan contributions, redemptions and market returns, customer behaviour (including customer response to new products), the Company's reputation, market prices for products provided, sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy and plan lapse rates, participant net contribution, reinsurance arrangements, liquidity requirements, capital requirements, credit ratings, taxes, inflation, interest and foreign exchange rates, investment values, hedging activities, global equity and capital markets (including continued access to equity and debt markets), industry sector and individual debt issuers' financial conditions (particularly in certain industries that may comprise part of the Company's investment portfolio), business competition, impairments of goodwill and other intangible assets, the Company's ability to execute strategic plans and changes to strategic plans, technological changes, breaches or failure of information systems and security (including cyber attacks), payments required under investment products, changes in local and international laws and regulations, changes in accounting policies and the effect of applying future accounting policy changes, changes in actuarial standards, unexpected judicial or regulatory proceedings, catastrophic events, continuity and availability of personnel and third party service providers, the Company's ability to complete strategic transactions and integrate acquisitions, unplanned material changes to the Company's facilities, customer and employee relations or credit arrangements, levels of administrative and operational efficiencies, changes in trade organizations, and other general economic, political and market factors in North America and internationally. The reader is cautioned that the foregoing list of assumptions and factors is not exhaustive, and there may be other factors listed in the Company's filings with securities regulators, including factors set out in the Company's 2022 Annual MD&A under "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates" and in the Company's annual information form dated February 8, 2023 under "Risk Factors", which, along with other filings, are available for review at www.sedar.com. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to place undue reliance on forward-looking information. Other than as specifically required by applicable law, the Company does not intend to update any forward-looking information whether as a result of new information, future events or otherwise.

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